3652

E-797

For royalty payment of $65.52, dated 2/10/66, see transmittal letter file

3632

E-797

For royalty payment of $119.65, dated 1/7/66, see transmittal letter file.

3632

E-797

For royalty payment of $598.67, dated 12/13/65, see transmittal letter file.

For royalty payment of $180.47, dated October 18, 1965, see transmittal letter file.

E-797

For royalty payment of $109.24 dated September 16, 1965, see transmittal letter file.

E-797

For Royalty payment of $80.54, dated August 19, 1965, see transmittal letter file.

E-p797

For royalty payment of $195.13, dated July 12, 1965, see transmittal letter file.

E-797

For royalty payment of $75.45, dated April 23, 1965, see transmittal letter file.

E-797

For royalty payment of $59.06, dated March 12, 1965, see transmittal letter file.

E-797

For royalty payment of $176.32, dated February 19, 1965, see transmittal letter file.

Cortez, Colo. Rt 1, Box 86. Code 83121.

May 26, 1964.

United States Department of the Interior.

Office of Minerals Exploration.

Washington 25, D.C.

Re: DMEA- 3632 (Uranium)
Colamer Corporation
State Claims
McKinley County N.M.
Contract Idm- 8797.

Dear Sir:

Your letter under registertion No 588278 was r eceived yesterday. May 25,1964.

Mr Arthur W, Hyde is deceased, passed away on November 26, 1961. and all mining claims under the title of Arthur W and Mrs Arthur W, Hyde was willed to Mrs Vilatie W, Hyde. and is now her sold property, no one has any interest in what ever.

This property has not been mined or any mineral taken from any of the claims belonging to Mr and Mrs Hyde at any time but exploration work has been done every year since the Colamer Corpration turned the property back under a quit claim deed.

Respectifully,

Vilatie W. Hyde.

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

Colamer 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

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. 2, 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-Pinon 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.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED OCT 2 1963		
DATE	INITIALS	CODE
		800

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: NMMA-3632 (Uranium)
Contract Idm-E797
Coleman 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. Comstock

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

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)
Colamar 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

DEC 1 0 1962

United Nuclear Corporation
Sabre-Pinon Division
Bolson Bldg. - P. O. Box 1537
Santa Fe, New Mexico

Attention: Mr. Hugh M. Craigie, Assistant Secretary

Re: DMEA-3632 (Uranium)
Coleman Corporation
State Claims
McKinley County, New Mexico
Contract Ida-8797

Gentlemen:

We have reviewed the agreements forwarded with Mr. Craigie's letter of November 30, 1962, to Mr. W. R. Grimmald 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. P. M., 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 ensure 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/sm
12-7-62
cc: Director's Reading File Docket
GGA Division Code 500
Region III (2) w/2 copies of incoming ltr 11/30 and
Form 63 11/21.

UNITED NUCLEAR CORPORATION

Sabre Piñon Division

MINING AND MILLING

BOKUM BLDG. P.O. BOX 1537
TELEPHONE YUcca 2-1803
SANTA FE, NEW MEXICO

nited

assets
ssets
ree-

sed

E-797

For royalty payment of $30.45, dated May 16, 1961, see transmittal letter file.

Standard Form No. 1048
Form approved by Comptroller General U. S.
September 20, 1927

MEMORANDUM

PUBLIC VOUCHER FOR REFUNDS

Sch. 1113

Serial No. 3278

D. O. Voucher No.

U. S. Department of the Interior - Office of the Secretary
(Department or Establishment, Bureau or Office)

Location:

Appropriation or Fund: 14X4401 Revolving Fund, Defense Production Act.

PAID BY

(FOR USE OF PAYING OFFICE)

To
Address
United Western Minerals Co.
P. O. Box 381
302 East Palace Ave.
Santa Fe, New Mexico

Deposit received from the above-named depositor on _____, 19____

for _____

has been applied as herein stated and the balance indicated is returned herewith:

Amount of deposit _____ $ _____

Applied as explained in "Remarks" below _____

Balance authorized to be refunded _____ $ 4.34

Remarks:

Refund of royalty payment on DIEA -3632 IDM-797 per Report of Review dated 12/12/60

EXTRA COPY
O. M. E
RECEIVED FEB 15
DATE
800

O.a.

Date _____, 19____ (Memorandum—Do not sign) _____

Title _____

Refund by
Check No. _____, dated _____ for $ _____ on Treasurer of the U. S. in favor of payee named above.
Cash, $ _____ on _____ (Signature of payee) _____
(Memorandum—Do not sign)
Other method, $ _____, _____
(Describe)

16—9488

United Western Minerals Company

P.O. Box 381 · Telephone YUcca 3-7213

307 EAST PALACE AVENUE · SANTA FE, NEW MEXICO

January 31, 1961

U. S. Department of the Interior
Office of Minerals Exploration
Building 20, Federal Center
Denver 25, Colorado

Attn: Mr. Hugh M. Conrore

Re: Project No. DMEA [illegible] (Uranium)
Contract Adm. [illegible]
Colomer Corporation
[illegible]
McKinley County, New Mexico

Gentlemen:

On January [illegible], you sent us a report of Royalty Review on the subject contract. This report indicated an overpayment in the amount of royalty of $4,[illegible], and you advised us to submit a claim for the amount.

We hereby submit such a claim and request that this amount be refunded.

Very truly yours,

S. B. [illegible], Jr.
Vice President
bm

1961

FEB 1 3 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)
Celanese 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 581, 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 CMS 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

EXTRA COPY O. M. E RECEIVED FEB 10 1961		
DATE	IN...	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

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

Attachments

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-E797, 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

Idm-E797 Colamer Corporation DMEA-3632

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

[redacted]

[illegible]

EXTRA COPY O. M. E RECEIVED 1961 5 JAN		
DATE	INITIALS	CODE
		800

V copies to 500

January 5, 1961

United Western Minerals Company
[illegible] N. Palace Avenue
P. O. Box [illegible]
Santa Fe, New Mexico

Re: [illegible] (Uranium)
[illegible]
Colorado Corporation
[illegible]
McKinley County, New Mexico

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated December [illegible], 1960 covering the period October 20, 1959, through December [illegible], 1960.

You will note that $[illegible]$ 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

EXTRA COPY
O. M. E
RECEIVED 1961 5 JAN
DATE | INITIAL | COPY

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-5052 (Uranium)
Contract Ion-E797
Colmaer Corporation (Assignee United Western Minerals Co.
(State claims) 202 N. Tejon Avenue
McKinley County, New Mexico 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

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)
Colamar Corporation
State claims
McKinley County, New Mexico
Contract Idm-6797

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

800

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:
PGT: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. 9, T13N, R9W Colamer Corp. E 797

Dear Mr. Connors:

According to our records the last ore shipped from section 3 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

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED NOV 28 1960

DATE	INITIALS	CODE
		800

November 23, 1960

Eugene W. Grutt, A.E.C.
P. O. Box 2038
Milan Station
Grants, New Mexico

Re: DMEA-3632 (Uranium)
Contract Idm-E797
Colamer Corporation
(State Claims, sec. 8, T. 13 N., R. 9 W.)
McKinley County, New Mexico

Dear Mr. Grutt:

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 DMEA 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

E-797

For royalty payment of $228.00, dated May 9, 1960, see transmittal letter file.

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)
Colamar Corporation
State claims
McKinley County, New Mexico
Contract No. Idm-8797

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-8797."

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

E-797

For royalty payment of $21.69, dated March 21, 1960, see transmittal letter file.

EXTRA COPY
O. M. E
RECEIVED MAR 22 1960
DATE | INITIALS | CODE
800

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-3532 (Uranium)
Contract No. EMs-5797
(State Claims, Sec. 8, T.13 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: Chem. Op. Comm. (2)
Chron
corres EM97
Response

CA & A Division

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 $33,939.74 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 $228.03.

In other words, the schedule accompanying Mr. Dougherty's letter should indicate the amount of "DMEA Royalty Due" applicable to

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)

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. Brading'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 FILE COPY
O. M. E.
RECEIVED FEB 23 1960

DATE	INITIALS	CODE
V-V3	gad	VVO
		800

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 15 1960

DATE	INITIALS	CODE
2-15	gad	220
		800

Building 20 - Federal Center
Denver 25, Colorado
February 12, 1960

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 3632 (Uranium) Contract No. Idm-E797
Colemar Corporation (State Claims Sec. 8, T 13 N, R 9 W)
McKinley County, New Mexico

Enclosed is the original of a memorandum from E. D. Talbert, Acting Chief, Contract Administration and Audit Division, OME, dated February 9, 1960, wherein he requests that Mr. Finch's audit work papers pertaining to the subject contract be forwarded to him.

The matter is forwarded for action by your office in conformance with our telephone conversation today.

Original signed by

J. W. Townsend

Enclosure

JWT:ltm

cc: CAAD E. D. Talbert
Roy. Corres. E797
Chron.

FEB 9 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)
Calamar Corporation
State Claims, Sec. 8, T15N, R9W
McKinley County, New Mexico
Contract No. Idm-8797

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)

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-1632 (Uranium)
Colomer Corporation
State Claims, sec. 8, T15N, R9W
McKinley, New Mexico
Contract No. 14m-8797

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. Winch'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

FEB 9 1960

Memorandum

To: Executive Officer, OGE Field Team, Region III

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

Subject: Docket No. DMRA-3688 (Uranium)
Colemer Corporation
State Claims, sec. 8, T15N, R9W
McKinley, New Mexico
Contract No. Idu-3797

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 leases.

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/ema
February 8, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. T. A. Christiansen
Mr. Fisher (for filing w/audit work papers)

EXTRA COPY
~~OFFICIAL FILE COPY~~
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	CODE
		800

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, GME Field Team, Region III

Subject: Docket No. DMEA 3632 (Uranium) Contract No. I6m-8797 (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.

Original signed by

J. W. Townsend

HMC:ltm

cc: Chmn. Op. Comm.
Roy. Corres.
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIAL	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. DMEA 3632 (Uranium)
Contract No. Idm-2797
(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

BMC: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. Redfern 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

EXTRA COPY
O. M. E
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

EBW/sr

cc: San Jacinto Oil and Gas Company
Attn: Mr. Redfern C. Dougherty, Jr.

SAN JACINTO OIL AND GAS COMPANY
(A DIVISION OF SAN JACINTO PETROLEUM CORP.)
SAN JACINTO BUILDING
HOUSTON 2, TEXAS

EXTRA 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. 16m-E797, 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	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

EXTRA COPY
O. M. E.
RECEIVED FEB 1960
DATE JUL 17 1959 CODE

Mr. E. V. Keffer
San Jacinto Oil and Gas Company
San Jacinto Building
Houston 2, Texas

Re: Docket No. DMEA 3632 (Uranium)
Contract No. 14n-2797
(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

K DVC547 23/19 COLLECT DENVER COLO 17 NFT

REDFERN G DOUGHERTY JR

SAN JACINTO OIL AND GAS CO SAN JACINTO

REUNTEL RE CONTRACT [illegible] ROYALTY DUE ON

LIQUIDATION 92 WAS $228.[illegible] INSTEAD OF $[illegible]

J H TOWNSEND EXECUTIVE OFFICER [illegible] FIELD

TEAM REGION II

LED

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

Building 20 - Federal Center
Denver 25, Colorado

SEP 10 1959

EXTRA COPY
O. M. E
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

September 8, 1959

Mr. E. W. Kaffer
San Jacinto Oil and Gas Company
San Jacinto Building
Houston 2, Texas

Re: Docket No. DMEA 3632 (Uranium)
Contract No. Idu-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, OME
Field Team, Region III

cc: Grants State Bank
P. O. Box 458
Grants, New Mexico

EXTRA COPY O. M. E RECEIVED FEB 4 1960		
DATE	INITIALS	CODE

September 10, 1959

Re: Docket No. DMEA 3632 (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 8 Ore

Date	Liquid. No.	Dry Tons	% U_3O_8	Lbs. U_3O_8	U_3O_8 Value	Development Allowance	Haulage Allowance	Total Value	DMEA Deduction	Roy Cooper Deduction	Balance
Nov. 58	75	1,828.700	0.244	3,939.74	$ 32,496.04	$ 4,469.87	$ 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-	8,892.62
Jan. 59	103	3,428.255	0.210	14,428.05	51,012.42	7,214.03	2,766.00	60,992.45	3,049.62	-0-	57,942.83
Feb. 59	114	3,171.220	0.209	13,307.60	47,807.42	6,653.80	2,404.40	56,865.62	2,843.28	2,350.37	51,911.77
Mar. 59	132	3,680.622	0.202	14,372.13	52,162.38	7,436.07	2,526.92	62,125.87	3,106.29	2,603.14	56,416.44
Apr. 59	152	4,199.021	0.219	18,372.03	65,498.33	9,186.02	2,370.70	77,575.55	3,878.78	3,274.94	70,421.83
May 59	165	4,765.680	0.205	19,582.87	69,397.43	9,791.44	2,889.56	81,578.48	4,078.92	3,444.37	74,054.69
June 59	184	2,517.563	0.181	9,131.36	28,439.24	4,565.68	1,732.13	34,737.65	1,739.38	1,424.49	31,623.78
July 59	198	1,228.732	0.181	4,452.02	13,890.30	2,226.01	843.10	16,959.41	847.97	694.52	15,416.92
		25,343.909		105,991.95	$366,430.04	$52,795.01	$18,007.30	$437,433.35	$21,643.65*	$13,797.33**	$401,992.37***

DMEA PAYMENTS *

Voucher #	Amount
6-290	$19,284.27
7-238	1,739.38
8-209	620.00
	$21,643.65

LE ROY COOPER **

Voucher #	Amount
4-175	$ 2,350.37
4-224	2,608.14
5-196	3,274.94
6-240	3,444.37
7-237	1,424.49
8-207	694.52
	$13,797.33

GRANTS STATE BANK ***

Voucher #	Amount
4-509	$ 65,000.00
4-3	100,000.00
5-21	15,152.94
6-154	70,421.83
6-241	74,054.69
7-236	26,206.78
8-208	9,735.32
9-194	5,900.57
	[illegible]

UNITED WEST ZIN MTN. CO.***

Voucher	
1-5[illegible]	$28,670.75
HMC 1-5[illegible]	6,840.49
	$35,511.24

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

CERTIFICATE OF DEPOSIT
Standard Form 219

1/25/60 (Date sent)

73 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 313

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

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

(3) The Sum of $ 804.50

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 804.50		$

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

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

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

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Higgs
(Authorized signature)

JAN 25 1960
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

DENVER BRANCH
FEDERAL RESERVE BANK

1960 JAN 25 PM 12 20

MAIL DEPT-2

E-797 Calumet
Carpenter 321.42
E-
1127 Dill-Contract 4183.08
8504.50

EXTRA COPY O. M. E RECEIVED JAN 25 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
January 22, 1960

CERTIFIED MAIL

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. DMRA 3632 (Uranium)
Contract No. IAm-3797
(State claims, Sec. 8, T13N, R9W)
McKinley County, New Mexico

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.

Royalty

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.

LIBRARY
O. M. E.
RECEIVED JAN 25 1960
DATE | LOCATION | SERIAL

E-797

For Certificate of Deposit No. 65, dated December 24, 1959, giving royalty payment of $569.17, see E-440.

EXTRA COPY
O. M. E.
RECEIVED DEC 18 1959

DATE	INITIALS	CODE
		800

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

EMC:ltm

cc: Chmn. Op. Comm.(2)
Roy. Corres. E797
Chron.

E-797

For Certificate of Deposit No. 54, dated November 24, 1959, giving royalty payment of $462.03, see E-381.

UNITED WESTERN MINERALS COMPANY

136 WEST PALACE AVENUE — SANTA FE, NEW MEXICO
P. O. BOX 381. PHONE YU3-7213. TWX: SANTA FE, N. M. 5032

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

EXTRA COPY
O. M. E.
RECEIVED NOV 16 1959

DATE	INITIALS	CODE
		800

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

CERTIFICATE OF DEPOSIT
Standard Form 219

10-23-59 (Date sent) 46 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

(3) The Sum of $ 2,579.36

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

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 2,579.36		$

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

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

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

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Shisler
(Authorized signature)

OCT 2 6 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E797	United Western Min.	299.41
E1127	Mid Continenent	2,279.95
		2,579.36

DENVER REGIONAL
FEDERAL RESERVE BANK
1959 OCT 23 PM 1 31
MAIL DEPT-2

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 26 1959

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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-8797, Docket No. DMEA 3632 (Uranium) dated May 17, 1955, with

United Western Minerals Company, et al
(Assignee of Colesser Corporation)
P. O. Box No. 361
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

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O. M. E.
RECEIVED OCT 26 1959

DATE	INITIALS	CODE

EXTRA COPY
O. M. E.
RECEIVED OCT 29 '59
DATE

UNITED WESTERN MINERALS COMPANY, ET AL
ASSIGNEE, COLAMER CORPORATION

CONTRACT AT(04-3)797 DOCKET DMRA 3692

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, ORE 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 ORE 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 COLAGER 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	
AEC 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)	5.54	
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

Mining Engineer

J. W. Townsend
Executive Officer

EXTRA COPY O. M. E. RECEIVED NOV 2 1959		
DATE	INITIALS	CODE
		800

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. 16m-2797
(State claims, sec. 8, T. 13 N., R.9 W.)
McKinley County, New Mexico

Gentlemen:

Enclosed for your records is a copy of the Report of Royalty Review covering royalty payments 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 brought 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.

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-8797

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
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. DMEA 3632 (Uranium) United Western Minerals Company, et al (Assignee, Colamer 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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 26 1959

DATE	INITIALS	CODE
10-26	gad	220
		800

E-797

For Certificate of Deposit No. 28, dated September 9, 1959, giving royalty payment of $1,696.99, see E-520.

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

CERTIFICATE OF DEPOSIT
Standard Form 219

8/24/59 (Date sent)

22 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 1,912.44

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 1,912.44		$ E 797

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

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

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

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bonnett
(Authorized signature)

AUG 24 1959
(Date of credit in Treasurer's account)

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

E-797 Calumet
Cargo - 620.00
E-1122 Drill -
Container 1,293.44
1,912.44

DENVER CHROMH
FEDERAL RESERVE BANK
1959 AUG 24 PM 12 20
MAIL DEPT-2

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

CERTIFICATE OF DEPOSIT
Standard Form 219

7/2/59 (Date sent)

2 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 19,284.27

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 19,284.27		$ E-797

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

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

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

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Hegg
(Authorized signature)

JUL - 2 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E-797 Colorado
Carp 19,284.27

DENVER BRANCH
FEDERAL RESERVE BANK

1959 JUL 2 PM 12 35

MAIL DEPT-2

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O. M. E.
RECEIVED JUL 6 1959

DATE	INITIALS	CODE
7-V	gad	VVO
		800

E-797

For Certificate of Deposit No. 8, dated July 22, 1959, giving royalty payment of $1,739.38, see E-520.

224 New Customhouse
Denver 2, Colorado

June 26, 1959

800

Mr. E. B. White, Jr.
Vice-President
United Western Minerals Company
P. O. Box 381-136 W. Palace Avenue
Santa Fe, New Mexico

Re: Docket No. DMEA 3632 (Uranium)
Contract No. Idm-8791
Colemer 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 DMEA 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: Chan. Op. Comm. (2)
Roy. file E797
Chron.

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 DMA 3682 (Uranium)
Contract Idm-8797
Calamar 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 $59,868.00. 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
DMA Field Team, Region III

Copy to:
United Western Minerals Co.
Att'n: E. W. White, Jr.

HMC:jy
cc: Chm. Op. Comm. (2) w/copy of R. J. Stoehr's
Roy. Corres. ltr. of 6/15/59.
Chron.

EXTRA COPY
O. M. E.
RECEIVED JUN 22 1959

DATE	INITIALS	CODE
		800

HOMESTAKE-NEW MEXICO PARTNERS
P. O. BOX 98
GRANTS, NEW MEXICO

OME
DEPARTMENT OF THE INTERIOR
JUN 16 1959
REGION III
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.

EXTRA COPY
O. M. E.
RECEIVED JUN 22 1959

DATE	INITIALS	CODE

EXTRA COPY O. M. E. RECEIVED JUN 8 1959		
DATE	INITIALS	CODE
		800

224 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
Colamar 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

800

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. 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
DMEA 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 COMPANY

106 WEST PALACE AVENUE SANTA FE, NEW MEXICO
P. O. BOX 301. PHONE YU3-7213. TWX: SANTA FE, N. M. 5092

March 23, 1959

OME
DEPARTMENT OF THE INTERIOR
MAR 26 1959
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer
OME 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, Colamor
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 11, 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 may know, there is presently being tried a lawsuit involving the rights of the various partners who participate in the Mill. As a result, some of the funds payable to United 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,

E. B. White, Jr.
Vice President

EBW/dmc

224 New Customhouse
Denver 2, Colorado

March 11, 1959

RECEIVED M. E. MAR 13 1959

DATE	INITIALS	CODE
		800

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. 10m-[illegible], Colemar
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	653.95
11/28	1621	463.35	2,409.42
11/28	1625	602.31	3,083.60
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
Executive Officer
GSF Field Team, Region III

EMC/ff

x cc: Chmn. Op. Comm. (2)
Harshman
Romslo
Royalty file
Chron.

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

AUG 15 1958

United Western Minerals Company
136 West Palace Street
Santa Fe, New Mexico

Re: Docket No. DMEA-3632 (Uranium)
Contract No. Idm-8797
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. G. Hillegeist
Administrator

MChing/gla
8-14-58
cc to: Admr.'s Reading File
Mr. Ching
Contract Adm. & Audit Div.
DMEA Field Team, Region III (2)

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED JAN 28 1957 D.M.E.A.

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Colamer 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

January 25, 1957

T. H. Brading, Auditor.

RECEIVED
JAN 28 1991
OMEA

COLAMER CORPORATION

Contract No. Idm-E797

Docket No. IMEA-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

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

OFFICIAL FILE COPY
DMEA
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

Original signed by
W. M. TRAVER

W. M. Traver

1/29/57 Dma 57-32

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 FEB 4 1957

DATE	INITIALS	CODE
2.4	C	220
"	Cour	100
~~January~~ 30, 1957		800

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.

W. M. Traver

W. M. Traver

Enclosures

Form MF-10[illegible] (April 195[illegible])

Budget Bureau No. 42-R1036.5

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

Month of July 1956 Docket No. DMEA 3632 Contract No. 16-3797

Operator's Name COLAMER CORPORATION Minerals URANIUM

Address GRANTS, NEW MEXICO

Contract Amount, $ 114,430.50 Government Participation: 75 % Amount, $ 89,822.86

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	744.80	33,432.00	34,176.80			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Bit	2,034.34	42,733.46	44,767.80			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assays	None	315.00	315.00			
(8) Contingencies (specify):						
TOTALS	2,779.14	76,480.46	79,259.60	2,779.14	76,480.46	79,259.60
				11	235.62	235.62

RECEIVED NOV 30 1956 D.M.E.A.

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

Date August 3, 1956 Payee COLAMER CORPORATION

Per [signature] Title CHIEF GEOLOGIST

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 76,244.84 / 584.30 = 79,023.98

$ 584.30

Signature [signature]
(Authorized Certifying Officer)

Date 11/20/56 Vou. No. DMEA 57-58

(See other side)

4 Previous Deductions
Note: Withhold 500.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tolm-E797 in accordance with the terms of the contract.

Signature [illegible] (S 208436) for Title Min. Engr. Date 8/17/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. [illegible] Title Executive Officer Date NOV 16 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April [illegible])

Budget Bureau No. 42-R1151.2

RECEIVED NOV 30 1956 D.M.E.A.

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

Month of July 1956 Docket No. DMEA 3632 Contract No. DMA-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	744.80	266	34,176.80	12,206	2.80	15,210	2.80
Churn								
Auger Plug Bit	Feet	2,034.34	1321	44,757.80	29,070	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
	ea.	None	None	315.00	63	5.00	85	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,779.14		79,259.60				114,430.50

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

Date August 3, 1956 Operator COLAMER CORPORATION

Per [signature] Title CHIEF GEOLOGIST

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

Remarks:

(Instructions on reverse)

(For Government use only) George Walker

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED NOV 30 1956 D.M.E.A.

Administrative Audit Difference Statement

[redacted]

FINAL DISTRIBUTION MADE NOV 28 1956

Date: [redacted]
Payee's Reference: [redacted]

[redacted]

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

Amount Claimed $ [redacted]

Difference $ _____

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

November 16, 1956

RECEIVED NOV 30 1956 D.M.E.A.

Memorandum

To: T. A. Christensen

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 - Operator's Monthly Progress Report for the month of July, 1956

Enclosed are the original and four copies each of (FINAL) Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except for the following deduction.

Withhold an amount of $500.00 from reimbursement to the Operator pending resolution of matters relative to closing the account. The Operator has requested that the contract be terminated in its present status.

Lithologic logs and assay certificates have been received and are retained at the Denver Experiment Station.

Remarks

Date of Report- - - - - - - - - - - - - - August 3, 1956
Date Received in Field Office- - - - - August 13, 1956
Date Received in Region Office- - - - August 17, 1956
Held in Regional Office pending receipt of lithologic logs and assay certificates from the Operator.

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E797
Chm. Op. Comm. (2)
Shaw (2)
Harshman)
Townsend) w/copy engr's report
Chron.

III

August 17, 1956
Denver Federal Center
Building 20
Denver 2, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 3632, (Uranium) Contract Idm-8797,
Colamer Corporation, State claims Nos. 1 to 27,
Sec. 8, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico

Progress report for July, 1956

An inspection of progress during July on the subject contract was made on August 8, 1956 accompanied by Charts Cardwell, superintendent of the applicant.

During July, 1956, 6 authorized holes were drilled. Perthent data from Minerals Engineering Company's logs are given below:

Coordinates North	Coordinates East	Plug Bit feet	Core bit feet	Total feet	Remarks
3400	50	215	59	274	-0.020 U_3O_8
3300	650	185	55	240	-0.013 "
3000	850	178	53	231	-0.016 "
2300	1450	247	28	275	-0.016 "
2500	1450	248	27	275	-0.013 "
2400	1850	248	44	292	-0.016 "
		1321	266	1587	

The footages of plug bit and core bit drilling agree with those in the narrative report.

Approved costs are for 1321 feet of plug bit drilling at $1.54 a foot, or $2,034.34, 266 feet of core bit drilling at $2.80 a foot, or $744.80, a total of $2779.14.

It is recommended that 75 percent of the approved total cost amounting to $2,084.36 be approved for payment.

The narrative report stated that each hole was logged lithologically and radiometrically, and that the radiometric and drilling contractor's logs were included with the report. An extra copy of the drilling contractor's logs is included with this report. Location maps and lithologic logs were not included.

These holes complete authorized work under the contract. A final report is being prepared.

W. D. McMillan
Mining Engineer

WDM/mm
cc: 6
Idm-8797
Chron

COLAMER CORPORATION
GRANTS DIVISION
FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

RECEIVED
NOV 30 1956
D.M.E.A.

August 3, 1956

OPERATOR'S MONTHLY REPORT FOR DRILLIN ON CONTRACT IDM-E797

During the month of July the following holes were drilled and completed:

HOLE	PLUG BIT (FT.)	CORE (FT.)	DATE COMPLETED
850-3000	178	53	7/20/56
1850-2400	248	44	7/06/56
1450-2500	248	27	7/10/56
1450-2300	247	28	7/09/56
650-3300	185	55	7/07/56
50-4400	215	59	7/12/56
TOTALS	1321	266	

These holes complete the authorized work under this contract.

None of the above holes show any significant mineralization.

Each hole was carefully logged lithologically and radiometricly.

Radiometric logs and driller's logs are included in this report.

Respectfully,

COLAMER CORPORATION

Kelsey Boltz

KELSEY BOLTZ

KB:lj

LIST OF ASSAYS TAKEN FROM HOLES DRILLED DURING DECEMBER AND JANUARY UNDER CONTRACT Idm-E797, DMRA DOCKET 3632

From Four Corners Laboratories, Cortez, Colorado

HOLE NO.	SAMPLE NO.	INTERVAL	$\%eU_3O_8$	REMARKS
76	1	247 - 249		Samples #1 - 13 inclusive, results not reliable.
		249 - 250.5		
		256 - 258.5		
		258.5 - 261		
77		249.- 250		
		250 - 252		
		252 - 254		
		254 - 256		
		256 - 258		
		258 - 260		
		260 - 262		
		262 - 264		
		264 - 266		
250-4000	49	250.5 - 253.0	0.131	
	16	253.0 - 254.5	0.144	
	28	254.5 - 255.5	0.087	
	30	255.5 - 256.5	0.142	
	55	256.5 - 258.3	0.184	
	69	258.3 - 260.0	0.120	
	76	260.0 - 261.0	0.055	
	96	261.0 - 262.2	0.034	
650-3900	100	242.5 - 244.0	0.038	
	109	244.0 - 246.0	0.044	
	86	246.0 - 248.5	0.020	
	74	248.5 - 250.0	0.010	
650-4100	41	254.0 -255.4	0.056	
650-4300		None		
250-4400		None		
650-3700	116	242.0 - 243.0	0.031	
	112	243.0 - 244.3	0.058	
	106	244.3 - 246.6	0.062	
	63	246.6 - 248.1	0.154	
	64	301.5 - 303.3	0.105	

HOLE NO.	SAMPLE NO.	INTERVAL	SeO_3O_3	REMARKS
650-3500	120	214.2 - 215.4	0.046	
	73	215.4 - 216.7	0.061	
	65	216.7 - 218.3	0.059	
	32	218.3 - 220.5	0.065	
250-3600	110	269.6 - 270.1	0.016	
50-4100	14	242.6 - 245	0.294	
	15	245.0 - 246.0	0.247	
50-4200	39	244.0 - 245.0	0.089	
	40	245.0 - 246.8	0.144	
	41	246.8 - 248.0	0.056	
50-4300		None		
250-3900	42	245.0 - 246.0	0.043	
	43	246.0 - 247.0	0.122	
	44	247.0 - 248.2	0.153	
	45	248.2 - 250.5	0.220	
	46	250.5 - 251.8	0.110	
	47	251.8 - 253.0	0.264	
	48	253.0 - 254.8	0.090	
250-4100	21	250.0 - 252.0	0.104	
	22	252.5 - 254.0	0.392	
	23	255.0 - 257.0	0.487	
	24	257.0 - 259.0	0.329	
	25	259.0 - 261.0	0.064	
250-4300		None		
250-3700	61	248.4 - 251.8	0.133	
	62	255.0 - 257.0	0.302	
450-3700	101	229.8 - 234.0	0.090	
	102	234.0 - 237.4	0.300	
	103	237.4 - 240.2	0.066	
	104	240.2 - 243.0	0.096	
	105	243.0 - 244.0	0.042	
450-3900		None		

RECEIVED NOV 30 1956

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 23 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $ 114,430.50 Government Participation: 75 % Amount, $ 89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	470.40	32,961.60	33,432.00			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Bit	908.60	41,824.86	42,733.46			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assays	None	315.00	315.00			
(8) Contingencies (specify):						
TOTALS	1,379.00	75,101.46	76,480.46	1,251.88	75,101.46	76,353.34
				108.50		108.50
					74,992.96	76,244.84

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

Date May 21, 1956 *Payee COLAMER CORPORATION

Per Kelsey Bolt Title GEOLOGIST

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

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

(Instructions on reverse)

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

$ 1938.91

Signature
(Authorized Certifying Officer)

Date 7/13/56 Vou. No. DMA 57-7

(See other side)

Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DM-E 797 in accordance with the terms of the contract.

Signature C. W. McMillan Title Min. Engr. Date 6/11/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lauer Title Executive Officer Date JUL 12 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 23 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	470.40	168	33,432.00	11,940	2.80	15,210	2.80
Churn								
~~Auger~~ XXXX Plug Bit	Feet	908.60	590	42,733.46	27,749	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea	None	None	315.00	63	5.00	85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~1,379.00~~		~~76,430.46~~				~~114,430.50~~

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

Date April 21, 1956 Operator COLAMER CORPORATION

Per Kelly Bolt Title GEOLOGIST

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

(Instructions on reverse)

REMARKS:

(For Government use only) Leon Miller

INSTRUCTIONS

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

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

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

GPO 872894

May 21, 1956

Operator's Monthly Report DMEA Docket 3632, Contract 16n-E797
Month of April, 1956

The only drilling done under this contract in the month of April was the completion of the following holes:

HOLE NO.	PLUG	CORE	DATE COMPLETED
850E-3300N	190'	60'	4-5-56
850E-3400N	200'	52'	4-5-56
850E-3500N	200'	56'	4-6-56

Two of the holes, 850E-3300N and 850E-3400N, showed commercial grade ore, hole 850E-3500N indicated seven feet of strong mineralization.

Radiometric logs and drillers logs are included in this report.

Respectfully,

COLMER CORPORATION

Kelsey Bolt

KELSEY BOLT

KB/pb

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

Administrative Audit Difference Statement

Colamer Corporation
Fidel & Rouse Building
Grants, New Mexico

FINAL DISTRIBUTION
MADE JUL 20 1956

Date: July 13, 1956
Payee's
Reference: April 1956

Gentlemen:

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

Amount Claimed		$ 1,479.00
	+	100.80
Difference	-	$ 227.92
Amount Approved		$ 1,251.88

The reason for the difference was due to:

Reinstate: Core drilling disallowed on March 1956 voucher is reinstated, inasmuch as corrected drill logs supporting footage claimed has now been received -

Hole A-23	29 ft.	core drilling @ 2.80 per ft.	81.20
Hole A-24	7 ft.	" " " " " "	19.60
		Total Amount Reinstated	$100.80

Reinstate: $1,000.00 withheld from March 1956 Voucher inasmuch as drilling has been resumed.

Disallow:

1. Claimed 250 ft. non core drilling in hole A-23 March 56, voucher where as corrected drill log shows only 230 ft. drilling was performed. The excess 20 ft. is disallowed. 20 ft. non core-drilling @ 1.54 per ft. = 30.80

2. Claimed 590 ft. non core drilling on April 56 voucher, whereas drill log shows 462 ft. actually drilled.

Disallowed 128 ft. @ 1.54 per ft. 197.12
Total amount to be disallowed 227.92

Very sincerely yours,

E. E. Stokes
Audit Section

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

224 New Customhouse
Denver 2, Colorado

July 12, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3632 (Uranium) Contract 14m-E797, Colamer Corporation (State claims 1 through 27) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of April, 1956

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made on the following basis, contingent on your verification of arithmetical accuracy within the report.

Reinstatement of Costs Disallowed on March, 1956 Voucher

The following amounts which were disallowed on March, 1956 voucher are to be reinstated, inasmuch as corrected drill logs supporting the footage claimed have now been received in this office. The corrected driller's logs are included herewith.

Hole A-23 (E1450-N4780), 29 feet core drilling at $2.80 per foot	$ 81.20
Hole A-24 (E1450-N4980), 7 feet core drilling at $2.80 per foot	19.60
Total amount of costs to be reinstated	$100.80

Disallowance from Costs Reported on April, 1956 Voucher

1. The corrected drill log submitted for Hole A-23 (E 1450-N 4700) shows that only 230 feet of non-core drilling was performed, whereas 250 feet of non-core drilling was reported for this hole on the March, 1956 report. The excess 20 feet is hereby disallowed.

Disallow 20 feet non-core footage at $1.54 per foot-- $30.80

2. The following amount is to be disallowed from costs reported on the April, 1956 voucher inasmuch as the driller's logs indicate that the non-core footage reported by the Operator is greater than the footage actually drilled.

Hole No.	Non-Core Footage Reported by Operator	Non-Core Footage Reported on Driller's Logs	Excess Footage to be Disallowed
N 3300-E 850	190	150	40
N 3400-E 850	200	158	42
N 3500-E 850	200	154	46
Total	590	462	128

Disallow 128 feet at $1.54 per foot---------- 197.12

Total amount of costs to be disallowed---------- $227.92

Reinstatement of Amount Withheld from March, 1956 Voucher

The amount of $1,000.00 which was withheld from the March, 1956 voucher is to be reinstated, inasmuch as drilling has been resumed.

Reconciliation with Amount Reported by the Operator on Form MF-104 for April, 1956

Amount reported on Form MF-104----------$1,379.00

Carried Forward----------		$1,379.00
Reinstatement and disallowance of costs		
Total costs to be reinstated----------	$100.80	
Total costs to be disallowed----------	227.92	
Net cost to be disallowed----------		127.12
Total accepted cost----------		$1,251.88
Government participation at 75 percent---------		938.91
Amount previously withheld which is to be reinstated herewith----------		1,000.00
Recommended payment to the Operator---------		$1,938.91

Remarks

Date of Report----------May 21, 1956
Date Received in Field Office---------- May 23, 1956
Date Received in Region Office---------- June 20, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JBC:jy
cc: MF-104 File E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report
Cooper
Chron.

REGION III

DMEA
Date Rec'd.
JUN 20 1956
BUREAU OF MINES
Denver, Colorado

Building 20
Denver Federal Center
Denver 2, Colorado
June 20, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 3632, Contract ldm-X797, Colmmer Corporation, State claims 1 to 27, Sec. 8, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico -- Progress report for April 1956

Progress was checked on May 1, 1956 in company with Jean Baslie, geologist for the operator. During April, three approved Stage III holes were completed, with the results shown below:

Stage III Holes, April 1956

DMEA No.	Location N	Location E	Plug-Bit Drill Logs	Plug-Bit Claimed	Core-Bit Drill Logs	Core-Bit Claimed	Remarks
B-11	3300	850	190	190	60	60	228.0-238.0-0.111% eU_3O_8
B-12	3400	850	158	200	52	52	226.0-238.0-0.132% "
B-13	3500	850	154	200	56	56	238.5-240.0-0.106% "
			462	590	168	168	

The driller's logs were not completed to the bottoms of the holes as the total logged depths of holes B-11, B-12, and B-13 were 210 feet each. The logs showed the same core-bit footage as claimed by the applicant, and the footages for plug-bit drilling for holes B-11, B-12, and B-13 were assumed to be the difference between 210 feet and core-bit footages. This works out for the approved plug-bit drilling as compared with the footages claimed as follows:

Hole No.	Approved	Claimed
B-11	190	190
B-12	158	200
B-13	154	200
	462	590

Approved costs for April 1956 are for 462 feet of plug-bit drilling at $1.54 a foot ($711.48) and 168 feet of core-bit drilling at $2.80 ($470.40) for a total of $1181.88.

It is recommended that 75 percent of the approved total costs which amounts to $886.41 be approved for payment.

The driller's logs and radiometric logs submitted by the applicant are being retained in this office.

W. D. McMillan
Mining Engineer

WDM/mw
cc: 6
Adm-2797
Chron

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
JUN 11 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1956 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $ 114,430.50 Government Participation: 75 % Amount, $ 89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Core	4,625.60	28,336.00	32,961.60			
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Bit	9,700.46	32,124.40	41,824.86			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assays	None	315.00	315.00			
(8) Contingencies (specify):						
TOTALS	14,326.06	60,775.40	75,101.46	14,225.26	60,775.40	75,000.66
				1/	7.70	7.70

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

Date April 8, 1956 *Payee COLAMER CORPORATION

Per [signature] Title CHIEF GEOLOGIST

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 60,767.70 74,992.96

$ 9,668.95

Signature [signature]
(Authorized Certifying Officer)

Date 6-7-56 Vou. No. DMA-56-118

(See other side)

Withhold 1000.00
Previous Deduction

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tam E-797 in accordance with the terms of the contract.

Signature Leon C. Mullan Title Min. Engr. Date April 17, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Jones Title ~~Acting~~ Executive Officer Date ~~MAY 0 2 1956~~ JUN 5 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JUN 11 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1956 Docket No. DMEA 3632 Contract No. Idm-E797

Operator's Name COLAMER CORPORATION Minerals URANIUM

Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	4,625.60	1652	32,961.60	11,772	2.80	15,210	2.80
Churn								
~~XXXX~~ Plug Bit	Feet	9,700.46	6299	41,824.86	27,159	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea.	None	None	315.00	63	5.00	85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		14,326.06		75,101.46				

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

Date April 8, 1956 Operator COLAMER CORPORATION

Per [signature] Title CHIEF GEOLOGIST

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Wm. Mullen

INSTRUCTIONS

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

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

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

GPO 872894

ma 56-118 com

FINAL DISTRIBUTION

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

MADE JUN 7 1956

RECEIVED
JUN 11 1956

Administrative Audit Difference Statement

[redacted]

Date: [redacted]
Payee's Reference: [redacted]

[redacted]

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

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

[redacted]

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

Very sincerely yours,

[redacted]
N. E. Stokes
Audit Section

[redacted]

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

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

RECEIVED
JUN 11 1956

June 5, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3638 (Uranium) Contract Ldm-8797, Calumet Corporation, (State claims 1 through 27) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of March, 1956

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-880A. We recommend that payment be made to the Operator on the following basis, contingent on your verification of arithmetical accuracy within the report.

<u>Disallow</u> the amount of $100.80, the cost of 36 feet of core drilling at $2.80 per foot. The driller's logs indicate only 66 feet of core drilling in hole A-23 and 89 feet in hole A-24. The Operator reported 95 feet for hole A-23 and 96 feet for hole A-24.

<u>Withhold</u> the amount of $1,000.00 pending resumption of contract work. The Operator has requested a recess of operations.

<u>Reconciliation with Amount Reported by the Operator on Form MF-104 for March, 1956</u>

Amount Reported on Form MF-104	$14,386.06
Core drilling costs to be disallowed	100.80
Total accepted cost	$14,285.26
Government participation at 75 percent	10,668.95
Amount to be withheld	1,000.00
Amount due the Operator	$ 9,668.95

Note

Stage I under the contract has been completed. The total core footage under Stage I exceeds the estimated core footage provided for Stage I. However, as the aggregate total non-core and core footage and the total aggregate drilling cost do not exceed the aggregate non-core and core footage and the total aggregate drilling cost provided for this stage, the variation is deemed allowable.

Remarks

Date of Report----------April 8, 1956
Date Received in Field Office----------April 13, 1956
Date Received in Region Office----------May 18, 1956

Reason For Delay: Held pending receipt of radiometric logs for holes A-27, A-28, and A-30. These logs have now been received.

W. M. TRAVER,

W. M. Traver

Enclosures

JRC:ab

cc: NF-10A File 8797
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy mgr's report
Chron.

DMEA
Date Rec'd.

MAY 18 1956

BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
May 17, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 3632, (Uranium) Contract I4s-8797, Colemer Corporation (State claims Nos. 1 to 27, Sec. 8, T. 13 N., R. 9 W.,) McKinley County, New Mexico - Progress report for March, 1956

The location of the 26 holes drilled by the operator were checked in the field, in company with Jean Ruelle, geological engineer for Colemer Corporation. The following table gives the pertinent information on these holes from the drill hole logs.

All holes completed were at approved Stage II locations.

Hole No.	Coordinates Earth	Coordinates Rust	Plug Bit Feet	Core Bit Feet	Total Feet		Radiometric Logs - eU_3O_8	
A-17	2900	1450	205	80	285	x	228-283 ft. - 0.005-0.010	
A-18	3100	"	230	50	280	x	230-266 ft. - 0.010-0.013	
A-19	3300	"	235	62	297	x	<0.02	
A-20	3500	"	240	65	305	x	263-288 ft. - 0.006-0.020	
A-21	3700	"	228	74	302	x	227-302 ft. - 0.005-0.020	
A-22	4500	"	230	100	330	x	234-339 ft. - 0.006-0.013	
A-23	4700	"	250	66	316	D.L.	255-306 ft. - 0.006-0.013	
A-24	4900	"	240	89	329	D.L.	270-344 ft. - 0.010-0.030	
A-25	5100	"	245	98	343	x	257-344 ft. - 0.006-0.040	
A-26	3600	1850	250	50	300	x	263-299 ft. - 0.006-0.013	
A-27	4000	"	230	71	301	x	ABC to follow -	Denied
A-28	4400	"	230	67	297	x	" -	Denied
A-29	4800	"	240	75	315	x	247-298 ft. - 0.010-0.025	
A-30	3300	2250	240	46	286	x	ABC to follow -	Denied
A-31	3700	"	250	42	292	x	" <0.02	
A-32	3900	"	255	37	292	x	" <0.010	
A-33	4100	"	245	48	293	x	" <0.03	
A-34	4300	"	230	67	297	x	" <0.04	
A-35	4500+	"	270	45	315	x	" <0.03	
A-36	4700	"	240	53	293	x	" <0.04	
A-37	4900	"	306	69	375	x	288-300 ft. - 0.010-0.033	
A-38	5100	"	250	57	307	x	254-304 ft. - 0.010-0.020	
A-39	3300	2650	235	52	287	x	<0.04	
A-40	4200	"	235	55	290	x	252-285 ft. - 0.010-0.013	
A-41	4600	"	240	50	290	x	264-288 ft. - 0.010-0.013	
A-42	5000	"	250	48	298	x	263-297 ft. - 0.010-0.026	
Totals March, 56			6299	1616	7915			
Total previously reported			20,845	10,120	30,965			
Total approved thru March, 56			27,744	11,736	38,880			

x Oper. log
D. L. Drill log

The operator claimed 6999 feet of plug-bit drilling and 1692 feet of core-bit drilling. The contractor's drill logs confirmed the plug-bit drilling, but showed that the core-bit drilling in Hole A-23 was 66 feet instead of 93 feet claimed and in Hole A-24 was 89 feet instead of 96 feet claimed. Also the operator has not submitted radiometric logs for Holes A-27, A-28 and A-30, and the plug-bit and core-bit drilling amounting to 709 feet and 185 feet respectively is denied until these are received. Approved plug-bit drilling and core-bit drilling are 5999 feet and 1492 feet respectively.

The operator submitted one copy of the contractor's drill logs and one copy of their radiometric logs, except for the three holes mentioned above. The U. S. Atomic Energy Commission logged some of the holes, and copies of these are being made by the applicant. Only slight uranium mineralization was found, so no samples were taken for analyses.

Approved costs for March, 1956 are for 5999 feet of plug-bit drilling at $1.54 a foot ($9,238.46) and for 1492 feet of core-bit drilling at $2.80 a foot ($4,180.40) for a total of $13,418.86.

Seventy-five percent of the approved total cost amounting to $9,979.85 is valid; however, it is recommended that $1,000.00 be withheld pending receipt of the operator's final report.

The locations of all holes drilled to date have been placed on a coordinate map in this office, where the drilling contractor's logs and the radiometric logs are being retained.

for Scott W. Hazen
W. B. Mathias
Mining Engineer

WBM/mr
cc: 6
Idn-2797
Shown

April 9, 1956

OPERATOR'S MONTHLY NARRATIVE FOR DRILLIN ON CONTRACT Icm-E797

During the month of March the following holes were drilled and completed:

Hole	Plug bit(ft)	Core(ft)	Date completed
2250-5100	250	57	3/28/56
2250-4900	306	69	3/29/56
2250-4700	240	53	3/28/56
2250-4500	270	45	3/30/56
2250-4300	230	67	3/30/56
2250-4100	245	48	3/28/56
2250-3900	255	37	3/27/56
2250-3700	250	42	3/26/56
2250-3500	240	46	3/26/56
2650-5000	250	48	3/23/56
2650-4600	240	50	3/23/56
2650-4200	235	55	3/23/56
2650-3800	235	52	3/29/56
1850-4800	240	75	3/19/56
1850-4400	230	67	3/20/56
1850-4000	230	71	3/20/56
1850-3600	250	50	3/22/56
1450-5100	245	98	3/15/56
1450-4900	240	96	3/15/56
1450-4700	250	95	3/12/56
1450-4500	230	100	3/ 9/56
1450-3700	228	74	3/ 8/56
1450-3500	240	65	3/15/56
1450-3300	235	62	3/16/56
1450-3100	230	50	3/19/56
1450-2900	205	80	3/7/56
TOTAL	6299 ft.	1652 ft.	

All these holes are completed on the secondt stage of this contract.

Little or no difficulty was encountered in drilling these holes.

Driller's logs and radiometric logs are included in this report.

Respectfully,

COLAMER CORPORATION

KELSEY BOLTZ

DMEA
Date Rec'd.

JUN 4 1956

BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
June 1, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: Docket DMEA 3632 (Uranium) Contract Idm-2797, Colmor Corporation, (Stake claims Nos. 1 to 27, Sec. 8, T. 13 N., R. 9 W., McKinley County, New Mexico -- Progress report for March, 1956

Reference is made to the memorandum of May 17, 1956, on the subject contract, progress report for March, 1956. In this memorandum payment was denied on Holes A-27, A-28 and A-30 for lack of Radiometric logs. These logs were received on May 31, 1956, and it is recommended that the amount withheld be paid.

W. D. McMillan
W. D. McMillan
Mining Engineer

WDM/mr
cc: 6
Idm-2797
Chron

Form MF-1[illegible] (Rev.)
(April 1[illegible])

Budget Bureau No. 42-R1036.5

RECEIVED
APR 25 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1956 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $114,430.50 Government Participation: 75 % Amount, $89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	1,971.20	26,364.80	28,336.00			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Bit	2,872.10	29,252.30	32,124.40			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assays	15.00	300.00	315.00			
(8) Contingencies (specify):						
TOTALS	4,858.30	55,917.10	60,775.40	4,850.60	55,917.10	60,767.70

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

Date March 13, 1956 *Payee COLAMER CORPORATION

Per [signature] Title CHIEF GEOLOGIST

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

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

(Instructions on reverse)

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

$3637.95

Signature [signature]
(Authorized Certifying Officer)

Date 4/12/56 Vou. No. DMA 56-98

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E797 in accordance with the terms of the contract.

Signature W. W. Mullan ($3637.95) Title Min. Engr. Date Mar. 16, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Maney Title Executive Officer Date APR 17 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 2 5 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1956 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	1,971.20	704	28,336.00	10,120	2.80	15,210	2.80
Churn								
~~Auger~~ Plug bit	Feet	2,872.10	1865	32,124.40	20,860	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea.	15.00	3	315.00	63	5.00	85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,858.30		60,775.40				114,430.50

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

REMARKS: Wayne Mullen

Date Mar. 13, 1956 Operator COLAMER CORPORATION

Per [signature] Title CHIEF GEOLOGIST

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
APR 2 5 1956

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

Administrative Audit Difference Statement

Colmer Corporation
Fidel & Rowe Drilling,
Grants, New Mexico

FINAL DISTRIBUTION
MADE APR 23 1956

Date: April 18, 1956
Payee's Reference: February 1956

Gentlemen:

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

Amount Claimed	$ 4,650.30
Difference	$ 7.70
Amount Approved	$ 4,642.60

The reason for the difference was due to:

Disallout

Claimed 230 ft. plug-bit footage in hole #1050-4000.
Only 225 ft. shown in drilling logs in this hole.
Excess of 5 ft. is disallowed.

5 ft. plug bit drilling at 1.54 per ft. = 07.70

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

RECEIVED
APR 25 1956

224 New Customhouse
Denver 2, Colorado

April 17, 1956

Memorandum

To: T. A. Christensen

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 - Operator's Monthly Progress Report for the period February, 1956

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

With the exception noted below, it is deemed that the Operator has complied with the intent of the contract and the work is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A. Payment is recommended in accordance with the following analysis.

Disallowance

The Operator has reported plug-bit footage of 230 feet in Hole No. 1050-4600. The drilling contractor's logs show only 225 feet of plug-bit drilling in this hole. Therefore, the excess of 5 feet is disallowed.

Disallow 5 feet plug-bit drilling at $1.54 per foot---$7.70

Reconciliation with Amount Reported by the Operator on Form MF-104 for the Period February, 1956

Amount Reported on Form MF-104	$4,858.30
Amount Disallowed	7.70
Total Accepted Cost	$4,850.60
Government Participation at 75 Percent	$3,637.95

Remarks

Date of Report	March 13, 1956
Date Received in Field Office	March 15, 1956
Date Received in Region Office	March 20, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E797
Sec. Op. Comm. (2)
J. F. Shaw (2)
J. W. Townsend w/copy engr's. report
J. D. Cooper
Chron.

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
March 19, 1956

DMEA
Date Rec'd
MAR 20 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. D. McMillan
Through: John F. Shaw
Supervising Mining Engineer

Subject: DMEA Docket 3632, Contract Idm-E797, Colamar Corporation, State Claims Nos. 1 to 27, Section 8, T. 13 N., R. 9 W., New Mexico Principal Meridian, McKinley County, New Mexico-Progress Report for February 1956.

Progress was checked on March 6, 1956, in company with Kelsey Belts, Geologist and Charts Cardwell, Superintendent of the Applicant.

During February 1956, 8 State II holes and 1 Stage II holes were completed. The pertinent data on these 9 holes are given in the following table:

Location E.	Location N.		Plug-Bit Footage	Core-Bit Footage		Total Footage
			STAGE II HOLES			
1050	4200		210	65		275
1050	4600	Log	225	70	Log	295
1050	2200		180	80		260
1050	2600		195	80		275
1050	3000		190	90		280
1050	3400		200	91		291
1050	3800		210	89		299
1050	5000		240	74		314
Totals Stage II			1650	639		2289
			STAGE III HOLES			
450	3800		210	65		275
Totals Stages II & III			1860	704		2564
Previously Reported			18985	9416		28404
Total approved through Feb., 1956			20845	10120		30968

The operator claimed 1863 feet of plug-bit drilling and 704 feet of core-bit drilling. A check of the drilling contractor's logs show that Hole 1050 E., 4600 N. plug-bit drilling was 225 feet as compared with 230 feet claimed by the operator, and a deduction for plug-bit drilling of 5.0 feet at $1.54 a feet ($7.70).

The operator submitted 1 copy of the contractor's logs, the radiometric logs and 3 chemical analyses on Hole 1050 E. - 3400 N. which had a weighted average 0.05 percent U_3O_8 over 8 feet. The radiometric Log of Hole 450 E. - 3800 N. indicated 6 feet of 0.10 percent U_3O_8.

The locations of all holes have been placed on a coordinate map in this office, where the drill logs, radiometric logs and the chemical analyses are being retained.

Approved costs for February 1956 are for 1860 feet of plug-bit drilling at $1.54 a feet (2864.40),704 feet of core-bit drilling at $2.80 a feet ($1971.20) and 3 chemical analyses at $5.00 each, ($15.00), for a total of $4850.60.

It is recommended that 75 percent of the approved total costs which amounts to $3,637.95 be approved for payment.

W. D. McMillan
Mining Engineer

cc 6
Lim-2797
Chron.

WDM/eh

DMEA
Date Rec'd.

MAR 20 1956

BUREAU OF MINES
Denver, Colorado

March 13, 1956

OPERATORS MONTHLY REPORT CONTRACT Idm-E797
MONTH OF FEBRUARY

During the month of February the following holes were completed on 2nd stage:

HOLE NO.	FT. PLUG	FT. CORE	DATE COMPLETED
1050-4200	210	65	2-22-56
1050-4600	230 225 Log	70	2-23-56
1050-2200	180	80	2-14-56
1050-2600	195	80	2-14-56
1050-3000	190	90	2-14-56
1050-3400	200	91	2-13-56
1050-3800	210	89	2-20-56
1050-5000	240	74	2-23-56
	3RD STAGE		
450-3800	210	65	2-10-56
TOTALS	1865 1866	704	

Some of these holes were cored to a depth greater than that approved. This extra footage gives valuable information and will be paid for with Colamer funds.

Drillers logs, radiometric logs, and chemical assays are enclosed with this report.

Little or no difficulty has been encountered with this drilling. Core recovery has averaged 94%.

Respectfully,

COLAMER CORPORATION

KEISER BOLTZ

KB/pa

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 25 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January 1956 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $ 114,430.50 Government Participation: 75 % Amount, $ 89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	2,382.80	23,982.00	26,364.80			
Bulldozing						
Crosscutting						
Drifting Drilling Plug Bit	3,799.18	25,453.12	29,252.30			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance Assays	235.00	65.00	300.00			
(8) Contingencies (specify):						
TOTALS	6,416.98	49,500.12	55,917.10	6,416.98	49,500.12	55,917.10

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Feb. 13, 1956 *Payee COLAMER CORPORATION
Per [signature] Title PRESIDENT

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

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

(Instructions on reverse)

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

$ 4812.73

Signature [signature]
(Authorized Certifying Officer)
Date 4/18/56 Vou. No. Dma 56-98
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Fdm-E797 in accordance with the terms of the contract.

Signature Wm. McMillan (98173) Title Min. Engr. Date Mar 10, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lane Title Executive Officer Date APR 17 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
APR 25 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 195 5 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	2,382.80	851	26,384.80	9,416	2.80	15,210	2.80
Churn								
~~Auger~~ Plug bit	feet	3,799.18	2467	29,252.30	18,995	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea	235.00	47	300.00	60	5.00	85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6,416.98		55,917.10				114,430.50

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

Date Feb. 13, 1956 Operator COLAMER CORPORATION

Per Frank Bley Jr. Title PRESIDENT

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Verne Miller

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED
APR 2 3 1956

224 New Customhouse
Denver 2, Colorado

April 17, 1956

FINAL DISTRIBUTION
MADE APR 23 1956

Memorandum

To: T. A. Christensen

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 - Operator's Monthly Progress Report for the period January, 1956

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Assay returns for the 47 samples reported by the Operator have been retained at the Denver Experiment Station.

Remarks

Date of Report----------March 13, 1956
Date Received in Field Office---------- March 16, 1956
Date Received in Region Office--------- March 20, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E797
Sec. Op. Comm. (2) J. D. Cooper
J. F. Shaw (2) Chron.

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

RECEIVED
APR 3 1959

FINAL DISTRIBUTION
MADE APR 23 1959

W. M. TRAVER

DMEA
Date Rec'd.

MAR 19 1956

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
March 14, 1956

BUREAU OF MINES
Denver, Colorado

RECEIVED
APR 23 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. D. McMillan

Through: John F. Shaw
Supervising Mining Engineer

Subject: DMEA 3632, Contract Idm-E797, Colemar Corp., State Claims Nos. 1 to 27, Sec. 21, T. 13 N., R. 9 W., N.M.P.M., McKinley County, New Mexico — Progress Report for January, 1956.

Progress was checked on Feb. 7, 1956, in company with Charte Cardwell, Superintendent of the applicant. The delaying in processing this report was due to the delay in receiving information from the operator necessary for completion of the December, 1955 report.

During January, 1956, 3 stage II holes and 9 stage III holes were completed. The pertinent data on these 12 holes are given in the following table:

Location E.	Location N.	Flug-Bit Footage	Core-Bit Footage	Total Footage
			STAGE II	
650	3700	200	107	307
650	3500	200	117	317
250	3600	200	107	307
Totals -Stage II		600	331	931
Claimed			240	840
			STAGE III	
50	4100	200	76	276
50	4200	210	67	277
50	4300	210	68	278
250	3900	210	90	300
250	4100	200	77	277
250	3700	205	60	265
250	4300	210	66	276
450	3700	210	47	257
450	3900	212	60	272
Totals -Stage III		1867	611	2478
Totals -Stages II & III		2467	851	3318
Previously Reported		16528	8565	25093
Total approved thru Jan. '56		18985	9416	28404

Stage II holes were drilled further into the Westester than allowed in the contract, but only the upper 10 feet were claimed. Examination of the core boxes showed that core recovery was from 90 to 100 percent.

Contract cost for 2467 feet of plug-bit drilling at $1.54 a foot is $3799.18 and for 851 feet of core-bit drilling at $2.80 a foot is $2382.80 and 47 chemical analyses at $5.00 each is $235.00, with a total of $6416.98. Payment for 75 percent of the amount authorized, or $4812.73 is recommended.

The drillers' logs and the radiometric logs are being kept in this office.

W. D. McMillan
Mining Engineer

cc 6
Idm-R797
Chron.

WDM/ah

February 13, 1956

Operators Monthly Report Contract Idr-1797
Month of January

During the month of January the following holes under the 2nd stage were completed;

HOLE NO.	DATE COMPLETED
650-3700	1-10-56
650-3500	1-16-56
250-3600	1-18-56

Third stage holes were completed as follows;

HOLE NO.	DATE COMPLETED
50-4100	1-12-56
~~150-4100~~	~~1-9-56~~
50-4200	1-12-56
50-4300	1-21-56
250-3900	1-13-56
250-4100	1-17-56
250-4300	1-20-56
250-3700	1-23-56
450-3700	1-31-56
450-3900	1-25-56

The radiometeric logs of these holes are included with this report. The core of these holes has been assayed and will be forwarded under separate cover.

Respectfully,

COLAMER CORPORATION

KELSEY BOLTZ

KB/pa

PS Totals for month of January:

	Plug	Core
2nd Stage	600 ft.	240 ft.
3rd Stage	1867 ft.	611 ft.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
APR 25 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1955 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $114,430.50 Government Participation: 75% Amount, $ 89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	3,452.40	20,529.60	23,982.00			
Bulldozing						
Crosscutting						
Drifting Drilling Plug Bit	4,978.82	20,474.30	25,453.12			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance Assays	65.00	None	65.00			
(8) Contingencies (specify):						
TOTALS	8,496.22	41,003.90	49,500.12	8,496.22	41,003.90	49,500.12

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Jan. 23, 1956 *Payee COLAMER CORPORATION
Per [signature] Title PRESIDENT

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

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

(Instructions on reverse)

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

$ 6372.17

Signature [signature]
(Authorized Certifying Officer)

Date 4/18/56 Voucher 56-98
(See other side)

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
APR 25 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1955 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	3,452.40	1,233	23,982.00	8,565	2.80	15,210	2.80
Churn								
~~XXXX~~ Plug Bit	Feet	4,978.82	3,233	25,453.12	16,528	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea.	65.00	13	65.00	13	5.00	85	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		8,496.22		49,500.12				114,430.50

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

Date Jan. 24, 1956 Operator COLAMER CORPORATION
Per Frank Bayless Title PRESIDENT

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

(Instructions on reverse)

Remarks:

(For Government use only) Wm Mellen

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

RECEIVED
APR 2 3 1956

224 New Customhouse
Denver 2, Colorado

April 17, 1956

FINAL DISTRIBUTION
MADE APR 2 3 1956

Memorandum

To: T. A. Christensen

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 - Operator's Monthly Progress Report for the period December, 1955

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Assay returns for the 13 samples reported by the Operator have been retained in the Denver Experiment Station.

Note: Core footage for Stage I exceeds that footage set up in the contract under "Fixed Unit Costs." However, the aggregate of core and non-core footage drilled or the aggregate costs thereof do not exceed the aggregate footage or costs authorized under Stage I. Therefore, the excess core footage is

deemed allowable in accordance with a precedent established by the letter of January 23, 1956 from the Chairman, Operating Committee, DMEA, Re: Docket DMEA-3688, Contract Idm-E827, Gaddis Mining Company.

Remarks

Date of Report----------January 24, 1956
Date Received in Field Office---------- January 27, 1956
Date Received in Region Office---------- -March 16, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E797
Sec. Op. Comm. (2)
J. F. Shaw (2)
J. W. Townsend w/copy engr's. report
J. D. Cooper
Chron.

RECEIVED
APR 2 5 1956

DMEA
Data Bank
MAR 16 1956
BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
March 13, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. D. McMillan

Through: John F. Shaw
Supervising Mining Engineer

Subject: Progress Report for December, 1955, DMEA 3632, Contract Idm-2797, Colamar Corporation, State claims Nos. 1 to 27, Section 8, T. 13 N., R. 9 W., N.M.P.M., McKinley County, New Mexico

Progress was checked on Jan. 19, 1956, in company with Charte Cardwell, Superintendent of the applicant. The delay in processing this report was due to the fact that the applicant failed to send the drilling logs of the contractor.

During December 1955 Stage I of the contract was completed with 11 holes and 5 holes were completed under Stage II of the contract. The pertinent data on these holes are given in the following table:

Stage I Drill Holes, December, 1955

Hole No.	Plug-Bit Footage	Core-Bit Footage (claimed)	Total Footage	Uranium Content
63	190	80	270	Slight
64	181	90	271	"
66	235	80	315	305-307-0.05
50	235	80	315	Slight
72	180	80	260	"
73	175	80	255	"
74	175	80	255	"
75	195	80	275	"
76	197	80	277	238.3 - 248.5 - 0.04% 249.0 - 232.0 - 0.11% 258 - 262.5 - 0.08%
77	210	80	290	251.5 - 267.5 - 0.23%
78	210	80	290	Slight
Totals Stage I	2183	890	3073	

Stage II Drill Holes, December, 1955

Hole No.	Plug-Bit Footage	Core-Bit Footage	Total Footage	Uranium Content
250-4000	210	60	270	Fair
650-4300	230	57	287	Slight
650-4100	195	79	274	Slight
650-3900	195	80	275	Fair
250-4400	220	67	287	Slight
Totals Stage II	1050	343	1393	
Totals Stages I & II	3233	1233	4466	
Total drilled Previous	13295	7332	20627	
Total Approved through Dec. '55	16528	8565	25093	

An examination of the core showed recovery of from 90 to 100 percent.

All of the Stage I holes were drilled from 40 to 100 feet into the Westwater, but only the top 10 feet were claimed for contract holes.

Contract cost for 3233 feet of plug-bit drilling at $1.54 a foot is $4,978.82 and for 1233 feet of core-bit drilling at $2.80 per foot is $3,452.40, with a total of $8,431.22.

Payment for 75 percent of the amount claimed, or $6,323.41 is recommended.

The driller' logs, operators' radiometric logs, and geologic cross sections are being retained in this office.

W. D. McMillan
Mining Engineer

cc Dep-1797
Chron.

January 24, 1956

OPERATORS MONTHLY NARRATIVE DMEA DOCKET 3632 CONTRACT IDM-E797
MONTH OF DECEMBER

During the month of December the 1st stage of this contract was completed, having drilled holes 1 to 78.

The holes on the 1st stage completed in December are as follows:

HOLE NO.	DATE COMPLETED
63	12-5-55
64	12-1-55
66	12-1-55
50	12-12-55
72	12-8-55
73	12-8-55
74	12-13-55
75	12-13-55
76	12-15-55
77	12-14-55
78	12-5-55

The total footage of the 1st stage:

PLUG BIT	CORE
15,478	8,222

The total plug bit footage on 1st stage is less than authorized.

Authorization to transfer ample core footage and funds from the 3rd to the 1st stage to deepen the 1st 15 holes of this contract was received in a letter from W. M. Traver, Executive Officer, DMEA, June 30, 1955. It was estimated at the time that 2,250 feet from the 3rd stage would be required. However, only 2,112 feet were used for this purpose. This amount then will be transferred from the 3rd to the 1st stage.

Verbal authorization for 12 holes on the 2nd stage was received here December 16, 1955 by a telephone call from J. William Hasler. These holes were completed as follows:

HOLE NO.	DATE COMPLETED
250-4000	12-17-55
650-4300	12-19-55
650-4100	12-20-55
650-3900	12-22-55
250-4400	12-21-55

These holes are numbered by the coordinate system, the origin of which is at the southwest corner of Section 6, T13N, R9W as shown on maps which have accompanied my previous reports. The first number is the east coordinate, the second number is the north coordinate. Several of these holes were drilled below the authorized depth; the extra footage will be paid for with Corporation funds.

The expiration date of this contract is May 15, 1956. It is anticipated that more time will be required to complete this contract. I will send to Mr. Traver a letter of request for extention of this date.

Respectfully,

COLMER CORPORATION

KELSEY BOLTZ

KB/pa

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

Budget Bureau No. 42-R1036.5

RECEIVED
JAN 23 1956

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

Month of November 1955 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $ 114,430.50 Government Participation: 75 % Amount, $ 89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	4,046.00	16,483.60	20,529.60			
Bulldozing						
Crosscutting						
Drifting Drilling plug bit	6,180.02	14,294.28	20,474.30			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance Assays	None	None	None			
(8) Contingencies (specify):						
TOTALS	~~10,226.02~~	~~30,777.88~~	~~41,003.90~~	10,226.02	30,777.88	41,003.90

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

Date Dec. 10, 1955 *Payee COLAMER CORPORATION

Per [signature] Title President

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

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

(Instructions on reverse)

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

$ 7669.51

Signature [signature]
(Authorized Certifying Officer)

Date 1/16/56 Vou. No. DMA 56-59

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E797 in accordance with the terms of the contract.

Signature William D. McMillan (# 7669.51) Title Min. Engr Date Dec 19, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Executive Officer Date DEC 27 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 23 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1955 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	4,046.00	1,445	20,529.60	7332	2.80	15,210	2.80
Churn								
~~Auger~~ Plug Bit	Feet	6,180.02	4,013	20,474.30	13,295	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	Ea.		None		None		85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		10,226.02		41,003.90				

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

Date Dec. 10, 1955 Operator COLAMER CORPORATION

Per Frank Taylor Title President

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

REMARKS:

(Instructions on reverse)

(For Government use only) William D. McMillan

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED JAN 23 1956

FINAL DISTRIBUTION
MADE JAN 19 1956

224 New Customhouse
Denver 2, Colorado

December 27, 1955

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket 3632 (Uranium) Contract Idm-E797, Colamer Corporation, State Nos. 1 through 27 Claims, McKinley County, New Mexico - Operator's Monthly Progress Report for the period November 1955

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks

Date of Report- - - - - - - - - - - - - - - December 10, 1955
Date Received in Field Office- - - - - - December 14, 1955
Date Received in Region Office- - - - - December 22, 1955

J. W. Townsend

Enclosures
JDC:jy
cc: MF-104 File E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report
Chron.

DMEA
Date Rec'd.
DEC 22 1955
BUREAU OF MINES
Denver, Colorado
JAN 23 1956

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
December 21, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA 3632, Contract Idm-8797 (Uranium) Calamar Corporation, State claims Nos. 1 through 27, Sec. 8, T. 13 N., R. 9 W., N.M.P.M., McKinley County, New Mexico - Progress report for November 1955

Progress was checked on December 14, 1955, with Frank Boylin, President, and Kelsey Holts, Geologist, who furnished drill hole data for November 1955. The following 19 holes were drilled in November by three drill rigs:

Hole	Core recovery percent	Plug-bit footage	Core-bit footage	Total footage	Uranium content
27	—	200	72	272	Slight
28	77	220	80	300	"
29	78	210	77	287	283.5 - 284.0 Fair
31	90	190	66	256	Slight
37	—	190	67	257	"
44	76	240	62	302	302.0 - 303 Fair
45	94	190	98	288	Slight
46	—	235	82	317	"
47	—	195	92	287	242.5 - 243 Fair
48	100	180	57	237	Slight
49	—	185	61	246	"
53	—	188	82	270	"
54	—	200	73	273	"
55	—	232	75	307	"
56	—	230	86	316	"
57	—	273	82	355	"
59	100	190	67	257	"
65	100	215	102	317	"
67	—	250	64	314	"
		4,013	1,445	5,458	- Total for November
		9,282	5,887	15,169	- Total drilled previously
		13,295	7,332	20,627	- Total approved through November

Five of the holes drilled in November 1955, Nos. 47, 49, 53, 54, and 67 were drilled into the Westwater, but only the top 10 feet was counted as contract hole.

Contract cost for 4,013 feet of plug-bit drilling at $1.54 a foot is $6,180.02 and for 1,445 feet of core-bit drilling at $2.80 a foot is $4,046.00, with a total of $10,226.02.

Payment for 75 percent of the amount claimed, or $7,669.51 is recommended.

The driller's logs, operator's radiometric logs, and geologic cross sections are being retained in this office.

W. D. McMillan
Mining Engineer

cc 6
R797
Chron

WDM/cm

JAN 23 1956

December 12, 1955
OPERATORS MONTHLY REPORT ON AREA DOCKET #3532 CONTRACT Idm-8797
Month of November

During the month of November the following holes were completed:

HOLE NO.	DATE COMPLETED
27	11-8-55
28	11-2-55
29	11-2-55
31-A	11-3-55
37	11-12-55
44	11-16-55
45	11-14-55
46	11-10-55
47	11-10-55
48	11-17-55
49	11-22-55
53	11-22-55
54	11-22-55
55	11-18-55
56	11-18-55
57	11-12-55
59	11-26-55
65	11-28-55
67	11-25-55

The radiometeric logs for these holes along with the drillers hole logs are included with this report. Hole No. 47 showed mineralization from 305-307. This mineralization occured near the contact of the bottom of the Poison Canyon Sandstone and the underlying Brushy Basin Shale member. This mineralization is typical of the asphaltic variety. The mineralization at a depth of 242 in this hole occured at the top of the Poison Canyon unit. Hole no. 45 shows anonymous radioactivity at a depth of 285 at the bottom of the Poison Canyon Sandstone.

It is estimated that the lst stage of this project will be completed no later than the 15th of December.

Respectfully,

COLORADO CORPORATION

KELSEY BOLTZ

KB/pa

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 23 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1955 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals Uranium
Address GRANTS, NEW MEXICO
Contract Amount, $114,430.50 Government Participation: 75 % Amount, $ 89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	4,121.60	12,362.00	16,483.60			
Bulldozing						
Crosscutting						
Drifting						
Drilling, plug bit	6,723.64	7,570.64	14,294.28			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assays	None	None	None			
(8) Contingencies (specify):						
TOTALS	10,845.24	19,932.64	30,777.88	10,845.24	19,932.64	30,777.88

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

Date Nov. 2, 1955 *Payee Colamer Corporation

Per Frank Dayton Title President

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

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

(Instructions on reverse)

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

$ 8133.93

Signature [illegible]
(Authorized Certifying Officer)

Date 1/16/56 Vou. No. 2222 56-59

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. JAm E-797 in accordance with the terms of the contract.

Signature W. McMillan ($ 8133.93) Title Min. Engr. Date Nov. 9, 1955.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Executive Officer Date DEC 27 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JAN 23 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1955 Docket No. DMEA 3632 Contract No. Idm-E797
Operator's Name COLAMER CORPORATION Minerals Uranium
Address Grants, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	4,121.60	1,472	16,483.60	5887	2.80	15,210	2.80
Churn								
~~Auger~~ Plug bit	Feet	6,723.64	4,366	14,294.28	9282	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea.		None		None		85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		10,845.24		30,777.88				114,430.50

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

Date Nov. 2, 1955 Operator COLAMER CORPORATION

Per Frank Boyles Title President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Wm McMillan

INSTRUCTIONS

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

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

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

GPO 872894

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

FINAL DISTRIBUTION
MADE JAN 19 1956

224 New Customhouse
Denver 2, Colorado

December 27, 1955

RECEIVED
JAN 23 1956

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket 3632 (Uranium) Contract Idm-E797, Colamer Corporation, State Nos. 1 through 27 claims, McKinley County, New Mexico - Operator's Monthly Progress Report, for the period October, 1955

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Processing was deferred pending resolution of Ownership of the subject claims. We have received a letter from Colamer Corporation dated December 19, 1955 which verifies that there is no change of ownership.

Remarks

Date of Report- - - - - - - - - - - - - November 2, 1955
Date Received in Field Office- - - - -November 7, 1955
Date Received in Region Office- - - - November 10, 1955

J. W. Townsend

Enclosures
JDC:jy
cc: MF-104 File E797
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engrs. report
Chron.

REGION III

Memorandum

Building 59
Denver Federal Center
Denver 1, Colorado
November 9, 1955

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA 3638, Contract Ida-8797, Calumet Corporation, Stake Nos. 1 through 27 claims, Section 6, T. 13 N., R. 9 W., New Mexico principal meridian, McKinley County, New Mexico, Progress report for October, 1955

The property was inspected on November 8, 1955 in company with Kelsey Bolin, geologist for the corporation, who furnished drill hole data for October, 1955.

Four drill rigs were in operation on the property. The following holes were drilled in October:

Hole	Core Recov.	Ring Bit Footage	Core Bit Footage	Total Footage	Uranium Content
71	86	145	82	227	Slight
58		215	85	300	"
58	—	215	95	310	"
56	-	220	107	327	"
55	-	240	91	331	"
54	-	215	67	282	"
53	88	195	78	273	"
52	91	195	78	273	"
50	-	225	60	285	"
48	100	210	76	286	"
25	98	210	56	266	"
24	100	210	55	265	"

Hole	Core Recov.	Plug Bit Footage	Core Bit Footage	Total Footage	Uranium Content
23	85.5	215	107	322	163.5 - 164.5 Fair
22	-	211	69	280	Slight
21	98	225	78	303	"
20	-	240	74	314	"
19	77	260	82	342	"
18	98	240	46	286	"
17	96	240	47	287	"
16	98	320	37	357	"
		[illegible]	1172	[illegible]	Total for October
		4366	4411	8777	Total drilled previously
		[illegible]	[illegible]	15,165	Total authorized through October

Three of the holes drilled in October, Nos. 19, 23 and 39 were drilled through the Westwater, but only the top 10 feet was counted as contract hole.

The core from 300 to 310 feet in hole No. 38 was inspected. It was coarse brownish-grey sandstone, without any visible uranium minerals.

Contract cost for 4366 feet of plug drilling at $1.54 a foot is $6723.84 and for 1472 feet of core drilling at $2.80 a foot is $4121.60, with a total of $10,845.44.

Payment for 75 percent of the amount claimed, or $8,133.93 is recommended.

The driller's logs and the operator's radiometric logs are being retained in this office.

W. D. McMillan
Mining Engineer

cc 6
Idaho-2797
Chron.

WDMcMillan

OPERATORS MONTHLY REPORT ON DMEA DOCKET #3632 CONTRACT Idm-E797
Month of October

During the month of October the following holes were completed:

Hole No.	Date Completed
71	10-6-55
39	10-5-55
38	10-6-55
36	10-25-55
35	10-25-55
34	10-25-55
33	10-28-55
32	10-29-55
30	10-31-55
26	10-7-55
25	10-10-55
24	10-11-55
23	10-15-55
22	10-12-55
21	10-14-55
20	10-15-55
19	10-20-55
18	10-19-55
17	10-18-55
16	10-20-55

Hole No. 23 showed very encouraging mineralization at the depths shown on the radiometric logs enclosed with this report. The mineralization encountered at 163 ft. was probed inside B.X Casing. Experimentations by us has shown that any readings taken inside B X Casing must be multiplied by a factor of 3. This reading therefore indicates approximately 0.20% U3O8. We were unable to obtain samples of this zone since it was in the horizon through which we plug bit. Dampness of the formation prohibited us from recovering air blown samples. This hole appears to be on the south edge of a sand channel running approximately east and west along the north line of Section 8. Completion of the 1st Stage should fairly well define the general area and trend of this channel. We have found mineralization in various spots all along the south edge of this channel. In this district most of the Morrison ore bodies have been found on the flanks or edges of similar channels. This zone, of course, is the one which we expect to detail on Stage No. 2 of this contract. Structure and mineralization appear extremely favorable.

It is anticipated that the 1st Stage of this contract will be completed by the end of the month of November.

Respectfully,

COLAMER CORPORATION

Kelsey Boltz

KELSEY BOLTZ

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

Budget Bureau No. 42-R1036.5

RECEIVED
NOV - 7 1955

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

Month of September 1955 Docket No. DMEA 3632 Contract No. Idm-E-797
Operator's Name COLAMER CORPORATION Minerals Uranium
Address Grants, New Mexico
Contract Amount, $114,430.50 Government Participation: 75 % Amount, $ 89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	3,267.60	9,094.40	12,362.00			
Bulldozing						
Crosscutting						
Drifting						
Drilling, Plug Bit	3,603.60	3,967.04	7,570.64			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assays	None	None	None			
(8) Contingencies (specify):						
TOTALS	6,871.20	13,061.44	19,932.64	6871.20	13,061.44	19932.64

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 11, 1955 *Payee Colamer Corporation
Per [signature] Title Chief Geologist

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

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

(Instructions on reverse)

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

$5,153.40

Signature RRO
(Authorized Certifying Officer)

Date 10/28/55 Vou. No. DMA-56-39
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdg-E797 in accordance with the terms of the contract.

Signature Carl Belen (E5,153 40) for WJS Title Mining Engineer Date 10/13/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Haney Title Executive Officer Date OCT 19 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV - 7 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1955 Docket No. DMEA 3632 Contract No. Idm-E-797
Operator's Name COLAMER CORPORATION Minerals Uranium
Address Grants, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	3,267.60	1,167	12,362.00	4415	2.80	15,210	2.80
Churn								
Auger Plug bit	Feet	3,603.60	2,340	7,570.64	4916	1.54	46,375	1.50
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea.		None		None		85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6,871.20		19,932.64				114,430.50

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

Date Oct 11, 1955 Operator Colamer Corporation

Per [signature] Title Chief Geologist

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

REMARKS:

(Instructions on reverse)

(For Government use only) Earl Belan

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED
NOV 7 1955

224 New Customhouse
Denver 2, Colorado

October 19, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3632, (Uranium) Contract Idm-E797, Colamer Corporation, State 1 through 27 claims, McKinley County, New Mexico - Operator's Monthly Progress Report, for the period September, 1955

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks

Date of Report- October 11, 1955
Date Received in Field Office- - - - - - - - - - - - October 13, 1955
Date Received in Region Office- - - - - - - - - - - October 17, 1955

W. M. Traver

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E797
Sec. Op. Comm. (2)
Shaw (2)
Chron.

DMEA
Date Rec'd.
OCT 17 1955
BUREAU OF MINES
Denver, Colorado

REGION III

Memorandum

Building 20
Denver Federal Center
Denver 2, Colorado
October 17, 1955

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3632, Contract Idm-2797 (Uranium), Colemer Corporation, State No. 1 through No. 27 claims, Section 6, T. 13 N., R. 9 W., New Mexico Principal Meridian, McKinley County, New Mexico - Progress report for September 1955

The property was inspected on October 11, 1953. Four rigs were in operation on the property. The following holes were drilled in September:

Hole	Footage Flag-Bit	Footage Cored	Footage Total	Uranium Content		
40	205	90	295	No data		
41	195	102	297	271-273	290-294	slight
42	165	111	276	240-241	249-252	slight
43	160	118	278	167-171	174-176	slight
				287-297	311-316	slight
51	225	90	315	270-275	294-296	slight
				335-340		slight
52	250	90	340	284-291	345-351	slight
53	155	75	230	174-178	196-200	slight
				226-229	241-244	slight
60	170	90	260	Poor		
61	180	92	272	190-1/2-200-1/2		Fair
62	170	60	230	Poor		
68	155	82	237	215-219		slight
				167-187	202-204	slight
69	155	87	242	190-218		slight
70	155	80	235	Poor		
13	2,340	1,167	3,507	Total for September		
13	2,576	3,248	5,824	Total drilled previously		
26	4,916	4,415	9,331	Total authorized drilling through September		

In addition the following holes were drilled in October:

71	287
39	377
38	310
26	286
25	266

Hole	Footage Plug-Bit	Footage Cored	Footage Total	
24	210	55	265	Just finished
23	215	38	253	Drilling
22	180		180	Drilling
21	120		120	Drilling

Most of the holes drilled in September were drilled through the West Water but only the top 10 feet of the West Water was counted as contract hole.

The core from 190 feet to 200 feet from hole No. 61 was inspected. It was a coarse brown sandstone. No uranium minerals could be seen with the unaided eye.

Contract cost for 1,167 feet of core drilling at $2.80 a foot is $3,267.60 and for 2,340 feet of plug-bit drilling at $1.54 a foot is $3,603.60, or a total of $6,871.20.

Payment for 75 percent of the amount claimed, or $5,153.40 is recommended.

The driller's logs and the operator's radiometric logs are being retained in this office.

Carl Belser

Carl Belser
Mining Engineer

CB:gk

cc 6 ✓
Idm-R797
Chron.

COLAMER CORPORATION
GRANTS DIVISION
FIDEL & ROUSE BLDG.
GRANTS, NEW MEXICO

RECEIVED
NOV - 7 1955

OPERATORS MONTHLY REPORT ON DMEA DOCKET #3632 CONTRACT Idm-E797
Month of September

During the month of September the following holes were completed on the dates shown:

Hole No.	Date Completed
40	9-30-55
41	9-23-55
42	9-21-55
43	9-21-55
51	9-13-55
52	9-14-55
58	9-16-55
60	9-3-55
61	9-9-55
62	9-3-55
68	9-15-55
69	9-23-55
70	9-29-55

Under the terms of this contract, the holes on this part of the first stage of drilling are to be completed to a depth of 10 feet below the bottom of the Poison Canyon sandstone unit. However for the benefit of the project these holes were extended in some cases to a depth greater than that authorized. The totals on forms MF-104 and MF-104A include only that amount of drilling authorized, Therefore the total amount of core shown on the drillers logs, which accompany this report, will be greater than that total for which reimbursement is asked. This extra expense will be borne by our Company in the interest of the project.

Hole number 61 showed mineralization from a depth of 190 to 200 feet, 4 feet of that zone gave a radiometric assay of 0.08% U3O8. The radiometric logs of these holes accompany this report.

Respectfully,

COLAMER CORPORATION

Helen Holtz

HELEN HOLTZ

HH/pa

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

Budget Bureau No. 42-R1036.5

RECEIVED
OCT 10 1955

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

Month of August, 1955 Docket No. DMEA 3632 Contract No. Ida-1797
Operator's Name Colmar Corporation Minerals Uranium
Address Grants, New Mexico
Contract Amount, $ 114,430.50 Government Participation: 75 % Amount, $ 89,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	5,521.60	3,572.80	9,094.40			
Bulldozing						
Crosscutting						
Drifting						
Drilling, plug hit	2,959.88	1,007.16	3,967.04			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assays	None	None	None			
(8) Contingencies (specify):						
TOTALS	8,481.48	4,579.96	13,061.44	8481.48	4579.96	13061.44

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

Date Sept. 12, '55 Payee Colmar Corporation

Per Frank B. Hughes Title President

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

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

(Instructions on reverse)

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

$ 6361.11

Signature RRC
(Authorized Certifying Officer)

Date 9-27-55 Vou. No. DMA-56-30

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E797 in accordance with the terms of the contract.

Signature Carl Belan (6361.11) Title Mining Engr. Date Sept. 16, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date SEP 22 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 10 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 3612 Contract No. Ida-1797
Operator's Name Colmor Corporation Minerals Uranium
Address Grants, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	5,521.60	1,972	9,894.40	3,248	2.80	15,210	2.80
Churn								
Auger plug bit	Feet	2,959.88	1,922	3,967.04	2,576	1.54	46,375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea.		None		None		85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		8,481.48		13,061.44				114,430.50

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

Date Sept. 12, 1955 Operator Colmor Corporation

Per Frank E. Boehlin Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only) Carl Baker

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED
OCT 10 1955

224 New Customhouse
Denver 2, Colorado

September 22, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3632, (Uranium) Contract Idm-E797, Colamer Corporation, State Claims 1-27, McKinley County, New Mexico - Operator's Monthly Progress Report, for the period August, 1955.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks

Date of Report- - - - - - - - - - - - - - - - - - - September 12, 1955
Date Received in Field Office- - - - - - - - - - September 16, 1955
Date Received in Region Office- - - - - - - - - September 20, 1955

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E797
Sec. Op. Comm. (2)
Shaw (2)
Chron.

DMEA
Date Rec'd.

SEP 20 1955

BUREAU OF MINES
Denver, Colorado

RECEIVED

OCT 10 1955

Building 20
Denver Federal Center
Denver 2, Colorado
September 19, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Balser

Subject: DMEA 3632, Contract Idm-8797 (Uranium), Colamer Corporation, State No. 1 through No. 27 claims, Section 8, T. 13 N., R. 9 W., New Mexico Principal Meridian, McKinley County, New Mexico - Progress report for August 1955.

The property was inspected on September 7, 1955, in company with John F. Able. Three rigs were drilling on the property. The following holes were drilled in August:

Hole	Footage Plug-bitted	Footage Cored	Total Footage	Uranium Content
6	180	218	398	341.5-342 - slight
7	172	203	375	353.5-357 - slight
8	162	224	386	269.5-270 - slight
9	195	178	373	308.5to309.5 - slight
10	190	217	407	398.5 to 400 1/2 - slight
11	225	191	416	354.4 to 355 1/2 - slight
12	223	174	397	306 and 332 - slight
13	185	192	377	373 to 374 - slight
14	190	186	376	223 1/2 to 224 1/2 - slight
				380 to 383 - slight
15	200	189	389	211 1/2 to 214 - slight
10	1,922	1,972	3,894	

The total authorized holes drilled previously are:

5	654	1,276	1,930

The total authorized holes drilled to date are:

15	2,576	3,248	5,824

Uranium mineralization appeared to be weak in all the holes drilled. The core of hole No. 7 was checked at 350 and 351 feet and was found to contain less than .5-inch of asphaltic material.

RECEIVED
OCT 10 1955

Mr. Holtz indicated that the Brushy Basin, only, would be penetrated by the balance of the Stage I holes, but that the Westwater sandstone appears favorable in the east half of section 8. Holes Nos. 51, 52, and 61 were being drilled at the time of the inspection.

Contract cost for 1,972 feet of core drilling at $2.80 a foot is $5,521.60, and for 1,922 feet of plug-bit drilling at $1.54 a foot is $2,959.88. The total cost of 1,972 feet of core-drilling and 1,922 feet of plug-bit drilling is $8,481.48.

Payment of 75 percent of the contract amount, or $6,361.11 is recommended.

The driller's logs and the operator's radiometric logs are being retained in this office.

Carl Belser

Carl Belser
Mining Engineer

CB:ph

cc 6
Idm-E797
Chron.

Grants, New Mexico
Sept. 12, 1955

RECEIVED
OCT 10 1955

OPERATOR'S MONTHLY NARRATIVE
DMEA Docket 3632, Contract Idm-E797

During the month of August, Ten holes were completed as follows:

Hole No.	Spudded in	Completed
6	Aug. 4	Aug. 25
7	Aug. 1	Aug. 6
8	Aug. 2	Aug. 9
9	Aug. 5	Aug. 10
10	Aug. 6	Aug. 17
11	Aug. 9	Aug. 20
12	Aug. 15	Aug. 31
13	Aug. 22	Aug. 30
14	Aug. 24	Aug. 29
15	Aug. 18	Aug. 23

With the exception of hole No. 12, very little difficulty was encountered in completing these holes. Due to the loose condition of the Westwater Sandstone, the rig on hole # 12 was stuck for 10 days. However, all the tools were recovered, core recovery was good, and the hole was probed without difficulty.

Hole # 7 showed mineralization in an asphaltic sand in the bottom of the Westwater at a depth of 350 feet. Radioactive logs of these holes are included in this report.

From the results of these first 15 holes, the Westwater appears favorable in the SE half of the section. The reasons upon which this conclusion is based are:

1. Asphaltic mineralization in the Westwater in hole # 7
2. Abundance of epigenetic pyrite
3. Sandstone changes from brown to light gray indicating the presence of a reduced zone.

Structural contouring on the top of the Brushy Basin member indicates a structural deformation in the area of the center of the section, near mineralized hole #5. This map will be completed at the end of stage 1, at which time the Government will be furnished with a copy at their request.

Respectively,
Kelsey Boltz
COLAMER CORPORATION

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED

Month of July, 1955 Docket No. DMEA 3532 Contract No. Ian-5797
Operator's Name Colemor Corporation Minerals Uranium
Address Grants, New Mexico
Contract Amount, $ 114,430.50 Government Participation: 75 % Amount, $ 20,822.88

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	$3018.40	$756.00	$3774.40			
Bulldozing						
Crosscutting						
Drifting						
Drilling, Plug bit	1091.86	423.50	1515.36			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assays	none	none	none			
(8) Contingencies (specify):						
TOTALS	$4,110.26	$1179.50	$5289.76	3400.46	1179.50	4579.96

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

Date August 5, 1955 *Payee Colemor Corporation

Per [signature] Title Chief Geologist

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

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

(Instructions on reverse)

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

$ 2550.35

Signature [signature]
(Authorized Certifying Officer)

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

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 74m-E797 in accordance with the terms of the contract.

Signature ..... Title Executive Officer Date SEP 1 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Carl Behn ($2,550.35) Title Mining Engineer Date 8/18/55

W. M. Lamer

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
SEP 16 1955

Date Rec'd
AUG 17 1955
BUREAU OF MINES
Denver, Colorado

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA 3632 Contract No. 10m-5797

Operator's Name Colamer Corporation Minerals Uranium

Address Grants, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	$3818.40	1078	$3774.40	1343	$2.80	15210	$2.80
Churn								
Auger Plug bit	Feet	1091.86	709	1515.36	984	1.54	46375	1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	Ea		None		None	5.00	85	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$4110.26		$5289.76				$114,430.50

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

REMARKS:

Date August 5, 1955 Operator Colamer Corporation

Per [signature] Title Chief Geologist

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

(Instructions on reverse)

(For Government use only) Carl Belan

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED
SEP 16 1955

Administrative Audit Difference Statement

Date: Sept. 7, 1955
Payee's
Reference: July, 1955

Salmon Corporation
Vital and Lease Bldg.
Santa, New Mexico

Gentlemen:

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

Amount Claimed	$ 4,210.26
Difference	$ 70.00
Amount Approved	$ 3,140.15

The reason for the difference was due to:

Amount claimed for Lease No. 51 is disallowed because the hole was not drilled in accordance with the terms of the contract.

20 feet @ $1.50 per foot	$30.00
20 feet @ $2.00 " "	40.00
	70.00

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

Very sincerely yours,

N.E.Stokes
Audit Section

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

224 New Customhouse
Denver 2, Colorado

September 1, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3612, (Uranium), Contract Ida-E797, Colamer Corporation, State No. 1 through No. 37 Claims, McKinley County, New Mexico - Operator's Monthly Progress Report, for the period July, 1955.

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

With the exception of Hole No. 5A work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except as noted below.

Disallow the amount claimed for Hole No. 5A, as this hole was not drilled according to the terms of the contract. The contract states that under Stage I the holes in each row are to be spaced approximately 400 feet apart. Hole No. 5A was drilled within 25 feet of the approved Hole No. 5.

Footage to be disallowed consists of 330 feet of non-core drilling and 72 feet of core drilling.

Remarks

Date of Report- - - - - - - - - - - - - - - - - August 5, 1955
Date Received in Field Office- - - - - - - - August 17, 1955
Date Received in Region Office- - - - - - - - August 31, 1955

W. M. TRAVER,

Enclosures

W. M. Traver

JDC:jy

cc: MF-104 File E797
Sec. Opr. Comm. (2)
Shaw (2)
Chron.

DMEA
Date Rec'd.

AUG 31 1955

BUREAU OF MINES
Denver, Colorado

RECEIVED
SEP 1 1955

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 30, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3632, Contract Idm-8797 (Uranium), Colamer Corporation, State No. 1 through No. 37 claims, section 8, T. 13 N., R. 9 W., New Mexico Principal Meridian, McKinley County, New Mexico - Progress report for July 1955.

Drilling progress was inspected on August 9, 1955, in company with L. J. Costa. The core through the Westwater was lost in hole 5. The hole was offset 25 feet and redrilled as hole 5A and a 65 percent core recovered. Hole 5A is disallowed pending approval of the Field Team.

Holes drilled in July follow:

Hole	Footage plug-bit	Footage cored	Footage total	Remarks
2		246	246	Part drilled in June
3	140	271	411	
4	88	236	324	
5	151	253	404	Hole 5A - 402 feet drilled also
Total authorized drilling for July	379	1,006	1,385	
Previously authorized	275	270	545	
Total authorized	654	1,276	1,930	
A5	330	72	402	Unauthorized
Total	984	1,348	2,332	(Checks application)

The following has been drilled since July:

6	180		180	Drilling
7				
8	162	224	386	
9	195	8	343	Drilling
10	190		190	Drilling

The third Sprague and Henwood drill arrived on August 1, and a fourth drill (and crew) will arrive about September 1.

None of the holes have shown uranium mineralization.

Contract cost for 1,006 feet of core drilling at $2.80 a foot is $2,816.80, and for 379 feet of plug-bit drilling at $1.54 a foot is $583.66. The total cost of 1,006 feet of core drilling and 379 feet of plug-bit drilling is $3,400.46.

Payment of 75 percent of the contract amount, or $2,550.35 is recommended.

The drillers daily logs and the operator's radiometric logs are being retained in this office.

for John F. Shaw
Carl Belser
Mining Engineer

CB:ph

cc 6
Sub
Chron

RECEIVED
SEP 13 1955

Date Rec'd
AUG 17 '55
BUREAU OF MINES
Denver, Colorado

August 6, 1955

OPERATORS' MONTHLY NARRATIVE
Docket 3632, Contract Idm-2 797

During the month of July, five holes were completed. Hole #2, which was started during June, was completed July 14; hole #3 was spudded July 15, and completed July 29. Both holes 2 and 3 gave considerable difficulty in trying to recover the casing due to the extreme looseness of the Westwater sandstone. Approximately 250 feet of casing had to be left in hole #3. Hole #4 was spudded in July 1 and was completed July 12. Very little difficulty was encountered with this hole.

Hole #5 was spudded in July 13 and was completed July 25. In the Westwater sandstone, from a depth of 330 - 388 feet, only five feet of core was recovered. This was due mainly to the fact that the drillers had not yet worked out a satisfactory method for coreing this loose sandstone.

The results of the core of the Westwater was very important in this hole since we were to judge the depth of the remaining holes on the basis of the conditions of the Westwater sandstone in the first five holes. We therefore found it necessary to drill an offset hole, 20 feet west and ten feet south of hole #5, to hole #5 which we called hole #5A.

Hole #5A was spudded in July 25 and was plugged to 330 feet and cored to a total depth of 402 feet.

Before coring was started on this hole, Sprague and Denwood Drilling Company sent down their core expert who worked out a method for recovering this loose sandstone. Whereas we had lost 90% of the core from hole #5, we recovered 79% of the core in the same zone in hole #5A.

On the basis of the conditions of the core recovered from hole #5A, Colemer Corporation is requesting that the next ten holes be extended through the Westwater formation.

There are now three rigs working on the property and it is anticipated that the fourth rig will arrive at the end of August at which time a project will go considerably faster.

With the exception of hole #5, core recovery has been maintained better than 90%.

Respectfully,

Kelsey Boltz

Kelsey Boltz
Colemer Corporation

MF 104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
SEP - 2 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~July~~ June, 195~~5~~ Docket No. DMEA 3632 Contract No. 10m-5737
Operator's Name Colamer Corporation Minerals Uranium
Address Grants, New Mexico
Contract Amount, $ 114,430.50 Government Participation: 75% Amount, $ 85,822.83

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	$756.00	None	$756.00			
Bulldozing						
Crosscutting						
Drifting						
~~Drilling Plug bit~~	~~424.50~~ 423.50	None	~~424.50~~ 423.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
~~Assays~~	None	None	None			
(8) Contingencies (specify):						
~~80.50~~			~~80.50~~			
TOTALS	$1179.50		$1179.50	1179.50		1179.50

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

Date ~~July 20, 1955~~ *Payee Colamer Corporation

Per Frank Boyles Title President

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

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

(Instructions on reverse)

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

$ 884.63

Signature PRR
(Authorized Certifying Officer)

Date 8/26/55 Vou. No. DMA-56-20

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E797 in accordance with the terms of the contract.

Signature Carl Belau (985.38) Title Mining Engineer Date 7/25/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Ingram Title Executive Officer Date AUG 24 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

m MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP - 8 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA 3532 Contract No. [illegible]
Operator's Name Colmar Corporation Minerals Uranium
Address Grants, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	$756.00	270	$756.00	270	$2.80	15,210	$2.00
Churn								
Auger Plug bit	Foot	424.50	275	424.50	275	$1.54	43,375	$1.54
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	Each		None		None	$5.00	85	$5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		80.50		80.50				
TOTAL COSTS		$1179.50		$1179.50				$14,430.50

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

Date July 2, 1955 Operator Colmar Corporation
Per Frank Taylor Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only) Carl Belan

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED
SEP - 2 1955

224 New Customhouse
Denver 2, Colorado

August 24, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3632, (Uranium), Contract Idm-E797, State Claims 1 through 27 McKinley County, New Mexico - Operator's Monthly Progress Report, for the period June, 1955. Colamer Corporation

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:
Date of Report- - - - - - - - - - - - - - - - -July 20, 1955
Date Received in Field Office- - - - - - - - August 4, 1955
Date Received in Region Office- - - - - - - August 23, 1955
Reason for delay: Report was returned to Operator for the required maps.

W. M. TRAVER,

W. M. Traver

Enclosures

JDC:jy

cc: MF-104 File E797
Sec. Opr. Comm. (2)
Shaw (2)
Chron.

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

RECEIVED
SEP - 2 1955

DMEA
Date Rec'd.
AUG 4 1955
BUREAU OF MINES
Denver, Colorado

August 2, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3632, Contract Idm-E797 (Uranium), Colamer Corporation, State No. 1 through No. 27 claims, Section 8, T. 13 N., R. 9 W., New Mexico Principal Meridian, McKinley County, New Mexico - Progress Report for June 1955.

Drilling progress was inspected on July 21, 1955. Drilling is being done by Sprague and Henwood, who were using two rotary drills and are planning on putting on a third drill.

Progress for June is as follows:

Hole	Footage Plug-bitted	Footage Cored	Footage Total	Remarks
1	124	270	294	
2	151	0	151	Not completed
Total	275	270	445	

On July 21 the following additional footage had been drilled but not checked with the driller's logs:

Hole	Footage Plug-bitted	Footage Cored	Footage Total	Remarks
2		214?	214?	
3	140	176	316	Drilling
4	88	236	324	
5			368	Drilling
Total			1222?	

A mistake in addition of $1.00 was made by the operator on the 104A.

The cost of 270 feet of core drilling at $2.80 a foot is $756.00, and the cost of 275 feet of plug-bit drilling at $1.54 is $424.50. The total cost of 270 feet of core drilling and 275 feet of plug-bit drilling is $1,180.50.

Payment of 75 percent of the contract amount, or $885.38 is recommended.

A soft tan-colored sandstone was giving the driller's trouble in coring.

The driller's daily logs are retained in this office.

for John F. Shaw

Carl Belser
Mining Engineer

cc 6 ✓
Idm-E797
Chron

CB/gh

Date Rec'd
Jul 18 1955
Bureau of Mines
Denver, Colorado

July 12, 1955

RECEIVED
SEP - 2 1955

MONTHLY NARRATIVE REPORT

Up to June 30, only one hole had been completed. Some difficulty was encountered in recovering core in the Poison Canyon Unit and in the Westwater Canyon Member due to the extreme friability of the sand. However, an overall average core recovery of approximately 88 percent has been maintained. It is the opinion of the drilling contractor, Sprague & Henwood Drilling Co., that this will be increased to at least 95%.

The core has not been logged to date, for the reason that it has not yet completely dried out sufficiently to obtain the true color of the formations. The log for this hole will be sent with the July report.

At present, two core rigs are operating on the property and it is expected to have two more by the end of July.

COLAMER CORPORATION

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

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

Pursuant to the provisions of Exploration Project Contract No. DMA-727, dated May 17, 1955, (Docket No. DMA-3632), hereinafter called the "Contract," between the Colmer 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 briefly 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. Mitchelson
Administrator, Defense Minerals
Exploration Administration

MChing/gla
1-28-57

cc to: Operator
Thomas C. 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

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

Mr. Frank Boylin, President
Colamar Corporation
Commerce Building
1016 West Santa Fe
Grants, New Mexico

FEB 4 1957

Re: Docket No. DMA-3632 (Uranium)
Contract No. DMA-3797
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 on 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. [illegible] Traver, Executive Officer, DMA 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 [illegible] King & Phyllis J. King
Arthur [illegible] Hyde & Vilatie [illegible] Hyde
Lee Roy Cooper & Jane Hyde Cooper
J. V. Reynolds & Joan Reynolds
Howard Leeds
Enclosure

Sincerely yours,

C. O. McCreary

Administrator

Mining/cla 1-28-57
cc to: Adm.'s Reading File
Operating Committee
Frank H. Lamb, Rm. 3608
F. H. Hillegeard, Rm. 5221
Field Team, Region III (2)
Bure & Misc. Metals Division
Contract Adm. & Audit Division
F. H. Johnson
F. [illegible] Ching

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

FEB 4 1957

Mr. Thomas [illegible]
Mrs. Phyllis [illegible]
Cameron Building
1016 West Santa Fe
Grants, New Mexico

Re: Contract [illegible]-352 (Uranium)
Contract No. [illegible]-777
Colmor Corporation
State Claims
McKinley County, New Mexico

Dear Mr. and Mrs. [illegible]:

Enclosed is a copy of a certificate 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 related lower's contract to lien signed by you. The Government's prior lien on the land and upon any ore mined 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 permit no act and to execute 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,

R. D. Fitzgerald

Administrator

Enclosure

Identical letters to the following:

Mr. Arthur [illegible] Hyde and Mrs. Vilatie [illegible] Hyde, Gallup, New Mexico
Mr. Lee Roy Cooper and Mrs. Jane Hyde Cooper, Gallup, New Mexico
Mr. J. V. Reynolds and Mrs. Jean Reynolds, 903 South Walton, Webb City, Mo.
Mr. Howard Leeds, c/o Tom King, Cameron Bldg., 1016 West Santa Fe, Grants, N.M.

Mhing/sla 1-28-57
cc to: Adm. Mgmt. File
Operation Committee
Mark [illegible], No. 3608
Mr. [illegible] Hildebrand, No. 5224
Mr. [illegible] Johnson
DMEA Field Team, Taylor III (2)
Mr. [illegible] Miss. Metals Division
Contract Adm. & Audit Division
Mr. Ching

Government's 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-E797, 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

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

COLAMER CORPORATION

By Frank Kayler

Title Pres.

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE
1-25	C	320
		800

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 14 1957
DATE | INITIALS | CODE
1/14 | C | 220
1/15 | [illegible] | 800

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
1016 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

M. . 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

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

RECEIVED
JUL 18 1956

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 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. (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 sextuplet the day and year first above written.

COLAMER CORPORATION

By Frank Boylin
Frank Boylin, President

(Seal)

UNITED STATES OF AMERICA

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

COLAMER CORPORATION

GRANTS DIVISION

FIDEL & ROUSH BLDG.

GRANTS, NEW MEXICO

June 13, 1956

DMEA
Date Rec'd.

JUN 14 1956

BUREAU OF MINES
Denver, Colorado

E 797

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

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 Boltz

KELSEY BOLTZ

KB/pb

224 New Customhouse
Denver 2, Colorado

June 11, 1956

COPY

Mr. Kelsey Bolts
Colsmar Corporation
Grants Division
Fidel and Rouse Building
Grants, New Mexico

Re: Docket ERDA 5632 (Uranium)
Contract IAM-2797

Dear Mr. Bolts:

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, NEEA
Field Team, Region III

JWT:pwl
cc: Chairman, Oper. Comm. (2)
Kerchman
Hasler
Shaw (2)
Townsend
Corres. file
Chron.

RECEIVED
JUL 1 6 1956

224 New Customhouse
Denver 2, Colorado

April 25, 1956

Mr. Kelsey Bolts
Colsmer Corporation
Grants Division
Fidel and Reuse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium),
Contract No. Idm-E797
Colsmer Corporation, Valencia
and McKinley Counties, N. M.

Dear Mr. Bolts:

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

JWT:bh

cc-Hartshman)
Shaw(2) } w/copy Operator's letter 4/20/56
Hasler)
Townsend
Corres. File E-797
Chron.

COLAMER CORPORATION
GRANTS DIVISION
FIDEL & 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
KELSEY BOLTZ

KB/pb

RECEIVED
JUL 1 1 1956

224 New Customhouse
Denver 2, Colorado

April 18, 1956

Mr. Kelsey Boltz
Colamar 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. 3200.

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, 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))
Nasler)
Townsend)
Corres. file
Chron.

DMEA
Date Rec'd.

APR 18 1956

BUREAU OF MINES
Denver, Colorado

April 16, 1956

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 MP-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

RECEIVED
JUL 18 1956
COPY

224 New Customhouse
Denver 2, Colorado

April 13, 1956

Mr. Kelsey Boltz
Colamer Corporation
Grants Division
Fidel and Rouse Building
Grants, New Mexico

Re: Docket DMEA 3632 (Uranium)
Contract Idm-E797

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.

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, DMEA
Field Team, Region III

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

April 11, 1956

DMEA
Rec'd.

APR 13 1956

BUREAU OF MINES
Denver, Colorado

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

Re: DMEA Docket 3632
Contract Ids-5797

Dear Mr. Traver:

This letter will serve as a request for a recess on drilling on this contract.

We feel at this time that we should take time to 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,

COLSTAR CORPORATION

Kelsey Boltz

Kelsey Boltz

KB/pa

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

RECEIVED
JUL 12 1956

[illegible] New Customhouse
Denver 2, Colorado

July 6, 1956

Mr. Ralsey Baltz
Calumet Corporation
Grants Division
Fidel & Bruce Building
Grants, New Mexico

Re: Docket DMEA 3650 (Grants)
Contract [illegible]
Calumet Corporation
McKinley County, New Mexico

Dear Mr. Baltz:

Reference is made to your untited request, received in this office April 27, 1956, and supplemental data furnished 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 850 - 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. Shaver

W. M. Shaver

E. H. Barshman

E. H. Barshman

JWT:prl

cc: Chairman, Oper. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Barshman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

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

COPY

Denver, Colorado
July 10, 1956

Mr. Kelsey Boltz
Colamer Corporation
Fidel & Rouse Building
Grants, New Mexico

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

IN REPLY REFER TO:
MINERAL DEPOSITS

DMEA
RECEIVED
JUN 29 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO
DMEA
Date Rec'd.
JUL 3 1956
BUREAU OF MINES
Denver, Colorado

P. O. Box 300
Grand Junction, Colorado

RECEIVED
JUL 12 1956

June 29, 1956

Director

To: Executive Director, DMEA Field Team, Region III

Through: J. Wallace Smith, Chief, Denver
J. R. Harbour
J. R. Lewis

From: W. D. Gazzola

Subject: Lease No. [illegible] dated [illegible] (Use [illegible]) [illegible] Corporation, State Group of Claims (Sec. [illegible] T. [illegible] N., R. [illegible] W., NMPM), Harding County, New Mexico

Mr. [illegible] geologist for the Lehman Corporation, contacted me [illegible] geologist [illegible] of work performed under the subject contract [illegible] requested authorization to drill 10 holes. The operator failed to [illegible] the proposed holes by [illegible], but it was the [illegible] of the operator [illegible] it was [illegible] that six of the holes are [illegible] 11 holes (fig. 1). The map accompanying Mr. [illegible] report was inadequate. He referred to holes in the text of the report that were not shown on the map and a considerable number of holes that were previously approved and drilled were also omitted. Further [illegible], the operator was informed that no action could be taken on the proposal until suitable supporting material was furnished. Revised and corrected maps together with a summary of previous work have still been completed to date but were submitted to this office June [illegible], 1956.

Mr. [illegible] has proposed holes located on the concept that [illegible] structures controlling the deposition of uranium. He believes that [illegible] solutions have influenced ore solution and locally [illegible] collect emplacement of ore bodies. The relationship of tectonic features to ore deposits in the Grants district is uncertain and should be viewed with [illegible]. Both structures may have controlled mineralized trends on a regional scale but no conclusive evidence relating mineralization to structural type [illegible] appears in the Grants district. Drillers through [illegible] have provided drilling data and true observations as the [illegible] to indicate that [illegible] deposits in the Poison Canyon [illegible] are closely related to [illegible] features generally associated with fluvial type [illegible]. The ore deposits presently being mined in the Poison Canyon area (sections [illegible], T. [illegible] N., R. [illegible] W.) about 1-1/2 miles northwest of the subject property is a typical example of this type deposit. It appears that most of the fractures and [illegible] type sand bodies controlling the emplacement of the Poison Canyon ore deposits.

The operator reports his relationship of structural [illegible] to the [illegible] is [illegible] by a [illegible] [illegible] drawing 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 - 3000N, 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 sandstones above and below the Poison Canyon sandstone unit, while sufficient data to properly classify other holes was lacking.

DMSA 5032 5/25/56

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 sandstones 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)

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)

DMEA
Date Rec'd.
APR 2 1956
BUREAU OF MINES
Denver, Colorado

March 29, 1956

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:

The expiration date of Contract Idm-E797 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,

COLAMER CORPORATION

Kelsey Boltz

KELSEY BOLTZ

KB/pa

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

[illegible] New Customhouse
Denver 2, Colorado

April 2, 1956

Chinmar Corporation
Fidel and Rosco Building
Grants, New Mexico

Re: Contract DMEA 3638 (Uranium)
Contract 14m-2797
State Claims 1 to 27
McKinley County, New Mexico

Attention: Mr. Kelsey Kaltz

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 E. - 890 N.

2. Drill one hole at coordinate 3400 E. - 890 N.

3. Drill one hole at coordinate 3500 E. - 890 N.

The three other holes for which approval was requested are not approved for the following reasons:

a. The holes at coordinates 3600 E. - 490 N. and 3600 N. - 690 N. are too close to holes previously drilled at company expense.

b. Drilling the hole at coordinate 3300 E. - 1090 N. 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. Tracey
W. M. Tracey

R. M. Hartman
R. M. Hartman

JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file
Hartman
Shaw (2)
Ensler
Townsend
Carres. file
Chron.

IN REPLY REFER TO:
DMEA
Date Rec'd
MAR 30 1956
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
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 3638 (Uranium), Contract Ida-E 797, Calumet 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. Sandik, 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 IMEA and company ore holes to the northwest and essentially barren or poorly mineralized company and IMEA holes to the southeast.

The hole at coordinates N. 3300, E. 1050 lies between two poorly mineralized IMEA 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 IMEA holes should be furnished by the applicant prior to Field Team action.

E. M. Harshman

E. M. Harshman
Member, Field Team

Enclosures (9)

EMHarshman:arh

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 100
Grand Junction, Colorado

March 27, 1956

RECEIVED
APR 6 - 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. B. Gazdik

Through: J. William Hasler
J. F. Shaw
E. N. Harkman

Subject: DMEA 3032, Contract Ism-2 [illegible]
Colmer Corporation, State group of claims, McKinley County, New Mexico (Uranium)

In a letter sent to your office, dated March 1, 1956, Mr. Kelsey Bolts, geologist for the Colmer 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 5 (Fig. 1).

Reference is also made to a letter from Mr. Bolts to your office, dated February 27, 1956, which requested 5 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

DMEA
Date Rec'd.
MAR 29 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
APR 6 - 1956

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. Shea

From: W. B. McMillan

Subject: DMEA Docket 3632, Contract Ma-2797, Delaney Corporation, Stake claims 1 to 27, Section 6, 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 have 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 0.083 percent U_3O_8, Hole A-8, coordinates 3600 N, 850 E indicated 2.5 feet of 0.064 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 16 holes indicated uranium ore in 4 holes and favorable ground in 1 hole as shown below.

Hole No.	Coordinates		Radiometric		Chemical	
	N	E	% U_3O_8		% U_3O_8	
B-1	4100	50	245.8-249.8	0.21	242.6-246.6	0.27
B-2	4200	50	243.5-244.5	0.083	241.0-248.0	0.081
			246.0-252.0	0.047		
B-3	3900	250	247.5-255.5	0.1580	245.0-254.8	0.160
B-5	4100	250	250.5-253.0	0.318	250.0-261.0	0.270
B-6	4300	50	261.0-263.0	0.064		
B-7	3700	250	250.0-259.0	0.140	248.4-256.8	0.133
					255.0-257.0	0.302

The only ore holes drilled in these stages are P-1, and P-6, 50 feet east of the west line, with a non-ore hole between P-3, 4 and 7, 250 feet east of the west line.

The map shows the location of 4 Stage II holes on Line 11450 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 0-63, which was also barren. Denial of Holes P-1 and P-6 is recommended. Holes P-5 and 0-31 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		Uranium Content Percent Radiometric
	X	Y	
61	2500	1050	Tr. - Less than 0.01
62	2400	"	Nil
63	3000	"	Slight
64	3400	"	Slight
65	4000	"	Slight
66	4500	"	Slight
67	3000	"	Slight
14	2800	"	Slight
17	4100	"	Slight
74	3000	250	Slight
75	3400	"	Slight
76	3800	"	11.0 ft. 0.10
77	4200	"	16.5 ft. 0.05
78	4600	"	Slight
3	3500	"	Slight

Pertinent Data on Stage II and III, Drill Holes, Coordinates

Stage II

Hole No.	Date Completed	X	Y	Radiometric % U_3O_8	Chemical % U_3O_8
A1	12/17/55	4000	290	Fair - less than 0.015	
A2	12/21/55	4100	690	Slight	
A3	12/21/55	4400	290	Slight	
A4	12/22/55	3900	690	Fair - less than 0.015	
A5	1/5/56	4300	690	Slight - " " 0.015	
A6	1/10/56	3700	690	243.0-248.0 " 0.035	
A7	1/16/56	3900	690	215.5-219.0 0.063	
A8	1/18/56	3600	290	304.0-305.5 0.08	
				305.5-306.5 0.04	
A9	2/13/56	3600	1090	227.0-235.0 0.051	227.0-235.0 0.054
A10	2/14/56	3000	"	Slight	
A11	2/14/56	2600	"	Slight	
A12	2/14/56	2800	"	268.0-269 0.08	
A13	2/20/56	3800	"	268.0-272 less than 0.013	
A14	2/22/56	4000	"	260.0-271 " " 0.016	
A15	2/22/56	4600	"	269.0-280 " " 0.013	
A16	2/28/56	5000	"	No record	

Stage III

Hole No.	Date Completed	X	Y	Radiometric % U_3O_8	Chemical % U_3O_8
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 0.081
				246.0-247.0 0.047	
B3	1/13/56	3900	250	247.5-255.5 0.190	245.0-254.8 0.250
B4	1/17/56	4100	250	250.5-263.0 0.318	250.0-261.0 0.270
B5	1/20/56	4300	250	251.5-258.0 0.180	
				259.0-260.5 0.033	
B6	1/21/56	4500	50	264.0-266.0 0.264	
B7	1/23/56	3700	250	250.0-259.0 0.34	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	232.0-243.3 0.065	
B10	2/18/56	3800	450	239.0-246.0 0.10	

Other Holes - Lim-2797 Drilled by Contractor

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' - 0.181
0-5	3900	150	1.5' - 0.04
0-6	3900	150	9.0' - 0.160
0-7	4000	150	5.0' - 0.120
0-8	4050	150	3.5' - 0.134
0-9	4100	150	17.0' - 0.165
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' - 0.175
0-16	4050	250	8.0' - 0.146
0-17	4150	250	16.5' - 0.146
0-18	4250	250	18.5' - 0.[illegible]
0-19	3700	350	6.5' - 0.[illegible]
0-20	3800	350	20.0' - 0.[illegible]
0-21	3900	350	10.5' - 0.131
0-22	4000	350	11.5' - 0.054
0-23	4100	350	3.0' - 0.133
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	3800	650	10.5' - 0.130
0-32	3600	1150	less than 0.01
0-33	3700	1150	less than 0.01
0-34	3800	1150	less than 0.01
0-35	3900	1150	less than 0.07

Scott W Hasenfus
for W. D. Mathieson
Mining Engineer

WDM/mw
Lim-2797
Sheron
ed: 9

February 27, 1956

DMEA
Date Rec'd.

FEB 29 1956

BUREAU OF MINES
Denver, Colorado

RECEIVED
APR 5 - 1956

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

Re: Docket 3632,
Contract Ide-3737

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,

COLORADO CORPORATION

Kelsey Bolt

KELSEY BOLT

KB/pa

cc: J.H. Hedlos
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 - 6 1956

224 New Customhouse
Denver 2, Colorado

February 2, 1956

Calumet Corporation
Vidal and Renne Building
Grants, New Mexico

Re: Docket DMEA-3432 (Uranium), Contract
Idm-4797, 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. Turner

E. N. Harshman

Encl.
JWT:bh
cc-Chair. Op. Comm. (4) w/map
Finance Office, Region III w/map
Amendment File, Region III "
Harshman "
Hesler "
Shear (2) "
Townsend
Corres. File E-797 "
Chron.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3632
JANUARY 1956

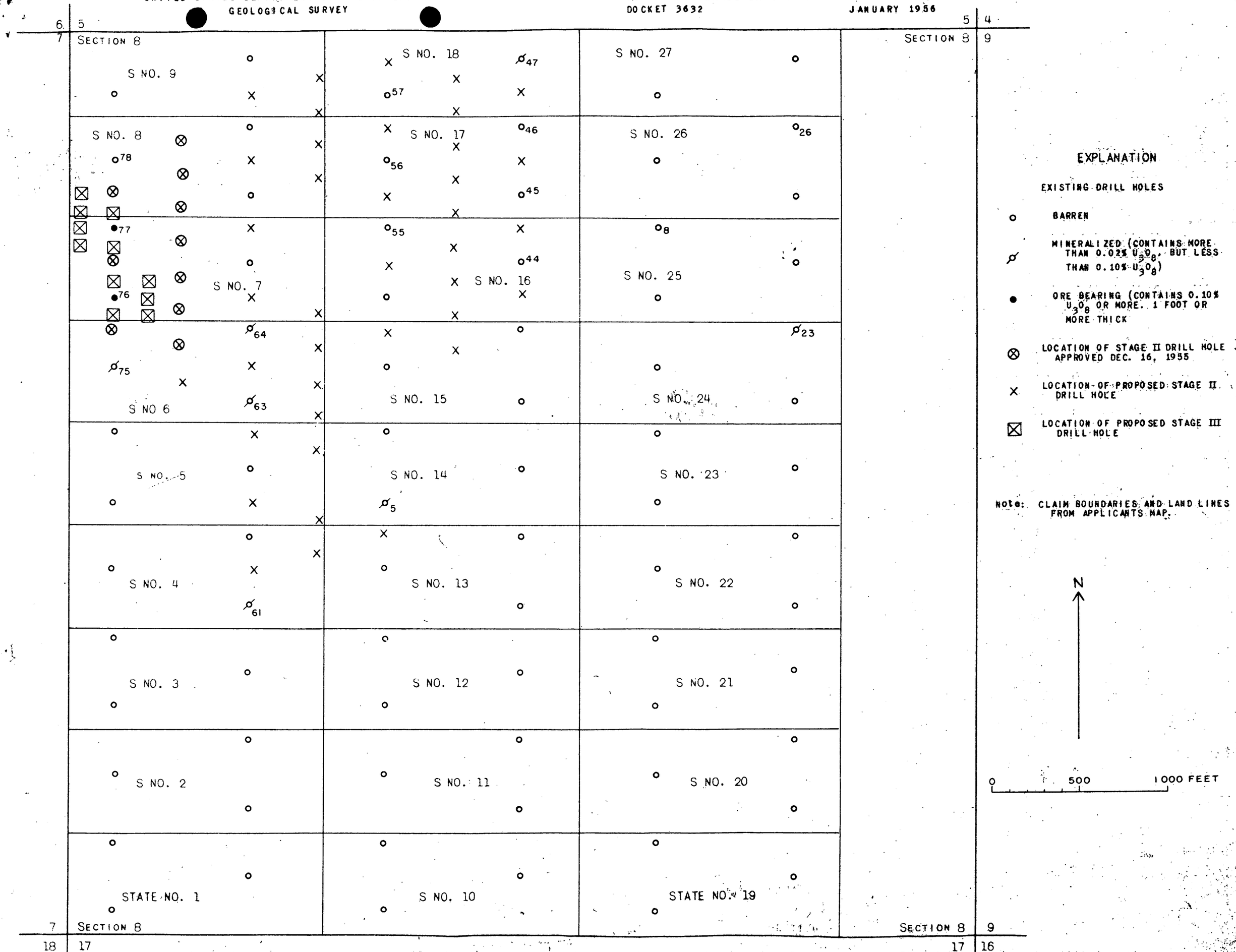

FIGURE 1. SKETCH MAP OF SECTION 8, T. 13 N., R. 9 W., N.M.P.M., SHOWING STAGE II DRILL HOLES APPROVED, LOCATION OF PROPOSED STAGE II DRILL HOLES AND LOCATION OF PROPOSED STAGE III DRILL HOLES, STATE 1-27 CLAIMS, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO.

FEB - 6 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 3632, contract Idm-8797, Calumet 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-8797.

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. D. Raynes to the Executive Officer, dated January 23, 1956.

John F. Shaw
Supervising Mining Engineer

JFS/mr

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
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3632
JANUARY 1956

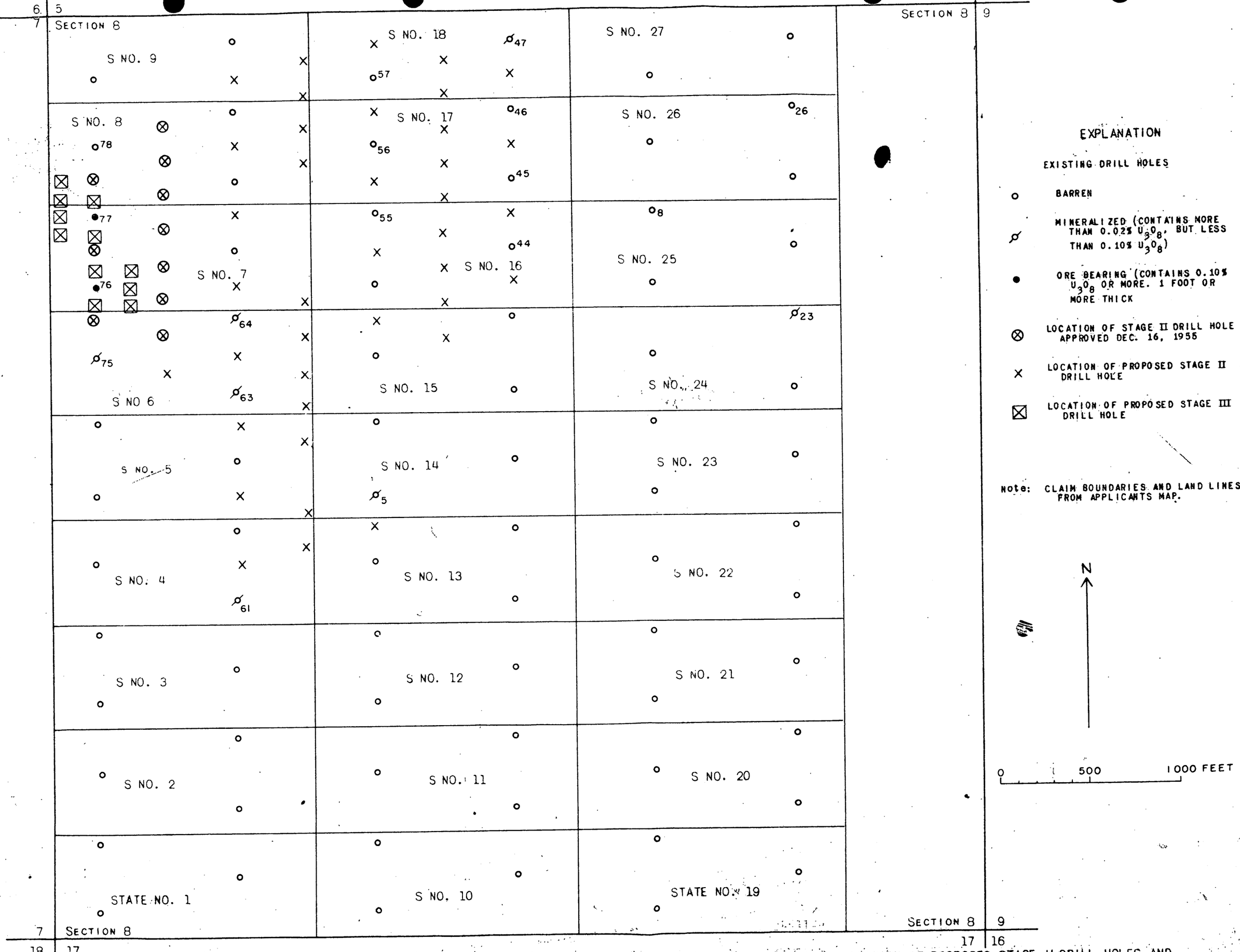

FIGURE 1. SKETCH MAP OF SECTION 8, T. 13 N., R. 9 W., N.M.P.M., SHOWING STAGE II DRILL HOLES APPROVED, LOCATION OF PROPOSED STAGE II DRILL HOLES AND LOCATION OF PROPOSED STAGE III DRILL HOLES, STATE 1-27 CLAIMS, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

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

RECEIVED
AUG 22 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
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
ENHarshman
E797
Chron.

[illegible] Gas Corporation
[illegible], Colorado

[illegible]

Colorado Corporation
Field and Drill Building
Cortez, New Mexico

Attention: Mr. Kelsey Bolts

Re: [illegible] 1972, [illegible] 32-E97 (Amendment) 0
Colorado Corporation Coals (Units No. 1 - 27)
McKinley County, New Mexico

Gentlemen:

Amendment No. 1 effective June 13, 1975 authorized the coring of five holes, shown as a cross within a square ☒ on the map, Figure 3 attached to the contract, from the base of the Dakota 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 ⊗ on the map, Figure 3 attached to the contract, from the base of the Dakota 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, 1975 signed by Kelsey Bolts.

DOA Field Team, Region III

W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

WMT:djc
cc: Christenson
Harshman
Hoier
Shaw (2)
Townsend
Amend. E797
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

IN REPLY REFER TO:

DMEA
Date Rec'd
AUG 11 1955
BUREAU OF MINES
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)

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

RECEIVED
AUG 2 3 1955

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : J. William Hasler

DATE: August 2, 1955

FROM : Lowell Hilpert

SUBJECT: DMEA 3632, Colmer Corporation, State group of claims Nos. 1-27, 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 squared crosses (x). In a memorandum of June 24, 1955, geologic justification was given for drilling these holes to the base 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 from these five holes, an additional ten holes would be justified to be drilled under stage I to the base of the Westwater Canyon member.

On the basis of the 5 holes drilled, the rock colors of the Westwater Canyon member are predominantly favorable for ore. The sandstone generally is light gray and the included claystone seams, lenses and blebs generally are pale greenish gray. The Westwater Canyon member also is predominantly sandstone, and averages about 90 feet in thickness. It contains a fair amount of interstitial 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, Kelsey Boltz, the Colmer Corporation's representative, wishes to drill the 10 additional wide-spaced holes to the base 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 DMEA assistance.

LHH/slr

W.O.

COLAMER CORPORATION

GRANTS DIVISION

FIDEL & ROUSE BLDG.

GRANTS, NEW MEXICO

July 30, 1955

DMEA
Date Rec'd.
AUG 1 1955
BUREAU OF MINES
Denver, Colorado

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,

Kelsey Boltz
COLAMER CORPORATION

RECEIVED
AUG 22 1955

RECEIVED

No. 1 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 MF-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 [redacted] 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 [redacted] 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	$3,780.00

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

COLAMER CORPORATION

By Henry Boylin Pres.

UNITED STATES GOVERNMENT

By W. M. Traver

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

W.O.

COLAMER CORPORATION

GRANTS DIVISION

FIDEL & ROUSE BLDG.

GRANTS, NEW MEXICO

June 28, 1955

RECEIVED DMEA
AUG - 8 1955
Date Rec'd
JUN 29 1955
BUREAU OF MINES
Denver, Colorado

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 Boltz

W.O.

IN REPLY REFER TO:

DMEA
Date filed'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

Memorandum

RECEIVED
AUG - 8 1955

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)

W.O.

DMEA
Date Rec'd
JUL 1 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

BUREAU OF MINES
Denver, Colorado

Building 20, Room 197
Denver Federal Center
Denver 2, Colorado
June 30, 1955

Region III

RECEIVED
AUG - 8 1955

Memorandum

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 sumbitted 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)
ENHarshman
E797
Chron

GW/cm

W.D.

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

RECEIVED
AUG - 8 1955

June 28, 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.

Contract No. Idm-E 297

Docket No. 2632

Terminated contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
May 17, 1955	III	New Mexico	Uranium

Name and Address of Operator: Colomer Corporation
Fidel and Romo Bldg.
Grants, New Mexico

	Reserve	Obligation
Prior Amount	0	085,022.00
Increase	0	0
Decrease	~~0~~	~~026,554.00~~
Revised Amount	0	059,268.00

Remarks:

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

Date Delivered to Bureau of Mines, Washington 1/31/57

98963

Docket No. DMEA - 3632

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 797

Date of Contract May 17, 1955

Name and Address of Operator:
Colamer Corporation, a Delaware Corp.
Fidel and Rouse Bldg.
Grants, New Mexico

Amount of Government participation $ 85,822.88

Percent of Government participation 75 %

Region: 111 State: New Mexico

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

(Title)

Date Delivered to Bureau of Mines, Washington.

5/17/55

54458

Government's Copy

RECEIVED

JUN 15 1955

MF-200A
(Revised June 1954)

Docket No. DMEA-3632

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] Colamer Corporation, a Delaware Corporation, whose mailing address is Fidel and Rouse Building 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."

16—70616-1

(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.

COLAMER CORPORATION
(Operator)

By Frank Boylin
President

THE UNITED STATES OF AMERICA

By O. C. Mittendorf
Administrator, Defense
Minerals Exploration
Administration

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]

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

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EXPLORATION PROJECT CONTRACT
COLAMER 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.

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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 $Ca\ C\ O_3$ 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.

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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.

MF-203
(Revised July 1, 1954)

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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.

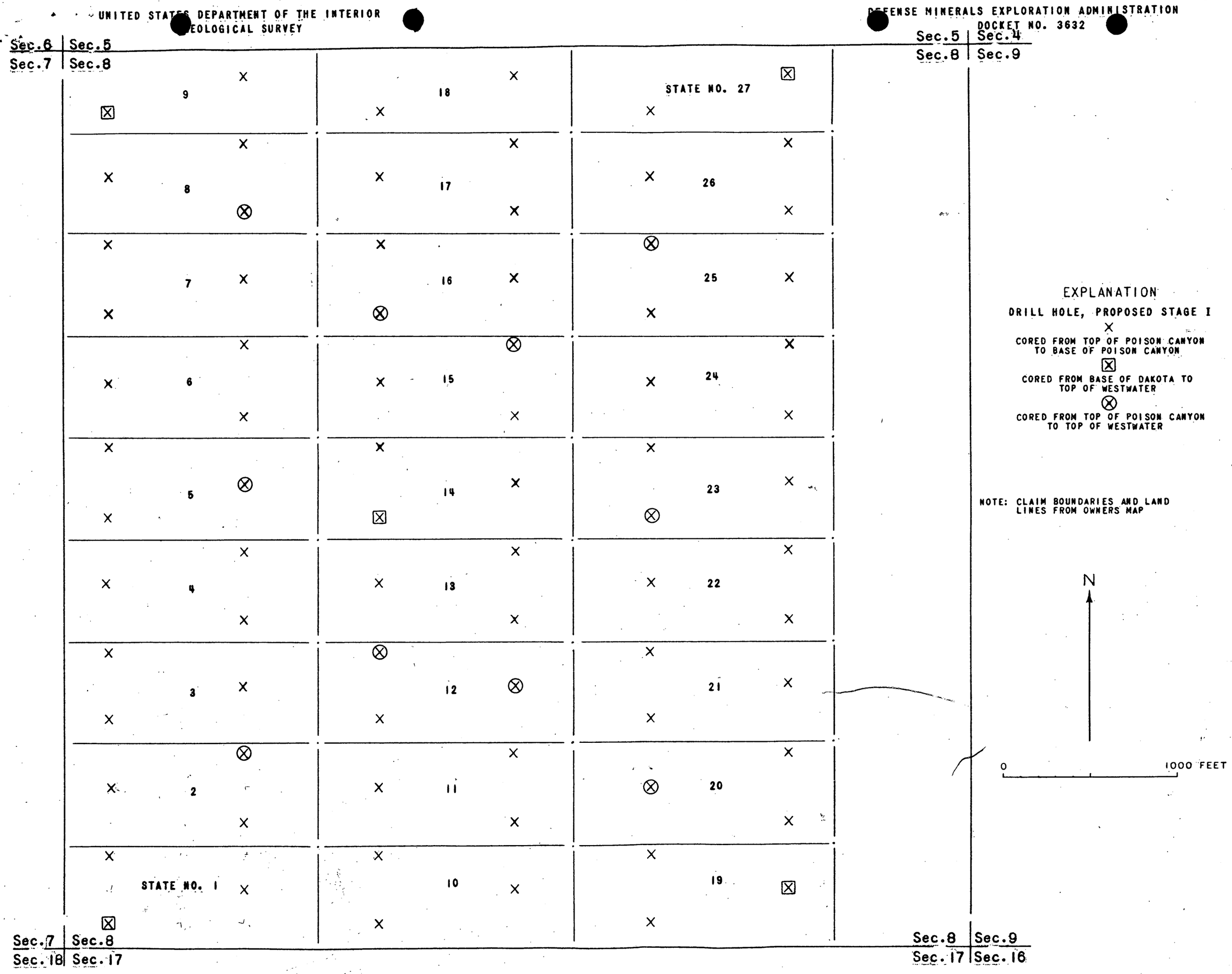
2. To secure the payment to the Government of the percentage royalty on production provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom 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 Cosper (Seal) LEE ROY COSPER	Jane Hyde Cosper (Seal) JANE HYDE COSPER
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



PLAN OF DRILL HOLES, STAGE I DRILLING PATTERN ON STATE NO. 1 CLAIM, COLAMER CORP., McKINLEY COUNTY, NEW MEXICO

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JUNE 1956
DOCKET 3632

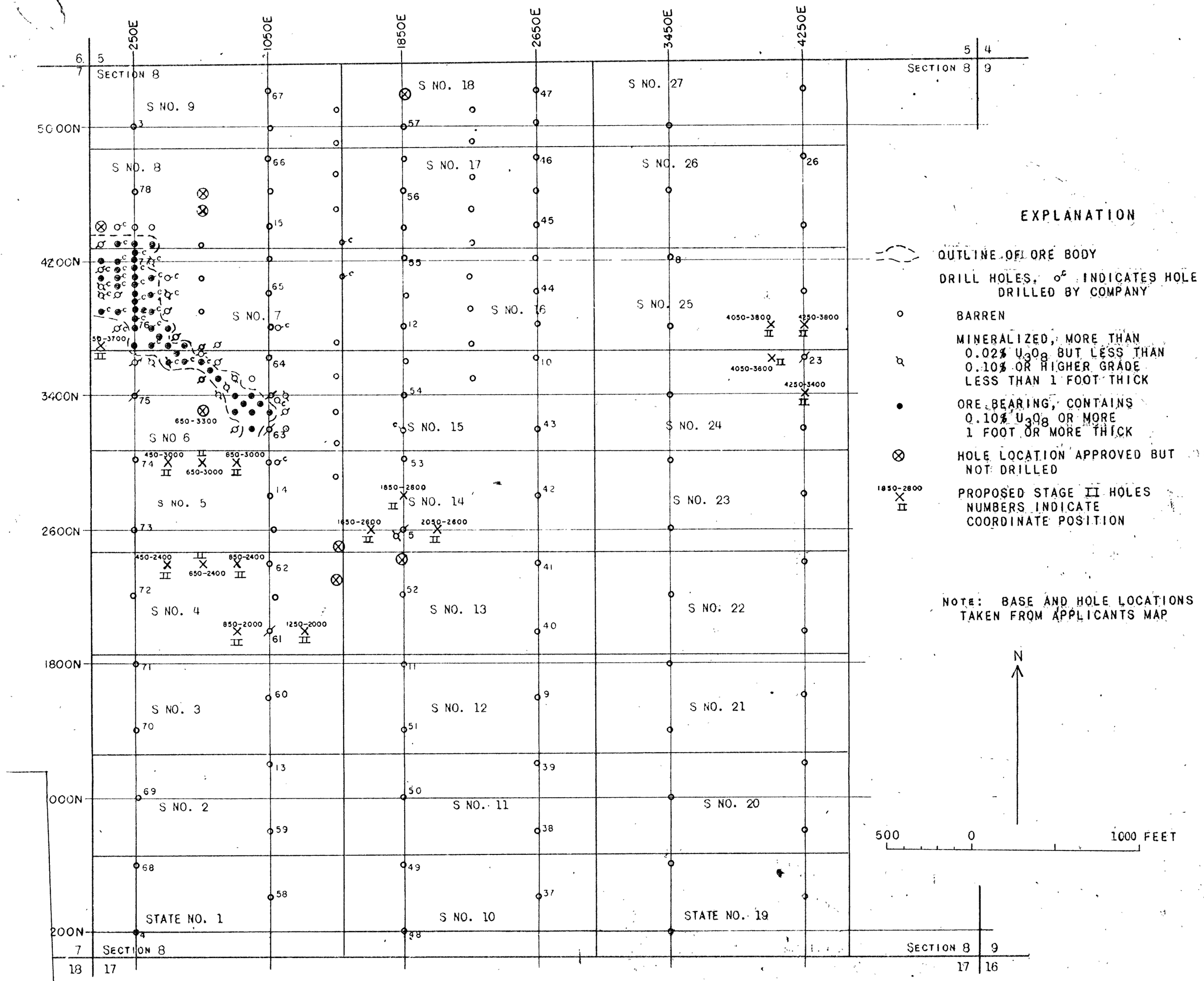


FIGURE 1. SKETCH MAP OF SECTION 8 T. 13 N., R 9 W., N.M.P.M., SHOWING EXISTING COMPANY AND DMEA HOLES, AND APPROVED AND PROPOSED DRILL HOLE LOCATIONS, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO

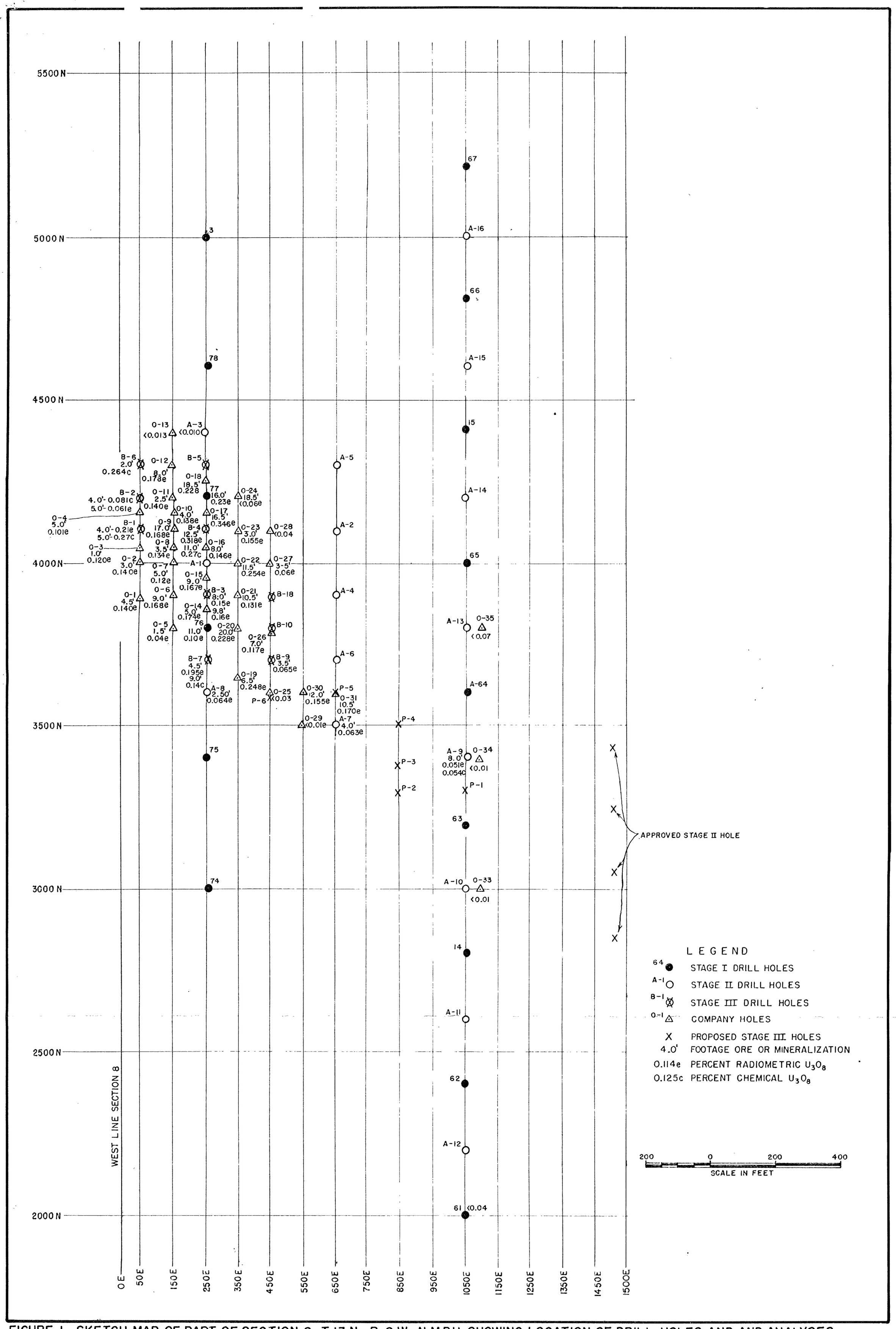


FIGURE 1 - SKETCH MAP OF PART OF SECTION 8, T. 13 N., R. 9 W., N.M.P.H., SHOWING LOCATION OF DRILL HOLES AND AND ANALYSES, COLOMER CORPORATION, MCKINLEY COUNTY, NEW MEXICO. DMEA 3626, CONTRACT Idm-E 797

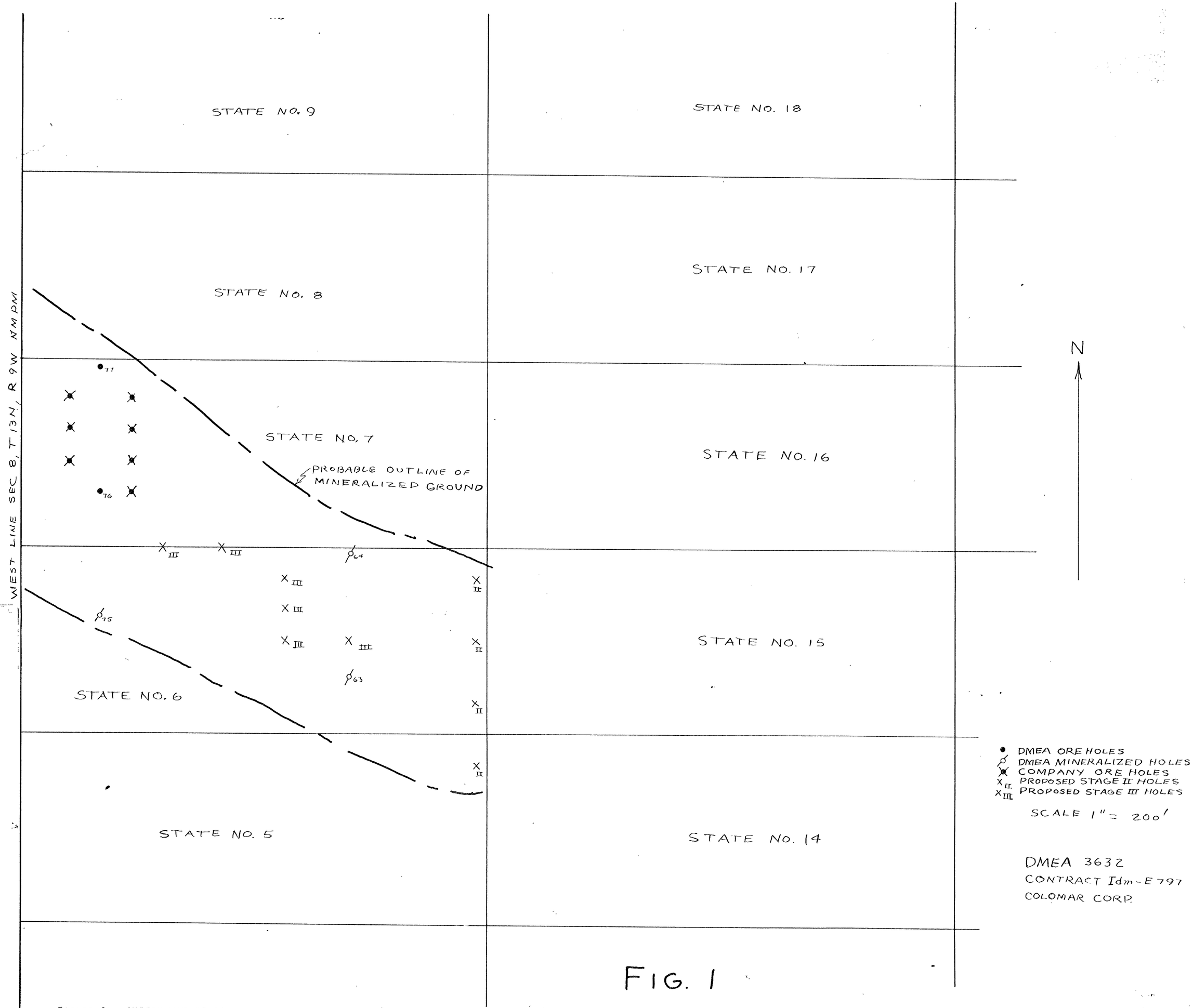


FIG. 1

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.