DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE IDM-E 797 DMEA NO. 3032

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

✓ Interim Royalty Audits
✓ Reports of Royalty Review
✓ Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
✓ Report of Review
✓ Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓ Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
✓ Owner's Consent to Lien
Subordination Agreement
✓ Leases and assignments of leases
✓ Application and attachments
(3) ✓ Envelope for maps

Right Side

✓ Project summary
✓ Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report (Tab)
✓ Operator's Final Report
(2R) ✓ Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

✓ Folder No. 2: (In chron. order)
~~Interim Summary Reports by W. O. Engineers~~
Semiannual Report of Certified Project

Right Side

~~Operator's Semi-Annual Report for Certifi~~ MF-104 + Settlement
~~Project, Field Team Interim Reports~~,
Monthly Report with transmittal, na
maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with ti
and show reference to related document or correspondence.)

Folder No. 4: ~~Settlement Sheets~~

Folder No. 5: Drill Logs

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
Audit Operations
Washington, D.C.

Report of Royalty Review-Contract IDM-E797
Docket No. DMEA-3632 (Uranium)
Colamer Corporation (Operator)
State Claims
McKinley County, New Mexico

Report Issued: June 1967

An examination of the records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to the collection of royalty payable to the Government under provisions of the subject contract was made at Washington, D.C., on May 24 and 26, 1967.

Under the provisions of this contract and Amendment No. 2 thereof the Government is entitled to royalty on the value of all production of minerals from the land subject to the contract during a period of 11 years from the date of the contract, May 17, 1955, or until the amount of the Government's participation in the exploration costs, $59,268, has been refunded without interest, whichever occurs first.

Prior reviews by OME auditors determined that proper royalty amounting to $25,238.02 had been received applicable to the period May 17, 1955, through September 18, 1963.

A royalty review made on December 8 and 9, 1966, determined that W. D. Tripp commenced operation of the mine in November 1964 and sold the uranium ore produced by him to Homestake-Sapin Partners. The latter company withheld from settlements with Mr. Tripp a total of $2,954.25 and had paid that amount to the Government prior to December 9, 1966, the last settlement being for July 1966 covered by the buyer's liquidation No. 708. This liquidation related to 5 lots of ore reported as received at the mill during April, June, and July 1966 and consisted

of 3.226.996 dry tons of ore having a value of $32,080.96 or approximately $9.95 per ton. Homestake withheld and paid royalty amounting to $968.43 at the 3 percent rate provided by the contract for ore of such value. The fact that royalty was actually paid on the June and July 1966 shipments indicated that the ore might have been mined or produced prior to May 17, 1966, and raised the question of whether or not there was other production prior to that date on which royalty was due.

In a letter dated March 21, 1967, Homestake advised OME that they had been under the impression that the royalty repayment period would expire on May 17, 1967, and had made royalty withholdings on that basis and that the June and July 1966 shipments were from production subsequent to May 17, 1966. Homestake further advised the property was leased to James J. Goode on August 19, 1966, and that royalty had been paid to the Government in the amount of $236.79 applicable to Mr. Goode's production. OME and Branch of Budget and Finance records indicate receipt of such amount during the period December 13, 1966, through March 17, 1967.

The present review indicates that royalty has been received by the Government in the amount of $905.58 applicable to production after May 17, 1966, determined as follows:

		Royalty Rate	Royalty Amount
Sold by W. D. Tripp (3 lots of liquid No. 708)			
Wet tons 2,303.74			
Dry tons 2,203.58			
Pounds U_3O_8 6,786.79			
Value			
U_3O_8 @ $2.52/pound	$17,102.71		
Development allowance @ 50¢/pound	3,393.40		
Hauling allowance @ 6¢ wet ton mile - 13 miles	1,796.92		
Total value	$22,293.03	3%	$668.79
Sold by James J. Goode	$15,785.75	1½%	236.79
Total royalty received applicable to production subsequent to May 17, 1966			$905.58

C. E. Fisher, Auditor

Reviewed by:

Dwight E. Savage, Office of Survey and Review

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Royalty Review - Contract IDM-E797
Docket No. DME-3632 (Uranium)
Colamer Corporation (Operator)
State Claims
McKinley County, New Mexico

Report Issued: December 1966

An examination of the records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to the collection of royalty payable to the Government under provisions of the subject contract was made at Washington, D.C., on December 8 and 9, 1966.

This contract, dated May 17, 1955, was executed on behalf of the Government by the Defense Minerals Exploration Administration, predecessor to the Office of Minerals Exploration. The contract provides that in the event the Government shall certify that a discovery or development has resulted from the exploration work the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on the value of all minerals produced from the land described in the contract during a period of 11 years from the date of the contract or until the amount of the Government's contribution to the exploration costs had been repaid, without interest, whichever occurs first. A certification of discovery or development was issued on February 4, 1957. The Government's contribution to the exploration costs amounted to $59,268.

Previous royalty reviews made by DMEA and OME auditors covered the period from May 17, 1955, through September 18, 1963. These reviews found that proper royalty amounting to $25,268.47 had been received by the Government as of the latter date and that no mining operations were being conducted at that time. The current review of the records and files has been limited to the period subsequent to September 18, 1963.

The OME files indicate that sales of uranium ore produced from the property were made by W. D. Tripp, P. O. Box 412, Cortez, Colorado, commencing in November 1964. Homestake-Sapin Partners, P. O. Box 98, Grants, New Mexico, the purchasers of the ore as agent for the Atomic Energy Commission, has withheld the Government's royalty from monthly settlements made with Mr. Tripp and has paid $2,954.25 to OME applicable to the value of purchases during the period November 1964 through July 1966. The Field Officer, OME, Region III, Denver, Colorado, has verified the quantities of uranium reported as purchased with the records of the Grand Junction, Colorado, Office of the A.E.C. Our review has included a recomputation of the settlements made and the amount of royalty paid to the Government.

The last royalty payment received relates to buyer's liquidation No. 708, the settlement for July 1966. An IBM run attached to the copy of the liquidation statement indicates that the ore came from "Stock Pile Number 1" on various dates as follows:

Dates	Lot Nos.	Pounds U308
4 - 1 - 66	7162	626.50
4 - 28 - 66	7245	2,337.91
6 - 7 - 66	7360	3,592.22
6 - 30 - 66	7436	2,104.97
7 - 27 - 66	7513	1,089.60
Total		9,751.20

Under provisions of the exploration contract, the Government is entitled to royalty on the value of any production from the land described in the contract prior to May 17, 1966, regardless of the date when such production may be sold. While it is apparent that lots Nos. 7162 and 7245 represented production prior to May 17, 1966, the record is not clear as to when the other three lots were actually "produced." Also, it is possible that other "production" prior to the expiration date on which the Government is entitled to royalty may be stockpiled.

C. E. Fisher

C. E. Fisher, Auditor

Reviewed By:

Dwight E. Savage

Dwight E. Savage, Office of Survey and Review

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UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
Audit Operations
Washington, D.C.

Report of Royalty Review-Contract IDM-E797
Docket No. DMEA-3632 (Uranium)
Colamer Corporation (Operator)
State Claims
McKinley County, New Mexico

Report Issued: June 1967

An examination of the records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to the collection of royalty payable to the Government under provisions of the subject contract was made at Washington, D.C., on May 24 and 26, 1967.

Under the provisions of this contract and Amendment No. 2 thereof the Government is entitled to royalty on the value of all production of minerals from the land subject to the contract during a period of 11 years from the date of the contract, May 17, 1955, or until the amount of the Government's participation in the exploration costs, $59,268, has been refunded without interest, whichever occurs first.

Prior reviews by OME auditors determined that proper royalty amounting to $25,238.02 had been received applicable to the period May 17, 1955, through September 18, 1963.

A royalty review made on December 8 and 9, 1966, determined that W. D. Tripp commenced operation of the mine in November 1964 and sold the uranium ore produced by him to Homestake-Sapin Partners. The latter company withheld from settlements with Mr. Tripp a total of $2,954.25 and had paid that amount to the Government prior to December 9, 1966, the last settlement being for July 1966 covered by the buyer's liquidation No. 708. This liquidation related to 5 lots of ore reported as received at the mill during April, June, and July 1966 and consisted

of 3.226.996 dry tons of ore having a value of $32,080.96 or approximately $9.95 per ton. Homestake withheld and paid royalty amounting to $968.43 at the 3 percent rate provided by the contract for ore of such value. The fact that royalty was actually paid on the June and July 1966 shipments indicated that the ore might have been mined or produced prior to May 17, 1966, and raised the question of whether or not there was other production prior to that date on which royalty was due.

In a letter dated March 21, 1967, Homestake advised OME that they had been under the impression that the royalty repayment period would expire on May 17, 1967, and had made royalty withholdings on that basis and that the June and July 1966 shipments were from production subsequent to May 17, 1966. Homestake further advised the property was leased to James J. Goode on August 19, 1966, and that royalty had been paid to the Government in the amount of $236.79 applicable to Mr. Goode's production. OME and Branch of Budget and Finance records indicate receipt of such amount during the period December 13, 1966, through March 17, 1967.

The present review indicates that royalty has been received by the Government in the amount of $905.58 applicable to production after May 17, 1966, determined as follows:

		Royalty Rate	Royalty Amount
Sold by W. D. Tripp (3 lots of liquid No. 708)			
Wet tons 2,303.74			
Dry tons 2,203.58			
Pounds U_3O_8 6,786.79			
Value			
U_3O_8 @ $2.52/pound	$17,102.71		
Development allowance @ 50¢/pound	3,393.40		
Hauling allowance @ 6¢ wet ton mile - 13 miles	1,796.92		
Total value	$22,293.03	3%	$668.79
Sold by James J. Goode	$15,785.75	1½%	236.79
Total royalty received applicable to production subsequent to May 17, 1966			$905.58

C. E. Fisher

C. E. Fisher, Auditor

Reviewed by:

Dwight E. Savage

Dwight E. Savage, Office of Survey and Review

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Royalty Review - Contract IDM-1797
Docket No. DMS-3632 (Uranium)
Colamar Corporation (Operator)
State Claims
McKinley County, New Mexico

Report Issued: December 1966

An examination of the records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to the collection of royalty payable to the Government under provisions of the subject contract was made at Washington, D.C., on December 8 and 9, 1966.

This contract, dated May 17, 1955, was executed on behalf of the Government by the Defense Minerals Exploration Administration, predecessor to the Office of Minerals Exploration. The contract provides that in the event the Government shall certify that a discovery or development has resulted from the exploration work the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on the value of all minerals produced from the land described in the contract during a period of 11 years from the date of the contract or until the amount of the Government's contribution to the exploration costs had been repaid, without interest, whichever occurs first. A certification of discovery or development was issued on February 4, 1957. The Government's contribution to the exploration costs amounted to $59,268.

Previous royalty reviews made by DMRA and OME auditors covered the period from May 17, 1955, through September 18, 1963. These reviews found that proper royalty amounting to $25,268.47 had been received by the Government as of the latter date and that no mining operations were being conducted at that time. The current review of the records and files has been limited to the period subsequent to September 18, 1963.

The OME files indicate that sales of uranium ore produced from the property were made by W. D. Tripp, P. O. Box 412, Cortez, Colorado, commencing in November 1964. Homestake-Sapin Partners, P. O. Box 98, Grants, New Mexico, the purchasers of the ore as agent for the Atomic Energy Commission, has withheld the Government's royalty from monthly settlements made with Mr. Tripp and has paid $2,954.25 to OME applicable to the value of purchases during the period November 1964 through July 1966. The Field Officer, OME, Region III, Denver, Colorado, has verified the quantities of uranium reported as purchased with the records of the Grand Junction, Colorado, Office of the A.E.C. Our review has included a recomputation of the settlements made and the amount of royalty paid to the Government.

The last royalty payment received relates to buyer's liquidation No. 708, the settlement for July 1966. An IBM run attached to the copy of the liquidation statement indicates that the ore came from "Stock Pile Number 1" on various dates as follows:

Dates	Lot Nos.	Pounds U_3O_8
4 - 1 - 66	7162	626.50
4 - 22 - 66	7245	2,337.31
6 - 7 - 66	7360	3,5[illegible]8.22
6 - 30 - 66	7436	2,104.[illegible]7
7 - 27 - 66	7513	1,0[illegible].60
Total		[illegible],731.29

Under provisions of the exploration contract, the Government is entitled to royalty on the value of any production from the land described in the contract prior to May 17, 1966, regardless of the date when such production may be sold. While it is apparent that lots Nos. 7162 and 7245 represented production prior to May 17, 1966, the record is not clear as to when the other three lots were actually "produced." Also, it is possible that other "production" prior to the expiration date on which the Government is entitled to royalty may be stockpiled.

C. E. Fisher
C. E. Fisher, Auditor

Reviewed By:

Dwight E. Savage
Dwight E. Savage, Office of Survey and Review

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E797, Docket DMEA-3632 (uranium), dated May 17, 1955, with

Colamar Corporation
1016 West Santa Fe
Grants, New Mexico

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the State Claims located in McKinley County, New Mexico, during the period December 6, 1960, through September 18, 1963.

A certification of discovery or development was issued on February 4, 1957, and, in accordance with Article 7 and Amendment No. 2 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated January 25, 1957, indicated accepted costs under the exploration contract amounting to $79,023.98 with the Government's contribution on a 75 percent basis being $59,268.00.

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

This review found the total sales subject to the Government's royalty for the period to be $1,014.92. Royalty payable to the Government at the rate specified in the contract is $30.45.

A prior Report of Royalty Review found the sales subject to the Government's royalty through December 5, 1960, to be $505,281.41, which added to the sales for this subsequent period make a total of $506,296.33. The royalty account as of December 5, 1960, was:

Total Royalty Payable	$25,238.02
Total Royalty Paid	25,242.36
Overpayment of Royalty	$ 4.34

As of September 18, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$25,268.47
Total Royalty Paid	25,268.47
Balance of Royalty Due	$ -0-

E. D. Talbert, OME Auditor

September 24, 1963

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of 27 unpatented claims (State Nos. 1 through 27) in sec. 8, T. 13 N., R. 9 W., N.M.P.M., Ambrosia Lake area, Grants mining district. At the time the contract was executed the Operator was in possession by virtue of the December 11, 1954, assignment by Jack R. Parsley (the Operator's vice-president) of several leases. In consideration of the contract, the several owners of interest (Mr. & Mrs. Arthur W. Hyde, Mr. & Mrs. Lee Roy Cosper, Mr. & Mrs. J. V. Reynolds, Mr. & Mrs. Thomas C. King, and Mr. Howard Deeds) executed a ten-year Owner's Consent to Lien.

Exploration work under the contract was terminated effective July 20, 1956, by an agreement dated January 22, 1957. There was no production during the exploration period and examinations of the property thereafter by DMEA and OME regional representatives disclosed no production until November 1958 when mining was started by the Centennial Development Company under an operating agreement with United Western Minerals Company, 136 W. Palace Avenue, Santa Fe, New Mexico. This latter company was one of four joint assignees under an August 1, 1957, assignment and conveyance of interest executed by the Operator. Thereafter the Operator was absorbed by the Swan-Finch Oil Corporation.

The United Western Minerals Company shut down operations of the property during December 1959 upon depletion of known ore reserves. No stockpile of uranium ores remained. All sales of production during the 1958-1959 period of operations are covered by Reports of Royalty Review dated October 19, 1959, and December 12, 1960. Total sales amounted to 28,451.46 SDT of ore containing 115,121.81 pounds of U_3O_8, on which total proceeds of $505,281.41 were realized. An overpayment of $4.34 in royalty was refunded to United Western Minerals Company during February 1961.

A March 28, 1960, letter from United Western Minerals Company advised that it and its associates had released State Nos. 1, 3, 4, 11, 12, 13, 20, and 21 to Mr. & Mrs. Arthur W. Hyde and State Nos. 5, 6, 7, 8, 14, 15, 16, 17, 24, and 25 to Mr. & Mrs. Lee Roy Cosper. By letter dated November 30, 1962, Sabre-Piñon Division of United Nuclear Corporation, P. O. 166, Santa Fe, New Mexico, advised of the September 28, 1961, acquisition of all assets of United Western Minerals Company and certain assets of its associates.

In November 30, 1962, reply to a MME Form 63 inquiry, United Nuclear stated no production had occurred since April 1, 1960. In a September 18, 1963, reply to a MME Form 63 inquiry, United Nuclear stated no production or change in property status had occurred since November 30, 1962. However, during the period covered by this review a 3% royalty of $30.45 on the $1,014.92 proceeds from 102,1985 SDT of ore containing 310.68 pounds of U_3O_8 was received from Holmestake-New Mexico Partners for a purchase on liquidation no. 454 during April 1961 from Hyde & Cosper, P. O. Box 3135, Grants, New Mexico.

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

(1) The files indicate that all sales of production have probably been accounted for and proper royalty paid; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-5797, Docket No. DMEA-3632 (Uranium), dated May 17, 1955, with

Colamer Corporation
1016 West Santa Fe
Grants, New Mexico

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as State claims located in McKinley County, New Mexico, during the period October 20, 1959, through December 5, 1960.

A certification of discovery or development was issued on February 4, 1957, and, in accordance with Article 7 and Amendment No. 2 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated January 25, 1957, indicated accepted costs under the exploration contract amounting to $79,023.98 with the Government's contribution, on a 75 percent basis, being $59,268.00.

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

This review established the total sales of uranium ore for the period, plus an adjustment of initial production bonus, to be $34,014.35. Royalty due the Government at rates specified in the contract is $1,674.68.

A prior Report of Royalty Review found the sales subject to Government royalty through October 19, 1959, to be $471,267.06 which added to the sales for this subsequent period make a total of $505,281.41. The royalty account as of October 19, 1959, was:

Total Royalty Due	$23,563.34
Total Royalty Paid	23,340.64
Balance of Royalty Due	$ 222.70

At December 5, 1960, the royalty account of this project was found to be:

Total Royalty Due	$25,238.02
Total Royalty Paid	25,242.36
Overpayment of Royalty	$ 4.34

C. E. Fisher

December 12, 1960

C. E. Fisher, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Operation of this mine was discontinued about January 1, 1960, upon depletion of known ore reserves. The last settlement on which royalty was paid was covered by Homestake-New Mexico Partners liquidation No. 301 relating to production received by that company in February 1960.

During the period covered by this review the underpayment indicated by the prior review was settled. Also, it was determined that the AEC production bonus was $106.03 in excess of the amount included in the computation of royalty due in the prior review. Appropriate adjustment was accomplished by payment of 5% royalty on this amount.

My review included the recomputation and tabulation of copies of liquidation statements filed in the Washington office in support of royalty payments. A summary of this tabulation is shown on Exhibit "A".

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

(1) Inspection reports by field representatives of the Government and other correspondence and documents in the Washington office files indicate that all production has been reported and proper royalty paid except as indicated on Exhibit "A"; and

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

Exhibit "A"

Idm-E797 | Colamer Corporation | DMEA-3632

Summary of Production, Value and Royalty

	5/17/55 thru 10/19/59	10/20/59 thru 12/5/60	5/17/55 thru 12/5/60
Production			
Ore - Short Wet Tons	26,956.99	2,717.61	29,674.60
Ore - Short Dry Tons	25,843.91	2,607.55	28,451.46
U_3O_8 - Pounds	105,991.98	9,129.83	115,121.81
U_3O_8 - Pounds in excess 4#/SDT	5,088.75	17.69	5,106.44
Value			
U_3O_8 - Base	$362,613.46	$27,536.50	$390,149.96
U_3O_8 - Excess 4#/SDT	3,816.58	13.27	3,829.85
Development allowance	52,996.01	4,564.92	57,560.93
Haulage allowance	18,007.30	1,793.63	19,800.93
Total Receiving Station	$437,433.35	$33,908.32	$471,341.67
AEC Production Bonus	33,833.71	106.03	33,939.74
Total Value Subject to Royalty	$471,267.06	$34,014.35	$505,281.41
Royalty Due	$ 23,563.34	$ 1,674.68	$ 25,238.02
Royalty Paid			
To 10/19/59	23,340.64		
Subsequent to 10/19/59	222.70	1,679.02	25,242.36
Overpayment of Royalty	$ -0-	$ 4.34	$ 4.34

Detail of overpayment

Liq. No. 301 99.1285 SDT Value $867.64 Per SDT $8.75

Royalty Paid - 2½% of $867.64 -	$21.69
Royalty Due - 2% of $867.64 -	17.35
Overpayment	$ 4.34

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Colamer Corporation

Address Commerce Bldg. -- 1016 West Santa Fe

Grants, New Mexico

Exploration Contract No. Idm E797 Docket No. DMEA 3632

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

The A.E.C. advises that the property is now idle & last production was in January, 1960 which tallies with our royalty card.

12-5-60
Date

Hugh M. Connors
Mining Engineer
Hugh M. Connors

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team Region III, Denver, Colorado, pertaining to Contract Idm-E797, Docket No. DMRA 3632 (Uranium) dated May 17, 1955, with

United Western Minerals Company, et al
(Assignee of Colsmer Corporation)
P. O. Box No. 381
Santa Fe, New Mexico

for the purpose of determining the amount of royalties due the United States Government on the sale of uranium bearing ores produced from State claims Nos. 1 thru 27, Section 8, T. 13 N., R. 9 W., N. M. P. M., located in McKinley County, New Mexico for the period May 17, 1955 to October 19, 1959.

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

My review established the total sales of uranium bearing ores for this period to be $471,267.06. (See Schedule attached). Royalty due the United States Government at the contract rate of 5 percent is $23,563.34. The royalty paid and the balance due are as follows:

Total Royalty Due	$23,563.34
Total Royalty Paid	23,340.64
Balance of Royalty Due	$ 222.70
(See Schedule Attached)	

October 19, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

EXTRA COPY
O. M. E.
RECEIVED OCT 26 1959

DATE	INITIALS	CODE

UNITED WESTERN MINERALS COMPANY, ET AL
ASSIGNEE, COLAMER CORPORATION

CONTRACT IDM-E797 DOCKET DMEA 3632

STATUS OF PROJECT, DESCRIPTION OF REVIEW AND REASONS THEREFOR

A Certification of Discovery or Development was issued on February 4, 1957, and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 11 years from the date of the contract. A Report of Review in lieu of Final Cost Audit dated January 25, 1957, indicated accepted costs under the exploration contract amounting to $79,023.98, with the Government's contribution on a 75 percent basis being $59,268.00.

My review included a tabulation and recomputation of all ore settlement sheets in the files of the Executive Officer, CME Field Team, Region III for the period May 17, 1955 to October 19, 1959, and correspondence with the Acting Chief of Accounting Branch, Finance Division, Field Operations Office, Atomic Energy Commission, Grand Junction, Colorado. The producer's reported sales were reconciled with the records maintained by AEC. Royalties paid were reconciled with CME Finance Office, Denver, Colorado.

The review was made in lieu of an on-site audit of the producer's accounts for the following reasons:

(a) All reported production was reconciled with records of the Atomic Energy Commission.

(b) All reported production was adequately supported by settlement sheets which were examined during the review.

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

UNITED WESTERN MINERALS COMPANY, ET AL
ASSIGNEE OF COLAMER CORPORATION

CONTRACT IDM-E797 DOCKET DMEA 3632

SUMMARY OF PRODUCTION SALES AND ROYALTIES
Period May 17, 1955 to October 19, 1959

All Sales were to Homestake-New Mexico Partners

Gross Weight, Pounds	53,913,970	
Dry Weight, Pounds	51,687,814	
Dry Weight, Tons	25,843.907	
Assay (average)		
U_3O_8	.205	
Pounds U_3O_8	105,991.98	
Base Payment, U_3O_8	$362,613.46	
Development Allowance	$ 52,996.01	
Premiums		
Excess of 4 pounds U_3O_8 per ton		
Excess pounds U_3O_8	5,088.75	
Amount of Premium	$ 3,816.58	
Haulage Allowance		
Gross Weight, Tons	26,956.985	
Average Allowance per ton	.668	
Amount of Haulage Allowance	$ 18,007.30	
Total Receiving Station Value	$437,433.35	
AMC Production Bonus	$ 33,833.71	
Total Value Subject to Royalty	$471,267.06	
Average Value per Dry Ton	$ 18.24	
Royalty Percentage	5%	
Total Royalty Due	$ 23,563.34	
Total Royalty Paid	23,340.64	
Balance of Royalty Due		$222.70

Schedule of Balance of Royalty Due

November, 1958	Liquidation No. 75	$ .04	
December, 1958	" " 92 (Overpayment)	5.00	
July, 1959	" " 198	227.97	
Balance of Royalty Due as above			$222.70

The last liquidation settlement in above is No. 198 for July 1959. The last Certificate of Deposit is No. 60-28 dated September 9, 1959.

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name **United Western Minerals Company, et al**
(Assignee of Colamer Corporation)
Address **P. O. Box No. 381**

Santa Fe, New Mexico

Exploration Contract No. **Idm-E797** Docket No. **DMEA 3632**

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

9. **The Operator is currently reporting production and making royalty payments to the Government thereon. In reference to questions 1-7, incl. the latest information available is contained in the Semiannual Report of certified project for the period July 1, 1958 to December 31, 1958**

October 19, 1959
Date

J. W. Townsend
Mining Engineer
J. W. Townsend
Executive Officer

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10-27	gad	220
10/28	Murphy	300
		225

OCT 27 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

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

Subject: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State Claims Nos. 1 thru 27
McKinley County, New Mexico
Contract No. Idm-E797

By memorandum dated October 19 Mr. Finch submitted for approval by this Division all copies of his Report of Royalty Review of the subject project.

This review has the approval of this Division and the original and three copies are attached. If you concur with Mr. Finch's findings please make the normal regional distribution, including submission of one copy to the Operator with a request for payment of the $222.70 indicated as due the Government. If for any reason you do not concur, please return the original and all copies to this Division with your comments.

Attachments

EDTalbert/ama
October 27, 1959

Copy to: Docket
Director's Reading File
CA & A Division

43683

Docket cop

Chr
Ell
Chamber
Lamb
Selfridge
Kelton
Johnson

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

To: Calamar Corporation
Commerce Building
1016 West Santa Fe
Grants, New Mexico

Pursuant to the provisions of Exploration Project Contract No. Ida-1797, dated May 17, 1955, (Docket No. DMEA-3632), hereinafter called the "contract," between the Calamar Corporation, a Delaware corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

Core and non-core drilling on the land described in Article 2 of the contract penetrated uranium deposits in the Poison Canyon sandstone of the Jurassic Morrison formation. The principal ore body was found in the northwestern area of section 8 and occurs as a relatively flat, tabular, elongated mass, ranging in thickness from one to fifteen feet.

Dated: FEB 4 - 1957

THE UNITED STATES OF AMERICA

By O. Mitchell
Administrator, Defense Minerals
Exploration Administration

MChing/gla
1-28-57
cc to: Operator
ThomasC. King) Commerce Bldg.
Phyllis J.King) 1016 West Santa Fe
Grants, New Mexico
Arthur W. Hyde)
Vilatie W. Hyde)Bluewater, New Mex.

Lee Roy Cosper)Bluewater,
Jane Hyde Cosper) New Mexico

J. V. Reynolds) 903 South Madison
Jean Reynolds) Webb City, Missouri

Howard Deeds, c/o Tom King (address above)

Contract Adm.& Audit Division
DMEA Field Team, Region III (2)
Finance Office
Docket
Rare & Misc. Metals Division
Admr.'s Reading File
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
F. E. Johnson Mr. Ching

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

JAN 25 1957 DMEA

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Colomer Corporation
Fidel and Rouse Building
Grants, New Mexico

pertaining to Exploration Project Contract No. Idm-E797, Docket No. DMEA-3632, including Amendments Nos. 1 to 3, for the period May, 1955 to July, 1956, covering a project for the exploration of uranium on property known as State Group of Claims, Sec. 8, T. 13 N., R. 9 W., N.M.P.M., located in McKinley County, New Mexico.

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

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

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

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

Total cost as billed by contractor		$79,259.60
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$235.62	
Herewith	0.00	235.62
Total Accepted Cost		$79,023.98

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Fifty-nine thousand, two hundred sixty-eight and no/100ths Dollars

** $59,268.00 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

T. H. Brading, Audit

January 25, 1957

Final Audit Report

COLAMER CORPORATION

Contract No. Idm-E797

Docket No. IMBA-3632

SCHEDULE OF EXCEPTIONS

	HOLE NO.	FEET NON-CORE DRILLING OPERATOR CLAIMED	FEET NON-CORE DRILLING DRILLER'S LOG SHOWS	FOOTAGE DISALLOWED @ $1.54/ft.	AMOUNT DISALLOWED
Feb., 1956	1050 - 4660	230	225	5	$ 7.70
March, 1956	A 23	250	230	20	30.80
April, 1956	N. 3300 E 850	190	150	40	
	N. 3400 E 850	200	158	42	
	N. 3500 E 850	200	154	46	
		590	462	128	197.12
		1,070	917	153	$235.62

Copy

TERMINATION AGREEMENT

It is agreed this 22nd day of January, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Colamer Corporation, hereinafter called the "Operator," parties to Exploration Project Contract Idm-8797, Docket No. DMEA-3632, dated May 17, 1955, as amended, hereinafter called the "Contract," that:

1. Effective as of the end of July 20, 1956, 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 the fixed unit costs of work performed 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. All rights of the Government provided for in the Contract with respect to certification of discovery or development, percentage royalty and liens for its payment, records, audit, and recovery of any overpayment, are preserved.

5. 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

Signature 12/20/56
"Appd. Sol. Dir."

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

Ching
Chambers
Selfridge
Mathews

COLAMER CORPORATION

ORIGINAL FILE COPY
DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE
1-25	C	220
		225

EXPLORATION PROJECT CONTRACT
COLAMCO CORPORATION
DOCKET NO. DMMA 3692
CONTRACT NO. 14n-2797

AMENDMENT NO. 3

It is agreed this 14th day of June, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Colamco Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. 14n-2797, Docket No. DMMA 3692, dated May 17, 1955, hereinafter called the "Contract," that the Contract is further amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning April 6, 1956, and ending not later than July 10, 1956.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of work.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The date fixed for completion of the project work under Article 3 of the Contract Form, as amended by Amendment No. 2, is extended from August 15, 1956 to September 15, 1956.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in triplicate the day and year first above written.

COLAMCO CORPORATION

By Frank Boylan
Frank Boylan, President

(Seal)

UNITED STATES OF AMERICA

By W. M. Traver
W. M. Traver
Executive Officer, DMMA
Field Team, Region XIX

B

EXPLORATION PROJECT CONTRACT
COLAMER CORPORATION
DOCKET NO. DMEA 3632
CONTRACT NO. IDM-E797

AMENDMENT NO. 2

It is agreed this 5th day of April, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Colamer Corporation, hereinafter called the "Operator,", parties to that certain Exploration Project Contract No. IDM-E797, Docket No. DMEA 3632, dated May 17, 1955, hereinafter called the "Contract," that the Contract is further amended as follows:

1. The date fixed for completion of the project work under Article 3 of the Contract form is extended from May 15, 1956, to August 15, 1956.

2. The maximum period for royalty payments and lien for the payment thereof provided for in the Contract is increased to eleven years.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplet the day and year first above written.

COLAMER CORPORATION

By Frank Boylin
Frank Boylin
President

UNITED STATES OF AMERICA

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

(Seal)

Rntiw 8/29/55

No. 1

RECEIVED
AUG - 8 1955

AMENDMENT OF CONTRACT: No. Idm-E797

Contract Docket No. DMEA 3632, Contract Idm-E797, dated May 17, 1955 between the United States of America and Colamer Corporation is hereby amended as follows, effective June 28, 1955:

Reference is made to EXHIBIT "A" attached to Exploration Project Contract form NF-200(A) (Revised June 1954), heading "Description of the work", subheadings "Stage I" and "Stage III".

The five holes shown on Figure 3 attached to and made a part of the contract as a cross within a square ⊠ shall be cored from the base of the Dakota sandstone completely through the Westwater Canyon formation to an estimated distance of 100 feet. This is in lieu of coring the five holes to a point 10 feet below the top of the Westwater Canyon formation.

If the results of drilling the above holes through the Westwater Canyon formation indicate favorable uranium mineralization, the ten holes shown as a cross within a circle ⊗ on Figure 3 shall also be cored from the base of the Dakota sandstone completely through the Westwater Canyon formation to an estimated distance of 100 feet instead of to a point 10 feet below the top of the Westwater Canyon formation.

Authority for drilling the last ten holes sited above is subject to written confirmation by the Region III Field Team upon request in writing from the contractor with an included adequate justification.

Whereas the footage and funds estimated for completion of the above fifteen holes and also the remaining sixty-three holes under Stage I may prove insufficient to permit completion of the described drilling, it is agreed by the parties concerned that drilling footage and funds will be transferred, if required, from Stage III to Stage I to enable completion of the work thereunder on the following basis:

	Footage	Funds
1. Transferred from Stage III to Stage I	1350	$3,700.00

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

Dated August 3, 1955

COLLIER CORPORATION

By Frank B Boylud
Pres

UNITED STATES GOVERNMENT

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

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ASSIGNMENT AND CONVEYANCE OF MINING CLAIMS

WHEREAS, the undersigned, COLMER CORPORATION, a Delaware corporation (hereinafter called "Assignor") is the owner of the various lode mining claims and interests therein, more fully described in Exhibit A attached hereto and hereby made a part hereof (hereinafter called the "Assigned Properties"); and

WHEREAS, Assignor has agreed to assign to the Assignees, below named, in the proportions hereinafter stated and for the considerations heretofore agreed upon, all of their right, title and interest in and to the Assigned Properties subject only to the net profits interest hereinafter reserved.

NOW, THEREFORE, for and in consideration of the sum of $1,000.00 cash in hand paid and for other good and valuable considerations, the receipt and sufficiency of all of which is hereby acknowledged, Assignor does hereby assign, transfer and convey unto the below named persons (hereinafter collectively called "Assignees") in the respective undivided interests set opposite their names below all of Assignor's right, title and interest in and to the Assigned Properties, subject only to the net profits interest hereinafter in this assignment reserved and to the various royalty interests particularly described in Exhibit A:

Name of Assignee	Undivided Interest
United Western Minerals Company	1/2
San Jacinto Petroleum Corp.	1/6
White, Weld & Co.	1/6
J. H. Whitney & Co.	1/6

Assignor hereby excepts and reserves unto itself, its successors and assigns, as a net profits interest, one-half (1/2) of the net profits (as hereinafter defined) realized by Assignees, their successors and assigns, from the sale of mined, but unmilled, unprocessed and unrefined uranium ore, produced, saved and sold or otherwise disposed of from the Assigned Properties; provided, however, that such net profits interest shall commence only from and after the time that Assignees have produced, saved and sold or otherwise disposed of an aggregate of fifty thousand (50,000) net tons of 2,240 pounds of avoirdupois weight each of uranium ore from the Assigned Properties. Assignor's net profits interest reserved hereby shall be solely in the net profits accruing to Assignees and each of them from the production and sale or other disposition of the uranium ore in and under the Assigned Properties, and Assignor shall not look to any other source of revenue or income to Assignees on

Note: This assignment includes an Addendum to Exhibit A which was not included with the assignment forwarded on Aug. 19, 1958

which to compute Assignor's net profits interest. It is expressly agreed that Assignor shall have no interest whatsoever in any profits accruing by reason of any milling, processing or refining operation or operations performed with regard to uranium ore produced from the Assigned Properties, but that Assignor's reserved net profits interest is solely in net mining profits. It is contemplated by Assignor and Assignees that any part or all of the uranium ore produced from the Assigned Properties may be sold or delivered to a mill or other place of processing or refining of uranium ore in which Assignees, or any one or more of them, may directly or indirectly own an interest. The right of Assignees to so sell or deliver uranium ore produced from the Assigned Properties is acknowledged by Assignor; provided, however, that if by reason of Assignees' ownership of an interest in a mill or other place where processing or refining operations occur there is no sale of the uranium ore thereto but only a delivery thereof, then the gross income to the Assignees upon which Assignor's interest in net profits shall be computed shall be deemed to be the fair market value on the day of delivery, of uranium ore of equal quality and assayed value at the nearest commercial mill or other commercial place for the processing and refining of such ore.

It is agreed that in determining whether or not net profits have been realized by Assignees from the sale or other disposition made of uranium ore produced and saved from the Assigned Properties, all expenses incurred only from and after the time that Assignees have produced, saved and sold or otherwise disposed of an aggregate of fifty thousand (50,000) net tons of 2,000 pounds of avoirdupois weight each of uranium ore from the Assigned Properties in the development and operation of such properties shall be taken into consideration, including, by way of illustration but not by way of limitation, expenses incurred in the driving of drifts, tunnels, slopes, shafts and air courses, timbering the mine and maintaining the timbers in good repair, the dredging and cleaning of tunnels, the construction and maintenance of roads, payments to the surface owner for damages caused by mining, making of improvements on such properties in connection with the operation thereof, transportation of the ore to the place of milling, processing and refining, expenses incurred in connection with the examining, perfecting of and defense of title to such properties, including attorney's fees incurred in connection therewith, losses, damages or liabilities sustained or incurred in connection with the operation of said interest, production, severance, and similar taxes, ad valorem taxes, premiums paid for workmen's compensation insurance, public liability, fire, wind, tornado or other insurance, and any other expenses and charges that are reasonable and customary in connection with the operation and development of such properties, including a reasonable allowance for overhead.

Assignor shall be entitled to receive its interest in net profits at the end of any month whenever it shall appear at the end of such month that net profits have been realized by Assignees out of the sale or other

disposition of uranium ore from the Assigned Properties, taking into consideration all expenses theretofore incurred in connection with the operation and development of such properties as above set forth, all accounts payable or receivable with regard thereto at the end of said month, and all payments of net profits theretofore made by Assignees to Assignor. In making the foregoing computations, deficits shall be carried over from month to month and the accumulated totals thereto applied against subsequent earnings before such profits shall be considered to have accrued. Payment of such net profits shall be made as soon as practicable after the end of any month in which net profits have been so realized.

It is expressly agreed that Assignees shall have exclusive charge, control and supervision of all operations of every kind to be conducted on the Assigned Properties for the development, production, handling and sale or other disposition of uranium ore as well as the payment of rentals, royalties and other charges that may arise or become due. It is expressly agreed that Assignor shall in no event be liable for the payment of any charges or expenses of any nature whatsoever arising out of the development, production and sale or other disposition of uranium ore from the Assigned Properties by reason of ownership of this interest in net profits accruing therefrom.

Assignees agree to keep an accurate record of all accounts relating to the production and sale or other disposition of uranium ore from the Assigned Properties, showing the costs and expenses incurred and charges made and all receipts and credits received, which record shall be available at all reasonable times for the examination and inspection of Assignor or its duly authorized representatives. From and after the time this interest in the net profits shall become effective, Assignor shall furnish to Assignees within one month after the close of each calendar quarter a statement of investment and expenses incurred and credits and receipts during such calendar quarter affecting or accruing from the Assigned Properties. Assignor shall have a period of twelve months after the furnishing of each such statement in which to object thereto, after which date such statement shall be deemed correct in all particulars.

And, for the same considerations, Assignor, for itself, its successors and assigns, does hereby covenant with the said Assignees, their successors and assigns, that it is the lawful owner of the various mining claims and rights and interests thereto described in paragraph 1 of Exhibit A attached hereto; that Assignor has good right and authority to sell and convey the same and that said rights, interest and property are free and clear from all liens and encumbrances, and that all rentals and royalties due and payable thereunder have been duly paid, and that Assignor will warrant and defend the same against the

lawful claims and demands of all persons whomsoever. In addition, Assignor does hereby agree that Assignees shall be subrogated to all rights of warranty which Assignor or any of its predecessors in title may have with respect to any of the properties described in paragraph 2 of Exhibit A.

IN WITNESS WHEREOF, this Assignment and Conveyance is executed and delivered as of this 1 day of August, 1957.

COLAMER CORPORATION

By [signature]

ATTEST:

[signature]
Secretary

THE STATE OF)
)
COUNTY OF)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared [signature], known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said COLAMER CORPORATION, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1 day of August, 1957.

[signature]
Notary Public in and for

_____ County, _____.

CURTIS C. WHITNEY
Notary Public, State of New York
No. 30-9651000
Qual. in Nassau County Cert. filed
in New York County Clks. & Regs.
Commission Expires March 30, 1958

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Dec 19 1958
DATE | INITIALS | CODE

EXHIBIT A

ATTACHED TO AND MADE A PART OF THE FOREGOING

ASSIGNMENT

Paragraph 1

The following named Federal lode mining claims located in McKinley County, New Mexico, and covering the west 4,500 feet of Section 8 in Township 13 North, Range 9 West, N.M.P.M.:

State Nos. 1-27

All of the foregoing Federal lode mining claims located in said Section 8 are subject, however, to a five per cent royalty payable to the Defense Minerals Exploration Administration until the sum of Eighty Five Thousand Eight Hundred Twenty-Two Dollars and Eighty-Eight Cents has been paid.

The following named Federal lode mining claims located in McKinley County, New Mexico, and covering all of Section 10, in Township 13 North, Range 9 West, N.M.P.M.:

Jean Nos.	1,	5,	9,	13,	17,	21,	25,	29,	33
Phyllis Nos.	2,	6,	10,	14,	18,	22,	26,	30,	34
Deetta Nos.	3,	7,	11,	15,	19,	23,	27,	31,	35
Fannie Nos.	4,	8,	12,	16,	20,	24,	28,	32,	36

All of the foregoing State lode mining claims located in said Section 10 are subject, however, to a five per cent royalty payable to the Defense Minerals Exploration Administration until the sum of Seventy Six Thousand, Nine Hundred Thirty Five Dollars has been paid.

The foregoing State lode mining claims located in Sections 8 and 10, Township 13 North, Range 9 West, N.M.P.M., McKinley County, New Mexico, are also subject to the following additional conditions, exceptions and reservations:

A. State Nos. 5, 11 and 20 are subject to a royalty of 10% and the terms and conditions contained in the lease from Arthur W. Hyde and Vilastia L. Hyde to Thomas C. King, dated April 5, 1954, recorded as Volume 7, page 191 of the Lease Records of McKinley County, New Mexico, and the assignment of this lease from Thomas C. King and Phyllis J. King to Jack R. Peralay dated August 25, 1954, and recorded as Volume 7, page 101 of the Lease Records of McKinley County, New Mexico.

B. Stato Nos. 3, 4, 12, 13 and 21 are subject to a royalty of 10% and the terms and conditions contained in the lease from Vilatie H. Hyde and Arthur L. Hyde to Thomas C. King dated April 5, 1934, and recorded at Volume 7, page 189 of the Lease Records of McKinley County, New Mexico, and the assignment of this lease from Thomas C. King and Phyllis J. King to Jack R. Parsley, dated August 23, 1934, recorded as above set out.

C. State Nos. 5, 6, 14, 15 and 24 are subject to a royalty of 10% and the terms and conditions contained in the lease from Jane Hyde Cooper and Lee Roy Cooper to Thomas C. King, dated April 5, 1934, recorded at Volume 7, page 194 of the Lease Records of McKinley County, New Mexico, and the assignment of this lease from Thomas C. King and Phyllis J. King to Jack R. Parsley dated August 23, 1934, recorded as above set out.

D. State Nos. 7, 8, 16, 17 and 25 are subject to a royalty of 10% and the terms and conditions contained in the lease from Lee Roy Cooper and Jane Hyde Cooper to Thomas C. King dated April 5, 1934, recorded at Volume 7, page 192 of the Lease Records of McKinley County, New Mexico, and the assignment of this lease from Thomas C. King and Phyllis J. King to Jack R. Parsley dated August 23, 1934, recorded as above set out.

E. State Nos. 9, 18, 26 and 27 are subject to a royalty of 7-1/2%, State Nos. 1, 10 and 19 are subject to a royalty of 5%, Phyllis Nos. 2, 6, 10, 14, 18, 22, 26, 30 and 34 are subject to a royalty of 5%, and Fannie Nos. 4, 8, 12, 16, 20, 24, 28, 32 and 36 are subject to a royalty of 10%, and all of the foregoing lode mining claims are subject to the terms and conditions of the lease from Tom King to Jack R. Parsley dated August 17, 1934, recorded at Volume 7, page 178 of the Lease Records of McKinley County, New Mexico.

F. State Nos. 22 and 23 are subject to a total royalty of 5%; Joan Nos. 1, 5, 9, 13, 17, 21, 25, 29 and 33 are subject to a total royalty of 5%; Deetta Nos. 3, 7, 11, 15, 19, 23, 27, 31 and 35 are subject to a royalty of 7½%, and all of the foregoing lode mining claims are subject to the terms and conditions of the lease from J. V. Reynolds and Joan Reynolds to Jack R. Parsley dated August 17, 1934, and recorded at Volume 7, page 176 of the Lease Records of McKinley County, New Mexico.

Paragraph 2

Seller makes no representation as to its ownership of any of the following properties described in this paragraph 2 and conveys only all of the right, title and interest in such properties as it has at the date of the foregoing agreement.

A. The lode mining claims situated in Carbon County, Wyoming, and the ten (10) mining leases from the

State of Wyoming, described in that certain MINING LEASE AND ASSIGNMENT, from J. A. Utterback of Steamboat Springs, Colorado, as Lessor, to Calumet Corporation, a Delaware corporation, as Lessee, dated September 10, 1956, and recorded in Volume _____, pages _____ of the _____ Records of _____, Counties, Wyoming, subject, however, to any royalties and overriding royalties reserved and excepted in said MINING LEASE AND ASSIGNMENT and to the terms and conditions therein contained.

B. The following named lode mining claims covering the East Half of the East Half of Section 23, Township 13 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

Deep Rock Nos. 4-14

Subject to the royalties and overriding royalties of 12½ or 15% reserved and excepted in the leases from Thomas A. Hyde and Rosalene Hyde to Thomas C. King, dated March 23, 1954, from Arthur W. Hyde and wife, to Thomas C. King and Phyllis J. King dated March 23, 1954, from Valetie W. Hyde and Arthur W. Hyde to Thomas C. King dated March 23, 1954, from Joan Hyde Cooper and Lee Roy Cooper to Thomas C. King dated November 23, 1954, and the assignment covering those leases from Thomas C. King and wife to Jack R. Parsley, dated May 29, 1954, and to the terms and conditions in the foregoing leases and assignment contained.

C. The following named lode mining claims covering the South 2,320 feet of the West 1,320 feet of Section 24, Township 13 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

Sprecher No. 1 ✓
Deep Rocks Nos. 1-3

Subject to the royalties and overriding royalties of 12½ or 15% in the case of Deep Rocks Nos. 1-3 and 10% in the case of Sprecher No. 1 reserved and excepted in the leases from Thomas A. Hyde to Thomas C. King dated March 23, 1954, and from Jack V. Reynolds and wife to Jack R. Parsley, dated May 10, 1954, and the assignment from Thomas C. King and wife to Jack R. Parsley, and to the terms and conditions in the foregoing leases and assignment contained.

D. The following named lode mining claims situate in the East Half of Section 4, Township 12 North, Range 9 West, N.M.P.M., Valencia County, New Mexico.

Christmas Day Nos. 1-4 ✓
Phil

Subject to the royalties and overriding royalties of 15% in the case of Christmas Day Nos. 1-4 and 12½% in the case of Phil reserved and excepted in the lease from Joplin Machinery and Electric Company to Jack R. Parsley and to the terms and conditions in the foregoing lease contained.

ADDENDUM TO EXHIBIT A

Except as to paragraph 2A all recitals of royalties in the Exhibit A that are less than 15% were increased to the total of 15% by virtue of a certain agreement dated between Swan-Finch Oil Corporation and Maurice Greenberg and others.

By virtue of this agreement Mr. Greenberg and his associates sold Colomer Corporation to Swan-Finch Oil Corporation and one of the provisions in such agreement was the reservation to themselves of the increased royalties to which reference is made above. Such royalties were reserved in definitive form in an exhibit, a portion of which reads as follows:

> The difference between 15% and the royalties payable as set forth above (herein called the "ore payment") is payable to the following in accordance with the percentages listed opposite their respective names:
>
> | | |
> |---|---|
> | Frank Boylin | 20% |
> | Maurice Greenberg | 25% |
> | Lewis W. Skur | 15% |
> | Estate of Jack Parsley | 15% |
> | Kelsey Colts | 15% |
> | Max Kamlol | 5% |
>
> Such ore payment is payable until the above six last mentioned persons have received in the aggregate $900,000.

STATE OF NEW MEXICO
COUNTY OF McKINLEY } ss. #67785

Filed for record in the Clerk's office
the 8 day of August
A. D. 1957 at 9:00 o'clock A. M.
and recorded in Book 30 Page 596-597
of Mortgages
Clerk
By Jane Herrera
Dep

OFFICIAL FILE COPY
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AGREEMENT

THIS AGREEMENT made and entered into as of the 16th day of May, 1958, by and between UNITED WESTERN MINERALS COMPANY, a Delaware corporation, hereinafter referred to as "United", SAN JACINTO PETROLEUM CORP., a Delaware corporation, J. H. WHITNEY & CO., a partnership of the State of New York, WHITE, WELD & CO., a partnership of the State of New York, the last named three parties hereinafter referred to as the "Farmout Group", all of the foregoing parties hereinafter collectively referred to as "Owners", and CENTENNIAL DEVELOPMENT COMPANY, a Utah corporation, hereinafter referred to as "Operator".

WITNESSETH:

WHEREAS, Owners represent that they hold the leasehold interest in and to the unpatented federal lode mining claims designated as State Nos. 1 to 27, located in McKinley County, New Mexico, and covering the west 4580 feet of Section 8, T13N, R9W, N.M.P.M., hereinafter referred to as "the property", and their interest in said claims is such that they have the right to possession and the right to remove minerals therefrom, and

WHEREAS, certain exploratory drilling has been performed on the property with the result that an ore body has been delineated, which is estimated to contain 40,000 tons of uranium ore with an average content of .2% U_3O_8, and

WHEREAS, Owners desire to have Operator check such drilling and thereafter to develop the property as a mine and to carry on a mining operation and Operator is willing to undertake such development and to proceed with such mining operations,

NOW, THEREFORE, in consideration of the covenants and undertakings of the parties herein contained, it is hereby agreed by and between the parties to this Agreement:

United Western Minerals Co.

8/20/8

I. EXPLORATORY PERIOD

1. The Exploratory Period is a fifteen (15) day period which commences on the day the Operator is delivered a copy of this Agreement, duly executed by all parties.

2. During the Exploratory Period, Operator shall be given possession of the Property, together with all reports, maps, drill logs, assay reports and other data in the possession of or available to the Owners relating to prior exploration and drilling on the Property.

3. During the Exploratory Period, Operator agrees at its own expense to drill three (3) holes on the Property for the purpose of confirming the existence of a commercial ore body.

4. Operator will evaluate the drilling, at its own expense; provided however, that Operator may call upon the engineering and geological staff of United at the expense of the Owners to aid in locating the most suitable sites for drill holes and in interpreting the results of such check drilling.

5. Operator shall make available to Owners all information obtained by such check drilling and Owners may verify this information by such tests or analyses as they may desire.

6. If, in the opinion of the Operator, the drilling and other information available to it fails to establish the existence of a commercial ore body, it may terminate this Agreement by giving notice to the Owners of such termination within five (5) days after the end of the Exploratory Period.

7. If, in the opinion of the Operator, the drilling and other information available to it has established the existence of a commercial ore body or, if operator shall be entitled to, but fail to exercise its right of termination contained in the proceeding paragraph, then Operator shall proceed with the development and mining of the ore body or bodies in consideration of receiving a share of the net profits as more particularly hereinafter provided.

II. DEVELOPMENT AND MINING OF PROPERTY

1. Operator shall commence the development of the property within 30 days after the end of the Exploratory Period and complete the development and equipment of the property as a mine within approximately three months from the date upon which the Operator shall have commenced the development of the property.

2. The development of the property as a mine shall require of the Operator, the following:

(a) Sinking of a shaft to be located at an appropriate place for the mining of the ore to the depth of about 270 feet.

(b) Constructing an adequate surface plant to handle 75 tons of material per shift.

(c) Provide and install hoist, cable, cages or skips, compressor, drilling equipment, steel, mine rails, mine cars and such additional equipment as shall be deemed necessary by Operator for an economical mining operation.

(Estimated cost, $100,000.00).

3. The Owners will provide:

(a) One 48 foot steel head frame in "as is" condition (to be installed by the Operator).

(b) Two small buildings now on the property for the use of the Operator.

4. It is agreed that the undertaking of the Operator as set forth in paragraph 2 above is predicated upon the mutual assumption that no water will be encountered in sinking the shaft. If water is encountered, the time for completing the shaft will be extended by the time lost by Operator by reason of the water condition. The cost of handling any water condition, so encountered, shall be treated as "mining expenses" as hereafter defined and Operator shall be reimbursed for such expenses from the first profits arising from the sale of ore.

5. Development shall be completed and mining shall commence when the shaft is bottomed, the head frame and hoist installed, the station cut at the bottom of the shaft and machinery and equipment are in operating condition to mine 75 tons of material per shift. Thereafter, the Operator shall proceed with mining the ore body in a minerlike manner at a rate of not less than 2500 tons per month of an average grade of .2% U_3O_8 averaged on a calendar quarter basis. Operator shall mine continuously thereafter until the economic extraction of known ore is no longer possible.

6. Whenever the Owners and Operator agree that it appears desirable to probe for presently unknown extensions of the ore body or additional ore deposits within the property either by surface drilling or underground development work, the cost thereof will be borne by the parties in the same manner as hereinafter provided for the cost of mining operations.

7. All costs and expenses of mining operations shall be paid by Operator, subject to reimbursement as hereinafter provided, and Operator shall pay all bills and charges in connection with such mining operations promptly when due and shall keep the property free and clear from any liens for costs or charges incurred in its operations.

III. DISTRIBUTION OF PROCEEDS OF SALE

1. Owners shall retain title to and be responsible for marketing the ore produced from the property either by contributing such ore to the uranium ore processing mill of Homestake-New Mexico Partners or by selling it to another uranium ore processing mill in the Lake Ambrosia Area. The price paid by any uranium ore processing mill other than that of Homestake-New Mexico Partners shall be the proceeds of sale, provided however, that as between the parties to this Agreement, Circular 5, as amended, of the Atomic Energy Commission, or any rate schedule which may be promulgated by the Atomic Energy Commission in the future, shall determine the proceeds of sale

of any ore delivered to the uranium ore processing mill of Homestake-New Mexico Partners, it being understood that the Owners are eligible for the production bonus which shall be included in the proceeds of sale.

2. Homestake-New Mexico Partners is hereby designated the disbursing agent for the parties hereto, unless it refuses to act as such, in which event Grants State Bank is designated the disbursing agent. By mutual agreement any other person, firm or corporation may be named disbursing agent for the purposes set forth herein.

3. The Owners will cause the "proceeds of sale" (which shall include the development allowance and any bonus payable by any governmental agency) whether from Homestake-New Mexico Partners or any other buyer of the ore from the property, to be paid over to the disbursing agent who will agree to disburse the same as herein provided. The haulage allowance, if any, shall be payable to the Operator, provided however, that Operator shall bear the actual cost of haulage of ore from mine to mill as a non-reimbursible expense.

(a) The Owners shall instruct and authorize the disbursing agent to set aside and apply 15% of the proceeds of sale to the payment of royalties outstanding against said property, the ore extracted therefrom or the proceeds thereof, including the repayment of the loan made by the Defense Minerals Exploration Administration.

(b) As soon as practicable following the close of each calendar quarter and not later than the 12th day following the close thereof, the Operator shall deliver to the disbursing agent and to the Owners, a Statement of Mining Expenses accrued to the end of the preceding calendar quarter. Mining expenses shall include:

(1) Labor and direct supervision including the cost of necessary engineering services (but excluding expenses of general supervision by officers or other executive personnel of Operator) including taxes, insurance and usual

employee benefits of the Operator.

(2) Materials and supplies ordinarily used or consumed and direct expenses incurred in the course of mining operations, including repairs and maintenance of equipment and cost of small tools and items of equipment which are allowed as ordinary expenses and not capitalized under applicable tax regulations.

(3) All taxes arising from such operations regardless of which party it is imposed upon under applicable tax statutes, except federal and state income taxes on corporate profits.

(4) Insurance premiums arising from the insurance requirements of this Agreement or by insurance deemed necessary by Operator to protect all parties against liability for any transaction or accident connected with the development, mining and exploratory operations.

(5) Office and accounting expenses of Operator at a flat charge of $250.00 per month, it being understood that no other office, accounting or overhead expense of any kind will be charged by Operator to Owners or vice versa, but further provided that nothing contained herein shall prevent United from charging the Farmout Group for its services as an agent of the Owners as hereinafter provided.

(6) Any costs resulting from encountering underground water in unusual quantity shall be reimbursed to Operator in the same manner as the direct costs of mining operations.

(c) The disbursing agent shall promptly upon receiving a Statement of Mining Expenses, pay the Operator the same from the "proceeds of sale". If the "proceeds of sale" are insufficient to pay for items listed under (a) and (b) of this paragraph 3 under III, such unpaid portion of items listed under (b) shall be paid from the "proceeds of sale" of the subsequent calendar quarter.

(d) Any balance then remaining shall be the net profit which will be distributed to Operator and the Owners in

the following proportions:

(1) In regard to the first 25,000 tons of ore mined from the property and delivered to any uranium ore processing mill, the net profit shall be divided 70% to Operator and 30% to Owners.

(2) The net profit realized from any additional tonnage mined and delivered to any uranium ore processing mill shall be divided 40% to the Operator and 60% to the Owners.

(3) As among the Owners the net profit allocated to the Owners shall be divided 50% to United and 50% to the members of the Farmout Group in equal proportions.

4. If Owners shall at any time determine that any charge made by Operator as a Mining Expense is improper and the Operator does not agree and both Operator and Owners agree on a third party to determine the issue, they shall so designate an arbitrator and his determination shall be final, otherwise the Operator and the Owners shall each designate an arbitrator and the two arbitrators shall name a third and the determination of any two arbitrators shall be binding upon the parties. If Owners fail to challenge any charge of the Operator within six (6) months of the time the same is made, it shall be deemed proper and shall not be subject to challenge.

IV. GENERAL PROVISIONS COVERING OPERATIONS DURING ALL PERIODS

1. Operator promises to comply with all laws relating to Old Age and Survivors Insurance, Workmen's Compensation, Occupational Disease Compensation and Unemployment Insurance for the benefit of its employees or their dependents in accordance with the laws of the United States and of the State of New Mexico.

2. Operator also agrees to carry a public liability policy or policies with limits of not less than $20,000.00 for one person and $100,000.00 for any one accident and a policy or policies covering property damage with limits of not less

than $10,000.00. Operator agrees that said policies shall not be cancelled until all contractual work shall have been completed.

3. Operator agrees that it will conduct the development and mining operations as an independent operator and that it will be responsible for the conduct of all operations connected with the performance of this Agreement including but not limited to providing utility services and housing facilities for its employees.

4. Operator shall keep accurate records and accounts of its operations and shall permit the Owners to inspect and make copies of the same at all reasonable times.

5. The Owners shall keep accurate records and accounts of any sale or other disposition of the ore mined from the property and delivered to any uranium ore processing mill by Operator for the account of the Owners and shall permit Operator to inspect and make copies of the same at all reasonable times.

6. Whenever underground water should be encountered in such quantity as to make it impossible to mine the property at a reasonable net profit which shall be defined as an estimated return of at least $50,000.00 over development costs, then in that event, Operator at its option may surrender its rights under this Agreement without incurring any liability to the Owners.

7. Operator shall be entitled to possession of the property and shall have sole charge of all exploration, development and mining operations, provided however, that Owners or their agents may at all reasonable times enter upon the property for inspection or to conduct survey or sampling operations to the extent that such activities do not unreasonably interfere with the operations of Operator.

8. Operator shall be responsible for filing the Annual Affidavit of Labor on or prior to July 1st of each year during the life of this Agreement with the County Clerk of McKinley

County, New Mexico, provided however, that Operator not later than by June 1st of each year shall give notice to Owners of the nature and amount of expenditures qualifying as annual assessment work.

9. If Operator shall violate any provision of this Agreement, or fail to perform any of the obligations assumed herein, Owners may at their option forfeit the rights of Operator under this Agreement by giving notice to Operator of their election to forfeit the rights of Operator and by specifying in such notice the matters as to which Operator is in default, provided however, that such forfeiture shall be inoperative if within 60 days from the date of such notice, Operator remedies the matters of default specified by Owners and, provided further, that the period of time for remedying the matters of default shall be extended by any period during which Operator was prevented from meeting its obligations by causes beyond its control including strikes, floods, explosions, unusual mining casualties, acts of God, governmental restrictions or orders, or lack of a marketing outlet for the ore, said examples being given by way of illustration and not by way of limitation.

10. The shaft, including permanent timbering and pipelines, and also the headframe and the two small buildings, shall remain the property of the Owners, while all other equipment and facilities provided by Operator for the development, mining and exploration operations shall remain its property and may be removed within 30 days after termination of this Agreement.

11. The Owners hereby designate United as the agent and representative of each of them solely for the purpose of giving and receiving all notices provided for under the terms of this Agreement, and hereby agree and represent that any notice given to United hereunder shall be deemed to be notice to all the Owners. Any notice contemplated by the terms of this Agreement shall be deemed properly given and received if mailed through the United States Post Office, registered mail, postage

prepaid, return receipt requested, and addressed to the respective party at the following address:

UNITED WESTERN MINERALS COMPANY
136 W. PALACE AVENUE
SANTA FE, NEW MEXICO

CENTENNIAL DEVELOPMENT COMPANY
P. O. BOX 726
GRANTS, NEW MEXICO

Operator may at its election give notice to the remaining Owners at the following addresses:

SAN JACINTO PETROLEUM CORP.
c/o:SAN JACINTO OIL AND GAS COMPANY
800 SAN JACINTO BUILDING
HOUSTON 2, TEXAS

J. H. WHITNEY & CO.
630 FIFTH AVENUE
NEW YORK 20, NEW YORK

WHITE, WELD & CO.
20 BROAD STREET
NEW YORK 5, NEW YORK

12. Owners may at any time, by written instrument executed by all of them, duly served upon Operator, as provided in this Agreement, designate a successor agent to United solely for the agency functions hereinbefore specified and may likewise change the address to which payments and notices to Owners shall be mailed by Operator. Operator may likewise change the address to which notice to it shall be mailed by giving written notice to the designated agent of Owners.

13. This Agreement and the interests of each of the parties herein shall be fully assignable, provided however, that the Operator shall make no assignment without the written consent of the Owners until the property has been developed as a mine and, further provided, that no assignment shall be effective until written notice thereof has been served upon each of the parties to this Agreement in the manner hereinbefore provided, which notice shall be accompanied by a copy of such assignment, and, further provided, that such assignment shall not relieve any parties of any of its obligations assumed under this Agreement until released by an instrument in writing executed by the other parties to this Agreement.

14. This Agreement shall be governed by and interpreted according to the laws of the State of New Mexico.

IN WITNESS WHEREOF, the parties hereto executed this Agreement as of the date and year first above written.

UNITED WESTERN MINERALS COMPANY

BY /s/ Alva A. Simpson Jr.
President

ATTEST:

/s/ Herbert A. Hall
Secretary

SAN JACINTO PETROLEUM CORP.

BY /s/ John K. Schemmer
Vice President

ATTEST:

/s/ George A. Hanks Jr.
Secretary

J. H. WHITNEY & CO.

BY /s/ Charles E. Brown
General Partner

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WHITE, WELD & CO.

BY /s/ R. M. Hauck
General Partner

CENTENNIAL DEVELOPMENT COMPANY

BY /s/ Harold B. Spencer
President

ATTEST:

/s/ Robert E. Ware
Secretary

STATE OF NEW MEXICO }
COUNTY OF SANTA FE } ss.

The foregoing instrument was acknowledged before me this 2nd day of May, 1958, by Alva A. Simpson Jr. of UNITED WESTERN MINERALS COMPANY, a corporation incorporated under the laws of Delaware, on behalf of said corporation.

/s/ Garnett H. Dean
Notary Public

My Commission Expires:

February 27, 1961

STATE OF New York }
COUNTY OF New York } ss.

The foregoing instrument was acknowledged before me this 12th day of May, 1958, by John K. Schemmer, Vice President of SAN JACINTO PETROLEUM CORP., a corporation incorporated under the laws of Delaware, on behalf of said corporation.

/s/ Ira Cheuer
Notary Public

My Commission Expires:

March 30, 1959

STATE OF New York
COUNTY OF New York } ss.

The foregoing instrument was acknowledged before me this 12th day of May, 1958, by Charles E. Brown, General Partner, on behalf of J. H. WHITNEY & CO., a partnership of the State of New York.

/s/ Ida Chenico
Notary Public

My Commission Expires:

March 30, 1959

STATE OF New York
COUNTY OF New York } ss.

The foregoing instrument was acknowledged before me this 12th day of May, 1958, by W. M. Hauck, General Partner, on behalf of WHITE, WELD & CO., a partnership of the State of New York.

/s/ Elsie M. Gillard
Notary Public

My Commission Expires:

March 30, 1959

STATE OF Utah
COUNTY OF Tuab } ss.

The foregoing instrument was acknowledged before me this 14th day of May, 1958, by Harold B. Freeman, President of CENTENNIAL DEVELOPMENT COMPANY, a corporation incorporated under the laws of the State of Utah, on behalf of said corporation

/s/ Francis H. McCabe
Notary Public

My Commission Expires:

11/28/60

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ASSIGNMENT AND CONVEYANCE OF MINING CLAIMS

WHEREAS, the undersigned, COLAMER CORPORATION, a Delaware corporation (hereinafter called "Assignor") is the owner of the various lode mining claims and interests therein, more fully described in Exhibit A attached hereto and hereby made a part hereof (hereinafter called the "Assigned Properties"); and

WHEREAS, Assignor has agreed to assign to the Assignees, below named, in the proportions hereinafter stated and for the considerations heretofore agreed upon, all of their right, title and interest in and to the Assigned Properties subject only to the net profits interest hereinafter reserved.

NOW, THEREFORE, for and in consideration of the sum of $1,000.00 cash in hand paid and for other good and valuable considerations, the receipt and sufficiency of all of which is hereby acknowledged, Assignor does hereby assign, transfer and convey unto the below named persons (hereinafter collectively called "Assignees") in the respective undivided interests set opposite their names below all of Assignor's right, title and interest in and to the Assigned Properties, subject only to the net profits interest hereinafter in this assignment reserved and to the various royalty interests particularly described in Exhibit A:

Name of Assignee	Undivided Interest
United Western Minerals Company	1/2
San Jacinto Petroleum Corp.	1/6
White, Weld & Co.	1/6
J. H. Whitney & Co.	1/6

Assignor hereby excepts and reserves unto itself, its successors and assigns, as a net profits interest, one-half (1/2) of the net profits (as hereinafter defined) realized by Assignees, their successors and assigns, from the sale of mined, but unmilled, unprocessed and unrefined uranium ore, produced, saved and sold or otherwise disposed of from the Assigned Properties; provided, however, that such net profits interest shall commence only from and after the time that Assignees have produced, saved and sold or otherwise disposed of an aggregate of fifty thousand (50,000) net tons of 2,240 pounds of avoirdupois weight each of uranium ore from the Assigned Properties. Assignor's net profits interest reserved hereby shall be solely in the net profits accruing to Assignees and each of them from the production and sale or other disposition of the uranium ore in and under the Assigned Properties, and Assignor shall not look to any other source of revenue or income to Assignees on

United Western Minerals Company Letter 8/19/58

which to compute Assignor's net profits interest. It is expressly agreed that Assignor shall have no interest whatsoever in any profits accruing by reason of any milling, processing or refining operation or operations performed with regard to uranium ore produced from the Assigned Properties, but that Assignor's reserved net profits interest is solely in net mining profits. It is contemplated by Assignor and Assignees that any part or all of the uranium ore produced from the Assigned Properties may be sold or delivered to a mill or other place of processing or refining of uranium ore in which Assignees, or any one or more of them, may directly or indirectly own an interest. The right of Assignees to so sell or deliver uranium ore produced from the Assigned Properties is acknowledged by Assignor; provided, however, that if by reason of Assignees' ownership of an interest in a mill or other place where processing or refining operations occur there is no sale of the uranium ore thereto but only a delivery thereof, then the gross income to the Assignees upon which Assignor's interest in net profits shall be computed shall be deemed to be the fair market value on the day of delivery, of uranium ore of equal quality and assayed value at the nearest commercial mill or other commercial place for the processing and refining of such ore.

It is agreed that in determining whether or not net profits have been realized by Assignees from the sale or other disposition made of uranium ore produced and saved from the Assigned Properties, all expenses incurred only from and after the time that Assignees have produced, saved and sold or otherwise disposed of an aggregate of fifty thousand (50,000) net tons of 2,240 pounds of avoirdupois weight each of uranium ore from the Assigned Properties in the development and operation of such properties shall be taken into consideration, including, by way of illustration but not by way of limitation, expenses incurred in the driving of drifts, tunnels, slopes, shafts and air courses, timbering the mine and maintaining the timbers in good repair, the draining and cleaning of tunnels, the construction and maintenance of roads, payments to the surface owner for damages caused by mining, making of improvements on such properties in connection with the operation thereof, transportation of the ore to the place of milling, processing and refining, expenses incurred in connection with the examining, perfecting of and defense of title to such properties, including attorney's fees incurred in connection therewith, losses, damages or liabilities sustained or incurred in connection with the operation of said interest, production, severance, and similar taxes, ad valorem taxes, premiums paid for workmen's compensation insurance, public liability, fire, wind, tornado or other insurance, and any other expenses and charges that are reasonable and customary in connection with the operation and development of such properties, including a reasonable allowance for overhead.

[illegible] Assignor shall be entitled to receive its interest in net profits at the end of any month whenever it shall appear at the end of such month that net profits have been realized by Assignees out of the sale or other

5

disposition of uranium ore from the Assigned Properties taking into consideration all expenses theretofore incurred in connection with the operation and development of such properties as above set forth all accounts payable or receivable with regard thereto at the end of said month and all payments of net profits theretofore made by Assignees to Assignor. In making the foregoing computations, deficits shall be carried over from month to month and the accumulated totals thereto applied against subsequent earnings before such profits shall be considered to have accrued. Payment of such net profits shall be made as soon as practicable after the end of any month in which net profits have been so realized.

It is expressly agreed that Assignees shall have exclusive charge, control and supervision of all operations of every kind to be conducted on the Assigned Properties for the development, production, handling and sale or other disposition of uranium ore as well as the payment of rentals, royalties and other charges that may arise or become due. It is expressly agreed that Assignor shall in no event be liable for the payment of any charges or expenses of any nature whatsoever arising out of the development, production and sale or other disposition of uranium ore from the Assigned Properties by reason of ownership of this interest in net profits accruing therefrom.

Assignees agree to keep an accurate record of all accounts relating to the production and sale or other disposition of uranium ore from the Assigned Properties, showing the costs and expenses incurred and charges made and all receipts and credits received, which record shall be available at all reasonable times for the examination and inspection of Assignor or its duly authorized representatives. From and after the time this interest in the net profits shall become effective, Assignor shall furnish to Assignees within one month after the close of each calendar quarter a statement of investment and expenses incurred and credits and receipts during such calendar quarter affecting or accruing from the Assigned Properties. Assignor shall have a period of twelve months after the furnishing of each such statement in which to object thereto, after which date such statement shall be deemed correct in all particulars.

And, for the same considerations, Assignor, for itself, its successors and assigns, does hereby covenant with the said Assignees, their successors and assigns, that it is the lawful owner of the various mining claims and rights and interests thereto described in paragraph 1 of Exhibit A attached hereto; that Assignor has good right and authority to sell and convey the same and that said rights, interest and property are free and clear from all liens and encumbrances, and that all rentals and royalties due and payable thereunder have been duly paid, and that Assignor will warrant and defend the same against the

3

lawful claims and demands of all persons whomsoever. In addition Assignor does hereby agree that Assignees shall be subrogated to all rights of warranty which Assignor or any of its predecessors in title may have with respect to any of the properties described in paragraph 2 of Exhibit A.

IN WITNESS WHEREOF this Assignment and Conveyance is executed and delivered as of this ___ day of August, 1957.

COLAMER CORPORATION

ATTEST:

By Roy H. Callahan

Secretary

THE STATE OF New York)
COUNTY OF New York)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Roy H. Callahan, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said COLAMER CORPORATION, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1 day of August, 1957.

Curtis C. Whitney
Notary Public in and for
_____ County, _____.

CURTIS C. WHITNEY
Notary Public, State of New York
No. 30-9651000
Qual. In Nassau County Cert. filed
In New York County Clks. & Regs.
Commission Expires March 30, 1958

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EXHIBIT A

ATTACHED TO AND MADE A PART OF THE FOREGOING

ASSIGNMENT

Paragraph 1

The following named Federal lode mining claims located in McKinley County, New Mexico, and covering the west 4,500 feet of Section 8 in Township 13 North, Range 9 West, N.M.P.M.:

State Nos. 1-27

All of the foregoing Federal lode mining claims located in said Section 8 are subject, however, to a five per cent royalty payable to the Defense Minerals Exploration Administration until the sum of Eighty Five Thousand Eight Hundred Twenty-Two Dollars and Eighty-Eight Cents has been paid.

The following named Federal Lode mining claims located in McKinley County, New Mexico, and covering all of Section 10, in Township 13 North, Range 9 West, N.M.P.M.:

Jean Nos.	1,	5,	9,	13,	17,	21,	25,	29,	33	
Phyllis Nos.	2,	6,	10,	14,	18,	22,	26,	30,	34	
Loetta Nos.	3,	7,	11,	15,	19,	23,	27,	31,	35	
Fannie Nos.	4,	8,	12,	16,	20,	24,	28,	32,	36	

RR All of the foregoing ~~State~~ lode mining claims located in said Section 10 are subject, however, to a five per cent royalty payable to the Defense Minerals Exploration Administration until the sum of Seventy Six Thousand, Nine Hundred Thirty Five Dollars has been paid.

RR The foregoing ~~State~~ lode mining claims located in Sections 8 and 10, Township 13 North, Range 9 West, N.M.P.M., McKinley County, New Mexico, are also subject to the following additional conditions, exceptions and reservations:

A. State Nos. 1, 11 and 20 are subject to a royalty of 10% and the terms and conditions contained in the lease from Arthur W. Hyde and Vilatie W. Hyde to Thomas C. King, dated April 5, 1954, recorded at Volume 7, page 191 of the Lease Records of McKinley County, New Mexico, and the assignment of this lease from Thomas C. King and Phyllis J. King to Jack E. Parsley dated August 25, 1954, and recorded at Volume 7, page 161 of the Lease Records of McKinley County, New Mexico.

5.

B. State Nos. 3, 4, 12, 13 and 21 are subject to a royalty of 10% and the terms and conditions contained in the lease from Vilatie M. Hyde and Arthur S. Hyde to Thomas C. King dated April 5, 1954, and recorded at Volume 7, page 189 of the Lease Records of McKinley County, New Mexico, and the assignment of this lease from Thomas C. King and Phyllis J. King to Jack H. Parsley, dated August 25, 1954, recorded as above set out.

C. State Nos. 5, 6, 14, 15 and 24 are subject to a royalty of 10% and the terms and conditions contained in the lease from Jane Hyde Cosper and Lee Roy Cosper to Thomas C. King, dated April 5, 1954, recorded at Volume 7, page 194 of the Lease Records of McKinley County, New Mexico, and the assignment of this lease from Thomas C. King and Phyllis J. King to Jack H. Parsley dated August 25, 1954, recorded as above set out.

D. State Nos. 7, 8, 16, 17 and 25 are subject to a royalty of 10% and the terms and conditions contained in the lease from Lee Roy Cosper and Jane Hyde Cosper to Thomas C. King dated April 5, 1954, recorded at Volume 7, page 192 of the Lease Records of McKinley County, New Mexico, and the assignment of this lease from Thomas C. King and Phyllis J. King to Jack H. Parsley dated August 25, 1954, recorded as above set out.

E. State Nos. 9, 18, 26 and 27 are subject to a royalty of 7-1/2%, State Nos. 1, 10 and 19 are subject to a royalty of 5%, Phyllis Nos. 2, 6, 10, 14, 18, 22, 26, 30 and 34 are subject to a royalty of 5%, and Fannie Nos. 4, 8, 12, 16, 20, 24, 28, 32 and 36 are subject to a royalty of 10%, and all of the foregoing lode mining claims are subject to the terms and conditions of the lease from Tom King to Jack H. Parsley dated August 17, 1954, recorded at Volume 7, page 176 of the Lease Records of McKinley County, New Mexico.

F. State Nos. 22 and 23 are subject to a total royalty of 5%; Jean Nos. 1, 5, 9, 13, 17, 21, 25, 29 and 33 are subject to a total royalty of 5%; Loetta Nos. 3, 7, 11, 15, 19, 23, 27, 31 and 35 are subject to a royalty of 7½%, and all of the foregoing lode mining claims are subject to the terms and conditions of the lease from J. V. Reynolds and Jean Reynolds to Jack H. Parsley dated August 17, 1954, and recorded at Volume 7, page 176 of the Lease Records of McKinley County, New Mexico.

Paragraph 3

Seller makes no representation as to its ownership of any of the following properties described in this paragraph 3 and conveys only all of the right, title and interest in such properties as it has at the date of the foregoing agreement.

A. The Iron Mask, claim situated in Carbon County, Wyoming, and the ten (10) mining leases for the

State of Wyoming, described in that certain MINING LEASE AND ASSIGNMENT, from J. A. Ottorback of Steamboat Springs, Colorado, as Lessor, to Colamer Corporation, a Delaware corporation, as Lessee, dated September 15, 1956, and recorded in Volumes _____, pages _____ of the _____ Records of _____, Counties, Wyoming, subject, however, to any royalties and overriding royalties reserved and excepted in said MINING LEASE AND ASSIGNMENT and to the terms and conditions therein contained.

[illegible] following [illegible] mining claims covering the [illegible] half of the [illegible] half of Section [illegible], Township 1 North, Range [illegible] West, [illegible], McKinley County, New Mexico.

[illegible]

Subject to the royalties and overriding royalties of 12½ or 15% reserved and excepted in the leases from Thomas A. Hyde and Novalene Hyde to Thomas C. King, dated March 23, 1954, from Arthur A. Hyde and wife, to Thomas C. King and Phyllis J. King dated March 23, 1954, from Valatie V. Hyde and Arthur V. Hyde to Thomas C. King dated March 23, 1954, from Jean Hyde Cosper and Lee Roy Cosper to Thomas C. King dated November 23, 1954, and the assignment covering these leases from Thomas C. King and wife to Jack A. Parsley, dated May 29, 1954, and to the terms and conditions in the foregoing leases and assignment contained.

C. The following named lode mining claims covering the South 2,760 feet of the West 1,[illegible] feet of Section 34, Township 13 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

Prospher No. 1
Deep Rocks Nos. 1-[illegible]

Subject to the royalties and overriding royalties of 12½ or 15% in the case of Deep Rocks Nos. 1-[illegible] and 10% in the case of Prospher No. 1 reserved and excepted in the leases from Thomas A. Hyde to Thomas C. King dated March 23, 1954, and from Jack V. Reynolds and wife to Jack A. Parsley, dated May 29, 1954, and the assignment from Thomas C. King and wife to Jack A. Parsley, and to the terms and conditions in the foregoing leases and assignment contained.

D. The following named lode mining claims situate in the East Half of Section [illegible], Township 1[illegible] North, Range 9 West, N.M.P.M., Valencia County, New Mexico.

Christmas Day Nos. 1-4
Phil

Subject to the royalties and overriding royalties of 15% in the case of Christmas Day Nos. 1-4 and 15½% in the case of Phil reserved and excepted in the lease from Joplin Machinery and Electric Company to Jack A. Parsley and to the terms and conditions in the foregoing lease contained.

7

Docket Copy

RECEIVED
JUN 15 1955

MF-200A
(Revised June 1954)

Docket No. DMEA-[illegible]

Commodity Uranium

Contract No. Idm-E-797

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

It is agreed this 17th 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] Colmer Corporation, a Delaware Corporation

whose mailing address is ~~Fidel and Rouse Building~~ Commerce Building 1016 West Santa Fe Grants, New Mexico, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

[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."

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

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

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $114,430.50 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $85,822.88: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

COLAMIR CORPORATION
(Operator)

By Frank Boylin Pres.

THE UNITED STATES OF AMERICA

By C. M. Mitkevich
Administrator, Defense Minerals Exploration Administration
Britin

Ching
Ellis
Chamberlin

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

Lou Shur Secty.

[CORPORATE SEAL]

Selfridge
Kjelmann

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

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EXPLORATION PROJECT CONTRACT
COLANER CORPORATION
DOCKET NO. DMEA-3632

ANNEX I

The land referred to in Article 2 of the Contract consists of 27 unpatented mining claims situated in Section 8, T. 13 N., R. 9 W., N. M. P. M., McKinley County, New Mexico, and descriptions of the claims are recorded in the office of the County Clerk as follows:

Name of Claim	Book No.	Page No.
State No. 1	4	452
State No. 2	"	452
State No. 3	"	453
State No. 4	"	453
State No. 5	"	454
State No. 6	"	454
State No. 7	"	455
State No. 8	"	455
State No. 9	"	491
State No. 10	"	456
State No. 11	"	491
State No. 12	"	492
State No. 13	"	458
State No. 14	"	458
State No. 15	"	459
State No. 16	"	459
State No. 17	"	460
State No. 18	"	492
State No. 19	"	436
State No. 20	"	461
State No. 21	"	461
State No. 22	"	462
State No. 23	"	462
State No. 24	"	463
State No. 25	"	463
State No. 26	"	464
State No. 27	"	493

The claims are shown on a map entitled "Figure 3. Map of Section 8 Showing . . . on State Nos. 1-27 Claims . . ." attached hereto and made a part hereof.

EXPLORATION PROJECT CONTRACT
COLAMER CORPORATION
DOCKET NO. DMEA-3632

EXHIBIT "A"

Description of the Work

The purpose of the project is to test, by core and non-core drilling, the principal known ore horizon in the area, which is found in the Poison Canyon sandstone unit of the Jurassic Morrison formation. The drill holes are expected to range from 250 feet to 380 feet in depth, and to average 295 feet, in depth. Approximately 25 percent of the drilling will be core drilling and 75 percent non-core drilling. All holes shall be BX in size except where maintenance of this size is impractical, in which case a minimum size of AX is allowable.

All drill core and cuttings shall be saved for study or analysis by the Operator, and for inspection and use by the Government. Both core and cuttings shall be checked radiometrically for uranium, and sections indicating significant mineralization shall be split, one-half to be analyzed chemically for U_3O_8 and $CaCO_3$ and one-half to be placed in its proper position with the rest of the core and cuttings.

All drill holes shall be logged geologically, and probed radiometrically as soon as possible after completion, and the record of such logging and probing, and certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports.

The holes shall be reamed and cased as necessary.

The work shall be done in three stages. The Operator shall perform Stage I, and shall perform so much of the work outlined under Stages II and III as is approved in advance by the Government.

The location, direction, and extent of all project work are subject to the approval of the Government.

RECEIVED
JUN 15 1955

STAGE I

The locations of Stage I holes are indicated on the attached Figure 3. The work consists of drilling 78 holes, aggregating not more than 23,235 feet, in six rows spaced 800 feet apart, as shown. The holes in each row shall be spaced approximately 400 feet apart. Five of the holes (shown as squares on Figure 3) shall be cored from the base of the Dakota sandstone to a point 10 feet below the top of the Westwater Canyon member. The 10 circled holes shall be cored from a point approximately 10 feet above the top of the Poison Canyon unit to a point 10 feet below the top of the Westwater Canyon member. The remaining 63 holes shall be cored from a point approximately 10 feet above the top of the Poison Canyon unit to a point 10 feet below the base of that unit.

STAGE II

Stage II work consists of drilling a maximum of 70 holes aggregating not more than 20,650 feet, on a 200 by 400 foot grid, in favorable areas established by Stage I work. The holes shall be cored from a point approximately 10 feet above the top of the Poison Canyon unit to a point 10 feet below the base of that unit.

STAGE III

Stage III work consists of drilling a maximum of 60 holes aggregating not more than 17,700 feet, on a 100 by 200-foot grid, in favorable areas found by work under Stages I and II. The holes shall be cored from a point approximately 10 feet above the top of the Poison Canyon unit to a point about 10 feet below the base of that unit.

FIXED UNIT COSTS

STAGE I

17,125 feet non-core drilling @ $1.54/ft.	$ 26,372.50
6,110 feet core drilling @ $2.80/ft.	17,108.00

20 chemical analyses @ $5.00/ea.	$ 100.00	
		$ 43,580.50

STAGE II

15,750 feet non-core drilling @ $1.54/ft.	$ 24,255.00	
4,900 feet core drilling @ $2.80/ft.	13,720.00	
35 chemical analyses @ $5.00/ea.	175.00	
		$ 38,150.00

STAGE III

13,500 feet non-core drilling @ $1.54/ft.	$ 20,790.00	
4,200 feet core drilling @ $2.80/ft.	11,760.00	
30 chemical analyses @ $5.00/ea.	150.00	
		$ 32,700.00
Estimated total cost of project		$114,430.50 1/
Government participation @ 75%		$ 85,822.88

1/ The unit costs include all costs whatsoever necessary for the performance of the project.

4F-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 New Mexico, County of McKinley, described as follows:

The following-named LODE MINING CLAIMS, to-wit:

State No. 1, State No. 2, State No. 3,
State No. 4, State No. 5, State No. 6,
State No. 7, State No. 8, State No. 9,
State No. 10, State No. 11, State No. 12,
State No. 13, State No. 14, State No. 15,
State No. 16, State No. 17, State No. 18,
State No. 19, State No. 20, State No. 21,
State No. 22, State No. 23, State No. 24,
State No. 25, State No. 26, and State No. 27, which are recorded in the Office of the County Clerk in McKinley County, New Mexico, in Book 4 M.C.R. at pages 452, 452, 453, 453, 454, 454, 455, 455, 491, 456, 491, 492, 458, 458, 459, 459, 460, 492, 436, 461, 461, 462, 462, 463, 463, 464, and 493, respectively, and which claims, according to the descriptions in the location notices thereof,

COVER:

The West 4500 feet of Section 8, in TOWNSHIP 13 North, Range 9 West, N.M.P.M.

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 Colamer Corp., a Delaware Corporation, authorized to do business in the State of New Mexico, 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 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.

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.

Thomas C. King (Seal) THOMAS C. KING	Phyllis J. King (Seal) PHYLLIS J. KING
Vilatie W. Hyde (Seal) VILATIE W. HYDE	Arthur W. Hyde (Seal) ARTHUR W. HYDE
Lee Roy Cooper (Seal) LEE ROY COOPER	Jane Hyde Cooper (Seal) JANE HYDE COOPER
J. V. Reynolds (Seal) J. V. REYNOLDS	Jean Reynolds (Seal) JEAN REYNOLDS
Howard Deeds (Seal) HOWARD DEEDS, a single man	(Seal)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3632

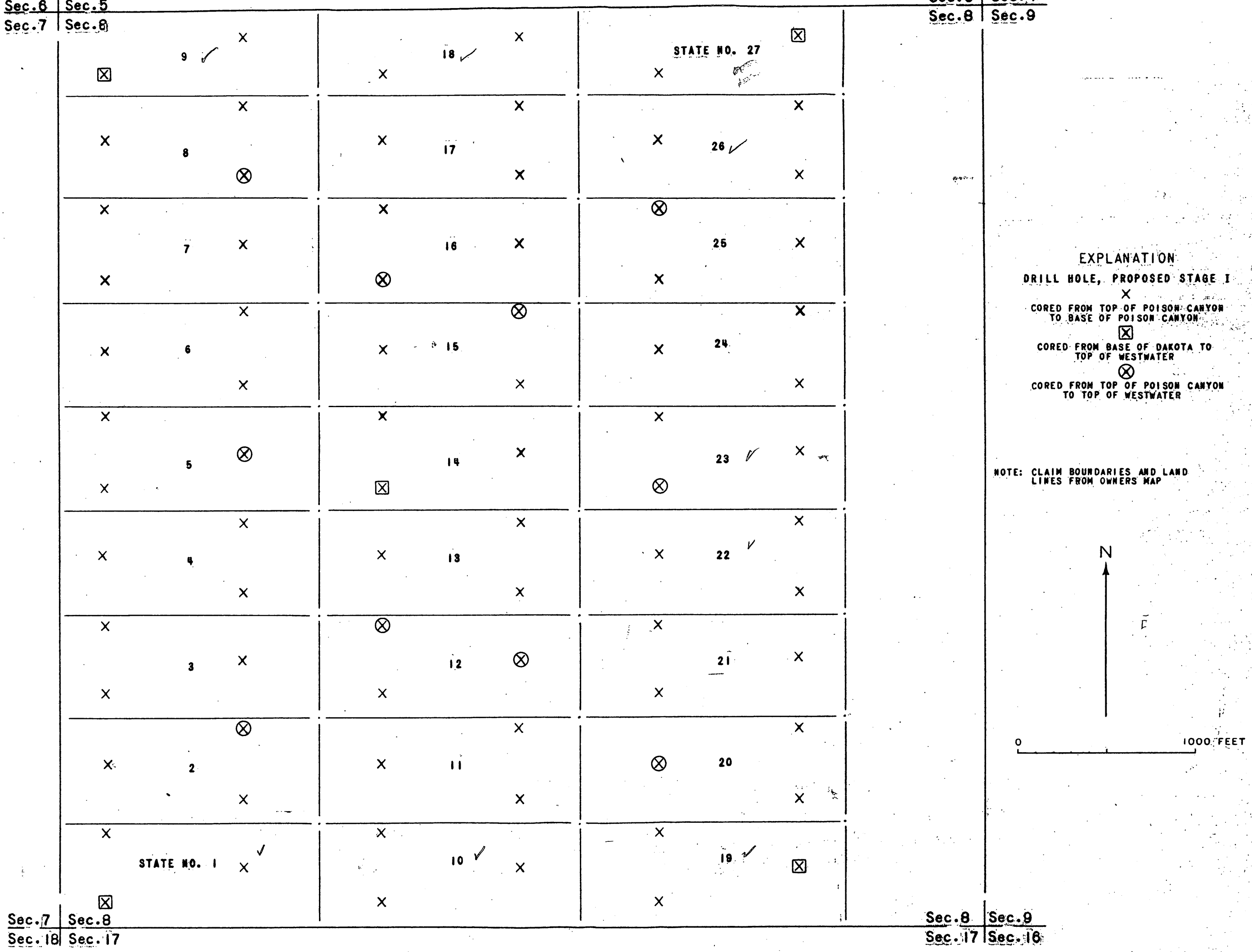

Figure 3. MAP OF SECTION 8 SHOWING PROPOSED STAGE I DRILLING PATTERN ON STATE NOS. 1-27 CLAIMS, COLAMER CORP., McKINLEY COUNTY, NEW MEXICO

NEW YORK OFFICE
420 LEXINGTON AVENUE
LEXINGTON 2-0422

LAW OFFICES
CANN LAMB LONG & KITTELLE
PENNSYLVANIA BUILDING
425 13TH STREET, N. W.
WASHINGTON 4, D. C.

TELEPHONE
EXECUTIVE 3-6877

January 7, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 11 1955
6

Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

In re: Colamer Corporation
Grants, New Mexico
Application for aid in an Uranium
Exploration Project - Grants Uranium
District

Gentlemen:

There are enclosed herewith the original and three copies of application for aid in an uranium exploration project pursuant to DMEA Order #1, under the Defense Production Act of 1950, as amended, by Colamer Corporation.

The applicant has failed to submit with its application owner's consent to lien. We have called this matter to the attention of the company and expect to obtain these consents within the near future and will at that time forward the same to you for affiliation with the application.

You have heretofore received a letter from the corporation authorizing the undersigned to represent it in connection with its application. We would appreciate your advising us of your action taken on the matter. If there are any questions in connection with this application, we would appreciate your advising us in order that we may be of assistance in the matter.

Very truly yours,

Bernard J. Long

Enclosure
Application

COLAMER CORP.
A DELAWARE CORPORATION
FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

The following pages in this folder answer fully the instructions 4 (a) (b) (c) (d) (e), 5 (b) (d), 6 (a) (b) (c) (d) (e) (f) (g) (h), as required on the attached "Application for Aid" form MF-103.
The geological and geographical information here included and the cost estimates for the project have been compiled by the Geological Engineering Department of the Colamer Corporation.

Respectfully Submitted,

Kelsey Boltz — Geological Engineer

Jack R. Parsley — Geological Engineer

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

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. 3632
Metal or Mineral Uranium
Date Received 1-6-55
Estimated Cost $105,175
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: Colamer Corp., a Delaware Corporation, Fidel & Rouse Bldg., Grants, New Mexico; the names and addresses of the officers of the corp. appear on attached "Exhibit B".
cc: Bernard J. Long (see letter 1/7/55)

(*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.

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

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

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 See attached "Exhibit A".

(*b*) State any mine name by which the property is known. None

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee, by Assignment

(*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. See attached "Exhibit C".

(*e*) If you own the land, describe any liens or encumbrances on it Do not own the land.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See attached "Exhibit A".

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

(*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 contact veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... 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 [X] 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 December 28, 1954

COLAMER CORPORATION
(Applicant)

By Jack R. Parsley

Jack R. Parsley, Vice 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

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FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

4.

(a) There are no mining operations now being conducted on this property. Three holes have been drilled in the southwest quarter of "State No. 1" claim. The holes did not encounter commercial grade ore, but two of the holes encountered mineralization. The thickness and the extent of the mineralization is not known.

(b) There has not been any production on Section 8, Township 13 North, Range 9 West.

(c) The Grants Uranium District is located on the northeast flank of the Zuni Uplift. This gives the beds a general three to five degree dip to the northeast.
Section 8, Township 13 North, Range 9 West is situated on the top of a large mesa which is capped by the Dakota Sandstone formation. Underlying the Dakota formation is the Morrison formation in which at least two members have proven favorable for uranium mineralization. Illustration "C" is a cross section showing the formations, thickness of formations, and mesa and bench forming members.
The Poison Canyon Mine in Section 19, Township 13 North, Range 9 West, owned by Santa Fe Railroad, and which has a reported 250,000 ton reserve, is producing from the Westwater Canyon member of the Morrison Formation. (See accompanying Map "A") The lower strata of the Brushy Basin member, also of the Morrison Formation, has also been a producer. The ore bodies thus far found in Sections 18 and 20, Township 13 North, Range 9 West, with a combined reserve of approximately 60,000 tons of uranium ore, the Blue Peak Mine in Section 24, Township 13 North, Range 10 West, and the famous Anaconda "Jackpile, Woodrow and Hanford" Mines, of Grants, N. M.

are all producing from the Westwater Canyon Member of the Morrison formation. The ore is of the sandstone and shale type, being carbonaceous and, in some areas, almost asphaltic in nature. The mineralized areas seem to be localized at the intersections of northeast-southwest sedimentary trends with north-south trending shear zones. This type of structural control is very pronounced in the Poison Canyon area south and west, about one-half mile, from Section 8. The extension of these structural trends indicates another probable intersection in Section 8, as shown on Map "A". Exploration on these trends has proved quite successful in the location of large orebodies on Sections 18, 19, and 20, Township 13 North, Range 9 West. It is proposed here to drill through to the bottom of the Westwater Canyon member of the Morrison Formation, which has proved to be the most favorable horizon.

(d) The entire area of Section 8 is easily accessible from State Highway No. 53. The terrain is flat, affording little difficulty in the construction of roads for the drilling rig. The property is approximately 20 miles from the Anaconda Mill at Bluewater, New Mexico, and approximately 21 miles from Grants, New Mexico. Supplies can be obtained from Grants and Albuquerque, 70 miles to the east.

(e) Adequate manpower, materials, supplies, and equipment for the project can be obtained from Grants and Albuquerque. Water is easily obtainable from numerous cattle watering tanks in the vicinity of Section 8.

5.

(a) See application blank.

(b) It is proposed to drill to the bottom of the Westwater Canyon member of the Morrison formation. The depth to the bottom of this horizon will vary from approximately 200 feet in the southwest corner of the section to approximately 410 feet in the northeast corner, as shown on Map "B" accompanying this report. The drilling is to be carried on in a series of two stages. Stage No. 1 is proposed on 400' Centers, beginning the grid 200' east of the west line of Section 8 and 200' north of the south line of Section 8. All holes will be logged with a radioactive measuring instrument, and the cuttings of those holes which show anomalous radio-

98305
39
340
3340
3370

activity shall be chemically assayed. The cuttings from each hole drilled will be studied for sedimentation and composition clues to uranium mineralization. All this information will be correlated to plan the second drilling stage. Those holes on Stage No. 1 which show anomalous conditions will be offset on a 200' grid pattern in Stage No. 2, to further pinpoint the ore-body. The proposed grid pattern and iso-depth lines are shown on Map "B".

The collar elevations and locations will be accurately surveyed and all information will be filed in an orderly manner. Isopachs of the favorable horizon and structural contour maps will be constructed from the information gathered. From Map "B" the probable depths of the holes were interpolated and totaled, giving 47,200', the number of total feet drilled on Stage No. 1. It has been shown in this ore district, if mineralization is encountered, that one hole in every eight will be offset, giving a total of 143 holes for Stage No. 2. The average depth of the holes for Section 8 is approximately 330 feet. Stage No. 2, therefore, will require 47,200 feet of drilling, making a total of 94,000 total feet for the project. The ground encountered in this area can be drilled at an average of from 250 to 320 feet per day. It is estimated here that the project will require approximately 340 working days to be completed. It is upon these figures that the cost estimates are based.

(c) See application blank.

(d) Colamer Corporation is now actively engaged in mining uranium ore from the Christmas Day Claims in Section 4, Township 12 North, Range 9 West. Prior to the mining operation, an extensive exploration drilling program was carried on efficiently and successfully on these claims. The engineering department has had adequate experience in all phases of geological exploration, drilling, and mining, both surface stripping and underground. The proposed operation will be supervised by the Engineering and Geological Departments of the company.

6.

(a) No contracts will be let except for assays of cuttings and cores. This item will include assays for every hole with anomalous conditions

Assays $2,000.00

COLAMER CORP.
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IDEL & ROUSE BLDG.
ANTS, NEW MEXIC

	Amount Carried Forward for Assays	$2,000.00
(b)	Labor, supervision, consultants:	
	1 Driller @ $22.00/Day, 340 Days	7,480.00
	1 Helper @ $19.50/Day " "	6,545.00
	1 Water Truck Driver @ $16.50/Day, 340 Days	5,610.00
	1 Engineer @ $25.00/Day, 340 Days	8,500.00
	1 Geologist @ $30.00/Day, " "	10,200.00
(c)	Fuels for drill rig, water truck, D-8 Caterpillar, 1/2-Ton Pickup, @ $40.00/Day	13,600.00
	Site @ $70.00/Day	23,800.00
	Water @ $2.50/Day	850.00
(d)	Depreciation of 1/2 Ton Pickup Truck	880.00
	" of Drill Rig and Water Truck @ $25.00/Day	8,500.00
	Depreciation of Caterpillar D-8 Tractor and Dozer @ $20.00/Day	6,800.00
	Microscope for Sedimentation Studies	500.00
	Calculating Machine	800.00
	Jones Sample Splitter	70.00
(e)	None.	
(f)	Installation of storage shed for drill hole cuttings	1,500.00
(g)	Insurance and Miscellaneous $10.00/Day	3,400.00
	Accounting @ $6.00/Day	2,040.00
(h)	Radioactive logging of holes @ $6.00/Hole	1,800.00
	Reproduction of maps and records	500.00
	TOTAL -	$ 105,175.00

= $1.118/CY

COLAMER CORP.
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FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

EXHIBIT A

The following named unpatented LODE MINING CLAIMS, to-wit:

State No. 1, State No. 2, State No. 3,
State No. 4, State No. 5, State No. 6,
State No. 7, State No. 8, State No. 9,
State No. 10, State No. 11, State No. 12,
State No. 13, State No. 14, State No. 15,
State No. 16, State No. 17, State No. 18,
State No. 19, State No. 20, State No. 21,
State No. 22, State No. 23, State No. 24,
State No. 25, State No. 26, and State No. 27, which are recorded in the Office of the County Clerk in McKinley County, New Mexico, in Book 4 M.C.R. at pages 452, 452, 453, 453, 454, 454, 455, 455, 491, 456, 491, 492, 458, 458, 459, 459, 460, 492, 436, 461, 461, 462, 462, 463, 463, 464, and 493, respectively, and which claims, according to the descriptions in the location notices thereof,

COVER:

The West 4500 feet of Section 8, in TOWNSHIP 13 North, Range 9 West, N.M.P.M.

COLAMER CORP.
A DELAWARE CORPORATION
LOS ALTOS BOULEVARD
GRANTS, NEW MEXICO

EXHIBIT A

Amended Location Notices of the unpatented Lode Mining Claims set forth on Page #1 of this exhibit were filed by Thomas C. King pursuant to Public Law 585 on October 30, 1954, said amended Location Notices covering claims State No. 1 to State No. 27, inclusive, and being recorded in the office of the County Clerk of McKinley County, New Mexico in Book 16 Misc., at Pages 393, 395, 397, 398, 401, 403, 405, 407, 408, 409, 410, 413, 415, 417, 419, 421, 423, 424, 425, 426, 429, 431, 433, 435, 437, 438, 439, respectively.

Amended Location Notices of the following named claims, pursuant to Public Law 585, were also filed by A. W. Hyde, to-wit: State No. 2, 11, and 20, on October 30, 1954 and November 11, 1954, said amended Location Notices being filed for record in Book 16 Misc. at Pages 394, and 411, and in Book 17 Misc. at Pages 38, 39, 40, in the office of the County Clerk of McKinley County, New Mexico.

Amended Location Notices of the following named claims, pursuant to Public Law 585 were also filed by Vilatie W. Hyde, to-wit: State No. 3, 4, 12, 13, and 21, on October 30, 1954, November 5, 1954, and November 11, 1954, said amended Location Notices being filed for record in the office of the County Clerk of McKinley County, New Mexico in Book 16 Misc. Pages 396, 399, and 412 and in Book 17 Misc. Pages 33, 34, 35, 36, 37, and 63.

Amended Location Notices of the following named claims, pursuant to Public Law 585, were also filed by Lee Roy Cosper, to-wit: State No. 7, 8, 16, 17, 25, and 26 on October 30, 1954 and November 5, 1954, said amended Location Notices being filed for record in the office of the County Clerk of McKinley County, New Mexico in Book 16 Misc. at Pages 404, 406, 420, and 422 and Book 17 Misc. at Pages 25, 26, 29, 30, 32, and 65.

Amended Location Notices of the following named claims, pursuant to Public Law 585, were also filed by Jane Hyde Cosper, to-wit: State No. 5, 6, 14, 15, and 24 on November 5, 1954, November 8, 1954 and October 30, 1954, said amended Location Notices being filed for record in the office of the County Clerk of McKinley County, New Mexico in Book 16 Misc. at Pages 400, 402, 416, 418 and in Book 17 Misc. Pages 23, 24, 27, 28, 31, and 64.

COLAMER CORP.
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FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

EXHIBIT B

Listed below are the names and addresses of the officers of Colamer Corp., a Delaware corporation:

FRANK BOYLIN	President	300 Central Park West, New York City, N. Y.
JACK R. PARSLEY	Vice-Pres.	Fidel & Rouse Bldg., Grants, New Mexico.
LOUIS SHUR	Secretary	105 East 23rd Street, New York City, N. Y.
MAURICE GREENBERG	Treasurer	512 Seventh Avenue, New York City, N. Y.
KELSEY L. BOLTZ	Ass't. Sec.	Fidel & Rouse Bldg., Grants, New Mexico.

COLAMER CORP.
A DELAWARE CORPORATION
FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

EXHIBIT G

Exhibit G consists of the following eight (8) photostatic copies of mining leases and assignments thereof:

ASSIGNMENT OF LEASES

THIS AGREEMENT, made and entered into on this 11th day of December, 1954, by and between JACK R. PARSLEY, a single man, hereinafter called ASSIGNOR, and COLAMER CORP., a Delaware corporation organized under the laws of the State of Delaware, hereinafter called ASSIGNEE;

WITNESSETH:

WHEREAS, The Assignor is the owner of the following described Mining Leases, wither by direct lease from the owner of the mining claims involved or by assignment of existing leases, to-wit:

I. Assignment of Leases by and between THOMAS KING, also known as TOM KING, also THOMAS C. KING, and PHYLLIS J. KING, husband and wife, as Assignors, and JACK R. PARSLEY, a single man, as Assignee, which said Assignment is recorded in Book 7 of Leases, page 181 of the Records of the County Clerk of McKinley County, State of New Mexico, and covering the following described lode mining claims:

STATE Number Three (3),
STATE Number Four (4),
STATE Number Twelve (12),
STATE Number Thirteen (13), and
STATE Number Twenty-One (21),

said claims being located in Sec. 8, Twp. 13 N, R 9W, N.M.P.M., and being recorded in Book MCR-4 at pages 453, 453, 492, 458, and 461, respectively, of the Official Records in the office of the County Clerk of McKinley County, State of New Mexico; and

the mining lease assigned being dated April 5, 1954 in which said mining lease VILATIE W. HYDE and ARTHUR W. HYDE, her husband, are designated as Lessors, and THOMAS KING, as Lessee, said mining lease being duly recorded in the Records of the County Clerk of McKinley County, State of New Mexico; and

STATE Number Two (2),
STATE Number Eleven (11), and
STATE Number Twenty (20),

said claims being located in Sec. 8, Twp. 13 N, R 9W, N.M.P.M., and being recorded in Book MCR-4 at pages 452, 491, 461, respectively, of the Official Records in the office of the County Clerk of McKinley County, State of New Mexico; and,

The mining lease assigned being dated April 5, 1954 in which said mining lease VILATIE W. HYDE and ARTHUR

W. HYDE, her husband, are designated as Lessors, and THOMAS KING, as Lessee, said mining lease being recorded in the Records of the County Clerk of McKinley County, State of New Mexico; and,

[illegible] KUNBLA Seven (7),
STATE Number Eight (8),
STATE Number Sixteen (16),
STATE Number Seventeen (17), and
STATE Number Twenty-five (25),

said claims being located in Sec. 8, Twp. 13 N, R 9W,, N.M.P.M., and being recorded in Book MCR-4 at pages 455, 455, 459, 460, and 463, respectively, of the Official Records in the office of the County Clerk of McKinley County, State of New Mexico; and,

The mining lease assigned being dated April 5, 1954 in which said mining lease LEE ROY COSPER and JANE HYDE COSPER, his wife, are designated as Lessors, AND THOMAS KING, as Lessee, said mining lease being recorded in the Records of the County Clerk of McKinley County, State of New Mexico; and,

STATE Number Five (5),
STATE Number Six (6),
STATE Number Fourteen (14),
STATE Number Fifteen (15), and
STATE Number Twenty-four (24),

said claims being located in Sec. 8, Twp. 13 N. R 9W, [illegible], and being recorded in Book [illegible]-4 at pages 454, 454, 458, 459, 463, respectively, of the Official Records in the office of the County Clerk of McKinley County, State of New Mexico; and,

the mining lease assigned being dated April 5, 1954 in which said mining lease LEE ROY COSPER and JANE HYDE COSPER, his wife, are designated as Lessors, and THOMAS KING, as lessee, said mining lease being recorded in the Records of the County Clerk of McKinley County, State of New Mexico; and,

II. The mining lease dated the 17th day of August, 1954, by and between [illegible] KING, also known as THOMAS KING, also known as THOMAS C. KING, and PHYLLIS J. KING, his wife, their successors or assigns, as LESSORS, and JACK [illegible] FOLEY, a single man, his successors or

assigns, as Lessee, which said mining lease is recorded in Book 7 of Leases at page 178 of the Records of the County Clerk of Valencia County, State of New Mexico, and covers the following described lode mining claims, to-wit:

STATE Number One (1),
STATE Number Nine (9),
STATE Number Ten (10),
STATE Number Eighteen (18),
STATE Number Nineteen (19),
STATE Number Twenty-six (26), and
STATE Number Twenty-seven (27),

all in Section 8, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 452, 491, 456, 460, 436, 464, and 493, respectively; and

PHYLLIS Number Two (2),
PHYLLIS Number Six (6),
PHYLLIS Number Ten (10),
PHYLLIS Number Fourteen (14),
PHYLLIS Number Eighteen (18),
PHYLLIS Number Twenty-Two (22),
PHYLLIS Number Twenty-Six (26),
PHYLLIS Number Thirty (30), and
PHYLLIS Number Thirty-Four, (34);

all in Section 10, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 494, 496, 498, 500, 502, 504, 506, 510, and 512, respectively; and

FANNIE Number Four (4),
FANNIE Number Eight (8),
FANNIE Number Twelve (12),
FANNIE Number Sixteen (16),
FANNIE Number Twenty (20),
FANNIE Number Twenty-four (24),
FANNIE Number Twenty-Eight (28),
FANNIE Number Thirty-Two (32), and
FANNIE Number Thirty-Six (36);

all in Section 10, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 495, 497, 499, 501, 503, 505, 507, 511, and 513, respectively; and,

III. The mining lease dated the 17th day of August, 1954, by and between J. V. REYNOLDS and JEAN REYNOLDS, his wife, their successors or assigns, as Lessors, and JACK R. PARSLEY, a single man, his successors or assigns, as Lessee, which said mining lease is recorded in Book 7 of Leases at page 178 of the Records

of the County Clerk of Valencia County, State of New Mexico, and covers the following described lode mining claims, to-wit:

JEAN Number One (1),
JEAN Number Five (5),
JEAN Number Nine (9),
JEAN Number Thirteen (13),
JEAN Number Seventeen (17),
JEAN Number Twenty-One (21),
JEAN Number Twenty-five (25),
JEAN Number Twenty-nine (29), and
JEAN Number Thirty-Three (33),

all in Section 10, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 493, 495, 497, 499, 501, 503, 505, 507, and 511, respectively; and

DELTTA Number Three (3),
DELTTA Number Seven (7),
DELTTA Number Eleven (11),
DELTTA Number Fifteen (15),
DELTTA Number Nineteen (19,
DELTTA Number Twenty-Three (23),
DELTTA Number Twenty-Seven (27),
DELTTA Number Thirty-One (31), and
DELTTA Number Thirty-Five (35);

all in Section 10, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 494, 496, 498, 500, 502, 504, 506, 510, and 512, respectively; and

STAR Number Twenty-two (22) and
STAR Number Twenty-three (23);

all in Section 8, Township 13 North, Range 9 West, N.M.P.M. which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at page 462.

WHEREAS, the said Assignor is desirous of assigning to the said Assignee the aforementioned Mining Leases, Assignments of Mining Leases, and Option to Purchase and Agreement to Lease covering the hereinabove described premises; and

WHEREAS, the said Assignee is desirous of purchasing the said Mining Leases, Assignments of Mining Leases, and Option to Purchase and Agreement to Lease;

NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS ($10.00), and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the said Assignor does hereby set over, assign, transfer, and sell to the said Assignee the hereinabove mentioned and described Mining Leases, Assignments of Mining Leases, and Option to Purchase and Agreement to Lease, subject to all of the terms, agreements, and stipulations therein contained.

IT IS UNDERSTOOD AND AGREED by and between the parties hereto that the Assignee hereunder will fulfill all of the terms of the Mining Leases, Assignments of Mining Leases, and Option to Purchase and Agreement to Lease set out above and save the Assignor harmless from any failure so to do.

IN WITNESS WHEREOF the parties hereto have set their hands and seals on the day and year first above written.

Jack R. Parsley
JACK R. PARSLEY
ASSIGNOR

President,
SOLATER CORP., a Delaware Corporation.
ASSIGNEE

STATE OF NEW MEXICO)
County of Bernalillo) } ss.

On this 11th day of December, 1954, before me personally appeared JACK R. PARSLEY, a single person, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Witness my hand and seal the day and year last above written.

Notary Public

My Commission Expires: 9/18/56.

STATE OF NEW YORK)
County of New York) ss.

On this 15th day of December, 1954, before me personally appeared FRANK BOYLIN, to me personally known, who being by me duly sworn did say that he is President of COLAMER CORP., a corporation organized under the laws of the State of Delaware, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that said instrument was signed and sealed on behalf of said corporation, by authority of it's Board of Directors, and said FRANK BOYLIN acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal the day and year last above written.

Irene S. Zahler
Notary Public

My commission expires: March 30, 1956

IRENE S. ZAHLER
Notary Public, State of New York
No. 03-9784700
Qualified in Bronx County
Certificate filed in New York County
Commission Expires March 30, 1956

ASSIGNMENT OF MINING LEASES

THIS AGREEMENT, made and entered into as of this 25 day of August, 1954, by and between THOMAS KING, also known as TOM KING, also known as THOMAS C. KING, and PHYLLIS J. KING, husband and wife, hereinafter called ASSIGNORS, and JACK R. PARSLEY, a single person, hereinafter called ASSIGNEE,

WITNESSETH:

WHEREAS, the said Assignors are the lessees under that certain mining lease dated the fifth day of April, 1954, in which said mining lease Vilatie W. Hyde and Arthur W. Hyde, her husband, are designated as lessors, and which said mining lease covers the following-described premises and/or lode mining claims:

State Number Three (3),
State Number Four (4),
State Number Twelve (12),
State Number Thirteen (13), and
State Number Twenty-one (21),

all in Section 8, Township 13 North, Range 9 West, N.M.P.M., lying and being within the Mt. Taylor Mining District, McKinley County, State of New Mexico; and

WHEREAS the said assignors are the lessees under that certain mining lease dated the fifth day of April, 1954, in which Arthur W. Hyde and Vilatie W. Hyde, his wife, are designated as lessors, and which said mining lease covers the following-described premises and/or lode mining claims:

State Number Two (2)
State Number Eleven (11), and
State Number Twenty (20),

all in Section 8, Township 13 North, Range 9 West, N.M.P.M., lying and being within the Mt. Taylor Mining District, McKinley County, State of New Mexico; and

WHEREAS the said Assignors are the lessees under that certain mining lease dated the fifth day of April, 1954, in which Lee Roy Cosper and Jane Hyde Cosper, his wife, are designated as lessors, and which said mining lease covers the following-described premises and/or lode mining claims:

State Number Seven (7),
State Number Eight (8),
State Number Sixteen (16),
State Number Seventeen (17), and
State Number Twenty-five (25),

all in Section 8, Township 13 North, Range 9 West, N.M.P.M., lying and being within the Mt. Taylor Mining District, McKinley County, State of New Mexico; and

WHEREAS the said Assignors are the lessees under that certain mining lease dated the fifth day of April, 1954, in which Jane Hyde Cosper and Lee Roy Cosper, her husband, are designated as lessors, and which said mining lease covers the following-described premises and/or lode mining claims:

State Number Five (5),
State Number Six (6),
State Number Fourteen (14),
State Number Fifteen (15), and
State Number Twenty-four (24),

all in Section 8, Township 13 North, Range 9 West, N.M.P.M., lying and being within the Mt. Taylor Mining District, McKinley County, State of New Mexico; and

WHEREAS the said Assignors are desirous of assigning to the said Assignee the aforementioned mining leases

covering the hereinabove described premises; and

WHEREAS the said Assignee is desirous of purchasing the said mining leases;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable considerations as hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, the said Assignors do hereby set over, assign, transfer, and sell to the said Assignee the hereinabove mentioned and described mining leases, subject to all of the terms, agreements, and stipulations therein contained.

It is understood and agreed by and between the parties hereto that the said Assignee shall pay to the said Assignors, their lessors and designees hereinafter mentioned, for each shipment of all ore or valuable mineral mined and removed from said premises a royalty on the "Mine Value Per Net Dry Ton" on or before the twentieth day of the month next following the receipt by Assignee of payment for the products sold or disposed of as follows:

> A total of ten per cent (10%) of the Mine Value Per Net Dry Ton, with minimum royalties of One Hundred Dollars ($100.00) per year per claim, beginning April 1, 1955, said minimum royalties provided for to be deducted from production royalties on ores sold, payable to the following persons in accordance with the percentage appearing after their respective names and only on the claims appearing after their names:

Name and Address	Percentage	Claims
Thomas C. King c/o Fidel & Rouse Building Grants, New Mexico	2½%	On all claims
Jean Reynolds 903 South Madison Webb City, Missouri	2½%	On all claims
Vilatie W. Hyde and Arthur W. Hyde Bluewater, New Mexico	5%	State Number 3, 4, 12, 13, and 21
Arthur W. Hyde and Vilatie W. Hyde Bluewater, New Mexico	5%	State Number 2, 11, 20
Lee Roy Cosper and Jane Hyde Cosper Bluewater, New Mexico	5%	State Number 7, 8, 16, 17, and 25
Jane Hyde Cosper and Lee Roy Cosper Bluewater, New Mexico	5%	State Number 5, 6, 14, 15, and 24

with royalty payments to be made direct to those immediately set out above.

The minimum yearly royalty provided above shall be payable as follows:

Vilatie W. Hyde and Arthur W. Hyde	-	State Numbered 2, 3, 4, 11, 12, 13, 20, and 21
Jane Hyde Cosper and Lee Roy Cosper	-	State Numbered 5, 6, 7, 8, 14, 15, 16, 17, 24, and 25

it being understood such payment to them of minimum royalties and the percentage provided above are to satisfy the royalty provisions of the mining leases hereby assigned. Assignors may at their option require that royalties due them under the terms of this agreement be deducted at the market where sold and paid directly to Assignors, and that each payment be accompanied by a settlement sheet. "Mine Value Per Net Dry Ton" is hereby defined as set forth in the aforementioned lease.

It is understood and agreed that the above royalties are to satisfy all royalties due and payable to any person or persons connected with and having an interest in the properties covered by this assignment, which the Assignors hereby guarantee.

It is further understood and agreed by and between the parties hereto that any failure to pay royalties as due hereunder, or any breach of covenant herein set forth or set forth in the aforementioned lease shall terminate this Assignment and all payments hereunder heretofore made shall be kept and retained by the said Assignors as liquidated damages; provided, however, that said Assignee shall have thirty (30) days to cure such default or breach after receipt of written notice of such default or breach.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year hereinabove first written.

Thomas King
THOMAS C. KING

Phyllis J. King
PHYLLIS J. KING

ASSIGNORS

Jack R. Parsley
JACK R. PARSLEY

ASSIGNEE

STATE OF NEW MEXICO)
) SS
COUNTY OF BERNALILLO)

On this 25 day of August, 1954, before me personally appeared TOM KING, also known as THOMAS KING, also

known as THOMAS C. KING, and PHYLLIS J. KING, his wife, and JACK R. PARSLEY, a single man, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and seal the day and year last above written.

J. G. Whitehouse
NOTARY PUBLIC

My commission expires: 9/18/56

J. G. WHITEHOUSE NOTARY PUBLIC BERNALILLO COUNTY, N. M.

STATE OF NEW MEXICO
COUNTY OF BERNALILLO
32863
Filed 27th August A.D. 1954 9:02 A.M.
Ernest C. Garcia
By J. G. Herrera

BERNALILLO COUNTY CLERK

MINING LEASE

THIS INDENTURE, entered into in duplicate this 17th day of August, 1954, by and between TOM KING, also known as THOMAS KING, also known as THOMAS C. KING, and PHYLLIS J. KING, his wife, their successors or assigns, PARTY OF THE FIRST PART, hereinafter called LESSOR, and JACK R. PARSLEY, a single man, his successors or assigns, PARTY OF THE SECOND PART, hereinafter called LESSEE:

WITNESSETH:

That the parties hereto for the consideration hereinafter expressed covenant and agree as follows:

I.

Lessor for the sum of TEN DOLLARS ($10.00, and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, and upon the terms and conditions and subject to the reservations hereinafter set forth, hereby grants to Lessee the exclusive right and privilege for a period of ten (10) years, beginning with the date hereof, to search and explore for valuable minerals and ores, including the ores of uranium and to conduct mining operations for the development and extraction of same upon and in the following described lands or lode mining claims:

STATE Number One (1), Nine (9), Ten (10), Eighteen (18), Nineteen (19), Twenty-Six (26), and Twenty-Seven (27);

all in Section 8, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County

Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 452, 491, 456, 460, 436, 464, and 493, respectively; and

> PHYLLIS Number Two (2), Six (6), Ten (10), Fourteen (14), Eighteen (18), Twenty-Two (22), Twenty-Six (26), Thirty (30), and Thirty-Four (34);

all in Section 10, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 494, 496, 498, 500, 502, 504, 506, 510, and 512, respectively; and

> FANNIE Number Four (4) Eight (8), Twelve (12), Sixteen (16), Twenty (20), Twenty-four (24), Twenty-eight (28), Thirty-Two (32), and Thirty-Six (36);

all in Section 10, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 495, 497, 499, 501, 503, 505, 507, 511, and 513, respectively; which claims are sometimes hereinafter referred to as said lands; together with the right to make excavations, to construct and maintain thereon roads, works, facilities, and utilities necessary in the conduct of development or mining operations on said lands free of additional compensation other than the royalties as provided herein.

II.

Lessee agrees to enter on to said lands and to commence development and/or mining operations in compliance with the mining and safety laws of the State of New Mexico and the United States of America. It is understood and agreed, however, that by the payment of the yearly minimum royalty due

hereunder the Lessee shall satisfy, and said payment shall be in lieu of, any and all actual exploration or mining operations called for by this paragraph, with the exception of necessary assessment work.

III.

Lessee agrees to keep books and accounts covering Lessee's operations hereunder and such books and accounts will be open to Lessor's inspection at all reasonable times. Lessor reserves the right to enter upon said lands to survey, to take samples, and to inspect same. Lessee agrees to furnish Lessor a true copy of the logs of all recorded drilling on said lands and agrees to furnish Lessor on demand a blueprint from time to time of the latest map of the premises.

IV.

For each shipment of all ore or valuable mineral mined and removed from said lands, Lessee agrees to pay Lessor a royalty on the "Mine Value Per Net Dry Ton" on or before the twentieth day of the month next following receipt by Lessee of payment for the products sold or disposed of a total of ten per cent (10%) on FANNIE NUMBER 4, 8, 12, 16, 20, 24, 28, 32, and 36; a total of seven and one-half per cent (7½%) on STATE NUMBER 9, 18, 26, and 27; and a total of five per cent (5%) on all the remaining claims, payable to the following persons, in accordance with the percentages appearing after their respective names and only on the claims appearing after their names, to-wit:

Name and Address	Percentage	Claims
Thomas C. King c/o Fidel & Rouse Building Grants, New Mexico	2½%	On all claims
Jean Reynolds 903 South Madison Webb City, Missouri	2½%	On all claims
Ira N. Sprecher and Fannie A. Sprecher, his wife, c/o Mid-Valley Title Co. 306 South Second Street Gallup, New Mexico	5 %	FANNIE 4, 8, 12, 16, 20, 24, 28, 32, 36
Howard Deeds c/o Tom King Fidel & Rouse Building Grants, New Mexico	2½%	STATE 9, 18, 26, 27

said payments to be mailed to said parties at the addresses given above.

It is understood and agreed that the cash payments referred to in numbered paragraph I hereof shall be paid direct to the Lessor, THOMAS C. KING and PHYLLIS J. KING, his wife, and that the persons above named are merely to participate in production royalties only.

IT IS UNDERSTOOD AND AGREED that the above royalties are to satisfy all royalties due and payable to any person or persons connected with or having an interest in the properties covered by the Lease, which the Lessor hereby guarantees.

Lessee guarantees to advance yearly minimum royalties of ONE HUNDRED DOLLARS ($100.00) per year per claim during the term of this Lease, beginning August 23, 1955, payable one-half to THOMAS C. KING and one-half to JEAN REYNOLDS, which said minimum royalties shall be applied against their respective percentage of production royalties set out in this paragraph. Any such

minimum yearly royalties paid by Lessee can be applied against earned production royalties accruing at any time during the term of this Lease.

None of the other persons named hereinabove is to participate in minimum royalties provided for by this paragraph.

"Mine Value Per Net Dry Ton" as used herein is defined as the dollar value per dry ton of 2,000 pounds of crude ore at the mine as determined by the price schedules at the available markets; or as determined by the price schedules established by the Atomic Energy Commission or its successor; the value to include bonus and premium payments but not to include allowances for development, exploration, haulage, or transportation.

V.

Lessee agrees to indemnify, defend, and save harmless the Lessor from all liabilities arising from the entering into and complying with the within agreement.

VI.

At the expiration of this Lease, or upon its earlier termination as herein provided, Lessee shall surrender the said lands and shall have four (4) months in which to remove therefrom all machinery, tools, and other improvements, providing Lessee is not indebted to Lessor under the obligations of this Lease. Lessee may sell or retain equity in ores in transit, in bins, dumps, or stockpiles provided that such ores are removed from the said lands within thirty (30) days after this Lease is terminated, and that royalty is paid on the market value of such ores in the manner provided in paragraph IV herein.

VII.

Lessee shall enter upon and fully perform any assessment work required on said lands in time to keep said lands in good standing, and shall file required proofs of labor by June first each year. Lessee agrees to pay any additional taxes levied against said lands as a result of complying with the within agreement, or taxes levied against ores sold from said lands.

VIII.

Lessor agrees that, if at the expiration of this Lease Lessee is producing in commercial quantities valuable minerals or ores from said lands, then he will upon written request from Lessee renew this Lease upon the same terms and conditions as herein set forth; provided, however, that the payment provided for in paragraph numbered I herein shall be eliminated.

IX.

If at any time Lessor believes that Lessee is in default under the terms and provisions of this Lease, Lessor may notify Lessee in writing of the particular default claimed, and if such default shall not be removed within thirty (30) days after the receipt by Lessee of such notice, then Lessor may terminate this Lease at his option by serving written notice on Lessee, providing that such default is not caused by casualties, strikes, storms, or other unforeseen difficulties beyond the control of the Lessee.

If Lessee desires to terminate this Lease, Lessee may give Lessor thirty (30) days written notice of intent to terminate, and upon paying all production or minimum royalties earned

in accordance with the terms of this Lease at the time of returning the properties to the Lessor, may surrender this Lease and be relieved of all obligations and responsibilities hereunder. Any request or notice which either party hereto may desire to give to the other party shall be properly served only when reduced to writing, placed in an envelope, sealed, stamped, registered, and deposited in the United States Post Office addressed as follows:

Lessor:

Thomas C. King and Phyllis J. King
c/o Fidel & Rouse Building
Grants, New Mexico

Lessee:

Jack R. Parsley
40 Central Park, South
New York, New York

The parties hereto may change the address to which notices may be sent by written notice to the other in the manner provided above.

X.

All or any portion of the claims covered by this Lease may be assigned, transferred, or subleased providing that Lessor is furnished a copy of such transactions by registered mail within thirty (30) days of the date thereof. It is mutually agreed that the covenants, grants, stipulations, and conditions herein expressly shall run with the said lands, and apply to and bind the heirs, legatees, devisees, executors, sublessors, or assigns of the parties hereto respectively.

XI.

Lessors warrant that they have created no liens or

encumbrances against the claims herein described; that there are no liens or mortgage of record in the County Clerk's Office, of McKinley County, New Mexico; that they have taken all necessary legal steps to perfect said claims; and that there are no other royalty reservations other than those provided for and taken care of in paragraph numbered IV hereof.

IN WITNESS WHEREOF, this Lease has been executed by the parties thereunto duly authorized the day and year first above written.

Thomas C. King
THOMAS C. KING

Phyllis J. King
PHYLLIS J. KING
LESSOR

Jack R. Parsley
JACK R. PARSLEY
LESSEE

STATE OF NEW MEXICO
COUNTY OF
32862
27th August A.D. 1954 9:01 A.M.
178
Ernest C. Garcia
Indexed

STATE OF NEW MEXICO)
) ss.
County of Bernalillo)

On this 17 day of August, 1954, before me personally appeared THOMAS C. KING, also known as TOM KING, also known as THOMAS KING, and PHYLLIS J. KING, his wife; and JACK R. PARSLEY, a single man, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and seal the day and year last above written.

J. D. Whitehouse
Notary Public

My Commission Expires: 9/18/56

MINING LEASE

THIS INDENTURE, entered into in duplicate this 17th day of August, 1954, by and between J. V. REYNOLDS and JEAN REYNOLDS, his wife, their successors or assigns, PARTY OF THE FIRST PART, hereinafter called LESSOR, and JACK R. PARSLEY, a single man, his successors or assigns, PARTY OF THE SECOND PART, hereinafter called LESSEE;

WITNESSETH:

That the parties hereto for the consideration hereinafter expressed covenant and agree as follows:

I.

Lessor for the sum of TEN DOLLARS ($10.00), and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, and upon the terms and conditions and subject to the reservations hereinafter set forth, hereby grants to Lessee the exclusive right and privilege for a period of ten (10) years, beginning with the date hereof, to search and explore for valuable minerals and ores, including the ores of uranium and to conduct mining operations for the development and extraction of same upon and in the following described lands or lode mining claims:

JEAN Number One (1), Five (5), Nine (9), Thirteen (13), Seventeen (17), Twenty-one (21), Twenty-five (25), Twenty-nine (29), and Thirty-Three (33);

all in Section 10, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages

493, 495, 497, 499, 501, 503, 505, 507, and 511, respectively; and

DEETTA Number Three (3), Seven (7), Eleven (11), Fifteen (15), Nineteen (19), Twenty-Three (23), Twenty-Seven (27), Thirty-one (31), and Thirty-Five (35);

all in Section 10, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at pages 494, 496, 498, 500, 502, 504, 506, 510, and 512, respectively; and

STATE Number Twenty-two (22) and Twenty-three (23);

all in Section 8, Township 13 North, Range 9 West, N.M.P.M., which claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, in Book 4-MCR, at page 462; which claims are sometimes hereinafter referred to as said lands; together with the right to make excavations, to construct and maintain thereon roads, works, facilities, and utilities necessary in the conduct of development or mining operations on said lands free of additional compensation other than the royalties as provided herein.

II.

Lessee agrees to enter on to said lands and to commence development and/or mining operations in compliance with the mining and safety laws of the State of New Mexico and the United States of America. It is understood and agreed, however, that by the payment of the yearly minimum royalty due hereunder the Lessee shall satisfy, and said payment shall be in lieu of, any and all actual exploration or mining operations

called for by this paragraph, with the exception of necessary assessment work.

III.

Lessee agrees to keep books and accounts covering Lessee's operations hereunder and such books and accounts will be open to Lessor's inspection at all reasonable times. Lessor reserves the right to enter upon said lands to survey, to take samples, and to inspect same. Lessee agrees to furnish Lessor a true copy of the logs of all recorded drilling on said lands and agrees to furnish Lessor on demand a blueprint from time to time of the latest map of the premises.

IV.

For each shipment of all ore or valuable mineral mined and removed from said lands, Lessee agrees to pay Lessor a royalty on the "Mine Value Per Net Dry Ton" on or before the twentieth day of the month next following receipt by Lessee of payment for the products sold or shipped of a total of seven and one-half per cent (7½%) on [illegible], 7, [illegible], 15, 19, 23, 27, 31, and 35; and a total of five per cent (5%) on all the remaining claims, payable to the following persons, in accordance with the percentages appearing after their respective names and only on the claims appearing after their names, to-wit:

Name and Address	Percentage	Claims
Thomas C. King c/o Fidel & Rouse Building Grants, New Mexico	2½%	On all claims

Name and Address	Percentage	Claims
Jean Reynolds 903 South Madison Webb City, Missouri	2½%	On all claims
Joe Cahill North Roane Street Webb City, Missouri	2½%	DEETTA Number 3, 7, 11, 15, 19, 23, 27, 31, 35

said payments to be mailed to said parties at the addresses given above.

It is understood and agreed that the cash payments referred to in numbered paragraph I hereof shall be paid direct to the Lessor, J. V. REYNOLDS and JEAN REYNOLDS, his wife, and that the persons above named are merely to participate in production royalties only.

It is understood and agreed that the above royalties are to satisfy all royalties due and payable to any person or persons connected with or having an interest in the properties covered by the Lease, which the Lessor hereby guarantees.

Lessee guarantees to advance yearly minimum royalties of ONE HUNDRED DOLLARS ($100.00) per year per claim during the term of this Lease, beginning August 23, 1955, payable one-half to ~~J. V. REYNOLDS~~ THOMAS C. KING and one-half to JEAN REYNOLDS, which said minimum royalties shall be applied against their respective percentage of production royalties set out in this paragraph. Any such minimum yearly royalties paid by Lessee can be applied against earned production royalties accruing at any time during the term of this Lease. None of the other persons named hereinabove is to participate in minimum royalties provided for by this paragraph.

J.S.R. J.R.P. J.R.

"Mine Value Per Net Dry Ton" as used herein is defined

as the dollar value per dry ton of 2,000 pounds of crude ore at the mine as determined by the price schedules at the available markets; or as determined by the price schedules established by the Atomic Energy Commission or its successor; the value to include bonus and premium payments but not to include allowances for development, exploration, haulage, or transportation.

V.

Lessee agrees to indemnify, defend, and save harmless the Lessor from all liabilities arising from the entering into and complying with the within agreement.

VI.

At the expiration of this Lease, or upon its earlier termination as herein provided, Lessee shall surrender the said lands and shall have four (4) months in which to remove therefrom all machinery, tools, and other improvements, providing Lessee is not indebted to Lessor under the obligations of this Lease. Lessee may sell or retain equity in ores in transit, bins, dumps, or stockpiles provided that such ores are removed from the said lands within thirty (30) days after this Lease is terminated, and that royalty is paid on the market value of such ores in the manner provided in paragraph IV herein.

VII.

Lessee shall enter upon and fully perform any assessment work required on said lands in time to keep said lands in good standing, and shall file required proofs of labor by June first of each year. Lessee agrees to pay any additional taxes

levied against said lands as a result of complying with the within agreement, or taxes levied against ores sold from said lands.

VIII.

Lessor agrees that, if at the expiration of this Lease Lessee is producing in commercial quantities valuable minerals or ores from said lands, then he will upon written request from Lessee renew this Lease upon the same terms and conditions as herein set forth; provided, however, that the payment provided for in paragraph numbered I herein shall be eliminated.

IX.

If at any time Lessor believes that Lessee is in default under the terms and provisions of this Lease, Lessor may notify Lessee in writing of the particular default claimed, and if such default shall not be removed within thirty (30) days after the receipt by Lessee of such notice, then Lessor may terminate this Lease at his option by serving written notice on Lessee, providing that such default is not caused by casualties, strikes, storms, or other unforeseen difficulties beyond the control of the Lessee.

If Lessee desires to terminate this Lease, Lessee may give Lessor thirty (30) days written notice of intent to terminate, and upon paying all production or minimum royalties earned in accordance with the terms of this Lease at the time of returning the properties to the Lessor, may surrender this Lease and be relieved of all obligations and responsibilities hereunder. Any request or notice which either party hereto may desire to give

to the other party shall be properly served only when reduced to writing, placed in an envelope, sealed, stamped, registered, and deposited in the United States Post Office addressed as follows:

Lessor:

J. V. Reynolds and
Joan Reynolds, his wife,
903 South Madison
Webb City, Missouri

Lessee:

Jack R. Parsley
40 Central Park, South
New York, New York

The parties hereto may change the address to which notices may be sent by written notice to the other in the manner provided above.

X.

All or any portion of the claims covered by this Lease may be assigned, transferred, or subleased, providing that Lessor is furnished a copy of such transactions by registered mail within thirty (30) days of the date thereof. It is mutually agreed that the covenants, grants, stipulations, and conditions herein expressly shall run with the said lands, and apply to and bind the heirs, legatees, devisees, executors, sublessors, or assigns of the parties hereto respectively.

XI.

Lessors warrant that they have created no liens or encumbrances against the claims herein described; that there are no liens or mortgage of record in the County Clerk's Office, of McKinley County, New Mexico; that they have within all necessary

legal steps to perfect said claims; and that there are no other royalty reservations other than those provided for and taken care of in paragraph numbered IV hereof.

IN WITNESS WHEREOF, this Lease has been executed by the parties thereunto on the day and year first above written.

Jean Reynolds
J. V. REYNOLDS

J. V. Reynolds
JEAN REYNOLDS, his wife

LESSOR

Jack R. Parsley
JACK R. PARSLEY

LESSEE

STATE OF Missouri)
County of Jasper) ss.

On this 17th day of August, 1954, before me personally appeared J. V. REYNOLDS and JEAN REYNOLDS, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and seal the day and year last above written.

Josephine Flavis
Notary Public

My Commission Expires:
My Commission Expires May 21, 1956

NOTARY PUBLIC

STATE OF NEW MEXICO)
) ss.
County of Bernalillo)

On this 11 day of August, 1954, before me personally appeared JACK R. PARSLEY, a single man, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Witness my hand and seal the day and year last above written.

Jack D. Whitehouse
Notary Public

My Commission Expires: 9/18/56

WHITEHOUSE NOTARY PUBLIC BERNALILLO COUNTY

STATE OF NEW MEXICO
COUNTY OF BERNALILLO
Filed for record the 27th day of August 1954 9:00 A.M.
#32861
Book Leases 176
Ernest C. Garcia
By: J. B. Herrera
County Clerk

COUNTY CLERK

MINING LEASE

THIS INDENTURE ENTERED INTO DUPLICATE THIS 5th DAY OF April, 1954,

BY AND BETWEEN VILATIE W. HYDE & ARTHUR W. HYDE, THEIR SUCCESSORS OR ASSIGNS PARTY OF THE FIRST PART, HEREINAFTER CALLED LESSOR, AND.....

THOMAS C. KING, HIS SUCCESSORS OR ASSIGNS, PARTY OF THE SECOND PART, HEREINAFTER CALLED LESSEE;
WITNESSETH, THAT THE PARTIES HERETO FOR THE CONSIDERATIONS HEREINAFTER EXPRESSED, COVENANT AND AGREE AS FOLLOWS:

1. LESSOR FOR THE SUM OF TEN ($10.00) DOLLARS ADVANCE ROYALTY AND OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, AND UPON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESERVATIONS HEREINAFTER SET FORTH, HEREBY GRANTS TO LESSEE THE EXCLUSIVE RIGHT AND PRIVELEDGE FOR A PERIOD OF TEN (10) YEARS BEGINNING WITH THE DATE HEREOF, TO SEARCH AND EXPLORE FOR VALUABLE MINERALS AND ORES, INCLUDING THE ORES OF URANIUM AND TO CONDUCT MINING OPERATIONS FOR THE DEVELOPMENT AND EXTRACTION OF SAME UPON AND IN THE FOLLOWING DESCRIBED LANDS OR LODE MINING CLAIMS:

STATE No. 3
STATE No. 4
STATE No. 12
STATE No. 13
STATE No. 21

ALL IN SEC 8, TWP 13 N, RGE 9 W, N. M. P. M., WHICH CLAIMS ARE FILED FOR RECORD IN BOOK _____, PAGES _____ OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER, McKINLEY, COUNTY NEW MEXICO AND SAID CLAIMS ARE IN THE MT. TAYLOR MINING DISTRICT; WHICH CLAIMS ARE SOMETIMES HEREINAFTER REFERRED TO AS SAID LANDS; TOGETHER WITH THE RIGHT TO MAKE EXCAVATIONS, TO CONSTRUCT AND MAINTAIN THEREON ROADS, WORKS, FACILITIES, AND UTILITIES NECESSARY IN THE CONDUCT OF DEVELOPMENT OR MINING OPERATIONS ON SAID LANDS FREE OF ADDITIONAL COMPENSATION OTHER THAN THE ROYALTIES AS PROVIDED HEREIN.

2. LESSEE AGREES TO ENTER IN THE SAID LANDS WITHIN ONE HUNDRED AND EIGHTY (180) DAYS FROM THE DATE HEREOF AND TO PROSPECT OR MINE SO AS TO TAKE OUT THE GREATEST AMOUNT OF COMMERCIAL ORES AND MINERALS POSSIBLE IN COMPLIANCE WITH THE MINING AND SAFETY LAWS OF THE STATE AND NATION, OR MARKET PRODUCTION QUOTAS.

3. LESSEE AGREES JTO KEEP BOOKS AND ACCOUNTS COVERING LESSEE'S OPERATIONS HEREUNDER AND SUCH BOOKS AND ACCOUNTS WILL BE OPEN TO LESSOR'S INSPECTION AT ALL REASONABLE TIMES. LESSOR RESERVES THE RIGHT TO ENTER UPON SAID LANDS TO SURVEY, TO TAKE SAMPLES AND TO INSPECT SAME. LESSOR AGREES TO FURNISH LESSOR A TRUE COPY OF THE LOGS OF ALL RECORDED DRILLING ON SAID LANDS, AND AGREES TO FURNISH LESSOR ON DEMAND A BLUEPRINT FROM TIME TO TIME OF THE LATEST MAP OF THE PREMISES.

4. FOR EACH SHIPMENT OF ALL ORE OR VALUABLE MINERAL MINED AND REMOVED FROM SAID LANDS LESSEE AGREES TO PAY LESSOR A ROYALTY ON THE "MINE VALUE PER NET DRY TON" ON OR BEFOR BEFORE THE 20TH DAY OF THE MONTH NEXT FOLLOWING RECEIPT BY LESSEE OF PAYMENT FOR THE PRODUCTS SOLD OR DISPOSED OF AS FOLLOWS: FIVE (5%) PERCENT OF THE MINE VALUE PER NET DRY TON. ~~FOR ORES HAULED OR HOISTED BELOW~~ _____ (_____) ~~FEET OF DEPTH BELOW THE SURFACE~~ (XXXXXX) ~~PERCENT OF THE MINE VALUE PER NET DRY TON FOR ORES PICKED ON ORES HOISTED OR HAULED FROM ABOVE~~ _____ (_____) ~~FEET BELOW THE SURFACE~~. LESSOR MAY AT HIS OPTION REQUIRE THAT THE ROYALTIES DUE HIM UNDER THE TERMS OF THIS LEASE BE DEDUCTED AT THE MARKET WHERE SOLD AND PAID DIRECTLY TO LESSOR, AND THAT EACH PAYMENT BE ACCOMPANIED BY A SETTLEMENT SHEET. BEGINNING ON THE 1ST DAY OF APRIL 19 55, LESSEE AGREES TO PAY LESSOR AS RENT FOR SAID LANDS A MINIMUM ROYALTY OF FIVE-HUNDRED ($500.00) DOLLARS EACH YEAR. ADVANCE AND MINIMUM ROYALTIES ARE TO BE CREDITED AGAINST PRODUCTION ROYALTIES ACCRUED DURING EACH CALENDER YEAR, BUT SUCH PAYMENTS IN ONE YEAR ARE NOT TO BE CREDITED AGAINST SUCH PRODUCTION ROYALTIES EARNED IN SUCCEEDING YEARS. "MINE VALUE PER NET DRY TON" AS USED HEREIN IS DEFINED AS THE DOLLAR VALUE PER DRY TON OF 2,000 POUNDS OF CRUDE RE AT THE MINE AS DETERMINED BY THE PRICE SCHEDULES AT THE AVAILABLE MARKETS; OR AS ET - ERMINED BY THE PRICE SCHEDULES ESTABLISHED BY THE ATOMIC ENERGY COMMISSION OR ITS SUCCESSOR; THE VALUE TO INCLUDE BONUS AND PREMIUM PAYMENTS BUT NOT TO INCLUDE ALLOWANCES FOR DEVELOPMENT, EXPLORATION, HAULAGE, OR TRANSPORTATION.

5. LESSEE AGREES TO INDEMNIFY, DEFEND, AND SAVE HARMLESS THE LESSOR FROM ALL LIABILITIES ARISING FROM THE ENTERING INTO AND COMPLYING WITH THE WITHIN AGREEMENT.

6. AT THE EXPIRATION OF THIS LEASE, OR UPON ITS EARLIER TERMINATION AS HEREIN PROVIDED, LESSEE SHALL SURRENDER THE SAID LANDS AND SHALL HAVE FOUR (4) MONTHS IN WHICH TO RIMOVE THEREFROM ALL MACHINERY, TOOLS, AND OTHER IMPROVEMENTS, PROVIDING LESSEE IS NOT INDEBTED TO LESSOR UNDER THE OBLIGATIONS JOF THIS LEASE. LESSEE MAY SELL OR RETAIN EQUITY IN ORES IN TRANSIT, IN BINS, DUMPS, OR STOCKPILES PROVIDED THAT SUCH ORES ARE REMOVED FROM THE SAID LANDS WITHIN THIRTY (30) DAYS AFTER THIS LEASE IS TERMINATED, AND THAT ROYALTY IS PAID ON THE MARKET VALUE OF SUCH ORES IN THE MANNER PROVIDED IN PARAGRAPH FOUR (4) WITHIN

7. LESSOR AGREES THAT IF AT THE EXPIRATION OF THIS LEASE, LESSEE IS PRODUCING IN COMMERCIAL QUANTITIES, VALUABLE MINERALS OR ORES FROM SAID LANDS, THEN HE WILL UPON WRITTEN REQUEST FROM LESSEE, RENEW THIS LEASE UPON THE SAME TERMS AND CONDITIONS AS PROVIDED HEREIN.

8. IF AT ANY TIME LESSOR BELIEVES THAT LESSEE IS IN DEFAULT UNDER THE TERMS AND PROVISIONS OF THIS LEASE, LESSOR MAY NOTIFY LESSEE IN WRITING OF THE PARTICULAR DEFAULT CLAIMED, AND IF SUCH DEFAULT SHALL NOT BE REMOVED WITHIN THIRTY (30) DAYS AFTER THE RECEIPT BY LESSEE OF SUCH NOTICE, THEN LESSOR MAY TERMINATE THIS LEASE AT HIS OPTION BY SERVING WRITTEN NOTICE ON LESSEE, PROVIDING THAT SUCH DEFAULT IS NOT CAUSED BY CASUALTIES, STRIKES, LTTIGATION, STORMS, OR OTHER ACTS OF GOD BEYOND THE CONTROL OF LESSEE. IF LESSEE DESIRES TO TERMINATE THIS LEASE, LESSEE MAY GIVE LESSOR THIRTY (30) DAYS WRITTEN NOTICE OF INTENT TO TERMINATE, AND UPON PAYING ALL ROYALTIES DUE HEREIN, MAY SURRENDER THIS LEASE AND BE RELIEVED OF ALL OBLIGATIONS AND RESPONSIBILITIES HEREUNDER. ANY REQUEST OR NOTICE WHICH EITHER PARTY HERETO MAY DESIRE TO GIVE TO THE OTHER PARTY SHALL BE PROPERLY SERVED ONLY WHEN REDUCED TO WRITING, PLACED IN AN ENVELOPE, SEALED, STAMPED, REGISTERED, AND DEPOSITED IN THE UNITED STATES POST OFFICE ADDRESSED AS FOLLOWS:

LESSOR	LESSEE
VILATIE W. HYDE	THOMAS C. KING
BLUEWATER	FIDEL AND ROUSE BUILDING
NEW MEXICO	GRANTS, NEW MEXICO

THE PARTIES HERETO MAY CHANGE THE ADDRESS TO WHICH NOTICES MAY BE SENT BY WRITTEN NOTICE TO THE OTHER IN THE MANNER PROVIDED ABOVE.

9. LESSEE SHALL ENTER UPON AND FULLY PREFORM ANY ASSESSMENT WORK REQUIRED ON SAID LANDS IN TIME TO KEEP SAID LANDS IN GOOD STANDING, AND SHALL FILE REQUIRED PROOFS OF LABOR BY JUNE 1ST EACH YEAR. LESSEE AGREES TO PAY ANY ADDITIONAL TAXES LEVEYED AGAINST SAID LANDS AS A RESULT OF COMPLYING WITH THE WITHIN AGREEMENT, OR TAXES LEVEYED AGAINST ORES SOLD FROM SAID LANDS.

10. THIS LEASE MAY BE ASSIGNED, TRANSFERRED, OR SUBLEASED PROVIDING THAT LESSOR IS FURNISHED A COPY OF SUCH TRANSACTIONS BY REGISTERED MAIL WITHIN THIRTY (30) DAYS OF THE DATE THEREOF; AND FURTHER PROVIDING THAT THE TOTAL ROYALTY TO BE PAID ON SHIPMENTS OF ORES OR VALUABLE MINERALS FROM SAID LANDS SHALL NOT EXCEED FIFTEEN (15) PERCENT OF THE MINE VALUE PER NET DRY TON. IT IS MUTUALLY AGREED THAT THE COVENANTS, GRANTS, STIPULATIONS, AND CONDITIONS HEREIN EXPRESSLY SHALL RUN WITH THE SAID LANDS, AND APPLY TO AND BIND THE HEIRS, LEGATEES, DEVISEES, EXECUTORS, SUBLESSORS, OR ASSIGNS OF THE PARTIES HERETO RESPECTIVELY.

IN WITNESS WHEREOF, THIS LEASE HAS BEEN EXECUTED BY THE PARTIES THEREUNTO DULY AUTHORIZED THE DAY AND YEAR FIRST ABOVE WRITTEN.

Vilatie W. Hyde — Thomas C. King
Arthur W. Hyde

STATE OF New Mexico)
COUNTY OF Valencia) SS

ON THIS 5TH DAY OF April, 1954, BEFORE ME PERSONALLY APPEARED Vilatie W. Hyde & Arthur W. Hyde TO ME KNOWN TO BE THE PERSONS DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED THAT he EXECUTED THE SAME AS his FREE ACT AND DEED.

WITNESS MY HAND AND SEAL ON THIS DAY AND YEAR FIRST ABOVE WRITTEN.

Valencia COUNTY, N. M.; Cyprus M. Rouse
NOTARY PUBLIC
MY COMMISSION EXPIRES My Commission Expires May 14, 1957

STATE OF New Mexico)
COUNTY OF Valencia) SS

ON THIS 7TH DAY OF August 1954, BEFORE ME PERSONALLY APPEARED Thomas C. King TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED THAT he EXECUTED THE SAME AS his FREE ACT AND DEED.

WITNESS MY HAND AND SEAL ON THIS THE DAY AND YEAR FIRST ABOVE WRITTEN.

Valencia COUNTY, New Mexico; Cyprus M. Rouse
NOTARY PUBLIC
MY COMMISSION EXPIRES My Commission Expires May 14, 1957

STATE OF NEW MEXICO
COUNTY OF McKINLEY

No. 32723

Filed for record in the Clerk's office
the 16th day of August
A. D. 1954 at 4:00 o'clock P M.
and recorded in Book 7
of Deeds on page 189
Ernest C. Hauser
By: J. L. Herrera County Clerk

Indexed

MINING LEASE

THIS INDENTURE ENTERED INTO IN DUPLICATE THIS 5th DAY OF April, 1954,

BY AND BETWEEN ARTHUR W. HYDE & VIOLATE W HYDE, HIS THEIR SUCCESSORS OR ASSIGNS PARTY OF THE FIRST PART, HEREINAFTER CALLED LESSOR, AND.....

THOMAS C. KING, HIS SUCCESSORS OR ASSIGNS, PARTY OF THE SECOND PART, HEREINAFTER CALLED LESSEE;

WITNESSETH, THAT THE PARTIES HERETO FOR THE CONSIDERATIONS HEREINAFTER EXPRESSED, COVENANT AND AGREE AS FOLLOWS:

1. LESSOR FOR THE SUM OF TEN ($10.00) DOLLARS ADVANCE ROYALTY AND OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, AND UPON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESERVATIONS HEREINAFTER SET FORTH, HEREBY GRANTS TO LESSEE THE EXCLUSIVE RIGHT AND PRIVELEDGE FOR A PERIOD OF TEN (10) YEARS BEGINNING WITH THE DATE HEREOF, TO SEARCH AND EXPLORE FOR VALUABLE MINERALS AND ORES, INCLUDING THE ORES OF URANIUM AND TO CONDUCT MINING OPERATIONS FOR THE DEVELOPMENT AND EXTRACTION OF SAME UPON AND IN THE FOLLOWING DESCRIBED LANDS OR LODE MINING CLAIMS:

STATE No. 2
STATE NO. 11
STATE No. 20

ALL IN SEC 8, TWP 13 N, RGE 9 W, N. M. P. M., WHICH CLAIMS ARE FILED FOR RECORD IN BOOK _____, PAGES _____ OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER, McKINLEY, COUNTY NEW MEXICO AND SAID CLAIMS ARE IN THE MT. TAYLOR MINING DISTRICT; WHICH CLAIMS ARE SOMETIMES HEREINAFTER REFERRED TO AS SAID LANDS; TOGETHER WITH THE RIGHT TO MAKE EXCAVATIONS, TO CONSTRUCT AND MAINTAIN THEREON ROADS, WORKS, FACILITIES, AND UTILITIES NECESSARY IN THE CONDUCT OF DEVELOPMENT OR MINING OPERATIONS ON SAID LANDS FREE OF ADDITIONAL COMPENSATION OTHER THAN THE ROYALTIES AS PROVIDED HEREIN.

2. LESSEE AGREES TO ENTER IN THE SAID LANDS WITHIN ONE-HUNDRED AND EIGHTY (180) DAYS FROM THE DATE HEREOF AND TO PROSPECT OR MINE SO AS TO TAKE OUT THE GREATEST AMOUNT OF COMMERCIAL ORES AND MINERALS POSSIBLE IN COMPLIANCE WITH THE MINING AND SAFETY LAWS OF THE STATE AND NATION, OR MARKET PRODUCTION QUOTAS.

3. LESSEE AGREES TO KEEP BOOKS AND ACCOUNTS COVERING LESSEE'S OPERATIONS HEREUNDER AND SUCH BOOKS AND ACCOUNTS WILL BE OPEN TO LESSOR'S INSPECTION AT ALL REASONABLE TIMES. LESSOR RESERVES THE RIGHT TO ENTER UPON SAID LANDS TO SURVEY, TO TAKE SAMPLES AND TO INSPECT SAME. LESSOR AGREES TO FURNISH LESSOR A TRUE COPY OF THE LOGS OF ALL RECORDED DRILLING ON SAID LANDS, AND AGREES TO FURNISH LESSOR ON DEMAND A BLUEPRINT FROM TIME TO TIME OF THE LATEST MAP OF THE PREMISES.

4. FOR EACH SHIPMENT OF ALL ORE OR VALUABLE MINERAL MINED AND REMOVED FROM SAID LANDS LESSEE AGREES TO PAY LESSOR A ROYALTY ON THE "MINE VALUE PER NET DRY TON" ON OR BEFOR BEFORE THE 20TH DAY OF THE MONTH NEXT FOLLOWING RECEIPT BY LESSEE OF PAYMENT FOR THE PRODUCTS SOLD OR DISPOSED OF AS FOLLOWS: FIVE (5) PERCENT OF THE MINE VALUE PER NET DRY TON. ~~FOR ORES HAULED OR HOISTED BELOW (_____) FEET OF DEPTH BELOW THE SURFACE; OR (_____) PERCENT OF THE MINE VALUE PER NET DRY TON FOR OPEN PIT ORES OR ORES HOISTED OR HAULED FROM ABOVE (_____) FEET BELOW THE SURFACE.~~ LESSOR MAY AT HIS OPTION REQUIRE THAT THE ROYALTIES DUE HIM UNDER THE TERMS OF THIS LEASE BE DEDUCTED AT THE MARKET WHERE SOLD AND PAID DIRECTLY TO LESSOR, AND THAT EACH PAYMENT BE ACCOMPANIED BY A SETTLEMENT SHEET. BEGINNING ON THE 1ST DAY OF APRIL 19 55, LESSEE AGREES TO PAY LESSOR AS RENT FOR SAID LANDS A MINIMUM ROYALTY OF THREE HUNDRED ($300.00) DOLLARS EACH YEAR. ADVANCE AND MINIMUM ROYALTIES ARE TO BE CREDITED AGAINST PRODUCTION ROYALTIES ACCRUED DURING EACH CALENDER YEAR, BUT SUCH PAYMENTS IN ONE YEAR ARE NOT TO BE CREDITED AGAINST SUCH PRODUCTION ROYALTIES EARNED IN SUCCEEDING YEARS. "MINE VALUE PER NET DRY TON" AS USED HEREIN IS DEFINED AS THE DOLLAR VALUE PER DRY TON OF 2,000 POUNDS OF CRUDE ORE AT THE MINE AS DETERMINED BY THE PRICE SCHEDULES AT THE AVAILABLE MARKETS; OR AS DETERMINED BY THE PRICE SCHEDULES ESTABLISHED BY THE ATOMIC ENERGY COMMISSION OR ITS SUCCESSOR; THE VALUE TO INCLUDE BONUS AND PREMIUM PAYMENTS BUT NOT TO INCLUDE ALLOWANCES FOR DEVELOPMENT, EXPLORATION, HAULAGE, OR TRANSPORTATION.

5. LESSEE AGREES TO INDEMNIFY, DEFEND, AND SAVE HARMLESS THE LESSOR FROM ALL LIABILITIES ARISING FROM THE ENTERING INTO AND COMPLYING WITH THE WITHIN AGREEMENT.

6. AT THE EXPIRATION OF THIS LEASE, OR UPON ITS EARLIER TERMINATION AS HEREIN PROVIDED, LESSEE SHALL SURRENDER THE SAID LANDS AND SHALL HAVE FOUR (4) MONTHS IN WHICH TO RIMOVE THEREFROM ALL MACHINERY, TOOLS, AND OTHER IMPROVEMENTS, PROVIDING LESSEE IS NOT INDEBTED TO LESSOR UNDER THE OBLIGATIONS OF THIS LEASE. LESSEE MAY SELL OR RETAIN EQUITY IN ORES IN TRANSIT, IN BINS, DUMPS, OR STOCKPILES PROVIDED THAT SUCH ORES ARE REMOVED FROM THE SAID LANDS WITHIN THIRTY (30) DAYS AFTER THIS LEASE IS TERMINATED, AND THAT ROYALTY IS PAID ON THE MARKET VALUE OF SUCH ORES IN THE MANNER PROVIDED IN PARAGRAPH FOUR (4) WITHIN

7. LESSOR AGREES THAT IF AT THE EXPIRATION OF THIS LEASE, LESSEE IS PRODUCING IN COMMERCIAL QUANTITIES, VALUABLE MINERALS OR ORES FROM SAID LANDS, THEN HE WILL UPON WRITTEN REQUEST FROM LESSEE, RENEW THIS LEASE UPON THE SAME TERMS AND CONDITIONS AS PROVIDED HEREIN.

8. IF AT ANY TIME LESSOR BELIEVES THAT LESSEE IS IN DEFAULT UNDER THE TERMS AND PROVISIONS OF THIS LEASE, LESSOR MAY NOTIFY LESSEE IN WRITING OF THE PARTICULAR DEFAULT CLAIMED, AND IF SUCH DEFAULT SHALL NOT BE REMOVED WITHIN THIRTY (30) DAYS AFTER THE RECEIPT BY LESSEE OF SUCH NOTICE, THEN LESSOR MAY TERMINATE THIS LEASE AT HIS OPTION BY SERVING WRITTEN NOTICE ON LESSEE, PROVIDING THAT SUCH DEFAULT IS NOT CAUSED BY CASUALTIES, STRIKES, [redacted], STORMS, OR OTHER ACTS OF GOD BEYOND THE CONTROL OF LESSEE. IF LESSEE DESIRES TO TERMINATE THIS LEASE, LESSEE MAY GIVE LESSOR THIRTY (30) DAYS WRITTEN NOTICE OF INTENT TO TERMINATE, AND UPON PAYING ALL ROYALTIES DUE HEREIN, MAY SURRENDER THIS LEASE AND BE RELIEVED OF ALL OBLIGATIONS AND RESPONSIBILITIES HEREUNDER. ANY REQUEST OR NOTICE WHICH EITHER PARTY HERETO MAY DESIRE TO GIVE TO THE OTHER PARTY SHALL BE PROPERLY SERVED ONLY WHEN REDUCED TO WRITING, PLACED IN AN ENVELOPE, SEALED, STAMPED, REGISTERED, AND DEPOSITED IN THE UNITED STATES POST OFFICE ADDRESSED AS FOLLOWS:

LESSOR	LESSEE
ARTHUR. W. HYDE	THOMAS C. KING
BLUEWATER	FIDEL AND ROUSE BUILDING,
NEW MEXICO	GRANTS, NEW MEXICO

THE PARTIES HERETO MAY CHANGE THE ADDRESS TO WHICH NOTICES MAY BE SENT BY WRITTEN NOTICE TO THE OTHER IN THE MANNER PROVIDED ABOVE.

9. LESSEE SHALL ENTER UPON AND FULLY PREFORM ANY ASSESSMENT WORK REQUIRED ON SAID LANDS IN TIME TO KEEP SAID LANDS IN GOOD STANDING, AND SHALL FILE REQUIRED PROOFS OF LABOR BY JUNE 1ST EACH YEAR. LESSEE AGREES TO PAY ANY ADDITIONAL TAXES LEVEYED AGAINST SAID LANDS AS A RESULT OF COMPLYING WITH THE WITHIN AGREEMENT, OR TAXES LEVEYED AGAINST ORES SOLD FROM SAID LANDS.

10. THIS LEASE MAY BE ASSIGNED, TRANSFERRED, OR SUBLEASED PROVIDING THAT LESSOR IS FURNISHED A COPY OF SUCH TRANSACTIONS BY REGISTERED MAIL WITHIN THIRTY (30) DAYS OF THE DATE THEREOF; AND FURTHER PROVIDING THAT THE TOTAL ROYALTY TO BE PAID ON SHIPMENTS OF ORES OR VALUABLE MINERALS FROM SAID LANDS SHALL NOT EXCEED FIFTEEN (15) PERCENT OF THE MINE VALUE PER NET DRY TON. IT IS MUTUALLY AGREED THAT THE COVENANTS, GRANTS, STIPULATIONS, AND CONDITIONS HEREIN EXPRESSLY SHALL RUN WITH THE SAID LANDS, AND APPLY TO AND BIND THE HEIRS, LEGATEES, DEVISEES, EXECUTORS, SUBLESSORS, OR ASSIGNS OF THE PARTIES HERETO RESPECTIVELY.

IN WITNESS WHEREOF, THIS LEASE HAS BEEN EXECUTED BY THE PARTIES THEREUNTO DULY AUTHORIZED THE DAY AND YEAR FIRST ABOVE WRITTEN.

STATE OF NEW MEXICO } ss.
COUNTY OF VALENCIA }
Filed for record in the clerk's office
the 16 day of August
A.D. 1954 at 4:01 o'clock P M.
and recorded in Book 7
of Leases on page 191
Ernest C. Harris
By J. K. Herrera County Clerk

32724

Arthur W. Hyde
T. Rouse King
Vilatie W. Hyde

ACKNOWLEDGMENT
(INDIVIDUAL)

STATE OF NEW MEXICO,
County of Valencia } ss.

On this 5th day of April 1954 before me personally appeared Arthur W. Hyde and Vilatie W. Hyde, husband and wife and Thomas C. King to me known to be the person described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and seal on this the day and year first above written.

Cyrus M Rouse Notary Public
Valencia County, New Mexico

My commission expires: May 14th. 1957

FOR SALE BY VALLIANT PRINTING CO., ALBUQUERQUE, N. M.

MINING LEASE

THIS INDENTURE ENTERED INTO IN DUPLICATE THIS 5th DAY OF April, 1954.

BY AND BETWEEN LEE ROY COSPER & JANE HYDE COSPER, THEIR HIS SUCCESSORS OR ASSIGNS PARTY OF THE FIRST PART, HEREINAFTER CALLED LESSOR, AND.....

THOMAS C. KING, HIS SUCCESSORS OR ASSIGNS, PARTY OF THE SECOND PART, HEREINAFTER CALLED LESSEE;
WITNESSETH, THAT THE PARTIES HERETO FOR THE CONSIDERATIONS HEREINAFTER EXPRESSED, COVENANT AND AGREE AS FOLLOWS:

1. LESSOR FOR THE SUM OF TEN ($10.00) DOLLARS ADVANCE ROYALTY AND OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, AND UPON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESERVATIONS HEREINAFTER SET FORTH, HEREBY GRANTS TO LESSEE THE EXCLUSIVE RIGHT AND PRIVELEDGE FOR A PERIOD OF TEN (10) YEARS BEGINNING WITH THE DATE HEREOF, TO SEARCH AND EXPLORE FOR VALUABLE MINERALS AND ORES, INCLUDING THE ORES OF URANIUM AND TO CONDUCT MINING OPERATIONS FOR THE DEVELOPMENT AND EXTRACTION OF SAME UPON AND IN THE FOLLOWING DESCRIBED LANDS OR LODE MINING CLAIMS:

STATE No. 7 STATE No. 16
STATE No. 5 STATE No. 17
STATE No. 25

ALL IN SEC 8, TWP 13 N, RGE 9 W, N. M. P. M., WHICH CLAIMS ARE FILED FOR RECORD IN BOOK _____, PAGES _____ OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER, NEW MEXICO, COUNTY OF MCKINLEY AND SAID CLAIMS ARE IN THE MT. TAYLOR MINING DISTRICT; WHICH CLAIMS ARE SOMETIMES HEREINAFTER REFERRED TO AS SAID LANDS; TOGETHER WITH THE RIGHT TO MAKE EXCAVATIONS, TO CONSTRUCT AND MAINTAIN THEREON ROADS, WORKS, FACILITIES, AND UTILITIES NECESSARY IN THE CONDUCT OF DEVELOPMENT OR MINING OPERATIONS ON SAID LANDS FREE OF ADDITIONAL COMPENSATION OTHER THAN THE ROYALTIES AS PROVIDED HEREIN.

2. LESSEE AGREES TO ENTER IN THE SAID LANDS WITHIN ONE HUNDRED AND EIGHTY (180) DAYS FROM THE DATE HEREOF AND TO PROSPECT OR MINE SO AS TO TAKE OUT THE GREATEST AMOUNT OF COMMERCIAL ORES AND MINERALS POSSIBLE IN COMPLIANCE WITH THE MINING AND SAFETY LAWS OF THE STATE AND NATION, OR MARKET PRODUCTION QUOTAS.

3. LESSEE AGREES JTO KEEP BOOKS AND ACCOUNTS COVERING LESSEE'S OPERATIONS HEREUNDER AND SUCH BOOKS AND ACCOUNTS WILL BE OPEN TO LESSOR'S INSPECTION AT ALL REASONABLE TIMES. LESSOR RESERVES THE RIGHT TO ENTER UPON SAID LANDS TO SURVEY, TO TAKE SAMPLES AND TO INSPECT SAME. LESSOR AGREES TO FURNISH LESSOR A TRUE COPY OF THE LOGS OF ALL RECORDED DRILLING ON SAID LANDS; AND AGREES TO FURNISH LESSOR ON DEMAND A BLUEPRINT FROM TIME TO TIME OF THE LATEST MAP OF THE PREMISES.

4. FOR EACH SHIPMENT OF ALL ORE OR VALUABLE MINERAL MINED AND REMOVED FROM SAID LANDS LESSEE AGREES TO PAY LESSOR A ROYALTY ON THE "MINE VALUE PER NET DRY TON" ON OR BEFOR BEFORE THE 20TH DAY OF THE MONTH NEXT FOLLOWING RECEIPT BY LESSEE OF PAYMENT FOR THE PRODUCTS SOLD OR DISPOSED OF AS FOLLOWS: FIVE (5) PERCENT OF THE MINE VALUE PER NET DRY TON. ~~FOR ORES HAULED OR HOISTED BELOW~~ _____ (____) ~~FEET OF DEPTH BELOW THE SURFACE;~~ _____ (____) ~~PERCENT OF THE MINE VALUE PER NET DRY TON FOR OPEN PIT ORES OR ORES HOISTED OR HAULED FROM ABOVE~~ _____ (____) ~~FEET BELOW THE SURFACE~~ LESSOR MAY AT HIS OPTION REQUIRE THAT THE ROYALTIES DUE HIM UNDER THE TERMS OF THIS LEASE BE DEDUCTED AT THE MARKET WHERE SOLD AND PAID DIRECTLY TO LESSOR, AND THAT EACH PAYMENT BE ACCOMPANIED BY A SETTLEMENT SHEET. BEGINNING ON THE 1ST DAY OF APRIL 1955, LESSEE AGREES TO PAY LESSOR AS RENT FOR SAID LANDS A MINIMUM ROYALTY OF FIVE HUNDRED ($500.00) DOLLARS EACH YEAR. ADVANCE AND MINIMUM ROYALTIES ARE TO BE CREDITED AGAINST PRODUCTION ROYALTIES ACCRUED DURING EACH CALENDER YEAR, BUT SUCH PAYMENTS IN ONE YEAR ARE NOT TO BE CREDITED AGAINST SUCH PRODUCTION ROYALTIES EARNED IN SUCCEEDING YEARS. "MINE VALUE PER NET DRY TON" AS USED HEREIN IS DEFINED AS THE DOLLAR VALUE PER DRY TON OF 2,000 POUNDS OF CRUDE ORE AT THE MINE AS DETERMINED BY THE PRICE SCHEDULES AT THE AVAILABLE MARKETS; OR AS DETERMINED BY THE PRICE SCHEDULES ESTABLISHED BY THE ATOMIC ENERGY COMMISSION OR ITS SUCCESSOR; THE VALUE TO INCLUDE BONUS AND PREMIUM PAYMENTS BUT NOT TO INCLUDE ALLOWANCES FOR DEVELOPMENT, EXPLORATION, HAULAGE, OR TRANSPORTATION.

5. LESSEE AGREES TO INDEMNIFY, DEFEND, AND SAVE HARMLESS THE LESSOR FROM ALL LIABILITIES ARISING FROM THE ENTERING INTO AND COMPLYING WITH THE WITHIN AGREEMENT.

6. AT THE EXPIRATION OF THIS LEASE, OR UPON ITS EARLIER TERMINATION AS HEREIN PROVIDED, LESSEE SHALL SURRENDER THE SAID LANDS AND SHALL HAVE FOUR (4) MONTHS IN WHICH TO RIMOVE THEREFROM ALL MACHINERY, TOOLS, AND OTHER IMPROVEMENTS, PROVIDING LESSEE IS NOT INDEBTED TO LESSOR UNDER THE OBLIGATIONS JOF THIS LEASE. LESSEE MAY SELL OR RETAIN EQUITY IN ORES IN TRANSIT, IN BINS, DUMPS, OR STOCKPILES PROVIDED THAT SUCH ORES ARE REMOVED FROM THE SAID LANDS WITHIN THIRTY (30) DAYS AFTER THIS LEASE IS TERMINATED, AND THAT ROYALTY IS PAID ON THE MARKET VALUE OF SUCH ORES IN THE MANNER PROVIDED IN PARAGRAPH FOUR (4) WITHIN

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LESSOR	LESSEE
LEE ROY COSPER	THOMAS C. KING
BLUEWATER	FIDEL AND ROUSE BUILDING
NEW MEXICO	GRANTS, NEW MEXICO

THE PARTIES HERETO MAY CHANGE THE ADDRESS TO WHICH NOTICES MAY BE SENT BY WRITTEN NOTICE TO THE OTHER IN THE MANNER PROVIDED ABOVE.

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IN WITNESS WHEREOF, THIS LEASE HAS BEEN EXECUTED BY THE PARTIES THEREUNTO DULY AUTHORIZED THE DAY AND YEAR FIRST ABOVE WRITTEN.

Lee Roy Cosper — Lee Roy Cosper
Jane Hyde Cosper — Thomas C. King

STATE OF New Mexico)
COUNTY OF Valencia) SS

ON THIS 5 DAY OF April, 1954, BEFORE ME PERSONALLY APPEARED Jane Hyde Cosper and Lee Roy Cosper TO ME KNOWN TO BE THE PERSONS DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED THAT he EXECUTED THE SAME AS his FREE ACT AND DEED.

WITNESS MY HAND AND SEAL ON THIS DAY AND YEAR FIRST ABOVE WRITTEN.

Valencia COUNTY, N M ; Ulalie M Hyde
NOTARY PUBLIC
MY COMMISSION EXPIRES 7-10-54

STATE OF New Mex)
COUNTY OF Valencia) SS

ON THIS 5 DAY OF April 1954 BEFORE ME PERSONALLY APPEARED Thomas C. King TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED THAT he EXECUTED THE SAME AS his FREE ACT AND DEED.

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Valencia COUNTY, N M ; Ulalie M Hyde
NOTARY PUBLIC
MY COMMISSION EXPIRES 7-10-54

STATE OF NEW MEXICO
COUNTY OF [illegible]

#32725

16th August
1954 41022
7
692
Ernest C. Hacen
By J. J. Herrera County Clerk

DOE PAWS Indexed

MINING LEASE

THIS INDENTURE ENTERED INTO IN DUPLICATE THIS 5th DAY OF April, 1954,

BY AND BETWEEN JANE HYDE COSPER + LEE ROY COSPER, THEIR SUCCESSORS OR ASSIGNS PARTY OF THE FIRST PART, HEREINAFTER CALLED LESSOR, AND.....

THOMAS C. KING, HIS SUCCESSORS OR ASSIGNS, PARTY OF THE SECOND PART, HEREINAFTER CALLED LESSEE;
WITNESSETH, THAT THE PARTIES HERETO FOR THE CONSIDERATIONS HEREINAFTER EXPRESSED, COVENANT AND AGREE AS FOLLOWS:

1. LESSOR FOR THE SUM OF TEN ($10.00) DOLLARS ADVANCE ROYALTY AND OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, AND UPON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESERVATIONS HEREINAFTER SET FORTH, HEREBY GRANTS TO LESSEE THE EXCLUSIVE RIGHT AND PRIVELEDGE FOR A PERIOD OF TEN (10) YEARS BEGINNING WITH THE DATE HEREOF, TO SEARCH AND EXPLORE FOR VALUABLE MINERALS AND ORES, INCLUDING THE ORES OF URANIUM AND TO CONDUCT MINING OPERATIONS FOR THE DEVELOPMENT AND EXTRACTION OF SAME UPON AND IN THE FOLLOWING DESCRIBED LANDS OR LODE MINING CLAIMS:

STATE No. 5
STATE No. 6
STATE No. 14
STATE No. 15
STATE No. 24

ALL IN SEC 8, TWP 13 N, RGE 9 W, N. M. P. M., WHICH CLAIMS ARE FILED FOR RECORD IN BOOK _____, PAGES _____ OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER, McKINLEY, COUNTY, NEW MEXICO AND SAID CLAIMS ARE IN THE MT. TAYLOR MINING DISTRICT; WHICH CLAIMS ARE SOMETIMES HEREINAFTER REFERRED TO AS SAID LANDS; TOGETHER WITH THE RIGHT TO MAKE EXCAVATIONS, TO CONSTRUCT AND MAINTAIN THEREON ROADS, WORKS, FACILITIES, AND UTILITIES NECESSARY IN THE CONDUCT OF DEVELOPMENT OR MINING OPERATIONS ON SAID LANDS FREE OF ADDITIONAL COMPENSATION OTHER THAN THE ROYALTIES AS PROVIDED HEREIN.

2. LESSEE AGREES TO ENTER IN THE SAID LANDS WITHIN ONE HUNDRED AND EIGHTY (180) DAYS FROM THE DATE HEREOF AND TO PROSPECT OR MINE SO AS TO TAKE OUT THE GREATEST AMOUNT OF COMMERCIAL ORES AND MINERALS POSSIBLE IN COMPLIANCE WITH THE MINING AND SAFETY LAWS OF THE STATE AND NATION, OR MARKET PRODUCTION QUOTAS.

3. LESSEE AGREES JTO KEEP BOOKS AND ACCOUNTS COVERING LESSEE'S OPERATIONS HEREUNDER AND SUCH BOOKS AND ACCOUNTS WILL BE OPEN TO LESSOR'S INSPECTION AT ALL REASONABLE TIMES. LESSOR RESERVES THE RIGHT TO ENTER UPON SAID LANDS TO SURVEY, TO TAKE SAMPLES AND TO INSPECT SAME. LESSOR AGREES TO FURNISH LESSOR A TRUE COPY OF THE LOGS OF ALL RECORDED DRILLING ON SAID LANDS, AND AGREES TO FURNISH LESSOR ON DEMAND A BLUEPRINT FROM TIME TO TIME OF THE LATEST MAP OF THE PREMISES.

4. FOR EACH SHIPMENT OF ALL ORE OR VALUABLE MINERAL MINED AND REMOVED FROM SAID LANDS LESSEE AGREES TO PAY LESSOR A ROYALTY ON THE "MINE VALUE PER NET DRY TON" ON OR BEFOR BEFORE THE 20TH DAY OF THE MONTH NEXT FOLLOWING RECEIPT BY LESSEE OF PAYMENT FOR THE PRODUCTS SOLD OR DISPOSED OF AS FOLLOWS: FIVE (5) PERCENT OF THE MINE VALUE PER NET DRY TON. ~~FOR ORES HAULED OR HOISTED BELOW _____ (_____) FEET OF DEPTH BELOW THE SURFACE; OR _____ (_____) PERCENT OF THE MINE VALUE PER NET DRY TON FOR OPEN PIT ORES OR ORES HOISTED OR HAULED FROM ABOVE _____ (_____) FEET BELOW THE SURFACE.~~ LESSOR MAY AT HIS OPTION REQUIRE THAT THE ROYALTIES DUE HIM UNDER THE TERMS OF THIS LEASE BE DEDUCTED AT THE MARKET WHERE SOLD AND PAID DIRECTLY TO LESSOR, AND THAT EACH PAYMENT BE ACCOMPANIED BY A SETTLEMENT SHEET. BEGINNING ON THE 1ST DAY OF APRIL 19 55, LESSEE AGREES TO PAY LESSOR AS RENT FOR SAID LANDS A MINIMUM ROYALTY OF FIV. HUNDRED ($500.00) DOLLARS EACH YEAR. ADVANCE AND MINIMUM ROYALTIES ARE TO BE CREDITED AGAINST PRODUCTION ROYALTIES ACCRUED DURING EACH CALENDER YEAR, BUT SUCH PAYMENTS IN ONE YEAR ARE NOT TO BE CREDITED AGAINST SUCH PRODUCTION ROYALTIES EARNED IN SUCCEEDING YEARS. "MINE VALUE PER NET DRY TON" AS USED HEREIN IS DEFINED AS THE DOLLAR VALUE PER DRY TON OF 2,000 POUNDS OF CRUDE ORE AT THE MINE AS DETERMINED BY THE PRICE SCHEDULES AT THE AVAILABLE MARKETS; OR AS DETERMINED BY THE PRICE SCHEDULES ESTABLISHED BY THE ATOMIC ENERGY COMMISSION OR ITS SUCCESSOR; THE VALUE TO INCLUDE BONUS AND PREMIUM PAYMENTS BUT NOT TO INCLUDE ALLOWANCES FOR DEVELOPMENT, EXPLORATION, HAULAGE, OR TRANSPORTATION.

5. LESSEE AGREES TO INDEMNIFY, DEFEND, AND SAVE HARMLESS THE LESSOR FROM ALL LIABILITIES ARISING FROM THE ENTERING INTO AND COMPLYING WITH THE WITHIN AGREEMENT.

6. AT THE EXPIRATION OF THIS LEASE, OR UPON ITS EARLIER TERMINATION AS HEREIN PROVIDED, LESSEE SHALL SURRENDER THE SAID LANDS AND SHALL HAVE FOUR (4) MONTHS IN WHICH TO RIMOVE THEREFROM ALL MACHINERY, TOOLS, AND OTHER IMPROVEMENTS, PROVIDING LESSEE IS NOT INDEBTED TO LESSOR UNDER THE OBLIGATIONS JOF THIS LEASE. LESSEE MAY SELL OR RETAIN EQUITY IN ORES IN TRANSIT, IN BINS, DUMPS, OR STOCKPILES PROVIDED THAT SUCH ORES ARE REMOVED FROM THE SAID LANDS WITHIN THIRTY (30) DAYS AFTER THIS LEASE IS TERMINATED, AND THAT ROYALTY IS PAID ON THE MARKET VALUE OF SUCH ORES IN THE MANNER PROVIDED IN PARAGRAPH FOUR (4) WITHIN

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LESSOR	LESSEE
JANE HYDE COSPER	THOMAS C. KING
BLUEWATER	FIDEL AND ROUSE BUILDING
NEW MEXICO	GRANTS, NEW MEXICO

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Jane Hyde Cosper — Thomas C. King

Lee Roy Cosper

STATE OF New Mexico)
)SS
COUNTY OF Valencia)

ON THIS 5 DAY OF April, 1954, BEFORE ME PERSONALLY APPEARED Lee Roy Cosper and Jane Hyde Cosper TO ME KNOWN TO BE THE PERSONS DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED THAT she EXECUTED THE SAME AS her FREE ACT AND DEED.

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Valencia COUNTY, N M ; Udalie W Hyde
NOTARY PUBLIC
MY COMMISSION EXPIRES 7-10-54

STATE OF New Mexico)
)SS
COUNTY OF Valencia)

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Valencia COUNTY, New Mex ; Udalie W Hyde
NOTARY PUBLIC
MY COMMISSION EXPIRES 7-10-54

[illegible] in the Office of the
Registrar of Land Court
[illegible] 32726
16th August
1954 4:03 [illegible]
7
Leases 194
Ernest C. Garcia
By [illegible] Hanna
[illegible]

(See Bureau of Federal Supply, Circular No. B—69)

PURCHASE ORDER

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

This number must appear on all PACKAGES and PAPERS relating to this order.

Order No. 86844

DAL

Point of Issue WASHINGTON, D.C.

Date SEPTEMBER 4, 1968

Requisition No. 0309-33-19 & 4308-32-19

Appropriation Symbol and Title XXXXXXXX 0-540100

ALLOTMENT

To SELLER
COOPER TRENT, INC.
DIV. OF K & E
1130-18TH STREET, N.W.
WASHINGTON, D.C.
ATTN: MR. DALTON

Consignee and Destination
SHIP TO
U.S. GEOLOGICAL SURVEY 586844
RM. 4450 INTERIOR BLDG.
18TH & C STREET, N.W.
WASHINGTON, D.C. 20242
ATTN: C. CURTIN

Invitation No.

Contract No. ADCA 31-67-D-

Time for Delivery PICK-UP

Discount Terms NET

F. O. B. Point DESTINATION

Ship via

Government B/L No.

ITEM No.	ARTICLES OR SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	MAPS - PHOTOSTAT: DNEA UNIVERSAL SILVERS COMPANY DNEA 4905 E-1208	2	EA	.75	$1.50
	MAPS - PHOTOSTAT: DNEA 3632 E-797, 1 COPY EACH	4	EA	.75	3.00
	PRICES SHOWN HEREIN ARE APPROXIMATE; PAYMENT WILL BE MADE UPON SUBMISSION OF PROPER INVOICE REFLECTING CURRENT PRICE.				
	CC: MR. JENNINGS, RM. 4234 GS BLDG. C. CURTIN, RM. 4450 INTERIOR BLDG.				

Account Emp. _____ Deliver to _____

TOTAL $4.50

Signature:

Name: R.H. POPE, CONTRACTING OFFICER
Title:

9-1134

EXTRA COPY

☆ U.S. GOVERNMENT PRINTING OFFICE: 1966—234-549

Form DI-1
(Rev. 4-56)

UNITED STATES
DEPARTMENT OF THE INTERIOR
REQUISITION

Page 1 of ---- pages

Requisition Number: 9300-32-69

Date: 8/7/68

To: Purchasing Section

Bureau or Office: Geology Div
USGS- Office Minerals Exploration

Appropriation and Allotment or Project No.: 9 9 0100

Charge shipping costs to: X

Vendor: Cooper-Trent

Deliver to: Catherine Curtis
Room 4450, Interior Bldg

ITEM OR FORM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
4	Maps - photostat: DMEA 3632 E-797 8- 18X24 - $11.20 Mrs. Selba cc R.O. W.H. Jennings	1	each		

FOR USE WHEN ADDITIONAL APPROVAL IS REQUIRED

Bureau Officer: [signature] (Signature) [signature] (Date)

Title

Requisitioned by (signature): Frank E. Johnson

Title: Chief, Office of Minerals Exploration

Approved by (signature): W.H. Jennings

Title

Prepare in single space typing. Use double space between items. Fill out top of requisition completely, showing complete shipping instructions and appropriation if different from that to which requisition is chargeable.

GPO: 643 16-77959-1

DMEA
DEPARTMENT OF THE INTERIOR
DEC 3 1956
REGION III
DENVER, COLORADO

FINAL GEOLOGICAL ENGINEERRING REPORT

ON

DMEA DOCKET 3632 CONTRACT Idm-E797

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

8/8/68

Hold for written authorization to release. Upon release Final Report & Summary can be charged for 10¢ to cover cost of reproduction & handling

COLAMER CORPORATION

KELSEY L. BOLT,
CHIEF GEOLOGIST.

RECEIVED
DEC 27 1976
U.M.E.

CONTENTS

1. Written Summary

2. Wide Space Drill Hole Map

3. Map of Ore Body

4. Structural Contour Map

5. Isopach Map

GEOLOGY

General

The State group of claims Nos. 1 through 27 are located on the top of a large mesa capped by Dakota sandstone and occasionally Mancos shale. The formations dip generally northeast at from two to three degrees, sloping into a broad valley known as the Ambrosia Lake area. Numerous north to south and northeast to southwest folds with associated faults and fractures transect the area. Underlying the Dakota Formation is the Morrison Formation containing three members:

> The Recapture Creek, Westwater Canyon and Brushy Basin members, from bottom to top. The Westwater Canyon member is the major ore-producing horizon, although the other members of the Morrison Formation contain known small and isolated deposits.

Stratigraphy

The characteristics of the two upper members of the Morrison Formation only are of concern here. The Brushy Basin member lying directly under the Cretaceous Dakota sandstone consists largely of greenish gray with occasional reddish brown shales and siltstones, and occasional lenses of fine to course grained arkosic sandstones. The average thickness of the Brushy Basin in the area of Section 8, Township 13 North, Range 9 West is from 140' to 160'. The Westwater

Canyon sandstone member underlying the Brushy Basin averages from 100' to 120' in thickness. It is medium to course grained with streaks of course to conglomerate, very arkosic and contains many thin lenses of green shales and siltstones. The upper section of the Westwater Canyon sandstone often tongues into the Brushy Basin shale. One of these upper tongues is an ore producer in this area and has been given the local name of the "Poison Canyon" sandstone It is this unit which proved to be the ore bearing horizon on Section 8, and has the following general description:

Light oreange gray to light greenish gray, medium to course grain with streaks of course to conglomerate, round to sub-round, very arkosic, common pebbles and grains black chert, poor to fair cement with white and green clay, very calcareous near bottom contact. Commonly contains hematite which is reduced to pyrite near ore zones. Pyrite is then often oxidized to limonite near ore bodies. Intersticial clays and shale partings are common. The thickness of this unit is extremely variable. It changes from 0 to 90 feet thick within a distance of one-half mile on Section 8. The thick zones are elongated east to west. The largest thick zone on Section 8 lies in the north half of the Section and estends generally east to west.

Structure

The most pronounced structural feature on Section 8 is a north to south normal fault zone lying in the west half of the section, the east side being the down thrown side. This fault appears to diminish to the south suggesting a "hinge" type of fault common in the Grants area. Accurate surveying and hole logging have disclosed several minor folds on the section.. Close inspection shows that the axes of these small anticlines coincide with the axes of the thick sand zones thus suggesting that these small folds are a result of differential compacting rather than of orogenic forces.

Mineralization

Drilling under this contract has disclosed the presence of a uranium ore body in the northwest quarter of the section. Following is a list of the geologic conditions noted in the mineralized area:

1. The mineralized zone lies roughly northwest to southeast along the axis of a thick Poison Canyon sandstone zone lying in the north half of the section. (See Isopach map)
2. The mineralized zone lies on the west side and to within a few feet of a north to south fault in the west half of the section. Only very slight mineralization was found on the east side of the fault. (See structural map)
3. The mineralized zone lies on the north flank of a small east to west trending anticline.

4. The mineralization all occurs in that part of the sandstone which contains hydrocarbonaceous material.
5. All of the hematite in the Poison Canyon sandstone in the area surrounding the ore body has been reduced to pyrite.
6. Some of the pyrite in and near the ore body has been oxidized to limonite.
7. No apparent change was noted in the amount of clay or calcite present.
8. There is no apparent change in the average grain size of the sandstone, nor in the frosting of the grains.
9. There is no apparent change in the porosity of the sandstone.

ENGINEERING AND ACCOUNTING

Following is a recapitulation of work performed under Contract Idm-E797 DMEA Docket 3682:

MONTH	PLUG (FT)	CORE (FT)	COST PLUG	COST CORE	COST ASSAYS
June	275	270	$ 423.50	$ 756.00	$
July	379	1,006	583.66	2,816.80	
August	1,922	1,972	2,959.88	5,521.60	
Sept.	2,340	1,167	3,603.60	3,267.60	
Oct.	4,366	1,472	6,723.64	4,121.60	
Nov.	4,013	1,445	6,180.02	4,046.00	
Dec.	3,233	1,233	4,978.82	3,452.40	65.00
Jan.	2,467	851	3,799.18	2,382.80	235.00

MONTH	PLUG (FT)	CORE (FT)	COST PLUG	COST CORE	COST ASSAYS
Feb.	1,860	704	$2,864.40	$1,971.20	$15.00
March	6,279	1,652	9,669.66	4,625.60	
April	462	168	711.48	470.40	
July	1,321	226	744.80	2,034.34	
Totals			$43,242.64	$35,466.34	$315.00

Total DMEA -$79,023.98

Government Participation: 0.75 x $79,023.98 = $59,267.99

ORE RESERVES

Following are the results of calculations of ore reserves discovered under this contract. The contour method was used. (See Ore body Map)

	Tonnage	Grade
Indicated or inferred reserves	71,422	0.221% U_3O_8
Possible reserves	29,111	0.157% U_3O_8

COLAMER CORPORATION

KELSEY L. BOLTZ
CHIEF GEOLOGIST

Docket

Ching
Ellis

Project Summary Report

By: Michael Ching Date: August 6, 1957

1. Docket No. DMEA-3632 (Uranium)
   Contract No. Idm-E797

   Operator - Colamer Corporation, a Delaware corporation
   Commerce Building
   1016 West Santa Fe
   Grants, New Mexico

   Property - 27 unpatented mining claims, State Nos. 1-27, situated in sec. 8, T. 13 N., R. 9 W., N.M.P.M&B., McKinley County, New Mexico.

   Operator's Property Rights: Lessee. Owner's Consent to Lien signed by Thomas C. King and Phyllis J. King, Arthur W. Hyde and Vilatie W. Hyde, Lee Roy Cosper and Jane Hyde Cosper, J. V. Reynolds and Jean Reynolds, and Howard Deeds, a single man.

2. Contract (Short Form), dated May 17, 1955
   Final starting date, July 1, 1955
   Actual starting date, June 29, 1955
   Contract completion date, Sept. 15, 1956
   Termination Agreement, dated Jan. 22, 1957, effective July 20, 1956

   Work Authorized (as amended) - Test the Poison Canyon and Westwater Canyon sandstones of Jurassic age by core and non-core drilling in 3 stages as follows:

   Stage I - 78 holes

17,125 ft. non-core drilling @ $1.54/ft.	$26,372.50	
7,460 ft. core drilling @ $2.80/ft.	20,888.00	
20 chemical analyses @ $5/each	100.00	$47,360.50

   Stage II - 70 holes

15,750 ft. non-core drilling @ $1.54/ft.	$24,255.00	
4,900 ft. core drilling @ $2.80/ft.	13,720.00	
35 chemical analyses @ $5/each	175.00	$38,150.00

   Stage III - 60 holes

13,500 ft. non-core drilling @ $1.54/ft.	$20,790.00	
2,850 ft. core drilling @ $2.80/ft.	7,980.00	
30 chemical analyses @ $5/each	150.00	$28,920.00

   Estimated Total Cost of the Project $114,430.50
   Government Participation @ 75% $85,822.88

Amendments:

No. 1 - dated August 3, 1955, effective June 28, 1955, provides for coring 5 holes from the base of the Dakota sandstone completely through the Westwater Canyon in lieu of to a point 10 feet below the top of the Westwater. If warranted, 10 other holes may likewise be cored from the base of the Dakota completely through the Westwater in lieu of 10 holes from a point 10 feet above the Poison Canyon to a point 10 feet below the top of the Westwater. The additional cored footage and funds required to be transferred from Stage III.

No. 2 - dated April 5, 1956, extends the completion date from May 15 to August 15, 1956 and increases the royalty repayment period from 10 to 11 years.

No. 3 - dated June 14, 1956, provides for work suspension from April 6 to July 10, 1956, and extends completion date from Aug. 15 to Sept. 15, 1956.

Work Completed

Stage I - 78 holes

15,478 ft. non-core drilling @ $1.54/ft.	$23,836.12	
8,222 ft. core drilling @ $2.80/ft.	23,021.60	$46,857.72

Stage II - 47 holes

10,685 ft. non-core drilling @ $1.54/ft.	$16,454.90	
3,081 ft. core drilling @ $2.80/ft.	8,626.80	$25,081.70

Stage III - 14 holes

2,754 ft. non-core drilling @ $1.54/ft.	$ 4,241.16	
903 ft. core drilling @ $2.80/ft.	2,528.40	$6,769.56
Chemical analyses, 63 @ $5/each		315.00

Total Cost of the Project	$79,023.98
Government Participation @ 75%	$59,268.00

Final Reports Received:

Operator - undated - received December 17, 1956
Field Team - undated - received July 29, 1957

3. Auditor's Report of Review - dated January 25, 1957

Total cost as billed by Operator.....	$79,259.60
Exceptions	235.62
Total Accepted Cost	$79,023.98
Government Participation @ 75%	$59,268.00

4. Certification of Discovery - dated February 4, 1957

5. Results and Comments:

The potential uranium-bearing formations on the property are the Poison Canyon and Westwater Canyon sandstones of the Jurassic Morrison formation. The Poison Canyon sandstone lies about 20 feet stratigraphically above the base of the Brushy Basin and ranges in thickness from 15 to 70 feet. It loses its identity and cannot be distinguished from other lenticular Brushy Basin sandstone beds several miles to the north. The Westwater Canyon member averages about 110 feet in thickness. It is the major ore-bearing horizon in the Ambrosia Lake area to the north.

The first 15 holes drilled under the subject contract were widely spaced and drilled through both the Poison Canyon and Westwater Canyon sandstones. By the terms of the contract all later holes were to be drilled through the Poison Canyon only. However, a number of these holes were drilled through the Westwater, with the cost of the added footage for the account of the Operator.

No ore was found in the Westwater Canyon sandstone. A deposit containing an indicated 140,000 tons of ore averaging 0.178% U_3O_8 was found in the northwestern part of section 8 in the Poison Canyon sandstone. The deposit has an average thickness of 7.5 feet and lies at an average depth of 275 feet. It is a tabular type deposit about 1,000 feet long and 250 feet wide, with the long axis trending northwest. Average thickness of the ore-bearing sandstone in the vicinity of the deposit is about 50 feet. The Operator estimates the deposit to contain 100,500 tons of 0.202% U_3O_8 ore. all on sec. 7 of LeRoy Caspers land. Foyy

The project was conducted rather inefficiently by the Operator. Difficulty was encountered by the examiners in verifying the monthly reports, and there were repeated failures on the part of the Operator to perform the work in accordance with the contract terms.

No further work by the Government is recommended for this property. The Operator has drilled a number of holes for its own account and will no doubt further develop the ore deposit by additional drilling.

Michael Ching

Michael Ching, Mining Engineer
Division of Rare and Miscellaneous Metals

[X] Audited

[X] Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of Aug. 6, 1957
Incl. Voucher for July, 1956

[ ] Actual Cost

[X] Agreed Unit Costs

Name Colamer Corporation

Docket No. 3632

State New Mexico

Commodity Uranium

Idm-E No. 797

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Non-Core	46,375	$71,407.50	28,917	44,532.18	44,532.18
Core	15,210	42,588.00	12,206	34,176.80	34,176.80
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Chem. Analyses		425.00		315.00	315.00
Totals		$114,430.50		$79,023.98	79,023.98

Prepared by Michael Ching

71626

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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8/8	cc	220
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AUG 8 1968

Mr. Jim Goode
Goode Mining & Exploration, Inc.
Box 573
Dolores, Colorado 81323

Re: DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E797

Dear Mr. Goode:

This is in reply to your letter of July 23, 1968, requesting maps, drilling information, etc., obtained under the subject contract.

The only information available on this contract comprises the Operator's Final Report and accompanying maps, which usually cannot be released without written authorization from the Operator. As the Operator is no longer in business, however, we can release the available information to you upon receipt of written authorization from the present owners of the property.

Upon receipt of such authorization and check or money order payable to the U. S. Geological Survey in the amount of $10.00 to cover the cost of mailing and duplicating, we will send the available material to you.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc Director's reading file
Economic Geology file
OME file
OME reading file
OME Region III w/cy inc.ltr.

FEJohnson/bih 8/8/68

Goode Mining & Exploration, Inc.

Box 573
Dolores, Colorado 81323

BOB GOODE
BOX 568
BLANDING, UTAH 84511
Telephone 678-2296

JIM GOODE
BOX 573
DOLORES, COLORADO 81323
Telephone 882-7716

July 23, 1968

OME Region III
RECEIVED
JUL 25 1968
Denver, Colorado

J. William Hasler
Field Officer, Region 3
Denver, Colorado

Dear Sir;

Would you please send all maps, drilling information, etc. to me on section 8 mining property, located in McKinley county Grants, New Mexico. The location of the property is sec-8 T-13N R-9W. The DMEA Document no. is 3632 and the contract no. is 797. Colomer Corp.

Thanking you for your services.

Very truly yours,
GOODE MINING & EXPLORATION, INC.
JIM GOODE,

Jim Goode

OFFICIAL COPY
O. M. E.
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AUG 5 1968

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/28/67		110
		220

United Nuclear Corporation
Sabre-Pinon Division
Bokum Building
P. O. Box 1537
Santa Fe, New Mexico 87501

Re: IMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E797

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated February 4, 1957, all minerals mined or produced from May 17, 1955, to May 17, 1966, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: United Western Minerals Company
302 East Palace Avenue
P. O. Box 381
Santa Fe, New Mexico 97501

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III
130

Mr. Thomas C. King and Mrs. Phyllis J. King, 1016 West Santa Fe, Grants, N.M. 87020
Mrs. Vilatie W. Hyde, Rt. 1, Box 86, Cortez, Colorado 81321
Mr. Lee Roy Cosper and Mrs. Jane Hyde Cosper, Bluewater, New Mexico 87005
Mr. J. V. Reynolds and Mrs. Jean Reynolds, 903 South Madison, Webb City, Mo. 64870
Mr. Howard Deeds c/o Mr. Thomas C. King (above)

GLAult/a 9-28-67

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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		220

Mr. George M. Snyder
Homestake-Sapin Partners
P. O. Box 98
Grants, New Mexico 87020

Re: BMEA-3632 (Uranium)
Colemer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-8797

Dear Mr. Snyder:

Reference is made to your letter of April 27, 1967, and our reply of May 3. Our records show that overpayments of royalty on production from the subject property made by Mr. W. D. Tripp, P. O. Box 412, Cortez, Colorado, in the amount of $668.79, and Mr. James J. Goode, P. O. Box 573, Dolores, Colorado, in the amount of $236.79, have been refunded.

We are now closing the subject contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copies to: Mr. W. D. Tripp
P. O. Box 412
Cortez, Colorado 81321

Mr. James J. Goode
P. O. Box 573
Dolores, Colorado 81323

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III
130

GLAult/a 9-28-67

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Date	Surname	Code
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Mr. Thomas C. King and
Mrs. Phyllis J. King
Commerce Building
1016 West Santa Fe
Grants, New Mexico 87020

Re: DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E797

Dear Mr. and Mrs. King:

Enclosed is a copy of a self-explanatory letter of today to the United Nuclear Corporation under the subject contract.

This correspondence relates to the undated Owner's Consent to Lien signed by you under the Defense Minerals Exploration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

Identical letters to the following:

Mrs. Vilatie W. Hyde, Rt. 1, Box 86, Cortez, Colorado 81321
Mr. Lee Roy Cosper and Mrs. Jane Hyde Cosper, Bluewater, New Mexico 87005
Mr. J. V. Reynolds and Mrs. Jean Reynolds, 903 South Madison, Webb City, Missouri 64870
Mr. Howard Deeds, c/o Mr. Thomas C. King (address above)

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III
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FEB 28 1967

Memorandum

To: Field Officer, OME Region III

From: Chief, Office of Minerals Exploration

Subject: DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E797

Reference is made to our memorandum of December 21, 1966, concerning stockpiled ore reported on the property under the subject contract and enclosing a copy of the Report of Royalty Review on the contract.

Please follow through on this as suggested in our memorandum of December 21 and advise us of your concurrence or non-concurrence with the facts stated in the Report of Royalty Review so that we may take appropriate action.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
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FEJohnson/bih 2/23/67

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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DEC 21 1966

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: DMMA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-M797

Enclosed is a copy of a Report of Royalty Review covering the subject contract. This report is made for record purposes only; therefore, no copy is provided for the Operator.

Please note the last paragraph of the report. The question of stockpiled ore should be clarified. We need to know if any ore mined from the property before May 17, 1966, remains stockpiled at the property or at the buyer's mill. Perhaps the Homestake-Sapin-Partners can explain the reference to stockpiled ore in their IBM run attached to the settlement sheet. An inquiry of W. D. Tripp, the shipper, might also elicit the necessary information.

If you concur in the facts as stated in the Report of Royalty Review, two copies of your memorandum affirming such concurrence should be furnished this office. If for any reason you do not concur, the report should be returned with your comments.

FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
Budget and Finance, Rm. 5417
OME docket
OME Reading File
130

Johnson/gla 12/21/66

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR

ROUTING SLIP

Indicate routing order by number—Strike out office when cleared, enter date received and forwarded in space provided.

	To	Date		To	Date
	SECRETARY			MR ASST. SECY.—MINERAL RES.	
	US UNDER SECRETARY			MCR Office of Coal Research	
	SO SOLICITOR			MGE Office of Geography	
	SOL Office of the Solicitor			MSF Office of Min. & Solid Fuels	
	DL Division of Legislation			MOG Office of Oil & Gas	
	SA Office of the Science Adviser			MOI Oil Import Administration	
	OI Office of Information			MBM Bureau of Mines	
	CL Congressional Liaison Office		XX	MGS Geological Survey Rm 5243 GS Bldg.	
	RP Resources Program Staff				
	EO Office for Equal Opportunity			LM ASST. SECY.—PUBLIC LAND MGT.	
	PA Office of Program Analysis			LIA Bureau of Indian Affairs	
	CAB Board of Contract Appeals			LLM Bureau of Land Management	
	OW Office of Water Resources Research			LOT Office of Territories	
	JCC Job Corps Coordination			LAR Alaska Railroad	
	SOAB Oil Import Appeals Board			LOR Bur. of Outdoor Recreation	
	AA ASST. SECY. FOR ADMINISTRATION			PC ASST. SECY.—WATER POLL. CON.	
	DCCO Deptl. Corres. Control Office			PFW Fed. Water Poll. Con. Adm.	
	AMO Office of Management Operations			WSA Office of Saline Water	
	ASR Office of Survey and Review				
	ADB Office of Budget			WP ASST. SECY.—WATER & POWER DEV.	
	AMR Office of Management Research			WBR Bureau of Reclamation	
	APM Office of Personnel Management			WBP Bonneville Power Adm.	
				WSE Southeastern Power Adm.	
	FW ASST. SECY. FOR F & W & PARKS			WSW Southwestern Power Adm.	
	FOC Off. of Commissioner of F & W			WDE Defense Electric Power Adm.	
	FCF Bur. of Commercial Fisheries				
	FSF Bur. of Sport Fisheries & Wildlife				
	FNP National Park Service				

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O. M. E.
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Remarks:

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From:	Phone	Date
Assistant Director, Contract & Grant Audit - ASR/AO	33338	12-15-66

U.S. GOVERNMENT PRINTING OFFICE : 1966—O-909-659 #4

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 15 1966

Memorandum

To: Director, U.S. Geological Survey

From: Assistant Director, Contract and Grant Audit, Audit Operations, Office of Survey and Review

Subject: Royalty Review of Contract IDM-E797
Docket No. DMEA-3632 (Uranium)
Colamer Corporation (Operator)
State Claims
McKinley County, New Mexico

Pursuant to a request dated September 27, 1966, from the Chief, Office of Minerals Exploration, we have made a royalty review of Contract IDM-E797, examining the contract and accounting records and files of OME, and the Branch of Budget and Finance, U.S. Geological Survey. Four copies of the report of review are attached.

This contract and the certification of discovery or development issued upon completion of the exploration work provide that the Government shall receive royalty, at specified rates, on the value of production from the land specified in the contract until May 17, 1966, or until the amount of the Government's participation in exploration costs, $59,268, shall have been repaid without interest, whichever occurs first. The review has found that royalty received by the Government applicable to settlements made by the buyer of the uranium ore through July 1966 amounted to $28,222.72.

The report calls attention to the fact that the record is not clear with respect to the cut off date of May 17, 1966, and whether or not there may be stockpiled ore subject to the Government's claim for royalty.

Donald R. Mongey

Enclosures

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Mineral Exploration -- Building 25

OFFICIAL COPY
O. M. E.
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AUG 26 1966
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RMS | 120 S

August 24, 1966

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E-797

Transmitted herewith are copies of correspondence between the May 24, 1966 and August 18, 1966 requests (memos from Chief, OME to Field Officer, Region III) on the above-mentioned docket:

June 16, 1966	Letter from Field Officer, Region III to Mr. John Patterson, Chief, Ore Reserves Branch
June 27, 1966	Letter from Mr. John A. Patterson to Field Officer, Region III
June 30, 1966	Memo from Field Officer, Region III to Chief, OME

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Contract can now be closed out — RMS.

U. S. Geological Survey - Denver Federal Center
Building 25 - Room 2284
Denver, Colorado 80225

June 30, 1966

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA 3632 (Uranium)
Colamar Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E-797

Enclosed is a copy of a reply from the Atomic Energy Commission concerning production for the period January 1965 through February 1966 on the subject property.

J. William Hasler

cc: OME chron
Hasler chron
DMEA 3632

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OFFICE
GRAND JUNCTION, COLORADO - 81502

June 27, 1966

IN REPLY REFER TO:

PGH:BTO

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 25, Room 2284
Denver, Colorado 80225

Dear Bill:

Subject: DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E 797

Our production records indicate the same as yours for the period January 1965 through February 1966. Our records also show the last shipment was made in April 1966 (412.8520 dry tons).

Very truly yours,

John A. Patterson

John A. Patterson
Chief, Ore Reserves Branch
Production Evaluation Division

U. S. Geological Survey - Denver Federal Center
Building 25 - Room 2284
Denver, Colorado 80225

June 16, 1966

Mr. John Patterson, Chief,
Ore Reserves Branch
Production Evaluation Division
Atomic Energy Commission
Grand Junction, Colorado 81502

Re: DMRA-3632 (Uranium)
Colmer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E 797

Dear Mr. Patterson:

The 11-year period during which production was subject to royalty expired May 17, 1966.

Production from the W. D. Tripp section 8 mine has been substantially continuous since November 1964, and royalty checks have been received monthly. The most recent payment was in March 1966 for ore produced during February.

AEC records have been checked through 1964, and the proper amount of royalty has been paid through December 1964--see Field Officer's memo of February 18, 1965. The AEC records for 1965 through May 17, 1966, have not been checked for tonnage produced from land subject to the contract. Our records contain settlement sheets which indicate that all of the royalty payments for 1965-66 were received from Homestake-Sapin Partners for ore produced from the W. D. Tripp section 8 mine.

These records are summarized as follows:

W. D. Tripp section 8 mine

1965, Jan.	295.5850 dry tons	$176.32
Feb.	506.6545	59.06
Mar.	623.0665	75.45
Apr. & June	1,727.9870	195.13
July	706.0630	80.54
Aug.	628.5610	109.24
Sept.	1,054.8265	180.47
Nov.	2,549.1125	598.67
Dec.	971.0740	119.65
Total 1965	9,062.9300	$1,594.53
1966, Jan.	549.3860	65.52
Feb.	600.7505	211.74
Total 1966	1,150.1365	$ 277.26

Balance Feb. 28, 1966 (settlement sheet) $34,048.39

Total Government Contribution	$59,268.00
Total Royalties Paid	$27,140.26
Balance (our records)	$32,127.74

Will you please check your records as to any production that may have come from the State claims for the period Jan. 1, 1965, through May 17, 1966 and report to us at your earliest convenience.

Sincerely yours,

J. William Mailor
Field Officer, Region III
Office of Minerals Exploration

cc: OME chron
Hasler chron
DMEA 3632

MME Form 7
(2/63)

OFFICIAL FILE COPY

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AUG 1 6 1966

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: DMEA-3632 (Uranium)
Colemar Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E797

We have no record of having received a reply to our memorandum to you of May 24, 1966. We would like to close our records on this contract so would appreciate a report of your findings as soon as possible.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
DMEA Docket
OME Reading File
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MAY 2 4 1966

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: DMEA-3632 (Uranium)
Colsmar Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E797

The 11-year period during which production was subject to royalty expired May 17, 1966.

Production from the W. D. Tripp section 8 mine has been substantially continuous since November 1964, and royalty checks have been received monthly. The most recent payment was in March 1966 for ore produced during February.

AEC records have been checked through 1964, and the proper amount of royalty has been paid through December 1964--see Field Officer's memo of February 18, 1965. The AEC records for 1965 through May 17, 1966, have not been checked for tonnage produced from land subject to the contract. Our records contain settlement sheets which indicate that all of the royalty payments for 1965-66 were received from Homestake-Sapin Partners for ore produced from the W. D. Tripp section 8 mine.

These records are summarized as follows:

23263

W. D. Tripp section 8 mine

1965,	Jan.	295.5850 dry tons	$176.32
	Feb.	506.6545	59.06
	Mar.	623.0665	75.45
Apr. & June		1,727.9870	195.13
	July	706.0630	80.54
	Aug.	628.5610	109.24
	Sept.	1,054.8265	180.47
	Nov.	2,549.1125	598.67
	Dec.	971.0740	119.65
	Total 1965	9,062.9300	$1,594.53
1966,	Jan.	549.3860	65.52
	Feb.	600.7505	211.74
	Total 1966	1,150.1365	$ 277.26

Balance Feb. 28, 1966 (settlement sheet)	$34,048.39
Total Government Contribution	$59,268.00
Total Royalties Paid	$27,140.26
Balance (our records)	$32,127.74

Will you please check the records of the AEC on the production from the State claims for the period Jan. 1, 1965, through May 17, 1966, and report thereon.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
DMEA Docket
130
Smith
120M

RMSmith/mm (5/23/66)

Building 20 - Federal Center
Denver 25, Colorado

September 27, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-3632 (Uranium)
Contract Idm-E797
Colamar Corporation
(State Claims)
McKinley County, New Mexico

Attached is the original Report of Royalty Review dated September 24, 1963, on the subject property covering the period December 6, 1960, through September 18, 1963.

Original signed by

Hugh M. Connors

Attachment
cc: Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E797
Chron
HMC/lm

OFFICIAL FILE COPY
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MME Form 7
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SEP 25 1963

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E797

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

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

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

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

Enclosures

EDTalbert/ama 9-24-63

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

43683

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/7	Murphy	500
	Griswold	900
12/7	[illegible]	800
	Selkowitz	110
12/10	Johnson	110
12/10	Fumich	100
		220

DEC 1 0 1962

United Nuclear Corporation
Sabre-Pinon Division
Bokum Bldg. - P. O. Box 1537
Santa Fe, New Mexico 87501

Attention: Mr. Hugh M. Craigie, Assistant Secretary

Re: DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract Idm-E797

Gentlemen:

We have reviewed the agreements forwarded with Mr. Craigie's letter of November 30, 1962, to Mr. W. R. Griswold and find no reference to or a provision expressly covering the Government's lien on the above-referenced State claims. These claims, State Nos. 1 through 27, cover all of sec. 8, T. 13 N., R. 9 W., N. M. & B., except for a 1500-foot wide strip along the east side of the section.

Under the terms of the subject Exploration Project Contract and the certification of discovery or development dated February 4, 1957, all minerals mined or produced from May 17, 1955, to May 17, 1966, or until the Government's contribution has been paid, are subject to the Government's percentage royalty as set forth in said contract. To secure the payment of this royalty, the Government was granted a lien on the property and the production therefrom.

As you are now in possession of this land the Government will now look to you for payment of this royalty. The Government contributed $59,268.00 as its share of the costs of the contract work and was repaid $25,268.47, leaving a balance due the Government of $33,999.53.

To assist you in calculating the royalty due the Government, enclosed is a copy of the same form used in the above-referenced contract. The procedure is outlined under Article 8(e), et seq.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure
FMMurphy/mm
12-7-62
cc: Director's Reading File
CA&A Division
Region III (2) w/2 copies of incoming ltr 11/30 and Form 63 11/21.

Docket
Code 500

43683

OFFICIAL FILE COPY

Date	Surname	Code
2/13	gad	220

FEB 13 1961

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

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

Subject: DMEA-3632 (Uranium)
Colamer Corporation
State claims
McKinley County, New Mexico
Contract Idm-E797

Attached are the original and two copies of a letter dated January 31, 1961, from United Western Minerals Company, P. O. Box 381, Santa Fe, New Mexico, requesting a refund of a royalty overpayment of $4.34, as stated in a Report of Royalty Review dated December 12, 1960.

Please return to CME the two copies of the letter after insertion of the voucher payment information.

Attachments

EDTalbert/ama
February 13, 1961

Copy to: Docket
Director's Reading File
CA & A Division

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 10 1961

DATE	INITIALS	CODE
2-10	gad	2NO
2/10	[illegible]	800
~~2/13~~	~~Murphy~~	~~500~~
		220

February 7, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

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

Subject: Docket No. DMEA-3632 (Uranium)
Contract Idm E797
Colamer Corporation
(State Claims)
McKinley County, New Mexico

Enclosed is the original and one copy of a letter from the subject Operator requesting that he be reimbursed $4.34 which is in accordance with the Report of Royalty Review.

Will you please handle this claim.

Hugh M. Connors

Hugh M. Connors

Attachments

Hmc.

United Western Minerals Company

P.O. Box 381 · Telephone YUcca 3-7213

302 EAST PALACE AVENUE SANTA FE, NEW MEXICO

January 31, 1961

EXTRA COPY
O. M. E
RECEIVED FEB 1961
DATE | DEPARTMENT OF THE INTERIOR | CODE
FEB 1961
REGION III
DENVER COLORADO

U. S. Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Attn: Mr. Hugh M. Connors

Re: Docket No. DMEA-3632 (Uranium)
Contract Idn E797
Colamor Corporation
(State Claims)
McKinley County, New Mexico

Gentlemen:

On January 3, 1961, you sent us a report of Royalty Review on the subject contract. This Report indicated an over-payment in the amount of royalty of $4.34, and you advised us to submit a claim for this amount.

We hereby submit such a claim, and request that this amount be refunded.

Very truly yours,

E. D. White, Jr.
Vice President
bjh

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/27	Murphy	500
	Sommer	500
1/30	Jeffrey	120
		110
1-30	gad	220

JAN 3 0 1961

Mr. Thomas F. McKenna
McKenna & Sommer
302 E. Palace Avenue
Santa Fe, New Mexico

Re: DMEA-3632 (Uranium)
Colamer Corporation
State claims, sec. 8, T. 13 N., R. 9 W.
McKinley County, New Mexico
Contract Idm-E797

Dear Mr. McKenna:

In response to your request of January 24, 1961, enclosed are Thermofax copies of DMEA Order-1 Amended (March 19, 1954), and Amendments Nos. 1 and 2 of Order-1 Amended, all of which were in effect at the time the above-referenced contract was executed.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosures

FMMurphy/gla
1-27-61
cc to: Director's Reading File
Region III (2) w/2 cys incoming letter
Code 500
Docket
Chron

43683

LAW OFFICES
McKENNA & SOMMER
NASON BUILDING
302 E. PALACE AVENUE
SANTA FE, NEW MEXICO

THOMAS F. McKENNA, SR.
JOSEPH A. SOMMER

TELEPHONE YUCCA 2-1897
YUCCA 2-1898

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 26 1961

DATE	INITIALS	CODE
1-26	gad	VVO
1/26		800
1/27		500
		230

January 24, 1961

Mr. Frank E. Johnson
Director
Office of Minerals Exploration
United States Department of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

By way of introduction, we are attorneys for United Western Minerals Company of Santa Fe, New Mexico.

On May 17, 1955 Colamer Corporation entered into a defense minerals exploration contract, docket No. DMEA 3632, contract No. E-797.

We are attempting to determine the regulations or the applicable orders or the applicable rules which were in effect for the Defense Minerals Exploration Administration when the contract of May 17, 1955 was entered into. I have in my possession a copy of the DMEA order No. 1 which is dated March 7, 1952 and I have also examined the regulations which were set out under Chapter 12 of Title 32-A of the Code of Federal Regulations. The regulations set out under Chapter 12 of Title 32-A apparently came into effect by DMEA Order 1 revised October 23, 1957.

I wonder if you would advise me what rules, regulations or orders governing contracts were in effect on May 17, 1955 and I would appreciate it if you might send me a copy of such rules, regulations and orders in effect at that time.

I am engaged in some legal research at this point and do have an immediate need of such information and would certainly appreciate hearing from you by return mail if such is possible.

Yours very truly

McKenna & Sommer

By Thomas F. McKenna

Thomas F. McKenna

TFMcK:b

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 27 1961

DATE	INITIALS	CODE
1/27	cac	210
1/30	[illegible]	800
		500

January 23, 1961

Tom McKenna
United Western Mining Co.
P. O. Box 381
Santa Fe, New Mexico

Re: Docket DMEA 3652 (Uranium)
Contract Idm E797
Colsmer Corporation
McKinley County, New Mexico

Dear Mr. McKenna:

This has further reference to your telephone call requesting a copy of Title 32A -- National Defense Appendix.

The attached is our last extra copy of DMEA Order--I which I am sure is the material you had in mind.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
HMC/lm
cc Chief, Division of Field Operations, OME
E797
Chron

OFFICIAL FILE COPY
O. M. E
RECEIVED 1961 5 JAN

DATE	INITIALS	CODE
1-5	gad	VVO
1-9	[illegible]	~~500~~
		220

Copy sent to 800.

Building 20 - Federal Center
Denver 25, Colorado

January 3, 1961

United Western Minerals Company
302 E. Palace Avenue
P. O. Box 381
Santa Fe, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Contract Idm E797
Colamer Corporation
(State claims)
McKinley County, New Mexico

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated December 12, 1960 covering the period October 20, 1959, through December 5, 1960.

You will note that $4.34 is the amount of overpayment of royalty. If you submit a claim to us for that amount the overpayment in royalty will be refunded to you.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
HMC/lm
cc: Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm E797
Chron

OFFICIAL FILE COPY
O. M. E
RECEIVED 1961 5 JAN

DATE	INITIALS	Co

Building 20 - Federal Center
Denver 25, Colorado

January 3, 1961

Memorandum

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

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

Subject: Docket No. DMEA-3632 (Uranium)
Contract Idm-E797
Colamer Corporation
(State claims)
McKinley County, New Mexico

Assignee United Western Minerals Co.
302 N. Palace Avenue
P. O. Box 361, Santa Fe., N.M.

Attached is the original Report of Royalty Review on the subject property dated December 12, 1960 covering the period October 20, 1959, through December 5, 1960.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations OME (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E797
Chron

OFFICIAL FILE COPY

Date	Surname	Code
12/29	Fisher	800
12/29	coc	220
		225

DEC 29 1960

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-3632 (Uranium)
Colamer Corporation
State claims
McKinley County, New Mexico
Contract Idm-E797

Attached are the original and two copies of a Report of Royalty Review on the above cited project. If you concur in the facts stated in the report, distribution should be made as follows:

(a) Original of the report to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.
(b) One copy to the Operator; and
(c) One copy for your file.

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

Attachments

CEFisher/ama
December 29, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

43683

(2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 7 1960

DATE	INITIAL	
12-7	gad	VVO
12/7	[illegible]	800
12/8	[illegible]	500
	OME	
DEPARTMENT OF THE INTERIOR		280
	1960	
	REGION III	
DENVER COLORADO		

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRANTS BRANCH
GRANTS, NEW MEXICO

November 30, 1960

ADDRESS REPLY TO:
P.O. BOX 2038
MILAN STATION
GRANTS, NEW MEXICO

IN REPLY REFER TO:
PGR:EWG:km

Mr. Hugh M. Connors
Acting Field Officer
OME, Region III
U. S. Dept. of Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: Your request of November 23 concerning sec. 8, T13N, R9W Colamer Corp. E797 DMEA-3632

Dear Mr. Connors:

According to our records the last ore shipped from section 8 was in March 1960. The last ore was produced from the Spencer shaft about January 1, 1960. The property is now idle, and we know of no plans for resumption of operations.

If more information is required, please feel free to contact us.

Yours very truly,

Eugene W. Grutt, Jr.

Eugene W. Grutt, Jr., Chief
Grants Branch
Production Evaluation Division

Definition 60 - [illegible] Center
Denver 23, Colorado

OFFICIAL FILE COPY O. M. E RECEIVED NOV 28 1960		
DATE	INITIALS	CODE
11-28	gad	VVO
11/28	EW	800
	~~Murphy~~	~~700~~
		220

November 23, 1960

Eugene A. Crutt, A.E.C.
P. O. Box 2[illegible]
Milan Station
Grants, New Mexico

Re: DMTA-[illegible] (Uranium)
Contract [illegible]-E797
Gulmar Corporation
(State Claims, Sec. 8, T. 13 N., R. 9 W.)
McKinley County, New Mexico

Dear Mr. Crutt:

As you know, the Office of Minerals Exploration has very little money for administration and we are unable to keep in close touch with the uranium operations where the land has been subordinated to the Government by virtue of DMTA or OME aid in exploration.

Your knowledge of all the operations in your area could be most helpful to us.

Will you please advise the present status of the captioned project. The last shipment of ore from the property of which we have knowledge was in February, 1960. If the property is idle, will you please advise the approximate date that operations were discontinued.

Yours very truly,

Original signed by

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

HMC/lm
cc E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Chief, Division of Field Operations
Royalty Corres E797
Chron

DMEA-3632
OFFICIAL FILE COPY

Date	Surname	Code
8/9	Murphy	500
	[illegible]	500
	Doller	140
	App'd. Sol. Off.	
8/9	Talbot	800
	Arnold	120
		~~110~~
8-9	gad	220
		225

MME Form 7
(10-58)

AUG 9 1960

Mr. Denis Cowper
Chavez and Cowper
P. O. Box 335
Belen, New Mexico

FROM SOLICITOR
AUG 9 1960
FOR SIGNATURE

Re: DMEA-3621 (Uranium)
Colamer Corporation
Christmas Day Group
Valencia and McKinley Counties,
New Mexico
Contract Idm-E802
and
DMEA-3632 (Uranium)
Colamer Corporation
State Claims, sec. 8, T. 13 N., R. 9 W.
McKinley County, New Mexico
Contract Idm-E797

Dear Mr. Cowper:

This is with reference to your letter of July 6, 1960, requesting copies of the subject contracts and royalty data pertaining to repayment of the Government's contributions thereunder.

We are not at liberty to furnish the information you request without the consent of the United Western Minerals Company and its associates, assignees of the right, title, and interest of the Colamer Corporation, in the land subject to the terms of the above-referenced contracts. When we receive a letter from the United Western Minerals Company and associates giving such consent, we will then provide you with the information requested upon your agreement to pay the necessary charges for duplicating the material and forwarding it to you.

Your letter to the United Western Minerals Company and its associates should list the specific information you desire. A copy of this letter should be forwarded to this office.

Sincerely yours,

Frank E. Johnson (fw)

Acting Director

FMMurphy/FEJohnson/gla
8-9-60

cc to: Director's Reading File
Docket DMEA-3621
Docket DMEA-3632 Code 500
Region III (2) Chron

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 14 1960

DATE	INITIALS	CODE
7-14	gad	VVO
7/14	[illegible]	800
"	[illegible]	500

July 11, 1960

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D.C.

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

Subject: Dockets DMEA 3621 & 3632 (Uranium)
Contracts Idm E-802 and E797
Colamer Corporation
Valencia and McKinley Counties, New Mexico

Attached is a letter from Denis Cowper, Belen, New Mexico relative to DMEA agreements with the Colamer Corporation. Also attached is a copy of my reply.

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

July 11, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 14 1960

DATE	INITIALS	CODE

Mr. Denis Cowper
Chavez and Cowper
P. O. Box 335
Belen, New Mexico

Re: Dockets DMEA 3621 & 3632 (Uranium)
Contracts IDM E-802 and E797
Colomer Corporation
Valencia and McKinley Counties, New Mexico

Dear Mr. Cowper:

Your letter of July 6, 1960 has been forwarded to the OME Washington Office for reply and you will hear from them at an early date.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc: Chief, Division of Field Operations (2)
Corres. E 802 E 797
Chron

LAW OFFICES OF
CHAVEZ AND COWPER
P. O. BOX 336
BELEN, NEW MEXICO
TELEPHONE UNDERHILL 4-4522

TIBO J. CHAVEZ
DENIS COWPER

OME
DEPARTMENT OF THE INTERIOR
JUL 8 1960
REGION III
DENVER, COLORADO

E 797
E 802

July 6, 1960

Defense Minerals Exploration Authority
Bureau of Mines
United States Department of the Interior
New Federal Building
Denver, Colorado

Gentlemen:

I would very much appreciate it if you could furnish me with copies of the D.M.E.A. agreements entered into between you and Colamer Corporation on May 17 and May 23, 1955 having your docket numbers 3621 and 3632. I would also appreciate it if you could advise me what payments, if any, have been made to you under these agreements and by whom.

My interest in this matter is as attorney for the stockholders of Colamer Corporation in cause number 10348, District Court of McKinley County, New Mexico, a suit against United Western Minerals Company and others for royalty account.

Very sincerely,

CHAVEZ AND COWPER

By Denis Cowper

DC:ea

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 14 1960

DATE	INITIALS	CODE

Birrell Moves to Quash Criminal Contempt Warrant

NEW YORK—Counsel for Lowell M. Birrell, former chairman of Swan-Finch Oil Corp., moved to quash the U.S. District Court bench warrant for Mr. Birrell's arrest on charges of criminal contempt.

Federal Judge Sidney Sugarman signed an order requiring the Securities and Exchange Commission to show cause Monday at 10:30 a.m. why the bench warrant—issued last week by Judge Sugarman—should not be vacated. Mr. Birrell is charged with criminal contempt for failing to honor subpoenas to appear as a witness in an S.E.C. suit against Swan-Finch Oil Corp. and a number of other defendants charged with selling unregistered shares of Swan-Finch.

Richard H. Wels, Mr. Birrell's attorney, contends that when the last two defendants in the case on November 19 consented to final injunctions, the bench's authority over Mr. Birrell ceased. The last two defendants were Reldan Trading Corp., New York sales finance company, and Benjamin C. Cohen, its president. There were 24 defendants in all, most of whom consented to permanent injunctions last spring.

Bullock Fund

BULLOCK FUND LTD., reports net assets:

	Oct.31,'57	Oct.31,'56
Net assets per share	$11.33	$13.03
Net assets	31,029,986	31,327,180
Capital shares	2,736,994	2,403,077

Co. among firm affiliated with Swan-Finch

oping to
orbearance if
culty in securing
requirements.
your patience.

more in cost
ds apart in quality

BROOKS

RARE
SCOTCH WHISKY
86 PROOF BLENDED SCOTCH WHISKY
CORP., 630 Fifth Avenue, New York 20

Orders Arrest of Birrell, Former Swan-Finch Chairman

Criminal Contempt Is Charged for His Failure to Appear in Case Brought by SEC

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK—Federal Judge Sidney Sugarman ordered a warrant for the arrest of Lowell Birrell, former chairman of Swan-Finch Corp., who is reported to be in Cuba. Government officials could not say whether extradition would be required to apprehend Mr. Birrell.

Mr. Birrell has been charged by the court with criminal contempt for failure to appear as a material witness in the case of the Securities and Exchange Commission against Swan-Finch and a number of other defendants. Defendants in the suit, accused of selling unregistered shares of Swan-Finch stock, have now all signed consent decrees barring them from that action. If convicted of contempt, Mr. Birrell faces fine, imprisonment or both.

In a legal exchange lasting less than five minutes, Judge Sugarman heard Richard H. Wels, counsel for Mr. Birrell, say his client was still in Havana, under a physician's care, and though making progress, was still in a precarious state of health, which might require surgery.

Mr. Wels also contended that because the last two defendants in the case had consented earlier this week to a decree barring them from further sale of unregistered Swan-Finch stock, "no testimony is needed from Mr. Birrell."

Judge's Answer

"That may be quite true," Judge Sugarman said, "but the main question remains of whether Mr. Birrell's failing to appear was a deliberate flouting of the court's authority."

Judge Sugarman then announced that he was asking counsel for the S.E.C. to prepare a bench warrant for Mr. Birrell's arrest.

"This action is being taken without prejudice to your client," the judge replied, adding, "If the S.E.C. can persuade me that his absence was deliberate and calculated, I intend to hold him in contempt of the court. I have a notion he is trifling with the court." And, raising his voice, the judge declared sternly, "I do not intend to await Mr. Birrell's convenience."

"Surely you do not with to jeopardize Mr. Birrell's health?" Mr. Wels said to Judge Sugarman.

"We have pretty good doctors in New York, the best in the world," the Judge replied. "He can rest here as well as in Havana."

State Department to Be Notified

Judge Sugarman then directed John J. Devaney, chief enforcement officer of the S.E.C.'s New York Regional Office, to notify the State Department to take appropriate steps to see that Mr. Birrell is apprehended.

Mr. Birrell was accused of failing to honor a subpoena requiring his appearance in court June 10, and a second subpoena calling for him to appear October 7, as a material witness in the S.E.C.'s case against Swan-Finch and the other defendants. The last remaining defendants in the case, Reldan Trading Corp., New York sales finance company, and Benjamin C. Cohen, its president, consented to permanent injunctions earlier this week.

Asked after the hearing whether extradition would be required for Mr. Birrell's apprehension, Mr. Devaney said he could not say as yet. A statement released by the S.E.C. after the hearing said all efforts by the S.E.C. New York Regional Office to get in touch with Mr. Birrell by mail or phone in Cuba have been unsuccessful.

id Line

• • •

a Fresh But Feeble Argument
ralists Away From Moscow

ENRY CHAMBERLIN

out at a fantastic price per egg. But these planners, who no longer are taken seriously in their own countries, seem to be moving to India in force." And he cited the names of some notable proponents of state planning now visiting or working in India.

A good case can be made for the proposition that private investment, inspired by the normal profit incentive, is often of much more benefit to a country in an early state of economic development than a blank check made out by a foreign government to a group of state planners. However devoted and sincere and patriotic these men may be, they seldom match the representatives of the experienced foreign private firm in technical knowledge or in ability to see the practical, as well as the theoretical advantages or disadvantages of a given project.

Chinese Magnet

A variation of the argument for U.S. aid to India goes like this: Communist China is forging ahead so fast that, if we do not prop up India, the Indian people will go over to Communism and the last best hope of democracy in Asia will go down the drain.

But this argument limps; there is strong reason for doubting its truth. China is no exception to other Communist countries in inspiring among some of its citizens such a strong distaste that British Hong Kong is bursting at the seams with refugees. Massacres, executions and famines surely outweigh, for the average Chinese, the satisfaction of a new factory or power plant.

Most Indians lack the knowledge, experience and background to draw comparisons between their own country and China. If some educated Indians have an exaggerated idea of Chinese achievement, this is due, at least in some measure, to the failure of Indian government spokesmen to say anything critical about Chinese or any other brand of Communism. They have no such inhibitions in discussing real or alleged shortcomings in the U.S.

But suppose the argument is true that China is clearly outstripping India in economic development. Would $500 million or any other sum alter this situation?

More Than Money

A nation's ability to resist Communist subversion is primarily a matter of willpower, of patriotism, of national ideals and traditions, of spiritual intangibles like attachment to religious faith. It is not something on which one can put a price-tag. It is not something that can be gauged by comparative figures of national income. France is a richer country than Eire, but there are far more French Communists, in proportion to population, than there are Irish.

There may be cases when careful study will show that our national interests are served by granting a military or economic subsidy. But we shall be inviting one disappointment after another if we assume that Communism is something we can buy off if we only make the checks big enough. And under present conditions priority should go to spending that ministers directly to the urgent needs of our own national defense.

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organization, incidentally, has been a leading backer of two-price wheat.

The U.S. wheat crop this year is estimated at 927 million bushels while the carryover on July 1 was 908 million bushels—about double

Dissident Swan-Finch Holders Elect a New Board of Directors

Action Taken Without Opposition From Other Directors; Firm's Counsel Asked to Quit Meeting

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK — Dissident stockholders of Swan-Finch Oil Corp., industrial holding company long beset by litigation, elected a new set of directors without opposition from the former directors.

They also voted, with only four dissents, to ask Abraham Glickman, counsel for Swan-Finch in many of its legal battles, to leave the meeting after he said that he was not representing former Swan-Finch management officially, and was not a stockholder or a proxy holder.

In the stormy session marked by acid criticism of the former management, the stockholders elected as directors Joe Weinstein, Brooklyn retailer; Milton Kunen, his counsel; J. C. Herbert Bryant, broker from Alexandria, Va.; Harold S. Lazar, New York, and Joseph De Guglielmo, Cambridge, Mass., both attorneys.

The previous directors, none of whom was believed to be present, were Ralph E. Damp, Adm. Roy H. Callahan, Sidney G. Madenberg and Mary B. Prior.

Also absent was former Chairman Lowell M. Birrell, now in Havana, a bench warrant for Mr. Birrell's arrest has been issued by the U.S. District Court. He is wanted on charges of criminal contempt of court for failing to honor two subpoenas to appear as a witness in a Securities and Exchange Commission case accusing him and the company of issuing and selling unregistered Swan-Finch shares. Mr. Birrell's counsel is moving today in district court to quash the bench warrant, contending that the S.E.C.'s case is over since all the accused have consented to final injunctions and Mr. Birrell's testimony is therefore unnecessary.

Swan-Finch is currently quoted at 5/16 bid, 7/16 asked on over-the-counter trading, to which it was relegated after being suspended April 16 from unlisted trading privileges on the American Stock Exchange. It sold as high as 8¾ in 1956.

The company is now in New York receivership, and according to Mr. Kunen, receivership is pending in Illinois, where the company has property.

Following Friday's meeting, the new directors elected Mr. Bryant president of the corporation, Mr. Lazar secretary and Mr. Kunen treasurer. No chairman was elected. The directors retained Kaye, Scholer, Fierman, Hays & Handler, of which Mr. Kunen is a partner, as counsel "to conduct an investigation for the purpose of determining what assets belonging to the corporation may be recouped and what claims on behalf of stockholders against those responsible for the corporation's present condition may be instituted." They also retained B. Bernard Greidinger & Co. as accountants.

The new directors are the five members of the Swan-Finch Stockholders' Protective Committee, formed in September under the leadership of Mr. Weinstein, who personally and through a wholly-owned company, J. W. Enterprises, Inc., claims to control over 100,000 Swan-Finch shares.

The special meeting was called, Mr. Kunen told the same 350 stockholders present in the Skytop Room of the Hotel Statler, in line with New York law, which permits a stockholder to call a meeting to elect directors if the directors have not called one within one month of the day designated in the corporate by-laws. The Swan-Finch annual meeting was scheduled originally for mid-April and was never held.

The stockholders on hand represented over 1 million of the company's 2,782,297 shares outstanding September 13, when, according to Joseph Moscou of Mr. Kunen's office, Manufacturers Trust Co., then transfer agent, resigned from that position. The company has been without a transfer agent since.

Because the corporate by-laws specified that the number of directors must be fixed at five if no previous designation was made at the last meeting of the board of directors—and none had been—a contest shaped up for one of the directorships. Meyer Abrams, owner, according to his nominator of approximately 180,000 shares, was named by David Fischman, owner, he said, of 11,000 shares.

The meeting was presided over by Mr. Bryant, who referred many of the stockholders' questions, however, to Mr. Kunen.

A stockholder's move to get Mr. Kunen to agree to expand the board following the election drew from him the caution that such a step might invalidate the meeting, and, he added, "we're being watched. I see Mr. Glickman, counsel for Swan-Finch, is here."

The holders then voted to ask Mr. Glickman to retire from the room. Mr. Glickman rose, speaking softly despite admonitions to speak louder, and said he didn't want to engage in acrimonious debate and that he didn't feel the meeting was being held properly. He added that he was present so that if he should have to appear in the New York State Supreme Court, he would be in a position to explain his case better. He then departed.

Capitol Records Moves To Distribute Angel Line

HOLLYWOOD — Capital Records, Inc. announced it has purchased a U.S. distributing subsidiary from the English company that

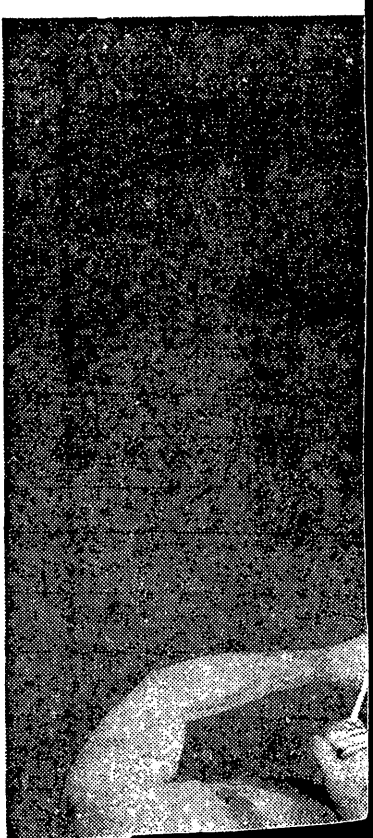
"National Accou
more than 100% a ye

"We use the National Accounting Machi
because of its many automatic features whi
do so much of the operators' work that the
is a great saving of both time and effort.

"We estimate that these savings return
more than 100% a year on our investmen

"There are other benefits besides direct sa
ings. The work is neater. Several records a

THE NATIONAL CASH RE
989 J



UWM

UNITED WESTERN MINERALS COMPANY

302 East PALACE AVENUE — SANTA FE, NEW MEXICO
P. O. BOX 381. PHONE YU3-7213. TWX: SANTA FE, N. M. 5832

March 28, 1960

OME
DEPARTMENT OF THE INTERIOR
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer, OME
Field Team, Region III
U. S. Dept. of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 3632
Contract No. Idm-E797
State Claims, Sec. 8, T13N, R9W
McKinley County, N. M.

Dear Mr. Townsend:

In reply to your letter of March 15th, this is to advise you that the mine on the referenced property is now inactive and that it was shut down because the known ore reserves were depleted during December, 1959. There is no stockpile of uranium-bearing materials on the property.

For your information, United Western Minerals Company et al have released the following claims on the referenced property to Mr. and Mrs. Arthur W. Hyde:

State Claims Nos. 2, 3, 4, 11, 12, 13, 20 and 21

Also, United Western Minerals Company et al have released the following claims on the referenced property to Mr. and Mrs. Lee Roy Cooper:

State Claims Nos. 5, 6, 7, 8, 14, 15, 16, 17, 24 and 25. yield 5% royalty on these claims

Therefore, United Western et al have no further interest in the above listed state claims.

I trust that the above answers your inquiry.

Very truly yours,

E. B. White, Jr.
Vice President

EBW/or

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5-9	gad	220
5	~~Murphy~~	~~500~~
		225

MAY 9 1960

Memorandum

To: Fiscal Section, Division of Administrative Services, Office of the Secretary

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

Subject: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State claims
McKinley County, New Mexico
Contract No. Idm-E797

Attached for deposit to the subject account as a royalty receipt is check no. 4600 dated May 3, 1960, in the amount of $228.00, drawn on the First National Bank of Santa Fe, Santa Fe, New Mexico, by the United Western Minerals Co. for:

> "Additional Royalty due DMEA on uranium produced from Sec. 8, T13N, R9W, McKinley County, New Mexico, under Contract No. Idm-E797."

A copy of this memorandum is being forwarded to the Acting Field Officer, OME Region III, for his information on the liquidation of this indebtedness, which was the subject of the Acting Director's letter of March 10, 1960, addressed to the United Western Minerals Co.

Attachment

EDTalbert/ama
May 9, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, OME Region III

UWM

UNITED WESTERN MINERALS COMPANY

302 East ~~XXX WEST~~ PALACE AVENUE SANTA FE, NEW MEXICO
P. O. BOX 381, PHONE YU3-7213, TWX: SANTA FE, N. M. 58-32

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 9 1960		
DATE	INITIALS	CODE
5-9	gad	NVO
5/9	607	800
5/10	Murphy	500
		225

May 2, 1960

United States
Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attn: Mr. Frank E. Johnson
Acting Director

Re: Docket No. DMEA-3632
(Uranium) Colamer
Corporation State Claims
Sec. 8, T13N, R9W,
McKinley County, New
Mexico, Contract No.
Idm-E797

Gentlemen:

Your letter of March 10, 1960, advised us that a determination had been made that royalty payments on ore mined from the captioned property were deficient by $228.00. You requested that a check in that amount be forwarded to your office. Accordingly, please find enclosed our check in the amount of $228.00 in complete liquidation of our account.

Very truly yours,

E. B. White, Jr.
Vice President

EBW/dmc
Encl.

cc: Mr. J. W. Townsend
Denver 25, Colo.

Check detached & sent to Fiscal Section for deposit
Talbert 5/9/60

MM Form 7
(7-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/27	Murphy	500
	Murphy	500
	Allen	140
	App'd. Sol. Off.	140
5/2	Talbert	800
5/3	Selfridge	120
		110
5-3	gad	220
		225

MAY 3 1960

Colamer Corporation
Commerce Building
1016 West Santa Fe
Grants, New Mexico

SOLICITOR

APR 28 1960

INTERIOR DEPT

RECEIVED
APR 28 1960
ASSOC. SOLICITOR
MINERAL RESOURCES

Re: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico
Contract No. Idm-E797

Gentlemen:

FROM SOLICITOR
FOR SIGNATURE

Enclosed is a Thermofax copy of a self-explanatory letter, dated March 28, 1960, from the United Western Minerals Company to the Executive Officer, OME Field Team, Region III. The Office of Minerals Exploration is the successor agency to the Defense Minerals Exploration Administration.

With reference to our letter to you of February 4, 1957, enclosing a "Certificate by the United States of America of a Discovery or Development Under an Exploration Project Contract," copies of which were forwarded to Mr. and Mrs. Arthur W. Hyde and Mr. and Mrs. Lee Roy Cosper, who signed Owner's Consent to Liens pertaining to the State claims, the Government's percentage royalty rights as stated in the letter are not altered by the release of the claims by United Western Minerals Company.

However, future royalty payments should be made to Mr. H. M. Connors, Acting Field Officer, OME Region III, Building 20, Denver Federal Center, Denver 25, Colorado.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FMMurphy/gla 4-27-60
cc to: Dir.'s Reading File
Region III (2)
Docket
Chron
Code 500

cc to:
United Western Minerals Company
302 East Palace Avenue,
P. O. Box 381
Santa Fe, New Mexico 87501

Mr. and Mrs. Arthur W. Hyde)
Bluewater, New Mexico)
) w/cy United Western Minerals Company
Mr. and Mrs. Lee Roy Cosper) letter March 28, 1960
Bluewater, New Mexico)

43683

OFFICIAL FILE COPY
O. M. L.
RECEIVED MAR 22 1960

DATE	INITIALS	CODE
3/22	RCW	225
3/23		500
	~~Murphy~~	~~500~~
		225

Building 20 - Federal Center
Denver 25, Colorado

March 15, 1960

Mr. E. B. White, Jr., Vice President
United Western Minerals Company
302 East Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA-3652 (Uranium)
Contract No. Ldm-E797
(State Claims, Sec. 8, T.15 N, R.9 W)
McKinley County, New Mexico

Dear Mr. White:

The mine on the referenced property, which was productive during 1958 and 1959, was found inactive during our recent on-site inspection. We also obtained information indicating that the mine was shut down when known ore reserves were depleted during December 1959.

Please advise if these findings are correct, and if any uranium-bearing material is stockpiled on the property give the estimated tonnage and grade.

An early reply will be appreciated.

Very truly yours,

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

TMR/ms

cc: Chmn. Op. Comm. (2)
Chron
corres E797
Suspense

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

224 New Customhouse
Denver 2, Colorado

February 18, 1960

Certified Mail

Memorandum

To: E. D. Talbert, Acting Chief, Contract Administration and Audit Division

From: T. A. Christensen, Chief, Division of Administration, Region III

Subject: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State Claims, Sec. 8, T 13 N, R 9 W
McKinley, New Mexico
Contract No. Idm-E797

As requested in your memorandum of February 9 to Executive Officer, OME Field Team, Region III, we are enclosing folder containing Donald T. Finch's audit work papers and correspondence relative to Report of Royalty Review. The file also contains T. H. Bruding's work papers on Report of Review. Nothing has been removed from the folder and the file is sent herewith intact.

T. A. Christensen

Enclosure

cc: Executive Officer, OME Field Team
OME Contract File
T. A. Christensen
File

Official
~~EXTRA~~ COPY
O. M. E
RECEIVED FEB 23 1960

DATE	INITIALS	CODE
2/23		~~800~~
2/24	Murphy	~~500~~
		225

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/10	Fisher	800
3/10	Gallant	800
3/10	Murphy	500
3/10	Russell	500
3/10	Selfridge	120
		110
3-10	gad	220
		225

MAR 10 1960

Mr. E. B. White, Jr.
Vice President
United Western Minerals Company
302 East Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Colamar Corporation
State Claims, sec. 8, T13N, R9W
McKinley County, New Mexico
Contract No. Idm-E797

Dear Mr. White:

This is to supplement my letter to you dated February 9, 1960, in reply to your letter dated January 28, 1960, addressed to the Executive Officer, OME Field Team, Region III, Denver, Colorado.

A review of the records relating to the Report of Royalty Review dated October 19, 1959, indicates that the balance of royalty due should be $228.00 instead of $222.70 as stated in that report.

The next to last paragraph of Mr. Dougherty's letter dated January 26, 1960, calls attention to the fact that the amount of AEC bonus on which a 5 percent royalty was paid amounted to $33,959.74 instead of $33,833.71 shown in the Report of Royalty Review. The latter amount, which was unconfirmed at the time of audit, was allocated on the basis of $31,289.09 being applicable to Liquidation No. 75 and $2,544.62 being applicable to Liquidation No. 92.

The Executive Officer's telegram dated July 17, 1959, was sent prior to receipt of information that a portion of the production included in Liquidation No. 92 was subject to the production bonus. The statement in the telegram that the correct amount of royalty due on that shipment amounted to $228.03 was based on the rate of 2½ percent applicable to the value of the ore at the receiving station. However, the allocation of a portion of the bonus to that sale increased the total proceeds to an average value in excess of $11.50 per short dry ton of ore. Thus, the correct royalty rate applicable to the receiving station proceeds from the sale became 5 percent making the total royalty due $456.03 instead of $228.05.

In other words, the schedule accompanying Mr. Dougherty's letter should indicate the amount of "DMEA Royalty Due" applicable to

43683

Liquidation No. 92 as $456.03. Thus, instead of indicating an overpayment, the schedule should show a net total underpayment of $228.00.

I trust that with this explanation you will favor us with your check for $228.00.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

CEFisher/ama
March 9, 1960

Copy to: Docket
Director's Reading File
CA & A Division
OME Field Team, Region III (2)

Form 7
(-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/8	Selfridge	120
"	Johnson	
2-9	gad	220

FEB 9 1960

Memorandum

To: Executive Officer, OME Field Team, Region III

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

Subject: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State Claims, sec. 8, T13N, R9W
McKinley, New Mexico
Contract No. Idm-E797

Reference is made to your February 1 memorandum forwarding for reply the January 28 letter from United Western Minerals Company that took over the Operator's lease.

In order to properly review the findings of Mr. Finch's Report of Royalty Review, the audit work papers, which are maintained in the custody of the regional Authorized Certifying Officer in accordance with Operating Committee Memorandum No. 6, will be required. Please arrange for the withdrawal from the files and submission to this Division of the pertinent material.

EDTalbert/ama
February 8, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. T. A. Christiansen
Mr. Fisher

43683

orm 7
-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/5	Talbert	800
2/5	Murphy	500
	Gardner	500
2/8	Selfridge	120
		110
2-9	gad	220

FEB 9 1960

Mr. S. D. White, Jr.
Vice President
United Western Minerals Company
302 East Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State Claims, Sec. 8, T13N, R9W
McKinley County, New Mexico
Contract No. Idm-E797

Dear Mr. White:

Your January 28, 1960, letter addressed to the Executive Officer, OME Field Team, Region III, Denver, Colorado, has been referred to this office for reply.

In view of the information furnished in the enclosures with your letter, a review of the entire matter will be made as soon as possible. However, due to the fact that the auditor who prepared the Report of Royalty Review is no longer associated with the Office of Minerals Exploration and another auditor is not presently available, some delay is unavoidable.

You will be notified of the results of the review at the earliest opportunity.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

EDTalbert/ama
February 5, 1960

Copy to: Docket
Director's Reading File
CA & A Division
OME Field Team, Region III (2)

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	CODE
2/4	RCW	225
2/4		800
2/5	Murphy	500
		225

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
February 1, 1960

Memorandum

TO: E. D. Talbert, Acting Chief, Contract Administration and Audit Division

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 3632 (Uranium) Contract No. Idm-E797 (State claims, Sec. 8, T13N, R9W) McKinley County, New Mexico

Attached are the following:

1. Copy of a letter from E. B. White, Vice-President, United Western Minerals Company, to the Executive Officer, dated January 28, 1960.

2. Letter from Redfern C. Dougherty, Jr., to E. B. White, dated January 26, 1960, and enclosures.

3. Copy of a reply to Mr. White dated February 1, 1960.

Will you please forward this office a copy of your reply to Mr. White.

J. W. Townsend

J. W. Townsend

Mr Fisher will investigate & prepare reply for Acting Director's signature
Talbert
2/4/60

EXTRA COPY
O. M. E
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
February 1, 1960

Mr. E. B. White, Jr.
Vice-President
United Western Minerals Company
302 East Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMRA 3632 (Uranium)
Contract No. Idm-E797
(State Claims, Sec. 8, T13N, R9W)
McKinley County, New Mexico

Dear Mr. White:

This will acknowledge receipt of your letter dated January 28, 1960, which is being forwarded to the Contract Administration and Audit Division in the Washington Office for their perusal and reply.

Very truly yours,

Original signed by

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

HMC:ltm

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

UWM

UNITED WESTERN MINERALS COMPANY

302 East PALACE AVENUE SANTA FE, NEW MEXICO
P. O. BOX 381. PHONE YU3-7213. TWX: SANTA FE, N. M. 5832

January 28, 1960

OME
DEPARTMENT OF THE INTERIOR
JAN 29 1960
REGION III
DENVER, COLORADO

U. S. Dept. of the Interior
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Attention: Mr. J. W. Townsend
Executive Officer, OME
Field Team, Region III

Re: Docket DMEA 3632 (Uranium)
Contract No. Idm-E797
State Claims, Sec. 8,
T13N, R9W, McKinley Co., N.M.

Gentlemen:

I regret the long delay in answering your letter of December 15, 1959.

I am enclosing a copy of a letter, with enclosures, received from Mr. Redforn Dougherty, Jr., of San Jacinto Oil and Gas Company, concerning royalty payments to OME pursuant to the captioned contract. The information contained therein is, I believe, self-explanatory. It would appear, therefore, that OME has been paid correctly and that no additional amounts are due.

Please contact me if anything further is required.

Very truly yours,

E. B. White, Jr.
Vice President

EBW/or

cc: San Jacinto Oil and Gas Company
Attn: Mr. Redforn C. Dougherty, Jr.

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

SAN JACINTO OIL AND GAS COMPANY
(A DIVISION OF SAN JACINTO PETROLEUM CORP.)
SAN JACINTO BUILDING
HOUSTON 2, TEXAS

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

January 26, 1960

Mr. E. B. White, Jr., Vice President
United Western Minerals Company
302 East Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA 3632 (Uranium)
Contract No. Idm-E797
Section 8, T-13-N, R-9-W
McKinley County, New Mexico

Dear Ed:

Thank you for your letter of January 21, 1960 forwarding a copy of the Office of Minerals Exploration Report of Royalty Review on the captioned contract. As you know, we received a copy of the OME transmittal letter dated October 30, 1959; however, until the last few days, we were not in possession of sufficient information to determine what reply should be made even though we felt sure the OME auditor was mistaken in his claim that a balance of $222.70 was still due.

We have made a comprehensive review of all of the information in our files and enclose the following:

1. Schedule of royalty payments due and paid from November, 1958 through July, 1959.

2. Letter from the Office of Minerals Exploration dated July 9, 1959.

3. Telegram from the Office of Minerals Exploration dated July 17, 1959.

4. Letter from the Office of Minerals Exploration dated September 8, 1959 and our reply to that letter dated September 10, 1959.

5. Homestake-New Mexico Partners' Analysis of Ore Deliveries and Payments of Section 8 Ore.

The OME Audit Report indicates that Liquidation Nos. 75, 92 and 198 are in error. We agree that Liquidation No. 75 is in error although our schedule indicates an underpayment of 3¢ rather than 4¢. We also agree that Liquidation No. 92 is in error, however, our calculation indicates $228.00 overpayment, which overpayment was confirmed by the telegram referred to in item 3 above. This overpayment and the 3¢ underpayment were corrected on Liquidation No. 198. We feel sure that the auditor's reference to Liquidation No. 92 is in connection with the AEC Production Bonus in the amount of $33,939.74. Of this amount, 5% or $1,696.99 was remitted to the OME by the Grants State Bank. You will note that the Audit Report indicates the AEC Production Bonus is $33,833.71, which amount we believe to be in error.

In summary, our calculations indicate that the OME has been paid correctly and no additional amounts are due. We are forwarding an extra copy of this letter, together with the schedules referred to, in the event you wish to forward a copy to Mr. J. W. Townsend, Executive Director, Office of Minerals Exploration, Field Team, Region III.

With best regards,

Sincerely,

Redfern C. Dougherty, Jr.

RCD/ph
Encls.

Office of Minerals Exploration, Docket No. DMEA 3632 (Uranium) Contract No. Ion-5797, Section 8, T-13-N, R-9-W, McKinley County, New Mexico

Period	Liquidation Number	DMEA Royalty Due	DMEA Royalty Paid	DMEA Over (Under) Payment
11/58	75	$ 1,911.38	1,911.35	(.03)
12/58	92	~~228.03~~ 456.03	456.03	228.00
1/59	103	3,049.62	3,049.62	-
2/59	114	2,803.28	2,803.28	-
3/59	132	3,106.29	3,106.29	-
4/59	152	3,878.78	3,878.78	-
5/59	165	4,078.92	4,078.92	-
6/59	184	1,739.38	1,739.38	-
7/59	198	847.97	620.00	(227.97)
		21,643.65	21,643.65	-0-
5% of AEC Production Bonus of $33,939.74 paid by Grants State Bank, Check No. 30890		1,696.99	1,696.99	-0-
		$ 23,340.64	23,340.64	-0-

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
July 9, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	OFFICE
	JUL 11 1959	
	7/9/59	
	Em 7/13	

Mr. E. W. Keffer
San Jacinto Oil and Gas Company
San Jacinto Building
Houston 2, Texas

Re: Docket No. ~~DMEA 3632~~ (Uranium)
Contract No. Idm-E797
(State claims, Sec. 8, T 13 N, R 9 W)
McKinley County, New Mexico

Dear Mr. Keffer:

This will acknowledge receipt of your letter dated July 6, 1959. on the captioned property.

The total amount of Government participation on this project was $59,268.00. which is the total amount to be repaid.

On July 2, 1959, a check for $19,284.27 was received from the Homestake-New Mexico Partners as follows:

	DMEA Royalty Payment
Nov., 1958, Liquidation No. 75	$ 1,911.35
Dec., 1958, Liquidation No. 92	456.03
Jan., 1959, Liquidation No. 103	3,049.62
Feb., 1959, Liquidation No. 114	2,803.28
Mar., 1959, Liquidation No. 132	3,106.29
April, 1959, Liquidation No. 152	3,878.78
May, 1959, Liquidation No. 165	4,078.92
Total	$19,284.27

The shipper was shown as the United Western Minerals Company on all of the above settlement sheets.

The present loan balance is $39,983.73.

Very truly yours,

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

Telefax

WESTERN UNION

Telefax

K DVC347 23/19 COLLECT DENVER COLO 17 BFT

REDFERN C DOUGHERTY JRB

SAN JACINTO OIL AND GAS CO SAN JACINTO BLDG HOUS

REURTEL BMEA CONTRACT ID 3797 ROYALTY DUE ON

LIQUIDATION 92 WAS $228.03 INSTEAD OF $436.03

J E TOWNSEND EXECUTIVE OFFICER BONE FIELD

TEAM REGION 11

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

Building 20 - Federal Center
Denver 25, Colorado

September 8, 1959

OFFICIAL FILE COPY
SEP 10 1959
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

Mr. E. W. Kaffer
San Jacinto Oil and Gas Company
San Jacinto Building
Houston 2, Texas

Re: Docket No. DMEA 3632 (Uranium)
Contract No. Ida-E797
(State claim, Sec. 8, T 13 N, R 9 W)
McKinley County, New Mexico

Dear Mr. Kaffer:

We are in receipt of a cashiers check drawn on the Grants State Bank, Grants, New Mexico, No. 30890 in the amount of $1,696.99 in payment of royalty to the Government on production from Sec. 8.

The check was accompanied by a copy of a tabulation sheet showing distribution of royalty payments, but the required three copies of the settlement sheet or sheets involved were not included.

We will appreciate your forwarding the settlement sheet or sheets involved by return mail.

Your attention is directed to the heading address where all further correspondence with this office should be sent.

Very truly yours,

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

cc: Grants State Bank
P. O. Box 458
Grants, New Mexico

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

September 10, 1959

Re: Docket No. DMEA 1632 (Uranium)
Contract No. Ida-5797
State Claims
Section 8, T-13-N, R-9-W
McKinley County, New Mexico

Mr. J. H. Townsend
Executive Officer, OME
Field Team, Region III
Building 20 - Federal Center
Denver 25, Colorado

Dear Mr. Townsend:

Reference is made to your letter of September 8, 1959 concerning your receipt of a cashiers check from the Grants State Bank, Grants, New Mexico, in the amount of $1,696.99.

This check is in payment of the amount due the Office of Minerals Exploration for initial production bonus on Section 8 and is computed as 5% of $33,939.74.

If you need any additional information, we shall attempt to secure it for you from the Grants State Bank.

Yours very truly,

SAN JACINTO OIL AND GAS COMPANY

Redfern C. Dougherty, Jr.

RCD/pa

cc: Grants State Bank

HOMESTAKE NEW MEXICO PARTNERS

Analysis of Ore Deliveries & Payments of Section 3 Ore

Date	Liquid. No.	Dry Tons	% U_3O_3	Lbs. U_3O_8	U_3O_8 Value	Development Allowance	Haulage Allowance	Total Value	DMEA Deduction	Le Roy Cooper Deduction	Balance
Nov. 58	75	1,828.700	0.244	3,939.74	$ 32,436.04	$ 4,869.97	$ 1,261.76	$ 38,227.67	$ 1,911.38	$ -0-	$ 36,316.29
Dec. 59	92	1,004.116	0.145	2,906.18	6,974.83	1,453.09	692.73	9,120.65	228.03	-0-	3,892.62
Jan. 59	103	3,428.255	0.210	14,428.05	51,012.42	7,714.03	2,766.00	60,992.45	3,049.62	-0-	57,942.83
Feb. 59	114	3,191.220	0.209	13,307.60	47,607.42	6,653.30	2,404.40	56,665.12	2,833.29	2,350.37	51,911.77
Mar. 59	132	3,620.622	0.202	14,572.13	52,162.35	7,436.07	2,526.72	62,125.87	3,106.29	2,603.14	56,411.44
Apr. 59	152	4,199.021	0.219	18,372.03	65,495.83	9,186.02	2,370.70	77,575.55	3,878.78	3,274.94	70,421.33
May	165	4,765.620	0.205	19,592.37	69,397.43	9,791.44	2,889.56	81,578.43	4,078.92	3,444.37	74,054.69
June 59	184	2,517.563	0.151	9,131.36	28,439.34	4,565.68	1,732.13	34,737.65	1,737.38	1,424.47	31,623.78
July 59	198	1,228.732	0.151	4,452.02	13,990.30	2,226.01	843.10	16,959.41	847.97	694.52	15,416.92
		25,343.909		105,941.95	$366,430.34	$52,875.01	$18,007.30	$437,433.55	$21,643.65*	$13,797.33**	$401,992.37***

DMEA PAYMENTS *

Voucher #	Amount
6-290	$19,224.27
7-238	1,739.38
8-209	680.00
	$21,643.65

LE ROY COOPER **

Voucher #	Amount
4-175	$ 2,350.37
4-224	2,603.14
5-196	3,274.94
6-240	3,444.37
7-237	1,424.47
8-207	694.52
	$13,797.33

GRANTS STATE BANK ***

Voucher #	Amount
4-509	$ 65,000.00
4-3	100,000.00
5-21	15,152.24
6-154	70,421.83
6-241	74,054.69
7-236	[illegible]
8-208	9,735.32
9-194	5,[illegible].57
	[illegible]

UNITED NUCLEAR CORP. CO. ***

Voucher	
1-506	$28,670.75
HMC 1-514	6,840.49
	$35,511.24

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 25 1960

DATE	INITIALS	CODE
1-25	gad	VVO
1/25	[illegible]	800
1/26	Murphy	800
		225

Building 20 - Federal Center
Denver 25, Colorado
January 22, 1960

CERTIFIED MAIL

Mr. H. B. White, Jr.
Vice-President
United Western Minerals Co.
136 W. Palace Avenue
P. O. Box 381
Santa Fe, New Mexico

Re: Docket No. DMEA 3632 (Uranium)
Contract No. Idm-E797
(State claims, Sec. 8, T13N, R9W)
McKinley County, New Mexico

Colamer Corp.

Dear Mr. White:

We have had no reply to our letter to you dated December 15, 1959.

Will you please advise the date on or before which your analysis of the Report of Review will be completed.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E797
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 18 1959

DATE	INITIALS	CODE
12-18	gad	220
"	EEF	800
12/22	Moughn	~~500~~
		225

Building 20 - Federal Center
Denver 25, Colorado
December 15, 1959

Mr. E. B. White, Jr.
Vice-President
United Western Minerals Co.
136 W. Palace Avenue
P. O. Box 381
Santa Fe, New Mexico

Re: Docket No. DMEA 3632 (Uranium)
Contract No. Idm-E797
(State claims, Sec. 8, T 13 N, R 9 W)
McKinley County, New Mexico

Dear Mr. White:

Your letter of November 10, 1959 stated that you were making an analysis of the Report of Royalty Review which showed a balance of royalty due the Government of $222.70.

Will you please advise the date on or before which your analysis of the Report of Royalty Review will be completed.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm.(2)
Roy. Corres. E797
Chron.

UWM

UNITED WESTERN MINERALS COMPANY

136 WEST PALACE AVENUE — SANTA FE, NEW MEXICO
P. O. BOX 381. PHONE YU3-7213. TWX: SANTA FE, N. M. 5832

Hill

November 10, 1959

OME
DEPARTMENT OF THE INTERIOR
NOV 13 1959
REGION III
DENVER, COLORADO

United States Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Attn: J. W. Townsend
Executive Officer, OME
Field Team, Region III

Re: Docket No. DMEA 3632
(Uranium) Contract No.
Idm-E797 (State claims,
Sec. 8, T13N, R9W, Mc-
Kinley County, New Mex.

Gentlemen:

I have received your letter of October 30 enclosing a copy of the Report of Royalty Review covering royalty payments to the Government from the referenced property for the period of May 17, 1955, to October 19, 1959, ending with liquidation settlement No. 198 for July, 1959. To enable us to analyze and check the accuracy of this report, we are now requesting certain documents both from the mill in which the ore was processed and the Grants State Bank who acted as Disbursing Agent in connection with proceeds received from ore sales. As soon as we are able to complete our analysis, we will either remit the balance due or point out what we might consider inaccuracies in the Report of Royalty Review.

I trust that this arrangement will be satisfactory.

Very truly yours,

E. B. White, Jr.
Vice President

EBW/dmc
cc: San Jacinto Oil & Gas Company

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 16 1959

DATE	INITIALS	CODE
11-16	J. gad	VVO
11/16	eos	800
	Murphy	500
		225

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 2 1959

DATE	INITIALS	CODE
11-2	gad	220
11/2	[illegible]	800
11-3	Murphy	500
		225

Building 20 - Federal Center
Denver 25, Colorado
October 30, 1959

United Western Minerals Company
136 W. Palace Avenue
P. O. Box 381
Santa Fe, New Mexico

Re: Docket No. DMEA 3632 (Uranium)
Contract No. IAm-K797
(State claims, sec. 8, T. 13 N., R.9 W.)
McKinley County, New Mexico
(Colamco)

Gentlemen:

Enclosed for your records is a copy of the Report of Royalty Review covering royaltypayments to the Government from the referenced property for the period May 17, 1955 to October 19, 1959, ending with liquidation settlement No. 198 for July 1959.

You will note by the Report of Royalty Review that there is a balance of royalty due the Government of $222.70. We will appreciate receipt of your check in the amount due so that our files in the matter can be bought up-to-date.

Very truly yours,

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

cc: San Jacinto Oil & Gas Co.
San Jacinto Building
Houston 2, Texas

JWT:ltm
cc: Chmn. Op. Comm. (2)
Finance Off. Reg. III)w/orig. cpy
Roy. Corres. file)of Rept.
Roy. Settle. Sheet file)
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 29 1959

DATE	INITIALS	CODE
6/29	G	220
		800
		700
6/30		225

224 New Customhouse
Denver 2, Colorado

June 26, 1959

Mr. H. B. White, Jr.
Vice-President
United Western Minerals Company
P. O. Box 581-136 W. Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMRA 3652 (Uranium)
Contract No. Ida-E797
Colmmer Corporation
(State claims Sec. 8, T13N, R9W)
McKinley County, New Mexico

Dear Mr. White:

Thank you for your letter of June 24, 1959, regarding the DMRA royalty which is due.

On June 17, 1959, we advised the Homestake-New Mexico Partners that the total amount of Government participation, which is the amount to be repaid, is $59,268.00.

As of this date no payments have been received by this office.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

cc: Mr. R. J. Stoehr
Assistant Manager
Homestake-New Mexico Partners
P. O. Box 98
Grants, New Mexico

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. file E797
Chron.

OFFICIAL FILE COPY O. M. E. RECEIVED JUN 22 1959		
DATE	INITIALS	CODE
6/22	G	220
6/22	[illegible]	800
		700

224 New Customhouse
Denver 2, Colorado

June 17, 1959

Mr. R. J. Stoehr, Assistant Manager
Homestake-New Mexico Partners
P. O. Box 98
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Ida-E797
Colemer Corporation
(State claims, Sec. 8, T 13 N, R 9 W)
McKinley County, New Mexico

Dear Mr. Stoehr:

Thank you for your letter of June 15, 1959, regarding royalty due the Government from the captioned property.

The total amount of Government participation, which is the amount to be repaid, is $59,268.00. No repayments have been made to date.

Please forward this office three copies of each settlement sheet for each liquidation number.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

Copy to:
United Western Minerals Co.
Att'n: E. B. White, Jr.

HMC:jy
cc: Chm. Op. Comm. (2) w/copy of R. J. Stoehr's
Roy. Corres. ltr. of 6/15/59.
Chron.

HOMESTAKE-NEW MEXICO PARTNERS
P. O. BOX 98
GRANTS, NEW MEXICO

OME
DEPARTMENT OF THE INTERIOR
JUN 16 1959
REGION II
DENVER, COLORADO

June 15, 1959

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

Ref: Docket No. DMEA 3632

Attention: Mr. J. W. Townsend

Gentlemen:

At the present time our uranium mill is receiving ores from properties covered under D.M.E.A. Contract Idm-E-797. The ore is being shipped to us under the name of United Western Minerals Company, 136 W. Palace Ave., Santa Fe, New Mexico. This same company has requested that we make payments directly to you under this contract. We are willing to perform this service and have so informed United Western Minerals Company.

We would like to have you advise us as to the total amount of Government participation and the amount repaid if any. As soon as we receive this information we will send you the settlement sheets and payments to bring this account to a current status.

Very truly yours,

HOMESTAKE-NEW MEXICO PARTNERS

R. J. Stoehr

R. J. Stoehr
Assistant Manager

RJS:ls

cc: United Western Minerals Co.
Atten: E. B. White, Jr.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 22 1959

DATE	INITIALS	CODE

OFFICIAL FILE COPY O. M. E. RECEIVED JUN 8 1959		
DATE	INITIALS	CODE
6/9	W	225
6/9	HMC	700

234 New Customhouse
Denver 2, Colorado

June 4, 1959

Mr. E. D. White, Jr.,
Vice President
United Western Minerals Company
136 West Palace Avenue
Santa Fe, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
Calumet Corporation
(State claims - Sec. 8, T. 13 N., R. 9 W.)
McKinley County, New Mexico

Dear Mr. White:

Your letter of March 23, 1959, stated that ore has been shipped from the captioned property and that we would probably receive the Government's royalty on production by the latter part of April.

Will you please advise the date we may expect to receive a check for the amount of royalty due.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC:jy

cc: Chm. Op. Comm. (2)
Roy. File E797
Chron.

224 New Customhouse
Denver 2, Colorado
March 26, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 30 1959

DATE	INITIALS	CODE
3/30	C	220
	King	700

Mr. E. D. White, Jr.
Vice President
United Western Minerals Company
136 West Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA 3638 (Uranium)
Contract No. DMe-E797, Coleman
Corporation, State Claims
(Sec. 8, T. 13 N., R. 9 W.)
McKinley County, New Mexico

Dear Mr. White:

Thank you for your letter dated March 11, 1959, which explained the delay in royalty payments.

When royalty payments are started, please forward this office three copies of each settlement sheet for each lot or liquidation number. Check should be made payable to the Office of Minerals Exploration, 224 New Customhouse, Denver 2, Colorado, which is the successor agency to the Defense Minerals Exploration Administration.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC/ff
cc: Chmn. Op. Comm. (2) w/copy of
Romslo Operator's letter dated
Royalty file E797 March 23, 1959
Chron.

UNITED WESTERN MINERALS CORP.

196 WEST PALACE AVENUE . SANTA FE, NEW MEXICO
P. O. BOX 2001, PHONE YU3-7215, YWA: SANTA FE, N. M. 5058

March 23, 1959

Mr. J. W. Townsend
Executive Officer
CME Field Team, Region III
United States Department of the Interior
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 3632 (Uranium)
Contract No. Idm-E797, Colamer
Corporation, State Claims
(Sec. 8, T.13N, R.9W)
McKinley County, New Mexico

Dear Mr. Townsend:

I am in receipt of your letter of March [illegible], 1959, concerning the referenced DMEA loan.

The ore shipped from Section 8, T13N, R9W, has been shipped to the Homestake-New Mexico Partners Mill and is still being shipped there. However, as you [illegible], there is presently being tried a lawsuit involving the rights of the various partners who participate in the [illegible]. As a result, some of the funds payable to Unrated Western have temporarily been delayed. While, of course, this lawsuit in no way jeopardizes the payment of the DMEA loan, we have been somewhat reluctant to involve the Mill in the payment of the various royalties due on ore shipped from Section 8. We are now, however, drawing an agreement which will cause the Mill to forward direct all royalties due your office commencing with the ore shipped in April. As for the royalty payments presently due, United Western will forward your office a check with copies of the settlement sheets as soon as funds due from the Partnership are received, probably the latter part of April.

We appreciate your cooperation in this matter and trust that these arrangements are satisfactory.

Very truly yours,

224 New Customhouse
Denver 2, Colorado

March 11, 1959

RECEIVED MAR 13 1959

Mr. E. D. White, Jr.
Vice President,
United Western Minerals Company
136 West Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA 3632 (Uranium)
Contract No. Idm-K797, Colamar
Corporation, State Claims
(Sec. 8, T. 13 N. R. 9 W.)
McKinley County, New Mexico

Dear Mr. White:

We have been advised that the following shipments have been made from the Section 8 mine:

Date Shipped	Lot No.	Dry Tons	Pounds U_3O_8
11/20	?	117.60	653.93
11/28	1621	463.35	2,409.42
11/28	1625	602.31	3,023.60
11/28	1626	645.43	2,852.80
12/10	1650	544.93	1,602.09
12/10	1651	459.19	1,304.07
1/3	1689	677.82	2,250.36
1/3	1690	855.94	3,629.19
1/3	1698	767.10	3,912.21
1/3	1714	912.82	3,760.82
1/3	1718	214.53	875.28
Total through 1/3/59		6,261.02	26,273.77

Please forward this office three copies of each settlement sheet for the lot numbers listed above, together with your check for the amount of royalty due the Government.

Arrangements should be made with the mill to forward the Government royalty to this office on all future shipments, together with three copies of the settlement sheet for each lot or liquidation number.

Very truly yours,

J. W. Townsend

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

HMC/ff

x cc: Chmn. Op. Comm. (2)
Harshman
Romslo
Royalty file K797
Chron.

OFFICIAL FILE COPY

Date	Surname	Code
	Long	
	Dwyer	
12/30	Ching	700
12/30	Kuonne	700
12-30	Chapman	800
12/30	[illegible]	120
	Absend	110
		~~100~~
12/31	C	220
		700

DEC 31 1958

Mr. Herbert A. Holt
Secretary and General Counsel
United Western Minerals Company
136 W. Palace Avenue
Santa Fe, New Mexico

INTERIOR DEPT.

DEC 29 1958

SOLICITOR

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
Colamer Corporation
State Claims
McKinley County, New Mexico

Dear Mr. Holt:

In view of the circumstances described in your letter of December 17, 1958, we are pleased to enclose a copy of the above designated contract and all amendments.

Your attention is called to the fact that while Article 5 of the contract lists the Government's contribution as $85,822.88, actually the Government contributed only $59,268.00.

Sincerely yours,

George C. Sellridge (for)

Acting Director
Office of Minerals Exploration

Enclosures

RWLong/eal - 12/24/58

Copy to: OME Docket
~~Mr. Mr.~~ Mr. Ching
R. P. Dwyer
R. W. Long
OME Field Team, Region III (2) w/2cc incoming letter.

8623

OFFICIAL FILE COPY

Date	Surname	Code
12/22/58	Ching	700
12/22	Knouse	700
		140

INTERIOR DEPT.
DEC 22 1958
SOLICITOR

December 22, 1958

Memorandum

To: Associate Solicitor
Division of Mineral Resources

From: F. L. Knouse, Acting Chief
Division of Rare and Miscellaneous Metals

Subject: Docket No. DMEA-3632 (Uranium)
Contract No. Ida-4797
Colesser Corporation
State Claims
McKinley County, New Mexico

In a letter, dated December 17, 1958, United Western Minerals Company again requested a copy of the subject contract. United Western believes that a copy of the contract will show the exact extent of its obligation to the Government.

As a matter of fact, a copy of the contract with all amendments, a copy of the certification, and the covering letter to Colesser Corporation would still fall short of showing the exact extent of United Western's obligation since actual costs do not coincide with estimated costs under the contract.

Please review the recent correspondence with United Western and either prepare the necessary reply to the above-mentioned letter of December 17, or advise this office of your recommendations.

Information of special interest to United Western would be a maximum royalty payment period running from May 17, 1956, to May 17, 1966, and the amount of the Government's participation, amounting to $59,368.00.

/s/ F. L. Knouse

F. L. Knouse

UNITED WESTERN MINERALS COMPANY

P.O. BOX 381-136 W. PALACE AVE.
SANTA FE, NEW MEXICO

TELEPHONE 3-7213
TWX SANTA FE, N.M. 5832

December 17, 1958

O. M. E.
RECEIVED DEC 19 1958

DATE	INITIALS	CODE
12/19	C	220
"	Chiang	700

Mr. Frank E. Johnson
Acting Director
Office of Minerals Exploration
United States Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3632 (Uranium)
Contract No. IDM-E797
Colamer Corporation
State Claims
McKinley County, New Mexico

Dear Mr. Johnson:

This is in response to your letter of November 12, 1957 (which apparently should be December 12, 1957), rejecting our request for a copy of the above designated contract.

The property covered by the contract, namely State Claims Nos. 1-27, in Section 8, T.13N.,R.9W., N.M.P.M., were acquired by our Company and associated parties by Assignment and Conveyance of Mining Claims dated August 1, 1957. Copy of this instrument is enclosed for your file.

The ore body located within State Claim No. 7 has been developed as a mine and has been producing uranium ore since November, 1958. The ore has been shipped so far to the mill of Homestake-New Mexico Partners at Grants, New Mexico. The mill has not made any payment as of this date, but it is expected that payments will be made for the ore in due course.

It is assumed that the Government will look to our Company and the associated parties with it in this venture for the repayment of the DMEA Loan. Under these circumstances, it would seem that we are entitled to know the exact extent of our obligation to the Government by receiving a copy of the above designated contract.

I may note in this connection, that Colamer Corporation is no longer in business, that it has no office or other administrative facilities so that it would be impossible to obtain a copy from said Company.

For these reasons, we renew our request for a copy of the above designated contract.

Sincerely yours,

Herbert A. Holt

Herbert A. Holt
Secretary and General Counsel

HAH:gwd
Encl.

DME
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/5	Ching	700
12/5	Knouse	700
12/5	Selfridge	120
	Rubin	140
	Ranger	140
12/12	Johnson	140
12/15	C	220
		700

DEC 12 1958

Mrs. Garnett W. Dinan
Assistant Treasurer
United Western Minerals Company
136 W. Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
Colamer Corporation
State Claims
McKinley County, New Mexico

Dear Mrs. Dinan:

Reference is made to your letter of December 1, 1958, requesting a copy of the subject contract between the Government and Colamer Corporation.

We consider that we are not at liberty to disclose the full contents of the contract without the consent of the Colamer Corporation. On the other hand, we have no objection to Colamer Corporation supplying you with a copy of the contract, and suggest that you request a copy from Colamer. If that corporation is unable to send you a copy, we will do so upon receipt of a letter from Colamer stating that such action is agreeable to it.

However, we suppose that your main interest in the contract is concerned with the royalty obligations of Colamer, and we are enclosing a copy of the form of contract executed with Colamer. Article 7 of the form contains the repayment provisions.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

MChing/esf 12/5/58
Rewritten HCRubin/hm 12/10/58
cc: Dir. reading file
OME Field Team, Reg. III (2)
Mr. Johnson
Mr. Ching
Mr. Rubin

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/5	Ching	700
12/5	Krause	700
12/5	Selfridge	120
		140
		~~160~~
		220

INTERIOR DEPT.
DEC 5 - 1958
SOLICITOR

Mrs. Garnett W. Dinan
Assistant Treasurer
United Western Minerals Company
136 W. Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-X797
Colamer Corporation
State Claims
McKinley County, New Mexico

HWS 12/9

Dear Mrs. Dinan:

Reference is made to your letter of December 1, 1958, requesting a copy of the subject contract between the Government and Colamer Corporation.

We consider ~~the contents of the contract as confidential between the parties concerned and are, therefore,~~ not at liberty to ~~send you a copy~~ of the contract without the consent of the Colamer Corporation.

~~Since~~ We have no objection to Colamer Corporation supplying you with a copy of the contract ~~we~~ and suggest that you request a copy from Colamer. If that corporation is unable to send you a copy we will do so upon receipt of a letter from Colamer stating that such action is agreeable to it.

However, we suppose that [illegible] in the contract is concerned, [illegible] the [illegible] obligations of Colamer, and we are [illegible] a copy of the form of contract executed with Colamer.

Sincerely yours,

Acting Director

MChing/esf - 12/5/58
cc to: Dir. Read. File
OME Field Team, Region III (2)
Mr. Johnson
Mr. Ching

RECEIVED
DEC - 5 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

UNITED WESTERN MINERALS COMPANY

P.O. BOX 381-136 W. PALACE AVE.
SANTA FE, NEW MEXICO

TELEPHONE 3-7213
TWX ; SANTA FE , N.M. 5832

December 1, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 3 1958

DATE	INITIALS	CODE
12 3	C	220
		700

United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Attention: Mr. C. O. Mittendorf, Administrator

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
Colamer Corporation
State Claims (Sec. 8, T.13N.,R.9W.)
McKinley County, New Mexico

Dear Mr. Mittendorf:

We desire to obtain a copy of the above-captioned contract for our files.

Would you please send us a copy, and if there is any charge, send us a bill.

Thanking you for your consideration in this matter, I am,

Very truly yours,

Mrs. Garnett W. Dinan

(Mrs.) Garnett W. Dinan
Asst. Treasurer

Building 20 - Federal Center
Denver 25, Colorado

October 19, 1959

Memorandum:

TO: E. D. Talbert, Acting Chief, Contract Administration and Audit Division, Office of Minerals Exploration

From: Donald T. Finch, OME Auditor

Subject: Docket No. IMEA 3632 (Uranium) United Western Minerals Company, et al (Assignee, Colsamr Corporation) State claims Nos. 1 thru 27, McKinley, County, New Mexico Contract No. Idm-E797

Enclosed for approval by your office are all copies of Royalty Review for subject contract except audit work paper file copy.

Because it would appear I shall be off duty before your office approval can be received, I thought your office could make the proper distribution if the report is approved.

Donald T. Finch
Donald T. Finch

EXTRA COPY O. M. E. RECEIVED OCT 26 1959		
DATE	INITIALS	CODE
		500

Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/29	Ching	700
9/2	Knouse	700
	Rubin	140
	Lamer	140
9/8	[illegible]	120
"	[illegible]	110
"	[illegible]	100
9/9	[illegible]	220
		700

SEP 1958

Mr. E. B. White, Jr., Vice President
United Western Minerals Company
135 West Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
Colamer Corporation
State Claims (Sec. 8, T. 13 N., R. 9 W.)
McKinley County, New Mexico

Dear Mr. White:

Thank you for your letter of August 19, enclosing copies of your agreements with Colamer Corporation and Centennial Development Company. The rights of the Government appear to be adequately protected.

However, we wish to point out that the Government's royalty applies not only to the sales price and bonus payments, but to all allowances received, including the haulage allowance. In this regard, the provisions of paragraphs 3 and 3(a) of part III of the agreement with Centennial excluding "haulage allowance" from the proceeds for purposes of computing the Government's royalty and other royalty is at odds with the requirements of the subject contract.

Incidentally, we note that Exhibit A of the Assignment and Conveyance of Mining Claims reserves a five percent royalty for the DMEA on production from section 10, T. 13 N., R. 9 W., N.M.P.M. By letter, dated December 2, 1957, (Docket No. DMEA-4017) we advised Colamer Corporation that work on this property did not justify a certification of discovery and, in the absence of such certification the Government retains no claim or lien against the property or any production therefrom.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

MChing/gla 8/29
Rewritten HCRubin/hm 9/5/58

cc: Administrator's reading file
DMEA Field Team, Reg. III (2) w/copies 2 agreements & ltr 8/19
T. H. Killsgaard, 5224
Mr. Ching
Mr. Rubin

8623

UNITED WESTERN MINERALS COMPANY

P.O. BOX 381-136 W. PALACE AVE.
SANTA FE, NEW MEXICO

TELEPHONE 3-7213
TWX ; SANTA FE , N.M. 5832

August 19, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 25 1958

DATE	INITIALS	CODE
8-26	C	220
"	Chiang	700
R. 9 W.)		

United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Attention: Mr. C. O. Mittendorf, Administrator

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
Colamer Corporation
State Claims (Sec. 8, T. 13 N.,
McKinley County, New Mexico

Gentlemen:

As you have requested, I am enclosing copies of our agreements with the Colamer Corporation and Centennial Development Company, which concern the state claims on Section 8, T13N, R9W, McKinley County, New Mexico.

In the agreement with Colamer Corporation, you will note that in the first full paragraph on Page 3, United Western Minerals Company and its associates have agreed to the payment of all rentals, royalties and other charges that may arise or become due. On the first page of Exhibit A, you will also note that the subject claims are specifically made subject to a 5% royalty payable to the Defense Minerals Exploration Administration for the sums there stated.

In Section III, Paragraph 3(a) of the agreement with Centennial Development Company, it there states that the disbursing agent will set aside a certain percentage of the proceeds of sale for the payment of royalties, including the repayment of the loan made by the Defense Minerals Exploration Administration.

United Western Minerals Company and its associates are aware of the sums due the Defense Minerals Exploration Administration and I believe that the enclosures set this out.

Very truly yours,

E. B. White, Jr.
Vice President

EBW/dmc
Encls.

see agreements with contract

Operating Committee:

I have 3 suggestions about this proposed letter:

1. The letter should it seems to me be sent to the Region

2. The letter should be affirmative about the certification - It has been issued

3. Its a question as to whether it should be sent to the United Western Min. Co. or to Centennial

JK

Omea - 3632

8/15/58

FORM 6 REFERENCE SLIP

REV. 12-50 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. ~~Code 800~~		8/14
2. " 110		8/15
3. " ~~100~~		
4.		
5.		
FROM: F. L. Knouse		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS:

Present address and status of Colamer Corporation is unknown. It was mixed up with Swan-Finch Oil Corp., which has been having trouble with the courts.

MC

Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/14/58	Ching	700
8/14	Kourdo	700
		800
8/15	Johnson	110
15	Stillwaday	100
8/8	A. G.	220
		700
8/15	Selfridge	

AUG 1 1958

United Western Minerals Company
136 West Palace Street
Santa Fe, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
Colamer Corporation
State Claims (Sec. 8, T. 13 N., R. 9 W.)
McKinley County, New Mexico

Gentlemen:

It has come to our attention that control of the subject property was acquired by you from Colamer Corporation and that through an operating agreement with you the Centennial Development Company is now preparing to produce from the property.

The captioned exploration contract between the Government and Colamer Corporation provides that after a certification of discovery 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.

Accordingly, we wish to know whether the necessary provisions were included in your agreement with Colamer Corporation to preserve the Government's rights. We also wish to know whether you and Centennial Development Company are prepared to pay royalties on production in accordance with the above-mentioned exploration contract. It would be appreciated if you will submit copies of your agreements with Colamer and Centennial to this office so that we may determine the present status of this property.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/gla
8-14-58
cc to: Admr.'s Reading File
Mr. Ching
Contract Adm. & Audit Div.
DMEA Field Team, Region III (2)

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

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 5 1957

DATE	INITIALS	CODE
8/6	P.K.	220
	~~Chung~~	~~700~~

August 2, 1957
Re: DMEA 3632
Colmar Corporation
State Group
McKinley County, N. M.
Uranium

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final Report

The contract, awarded May 17, 1955, approved the expenditure of $85,822.88 on the drilling of a large group of claims, underlain by the Morrison formation, particularly the Poison Canyon member.

The accepted cost of 139 holes, totalling 41,123 feet is $79,023.98. (Government share $59,267.99).

The holes explored the Poison Canyon sandstone of the Brushy Basin member of the Morrison formation (Jurassic).

Uranium ore estimated at 139,982 tons of 0.178% U_3O_8 was found in the northwestern part of the project block. The average depth of the ore is about 275 feet, and the average thickness is 7.5 feet. Widely spaced drilling over the easterly and southerly part of the large tract found nothing higher than 0.04% U_3O_8, except for 2 holes, 7, 0.09% and 61, 0.08%. Eleven of the DMEA holes are ore holes. Twenty-three offset ore holes, drilled by the operator, tend to delimit the reserve ore area.

A certificate of discovery was imposed February 4, 1957.

Further drilling may be warranted but Government participation in such work is not recommended.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 2 1957

DATE	INITIALS	CODE
8/2	C	220
"	[illegible]	700

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

Date August 1, 1957

DMEA Docket No. 3632
DMEA Contract No. Idm-E797
Commodity Uranium
Name of applicant Colamer Corp.
Name of property State Claims 1 thru 27
Location of property McKinley County, N. Mex.
Estimated cost of project $79,023.98

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

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

1. Date of subject document: 7/23/57. 2. Date received by reviewer: 8/1/57

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

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

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

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

7. Explain items marked yes above:

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

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

10. Remarks: (Use back of page if necessary)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 29 1957

DATE	INITIALS	CODE
7/29	C	220
"	Cg	100
		130
7/31	P.K	220
"	Chaney	700

July 23, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 3632 (Uranium), Contract No. Idm-E797, Colamer Corporation (State claims 1 through 27), McKinley County, New Mexico - FINAL REPORT

Enclosed are the original and two copies of a joint final engineering and geologic report by W. D. McMillan, Mining Engineer, Bureau of Mines, and William B. Gazdik, Geologist, Geological Survey.

The original and one copy of the Operator's final report were forwarded by our memorandum of December 13, 1956.

The Contract was terminated before completion of all work originally provided for, by a TERMINATION AGREEMENT, dated January 22, 1957, which was made effective July 20, 1956.

The exploration work completed consisted of the drilling of 139 holes, aggregating 12,206 feet of core drilling and 28,917 feet of non-core drilling, and the chemical analysis of 63 samples; at a total accepted cost of $79,023.98, toward which the Government contributed 75%, or an amount of $59,268.00.

Final payment to the Operator was processed by this office January 28, 1957, in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated January 25, 1957.

The exploration work completed resulted in the Discovery or Development of a significant quantity of uranium ore, on which a Certification was issued February 4, 1957.

W H King
W. H. King

E. N. Harshman
E. N. Harshman

Reviewed by
DMEA OPERATING COMMITTEE
7-31-57
(date)

F.T. FINAL REPORT

W. O.

WKR

DMEA
DEPARTMENT OF THE INTERIOR
JUL 22 1957
REGION III
DENVER, COLORADO

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL ENGINEERING AND GEOLOGIC REPORT

OFFICIAL FILE COPY
D M E A
RECEIVED JUL 29 1957

DATE		CODE
		130
		220

DMEA 3632

Exploration Project Contract Idm-E797

STATE CLAIMS -- Nos. 1 to 27

Colamer Corporation

McKinley County, New Mexico

Uranium

Final Engineering and Geologic Report

by

W. D. McMillan
Mining Engineer
Bureau of Mines

William B. Gazdik
Geologist
Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
7-31-57
(date)

OFFICIAL FILE COPY
D M E A
RECEIVED JUL 29 1957
DATE | INITIALS | CODE
130
220

DMEA 3632
Contract Idm-E797

COLAMER CORPORATION
STATE CLAIMS
MCKINLEY COUNTY, NEW MEXICO

CONTENTS

Introduction and Summary..... 1
Location, Topography, and Physical Features..... 3
History, Production, and Ownership..... 4
Description of the Deposits..... 5
Geography..... 5
Ore Deposits..... 8
Work Completed Under Contract..... 9
Expenditures Under the Contract..... 10
Efficiency of the Project..... 11
Indicated Ore Reserves..... 11
Conclusions and Recommendations..... 12

TABLES

Table No. — Follows Page

I. Drill hole data for Stage I, II, and III co-ordinates and holes drilled by operator..... 12

II. Ore reserve calculations..... 12

ILLUSTRATIONS

Figure

1. Map of New Mexico showing location of State Claims, Colamer Corporation, McKinley County, New Mexico..... 13

2. Sketch map of sec. 8, T. 13 N., R. 9 W., NMPM showing location of drilling holes and analyses..... 12

Reviewed by
DMEA OPERATIONS COMMITTEE
7-31-57

ILLUSTRATIONS (cont.)

Figure		Follows Page
3.	Sketch map showing ore body sec. 8, T. 13 N., R. 9 W., Colamer Corporation, McKinley County, New Mexico.....	12
4.	Map of Ambrosia Lake area, showing known mineralized areas in the Jurassic Morrison formation in relation to the operator's property.....	12

DMEA 3632
CONTRACT Idm-E 797
Colamer Corporation
MCKINLEY COUNTY, NEW MEXICO

INTRODUCTION AND SUMMARY

The Colamer Corporation, Commerce Building, 1016 West Santa Fe, Grants, New Mexico, applied to the Defense Minerals Administration (Docket 3632) for assistance to explore for uranium on sec. 8, T. 13 N., R. 9 W., Ambrosia Lake Area, Grants Mining district, McKinley County, New Mexico. The application was referred to the field on February 4, 1955 and an examination was made on February 16, 1955, by L. S. Hilpert and T. E. Mullens, U. S. Geological Survey, and Glen Walker, U. S. Bureau of Mines, in company with Mr. Kelsey Boltz, geologist, who represented the applicant.

Based on the proximity of the property to known ore deposits the applicant submitted a drilling program in two stages consisting of 94,400 feet, costing an extimated $105,175.00, in 286 holes designed to explore the "Poison Canyon" sandstone of the Brushy Basin member of the Jurassic Morrison formation.

The field examiners recommended a revised program and on May 17, 1955, exploration Contract Idm-E 797 was prepared and signed. The contract provided for drilling a maximum of 61,585 feet of core and non-core drilling in 208 holes at an estimated cost of $114,430.50. The drilling was divided into three stages and Government participation at 75 percent was limited to $85,822.88.

Drilling under Contract Idm-E 797 was started on June 29, 1955 and was completed in July, 1956. Nine progress inspections were made by

DMEA personnel. Acceptable completed drilling amounted to 139 holes, totaling 41,123 feet at a total cost of $79,023.98. Government participation at 75 percent amounted to $59,267.99.

The operator submitted a final report on December 3, 1956 and the project was terminated on January 22, 1957. At the request of the operator, three amendments were made to the contract in order to authorize drilling 10 holes through the Westwater Canyon member underlying the Brush Basin member and to extend the estimated completion date of the contract.

Reserves consisting of 139,982 tons of uranium ore averaging 0.178 percent U_3O_8 were found in the northwestern part of sec. 8 as a result of DMEA drilling. The ore deposit is localized in the so-called "Poison Canyon" sandstone unit of the Brushy Basin member of the Jurassic Morrison formation at a depth of about 275 feet with an average thickness of 7.5 feet. A certification of discovery was issued on February 4, 1957.

It is concluded that the objectives of the project were attained and although further development of the discovery is probably warranted, no additional Government assistance is recommended.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The State group, in sec. 8, T. 13 N., R. 9 W., (fig. 1), comprises 27 unpatented mining claims, all leased. The property can be reached from Grants, New Mexico, by traveling 3 miles west on U. S. Highway No. 66; then north on the San Mateo road (State Highway 53), for about 15 miles; then west for about 3 miles, on a county-maintained road to Ambrosia Lake; then south-west, 1 mile, on a newly built truck trail. Toltec, New Mexico, where a uranium-ore-buying station is operated is 18 miles south-east of the property and can be reached over gravel-surfaced roads. Albuquerque, the largest city in the state, is 76 miles east of Grants, by rail or U. S. Highway 66 (fig. 1).

The topography conforms, generally, to the dip slope of the formation which drops to the north-east. The claims are located on the top of a broad mesa, which is easily accessible over moderate grades. Construction of access roads and drillsites present few or no problems.

Vegetation consists of sagebrush, cacti and native grasses with sparse scrub cedar and pinon, and small pine trees. Lumber and mine timber are available at local saw mills.

The climate is semi-arid, with most of the annual precipitation of about 10 inches occurring as occasional snow storms, and late winter and spring rains. The temperature ranges from over 110°, in summer, to below zero in winter. Year-round mining and exploration are feasible.

Power for all operations in the district is presently supplied by internal-combustion engines fueled with gasoline or diesel oil.

Water for drilling can be obtained from ponds built for live-

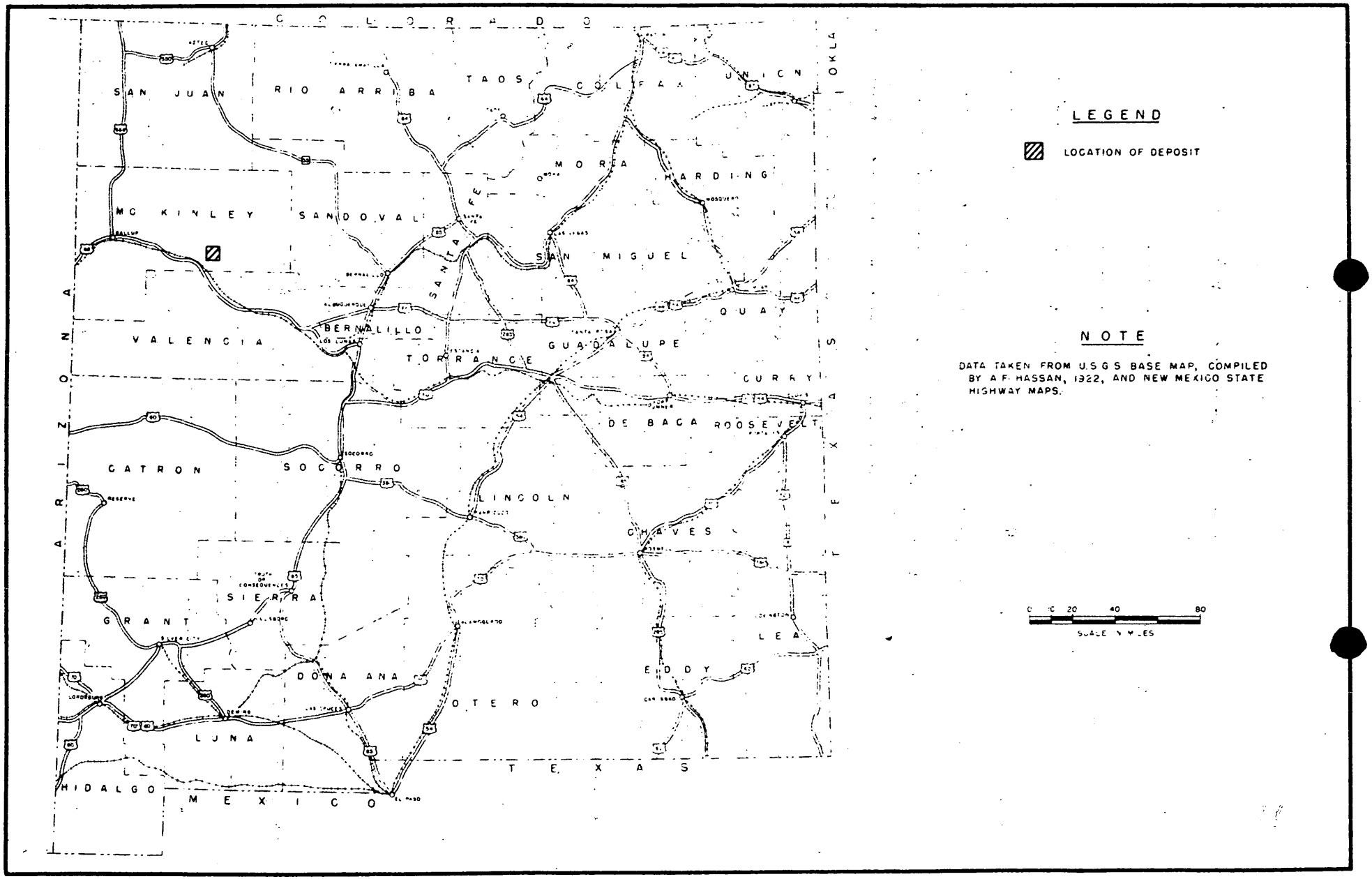


FIGURE 1 - LOCATION MAP, STATE GROUP CLAIMS, COLAMER CORP., MC KINLEY COUNTY, NEW MEXICO. (DMEA 3632)

stock, or from wells. Drilling has disclosed a considerable amount of water in the vicinity of the subject claims which, may be adequate to supply all requirements. At present, domestic water must be hauled from Grants.

Common labor is rather plentiful, but experienced miners must be secured from other New Mexico mining districts which are some distance from the area.

HISTORY, PRODUCTION AND OWNERSHIP

Uranium-bearing minerals were first noted in the district during the field season of 1949, by a group of students from the University of California. The occurrence was in the Jurassic Todilto limestone, north of Prewitt, New Mexico. In the spring of 1940, Paddy Martinez, a Navajo Indian, found uranium-bearing material along the Todilto limestone out crop, now known as Haystack Butte, on Santa Fe Railroad land. After these early discoveries, the out crops of other formations were investigated, with the result that uranium-bearing minerals were found in the Cretaceous Dakota sandstone and in the Jurassic Morrison formation. To date most of the production has been from the Todilto limestone and from the Poison Canyon sandstone unit, a local term given to a sandstone bed in the Brushy Basin member of the Morrison formation.

Recently, many very large uranium deposits have been discovered in the Westwater Canyon member of the Morrison formation.

There has been no production from the subject claims to date.

The Colamer Corporation controls the 27 State claims through

leases, granted December 11, 1954, by Thomas C. King and wife to Jack R. Parsley, who on the same date assigned them to the Colamer Corporation.

DESCRIPTION OF THE DEPOSITS

On the surface of the property the Cretaceous Dakota sandstone crops out on its dip slope about 3° or 4° north-east. The uranium-ore-bearing formations are the Poison Canyon sandstone which is part of the Brushy Basin member of the Jurassic Morrison formation, and the Westwater Canyon sandstone member of the same formation. These uranium-ore-bearing members are from 250 to 300 feet, and 300 to 400 feet, respectively, below the top of the Dakota sandstone.

The Poison Canyon sandstone crops out at an operating mine about 1 1/4 miles south of section 8, where it has a thickness of 15 to 50 feet. Drilling on other sections in the area has indicated uranium-ore thicknesses in the Poison Canyon member of as much as 90 feet, with minable ore also in the underlying Westwater Canyon member.

GEOLOGY

The Grants Mining district lies on the southern fringe of the San Juan Basin. The rocks in the area consist of marine and terrestrial formations ranging in age from Permian to Upper Cretaceous. A late Tertiary sequence of acidic pyroclastics and basic flows are present locally. Pre-Cambrian rocks crop out on the Zuni Uplift to the south. This broad asymmetrical dome trends in a northwesterly direction and extends a distance of 60 miles from Grants, New Mexico on the east to Gallup, New Mexico on the west. The beds in the district dip generally northward into the San Juan Basin but in the vicinity of the operator"s

property, the dip is about 3^{0} NE. The rocks are folded broadly and high-angle north- and northeast trending faults with minor displacement are common. A well developed joint set trends north and another set of joints, generally east.

Significant uranium deposits in the Grants district are contained in a sequence of sedimentary rocks of Jurassic and Cretaceous age. These sediments in ascending order are the Todilto limestone, Summerville formation, Bluff sandstone and Morrison formation of Jurassic age, and the Dakota sandstone, Mancos shale and Mesa Verde group of Cretaceous age (fig. 4). Productive uranium deposits occur in the Todilto, Morrison, and Dakota formations. This report is concerned only with deposits in the Jurassic Morrison formation. No exploration was planned specifically for Dakota sandstone deposits since such deposits are small and scattered and not considered significant. Excessive drilling depths and the small targets offered by Todilto deposits made drilling for these deposits on the applicant's property prohibitive.

The Jurassic Morrison formation in the Grants district is composed of three members. From bottom to top these are the Recapture, Westwater Canyon, and Brushy Basin. The Recapture member is mostly a fine- to medium-grained friable sandstone that contains some beds of claystone. It is about 100 feet thick and is distinguished by alternating light-gray and reddish-brown units.

The Westwater Canyon member, which overlies the Recapture member, consists predominantly of medium- to coarse-grained fluvial sandstone locally interbedded with gray, greenish-gray and reddish-brown

mudstone. In places the sandstone is arkosic and friable and ranges in color from light gray to yellowish-orange or red. Locally, the sandstone contains carbonaceous material, asphaltite and mudstone pebbles. The thickness of the Westwater Canyon member in the vicinity of the operator's property averages about 110 feet. It interfingers with the underlying Recapture member and the overlying Brushy Basin member; consequently, the top and bottom contacts are indefinite. In the Ambrosia Lake area to the north, the Westwater Canyon member is the major ore-bearing horizon (fig. 4).

The Brushy Basin member is composed principally of mudstone and claystone containing varying amounts of siltstone and sandstone. Impure bentonitic clay forms most of the Brushy Basin member. It ranges in thickness from about 140 to 160 feet and averages about 150 feet. This variation in thickness is partly the result of pre-Dakota erosion following broad folding.

Significant uranium deposits in the vicinity of sec. 8 occur in a sandstone unit of the Brushy Basin member commonly referred to as the "Poison Canyon" sandstone. This medium- to coarse-grained sandstone lies about 20 feet stratigraphically above the base of the Brushy Basin and ranges in thickness from 15 to 70 feet in sec. 8. The color ranges from white to reddish brown but near ore deposits the color is yellowish-gray. Crossbedding and scour and fill features suggest a fluvial origin. Carbonaceous debris, mostly silicified logs and reeds, together with claystone pebbles and seams are present locally. Drill hole data and observations on the outcrop indicate that the "Poison Canyon" sandstone is a tongue of the underlying Westwater Canyon

member. It loses its identity and cannot be distinguished from other lenticular Brushy Basin sandstone beds several miles to the north.

ORE DEPOSITS

All of the known significant Morrison deposits in the immediate vicinity of sec. 8 occur in the Brushy Basin member. Thus far exploratory drilling has failed to disclose commercial deposits in the Westwater member. However, several miles to the north, large ore deposits are found in the Westwater Canyon member as well as smaller ones in the Brushy Basin member (fig. 4).

The "Poison Canyon" sandstone deposits are tabular elongate masses that lie essentially parallel to the sandstone beds. They range in thickness from a knife edge to 10 or more feet in thickness, and vary from a few feet to 300 feet in width, and may be as much as 3,000 feet in length. A deposit tends to occur as a cluster of ore bodies that contain from a few tons to as much as 100,000 tons each and range in grade from 0.10 to 0.50 percent U_3O_8.

The origin of the ore and factors that controlled its localization are not clearly understood. Primary sedimentary structures apparently played an important part in the localization of ore bodies. The relationship of fractures and folds to ore deposition has not been clearly established. However, the following geologic features and habits of ore bodies are useful in exploring for Brushy Basin deposits in the Grants district:

1. In the vicinity of ore deposits the ore-bearing sandstones are 50 feet or more thick.

2. The ore-bearing sandstones are altered from a yellow-brown

or orange to a light gray color near ore deposits.

3. Mudstone on contact with ore-bearing sandstone is green or greenish gray near ore deposits instead of red or reddish-brown.

4. Carbonaceous material, asphaltite, limonite, and claystone pebbles and seams are more abundant in the vicinity of ore deposits.

An ore deposit containing 139,982 tons of ore averaging 0.178 per cent U_3O_8 was found in the northwestern part of sec. 8 as a result of DMEA drilling. It is localized in the so-called "Poison Canyon" sandstone unit of the Brushy Basin member of the Jurassic Morrison formation at an average depth of about 275 feet and has an average thickness of 7.5 feet. The ore mass appears to be an elongate tabular type deposit about 1,000 feet long and 250 feet wide with the long axis trending NW (fig. 2). The average thickness of the ore-bearing sandstone in the vicinity of the deposit is about 50 feet as indicated by drill hole data.

WORK COMPLETED UNDER CONTRACT

DMEA Contract Idm-E 797 was signed on May 17, 1955, and the project was started on June 29, 1955. The contract comprised 208 plug-bit and core-bit diamond-drill holes, to be drilled in 3 stages, with an estimated total depth of 61,585 feet.

Stage I of the contract consisting of an allowable 17,125 feet of plug-bit drilling and 6,110 feet of core drilling in 78 holes was completed on December 5. Only 15,478 feet of plug-bit drilling and 8,222 feet of core-bit drilling were required to complete the 78 holes.

Stage II of the contract, allowing a maximum of 70 holes, aggregating not more than 20,650 feet of drilling, was completed in March, 1956, with 10,685 feet of plug-bit drilling and 3,081 feet of core-bit drilling in 47 holes.

Stage III of the contract allowed 60 holes, aggregating not more than 17,700 feet, and was completed in July, 1956, with 2,754 feet of plug-bit drilling and 903 feet of core-bit drilling in 14 holes.

Total drilling by the operator amounted to 41,123 feet in 139 holes, as compared with contract specifications 61,585 feet in 208 holes.

A summary of approved drilling follows:

Stage	Holes	Non-core	Core	Total	Cost Allowed
I	78	15,478	8,222	23,700	$46,857.72
II	47	10,685	3,081	13,766	25,081.70
III	14	2,754	903	3,657	6,769.56
Total	139	28,917	12,206	41,123	$78,708.98

It is noted that there is a discrepancy between approved footage shown above (41,123) and that reported by the operator (41,153) in his final report.

The cost of assays ($315.00) added to the above gives a total of $79,023.98 for the project.

EXPENDITURES UNDER THE CONTRACT

The total amount allowed for completion of exploration under contract Idm-E 797 was $114,430.50, with Government participation at 75 per cent, or $85,822.88. Exploration stipulated under the contract was about 68 per cent completed. The operator reported his total expenditures

on forms Mf-104 and 104-A as $79,023.98, after a check by the examining engineer, and the same amount was approved by audit and audit review. The Government's participation at 75 per cent was $59,267.99.

EFFICIENCY OF PROJECT OPERATIONS

Operations of Colamer Corporation were quite inefficient due to the lack of previous mining experience by Mr. Frank Boylin, president, and exploration experience by Mr. Kelsey Boltz, geologist.

Difficulty was encountered by the examining engineers in verifying the monthly reports, and there were repeated failures on the part of the operator to perform the work in accordance with the contract terms.

INDICATED ORE RESERVES

Total indicated ore reserves as revealed in 34 drill holes are estimated to be 139,982 tons containing 0.178 per cent U_3O_8. The indicated ore body is about 257,500 square feet in horizontal extent, has an average thickness of 7.5 feet and lies about 275 feet below the surface. It is estimated to contain 526,210 pounds U_3O_8. The final report of Colamer Corporation indicated and inferred reserves are estimated at 100,533 tons, having an average content of 0.202 per cent U_3O_8.

Radiometric probing results and chemical analyses of cores for 174 holes are shown in Table I. This includes 35 holes drilled by the Colamer Corporation at their own expense.

Location of holes and estimated ore blocks are shown on Figures 2 and 3.

Details of calculations of ore reserves are shown in Table II.

CONCLUSIONS AND RECOMMENDATIONS

It is considered that the objectives of the project were accomplished. DMEA drilling resulted in the discovery of ore reserves in the north-western part of section 8 consisting of 139,982 tons averaging 0.178 per cent U_3O_8. The ore deposit is approximately delineated and although further development work is probably warranted, no additional Government assistance is recommended.

TABLE No. 1 DRILL HOLE DATA Docket DMEA 3632 Contract Idm-E797

Colamer Corporation

State Claims 1-27, sec. 8, T..13 N., R.9 W,NMPM

McKinley County, New Mexico

Stage I Coordinates(Fig.2)			Radiometric Anal		Chemical Anal.		
Hole No.	North	East	Interval feet	U_3O_8 percent	Interval feet	U_3O_8 percent	No. samples
1	400	4250		< 0.033			
2	5200	4250		< 0.02			
3	5000	250					
4	200	250					
5	2600	1850	2.5	0.043			
6	1000	3450	0.3	0.016			
7	2600	3450	0.5	0.090	0.5	0.110	1
8	4200	3450		< 0.026			
9	1600	2650	1.0	< 0.015			
10	3600	2650	2.0	< 0.015			
11	1800	1850	1.0	< 0.015			
12	3800	1850	26.0	< 0.026			
13	1200	1050	1.0	< 0.030			
14	2800	1050	1.0	< 0.026			
15	4400	1050	3.0	< 0.015			
16	800	4250		< 0.016			
17	1200	4250		< .026			
18	1600	4250		< 0.020			
19	2000	4250		< .023			
20	2400	4250		< .023			
21	2800	4250		< .013			
22	3200	4250		< .013			
23	3600	4250	1.0	< .053			
24	4000	4250		< .016			
25	4400	4250		< .013			
26	4800	4250		< .016			
27	200	3450		< .020			
28	600	3450		< .013			
29	1400	3450		< .020			
30	1800	3450		< .013			
31	2200	3450		< .020			
32	3000	3450		< .010			
33	3400	3450		< .026			
34	3800	3450		< .020			
35	4600	3450		< .030			
36	5000	3450		< .020			
37	400	2650		< .020			
38	800	2650		< .023			
39	1200	2650		< .026			
40	2000	2650		< .020			

TABLE No. 1 (cont.)

Stage I Co-ordinates (fig.2)			Radiometric Anal.		Chemical Anal.		
Hole No.	North	East	Interval feet	U_3O_8 percent	Interval feet	U_3O_8 percent	No. samples
41	2400	2650		< .033			
42	2800	2650		< .030			
43	3200	2650	2.0	.018			
44	4000	2650		< .023			
45	4400	2650		< .023			
46	4800	2650		< .016			
47	5200	2650		< .033			
48	200	1850		< .016			
49	600	1850		< .013			
50	1000	1850		< .019			
51	1400	1850		< .010			
52	2200	1850		< .020			
53	3000	1850	2.5	< .020			
54	3400	1850		< .016			
55	4200	1850		< .020			
56	4600	1850	0.5	.026			
57	5000	1850	0.3	.026			
58	400	1050		< .013			
59	800	1050		< .023			
60	1600	1050		< .013			
61	2000	1050	5.0	.080			
62	2400	1050		< .033			
63	3200	1050	2.0	.033			
64	3600	1050	0.5	.053			
65	4000	1050		< .023			
66	4800	1050		< .023			
67	5200	1050		< .020			
68	600	250		< .023			
69	1000	250		< .020			
70	1400	250		< .026			
71	1800	250	1.5	< .030			
72	2200	250		.016			
73	2600	250		.026			
74	3000	250	1.0	.026			
75	3400	250	2.0	.036			
76	3800	250	11.0	.160	2.5	0.173	4
77	4200	250	16.0	.230	6.0	0.176	9
78	4600	250	9.0	.033			

TABLE No. 1 (cont.)

Stage II Co-ordinates			Radiometric Anal.		Chemical Anal.		
Hole No.	North	East	Interval feet	U_3O_8 percent	Interval feet	U_3O_8 percent	No. samples
A-1	4000	250		< 0.023	4.5	0.153	8
-2	4100	650		< 0.016			
-3	4400	250		< 0.010			
-4	3900	650		< 0.023	7.5	0.028	4
-5	4300	650		< 0.016			
-6	3700	650		< 0.013	11.5	0.082	5
-7	3500	650		< 0.016	6.3	0.056	4
-8	3600	250	2.5	< 0.064	0.5	0.016	1
-9	3400	1050	8.0	< 0.051	8.0	0.054	
-10	3000	1050		< 0.010			
-11	2200	1050		< 0.023			
-12	2600	1050		< 0.016			
-13	3800	1050		< 0.070			
-14	4200	1050		< 0.015			
-15	4600	1050		< 0.016			
-16	5000	1050		< 0.030			
-17	2900	1450	220-283	0.003-0.010			
-18	3100	1450	230-266	0.010-0.013			
-19	3300	1450		< 0.020			
-20	3500	1450	263-288	.006-.020			
-21	3700	1450	227-302	.003-.020			
-22	4500	1450	234-339	.006-.013			
-23	4700	1450	255-306	.006-.013			
-24	4900	1450	270-344	.010-.030			
-25	5100	1450	257-344	.006-.040			
-26	3600	1850	263-299	.006-.013			
-27	4000	1850		< 0.030			
-28	4400	1850		< 0.040			
-29	4800	1850	247-298	.010-.023			
-30	3500	2250		< 0.026			
-31	3700	2250		< 0.020			
-32	3900	2250		< 0.010			
-33	4100	2250		< 0.030			
-34	4300	2250		< 0.040			
-35	4500	2250		< 0.030			
-36	4700	2250		< 0.040			
-37	4900	2250	258-300	.010-0.033			
-38	5100	2250	264-304	.010-.020			
-39	3800	2650		< 0.040			
-40	4200	2650	252-285	.010-.013			
-41	4600	2650	264-288	.010-.013			

TABLE No. 1 (cont.)

Stage II Co-ordinates			Radiometric Anal.		Chemical Anal.		
Hole No.	North	East	Interval feet	U_3O_8 percent	Interval feet	U_3O_8 percent	No. samples
A-42	5000	2650	263-297	.010-.026			
-43	3300	2650		< 0.013			
-44	3000	850		< 0.016			
-45	2300	1450		< 0.016			
-46	2500	1450		< 0.013			
-47	2400	1850		< 0.016			

Stage III Co-ordinates			Radiometric Anal.		Chemical Anal.		
Hole No.	North	East	Interval feet	U_3O_8 percent	Interval feet	U_3O_8 percent	No. smaples
B-1	4100	50	9.0	0.243	3.4	0.290	2
-2	4200	50	5.0	0.061	4.0	0.081	3
-3	3900	250	8.0	0.150			
-4	4100	250	12.5	0.318	7.0	0.187	5
-5	4300	250	6.0	0.183	5.0	0.210	5
-6	4300	50	2.0		5.4	0.196	2
-7	3700	250	4.5	0.195	9.0	0.140	?
-8	3900	450	3.5	0.300	3.50	0.300	5
-9	3700	450	13.5	0.065			
-10	3800	450		< 0.016			
-11	3300	850	228-238	0.110			
-12	3400	850	226-238	0.132			
-13	3500	850	238.5-240	0.106			
-14	4400	50		< 0.020			

TABLE No. 1 (cont.)

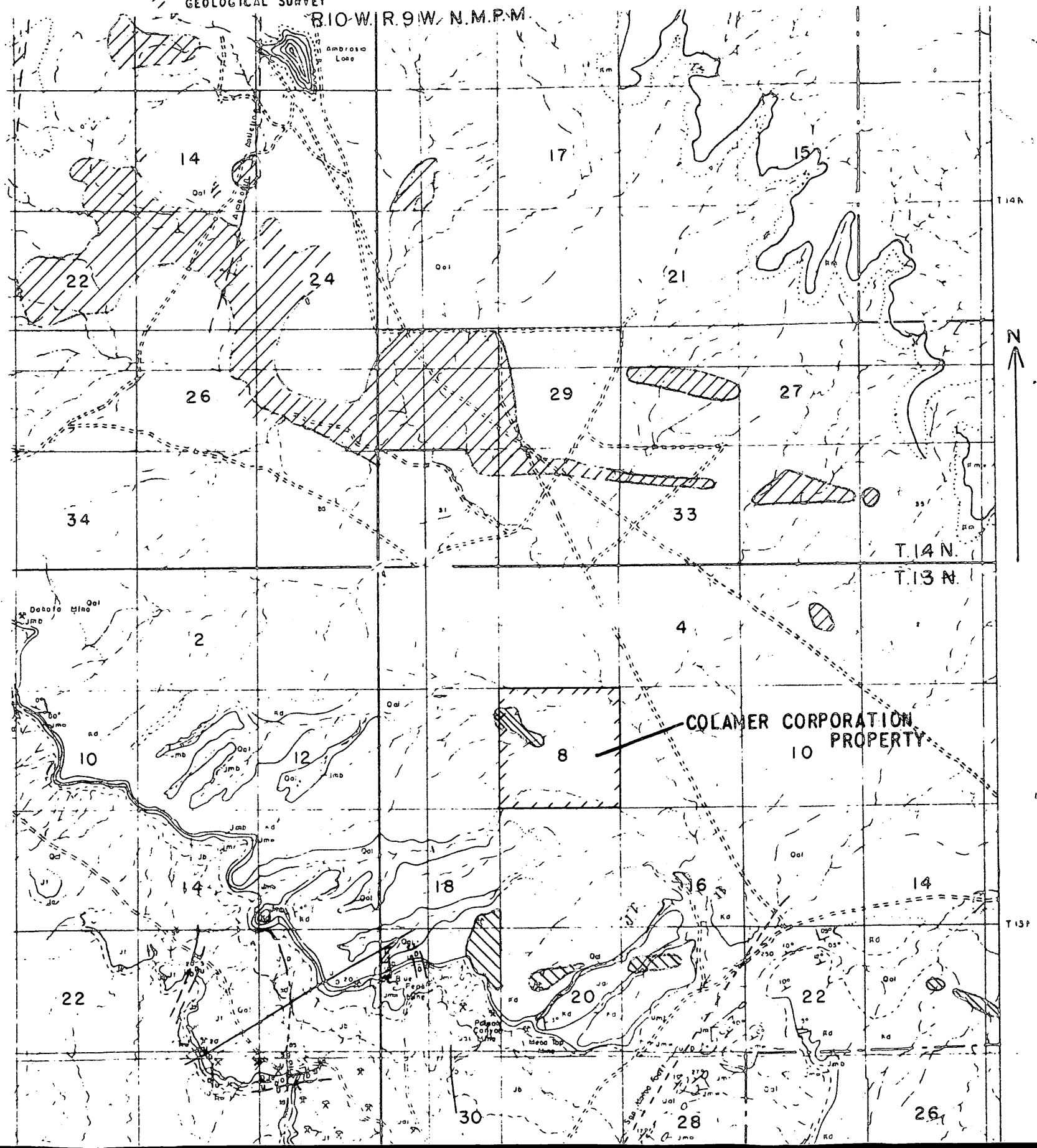
Holes Drilled by Oper.			Radiometric Anal.		Chemical Anal.		
Hole No.	North	East	Interval feet	U_3O_8 percent	Interval feet	U_3O_8 percent	No. samples
0-1	3900	50	4.5	0.140			
-2	4000	50	3.0	0.140			
-3	4050	50	1.0	0.120			
-4	4150	50	5.0	0.101			
-5	3800	150	1.5	0.040			
-6	3900	150	9.0	0.168			
-7	4000	150	5.0	0.120			
-8	4050	150	3.5	0.134			
-9	4100	150	17.0	0.168			
-10	4150	150	4.0	0.138			
-11	4200	150	2.5	0.140			
-12	4300	150	8.0	0.178			
-13	4400	150		0.010			
-14	3850	250	5.0	0.174			
-15	3950	250	9.0	0.176			
-16	4050	250	8.0	0.146			
-17	4150	250	16.5	0.346			
-18	4250	250	18.5	0.228			
-19	3650	350	6.5	0.248			
-20	3800	350	20.0	0.228			
-21	3900	350	10.5	0.131			
-22	4000	350	11.5	0.254			
-23	4100	350	3.0	0.155			
-24	4200	350	18.5	< 0.060			
-25	3600	450		< 0.030			
-26	3800	450	7.0	0.117			
-27	4000	450	3.5	0.060			
-28	4100	450		< 0.040			
-29	3500	550		< 0.010			
-30	3600	550	12.0	0.155			
-31	3600	650	10.5	0.170			
-32	2600	1100		< 0.010			
-33	3000	1100		< 0.010			
-34	3400	1100		< 0.010			
-35	3800	1100		< 0.070			

TABLE No. II -- DMEA Docket 3632(Uranium), Contract Idm-E797, Colamer Corporation, (State Claims nos. 1 to 27 inc.) T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico

Hole No.	Co-ordinates North	Co-ordinates East	Area of influence sq. ft.	Thickness in ft.	Volume cu ft.	Tons Ore (14 cu ft/Ton)	U_3O_8 percent	U_3O_8 Tons	U_3O_8 lbs.
B-6	4300	50	10,000	5.4	54,000	3,857	0.196	7.560	15,120
0-12	4300	150	10,000	8.0	80,000	5,714	0.178	10.171	20,342
B-5	4300	250	7,500	5.0	37,500	2,679	0.210	5.626	11,252
0-18	4250	250	5,000	18.5	92,500	6,607	0.228	15.064	30,128
0-11	4200	150	7,500	2.5	18,750	1,339	0.140	1.875	3,750
77	4200	250	5,000	6.0	30,000	2,143	0.176	3.772	7,544
0-4	4150	50	5,000	5.0	25,000	1,786	0.101	1.804	3,608
0-10	4150	150	5,000	4.0	20,000	1,429	0.138	1.972	3,944
0-17	4150	250	5,000	16.5	82,500	5,893	0.346	20.390	40,780
B-1	4100	50	5,000	3.4	17,000	1,214	0.290	3.521	7,042
0-9	4100	150	5,000	17.0	85,000	6,071	0.168	10.199	20,398
B-4	4100	250	5,000	7.0	35,000	2,500	0.187	4.675	9,350
0-23	4100	350	10,000	3.0	30,000	2,143	0.155	3.322	6,644
0-3	4050	50	5,000	1.0	5,000	357	0.120	0.428	856
0-8	4050	150	5,000	3.5	17,500	1,250	0.134	1.675	3,350
0-16	4050	250	5,000	8.0	40,000	2,858	0.146	4.173	8,346
0-2	4000	50	7,500	3.0	22,500	1,607	0.140	2.250	4,500
0-7	4000	150	7,500	5.0	37,500	2,679	0.120	3.215	6,430
A-1	4000	250	5,000	4.5	22,500	1,607	0.153	2.459	4,918
0-22	4000	350	10,000	11.5	115,000	8,214	0.254	20.864	41,728
0-15	3950	250	5,000	9.0	45,000	3,214	0.176	5.657	11,314
0-1	3900	50	10,000	4.5	45,000	3,214	0.140	4.500	9,000
0-6	3900	150	10,000	9.0	90,000	6,428	0.168	10.799	21,598
B-3	3900	250	5,000	8.0	40,000	2,858	0.150	4.287	8,574
0-21	3900	350	10,000	10.5	105,000	7,500	0.131	9.825	19,650
B-8	3900	450	10,000	3.5	35,000	2,500	0.300	7.500	15,000
0-14	3850	250	5,000	5.0	25,000	1,786	0.174	3.108	6,216
76	3800	250	7,500	2.5	18,750	1,339	0.173	2.316	4,632
0-20	3800	350	10,000	20.0	200,000	14,286	0.228	32.572	65,144
0-26	3800	450	10,000	7.0	70,000	5,000	0.117	5.850	11,700
B-7	3700	250	12,500	9.0	112,500	8,036	0.140	11.250	22,500
0-19	3650	350	12,500	6.5	81,250	5,803	0.248	14.391	28,782
0-30	3600	550	10,000	12.0	120,000	8,571	0.155	13.285	26,570
0-31	3600	650	10,000	10.5	105,000	7,500	0.170	12.750	25,500
Totals and Averages --			257,500	Av. 7.5	1,959,750	139,982	Av. 0.178	263.105	526,210

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JUNE 1957 DOCKET 9692



EXPLANATION

QUATERNARY	Pleistocene Recent	Qa	Alluvium
		ANGULAR UNCONFORMITY	
CRETACEOUS	UPPER	Kmv	Mesa Verde Group
		Km	Mancos Shale
		Kd	Dakota Sandstone
		ANGULAR UNCONFORMITY	
JURASSIC	UPPER	Morrison Formation: Jmb	Brushy Basin Member
		Jmw	Westwater Canyon Member
		Jmr	Recapture Member
		Morrison Formation undifferentiated: Jm	
		San Rafael Group: Jb	Bluff Sandstone
		Js	Summerville Formation
		Jt	Todilto Limestone
		Je	Entrada Sandstone
		Jc	Carmel Formation
TRIASSIC	UPPER	Chinle Group: Ro	Wingate Sandstone
		DISCONFORMITY	
		Rc	Rc: Chinle Formation

GEOLOGIC CONTACT, DASHED WHERE INFERRED

FAULT SHOWING RELATIVE DISPLACEMENT, DASHED WHERE INFERRED

ANTICLINAL AXIS

STRIKE AND DIP OF BEDS

APPROXIMATE BOUNDARY OF MINERALIZED GROUND IN THE WESTWATER CANYON MEMBER

APPROXIMATE BOUNDARY OF MINERALIZED GROUND IN THE BRUSHY BASIN MEMBER

NOTE: BASE FROM ATOMIC ENERGY COMMISSION PRELIMINARY MAP NO. 2.

1 0 3 MILES

FIGURE 4.--MAP OF AMBROSIA LAKE AREA SHOWING KNOWN MINERALIZED AREAS IN THE JURASSIC MORRISON FORMATION IN RELATION TO THE OPERATORS PROPERTY, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO.

DMEA Form 7
(12-56)

3632

MAY 29 1957

OFFICIAL FILE COPY

Date	Surname	Code
5/29	Mittendorf	100
6/4	C	225
6/4	Chang	700

Mr. Frank Boylin
Colamer Corporation
Grants Division
Commerce Building
1016 West Santa Fe
Grants, New Mexico

Dear Mr. Boylin:

I appreciate your prompt and courteous reply to my letter of May 8, and your expression of willingness to cooperate with Mr. Argall in his present plan to record some DMEA case histories.

Accordingly, I have passed your name on to Mr. Argall and I presume he will contact you directly in due time.

Thanking you again for your cooperation in the matter, and with best wishes for your continued success, I am

Sincerely yours,

C. O. Mittendorf

Administrator

COMittendorf/esf
5/29/57
cc to: M&F
Admr. R. File
Mr. Mittendorf

DMEA Form 7
(12-56)

3632

OFFICIAL FILE COPY

Date	Surname	Code
5/8	Matteuson	100
5/9	C P	220
		700

100

MAY - 8 1957

Mr. Frank Boylin, President
Colomer Corporation
Commerce Building
1016 West Santa Fe
Grants, New Mexico

Dear Mr. Boylin:

I have had an exchange of correspondence recently with Mr. George C. Argall, Jr., Editor of the Mining World, who desires to publish an article in the nature of a review of some significant achievements of the DMEA program. He expresses his thoughts as follows:

> "I am thinking that a series of five or six case histories might prove exceptionally interesting to the entire geological and mining world. The examples should be carefully selected, perhaps one from each of the major regions, to illustrate how good geologic mapping or careful company analysis of structures, or an interpretation of geology on a district basis and applied to one deposit, contributed to major ore discoveries.
>
> "The purpose of this article would be to indicate that the DMEA has been worthwhile, that properly directed exploration is warranted, and that opportunity for exploration continues."

Mr. Argall hoped that my staff, together with a key engineer and key geologist in each of the regions, would cooperate with him in writing the article.

I have explained to Mr. Argall that it would be contrary to our policy to disclose any information about individual participants in the DMEA program. We do, of course, disclose the identity of a contract recipient at the time the contract is executed. After a contract is executed we conceal the percentage of committed funds actually spent, the results of the work accomplished, and whether a certification of discovery or development was issued. Likewise, we do not reveal the identity of those who have been denied DMEA assistance or of the applicants generally. I know you will readily appreciate the wisdom of this policy.

8623

I also told Mr. Argall that we of DMEA would like to see more articles of the type he has in mind, but that they must be initiated by the publishing medium and the individual operator working in cooperation with each other. He has expressed his willingness to proceed on that basis and appears anxious to get started as soon as possible.

One approach to the project would be to have Mr. Argall send out a fairly lengthy questionnaire to all of the 1013 operators who have received DMEA contracts, requesting certain specific information. The names, as you know, have already been made public through our regular press releases issued over the years. Such an approach would entail a long and tedious screening expedition with doubtful end results.

The general idea could be more effectively implemented if I furnished the Mining World with the names of several operators who have participated with DMEA in projects which I thought might provide interesting subject matter for case histories. In this connection it occurs to me that your project, DMEA-3632, State Claims, might be of special interest to the mining industry, but, of course, I would not even suggest your name without your prior approval. If granted, then I would expect the editorial staff of Mining World to assume responsibility for working up the details of the story, in cooperation with you or your representatives. I should appreciate your early reactions to this idea, and if favorable I will do no more than mention your name to Mr. Argall as one whom he might contact. If you do not approve, your reply will be kept confidential in my personal files.

Incidentally, Mr. Argall indicates to me that he will keep the name of the operator and the identity of the property confidential, by referring to case "A" or case "B", if the operator so desires.

With kindest personal regards,

Sincerely yours,

C. O. Mittendorf

Administrator

C. O. Mittendorf:ms 5/8/57
Copy to: Administrator
Admr. R. File
M&F
Field Team, Reg III

COPY: C. O. Mittendorf
K. Boltz

OFFICIAL FILE COPY DMEA RECEIVED FEB 26 1957		
DATE	INITIALS	CODE
2/26	C	220
2/26	[illegible]	700
		225

-632

February 25, 1957

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

Dear Mr. Traver:-

Please be advised that there has been no production from our uranium properties at Grants, New Mexico since January 1956.

Very truly yours,

COLAMEX CORP.

Mary B. Prior

MBP:ET

Mary B. Prior
Secretary

Colamex Corp.

700

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/28/57	Ching	700
1-29	Ellis	700
1-30	Martin	140
1-30	Chambers	800
2/1	Selfridge	130
	Lamb	USBM
2-4	C	220
2/1	Johnson	110
2/4	Matthews	100
		225

FEB 4 1957

Mr. Frank Boylin, President
Colamer Corporation
Commerce Building
1016 West Santa Fe
Grants, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
State Claims
McKinley County, New Mexico

Dear Mr. Boylin:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all minerals mined or produced from May 17, 1955, to May 17, 1966, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid.

Payments should be made to Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Traver of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. Traver at six-month intervals that no production has been made, when that is the case.

Copies to:
Thomas C. King & Phyllis J. King
Arthur W. Hyde & Vilatie W. Hyde
Lee Roy Cosper & Jane Hyde Cosper
J. V. Reynolds & Jean Reynolds
Howard Deeds
Enclosure

Sincerely yours,

C. O. Martin

Administrator

1-28-57
To: Admr.'s Reading File
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Field Team, Region III (2)
Rare & Misc. Metals Division
Contract Adm. & Audit Division
F. E. Johnson
Mr. Ching

Lamb
Nelson

R.C.S.

8623

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
1/28/57	Ching	700
1-29	Ellis	700
	Mitchelmyer	110
1-30	Chambers	800
2/1	Selfridge	130
	Lamb	USBM
2/1	Johnson	110
2/4	Mittendorf	100
		225

FEB 4 1957

Mr. Thomas C. King and
Mrs. Phyllis J. King
Commerce Building
1016 West Santa Fe
Grants, New Mexico 87020

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
Colamer Corporation
State Claims
McKinley County, New Mexico

Lamb
Nelson

Dear Mr. and Mrs. King:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the undated Owner's Consent to Lien signed by you. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

Identical letters to the following:

~~Mr. Arthur W. Hyde and~~ Deceased Mrs. Vilatie W. Hyde, ~~Bluewater, New Mexico~~ Rt. 1, Box 86, Cortez, Colo. 81321 (5/26/64)
Mr. Lee Roy Cosper and Mrs. Jane Hyde Cosper, Bluewater, New Mexico 87005
Mr. J. V. Reynolds and Mrs. Jean Reynolds, 903 South Madison, Webb City, Mo. Left. Mailed 5/28/69 64870
Mr. Howard Deeds, c/o Tom King, Commerce Bldg., 1016 West Santa Fe, Grants, N.M.

MChing/gla 1-28-57
cc to: Admr.'s Reading File
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)
Rare & Misc. Metals Division
Contract Adm. & Audit Division
F. E. Johnson
Mr. Ching

R. C. G.

8623

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

EXTRA COPY
DMEA
RECEIVED FEB 4 1957

DATE	INITIALS	CODE
2-4	C	220
"		110
January 30, 1957		700
2-5		

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman, Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3632 (Uranium) Contract Idm-E797
Colamer Corporation (State Claims 1 through 27)
McKinley County, New Mexico - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated January 28, 1957, relative to final payment under the terms of the subject contract.

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures

JDC:ytl
cc
MF-104 File Idm-E797
Shaw (2)
Chron.

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

EXTRA COPY
D M E A
RECEIVED FEB 4 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

January 28, 1957

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3632 (uranium) Contract Idm-E797
Colsmer Corporation (State Claims 1 through 27)
McKinley County, New Mexico - FINAL PAYMENT

Reference is made to our memorandum of November 16, 1956 whereby we transmitted the final Form MF-104, Operator's Monthly Report and Voucher for the month of July, 1956, and requested that you withhold the amount of $500.00 from reimbursement to the Operator, pending resolution of matters prerequisite to closing the account.

The Operator's Final Report has been received; therefore, we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated January 25, 1957.

Basis for Final Payment

Total accepted cost	$79,023.98
Government participation at 75 percent	59,268.00
Total prior payments	58,768.00
Balance due the Operator	$ 500.00

$500.00
JS

Original signed by
W. M. TRAVER
W. M. Traver

1/28/57 DMA 57-82

JDC:ytl
cc
Chmn. Op. Comm. (2)
Harshman
Shaw (2)
Townsend
Corr. Idm-E797
MF-104 File Idm-E797
Chron.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE
1-25	C	220
1/27		800
		225

224 New Customhouse
Denver 2, Colorado

January 23, 1957

Memorandum

To: T. H. Brading, DMEA Auditor, Region III

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3652 (Uranium), Contract No. Idm-E797, Colamer Corporation (State Group of claims, Sec. 8, T. 13 N., R. 9 W., N.M. P.M.), McKinley County, New Mexico

The subject contract was terminated by mutual agreement effective at the end of July 20, 1956. Enclosed for your records is a copy of the "TERMINATION AGREEMENT."

Acceptable units of work or service completed on the "Fixed Unit Cost" basis are as follows:

Core drilling ----------	12,206 feet
Non-core drilling ----------	28,917 feet
Chemical analyses ----------	63.

The Operator has rendered a final engineering and geologic report and a final accounting, as required by the contract. Therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit or Report of Review of reported project costs, whichever the case indicates.

The sum of $500.00 was withheld from reimbursement to the Operator in processing the final accounting report, which was for the period July 1 to 20, 1956.

Original signed by
W. M. TRAVER

W. M. Traver

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE

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

224 New Customhouse
Denver 2, Colorado

January 22, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3622 (Uranium), Contract No. Idm-E797, Colamer Corporation (State Group of claims, Sec. 8, T. 13 N., R. 9 W., N.M. P.M.), McKinley County, New Mexico.

Enclosed are the Government's, Division, and Docket copies of the "TERMINATION AGREEMENT," forwarded by your letter of December 28, 1956, for signature by the Operator and this office to terminate Contract No. Idm-E797, effective July 20, 1956.

Copies of the "TERMINATION AGREEMENT" have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

W. M. Traver

W. M. Traver

Enclosures

1/14 g. 220
225

224 New Customhouse
Denver 2, Colorado

January 11, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA 3632, (Uranium) Contract Idm-E797, Colamer Corporation. (State claims 1 through 27) McKinley County, New Mexico - CHANGE OF MAILING ADDRESS

Enclosed is a copy of a letter from the subject Operator dated January 9, 1957 requesting a change of mailing address as follows:

Colamer Corporation
Commerce Building
1014 West Santa Fe
Grants, New Mexico

Please mail all checks and other correspondence to the new address.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures
JDC:ewa
cc: Chm. Op. Comm. (3))
Harshman)
Shaw (2)) w/copy of
Hasler) Oper. letter
Townsend)
Corresp. E797)
Chron.)

COLAMER CORPORATION
Grants Division
Commerce Building
1016 West Santa Fe
Grants, New Mexico

COPY

January 9 1957

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

Dear Mr. Traver:

In regard to the change of address of our office, this letter is to explain that the office has not been moved. The name of the building has been changed to the Commerce Building and the address has been changed to 1016 West Santa Fe although the location is the same.

Very sincerely yours,

COLAMER CORPORATION

s/ Kelsey L. Boltz

Kelsey L. Boltz

KLB/vp

700

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

DEC 28 1956

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

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-E797
Colamar Corporation
State Claims
McKinley County, New Mexico

Dear Mr. Traver:

In accordance with your memorandum of December 13, 1956, we are enclosing the original and five copies of a proposed Termination Agreement between the Government and Colamar Corporation, prepared for your signature. Also enclosed are two extra copies of the agreement for the use of the Field Team.

If the proposed agreement is in order, please have all copies executed as indicated and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

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

N. E. Nelson (GCS)
Member, Geological Survey

MChing/izm 12-27-56
cc to: Docket
Code 700
Mr. Ching
Admr.'s Reading File
Operating Committee
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

700

Ching
Ellis

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

December 19, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

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

Subject: Termination Agreement
Docket No. DMEA-3632
Contract No. Idm-E797
Colamer Corporation
State Claims
McKinley County, New Mexico

Will you kindly prepare a Termination Agreement between the Government and the subject Operator in accordance with the attached draft. The agreement should be prepared for the signature of the Executive Officer, Region III.

The effective date should be August 1, 1956, since the work under the contract ceased in July, and the last monthly report and voucher covered that month.

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

Attachment

MChing/izm
cc to: Docket
Code 700
Mr. Ching

DRAFT
MChing/ism
12-19-56

Docket No. DMEA-3632

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 195_, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Colamer Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E797, Docket No. DMEA-3632, dated May 17, 1955, as amended, hereinafter called the "Contract," that:

1. Effective as of August 1, 1956, 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 the fixed unit costs of work performed 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. All rights of the Government provided for in the Contract with respect to certification of discovery or development, percentage royalty and lien for its payment, records, audit, and recovery of any overpayment, are preserved.
5. 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_____
Executive Officer, DMEA Field Team, Region III

Colamer Corporation

By_____

Title_____

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

224 New Customhouse
Denver 2, Colorado

December 13, 1956

RECEIVED DEC 17 1956 D.M.E.A.

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3632 (Uranium), Contract No. Idm-E797, Colamer Corporation (State Group of claims) (Sec. 8, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico.

Enclosed are two mimeographed copies of a final report submitted by the Operator pertaining to work completed under the subject contract. The report was received in this office December 3, 1956.

Also enclosed is the following material relative to terminating the contract before completion of all work provided for:

1. The original and three copies of the Operator's request of October 30, 1956 for termination of the contract.

2. The original and three copies of a memorandum from William B. Gazdik, Geologist, Geological Survey, for J. William Hasler, recommending that the contract be terminated in its present status and that a Certification of Discovery or Development be issued as a result of the DMEA exploration work.

The contract provides, on a three-stage basis, for the drilling of an aggregate of 208 holes with total estimated footage of core and non-core drilling of 61,585 feet. Work was suspended July 20, 1956 upon completion of hole 850-3000 and the total work completed consisted of 139 holes, aggregating 41,123 feet of core and non-core drilling, leaving a balance of funds unexpended amounting to $35,406.52, subject to audit.

This office concurs in the recommendation that the Certification be issued, and the matter of terminating the contract in its present status is forwarded for your consideration and appropriate action, with the recommendation that a suitable termination agreement be prepared, if such is deemed necessary.

W. M. Traver

W. M. Traver

Enclosures

COLAMER CORPORATION

GRANTS DIVISION
COMMERCE BUILDING
1016 WEST SANTA FE
GRANTS, NEW MEXICO

October 30, 1956

DMEA
DEPARTMENT OF THE INTERIOR
OCT 31 1956
REGION III
DENVER, COLORADO

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

Re: Docket DMEA No. 3632(Uranium)
Contract No. Idm-E797
Colamer Corporation
(State Claims 1 through 27)
McKinley County, New Mexico

Dear Mr. Traver:

Please consider this letter as a request for the Government's approval to terminate Contract No. Idm-E797.

Very truly yours,

COLAMER CORPORATION

KELSEY L. BOLTZ

KLB:lj

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
DEC 13 1956
REGION III
DENVER, COLORADO

December 11, 1956

RECEIVED
DEC 17 1956
D.M.E.A.

Memorandum

To: Executive Officer, DMEA Field Team, Region III

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

From: William B. Gazdik

Subject: Docket No. DMEA 3632 (Uranium), contract No. Idm-E 797, Colamer Corporation, State group of claims (Sec. 8, T. 13 N., R. 9 W., NMPM) McKinley County, New Mexico.

In a letter to the Executive Officer dated October 30, 1956, the operator requested that the subject contract be terminated.

The contract originally provided for 208 drill holes and 61,585 feet of core and non-core drilling under three stages. Records in this office indicate that 139 drill holes totaling 41,125 feet have been completed, leaving an incompleted balance of 69 holes and 20,462 feet of core and non-core drilling.

An ore deposit of substantial size was found by DMEA drilling in the northwest part of section 8. Exploratory drilling in the rest of section 8 was not too encouraging. The company's geologist estimates that this ore deposit contains 80,000 tons of uranium ore with an average grade of 0.22 percent U_3O_8 and an average thickness of 8 feet. The ore deposit appears to be about 1,000 feet long and averages about 150 feet wide with the long axis trending southeasterly. The average depth to the ore deposit is about 250 feet.

It is concluded that exploratory drilling under the subject contract has reached its objectives. Section 8 has been sufficiently explored and the ore deposit found in the northwest part of the section has been approximately delineated. It is recommended, therefore, that the subject contract be terminated and a certification of discovery be made.

William B. Gazdik
For J. William Hasler,
Geologist

WBG/mlr

DMEA
DEPARTMENT OF THE INTERIOR
DEC 3 1956
REGION III
DENVER, COLORADO

FINAL GEOLOGICAL ENGINEERING REPORT

ON

DMEA DOCKET 3632 CONTRACT Idm-5797

RECEIVED
DEC 17 1956
D.M.E.A.

OP's
FINAL REP.

COLAMER CORPORATION

KELSEY L. BOLTZ,
CHIEF GEOLOGIST.

RECEIVED
DEC 17 1956
B.M.E.A.

CONTENTS

1. Written Summary

2. Wide Space Drill Hole Map

3. Map of Ore Body

4. Structural Contour Map

5. Isopach Map

GEOLOGY

General

The State group of claims Nos. 1 through 27 are located on the top of a large mesa capped by Dakota sandstone and occasionally Mancos shale. The formations dip generally northeast at from two to three degrees, sloping into a broad valley known as the Ambrosia Lake area. Numerous north to south and northeast to southwest folds with associated faults and fractures transect the area. Underlying the Dakota Formation is the Morrison Formation containing three members:

> The Recapture Creek, Westwater Canyon and Brushy Basin members, from bottom to top. The Westwater Canyon member is the major ore-producing horizon, although the other members of the Morrison Formation contain known small and isolated deposits.

Stratigraphy

The characterestics of the two upper members of the Morrison Formation only are of concern here. The Brushy Basin member lying directly under the Cretaceous Dakota sandstone consists largely of greenish gray with occasional reddish brown shales and siltstones, and occasional lenses of fine to course grained arkosic sandstones. The average thickness of the Brushy Basin in the area of Section 8, Township 13 North, Range 9 West is from 140' to 160'. The Westwater

Canyon sandstone member underlying the Brushy Basin averages from 100' to 120' in thickness. It is medium to course grained with streaks of course to conglomerate, very arkosic and contains many thin lenses of green shales and siltstones. The upper section of the Westwater Canyon sandstone often tongues into the Brushy Basin shale. One of these upper tongues is an ore producer in this area and has been given the local name of the "Poison Canyon" sandstone. It is this unit which proved to be the ore bearing horizon on Section 8, and has the following general description:

> Light oreange gray to light greenish gray, medium to course grain with streaks of course to conglomerate, round to sub-round, very arkosic, common pebbles and grains black chert, poor to fair cement with white and green clay, very calcareous near bottom contact. Commonly contains hematite which is reduced to pyrite near ore zones. Pyrite is then often oxidized to limonite near ore bodies. Intersticial clays and shale partings are common. The thickness of this unit is extremely variable. It changes from 0 to 90 feet thick within a distance of one-half mile on Section 8. The thick zones are elongated east to west. The largest thick zone on Section 8 lies in the north half of the Section and estends generally east to west.

Structure

The most pronounced structural feature on Section 8 is a north to south normal fault zone lying in the west half of the section, the east side being the down thrown side. This fault appears to diminish to the south suggesting a "hinge" type of fault common in the Grants area. Accurate surveying and hole logging have disclosed several minor folds on the section.. Close inspection shows that the axes of these small anticlines coincide with the axes of the thick sand zones thus suggesting that these small folds are a result of differential compacting rather than of orogenic forces.

Mineralization

Drilling under this contract has disclosed the presence of a uranium ore body in the northwest quarter of the section. Following is a list of the geologic conditions noted in the mineralized area:

1. The mineralized zone lies roughly northwest to southeast along the axis of a thick Poison Canyon sandstone zone lying in the north half of the section. (See Isopach map)
2. The mineralized zone lies on the west side and to within a few feet of a north to south fault in the west half of the section. Only very slight mineralization was found on the east side of the fault. (See structural map)
3. The mineralized zone lies on the north flank of a small east to west trending anticline.

4. The mineralization all occurs in that part of the sandstone which contains hydrocarbonaceous material.
5. All of the hematite in the Poison Canyon sandstone in the area surrounding the ore body has been reduced to pyrite.
6. Some of the pyrite in and near the ore body has been oxidized to limonite.
7. No apparent change was noted in the amount of clay or calcite present.
8. There is no apparent change in the average grain size of the sandstone, nor in the frosting of the grains.
9. There is no apparent change in the porosity of the sandstone.

ENGINEERING AND ACCOUNTING

Following is a recapitulation of work performed under Contract Idm-E797 DMEA Docket 3682:

MONTH	PLUG (FT)	CORE (FT)	COST PLUG	COST CORE	COST ASSAYS
June	275	270	$ 423.50	$ 756.00	$
July	379	1,006	583.66	2,816.80	
August	1,922	1,972	2,959.88	5,521.60	
Sept.	2,340	1,167	3,603.60	3,267.60	
Oct.	4,366	1,472	6,723.64	4,121.60	
Nov.	4,013	1,445	6,180.02	4,046.00	
Dec.	3,233	1,233	4,978.82	3,452.40	65.00
Jan.	2,467	851	3,799.18	2,382.80	235.00

MONTH	PLUG (FT)	CORE (FT)	COST PLUG	COST CORE	COST ASSAYS
Feb.	1,860	704	$2,864.40	$1,971.20	$15.00
March	6,279	1,652	9,669.66	4,625.60	
April	462	168	711.48	470.40	
July	1,321	226	744.80	2,034.34	
Totals			$43,242.64	$35,466.34	$315.00

Total DMEA -$79,023.98

Government Participation: 0.75 x $79,023.98 = $59,267.99

ORE RESERVES

Following are the results of calculations of ore reserves discovered under this contract. The contour method was used. (See Ore body Map)

	Tonnage	Grade
Indicated or inferred reserves	71,422	0.221% U_3O_3
Possible reserves	29,111	0.157% U_3O_8

COLAMER CORPORATION

KELSEY L. BOLTZ
CHIEF GEOLOGIST

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

224 New Customhouse
Denver 2, Colorado

November 16, 1956

RECEIVED NOV 19 1956 DMEA

Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
Colamer Corporation
State Claims 1 through 27
McKinley County, New Mexico

Dear Mr. Boltz:

Form MF-104, Operator's Monthly Report and Voucher, has been received in this office and is being processed for payment. Processing has been deferred pending receipt of lithologic logs and assay certificates.

An amount of $500.00 is withheld pending resolution of matters relative to closing the account, which includes

1. Termination of the contract.
2. Rendering to the Government a final Operator's report in conformance with Article 6 (c) of the contract form.
3. Release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division, DMEA.

Very truly yours,

Original signed by
W. M. TRAVER

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

JDC:jy
cc: Corresp. E797
Chm. Op. Comm. (2)
Harshman
Shaw (2)
Townsend
Chron.

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

RECEIVED NOV 5 1956 DMEA

224 New Customhouse
Denver 2, Colorado

November 1, 1956

Mr. Kelsey Bolts
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
Colamer Corporation
State Claims 1 through 27
McKinley County, New Mexico

Dear Mr. Bolts:

Form MF-104, Operator's Monthly Report and Voucher for September, 1956, has been received in this office and is being processed for payment. The following deductions have been made

1. Stand-by time for Holes 194 and 207 has been prorated to core and non-core drilling according to the core and non-core footage in each hole. As the core drilling was performed at the maximum allowable rate, the stand-by costs prorated to core drilling are in excess and are disallowed.

2. An amount of $500.00 is withheld pending resolution of matters now under consideration by the Government pertaining to either termination of the contract in its present status or approval of additional work.

Very truly yours,

Original signed by
W. M. TRAVER

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

JDC:jy
cc: Corresp. E940
Chm. Op. Comm. (2)
Shaw (2)
Harshman
Townsend
Chron.

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

[illegible] New Customhouse
Denver 2, Colorado

October 31, 1956

RECEIVED
NOV 2 1956
D.M.E.A.

Memorandum

To: E. E. Barnhart - w/enclosure
John F. Shaw - w/enclosure (2)

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3632 (Uranium), Contract No. 26m-8797, Calumet Corporation (State Claims 1 through 27), McKinley County, New Mexico.

Enclosed is a copy of the Operator's letter of October 30, 1956 which constitutes a request to terminate Contract No. 26m-8797 in its present status.

A tentative review of the Contract and monthly cost records through July, 1956 indicates that of the 808 drill holes and 61,595 feet of core and non-core drilling provided for the three stages under the Contract, only 139 holes and core and non-core drilling aggregating 41,123 feet have been completed; leaving an uncompleted balance of 69 holes and an aggregate of 20,462 feet of core and non-core drilling, and unexpended funds in the amount of $35,466.32.

Records with form MF-184, "Operator's Monthly Report and Voucher," for the month of July, 1956 indicate that the last work was performed July 20, 1956 with the completion of hole at co-ordinates 830-3000.

Please submit a memorandum report containing your recommendations relative to terminating the Contract in its present status, effective as of the close of July 20, 1956. Also include a statement as to whether or not Certification of the project as a Discovery or Development will be recommended.

Original signed by
W. M. TRAVER

W. M. Traver

JHF:yrl

cc: Chairman, Op. Comm. (2)
Hosler - w/copy of Operator's letter.
Townsend
Corres. file
Chron.

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

RECEIVED
OCT 29 1956

224 New Customhouse
Denver 2, Colorado

October 25, 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel & Rouse Building
Grants, New Mexico

Re: Docket DMEA No. 3632 (Uranium)
Contract No. Idm-E797
Colamer Corporation
(State Claims 1 through 27)
McKinley County, New Mexico

Dear Mr. Boltz:

Reference is made to our letter of September 19, 1956, wherein we advised of the necessity that you submit a request for the Government's consideration for approval to terminate Contract No. Idm-E797 before completion of all the work outlined under the Contract.

A mutual agreement to termination of the Contract is necessary when all the work outlined in the Contract is not to be completed. Therefore, we will appreciate your prompt attention to the matter of submitting your request, as termination of the Contract is a prerequisite to other closing procedures.

Very truly yours,

Original signed by
W. M. TRAVER

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

JWT:prl

cc: Chairman, Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

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

RECEIVED
SEP 27 1956

224 New Customhouse
Denver 2, Colorado

September 25, 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
Colamer Corporation
State claims 1 through 27
McKinley County, New Mexico

Dear Mr. Boltz:

Lithologic logs for July, 1956 drilling under Contract Idm-E797 have been received in Mr. Shaw's office.

Hole No. 1450-2500 was logged to a depth of only 205 feet, whereas the driller's daily logs for the hole shows a total depth of 275 feet. The latter footage and cost was claimed on your July, 1956 voucher.

Please explain the reason for the discrepancy, and if necessary, submit a corrected lithologic log for the hole.

We request that you send your reply direct to this office, with a copy to Mr. Shaw. The July voucher has been held in this office for more than a month, therefore your immediate attention to the above matter is requested.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Chron.

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

RECEIVED
SEP 24 1956

224 New Customhouse
Denver 2, Colorado

September 19, 1956

Mr. Kelsey Beltz
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
Colamer Corporation
State claims 1 through 27
McKinley County, New Mexico

Dear Mr. Beltz:

Reference is made to your narrative report dated August 3, 1956 for drilling under Contract Idm-E797 for the month of July, 1956 wherein you state that the authorized work under the contract has been completed. Inasmuch as all of the work set up under the three stages of the contract has not been performed, it is a requirement that you submit a request to the Government for termination of the contract without completion of all work under the three stages.

The original and five copies of the request for termination are required. Please submit the request to this office as soon as possible for consideration by the Government.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Townsend Chron.

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

RECEIVED

224 New Customhouse
Denver 2, Colorado

September 18, 1956

Mr. Kelsey Belts
Colamar Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract 14m-E797
Colamar Corporation
State claims 1 through 27
McKinley County, New Mexico

Dear Mr. Belts:

Receipt is acknowledged of your letter dated September 17, 1956 in which you request that we furnish to you a list of the amounts of all reimbursement checks paid to your company under the reference contract.

Records in this office indicate that the following reimbursement checks have been mailed to the company.

Form MF-104, Operator's Monthly Report and Voucher	Amount of Check
June, 1955	$ 884.63
July, 1955	2,550.35
Aug., 1955	6,361.11
Sept., 1955	5,153.40
Oct., 1955) Combined	
Nov., 1955) payment	15,803.44
Dec., 1955)	
Jan., 1956) Combined	14,822.85
Feb., 1956) payment	
Mar., 1956	9,668.95
Apr., 1956	1,938.91
Total	$57,183.64

In addition to the above, the July, 1956 voucher is being held in this office pending receipt from you of lithologic logs for the holes which were drilled during July, 1956. Reference is made to our letters to you dated August 20, 1956 and September 11, 1956.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E797)
Sec. Op. Comm. (2))
Shaw (2)) w/copy Oper. letter
Harshman)
Townsend)
Cooper
Chron.

COPY

COLAMER CORPORATION
Grants Division
Fidel & Rouse Building
Grants, New Mexico

September 17, 1956

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

Dear Mr. Traver:

We are in the process of writing and completing a final report on Contract Idm-E797. I would like to have, from your Accounting Department, a list of the amounts of all reimbursement checks on this contract so that I may check our totals.

Thank you.

Very truly yours,

COLAMER CORPORATION

/S/ Kelsey L. Boltz

KELSEY L. BOLTZ

KLB:lj

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

224 New Customhouse
Denver 2, Colorado

September 14, 1956

RECEIVED
SEP 17 1956

Mr. Kelsey Bolts
Colamer Corporation
Fidel and Rouse Bldg.
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
Colamer Corporation
State claims 1 through 27
McKinley County, New Mexico

Dear Mr. Bolts:

Information contained in your monthly progress report for July, 1956 indicates that you have completed the authorized drilling under contract Idm-E797. Your attention is directed to Article 6 (c) of the contract form relative to the rendering by your company of a final report. The original and four copies of the final report are required by the Government.

If you require any information regarding the preparation of the final report, please feel free to contact this office or Mr. Shaw's office.

Very truly yours,

W. M. TRAVER

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

Copy to:
Frank Boylin, President
545 Fifth Avenue
New York 17, N. Y.
JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend Chron.

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

RECEIVED
SEP 13 1956

224 New Customhouse
Denver 2, Colorado

September 11, 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
Colamer Corporation
State claims 1 through 27
McKinley County, New Mexico

Dear Mr. Boltz:

As of this date we have not received lithological logs for the holes drilled during July, 1956 under Contract Idm-E797. The July, 1956 voucher can not be processed for payment until the logs are received in this office.

Reference is made to our relative letter to you, dated August 20, 1956.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Shaw (2)
Cooper
Chron.

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

224 New Customhouse
Denver 2, Colorado

August 22, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations

Enclosed are four copies each of gamma-ray log interpretations for the following DMEA contracts.

Docket DMEA 3514, Contract Idm-E823, Climax Uranium Company, Mesa County, Colorado and Grand County, Utah
Docket DMEA 3632, Contract Idm-E797, Colamer Corp., McKinley County, New Mexico
Docket DMEA 3660, Contract Idm-E850, Mid-Continent Uranium Corp., Grand County, Utah
Docket DMEA 3896, Contract Idm-E910, Hecla Mining Co., San Juan County, Utah (Private holes - Apex Uranium Mines, Inc.)
Docket DMEA 3928, Contract Idm-E926, Pacific Uranium Mines Co., Emery County, Utah
Docket DMEA 3966, Contract Idm-E927, Parador Mining Co., Inc., McKinley County, New Mexico
Docket DMEA 3989, Contract Idm-E933, Food Machinery and Chemical Corp., McKinley County, New Mexico
Docket DMEA 4017, Contract Idm-E940, Colamer Corp., McKinley County, New Mexico
Docket DMEA 4070, Contract Idm-E939, San Jacinto Petroleum Corp., McKinley County, New Mexico
Private holes, Barkley Mining Co. (Troy Wade Lease) Club Mesa, Colorado

Chung

W. M. TRAVER

W. M. Traver

Enclosures

Colamer Corporation
McKinley County, N. Mex.
Sec. 8, T. 13 N., R. 9 W.
DMEA DOCKET NO. 3632

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
50-4400	274.0	None	107.0-257.0	Barren						
650-3300	240.0	None	40.0-240.0	215.0 - 219.2	4.2	440			<0.010	
850-3000	227.0	None	65.0-215.0	174.5 - 175.6	1.1	270			<0.010	
[illegible]0-2300	275.0	None	74.0-274.0	156.5 - 157.9	1.4	300			<0.010	
				161.3 - 162.1	0.8	380			0.010	
1450-2500	275.0	None	74.0-274.0	238.2 - 239.9	1.7	320			<0.010	
				272.7 - 273.4	0.7	220			0.005	
1850-2400	292.0	None	130.0-290.0	154.7 - 155.7	1.0	220			<0.005	
				168.3 - 169.7	1.4	280			<0.010	
				211.0 - 212.0	1.0	280			<0.010	
				242.2 - 243.2	1.0	210			<0.005	
				272.1 - 273.6	1.5	270			<0.005	

* From top to bottom depths

Colamer Corporation
McKinley County, N. Mex.
Sec. 8, T. 13 N., R. 9 W.
DMEA DOCKET NO. 3632

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
50-4400	274.0	None	107.0	257.0	Barren							
650-3300	240.0	None	40.0	240.0	215.0	219.2	4.2	440			<0.010	
850-3000	227.0	None	65.0	215.0	174.5	175.6	1.1	270			<0.010	
[illegible]0-2300	275.0	None	74.0	274.0	156.5	157.9	1.4	300			<0.010	
					161.3	162.1	0.8	380			0.010	
1450-2500	275.0	None	74.0	274.0	238.2	239.9	1.7	320			<0.010	
					272.7	273.4	0.7	220			0.005	
1850-2400	292.0	None	130.0	290.0	154.7	155.7	1.0	220			<0.005	
					168.3	169.7	1.4	280			<0.010	
					211.0	212.0	1.0	280			<0.010	
					242.2	243.2	1.0	210			<0.005	
					272.1	273.6	1.5	270			<0.005	

* From top to bottom depths

E797

Colamer Corporation
McKinley County, N. Mex.
Sec. 8, T. 13 N., R. 9 W.
DMEA DOCKET NO. 3632

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
50-4400	274.0	None	107.0	257.0	Barren							
650-3300	240.0	None	40.0	240.0	215.0	219.2	4.2	440			<0.010	
850-3000	227.0	None	65.0	215.0	174.5	175.6	1.1	270			<0.010	
[illegible]0-2300	275.0	None	74.0	274.0	156.5	157.9	1.4	300			<0.010	
					161.3	162.1	0.8	380			0.010	
1450-2500	275.0	None	74.0	274.0	238.2	239.9	1.7	320			<0.010	
					272.7	273.4	0.7	220			0.005	
1850-2400	292.0	None	130.0	290.0	154.7	155.7	1.0	220			<0.005	
					168.3	169.7	1.4	280			<0.010	
					211.0	212.0	1.0	280			<0.010	
					242.2	243.2	1.0	210			<0.005	
					272.1	273.6	1.5	270			<0.005	

* From top to bottom depths

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

224 New Customhouse
Denver 2, Colorado

August 20, 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
Colamer Corporation
State claims 1 through 27
McKinley County, New Mexico

Dear Mr. Boltz:

Form MF-104, Operator's Monthly Report and Voucher, for July, 1956 has been received in this office. Lithological logs for the six holes reported were not received with your report.

Please submit the lithological logs to this office as soon as possible in order that the voucher may be processed for payment.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Shaw (2)
Chron.

July 19, 1956

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 3, dated June 14, 1956, to Contract No. Idm-8797, Docket No. DMEA-3632, Colamer Corporation. He does not regard a further review by the Legal Division to be necessary.

/s/ Grace L. Ault

Grace L. Ault

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

RECEIVED
JUL 18 1956

224 New Customhouse
Denver 2, Colorado

July 16, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3632 (Uranium), Contract Idm-E797, Colamer Corporation, McKinley County, New Mexico

Enclosed are the original and two copies of Amendment No. 3 to Contract Idm-E797, which has been executed under authority delegated to this office, to establish the period in which operations will be suspended from April 6, 1956 to not later than July 10, 1956, and to extend the date fixed for completion of the project work from August 15, 1956 to September 15, 1956.

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

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

W. M. Traver

W. M. Traver

Enclosures

COLAMER CORPORATION

GRANTS DIVISION

FIDEL & ROUSE BLDG.

GRANTS, NEW MEXICO

June 13, 1956

DMEA
Date Rec'd.
JUN 14 1956
BUREAU OF MINES
Denver, Colorado

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

E 797

Re: Your letter of
June 11, 1956

This is to supply the information you requested.

1. The last work performed under this contract was on April 6, 1956.
2. Work will be resumed on or before July 10, 1956.

   It was proposed in my letter of April 16, 1956 to resume operations on May 10, 1956. This letter was accompanied with drilling data and recommendations. However, due to their tremendous work load, your Field Team in Grand Junction was unable to compile this data to a sufficient degree to make recommendations. Yesterday, June 12, I supplied them and your office with a compilation of this data. Therefore, I assume that the resumption date of July 10 will provide sufficient time for your office to act on our request.
3. Project completion date, September 15, 1956.

The eight approved holes that remain to be drilled were part of an earlier 2nd Stage request. The drilling on the 2nd Stage has supplied us with considerably more information. This request for suspension of work was to allow ample time for a complete study of the work previously done in order to determine whether more money should be spent on the project and where it should be spent. We are hoping that the contract is flexible enough to have changes considered in the light of new information acquired.

Very truly yours,

COLAMER CORPORATION

KELSEY BOLTE

KB/pb

224 New Customhouse
Denver 2, Colorado

June 11, 1956

Mr. Kelsey Belts
Coleman Corporation
Grants Division
Fidel and Rosse Building
Grants, New Mexico

Re: Docket [illegible] 3632 (Uranium)
Contract [illegible]-8797

Dear Mr. Belts:

In your letter of April 16, 1956 you advised that the suspension of operations would not involve further extension of the date fixed for completion of the project work as provided by Amendment No. 2. In addition, you advised that you proposed to resume operations on or before May 10, 1956.

On the basis of the foregoing information, we advised you that a formal amendment authorizing the suspension of operations would not be necessary. However, our records indicate that operations have not been resumed, even though eight previously approved holes remain to be drilled.

In addition to the eight previously approved holes that remain to be drilled, you have recently requested the Government's approval for the drilling of sixteen additional holes.

If you are desirous of maintaining the contract in force subsequent to the date fixed for completion of the project work, which is August 15, 1956, you should immediately request a further extension of that date for such additional time as you deem will be necessary to enable completion of all contemplated drilling.

In addition to extending the date fixed for completion of the project work, it will now be necessary that the period within which operations were suspended be incorporated in the amendment. Therefore, please supply the following information:

1. The date the last work was performed under the contract.

2. The date on or before which operations will be resumed.

3. The exact length of time you deem necessary to extend the date fixed for completion of the project work.

Very truly yours,

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

JWT:prl
cc: Shuinman, Oper. Comm. (2)
Kerchmann
Ensler
Shaw (2)
Townsend
Corres. file
Chron.

224 New Customhouse
Denver 2, Colorado

April 25, 1956

Mr. Kelsey Belts
Colmer Corporation
Grants Division
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium),
Contract No. Ida-E797
Colmer Corporation, Valencia
and McKinley Counties, N. M.

Dear Mr. Belts:

Thank you for your letter of April 20, 1956, wherein you supplied the information requested in our letter of April 18, 1956, relative to seven approved drill holes, which apparently have not been drilled to date.

In conjunction with resolving the matter of future drilling to be performed under the contract, W. D. McMillan, Mining Engineer, Bureau of Mines, will arrive in Grants, New Mexico, in the forenoon of May 1, 1956, and will consult with you.

Very truly yours,

W. M. TRAVER

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

WMT:bh

cc-Hershman)
Shaw(2) } w/copy Operator's letter 4/20/56
Mesler)
Townsend
Gerres. File E-797
Chron.

COLAMER CORPORATION
GRANTS DIVISION
FIESE & ROUSE BLDG.
GRANTS, NEW MEXICO

April 20, 1956

DMEA
Date Rec'd
APR 23 1956
BUREAU OF MINES
Denver, Colorado

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

Re: Docket DMEA 3632
Contract Idm-E797

Dear Mr. Traver:

This letter is in reply to your request for information concerning the status of the following holes:

E. 50 - N. 4400
E. 650 - N. 4500
E. 650 - N. 4700
E. 1450 - N. 2300
E. 1450 - N. 2500
E. 1850 - N. 2400
E. 1850 - N. 5200.

At the present time these holes, though approved, have not been drilled. After our evaluation we will decide with your field team whether money should be spent on the drilling of these holes.

If anymore information is needed please let me know immediately.

Thank you.

Very truly yours,

COLAMER CORPORATION

KELSEY BOLTZ

KB/pb

COPY

224 New Customhouse
Denver 2, Colorado

April 18, 1956

RECEIVED
JUL 16 1956

Mr. Kelsey Boltz
Calumet Corporation
Grants Division
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium),
Contract Idm-E797

Dear Mr. Boltz:

Thank you for your letter of April 16, 1956, providing the information requested in our letter of April 13.

We will defer for the time being the preparation of a formal Amendment to authorize the recess of operations, expecting that prompt attention will be given by you to the matter of evaluating the results of the prior work and submitting to this office your proposal relative to future work.

Our records through the month of March, 1956, indicate that there are seven approved holes in addition to the three holes on the E. 850 co-ordinate approved April 2, 1956, which have not been drilled. The holes are as follows:

E. 50- N. 4400
E. 650 - N. 4500
E. 650 - N. 4700
E. 1450 - N. 2300
E. 1450 - N. 2500
E. 1850 - N. 2400
E. 1850 - N. 5200.

The E. 50 - N. 4400 is a Stage III hole for which verbal approval was given December 16, 1955, and the two holes E. 650 co-ordinate are Stage II holes approved at the same time. The balance of the holes are Stage II holes which were approved by our letter

of February 2, 1956, in addition to the holes for which verbal approval had been given December 16, 1956.

We will appreciate advice from you as to the status of the above listed holes.

Very truly yours,

/s/ W. M. Traver

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

JWT:prl
cc: Chairman, Oper. Comm. (2)) w/copy of Operator's letter of
Harshman) April 16, 1956
Shaw (2))
Nasler)
Townsend)
Corres. file
Chron.

DMEA
Date Rec'd.

APR 18 1956

BUREA
Denve

April 16, 1956

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

Re: Docket DMEA 3632
Contract IGM-2797

Dear Mr. Traver:

Reference to your letter of April 13 concerning our request for approval for suspension of operations.

The following are answers to your three questions:

1. Holes No's. 850E-3300N, 850E-3400N, and 850E-3500N have been drilled. In addition all holes previously approved have been drilled and the reports of these holes have been sent with the March MF-104.

2. This suspension of operations will not involve further extention of the completion date as provided by proposed Amendment No. 2.

3. Operations were suspended April 9, 1956, at which time all presently approved holes were completed. After proper evaluation of our information, we propose to resume operations on or before May 10, 1956.

Very truly yours,

COLAMER CORPORATION

KELSEY BOLTZ

KB/pa

COPY

224 New Customhouse
Denver 2, Colorado

April 13, 1956

RECEIVED
JUL 18 1956

Mr. Kelsey Bolts
Colamar Corporation
Grants Division
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797

Dear Mr. Bolts:

Reference is made to your letter of April 11, 1956, wherein you request the Government's approval for a suspension of operations for a period of three weeks to enable evaluating results of work completed.

Ordinarily, a formal mutual agreement as to a suspension of operations for a short period of time to enable evaluation of the results of work completed need not be executed, provided the suspension of operations will not involve an extension of the period within which the work is to be completed.

Proposed Amendment No. 2, now in your possession for signature, when executed by the parties concerned, will extend the date for completion of the work to August 15, 1956.

In this particular case, before further consideration can be given your request for a recess of operations, please supply the following information by return mail:

1. Have the three drill holes at coordinates 3300 N. - 850 E., 3400 N. - 850 E., and 3500 N. - 850 E., approved by our letter of April 2, 1956, been drilled? In addition, have all holes previously approved for drilling been drilled? If so, and if the holes are not reported and the results thereof shown in your February or prior reports, please submit a map showing the location of the holes drilled and a summary of the results obtained.

2. Whether or not the present suspension of operations you request will involve a further extension of the completion date as provided by proposed Amendment No. 2.

3. The date operations were suspended and the date on or before which they will be resumed.

Very truly yours,

/s/ W. M. Traver

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

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

April 11, 1956

DMEA
Date Rec'd.

APR 13 1956

BUREAU OF MINES
Denver, Colorado

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

Re: DMEA Docket 3632
Contract Idm-E797

Dear Mr. Traver:

This letter will serve as a request for a recess on drilling under this contract.

We feel at this time that we should take time out to re-evaluate all of our data before more drilling is done. It is very possible that the orebody on this property could be extended with a minimum of expense if the holes are carefully placed.

The recess should be for no less than nor more than three weeks.

Respectfully,

COLMER CORPORATION

Kelsey Boltz

Kelsey Boltz

KB/pa

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

RECEIVED
JUL 1

224 New Customhouse
Denver 2, Colorado

July 12, 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Dmm-E797
Colamer Corporation
State claims 1 through 27
McKinley County, New Mexico

Dear Mr. Boltz:

Your Monthly Progress Report and Voucher for April, 1956 is being processed for payment. The following reinstatements and disallowances have been recommended by this office.

Reinstatements and disallowances; March, 1956 voucher:

Reinstatements

a) Hole E1450-N4700: the cost of 29 feet of core is reinstated
b) Hole E1450-N4900: the cost of 7 feet of core footage is reinstated
c) The amount of $1,000.00 withheld from the March, 1956 voucher is reinstated inasmuch as project work has been resumed.

Disallowances

a) Hole E1450-N4700: the cost of 20 feet of non-core drilling is disallowed

Note: Reference is made to the second paragraph of our letter to you, dated June 28, 1956, which tenatively outlines the basis for the above reinstatements and disallowance of footage involved in holes E1450-N4700 and E1450-N4900.

Disallowances from April, 1956 Voucher

Driller's logs submitted with the April, 1956 voucher indicate the non-core footage to be less than reported by your company. Following is a tabulation of non-core footage as reported by your company as opposed to the footages reported on the driller's logs.

Hole No.	Non-Core Footage Reported by Colamer	Non-Core Footage Reported on Driller's Logs	Excess Footage to be Disallowed
N3300-E850	190	150	40
N3400-E850	200	158	42
N3500-E850	200	154	46
Excess footage disallowed----------			128

If reclaim is made for the cost of the above footage, the reclaim must be accompanied by the Administrative Audit Difference Statement which will be mailed to you by the Region III Finance Office, and also by such supplemental documentation as is necessary to substantiate the footage involved in the reclaim. All reclaims must be submitted to Mr. Shaw's Office.

Very truly yours,

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

JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Chron.

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

RECEIVED
JUL 12 1956

224 New Customhouse
Denver 2, Colorado

July 10, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA ~~3532~~ 3632 (Uranium), Contract Idm-E797, Colamer Corporation (State Group of Claims), (Sec. 8, T 13 N, R 9 W), McKinley County, New Mexico

Enclosed are four copies of combined work denial and work approval, issued by the DMEA Field Team, Region III.

Also enclosed is the following material relative to the matter:

1. Four copies of a telegram of July 10, 1956, changing coordinate reference of a drill hole from E 650 - N 3000 to E 650 - N 3300.

2. Two copies of data supplied by the Operator.

3. Four copies of a memorandum report, dated June 25, 1956 from W. B. Gazdik, Geologist, Geological Survey.

Copies of the work approval have been distributed to the Finance Office, Region III, and to other offices concerned.

W. M. Traver

W. M. Traver

Enclosures

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	X
DAY LETTER	
NIGHT LETTER	

$ S E

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1206 (4-55)

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			U. S. Bureau of Mines 224 New Customhouse	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Denver, Colorado
July 10, 1956

RECEIVED
JUL 12 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel & Rouse Building
Grants, New Mexico

COPY

Re our telegram of July 6, 1956, and confirming letter of same date, drill hole referred to at coordinates E 650 - N 3000 should be coordinates E 650 - N 3300. Please acknowledge.

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

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. The applicable tariff charges on a message destined to any point in the continental United States listed in the Telegraph Company's Directory of Stations cover its delivery within the established city or community limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery by any available means as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

4-54

CLASSES OF SERVICE

DOMESTIC SERVICES

TELEGRAM

The fastest domestic service.

DAY LETTER (DL)

A deferred same-day service, at low rates.

NIGHT LETTER (NL)

Economical overnight service. Accepted up to 2 A. M. for delivery the following morning, at rates lower than the Telegram or Day Letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The fastest overseas service. May be written in code, cipher, or in any language expressed in Roman letters.

LETTER TELEGRAM (LT)

For overnight plain language messages, at half-rate. Minimum charge for 22 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea.

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	X
DAY LETTER	
NIGHT LETTER	

$ S E

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1206 (4-55)

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			U. S. Bureau of Mines 224 New Customhouse	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Denver, Colorado
July 10, 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel & Rouse Building
Grants, New Mexico

COPY

Re our telegram of July 6, 1956, and confirming letter of same date, drill hole referred to at coordinates E 650 - N 3000 should be coordinates E 650 - N 3300. Please acknowledge.

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

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For messages to and from ships at sea.

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

RECEIVED
JUL 12 1956

224 New Customhouse
Denver 2, Colorado

July 6, 1956

Mr. Kelsey Beltz
Calumet Corporation
Grants Division
Fidel & Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract EMu-8797
Calumet Corporation
McKinley County, New Mexico

Dear Mr. Beltz:

Reference is made to your undated request, received in this office April 27, 1956, and supplemental data forwarded by your letter of June 12, 1956, wherein you requested the Government's approval for the drilling of sixteen additional holes under Stages II and III of the Contract.

Confirming telegraphic advice to you of July 6, 1956, this constitutes denial by the Government of your request for approval of the sixteen additional Stage II and III holes, except for a Stage II hole at coordinates E 650 - N 3000.

The Government denies your request for approval of the additional holes because a study of all data presently available to this office indicates to this agency that further contribution by the Government to the costs of the drilling, except as herein noted, is not warranted.

In addition to the one new hole approved for drilling herein, you have eight previously approved holes which can be drilled, especially the hole at coordinates E 650 - N 3000, unless you deem that drilling of the holes is not warranted.

If you do not prefer to drill the holes that have been approved, please advise this office of your reasons.

If you do not desire to drill the holes that have been approved, we see no alternative other than that, as a matter of record, you request termination of the contract in its present status.

Very truly yours,

ERDA Field Team, Region III

W. M. Traver

E. M. Harshman

JWT:prl

cc: Chairman, Oper. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

IN REPLY REFER TO:
MINERAL DEPOSITS
DMEA
RECEIVED
JUN 29 1956

RECEIVED
JUL 12 1956
U. S. GEOLOGICAL SURVEY
DENVER, COLORADO

P. O. Box 300
Grand Junction, Colorado

June 29, 1956

DMEA
Date Rec'd
JUL 3 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

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

From: W. B. Gazdik

Subject: Interim report, DMEA docket 3632 (Uranium) contract Idm-8 197, Colamer Corporation, State group of claims (Sec. 8, T. 13 N., R. 9 W., NMPM), McKinley County, New Mexico.

Mr. G. Daly, geologist for the Colamer Corporation, submitted an undated geologic summary of work performed under the subject contract wherein he requested authorization to drill 15 holes. The operator failed to designate the proposed holes by stages, but from the spacing on the operator's map it was assumed that all of the holes are stage II holes (fig. 1). The map accompanying Mr. Daly's report was inadequate. He referred to holes in the text of his report that were not shown on the map and a considerable number of holes that were previously approved and drilled were also omitted. Consequently, the operator was informed that no action could be taken on his request until suitable supporting material was furnished. Revised and corrected maps together with a summary of pertinent data from drill holes completed to date were then submitted to this office June 5, 1956.

Mr. Daly bases his proposed hole location on the concept that tectonic structures controlled ore deposition in section 8. He believes that subtle anticlinal folds and noses influenced ore solutions and locally controlled emplacement of ore bodies. The relationship of tectonic features to ore deposits in the Grants district is uncertain and should be viewed with caution. Such structures may have controlled mineralized trends on a regional scale but no conclusive evidence relating anticlinal folds to sandstone type deposits is apparent in the Grants district. However, enough is now known from private drilling data and from observations at the outcrop to indicate that ore deposits in the Poison Canyon sandstone unit are closely related to sedimentary features generally associated with fluvial type sandstone beds. The ore deposit presently being mined in the Poison Canyon mine (section 19, T. 13 N., R. 9 W.) about 1-1/2 miles southwest of the subject property is a typical example of such a deposit. It appears that scour and fill features and crossbedded type sandstone controlled the emplacement of the Poison Canyon ore deposit.

The operator supports his relationship of structural folds to ore deposits in section 8 by a structure contour map drawn on the base of the

Dakota formation. The map was apparently compiled from data obtained from drill holes. Since the interval through the Dakota formation was not cored plus the fact that an unconformable contact exists between the Dakota formation and the underlying Morrison formation, such a map, drawn on a contour interval of 5 feet, is of questionable value. The elevations from which the contours were drawn could be in error by plus or minus 10 feet. This margin of error could eliminate the subtle structures that the operator proposes to explore.

Exploratory drilling has thus far disclosed one ore body in the northwest part of section 8 (fig. 1). The subject company estimates that this deposit contains 80,000 tons of uranium ore with an average grade of 0.22 percent and an average thickness of 8 feet. The ore deposit appears to be about 1,000 feet long and averages about 150 feet wide with the long axis trending southeasterly. The average depth to the ore body is about 250 feet. The outer limits of the ore deposit have been outlined approximately except possibly on the south and southwest boundaries where several more holes may be warranted. Both chemical and radiometric assays were used by the company to calculate the average grade of the ore body.

An appraisal of lithologic logs and drill maps suggests that significant mineralization in section 8 occurs in an area where the Poison Canyon sandstone unit of the Brushy Basin member is thicker than 50 feet. The ore body in the northwest part of the section is contained in a sandstone that averages about 55 feet thick. Drilling data further indicates that alteration in color of sandstone host rock from yellow orange and brown to yellow gray or light gray, alteration of included mudstone and claystone from red to green gray or gray and the presence of carbon, pyrite or limonite comprise a more reliable set of guides to ore than the relationship of anticlinal folds to ore deposits as presented by the operator.

Four offset holes on 200-foot centers around drill hole 23 in the eastern part of section 8 were requested by the company (fig. 1). These proposed stage II holes were located on his map at coordinates 4050E - 3600N, 4050E - 3800N, 4250E - 3400N and 4250E - 3800N. The proposed hole at coordinates 4050E - 3800N was referred to in the report as being located at coordinates 4050E - 3000N. It was assumed that his report was in error and the proposed hole was plotted on fig. 1 at coordinates 4050E - 3800N in the location shown on the operator's map. According to radiometric assay data, the Poison Canyon sandstone unit was barren in drill hole 23, although slightly mineralized sandstone and mudstone was found above and below this stratigraphic unit. The Poison Canyon sandstone unit is about 30 feet thick in the vicinity of drill hole 23, and mineralized material was found as shown below.

Hole No.	Mineralized interval	Thickness	Grade
23	163.0 ft - 164.0 ft.	1 ft.	0.08% U_3O_8
	201.0 ft - 205.0 ft.	4 ft.	0.02% "
	289.0 ft - 291.0 ft.	2 ft.	0.02% "

Near the central part of section 8 the operator proposes to offset drill hole no. 5 with 3 holes on 200-foot centers located at coordinates 1650E - 2600N, 1850E - 2800N and 2850E - 2600N (fig. 1). A stage II hole at coordinates 1850E - 2400N offsetting hole no. 5 to the south had been previously approved but was not drilled for some unknown reason. Drill hole no. 5 and drill hole no. 5A about 50 feet to the southwest cut poorly mineralized rock, as shown by radiometric assay. The ore-bearing sandstone is 30 feet to 40 feet thick in the vicinity of drill hole no. 5, and mineralized material was penetrated as shown below.

Hole No.	Mineralized interval	Thickness	Grade
5	255.5 ft. - 258.0 ft.	2.5 ft.	0.05% U_3O_8
5A	261.0 ft. - 263.0 ft.	2.0 ft.	0.02% U_3O_8

The two proposed holes offsetting drill hole no. 61, two-hundred feet to the east and west at coordinates 850E - 2000N and 1250E - 2000N together with the three proposed locations at 450E - 2400N, 650E - 2400N and 850E - 2400N are located in areas where stage I drilling indicated that the Poison Canyon sandstone unit is about 40 feet thick and not very favorable for ore deposits. The company geologist selected these proposed hole locations on the basis of what he called ore-grade material in drill hole no. 61 and on the inferred presence of a gentle anticlinal fold that is barely discernible on his structure contour map. Drill hole no. 61 did not cut ore-grade material although mineralized rock was penetrated in the Poison Canyon sandstone, according to gamma log data supplied by the operator, as shown below.

Hole No.	Mineralized interval	Thickness	Grade
61	192.0 ft. - 197.5 ft.	5.5 ft.	0.08% U_3O_8

Proposed drill hole locations at coordinates 450E - 3000N, 650E - 300N, 850E - 3000W and 50E - 3700W were requested in order to further delimit the ore body found in the northwest part of section 8. The ore deposit appears to be approximately defined except, perhaps, on the south and southwest boundaries. The proposed location at coordinates 850E - 3000W would more fully delimit the south extension of the ore deposit and the previously approved location at coordinates 650E - 3300N might define a possible southwest extension of mineralized ground.

Drill holes nos. 43, 47, 64, 71, 75, 1450 - 5100, 1450 - 4900, 2250 - 4900, 2250 - 4700, and 2650 - 3700 which were classified on the operator's map as mineralized were downgraded to barren (fig. 1) because slight mineralization in some of these holes was found only in mudstones above and below the Poison Canyon sandstone unit, while sufficient data to properly classify other holes was lacking.

A summary of data from holes completed to date was sent to the Executive Officer by the operator and, therefore, is not included with this report.

SUMMARY AND RECOMMENDATIONS

An ore body of substantial size was found by drilling under the subject contract in the northwest part of section 8. Exploratory drilling in the rest of the section was not too encouraging.

The operator requested approval of 16 stage II holes. His proposed locations were based, primarily, on the concept that subtle tectonic structures locally controlled ore deposition. The relationship of uranium deposits to anticlinal folds is uncertain in the Grants district. An appraisal of lithologic drill logs indicates that significant mineralization is found where the Poison Canyon sandstone unit in section 8 is thicker than normal (50 feet or more). Probably stratigraphic and sedimentary structures played an important part in localizing ore bodies. The operator's proposed drill holes are located in areas where the thickness of the ore-bearing sandstone is 45 feet or less and in areas where mineralized rocks found by stage I drilling is either too weak or is restricted to mudstones above and below the ore-bearing sandstone.

It is concluded that exploratory drilling under the subject contract has reached its objectives. Section 8 has been sufficiently explored and the ore body found in the northwest part of the section has been approximately defined except, perhaps, on the south and southwest. It is recommended, therefore, that the operator's request for additional drilling be denied, except for the hole proposed at coordinates 850E - 3000W. The drill hole previously approved at coordinates 650E - 3300N should also be drilled. It is further recommended that when the two above-mentioned holes are completed, drilling under the subject contract be terminated and a certification of discovery be made pending results of data from this drilling.

W. B. Gazdik

W. B. Gazdik,
Geologist.

WBG/mlr

Enclosures (fig. 1)

COLAMER CORPORATION

GRANTS DIVISION

FIDEL & ROUSE BLDG.

GRANTS, NEW MEXICO

June 12, 1956

JUL 12 1956

DMEA
Date Rec'd.
JUN 14 1956
BUREAU OF MINES
Denver, Colorado

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

Re; DMEA Docket 2192,
Cont. Km-[illegible]

Dear Mr. Traver:

Six copies of this data are being mailed to you, three of which are contained in this envelope. The other three are being mailed under separate cover.

Very truly yours,

COLAMER CORPORATION

KELSEY [illegible]

[illegible]

RECEIVED
JUL 12 1956

RECAPITULATION OF DRILLING UNDER CONTRACT Idm-E797

DMEA DOCKET 3632 SECTION 8, T13N, R9W, McKINLEY COUNTY, NEW MEXICO

This is a tabulation of all the holes drilled to date on the subject area including the drilling done with corporation funds. The tabulation of the holes shows if they are barren and if mineralized the interval and horizon in which the mineralization occurs.

For convenience the holes in or near the orebody are listed separately.

Two maps accompany this tabulation: the 200' to the inch scale map is of the entire section. The 50' to the inch scale map shows in detail the area of the orebody.

ABBREVIATIONS:

PC	Poison Canyon Sandstone
WWC	Westwater Sandstone
SH	Shale
c	Chemical Assay
r	Radiometeric Assay

HOLE NO.	BARREN	MINERALIZED INTERVAL	%U308	REMARKS
1 - 4 incl.	X			
5		255.5 - 258.0	0.050 r	PC
5A		261.0 - 263.0	0.025 r	PC
6	X			
7				@ 350, 6" asphaltic material, 0.110 c, Bottom WWC
8	X			
9		208.5 - 309.0	0.020 r	In SH below PC
10 - 22 incl.	X			
23		163.0 - 164.0	0.080 r	In SS above PC
		201.0 - 205.0	0.020 r	In SH above PC
		289.0 - 291.0	0.025 r	Top WWC
24 - 42 incl.	X			
43		295.0 - 297.0	0.018 r	Top WWC
44 - 46 incl.	X			
47				@ 242, 6" asphaltic material, 0.050 r, Bottom PC
48 - 55 incl.	X			
56		279.0 - 279.5	0.015 r	Anonalous radioactivity in SH above WWC
57				@ 311, 0.040 r, 3" asphaltic material in SH above WWC
58 - 60 incl.	X			
61		192.0 - 197.5	0.080 r	In PC
62	X			
63		226.5 - 228.0	0.030 r	In PC
64		305.0 - 307.0	0.080 r	In top of WWC
65 - 70 incl	X			
71		199.0 - 200.5	0.020 r	In Asphaltic material @ Bottom PC
72 - 73 incl.	X			
74		231.0 - 232.0	0.015 r	In SH below PC
75				@ 248, 0.040 r, 2" asphaltic material in SH below PC
76		258.5 - 261.0	0.173 c	
77		252.5 - 258.5	0.170 c	
		258.5 - 267.0	0.216 c	
78	X			

HOLE NO.	BARREN	MINERALIZED INTERVAL	%U3O8	REMARKS
650-3300				not drilled
" 3500		215.5 - 218.5	0.060 r	PC
" 3700		242.5 - 247.0	0.050 r	
		302.5 - 304.0	0.120 r	Top WWC
" 3900	X			
" 4100	X			
" 4300	X			
" 4500				not drilled
" 4700				not drilled
1050-2200	X			
" 2600	X			
" 3000	X			
" 3400		227.0 - 235.0	0.061 c	PC
" 3800	X			
" 4200	X			
" 4600	X			
" 5000	X			
1450-2300				Not drilled
" 2500				Not drilled
" 2900	X			
" 3100	X			
" 3300	X			
" 3500	X			
" 3700	X			
" 4100	X			(Company)
" 4300	X			(Company)
" 4500	X			
" 4700	X			
" 4900		271.5 - 272.0	0.02 r	In SH above PC
" 5100		315.0 - 316.0	0.03 r	In SH split in PC
1850-2400				Not drilled
" 3200	X			(Company)
" 3600	X			
" 4000	X			
" 4400	X			
" 4800	X			
" 5200				Not drilled
2250-3500	X			
" 3700	X			
" 3900	X			
" 4100	X			
" 4300	X			
" 4500	X			
" 4700		254.0 - 255.0	0.03 r	In SH between PC & WWC
" 4900		299.5 - 300.5	0.03 r	In SH above WWC
" 5100	X			
2650-3800		230.0 - 231.0	0.020 r	Top PC
" 4200	X			
" 4600	X			
" 5000	X			

HOLE NO.	BARREN	MINERALIZED INTERVAL	%U308	REMARKS
50-3900		261.5 - 265.5	0.105 r	
50-4000		266.0 - 268.5	0.035 r	
50-4050		250.5 - 252.5	0.053 r	
50-4100		242.6 - 246.6	0.275 c	
		246.6 - 247.6	0.105 r	
50-4150		245.5 - 250.0	0.095 c	
50-4200		244.0 - 245.0	0.089 c	
		245.0 - 246.8	0.144 c	
		246.8 - 248.0	0.056 c	
50-4300		264.0 - 266.0	0.077 r	
50-4400				Not drilled
150-3800		254.0 - 255.0	0.040 r	
150-3900		255.5 - 263.2	0.132 c	
150-4000		259.5 - 265.6	0.088 c	
150-4050		246.0 - 248.0	0.093 c	
		263.7 - 266.0	0.151 c	
150-4100		247.2 - 252.1	0.191 c	
		260.5 - 262.5	0.209 c	
		262.5 - 264.0	0.064 c	
150-4150		247.0 - 249.0	0.128 c	
		257.0 - 259.2	0.109 c	
		264.0 -265.4	0.146 c	
150-4200		248.0-250.0	0.105 r	
150-4300		252.0 - 258.6	0.143 c	
150-4400	X			
250-3600		269.5 - 271.0	0.020 r	
250-3700		248.4 - 251.8	0.133 c	
		255.0 - 257.0	0.302 c	
76		258.5 - 261.0	0.173 c	
250-3850		242.5 - 245.5	0.141 r	
		255.5 - 256.5	0.102 r	
250-3900		246.0 - 253.0	0.182 c	
		253.0 - 254.8	0.090 c	
250-3950		246.7 - 252.0	0.102 c	
		252.0 - 254.0	0.140 c	
250-4000		251.0 - 254.5	0.102 r	
		256.0 - 260.0	0.130 r	
250-4050		249.0 - 252.0	0.154 c	
		256.1 - 259.5	0.105 c	
250-4100		250.0 - 261.0	0.270 c	
250-4150		251.2 - 266.1	0.261 c	
77		252.5 - 266.1	0.170 c	
		258.5 - 267.0	0.216 c	
250-4250		248.5 - 258.5	0.234 c	
		263.4 - 266.2	0.165 c	
250-4300		252.0 - 257.0	0.210 c	
250-4400	X			

HOLE NO.	BARREN	MINERALIZED INTERVAL	%U3O8	REMARKS
300-3900		249.0 - 251.0	0.142 c	
		251.0 - 258.0	0.389 c	
		258.0 - 259.0	0.157 c	
300-4050		249.5 - 252.7	0.121 c	
		252.7 - 255.7	0.165 c	
		255.7 - 259.6	0.134 c	
350-3600		246.0 - 247.5	0.033 r	
350-3700		243.1 - 246.0	0.243 c	
350-3800		239.5 - 253.5	0.204 c	
		255.4 - 257.0	0.110 c	
350-3900		242.0 - 252.0	0.115 c	
350-4000		247.5 - 257.6	0.232 c	
350-4100		251.5 - 257.0	0.126 c	
350-4200		256.5 - 259.5	0.041 r	
350-4300		258.1 - 264.2	0.101 c	
350-4400	X			
400-3750		237.0 - 241.0	0.163 c	
		241.0 - 245.0	0.180 c	
		245.0 - 246.8	0.107 c	
450-3600		227.0 - 228.0	0.030 r	
450-3700		229.8 - 234.0	0.090 c	
		234.0 - 238.4	0.300 c	
450-3800		239.4 - 243.5	0.111 c	
		244.5 - 246.0	0.101 c	
450-3900		243.0 - 250.0	0.040 r	
		252.0 - 254.5	0.030 r	
450-4000		252.5 - 257.0	0.050 r	
450-4100		250.0 - 250.5	0.020 r	
500-3650		228.5 - 230.0	0.160 c	
		231.0 - 238.5	0.190 c	
		247.5 - 249.0	0.181 c	
500-3750		234.5 - 236.0	0.101 r	
550-3500	X			
550-3600		238.0 - 241.0	0.231 c	
		241.0 - 243.0	0.093 c	
550-3700		229.3 - 232.7	0.097 c	
		232.7 - 239.0	0.214 c	
		239.0 - 242.0	0.110 c	
600-3650		236.0 - 244.5	0.102 r	
650-3500		215.5 - 218.5	0.060 r	
650-3600		236.6 - 241.0	0.115 c	
		241.0 - 243.0	0.093 c	
650-3650		238.0 - 241.0	0.102 r	
650-3700		242.5- 247.0	0.050 r	
		302.5 - 304.0	0.120 r	(in WWC)
650-3900	X			
700-3550		233.0 - 235.0	0.122 c	
		239.5 - 245.5	0.050 r	
750-3400		239.0 - 242.0	0.060 r	

HOLE NO.	BARREN	MINERALIZED INTERVAL	%U308	REMARKS
750-3500		219.0 - 223.0	0.040 r	
		227.0 - 231.0	0.020 r	
		237.0 - 240.0	0.112 c	
750-3600		231.0 - 237.0	0.040 r	
		239.0 - 245.0	0.040 r	
750-3700		243.0 - 249.0	0.030 r	
800-3450		244.0 - 247.0	0.045 r	
850-3200		222.0 - 232.0	0.050 r	
850-3300		228.0 - 231.0	0.090 r	
		233.0 - 238.0	0.114 c	
850-3400		226.0 - 232.5	0.120 r	
		232.5 - 235.5	0.086 r	
		235.5 - 236.5	0.147 r	
850-3500		238.5 - 240.0	0.090 r	
900-3350		227.0 - 234.0	0.075 r	
		234.0 - 239.0	0.102 r	
950-3200		228.0 - 232.0	0.116 r	
950-3300		225.8 - 231.0	0.095 c	
		231.0 - 233.0	0.142 c	
		233.0 - 236.0	0.096 c	
950-3400		227.6 - 232.7	0.061 c	
		232.7 - 234.8	0.103 c	
		234.8 - 238.0	0.090 c	
950-3500	X			
1000-3350		231.5 - 237.0	0.158 r	
63		226.5 - 228.0	0.030 r	
1050-3300		228.8 - 231.0	0.088 c	
		231.0 - 236.2	0.131 c	
		236.2 - 238.2	0.064 c	
1050-3400		227.0 - 235.0	0.061 c	
1150-3200	X			
1150-3300		234.5 - 239.0	0.040 r	
1150-3400		231.0 - 243.0	0.030 r	

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

It appears that uranium mineralization in section 8, T13N, R9W, is controlled partially by structure. Bearing in mind that the very good but as yet undetected possibility that other criteria governing uranium mineralization exist here, for example, thickness of sandstone, porosity of sandstone, and change in associated minerals of the host rock, it is still true that with few exceptions ore grade material and best mineralization occur in structural traps. Quite possibly the subtleness of the structure in section 8 is largely responsible for the small sinuous ore body as compared to the large blanket type found in the larger structure of the Ambrosia Lake Dome.

RECEIVED
JUL 12 1956

It has been noted that the following conditions exist in every ore hole drilled in section 8.

1. The hole was drilled on structure and nearby faulting is usually present.

2. The Poison Canyon sandstone has been abnormally thick in all ore holes, i.e. 40 to 70 feet thick as compared to 10 to 40 feet in other areas.

3. The ore is always associated with bleached Poison Canyon sandstone
   a.) In most holes an abundance of pyrite has been noted.
   b.) In some holes limonite was detected in or near the ore body.
   c.) In no mineralized holes was hematite found.

The most important and highest recommended area for second and third stage drilling is where first stage drilling has shown that the above conditions exist with the added emphasis of some mineralization having been encountered. As can be seen on the map, the ore body roughly conforms to the structure contours and occurs on the flanks and nose of a gentle anticlinal fold.

1.) since hole 61 contained ore grade material,
2.) since 61 is also on an anticlinal fold,
3.) as there has been little drilling done on the SE flank of the fold containing the ore body,

it is strongly recommended that 2nd and 3rd stage drilling be continued in this area.

Proposed drill sites:

As shown on the accompanying map the following holes are requested: 450E-2400N, 450E-3000N, 650E-2400N, 650E-3000N, 850E-2000N, 850E-2400N, 850E-3000N, and 1250E-2000N. This pattern is designed to intersect any mineralization following the contours of the nose containing the ore body. It is believed very possible that the mineralization may occur along the 6825 contour line, continuously from hole 1050E-3200N, to hole 61. This pattern in conjunction with careful geologic work and gamma ray probing should prove or disprove the presence of ore in this area.

RECEIVED JUL 12 1966

The second area in which 2nd and 3rd stage drilling is recommended is in the vicinity of hole no. 5, near the center of the section. Hole no. 5 is located on the nose of an anticlinal fold and contains 2 feet of well mineralized sandstone. It is quite possible that this mineralization is a continuation of the mineralization extending southeastward from the ore body. All three of the observed conditions mentioned earlier in this report as being in or near the ore body exist in this hole. Therefore, it is strongly recommended that offset drilling be carried out near this hole, there being enough undrilled land nearby to conceal a significant amount of mineralization.

Proposed drilling:

The following drill sites are requested: 1650E-2600N, 2050E-2600N, and 1850E-2800N. Hole no. 1850E-2400N has already been approved and is now recommended for drilling. This pattern should prove or disprove the presence of mineralization in this area.

The third area in which 2nd and 3rd stage drilling should be done is in the northeast quadrant of the map where exists a gentle nose of an anticlinal fold. First stage drilling disclosed two slightly mineralized holes one of which, hole 23, is mineralized in three separate horizons.

To be certain that no ore bodies have been overlooked, hole 23 should be offset with at least four holes.

Proposed drilling:

The following drill sites are requested: 4050E-3600N, 4050E-3000N, 4250E-3400N, and 4250E-3800N. This pattern should intercept any worthwhile mineralization in this area.

The final area in which 3rd stage drilling should be done is in the vicinity of the ore body. In one spot, near hole 250E-3700N, no drilling has been done to the west and the true extent of the ore body is unknown, since the last hole drilled was in ore. It is recommended that 3rd stage drilling be carried out here to determine the true extent of the ore body. Hole no. 50E-3700N is requested.

Very truly yours,

COLAMER CORPORATION

Gene K. Ealy

GENE K. EALY,
Geologist

GKE/pb

7/9/56 gla

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

224 New Customhouse
Denver 2, Colorado

July 6, 1956

Mr. Kelsey Boltz
Colamar Corporation
Grants Division
Fidel and Rouse Building
Grants, New Mexico

RECEIVED
JUL 9 - 1956

Re: Docket DMEA 3632 (Uranium)
Contract Idm-K797
Colamar Corporation
McKinley County, New Mexico

Dear Mr. Boltz:

By letter of June 15, 1956, we forwarded to you the original and five copies of proposed Amendment No. 3 to Contract Idm-K797, which was prepared pursuant to your letter of June 13, 1956, to authorize a suspension of operations from April 6, 1956, to not later than July 10, 1956, and extend the period for completion of the project work from August 15, 1956, to September 15, 1956.

Please give prompt attention to the matter of returning the executed copies of the Amendment to this office.

Very truly yours,

W. M. TRAVER

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

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

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

RECEIVED
JUN 14 1956

224 New Customhouse
Denver 2, Colorado

June 11, 1956

Mr. Kelsey Boltz
Calumet Corporation
Grants Division
Fidel and Hanna Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-8797

Dear Mr. Boltz:

In your letter of April 16, 1956 you advised that the suspension of operations would not involve further extension of the date fixed for completion of the project work as provided by Amendment No. 2. In addition, you advised that you proposed to resume operations on or before May 10, 1956.

On the basis of the foregoing information, we advised you that a formal amendment authorizing the suspension of operations would not be necessary. However, our records indicate that operations have not been resumed, even though eight previously approved holes remain to be drilled.

In addition to the eight previously approved holes that remain to be drilled, you have recently requested the Government's approval for the drilling of sixteen additional holes.

If you are desirous of maintaining the contract in force subsequent to the date fixed for completion of the project work, which is August 15, 1956, you should immediately request a further extension of that date for such additional time as you deem will be necessary to enable completion of all contemplated drilling.

In addition to extending the date fixed for completion of the project work, it will now be necessary that the period within which operations were suspended be incorporated in the amendment. Therefore, please supply the following information:

1. The date the last work was performed under the contract.

2. The date on or before which operations will be resumed.

3. The exact length of time you deem necessary to extend the date fixed for completion of the project work.

Very truly yours,

W. M. TRAVER

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

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

DARD FORM No. 14
PPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

Straight Telegram

FROM Denver, Colorado

BUREAU DMEA, Bureau of Mines

CHG. APPROPRIATION 6970.4 NCH 1827

U. S. GOVERNMENT PRINTING OFFICE 10—1723

May 22, 1956

RECEIVED
MAY 24 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Bldg.
Grants, New Mexico

Reurtel May 22, 1956 Docket 3632, Contract Idm-E797, Radiometric logs for holes A-27, A-28 and A-30 not received here. Payment on March, 1956 voucher withheld pending receipt of these logs.

J. W. Townsend

J. W. Townsend

JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Accounts
Chron.

MAY 24 1956

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

(17).

LA223

L AYB129 RX PD=GRANTS NMEX 22 1155AMM= 1956 MAY 22 PM 12 28

MR TOWNSEND=224 NEW COUSTOMHOUSE

DVR=

RE: DOCKET 3632 CONTRACT IDM-E797 PLEASE NOTIFY ME IF ALL LOGS HAVE BEEN SENT TO YOU CONCERNING MARCH REPORT=

COLAMER CORP KELSEY BOLTZ=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

May 7, 1956

Memorandum

To: Catherine Curtin, Statistics and Control Division

From: Hazel Berry, Operating Committee

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 and the Audit Division. This amendment does not require review by the Legal Division.

Colamer Corporation, DMEA-3632, Idm-E797, Amendment No. 2.

Attachment-1

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

RECEIVED
APR 23 1956

224 New Customhouse
Denver 2, Colorado

April 20, 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA-3632 (Uranium)
Contract Idm-E797
Sprecher, Phil and Christmas Day
claims, Valencia and McKinley
Counties, New Mexico

Dear Mr. Boltz:

Reference is made to your letter of April 17, 1956 requesting information as to when payment may be expected on the December, January and February Monthly Reports and Vouchers for Contract Idm-E797.

The Finance Office has informed us that payments on the three vouchers have been approved and the schedules for payment sent to the Disbursing Office as of April 19, 1956. Therefore, the payments should be received by your company within a short time.

Very truly yours,

W. M. TRAVER

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

Copy to: Mr. Frank Boylin, Pres.
Colamer Corporation
545 Fifth Avenue
New York 17, New York

JDC:jy

cc: Corresp. E797)
Sec. Op. Comm. (2)) w/copy of
Shaw (2)) Operator's letter
Townsend)
Chron.

x Write → Answer

COLAMER CORPORATION

GRANTS DIVISION

FIDEL & ROUSE BLDG.

GRANTS, NEW MEXICO

April 17, 1956

RECEIVED
APR 23 1956

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

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

Re: Docket 3632, DMEA
Contract Idm-E797

Dear Mr. Traver:

We have still not received reimbursement for drilling on this contract for the months of December, January and February. I understood that everything was in order and that no more information was necessary for the completion of these monthly reports. If there is some material lacking please advise me immediately so that we can get this thing taken care of.

Our New York office writes me once a week asking me when these checks are going to come in, and I would like to be able to give them an answer.

Thank you.

Very truly yours,

COLAMER CORPORATION

Kelsey Boltz

KELSEY BOLTZ

KB/pb

April 20, 1956

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 2, dated April 5, 1956, and has indicated that the amendment does not require further review by the Legal Division.

/s/ Grace L. Ault

Grace L. Ault

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

RECEIVED
APR 20 1956

224 New Customhouse
Denver 2, Colorado

April 18, 1956

Mr. Kelsey Boltz
Colomer Corporation
Grants Division
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium),
Contract Idm-E797

Dear Mr. Boltz:

Thank you for your letter of April 16, 1956, providing the information requested in our letter of April 13.

We will defer for the time being the preparation of a formal Amendment to authorize the recess of operations, expecting that prompt attention will be given by you to the matter of evaluating the results of the prior work and submitting to this office your proposal relative to future work.

Our records through the month of March, 1956, indicate that there are seven approved holes in addition to the three holes on the E. 850 co-ordinate approved April 2, 1956, which have not been drilled. The holes are as follows:

E. 50 - N. 4400
E. 650 - N. 4500
E. 650 - N. 4700
E. 1450 - N. 2300
E. 1450 - N. 2500
E. 1850 - N. 2400
E. 1850 - N. 5200.

The E. 50 - N. 4400 is a Stage III hole for which verbal approval was given December 16, 1955, and the two holes E.650 co-ordinate are Stage II holes approved at the same time. The balance of the holes are Stage II holes which were approved by our letter

of February 2, 1956, in addition to the holes for which verbal approval had been given December 16, 1956.

We will appreciate advice from you as to the status of the above listed holes.

Very truly yours,

W. M. TRAVER

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

JWT:prl
cc: Chairman, Oper. Comm. (2)) w/copy of Operator's letter of
Marshman) April 16, 1956.
Shaw (2))
Hasler)
Townsend)
Corres. file
Chron.

COLAMER CORPORATION
GRANTS DIVISION
FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

April 16, 1956

RECEIVED
APR 20 1956
DMEA
Date Rec'd.
APR 18 1956
BUREAU OF MINES
Denver, Colorado

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

Re: Docket DMEA 3632
Contract Idm-E797

Dear Mr. Traver:

Reference to your letter of April 13 concerning our request for approval for suspension of operations.

The following are answers to your three questions:

1. Holes No's. 850E-3300N, 850E-3400N, and 850E-3500N have been drilled. In addition all holes previously approved have been drilled and the reports of these holes have been sent with the March MF-104.

2. This suspension of operations will not involve further extention of the completion date as provided by proposed Amendment No. 2.

3. Operations were suspended April 9, 1956, at which time all presently approved holes were completed. After proper evaluation of our information, we propose to resume operations on or before May 10, 1956.

Very truly yours,

COLAMER CORPORATION

Kelsey Boltz

KELSEY BOLTZ

KB/pa

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

RECEIVED
APR 20 1956

224 New Customhouse
Denver 2, Colorado

April 18, 1956

Mr. Frank Boylin, President
Colamer Corporation
545 Fifth Avenue
New York 17, New York

Re: Docket DMEA-3632 (Uranium)
Contract Idm-E797
State claims 1 through 27
McKinley County, New Mexico

Dear Mr. Boylin:

Your Monthly Report and Voucher for February, 1956 is being processed with the following deduction.

Plug-bit footage of 230 feet was reported for Hole 1050-4600. However, the drilling contractor's logs show only 225 feet of plug-bit drilling in this hole. The excess 5 feet is disallowed.

5 feet plug-bit drilling at $1.54 per foot----------$7.70

Please revise Forms MF-104 and MF-104A in your future reports to reflect the above disallowance.

Very truly yours,

W. M. TRAVER

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

Copy to: Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Bldg.
Grants, New Mexico

JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Chron.

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

RECEIVED
APR 1 9 1956

224 New Customhouse
Denver 2, Colorado

April 17, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3632 (Uranium), Contract Idm-E797, Colamer Corporation, McKinley County, New Mexico

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E797, which has been executed under authority delegated to this office, to extend the date fixed for completion of the project work from May 15, 1956, to August 15, 1956. In addition, the Amendment extends the period for royalty payments from ten years to eleven years.

Also enclosed are four copies of the Operator's letter of March 29, 1956, requesting the extension of the completion period.

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

W. M. Traver

W. M. Traver

Enclosures

DMEA
Date Rec'd.

APR 2 1956

BUREAU OF MINES
Denver, Colorado

March 29, 1956

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

Re: DMEA Docket 3632
Contract Idm-2797

Dear Mr. Traver:

The expiration date of Contract Idm-2797 is May 15, 1956. It has become apparent that we will not be able to finish all of our drilling under this contract be this time. Therefore, this letter will serve as a request for an extention of this expiration date to August 15, 1956.

Respectfully,

COLMER CORPORATION

Kelsey Bolz

KELSEY BOLTZ

KB/pa

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

RECEIVED
APR 16 1956

224 New Customhouse
Denver 2, Colorado

April 13, 1956

Mr. Kelsey Boltz
Colomer Corporation
Grants Division
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-K797

Dear Mr. Boltz:

Reference is made to your letter of April 11, 1956, wherein you request the Government's approval for a suspension of operations for a period of three weeks to enable evaluating results of work completed.

Ordinarily, a formal mutual agreement as to a suspension of operations for a short period of time to enable evaluation of the results of work completed need not be executed, provided the suspension of operations will not involve an extension of the period within which the work is to be completed.

Proposed Amendment No. 2, now in your possession for signature, when executed by the parties concerned, will extend the date for completion of the work to August 15, 1956.

In this particular case, before further consideration can be given your request for a recess of operations, please supply the following information by return mail:

1. Have the three drill holes at coordinates 3300 N. - 850 E., 3400 N. - 850 E., and 3500 N. - 850 E., approved by our letter of April 2, 1956, been drilled? In addition, have all holes previously approved for drilling been drilled? If so, and if the holes are not reported and the results thereof shown in your February or prior reports, please submit a map showing the location of the holes drilled and a summary of the results obtained.

2. Whether or not the present suspension of operations you request will involve a further extension of the completion date as provided by proposed Amendment No. 2.

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APR 1 1952

the date operations were suspended and the date
fore which they will be resumed.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, NMMA
Field Team, Region XII

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

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

RECEIVED
APR 6 - 1956

224 New Customhouse
Denver 2, Colorado

April 4, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3632 (Uranium), Contract Idm-E797, Colamer Corporation, (State Claims 1 to 27) McKinley County, New Mexico

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III.

Also enclosed are four sets of data relevant to the work approval.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
APR 6 - 1956

224 New Customhouse
Denver 2, Colorado

April 2, 1956

Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Attention: Mr. Kelsey Boltz

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797
State Claims 1 to 27
McKinley County, New Mexico

Gentlemen:

In reference to your letters of February 27 and March 14, 1956, and consistent with the provisions of the contract, this constitutes the Government's approval of holes to be drilled under Stage III of the contract as follows:

1. Drill one hole at coordinate 3300 N. - 850 E.

2. Drill one hole at coordinate 3400 N. - 850 E.

3. Drill one hole at coordinate 3500 N. - 850 E.

The three other holes for which approval was requested are not approved for the following reasons:

a. The holes at coordinates 3600 N. - 450 E. and 3600 N. - 650 E. are too close to holes previously drilled at company expense.

b. Drilling the hole at coordinate 3300 N. - 1050 E. is not approved because adjacent holes previously drilled are too poorly mineralized to warrant further offset drilling at this time.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

W. M. Traver

E. N. Harshman

JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file
Harshman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

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

March 29, 1956

Memorandum

RECEIVED
APR 6 - 1956

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3632 (Uranium), Contract Idm-E 797, Colemer Corporation (State Group of claims), McKinley County, New Mexico

Enclosed are the original and eight copies of a memorandum (with one figure) by W. B. Gazdik, U. S. Geological Survey, recommending approval of four additional Stage II holes and six additional Stage III holes as requested by the applicant in letters of March 1, and February 27, 1956.

As discussed in your letter of March 16, 1956, to the applicant, the four Stage II holes were previously requested by him and approved by the Field Team in a work approval dated February 2, 1956.

There is little or no data upon which to base either approval or denial of the six Stage III holes requested in the operator's letter of February 29, 1956. Both the operator and the enclosed memorandum state that these holes will offset mineralized or ore holes drilled at company expense, but no data on the U_3O_8 content, depth, or thickness of the purported mineralized or ore-grade material are given in either the request or the memorandum. A map is included with the memorandum but it does not show the location of the company holes which are to be offset or the distance between the company holes and the proposed offset holes.

Based on data furnished at various times by the applicant and at the expense of about four man days' labor, the examining engineer prepared a map showing the Stage I, II, and III holes (DMEA) known to have been drilled as well as the company holes on which he had information. Based on this map, included with a memorandum to you dated March 28, 1956, it appears that the holes requested at coordinates E. 650, N. 3600, and E. 450, N. 3600 fall on or very close

to two holes drilled by the company. Although some offset drilling in this area appears justified, clarification of the location of the Stage III holes with respect to company holes is necessary prior to approval.

The three holes requested on East coordinate 850 and respectively 3300, 3400, and 3500 North may be justified on the basis that they will test for the southeasterly extension of the one known ore body in an area between EMEA and company ore holes to the northwest and essentially barren or poorly mineralized company and EMEA holes to the southeast.

The hole at coordinates N. 3300, E. 1050 lies between two poorly mineralized EMEA holes the northern of which was offset by a barren company hole. Drilling of this hole does not appear justified at this time.

With your concurrence, and for reasons outlined above, I would recommend at this time only the three Stage III holes located on East coordinate 850. Other Stage III drilling is undoubtedly justified in the area northwest of these three holes, but clarification of the position of such holes with respect to previously drilled company or EMEA holes should be furnished by the applicant prior to Field Team action.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (9)

ENHarshman:arh

MINERAL DEPOSITS
IN REPLY REFER TO:

RECEIVED
MAR 20 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colorado

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

March 19, 1956

RECEIVED
APR 6 - 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. B. Gazdik

Through: J. William Hasler DRM for J.W.H
J. F. Shaw
E. N. Harshman DRM for E.N.H

Subject: DMEA 3532, contract Idm-E 797,
Colamer Corporation, State group of claims, McKinley County, New Mexico (Uranium)

In a letter sent to your office, dated March 1, 1956, Mr. Kelsey Boltz, geologist for the Colamer Corporation, requested authorization to drill 4 additional stage II holes under the subject contract. The proposed drill holes would extend or delimit the mineralized zone running southeasterly from ore holes 76 and 77 and are within the thick, favorable ore-bearing sandstone present in the north half of section 8 (Fig. 1).

Reference is also made to a letter from Mr. Boltz to your office, dated February 27, 1956, which requested 6 additional stage III holes. These proposed drill holes would offset mineralized and ore holes drilled by company funds and would be located in the above described favorable area (Fig. 1).

The Grand Junction representatives recommend that the above-mentioned requests be approved.

William B. Gazdik
William B. Gazdik,
Geologist.

WBG/mlr

Enclosures (Fig. 1)

I concur with the above recommendations.

W. D. McMillan

RECEIVED
APR 6 - 1956

DMEA
Date Rec'd.
MAR 29 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
March 28, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw JWW for

From: W. D. McMillan

Subject: DMEA Docket 3612, Contract Idm-2797, Colemer Corporation, State claims 1 to 27, Section 8, T. 13 N., R. 9 W., McKinley County, New Mexico. Review of Stage II and Stage III drilling through February 29, 1956.

With this review a coordinate map is attached showing the location of Stage II and Stage III drill holes, which are numbered A-1 etc. and B-1 etc. in the order of dates of completion.

The pertinent data with dates of completion, coordinates and the radiometric and chemical analyses are given below.

Stage I with 15 holes indicated radiometrically 11.0 feet of 0.11 percent U_3O_8 in Hole 76 and 16.0 feet of 0.23 percent U_3O_8 in Hole 77. All the others were less than 0.04 percent U_3O_8.

Stage II with 16 holes, indicated uranium ore in 3 holes, Hole A-7, coordinates 3500 N, 650 E indicated radiometrically 4 feet of 0.063 percent U_3O_8, Hole A-8, coordinates 3600 N, 250 E indicated 2.5 feet of 0.044 percent U_3O_8, and Hole A-9, coordinates 3400 N, 1050 E indicated radiometrically 8.0 feet of 0.051 percent U_3O_8, with a chemical analysis of the same interval of 0.054 percent.

Stage III with 18 holes indicated uranium ore in 4 holes and favorable ground in 1 hole as shown below.

Hole No.	Coordinates N	Coordinates E	Radiometric % U_3O_8		Chemical % U_3O_8	
B-1	4160	50	245.0-249.0	0.121	242.6-248.6	0.27
B-2	4260	50	243.5-244.5	0.083	244.0-248.0	0.081
			246.0-249.0	0.047		
B-3	3900	250	247.5-255.5	0.1522	245.0-254.8	0.160
B-4	4100	250	250.5-263.0	0.318	250.0-261.0	0.270
B-6	4300	50	241.0-243.0	0.264		
B-7	3700	250	250.0-259.0	0.140	248.4-256.8	0.135
					255.0-257.0	0.302

The only ore holes drilled in these stages are B-1, and B-6, 30 feet east of the west line, with a non-ore hole between B-3, 4 and 7, 250 feet east of the west line.

The map shows the location of 4 Stage II holes on line 14450 that have been approved and 6 stage III holes for which approval is requested. P-1 is between Stage I, 63 and Stage I - 9, Operator 34 hole, which were barren, and P-6 is at same location as O-25, which was also barren. Denial of Holes P-1 and P-6 is recommended. Holes P-5 and O-31 which encountered ore, are at the same location. Holes P-2, P-3 and P-4 require geological justification.

Pertinent Data
Stage I Drill Holes

Hole No.	Coordinates N	E	Uranium Content Percent Radiometric
61	2000	1050	Fair - less than 0.04
62	2400	"	Nil
63	3200	"	Slight
64	3600	"	Slight
65	4000	"	Slight
66	4800	"	Slight
67	5200	"	Slight
14	2800	"	Slight
15	4400	"	Slight
74	3000	250	Slight
75	3400	"	Slight
76	3800	"	11.0 ft. 0.10
77	4200	"	16.0 ft. 0.23
78	4600	"	Slight
3	5000	"	Slight

Pertinent Data on Stage II and III,
Drill Holes, Coordinates

Stage II

Hole No.	Date Completed	N	E	Radiometric $\% U_3O_8$	Chemical $\% U_3O_8$
A1	12/17/55	4000	250	Fair - less than 0.015	
A2	12/21/55	4100	650	Slight	
A3	12/21/55	4400	250	Slight	
A4	12/22/55	3900	650	Fair - less than 0.015	
A5	1/3/56	4300	650	Slight - " " 0.015	
A6	1/10/56	3700	650	243.0-248.0 " 0.055	
A7	1/16/56	3900	650	215.5-219.0 0.063	
A8	1/18/56	3600	250	304.0-305.5 0.08	
				305.5-306.5 0.04	
A9	2/13/56	3400	1050	227.0-235.0 0.051	227.0-235.0 0.034
A10	2/14/56	3000	"	Slight	
A11	2/14/56	2600	"	Slight	
A12	2/14/56	2200	"	262.0-263 0.02	
A13	2/20/56	3800	"	268.0-272 less than 0.013	
A14	2/22/56	4200	"	260.0-271 " " 0.016	
A15	2/23/56	4600	"	269.0-280 " " 0.013	
A16	2/28/56	5000	"	No record	

Stage III

B1	1/12/56	4100	50	245.0-249.0 0.21	242.6-246.6 0.27
B2	1/12/56	4200	50	243.5-244.5 0.083	244.0-248.0 0081
				246.0-247.0 0.047	
B3	1/13/56	3900	250	247.5-255.5 0.150	245.0-254.8 0.160
B4	1/17/56	4100	250	250.5-263.0 0.318	250.0-261.0 0.279
B5	1/20/56	4300	250	251.5-258.0 0.180	
				259.0-260.5 0.033	
B6	1/21/56	4300	50	264.0-266.0 0.264	
B7	1/23/56	3700	250	250.0-259.0 0.14	248.4-251.8 0.133
					255.0-257.0 0.302
B8	1/25/56	3900	450	244.0-249.5 0.05	
B9	1/31/56	3700	450	212.0-243.5 0.065	
B10	2/10/56	3800	450	239.0-246.0 0.10	

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Other Holes - Idm-8797 Drilled by Operator

Hole No.	Coordinates N	Coordinates E	Radiometric Results
0-1	3900	50	4.5' - 0.140
0-2	4000	50	3.0' - 0.140
0-3	4050	50	1.0' - 0.120
0-4	4150	50	5.0' - 0.101
0-5	3800	150	1.5' - 0.04
0-6	3900	150	9.0' - 0.168
0-7	4000	150	5.0' - 0.120
0-8	4050	150	3.5' - 0.134
0-9	4100	150	17.0' - 0.168
0-10	4150	150	4.0' - 0.138
0-11	4200	150	2.5' - 0.140
0-12	4300	150	8.0' - 0.178
0-13	1400	150	less than 0.013
0-14	3850	250	5.0' - 0.174
0-15	3950	250	9.0' - 0.176
0-16	4050	250	8.0' - 0.146
0-17	4150	250	16.5' - 0.346
0-18	4250	250	18.5' - 0.228
0-19	3700	350	6.5' - 0.248
0-20	3800	350	20.0' - 0.228
0-21	3900	350	10.5' - 0.131
0-22	4000	350	11.5' - 0.254
0-23	4100	350	3.0' - 0.155
0-24	4200	350	less than 0.06
0-25	3600	450	less than 0.03
0-26	3800	450	7.0' - 0.117
0-27	4000	450	3.5' - 0.06
0-28	4100	450	less than 0.04
0-29	3500	550	less than 0.01
0-30	3600	550	12.0' - 0.155
0-31	3600	650	10.5' - 0.170
0-32	2600	1100	less than 0.01
0-33	3000	1100	less than 0.01
0-34	3400	1100	less than 0.01
0-35	3800	1100	less than 0.07

Scott W. Hazing
for W. D. McMillan
Mining Engineer

WDM/sw
Idm-8797
Chron
cc: 9

DMEA
Date Rec'd
MAR 16 1956
BUREAU OF MINES
Denver, Colorado

March 14, 1956

RECEIVED
APR 6 - 1956

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

Dear Mr. Traver:

Enclosed are copies of a map showing the 3rd stage holes requested in my letter of February 27, 1956. This map shows the position of ore and mineralized holes with respect to the proposed locations. I believe that these proposed holes will extend the ore body appreciably in a south easterly direction.

Yours truly,

COLANER CORPORATION

Kelsey Boltz

KELSEY BOLTZ

KB/pa

February 27, 1956

DMEA
Date Rec'd.

FEB 29 1956

BUREAU OF MINES
Denver, Colorado

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

Re: Docket 3632,
Contract Idm-E797

Dear Mr. Traver:

This letter will serve as a request for the following 3rd Stage holes: 1050E - 3300N, 850E - 3400N, 850E - 3300N, 850E - 3500N, 650E - 3600N, 450E - 3600N.

These holes are all offsets of mineralized and ore holes drilled by our Company with Corporation funds. All this drilling appears to be extending the discovery to the southeast. Radiometeric logs of all previous holes drilled on this contract have been sent to your office and, when plotted, will show this southeast trend.

Respectfully,

COLAMER CORPORATION

KELSEY BOLTZ

KB/pa

cc: J.W. Hasler
U.S. Geological Survey
Grand Junction, Colorado

John F. Shaw
Supervising Mining Engineer
Building 20
Denver Federal Center
Denver, Colorado

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

RECEIVED
FEB - 3 1956

224 New Customhouse
Denver 2, Colorado

February 3, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3632 (Uranium), Contract Idm-E797, Colamer Corporation, State Group of Claims, McKinley County, New Mexico

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III.

Also enclosed are two copies of the Operator's request for the work approval and four copies of a report by D. D. Haynes, Geologist, U. S. Geological Survey, and concurrence therein by John F. Shaw, Supervising Mining Engineer, U. S. Bureau of Mines.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

February 2, 1956

Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA-3632 (Uranium), Contract
Idm-E797, State Claims 1 to 27
McKinley County, New Mexico

Gentlemen:

This constitutes confirmation of verbal approval of December 16, 1955 by the DMEA Field Team, Region III, for you to drill ten (10) offset holes under Stage II of the contract, as requested. In addition, you are authorized to drill thirty-nine (39) additional holes under Stage II and eleven (11) holes under Stage III. The approved locations of all sixty (60) holes are shown on the map entitled "Figure 1. Sketch Map of Section 8, T. 13 N., R. 9 W., N.M.P.M., Showing Stage II Drill Holes Approved, Location of Proposed Stage II Drill Holes and Location of Proposed Stage III Drill Holes, State 1-27 Claims, Colamer Corporation, McKinley County, New Mexico," which is attached hereto and made a part of this work approval.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA FIELD TEAM, REGION III

W. M. Traver

W. M. Traver

E. N. Hershman

E. N. Hershman

Encl.
JWT:bh
cc-Chair. Op. Comm. (4) w/map
Finance Office, Region III w/map
Amendment File, Region III "
Hershman "
Hasler "
Shaw (2) "
Townsend
Corres. File E-797 "
Chron.

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
January 30, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw

Subject: DMEA 3638, contract Idm-2797, Colamer Corporation, State group of claims, McKinley County, New Mexico

Reference is made to the operator's request for Stage II and Stage II drilling, under contract Idm-2797.

It is recommended that the operator be authorized to drill 39 Stage II holes and 11 Stage III holes at the locations shown on figure 1 attached to the Memorandum from D. B. Haynes to the Executive Officer, dated January 23, 1956.

John F. Shaw
Supervising Mining Engineer

JFS/mw

DMEA
Date Rec'd
JAN 31 1956
BUREAU OF MINES
Denver, Colorado

MINERAL DEPOSITS
DMEA
RECEIVED
JAN 26 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

January 23, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: D. D. Haynes

Through: J. William Hasler
E. N. Harshman

Subject: DMEA 3632, contract Idm-E 797, Colamer Corporation, State group of claims, McKinley County, New Mexico

Mr. Kelsey Boltz of the Colamer Corporation, in a letter dated November 30, 1955, requested 78 stage II drill holes to test, what he considered, favorable areas and structures found in stage I drilling. Maps, showing proposed hole locations and structures, were not submitted with the request. Therefore, Haynes and Walker recommended that an evaluation of stage I drilling and the location of stage II holes be postponed until suitable maps and other geologic data were received.

On December 13 Mr. Boltz requested 10 stage II holes to offset mineralized and ore holes drilled in stage I. Verbal authorization to drill 10 stage II holes, in locations shown on figure 1, was given the Colamer Corporation on December 16, 1955. The Grand Junction examining team was of the opinion that the grade and thickness of ore and mineralized material in holes 75, 76, and 77 was ample justification for the 10 stage II holes.

On January 13, Mr. Boltz requested 39 additional stage II holes and 11 stage III holes. Also, maps were submitted showing the proposed hole locations, and the thickness of the Poison Canyon sandstone. These maps were completed after all 78 stage I holes were drilled.

As can be seen from the isopach map of the Poison Canyon sandstone, a fairly wide zone of thick sandstone exists in the north half of section 8. It is within similar zones in which the sandstone thickens that the ore deposits of the area are found. Holes 76 and 77, both of which contain ore-grade material, are located in this zone of thickened Poison Canyon sandstone. Holes 47, 63, 64 and 75 all contained mineralized material of sub-ore grade. These four holes were also in the zone in which the sandstone thickened appreciably.

Also, in the immediate vicinity of ore deposits, limonite is very abundant. In holes 55, 56, and 57 limonite staining was present in the Poison Canyon sandstone. Therefore, it is recommended that 39 stage II holes be approved, in locations shown on figure 1, to more fully explore the zone in which the Poison Canyon sandstone shows an appreciable thickening and in which limonite staining is present.

The operator also requested 11 stage III holes to offset holes 76 and 77, so as to more fully develop the ore body that may exist in that area. It is recommended that 11 stage III holes be approved in locations shown on figure 1.

Donald D. Haynes

Donald D. Haynes,
Geologist.

DDH/mlr

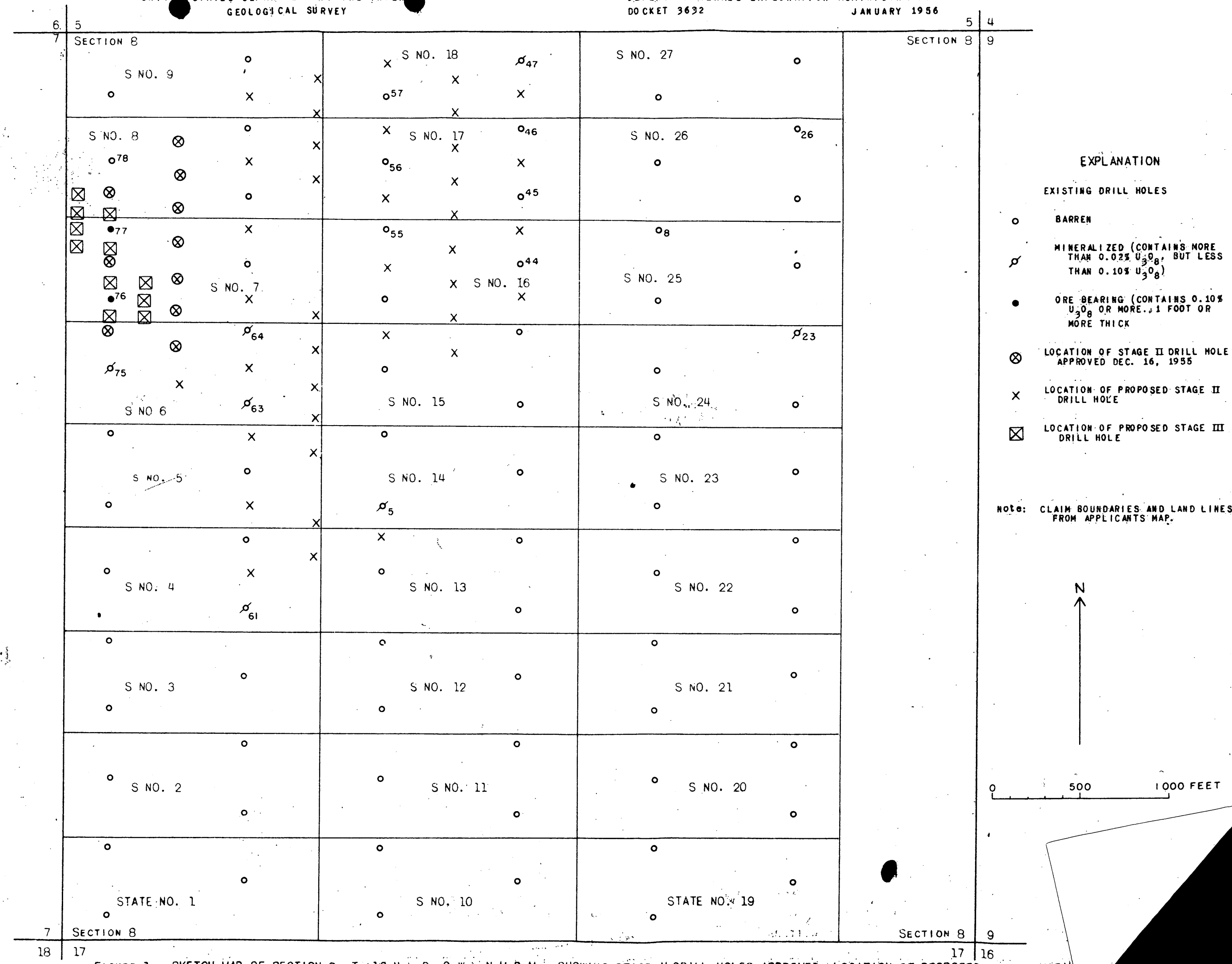


FIGURE 1. SKETCH MAP OF SECTION 8, T. 13 N., R. 9 W., N.M.P.M., SHOWING STAGE II DRILL HOLES APPROVED, LOCATION OF PROPOSED STAGE II DRIL
LOCATION OF PROPOSED STAGE III DRILL HOLES, STATE 1-27 CLAIMS, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO

DMEA
Date Rec'd.
JAN 16 1956
BUREAU OF MINES
Denver, Colorado

SUMMARY OF FIRST STAGE DRILLING
DMEA DOCKET 3632, CONTRACT Idm-E797

The first stage of this contract was primarily designed to investigate the favorability of the Poison Canyon Sandstone and the Westwater Sandstone. The Poison Canyon Sandstone was investigated in more detail than the Westwater Sandstone for the reason that within the immediate area the mineralization more often occurs in the Poison Canyon Sand.

Holes No's. 1 to 15 were drilled to a depth of approximately 10 feet below the top of the Recapture Creek Member. Some of the remaining holes were drilled through to 20 feet below the top of the Westwater formation. All others investigated only the Poison Canyon unit.

After corelating the results of these holes, an isopach map of the Poison Canyon Sandstone and a structural contour map on the top of the Poison Canyon sandstone were constructed. Copies of these maps are included in this report. The structural contours show a narrow north-south trending depression along the 1850E coordinate line. This depression also shows up in the Dakota Sandstone above the Brushy Basin indicating that the depression is caused by structural change rather than changes in the thicknesses of the Poison Canyon Sandstone. Furthermore, this depression is in direct line with a north-south trending shear zone which can be traced on the surface through sections 17 and 20 to the south.

As can be seen from the isopach map there exists in the north half of section 8 a fairly wide zone of thick Poison Canyon Sand. This thick zone can be traced from holes 76 and 77 to the areas of holes 63 and 64; thence to holes 44, 8, and 26. It is along this thick zone that the most favorable mineralization was found. Hole no. 77 shows 16 feet of 0.23% U_3O_8. Hole 76 shows 3½ feet of 0.20% U_3O_8. On the isopach map are plotted several ore holes which have been drilled with company funds that show 3 feet of 0.10% U_3O_8 or better. Very favorable mineralization also was found in hole no's. 63 and 64. All this mineralization occurs in the Poison Canyon Sandstone.

Approximately 1½ feet of 0.13% U308 appears in holes no's. 75, 76, 63 and 64 near the top of the Westwater Canyon member. This information when plotted on the isopach map indicates that the mineralization is following the general trend of this thick sand zone which is roughly NW-SE.

From the results of the holes drilled along this thick zone, possibilities of encountering similar area of mineralization appear very good. Hole no. 61 showed mineralization in the Poison Canyon Sandstone from 190 feet to 200 feet. This mineralization was asphaltic in nature and averaged approximately 0.05% U308. Hole no. 5 showed very favorable mineralization in the Poison Canyon Sand at a depth of 204 feet which averaged approximately 0.03% U308 for a thickness of 1 foot. There exists in the north half of the section, above the Poison Canyon sand, another sand member which varies in thickness from 15 to 40 feet. In hole no. 23 this sand unit contained approximately 1 foot of 0.04% U308 which occured at the very bottom of the sand unit at a depth of 164 feet. In hole no. 47, mineralization in an asphaltic spot at the bottom of the Poison Canyon sand was found at a depth of 204 feet. Holes 45 and 46 show common asphaltic material, but only slight mineralization.

Besides the above described ore and mineralization several other important characteristics have been found. In hole no. 76 immediately above and in contact with the ore zone the sand grains are coated with yellowish gray limonite stain. This same limonite stain exists in hole no. 75 in the same zone and is slightly mineralized. Westvaco Mining Co. also found this very light yellowish limonite stain in or near the peripheries of mineralized areas in Sections 21 and 17. It would appear, then, that this type of limonite stain could indicate the presence of nearby mineralization. Holes no's. 55, 56, and 57 show presence of this limonite stain in the Poison Canyon Sand. Also hole no. 57 showed slight mineralization near the bottom of the Poison Canyon Sand. Similar conditions exist in hole no. 5.

CONCLUSIONS

Evaluation of the information obtained on first stage drilling shows that presence of the following conditions indicates favorable ground:

1. Poison Canyon Sandstone 45 feet or more in thickness with no or few shale splits.

2. Light yellowish gray limonite stain in Poison Canyon Sandstone.

3. Presence of asphaltic material.

4. Abundance of pyrite in area.

5. Abundant fracturing in the area.

SECOND STAGE

For the above reasons proposed second stage holes are located as shown in color on the isopach map. At this time only 49 holes of the second stage are being requested. Ten of these holes, marked in orange, are holes which were requested and approved by William Hasler; USGS, Grand Junction, Colorado, December 16, 1955.

THIRD STAGE

Because of the fact that commercial ore has been found in holes no's. 76 and 77 and seven more holes drilled with Corporation funds show minable thickness and grade, 11 third stage holes marked in green on the isopach map.

Colmer Corp
Kelly Poole

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

224 New Customhouse
Denver 2, Colorado

February 2, 1956

Calumet Corporation
Fidel and Reuse Building
Grants, New Mexico

Re: Docket DMEA-3632 (Uranium), Contract
Idm-2797, State Claims 1 to 27
McKinley County, New Mexico

Gentlemen:

This constitutes confirmation of verbal approval of December 16, 1955 by the DMEA Field Team, Region III, for you to drill ten (10) offset holes under Stage II of the contract, as requested. In addition, you are authorized to drill thirty-nine (39) additional holes under Stage II and eleven (11) holes under Stage III. The approved locations of all sixty (60) holes are shown on the map entitled "Figure 1. Sketch Map of Section 8, T. 13 N., R. 9 W., N.M.P.M., Showing Stage II Drill Holes Approved, Location of Proposed Stage II Drill Holes and Location of Proposed Stage III Drill Holes, State 1-27 Claims, Calumet Corporation, McKinley County, New Mexico," which is attached hereto and made a part of this work approval.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA FIELD TEAM, REGION III

W. M. Traver

W. M. Traver

E. H. Hershman

E. H. Hershman

Encl.
MT:kh
cc-Chair. Op. Comm. (4) w/map
Finance Office, Region III w/map
Amendment File, Region III "
Hershman "
Healey "
Shaw (2) "
Townsend
Corrum. File E-797 "
Chron.

RECEIVED
FEB 5 1956

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
January 30, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw

Subject: DMEA 1632, contract Idm-8797, Calumet Corporation, Stein group of claims, McKinley County, New Mexico

Reference is made to the operator's request for Stage II and Stage II drilling, under contract Idm-8797.

It is recommended that the operator be authorized to drill 19 Stage II holes and 11 Stage III holes at the locations shown on figure 1 attached to the memorandum from E. B. Kagan to the Executive Officer, dated January 23, 1956.

John F. Shaw
John F. Shaw
Supervising Mining Engineer

JFS/mw

DMEA
Date Rec'd. JAN 31 1956
BUREAU OF MINES
Denver, Colorado

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

MINERAL DEPOSITS
DMEA
RECEIVED
JAN 26 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

January 23, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: D. D. Haynes

Through: J. William Hasler
E. N. Harshman

Subject: DMEA 3632, contract Idm-E 797, Colamer Corporation, State group of claims, McKinley County, New Mexico

Mr. Kelsey Boltz of the Colamer Corporation, in a letter dated November 30, 1955, requested 78 stage II drill holes to test, what he considered, favorable areas and structures found in stage I drilling. Maps, showing proposed hole locations and structures, were not submitted with the request. Therefore, Haynes and Walker recommended that an evaluation of stage I drilling and the location of stage II holes be postponed until suitable maps and other geologic data were received.

On December 13 Mr. Boltz requested 10 stage II holes to offset mineralized and ore holes drilled in stage I. Verbal authorization to drill 10 stage II holes, in locations shown on figure 1, was given the Colamer Corporation on December 16, 1955. The Grand Junction examining team was of the opinion that the grade and thickness of ore and mineralized material in holes 75, 76, and 77 was ample justification for the 10 stage II holes.

On January 13, Mr. Boltz requested 39 additional stage II holes and 11 stage III holes. Also, maps were submitted showing the proposed hole locations, and the thickness of the Poison Canyon sandstone. These maps were completed after all 78 stage I holes were drilled.

As can be seen from the isopach map of the Poison Canyon sandstone, a fairly wide zone of thick sandstone exists in the north half of section 8. It is within similar zones in which the sandstone thickens that the ore deposits of the area are found. Holes 76 and 77, both of which contain ore-grade material, are located in this zone of thickened Poison Canyon sandstone. Holes 47, 63, 64 and 75 all contained mineralized material of sub-ore grade. These four holes were also in the zone in which the sandstone thickened appreciably.

Also, in the immediate vicinity of ore deposits, limonite is very abundant. In holes 55, 56, and 57 limonite staining was present in the Poison Canyon sandstone. Therefore, it is recommended that 39 stage II holes be approved, in locations shown on figure 1, to more fully explore the zone in which the Poison Canyon sandstone shows an appreciable thickening and in which limonite staining is present.

The operator also requested 11 stage III holes to offset holes 76 and 77, so as to more fully develop the ore body that may exist in that area. It is recommended that 11 stage III holes be approved in locations shown on figure 1.

Donald D. Haynes

Donald D. Haynes,
Geologist.

DDH/mlr

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

RECEIVED
JAN 6 1956

224 New Customhouse
Denver 2, Colorado

January 4, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3632 (Uranium), Contract Idm-E797, Colamer Corporation, "State" Claims 1 through 27, McKinley Co., New Mexico;
Docket DMEA 3621 (Uranium), Contract Idm-E802, Colamer Corporation, Christmas Day Group, Valencia and McKinley Counties, New Mexico

Supplementing information forwarded by our memorandum of December 22, 1955, we are enclosing four copies of a letter, dated December 29, 1955, from Mary B. Prior, Secretary, Swan-Finch Oil Corporation, wherein it is stated that Swan-Finch did not acquire the property involved under the subject Contracts as implied in the press release of September 14, 1955.

W. M. Traver

W. M. Traver

Enclosures

SWAN-FINCH OIL CORPORATION

338 Hudson Street, Hackensack, New Jersey
Hubbard 9-9150
New York Telephone - Murray Hill 6-2953

5849 WEST 66TH STREET
CHICAGO 38, ILL.
SUMMIT 1216

1820 EAST 9 MILE ROAD
HERON, MICH.
JORDAN 4-5081

Cable Address
"ALIST HACKENSACK"

Secretary's Office:
545 Fifth Avenue
New York 17, N.Y.
December 29, 1955.

1956

F. N. Harshman, Esq.,
Acting Executive Officer,
DMEA Field Team, Region III,
224 New Customhouse,
Denver 2, Colorado.

Dear Mr. Harshman:

Referring to your December 12th letter relative to our reply dated November 19, 1955 to your letter dated November 14, 1955:

This is to advise you that no interest in the land described under Article 2 of Contracts Idm-E797 and Idm-E802 has been transferred to Swan-Finch Oil Corporation. While the press release dated September 14, 1955, inaccurately referred to acquisition of title by Swan-Finch Oil Corporation, Swan-Finch acquired only the stock of Colamer Corp., which was then and still is the sole owner of the leases covering such land.

Very truly yours,

Mary B. Prior,
Secretary.

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

224 New Customhouse
Denver 2, Colorado

December 28, 1955

Mr. Frank Boylin, President
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: DMEA Docket No. 3632, Contract Idm-E797, State Nos. 1 through 27 Claims, McKinley County, New Mexico

Dear Mr. Boylin:

Reference is made to your letter dated December 19, 1955 in which you state that leases to the property connected with DMEA Contracts Idm-E797 and Idm-E802 have not been assigned to Swan Finch Oil Corporation. We are sorry that payment has been held up for such a long time on your October voucher, but it was necessary that the matter of property ownership be cleared up. The Monthly Vouchers for October and November, 1955 for work performed under Contract Idm-E797 are now being processed for payment.

We request that five copies of a map or maps showing all work to date be prepared and included in your next monthly report and all subsequent monthly reports. No maps were submitted with the November report.

Very truly yours,

W. M. Traver

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

JDC:jy
cc: Corresp. E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Chron.

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

RECEIVED
DEC 27 1955

224 New Customhouse
Denver 2, Colorado

December 22, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA 3632 (Uranium), Contract Idm-E797, Colamer Corporation, "State" claims 1 through 27, McKinley County, New Mexico

Docket DMEA 3621 (Uranium), Contract Idm-E802, Colamer Corporation, Christmas Day Group, Valencia and McKinley Counties, New Mexico

In conjunction with the matter discussed in your letter of December 7, 1955, and prior correspondence, we are enclosing four copies of a letter from Frank Boylin, Colamer Corporation, dated December 19, 1955, wherein he states that the leases to the property concerned under the subject contracts have not been assigned to Swan Finch Oil Corporation, regardless of the statement of Swan Finch Oil Corporation to that effect in the press release of September 14.

On the strength of the Operator's statement, we will process MF-104 reports which we have held in deferment.

E. N. Harshman

By J. W. Townsend
J. W. Townsend

Enclosures

COLAMER CORPORATION

GRANTS DIVISION

FIDEL & ROUSE BLDG.

GRANTS, NEW MEXICO

December 19, 1955

DMEA
Date Rec'd.

DEC 20 1955

BUREAU OF MIN...
Denver, Colorado

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

Re: Docket DMEA 3621
Contract Idm-E802
and
Docket DMEA 3632
Contract Idm-E797

Dear Mr. Traver:

In reference to the articles which have appeared recently in various newspapers, I wish to state, as President of Colamer Corporation, that the leases to the property concerned under the referenced DMEA Contract have not been assigned nor has any portion thereoff been assigned to Swan Finch Oil Corp. The leases remain with Colamer Corporation.

I hope that this will straighten this matter out for you.

Sincerely,

COLAMER CORPORATION

Frank Boylin

FRANK BOYLIN

FB/pa

See Answer 3621 cy for Summer 2HB 12/7/55

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

140

DEC - 7 1955

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

Re: Docket Nos. DMEA-3621 and DMEA-3632
Colamar Corporation
State and Christmas Bay Claims
Contracts Nos. Idm-8802 and Idm-8797
Valencia & McKinley Counties, N. Mex.

Dear Mr. Traver:

This responds to your memoranda dated November 9 and 28, 1955, to the Operating Committee concerning the subject contracts.

A copy of a press release of the Swan-Finch Oil Corporation dated September 14, 1955, submitted with your earlier memorandum, stated that it had acquired all the stock of the Colamar Corporation. In a letter dated November 19, 1955, in reply to yours of November 14, 1955, the Colamar Corporation informed you that neither the contracts nor any rights thereunder had been assigned or transferred, and that the work was being performed.

Your letter of November 14 did not ask, and Colamar Corporation's letter of November 19 did not advise, whether any interest in land held by Colamar had been transferred to Swan-Finch. Presumably, from the foregoing, none has, but since Colamar's letter of November 19 does not so state, inquiry should be made of Colamar in this respect. If it is determined from Colamar's response that no interest in land has been transferred by it to Swan-Finch, there is no legal objection to the continued payment of vouchers submitted by Colamar.

Sincerely yours,

George C. Selfridge (2HB)
Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan (2HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (2HB)
Member, Geological Survey

HCRubin/emd 12/5/55
Copy to: DMEA Docket (2)
Adm. R. File
Op. Comm.
J. E. Crawford, Bu.Mines
T. H. Kiilsgaard, G. S.
E. W. Ellis
R. P. Dwyer
H. C. Rubin chron. pending

FILE CO
Surname:
Ching
Ellis

December 1, 1955

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Michael Ching, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket Nos. DMEA-3621 and DMEA-3632
Contract Nos. Idm-E802 and Idm-E797
Colamer Corporation
State and Christmas Day Claims
Valencia and McKinley Counties, New Mexico

Will you kindly review Mr. W. M. Traver's memorandum of November 28, by J. W. Townsend, and related correspondence concerning the subject properties and determine the position that DMEA should take.

For your information, Colamer Corporation is represented in Washington by Weaver and Roughnet, Suite 705, 1701 - K Street, N. W., telephone REpublic 7-1015. Mr. H. Douglas Weaver has been handling a Colamer application under Docket No. DMEA-4017.

/S/

Michael Ching

MChing/izm
12-1-55
cc to: Admr.'s Reading File
Docket No. 3621
" " 3632
Code 700 -3621
" " 3632
Mr. Ching

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

RECEIVED
DEC - 1 1955

124 New Customhouse
Denver 2, Colorado

November 28, 1955

Mary B. Prior, Secretary
Calumet Corporation
145 Fifth Avenue
New York 17, New York

Re: DMEA Docket 1632 (Uranium) Contract Idm-E797, Calumet Corporation, "Ruth" claims 1 through 27, McKinley County, New Mexico

DMEA Docket 1621 (Uranium) Contract Idm-E802, Calumet Corporation, Christmas Bay Group, Valencia and McKinley Counties, New Mexico

Dear Mrs. Prior:

We acknowledge receipt of your letter of November 19, 1955 requesting payment for work performed during October 1955 under DMEA Contract Idm-E797.

The matter referred to in the second paragraph of your letter has been forwarded to our Washington office for their determination of the action to be taken concerning the new ownership of the subordinated land. We must necessarily continue to withhold payment on this voucher pending advice from the Washington office.

Yours very truly,

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

By J. W. Townsend

R.B:jy
cc: Corresp. File E797
Corresp. File E802
Sec. Gp. Comm. (4)
J. F. Shaw (4)
J. W. Townsend (2)
Chron.

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

RECEIVED
NOV 30 1955

224 New Customhouse
Denver 2, Colorado

November 28, 1955

AIR MAIL

Memorandum

To: Secretary, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3632 (Uranium) Contract Idm-E797, Colamer Corporation, "State" Claims 1 through 27, McKinley County, New Mexico

DMEA Docket 3621 (Uranium) Contract Idm-E802, Colamer Corporation, Christmas Day Group, Valencia and McKinley Counties, New Mexico

Enclosed is a photo copy of a letter dated November 19, 1955 from Colamer Corporation in reply to our notice to them that payment for work performed in October, 1955 under Contract Idm-E797 would be withheld. Please refer to our memorandum of November 9, 1955 requesting action by the Washington Office in this matter.

J. W. Shireman, our DMEA legal representative here in Denver, is of the opinion that "Owner's Consent to Lien" forms covering the properties in question and signed by Swan-Finch Oil Corporation are required to fully protect the Government's claim to royalty payments.

The legal section of your office may have a different opinion in the matter. Therefore, it is forwarded for your consideration and advice to us as soon as possible, so that we can advise the Operator of any requirement, and to enable us to continue processing current accounting reports.

W. M. Traver

By J W Townsend
J. W. Townsend

Enclosure

COLAMER CORP.

GRANTS, N. M.

Secretary's Office:
545 Fifth Avenue
New York 17, N. Y.

November 19, 1955.

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

Re: Docket LMSA 3632 (Uranium),
Contract Ida-E797, Colamer
Corporation, McKinley County, N.M.

Dear Mr. Traver:

Mr. Frank Boylin, President of this Corporation, has asked me to reply to your letter to him under date of November 14th.

This will advise you that the above contract and any rights thereunder have not been assigned nor transferred. This contract remains with the Colamer Corporation and work thereunder is proceeding in accordance therewith.

We will appreciate it therefore if you will forward payment on our Voucher for October.

Very truly yours,

COLAMER CORPORATION

BY [illegible]
Secretary

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

Recd. 12-1-55

Denver Federal Center
Denver, Colorado

November 23, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations

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

DMEA Docket

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

W. M. Traver

By Townsend

Enclosures

Colamer Corporation
McKinley Co., N. Mexico
Section # 8
DMEA Docket No. 3632

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
61			0.0 - 200.5	99.0 - 100.4	1.4	280			<0.005	
				175.8 - 177.3	1.5	360			<0.010	
				190.7 - 192.2	1.5	1400			0.031	
				192.2 - 194.3	2.1	1800			0.039	
				195.6 - 197.3	1.7	1000			0.024	
61-4			2.0 - 162.0	Barren						

* From top to bottom depths

Colamer Corporation
McKinley Co., N. Mexico
Section # 8
DMEA Docket No. 3632

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
61			0.0	200.5	99.0	100.4	1.4	280			<0.005	
					175.8	177.3	1.5	360			<0.010	
					190.7	192.2	1.5	1400			0.031	
					192.2	194.3	2.1	1800			0.039	
					195.6	197.3	1.7	1000			0.024	
61-4			2.0	162.0	Barren							

* From top to bottom depths

Colamer Corporation
McKinley Co., N. Mexico
Section # 8
DMEA Docket No. 3632

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
61			0.0 - 200.5	99.0 - 100.4	1.4	280			<0.005	
				175.8 - 177.3	1.5	360			<0.010	
				190.7 - 192.2	1.5	1400			0.031	
				192.2 - 194.3	2.1	1800			0.039	
				195.6 - 197.3	1.7	1000			0.024	
61-4			2.0 - 162.0	Barren						

* From top to bottom depths

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

RECEIVED
NOV 17 1955

November 14, 1955

384 New Customhouse
Denver 2, Colorado

Mr. Frank Boylin, President
Colamar Corporation
Fidel and Romas Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium), Contract 14s-8797, Colamar Corporation, McKinley County, New Mexico

Dear Mr. Boylin:

Your Monthly Progress Report and Voucher for October, 1955 has been received in this office.

As your office has advised us, by means of a form letter dated September 14, 1955 that all Colamar Corporation stock has been acquired by Sunn-Finch Oil Corporation, we are withholding payment on the voucher pending satisfactory resolution of the stock transfer according to Article 1 (e) of DMEA Contract 14s-8797.

Very truly yours,

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

By J. W. Townsend
J. W. Townsend

JDC:jy
cc: Sec. Op. Comm. (2)

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

224 New Customhouse
Denver 2, Colorado

November 9, 1955

RECEIVED
NOV 14 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3632 (Uranium) Contract Idm-E797, Colamer Corporation, "State" Claims 1 through 27, McKinley County, New Mexico
and
DMEA Docket 3621 (Uranium) Contract Idm-E802, Colamer Corporation, Christmas Day group, Valencia and McKinley Counties, New Mexico

Enclosed are four photo copies of a formal report to stockholders of the Swan-Finch Oil Corporation. Lands referred to in this report contain those subordinated to the Government under the two subject Colamer Corporation contracts. One copy of this report was received in this office attached to settlement sheets and partial royalty payment made by Colamer Corporation for production from the Christmas Day group (Contract Idm-E802).

We refer this matter to the Washington DMEA office for your appropriate action as no request has been received to date from Colamer Corporation for an assignment of their contracts to the Swan-Finch Oil Corporation.

To date the DMEA has paid $14,949.49 (including September 1955 MF-104 report) to Colamer Corporation for work performed

under Contract Idm-E797 and $866.25 for work performed during June 1955 under Contract Idm-E802. We will withhold all future payments under E797 and E802 pending further action in this matter by Washington office personnel.

W. M. Traver

RECEIVED
NOV 14 1956

By J. W. Townsend
J. W. Townsend

Enclosures

SWAN-FINCH OIL CORPORATION
238 Hudson Street, Hackensack, New Jersey
Hubbard 9-9150
New York Telephone — Murray Hill 6-2953

5640 WEST 60TH STREET
CHICAGO 38, ILL.
SUMMIT 1216

1000 EAST 8 MILE ROAD
DETROIT, MICH.
JORDAN 4-5630

Cable Address
"LOYALIST HACKENSACK"

Sent by: Mary B. Prior, Secretary
Colamer Corporation
545 Fifth Avenue
New York 17, N.Y.

Secretary's Office:

545 Fifth Avenue
New York 17, N. Y.

September 14, 1955

To All Stockholders:

The following press release was sent out today:-

SWAN-FINCH OIL CLOSES DEAL
ON PRODUCING URANIUM LEASES

NEW YORK CITY, September 13, 1955 -- Swan-Finch Oil Corporation today took title to 98 mining leases on producing uranium properties in the Poison Canyon area near Grants, New Mexico, it was announced by Robert F. Six, Chairman.

The leases, from which more than 2,000 tons of uranium ore already have been removed, were acquired in an exchange of stock with the Colamer Corp. which owned the leases. All the Colamer stock was acquired by Swan-Finch.

The deal was originally negotiated last June, and the intervening period was devoted to clearing various details, including title to the leases, in preparation for the closing. During the month of August, 600 tons of ore were mined. Complete mining equipment was also acquired by Swan-Finch in the transaction.

In addition to present production, substantial additional quantities of ore already have been blocked out under a drilling program approved by the Atomic Energy Commission. Further exploration in a number of sections is going on under Defense Minerals Exploration Administration contracts totaling in excess of $125,000.

Sincerely,

Robert F. Six

Robert F. Six
Chairman of the Board

RFS:ET

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

224 New Customhouse
Denver, Colorado

August 19, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA 3632, Contract Idm-E797 (Uranium), Colamer Corporation, (State Claims Nos. 1 - 27), McKinley County, New Mexico

Enclosed are three copies of approval for second phase of work authorized by Amendment No. 1 of the subject contract, -- the drilling of ten additional holes through the Westwater Canyon formation.

This authorization is supported by three copies of the request from the Operator, recommendations for approval of the drilling by Lowell Hilpert and J. W. Hasler, U.S.G.S., transmitted by E. N. Harshman, member Region III Field Team, and recommendations for approval by Carl Belser, U.S.B.M., endorsed by J. F. Shaw, Supervising Mining Engineer.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
AUG 2 1955

[illegible] New Customhouse
Denver, Colorado

August 15, 1955

Coleman Corporation
Fidel and Rouse Building
Grants, New Mexico

Attention: Mr. Kelsey Baltz

Re: [illegible]A 3632, Contract I[illegible]-E797 (Uranium)
Coleman Corporation (State Claims Nos. 1 - 27)
McKinley County, New Mexico

Gentlemen:

Amendment No. 1 effective June 28, 1955 authorized the coring of five holes, shown as a cross within a square [x] on the map, Figure 3 attached to the contract, from the base of the [illegible]kota sandstone completely through the Westwater Canyon formation. This was in lieu of coring the five holes to a point ten feet below the top of the Westwater Canyon formation.

The amendment also authorized the coring of ten additional holes shown as a cross within a circle (x) on the map, Figure 3 attached to the contract, from the base of the [illegible]kota sandstone completely through the Westwater Canyon formation.

This is formal Region III Field Team authorization for drilling the ten additional holes based on recommendations from the field engineer and geologist as requested by your letter of July 30, 1955 signed by Kelsey Baltz.

[illegible]A Field Team, Region III

W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

WMT:dja
cc: Christensen
Harshman
Kasler
Shaw (2)
Townsend
Amend. E797
Chron

(Copy)

COLAMER CORPORATION
Grants Division
Fidel & Rouse Bldg.
Grants, New Mexico

July 30, 1955

RECEIVED
AUG 2 1955

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

RE: DMEA Docket 3632
Contract Idm-E-797

Dear Mr. Traver:

Mr. Lowell Helpert and I have just finished examining the core of the first five holes of our contract. We feel that these holes do exhibit enough favorable conditions in the Westwater Canyon Formation to warrant deepening the next ten holes through this horizon.

Again, as in amendment number 1, it is proposed here that the footage be borrowed from stage III.

It is apparent, however, that these ten would have to show actual uranium mineralization in the Westwater before more investigation of this horizon could be justified.

I believe that the information obtained from these fifteen holes will be adequate to determine whether further investigation of the Westwater is advisable.

In the meantime, our drilling, of course, is continuing. I fully realize that without DMEA authorization of this amendment, our company would necessarily stand the expense of this added footage. However, it is our desire to execute and complete this contract as quickly and efficiently as possible, and therefore, we are willing to take that risk for the good of the project.

Respectfully,

/S/ Kelsey Boltz

Kelsey Boltz
COLAMER CORPORATION

RECEIVED
AUG 2 1955

DMEA
Date Rec'd.

AUG 18 1955

BUREAU OF MINES
Denver, Colorado

Building 20
Denver Federal Center
Denver 2, Colorado
August 17, 1955

Region III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw JFS
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3632, Contract Idm-E797, Colamer Corporation, State group of claims, Nos. 1 to 27, Sec. 8, T. 13 N., R. 9. W., New Mexico Principal Meridian, McKinley County, New Mexico -- Drilling through the Westwater Canyon member of the Morrison formation on an additional 10 holes

Seemingly the Poison Canyon sandstone of the Brushy Basin member of the Morrison is a tongue from the Westwater and is confined to a small area near Poison Canyon. The Westwater is the ore bearing formation at Sabre, Pinon, and others a few miles farther to the west.

Although Poison Canyon is only about one and one-half miles to the southeast of the Colamer claims the drilling to date has shown no ore in either the Poison Canyon or the Westwater. From the above drilling it is believed advisable to drill the first 15 holes through the Westwater.

Carl Belser
Carl Belser
Mining Engineer

CB:jw

cc: WMTraver
EMHarshman
E797
Chron.

IN REPLY REFER TO:
DMEA
Date Rec'd.
AUG 11 1955
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

August 11, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3632 (Uranium) Contract Idm-E797, Colamer Corporation, State group of claims Nos. 1 to 27, McKinley County, New Mexico

Enclosed are 10 copies of a memorandum by L. S. Hilpert, U. S. Geological Survey, in which it is recommended that an additional 10 holes be drilled to explore the Westwater formation on the subject property.

The memorandum is self-explanatory.

I concur with the recommendation.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (10)

ENHarshman:arh

RECEIVED
AUG 22 1955

MINERAL DEPOSITS
DMEA
RECEIVED
AUG 10 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

August 4, 1955

DMEA
Date Rec'd,
AUG 11 1955
BUREAU OF MINES
Denver, Colorado

Memorandum

To: E. N. Harshman

From: J. William Hasler

Subject: DMEA 3632, contract Idm-E 797
Colamer Corporation, State group of claims Nos. 1 to 27
McKinley County, New Mexico

Enclosed are 12 copies of a memorandum dated August 2, 1955, by L. S. Hilpert, concerning stage I drilling under the subject contract. The memorandum is self-explanatory and I concur with the recommendations that the additional 10 holes be drilled to penetrate to the base of the Westwater Canyon member of the Morrison formation.

J. William Hasler

J. William Hasler,
Geologist

JWH/mlr

Enclosures

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : J. William Hacker

DATE: August 2, 1955

FROM : Lowell Gilpen

SUBJECT: DMA 3692, Colover Corporation, State group of claims Nos. 1-24, McKinley County, New Mexico.

The first five holes under stage I drilling in the subject area were completed on July 29. These five holes are referred to in the geologic report, fig. 3, by square crosses (x). In a memorandum of June 24, 1955, geologic justification was given for drilling these holes in the case of the Westwater Canyon member of the Morrison formation. It was stated in this memorandum that if the rock colors of the Westwater Canyon member were determined as favorable for ore then these five holes, an additional ten holes would be justified to be drilled under stage I in the case of the Westwater Canyon member.

On the basis of the 5 holes drilled, the rock colors of the Westwater Canyon are on the predominantly favorable for ore. The sandstone generally is light gray and the included claystone beds or lenses are more generally red with greenish gray. The Westwater Canyon member also is predominantly sandstone, and averages about 90 feet in thickness. It contains a fair amount of interbedded clay, which is also considered a favorable feature.

In view of the favorable characteristics of the Westwater Canyon member, as based on the five completed drill holes, holes 1-5, the 5 holes are representative, plus the drill the 10 additional drill sites holes in the case of the Westwater Canyon member, as outlined in the memorandum of June 24, 1955. I agree these 10 additional holes are justified and recommend they be financed by DMA assistance.

LG/ lr

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

August 9, 1955

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 1, dated August 3, 1955, to Contract Idm-E797, Docket DMEA-3632, Colamer Corporation (Uranium).

Grace L. Ault

Grace L. Ault

RECEIVED
AUG 23 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

RECEIVED
AUG - 8 1955

224 New Customhouse
Denver 2, Colorado

August 5, 1955

Memorandum

To: J. F. Shaw, Supervising Mining Engineer

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3632 (Uranium), Contract IDM-E797, Colamer Corporation, State No. 1 through No. 27 claims, Sec. 8, T. 13 N., R. 9 W., New Mexico Principal Meridian, McKinley County, New Mexico - Operator's Monthly Progress Report for the month of June, 1955

We are returning all copies of the subject Progress Report for additional information.

The Operator's Narrative Report does not contain the sketches or maps as required in Article 6(b), Item 3 of the contract.

Please have the Operator submit this data, including location and number of each drill hole completed, or in progress, as of June 30, 1955.

W. M. Traver

Enclosures

JDC:sr

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

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

RECEIVED
AUG - 8 1955

224 New Customhouse
Denver, Colorado

August 3, 1955

Mr. Kelsey Boltz
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: DMEA 3632 (Uranium)
Contract Idm-E797

Dear Mr. Boltz:

Enclosed is your copy of Amendment No. 1 to Contract Idm-E797.

Very truly yours,

W. M. Traver

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

Enclosure

WMT:dja

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

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

RECEIVED
AUG - 8 1955

224 New Customhouse
Denver, Colorado

August 3, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA 3632 (Uranium), Contract Idm-E797, Colamer Corporation, (State Claims), McKinley County, New Mexico

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E797 which has been executed to authorize a change in performance of Stage I work and transfer of drilling footage and funds from Stage III of the contract if required to permit completion of the desired drilling under Stage I.

Also enclosed are three sets of data relevant to the amendment. The relevant data consists of the Operator's request, approval memorandum by Glen Walker, U.S.B.M., initialed by J. F. Shaw, approval memoranda by L. S. Hilpert and J. W. Hasler, U.S.G.S., with their transmittal by E. N. Harshman, member, Region III Field Team. Copies of the amendment have been given to the Operator, Finance Officer of Region III, regular distribution otherwise, and a copy has been retained for our files.

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

Enclosures

RECEIVED
AUG 23 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

COLAMER CORPORATION
GRANTS DIVISION
FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

June 28, 1955

RECEIVED
AUG - 8 1955
DMEA
Date Rec'd
JUN 2 1955

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

Re: Docket DMEA 3632
Contract Idm-E797

Dear Mr. Traver:

Due to recent sizeable uranium discoveries in the Westwater formation in the Grants district, Mr. Lowell Hilpert, USGS geologist, and I have been discussing the possibility of extending part of our exploration to this horizon.

Our present program call for the first five holes to be cored from the bottom of the Dakota formation to 10 feet below the top of the Westwater formation, and the succeeding 10 holes to to be cored from 10 feet above the top of the Poison Canyon unit to 10 feet below the top of the Westwater formation.

It is the desire of Mr. Hilpert and myself to core the first five holes to the bottom of the Westwater formation. If these first five holes exhibit favorable indications, we would like to core the next 10 holes to the same horizon to check it further.

From the information already obtained from recent drilling in this area, it appears that some of my original depth estimates may be large. Therefore, it is possible that the extra cost of these 15 holes may be absorbed in the remainder of the first stage holes. However, if this could not cover the extra cost, I would like to explore the possibilities of amending the contract while the first stage is being drillid. If at all possible, I would like to avoid halting the program. Even so, if indications are favorable enough to warrant further exploration into the Westwater, we would probably have to stop and apply for a much larger amendment to the contract.

Our company would sincerely appreciate any suggestions or assistance that you may be able to give us.

Thanking you for your attention in this matter, I am

Very truly yours,

COLAMER CORPORATION
Kelsey Bolts

IN REPLY REFER TO:
DMEA
Date Rec'd
JUL 5 1955
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

June 30, 1955

RECEIVED
AUG - 8 1955

Memorandum

To: DMEA Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3632 (Uranium), Colamer Corporation, State group of claims Nos. 1-27, McKinley County, New Mexico

Enclosed are 10 copies each of a memorandum by L. S. Hilpert dated June 24, 1955, and a covering memorandum by J. W. Hasler dated June 28, 1955. Both Survey geologists recommend deepening a maximum of 15 first-stage drill holes to explore the Westwater Canyon member of the Morrison formation. Convincing evidence of the advisability of the deeper drilling is presented.

On June 27, 1955, Mr. Kelsey Boltz, representing the applicant corporation, called regarding the proposed drilling of the Westwater member and was informed that Field Team action would be taken immediately to secure Washington approval. He was further informed to confirm his verbal request in a letter to the Executive Officer, DMEA Field Team, Region III.

The deeper exploration, as recommended by Hasler and Hilpert, is to the Government's advantage and is, therefore, recommended.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (20)

ENHarshman:arh

MINERAL DEPOSITS
DMEA
RECEIVED
JUN 29 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

June 28, 1955

RECEIVED
AUG - 8 1955

Memorandum

To: E. N. Harshman, DMEA Field Team, Region III

From: J. William Hasler

Subject: DMEA docket 3632, Colamer Corporation, State group of claims Nos. 1-27, McKinley County, New Mexico (Uranium)

Enclosed are 11 copies of a memo dated June 24, 1955, from L. S. Hilpert, U. S. Geological Survey, giving a resume of the activities regarding DMEA application made by the Colamer Corporation for assistance to explore the Poison Canyon sandstone of the Morrison Brushy Basin member of Jurassic age. Since the application has been made and the field examination completed, several uranium discoveries have been made in the Poison Canyon sandstone as well as in the upper part on the Westwater Canyon member and in the overlying Brushy Basin member of the Morrison formation.

The DMEA contract states that the proposed holes be drilled only to the first 10 feet of the upper Westwater Canyon member. It is now felt advisable to extend at least some of these holes through the Westwater Canyon member in order to more fully test any possible areas for mineral occurrence. The general plan is to drill 5 holes, as shown on figure 3 attached to the contract, as crosses enclosed in squares, be drilled first and cored to the base of the Westwater Canyon member rather than bottomed within the top 10 feet of the Westwater as originally specified. If the results of drilling these 5 holes into the Westwater are favorable, an

additional 10 holes, as shown on figure 3, as crosses enclosed in circles, be likewise drilled to the base of the Westwater Canyon member.

This modification of the drilling as specified in the contract will require approximately 100 feet of additional coring per hole, or a total of about 1500 feet of additional drilling. This, no doubt, means that the applicant will, of necessity, drill fewer holes than specified in the contract in order to keep within the amount of money specified.

Mr. Hilpert of the Survey; Mr. Ealy, district geologist, AEC; and Mr. Kelsey Boltz, geologist for the applicant, have discussed the proposed drilling and are in agreement that the holes should be deepened to include the Westwater Canyom member. I, therefore, concur with their conclusions and recommend that the applicant be granted an amendment to do the drilling as explained in Mr. Hilpert's memorandum.

It is also understood that the company will make a formal request to DMEA Field Team, Region III, for this amendment at their earliest convenience.

J. William Hasler

J. William Hasler
Geologist

JWH/mlr

Enclosures

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

RECEIVED
AUG - 8 1955

June 24, 1955

Memorandum

To: J. William Hasler

From: Lowell Hilpert

Subject: DMEA 3632, Colamer Corporation, State group of claims Nos. 1-27, McKinley County, New Mexico

Application has been made by the Colamer Corporation for monies to explore the Poison Canyon sandstone of the Morrison Brushy Basin member for uranium. The application has been approved by DMEA and the exploration is scheduled to start this week.

Since the application was received and the field examination was made, considerable exploration by other companies has been conducted in the general area of the State claims. This exploration has resulted in some new discoveries within the Poison Canyon sandstone. In addition, a recent discovery has been made in which the ore occurs in the upper part of the Westwater Canyon member as well as partly in the overlying Brushy Basin member. This discovery, generally known as the Lothman and Dunn property, or the Dysart property, is in the SW$\frac{1}{4}$ sec. 11, T. 14 N., R. 10 W., McKinley County, N. Mex. This property is about 7 miles northwest of the Colamer Corporation's State claims in sec. 8, T. 13 N., R. 9W. The Poison Canyon sandstone <u>does not</u> extend to the Lothman and Dunn property.

Information on the Lothman and Dunn property is incomplete, but enough is known to indicate it is an important discovery, likely containing 200,000 tons of ore; perhaps more. A large part of this tonnage appears to be in the upper part of the Westwater Canyon member. In view of this discovery, a reappraisal of the drilling plans in Colamer's sec. 8 is desirable.

Justification for exploration in sec. 8 was based on 4 primary factors: 1) That the Poison Canyon sandstone contained all the known significant Morrison deposits in the general vicinity; 2) the lithology and sedimentary structures of the Poison Canyon sandstone are favorable for uranium mineralization; 3) A zone of alteration projects northward from the outcrop toward and, perhaps, into sec. 8 (see fig. 2 of docket 3632); and 4) the Poison Canyon sandstone likely extends into sec. 8. These factors are still valid and justification for the exploration planned is as good now as it was at the time of the field examination earlier this year.

In view of the Lothman and Dunn discovery, however, the applicant's representative and geologist, Kelsey Boltz, now believes the Westwater Canyon member deserves further consideration for exploration in sec. 8 and has proposed drilling 15 first-stage holes to the base of the Westwater Canyon member, as follows:

1. The 5 holes shown on figure 3 (docket 3632) as crosses enclosed in squares [x] be drilled first and be cored to the base of the Westwater Canyon member, rather than bottomed within the top 10 feet of the Westwater as originally specified.

2. If the results of drilling these 5 holes into the Westwater are not unfavorable, an additional 10 holes, as shown on figure 3 as crosses enclosed in circles (x) be cored to the base of the Westwater Canyon, rather than bottomed within the top 10 feet of the Westwater as originally specified.

This modification of the original drilling plan will require about 100 feet of additional coring for hole for the 15 holes, a total of about 1,500 feet of additional drilling. If, however, the color of the Westwater member should be reddish, which is considered unfavorable for ore, in the first 5 holes drilled, the other 10 holes would not be justified for drilling except to the top of the Westwater and would not be drilled any deeper than originally planned. Boltz has informed me he plans to request these modifications of the original drilling plans by contacting the Denver office.

I believe the requested modification is justified and endorse it. Mr. Gene Ealy, AEC District 6 geologist, also endorses the plan as justified.

Colamer is planning to start their exploratory drilling on sec. 8 this week. To avoid delay, they have indicated they wish to proceed with the modifications outlined above at their own risk, subject to later acceptance by DMEA. Colamer officials, Frank Boylin, president, and Kelsey Boltz, geologist, have indicated they will inform the Denver office of the proposed modifications as soon as possible by telephone, to be followed by a written request for the approval of the proposed modifications.

DMEA
Date Rec'd.

JUL 1 1955

BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
June 30, 1955

Region III

Memorandum

RECEIVED
AUG - 8 1955

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Glen Walker

Subject: DMEA 3632, Colamer Corporation, McKinley County, New Mexico. Deepening Stage I core holes.

Colamer Corporation has requested permission to drill 15 of the Stage I holes authorized by their DMEA contract Idm-E797 through the Westwater formation.

The contract specified these particular holes to penetrate the Westwater only 10 feet; but recent uranium ore discoveries in this formation in the district is the reason given for the request.

On the basis of geologic information submitted by Lowell Hilpert of the U. S. Geological Survey, it is recommended that the request be granted. It should be pointed out that the cost per foot for the additional drilling will probably be increased 20 percent to 25 percent above the contract stipulation and should favorable information be obtained from the 15 initial Westwater holes others will no doubt be requested which would tend to raise the maximum allowable expenditure.

Glen Walker
Glen Walker
Mining Engineer

cc WMTraver (9)
EHHarshman
E797
Chron

GW/em

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

RECEIVED
JUL - 5 1955

224 New Customhouse
Denver 2, Colorado

June 30, 1955

Colamer Corporation
Grants Division
Fidel & Rouse Building
Grants, New Mexico

Attention: Kelsey Boltz

Re: Docket DMEA-3632
Contract Idm-E797

Gentlemen:

This will confirm my telephone conversation with you of June 28, 1955 authorizing you to deepen the first five holes under Stage I through the West Water Canyon, and if the additional drilling in these five holes show encouraging mineralization, to deepen the next ten holes under the same stage the same amount. Authorization for drilling of the second ten holes will have to be given in writing by the Region III Field Team.

An amendment authorizing this work and a transfer of footage and funds from Stage III will be prepared and forwarded to you in the next few days.

Very truly yours,

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

WMT:sr

cc Subject
Shaw
Harshman
Hasler
Townsend
Traver
Chron
Chairman Op. Comm. (2)

Chairman Operating Comm. D. M.E.A.

RECEIVED
JUN 28 1955

DN 235 BUR MINES 6-28-55 8-55 AM

CHAIRMAN, OPERATING COMMITTEE, DMEA

SIGNIFICANT URANIUM MINERALIZATION DISCLOSED ON DRILLING THROUGH WESTWATER CANYON FORMATION ON PROPERTIES NEAR COLAMER, DMEA 3632, CONTRACT IDM-E797. THEY REQUEST AMENDMENT TO ALLOW DRILLING ADDITIONAL 100 FEET EACH OF FIRST FIVE HOLES AND SAME ADDITIONAL FOOTAGE FOR NEXT 10 HOLES IF RESULTS IN FIRST FIVE HOLES WARRANT. TELETYPE AUTHORIZATION FOR US TO PREPARE AMENDMENT OR ADVISE IF YOU WILL PREPARE IT. FOOTAGE TO BE DEDUCTED FROM REMAINING DRILLING WITHOUT INCREASING ESTIMATED TOTAL COSTS UNLESS RESULTS NOT FAVORABLE IN WHICH EVENT OPERATOR WILL REQUEST ADDITIONAL FUNDS. IMMEDIATE ACTION REQUESTED TO PREVENT DELAY IN OPERATIONS.

W M TRAVER

Denver, Colo.

name copy

Depar[illegible] of the Interior 700

DMEA

14X1410(01) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to the Office of the Secy.)

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

Ching
Feizel
Ellis
Kiilsgaard
Hodges
Selfridge
Fitzsimmons
Mittendorf

JUN 29 1955

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

REURTT JUNE 28 COLAMER CORPORATION DOCKET 3632 YOU AUTHORIZED AMEND CONTRACT SO THAT ANY ADDITIONAL FOOTAGE AND FUNDS REQUIRED FOR PROPOSED DEEPER STAGE I DRILLING WILL BE DEDUCTED FROM STAGE 3 FOOTAGE AND FUNDS. ANY LATER REQUEST FOR FUNDS IN EXCESS PRESENT ESTIMATED TOTAL WILL BE CONSIDERED IN LIGHT OF RESULTS TO THAT DATE.

George C. Selfridge
(JHB)

GEORGE C. SELFRIDGE
CHAIRMAN, OPERATING COMMITTEE

MChing/gla
6-29-55
cc to: Admr.'s 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. Ching
Confirmation to DMEA Field Team, Region III

R.C.S.

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

224 New Customhouse
Denver 2, Colorado

June 22, 1955

Colamer Corporation
Fidal and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3621
Contract Idm-E602
and
Docket DMEA 3632
Contract Idm-E797

Gentlemen:

An article appearing in the Rocky Mountain News of June 22, 1955 states that the property involved with the referenced contracts has been disposed of to the Swan-Finch Oil Corporation.

In that respect you are referred to Article 2(d) of the contract form.

If the property described under Article 2 of the contracts has been disposed of you are cautioned that reimbursement for any work performed under the contracts is subject to prior approval of the assignment of the contracts by the Administrator, DMEA.

Very truly yours,

W. M. TRAVER

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

JWT:jp
cc Subject (2)
Chron
Chairman, Op. Comm. (4)
Harshman (2)
Shaw (2)
Hasler (2)
Townsend (2)

RECEIVED
JUN 24 1955

[redacted]ED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUN 17 1955

224 New Customhouse
Denver 2, Colorado

June 14, 1955

REGISTERED

Columer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3032 (Uranium)
Contract Idm-3797

Gentlemen:

Enclosed herewith is your copy of Exploration Project Contract No. Idm-3797, Docket No. DMEA 3032.

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.

In the matter of your claim for reimbursement of drilling costs we prefer that claim be made on the basis of holes completed to their objective rather than for a portion of a hole that may have been completed at the close of the reporting period.

Your attention is directed to the extent of coring required in holes drilled under all three stages.

The performance of work under Stages II and III is contingent on the results of work under the prior stage and is subject to prior approval of the Government.

When the work under Stage I has been completed or has progressed to the extent that the results can be evaluated you should request in writing the Government's approval of such work as you can propose at that time for performance under Stage II. The same process should follow relative to Stage III work.

Unless the matter of the next stage work can be resolved while drilling under the prior stage is still in progress you should anticipate a delay in operations between stages for such time as will be required for the Government to act on your request for authorization of the work proposed for the next stage.

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

It is important and a requirement that you notify this office in writing the date work actually commences under the contract, with a copy of your letter to Mr. John F. Shaw.

Very truly yours,

W. M. TRAVER

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

Encls.

JWT:jp
cc Subject
Amendment
Chron
Chairman, Op. Comm. (2)
Harshman
Shaw
Williams
Townsend

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

RECEIVED
JUN 15 1955

224 New Customhouse
Denver 2, Colorado

June 12, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3632 (Uranium), Contract Idm-E797, Colamer Corporation, State Claims, McKinley County, New Mexico

Enclosed are the Government, Division and Docket copies of Exploration Project Contract Idm-E797, which were forwarded by your letter of May 17, 1955 for signature by the operator.

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

Encls.

6/13/55 gla

GRANTS, NEW MEXICO
June 6, 1955

DMEH 3621
3632

Mr. W. M. Traver
224 New Customs House
Denver, Colorado

Dear Mr. Traver:

As per your telephoned instructions, I am sending you this notice that the contracts Nos. 3621 and 3632 have been signed by the President of the company and have been sent to New York for the signature of the Treasurer and to affix the corporate seal. These will probably reach your officdo by June 11, Saturday.

Very truly yours,

Kolsey Bolts

700

Surname copy

Ching
Ellis
Chamber
Selfridge
Fojmer

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

MAY 1 7 1955

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

Re: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico

Dear Mr. Traver:

Enclosed are the original and five copies of a proposed short-form contract between the Government and Colamer Corporation, signed by the Administrator.

If you find the contract in order, it is ready for forwarding to the Operator for signature subject to the insertion of a suitable final starting date under Article 3.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Enclosures

M. E. Volin for J. H. Hedges
Member, Bureau of Mines (GCS)

Thor H. Kiilsgaard
Member, Geological Survey (GCS)

MChing/gla
5-11-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Ching
J. O. Hosted, Rm. 3210, GSA

R.C.

4/26/55 glh

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
APR 25 1955

April 22, 1955

Re: DMEA-3632
Colamer Corporation
(State Claims)
McKinley Co., N. Mex.
$114,863.45 - Uranium

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Field Team examination report

The Field Team has recommended a three-stage drilling project be approved.

Stage I (400 x 800 grid)
78 holes -- 23,235 feet

Stage II (200 x 400 grid)
70 holes -- 20,650 feet

Stage III (100 x 200 grid)
60 holes -- 17,700 feet

The geologic justification for the modified project proposed by the Field Team is based on the following favorable conditions or criteria:

1) Morrison ore bodies in the general area occur in elongate masses which have an eastward trend.

2) Many of these deposits are in thicker parts of the Poison Canyon sandstone (Morrison) which in turn have an eastward trend of elongation.

3) The location and orientation of Morrison ore deposits may be influenced by northerly and easterly fractures which parallel the long axes of the Todilto limestone ore bodies.

4) The Morrison deposits are related to a zone of alteration which follows a dominant northward fracture trend.

5) Inasmuch as the known ore deposits are related to this zone of alteration, a projection of the alteration toward the applicant's property suggests favorable ore ground for exploration.

The proposed program is well planned to test the indicated size of ore deposits in the area. Ore bodies in the Poison Canyon sandstone range from 500 to 1,000 feet in width, 1,000 to 2,000 feet in length and up to 10 or more feet in thickness. Sufficient favorable criteria exist on or near the property to justify a staged drilling project.

I recommend the three-stage project be approved for a contract.

E. L. Newcomb

E. L. Newcomb

4/21/55 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1955

April 20, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: Field Team report of examination, DMEA Docket 3632, Colamer Corporation, State claims, McKinley County, New Mexico

I have reviewed the Field Team report of examination, DMEA Docket 3632, Colamer Corporation, and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

Mr. Hosted concurs with the Field Team's three stage exploration contract as outlined in the report of examination. I should like to emphasize that the Field Team's recommendations are based entirely on the geologic favorability of the area. The claims are about 1-1/4 miles from an outcrop of the ore-bearing sandstone and 1/2 mile from the nearest known ore deposit. It is my opinion that assistance to the Colamer Corporation will be little more than prospecting, at a cost of $86,280.00 to the Government.

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

Surname 700

Ching
Ellis

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

April 20, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Michael Ching, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico

Will you kindly prepare a short form contract between the Government and the subject Applicant in accordance with the attached draft.

Your attention is called to the attached Owner's Consent to Lien which was executed on the form revised on July 1, 1954 by all nine owners and holders of royalty claims. This instrument was presented to this office personally by Bernard J. Long, the Applicant's Washington representative, shortly after the application was filed last January. At the time, Mr. Rubin was requested to inspect it and he found it acceptable.

If a new Owner's Consent to Lien, executed on our latest form, is required it will greatly delay the processing of the contract and work a great hardship upon the Applicant because of the large number of people involved. It is suggested, therefore, that the present instrument be accepted if, in your opinion, that can be done.

Michael Ching

Attachments

MChing:am
cc to: Docket
Code 700
Mr. Ching

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

APR 1 1955

224 New Customhouse
Denver 2, Colorado

April 7, 1955

Memorandum

To: Secretary to the Operating Committee

From: Field Team, Region III

Subject: Report of Examination, 3632 (Uranium), Colamer Corporation, State claims, McKinley County, New Mexico

Enclosed are the original and three copies of the report pertaining to the above application.

We recommend a three stage exploration contract which can be terminated at the end of any stage.

Also enclosed are extra copies of Figures 1, 2, and 3 for possible use in the contract. We note from your letter of January 31, 1955 that you have already obtained the necessary Owner's Consent to Lien.

W. M. Traver

Enclosures

W. M. Traver

D R Macharen
for E. N. Harshman
DMEA Field Team, Region III

Received
DMEA Secretary of Operations
4-13-55
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

TRANSMITTED
APR 7 1955

DMEA
Date Rec'd.
MAR 31 1955

Region III

BUREAU OF MINES
Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
March 31, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: DMEA 3632, (Uranium) Colamer Corporation, State group claims, McKinley County, New Mexico

Enclosed are the original and ten copies of "Summary, Conclusions, and Recommendations" by Glen Walker, mining engineer, and T. E. Mullens, geologist and the original and ten copies of an engineering report by Glen Walker covering docket DMEA 3632.

The Colamer Corporation requested exploration assistance in the amount of $105,175.00 to drill the State group claims. The property was examined on February 16, 1955. At that time, the examining team and the applicant's representative agreed upon a modified proposal consisting of 208 EX core drill holes totalling 61,585 feet and costing $115,040.00. The amount of Government participation at 75 percent is $86,280.00.

It is recommended that the Government enter into a contract with the applicant consisting of three phases of core and plug-bit drilling. The estimated cost per foot for plug-bit drilling is $1.47, and the estimated cost per foot for core drilling is $3.00. The total estimated cost of the contract would be $115,040.00.

John F. Shaw
John F. Shaw

cc 10
DMEA 3632
Chron

JFS/cm

4-13-55

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3632, State Group Claims

Colamer Corporation

McKinley County, New Mexico

Uranium

Glen Walker, Mining Engineer
Bureau of Mines

T. E. Mullens, Geologist
Geological Survey

March 25, 1955

Reviewed by
DMEA OPERATING COMMITTEE
4-13-55

DMEA 3632

STATE GROUP CLAIMS
COLAMER CORPORATION
McKINLEY COUNTY, NEW MEXICO

Summary, Conclusions, and Recommendations

By Glen Walker
Mining Engineer
Bureau of Mines

T. E. Mullens
Geologist
Geological Survey

4-13-55

DMEA 3632

STATE GROUP CLAIMS
COLAMER CORPORATION
McKINLEY COUNTY, NEW MEXICO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Glen Walker and T. E. Mullens

A field examination of the State group comprising 27 unpatented claims in McKinley County, New Mexico, was made on February 16, 1955, by a Region III DMEA examining team. The owner is Colamer Corporation, a Delaware corporation, Fidel and Rouse Building, Grants, New Mexico. Government assistance has been applied for in a proposed uranium exploration project outlining a surface drilling program at an estimated cost of $105,175.00.

The assistant secretary and chief geologist of the company, Kelsey Boltz, and T. E. Mullens of the Geological Survey accompanied the examining team.

The rocks exposed on the claims are Cretaceous; the Dakota predominating, with a very small area in the northeast corner covered by a thin section of Mancos. The ore horizon is contained in the Poison Canyon sandstone of the Jurassic Morrison formation which is 250 to 300 feet below the surface. In places alluvium 10-15 feet thick overlies the more consolidated rocks. The outcrop of the ore-bearing sandstone unit in the vicinity of producing mines is altered, which is distinguished by a change in color from reddish to buff with the underlying clay changed to greenish gray. It has also been observed in the productive area that this sandstone is perceptibly thicker

than elsewhere along the outcrop. These two phenomena have been traced along the outcrop for approximately 2 miles. Although the subject ground is about 1-1/4 miles north of the outcrop and 1/2 mile from the nearest known ore deposit, it appears to be on a trend of the favorable geologic condition mentioned.

It is, therefore, recommended that the Government participate in the cost of modified exploration for uranium as described in this report to the extent of 75 percent of $115,040.00, or $86,280.00.

DMEA 3632

STATE GROUP CLAIMS
COLAMER CORPORATION
McKINLEY COUNTY, NEW MEXICO

Engineering Report

By Glen Walker
Mining Engineer
Bureau of Mines

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

DMEA 3632

STATE GROUP CLAIMS
COLAMER CORPORATION
McKINLEY COUNTY, NEW MEXICO

CONTENTS

Engineering report — Page

Introduction..... 1
Acknowledgements..... 1
Location, topography and physical features..... 2
History and production..... 3
Ownership and extent..... 3
Description of the deposits..... 4
Mineable ore reserves..... 5
Present status..... 5
Mining and milling equipment and other facilities..... 5
Project proposals with costs..... 6
Summary of proposed project costs..... 11
Conclusions..... 12
Recommendations..... 12

ILLUSTRATIONS

Figure — Follows page

1. Location map, State group claims, Colamer Corporation, McKinley County, New Mexico..... 2
3. Map of section 8 showing proposed Stage I drilling pattern on Nos. 1-27 claims, Colamer Corporation, McKinley County, New Mexico..... 4

DMEA 3632

STATE GROUP CLAIMS
COLAMER CORPORATION
McKINLEY COUNTY, NEW MEXICO

ENGINEERING REPORT

By Glen Walker

INTRODUCTION

Colamer Corporation, Fidel and Rouse Building, Grants, New Mexico, applied for Defense Minerals Exploration Administration assistance in the exploration for uranium ores by surface dry drilling on their State group of claims in McKinley County, New Mexico. The cost as estimated in the application was $105,175.00; Government participation 75 percent or $78,881.25.

An examination of the property by a Region III examining team was made on February 16, 1955, in company with T. E. Mullens of the Geological Survey and Kelsey Boltz, chief geologist for Colamer Corporation.

A modification of the applicant's proposal was agreed upon by the company's representative and the members of the examining team. It consists of 208 BX core drill holes totaling 61,585 feet to be drilled in three phases and costing $115,040.00; Government participation 75 percent or $86,280.00.

ACKNOWLEDGEMENTS

Kelsey Boltz acted as guide on the examination and furnished pertinent information on the subject property and adjoining areas. T. E. Mullens offered a number of helpful geologic suggestions applicable to DMEA field examinations.

The application has been discussed with the Atomic Energy Commission, Exploration Division, and their assistance requested in evaluating the property.

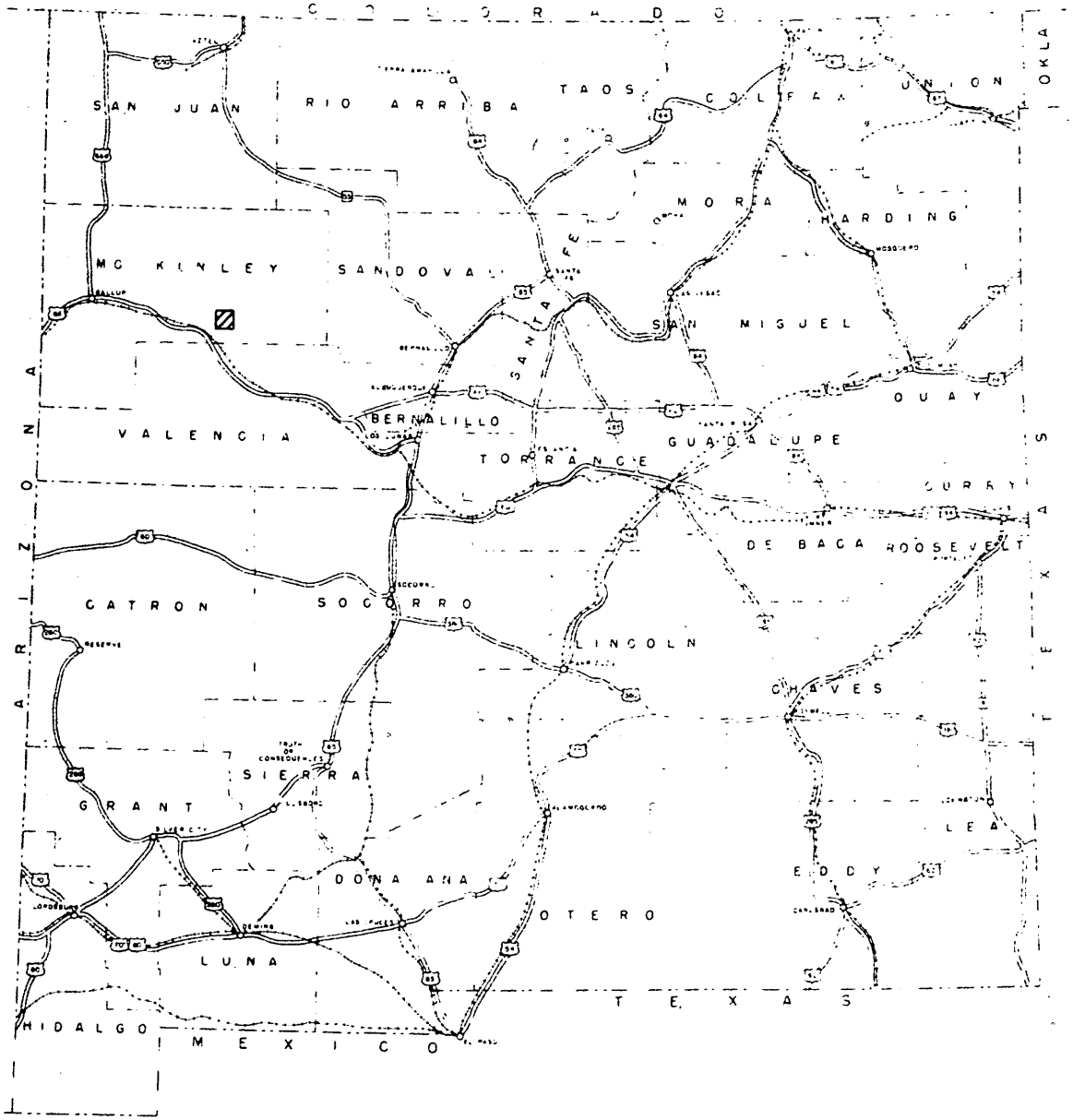
LOCATION, TOPOGRAPHY AND PHYSICAL FEATURES

The State group in sec. 8, T. 13 N., R. 9 W., New Mexico principal meridian, (fig. 1), contains 27 unpatented mining claims, all leased. The property can be reached from Grants, New Mexico, by travelling about 3 miles west on U. S. Highway No. 66; then north on the San Mateo road, State Route 53, for about 15 miles; then west about 3 miles over a county maintained road; then north 1 mile on a newly built trail. Bluewater, New Mexico, where an uranium ore buying mill is located, is about 20 miles southwest of the claims principally over graveled roads. Albuquerque, the largest city in the state, is about 75 miles east of Grants by rail or highway, U. S. No. 66, (fig. 1).

The topography is marked generally by the dip slope of the rock formations to the northeast. The property is located on the top of a very broad mesa which is easily accessible by very moderate grades. Access drill roads and sites present little or no problem except for the removal of an occasional cedar.

The land supports a sparse growth of scrubby cedar and pinon which is unfit for underground mining purposes. Timber suitable for mine use is available at a sizeable sawmill in Grants.

The climate is semi-arid to arid with most of the annual precipitation of 10 inches falling as occasional snows and late winter and spring rains. The temperature varies through a very wide range, typical of the Southwest, being often over 110° in summer and down



LEGEND

LOCATION OF DEPOSIT

NOTE

DATA TAKEN FROM U S G S BASE MAP, COMPILED BY A F HASSAN, 1922, AND NEW MEXICO STATE HIGHWAY MAPS.

0 10 20 40 80

SCALE IN MILES

FIGURE 1 - LOCATION MAP, STATE GROUP CLAIMS, COLAMER CORP., MC KINLEY COUNTY, NEW MEXICO. (DMEA 3632)

to zero for short periods in winter. Year-round mining and exploratory operations are carried on throughout the area.

Power for all operations in the district is presently supplied by internal combustion engines fueled with gasoline or diesel oil.

Water for drilling can be had from several ponds built for agricultural purposes. Domestic water must be hauled from Grants. Some deeper drilling in the neighborhood of the subject claims has encountered considerable water which may be adequate for all the requirements of the area.

The labor situation with regard to a mining operation is rather discouraging in that experienced miners must be imported from mining districts at some distance from the area. Unexperienced help is rather plentiful and cheap.

HISTORY AND PRODUCTION

The ground was located by a number of individuals who negotiated 10-year leases with the now deceased vice-president of Colamer Corporation, Jack Parsley, who assigned the leases to the corporation. A search of the county records indicates the claims are in good legal standing and that the present lessee has a claim to the land. The discovery work on the claims consists of the customary bull-dozer cuts which have apparently been uncontested.

There has been no ore production from the claims.

OWNERSHIP AND EXTENT

Vilatie and Arthur Hyde on April 5, 1954, leased to Thomas C. King the State Nos. 2, 3, 4, 11, 12, 13, 20, and 21 claims in sec. 8, T. 13 N.,

R. 9 W., New Mexico principal meridian. Also on April 5, 1954, Lee Roy Cosper and wife leased to Thomas C. King the State Nos. 5, 6, 7, 8, 14, 15, 16, 17, 24 and 25, sec. 8, T. 13 N., R. 9 W. Then on August 17, 1954, Thomas C. King and wife gave a 10-year lease to Jack R. Parsley on State claims Nos. 1, 9, 10, 18, 19, 26 and 27, sec. 8, T. 13 N., R. 9 W., New Mexico principal meridian. On December 11, 1954, Thomas C. King assigned to Jack R. Parsley all leases he held on State claims; also on this date Parsley assigned his interest in all 27 of the State claims to Colamer Corporation. The 27 claims constitute approximately 540 acres of sec. 8, T. 13 N., R. 9 W. They are contiguous and form a rectangle 4,500 feet by 5,325 feet. Section 8 is bounded on all four sides by Santa Fe Railroad ground. See figure 3 of the geologic report.

DESCRIPTION OF THE DEPOSITS

On the surface of the property the Dakota sandstone crops out in what is thought to be its dip slope; about 3 or 4° northeast. The topography does not permit an examination of the ore-bearing Poison Canyon sandstone, which here is estimated to be 250 to 300 feet below the top of the Dakota. On the outcrop, about 1-1/4 miles south, the Poison Canyon has an average thickness of 50 feet where unmineralized and up to 90 feet where ore bearing. Also along the outcrop this sandstone and its persistent underlying claystone has a distinctive color in the proximity of ore deposits. The sandstone and clay are normally reddish in color but for a distance of about 2 miles along the outcrop in the vicinity of producing mines the color has changed to buff in the sandstone and greenish gray in the

clay. This alteration is thought to be the result of uranium mineralization, in part. Data collected from drilling in sec. 18, southwest of the subject ground, indicates that the above outlined favorable geologic features pertain here.

A map of the area showing the outline of known ore deposits plainly indicates they have a north to northeast trend which places the subject ground in a favorable position in this regard.

Ore deposits in the Poison Canyon sandstone vary from 10 to 100,000 tons with the grade averaging about 0.30 percent U_3O_8, which make rather substantial targets for exploration. It has also been observed in the district that in an area as large as that covered by the application, three to four favorable areas may be expected.

MINEABLE ORE RESERVES

There are no known mineable ore reserves on the property.

PRESENT STATUS

As previously stated about the only excavations that could be even remotely classed as exploratory work are the discovery pits on each claim except that a former claimant to this land drilled two or three holes near the southwest corner of section 8. Although repeated efforts by the applicant have been made to obtain definite information about these holes, all have been unsuccessful. Therefore, very little concrete data concerning the ore horizon are available.

Mining and Milling Equipment and Other Facilities

Presently there is no equipment or other facilities on the land. The applicant operates a mine in sec. 4, T. 12 N., R. 9 W., which was

not visited during the examination, but it is reported to be an open-pit operation. Equipment from this property would find only a limited application in the method of mining on any deposits expected to be found on sec. 8.

The proposed exploration is to be conducted principally by a drilling contractor who will furnish all the necessary equipment.

PROJECT PROPOSALS WITH COSTS

The applicant proposed a dry drilling program, in three phases, comprised of 9,400 feet in 286 holes and costing $105,175.00.

The examining team, by agreement with the company's representative, proposes a core drilling program consisting of 208 BX holes with a total footage of 61,585. It is proposed to drill these holes in three phases over a period of 11 months at the locations indicated on figure 3 accompanying the geologic report. The estimated total cost of the project is $115,040.00, or $1.87 per foot.

Phase I - 78 BX core drill holes totalling 23,235 feet, drilled on a 400 by 800-foot grid beginning 200 feet north and 250 feet east of the SW corner of sec. 8. Five of these holes are to be approximately 305 feet deep and are to be cored for the last 160 feet. Ten other holes of the 78 holes are expected to be 315 feet deep and are to be cored for the last 90 feet. While the remaining 63 are estimated to average 295 feet in depth and are to be cored for the last 70 feet.

Phase II - 70 BX core holes totalling 20,650 feet drilled on a 200 by 400-foot grid in areas found favorable with regard to increased thickness of the ore horizon in Phase I. All these holes are estimated to be 295 feet deep and the last 70 feet are to be cored. They should

be bottomed 10 feet below the top of the claystone underlying the Poison Canyon sandstone.

Phase III - 60 BX core holes totalling 17,700 feet drilled on a 100 by 200-foot grid in mineralized areas found in Phase II. All holes are expected to be 295 feet deep and like Phase II, the bottom 70 feet are to be cored and the holes are to be bottomed 10 feet below the base of the Poison Canyon sandstone.

During all phases of the project sufficient supervision must be given the work to assure the maximum core recovery. All core should be boxed immediately after removal from the barrel and the boxes so designated that the contents can be readily placed in the proper stratigraphic sequence. There will also be a driller's petrographic log kept on each hole and all holes will be probed radiometrically as soon as practical after they are properly bottomed. Core will be split in mineralized areas, one-half to be retained for the Government's use, the other half to be used for a chemical sample if warranted. The determination of core for chemical analysis may be made by radiometric scanning. There should be a map prepared by the operator on which the monthly progress will be recorded showing the exact location of the holes on the land along with collar elevations and depths to top and bottom of the ore horizon or Poison Canyon sandstone. Certified copies of all radiometric and driller's logs along with chemical analyses shall be submitted monthly as substantiating evidence for the MF-104 forms.

After completion of the initial phase no subsequent one will be started without written approval of the DMEA Field Team.

The principal reasons for proposing core drilling on this project are: (1) in sec. 16, immediately southeast of the subject property, current drilling is reported to have encountered considerable water in prospecting the Poison Canyon formation; (2) because the area is comparatively new geologically, core offers the best means of correlation; (3) core presents a more reliable sample of ore than cuttings; (4) the cost is considered reasonable if the recovery of core is substantial.

Phase I

Contracts		
Independent core drilling contract for 78 BX core holes on 400 by 800-foot grid, estimated 17,125 feet non-core at $1.35/ft. and 6,110 feet core at $2.60/ft.	$39,004.75	$39,004.75
Labor, supervision and technical services		
Labor		
1 surveyor's helper and sampler at $300.00/mo. for 4 months	1,200.00	
Supervision and technical services		
1 geologist at $500.00/mo. for 4 months	2,000.00	
Total labor, supervision and technical services		3,200.00
Operating materials and supplies		
611 paper core boxes at $0.75/ea.	458.25	
Gas, oil, and repairs for one service truck at $75.00/mo. for 4 months	300.00	
Total operating materials and supplies		758.25
Operating equipment		
Rental - none		
Purchase - none		
Depreciation		
1 service truck valued at $1,800.00 at 1/60/mo. for 4 months	120.00	
1 Babbel counter and probe valued at $600.00 at 1/60/mo. for 4 months	40.00	
Total operating equipment		160.00

Initial rehabilitation or repairs

None

New buildings and improvements

None

Miscellaneous

Accounting at $50.00/mo. for 4 months	$200.00	
Chemical analysis of 20 samples at $5.00/ea.	100.00	
Compensation insurance, payroll taxes, etc., on geologist's and helper's salaries at 6 percent of $3200.00	192.00	
Total miscellaneous		$ 492.00
Total cost of Phase I		$43,615.00

Overall cost per foot - $43,615.00 ÷ 23,235 = $1.88
Cost per foot for non-coring - $25,373.88 ÷ 17,125 = $1.48
Cost per foot for coring - $17,041.12 ÷ 6,110 = $2.79
Cost per foot for analysis - $100.00 ÷ 23,235 = $0.004

Phase II

Contracts

Independent core drilling contract for 70 BX core drill holes on 200 by 400-foot grid in favorable areas found in Phase I estimated 15,750 feet of non-coring at $1.35/ft and 4,900 feet coring at $2.60/ft.		$34,002.50

Labor, supervision and technical services

Labor		
One surveyor's helper and sampler at $300.00/mo. for 4 months	1,200.00	
Supervision and technical services		
One geologist at $500.00/mo. for 4 months	2,000.00	
Total labor, supervision and technical services		3,200.00

Operating materials and supplies

490 paper core boxes at $0.75/ea.	367.50	
Gas, oil, and repairs for 1 service truck at $75.00/mo. for 4 months	300.00	
Total operating materials and supplies		667.50

Operating equipment

Rental - none		
Purchase - none		
Depreciation		
One service truck valued at $1,800.00 at 1/60/mo. for 4 months	$120.00	
One Babbel counter and probe valued at $600.00 at 1/60/mo. for 4 months	40.00	
Total operating equipment		$ 160.00

Initial rehabilitation or repairs

None

New buildings and improvements

None

Miscellaneous

Accounting at $50.00/mo. for 4 months	200.00	
Chemical analysis of 35 samples at $5.00	175.00	
Compensation insurance, payroll taxes, etc., on geologist's and helper's salaries at 6 percent of $3,200.00	192.00	
Total miscellaneous		567.00
Total cost of Phase II		$38,597.00

Overall cost per foot - $38,597.00 ÷ 20,650 = $1.87
Cost per foot for non-coring - $23,471.25 ÷ 15,750 = $1.49
Cost per foot for coring - $14,949.75 ÷ 4,900 = $3.05
Cost per foot for analysis - $175.00 ÷ 20,650 = $0.008

Phase III

Contracts

Independent core drilling contract for 60 BX core drill holes on 100 by 200-foot grid in favorable areas found by Phases I and II estimated 13,500 feet of non-coring at $1.35/ft. and 4,200 feet of coring at $2.60/ft.		29,145.00

Labor, supervision and technical services

Labor		
One surveyor's helper and sampler at $300.00/mo. for 3 months	900.00	
Supervision and technical services		
One geologist at $500.00/mo. for 3 months	1,500.00	
Total labor, supervision and technical services		2,400.00

Operating materials and supplies

420 paper core boxes at $0.75/ea.	$315.00	
Gas, oil, and repairs for 1 service truck at $75.00/mo. for 3 months	225.00	
Total operating materials and supplies		$ 540.00

Operating equipment

Rental - none		
Purchase - none		
Depreciation		
One service truck valued at $1,800.00 at 1/60/mo. for 3 months	90.00	
One Babbel counter and probe valued at $600.00 at 1/60/mo. for 3 months	30.00	
Total operating equipment		120.00

Initial rehabilitation or repairs

None

New buildings and improvements

None

Miscellaneous

Accounting at $50.00/mo. for 3 months	150.00	
Chemical analysis of 30 samples at $5.00/ea.	150.00	
Compensation insurance, payroll taxes, etc., 6 percent of $2,400.00	144.00	
Total miscellaneous		444.00
Total cost of Phase III		$32,649.00

Overall cost per foot - $32,649.00 ÷ 17,700 = $1.85
Cost per foot for non-coring - $19,902.00 ÷ 13,500 = $1.47
Cost per foot for coring - $12,597.00 ÷ 4,200 = $3.00
Cost per foot for analysis - $150.00 ÷ 17,700 = $0.008

SUMMARY OF PROPOSED PROJECT COSTS

Phase	Footage	Duration (months)	Estimated cost per foot	Total cost
I	23,235	4	$1.88	$43,680.00
II	20,650	4	1.87	38,615.00
III	17,700	3	1.85	32,745.00
Totals	61,585	11	$1.87	$115,040.00

CONCLUSIONS

Concurrence in the recommendation for Government assisted exploration of this property is based entirely upon the geologic reasoning set forth in this report and more completely covered in the accompanying geologic report. The main points of which are:

1. The probability that alteration due to mineralization noted on the outcrop and in producing mines will persist onto this ground.

2. The probability that appreciable local thickening of the Poison Canyon sandstone will be found.

3. The subject ground appears to lie in the path of the above favorable features when projected in a north or northeast direction.

4. The drilling targets are comparatively large.

It is suggested that very thorough consideration be given the results of one phase before the succeeding one is allowed to start because of the expense involved. It is apparent that it would be necessary to discover 4 or 5 small deposits in order to return the Government's participation.

RECOMMENDATIONS

It is recommended that the core drilling project described above, totalling 208 holes and 61,585 feet of hole and costing $114,863.45, with the Government's share 75 percent or $86,147.59, be approved and participated in by DMEA. A short-form unit cost contract is suggested.

/cm

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

March 22, 1955

TRANSMITTED
APR 7 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3632 (uranium), Colomer Corporation, State group of claims Nos. 1 to 27, McKinley County, New Mexico

Enclosed are 10 copies of a geologic report by L. S. Hilpert, U. S. Geological Survey, covering the above subject property.

Hilpert describes in some detail the geology of the Grants district, the geologic habit, size, and grade of the known ore deposits in the area, and possible stratigraphic and structural controls of ore deposition. He concludes that exploration on the State group of claims is warranted and recommends a 3-stage program of drilling.

Although there are no outcrops of the ore-bearing sandstone on the property and the applicant states that three holes drilled in the southwest 1/4 of the State No. 1 claim did not encounter ore (two holes are reported by the applicant to have encountered mineralized sandstone), Hilpert has presented considerable data to support his conclusions and recommendations. His proposed program of exploration is rather extensive but is well adapted to inferred geologic habit and size of possible ore bodies on the Colomer property.

Hilpert's conclusions and recommendations have my approval.

Nine extra copies of the figures included in Hilpert's report are enclosed also.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (17)

ENHarshman:arh

4-13-55

MINERAL DEPOSITS
DMEA
RECEIVED
MAR 21 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

TRANSMITTED
APR 7 1955

March 18, 1955

Memorandum

To: E. N. Harshman, DMEA Field Team, Region III

From: W. P. Williams

Subject: DMEA 3632, Colamer Corporation, State group of claims Nos. 1-27, McKinley County, New Mexico

Transmitted herewith are 11 copies of a geologic report by L. S. Hilpert covering a field examination of the above-referenced property.

The subject property is considered favorable for uranium ore deposits by Hilpert for several geologic reasons: Ore in the Jurassic-Morrison formation is found near the subject property in the Poison Canyon sandstone member of the Morrison. A favorable altered zone of Poison Canyon sandstone may be projected directly through sec. 8, where exploration drilling is proposed. Dominant fracture trends which may control ore deposition also project northward through the subject property. For other favorable geologic reasons contained in his report, Hilpert believes that the chances are good for finding significant ore bodies on the applicant's property. Hilpert recommends that a DMEA contract be prepared to provide for exploration drilling in three stages for a total of 61,610 feet of core and non-core drilling. I concur with Hilpert's recommendations.

As noted in Hilpert's report, Mr. W. A. Carlson, Geologist, U. S. Atomic Energy Commission, has assisted in evaluating the applicant's property.

We are enclosing herewith 9 extra copies of the maps accompanying Hilpert's report. We are returning herewith the brochure covering this application.

W P Williams

W. P. Williams
Geologist

WPW/mlr
Enclosures

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 III

DMEA 3632, Colamer Corporation, State group of claims Nos. 1-27, McKinley County, New Mexico

Uranium

Geologic Report

by

L. S. Hilpert
U. S. Geological Survey

March 18, 1955

4-13-55

DMEA 3632

INTRODUCTION

Application (DMEA docket no. 3632) has been made by the Colamer Corporation for Government assistance in exploring for uranium in the Morrison formation of the Grants district, McKinley County, N. Mex. The applicant proposes to expend a maximum of 61,610 feet of drilling to explore the State nos. 1-27 claims in sec. 8, T. 13 N., R. 9 W. (fig. 1). The Government's share of the proposed expenditures would be 75 percent.

The State nos. 1-27 claims are all within sec. 8 and constitute all of the section except a strip of land about 800 feet wide along the eastern side of the section. This strip of land is not controlled by Colamer. The State nos. 1-27 claims are under lease to Colamer by the several claimants.

The Colamer property in sec. 8 was examined February 16, 1955, by L. S. Hilpert and T. E. Mullens of the U. S. Geological Survey, in company with Glen Walker, of the U. S. Bureau of Mines, and Kelsey Boltz, who represented the applicant. Hilpert and Mullens conferred with W. A. Carlson, project geologist, U. S. Atomic Energy Commission on February 17.

GEOLOGY

General relations

The productive deposits in the Grants district occur in Jurassic and Cretaceous sedimentary rocks along the southern fringe of the San Juan Basin. These rocks generally dip northward at a low angle and, in the area pertaining to the application, dip about 3°NE. These rocks form a rather continuous outcrop from near Grants westward to Gallup. The rocks are folded broadly or broken by faults. In the vicinity of the subject area the faults are of the normal type and generally have a northerly and easterly trend. The jointing of the rocks likewise shows a dominant northward-trending set and a dominant eastward-trending set (Gilkey, 1953).

The part of the sequence of sedimentary rocks containing the productive deposits, from base to top, consists of the Todilto limestone, Summerville formation, Bluff sandstone, and Morrison formation, all of Jurassic age (see table 1). The Morrison is overlain unconformably by the Cretaceous Dakota sandstone and the Dakota sandstone by the Cretaceous Mancos shale and Mesa Verde group. The Todilto limestone, Morrison formation, and Dakota sandstone all contain productive uranium deposits in Grants district. The application refers to exploration proposed for finding ore bodies in the Morrison formation.

Table 1.-- Generalized stratigraphic section for the area in the vicinity of sec. 8, T. 13 N., R. 9 W., McKinley County, New Mexico.

Age	Formational units	Average thickness (ft.)
Recent	Alluvium	15
- - - - - - - - -	Unconformity - - - - - - - - - - - - - - - -	
	Mancos shale and Mesa Verde, undifferentiated	100
Cretaceous		
	Dakota sandstone	80
- - - - - - - - -	Unconformity - - - - - - - - - - - - - - - -	
	Morrison formation:	
	Brushy Basin member (contains the "Poison Canyon sandstone")	150
	Westwater Canyon member	100
Jurassic		
	Recapture member	100
	Bluff sandstone	250
	Summerville formation	150
	Todilto limestone	20

The top of the Todilto limestone lies at a depth of about 800 feet below the surface in the subject area, so is not considered economically feasible for exploration at this time. Although the Dakota sandstone, which overlies the Morrison, and caps the surface in sec. 8, might contain minable uranium deposits, no exploration is planned specifically to find such deposits. The known Dakota deposits are relatively small and scattered and no reliable guides to them that would be useful in exploration are known. As the application is concerned with exploration for deposits in the Morrison, this formation and the deposits contained in it will be described in enough detail to provide a setting for the proposed exploration. The outcrop of the Morrison and the outlines of the known deposits contained in it within the vicinity of the subject area are shown on figure 2.

The Morrison formation in the vicinity of the subject area comprises three members. From base to top these are the Recapture, Westwater Canyon, and Brushy Basin (table 1). The Recapture member is mostly a fine- to medium-grained friable sandstone that contains some beds of claystone. It is about 100 feet thick and is distinctive by alternating light-gray and reddish-brown units.

Overlying the Recapture is the Westwater Canyon member. It is predominantly a medium- to coarse-grained pebbly sandstone that contains relatively thin units of claystone. The color ranges from yellowish gray to yellowish orange. It is about 100 feet thick, and interfingers with the underlying Recapture and the overlying Brushy Basin members.

The Brushy Basin member is predominantly a grayish-green claystone with subordinate amounts of medium-grained green calcareous sandstone as relatively thin lenses. It ranges in thickness from about 125 to 175 feet and averages about 150 feet thick. This range in thickness is partly the result of pre-Dakota differential erosion following broad folding.

The "Poison Canyon sandstone"

All known commercial deposits in the Morrison formation in the vicinity of sec. 8 are in a sandstone unit of the Brushy Basin member. This unit, called the "Poison Canyon sandstone", lies about 20 feet stratigraphically above the base of the Brushy Basin and ranges from about 35 to 90 feet in thickness. It averages about 50 feet thick. It appears to be a tongue from the underlying Westwater Canyon. About two miles southwest of sec. 8 the junction of the unit with the Westwater can be observed in sec. 14, T. 13 N., R. 10 W. East of this point along the outcrop the Poison Canyon sandstone is separated from the Westwater Canyon by a 15- to 20-foot thick unit of Brushy Basin claystone that can be traced eastward for a distance of about 4 miles where the rocks dip beneath the alluvium in sec. 21, T. 13 N., R. 9 W. (fig. 2). North from the outcrop the Poison Canyon sandstone has been traced by private drilling about 1 mile into secs. 18 and 20. It likely extends northward under sec. 8.

The Poison Canyon sandstone has characteristics that distinguish it from the other Brushy Basin sandstone units. The color ranges from white to moderate brown. Near uranium deposits the color is yellowish gray. It is composed mostly of quartz and a fair amount of pink feldspar and a few other accessory minerals. White specks, likely kaolin, ? are common. The sandstone is medium- to coarse-grained and locally pebbly. It is cross-bedded, shows scour-and-fill features, and is quite friable. Carbonaceous debris, mainly in the form of small silicified logs, limbs, and reeds, and claystone lenses and galls are present locally. The carbonaceous debris and claystone lenses and galls seem most abundant near deposits. The base of the sandstone locally is convex downward, and channeling in the underlying claystone is common. The general features indicate a fluvial origin.

Although available information is incomplete, enough is now known from private drilling data and from observations at the outcrop to indicate that the uranium deposits in the SW 1/4 of sec. 20, the SE 1/4 of sec. 18, and likely those in the SE 1/4 of sec. 19 are contained in the Poison Canyon sandstone at places where it is thicker. In general this sandstone unit is about 50 feet thick. Where the known deposits occur, the sandstone generally ranges from about 50 to 90 feet. These thicker parts appear to be elongate masses that have a predominant trend of about N 80° E. They range from about 500 to 1,000 feet in width and from about 1,000 to 2,000 feet in length.

Uranium deposits

The Morrison deposits in the vicinity of sec. 8 are essentially tabular concentrations of black, and a subordinate amount of yellow, uranium oxides in sandstone. These tabular concentrations generally follow the bedding. They range from a knife edge to 10 or more feet in thickness. They are generally elongate masses that range from a few feet to several hundred feet in width and from a few feet to about 2,000 feet in length (fig. 2). They average about 250 feet in width and about 1,000 feet in length. These mineralized masses (or deposits) locally contain material of ore grade and thickness (ore bodies).

Ore bodies

Using cutoffs of 0.10 percent U_3O_8 and layers 1 foot or more thick, these ore bodies range from about 0.10 to 0.50 percent U_3O_8 and average about 0.25 percent U_3O_8, and contain about the same amount of V_2O_5. The content of $CaCO_3$ ranges from about 1 to 10 percent and averages about 6 percent. These ore bodies range from a few tons to about 50,000 tons each and probably average about 10,000 tons each. Dimensions of these ore bodies range from a few feet to about 200 feet in width and from a few feet to about several hundred feet in length. They average about 4 feet in thickness. These bodies appear to have the same trend as the mineralized masses containing them.

Under the open-pit type of mining that is being done in section 19, the cutoffs used for the estimates given above are probably valid.

For underground mining, such as is being done in sec. 20, where the ore is about 160 feet below the surface, and for the subject area, where the base of the ore zone ranges from about 240 to 370 feet below the surface, higher cutoffs are likely necessary. Under such circumstances, the size of the minable ore bodies will be smaller. For present mining purposes, the Holly Uranium Corp. is using cutoffs of 0.20 percent U_3O_8 for layers 2 feet or more thick for the ore bodies in sec. 20. This gives them about eight ore bodies containing a total of 15,000 tons of ore and averaging 0.38 percent U_3O_8. Using the lower cutoffs of 0.10 percent U_3O_8 for layers 1 foot or more thick, they calculate the same mineralized area to contain 38,000 tons that averages somewhere between 0.25 and 0.29 percent U_3O_8. Using the higher cutoffs the ore bodies probably average about 1,500 tons each and have dimensions that average about 50 feet in width, 150 feet in length, and 3 feet in thickness.

It is the habit of these ore bodies to occur in clusters, the spacing generally being close enough to permit the mining of such clusters from one central mine opening. This is the case with the ore bodies of the Holly Uranium Corp. in sec. 20. The ore bodies they are mining are within a mineralized zone about 1,000 feet long. They plan to mine the ore bodies from this zone from one working shaft. Drilling information in sec. 20 is incomplete and even less complete for sec. 18. It is likely, therefore, that more ore bodies will be found in the known mineralized areas of each of these two sections, and it is also likely that more drilling will define a greater tonnage of ore than can now be considered available from present or planned mine openings.

It seems conservative, therefore, that about 20,000 tons of ore, averaging about 0.35 percent U_3O_8 could be expected to be minable from one central opening from the average-sized mineralized area, using cutoffs of 0.20 percent U_3O_8 for layers 2 feet or more thick. Using cutoffs of 0.10 percent U_3O_8 and layers 1 foot or more thick an average of about 50,000 tons of material averaging 0.25 percent U_3O_8 could be expected from each mineralized area.

Relation of ore bodies to alteration

Along the outcrop of the Morrison in the zone between the stippled lines on figure 2, the sandstones have a predominant yellowish gray color. This color is in contrast to the predominant yellowish orange to medium brown color of the sandstones away from this zone. This zone of bleaching is immediately south of the area containing all the larger known Morrison deposits. Also, immediately south of this zone of bleached Morrison the underlying Todilto limestone contains numerous higher-than-average grade ore bodies. These relations suggest that the ore bodies are related to the zone of alteration and permit projection of this zone of alteration northward under the Dakota sandstone cover (fig. 2).

Relations of ore bodies to structures

Gilkey (1953) has pointed out the similar trends of the long axes of the deposits with the predominant trends of the faults and joint structures northwest of Grants, New Mexico. The dominant joint and fault directions, as pointed out by Gilkey, are northerly and easterly. Where Gilkey's work

was done most of the relations of the structures to the ore was based on what could be observed in the Todilto limestone ore bodies. Since then, more ore bodies in the Todilto and in the Morrison have been found and roughly outlined. The long axes of these additional bodies also conform in general with Gilkey's observations. In any one local area these axial trends may be northerly or easterly. The Morrison deposits and their contained ore bodies in secs. 18, 19, and 20 nearly all exhibit an easterly trend, even though they have been outlined only roughly (fig.2).

Also, as pointed out above, these deposits also seem to be contained within the thicker parts of the Poison Canyon sandstone unit, and that the long axes of these thicker parts also have a predominant eastward trend, roughly about N 80° E.

Summary of the geologic features related to ore

Available data indicate that the Morrison ore bodies in the vicinity of the subject area are elongate masses whose long axes have a predominant eastward trend, that these bodies are contained within elongate mineralized masses that have a similar trend, and that these mineralized masses occur within the thicker parts of the Poison Canyon sandstone. These thicker parts also appear to be elongate and have a similar eastward orientation.

Gilkey (1953) has shown that the faults and joints in this general area have two dominant directions, northerly and easterly, and that these two directions are also the dominant ones for the long axes of the Todilto ore deposits. It is possible that the Morrison deposits bear some relations to these fractures as well as to the sedimentary structures.

The Morrison deposits also appear to be related to the zone of alteration that can be observed at the Morrison outcrop. The general pattern of distribution of the known Morrison deposits and the concentration of the higher-than-average grade Todilto deposits immediately south of the altered Morrison outcrop permits projections of the zone of alteration northward. This northward projection follows one of the dominant fracture trends, which could have been a controlling factor in guiding the solutions that produced the alteration and perhaps also brought in the ore. From the observed association with the known deposits, this zone of alteration marks ground favorable for ore. As the Poison Canyon sandstone extends northward from the rim at least a mile or more, projection of the altered zone northward marks this zone as favorable for ore discoveries. As sec. 8, the subject area largely lies within the projected limits of this zone (fig. 2) it is considered favorable for uranium discoveries and is recommended for exploration.

Proposed Exploration

The applicant proposed the exploration of their properties in sec. 8 be done in two stages of drilling. He proposed that stage 1 be done by drilling holes on a 400-foot grid, beginning the grid 200 feet east of the west line of the section and 200 feet north of the south line of the section. He estimated this stage of drilling would find the ore bodies and would require 143 holes, for a total of 47,200 feet of drilling. For stage 2 he proposed the same number of holes and footage be

required to define the ore bodies, and proposed that this stage be drilled on a 200-foot grid pattern. He planned to drill a total of 286 holes in stages 1 and 2 for a total of 94,400 feet.

From what is now known of the distribution and habits of the Morrison deposits in the vicinity of the subject area, a better plan of exploration has been drawn up. This modified plan has the complete agreement and endorsement of the applicant.

It is planned that the subject area be explored in three stages of drilling. Stage 1 is to be utilized in finding and outlining the thicker parts of the Poison Canyon sandstone. Stage 2 is planned to search for mineralized areas within the thicker parts of the Poison Canyon sandstone, and stage 3 is planned to search for and define approximately the ore bodies within the mineralized areas.

Stage 1 drilling is planned to be done in six north-trending lines of holes, the lines being 800 feet apart and the holes along the lines 400 feet apart (fig. 3). The holes along successive lines should be staggered to be most effective. This pattern of drilling is based on finding and outlining the minimum-sized thicker parts of the ore-bearing sandstone. The minimum size appears to be about 500 feet in width and about 1,000 feet in length and to have a dominant eastward orientation. The eastern and western lines of holes should each be about 250 feet from the eastern and western lines of the property, respectively. The end holes on each line should be roughly 200 and 300 feet from the southern and northern property lines, respectively, for the westernmost line, these distances to be reversed in each successive line to be drilled.

In so far as feasible, the drilling should proceed from south to north in order to make use of the greatest amount of available information. Stage 1 will require 78 holes.

From what is known of the favorable ground, or thicker parts of the sandstone, in secs. 18 and 20, there is an expectancy of about four such patches of ground per land section. To find and roughly outline the mineralized areas within each of these patches will require about 15-20 drill holes. These holes, to be drilled in stage 2, should be spaced about 200 feet apart along north-trending lines. The lines should be about 400 feet apart, with the holes along adjoining lines staggered. Stage 2 holes may be placed along stage 1 lines as well as on intervening ground. To explore four patches of such ground will require about 70 drill holes.

Stage 3 drilling should be done to find and roughly outline the ore bodies within the mineralized areas. These holes should be drilled along north-trending lines with the lines about 200 feet apart and the holes along the lines about 100 feet apart, with the holes along adjoining lines staggered. Stage 3 holes may be placed along stage 1 and 2 lines as well as on intervening ground. It is estimated it will require about 15 stage 3 holes to find and roughly define the ore bodies in each mineralized area. Sufficient ore should be found after stage 3 drilling in four such mineralized areas to insure the Government's risk in the venture. This would require about 60 holes for stage 3 drilling.

For stages 1, 2, and 3 a total of 208 holes are required (78, 70, and 60 holes, respectively.)

Suggestions for sampling

General drilling practice in the Grants area is to do rotary plug-bit drilling with air and catch the cuttings for sample purposes. Most of this drilling has been done in holes less than 200 feet deep and in ground that has been dry.

Under the revised plan of exploration the range in depth to the base of the Poison Canyon sandstone in sec. 8 is estimated to range from about 240 feet at the southwest corner to about 370 feet at the northwest corner (see below). Rotary type plug-bit drilling should produce samples from such depths provided the ground is dry, although more dilution or contamination and more difficulty in fixing the sample limits at the correct depths in the hole should be expected. Some difficulty was experienced in getting satisfactory samples with this type drilling in some holes in secs. 18 and 20, and even more difficulty has been experienced recently by private drilling in sec. 16, immediately southeast of the subject area. Ground water has been reported to be present in the ore-bearing sandstone (likely the Poison Canyon sandstone) in this section. As this section lies along the strike of the rocks from sec. 8, and as the Poison Canyon sandstone in sec. 8 lies at a greater depth below the surface than sec. 18, 20, and likely also 16, ground water can be expected in the Poison Canyon sandstone under sec. 8. This would likely make sample recovery difficult or impossible by drilling with air. Sludge samples could be obtained, but dilution and contamination of such samples would likely be more pronounced than in dry cuttings.

Also, it might be necessary to case the holes, which would raise the costs. For these reasons, as well as the need for stratigraphic control, coring seems justified in all holes. This problem was discussed jointly on February 16, 1955, with the applicant's representative, Kelsey Boltz, Glen Walker, the Bureau engineer, and the writer in Grants, New Mexico, and was again discussed by 'phone on February 28. It was the unanimous opinion of this group that coring, probably BX size, should be done in all holes, as follows:

Stage 1 drilling

1. The four corner holes, and the hole nearest the intersection of diagonals connecting these four holes, be cored from the base of the Dakota sandstone to the top of the Westwater Canyon member. (See figure 3.)

2. Ten additional holes be cored from the top of the Poison Canyon sandstone to the top of the Westwater Canyon member. These holes should be spaced as equidimensionally as the drilling pattern will permit between the first five holes, approximately as shown on figure 3.

3. The remaining 63 holes be cored from the top of the Poison Canyon sandstone to the basal claystone underlying it.

Stages 2 and 3 drilling

Core all holes from the top of the Poison Canyon sandstone to the base of the Poison Canyon sandstone. This will require 70 holes for stage 2 and 60 holes for stage 3.

All drilling above the intervals marked for coring may be specified for either wet or dry plug-bit type of drilling, which ever is cheaper. There are no geologic requirements, as far as the Government is concerned, for sample recovery from the plug-bit intervals. The applicant should be required to probe all holes drilled with a gamma-ray measuring instrument, and he should be required to probe each hole as soon as possible after it is bottomed and the rods pulled. This requirement would prevent the problem of radon gas build-up and contamination in some holes before they are probed.

From the zones marked for coring, the applicant should be required to select samples for assay from core showing uranium mineralization. Selection of samples for assay should be based on scanning the core, both by eye and by a standard type gamma-ray-measuring field instrument, and by consideration of the gamma-ray log or radiometric readings taken in the hole.

Core selected for assay should be split and one-half of the split core retained and boxed with the rest of the core from each hole. This boxed core should be kept in suitable storage for review by the Government's field representatives.

Core selected for assay should be assayed for U_3O_8 chemically, also assayed radiometrically for eU_3O_8 , and assayed for $CaCO_3$. The applicant's estimate of 300 samples for assay for the project seems to be a reasonable number.

SUMMARY OF DRILLING REQUIREMENTS

The applicant's original estimate of the drilling depths ranged from about 200 feet at the southwest corner of sec. 8 to about 410 feet at the northeast corner, and he estimated an average depth of 330 feet to what he referred to as the base of the Westwater Canyon member. His designation of the base of the Westwater Canyon is the same stratigraphic position as the writer's base of the Poison Canyon sandstone. As pointed out above, this sandstone is a tongue from the Westwater Canyon and lies above it.

The applicant's original estimate on drilling depths and total footage seems somewhat high. It is based on projecting the regional dip of the rocks 4° NE. The dip is more likely about 3° NE. The difference has been resolved with the applicant to be 3-1/2° NE. This revised figure will give a range in depth from about 240 to 370 feet below the surface for the base of the Poison Canyon sandstone, the ore-bearing unit.

Each stage of drilling should include some additional footage to allow for bottoming the holes. About 10 feet should be allowed for each of the 78 wide-spaced holes to penetrate the top of the Westwater Canyon member, and about 10 feet should be allowed for each of the second and third stage holes to penetrate the Claystone at the base of the Brushy Basin under Poison Canyon sandstone. Also, about 10 feet of additional

coring should be permitted above the top of the Poison Canyon sandstone in all holes except the 5 stage 1 holes that are marked for coring from the base of the Dakota sandstone to the top of the Westwater. This additional footage for bottoming the holes and coring will be necessary to effectively make the stratigraphic correlations and to avoid plug-bit drilling into the Poison Canyon sandstone. For the 5 holes that should be cored from the base of the Dakota sandstone, the coring interval can start where the drill first encounters Brushy Basin claystone. For the 208 holes planned, they total 61,585 feet for an average depth of about 295 feet. About 25 percent of the drilling should be coring, and the remaining 75 percent plug-bit drilling. The following table shows by the three stages of drilling a breakdown of the non-core and core footages estimated for the drilling.

CONCLUSIONS AND RECOMMENDATIONS

Because of the geologically favorable setting of the property for ore it is recommended for Government assistance. The plan for exploration is a modification of the one originally proposed by the applicant. The applicant desires and endorses the modified plan. W. A. Carlson, AEC, confirms the writer's opinion regarding the favorableness of the area for discovery of significant uranium-bearing deposits. It is recommended that a DMEA contract be prepared to provide for exploration work as outlined above.

Table showing numbers of holes and amounts of non-core footages and footages to be cored under each stage of drilling planned for sec. 8, T. 13 N., R. 9 W.

Number of holes	Stratigraphic position of base of holes	Non-core footage in each	Footage to core in each	Total footage required	
				Non-core	Core
		Stage I			
5	10 feet below top of West-water	145	160	725	800
10	10 feet below top of West-water	225	90	2,250	900
63	10 feet below top of claystone at base of Poison Canyon sandstone	225	70	14,175	4,410
		Stage II			
70	10 feet below top of claystone at base of Poison Canyon sandstone	225	70	15,750	4,900
		Stage III			
60	10 feet below top of claystone at base of Poison Canyon sandstone	225	70	13,500	4,200
208	- - Totals - - - - - - - - - - - - - - - - - -			46 400	15,210

Total core and non-core footage = 61,610

Average depth of hole (rounded) = 295 feet

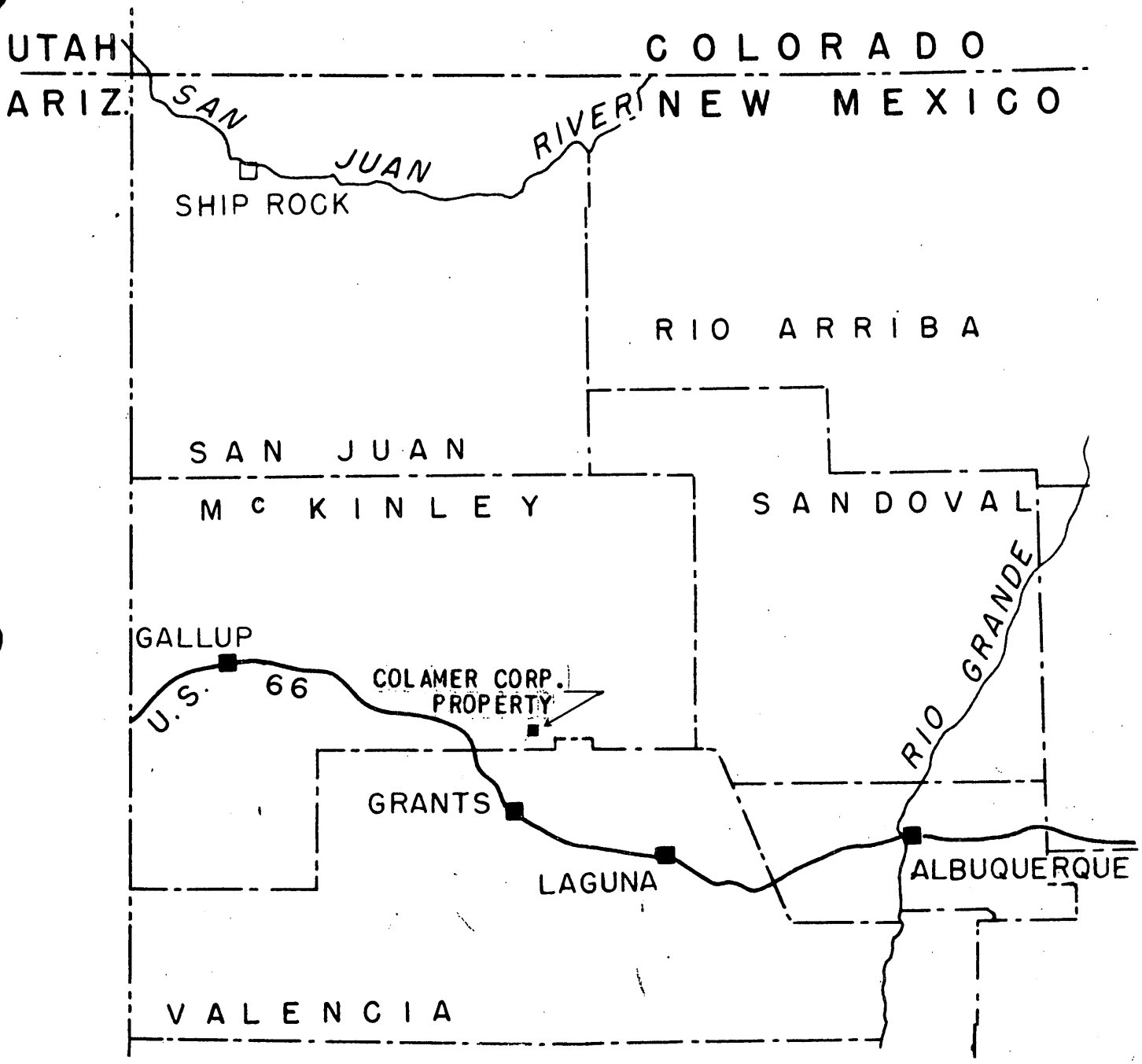


Figure 1. INDEX MAP OF PART OF NEW MEXICO SHOWING LOCATION OF THE STATE NOS. 1-27 CLAIMS, COLAMER CORP., McKINLEY COUNTY, NEW MEXICO

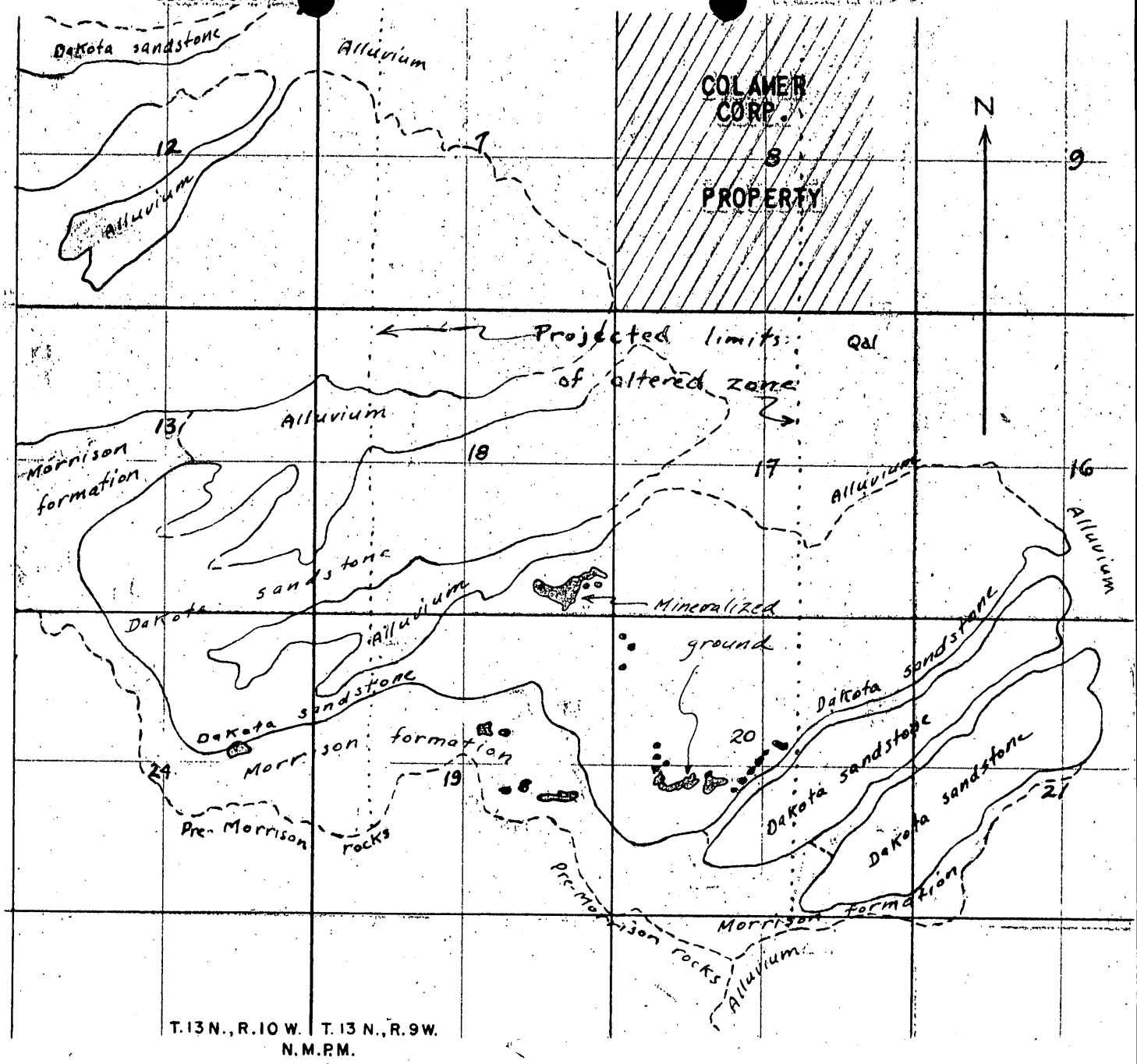


Figure 2. GEOLOGIC SKETCH MAP SHOWING THE MORRISON FORMATION, THE OUTLINES OF KNOWN MINERALIZED GROUND, AND THE PROJECTED LIMITS OF ALTERATION IN THE MORRISON IN THE VICINITY OF SECTION 8, T. 13 N., R. 9 W., McKINLEY COUNTY, NEW MEXICO

4/12/55 gla

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

224 New Customhouse
Denver 2, Colorado

April 6, 1955

Mr. Bernard J. Long
Cann, Lamb, Long & Kittelle
425 13th Street, N. W.
Washington 4, D. C.

Re: Docket No. DMEA-3632 (Uranium)
State Claims
McKinley County, New Mexico

Dear Mr. Long:

This will acknowledge receipt of your letter dated April 1, 1955, in which you requested the present status of the subject Application.

The Report of Examination on this property is now being reviewed in this office and will be forwarded to the Washington office of the Defense Minerals Exploration Administration this week.

Yours very truly,

W. M. TRAVER,

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

Enc.
HMC:bh
cc - Administrator, DMEA (2)
Subject
Chron.

NEW YORK
420 LEXINGTON AVE
LEXINGTON

LOS ANGELES
CANN, LAMB, [illegible]

TELEPHONE
EXECUTIVE [illegible]

Surname 700

Ching
Ellis
Selfridge
Johnson

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

JAN 21 1955

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

Re: Docket No. DMEA-3632 (Uranium)
Colamer Corporation
State Claims
McKinley County, New Mexico

Dear Mr. Traver:

The subject application is being referred to you for investigation, a field examination if warranted, and recommendations. A copy of the application is already in your files.

Enclosed are two copies each of comments and recommendations by E. L. Newcomb and John E. Crawford of the Uranium Commodity Committee, dated January 14 and January 20, 1955, respectively.

The required Owners' Consents to Lien have been secured by this office through the Applicant's representative in Washington and need not be obtained by the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHB)

Ivor H. Kiilsgaard

Member, Geological Survey (JHB)

Mching:am
1-28-55
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. Ching

R.C.B.

Surname 700

Ching
Ellis
Hedges
Kulsgaard
Selfridge
Johnson

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

JAN 21 1955

Mr. Jack R. Parsley, Vice President
Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
State Claims
McKinley County, New Mexico

Dear Mr. Parsley:

The application for assistance in exploring your property in McKinley County, New Mexico, under the above-captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred to the Executive Officer of Region III at the following address:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing:am
1-28-55
cc to: Admr. Reading File
Docket
DMEA Field Team, Region III(2)
Code 700
Mr. Ching

cc to: Bernard J. Long, Esq.
Cann, Lamb, Long & Kittelle
Pennsylvania Building
425 13th Street, N. W.
Washington 4, D. C.

R.C.J.

Butler

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

JAN 25 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3632 (Uranium), Colamer Corporation

Pursuant to a memorandum dated January 18 from Mr. Ching, we have reviewed the several instruments in the subject docket covering the land in which the applicant has an interest.

We have set forth below a synopsis of each instrument and the security required by the Government in connection with each group of claims which may be the subject of an exploration project contract.

1. In an instrument dated April 5, 1954, Jane Hyde Cosper and Lee Roy Cosper, leased to Thomas C. King the claims State Nos. 5, 6, 14, 15, and 24, for a period of 10 years, renewable.

An Owner's Consent to Lien is required from both lessors.

2. In an instrument dated April 5, 1954, Jane Hyde Cosper and Lee Roy Cosper leased to Thomas C. King the claims State Nos. 7, 8, 16, 17, and 25, for a period of 10 years, renewable.

An Owner's Consent to Lien is required from both lessors.

3. In an instrument dated April 5, 1954, Arthur W. Hyde and Vilatie Hyde leased to Thomas C. King the claims State Nos. 2, 11, and 20, for a period of 10 years, renewable.

An Owner's Consent to Lien is required from both lessors.

4. In an instrument dated April 5, 1954, Arthur W. Hyde and Vilatie Hyde leased to Thomas C. King the claims State Nos. 3, 4, 12, 13, and 21, for a period of 10 years, renewable.

An Owner's Consent to Lien is required from both lessors.

5. In an instrument dated August 25, 1954, Thomas C. King and Phyllis King assigned to Jack R. Parsley their interests in the four above-listed leases, the assignment being subject to the payment of royalty from all the State claims listed above (the first four items) to Thomas C. King and to Jean Reynolds in addition to the royalty due to all of the above lessors.

A Subordination Agreement is required from Thomas C. King and Phyllis King, and from Jean Reynolds covering all the claims listed in the first four items.

6. In an instrument dated August 17, 1954, J. W. Reynolds and Jean Reynolds leased to Jack R. Parsley the following claims:

Jean Nos. 1, 5, 9, 13, 17, 21, 25, 29, 33;
Deetta Nos. 3, 7, 11, 15, 19, 23, 27, 31, 35;
State Nos. 22 and 23;

for a period of 10 years, renewable, and subject to the payment of royalty to Thomas C. King on production from all the claims, and subject to royalty to Joe Cahill on the Deetta claims only, in addition to the royalty due the lessors.

An Owner's Consent to Lien is required from J. W. Reynolds and Jean Reynolds; a Subordination Agreement is required from Thomas C. King covering all three groups of claims; and a Subordination Agreement is required from Joe Cahill covering the Deetta claims.

7. In an instrument dated August 17, 1954, Thomas C. King and Phyllis King leased to Jack R. Parsley the following claims:

State Nos. 1, 9, 10, 18, 19, 26, and 27;
Phyllis Nos. 2, 6, 10, 14, 18, 22, 26, 30, and 34;
Fannie Nos. 4, 8, 12, 16, 20, 24, 28, 32, and 36.

All the claims are subject to a royalty payable to Jean Reynolds; the Fannie claims are subject to a royalty payable to Ira N. Sprecher and Fannie A. Sprecher, and the State claims are subject to a royalty payable to Howard Deeds, all in addition to the royalty payable to the lessors.

An Owner's Consent to Lien is required from Thomas C. King and Phyllis King. A Subordination Agreement is required from Jean Reynolds covering the three groups of claims. A Subordination Agreement is required from Ira N. and Fannie A. Sprecher covering the Fannie claims. A Subordination Agreement is required from Howard Deeds covering the State claims.

8. In an instrument dated December 11, 1954, Jack R. Parsley assigned his interests in all the above claims to the applicant.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

HCRubin/emd
Copy to: DMEA Docket
Solicitor's Docket
E. W. Ellis
J. L. Hofflund
H. C. Rubin
chron.

1/21/55 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1955

January 20, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

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

Subject: DMEA Docket 3632, Colamer Corp., Fidel & Rouse Bldg., Grants, New Mexico

I have reviewed the application included in the subject docket and have discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

We recommend that the application be referred to the Field Team for investigation and report, and that the Field Team be requested to discuss the application with Ernest R. Gordon, Atomic Energy Commission, Grand Junction, Colorado.

John E. Crawford

John E. Crawford

Attachment

Copy to: Branch of Rare and Precious Metals
Division of Minerals
J. O. Hosted (2)
J. E. Crawford
F i l e s

Docket surname copy

700

Ching
Ellis

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

INTERIOR DEPT.
JAN 18 1955
SOLICITOR

January 18, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Michael Ching, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-3632 (Uranium)
Colmmer Corporation
State Nos. 1-27 claims
McKinley County, New Mexico

Will you kindly advise us as to the parties that must execute Owners' Consents to Lien and those that must execute Subordination Agreements, and the claims that are to be covered in each case, under the subject application.

The Field Team usually requires these documents before making a field examination. If we can advise the applicant at an early date of our requirements, it will greatly facilitate the processing of his application. The application appears to have sufficient merit to warrant a field referral.

/s/ Michael Ching

Michael Ching

MChing/gla
cc to: Docket
Code 700
Mr. Ching

1/18/55 glm

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
JAN 17 1955

January 14, 1955

Re: DMEA-3632
Colamer Corp.
(State Claim Group)
McKinley Co., N. Mex.
$105,175 - Uranium

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicant has proposed a very extensive drilling project which will cover about nine-tenths of the area in Section 8, T. 13 N., R. 9 W. on the northeast flank of the Zuni Uplift. The program is planned as a two-stage project. Stage I consists of grid drilling on 400 foot centers and Stage II a grid of 200 foot offset holes to further test the Stage I holes which indicated mineralization or favorable criteria. If both of these grid patterns were completely drilled, a total of 572 holes would be drilled to depths ranging from 200 feet to 410 feet.

According to the applicant, three holes have been drilled in the southwest quarter of the State #1 claim. None of the holes cut ore grade material, but two holes are reported to have encountered mineralization. However, he states the thickness and extent of the mineralization is unknown. Logs or assays of these holes were not attached to our copy of the application. If these data were not submitted, a request for this information should be sent to the applicant.

The operator's map indicates a possible trend of ore bodies toward Section 8, but the geology is not shown in sufficient detail to evaluate whether the proposed work is warranted.

If the logs or assays from the previous three holes indicate mineralization or favorable criteria were found in the Westwater, then I recommend this application be referred to the Field Team for an examination report. It is possible a more limited program of drilling is justified on the State claims.

E. L. Newcomb

E. L. Newcomb

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JUNE 1956
DOCKET 3632

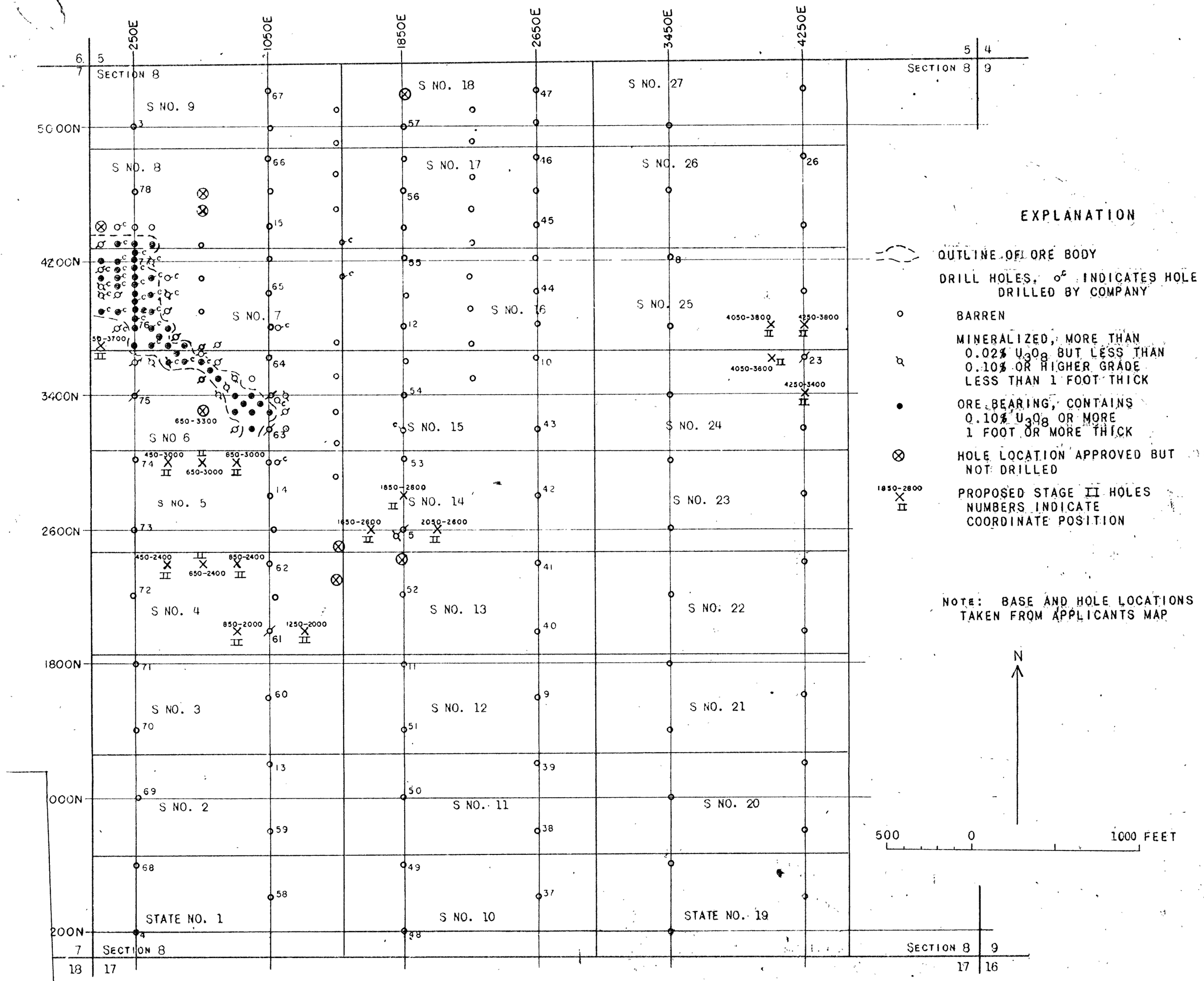
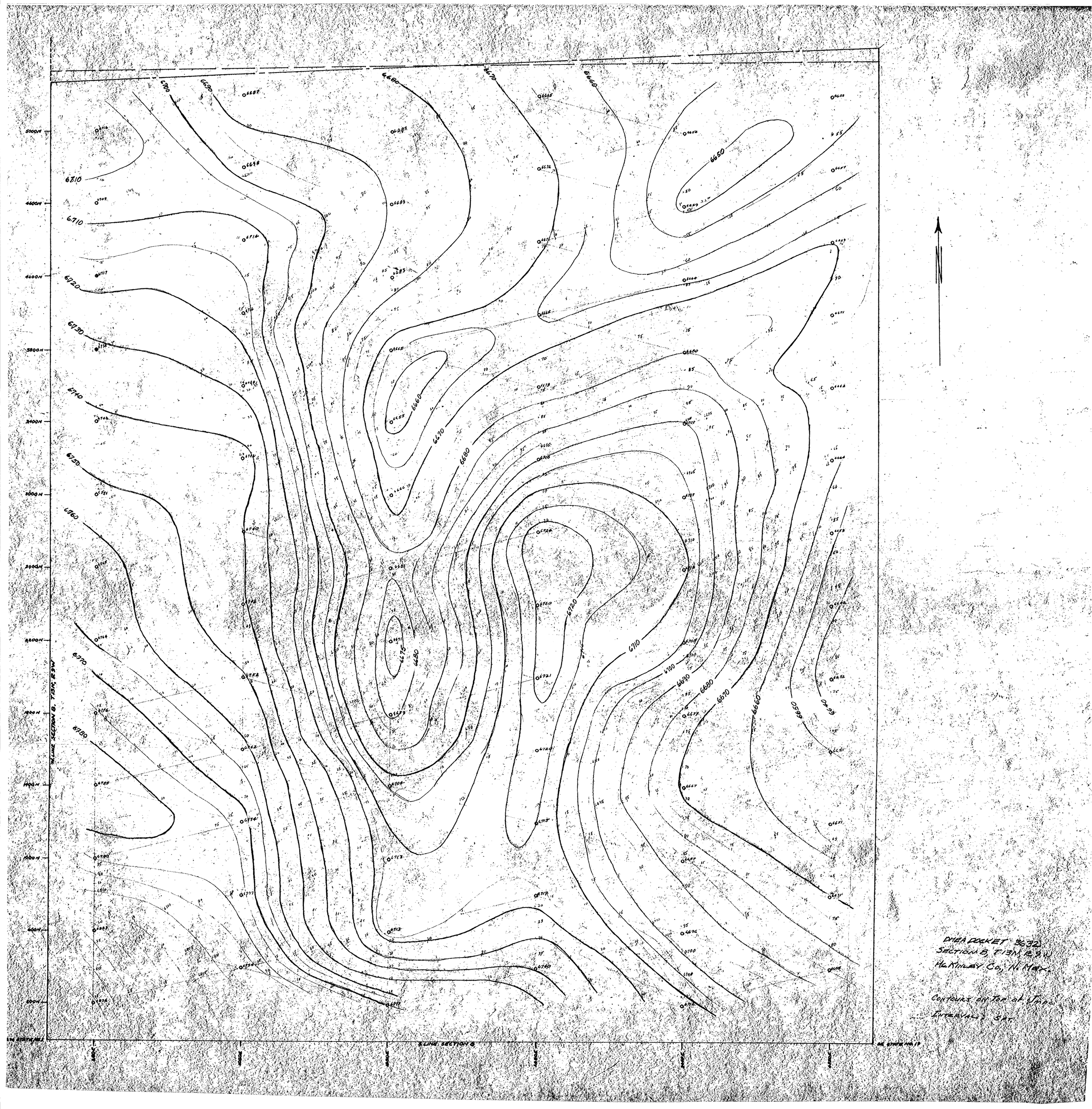
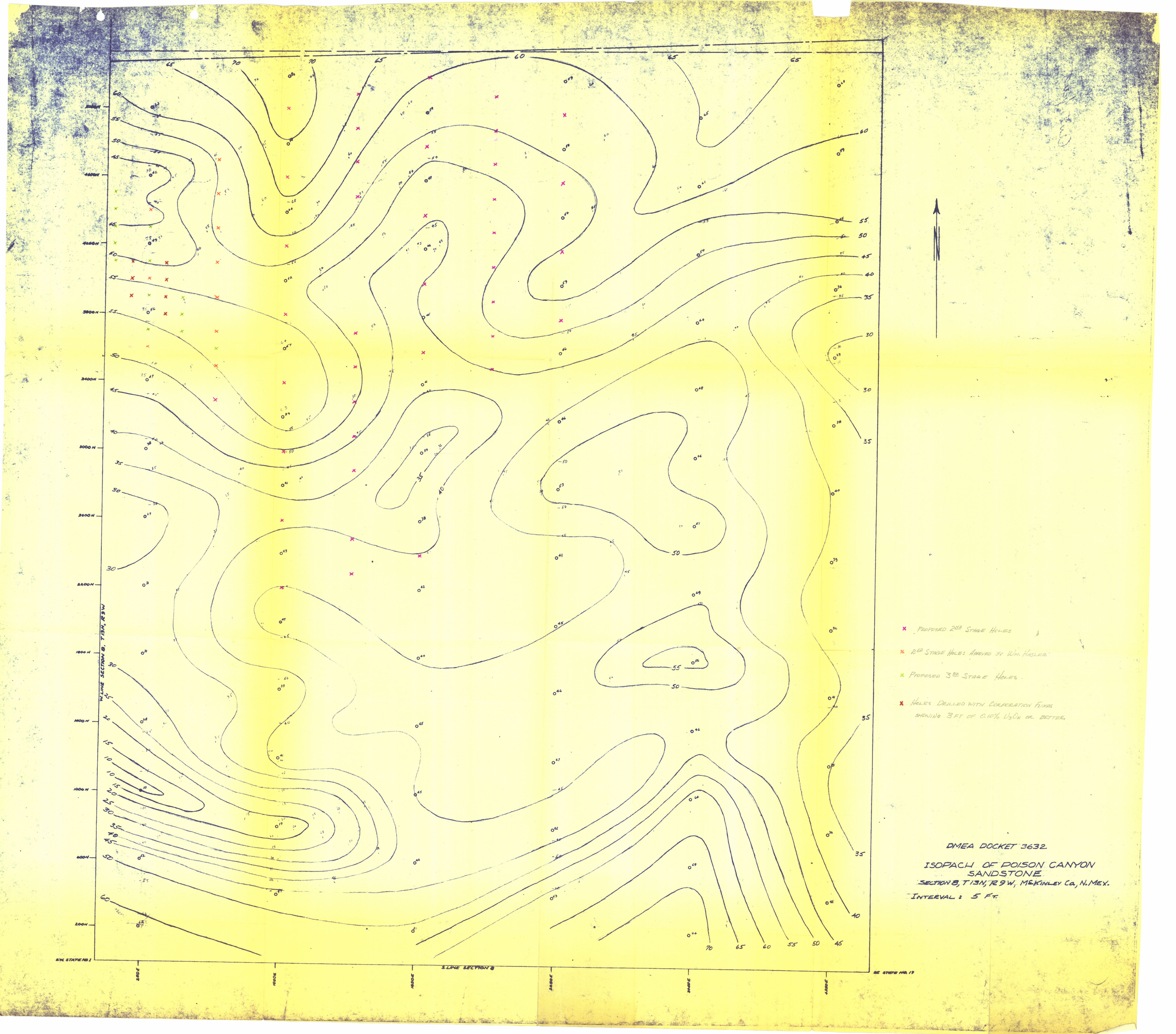
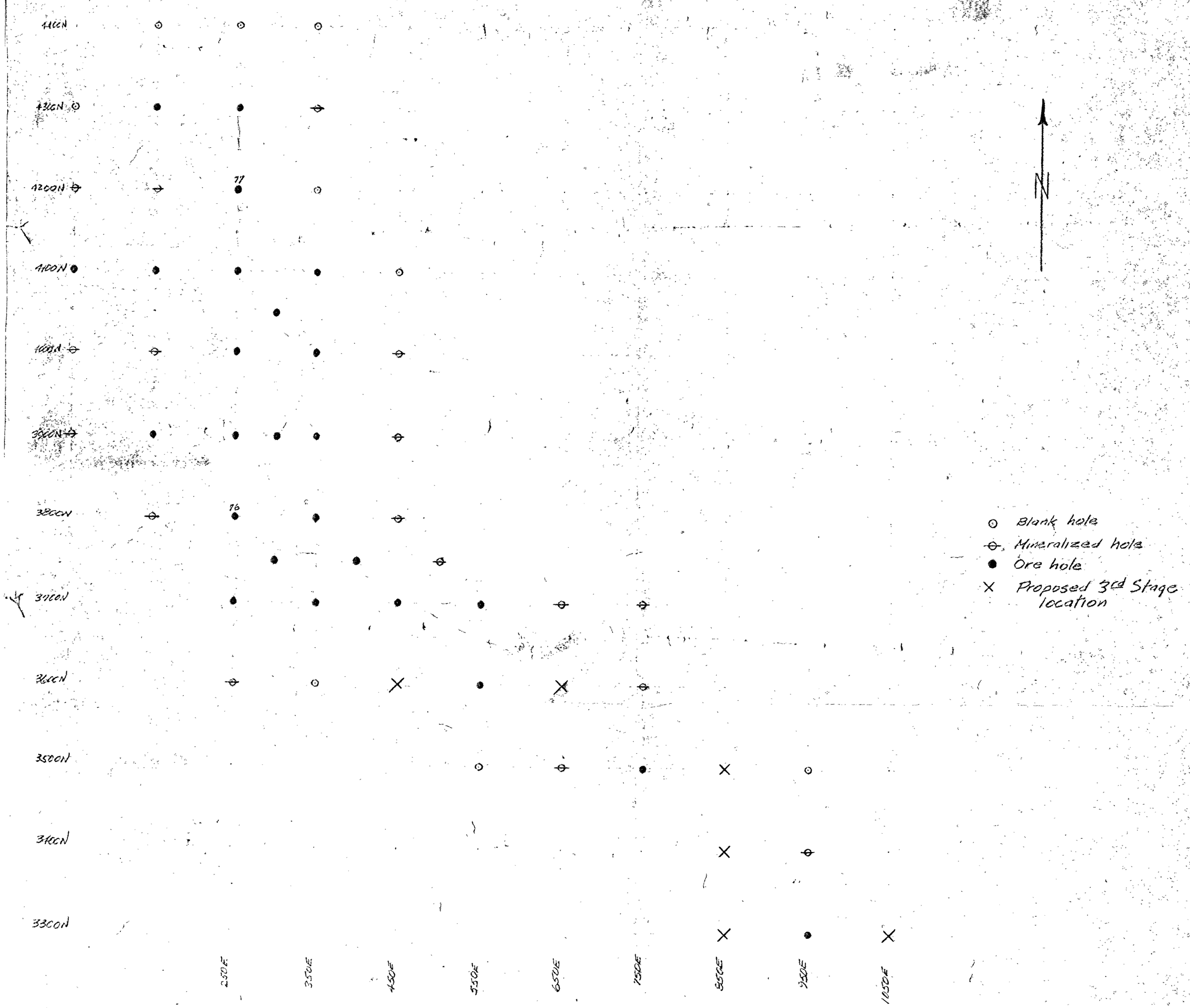


FIGURE 1. SKETCH MAP OF SECTION 8 T. 13 N., R 9 W., N.M.P.M., SHOWING EXISTING COMPANY AND DMEA HOLES, AND APPROVED AND PROPOSED DRILL HOLE LOCATIONS, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO


N
6710
6720
6730
6740
6750
6760
6770
6780
6700
6690
6680
6670
6660
6650
6640
6630
6620
5000N
4500N
4000N
3500N
3000N
2500N
2000N
1500N
1000N
500N
0
W LINE SECTION 8, T13N, R9W
S LINE SECTION 8
DYEA DOCKET 3632
SECTION 8, T13N, R9W
McKINLEY Co., N. MEX.
CONTOURS ON TOP of JURA
INTERVALS 5 FT.


N
W. LINE SECTION 8, T13N, R9W
S. LINE SECTION 8
SW STATE NO. 1
SE STATE NO. 19
2600 N
2200 N
1800 N
1400 N
1000 N
600 N
200 N
2200 E
2600 E
3000 E
3400 E
3800 E
4200 E
Proposed 2ND Stage Holes
2ND Stage Holes Approved by Wm. Haslar
Proposed 3RD Stage Holes
Holes Drilled with Corporation Funds showing 3 ft of 0.10% U3O8 or better.
DMEA DOCKET 3632
ISOPACH OF POISON CANYON SANDSTONE
Section 8, T13N, R9W, McKinley Co, N. Mex.
Interval: 5 Ft.

C OLAMER CORP
DMEA DOCKET 3632 CONTRACT Idm-E791
SEC 8, T13N, R9W, McKINLEY Co., NEW MEX.
(PART OF NW4)



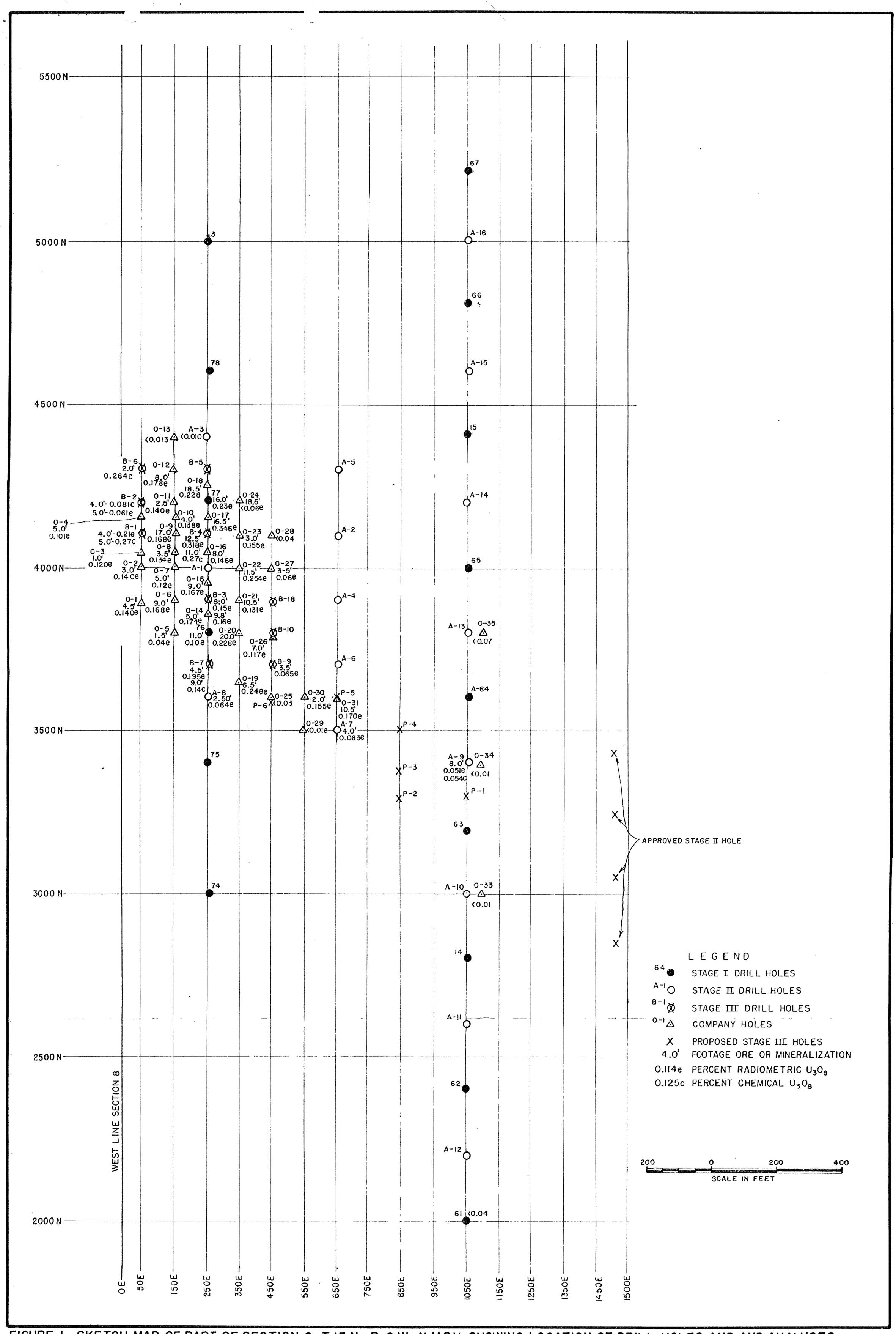


FIGURE 1 - SKETCH MAP OF PART OF SECTION 8, T. 13 N., R. 9 W., N.M.P.H., SHOWING LOCATION OF DRILL HOLES AND AND ANALYSES, COLOMER CORPORATION, MCKINLEY COUNTY, NEW MEXICO. DMEA 3626, CONTRACT Idm-E 797

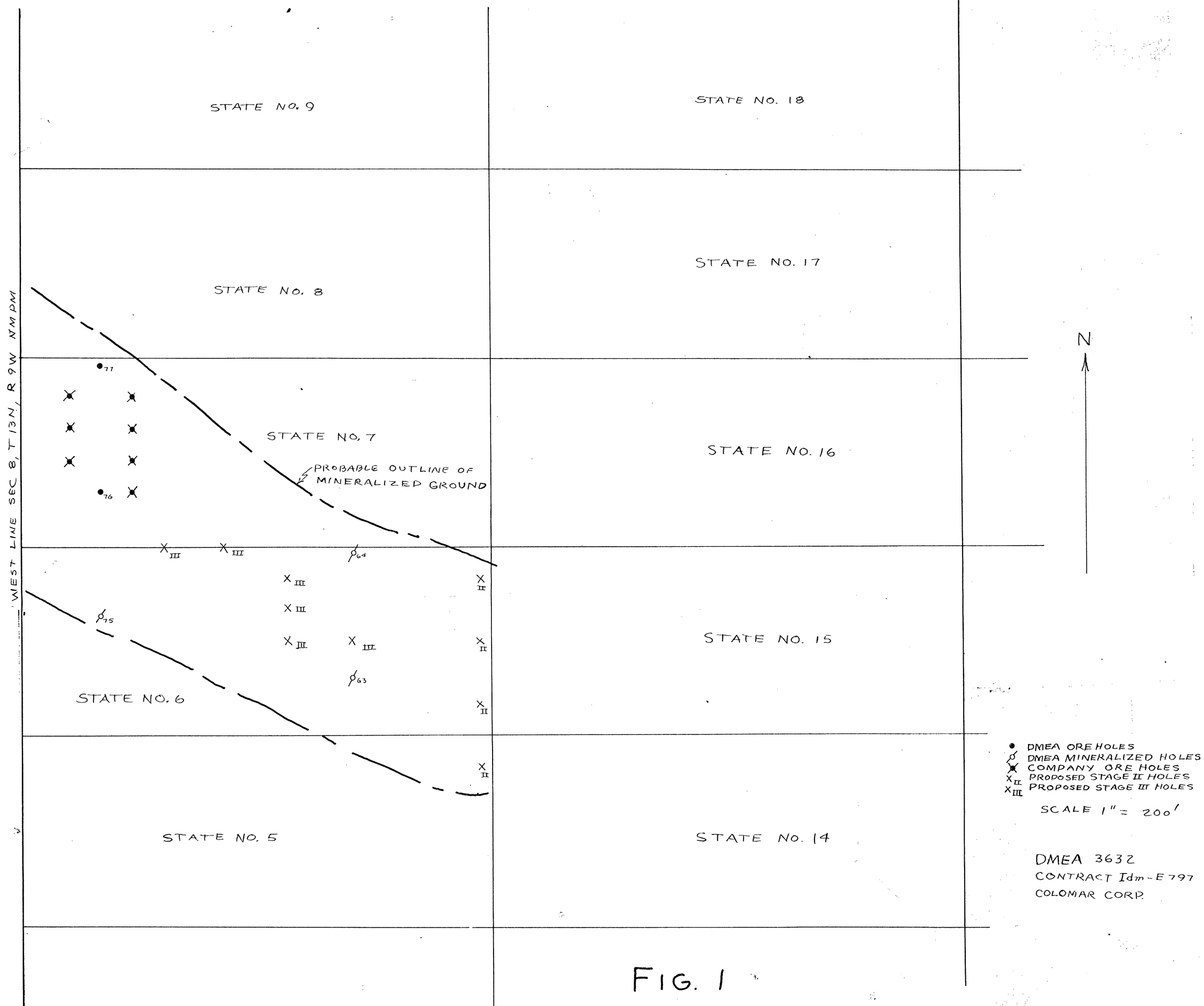


FIG. 1

FIGURE 1. SKETCH MAP OF PART OF SECTION 8, T. 13 N., R. 9 W., N.M.P.M., SHOWING LOCATION OF PART OF THE STATE GROUP OF CLAIMS, COLOMER CORPORATION, McKINLEY COUNTY, NEW MEXICO.

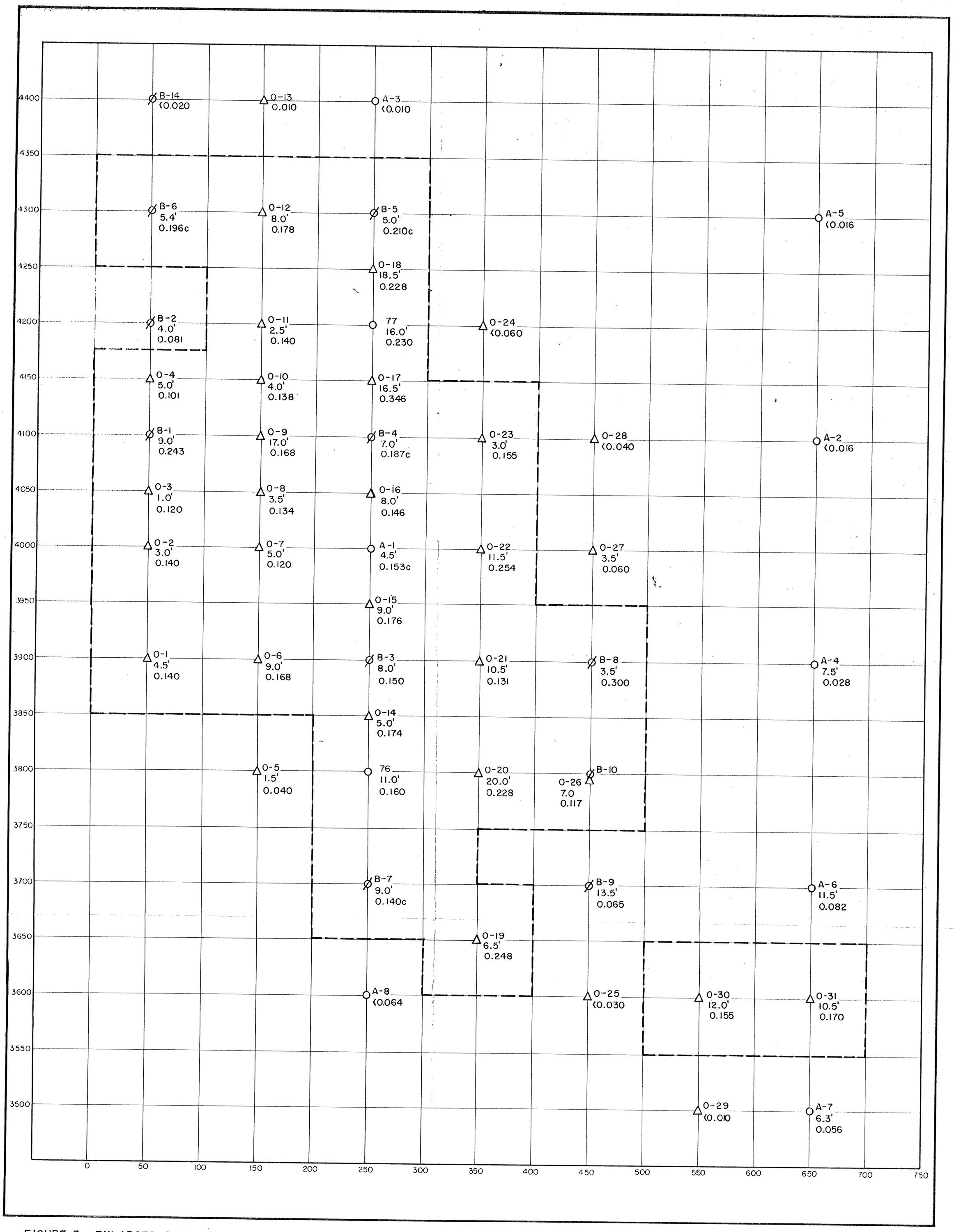


FIGURE 3 – ENLARGED SKETCH SHOWING ORE BODY (SEE FIGURE 2), SECTION 8, T. 13 N., R. 9 W., COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO.
DMEA 3632, CONTRACT Idm-E797

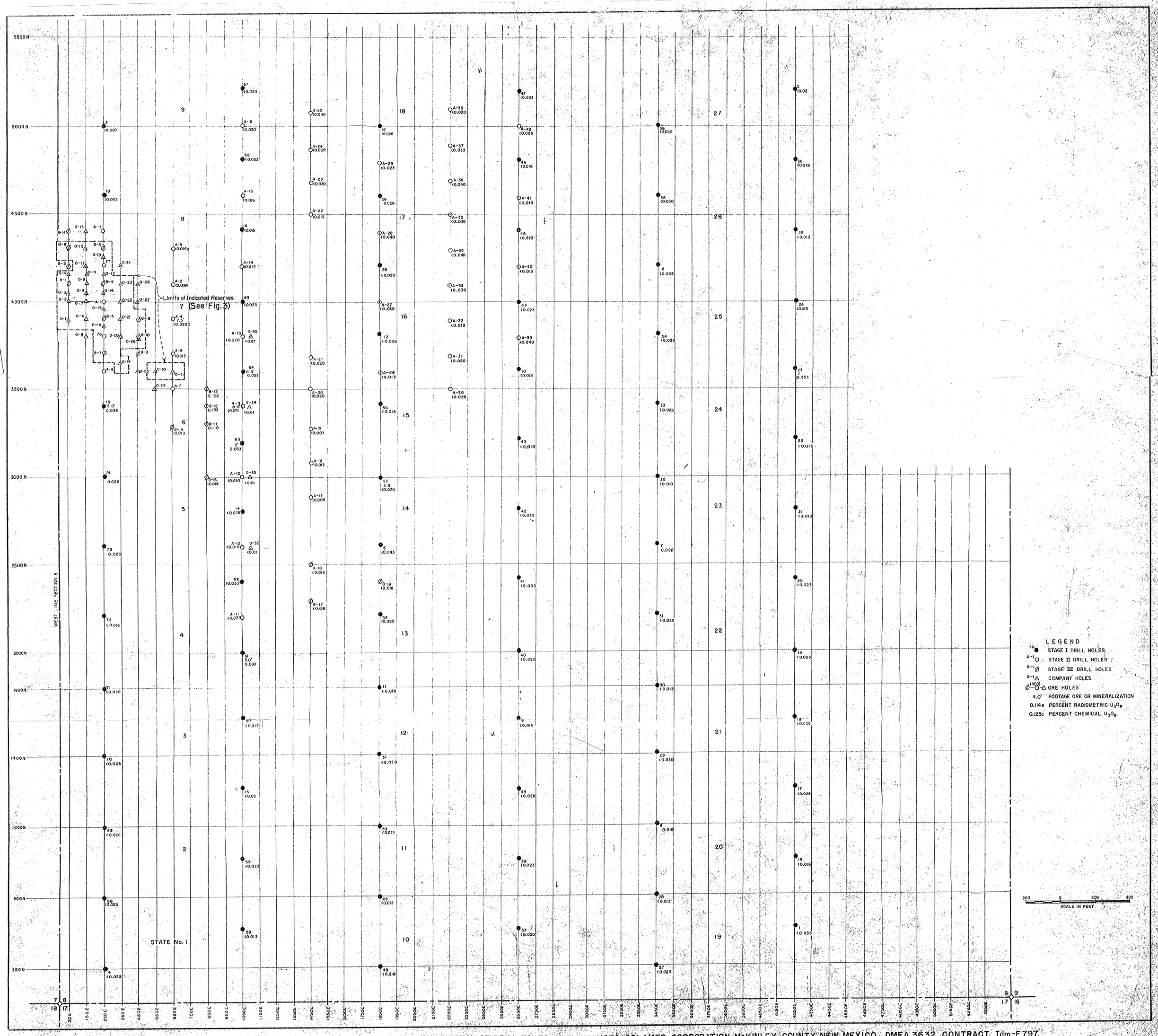
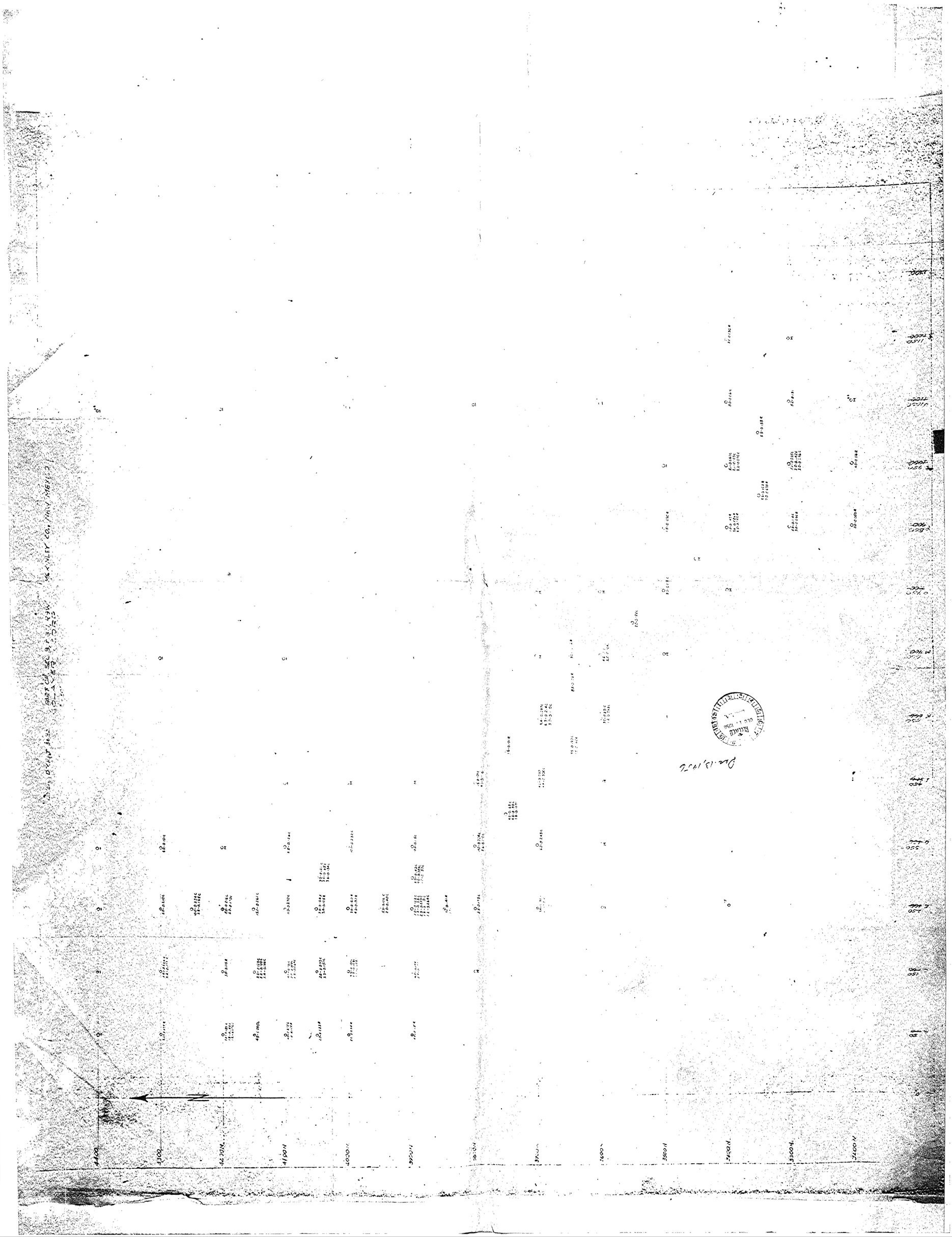
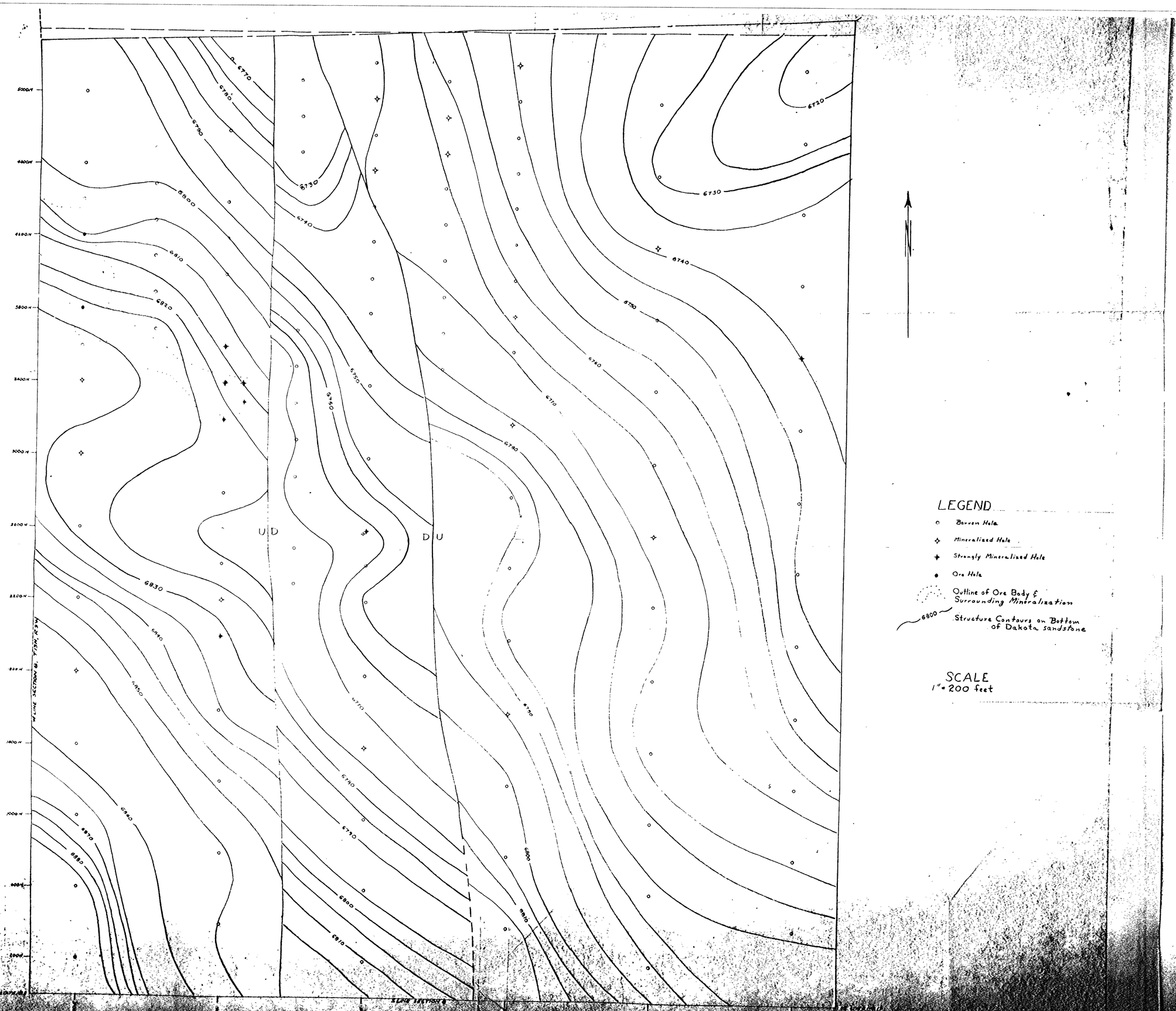
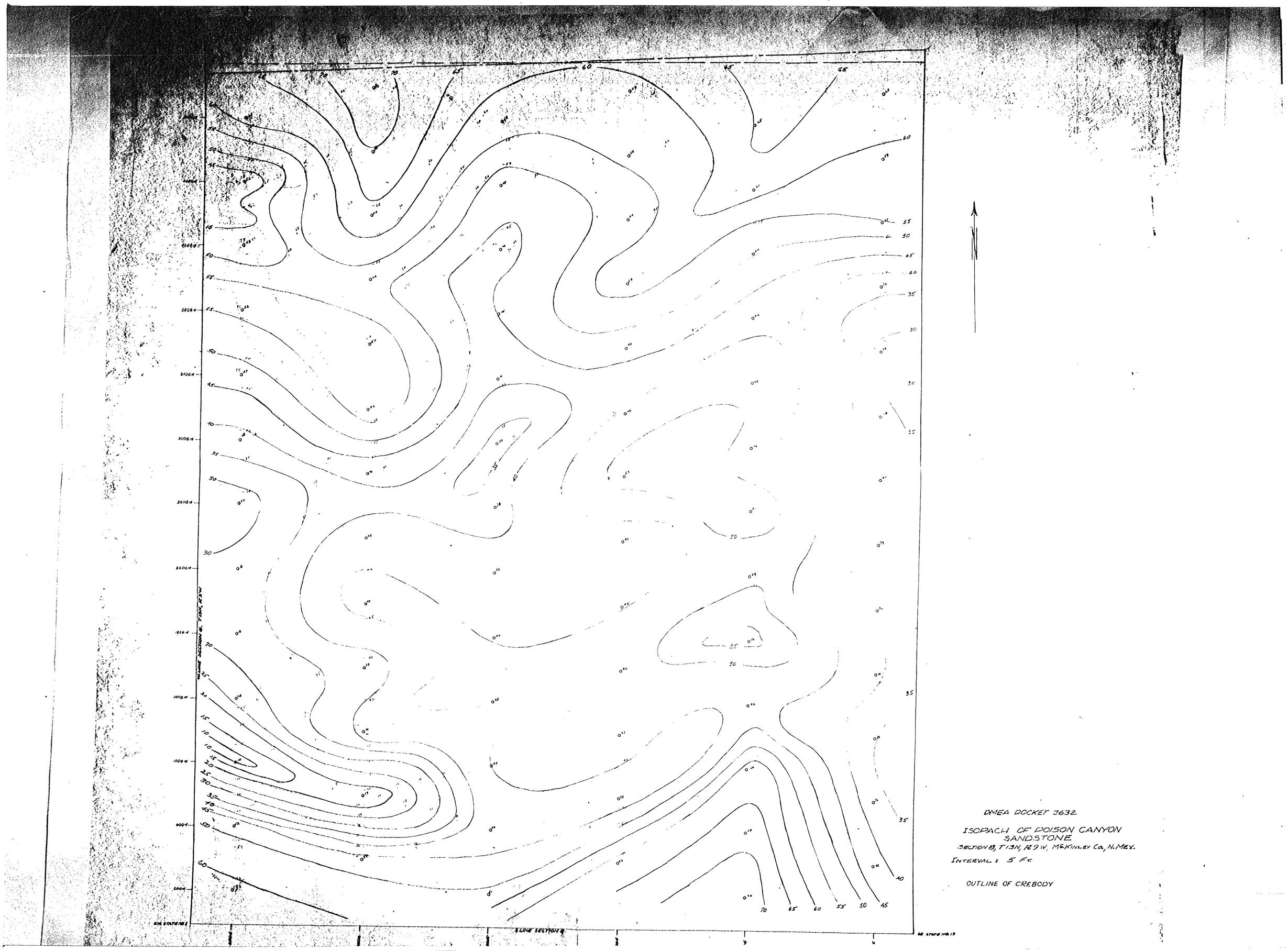
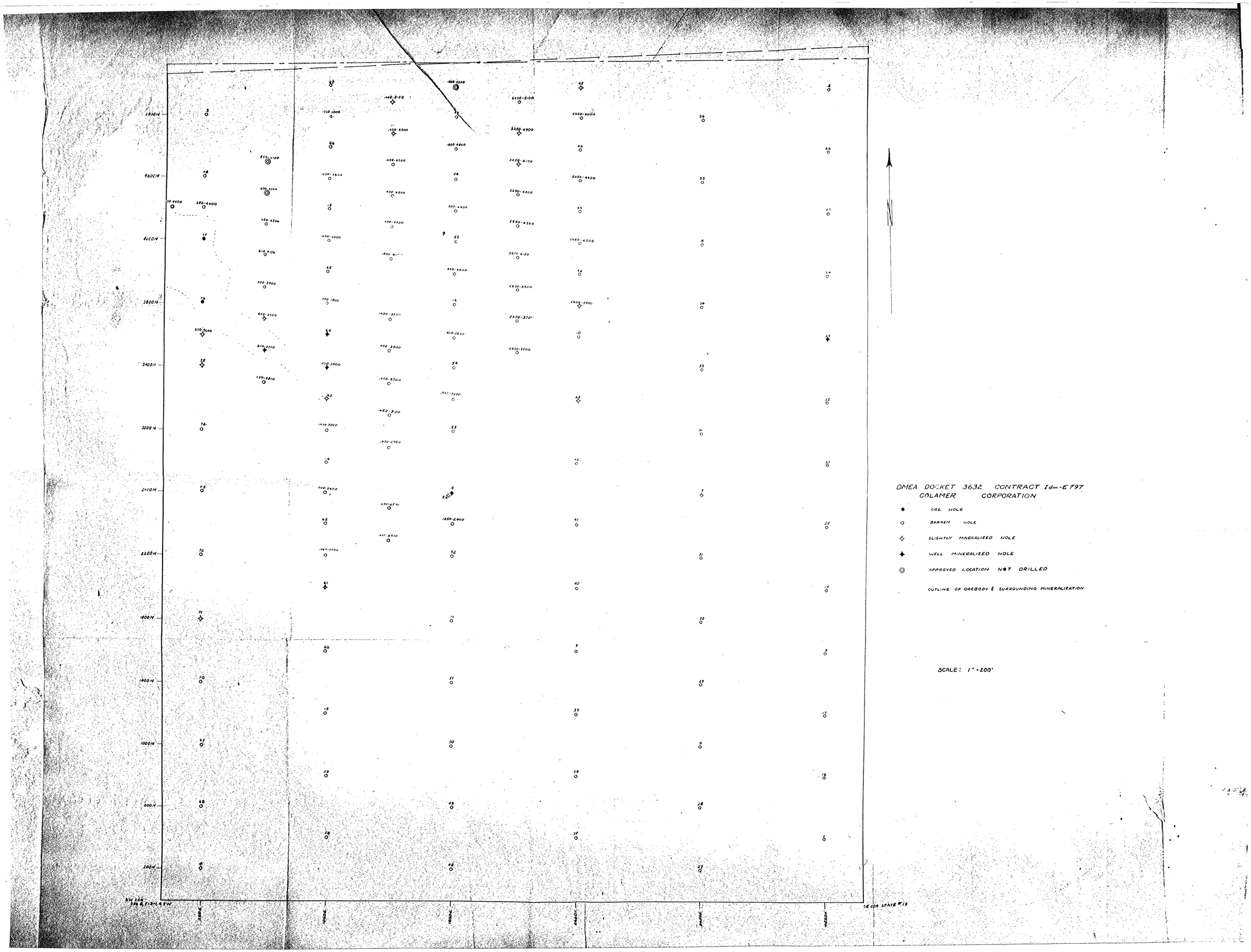


FIGURE 2 - SKETCH MAP OF SECTION 8, T. 13 N., R. 9 W., N.M.P.M., SHOWING LOCATION OF DRILL HOLES AND ANALYSES, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO. DMEA 3632, CONTRACT Idm-E797


Dec. 13, 1956
RECEIVED
DEC 17 1956
McKINNEY


5000 N
4600 N
4200 N
3800 N
3400 N
3000 N
2600 N
2200 N
1800 N
1400 N
1000 N
600 N
200 N
W. LINE SECTION 18, T13N, R3W
U D
D U
6770
6780
6790
6730
6720
6800
6810
6820
6740
6750
6760
6830
6840
6850
6860
6870
6880
6890
N
LEGEND
Barren Hole
Mineralized Hole
Strongly Mineralized Hole
Ore Hole
Outline of Ore Body & Surrounding Mineralization
6800 Structure Contours on Bottom of Dakota sandstone
SCALE
1" = 200 feet


N
DMEA DOCKET 3632
ISOPACH OF DOISON CANYON SANDSTONE
SECTION 8, T13N, R9W, McKINLEY Co, N.MEX.
INTERVAL: 5 FT.
OUTLINE OF OREBODY


DMEA DOCKET 3632 CONTRACT Idm-E797
COLAMER CORPORATION
ORE HOLE
BARREN HOLE
SLIGHTLY MINERALIZED HOLE
WELL MINERALIZED HOLE
APPROVED LOCATION NOT DRILLED
OUTLINE OF OREBODY & SURROUNDING MINERALIZATION
SCALE: 1" = 200'
N
4800N
4600N
4400N
3800N
3400N
3000N
2600N
2200N
1800N
1400N
1000N
600N
200N
SE COR STATE #19