DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE — Idm-E NO. 2515 — DMEA NO. 440

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [X] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [X] Royalty Audits
- [X] Certification of Discovery
- [ ] Closing Letter
- [X] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [X] Contract Amendments
- [X] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [X] Application and attachments

Right Side

- [X] Project summary (final)
- [X] Work Completed analysis (final) ?
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [X] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [X] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [X] Analysis of Semi-Annual Inspection Reports & FT Semi-annuals
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [X] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [X] Operator's Monthly Reports with transmittal, narrative and maps.
- [X] Settlement Sheets

Folders No. 3 : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

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-E440, DMEA-2515 (Uranium), dated October 29, 1952, with

Moreno Uranium Corporation
751 Cooper Building
Denver 2, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Sunflower and Snowflake Claims located in San Juan County, Utah, during the period June 14, 1960, through August 24, 1961.

A certification of discovery or development was issued on September 16, 1953, and, in accordance with Article 6 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated June 28, 1954, indicated accepted costs under the exploration contract amounting to $21,300.00 with the Government's contribution, on a 90 percent basis, being $19,170.00.

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 ores for the period to be $5,104.19. Royalty due the Government at rates specified in the contract is $255.21.

A prior Report of Royalty Review found the sales subject to Government royalty through June 13, 1960, to be $148,563.90 which added to the sales for this subsequent period make a total of $153,668.09. The royalty account as of June 13, 1960, was:

Total Royalty Due	$7,428.20
Total Royalty Paid	7,422.63
Balance of Royalty Due	$ 5.57

At August 24, 1961, the royalty account of this project was found to be:

Total Royalty Due	$7,683.41
Total Royalty Paid	7,683.41
Balance of Royalty Due	$ -0-

August 29, 1961

E. A. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

A review of the records indicates that the only sales of production since the period covered by the prior Report of Royalty Review consisted of five lots of ore sold by James Warden and various lots (covered by one settlement) sold by the Mountain Mining Company, all to the Vanadium Corporation of America. A summary of the particulars of these sales, the royalty for which was paid by H. W. Balsley, follow:

Seller		James Warden	Mountain Mining Co.
Period		11/16/60 - 4/30/61	7/1/31 - 7/31/61
Short Dry Tons		71.554	94.0945
Average Assays:	U_3O_8	.437	.11242
	V_2O_5	1.859	1.78
Contents, Lbs.:	U_3O_8	625.89	211.57
	V_2O_5	2,661.	3,356.
Payments:			
U_3O_8 Base		$2,190.63	$ 369.91
Development		312.96	105.79
Premiums		259.63	-0-
V_2O_5		824.91	1,040.36
Total		$3,588.13	$1,516.06
Royalty @ 5%		$ 179.41	$ 75.80
Royalty Paid		179.41	75.80

Subsequent to the completion of the exploration work under the contract, the Operator transferred the Sunflower and Snowflake Claims to Pat Ambrose by Warranty Deed; then, by Quit-Claim Deed dated November 7, 1955, Pat Ambrose and Edna F. Ambrose, his wife, transferred their interests to H. W. Balsley and Ray A. Bennett. The latter signed the exploration project contract as the Operator's president.

The $5.57 balance due, as disclosed by the prior royalty review, was paid by H. W. Balsley during July 1960.

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

(a) The files indicate that all sales of production have been accounted for;
(b) The Acting Field Officer, OME Region III, has stated that reported production checks with the A.E.C. production records; and

(c) 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.

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Moreno Uranium Corp.

H. W. Balsley

Box 95, Moab, Utah

Contract No.	Docket No.
E 440	DMEA 2515

Prepared by (Signature)	Date
Hugh M. Connors	8-24-61

Hugh M. Connors

This property has not been inspected recently and answers are not known. [X]

Yes	No	
		1. (a) Does the Operator stockpile ore subject to royalty repayment?
		(b) If so, is segregation and identification procedure adequate?
		2. (a) Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
		(b) If so, is 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. Are the assay controls in effect adequate?
		5. Does the manner of disposing of production give 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. Current status of property. (Check one).
Operating.
Inactive.
Abandoned.
Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

We have just received a check from the Operator for $149.79. Our records of royalty repayments now check with the AEC Production records

84861-60

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-E440, Docket No. DMEA-2515 (Uranium), dated October 29, 1952, with

Moreno Uranium Corporation
731 Cooper Building
Denver, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Sunflower and Snowflake Claims located in San Juan County, Utah, during the period October 8, 1957, through June 13, 1960.

A certification of discovery or development was issued on September 13, 1953, and, in accordance with Article 6 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated June 28, 1954, indicated accepted costs under the exploration contract amounting to $21,300.00 with the Government's contribution, on a 90 percent basis, being $19,170.00.

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 to be $44,051.08. Royalty due the Government at rates specified in the contract is $2,202.55.

A prior Report of Royalty Review found the sales subject to Government royalty through October 7, 1957, to be $104,512.82 which added to the sales for this subsequent period make a total of $148,563.90. The royalty account as of October 7, 1957, was:

Total Royalty Due	$5,225.65
Total Royalty Paid	5,064.43
Balance of Royalty Due	$ 161.22

At June 13, 1960, the royalty account of this project was found to be:

Total Royalty Due	$7,428.20
Total Royalty Paid	7,422.63
Balance of Royalty Due	$ 5.57

June 16, 1960

C. E. Fisher

C. E. Fisher, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

On or about November 7, 1955, Moreno Uranium Corporation transferred ownership of the Sunflower and Snowflake Claims to Pat Ambrose by Warranty Deed. By Quit-Claim Deed dated November 7, 1955, Pat Ambrose and Edna F. Ambrose, husband and wife, transferred all of their interest in the claims to Ray A. Bennett and H. W. Balsley.

My review included a tabulation and recomputation of copies of liquidation statements filed in the OME Washington, D. C., office received in support of royalty payments to the Government applicable to production from these claims during the period under review. This tabulation is filed with my audit work-papers. A summary of production and royalty receipts to date is shown on Schedule "A" attached to this report.

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

(1) Review of inspection reports submitted by representatives of OME Region III and other correspondence and documents in the Washington, D. C., office files indicates that all production to date has been reported and proper royalty paid to the Government, except as indicated on Schedule "A"; and

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

Schedule "A"

Idm-E440 | Moreno Uranium Corporation | DMEA-2515

	10/29/52 to 10/7/57	10/8/57 to 6/13/60	Totals
Production			
Short wet tons	1,998.69	867.00	2,865.69
Short dry tons	1,932.07	839.72	2,771.79
U_3O_8 - Pounds	11,843.55	6,368.66	18,212.19
" - Excess 4#/SDT	4,420.75	3,084.81	7,505.56
" - " 10#/SDT	362.21	1,386.25	1,748.46
V_2O_5 - Pounds	71,048.77	33,136.30	104,185.07
Proceeds			
U_3O_8 - Base payments	$ 40,696.61	$ 21,961.91	$ 62,658.52
" - Excess 4#/SDT	3,315.73	2,313.65	5,629.38
" - " 10#/SDT	90.56	346.57	437.13
Development allowance	5,921.91	3,184.41	9,106.32
Haulage allowance	5,439.22	5,972.28	11,411.50
V_2O_5	22,025.13	10,272.26	32,297.39
Excess lime penalty	(.39)	-0-	(.39)
Total Receiving Stations	$ 77,488.77	$44,051.08	$121,539.85
AEC Production Bonus	27,024.05	-0-	27,024.05
Total Proceeds	$104,512.82	$44,051.08	$148,563.90
Royalty due	$ 5,225.65	$ 2,202.55	$ 7,428.20
Royalty paid:			
10/29/52 to 10/7/57	5,064.43	-0-)	
10/8/57 to 6/13/60	161.21	2,196.99)	7,422.63
Balance of Royalty Due	$ 0.01	$ 5.56*	$ 5.57

* Underpayment of royalty due to omission of haulage allowance in connection with VCA settlement No. 2-0-38, as follows:

Item	Due	Settled	Difference
Base payment	$ 912.32	$ 912.32	
Development allowance	136.31	136.31	
Haulage allowance	111.24	-0-	$ 111.24
V_2O_5	722.30	722.30	
Total value subject to royalty	$ 1,882.17	$ 1,770.93	$ 111.24
Royalty at 5%	$ 94.11	$ 88.55	$ 5.56

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Moreno Uranium Corporation

Address H. W. Balsley

Moab, Utah

Exploration Contract No. E440 Docket No. 2515

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

6-13-60
Date

Hugh M. Fonnora
Mining Engineer

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SECOND REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region III, Denver, Colorado, pertaining to Contract Idm-E440, Docket No. DMEA 2515 (Uranium) dated October 29, 1952, including Amendments Nos. 1 through 4, with

Pat Ambrose, Assignee
Moreno Uranium Company
P. O. Box 95
Moab, Utah

for the purpose of determining the amount of royalties due the United States Government on the sale of Uranium-Vanadium ores from the Sunflower and Snowflake Claims located in San Juan County, Utah, about 15½ miles southeast of Moab, Utah, during the period December 16, 1955 through October 7, 1957.

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

My review established the total sales of Uranium-Vanadium ores for this period to be $72,204.34. Royalty due the U. S. Government at the contract rate of 5% is $3,610.24. A prior audit made by Donald T. Finch for the period October 29, 1952 through December 15, 1955, stated the sales of Uranium-Vanadium ores to be $32,308.48 and the royalty at 5% to be $1,615.41. The Auditor stated the royalty account as follows:

Total Royalty Due	$1,615.41
Total Royalty Paid	1,615.41
Balance of Royalty Due	$ 0.00

As of October 7, 1957, the royalty of the project was found to be: -

Total Royalty Due	$5,225.65
Total Royalty Paid	5,064.43
Balance of Royalty Due	$ 161.22

(See Schedule I attached)

Donald T. Finch
Donald T. Finch, Auditor.

November 6, 1957

RECEIVED
DATE
11-13 JSC 800
13 GM 100
11 FEJ 110
120 Rout
11-14 FLK 700
170

STATUS OF PROJECT,
DESCRIPTION OF THE REVIEW,
AND STATEMENT OF JUSTIFICATION

CONTRACT NO. Idm-E440 DOCKET NO. DMEA-2515

The exploration contract provides that should the Government within six months after completion or termination of the exploration project certify that a discovery or development has resulted from the work, the Operator and his successor in interest shall be obligated to pay a percentage royalty on the net smelter returns or other net proceeds realized from the ore, concentrates, or metals produced within ten years from the date of the contract until the total amount contributed by the Government, without interest, is fully repaid or said ten years has elapsed, whichever occurs first. A Certificate of Discovery or Development was issued on September 16, 1953.

According to a Report of Review dated June 28, 1954, prepared by Donald T. Finch, DMEA Auditor, the total accepted costs of the exploration amounted to $21,300.00 with the Government's contribution on a 90% basis being $19,170.00.

Production was recessed from May, to December, 1955, but has continued without interruption since that time. Production at the present time is by a W. B. Wright of Moab, Utah, under an informal working agreement with Pat Ambrose. Purchasers of ore remit DMEA royalties direct to the Denver office of DMEA Field Team with copies of applicable settlement sheets.

My review included a tabulation and recomputation of all ore settlement sheets in the files of the Executive Officer, DMEA Field Team, Region III, for the period December 16, 1955 through October 7, 1957, and correspondence with the Chief of Accounting Branch, Finance Division, Field Operations Office, Atomic Energy Commission, Grand Junction, Colorado. The producer's reported sales to DMEA were reconciled with the production records maintained by A.E.C. Royalties paid were reconciled with the DMEA Finance Office, Denver, Colorado. Production, Sales, Total Royalty Due, and Balance of Royalty Due are summarized on Schedule I attached.

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

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

(b) The Examining Engineer is of the opinion that all sales of production are accounted for.

(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.

SCHEDULE I

PAT AMBROSE

CONTRACT NO. Idm-E440

DOCKET NO. DMEA-2515

SUMMARY ANALYSIS PRODUCTION AND SALES SUBJECT TO DMEA ROYALTY

	Balance Audit Report 3/14/56	Union Carbide Nuclear Co.	Climax Uranium Company	Total
Period	10/29/52 to 12/15/55	Dec. 16, 1955 to Oct. 7, 1957		10/29/52 to 10/7/57
Gross Weight: Pounds				
Sunflower Claim	227,990	697,700	1,988,620	2,914,310
Snowflake Claim	907,150	175,925	-	1,083,075
Total Gross Weight - Pounds	1,135,140	873,625	1,988,620	3,997,385
Dry Weight: Pounds				
Sunflower Claim	215,954.64	669,403.84	1,927,814	2,813,172.48
Snowflake Claim	880,694.60	170,307.10	-	1,051,001.70
Total Dry Weight - Pounds	1,096,649.24	839,710.94	1,927,814	3,864,174.18
Dry Weight: Tons				
Sunflower Claim	107.9773	334.6900	963.9100	1,406.5773
Snowflake Claim	440.3473	85.1500	-	525.4973
Total Dry Weight - Tons	548.3246	419.8400	963.9100	1,932.0746
Assays: Averages				
U_3O_8				
Sunflower Claim	.379	.32	.315	.321
Snowflake Claim	.268	.263	-	.267
V_2O_5				
Sunflower Claim	2.302	2.06	1.899	1.969
Snowflake Claim	1.52	1.325	-	1.489
Uranium - Pounds				
Sunflower Claim	818.01	2,138.69	6,080.93	9,037.63
Snowflake Claim	2,357.60	448.30	-	2,805.90
Total Pounds Uranium	3,175.61	2,586.99	6,080.93	11,843.53
Base Payment: U_3O_8				
Sunflower Claim	$ 2,863.07	$7,473.12	$20,846.79	$31,182.98
Snowflake Claim	8,049.97	1,463.66	-	9,513.63
Total Base Payment U_3O_8	$10,913.04	$8,936.78	$20,846.79	$40,696.61
Development Allowance				
Sunflower Claim	$ 409.02	$1,069.35	$ 3,040.52	$ 4,518.89
Snowflake Claim	1,178.85	224.17	-	1,403.02
Total Development Allowance	$ 1,587.87	$1,293.52	$ 3,040.52	$ 5,921.91
Premiums				
Excess of 4 lbs. U_3O_8 per Ton				
Excess lbs.				
Sunflower Claim	386.00	803.55	2,417.91	3,607.46
Snowflake Claim	672.63	140.66	-	813.29
Total Excess Lbs.	1,058.63	944.21	2,417.91	4,420.75
Amount @ 75¢ per lb.				
Sunflower Claim	$289.54	$602.68	$1,813.45	$2,705.67
Snowflake Claim	504.57	105.49	-	610.06
Total	$794.11	$708.17	$1,813.45	$3,315.73

Contract Idm-E440 | PAT AMBROSE | Docket IMEA-2515

	Balance Audit Report 3/14/56	Union Carbide Nuclear Co.	Climax Uranium Company	Total
Premiums - (Cont.)				
Excess of 10 lbs. U_3O_8 per Ton				
Excess lbs.				
Sunflower Claim	45.28	21.74	277.17	344.19
Snowflake Claim	7.37	10.65	-	18.02
Total Excess Lbs.	52.65	32.39	277.17	362.21
Amount @ 25¢ per lb.				
Sunflower Claim	$ 11.33	$ 5.44	$ 69.29	$ 86.06
Snowflake Claim	1.84	2.66	-	4.50
Total	$ 13.17	$ 8.10	$ 69.29	$ 90.56
Haulage Allowance				
Gross Tons				
Sunflower Claim	113.9950	348.8500	994.3100	1,457.1550
Snowflake Claim	453.5750	87.9600	-	541.5350
Total Gross Tons	567.5700	436.8100	994.3100	1,998.6900
Allowance per Gross Ton (Average)				
Sunflower Claim	4.89	0.85	2.45	2.26
Snowflake Claim	4.05	3.55	-	3.97
Amount				
Sunflower Claim	$ 557.53	$ 296.27	$ 2,436.93	$ 3,290.73
Snowflake Claim	1,836.49	312.00	-	2,148.49
Total Haulage Allowance	$ 2,394.02	$ 608.27	$ 2,436.93	$ 5,439.22
Vanadium - Pounds				
Sunflower Claim	4,970.86	13,813.65	36,612.53	55,397.04
Snowflake Claim	13,394.35	2,257.38	-	15,651.73
Total Vanadium Pounds	18,365.21	16,071.03	36,612.53	71,048.77
Vanadium Payment				
Sunflower Claim	$ 1,540.96	$ 4,282.24	$11,349.87	$ 17,173.07
Snowflake Claim	4,152.27	699.79	-	4,852.06
Total Vanadium Payment @ 31¢ per lb.	$ 5,693.23	$ 4,982.03	$11,349.87	$ 22,025.13
Excess Lime Penalty				
Snowflake Claim			$ 0.39	$ 0.39
Sunflower Claim	-	-	-	-
Total Excess Lime Penalty	-	-	$ 0.39	$ 0.39
Total Receiving Station Payments				
Sunflower Claim	$ 5,671.45	$13,729.10	$39,556.46	$ 58,957.01
Snowflake Claim	15,723.99	2,807.77	-	18,531.76
Total	$21,395.44	$16,536.87	$39,556.46	$ 77,488.77
A.E.C. Production Bonus				
Sunflower Claim	$ 2,863.07	$ 6,371.15	$ 8,375.29	$ 17,609.51
Snowflake Claim	8,049.97	1,364.57	-	9,414.54
Total Production Bonus	$10,913.04	$ 7,735.72	$ 8,375.29	$ 27,024.05

Contract Idm-E440 | PAT AMBROSE | Docket DMEA-2515

	Balance Audit Report 3/14/56	Union Carbide Nuclear Co.	Climax Uranium Company	Total
Total Value Subject to DMEA Royalties				
Sunflower Claim	$ 8,534.52	$20,100.25	$47,931.75	$ 76,566.52
Snowflake Claim	23,773.96	4,172.34	-	27,946.30
Total Value Subject to DMEA Royalty	$32,308.48	$24,272.59	$47,931.75	$104,512.82
Average Value Per Ton				
Sunflower Claim	$ 79.04	$ 60.06	$ 49.73	$ 54.43
Snowflake Claim	$ 53.61	$ 50.00	$ -	$ 53.18
Average DMEA Royalty Percentage				
Sunflower Claim	5%	5%	5%	5%
Snowflake Claim	5%	5%	-	5%
DMEA Royalties Due				
Sunflower Claim	$ 426.73	$ 1,005.04	$ 2,396.58	$ 3,828.35
Snowflake Claim	1,188.68	208.62	-	1,397.30
Total DMEA Royalties Due	$ 1,615.41	$ 1,213.66	$ 2,396.58	$ 5,225.65
DMEA Royalties Received				
Sunflower Claim	$ 426.73	$ 994.06	$ 2,246.34	$ 3,667.13
Snowflake Claim	1,188.68	208.62	-	1,397.30
Total DMEA Royalties Received	$ 1,615.41	$ 1,202.68	$ 2,246.34	$ 5,064.43
Balance DMEA Royalties Due				
Sunflower Claim	$ 0.00	$ 10.98	$ 150.24	$ 161.22
Snowflake Claim	0.00	0.00	0.00	0.00
Total Balance DMEA Royalties Due	$ 0.00	$ 10.98	$ 150.24	$ 161.22

Note: Last Union Carbide Nuclear Co. Liquidation No. 7325 dated 5/20/57.
Last Climax Uranium Co. Liquidation No. 3684 dated 10/7/57.
Last Certificate of Deposit No. 58-43 dated 10/14/57.

Balance of Royalties Due

Union Carbide Nuclear Co. No. 7025 dated 1/21/57		$ 10.98
Climax Uranium Co. No. 3223 dated 3/7/57	$84.73	
Climax Uranium Co. No. 3272 dated 4/8/57	65.51	150.24
Balance of DMEA Royalties Due		$ 161.22

Check Sheet of Examining Engineer

Operator's Name Pat Ambrose
(Formerly Moreno Uranium Corp.)
Address Care of: L. B. Wright

Moab, Utah

Exploration Contract No. Idm-E440 Docket No. DMEA-2515
Sunflower and Snowflake Claims

		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 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 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.		

Date 10/29/57

R. V. Fillo
Mining Engineer

3/26/56

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of Uranium and Vanadium ores for the period October 29, 1952, through December 15, 1955, by the

Moranco Uranium Corporation
731 Cooper Building
Denver 2, Colorado.

produced from the Sunflower and Snowflake Claims located in San Juan County, Utah about 15-1/2 miles southeast of Moab, under the terms of Contract No. Idm-8440, Docket No. DMEA-2515.

My examination was made in accordance with generally accepted standards applicable in the circumstances .

The audit established the total net sales of Uranium and Vanadium for this period to be $32,308.48. Royalty due the United States Government at the contract rate of 5% is $1,615.41.

The royalty paid and balance due are as follows;

Total Royalties Due	$1,615.41
Total Royalties Received	1,615.41
Balance of Royalty Due	$ 0.00

Donald T. Finch

March 14, 1956

Donald T. Finch, Auditor

3/26/56

RECEIVED
MAR 21 1956

FIRST ROYALTY AUDIT REPORT

I INTRODUCTION

On December 12 and 22, 1955, and February 28, 1956, an audit was made of the production, sales, and royalty accounts and records of

Morgan Uranium Corporation
731 Cooper Building
Denver 2, Colorado.

pertaining to the sale of Uranium and Vanadium ores during the period October 29, 1952 through December 15, 1955, produced from the Sunflower and Snowflake Claims located in San Juan County, Utah about 15-1/2 miles southeast of Moab, on which royalties are due the United States Government under the terms of Contract Idm-8440, Docket No. DMEA 2515, dated October 29, 1952, as amended.

At the beginning of the on-site audit it was determined that the accounting records were located at the following places:

H. U. Belsley, Box 95, Moab, Utah
Ray Bennett, 731 Cooper Building, Denver, Colorado
Four Corners Uranium Co., Uranium Club Bldg., Grand Junction, Colo.
Guido and Redenburg, 1952 Champa Street, Denver, Colorado

After several conferences with Mr. Bennett, Treasurer and Assistant Secretary, and Mr. A. R. Redenburg, Accountant, sufficient production records were assembled at Mr. Redenburg's office for the completion of the royalty audit.

The Operator's records consisted of memorandum work papers, monthly production summaries and copies of liquidation settlement sheets from the following purchasers of ore:

Colorado Plateau Uranium Project
Climax Uranium Company
Vanadium Corporation of America
United States Vanadium Company

Mr. Bennett was advised that the Auditor considered the production records barely adequate for audit purposes, and he stated steps would be taken to correct the situation.

Subsequent to the audit it appears the two claims involved have been transferred to a Mr. Pat Ambrose of Moab, Utah. This audit does not include any production by the transferee.

II GENERAL INFORMATION

The exploration contract provides that should the Government within six months after completion or termination of the exploration project certify that a discovery or development has resulted from the work, the Operator and

his successor in interest shall be obligated to pay a percentage royalty on the net smelter returns or other net proceeds realized from the ore, concentrates, or metals produced within ten years from the date of the contract, until the total amount contributed by the Government, without interest, is fully repaid or said ten years have elapsed, whichever occurs first. A Certificate of Discovery or Development was issued on September 16, 1953.

According to a Report of Review dated June 28, 1954, prepared by Mr. Donald T. Finch, DMEA Auditor, the total accepted costs of the exploration amounted to $21,300.00, with the Government's contribution on a 90% basis being $19,170.00.

Production has been recessed since May, 1955. The last sale prior to this recess is evidenced by United States Vanadium Company Liquidation Settlement No. R-863 under date of May 23, 1955.

III SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

In lieu of a conference with the examining engineer, a review was made of the engineer's semi-annual reports and of the "Check Sheet of Examining Engineer" which he had prepared at my request. In addition, the matter was discussed with the Executive Officer, DMEA Field Team, Region III.

This review disclosed that the operator did not stockpile ores subject to DMEA royalties and did not commingle production subject to DMEA royalties with exempt production. Assay controls were in accordance with A.E.C. provisions and are considered adequate. Production was sold to A.E.C. authorized buyers.

B. Audit of Settlement Statements

A considerable amount of pre-audit work was accomplished in the DMEA Office, Region III, Denver, Colorado, prior to the field audit. During this pre-audit work statements of royalties received were prepared for each claim from copies of liquidation settlement sheets furnished by purchasers of ore in support of royalty payments. The royalty receipts were verified with deposits made by the regional Finance Officer. All of the data included in these statements were confirmed by detail recomputations. These statements which are filed as part of my audit work papers were reconciled with the production and sales records in the office of the accountants for the company during the on-site audit.

Correspondence by this auditor with the Field Operations Office of the Atomic Energy Commission at Grand Junction, Colorado, confirmed that sales of U_3O_8 during the period under review totaled 3,175.61 lbs., which is in agreement with this audit finding as shown in Section IV, Conclusions, of this report.

Reconciliation of the A.E.C. data with the audit findings confirmed that on December 15, 1955 the available balance of U_3O_8 eligible for production bonus, which will also be subject to DMEA royalty, amounts to 4,649.94 lbs.

Analysis of the Production Bonus Account Subject to DMEA Royalties follows:

		LBS. U_3O_8
Property originally certified by A.E.C. for (This amount confirmed with A.E.C.)		8,082.67 Lbs.
Deliveries before October 29, 1952		257.12 "
Balance subject to DMEA Royalty		7,825.55 "
Pounds on which A.E.C. paid Production Bonus during period October 29, 1952 through December 15, 1955		2,605.72 "
Available balance per A.E.C. letter dated Dec. 19, 1955		5,219.83 "
Total production during this period upon which DMEA royalty has been paid per audit findings and confirmed with A.E.C.	3,175.61 lbs.	
Less: Production upon which bonus paid as above	2,605.72 "	
Balance of Production upon which DMEA royalties have been paid but for which application for Production Bonus has not been made		569.89 "
Balance of available A.E.C. Production Bonus account which will be subject to DMEA royalties		4,649.94 Lbs.

IV CONCLUSIONS

A summary analysis of the operator's production and sales subject to DMEA royalties follows:

SALES, PERIOD OCTOBER 29, 1952 TO DECEMBER 15, 1955: -

	COLO. PLATEAU URANIUM PROJECT	CLIMAX URANIUM COMPANY	VANADIUM CORP. OF AMERICA	U.S. VANADIUM CO.	TOTAL
Gross Weight, Pounds					
Sunflower Claim	58,450	65,280		104,260	227,990
Snowflake Claim		118,800	20,630	767,720	907,150
Total Gross Wt., Lbs.	58,450	184,080	20,630	871,980	1135,140
Dry Weight, Pounds					
Sunflower Claim	54,916	62,177		98,861.64	215,954.64
Snowflake Claim		115,370	20,011	745,313.60	880,694.60
Total Dry Weight, Lbs.	54,916	177,547	20,011	844,175.24	1096,649.24
Dry Weight, Tons					
Sunflower Claim	27.4580	31.0885		49.4308	107.9773
Snowflake Claim		57.6850	10.0055	372.6568	440.3473
Total Dry Weight, Tons	27.4580	88.7735	10.0055	422.0876	548.3246

	COLORADO PLATEAU URANIUM PROJECT	GLIMAX URANIUM COMPANY	VANADIUM CORPORATION OF AMERICA	UNITED STATES VANADIUM COMPANY	TOTAL
Assays (Averages)					
U_3O_8					
Sunflower Claim	.378	.454		.33	.379
Snowflake Claim		.236	.395	.269	.268
V_2O_5					
Sunflower Claim	2.709	2.419		2.00	2.302
Snowflake Claim		1.84	1.70	1.466	1.52
Uranium - Pounds					
Sunflower Claim	207.66	282.29		328.06	818.01
Snowflake Claim		272.38	79.04	2,006.18	2,357.60
Total Uranium, Pounds	207.66	554.67	79.04	2,334.24	3,175.61
Base Payment - U_3O_8					
Sunflower Claim	$726.82	$988.03		$1,148.22	$2,863.07
Snowflake Claim		953.33	$276.64	$6,820.00	8,049.97
Total Base Pay'nt U_3O_8	$726.82	$1,941.36	$276.64	$7,968.22	$10,913.04
Development Allowance					
Sunflower Claim	$103.83	$141.16		$164.03	$409.02
Snowflake Claim		136.19	$ 39.52	$1,003.14	$1,178.85
Total Develop. Allowance	$103.83	$277.35	$ 39.52	$1,167.17	$1,587.87
Premiums					
Excess 4 lbs. U_3O_8 per Ton					
Pounds U_3O_8					
Sunflower Claim	97.81	157.94		130.25	386.00
Snowflake Claim		41.64	39.02	591.97	672.63
Total	97.81	199.58	39.02	722.22	1,058.63
Amount @ 75¢ per lb.					
Sunflower Claim	$73.36	$118.47		$ 97.69	$289.54
Snowflake Claim		$ 31.22	$29.27	$444.08	$504.57
Total	$73.36	$149.69	$29.27	$541.77	$794.11
Excess 10 lbs. U_3O_8 per Ton					
Pounds U_3O_8					
Sunflower Claim		25.69		19.59	45.28
Snowflake Claim				7.37	7.37
Total	—	25.69	—	26.96	52.65
Amount @ 25¢ per lb.					
Sunflower Claim		$6.43		$4.90	$11.33
Snowflake Claim				$1.84	$1.84
Total	—	$6.43	—	$6.74	$13.17
Haulage Allowance					
Gross Tons					
Sunflower Claim	29.225	32.640		52.130	113.995
Snowflake Claim		59.400	10.315	383.860	451.575
Total Gross Tons	29.225	92.040	10.315	435.990	567.570
Allowance Per Gross Ton					
Sunflower Claim	2.28	9.85		3.25	4.89
Snowflake Claim		6.96	12.00	3.39	4.05
Amount					
Sunflower Claim	$66.64	$321.58		$169.31	$557.53
Snowflake Claim		413.15	$123.78	$1,299.56	$1,836.48
Total Haulage Allowance	$66.64	$734.73	$123.78	$1,468.87	$2,394.02

	COLORADO PLATEAU URANIUM PROJECT	CLIMAX URANIUM COMPANY	VANADIUM CORPORATION OF AMERICA	UNITED STATES VANADIUM COMPANY	TOTAL
Vanadium - Pounds					
Sunflower Claim	1,487.51	1,504.29		1,979.06	4,970.86
Snowflake Claim		2,124.77	340.00	10,929.58	13,394.35
Total Pounds Vanadium	1,487.51	3,629.06	340.00	12,908.64	18,365.21
Payment for Vanadium					
Sunflower Claim	$ 461.13	$ 466.33		$ 613.50	$ 1,540.96
Snowflake Claim		$ 858.68	$105.40	$ 3,388.19	$ 4,152.27
Total Payment @ 31¢ lb.	$ 461.13	$1,325.01	$105.40	$ 4,001.69	$ 5,693.23
Total Receiving Station Pay'ts					
Sunflower Claim	$1,431.80	$2,042.00		$ 2,197.65	$ 5,671.45
Snowflake Claim		$2,292.57	$574.61	$12,946.81	$15,813.99
Total	$1,431.80	$4,334.57	$574.61	$15,144.46	$21,485.44
A.E.C. Production Bonus					
Sunflower Claim	$ 726.82	$ 988.03		$ 1,148.22	$ 2,863.07
Snowflake Claim		$ 953.33	$276.64	$ 6,820.00	$ 8,049.97
Total Production Bonus	$ 726.82	$1,941.36	$276.64	$ 7,968.22	$10,913.04
Total Value Subject to DMEA Royalties					
Sunflower Claim	$2,158.62	$3,030.03		$ 3,345.87	$ 8,534.52
Snowflake Claim		3,145.90	$851.25	$19,776.81	$23,773.96
Total	$2,158.62	$6,175.93	$851.25	$23,122.68	$32,308.48
Average Values Per Ton					
Sunflower Claim	$ 78.62	$ 97.46		$ 67.69	$ 79.04
Snowflake Claim		$ 54.54	$ 85.08	$ 53.07	$ 53.63
DMEA Royalty Percentage					
Sunflower Claim	5%	5%		5%	5%
Snowflake Claim		5%	5%	5%	5%
DMEA Royalties Due					
Sunflower Claim	$107.93	$151.51		$167.29	$426.73
Snowflake Claim		$157.30	$ 42.56	$988.82	$1,188.68
Total Royalty Due	$107.93	$308.81	$ 42.56	$1,156.11	$1,615.41
DMEA Royalties Received					
Sunflower Claim	$107.93	$151.51		$ 167.29	$ 426.73
Snowflake Claim		157.30	$ 42.56	$ 988.82	$1,188.68
Total Royalties Received	$107.93	$308.81	$ 42.56	$1,156.11	$1,615.41
Balance DMEA Royalties Due					
Sunflower Claim	None	None	None	None	None
Snowflake Claim	None	None	None	None	None
Total Balance Royalties Due	None	None	None	None	None

The audit has confirmed the accuracy and propriety of the royalty payments received by the regional Finance Officer, which are applicable to ore sales during the period October 29, 1952 through December 15, 1955. It has also determined that all indicated sales of ores during the subject period have been properly accounted for.

Donald T. Finch

March 14, 1956

Donald T. Finch, Auditor

Check Sheet of Examining Engineer

Operator's Name [redacted]

Address [redacted]

[redacted]

Exploration Contract No. [redacted] Docket No. [redacted]

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MAR 21 1956

	Check One Yes	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 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 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.

*Operator was informed that Government royalty should be deducted by mill

W. E. Young
Mining Engineer

Date Jan. 20, 1956

82448

Docket copy

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

To: The Moreno-Cripple Creek Corporation
P. O. Box 2727
Denver, Colorado

Pursuant to the provisions of Exploration Project Contract No. Idm-E440, dated October 29, 1952 (Docket No. DMEA-2515), hereinafter called the "contract," between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration.

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

Uranium bearing mineralization occurs in irregular, lenticular masses lying roughly parallel to the bedding of the sandstone formation on claims described in the contract.

Dated: SEP 1 6 1953

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

Copies to:

Operator (original)
Contract Adm. & Audit Division
Field Team (2 copies)
Finance Office
Rare & Misc. Metals Div., (Mr. Ellis) attn
Mails & Files Docket
Mr. Irving Gumbel, Director, EPS Chamber
Administrator's Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Thayer, Rm. 5216 GSA Bldg.
Mr. F. E. Johnson
Mr. Murphy

Kinkel
Hedges
Selfridge

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Moreno Uranium Company
731 Cooper Building
Denver 2, Colorado

pertaining to Exploration Project Contract No. Idm-E440, Docket No. DMEA 2515, including amendment Nos. 1 through 4, for the months of January 1953 to January 1954, inclusive, covering a project for the exploration of Uranium on property known as Sunflower and Snowflake claims, located in San Juan County, Utah, about 15½ miles southeast of Moab.

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, conference with the Executive Officer of the Field Team in charge of the project, 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:

The contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor:		$21,300.00
Exceptions:		
By DMEA Finance Officer	None	
Herewith	None	None
Total Accepted Cost		$21,300.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Nineteen Thousand One Hundred Seventy and no/100ths Dollars

- $19,170.00 -

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.

Date: June 28, 1954

Donald T. Finch

Donald T. Finch, Auditor

Audit Report of Review
6/28/54 Recd. 7/26/54

Docket No.

AMENDMENT OF CONTRACT: No. Idm-2440 No. 4

Contract Idm-2440 (Docket No. DMEA-2515), dated October 29, 1952, as heretofore amended, between the United States of America and The Moreno-Cripple Creek Corporation, is hereby further amended as of March 23, 1954, as follows:

The name of the Operator is changed from The Moreno-Cripple Creek Corporation to Moreno Uranium Corporation, to conform to a Certificate of Amendment to Certificate of Incorporation of The Moreno-Cripple Creek Corporation, No. 125421, filed in the office of the Secretary of State of the State of Colorado, on March 23, 1954, and recorded in the records of said Secretary of State in Book 661, page 228.

Dated this 30th day of April, 1954.

THE UNITED STATES OF AMERICA

By C. Mc Steudy
Administrator, Defense Minerals Exploration Administration

Hoffland
Talbut

MORENO URANIUM CORPORATION

By Roy A. Bennett

Roy A. Bennett, President.

Rubin 2/19/54

AMENDMENT OF CONTRACT: No. Idm-1440 No. 3

Contract Docket No. DMEA 2515, dated October 29, 1952, between the United States of America and The Moreno-Cripple Creek Corporation is hereby amended as follows, effective as of the date of said contract:

> Referring to "Article 3. Exploration project" of Exploration Project Contract, Form MF-200 (A) (February 1952) as amended by Amendment No. 2, dated October 26, 1953, following the words "and shall bring the project to completion" delete "within a period of thirteen (13) months from the date of this contract" and in lieu thereof substitute "prior to April 29, 1954."

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: February 10, 1954

MORENO-CRIPPLE CREEK CORPORATION

BY Ray A. Bennett
Ray A. Bennett, President

UNITED STATES OF AMERICA

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

(Seal)

[redacted]

No. 2

AMENDMENT OF CONTRACT

Contract Docket No. DMEA 2515, dated October 29, 1952, between the United States of America and The Moreno-Cripple Creek Corporation is hereby amended as follows, effective as of the date of said Contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200(A) (February, 1952), following the words "within a period of" delete "-11 months-" and in lieu thereof substitute "thirteen (13) months".

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 OCT 26 1953

MORENO-CRIPPLE CREEK CORPORATION

By Ray A. Bennett
Ray A. Bennett, President

UNITED STATES OF AMERICA

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

(SEAL)

No. 1

AMENDMENT OF CONTRACT: No. Idm-E440

Contract Docket No. DMEA-2515, dated October 29, 1952, between the United States of America and The Moreno-Cripple Creek Corporation is hereby amended as follows, effective May 18, 1953:

Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A), void said EXHIBIT "A" in its entirety except for the map "Figure 3" and in lieu thereof substitute the following:

EXHIBIT "A"

Description of the Work

The exploration project consists of the following work in three areas.

Area 1. - Drive 300 feet of tunnel and 128 feet of crosscuts and/or raises to explore the area penetrated by six diamond drill holes as shown on the map titled "DMEA Docket 2515, Moreno Cripple Creek Corporation, San Juan County, Utah", which is made a part of this amendment. The aforesaid map shows the relation of the 300 foot tunnel to the incline shaft as originally proposed and depicted on "Figure 3". The locations and extent of any of the crosscuts and/or raises are dependent on conditions encountered in the tunnel and must be acceptable to the DMEA representative.

Area 2. - Sink a 25 to 30 degree incline shaft a distance of 120 feet to explore the area penetrated by diamond drill holes No. 24 and No. 31 and drift east and west from the incline shaft an aggregate distance of 30 feet to explore the trend of the ore zone.

Area 3. - Sink a 25 to 30 degree incline shaft a distance of 102 feet and drift west from the incline shaft a distance of 30 feet to explore the trend of the ore zone penetrated by diamond drill holes No. 34, 41 and 42.

The proposed work in Areas 2 and 3 is shown on Figure 3 which is made a part of this Amendment.

Estimated Costs of the Project

222 feet of shaft sinking @ $30.00 per foot	$ 6,660.00
360 feet of drifting @ $30.00 per foot	10,800.00
128 feet of crosscutting and/or raising @ $30.00 per foot	3,840.00
20 - U_3O_8 Analysis @ $5.00 each	100.00
Total Cost of Project	$21,400.00
Government's participation @ 90%	$19,260.00

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 June 19, 1953

THE MORENO-CRIPPLE CREEK CORPORATION

By Ray A. Bennett
Ray A. Bennett, President

UNITED STATES OF AMERICA

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

240

JAN 15 10 31 AM '50

ARVILLA E. WARREN
RECORDER, SAN JUAN COUNTY
BY _____

R-12322

This Deed, Made this _____ day of _____ in the year of our Lord one thousand nine hundred and _____, between

_____ parties of the first part,

and _____ the parties of the second part,

WITNESSETH, that the said parties of the first part, for and in consideration of the sum of _____ DOLLARS, lawful money, to _____ paid by the parties of the second part, the receipt whereof is hereby acknowledged, by these presents do grant, bargain, sell, remise, release and forever quit-claim unto the said parties of the second part, _____ and assigns, forever _____ all _____ certain rights to lands Mining claims and property situate in _____ Mining District, _____ County, State of _____, viz.:

_____

TOGETHER with all dips and spurs, rights, privileges and franchises, tenements, hereditaments and appurtenances thereto incident or belonging, or therewith used and enjoyed, and all the estate, right, title, interest, property, claim and demand whatsoever, legal and equitable, as well in possession as in expectancy, of the parties of the first part, of, in or to said premises, and every part thereof.

TO HAVE AND TO HOLD the same unto the parties of the second part, _____ and assigns forever.

JAN 4 1960
O.M.E

IN WITNESS WHEREOF the said part of the first part ha hereunto set hand and seal the day and year first above written.

Signed, Sealed and Delivered in Presence of

STATE OF
County of } ss.

On the day of , A. D.
personally appeared before me.

the signer of the above instrument, who duly acknowledged to me that he executed the same.

Notary Public.

My commission expires

No. P-12322

Mining Deed

(QUIT CLAIM)

Pat and Edna F. Ambrose

TO

Ray A. Bennett and H. W. Balsley

Dated , 19

Recorded at the Request of

Jan 15 , A. D. 1957
at 31 min. past 10 o'clock A M.,
in Book 208 of
page 338
339 Arlene E Warren
Recorder. Jan Green County
Fee 2.40.

BLANK NO 37—ARROW PRESS 62 W 2ND SOUTH SALT LAKE

JAN 4 1960
O.M.E.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 3 1952

DMF-200 (A)
(February 1952)

DOCKET NO. DMEA 2515

COMMODITY Uranium

Idm-E440

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 29th day of October, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] The Moreno Cripple Creek Corporation - a corporation duly organized and existing under and by virtue of the laws of the State of Colorado
P. O. Box 2727
Denver, Colorado

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Utah, County of San Juan, described as follows:[3] Snowflake and Sunflower Lode Mining Claims, U. S. Survey No. 6320

the Operator represents and undertakes:[4]

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

None

(*b*) ~~That the Operator is the owner in possession and entitled to possession of the Oath of Operator to be attached~~
The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

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

in or upon the described land; and shall bring the project to completion within a period of - 11 months - from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay - 90 - percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $ 19,260, which is - 90 - percent of $ 21,400, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] [illegible] address, and nature of organization if any.
[3] [illegible] enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to [illegible] to be subject to the Government's percentage royalty.

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

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

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

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

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

ARTICLE 9. *Changes and added provisions* .....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

The Moreno-Cripple Creek Corporation
(Operator)

By Ray A. Bennett, President

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

I, Chadwick J. Perry, certify that I am the secretary of the corporation named as Operator herein; that Ray A. Bennett, 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.

Chadwick J. Perry
Secretary of The Moreno-Cripple Creek

[CORPORATE SEAL]

EXHIBIT A

Description of the Work

The exploration is directed at targets in three areas.

The exploration in Area No. 1 consists of rehabilitating 40 feet of incline shaft, sinking the shaft an additional 75 feet on a 25- to 30-degree incline and driving 200 feet of drift east and west from the bottom of the incline to intersect six diamond drill holes as shown on attached Figure 3.

The exploration in Area No. 2 consists of sinking 115 feet of shaft on a 25- to 30-degree incline to intersect diamond drill holes No. 24 and No. 31 and driving 100 feet of drift east and west from the bottom of the incline to explore the trend of the ore zone.

The exploration in Area No. 3 consists of sinking 110 feet of shaft on a 25- to 30-degree incline, and driving 100 feet of drift east and west from the bottom of the shaft to explore the ore zone.

The proposed work is shown on Figure 3, which is made a part of this Exhibit.

Estimated Costs of the Project

40 feet of shaft rehabilitation @ $10.00 per foot	$ 400.00
300 feet of shaft sinking @ $30.00 per foot	9,000.00
400 feet of drifting @ $30.00 per foot	12,000.00
Total Cost of Project	$21,400.00
Government's participation at 90%	$19,260.00

MF-103
(1 June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2515
Metal or Mineral
Date Received 5-5-52
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 5 1952

Name and address of applicant

The Moreno Cripple Creek Corp.
P.O. Box 2727 - Main Office
Denver, Colorado

Date

If you have already filed MF-100, give date filed June 30, 1951, type of assistance requested ,

DMA Docket Number (if available) ~~[illegible]~~

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

MORENO CRIPPLE CREEK CORPORATION
(Name of company)

By Ray A. Bennett
(Signature of authorized official)

April 29th 1952.
(Date)

President
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

MF-103 Final

1. a. 2 patented claims Sur. No. 6320. The Snowflake and Sunflower.

   b. Owner in fee.

   c. Located Tp. 27 South, Sec. 28, Range 23 East, S.L.B.& M. San Juan County, Utah

   (1) None; raw patent.

   (2) No lessees.

2. Uranium and vanadium.

   Enclosed rock chip has ore secure on edge of encrement exposed.

3. a. Sink inclined shaft upon 5'x7' along with dip of ore strata approximately [illegible] feet, timbering where necessary, then drift on vein 250' either way from bottom of shaft. It is expected to build a lumber compressor, hoist and tool-house approximately 16'x20' at a cost of $[illegible].00; labor has been secured on an hourly basis all the way through the project. However, if money can be saved, contract basis should be allowed. Total cost of project approximately $[illegible].00. Government part of project $24,000.00, company's part $[illegible].00.

   b. Work can be started soon as approved and will be completed within one year from starting.

4. See attached maps. No sketch map thought needed.

5. None.

6. One building to be built approximately 16'x20', compressor, hoist and toolhouse. Cost $500.00.

MF-103 Final

7. a. Compressor 160 ft. if available $200.00 per mo. = $2,400.00 12 Mo. $2,400.00

Rental large truck one month only, hauling equipment and supplies $400.00, incl. gas, oil and insurance 400.00

b. 1 Swedish drill complete with extra steel 1,400.00

$4,200.00

c. One Eimco mashing machine.
Furnish on Ford Sedan transportation, men and supplies.
One gas driven hoist good for 400'.
1 Roller bearing car, 1 hub solid bearing cars
350' 2" pipe black

8. Figuring 5 days straight time and one day overtime or 6 day week.

Hoist man 8 hrs. @ $150 = per day 12.00 5 days $60.00 overtime one day @ $18.00 = $78.00 per wk. 24 days per mo. = $3,744.00

2 miners 8 hrs. @ $1.75 = $14.00 per day 5 days per week $70.00 overtime 1 day @ $21.00 = $91.00 per week 4 weeks per mo. = 8,736.00

1 man supervision @$2.00 per hr. 8 hrs. = $16.00 per day = 5 days wk. 80.00 plus 1 day overtime = $104.00 per wk.= Mo. 416.00 12 mo. 4,992.00

17,472.00

Social Security Unemployment Insurance, Compensation Insurance estimated $691.12 yr. 691.12

$18,163.12

MF-103 Final

To Mining loss acct. 14400 gals. @ .31

9. Gasoline estimated for use in hoist, compressor, = $4,466.88 rebate figured @ $.04 = $576.00 net cost = 3,890.00

Powder caps and fuse estimated $500.00 for job

Pipe 400' 2" @ $.34 per ft. = $136.00

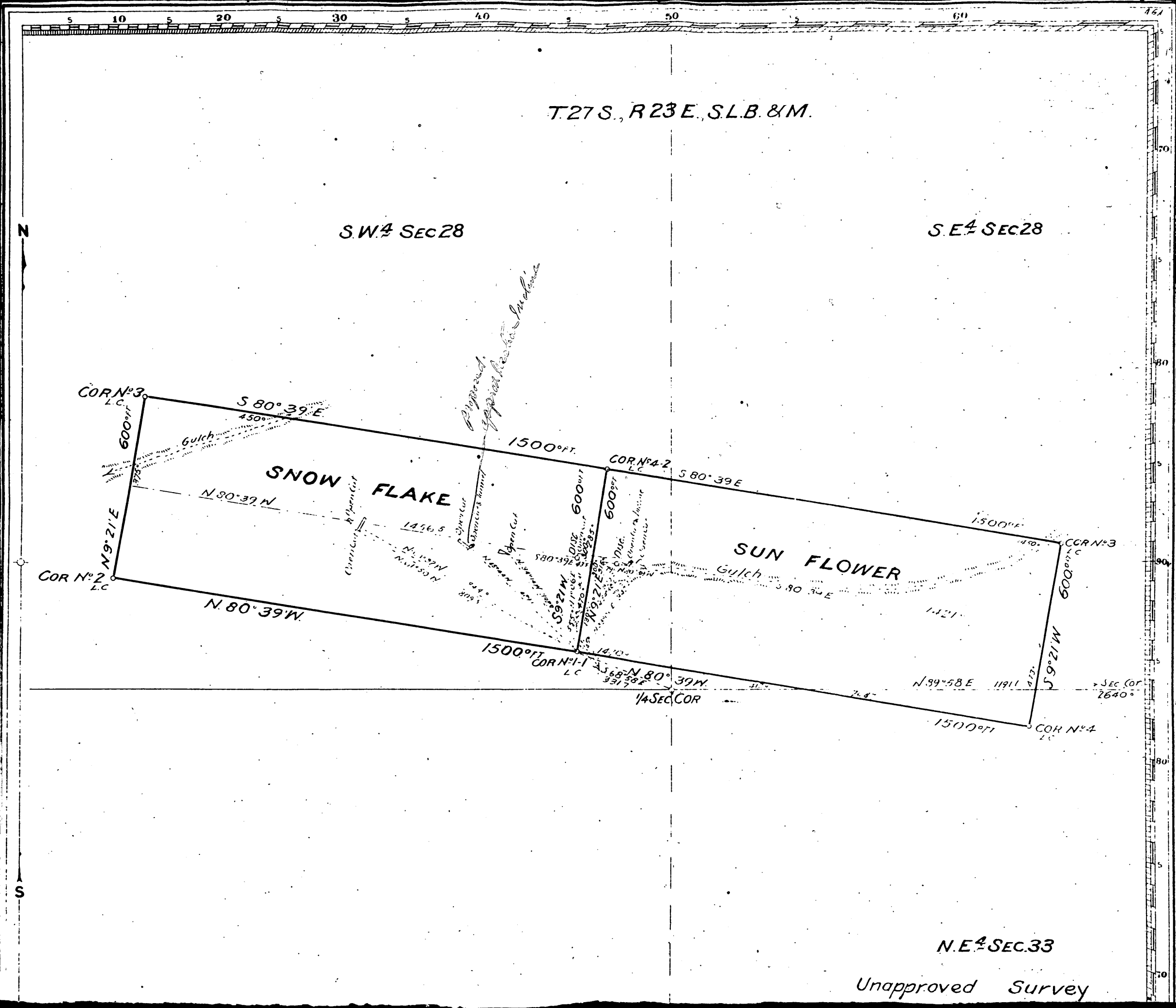
10. a. Amount needed for company's part in project as outlined.

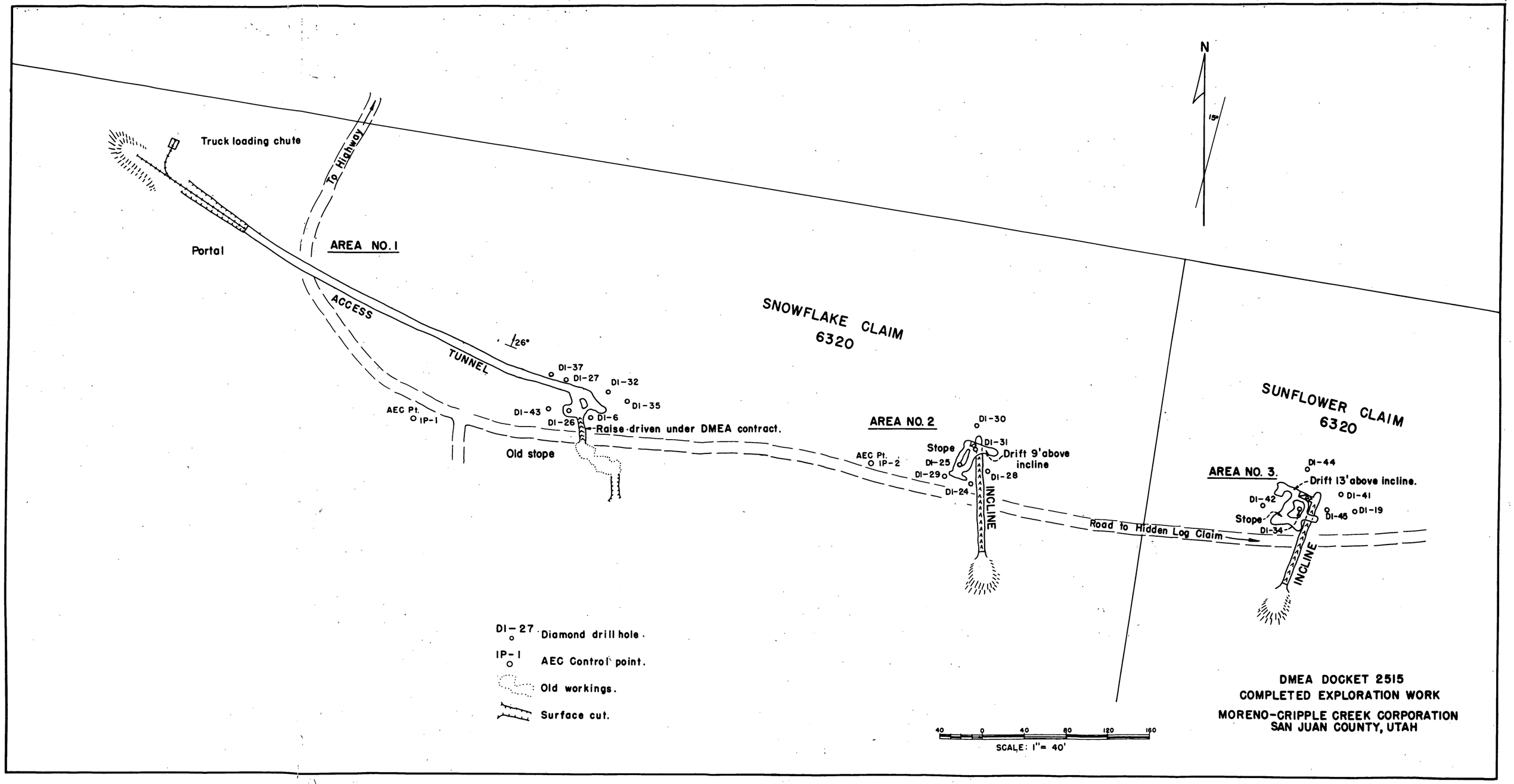
b. Yes.

11. Past production has been considerable, and some very high grade ore, formation pitches in hill so steep that although the ore crops for approximately 1,000 feet in length, it has not been mined much below 50', on pitch of formation then gebbed back to save hauling out by hand power. Located 50 miles from Thompson, Utah U.S. Vanadium receiving station. No reports have been made on this property.

EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS


T.27 S., R.23 E., S.L.B. & M.
S.W.¼ Sec.28
S.E.¼ Sec.28
N.E.¼ Sec.33
N
S
COR. No. 3
L.C.
S 80° 39' E
450°
600 OFT
Gulch
1500 OFT.
COR. No. 4-2
L.C.
S 80° 39 E
SNOW FLAKE
N 80° 39 W
N 9° 21' E
COR No. 2
L.C.
N. 80° 39 W.
1500 OFT
COR No. 1-1
L.C.
N. 80° 39 W.
1/4 SEC COR
600 OFT
600 OFT
S 9° 21 W
N 9° 21 E
SUN FLOWER
Gulch
1500 OFT
COR No. 3
L.C.
600 OFT
S 9° 21 W
N. 89° 58 E
SEC COR
2640°
1500 OFT
COR No. 4
L.C.
Proposed
Unapproved Survey



DMEA DOCKET 2515
COMPLETED EXPLORATION WORK
MORENO-CRIPPLE CREEK CORPORATION
SAN JUAN COUNTY, UTAH

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

DOCKET COPY

Ellis

Project Summary Report

By: F. L. Knouse July 30, 1954

1. Docket No. DMEA-2515 (Uranium)
Contract No. Idm-E440

Property - Snowflake and Sunflower Lode Mining Claims
San Juan County, Utah
Located in Sections 28 and 33 T. 27 S., R. 23 E., S L B & M and is 12.5 miles south from Moab, Utah, on Highway 160 and East 2.3 miles on a dirt road.

Operator - Moreno Uranium Corporation
(formerly The Moreno Cripple Creek Corporation)
P. O. Box 2727
Denver, Colorado

Operator's property rights - Owner - No encumbrances.

2. Contract - dated October 29, 1952

Work authorized -

Exploration in Area No. 1 consists of rehabilitating 40 feet of incline shaft, sinking the shaft an additional 75 feet on a 25- to 30-degree incline and driving 200 feet of drift east and west from the bottom of the incline to intersect six diamond drill holes.

Exploration in Area No. 2 consists of sinking 115 feet of shaft on a 25- to 30-degree incline to intersect diamond drill holes No. 24 and No. 31 and driving 100 feet of drift east and west from the bottom of the incline to explore the trend of the ore zone.

Exploration in Area No. 3 consists of sinking 110 feet of shaft on a 25- to 30-degree incline, and driving 100 feet of drift east and west from the bottom of the shaft to explore the ore zone.

Estimated costs of the project:

40 feet of shaft rehabilitation @ $10.00/ft.	$ 400.00
300 feet of shaft sinking @ $30.00/ft.	9,000.00
400 feet of drifting @ $30.00/ft.	12,000.00
Total Cost of Project	$21,400.00
Government participation at 90%	$19,260.00

Amendments -

No. 1, dated June 19, 1953, voided Exhibit "A" attached to the contract, except for the map "Figure 3", and substituted changes in work to be performed in the three areas, as follows:

222 feet of shaft sinking @ $30.00/ft.	$6,660.00
300 feet Adit @ $30.00/ft.	9,000.00
60 feet Drifting @ $30.00/ft.	1,800.00
128 feet of crosscutting and/or raising @ $30.00/ft.	3,840.00
20 - U_3O_8 Analyses @ $5.00 each	100.00
Total Cost of Project	$21,400.00
Government particiation at 90%	$19,260.00

No. 2, dated October 26, 1953, extended completion date of the contract from 11 months to 13 months, or until November 29, 1953.

No. 3, dated February 10, 1954, extended date for completion of contract to "prior to April 29, 1954."

No. 4, dated April 30, 1954, changed name of the Operator from The Moreno-Cripple Creek Corporation to Moreno Uranium Corporation.

Work completed -

360 feet of adit and drifting, 128 feet of crosscutting and raising, and 222 feet of inclined shaft sinking. Assaying charges totaling $100.00, allowed in Amendment No. 1, were not expended by the Operator.

The project work started January 2, 1953, and was completed on January 13, 1954.

3. Audit Report of Review - June 28, 1954

Total Cost as Billed by Contractor	$21,300.00
No exceptions	-0-
Total Accepted Cost	$21,300.00
Government participation at 90%	$19,170.00

Inasmuch as the project work was done on a unit-cost basis, no equipment was purchased in which the Government has an equity.

4. Certification date - September 16, 1953

The property is reported to have produced 5000 tons of vanadium ore prior to the DMEA project. Production during the DMEA project follows:

Total production, ore, dry tons	354.49
Total production, pounds U_3O_8	2,236.51
Value of ore without bonus, but including premium, development allowance, and haulage	$15,267.20
Calculated bonus	7,227.82
Calculated total value of production	22,495.02
Total royalty repayment to March 23, 1954	1,033.60

5. Comments- Immediately of uranium deposition makes any ore reserve calculation impractable.

The inclined shafts in Areas Nos. 2 and 3 were driven expeditiously, with only minor delays due to mechanical failure in the hoisting equipment.

Two highly skilled miners subcontracted the work in these areas, as well as in the adit in Area No. 1, where delays resulted from temporary inaccessibility of the project due to bad weather and the Operator's indecision in planning the work.

Supervision of the project in its latter stages was poor and the maps and reports were, in most instances, insufficient or slow in being presented.

The project was established and a contract executed by Region IV to explore three mineralized zones penetrated by diamond drill holes drilled by an A.E.C. program. This office questioned the justification for the program following discussions with the commodity engineers. The D.M.P.A. Minor and Light Metals Division believed the outlined work would possibly qualify for a development loan and the Region IV office was advised accordingly. However, the Field Team contended the work was exploration and, as the program was in progress, it was continued.

The property is in an area near the southeast end of the northwest trending Spanish Valley Graben. Sedimentary rocks exposed in the area include the Carmel formation, Entrada sandstone, Summerville formation and Morrison formation of Jurassic age and the Dakota (?) sandstone of Cretaceous age. The Morrison formation is the host rock for uranium minerals and is composed of two members, the upper, or Brushy Basin, and the underlying ore-bearing Salt Wash. These beds strike West to Northwest and dip north and northeast 25° to 30°. Uranium-bearing minerals are found discontinuously along the

outcrop for 950 feet and down the dip of the bed 110 feet.

Carnotite and vanadium mineral, possibly roscoelite, appear disseminated in lenticular sandstone and interbedded claystone particularly near the contacts of these rocks. Organic matter, where present, also serves to localize deposition of uranium minerals. Some uranium minerals are found coating the walls of cracks. Individual ore bodies may be 70 feet long and of similar width, and ranging up to 6 feet thick but average two to three feet. A 2.5 foot chip sample cut across one bed contained 0.299% U_3O_8, 1.00% V_2O_5 and 1.75% $CaCO_3$.

Ores were mined mainly from the stopes in Areas Nos. 2 and 3, with minor tonnage of high-grade ore having been mined in Area No. 1 before the project work ended. The Field Team (in their final report of May 14, 1954) report work is being continued in this area, and that diamond drilling by the Operator in these areas down the dip of the beds from the ones explored might discover a parallel-trending zone of mineralization, but no outcrops exist to indicate such a zone. They recommended that additional partcipation by the Government to explore the property should not be considered.

They further reported that production from the property is considered to be economically feasible from areas explored under the DMEA contract, but it is questionable if a profit could be shown if the Operator drives "blind" between the small, irregular ore bodies without prior exploratory drilling.

F. L. Knouse

F. L. Knouse

☒ Audited

☒ Certified

K ANALYSIS SHEET - DMEA PROJEC

Analysis as of 12/7/54
Incl. Voucher for Jan. 1954

☐ Actual Cost

☒ Agreed Unit Costs

Name Moreno Uranium Corp.
(Formerly) Moreno. Cripple Creek Corp.

Docket No. 25-13

State Utah

Commodity Uranium

Idm-E No. 440

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	488	14640.00	488	14640.00	14640.00
Raising					
Shafts	222	6660.00	222	6660.00	6660.00
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assaying		100.00		—	—
Totals		$ 21,400.00		$ 21,300.00	$ 21,300.00

Prepared by [signature]

71626

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/17	Murphy	500
	[illegible]	500
12/17	Talbert	800
	Selbrede	120
12/17	Johnson	110
12-18	Fumich	100
		220

DEC 17 1962

Moreno Uranium Corporation
731 Cooper Building
Denver, Colorado

Re: DMEA-2515 (Uranium)
Moreno Uranium Corporation
Sunflower and Snowflake Claims
San Juan County, Utah
Contract Idm-E440

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated September 16, 1953, all minerals mined or produced from October 29, 1952, to October 29, 1962, were subject to the Government's percentage royalty as set forth in said contract.

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

Sincerely yours,

George Fumich, Jr. (gla)

Director

FMMurphy/mm
12-17-62
cc: Mr. H. W. Balsley
Director's Reading
Region III (2)
C&A Division
Docket
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M.
RECEIVED DEC 1962
DATE
12/13 800
~~12/17 Murphy 500~~

December 10, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

Royalty Period ends Oct. 29, 1962

From: Acting Field Officer, OME, Region III

Subject: DMEA-2515 (Uranium)
Contract Idm-E440
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Attached are the original and one copy of a letter from the subject Operator and copies of my reply.

According to the AEC production records all royalty payments have been made. When I inspected the property on November 7, 1962, I found no stock-piled ore either in the bins or in the mine. The lessee, Mr. James Warden, was engaged in driving toward an ore hole.

I believe that the Government has received all royalties due from the ore shipped from this property and I recommend that the files be closed.

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED

December 10, 1962

Mr. H. W. Balsley
P. O. Box 95
Moab, Utah

Re: DMRA-2515 (Uranium)
Contract Idm-E440
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Dear Mr. Balsley:

Thank you for your letter of December 7, 1962 and your check for $229.17. According to our records, which are subject to audit, this royalty account is in balance and I am recommending to the Washington Office OME, by a copy of this letter, that they close the files on this project, in accordance with the contract.

I was so sorry to hear about your robbery. I know how you felt because our home was robbed a few nights before Christmas two years ago and all of our Christmas presents were stolen. I sincerely hope that you will recover your safe intact.

I appreciate your cooperation in the administration of the captioned contract.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Royalty Corres. Idm-E440
Chron
HMC/lm

Moab, Utah, December 7, 1962.

DEC 8 1962
REGION III

Mr. Hugh M. Connors,
Acting Field Officer, OME.
Region III,
Building 20, Federal Center,
Denver 25, Colorado.

DMEA-2515 (Uranium)
Contract Idm-E440,
Moreno Uranium Corporation,
(Sunflower and Snowflake Claims)
San Juan County, Utah.

Dear Mr. Connors:

Reference is respectfully made to your letters of August 30 and November 15, 1962:

I regret exceedingly my having missed you when you called at my home on or about November 7, 1962. I have been so deeply involved in this Anti-Trust suit, wherein I am the first-named defendant and the Union Carbide & Carbon Corporation, United States Vanadium Corporation, Vanadium Corporation of America, et al., are defendants, that I have had to sadly neglect my other work and commitments, along which is the above-entitled matter.

Another situation that has almost ruined me, financially and mentally, is the fact that during a 2½-hour absence from my home on August 25, somebody entered my house and stole my safe and contents. This safe contained a ledger, in which was entered all pertinent dates pertaining to every transaction I have had during the past twenty years, besides a substantial amount of cash, thousands of dollars worth of promissory notes and stock certificates that had been purchased "over the counter" but had never been transferred into my name; in fact, I could not possibly live long enough to get duplicates of the hundreds of documents of all kinds, even if I knew just what they were.

Please be advised that I am quite sure I can round up enough information that was not stolen so that I can make a complete report to you covering the ore shipped from the Sunflower and Snowflake claims since I last reported to you and paid the accrued royalty to that date.

Regretting my apparent negligence in this matter, and thanking you for your indulgence, I am

Yours very truly,

H W Balsley

H. W. Balsley

P. S. Since writing the above, I decided to put in several hours tonight and work out my report. Please find herewith duplicate copies of the the four settlement sheets, covering all of the shipments I know of since my last report. We apparently owe you $229.17 for which amount check is enclosed herewith.

HB

REWARD

10/25/62

HUNTERS - MINERS - STOCKMEN:

Please be on the lookout for my missing safe – light grey in color. For the return of the contents of said safe, less cash, in usable condition, I will pay a reward of $500 and no questions asked.

Howard Balsley

8/30/62

NOTICE

On the night of August 25, there was removed from my home, in Moab, a small safe containing my ledger and hundreds of documents, stock certificates, insurance policies, contracts, heirlooms, etc., besides approximately $250.00 in cash and $350.00 in Travelers Checks.

Inasmuch as everything except the cash would be useless to anyone other than myself, I will pay $500.00 for the return, undamaged, of the contents of the safe, other than the cash, or, if the safe has not been opened, I will pay $750.00 for its return.

I have asked the law to leave this matter up to me. Please contact me by phone or through a distinterested third party.

Howard Balsley

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 19 1962

DATE	INITIALS	CODE
11/19	[illegible]	800
	~~[illegible]~~	~~500~~
11/19	~~[illegible]~~	500
		220

Building 20 - Federal Center
Denver 25, Colorado

November 15, 1962

Mr. H. W. Balsley
P. O. Box 95
Moab, Utah

Re: BMEA-2515 (Uranium)
Contract Idm-E440
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Dear Mr. Balsley:

I was in San Juan County, Utah last week and visited the Snowflake Claim in the company of your lessee, James Warden. I called at your house at 55 First Street East two times but you were not at home.

The last royalty received from you was on Liquidation No. 1098 for the period ending January 31, 1962. The records show that the Mountain Mining Company shipped ore from the Snowflake Claim in February and March and that James Warden has also shipped ore from the Snowflake Claim.

Will you please forward this office your check together with two copies of each settlement sheet for the past due royalties.

It would be to your advantage to pay the amount of royalty due the Government as soon as possible so that we can stop the payment of royalty to the Government on all future shipments of ore from this property.

When I visited the property on November 7, 1962, I found no stockpiled ore and no broken ore. So, as soon as I receive your check for the past due royalties, I will recommend to the Washington Office OME that they close the files on this project in conformance with the contract.

Yours very truly,

Original signed by
Hugh M. Connors
Acting Field Officer, OME
Region III

Field Operations, OME (2)
Idm-E440

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 31 1962

DATE	INITIALS	
		120
9/5		800
		500
		220

Building 20 - Federal Center
Denver 25, Colorado

August 30, 1962

H. W. Balsley
Box 95
Moab, Utah

Re: DMEA-2515 (Uranium)
Contract Idm-E440
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Dear Mr. Balsley:

The Certification of the captioned property provides that the Government's percentage royalty, as set forth in the said Contract, is payable until the sum which the Government has advanced as its participating interest is repaid, or until October 29, 1962, whichever occurs first.

Any broken ore on that date either in bins, stockpiled, in transit, or in stopes will be subject to the Government's royalty.

Please forward this office your check together with two copies of each settlement sheet for past due royalties.

The stamped envelope enclosed with your letter of August 29, 1962 is enclosed.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
cc Chief, Division of Field Operations, OME w/copy of Mr. Balsley's letter 8/29/62

Idm-E440
Chron

Moab, Utah, August 29, 1962.

Mr. Hugh M. Connors,
Acting Chief Officer, OME,
Region III,
Building 20, Federal Center,
Denver 23, Colorado.

OME
DEPARTMENT OF THE INTERIOR
AUG 30 1962
REGION III
DENVER, COLORADO

Re: Docket No. DMEA-2615 (Uranium)
Contract No. Idm-E440,
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah.

Dear Mr. Connors:

Some time ago, my associate, Mr. Ray A. Bennett, told me that on a given date in April, this year, the above-designated ten-year contract would automatically expire and that, as of that date, no further payments to your office under this contract would be required. However, I forgot the date he mentioned and when I called him recently, in Denver, to check on the matter, he said he could not then recall the exact date, so I am writing to ask if you will kindly furnish me this date. Without checking, I think we are perhaps owing you royalty on two ore shipments.

In giving me the requested information, will you please advise whether the deadline date refers to the date of delivery of the ore to the buying plant, or to the date of settlement by the buyer?

Thanking you in advance for your courtesy in this matter, and inclosing a stamped, self-addressed envelope for your convenience in replying, I am

Yours very truly,

H. W. Balsley

H. W. Balsley
Box 95
Moab, Utah.

1 Inclosure.

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 5 1961

DATE	INITIALS	CODE
9/5	Murphy	500
	Greavold	500
		220

Building 20 - Federal Center
Denver 25, Colorado

September 1, 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: DMEA-2515 (Uranium)
Contract Idm E440
Marene Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Attached is the original Report of Royalty Review on the subject property dated August 29, 1961 covering the period June 14, 1960, through August 24, 1961.

Original signed by

Hugh M. Connors

Attachments

HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres E440
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY

September 1, 1961

9/5 800
9/6 1500
1500
220

Moreno Uranium Corporation
731 Cooper Building
1009 17th Street
Denver 2, Colorado

Re: DMEA-2515 (Uranium)
Contract Dm-E440
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated August 29, 1961 covering the period June 14, 1960, through August 24, 1961, which shows that no royalty is due the Government at this time.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E440
Chron

EXTRA COPY O. M. E RECEIVED SEP 5 1961		
DATE	INITIALS	AMTS
9/5	[illegible]	800
9/6	Medrow	500
9/6	Murphy	500
		220

Building 20 - Federal Center
Denver 25, Colorado

September 1, 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: DMRA-2515 (Uranium)
Contract Idm E440
Morrow Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Attached is the original Report of Royalty Review on the subject property dated August 29, 1961 covering the period June 14, 1960, through August 24, 1961.

Original signed by

Hugh M. Connors

Attachments

HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres E440
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

AUG 29 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2515 (Uranium)
Moreno Uranium Corporation
Sunflower and Snowflake Claims
San Juan County, Utah
Contract Idm-E440

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

(a) Original 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 files.

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, the original and both copies of the report should be returned to this Division with your comments.

Attachments

EDTalbert/ama
August 29, 1961

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

43683

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 23 1961		
DATE	INITIALS	CODE
8/23	[illegible]	800
"	Kiswood	500
	Murphy	500
		220

Building 20 - Federal Center
Denver 25, Colorado

August 21, 1961

Mr. H. W. Baleley
Moab, Utah

Re: Docket No. [illegible]-2515 (Uranium)
Contract No. I4m E440
Moreno Uranium Company
(Sunflower and Snowflake claims)
San Juan County, Utah

Dear Mr. Baleley:

The Atomic Energy Commission's records show that in March 1961, a shipment from the Snowflake claim contained 12.13 dry tons of ore, 150.03 pounds U_3O_8 and 608 pounds V_2O_5. The shipment, on which the Government has not received its percentage of royalty, was apparently made by James Warden.

Will you please forward this office the following:

1. Two copies of settlement sheet and your check covering the royalty in question.

2. Two copies of settlement sheets and your check covering royalty on other shipments, except 26133 and 26879, which may have been made during 1961.

We also would appreciate a brief statement concerning the present status of the property -- is it operating and has any material, subject to royalty payments to the Government, been stockpiled.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres E440
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

AUG 1 5 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2515 (Uranium)
Moreno Uranium Corporation
Sunflower and Snowflake Claims
San Juan County, Utah
Contract Idm-E440

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that this project has been inactive since January 1961. If this is so, please make an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama
August 15, 1961

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

43683

OME
DEPARTMENT OF THE INTERIOR
JUL 5 1960
REGION III
DENVER, COLORADO

Moab, Utah, July 2, 1960.

Mr. Hugh M. Connors,
Acting Field Officer,
OME, Region III,
Building 20, Federal Center,
Denver 25, Colorado.

Re: Docket No. DMEA-2515 (Uranium)
Contract No. Idm-E440
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah.

Dear Mr. Connors:

Reference is made to your letter of June 20, with which was inclosed a copy of a three-page report covering the past history and the present status of the above-designated DMEA project:

We were, of course, not aware of the fact that there was any unpaid balance due you on account of royalty received by us, but we are not inclined to question the correctness of your calculations. I am, therefore, inclosing herewith check for the sum of $5.57 to cover the amount apparently due you in order to square this account up to date.

Thanking you for the trouble you have gone to in this matter and for calling our attention to this discrepancy, I am

Yours very truly,

H. W. Balsley

H. W. Balsley
Box 95
Moab, Utah.

1 Inclosure.

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 5 1960

DATE	INITIALS	CODE
7-5	gad	VVO
7/5	[illegible]	800
7/5	[illegible]	500
		225

Build[illegible] - Federal Center
Denver 2[illegible], Colorado

June [illegible] 1960

Memorandum

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

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

Subject: Docket No. DMEA-2515 (Uranium)
Contract No. Idm-E440
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Attached is the original of the Report of Royalty Review on the subject contract covering the period October 8, 1957, through June 13, 1960.

Original signed by

Hugh M. Connors

Attachments

HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres. E440
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 5 1960

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

June 29, 1960

Mr. M. W. Balsley
Moab, Utah

Re: Docket No. DMEA-2515 (Uranium)
Contract No. Ibm-E440
Moreno Uranium Corporation
(Sunflower and Snowflake Claims)
San Juan County, Utah

Dear Mr. Balsley:

Enclosed is your copy of the Report of Royalty Review covering the period October 8, 1957, through June 13, 1960.

Please forward this office your check for $5.57 to bring the Royalty account into balance as of June 13, 1960.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

Enclosure

HMC/lm

cc: Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E440
Chron

Uranium
Moreno Cripple Creek

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 14 1960

DATE	INITIALS	CODE
3-14	gad	VVO
3/14	[illegible]	800
	Murphy	600
		225

Building 20 - Federal Center
Denver 25, Colorado

March 9, 1960

Union Carbide Nuclear Company
Div. of Union Carbide Corp.
P. O. Box 1049
Grand Junction, Colorado

Re: Docket No. DMEA-2515 (Uranium)
Contract No. Idm-E440
(Sunflower and Snowflake claims)
San Juan County, Utah

Gentlemen:

The Atomic Energy Commission's records show that in the fourth quarter of 1959, a shipment of ore from the Snowflake Claim was made to your mill, and we did not receive copies of the settlement sheet or the amount of royalty due.

The shipment in question contained 10.50 dry tons of ore, 195.33 pounds U_3O_8 and 611.19 pounds V_2O_5.

Will you please forward this office three copies of the settlement sheet for this liquidation, which was apparently shipped in the name of Plateau Mining Company.

Very truly yours,

Original signed by

J. William Hasler

JWH/ms

cc: Chmn. Op. Comm. (2)
Royalty Corres E-440
Chron
Suspense

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 21 1960

DATE	INITIALS	CODE
3/21	RCW	225
3/24-63	[illegible]	800
a	Murphy	500
		225

Building 20 - Federal Center
Denver 25, Colorado

March 16, 1960

Mr. Howard Balsley
c/o Plateau Mining Company
Moab, Utah

Re: Docket No. DMEA-2515 (Uranium)
Contract No. IAm-E440
Sunflower and Snowflake Claims
San Juan County, Utah

Dear Mr. Balsley:

We have received three (3) copies of the Settlement Sheet for Liquidation No. 10071 for ore shipped from the Snowflake claim during November 1959, on which the Government has not received its percentage of royalty.

The computation of the royalty on this lot is as follows:

Liq No.	Net Value	Dry Tons	Value per Ton	Royalty Due
10071	$1,156.60	10.50	$110.15	$57.83

Will you please forward this office your check for $57.83, the amount of royalty due on Liquidation No. 10071.

Very truly yours,

Original signed by

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

HMC/ms

cc: Chmn. Op. Comm. (2)
Royalty corres E440
Chron
Suspense

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
December 31, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 2515 (Uranium) Contract No. Idm-E440 (Sunflower and Snowflake claims) San Juan County, Utah

In reference to my letter to Ray A. Bennett of Moreno Uranium Corporated dated December 11, 1959, copies of which were forwarded to you at the time of writing, enclosed is a copy of a Mining Deed (Quit Claim) transferring the subject property from Pat and Edna F. Ambrose to Ray A. Bennett and H. W. Balsley.

Filed in docket #1 - left side
FMM

J. W. Townsend

Enclosure

Last royalty paid 12/23/59 - $117.96
FMM

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

DATE	INIT.	CODE
1-4	gad	220
"	bsg	800
1-5	~~Murphy~~	~~500~~
		225

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 14 1959

DATE	INITIALS	CODE
12-14	gad	220
12/14	[illegible]	800
~~12/15~~	~~Murphy~~	~~600~~
		225

Building 20 - Federal Center
Denver 25, Colorado
December 11, 1959

Mr. Ray A. Bennett, President
Moreno Uranium Corporation
731 Cooper Building
Denver, Colorado

Re: Docket No. DMEA 2515 (Uranium)
Contract No. Idm-E440
(Sunflower and Snowflake claims)
San Juan County, Utah

Dear Mr. Bennett:

It is our understanding that Pat Ambrose and his wife quit claimed the captioned property to you and H. W. Balsley. Your letter of July 5, 1958, indicates that the title to the property was, at that time, in the name of H. W. Balsley.

Willyou please forward this office two copies of the document transferring title to Mr. Balsley. Also will you please give us Mr. Balsley's present address.

Very truly yours,

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E440
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/15	Fisher	800
10/15	C	220
10/16	Kuma	700

OCT 15 1958

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

Re: Docket No. DMEA-2515 (Uranium)
Pat Ambrose
Contract No. Idm-E440

Docket No. DMEA-3555 (Uranium)
W. A. Greer
Contract No. Idm-E791

Dear Mr. Finch:

A comparison of "Royalty Report Summary -- Region III as of September 30, 1958" with the royalty records of this office indicates differences as follows:

Contract No.	Operator	Royalty Collected Region	Royalty Collected Washington
E440	Pat Ambrose	$6,909.29	$7,034.19
E791	W. A. Greer	15,324.74	15,199.84

Will you please investigate and advise.

Also, a copy of Certificate of Deposit No. 52 has not been received in this office. Please furnish us with one.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

CEFisher/GMcC
October 15, 1958

P. S. Also, please furnish copy of Certificate of Deposit No. 54.

cc: Docket
Director's Reading File, and Mr. Chambers

8623

Moreno Uranium Corporation

731 Cooper Building, Denver, Colorado

★ *Gold, Lead, Silver, Zinc, Copper and Uranium Properties*

July 5,1958

7/10 C 220
7/10 ~~FLK~~ 700

J. W. Townsend,
United States Dept. of the Interior,
Alternate Acting Executive office,
D.M.E.A. Team, Region 3,
224 New Courthouse Building,
Denver 2, Colorado.

Re. D.M.E.A. 2515Uranium
Idm. E. 440
Pat Ambrose (Sunflower,&
Snowflake claims)
San Juan County, Utah.

Dear Mr. Townsend;

Please find enclosed check in the amount of $161.21 the delinquent royalties on above contract.

After the reply by Pat Ambrose on your request for the royalty which he owed, I called Mr. Balsley to send a check to get this matter cleared up.

He produced all ore during the period in question, and received the money therefor, and also the title was in his name.

Very truly yours

Ray A. Bennett,
Ray A. Bennett

DMEA
DEPARTMENT OF THE INTERIOR
JUL 7 - 1958
REGION III
DENVER, COLORADO

P-CY TO
WO-3 {2-CHRONO
1-SS FILE w/cy check
D.MEA/G. Jet w/cy check
HARSHMAN
HASLER
MEA/SLC

224 New Customhouse
Denver 2, Colorado

June 24, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 27 1958
DATE | INITIALS | COD
6/27 | C | 22C
" | ~~440~~ | 700

CERTIFIED MAIL

Mr. Ray A. Bennett, President
Moreno Uranium Corporation
731 Cooper Building
Denver 2, Colorado

Re: Docket DMEA 2515 (Uranium) Contract Idm-E440
Pat Ambrose (Sunflower and Snowflake claims)
San Juan County, Utah.

Dear Mr. Bennett:

Mr. Pat Ambrose has advised us that he and his wife quit claimed the property included under the captioned contract to you and Mr. Balsley in 1956. Accordingly, the demand for $161.21 in delinquent royalties reverts initially to you as recipient of said quit claim and ultimately as operator.

Very truly yours,

Original signed by
J. W. TOWNSEND
J. W. Townsend
Alternate Acting Executive Officer,
DMEA Field Team, Region III

MHM:bh
cc: Roy. File E-440) with copy of
Sec. Op. Comm.(2)) Ambrose's reply
DMEA/SLC) dated 6/21/58
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
JUN 23 1958
REGION III
DENVER, COLORADO

Plains Montana,
June 21/58

Mr. J. W. Townsend
alternate Acting Executive Officer,
D.M.E.A. Field Team Region III

Dear Mr. Townsend:—

I have been forwarding your letters to Mr H.W. Baloley, P.O. Box 95, Moab Utah. Riley wife & I filed Claimed the Same of Lake Sunshine Claims to Mr Baloley. His partner Ray Bennett in 1956. He started of taken care of all of that. Apparently they have not recorded Said Deed.

I did not hear any more from your last letter so I that they had taken care of it.

Sincerely
Pat Ambure.

DMEA
RECEIVED JUN 9 1958

6/9 C 226
6/9 Kramer 70L

224 New Customhouse
Denver 2, Colorado
June 5, 1958

CERTIFIED MAIL

Mr. Pat Ambrose
P. O. Box 95
Moab, Utah

Re: Docket No. DMEA 2515
(Uranium) Contract No.
Idm-E440, Pat Ambrose
(Sunflower and Snowflake
Claims) San Juan County,
Utah

Dear Mr. Ambrose:

By letter dated December 10, 1957, and March 11, 1958, you were informed that the Government is due an amount of $161.21 in delinquent royalties on production made from land included in Contract Idm-E440 during the period December 16, 1955 - October 7, 1957.

This office cannot defer indefinitely action which will protect the interests of the Government. Therefore, we hereby inform you that unless the amount of $161.21 has been received in this office within fifteen days from the date of this letter, we will have no alternative but to refer the matter to the Washington Office, DMEA, for whatever action is necessary.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

cc: Ray A. Bennett
H. W. Belsley

MHM:dp

cc: Royalty File E440
Chmn. Op. Comm. 2
DMEA/SLC
Chron.

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

April 18, 1958

DMEA
RECEIVED APR 21 1958

Mr. Ray A. Bennett
731 Cooper Building
Denver 2, Colorado

Re: Docket DMEA-2515 (Uranium)
Contract Idm-E440
Pat Ambrose
(Sunflower and Snowflake claims)
San Juan County, Utah

Dear Mr. Bennett:

By copy of letters dated December 10, 1957 and March 11, 1958, to Mr. Pat Ambrose, you were informed that the Government is due an amount of $161.22 in delinquent royalties on production made from land included under Contract Idm-E440 during the period December 16, 1955 - October 7, 1957.

We regret to advise you that Mr. Ambrose has not favored us with a reply to either of these requests. Accordingly, we request your assistance in collecting this amount owing to your relationship to the contract and generous help in the past.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM:jy

cc: Royalty File E440
Sec. Op. Comm. (2)
DMEA, SLC
Chron.

ORIGINAL FILE COPY
DMEA
RECEIVED 17

3/17 C 220
3/18 800
3/21 700

224 New Customhouse
Denver 2, Colorado

March 11, 1958

CERTIFIED MAIL

Mr. Pat Ambrose
P. O. Box 95
Moab, Utah

Re: Docket No. DMEA 2515 (Uranium) Contract Idm-E440, Pat Ambrose (Sunflower and Snowflake Claims) San Juan County, Utah

Dear Mr. Ambrose

Enclosed is a photo copy of our letter to you dated December 10, 1957, for which no reply has been received to date. Please give this matter your immediate attention.

Very truly yours,
Original signed by
W H KING

W. H. King
Executive Officer

cy to: H. W. Balsley
Ray A. Bennett

MHM:dp

cc: Royalty File E 440
Sec. Oper. Comm (2)
DMEA/SLC
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE
12/16	gb	220
12/17	[illegible]	800
1	[illegible]	700

224 New Customhouse
Denver 2, Colorado

December 10, 1957

CERTIFIED MAIL

Mr. Pat Ambrose
P. O. Box 95
Moab, Utah

Re: Docket DMEA 2515 (Uranium), Contract Idm-E440, Pat Ambrose (Sunflower and Snowflake Claims), San Juan County, Utah

Dear Mr. Ambrose:

By copy of Second Report of Royalty Review, enclosed with letter dated November 15, 1957 from our Mr. Finch, you were informed that a balance of $161.22 in royalties is due for ore sold from December 16, 1955 through October 7, 1957.

Since payment has not been received to date, you are hereby formally requested to submit your check for $161.22, payable to Defense Minerals Exploration Administration, at once to the Executive Officer, DMEA Field Team, Region III, 224 New Customhouse, Denver 2, Colorado.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

cy to: Ray A. Bennett

MHM/vj

cc: Royalty File E440
Sec. Opr. Comm. (2)
DMEA/SLC
Marshall
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/12	[illegible]	800
11-13	C	220
		700

NOV 13 1957

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

Re: Second Report of Royalty Review
Contract No. Idm-F440
Docket No. DMEA-2515
Fat Ambrose

Dear Mr. Finch:

Your recently submitted copies of the Second Report of Royalty Review covering the above-cited project are accepted and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

CEFisher/wb
November 12, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

224 New Customhouse
Denver 2, Colorado

September 13, 1957

9-17 C 220
9/17 800
225

Ray A. Bennett
Moreno Uranium Corporation
731 Cooper Building
Denver 2, Colorado

Re: Docket DMEA 2515 (Uranium), Contract Idm-E440, Pat Amorose (Sunflower & Snowflake Claims), San Juan County, Utah

Dear Mr. Bennett:

A check with AEC production records indicates that we have not received report of production made from the Snowflake claim, which is covered by settlement sheet bearing Liquidation Number 1272, dated January 1956, Union Carbide Nuclear Company, purchaser.

Please furnish this office with a copy of this settlement sheet.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM/vj

cc: Royalty File E440
Sec. Opr. Comm. (2)
DMEA/G.Jct
Finch
Marshall
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 5 1957

DATE	INITIALS	CODE
8/5	P.K.	220
"	[illegible]	[redacted]

700

224 New Customhouse
Denver 2, Colorado

July 31, 1957

Memorandum

To: T. H. Brading

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

Subject: Docket DMEA 2515 (Uranium), Contract Idm-E440, Pat Ambrose (Sunflower & Snowflake Claims), San Juan County, Utah

A Report of Royalty Review on the above subject docket is requested at the earliest date as can be scheduled.

Original signed by
E. N. HARSHMAN

E. N. Harshman

MHM/vj

cc: Royalty File E440
Sec. Opr. Comm. (2)
DMEA/SLC
Marshall
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY
DATE
5/31 JWB 220
6/3 800
225

224 New Customhouse
Denver 2, Colorado

May 29, 1957

Mr. Ray A. Bennett
Moreno Uranium Corporation
731 Cooper Building
Denver 2, Colorado

Re: Royalty Payments, Docket DMEA 2515 (Uranium), Idm-E440, Pat Ambrose (Sunflower & Snowflake Claims), San Juan County, Utah

Dear Mr. Bennett:

Our records indicate that royalties have not been paid on AEC bonus payments made on production covered by the following liquidation numbers:

Liq. No.	Bonus Royalty Due	Bonus Royalty Paid
3223	$155.70	None
3272	110.44	"
3298	87.38	"
3331	88.26	"
7325	55.09	"
3352	38.00	"
Total	$534.87	None

You are reminded that royalties on AEC bonus payments become due upon receipt of such payments.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM/vj

cc: Royalty File E440
Sec. Opr. Comm. (2)
S. R. Wilson
Marshall
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE
3/22	C	220
3/20	[illegible]	800
		225

224 New Customhouse
Denver 2, Colorado

March 18, 1957

Mr. Roy G. Olson, Staff Accountant
Kirkley & Kirkley
3785-95 Grove Street
Denver 11, Colorado

Re: Docket DMEA 2515 (Uranium-Vanadium), Contract Idm-E440, Pat Ambrose (Sunflower & Snowflake Claims), San Juan County, Colorado

Dear Mr. Olson:

In response to your letter of March 16, 1957, the status of the royalty account for the captioned contract as of the closing of business December 31, 1956 is as follows:

Amount of Government Participation	$19,170.00
Amount of Royalty Repayment as of 12/31/56	2,089.09
Balance of Royalties Due	$17,080.91

The above listed balance is subject to revision by future on site royalty audit conducted by the Contract Administration and Audit Division, DMEA.

Very truly yours,

E. N. Harshman

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

cc: Ray A. Bennett

MHM/vj

cc: Royalty File E440
Corres. File E440)
Sec. Opr. Comm. (2) w/cy ltr dtd 3/16/57
J. F. Shaw (2))
Marshall
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
MAR 18 1957
REGION III
DENVER, COLORADO

KIRKLEY & KIRKLEY
ACCOUNTANTS AND AUDITORS
3785-95 GROVE STREET
DENVER 11, COLORADO

C. W. KIRKLEY
REGISTERED ACCOUNTANT
M. L. KIRKLEY
CERTIFIED PUBLIC ACCOUNTANT

OFFICIAL FILE COPY
RECEIVED MAR 21 1957

DATE	INITIALS	CODE

MARCH 15, 1957

UNITED STATES DEPT. OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
224 NEW CUSTOMHOUSE BLDG.
DENVER 2, COLORADO

GENTLEMEN:

IN CONNECTION WITH THE EXAMINATION OF THE BOOKS AND RECORDS OF MORENO URANIUM CORP. AT DEC. 31, 1956, WILL YOU PLEASE CONFIRM DIRECTLY TO US THE ACCURACY OF THE INFORMATION LISTED BELOW AS OF THAT DATE.

ACCORDING TO THE BOOKS OF THE CORPORATION AT DEC. 31, 1956, THE COMPANY WAS LIABLE TO THE UNITED STATES GOVERNMENT FOR ADVANCES ON DEFENSE MINERALS EXPLORATION ADMINISTRATION LOANS AS FOLLOWS:

1. CONTRACT IDM-E84 IDENTIFIED WITH THE SILVER QUEEN PROPERTIES, IN THE AMOUNT OF $13,045.82. THE GOVERNMENT WAIVED IT'S RIGHTS TO ALL PROPERTY AND EQUIPMENT PURCHASED UNDER THE CONTRACT WITH THE JOINT FUNDS OF THE U. S. GOVERNMENT AND THE OPERATOR.

2. CONTRACT IDM-E320 IDENTIFIED WITH THE LEYDEN MINE PROPERTIES IN THE AMOUNT OF $47,845.81. THE GOVERNMENT HAS WAIVED ALL RIGHTS TO PROPERTY AND EQUIPMENT PURCHASED UNDER THE CONTRACT WITH THE JOINT FUNDS OF THE U. S. GOVERNMENT AND THE OPERATOR.

IN ADDITION TO THE CONFIRMATION OF THE ABOVE INFORMATION, WILL YOU PLEASE INFORM US OF THE BALANCE DUE UNDER CONTRACT IDM-E440 IDENTIFIED WITH THE SNOWFLOWER AND SUNFLAKE PROPERTIES, WHICH HAVE BEEN SOLD BY MORENO AND WHICH REPRESENT A CONTINGENT LIABILITY OF MORENO AT DEC. 31, 1956.

VERY TRULY YOURS,

Roy G. Olson

ROY G. OLSON
STAFF ACCOUNTANT

REQUEST APPROVED:

MORENO URANIUM CORP.

BY [illegible]

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

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 11 1957

DATE	INITIALS	CODE
2-12	C	220
2/12		300
		225

224 New Customhouse
Denver 2, Colorado

February 7, 1957

Mr. Ray A. Bennett
Moreno Uranium Corporation
731 Cooper Building
Denver 2, Colorado

Re: Royalty payments, Docket DMEA 2515 (Uranium) Idm-E440, Pat Ambrose (Sunflower & Snowflake Claims), San Juan County, Utah

Dear Mr. Bennett:

The check for $44.45 signed by H. W. Balsley, enclosed with your letter of February 4, 1957, has been credited to the royalty account of the captioned contract as follows:

	Bonus Roy.Due	Bonus Roy.Paid
Liq. No. 7025	$55.44	$44.45
Balance due	$10.99	

We are unable to credit this check in the manner prescribed by your letter of February 4, since the bonus due on Liquidation Numbers 1665 & 1682 was previously credited as paid by the instructions and check enclosed with your letter of December 4, 1956.

Very truly yours,

Original signed by
W. M. TRAVER

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

cc: H. W. Balsley
P. O. Box 95
Moab, Utah

MHM/vj
cc: Royalty File E440
Corres. File E440 w/cy Bennett's ltr & Bonus appl.
Sec. Opr. Comm. (2) " " " & " "
S. R. Wilson " " " & " "
Marshall
Chron.

February 4, 1957

Mr. W. M. Traver
Executive Officer D.M.E.A.
224 New Customhouse
Denver 2, Colorado

Re: Docket D.M.E.A. 2515 Uranium
E 440 Pat Ambrose (Sunflower
& Snowflake) San Juan County,
Utah.

Dear Mr. Traver:

Please find enclosed check in the amount of $44.45 which is 5% of Bonus Payment due, also copies of Bonus application for same.

Very truly yours,

RAB:FEC

Ray A. Bennett

DMEA
DEPARTMENT OF THE INTERIOR
FEB 5 1957
REGION III
DENVER, COLORADO

Form AEC-300A
(6-51)

Form approved.
Budget Bureau No. 38-R043.

RECEIVED
FEB 11 1957
D.M.E.A.

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1. NAME OF APPLICANT: L. B. Wright
2. MAILING ADDRESS: Moab, Utah.
3. NAME OF MINING PROPERTY: Sunflower
4. MINING DISTRICT: Cane Springs
5. DATE: November 9, 1956
6. AEC LICENSE NO.: P-287
7. MINING PROPERTY CERTIFICATION NO.: D.U.P. C-S-C 108

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Union Carbide Nuclear Company (Mill or station)

LOCATED AT Rifle, Colorado.

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT
10/23/56	R-1663	3093	21.53	.55	237.04	$3.50	829 64
10/31/56	R-1682	3153	6.03	.17	20.50	$2.90	59 45

(If more space is needed, use a sheet of paper the same size as this page)

TOTAL, $ 889 09

I certify that the above application is correct and just and that payment thereof has not been received.

Payee: Signed) L. B. Wright 11/9/56
Lessee

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

ACCOUNTING CLASSIFICATION	AMOUNT

See E440

H. W. BALSLEY
URANIUM-VANADIUM ORES
MOAB, UTAH

December 20, 1956.

DMEA
DEPARTMENT OF THE INTERIOR
DEC 26 1956
REGION III
DENVER, COLORADO

1-2 220
1-4 800
1-4 C 225

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

Re: Docket DMEA 2815 (Uranium) Contract
Idm-3440, Moreno Uranium Corporation,
Snowflake and Sunflower claims, San
Juan County, Utah.

Dear Mr. Traver:

Mr. Ray A. Bennett has called me from [illegible] for certain information pertaining to the Snowflake-Sunflower lease to Mr. L. M. Wright.

For your information, Mr. Wright was anxious to get a lease on this property so that he could put some of his idle mining equipment to work, so I talked with Mr. Pat Ambrose, the record owner who, at the time, was not operating on this property. Inasmuch as Mr. Ambrose leaves his files here with me and I do the care of some of his clerical work for him, I talked with him concerning a temporary lease to Mr. Wright. Mr. Ambrose said it would be a receable with him to go ahead with Mr. Wright, so I gave to him verbal permission to go onto the property and proceed with developent and mining operations thereon, with the definite understanding that arrangements would be made with the purchaser of the ore to deduct the Government's 5% in each instance and send the check therefor direct to your office. This has been done fairly consistently as to the royalty by both the Climax Uranium Company and the Union Carbide Nuclear Company, but occasionally they overlook doing this, in which event I have tried to cover any shortages by a check on my "Agent" account.

Mr. Wright has no authority whatever to assign any rights under his lease; in fact, it is only on a month to month verbal basis.

Trusting that the foregoing will answer your purpose, and with kind personal regards, I am

Very cordially yours,

H. W. Balsley

H. W. Balsley.

Note:

THIS COMPLIES TO PARAGRAPH 5
OF OUR LETTER DTD 12/3/56
TO RA BENNETT

TRANSCRIPTION TO:
SEC OPS COMM (2)
S.R. WILSON
CORRESP FILE LEGAL

Moreno Uranium Corporation

Gold, Lead, Silver, Zinc, Copper and Uranium Properties

731 Cooper Building, Denver, Colorado

RECEIVED DEC 10 1956

December 4, 1956

DEC 5 1956
REGION III
DENVER, COLORADO

Mr. W. M. Traver
Executive Officer D.M.E.A.
Field Team Region 4
[illegible]
[illegible]

[illegible] (Uranium)
Idm-E440 Pat. Ambrose Sunflower
(4 Snowflake claims) San Juan
County, Utah.

Dear Mr. Traver:

Please find enclosed check in the amount of $112.69 due the Government on Bonus Royalty payments as follows:

Liq. No.	Claim	A.E.C. Bonus	Bonus Royalty Due
R1202	Snowflake	$292.57	$ 14.63
R1232	"	642.22	32.11
R1332	"	355.75	17.79
R1376	"	74.03	3.70
R1665	Sunflower	829.64	41.48
R1682	"	59.45	2.97
			$112.69

I believe this brings this account up-to-date. Would appreciate it very much if you will keep me posted if these payments are not kept current.

Very truly yours,

Ray A. Bennett

Ray A. Bennett

RAB:FEC

CHECK NO 158 FOR $112.69 REC'D
12/5/56

PHOTOCOPY TO:
CORRESP E 440
SEC OPP COMM (2)
S.R. WILSON

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

224 New Customhouse
Denver 2, Colorado

December 3, 1956

RECEIVED
DEC 5 1956
DMEA

Mr. Ray A. Bennett, President
Moreno Uranium Corporation
731 Cooper Building
Denver 2, Colorado

Re: Docket DMEA 2515 (Uranium), Contract Idm-E440, Pat Ambrose (Sunflower and Snowflake Claims), San Juan County, Utah

Dear Mr. Bennett:

We regret to inform you that efforts to correspond with Mr. Ambrose has met with no success. We therefore will continue to look to you for assistance in the compliance to the terms of Contract Idm-E440.

Three related matters require your attention.

1. Royalty reported by submitted settlement sheets be brought current.

2. Royalty due on AEC Bonus Payments be brought current.

3. The legal relation of L. B. Wright to the interests the Government has on land described in Contract Idm-E440 be made known by submission of copies of instrument to this office.

For your information regarding the first two matters, we list by liquidation number all production reported to date from land described in Contract Idm-E440 subsequent to purchase by Pat Ambrose. The list summerizes the status of royalty paid and owing by evidente of settlement sheets submitted in addition to the status of bonus royalty paid and owing on AEC bonus payments. The former was not included in our letter of November 14.

Liq. No.	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Paid
R-1202	$24.81	$24.82	$14.63	$0.00
R-1232	57.63	57.63	32.11	0.00
R-1332	42.12	42.12	17.79	0.00
R-1376	6.85	6.85	3.70	0.00
R-1623	47.18	42.54	23.86	23.86
R-1648	14.46	13.20	7.81	7.80
2860	27.10	27.10	11.12	11.12
R-1665	73.90	68.40	41.48	0.00
R-1682	8.59	7.50	2.97	0.00
R-1724	30.37	28.05	15.54	0.00
	$333.01	$318.21	$171.01	$42.78
	-318.21		-42.78	
	$14.80 Royalty Owing		$128.23 Bonus Royalty Owing	

The amount of $14.80 is due now and payable at once. The amount of $128.23 or component part thereof is due on receipt of AEC bonus payments covering the listed liquidation numbers.

A check for $14.80 should be made payable to the Defense Minerals Exploration Administration and sent to the Executive Officer, DMEA Field Team, Region III, 224 New Customhouse, Denver 2, Colorado. Checks for royalty on AEC bonus payments should be made out in like manner and sent to the same address upon receipt of bonus payments. Indication should be made as to the liquidations numbers being paid by the check submitted.

The last matter is that of submitting six (6) copies (signed copies or photostats of a signed copy preferred) of a statement which explains the legal connection between L. B. Wright and Pat Ambrose, relative to land described in the contract. If there is assignment, transfer, or loss of the Operator's interest, then the provisions of Article 7 apply.

Yours very truly,

Original signed by
W. M. TRAVER

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

MHM/vj
Corres. File E440
Sec. Opr. Comm. (2)
S. R. Wilson
Marshall
Chron.

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

224 New Customhouse
Denver 2, Colorado

November 29, 1956

RECEIVED DEC 3 1956 D.M.E.A.

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region VII

Subject: Royalty payments, DMEA 2515 (Uranium), Contract Idm-E440, Pat Ambrose (formerly Moreno Uranium Corporation)(Snowflake and Sunflower Claims), San Juan County, Utah

At our suggestion, Mr. Ray Bennett, representing the original Operator of the subject contract, has successfully initiated action to bring this royalty account current. In this light, our request of October 3, 1956 is hereby withdrawn.

The receipt of royalty on AEC bonus payments will serve to answer your letter of October 12, 1956, and establish that the amount of royalty this office claimed is based on bonus payments actually made by the Atomic Energy Commission.

W. M. Traver

W. M. Traver

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

RECEIVED NOV 16 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

November 14, 1956

Mr. Ray A. Bennett, President
731 Cooper Building
Denver 2, Colorado

Re: Docket DMEA 2515 (Uranium), Contract Idm-E440
Pat Ambrose (Sunflower and Snowflake Claims)
San Juan County, Utah

Dear Mr. Bennett:

In response to your verbal request of November 9, 1956, we list by liquidation number all production reported to date from land described in Contract Idm-E440, subsequent to purchase by Pat Ambrose. The list summarizes the status of bonus royalty received and owing on AEC bonus payments.

Liq. No.	Claim	AEC Bonus	Bonus Royalty Due	Bonus Royalty Paid
R 1202	Snowflake	$292.57	$ 14.63	$ 0.00
R 1232	"	642.22	32.11	0.00
R 1332	"	355.75	17.79	0.00
R 1376	"	74.03	3.70	0.00
R 1623	Sunflower	477.12	23.86	23.86
R 1648	"	156.10	7.81	7.80
2860	"	222.37	11.12	11.12
R 1665	"	829.64	41.48	0.00
R 1682	"	59.45	2.97	0.00
			$155.47	$42.78
			— 42.78	
	Balance Bonus Royalty Due		$112.69	

You will note we have listed those liquidation numbers (R 1623, R 1648 and 2860) for which bonus royalty payments were made by you on November 9, 1956.

We appreciate your continued efforts to bring this account current.

Very truly yours,

Original signed by
W. M. TRAVER

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

MHM:bh
cc-Royalty File E-440
Corres. File E-440
Sec. Op. Comm. (2)
S. R. Wilson
Marshall
Chron.

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

RECEIVED
OCT 22 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

October 18, 1956

Mr. Pat Ambrose
P. O. Box 454
Moab, Utah

Re: Docket DMEA 2515 (Uranium), Contract Idm-E440,
Pat Ambrose (Sunflower and Snowflake Claims),
San Juan County, Utah

Dear Mr. Ambrose:

Please advise this office by return mail whether or not you received bonus payments on initial production from the AEC for shipments of ore covered by Liquidation Nos. R-1202, R-1232, R-1332 and R-1376 made by Union Carbide Nuclear Company.

Yours very truly,

J. W. Townsend

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

MHM/vj

cc: Royalty File E440
Corres. File E440
Sec. Opr. Comm. (2)
S. R. Wilson
Marshall
Chron.

Docket copy
Surname:
Fisher
Chambers
Flanner
Ellis
Selfridge
Matthews

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

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

Re: Docket No. DMEA-2515 (Uranium)
Moramo Uranium Corporation
Snowflake and Sunflower Claims
San Juan County, Utah
Contract No. Idm-E440

Dear Mr. Trever:

This refers to your memorandum dated October 3, 1956, relative to collection of $68.23 royalty in connection with sales of uranium from the subject property by Pat Ambrose, P. O. Box 454, Moab, Utah.

Your letter to Mr. Ambrose dated February 16, 1956, acknowledges receipt of the royalty due on proceeds received from two shipments to Union Carbide Nuclear Company and further states that royalty is also due on the amount of production bonus payments by the Atomic Energy Commission for which application should be made. We are not certain from this statement, and from reading your subsequent letters on the matter, whether you have any evidence that Mr. Ambrose has actually received the bonus payments on which the amount of $68.23 has been computed.

The Washington office is reluctant to demand payment of this small amount until it is established that the amount claimed is based on bonus payments actually made by the Atomic Energy Commission. Will you please advise.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Crawford, USBM
Mr. Ellis
Mr. Chambers

CEFisher/wb
October 12, 1956

R.G.R.

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

RECEIVED
OCT - 3 1956

224 New Customhouse
Denver 2, Colorado

October 3, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payments, Docket DMEA-2515 (Uranium), Contract Idm-E440
Pat Ambrose (Sunflower and Snowflake Claims) San Juan County, Utah

By memorandum dated July 2, 1956, we requested your office to initiate appropriate action to secure payment of $68.23 as royalty rightfully due the Government under the terms of the subject contract.

We have received no word subsequent to July 2; therefore, please advise us of the action taken to protect the Government's interest.

W. M. Traver

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

July 2, 1956

RECEIVED
JUL 5 - 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, Docket DMEA 2515 (Uranium), Contract Idm-E440, Pat Ambrose (Sunflower and Snowflake claims), San Juan County, Utah

This is to advise that we have not received the royalty payment of $68.23 demanded by our letters to the operator dated February 16, 1956, March 29, 1956, April 26, 1956 and May 23, 1956.

If royalty payment was sent directly to the Washington Office, please advise. Otherwise, legal action to force payment seems to be in order.

W. M. Traver

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

RECEIVED
MAY 25 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL
Return Receipt Requested May 23, 1956
ADDRESSEE ONLY

Pat Ambrose
P. O. Box 454
Moab, Utah

Re: Royalty payments, Docket DMEA 2515 (Uranium), Contract Idm-E440, Pat Ambrose (Sunflower and Snowflake claims), San Juan County, Utah

Dear Mr. Ambrose:

On February 16, 1956; March 29, 1956; and April 26, 1956, letters were sent to you requesting payment of the Government's 5.0 percent royalty on the A.E.C. Production Bonus payments for uranium ore shipments from your property.

We have received neither reply to these letters or check for $68.23 now due the Government, although your signature appears on the certified mail receipt sent with our letter of April 26, 1956.

If this office has not received your check for $68.23 on or before June 26, 1956, the delinquent account will be referred to Washington for whatever action they may wish to take.

Your check should be made payable to the Defense Minerals Exploration Administration and sent to the Executive Officer, DMEA Region III, Room 224 New Customhouse, Denver 2, Colorado.

Yours very truly,

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

MHM/vj

cc: Royalty File E440
Sec. Opr. Comm. (2)
S. R. Wilson
Chron.

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL
Return Receipt Requested
ADDRESSEE ONLY

April 26, 1956

Pat Ambrose
P. O. Box 454
Moab, Utah

Re: Royalty payments, Docket DMEA 2515 (Uranium), Contract Idm-2440, Pat Ambrose (Sunflower and Snowflake claims), San Juan County, Utah

Dear Mr. Ambrose:

On February 16, 1956 and on March 29, 1956 letters were sent to you requesting payment of the Government's 5.0 percent royalty on the A.E.C. Production Bonus payments for uranium ore shipments from your property. To date we have not received a reply to either letter, copies of which we again furnish for your convenience.

Settlement sheets for Liquidation No. R-1376 and royalty payment in the amount of $6.85 has recently been received. Production Bonus royalty on this last shipment amounts to $3.70; therefore, you now owe the Government $68.23. We would appreciate receiving your check payable to the "Defense Minerals Exploration Administration" by return mail.

Yours very truly,

W. M. TRAVER

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

Enclosures
RMB/vj
cc: Royalty File 2440
Sec. Opr. Comm. (2)
S. R. Wilson
Chron.

APR

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

March 29, 1956

224 New Customhouse
Denver 2, Colorado

Mr. Pat Ambrose
P. O. Box 454
Moab, Utah

Re: Royalty payments, DMEA Docket 2515, (Uranium) Contract Idm-E440, Pat Ambrose (formerly Moreno Uranium Corporation) Sunflower and Snowflake claims, San Juan County, Utah

Dear Mr. Ambrose:

In addition to the $46.74 royalty due on past production, please send $17.79 for the AEC Production Bonus royalty due on Liquidation No. R-1332 which you shipped from the Snowflake claim to the Union Carbide Nuclear Company, Rifle, Colorado.

Yours very truly,

W. M. TRAVER,

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

RB:ab

cc: Royalty File E440
Sec. Op. Comm. (2)
S. R. Wilson
Berk
Chron.

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

March 27, 1956

224 New Customhouse
Denver 2, Colorado

Mr. Pat Ambrose
P. O. Box 454
Moab, Utah

Re: Royalty payments, DMEA Docket 2515 (Uranium), Contract Idm-E440, Pat Ambrose (formerly Moreno Uranium Corporation), Sunflower and Snowflake claims, San Juan County, Utah

Dear Mr. Ambrose:

Enclosed is a photocopy of our letter of February 16, 1956 for which we have not received an answer. Please advise when we may expect the $46.74 royalty payment due on the Atomic Energy Commission bonus for these shipments.

Yours very truly,

W. M. TRAVER,

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

Enclosure

RB:ab

cc: Royalty File E440
Sec. Op. Comm. (2)
S. R. Wilson
Berk
Chron.

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

MAR 22 1956

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

Re: Royalty Audit Report
Ida-E440, DMEA-2515
Moreno Uranium Company

Dear Mr. Finch:

Receipt is acknowledged of your letter of March 14, 1956, transmitting the Washington copies of the Royalty Audit Certificate and Report covering the referenced project.

The Report is acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
March 22, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.K.

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

RECEIVED
FEB 20 1956

224 New Customhouse
Denver 2, Colorado

February 16, 1956

Pat Ambrose
P. O. Box 454
Moab, Utah

Re: Royalty payments, DMEA Docket 2515 (Uranium), Contract Idm-E440, Pat Ambrose (formerly Moreno Uranium Corporation), Sunflower and Snowflake Claims, San Juan County, Utah

Dear Mr. Ambrose:

We have this date received from Ray A. Bennett settlement sheets for Liquidation Nos. R-1202 and R-1232 shipped from the subject property to the Union Carbide Nuclear Company, your two checks in the amounts of $21.62 and $52.45, and Ray A. Bennett's personal check for $8.38 to make up the balance of royalties due on these two shipments.

Royalty is also due the Government at 5.0 percent of any amounts you receive from the Atomic Energy Commission as initial Production Bonus payments. This property has been certified for these A.E.C. Bonus payments so you should apply for payment on these and all future shipments. The A.E.C. Bonus is equal to the payment shown on the settlement sheet for the U_3O_8 value of the ore only. For liquidation Nos. R-1202 and R-1232 these payments will be $292.57 and $642.22 respectively and DMEA royalties due will amount to $14.63 and $32.11. Please send your check for $46.74 to the Executive Officer, DMEA Region III, Room 224 New Customhouse, Denver 2, Colorado in order that this account may be kept current. All Government royalty checks are to be made payable to the Defense Minerals Exploration Administration.

We recommend that you notify the ore buyers to whom you may ship to deduct the DMEA royalty and to send it together with the four copies of settlement sheets which we require directly to this office.

Yours very truly,

W. M. TRAVER

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

cc: Ray A. Bennett, President
Moreno Uranium Corporation

RDB/vj

cc: Royalty File E440
Sec. Opr. Comm. (2)
S. R. Wilson
Berkenkotter
Chron.

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 1, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2515 (Uranium), Contract Idm-E440, Pat Ambrose (Formerly Moreno Uranium Corporation), Snowflake and Sunflower Claims, San Juan County, Utah

Enclosed are two copies of a deed relative to the transfer of ownership of the subject property to Pat Ambrose of Moab, Utah.

Provisions are made for the protection of the Government's royalty on future production from the property; however, this addition to the deed was not initialed by Pat Ambrose to indicate his concurrence.

W. M. Traver

Enclosures

Recorded at ..... o'clock ..... M.

Reception No. ..... Recorder.

Recorder's Stamp

THIS DEED, Made this day of November - - - - - - - - - - - - - in the year of our Lord one thousand nine hundred and fifty-five - - - - - - - - between - - - - - - - MORENO URANIUM CORPORATION - - - - - - - - a corporation duly organized and existing under and by virtue of the laws of the State of - - - - - - COLORADO - - - - of the first part, and

PAT AMBROSE

of the City of Moab, County of - - - Grand - - - and State of - - - - - - - UTAH - - - - - - - - of the second part:

WITNESSETH, That the said party of the first part, for and in consideration of the sum of FIFTEEN HUNDRED and no/100 - DOLLARS, to the said party of the first part in hand paid by the said party of the second part, the receipt whereof is hereby confessed and acknowledged, hath granted, bargained, sold and conveyed, and by these presents doth grant, bargain, sell, convey and confirm unto the said party - - of the second part, - - - his - - heirs, and assigns forever, all of the following described lot or parcel of land, situate, lying and being in the County of - - - - - - - SAN JUAN - - - - and State of ~~[illegible]~~ - UTAH, to-wit:

The SUNFLOWER AND SNOWFLAKE Lode Mining Claims,

patented, U. S. Survey No. 6320, in San Juan

County, Utah.

This Deed is subject to royalty repayments Docket DMEA No. 2515 (Uranium) Contract IDM-2440, Moreno Uranium Corporation, Snowflake Lind, San Juan County, Utah.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion or reversions, remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the said party of the first part, either in law or equity, of, in and to the above bargained premises with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances unto the said party - - of the second part, - - - his - - - heirs and assigns forever. And the said - MORENO URANIUM CORPORATION - - - - - - - - - - - - - - - - - - party of the first part, for itself, and its successors, doth covenant, grant, bargain, and agree to and with the said party of the second part, - - - - - - his - - - heirs and assigns, that at the time of the ensealing and delivery of these presents it is well seized of the premises above conveyed, as of a good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and hath good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments and incumbrances of whatever kind or nature soever;

and the above bargained premises in the quiet and peaceable possession of the said party of the second part, - - - - - - - heirs and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the said party of the first part shall and will WARRANT AND FOREVER DEFEND.

IN WITNESS WHEREOF, The said party of the first part hath caused its corporate name to be hereunto subscribed by its - - - - - President, and its corporate seal to be hereunto affixed, attested by its - - - - - - - - Secretary, the day and year first above written.

Attest: C. Philip Wagner Secretary.

MORENO URANIUM CORPORATION

By Edward L. Clark President.

STATE OF COLORADO, } ss.
County of DENVER }

The foregoing instrument was acknowledged before me this day of November 1955, by - - - - - - - - - - Edward L. Clark - - - - - - - - - - as - - - - - President and - - - - - - - - - - - - - - - - C. Philip Wagner - - - - - - - - - - as - - - - - Secretary of - - - - - - - - - - - - - - MORENO URANIUM CORPORATION - - - - - - - - - - a corporation.

My notarial commission expires [illegible] February 17, 1958

Witness my hand and official seal.

Ruth Eckhardt Notary Public.

No. 40B. WARRANTY DEED—Corporate

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

RECEIVED
JAN 30 1956

224 New Customhouse
Denver 2, Colorado

January 27, 1956

Mr. Ray A. Bennett, Treasurer and Asst. Secretary
Moreno Uranium Corporation
731 Cooper Building
Denver, Colorado

Re: Royalty payments, DMEA Docket 2515 (Uranium)
Contract Idm-E440, Moreno Uranium Corporation,
Snowflake and Sunflower claims, San Juan
County, Utah

Dear Mr. Bennett:

We have been informed that Patrick Ambrose has made a shipment of ore from the subject property and has given a check for the payment of the DMEA royalty due to an official of the Moreno Uranium Corporation to be transmitted to this office.

This is to inform you that we have not received this royalty payment as of this date. Please look into this matter for us and also furnish four copies of the settlement sheet in order that our files can be kept current.

Yours very truly,

W. M. TRAVER

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

RDB/vj

cc: Royalty File E440
Sec. Opr. Comm. (2)
S. R. Wilson
D. T. Finch
Berkenkotter
Chron.

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

RECEIVED
JAN 30 1956

224 New Customhouse
Denver 2, Colorado

January 27, 1956

Memorandum

To: S. R. Wilson

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project, DMEA Docket 2515 (Uranium), Contract Idm-E440, Moreno Uranium Corporation, San Juan County, Utah (Period from July 1, 1955 through December 31, 1955).

We are returning herewith all copies of the subject report for possible additions to page 2, before copies are transmitted to the Washington DMEA office. We are certain that C. O. Mittendorf would appreciate knowing the cost of the additional work on the property which was performed by Four Corners Uranium Company.

Please add the total footage drilled and the cost to Four Corners for performing this work. If the information cannot be obtained it should be estimated and the figures designated as estimates.

You are again assured that the value of the information to the Administrator justifies our request for it. This procedure should be applied to all Semiannual Reports reviewed by you. Please suggest appropriate additions with your engineers before reports are transmitted.

Copies of this memo are being furnished to all field offices for their information and guidance.

W. M. TRAVER

W. M. Traver

Enclosures
RDB/vj
cc: Semiannual Report File - General
Sec. Opr. Comm. (2)
J. F. Shaw (2)
W. R. Storms
E. O. Binyon
Berkenkotter
Chron.

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

RECEIVED
JAN 26 1956

224 New Customhouse
Denver 2, Colorado

January 23, 1956

Ray A. Bennett, Treasurer and Asst. Secretary
Moreno Uranium Corporation
731 Cooper Building
Denver, Colorado

Re: DMEA Docket 2515 (Uranium), Contract Idm-E440, Moreno Uranium Corporation, Snowflake and Sunflower claims, San Juan County, Utah

Dear Mr. Bennett:

Reference is made to your letter of January 16, 1956 to S. R. Wilson regarding the sale of the subject property.

In order that our records may be complete we request you to submit two signed copies or photographs of signed copies of this sale agreement to this office. Please also furnish us with the mailing address for Patrick Ambrose, the new property owner.

Yours very truly,

W. M. TRAVER

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

RDB/vj

cc: Royalty File E440 w/correspondence
Correspondence File E440
Sec. Opr. Comm. (2)
S. R. Wilson
Berkenkotter
Chron.

C

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

RECEIVED
JAN 19 1956

224 New Customhouse
Denver 2, Colorado

January 18, 1956

Memorandum

To: S. R. Wilson

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, DMEA Docket 2515 (Uranium) Contract Idm-E440
Moreno Uranium Corporation, Snowflake Mine, San Juan County, Utah

We have not received a reply to our memorandum of November 29, 1955, copy of which is enclosed for your convenience.

DMEA auditors are in process of making a royalty audit for the project; therefore, the information requested November 29 is needed.

W. M. TRAVER,

W. M. Traver

Encl.
RDB:bh
cc-Royalty File E-440
Sec. Op. Comm. (2)
D. T. Finch
Berkenkotter
Chron.

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

RECEIVED
DEC - 1 1955

224 New Customhouse
Denver 2, Colorado

November 29, 1955

Memorandum

To: S. R. Wilson

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

Subject: Royalty payments, DMEA Docket 2515 (Uranium), Contract Idm-E440, Moreno Uranium Corporation, Snowflake mine, San Juan County, Utah

Your "Ore Shipment and Royalty Data" report for the month of November 1955 indicates that ore is being shipped and royalty payments are being made under the subject DMEA Contract. Also the following statement is made by W. E. Young in the Semi-annual Report of Certified Project for the period January 1, 1955 to June 30, 1955:

> "A total of 12.07 dry tons of ore was produced this period. The property was idle during the remainder of the period. The Four Corners Uranium Company is presently exploring the property under lease",

We have been informed in an informal manner that Four Corners is shipping ore from the property. The original source of this information can not be established. We request that you assign an engineer from your office to determine all possible shipments from the property subsequent to that shipped under Liquidation No. R-863 on May 23, 1955. This was the last shipment reported by the operator and royalty payments totaling $1,615.41 (current to the date of this shipment) have been received. As this information is needed in the near future to enable us to initiate royalty collections if such are due, we recommend that the required information be obtained at the time of the next regular monthly inspection of operating contracts (early in December 1955).

E. N. Harshman

E. N. Harshman

RDB/vj
cc: Royalty File E440
Sec. Opr. Comm. (2)
D. T. Finch
Berkenkotter
Chron.

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

RECEIVED
JUN 15 1955

1124 New Customhouse
Denver 2, Colorado

June 10, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty on A.E.C. Production Bonus, Moreno Uranium Corporation, Docket No. DMEA 2515, Contract No. E440 - Utah

Enclosed is check in the amount of $175.39 from Moreno Uranium Corporation. This check brings the A.E.C. Production Bonus up to date.

W. H. Traver

Enclosure

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

RECEIVED
JUN - 6 1955

224 New Customhouse
Denver 2, Colorado

June 3, 1955

Mr. Ray A. Bennett, President
Moreno Uranium Corporation
P. O. Box 2727, Denver, Colorado

Re: Royalty payments, DMEA Docket 2515 (Uranium) Contract Idm-2440, Moreno Uranium Corporation, Snowflake mine, San Juan County, Utah

Dear Mr. Bennett:

Royalty payments due the United States Government for Atomic Energy Commission Production Bonus payments for ore produced from your Snowflake and Sunflower claims are still due on the following Liquidation Nos: R-69, R-105, R-138, R-135, R-191, R-227, R-281, R-317, R-32[illegible], R-402, R-419, R-459, R-308, R-809 and R-803. Total AEC Bonus royalty due on these shipments amounts to $175.39. Government royalty is ordinarily due at the time you receive payment from the Atomic Energy Commission; however, this letter constitutes a demand for payment to bring this account current as the shipments in question cover a period of more than a year. We consider that if you have not received payment from the AEC especially on these earlier shipments which date back to March 5, 1954, the fault lies with Moreno Uranium Corporation for not having applied to the AEC for payment.

If the above is not the case and you believe that the time-lag in the payment of these bonus amounts is rightfully chargeable to the Atomic Energy Commission, please so advise this office; otherwise, please remit your check for the full amount ($175.39) by return mail.

If we do not hear from you by July 5, 1955 it will be necessary for us to refer this matter to our Washington DMEA office for their appropriate action.

Yours very truly,

W. M. TRAVER

W. M. Traver

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

RECEIVED
JUN - 6 1955

224 New Customhouse
Denver 2, Colorado

June 1, 1955

Plant Manager
United States Vanadium Company
Rifle, Colorado

Re: Royalty Payment - Moreno Uranium Corporation, Docket DMEA 2515, Contract Idm-2440 - Utah

Dear Sir:

Receipt is acknowledged of settlement sheet covering shipment of ore under Liquidation No R-863 to United States Vanadium Company and payment of royalty due in the amount of $[illegible].

Four copies of all settlement sheets are required for our use, therefore, if arrangements could be made to supply four copies to this office we would greatly appreciate it.

W. M. TRAVER

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

April 20, 1955

Mr. Ray A. Bennett, President
Moreno Uranium Corporation
P. O. Box 2727
Denver, Colorado

Re: Royalty repayments - Docket DMEA 2515 (Uranium), Contract Idm-E440 Moreno Uranium Corporation, Snowflake Mine, San Juan County, Utah

Dear Mr. Bennett:

On March 4, 1955, we sent you a letter notifying you that royalty in the amount of $169.89 was due on A. E. C. production bonus for shipments of ore under DMEA Contract Idm-E440. Since that time our records indicate that another shipment, R-809, has been made. Production bonus royalty on this shipment amounts to $1.67, making a total due to date of $171.56.

As this amount is considerably overdue, please give this matter your immediate attention.

Yours very truly,

W. M. TRAVER

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

RDB:lm

Copy to: Sec. Opr. Comm. (2)
S. R. Wilson
E. H. Horsham
R. D. Berkenkotter
Royalty File E-40
Chron

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

224 New Customhouse
Denver 2, Colorado

March 4, 1955

Mr. Roy A. Bennett, President
Moreno Uranium Corporation
P. O. Box 8727
Denver, Colorado

Re: Royalty repayments, Docket DMEA 2515, (Uranium), Contract Idm-E440, Moreno Uranium Corporation, Snowflake Mine, San Juan County, Utah

Dear Mr. Bennett:

This is to inform you that royalty payment on the A. E. C. Production Bonus which is due the present date amounts to $169.89.

Please send your check in this amount to the Executive Officer, DMEA Field Team, Region III, 224 New Customhouse, Denver 2, Colorado. Check should be made payable to Defense Minerals Exploration Administration.

Yours very truly,

W. M. TRAVER

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

JDB:ll

Copy to: Sec. Opr. Chem. (6)
D. H. Wilson
E. H. Hornkamp
J. A. Christensen
R. D. Berkenkotter
Chron
Royalty File E440

Mr. Reed

3486

November 23, 1954

Memorandum

To: Administrator

From: Rare and Miscellaneous Metals Division

Subject: DMEA Docket No. 3486
Application for exploration aid -
Exploration San Rafael, Inc.,
Ray A. Bennett, Vice-President and principal.

The following contracts are in the name of Moreno Uranium Corporation, formerly Moreno Cripple Creek Corporation, Ray A. Bennett President and Manager.

DMEA-1525 - Contract Idm-E84 (Lead-Zinc-Copper) - Colorado.
DMEA-2328 - Contract Idm-E320 (Uranium) - Colorado.
DMEA-2515 - Contract Idm-E449 (Uranium) - Utah

file

Re: Contract Idm-E320

Abstracts from Field Team's memorandum 6/11/54 follow:

The Operator was repeatedly requested to install and operate a ventilating system as a safety measure - to which he agreed but never complied.

The 175 foot level of the mine was not timbered as requested.

The Operator instead of proceeding with contract work commenced non-contract sub-level drifting to develop small pockets of ore, without approval of Field Team. Ore extracted was stored in contract work raise, preventing project progress. The Field Team believes the raise was pulled and ore shipped. Thereafter the mine was allowed to flood without notice to Field Team, and the latest contract or non-contract work could not be inspected.

As a result of unusual delay the Administrator wrote the Operator (7/1/54) setting a dead line (8/1/54) for commencement of unwatering and continuing with the work. This was agreed to by the Operator, but after a pretense of starting no further progress was attempted.

The Field Team reports (5/21/54) that the management of the project was not satisfactory during the last several months of operation and that there was little or no supervision although this condition was called to the attention of the Operator, who promised to remedy the situation. The costs were generally higher than believed necessary and operating procedure not good. The Operator had ample opportunity to complete the contract work had he not elected to discontinue exploration in favor of mining.

Re: Contract Idm-E440

Abstracts from Final Field Team Engineering Report following:

Although skilled miners sub-contracted the work delays resulted from the Operator's undecision in planning the work. Supervision of the project in its later stages were lacking and the maps and reports insufficient or slow in being presented.

Re: Application DMEA-3486

The subject application is within the Delegation of Authority of the Field Team.

The Field Team believes that the proposed work will disclose a significant amount of tungsten but questions the expediency of favorably recommending a contract under the management of Ray A. Bennett because of previous unsatisfactory performance.

The applicant states that it expects to have an experienced graduate mining engineer in charge of exploration. Therefore, it is suggested that the application may be favorably considered subject to the appointment of a competent supervising engineer who shall be approved by the Field Team and that the project work shall be on an agreed unit cost basis at no higher rate than it could be performed by a competent Operator.

AGKeating/bih
cc to: Docket
Admr. Reading File
Messrs. Martin-Ellis
Selfridge
Johnson
Keating

A. G. Keating

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

11-17-54

Mr. L. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2328 (Uranium)
Contract No. Idm-E320
Moreno Uranium Corporation
Old Leyden Mine
Jefferson County, Colorado

Dear Mr. King:

This refers to your memorandum dated May 27, 1954, to Mr. T. A. Christensen, relative to the payment of royalty from the subject corporation in the amount of $40.32, which you advised was erroneously credited to Docket No. DMEA-2515, Contract No. Idm-E440. In a similar memorandum dated September 14, 1954, from Mr. John F. Shaw of your office under the subject heading Moreno Uranium Corporation, Docket No. DMEA-2328, Contract No. Idm-E320, there was enclosed a settlement sheet covering ore shipped to the United States Vanadium Company under Liquidation No. R-419, together with a check for royalty payment of $15.44. It appears that this amount should have been credited to Contract Idm-E440.

A review of our files fails to indicate that we have received any settlement sheets resulting from the operation of Moreno Uranium Corporation, formerly Moreno-Cripple Creek Corporation, other than the one above mentioned. Since it is essential that we have full and correct data relative to all shipments by the company, will you please furnish us with the necessary corrections regarding royalties paid, together with copies of the available settlement sheets relating to those royalties.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines
E. L. Newcomb

Member, Geological Survey

Keating/gla
11-16-54
cc to: Admr. Reading File
Operating Committee
Docket DMEA-2328
Docket DMEA-2515
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA

Mr. Keating
Code 700

R.C.S.

Defense Minerals Administration
RECEIVED
OCT 1 1954

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

224 New Customhouse
Denver 2, Colorado

September 24, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty - Moreno-Uranium Corporation
Docket No. 2515, Contract No. E440, Utah

On September 14, 1954, memorandum was transmitted to you together with check in the amount of $15.44 in payment of royalty. We erroneously credited the property under Contract E320; however, we should have credited this payment to Contract E440. Please correct your records accordingly.

W. H. King

mn

cc: Royalty File E440
Sec. to the Oper. Comm. (2)
Wilson w/enc. settlement sheet R-419
Chron.

Surname
Docket copy

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

Mr. Irving Gumbel, Acting Director AUG 3 - 1954
Materials Division
Emergency Procurement Service
Room 5002, General Services Administration Bldg.,
7th and D Streets, S. W.
Washington 25, D. C.

Re: Docket No. DMEA-2515 (Uranium)
Contract No. dm-E440
Moreno Uranium Corporation (formerly
The Moreno-Cripple Creek Corporation)
Snowflake and Sunflower claims
San Juan County, Utah

Dear Mr. Gumbel:

This is with reference to my letter of September 17, 1953, in which you were advised that a copy of the final Field Team report on the captioned project would be forwarded to you as soon as it was received in Washington.

As the procedure of forwarding copies of the final Field Team report has been discontinued in favor of a brief description of the work authorized and the results accomplished, we are setting forth this information below.

The contract was dated October 29, 1952, and covers an exploration project estimated to cost $21,400.00, with Government participation to the extent of 90 per cent, or $19,260.00. Project work under the contract was started January 2, 1953, and completed January 13, 1954. An auditor's Report of Review shows total expenditures during the life of the contract amounting to $21,300.00, with Government participation amounting to $19,170.00.

The contract provided for exploration of three mineralized zones, and extensions thereto, penetrated by diamond drill holes.

Work authorized and completed consisted of 222 feet of inclined shafting (two shafts), 60 feet of drifting, 300 feet of adit, and 128 feet of crosscutting and raising, or a total of 710 linear feet.

As a result of the work 354.49 tons of ore containing 0.32 percent U_3O_8 and 1.80 percent V_2O_5 were mined and sold, and a maximum of 200 tons of comparable grade inferred ore reserves are indicated.

The DMEA is of the opinion that the project work was of definite benefit to the property and, therefore, we certified that a discovery or development resulted from the work.

Sincerely yours,

G. O. Mittendorf (fw)

Administrator

FLKnouse/gla
7-30-54
cc to: Admr. Reading File
Docket
Messrs. A. P. Butler, Jr., Rm. 3212, GSA
J. O. Hosted, Rm. 3210, GSA
H. D. Keiser, Rm. 3641
Code 700
F. L. Knouse
DMEA Field Team, Region IV (2)

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

DATE: July 29, 1954

FROM : Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Final Field Team Report DMEA Docket 2515, Contract Idm-E440, (uranium) The Moreno Uranium (formerly Moreno Cripple Creek) Corp., contractor, Snowflake and Sunflower claims, San Juan County, Utah

The Final Field Team Report on the Snowflake and Sunflower claims consolidates information pertaining to the completion of work and results thereof under the exploration contract. About 350 tons of ore have been produced from ore bodies in mineralized ground indicated by prior AEC drilling and made accessible by work under the contract. The examining members of the Field Team estimate that a maximum of a few hundred tons of ore containing about 0.30 percent uranium may be found in the westerly area of exploration near the east end of the adit.

Although some of this ore will probably be discovered and mined by following mineralized rock exposed in present workings, the examiners believe that the results of exploration and mining suggest that the amount of ore that may be found is not significant enough to warrant further DMEA participation.

Conclusions

I concur with the recommendation against DMEA participation in any further exploration of this property at present. The results of this contract show that in evaluating some applications more serious consideration should be given to estimating whether or not the proposed work offers a reasonable chance of finding appreciable amounts of ore not already indicated by prior exploration.

Copy to: E. Wm. Ellis (2)

Arthur P. Butler, Jr.

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

224 New Customhouse
Denver 2, Colorado

July 8, 1954.

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket No. DMEA-2515 (Uranium), Contract No. Idm-E440, Moreno Uranium Corporation, San Juan County, Utah.

Enclosed are the following final reports pertaining to work completed under the subject contract:

1. Original and one copy of the Operator's final report.

2. Original and three copies of the final geologic report of the U. S. Geological Survey.

3. Original and three copies of the final engineering report by the U. S. Bureau of Mines.

Final payment to the Operator was processed by this office July 8, 1954 in conformance with the final Report of Review by the Contract Administration and Audit Division dated June 28, 1954.

The exploration work completed under the terms of the contract consisted of 360 feet of drifting, 128 feet of crosscutting and raising, and 222 feet of inclined shaft sinking at a total accepted cost of $21,300.00, in which the Government participated to the extent of 90% or an amount of $19,170.00. The exploration work resulted in the discovery or development of Uranium ore, for which a certification was issued September 16, 1953.

W. H. King

W. H. King

E. H. Koschmann

for A. H. Koschmann

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

July 2, 1954

Mining Division
Date Rec'd
JUL 7 - 1954
BUREAU OF MINES
Denver, Colorado

Memorandum

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

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-2515 (Uranium), Contract Idm-E440, Moreno Uranium Corp., San Juan County, Utah.

Enclosed are five copies of the subject operator's final report covering work under the contract from January 2, 1953 to termination January 13, 1954.

It is recommended that the report be accepted.

Stephen R Wilson
Stephen R. Wilson

Enclosures

Moreno Uranium Corporation

731 Cooper Building, Denver, Colorado

Gold, Lead, Silver, Zinc, Copper and Uranium Properties

June 28, 1954

U. S. Bureau of Mines
Mr. Stephen R. Wilson, Chief
Minerals Development Branch
Salt Lake City 1, Utah.

FINAL REPORT

Re: D.M.E.A. No. 2515
Contract No. Idm E-440

Dear Mr. Wilson:

This project, started January 2, 1953 and continued until January 13th, 1954 when it was completed.

The first consisted in sinking an incline shaft on Area No. 3, which was on the Sunflower claim. Actual work on the incline at Area No. 3 was started on January 9, 1953 and driven 102 feet to its total length by the end of the month.

The incline was started at an angle that would intercept the ore at its lowest level, as shown in the A.E.C.'s DD 34 Diamond Drill Hole, whose core showed mineralization of ore grade. However, due to the soft nature of the coarse-grain sandstone, the back of the incline started caving - forcing the use of timber in the cavity caused by slipped rock.

It was decided to try the green over red mudstone underlying the sandstone. This proved satisfactory, but due to the very fine texture of the mudstone, water could not be used for drilling. Respirators had to be used making the work very dirty and disagreeable.

At a point about 95 feet from the portal a raise was made up to the ore horizon and a chute made, also rails were placed in the incline and a mine car was used. The gasoline driven hoists rented were old and gave a great deal of trouble and were costly because of making repairs. The slusher, which was used in driving the incline, was converted into a hoist for pulling the mine car.

Ore was hit at the top of this raise in the form of red sand and red oxide of $1\frac{1}{2}$ O_5, with the bright canary yellow U_3O_8 well saturated.

(V_2O_5)

Work on Area No. 2 was started late in January and 38 feet of incline was driven during that month. Again machinery failure! The engine on the leased slusher had to be taken out for overhaul, which caused extra expense and delay on this incline as well.

During February this incline was driven 82 feet to its finished depth of 120 feet. Its length is just a little longer than planned as it was sunk in mudstone for its entire length. This incline, too, had to be drilled dry and the men again had to wear respirators. A small amount of ore - approximately 200 lbs. was found. It lay at the contact of the mudstone and sandstone.

Starting March 2, 1953, a chute was made at the bottom of the incline and rails and car were installed. A 36 inch blower was also installed to keep air in the incline workable. One other thing which caused time loss was that no radio metric test had been made on the diamond drill holes and the ore depths were not positive.

It is thought that much time and work could be saved if holes showing ore were tested by a probe at the time of drilling -- before drill holes become plugged. A few feet of lost core might upset an entire plan of operation.

During April, 106.68 short tons of ore was delivered to buying stations. Considerable time was lost due to bad weather which made it impossible to get to the mine for several days at a time.

In April 1953, we asked for an amendment to our contract converting the Area No. 1 footage (which was to be an incline) into drifting. This was done and the drift is still producing ore. Our present plan calls for drilling out from present workings where we are now mining and try and pick up other occurrences. At this time 222 feet of incline shaft has been completed. The ore bedding and occurrences are so broken up that they were hard to mine from the inclines.

In June, 148 feet of drifting was completed. A mucking machine furnished by operator speeded up the work. In July and August, 32 feet of drifting was completed. Twenty feet advance was made on the main drift, being completed to 300 foot length called for in contract.

A fifty foot cross-cut from the end of the drift mentioned above - bearing slighting to the left to intercept drill hole D-37 was made. Some mineralization was cut before reaching objective. This last 50 feet required some timbering as sandstone was badly fractured.

Had to look up new crew as contractors went to Silverton on another contract. In October new contractors made only 8 feet advance cross-cutting due to bad weather and labor troubles. Compressor also had to be repaired. During November, 27 feet of cross-cutting, out to where a raise will be put through to old working on rim. On January 13, 1954, the work on this project was completed.

12 months rental and repairs on 1½ ton truck on job @ $100.00	$ 1,200.00
12 months rental on compressor, repairs etc. by Company - 210 C.F.M.	600.00
3 months rental on mucking machine and freight from Denver and return	550.00
Hauling out compressor from Denver and return	150.00
3 ore bins, materials and hauling	400.00
Drills and steel, complete rental $75 per month	900.00
Bulldozer work on project	125.00
Work on open cut to start tunnel in solid (not paid by D.M.E.A.)	225.00
Timber, spikes, lumber	257.00
12 months supervision @ $400.00 per month .	4,800.00
Bookkeeping cost on this project $75 per month	900.00
	$10,107.00

Trips after supplies, long distance calls to Salt Lake City and Denver, were not figured.

Timbering labor or outside labor were not kept track of, but were adjusted by Company. Incline sinking by contractors cost a contract price of $18.00 per foot for labor in addition to machinery we furnished. On the inclines the contract price was $3,996.00, on cross-cutting and raising the amount was $1,920.00. On drifting 360 feet the cost was $5,400.00.

The Company plans on quite an extensive drilling behind the present workings and also some drilling in new areas on these claims. The Snowflake is still producing a small tonnage of ore. As to the total repaid to the Government, these figures and accounts are in Moab, Utah, so I cannot include them in this letter.

Yours very truly,

Ray A. Bennett

Ray A. Bennett

RAB:FEC

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

Mining Division
Date Received
MAY 17 1954
BUREAU OF MINES
Denver, Colorado

May 14, 1954

Memorandum

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

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 2515 (Uranium), Contract Idm-E440, Moreno Uranium Corp., San Juan County, Utah

Enclosed are the original and 10 copies of a final engineering report covering project work under the subject contract. The report was prepared by H. K. Thurber, Jr.

Work under the contract was completed January 12, 1954. A certification of discovery was issued September 16, 1953. Ores are being mined and shipped at the present time.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

Reviewed by
DMEA OPERATING COMMITTEE

7-16-54
(date)

MORENO URANIUM CORP.
(MORENO-CRIPPLE CREEK CORP.)
SNOWFLAKE AND SUNFLOWER CLAIMS
SAN JUAN COUNTY, UTAH
DMEA-2515
Contract Idm-E440
Uranium

Final Engineering Report

By H. K. Thurber, Jr.
Mining engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE

7-16-54
(date)

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Exploratory work under Docket No. DMEA 2515 (Uranium), Contract Idm-E440, Moreno Uranium Corp. (formerly Moreno-Cripple Creek Corp.), San Juan County, Utah, was completed by January 12, 1954 (fig. 1). Work under the contract consisted of sinking two inclined shafts, driving crosscuts from these shafts, and driving an adit, all in areas found to be favorable for uranium deposition by previous diamond drilling by the Atomic Energy Commission. Two patented lode claims, the Snowflake and Sunflower, are involved. The extent and location of the mine workings are shown on figure 2, attached.

The contract and amendments thereto allow a total of 222 linear feet of inclined shafts and 60 feet of drifting in Areas Nos. 2 and 3, and 300 linear feet of adit and 128 linear feet of crosscutting and raising in Area No. 1. The total allowable footage in all categories under Amendment No. 1 to the contract is 710 linear feet at an agreed unit cost of $30 per foot. In addition, the amendment allows assaying charges totaling $100, none of which was reported by the operator. The total expenditures allowed under Amendment No. 1 thus are $21,300, and the Government participation at 90 percent is $19,170.

The exploratory work resulted in ore discovery. The gross value of ores shipped to March 5, 1954, is $22,500. The ores were mined mainly from the stopes in Areas Nos. 2 and 3, with minor tonnage of

MORENO URANIUM CORP.
(MORENO-CRIPPLE CREEK CORP.)
SNOWFLAKE AND SUNFLOWER CLAIMS
SAN JUAN COUNTY, UTAH

CONTENTS

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Final engineering report	
Summary, conclusions and recommendations	2
Description of the work	3
Description of geology	5
Efficiency of operations	9
Equipment purchased for the project	9

ILLUSTRATIONS

Fig. 1 Location map, Moreno Uranium Corp., Snowflake and Sunflower claims, San Juan County, Utah
Fig. 2 Map of completed exploration work

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

high-grade ore having been mined in Area No. 1 before the end of project work. Work is continuing in this area.

It may be concluded from the relatively small tonnages of uranium ores discovered by the project work and previous drilling by the Atomic Energy Commission that further exploration by the operator with DMEA assistance is not warranted. More ore will probably be discovered by the operator during his mining operation by drifting along the mineralized horizon.

It is recommended that no further participation by the Government in exploration on the property be considered.

Diamond drilling by the operator in areas down the dip of the beds from the areas explored might discover a parallel-trending zone of mineralization, but no outcrops exist to indicate such a zone.

Production from the property is considered to be economically feasible from areas explored under the DMEA contract, but it is questionable if a profit could be shown if the operator were required to drive "blind" between the small, irregular ore bodies. A certification of discovery was issued by the Government September 16, 1953, and royalty payments have been made as tabulated in a later section.

DESCRIPTION OF THE WORK

Sinking the inclined shaft in Area No. 3 was begun on January 9, 1953, and continued until 102 feet of shaft was completed during the last few days of the month. The work in the inclined shaft in

Area No. 2 was begun in the latter part of January and continued until a depth of 120 feet was reached about February 28, 1953.

Upon completion of the inclined shafts in Areas Nos. 2 and 3, raises were driven to the ore horizon which had been carried above the inclined shafts to allow easier sinking in massive sandstone. In Area No. 2 a raise for manway and chute was driven on a flat angle to a level approximately 9 feet above the back of the inclined shaft. In Area No. 3, a similar raise was driven 13 feet above the back of the inclined shaft. In both areas the elevations represent the position of the ore horizon relating to the inclined shafts. This work was not allowed under the contract and was accomplished on company account.

Drifts were driven from the backs of the raises as shown on the attached map, figure 2. Approximately 30 feet in Area No. 2 and 30 feet in Area No. 3 were driven on the ore horizon. The drifts were allowed under the contract, and expenditures incurred in that work were reimbursed as stated in the contract.

Stoping was done up-dip from the crosscuts as outlined on the attached map which shows the approximate final extent of the stoped areas. Production reported by the operator, and upon which royalty has been paid, has been extracted mainly from this area.

Contract Amendment No. 1 allows the operator to use funds originally allocated to rehabilitation of old workings, driving 75 feet of inclined shaft, and 200 feet of drift in Area No. 1, and funds unexpended in Area Nos. 2 and 3 to drive an adit along the strike of the ore horizon into the originally designated Area No. 1. This adit was begun in early June 1953, and was driven by subcontractors somewhat intermittently until 300 feet of adit and 128 feet of crosscut and raise had been driven. This work was completed about January 12, 1954. The completed work in Area 1 and the raise connection to an old stope opening to the surface are shown on figure 2.

DESCRIPTION OF GEOLOGY

The ore deposits on the Snowflake and Sunflower claims are found in the lenticular sandstone beds of the Salt Wash member of the Jurassic Morrison formation, associated with fossil trees, trash carbon, and as "rolls" or elongate masses in the medium-grained sandstone lenses. The apparent trend of the rolls discerned from past mining and from recent stoping is approximately N. 80° W.

Some small trees, containing high-grade carnotite ore, have been encountered. These are noted to be very irregular, but still possessing sufficient form to be recognized as tree material. The grade of much of this ore is estimated to be more than 1.00 percent U_3O_8.

Few samples were taken during the term of the project. Because of the highly irregular nature of the mineralization, such samples were not considered significant in determining an estimated ore reserve. Samples were taken of thicknesses of iron-stained sandstone of doubtful value to determine the U_3O_8 content. Two samples indicate that the highly iron-stained sandstone encountered in the adit of Area 1 is of ore grade. These average 0.25 percent U_3O_8 and 2.23 percent V_2O_5.

Irregularity of uranium deposition makes an ore reserve estimate impractical. The tabulation of the settlement sheets of shipments made during the term of the project, however, is indicative of the production possible from the area of project work. Shipments made from March 12, 1953, to February 26, 1954, are shown on the following page.

A summary of the information contained in the Tabulation of Shipments shows the following:

Total production, ore, dry tons	354.49
Total production, pounds U_3O_8	2,236.51
Value of ore without bonus, but including premium, development allowance, and haulage	$15,267.20
Calculated bonus	$ 7,227.82
Calculated total value of production	$22,495.02
Total royalty repayment to March 23, 1954	$ 1,033.60

TABULATION OF SHIPMENTS OF RECORD, MARCH 12, 1953 TO FEBRUARY 26, 1954
MORENO-CRIPPLE CREEK CORP., SNOWFLAKE AND SUNFLOWER CLAIMS, SAN JUAN COUNTY, UTAH
DOCKET NO. DMEA 2515, CONTRACT IDM-E440

Tons, Dry	Percent U_3O_8	Percent V_2O_5	Percent $CaCO_3$	Pounds U_3O_8	Value, Without Bonus	Royalty, Incl. Dev. & Haul.	Calculated Bonus	Calculated Royalty on Bonus	Royalty Received
10.93	0.33	2.48	2.7	72.15	$504.56	$ 25.23	$ 252.53	$ 12.63	$ 25.23
16.52	0.41	2.86	1.2	135.51	927.24	46.35	474.29	23.72	46.35
5.75	0.67	2.51	—	77.09	463.19	23.16	269.82	13.49	23.16
51.27	0.33	2.21	—	335.86	2,317.93	115.90	1,175.51	58.78	115.90
53.20	0.32	1.76	—	335.52	2,192.33	109.61	1,174.32	58.72	109.61
14.27	0.59	2.48	—	168.43	1,164.53	58.23	589.51	29.48	58.23
16.51	0.16	1.19	—	51.46	415.30	20.77	180.11	9.01	20.77
7.55	0.30	2.12	1.74	45.31	354.43	17.72	158.59	7.94	17.72
10.00	0.40	1.70	3.4	79.04	574.61	28.73	276.64	13.83	28.73
50.17	0.24	1.80	—	240.80	1,904.74	95.24	842.80	42.14	95.24
7.52	0.21	2.12	3.67	31.58	287.83	14.39	110.53	5.53	14.93
9.26	0.37	2.57	3.15	68.55	523.04	26.15	239.93	12.00	26.15
5.20	0.24	1.26	—	24.98	161.27	8.06	87.43	4.37	8.06
4.68	0.35	1.61	—	32.77	207.86	10.39	114.70	5.74	10.39
12.99	0.34	0.82	—	88.32	499.98	25.00	309.12	15.46	25.00
58.55	0.29	1.23	—	340.12	2,083.19	104.16	1,190.42	59.52	104.16
20.12	0.27	1.29	—	109.02	685.17	34.26	381.57	19.08	34.26
354.49	0.32 Wtd. Avg.	1.80 Wtd. Avg.	—1/	2,236.51	$15,267.20	$763.35	$7,227.82	$391.44 2/	$763.35
						Bonus royalty received			370.25
						Total royalty received			$1,033.60

1/ Below penalty maximum
2/ Bonus royalty payments totaling $370.25 made on March 23, 1954. Total calculated amount not paid.

Ores were being mined at the time of the last discussion with H. W. Balsley of Moab, Utah, an official of the company, April 1, 1954. Work was being done in Area No. 1 where the ore indicates no diminution in average grade or thickness. Some ore is left in the stopes in Areas Nos. 2 and 3, and will be mined if the area presently being mined is depleted.

The total amount approved under the contract for exploration on the Snowflake and Sunflower claims is $21,400, of which the Government's participation, at 90 percent, is $19,260. All the work outlined in Exhibit "A" and Amendment No. 1 to the contract has been accomplished, with the exception of the analysis of U_3O_8 in samples allowed by Amendment No. 1. This charge totals $100. No report of any assay results has been submitted. The project expenditures thus amount to $21,300, the total Government participation is $19,170, and the unexpended amount is $90.

The tabulation presented in an earlier section shows that the production during the term of the project totals 354.49 tons of ores of a weighted average grade of 0.32 percent U_3O_8 and 1.80 percent V_2O_5. These ores contain 2,236.51 pounds of U_3O_8 and the operator received an estimated $22,495.02, including bonus payments. Royalty repayments of record received to March 23, 1954, totaled $1,033.60.

EFFICIENCY OF OPERATIONS

The inclined shafts in Areas Nos. 2 and 3 were driven expeditiously, with only minor delays due to mechanical failure in the hoisting equipment employed.

Two highly skilled miners subcontracted the work in these areas, as well as in the adit in Area No. 1, where delays resulted from temporary inaccessibility of the project due to bad weather and the operator's indecision in planning the work.

Supervision of the project in its latter stages was lacking, and the maps and reports were, in some instances, insufficient or slow in being presented.

EQUIPMENT PURCHASED FOR THE PROJECT

Inasmuch as the project work was done under MF-200A, the short-form contract, no equipment was purchased in which the Government has equity.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DMEA
JUL 12 1954

May 14, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2515 (uranium), Moreno-Cripple Creek Corporation, Snowflake and Sunflower claims, San Juan County, Utah

Enclosed are 11 copies of a final geologic report by C. G. Tillman of the U. S. Geological Survey covering the above docket.

It has been recommended that no additional exploration work be conducted in this area at the present time.

E. N. Hawkman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

Reviewed by
DMEA OPERATING COMMITTEE
7-16-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MAY 1954
RECEIVED
U.S. Geological Survey
Mineral Resources Branch
Denver

Room 208 - 222 So. West Temple
Salt Lake City, Utah
May 7, 1954

Memorandum

To: A. H. Koschmann, Field Team, Region IV

From: C. G. Tillman, for R. J. Roberts, Utah-Nevada District Office

Subject: DMEA Docket 2515 (Uranium), Moreno-Cripple Creek Corporation, Snowflake and Sunflower claims, San Juan County, Utah

Enclosed are eleven copies of a final geologic report on the above named property by C. G. Tillman, geologist, U. S. Geological Survey.

The Moreno-Cripple Creek Corporation was granted a DMEA loan on work costing $21,400 to aid in exploration for uranium ore on the Snowflake and Sunflower claims, San Juan County, Utah.

Carnotite and roscoelite (?) are found on these claims in the lower, or Salt Wash, member of the Jurassic Morrison formation. Ore minerals appear to favor claystone and gray calcareous sandstone as host rocks as well as organic matter where that is present. Ore bodies are lenticular and may average 2 to 3 feet in thickness.

Two inclined shafts and an adit were driven with DMEA aid. Each of these explored areas where uranium mineralization had been previously encountered in diamond drill holes. Three small stopes, one off each of the above mentioned workings, resulted from this work and yielded a total of 354 tons of ore averaging 0.32 percent U_3O_8 and 1.80 percent V_2O_5.

It is estimated that from a few tens to a few hundreds of tons of uranium ore of comparable grade may still remain between the adit level and the outcrop at the southeast end of the adit. No additional work is recommended at the present time.

Reviewed by
DMEA OPERATING COMMITTEE
7-16-54
(date)

Ralph J. Roberts

By: C. G. Tillman
C. G. Tillman

CGT/rs

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA Docket 2515 (Uranium), Moreno-Cripple Creek Corporation Snowflake and Sunflower Claims, San Juan County, Utah

By

C. G. Tillman
U. S. Geological Survey

May 12, 1954

Reviewed by
DMEA OPERATING COMMITTEE
7-16-54
(date)

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ILLUSTRATIONS

Fig. 1 -- Index Map of Utah
2 -- Workings and claim map, Moreno Cripple Creek

SUMMARY

The Moreno-Cripple Creek Corporation was granted a DMEA loan on work costing $21,400 to aid in exploration for uranium ore on the Snowflake and Sunflower claims, San Juan County, Utah.

The property is reported to have produced 5,000 tons of vanadium-uranium ore prior to the beginning of the DMEA project. Approximately 354 tons of ore averaging 0.32 percent U_3O_8 and 1.80 percent V_2O_5 has been produced as a result of the DMEA work.

Sedimentary rocks exposed in the area of the claims include the Carmel formation, Entrada sandstone, Summerville formation and Morrison formation of Jurassic age and the Dakota (?) sandstone of Cretaceous age. These beds strike west to northwest and dip to the north and northeast at 25° to 30°.

Carnotite and roscoelite (?) are found in the lower, or Salt Wash, member of the Morrison formation. Ore minerals occur as disseminations in and coating the walls of cracks in claystone and gray calcareous sandstone beds and in association with organic matter. Ore bodies are small, measuring a few tens of feet along the strike and the same up dip. Average thickness is two to three feet.

Two inclined shafts and an adit were driven with DMEA aid. Each of these explored areas where uranium mineralization had been previously encountered in diamond drill holes. Three small stopes, one off each of the above mentioned workings, resulted from this work and yielded a total of 354 tons of ore averaging 0.32 percent U_3O_8 and 1.80 percent V_2O_5.

It is estimated that from a few tens to a few hundreds of tons of uranium ore of comparable grade may still remain between the adit level and the outcrop at the southeast end of the adit.

INTRODUCTION

The Moreno-Cripple Creek Corporation was granted a loan, DMEA docket 2515, contract Idm-E440, dated October 29, 1952 to aid in exploration for uranium ore on the Snowflake and the Sunflower claims, San Juan County, Utah (fig. 1). The work totaled $21,400 of which the government's share on a 90 percent participation basis was $19,260. Work began January 9, 1953 and was finished in January, 1954.

Location and accessibility

The Snowflake and Sunflower claims are in secs. 28 and 33, T. 27 S., R. 23 E., SLB&M and may be reached by driving 12.5 miles south from Moab, Utah on U. S. Highway 160; thence east on a dirt access road 2.3 miles.

History and production

An estimated 5,000 tons of vanadium-uranium ore of unspecified grade is reported to have been produced from this property prior to the beginning of the DMEA work. Since the beginning of the DMEA project 354.49 tons of ore averaging 0.32 percent U_3O_8 and 1.80 percent V_2O_5 has been produced.

GEOLOGY

The Snowflake and Sunflower claims are in an area near the southeast end of the northwest trending Spanish Valley graben. Sedimentary rocks exposed in the area of the claims include the Carmel formation, Entrada sandstone, Summerville formation and Morrison formation of Jurassic age and the Dakota (?) sandstone of Cretaceous age. These beds strike west to northwest and dip to the north and northeast at 25° to 30°. Faults striking west to northwest cut the sedimentary rocks in this area and may be responsible for the northward dip of the beds.

The Morrison formation, which is the host for uranium minerals in the area, is composed of two members. The upper, or Brushy Basin, member is dominantly variegated claystone with varying amounts of silt and sand. Fissile shale is rare but lenses of conglomeratic sandstone are common. A few thin-bedded, discontinuous, fresh-water limestone beds are also found in the Brushy Basin. The underlying ore bearing Salt Wash member is composed dominantly of interstratified units of sandstone and claystone. The sandstone intervals consist of white to tan fine- to medium-grained sandstone which locally contain stringers of pebbles (Craig, et. al., 1951, p. 22). These beds are lenticular and cross-bedded and commonly show scour channels. Interbedded with the sandstone units are claystones and minor clayey sandstones. The claystones are variably silty and sandy and range in color from pale reddish brown to light greenish gray. The thin sandstone interbeds are pale red to light gray and fine-grained. Bedding within the claystone strata is gently to sharply lenticular.

ORE DEPOSITS

On the Snowflake and Sunflower claims uranium bearing minerals are found discontinuously for at least 950 feet along the outcrop and 110 feet down dip. Considered in conjunction with the results of AEC diamond drilling north of the rim this indicates a general easterly trend for the uranium mineralization although individual ore bodies may vary slightly from this trend.

Carnotite and vanadium mineral, possibly roscoelite, appear disseminated in lenticular sandstone and interbedded claystone particularly near the contacts of these rock types. Organic matter, where present, also serves to localize deposition of uranium minerals. Some uranium minerals are found coating the walls of cracks. For example, rocks exposed in the stope off the

southeast trending adit in area number 1 consist of rusty brown to tan quartzitic sandstone beds from 8 inches to 18 inches in thickness, interbedded with friable, gray, calcareous sandstone beds up to 6 inches in thickness and thinner gray-green claystone beds and lenses. In this stope carnotite and roscoelite (?) appear to favor the claystone and gray calcareous sandstone host rock.

Individual ore bodies may be several tens of feet long and similar width. Ore in the stope off the southeast trending adit, for example, varies in thickness up to 6 feet and may have averaged two or three feet. Ore lenses thin rapidly along their edges. A 2.5 foot DMEA vertical chip sample taken on the west side of the pillar of the stope described above averaged 0.299 percent U_3O_8, 1.00 percent V_2O_5, and 1.75 percent $CaCO_3$. There is no uraniferous material of mineable thickness on the east side of the pillar although ore is again present a few feet farther to the east.

COMPLETED EXPLORATION

In area number 1 (fig. 2) it was proposed to sink the inclined shaft an additional 75 feet on a 25- to 30-degree incline and drive 200 feet of drift east and west from the bottom of the incline to intersect the ore horizon cut in six diamond drill holes, numbers 40, 37, 27, 32, 35, and 46. In place of this incline, a level adit was driven 353 feet southeastward to intersect the ore horizon down dip from an old stope in the vicinity of the drill holes.

A small ore body was discovered and mined as a result of this work. The stope measures approximately 20 feet in its greatest up dip extent by 20 feet in its greatest extent along the strike of the bedding by 4 to 6 feet in height. Ore in this stope reached a maximum of 6 feet in

thickness and averaged 2 to 3 feet. The beds dip northeast in this area and there is some uranium bearing material in the floor of the adit on the downdip continuation of this ore body. Another ore body is now being opened by the operator a few feet to the southeast of this one.

In area number 2 it was proposed to sink 115 feet of shaft on a 25- to 30-degree incline to intersect diamond drill holes number 24 and 31 and to drive 100 feet of drift east and west from the bottom of the shaft to explore the ore zone. This shaft was sunk 115 feet to a point beneath the ore cut by the drill holes and an 8-foot inclined raise was driven to the ore beds. A stope measuring 35 feet in its greatest up dip extent by 35 feet in its greatest extent along the strike of the bedding by 4 feet in height resulted from this work. Ore may have averaged 2 or 3 feet in thickness. A little ore remains in the pillar and walls.

ORE RESERVES

No uranium ore of mineable thickness remains in the stope in area number 1. A new stope is now being opened southeast of and adjacent to the old one. This new area may yield from a few tens to a few hundreds of tons of uranium ore which may be expected on the basis of past production from this area to average 0.30 percent U_3O_8.

A few tons of uranium ore of mineable thickness remain in the stopes of areas number 2 and 3.

CONCLUSIONS AND RECOMMENDATIONS

Approximately 354 tons of uranium ore averaging 0.32 percent U_3O_8 and 1.80 percent V_2O_5 has been mined from this property as a result of the DMEA exploration project and possibly as much as a few hundred additional tons of comparable grade may be produced. It is doubtful whether the cost of additional exploration work on this property could be justified by the

small tonnage of ore which might be expected to result from such work judging from the geologic setting of the deposit, AEC diamond drilling, production data, and size and grade of ore bodies. It is recommended, therefore, that no additional exploration work be conducted in this area at the present time.

References cited:

Craig, L. C., Holmes, C. N., Cadigan, R. A., Freeman, V. L., Mullens, T. E., Weir, G. W. (1951).
Preliminary report on the stratigraphy of the Morrison and related formations of the Colorado Plateau region, U. S. Geol. Survey TEI-182.

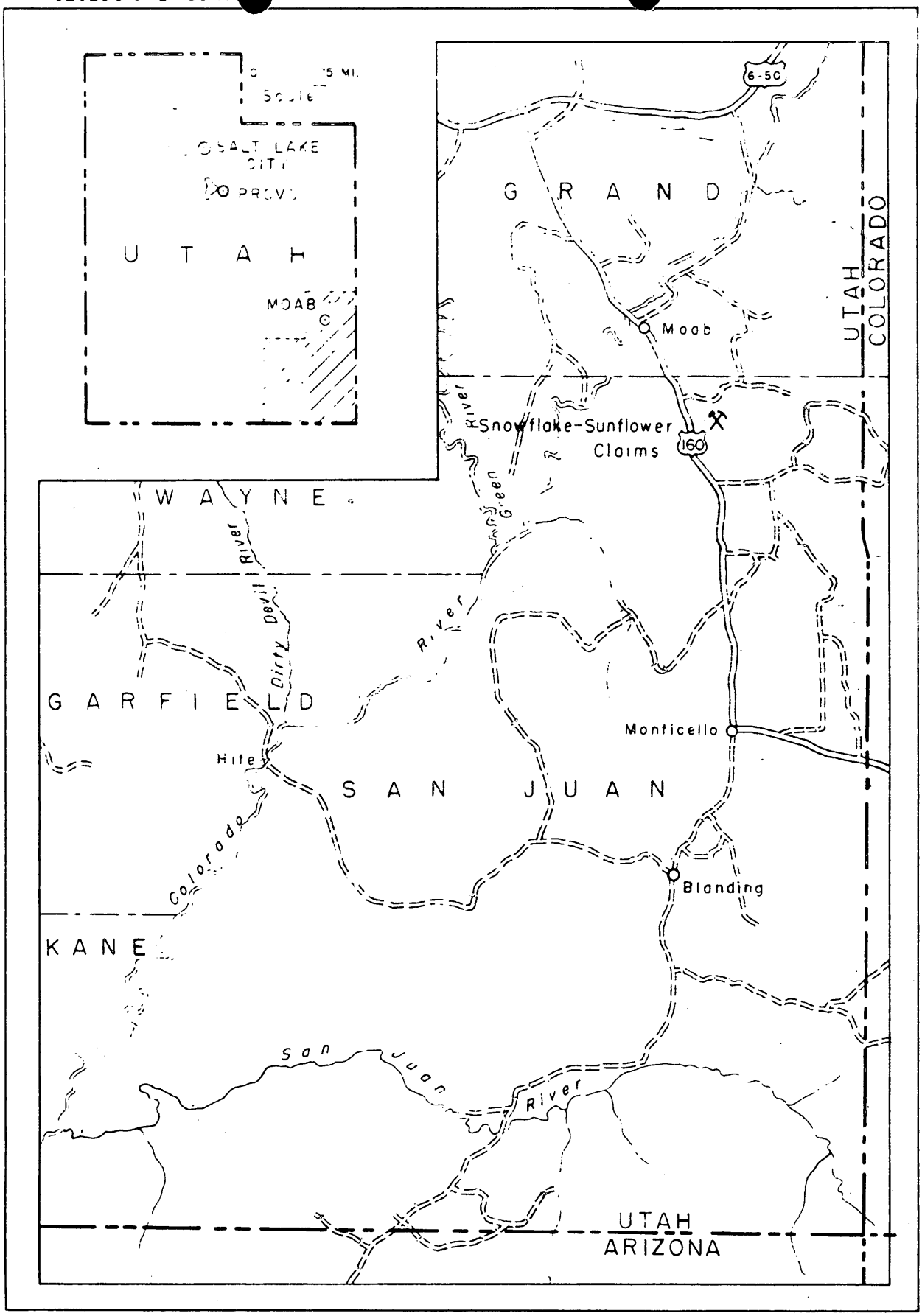

FIG. 1 INDEX MAP OF UTAH

0 5 10 15 20 MILES
Scale

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

224 New Customhouse
Denver 2, Colorado

May 14, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2515 (Uranium), Contract Idm-E440, Moreno Uranium Corporation, Snowflake and Sunflower Claims, San Juan County, Utah

Enclosed are the Government, Division, and Docket copies of Amendment No. 4 to Contract Idm-E440 which was prepared in Washington and signed by you for the Government to authorize a change in the name of the operator from The Moreno-Cripple Creek Corporation to Moreno Uranium Corporation.

Copies of the amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

John F. Shaw
For W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

May 5, 1954

Memorandum

To: Chairman, Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2515 (Uranium), Contract Idm-E440, Moreno Uranium Corporation (formerly The Moreno Cripple Creek Corporation), Snowflake and Sunflower Lode Mining claims, San Juan County, Utah.

Reference is made to Acting Chairman W. S. Martin's letter of April 29, 1954 relative to completion of the subject contract.

We are advised by the field office of Bureau of Mines that work under the contract was completed January 12, 1954, and final MF-104 Forms were received from the operator May 4, 1954.

We are unable at this time to estimate when final field team report will be available.

W H King
W. H. King

140

FILE COPY
SURNAME:

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

MAY 3 - 1954

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA 2328 (Uranium)
The Moreno-Cripple Creek Corp.
Old Leyden Mine
Jefferson County, Colorado
Contract Idm-E320
Amendment No. 16

Docket No. DMEA-2515 (Uranium)
The Moreno-Cripple Creek Corp.
Snowflake and Sunflower Claims
San Juan County, Utah
Contract Idm-E440
Amendment No. 4

Dear Mr. King:

Reference is made to your memoranda of April 20, by Mr. John F. Shaw, to the Operating Committee regarding the change of name of The Moreno-Cripple Creek Corporation to Moreno Uranium Corporation.

Enclosed herewith are Amendments No. 16 and No. 4 to Contracts Idm-E320 and Idm-E440, respectively, signed by the Administrator, changing the name of the Operator to Moreno Uranium Corporation. These will satisfy the requirements for the dockets and the administration of the contracts.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

JLHofflund:ep 4-29-54

Copy to: Docket (2)
Admin. Reading File
Operating Committee (2)
Mr. H. D. Keiser, B/M (3641)
Mr. A. P. Butler, Jr., USGS (3212 GSA)
Mr. Ellis (4)
Mr. Hofflund
Chron.
Pending

Surname
Docket copy

700

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

F L Knouse
Ellis
Martin
H Johnson
Mathews

APR 29 1954

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2515 (Uranium)
Contract No. Idm-4440
The Moreno-Cripple Creek Corporation
now changed to Moreno Uranium Corporation.
Snowflake and Sunflower Lode Mining claims
San Juan County, Utah

Dear Mr. King:

This will acknowledge your memorandum of April 20, 1954, and the enclosed three copies of certification of change in name from The Moreno-Cripple Creek Corporation to Moreno Uranium Corporation and transmittal letter by Ray A. Bennett attached thereto. This matter has been referred to our Legal Division for any action they deem necessary to be taken to effect the change in the company's name with respect to the captioned contract.

It is noted that the completion date of this contract is "prior to April 29, 1954". If the work is completed, kindly advise when we may expect to receive the final reports of the Operator and the Field Team. If the work is to be continued beyond the above time, we suggest that you prepare an amendment, if you approve, providing for an extension of the time within which to complete the work in accordance with Operating Committee Memorandum No. 18, dated March 9, 1953. Such an amendment should not extend the length of the contract beyond the two-year period.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (2LB)

APPROVED:

J. H. Hedges
Member, Bureau of Mines (2LB)

D. M. Larrabee
Member, Geological Survey (2LB)

FLKnouse/gla
4-28-54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. APButler, Jr. Rm. 3212, GSA
JCHosted, Rm. 3210, GSA
HDKeiser, Rm. 3641
Code 700 FLKnouse

R.C.G.

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

224 New Customhouse
Denver 2, Colorado

April 20, 1954

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2515 (Uranium), Contract Idm-E440, The Moreno-Cripple Creek Corporation, now changed to Moreno Uranium Corporation, San Juan County, Utah

Enclosed are three copies of a certification of change in name from The Moreno-Cripple Creek Corporation to Moreno Uranium Corporation, and transmittal thereof from Ray A. Bennett, President, to be attached to the Washington office copies of Contract Idm-E440.

If the certification of change in name is not adequate under the circumstances please advise what other document or documents will be required.

A copy of the certification has been given to the Fiscal Officer, Region IV, and a copy retained for our files.

John F. Shaw
For W. H. King

Enclosures

RECEIVED
APR 27 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

April 19, 1954

Mr. W. H. King
224 New Custom House
Denver 2, Colorado.

Re: Docket No. DMEA - 2515
Contract Idm. E-440

Dear Mr. King:

Please find enclosed six copies of amendment to change the name of the Moreno-Cripple Creek Corporation to MORENO URANIUM CORPORATION. I took this matter up with my attorney as we have only changed the name the obligation would be the same and the assets of the company are the same.

Very truly yours,

Ray A. Bennett.
Ray A. Bennett (Seal)
President

No. SC 1

STATE OF COLORADO

OFFICE OF THE SECRETARY OF STATE

UNITED STATES OF AMERICA,
STATE OF COLORADO. } ss.

CERTIFICATE.

I, Homer M. Bruce, Secretary of State of the State of Colorado, do hereby certify that the annexed is a full, true and correct copy of Certificate of Amendment to Certificate of Incorporation of

THE MORENO - CRIPPLE CREEK CORPORATION

Changing Name
to

MORENO URANIUM CORPORATION

filed in this office on the TWENTY-THIRD day of MARCH, A. D. 1954, at 2:00 o'clock P. M., and admitted to record.....

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed the Great Seal of the State of Colorado, at the City of Denver, this ---FOURTEENTH--- day of ------APRIL------ A. D. 1954

Homer M Bruce
SECRETARY OF STATE.

BY Fred Bach
DEPUTY.

C. F. HOECKEL CO., DENVER.

Form No. 15-C. Peerless Printing Co., Denver, Colo.

CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF

THE MORENO - CRIPPLE CREEK CORPORATION

KNOW ALL MEN BY THESE PRESENTS. That we, Ray A. Bennett, President and W. R. Green, Secretary of The Moreno - Cripple Creek Corporation a corporation duly organized and existing under and by virtue of the laws of the State of Colorado do hereby make this certificate in accordance with the laws of the State of Colorado, and state to-wit:

FIRST. That at a general (annual, general or special) meeting of the stockholders of The Moreno - Cripple Creek Corporation duly and regularly called as provided by the by-laws of said corporation and in accordance with the statutes of the State of Colorado and held at Denver, Colorado on the 5th day of February A. D. 19 54 the following resolution was presented and regularly adopted by an affirmative vote of not less than two-thirds* of the outstanding capital stock of said corporation entitled to vote, in accordance with the statutes of the State of Colorado so made and provided, thereby amending Article One of the Certificate of Incorporation to read as follows, to-wit:

That the corporate name of this Corporation shall be Moreno Uranium Corporation.

*Where amendment affects preferred stock see Section 16, Chap. 16, S. L. 1931
NOTE: Where amendment reduces the capital stock see Section 17, Chap. 16, S. L. 1931.

SECOND. That the president and secretary of the said corporation were, at said stockholders' meeting, duly authorized and directed to make, and file such certificate, as provided by law, setting forth such amendment or amendments to the certificate of incorporation as adopted by the stockholders of said corporation.

IN WITNESS WHEREOF, We, the president and secretary of said corporation, have hereunto set our hands this.....day of March, A. D. 19 54, and have caused the seal of the said corporation to be affixed hereunto.

CORPORATE
SEAL

President.

ATTEST:

Secretary.

STATE OF COLORADO,
City & County of Denver } ss.

Before me,....., a Notary Public in and for the said County and State, personally appeared Ray A. Bennett who being first duly sworn upon his oath deposes and says: that he is the President of The Moreno - Cripple Creek Corporation a Colorado corporation; that he has read the foregoing certificate of amendment by him subscribed, and that the facts therein set forth are true to the best of his knowledge and belief.

President

Subscribed and sworn to before me this.....day of March, A. D. 19 54.

My commission expires.....

Notary Public.

230

CERTIFICATE OF AMENDMENT

DOMESTIC

25.00

This document has been inspected

OK

Date

Clerk

COPY

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

224 New Customhouse
Denver 2, Colorado

April 14, 1954

DMEA-2515

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2328 (Uranium), Contract Idm-E320, Moreno-Cripple Creek Corporation, Old Leyden Mine, Jefferson County, Colorado

Reference is made to your letter of March 29, 1954, commenting on the operator's monthly progress report Form MF-104 and 104A for the month of July 1953 and the report by R. L. Bolmer relevant thereto. The matter relative to the operator supplying more adequate data has been discussed with him and future reports will include the data you have mentioned.

The operator's reports for the months of August 1953 through January 1954 are held in deferment in this office pending receipt of the operator's proposal in the settlement of the Goverment's interest in property acquired under the contract.

Work under the contract has been intermittent but has not been suspended for any period appearing to justify the preparation of a formal amendment to authorize a recess of operations.

We have been informed by the operator that the company has changed its name from Moreno-Cripple Creek Corporation to Moreno Uranium Corporation, upon which the operator was advised that it will be necessary for him to obtain Government approval of the assignment of the three contracts in which the Government is participating in the costs of exploration work, namely Contract Idm-E320, Docket DMEA 2328; Contract Idm-E84, Docket DMEA-1525; Contract Idm-E440, Docket DMEA-2515; before further reimbursement can be made to him under the terms of the contract.

/s/ W. H. King

W. H. KING

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1954

224 New Customhouse
Denver 2, Colorado

March 22, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty on A.E.C. Production Bonus, Moreno Cripple Creek Corporation, Docket No. DMEA 2515, Contract No. E440, Utah

Enclosed is check in the amount of $370.25 from Moreno Cripple Creek Corporation. This represents 5% royalty on the A.E.C. Production Bonus.

John F. Shaw
For W. H. King

Enclosure
es

cc: Royalty File
Sec. to the Oper. Comm. (2)
Wilson
Chron.

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

224 New Customhouse
Denver 2, Colorado

February 11, 1954

Memorandum

To: Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2515, (Uranium), Contract Idm-E440, The Moreno Cripple Creek Corporation, Snowflake and Sunflower Claims, San Juan County, Utah

Reference is made to your letter of February 9, 1954, wherein you comment that it appears that a further amendment should be prepared to cover the period of time required to complete the work.

Amendment No. 3 has been executed and copies were forwarded to you by our memorandum of February 10, 1954, to extend the period for completion of the project work from 13 months from the date of the contract to prior to April 29, 1954.

W. H. King

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

Department of the Interior
Defense Minerals Administration
RECEIVED
FEB 12 1954

224 New Customhouse
Denver 2, Colorado

February 10, 1954

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2515 (Uranium), Contract Idm-E440, The Moreno-Cripple Creek Corporation, San Juan County, Utah

Enclosed are the original and two copies of Amendment No. 3 to Contract Idm-E440, which has been executed to extend the period for completion of the project work from 13 months to prior to April 29, 1954. Also enclosed are three copies of the operator's letter requesting the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

RECEIVED
FEB 16 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

##########################

731 Cooper Bldg.
December 8, 1953

Mr. W. H. King,
Executive Officer DMEA
Field Team - Region 4,
224 New Custom House,
Denver 2, Colorado.

Re: Docket No. DMEA 2515
Contract IDM - E440

Dear Mr. King:

Will you please amend contract to give us more time to complete above project. We asked for and was granted 13 months time under amendment dated October 28th, 1953.

As my letter of September 26, 1953, stated, due to conditions beyond our control we had been delayed and would not be able to complete contract within specified time limit, again we find labor and weather conditions have compelled us to ask again for more time.

We do not want to trouble you again, and as the labor situation has not improved in the last two months, would like to have contract amended from 13 months, the present date which has expired November 29, 1953, to April 29th, 1954, which would mean an additional 4 months or 17 months to complete.

Very truly yours,

Ray A. Bennett

RAB:FEC

Surname
DOCKET COPY

700

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

FEB - 9 1954

F.L. Knouse
Ellis
Selfridge
Johnson
Wettendorf

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2515 (Uranium)
Contract No. Idm-2440
The Morena-Cripple Creek Corporation
Snowflake and Sunflower claims
San Juan County, Utah

Dear Mr. King:

In reviewing the Operator's Monthly Progress Report for the month of November, 1953, and the Semiannual Report of Certified Project for the period July 1 to December 31, 1953, it is noted that work under the captioned contract has continued beyond the expiration date of the contract, as amended. Amendment No. 2, dated October 26, 1953, extended the completion date to 13 months, or November 29, 1953.

It therefore appears that a further amendment should be prepared to cover the period of time required to complete the work.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHB)

A. R. Kinkel, Jr.

Member, Geological Survey (JHB)

FLKnouse/gla
2/5/54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. HDKeiser, 3641
APButler, Rm. 3212 GSA
Code 700
Mr. Knouse
DMEA Field Team, Region IV

R.C.B.
2-9-54

2515

Mr. Ernest W. Ellis
12-2[illegible]-53 MBS
(unattended service 4:15)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 30 1953

DN 235 BUREAU MINES 12-29-53 4-06 PM

ERNEST W. ELLIS, DMEA

REURTEL DECEMBER 29,1953, SUNNYSIDE URANIUM CORP., CONTRACT IDM-E381, AND MORENO CRIPPLE CREEK CORP., CONTRACT IDM-E440. SUNNYSIDEUXXX SUNNYSIDE URANIUM HAS SHIPPED 452.999 DRY TONS CONTAINING 3244.51 POUNDS OF U308. AVERAGE GRADE 0.37 PERCENT U308. NO V205. NO LIME PENALTY. AMOUNT OF GOVERNMENT PARTICIPATION $39,114.00. AMOUNT OF REIMBURSEMENT $37,469.77.

MORENO CRIPPLE CREEK CORP. HAS SHIPPED 262.853 DRY TONS CONTAINING 1696.48 POUNDS U308 AND 9796.52 POUNDS OF V205. AVERAGE GRADE 0.32 PERCENT U308, 1.86 PERCENT V205. NO LIME PENALTY. AMOUNT OF GOVERNMENT PARTICIPATION $19,260.00. AMOUNT OF REIMBURSEMENT $17,064.00.

W H KING

Denver, Colo.

DEC 30 8 24 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON D.C.
DEC 30 8 24 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON D.C.

700

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

DOCKET COPY
FLKnouse
Ellis

NOV 3 1953

Mr. Ray A. Bennett, President
The Moreno Cripple Creek Corporation
P. O. Box 2727
Denver, Colorado

Re: DMEA-2515 (Uranium)
Contract No. Idn-Ellio
Snowflake and Sunflower claims
San Juan County, Utah

Dear Mr. Bennett:

Reference is made to your above-named Exploration Project Contract for uranium. You are probably aware that in some similar cases it has been found that some part or all of the land which is the subject of the exploration project contract consists of claims located on land which was subject to prior Federal oil and gas leases. The validity of such claims is doubtful, and in some cases the Atomic Energy Commission has issued a lease to the land for whatever benefit that may afford in curing the invalidity as far as uranium is concerned.

By the recent act of Congress approved August 12, 1953 (Public Law 250, 83d Cong.), mining claims located between July 31, 1939, and January 1, 1953, on United States Lands which were then subject to oil and gas leases, may be validated by the owners of such claims, if, not later than December 10, 1953, they

> ".... post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location of such claim, stating that such notice is filed pursuant to the provisions of this Act and for the purpose of obtaining the benefits thereof."

If any of the land which is the subject of your Exploration Project Contract includes a located claim or claims, the validity of which might be questioned on account of a previous oil and gas lease, the statute cited is called to your attention so that you may validate your rights as above indicated, if you consider this to be in your interest. This Agency deems such validation to be desirable even though the land in question may be covered by a lease from the Atomic Energy Commission.

Sincerely yours,

C. A. Mittendorf

Administrator

FLKnouse/gla
10-30-53
cc to: Docket file
Region IV (2)
Division contract file

50811

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

October 29, 1953

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Amendment No. 2, dated October 26, 1953
Contract No. Idm-E440
Docket No. DMEA-2515 (Uranium)
The Moreno-Cripple Creek Corp.

Mr. Knouse reviewed and approved the above amendment, suggesting it be reviewed by the Legal Division.

Grace L. Ault
Grace L. Ault

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 23 1953

OCT 26 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2515 (Uranium), Contract Idm-E440, The Moreno-Cripple Creek Corporation, San Juan County, Colorado

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E440. This amendment has been executed to extend the period for completion of the contract from 11 months to 13 months. Also enclosed are three sets of data relevant to the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

RECEIVED
NOV - 2 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Case 10.28

13

September 26, 1953

Mr. W. H. King,
Executive Officer, DMEA,
Bureau of Mines - Region 4,
224 New Custom House,
Denver 2, Colorado.

RE: DMEA 2515 IDM E-440,
Snowflake, Sunflower, Utah

Dear Mr. King:

Due to conditions not under our control - mainly labor, we have been unable to complete the above contract within specified time limit, which will be up September 29th, 1953.

We would like 60 days more time to complete this project and I believe this time to be warranted because we have completed the 300 feet of tunnel and 50 feet of cross cutting since Amendment No. 1 became effective, and we are ready to do the rest of the exploratory on this project.

Very truly yours,

President - Hugh R. Bennett

RAB:FEC

MORENO-CRIPPLE CREEK CORPORATION.

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY BUREAU OF MINES REG IV

Originator:

TELETYPE

Ext.: Room:

Appro.:
Date: 10/1/53
Time:
No.:
To: S. R. WILSON BM SALT LAKE CITY

Subject: 2515

REFERENCE DOCKET NO. DMEA 2315, CONTRACT IDM-E440, MORENO-CRIPPLE CREEK CORPORATION. OPERATOR REQUESTS 60-DAY EXTENSION OF CONTRACT TO ENABLE COMPLETION OF WORK. PLEASE TELETYPE YOUR RECOMMENDATIONS.

W. H. King

W. H. KING

Authorized:
CONFIRMATION

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

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

FILE COPY
SURNAME:

2515

DMEA

EWEllis/gla/esf
5295 6640

September 17, 1953

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

Reurtt September 16, Certifications of Discovery being mailed to Operators and your office today as follows: Idm-E337, Verne Byrne; Idm-E381, Sunnyside Uranium Company; Idm-E399, Salina Mining and Smelting, and Idm-E440, Moreno Cripple Creek. Re Idm-E408, Gateway Mining Company Certification dated July 3, 1953, mailed to Operator with copies to you July 6, 1953. If your copies miscarried, please advise and we will forward duplicates for your records.

Frank E. Johnson (for)

F. E. Johnson, Acting Administrator
Defense Minerals Exploration Administration

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Audits
Mr. Bishop (USBM)
Mr. Kinkel (USGS)
Chron.

SENT
SEP 17 1953
Clerical Service Section

R.C.G. 9-17-53

FILE COPY
SURNAME

700

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

SEP 17 1953

Mr. Ray A. Bennett, President
The Moreno-Cripple Creek Corporation
P. O. Box 2727
Denver, Colorado

Re: Docket No. [illegible]-2515 (Uranium)
Contract No. [illegible]-1180
Snowflake and Sunflower claims
San Juan County, Utah

Dear Mr. Bennett:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all of the land described in Article 2 of the above identified contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract, from October 29, 1952, the date of the contract, are subject to the Government's percentage royalty as set forth in said contract until the sum which the Government has advanced as its participating interest is repaid, or until October 29, 1962, whichever occurs first.

Payments should be made to Mr. [illegible], Executive Officer, DMA Field Team, Section IV, 721 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the "Treasurer of the United States." 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. The 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. King 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. King at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

Frank E. Johnson (fw)

ACTING Administrator

Enclosure

Field Team, Region IV (2)
Docket
Mr. Ellis
Mr. Murphy

Operating Committee
Mr. Hodges, Rm. 1601
Mr. Thayer, Rm. 2216, GSA
Mr. Chambers

Mr. F. E. Johnson
Reading File
Adm. Docket

mEllis/ela/ab
9-11-53
cc to

R.C. Sy.
9-17-53

FILE COPY
SURNAME:

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

Mr. Ray A. Bennett, President
The Moreno-Cripple Creek Corporation
P. O. Box 2727
Denver, Colorado

Re: Docket No. DMEA-2515 (Uranium)
Contract No. Idm-E440
Snowflake and Sunflower claims
San Juan County, Utah

Dear Mr. Bennett:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all of the land described in Article 2 of the above identified contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract, from October 29, 1952, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum of $19,260.00 (subject to final audit) is paid, or until October 29, 1962.

Payments should be made to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Bldg., Denver 2, Colorado. Checks should be payable to the Treasurer of the United States. 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. King 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. King at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

Administrator

Enclosure

EWEllis/gla
9-9-53

cc to: Adm. Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Thayer, Rm. 5216 GSA
Field Team, Region IV (2)
Docket
Mr. Ellis
Mr. Murphy
Mr. Chambers
Mr. F. E. Johnson

FILE COPY
SUBNAME: 700

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

Murphy
Ellis
Parkone
Chemler
Knobel
Hodges
Selfridge

SEP 17 1953

Mr. Irving Gumbel, Director
Materials Division
Emergency Procurement Service,
General Services Administration
General Services Administration Building
Washington 25, D. C.

Re: Docket No. DMEA-2515 (Uranium)
Contract No. Idm-E440
The Moreno-Cripple Creek Corporation
Snowflake and Sunflower claims
San Juan County, Utah

Dear Mr. Gumbel:

Enclosed is a copy of certification of discovery or development of the captioned project.

The exploratory work being conducted under the terms of this contract has not been completed; therefore, the final report of the Field Team is not available at this time. When this report has been received, a copy will be forwarded for your information.

Sincerely yours,

Frank E. Johnson (for)

ACTING Administrator

Enclosure

FLKnouse/FMMurphy/gla
9-9-53
cc to: Adm. Reading File
Operating Committee
Mr. Hedges, Rm.4604
Mr. Thayer, Rm. 5216 GSA
Contract Adm. and Audit Division
Mails & Files Docket
Rare & Misc. Metals Division (Mr. Ellis)
Mr. Murphy
Mr. F. E. Johnson
Field Team, Region IV (2)

R.C.B.
9-17-53

August 12, 1953

Memorandum

To: Mrs. Birmingham, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA HB

Subject: Amendment to Contract.

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

THE MORENO-CRIPPLE CREEK CORPORATION, DMEA-2515, Idm-E440, Amendment No. 1, with copy of letter from the operator requesting the amendment and copy of memorandum from Bureau of Mines engineer approving the amendment. Also attached is a memorandum dated (?) from Rare and Misc. Metals Division.

Attachment

8/6/53 gfa

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

MEMORANDUM

To: Legal Division - Attention: Mr. Kane

From: Rare & Misc. Metals Division

Subject: Amendment No. 1. Executed in Region IV.
Docket No. DMEA-2515
Contract Idm-E440
The Moreno-Cripple Creek Corporation

The amendment as ~~is~~ executed is unsatisfactory from an engineering viewpoint, as it does not specify the minimum cross section size of the drifts, crosscuts, raises, tunnel, and shafts. This description should specify if the drives are to include the cost of timber, and if timbered the cross section size of each drive in the clear of the timber.

F. L. Knouse

F. L. Knouse

Comment correct but should have been noted when contract drawn in Oct. 1952. Mr. Faoone agrees that as amendment executed, no present necessity to make further comment. GCK. 8/4/53.

RECEIVED
AUG - 4 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

STANDARD FORM NO. 64

7/23/53 gla

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member
Uranium Commodity Committee

DATE: July 16, 1953

FROM : Arthur P. Butler, Jr., USGS Member
Uranium Commodity Committee

SUBJECT: Discovery in course of work under DMEA Docket 2515, Contract Idm-E440 (uranium), The Moreno Cropple Creek Corp., contractor; Snowflake and Sunflower claims, San Juan County, Utah.

The Field Team has submitted a memorandum indicating that ore was encountered in driving drifts under the contract identified in the subject above, to explore, in more detail, the limits and quantity of ore indicated by prior drilling by the Atomic Energy Commission within the area in which drifts have been driven. Some ore has also been mined from stopes adjacent to the drifts. The Field Team recommends a discovery should be certified.

Recommendation

Although work to date is more nearly development of ore indicated by prior drilling on the part of AEC, as work so far is within probable limits of ore indicated by that drilling, I recommend that a discovery or development be certified to protect the Government's interest.

Arthur P. Butler, Jr.

Copy to E. Wm. Ellis (2)

STANDARD FORM NO. 64

7/17/53 gla

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA member
Uranium Commodity Committee

DATE: July 15, 1953

FROM : Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Memorandum from W. H. King to F. E. Johnson, January 2, 1953 concerning comments about DMEA Docket 2515.

The memorandum referred to above states that ore discovered by prior exploration cannot be considered a measured reserve. This is correct, but in general, I believe it has not been practical or economical to define the quantity of ore in deposits of the Colorado Plateau sufficiently precisely so that reserves can be classed as measured. Where exploration has been sufficient to permit an estimate of indicated ore, such an estimate has provided a reasonably adequate basis for estimating further whether or not the ore might be profitably mined. This is attested by the number of leases for mining let by the Atomic Energy Commission as the result of exploration drilling by the Geological Survey. Rarely have the limits of ore bodies to be mined by under such leases been defined more closely than is possible by drill holes placed 50 feet apart.

It is evident from the third paragraph of the subject memorandum as well as the map accompanying it and the Field Team report on the property that much of the prior drilling was much more closely spaced than has been found necessary to encourage mining leases elsewhere. Even if the basis for entering into such leases would not be considered adequate for a Defense Minerals Production loan, it does not seem that inadequacy of data for a DMPA loan should be a controlling factor in assessing the merits of an exploration proposal unless it is clear that the exploration has a reasonable chance of discovering an amount of ore that would be of significance in deciding for or against a DMPA loan. No further evidence is presented in the memorandum to indicate that the planned exploration in much of the area would be likely to result in discovery of an appreciable quantity of new ore rather than defining more closely the quantity of ore already discovered.

Arthur P. Butler, Jr.

Copy to E. Wm. Ellis (2)

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

224 New Customhouse
Denver 2, Colorado

June 30, 1953

Memorandum

To: Secretary, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Certification of Discovery - Docket No. DMEA 2515, Contract Idm-E440 (Uranium), The Moreno Cripple Creek Corporation

Enclosed are four copies of a memorandum recommending that a Certification of Discovery be made under Contract Idm-E 440. We concur with this recommendation.

W. H. King.
W. H. King

Enclosure

Reviewed by
DMEA OPERATING COMMITTEE
7-10-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

Mining Division
Lem. Rec'd.
JUN 22 1953
BUREAU OF MINES
Denver, Colorado

June 18, 1953

Memorandum

To: W. H. King, Chief, Mining Division, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: DMEA-2515, Contract Idm-E440, Moreno-Cripple Creek Corp., Snowflake and Sunflower claims, San Juan County, Utah

Attached are six copies of a memorandum prepared by H. K. Thurber, outlining ore occurrences as a result of work under the subject project, and recommending that a certification of discovery be issued.

Contract work was begun January 5, 1953, and the first ore was shipped early in March 1953. Small lots of ore have been mined more or less continuously since the first shipment.

Contract Idm-E440 is drawn on the short form. Article 2 includes two patented lode-mining claims, the Snowflake and the Sunflower. Ores produced from the two claims are subject to royalty for a 10-year period from October 29, 1952, to October 29, 1962, unless the full amount of the money expended by the Government is repaid before the 10-year period ends.

I concur with the recommendation that a certification of discovery be issued on the property encumbered in the contract.

Stephen R. Wilson
Stephen R. Wilson

Enclosure

Reviewed by
DMEA OPERATING COMMITTEE
7-10-53
(date)

S. R. Wilson

June 17, 1953

N. K. Thurber, Jr.

DMEA 2515, Contract Idm-E440, Moreno-Cripple Creek Corp., San Juan County, Utah. Recommendation of certification of discovery

The operators of the subject property have completed the inclined shafts and part of the drifting in Area No. 2 and Area No. 3 as allowed by the above-numbered DMEA contract and shown on the attached map. Ore was encountered in the drifts, and stoping not chargeable to the contract was done up-dip from the drifts as shown in approximate outline on the attached map. Production was secured from this stoping which totals over 220 tons of ore assaying a weighted average of 0.316 percent U_3O_8 and 2.06 percent V_2O_5. The total value of these ores, including AEC premium, development allowance and hauling allowance, totals over $9,780. A tabulation of the shipments from March 9 to May 22, 1953, compiled from information on hand in this office, and including percentage royalty repayments to the Government, follows:

Lot or Liquidation No.	Settlement Sheet date	Tons, dry	Percent U_3O_8	Percent V_2O_5	Percent $CaCO_3$	Total Value	Royalty Deducted
3523	March 9	10.93	0.33	2.43	2.7	$ 504.56	$ 25.23
3568	March 26	16.52	0.41	2.86	1.2	927.24	46.36
4447	April 13	51.27	0.33	2.21	—	2,317.93	115.90
4486	April 24	53.20	0.32	1.75	—	2,192.23	109.61
668	April 28	14.27	0.59	2.48	1.25	1,164.53	58.23
4512	May 6	16.51	0.16	1.91	—	415.30	20.77
678	May 8	7.55	0.30	2.12	1.74	354.43	17.72
705	May 22	50.17	0.24	1.80	—	1,904.74	95.24
Totals		220.42	0.316 Wtd.avg. U_3O_8	2.06 Wtd.avg. V_2O_5	—*	$9,780.96	$489.06

* Below penalty maximum.

The above production was secured as a result of work accomplished under Contract Idm-E440 and is from claims described in the contract to be in the project area. The discovery may be described as being in Area No. 2 and Area No. 3 near the common claim boundary of Snowflake claim and Sunflower claim, U. S. Survey No. 6320, and specifically in the areas of diamond drill holes 24, 28, 29 and 31 in Area 2 and in the area of diamond drill holes 34, 38 and 42 in Area 3, shown on the attached map. The stope areas are only approximate, inasmuch as the operator's stope map is not filed in this office.

Reviewed by
DMEA OPERATING COMMITTEE

7-10-53
(date)

The ore is of the carnotite type, occurring in irregular, lenticular masses from 0.5 to 2.5 feet in thickness, lying roughly parallel to the bedding of the sandstone country rock. The sandstone dips from 26° to 32° and strikes approximately N. 65° W. The limits of the mineralization have not been reached in the stopes.

A recent amendment to the contract allows an adit to be driven in Area 1 in lieu of the inclined shaft and crosscut originally planned. This adit will intersect the same area of drill holes that would have been penetrated by the originally planned inclined shaft, and it is anticipated that commercial production will be secured from this area also.

In view of the shipments made from the project area as a result of work under the contract, and the good possibility of finding more ore in work yet to be done under the contract, it is recommended that a certification of discovery be made on the subject property.

H. K. Thurber, Jr.

H. K. Thurber, Jr.

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

224 New Customhouse
Denver 2, Colorado

June 19, 1953

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 1, Contract Idm-E440, Docket DMEA 2515, Moreno-Cripple Creek Corporation

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E440.

Copies of this amendment have been given to the Operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment and three copies of a memorandum from a Bureau of Mines engineer approving this amendment.

W. H. King
W. H. King

Enclosures

Cal
6.22

RECEIVED
AUG - 4 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

May 29, 1953

Memorandum

To: W. H. Zing, Chief, Mining Division, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: DMEA-2515, Contract Idm-8440, Moreno-Cripple Creek Corp., San Juan County, Utah.

Enclosed are six copies of a letter received from the subject contractor requesting an amendment to allow work changes in Area 1. The original contract allows sinking an inclined shaft in this area, but the applicant proposes an adit approximately 300 feet in length as a substitute for the inclined shaft work. The attached copy of a memorandum prepared by H. K. Thurber describe the changes requested. It is recommended that the contract be amended in the manner outlined in Thurber's memorandum

Stephen R. Wilson
Stephen R. Wilson

Enclosure

S. R. Wilson May 29, 1953

H. K. Thurber, Jr.

DMEA-2515, Contract Idm-X440, Moreno-Cripple Creek Corp., San Juan County, Utah. Request for amendment to contract.

The subject operator has requested an amendment to the subject contract to allow a revision of the plan of work on Area 1 shown on the map attached to the operator's amendment request. No work has been started in this area under the contract.

The operator requests that he be allowed to drive on the strike of the ore horizon and in the ore horizon toward the area of the diamond drill holes originally intended to be reached by the incline in Area 1. This proposal is shown on the map attached to the amendment request. The length of the proposed adit would be approximately 300 feet, as contrasted to 275 feet of work originally outlined in this area. The course of the proposed adit would carry it through an undrilled area, thus exploring this area for isolated ore bodies. Further, the problem of hoisting of waste and ore is eliminated and the adit may be driven using a company-owned mucking machine and hand tramming.

The following is an analysis of work completed and funds remaining under the contract, as requested by W. H. King's memorandum of May 13, 1953:

	Sinking		Drifting		Rehab.	
	Feet	Cost	Feet	Cost	Feet	Cost
Area 1						
(a) Contract	75	$2250	200	$6000	40	$400
(b) Completed	0	0	0	0	0	0
Area 2						
(a) Contract	115	$3450	100	$3000	None	
(b) Completed	120	$3600	30	$ 900	None	
(c) To be completed						
Excess	5	$ 150*	65	$1950*	None	
Area 3						
(a) Contract	110	$3300	100	$3000	None	
(b) Completed	102	$3060	30	$ 900	None	
(c) To be completed	8	$ 240	70	$2100	None	

* Five feet of inclined shaft was completed in excess of contract allowances, but, since the cost of sinking and drifting are the same, it was deemed advisable to recommend payment for the entire length of inclined shaft and reduce the amount of drifting allowed under the contract in this area, thus allowing work totaling the same amount of money. No geologic objective was being driven to.

The foregoing tabulation indicates that a total of $8,650 was to be expended in Area 1 under the contract. At the contract rate of $30 per foot for drifting, this would allow 288 feet of adit to be driven into Area 1. To complete the 300 feet requested, a transfer of footage from other areas might be warranted.

In view of the advantages to be gained from driving a level adit as proposed in the operator's amendment, and inasmuch as footage now allocated to Area 1 may be augmented from other areas without increasing the overall cost of the project, it is recommended that the operator's amendment request be approved. Observation of the proposed portal site and the surface above the proposed adit shows the proposal to be sound from a practical standpoint. It is suggested that the effective date of the amendment be May 18, 1953.

H. K. Thurber, Jr.

H. K. Thurber, Jr.

May 8, 1955

Mr. W. H. King,
Executive Officer, DMEA,
224 New Customs House,
Denver 2, Colorado.

Dear Mr. King:

I am enclosing maps of the Snowflake, Sunflower claims - DMEA 2515, IDM E-440. On the map I am showing a proposed change on Area 1, shown in the above contract as an incline shaft. The new tunnel drift of 300' as shown by maps will not increase cost of project.

The Areas 2 and 3 are now in the ore horizon and some footage can be borrowed from these areas. The advantage of tunnel over incline is apparent in the extra exploration it affords in an undrilled area and, I believe, will be an advantage to both parties concerned. If above drifting does not show ore, finger-raises can be used to further explore area.

Very truly yours,

Ray A. Bennett

Ray A. Bennett, President,
THE MORENO-CRIPPLE CREEK CORP.

RAB:FEC

P. O. Box 2727
Denver 1, Colorado.

Moab, Utah
May 8, 1953

Mr. May A. Bennett, President
Moreno Cripple Creek Corporation
Denver, Colorado

Dear Sir:

As the time nears to commence work on Area No. 1 on the Snowflake Claim belonging to your company, it was thought wise to submit for your approval an amended plan for exploring this area. As there is allowed under the present approved plan approximately 90 feet of incline and 200 feet of drift, which would necessitate working at all times in the ore horizon, and any ore found in the vicinity of Drill hole D1-5 would necessitate putting in track and a car and any ore found would have to be shoveled up hill, as would any waste found in sinking the incline onto the cross drift level, where a switch would have to be built to explore area around Diamond Drill hole D1-37, D1-27, and D1-32, making a little more complicated system of mining and hoisting.

It is suggested that an exploratory tunnel be driven from the NW to a point N and 17 feet under Diamond Drill hole D1-27. This tunnel would be 300 feet in length and would allow exploration of area by means of finger-raises and chutes. Another attractive point in this tunnel would be that it is driven at the ore horizon level in virgin ground for its entire length. The extra 10 feet could be borrowed from Areas No. 2 and 3, keeping the work within its estimated cost. This tunnel would be so situated so that it could be extended on to the East into an area which has not been drilled.

We submit this along with the attached map for your study and approval.

Very truly yours,

(Signed) Merle D. Lloyd

Merle D. Lloyd

Copy

6/11/53 - db.

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

224 New Customhouse
Denver 2, Colorado

June 2, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2515, Contract Idm-E440,
The Moreno-Cripple Creek Corporation

Enclosed is a copy of a letter dated June 1, 1953 from the Climax Uranium Company regarding royalties on ore shipped under Contract Idm-E440. Also enclosed is a copy of our reply.

W.H. King

W.H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

June 2, 1953

Mr. A. R. Eikenbary
Climax Uranium Company
P. O. Box 687
Grand Junction, Colorado

Re: Docket No. DMEA-2515
Contract Idm-2440
The Maremo-Cripple Creek Corp.

Dear Mr. Eikenbary:

Thank you for the two copies of Ore Settlement No. 678 which you enclosed in your letter dated June 1, 1953. Our Washington office has informed us that the AEC allowance for development work and haulage are subject to DMEA royalties.

Very truly yours,

W. H. KING

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

JFS:jp
cc Contract
Chron
SRWilson
AHKoschmann
COittendorf

June 1, 1953

Mr. W. H. King
Executive Officer
D.M.E.A. Field Team, Region IV
224 New Custom House
Denver 2, Colorado

Dear Mr. King:

Thank you for your letter of May 20, 1953 and the copy of the Exploration Project Contract form you enclosed in regard to The Moreno Cripple Creek Corporation's Contract No. IDM-E440.

We have read Article 6 which you refer to and the only question we have regards a definition of "gross revenue from sales".

As you probably know there is included in the purchase of uranium are an allowance for development work and hauling which the Atomic Energy Commission advises is not to be included as part of the established selling price for the ore.

Therefore we would appreciate a statement from you as to whether the allowances for development work and hauling is or is not to be included as part of gross revenue from sales as started on the contract form.

Also we have enclosed two copies of our Ore Settlement No. 678 which will complete your files on the first payment.

Yours very truly,

CLIMAX URANIUM COMPANY

A. R. Eikenbary

ARE/rf
Encls.

FILE COPY
SURNAME:

140

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

Cokane
Britin
Ellis
Martin
Fehlman

MAY 15 1953

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2515 (Uranium)
Moreno Cripple Creek Corporation
Snowflake and Sunflower Claims
San Juan County, Utah
Contract No. Ida-E440

Dear Mr. King:

Reference is made to your teletype regarding the above-mentioned contract, dated May 7, to Mr. C. O. Mittendorf, in which you quote a letter of the American Smelting and Refining Company to the effect that the Atomic Energy Commission has instructed that company not to deduct royalties due from the Operator to the Government on haulage and development allowances. In these circumstances, you must look directly to the Operator for the payment of royalties due on any moneys received by the Operator as an allowance or bonus.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

5-15-53

AEKane/emd
Copy to: Docket
Adm. R. File
Op. Comm.
J. H. Hedges
L. P. Thayer
E. W. Ellis
J. L. Hofflund
A. E. Kane
chron. pending

FILE COPY
SURNAME:

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

AEKane
Martin
Ellis
Hedges
Thayer
Martin
Hofflund
Hoffman
Hoffman

140

DMEA

W.S. in R. v R.

2919 A.E. Kane 4627

W. H. King, Executive Officer, DMEA Field Team, Reg. IV, Denver, Colo.

Re Wirtel May 7 regarding Moreno Cripple Corporation, Docket No. DMEA-2515, look directly to Operator for payment of royalties on moneys received by Operator as allowance or bonus. Letter follows.

W. S. Martin

ACTING W. S. Martin, Acting Chairman
Operating Committee

AEKane/emd 5/13/53

Copy to: Docket
Adm. R. File
Op. Comm.
J. H. Hedges
L. P. Thayer
E. W. Ellis
J. L. Hofflund
A. E. Kane
chron.
pending

SENT
MAY 18 1953
Clerical Service Section

Mr. C. O. Mittendorf
May 8, 1953
7:45 A.M.

Ans. 5/13/53 acf/lend

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 8 1953

DN 235 BUREAU MINES 5--XXX 5-7-53 2-58 PM

TO MITTENDORF

REURTT MARCH 17,1953, REGARDING ROYALTIES ON AEC HAULAGE AND DEVELOPMENT ALLOWANCES, WE HAVE RECEIVED THE FOLLOWING LETTER FRO M THE COLORADO PLATEAU URANIUM ORE PROJECT, AMERICAN SMELTING AND REFINING COMPANY--

"THIS WILL ACKNOWLEDGE RECEIPT OF YOUR LETTER OF MAY 1ST IN WHICH YOU TAKE EXCEPTION TO THE FACT THAT WE HAVE EXCLUDED HAULAGE AND DEVELOPMENT ALLOWANCE PRIOR TO DETERMINATION OF SETTLEMENT VALUES UPON WHICH ROYALTY PAYMENT IS MADE TO YOU ON BEHALF OF THE MORENO-CRIPPLE CREEK CORPORATION.

"THIS IS TO ADVISE THAT WE HAVE NO OPTION IN THE MATTER AS THE U. S. ATOMIC ENERGY COMMISSION HAS DEFINITELY INSTRUCTED US THAT NO DEDUCTION IS TO BE MADE FROM THE DEVELOPMENT OR HAULAGE ALLOWANCE IN DETERMINING VALUE FOR BASIS OF ROYALTY DEDUCTION.

"IN VIEW OF THE ABOVE AND YOUR REQUIREMENT THAT ROYALTY IS TO BE PAID TO YOU ON VALUES IN XXX INCLUDING DEVELOPMENT AND/OR HAULAGE ALLOWANCE IT WOULD SEEM TO SUGGEST THAT ROYALTY PAYMENTS BE MADE TO YOU ON THE BASIS YOU REQUIRE BY THE MORENO CRIPPLE CREEK CORPORATION AND NOT FROM THIS OFFICE ON ORE SETTLEMENTS MADE TO SUCH COMPANY."

IT IS SUGGESTED THAT THE WASHINGTON OFFICE OF THE AEC INSTRUCT THEIR FIELD PERSONNEL REGARDING THE PAYMENT OF DMEA ROYALTIES

W H KING

Klenner, Colo.

Moreno-Cripple Creek Corp.
(E440)

DMEA-2515

MAY 8 8 29 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

1

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Thompsons, Utah — Grand Junction, Colorado, April 24, 1955
Liquidation No. 4486 — Lot No. [illegible] — Shippers Lot No.
Bought of Moreno Cripple Creek Corp. — A.E.C. License No. Y-247
Address % H. W. Beasley, Vice President, Moab, Utah — Date Received 3-30-55 thru 4-15-55
Type of Ore Carnotite
Mining Claim Sunflower, Snowflake — Mining District Pine Springs — Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	110480	3.1	106973.84	0.52	1.76		555.32	1868.11	

PRICED PER A.E.C. CIRCULAR NO. [illegible] Revised

	POUNDS	PER LB	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U308 Payment	555.32	3.50	53.26	22.00	1174.32	
Development Allowance	555.32	.30	53.26	3.10	167.76	
Excess 4 lbs. per ton Premium	122.12	.15	53.26	1.75	92.04	
Excess 10 lbs. per ton Premium						
Total U308 Payment						1434.12
V205 Payment	1868.11	.31	53.26	10.50	577.13	
Total V205 Payment						577.13
Less High Line Penalty over 6% CaCo3						
Base Penalty						
.%— .%= .% Penalty @ $ .04 per 1/10th						
TOTAL						
Haulage Allowance 27 Miles 53.24 Wet Tons @ .06 per wet ton mile						172.18
Total U308, V2O5 and Haulage Payment						2183.43

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

COLORADO

LOAD DETAIL

B
EXPORT GRADE

						POUNDS V_2O_5	V_2O_5 GRADE	POUNDS V_2O_5	U_3O_8 GRADE	POUNDS U_3O_8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4.9	T-28 91	18320	06653	2.4	[illegible]	0.38	[illegible]	[illegible]	1.28	[illegible]
		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Form No. 4 12-52-10M

COLORADO PLATEAU URANIUM ORE PROJECT

An American Smelting and Refining Company, Ore Purchasing Agent For
United States Atomic Energy Commission

Receiving Station Monticello, Utah — Grand Junction, Colorado March 26 1953
Liquidation No. 3568 — Lot No. 8728 — Shippers Lot No.
Bought of The Moreno Cripple Creek Corporation — A.E.C. License No. P-249
Address P. O. Box 95, Moab, Utah
Type of Ore Carnotite — Date Received 3/5-9-11/53
Mining Claim Sunflower — Mining District Cane Springs — Pile No. 22

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
8728	35190	6.08	33051	.41	2.86	1.2	135.51	945.26	396.61

U308	Per Lb.	Per Ton	Short Tons	Total Value
.41% = 8.2# at	$3.50	$28.70	16.5255	$ 474.28
Development allowance 8.2# at	.50	4.10		67.75
Premium in excess of 4# per ton 4.2# (8.2# - 4# = 4.2#) at	.75	3.15	"	52.06
TOTAL U308 PAYMENT		$35.95	16.5255	594.09
Haulage allowance 38 miles @ 6¢ per wet ton mile			17.5950	40.12
TOTAL				634.21
V205				
2.86% = 57.2 lbs. at	.31	17.732	16.5255	293.03
TOTAL GROSS PRICE				927.24
Deductions:				
Royalties - U. S. Government, D.M.A. No. ____ 5% of 819.37			40.97	- 40.97
NET PROCEEDS				886.27

Correct EXC
Checked WHP
Approved HCJ

Paid March 26, 1953
Vo. No. 3/168
Check No. 8566

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due me on account of the ore deliveries described herein.

The Moreno Cripple Creek Corp.
By
Title
Seller or Agent

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

Form No. 4 12-52-10M

COLORADO PLATEAU URANIUM ORE PROJECT

American Smelting and Refining Company, Ore Purchas. Agent For
United States Atomic Energy Commission

Receiving Station Monticello, Utah — Grand Junction, Colorado March 9 1953

Liquidation No. 3523 — Lot No. 8690 — Shippers Lot No.

Bought of The Moreno Cripple Creek Corporation — A.E.C. License No. P-249

Address P. O. Box 95, Moab, Utah

Type of Ore Carnotite — Date Received 2/25-26/53

Mining Claim Sunflower — Mining District Kane Springs — File No. 22

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
8690	23260	6.00	21865	.33	2.48	2.7	72.15	542.25	590.36

U3O8	Per Lb.	Per Ton	Short Tons	Total Value
.33% = 6.6# at	$3.50	$23.10	10.9325	$ 252.54
Development allowance 6.6# at	.50	3.30	"	36.08
Premium in excess of 4 lbs. per ton 2.6# (6.6# - 4# = 2.6#) at	.75	1.95	"	21.32
TOTAL U3O8 PAYMENT		$28.35	10.9325	$ 309.94
Haulage allowance 38 miles at 6¢ per wet ton mile			11.6300	26.52
TOTAL				$ 336.46
V2O5				
2.48% = 49.6 lbs. at	.31	15.376	10.9325	168.10
TOTAL GROSS PRICE				$ 504.56
Deductions				- - -
NET PROCEEDS				$ 504.56

Correct WKC
Checked WPP
Approved HCJ

Paid March 9, 1953
Vo. No. 3/58
Check No. 8468

MDC

Applicable Royalty: ✓
5% of net valueafter Development & Haulage Allowance

		$ 504.56	
Less - Development	$ 36.08		
Haulage	26.52		
	$ 62.60	62.60	
Net Value		$ 441.96	
5 % Royalty on $ 441.96			$ 22.10 ✓

eir

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

The Moreno Cripple Creek Corporation
By
Title
Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

Mining Division
Date Rec'd.
APR 15 1953
BUREAU OF MINES
Denver, Colorado

Royalty [illegible]

Royalties: [illegible]
[illegible] U.N.I
LMEA [illegible]
[illegible]

Information: [illegible]

Gross: 5% of [illegible]

[illegible] Value, [illegible] $4441 $317.95

Royalty due 5% - $115.90

1

UNITED STATES VANADIUM COMPA[illegible]
A [illegible]on of Union Carbide and Carbon Corpor[illegible]n

ORE SETTLEMENT

Receiving Station Thompson, Utah — Grand Junction, Colorado, April 8, 1953
Liquidation No. 441 — Lot No. [illegible] — Shippers Lot No.
Bought of Corona Uranium Corp. — A.E.C. License No. P-241
Address P.O. Box 2721, Denver, Colorado
Type of Ore Carnotite — Date Received 3-16-53 thru 3-27-53
Mining Claim [illegible] Mining District Rose Springs — Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	106920	4.0	102543.16	0.33	2.21		338.36	2268.86	

PRICED PER A.E.C. CIRCULAR NO. [illegible]

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U308 Payment	338.36	3.50	51.27	22.93	1175.21	
Development Allowance	338.86	.30	51.27	3.28	167.93	
Excess 4 lbs. per ton Premium	130.78	.15	51.27	1.91	93.09	
Excess 10 lbs. per ton Premium						
Total U308 Payment						1436.23
V205 Payment	2268.86	.31	51.27	12.72	703.35	
Total V205 Payment						703.35
Less High Lime Penalty over 6% CaCo3						
Base Penalty						
%— %= % Penalty @ $ .04 per 1/10th						
TOTAL						
Haulage Allowance 54 Miles 53.41 Wet Tons @ [illegible] per wet ton mile						[illegible]
Total U3O8, V2O5 and Haulage Payment						[illegible]

5M-8-6-52-W & Y

ED STATES VANADIUM COM..N
A Division of Union Carbide and Carbon Corporation

Rifle, COLORADO

Purchased Ore LOAD DETAIL

PERIOD 3-16-53 thru 3-27-53

B
INSERT GRADE

NAME Moreno Copper Cash Corp. ADDRESS Denver, Colorado

CLAIM Sunflower, Sunflower

	SHIPPED DATE	TICKET NUMBER	POUNDS ORE	LAB. ASSAY NO.	PER CENT MOISTURE	POUNDS DRY ORE	V_2O_5 GRADE U_3O_8	POUNDS V_2O_5 U_3O_8	U_3O_8 GRADE V_2O_5	POUNDS U_3O_8 V_2O_5
SUN	3-17	T-2627	10620	05453	5.8	10004.04	0.37	37.01	2.70	270.11
	3-20	T-2665	14600	05653	2.2	14215.90	0.21	29.85	2.16	306.92
SUN	3-21	T-2679	14180	05753	6.8	13215.76	0.26	34.36	2.00	264.32
	3-23	T-2693	15480	05753	2.2	15131.44	0.40	60.52	2.16	326.81
	3-26	T-2731	18880	05953	3.4	18232.68	0.41	74.75	2.27	414.66
SUN	3-25	T-2713	12980	05953	6.4	12147.28	0.27	32.80	2.12	257.56
	3-27	T-2771	20080	06053	2.8	19517.76	0.34	66.36	2.19	427.44
			106820		40	102543.16	0.33	335.86	2.21	2268.86

TOTAL

Mining Division
Date Rec'd.
APR 7 - 1953
BUREAU OF MINES
Denver, Colorado

UNITED STATES VANADIUM COMPANY
Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station [illegible] Grand Junction, Colorado [illegible] 19[illegible]
Liquidation No. 4340 Lot No. [illegible] Shipper Lot No.
Bought of [illegible] A.E.C. Permit No. [illegible]
Address P.O. Box 2727, [illegible]
Type of Ore [illegible] Date Received [illegible]
Mining Claim [illegible] Mining District [illegible] Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
[illegible]	[illegible]	[illegible]	115[illegible]	0.67	2.51		17.67	[illegible]	

PRICED PER A.E.C. CIRCULAR No. [illegible]

	POUNDS	PRICE LB	DED SHORT TONS	PER TON	VALUE	TOTAL VALUE
U308 Payment	77.67	[illegible]	5.15	[illegible]	[illegible]	
Development Allowance	77.67	.50	5.15	0.16	[illegible]	
Excess 4 lbs. per ton Premium	[illegible]	.70	5.15	[illegible]	[illegible]	
Excess 10 lbs. per ton Premium	[illegible]	[illegible]	5.15	[illegible]	[illegible]	
Total U308 Payment						[illegible]
V205 Payment	[illegible]	[illegible]	5.15	15.[illegible]	[illegible]	
Total V205 Payment						[illegible]
Less High Line Penalty over 6% CaCo3						
Base Penalty						
%-- %= % Penalty @ $ .04 per 1/10th						
TOTAL						
Haulage Allowance 54 Miles 6.14 Wet Tons 60.00 per wet ton mile						[illegible]
Total U3O8, V2O5 and Haulage Payment						[illegible]

C

O

P

Y

March 17, 1953

Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Bldg., Denver, Colorado

Urtel March 12 subject royalties AEC haulage and development allowances. Have discussed matter internally and with AEC. Familiar with policy that all bonuses and extra allowances are payable only to actual producer, and AEC will not collect royalty for landowner. Notwithstanding this, our opinion all bonuses and allowances subject to royalty in accordance Articles 9(b) and 6(b) of our long and short-form contracts. Our opinion strengthened by fact that such royalty payments to DMEA not in nature of tax on returns which might impede production, but merely method of repayment of Government funds already advanced operator to enable him to have produced and fact that loan repayable on conditional basis without interest and administrative charges.

/s/ C. O. Mittendorf

1/12/53 gla

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

January 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 9 1953

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member
Uranium Commodity Committee Member

Subject: Letter dated January 2, 1953, from Executive Officer, DMEA Field Team, Region IV (Docket DMEA 2515, Moreno Creek Corp., Contract Idm-E440).

I have read the subject letter and shown it to Mr. J. O. Hosted, representative of the Atomic Energy Commission.

Discussion of the basic application with Commission representatives at Grand Junction, Colo., prior to the execution of the contract and subsequent to the drilling by the Commission on the land involved appears to be a step not taken that might well have been taken.

H. D. Keiser

H. D. Keiser

1/7/53 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1953

224 New Customhouse
Denver 2, Colorado

January 2, 1953

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2515 (Uranium), Moreno Cripple Creek Corp., Snowflake and Sunflower Claims, Contract Idm-E440

This is in reply to your letter of December 22, 1952, requesting our reasons for approving the subject docket as an exploration project.

This property has not produced uranium ores since April 1948. The A.E.C. drilling project has disclosed a few hundred tons of probable ore. Mineralization is found in local rolls and in carbonaceous sandstone lenses. There is no measured ore reserve to guarantee the repayment of a production loan.

The results of 46 holes drilled by the A.E.C. indicate 5 holes showed ore, 14 holes showed probable ore and 27 holes were barren. Please refer to Figure 3 of the final report, a copy of which is attached, adapted from the A.E.C. map. You will note that hole No. 5 shows ore, and probable ore is indicated in surrounding holes to the west, north and east, numbered 6, 32, 35, 46, and 4. Hole No. 1 shows ore but is bounded on the north, west, and east by barren holes all located within a radius of 60 feet from hole No. 1. Hole No. 24 hit ore and holes No. 28 and No. 29 within a radius of 25 feet show probable ore. Hole No. 31 was in ore, but hole No. 30 which is 25 feet north was barren. The fifth hole which showed ore is No. 34 and of the six adjacent holes four were barren and two indicate probable ore.

In view of these drilling results we believe this project has enough merit to warrant exploration assistance, but we most certainly would not recommend it for a development or production loan.

What about wire mapping and checking on the A.E.C.

JAN 9, 1953

W. H. King

W. H. King

Enclosure

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

224 New Customhouse
Denver 2, Colorado

January 2, 1953

Memorandum

To: J. H. East, Jr., Regional Director, Region IV

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2515 (Uranium), Moreno Cripple Creek Corp., Snowflake and Sunflower Claims, Contract Idm-E440

Enclosed are copies of the following:

Memorandum from the Bureau of Mines member of the Uranium Commodity Committee to the DMEA member of the Uranium Commodity Committee dated December 11, 1952

Memorandum from the USGS member of the Uranium Commodity Committee to the DMEA member of the Uranium Commodity Committee dated December 4, 1952

Letter from the Chairman of the Operating Committee to W. H. King dated December 22, 1952

Memorandum from W.H. King to the Chairman of the Operating Committee dated January 2, 1953

Contract Idm-E440 was prepared in accordance with the recommendations of the examining engineer and geologist. A study of Figure 3, a copy of which is attached to the memorandum dated January 2, 1953, does not indicate any blocked out ore which is a prerequisite for a development loan.

W. H. King

W. H. King

Enclosures

[illegible] this map accompanied the final report

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

700

DEC 22 1952

Mr. W. H. King
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2515 (Uranium)
Moreno Cripple Creek Corporation
Sunflower and Sunflower Fissures
San Juan County, Utah
Contract No. Idm-6440

Dear Mr. King:

Reference is made to the captioned project contract.

We are attaching copies of memoranda from Mr. H. D. Keiser dated December 11, 1952, and Mr. Arthur P. Butler, Jr. dated December 4, 1952, concerning this contract.

A preliminary review of the Field Team report made by the Minor and Light Metals Branch, Domestic Division of D.M.E.A. indicated this project could possibly qualify for a development or production loan.

Undoubtedly your office had ample justification to qualify this project for exploration rather than development. However, this office is interested in your reasons for approving this exploration project.

Sincerely yours,

/s/Frank E Johnson

Chairman, Operating Committee

Enclosures

APPROVED:

/s/ J.H.Hedges
Member, Bureau of Mines

/s/ A.R. Kinkel, Jr
Member, Geological Survey

COPY

Dec. 4, 1952

E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

Final Report DMEA Docket 2515 (Uranium), The Moreno Cripple Creek Corporation, San Juan County, Utah, Applicant: Snowflake and Sunflower Claims, San Juan County, Utah

Comment

Although some of the work recommended by the Field Team with respect to the property identified above and made a part of the contract, which was completed in the Regional office, can reasonably be considered exploration, most of the western drift in Area No. 1 and all of the drifting in Area No. 3 appears to be more nearly development of ore outlined by drilling rather than exploration for new ore. The extent of ore as shown by drilling in the west drift of Area No. 1 and in the ore body in Area No. 3, is such that the proposed underground exploration cannot materially alter knowledge of the lateral extent of ore.

Such work will serve as suitable openings for development of ore described by drilling. It is possible, however, that because of the irregular form of vanadium-uranium ore bodies in the Morrison formation, the underground drifting may furnish additional information in thickness, and hence the amount of ore within the areas delimited by the drilling. To this extent, such work is exploration.

Arthur P. Butler, Jr.

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

December 11, 1952

Memorandum

To: Ernest William Ellis, DMEA Member,
Uranium Commodity Committee, Room 4640

From: H. B. Keiser, Bureau of Mines Member,
Uranium Commodity Committee

Subject: Final Report, DMEA Docket 2513 (Uranium), The Moreno Cripple Creek Corporation, Snowflake and Sunflower Claims, San Juan County, Utah.

Review of the subject report indicates that the results of the drilling performed on the claims involved would probably make a development loan more appropriate than an exploration loan.

It is noted, however, that the drilling was performed by a Government agency subsequent to the application for an exploration loan, and that appraisal of the drilling results led to a revision by Government representatives of the original application, which revision was found acceptable by the applicant.

H. D. Keiser

FILE COPY
SURNAME:

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

DEC 22 1952

Mr. L. H. King
Executive Officer, Region IV
Field Team
The New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible]-2[illegible] (Uranium)
Moreno Grindle Creek Corporation
Snowflake and Sunflower Claims
San Juan County, Utah
Contract No. Ium-[illegible]

Dear Mr. King:

Reference is made to the captioned project contract.

We are attaching copies of memoranda from Mr. H. D. Keiser dated December 11, 1952, and Mr. Arthur P. Butler, Jr., dated December [illegible], 1952, concerning this contract.

A preliminary review of the field [illegible] report made by the Minor and Light Metals Branch, Domestic Division of [illegible] indicated this project could possibly qualify for a development or production loan.

Undoubtedly your office had some justification to qualify this project for exploration rather than development. However, this office is interested in your reasons for approving this exploration project.

Sincerely yours,

[illegible] E. JENSEN
Chairman, Operating Committee

Enclosures

FLKnouse/jem 12/19/52
cc to: Adm. Reading File
Docket
Messrs. HDKeiser-R.3641
APButler-R.3206
Ellis Knouse
Opr. Com.
Field Team, Region IV
~~APButler-Rm.3206 GSA~~ HMann-Rm.6006 GSA
~~JOHosted~~ JOHosted-Rm. 3210 GSA

APPROVED:
J. H. Hedges
Member, Bureau of Mines
A. R. Kinkel, Jr.
Member, Geological Survey

12/16/52 gla

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

December 11, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

Memorandum

To: Ernest William Ellis, DMEA Member,
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member,
Uranium Commodity Committee

Subject: Final Report, DMEA Docket 2515 (Uranium), The Moreno Cripple Creek Corporation, Snowflake and Sunflower Claims, San Juan County, Utah.

Review of the subject report indicates that the results of the drilling performed on the claims involved would probably make a development loan more appropriate than an exploration loan.

It is noted, however, that the drilling was performed by a Government agency subsequent to the application for an exploration loan, and that appraisal of the drilling results led to a revision by Government representatives of the original application, which revision was found acceptable by the applicant.

H D Keiser

H. D. Keiser

STANDARD FORM NO. 64

12/9/52 gla

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

DATE: Dec. 4, 1952

FROM : Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Final Report DMEA Docket 2515 (Uranium), The Moreno Cripple Creek Corporation, San Juan County, Utah, Applicant: Snowflake and Sunflower Claims, San Juan County, Utah.

Comment

Although some of the work recommended by the Field Team with respect to the property identified above and made a part of the contract, which was completed in the Regional office, can reasonably be considered exploration, most of the western drift in Area No. 1 and all of the drifting in Area No. 3 appears to be more nearly development of ore outlined by drilling rather than exploration for new ore. The extent of ore as shown by drilling in the west drift of Area No. 1 and in the ore body in Area No. 3, is such that the proposed underground exploration cannot materially alter knowledge of the lateral extent of ore.

Such work will serve as suitable openings for development of ore described by drilling. It is possible, however, that because of the irregular form of vanadium-uranium ore bodies in the Morrison formation, the underground drifting may furnish additional information in thickness, and hence the amount of ore within the areas delimited by the drilling. To this extent, such work is exploration.

Arthur P. Butler Jr

Arthur P. Butler, Jr.

Copy to E. Wm. Ellis

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

DEC 3 1952

November 19, 1952

Memorandum

To: Hazel Berry, Operating Committee, DMEA

From: Grace L. Ault
Rare and Miscellaneous Metals Division

Subject: Routine approval of Region IV contracts

Division copies of the following contracts finalized by the Executive Officer of Region IV have been received, reviewed and approved:

Contract No.	Docket No.	Applicant Company
Idm-E403	DMEA-1938	Anaconda Lead and Silver Company
Idm-E440	DMEA-2515	The Moreno Cripple Creek Corp.

Grace L. Ault

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

NOV 24 1952

November 17, 1952

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 210

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2515, (Uranium) The Moreno Cripple Creek Corporation, Snowflake and Sunflower Claims, San Juan County, Utah

Enclosed are four copies of the final report on the subject docket.

The contract has been signed and is in effect.

W. H. King
W. H. King

for A. H. Koschmann

Enclosures

Mining Division
Region IV

August 12, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
AUG 5 1952

Memorandum

To: Field Team, Region IV

From: Acting Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2515 (Uranium)
The Moreno Cripple Creek Corporation,
Snowflake & Sunflower Claims, San Juan
County, Utah

Enclosed are eleven copies of the engineering report by R. L. Middleton of the Bureau of Mines on subject docket.

The examiner recommends that exploration work in the amount of $21,400 be conducted on the property in three areas. The proposed work consists of sinking, drifting and shaft rehabilitation.

We concur in this recommendation.

W. H. King

W. H. King

Enclosures

Mining Division
Date Rec'd

AUG 8 - 1952

BUREAU OF MINES
Denver, Colorado

August 6, 1952

Memorandum

To: W. H. King, Acting Chief, Mining Division, Region IV

From: Chief, Utah-Wyoming Branch, Mining Division

Subject: DEM-2513, Moreno Cripple Creek Corp., Snowflake and Sunflower Claims, San Juan County, Utah

Enclosed are the original and 10 copies of an engineering report covering the subject property. A section on summary, conclusions, and recommendations is also included. The brochure was transmitted with the Survey's report. Nine additional copies of figures 2 and 3 are also attached.

The examiners recommended that exploration be conducted on the property in three areas, the work to consist of inclined shaft sinking, drifting, and shaft rehabilitation. The operator is prepared to supply equipment and facilities. Thus, if a contract is drawn, it should be on the short form.

Costs estimated for the proposed work are reasonable. I concur with the recommendations of the examining team.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

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

200 New Customhouse
Denver 2, Colorado

August 8, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2515, The Moreau Cripple Creek Corp., applicant; Snowflake and Sunflower Claims (Uranium), San Juan County, Utah

Enclosed are 11 copies of the geologic report by Ward H. Johnson of the U. S. Geological Survey covering the above docket.

It has been recommended that the loan be approved.

The brochure is enclosed.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (12)

Room 206, 222 So. West Temple
Salt Lake City 1, Utah
5 August 1952

Memorandum

To: A. H. Koschmann, Field Team, Region IV

From: J. William Hasler

Subject: Docket DMMA 2515, The Moreno Cripple Creek Corp., applicant; Snowflake and Sunflower Claims (Uranium), San Juan County, Utah.

Enclosed are eleven copies of a geologic report on the Moreno Cripple Creek Corporation Snowflake and Sunflower claims, San Juan County, Utah. This report is the result of a DMMA field examination requested by the DMMA Field Team, Region IV.

The Moreno Cripple Creek Corporation made application to the Defense Minerals Exploration Administration for a loan to explore for uranium on the Sunflower and Snowflake claims. The rocks in the mine area are sandstone and shale of the Entrada and Morrison formations of Upper Jurassic age. Uranium is found in local rolls and carbonaceous-bearing sandstone-lenses in the Salt Wash member of the Morrison formation.

The Sunflower and Snowflake claims have produced about 1,077 tons of uranium ore averaging about 0.30 percent U_3O_8, and inferred ore reserves are reported to be several hundred tons assaying as much as 0.50 percent U_3O_8. The possibility of finding additional uranium ore on these claims is good, and an alternate program to explore for uranium has met with the applicant's approval. It is recommended that the government enter into a contract with the applicant to do the proposed work as outlined in the geologic report. The government's share on a 90-10 percent participation basis will be $19,260.00.

I concur with the conclusions and recommendations of the examining geologists that the government enter into a contract with the applicant to do the proposed exploratory work.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

Project DMEA-251.5, The Moreno Grande Creek Corporation

Sunflake and Sunflower Claims, San Juan County, Utah

Ward E. Johnson, Geologist
U. S. Geological Survey

August 5, 1952

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Vard Johnson and R. L. Middleton

The Snowflake and Sunflower uranium property, Moreno Cripple Creek Corp., was examined by Bureau of Mines and Geological Survey field men during June 1952. The examination was made for appraisal of a proposed loan under DMEA docket 2515.

Uranium-vanadium mineralization on the Snowflake and Sunflower claims occurs in the Salt Wash member of the Cretaceous Morrison formation. Mineralization is found in local rolls and in carbonaceous sandstone lenses. The ore minerals are carnotite, vanoxite, and roscoelite.

Exploratory proposals made by the applicant include a 250-foot inclined shaft and 500 feet of drifts from the shaft. Diamond drill holes completed by the Atomic Energy Commission subsequent to the loan application indicate the advisability of revising the applicant's proposals. It is believed that a program consisting of sinking three 25- to 30-degree inclined shafts for an aggregate distance of 340 feet, driving 400 feet of drifts, and rehabilitating 40 feet of existing shaft will serve to more comprehensively explore the ore zones. The estimated cost of this work is $21,400. The footage of shaft rehabilitation is part of the 340 feet of total inclined shaft.

It is believed the possibility of finding additional uranium ores on the Snowflake and Sunflower claims is promising. It is therefore recommended that a loan of $21,400 be granted the applicant to conduct exploration as outlined in the revised proposals.

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ILLUSTRATIONS

Figure 1. Index map of Utah.

Figure 2. Map showing workings and claims of Moreno Cripple Creek Corporation, San Juan County, Utah.

Docket DMEA-2515, The Moreno Cripple Creek Corporation

Snowflake and Sunflower Claims, San Juan County, Utah

INTRODUCTION

The Moreno Cripple Creek Corporation, San Juan County, Utah, has applied to the Defense Minerals Exploration Administration for a loan to explore for uranium on the Sunflower and Snowflake Claims.

A field examination was requested by the Field Team Region IV, May 12, 1952 to determine whether the ore reserves are sufficient to justify an exploration project. The examination was made on June 17-19 by V. H. Johnson, geologist of the U. S. Geological Survey and R. L. Middleton, engineer of the U. S. Bureau of Mines.

GEOLOGY

The mine area (fig. 1) is underlain by the Entrada sandstone and the Morrison formation of Upper Jurassic age. The beds strike east and dip from 25-30 degrees north. Uranium is found in local rolls and in carbonaceous-bearing sandstone lenses in the Salt Wash sandstone member of the Morrison formation of Upper Jurassic age.

In the area of the Snowflake and Sunflower claims a series of northwest-striking faults, which are related to the north side of the Spanish Valley graben, intersect a series of east-striking faults associated with the igneous bodies of the Lasal Mountains.

ORE DEPOSITS

The uranium-vanadium ore deposits on the Sunflower and Snowflake claims, San Juan County, Utah are found in carbonaceous-bearing lenses of sandstone

and sandstone in the Salt Wash member of the Morrison formation. The uranium is associated with the carbonaceous material in sandstone lenses, but is also disseminated throughout the lenses.

ORE RESERVES

Ore reserves on the Sunflower and Snowflake claims, San Juan County, Utah, are reported to be several hundred tons assaying as much as 0.50 percent U_3O_8.

The Sunflower and Snowflake Claims have produced 1077 tons of uranium ore averaging approximately 0.30 percent U_3O_8.

Diamond drilling by the Atomic Energy Commission has disclosed two other areas of possible ore shown on map Fig. 2. Diamond drill hole No. 1 Fig. 3, found a bed containing commercial grade vanadium.

PROPOSED EXPLORATION

The applicant proposed to sink a 250 feet incline down the dip of the ore zone then drift 250 feet southeast along the strike of the ore.

An alternate proposal has been outlined with the applicants approval to more thoroughly explore the Sunflower and Snowflake claims. The program to explore for uranium of possible commercial grade has been set up in three areas as follows:

Area No. 1, Fig. 2, will consist of 40 feet of rehabilitation, 70 feet of incline at 30 degrees and crosscut 200 feet southeast and northwest at the bottom of the incline to intersect six diamond drill holes that indicated probable ore.

Area No. 2, Fig. 2, will consist of a 115 foot incline at 30 degrees to intersect diamond drill holes 24 and 31 that showed ore, and 100 feet of crosscutting east and west to explore the trend of the ore zone.

Area No. 3, Fig. 3, will consist of a 115 feet incline and 100 feet of crosscutting east and west to intersect areas of ore and probable ore as shown by diamond drilling.

The total project will consist of 340 feet of inclined shaft, 400 feet of crosscuts, and 40 feet of rehabilitation. The applicant can do the proposed work at the rate of $30.00 per foot for driving the crosscuts and sinking the inclined shafts, and $10.00 per foot for the required rehabilitation in area No. 1. The estimated cost of the project will be approximately $21,400.00. The government's share on a 90-10 percent participation basis will be $19,260.00

SUMMARY AND CONCLUSIONS

The Moreno Cripple Creek Corporation, San Juan County, Utah has applied to the Defense Minerals Exploration Administration for a lease to explore for uranium on the Sunflower and Snowflake claims. The rocks in the mine area are sandstone and shale of the Entrada and Morrison formation of Jurassic age. Uranium is found in local rolls and carbonaceous-bearing sandstone lenses in the Salt Wash member of the Morrison formation.

The Sunflower and Snowflake claims have produced about 1,077 tons of uranium ore averaging approximately 0.30 percent U_3O_8, and inferred ore reserves are reported to be several hundred tons assaying as much as 0.30 percent U_3O_8. The possibility of finding additional uranium ore on the Snowflake and Sunflower claims is good, and an alternate program to explore for uranium has met with the applicant's approval. It is recommended that the government enter into a contract with the applicant to do the proposed work as outlined in the geologic report. The government's share on a 90-10 percent participation basis will be $19,260.00.

[illegible] CLAIM CORPORATION
[illegible] AND [illegible] CLAIM
SAN JUAN COUNTY, UTAH
D.E.-2515
Confidential

Engineering Report

By S. L. Middleton
Mining engineer
Bureau of Mines

MORENO CRIPPLE CREEK CORPORATION
SNOWFLAKE AND SUNFLOWER CLAIMS
SAN JUAN COUNTY, UTAH

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ILLUSTRATIONS

Fig. 1 Location Map, Snowflake and Sunflower claims, Moreno Cripple Creek Corp., San Juan County, Utah.
Fig. 2 Claim map.
Fig. 3 Plan of porposed exploration.

INTRODUCTION

The Snowflake and Sunflower uranium property was examined during June 1952 by a field team composed of a Bureau of Mines engineer and a Survey geologist. The purpose of the examination was the evaluation of proposed uranium exploration as outlined in DMA docket 2515. Exploration, as proposed by the Moreno Cripple Creek Corp., consists of a 250-foot inclined shaft and 500 feet of drifts from the shaft. Subsequent to the time of exploration aid application, the Atomic Energy Commission drilled diamond drill holes in the proposed exploratory area. Appraisal of the drilling results indicates a revised exploratory program to be advisable. This proposal, acceptable to the applicant, consists of sinking three 25- to 30-degree, inclined shafts for an aggregate distance of 340 feet, driving 400 feet of drifts, and rehabilitating 40 feet of existing shaft. The estimated cost of the exploration is $21,400 at a unit cost of $30 per foot for an inclined shaft sinking and drift driving, and $10 per foot of shaft rehabilitation.

ACKNOWLEDGMENT

Data obtained from U. S. Atomic Energy Commission field office, Moab, Utah, C. E. Farrow, Project Chief, were used in the preparation of this report.

LOCATION AND PHYSICAL FEATURES

The Snowflake and Sunflower claims are located in secs. 28 and 33, T 27 S., R. 23 E., S.L.B.M., Yellow Circle district, San Juan County, Utah. The property is readily accessible by way of U. S. Highway 160. At a point 13 miles south of Moab, Utah, a fair-conditioned, dirt road leaves U. S. 160 and extends eastward 2½ miles to the property (fig. 1).

The exploratory area is at the top of a plateau on the west flank of the La Sal Mountains. The topography is flat and precludes adit exploration from hillside locations. During the summer months, water is scarce and is hauled from Moab. Vegetation is sparse and few trees on the property are suitable for mine timber. Normal winter weather conditions are not detrimental to mining.

HISTORY AND PRODUCTION

The Snowflake and Sunflower claims were located in 1912 and patented in 1915. Since 1912 the property has sporadically produced small tonnages of ores originally valued for their vanadium content. The largest production was made during the period 1942 to 1944, at which time the Metals Reserve Co. purchased the ores chiefly for the U_3O_8 content. The Moreno Cripple Creek Corp. does not have the recorded mine production, but the management estimates 5,000 tons of vanadium-uranium ores have been produced. The property has not produced uranium ores since April 9, 1949, and it is possible the property will qualify for bonus payments on 10,000 pounds of U_3O_8.

OWNERSHIP AND ENTRY

The Snowflake and Sunflower property, consisting of two standard dimensioned patented lode mining claims, is owned by the Moreno Cripple Creek Corp., P. O. Box 2727, Denver, Colo. (fig. 2). H. W. Baisley, a member of the applicant firm, states there are no liens, claims, or encumbrances against the property.

DESCRIPTION OF THE DEPOSIT

This uranium property lies in an area of predominantly sedimentary rocks of Jurassic and Cretaceous age. The uranium-vanadium ore horizon

lies within the Salt Wash member of the Morrison formation, and in this area this formation consists of irregularly bedded grey sandstone interbedded with siltstone. The sediments strike east-west and dip20 to 30 degrees north. The ores occur in westward-trending rolls or channels and replace tree trunks in undulating sandstone lenses. The A.E.C. drilling program disclosed that the sandstone host rock thins to mudstone in a short distance north of the ore-bearing channel. The chief ore minerals are carnotite, vanoxite, and roscoelite, which fill cavities in the sandstone and have locally replaced carbonaceous material.

MINING OPERATIONS

The Atomic Energy Commission has completed a diamond core drilling project in the proposed exploratory area. Uranium-vanadium assays of core and slide samples were not available to the examining engineers, and without these, it is difficult to estimate ore reserves of the property. The ore reserve on the Snowflake and Sunflower claims is a few hundred tons of commercial vanadium-uranium ores.

The following are the logs of probable ore bearing and ore-bearing holes as determined by A.E.C. All holes were drilled vertically.

Hole No.	Collar elev., ft.	Hole depth, ft.	Ore intercept, ft.	Chief ore constituent	Classification
1	4,933	122.5	21-23	V_2O_5	Ore
33	4,932	55.5	25	V_2O_5 stains	Probable ore
4	4,930	53.5	40	U_3O_8	Probable ore
5	4,934	55.5	33	V_2O_5	Ore
6	4,981	53.5	33	Very light V_2O_5	Probable ore
24	4,985	62.0	34.5-40	V_2O_5, U_3O_8	Ore
26	4,983	51.0	45	Streaks V_2O_5	Probable ore
27	4,984	63.5	42 & 47.5	Sanded zone U_3O_8, V_2O_5	Probable ore
28	4,985	65.0	35 & 43	V_2O_5 seams	Probable ore
29	4,985	55.0	35,38 & 43	Streaks V_2O_5	Probable ore
31	4,986	60.5	53.5-58	V_2O_5, U_3O_8	Ore
32	4,985	55.0	40	V_2O_5 streaks	Probable ore
34	4,975	85.5	37-45	V_2O_5, U_3O_8	Ore
35	4,985	55.0	52	V_2O_5 streak	Probable ore
37	4,981	61.0	40	V_2O_5, U_3O_8	Probable ore
40	4,984	55.0	45	V_2O_5	Probable ore
41	4,975	77.5	50	V_2O_5	Probable ore
42	4,977	60.0	45	V_2O_5	Probable ore
46	4,986	52.0	45	V_2O_5	Probable ore

PLACER STAKES

Various shallow workings are scattered along approximately 1,000 feet of sandstone outcrop. The trenches, open pits and inclined shafts are in an abandoned condition and are inaccessible without rehabilitation. Since the completion of the A.E.C. drilling program several weeks ago, no work has been done on the property.

PROJECT PROPOSAL

The proposed exploratory project consists of 300 feet of new inclined shaft, 400 feet of drifting from the shafts, and 40 feet of inclined shaft rehabilitation. The exploration is directed at targets in three areas (fig. 3).

The proposed exploration of area I consists of 115 feet of 30-degree, single-compartment, inclined shaft, and 200 feet of drifts. The shaft distance includes 40 feet of shaft rehabilitation.

The proposed exploration of area II consists of 115 feet of 30-degree, single-compartment, inclined shaft, and 100 feet of drifts.

The proposed exploration of area III consists of 120 feet of 30-degree, single-compartment, inclined shaft, and 100 feet of drifts.

The estimated time for project completion is 234 8-hour shifts, or 9 months.

The operator is prepared to furnish operating equipment and facilities. Therefore, if the Government contributes toward the cost of the proposed exploration, it would be expedient to contribute on the basis of units of work accomplished. Estimated costs for the exploration are $30 per foot for drifting and sinking and $10 per foot for inclined shaft rehabilitation. The operator signified he is in accord with these cost estimates. The total project cost is estimated to be $21,400.

CONCLUSIONS AND RECOMMENDATIONS

The possibilities of discovering ores in addition to those indicated by the A.E.C. drilling program appear to be good. The geologic and engineering aspects are feasible. It is recommended a loan of $21,400 be granted to the Moreno Cripple Creek Corp. for exploration on the Snowflake and Sunflower claims on a unit basis of $30 per foot of drifting and sinking and $10 per foot of shaft rehabilitation.

Docket Copy

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

224 New Customhouse
Denver 2, Colorado

November 10, 1952

REGISTERED # 53722

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E440, Docket DMEA 2515, The Moreno Cripple Creek Corporation (Uranium)

Enclosed are the original and two copies of Contract Idm-E440. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 13 1952

cae
11-13-52

RECEIVED
DEC 9 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

SURNAME COPY

Defense Minerals Exploration Administration

Robert E. Adams

4070

14X3923.970, Working Fund, Interior, DMEA
November 6, 1952
3:45 p.m.

W. H. King, Executive Officer, Region IV, 224 New Customhouse Bldg., Denver 2, Colo.

Assignment of Contract Number

REURTEL 11-6-52 MOREN CRIPPLE CREEK CORP., COMMUNITY URANIUM, DMEA 2515.

CONTRACT NUMBER IDM-R-440 ASSIGNED THIS CONTRACT.

(signed) FRANK E. JOHNSON (for)

~~ACTING~~

ACTING ADMINISTRATOR

11-6-52

READams/meb
cc to: Adm. Reading File
Mails & Files Br.
Miss Curtin
Audits Division

SENT
NOV 6 1952

Clerical Service Section

Mr. C. O. Mittendorf
Nov. 6, 1952
2:57 pm.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

NOV 6 1952

DN 235 BUREAU MINES 11-6-52 11-45 XXXX 12-45 PM

C O MITTENCDORF

PLEASE ASSIGN A NUMBER TO CONTRACT COVERING DOCKET NUMBER DMEA 2515, MORENO CRIPPLE CREEK CORPORATION, A COLORADO CORPORATION, P. O. BOX 2727, DENVERM , COLORADO. PROPERTY IN SAN JUAN COUNTY, UTAH, COMMODITY URANIUM. CONTRACT DATED OCTOBER 29,1952. AMOUNT OF CONTRACT $21,400.00. GOVERNMENT PARTICIPATION $19,260.00. PLEASE REPLY BY TELETYPE.

JOHN F SHAW FOR W H KING

IDM-E 440

Denver, Colo.

Nov 6 3 10 PM '52

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

18

224 New Customhouse
Denver 2, Colorado

August 12, 1952

BU

Memorandum

To: Acting Administrator, Defense Minerals Exploration Administration, Attention: 210

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2515 (Uranium) The Moreno Cripple Creek Corporation, Snowflake & Sunflower Claims, San Juan County, Utah

The application for Government assistance in exploration work estimated to cost $21,400, has been approved by us and a contract is being prepared.

Government participation will be 90 percent, or $19,260.

Four copies of the Final Report will be forwarded when the contract is processed.

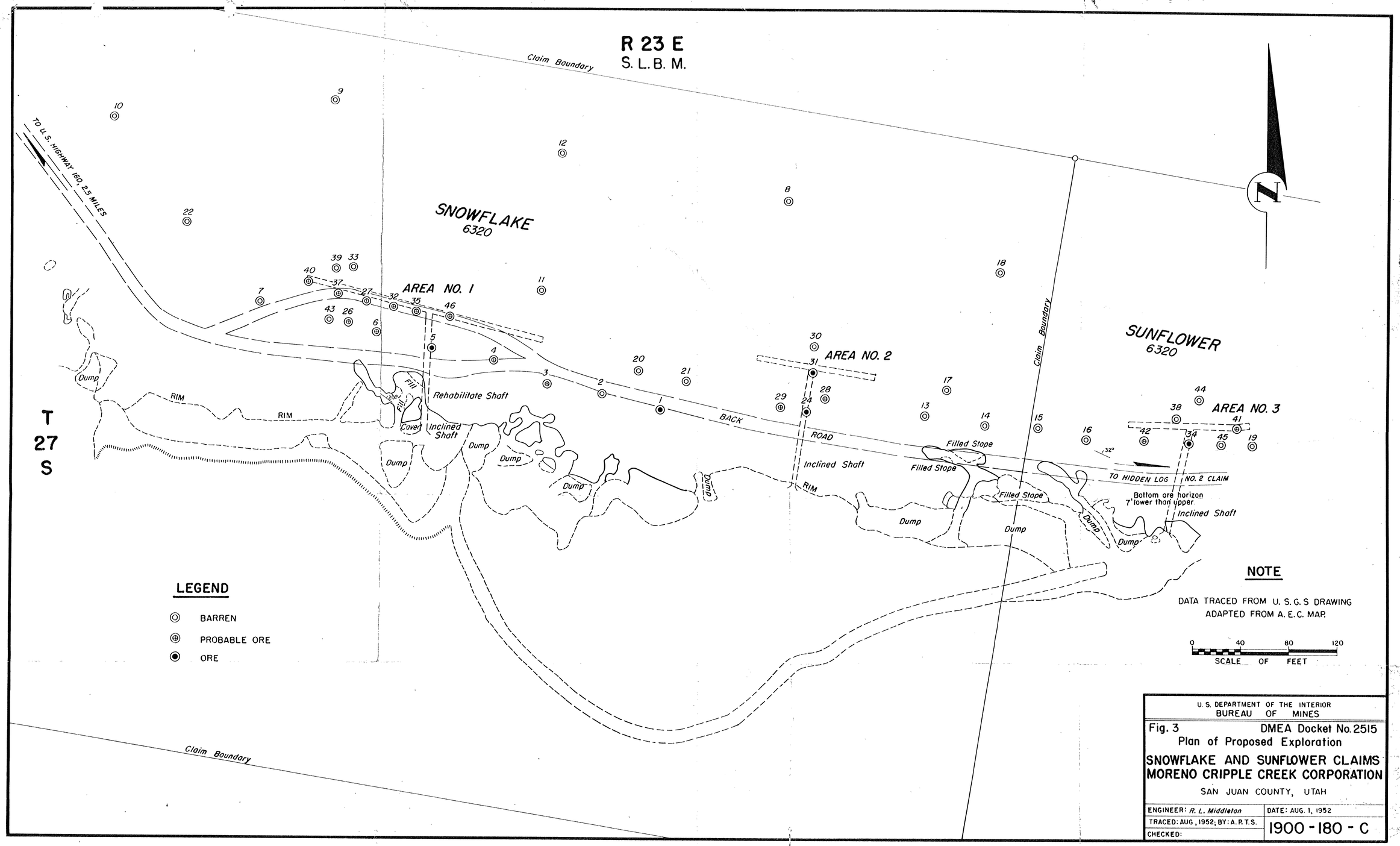
The original and one copy of Form 3b is attached.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann



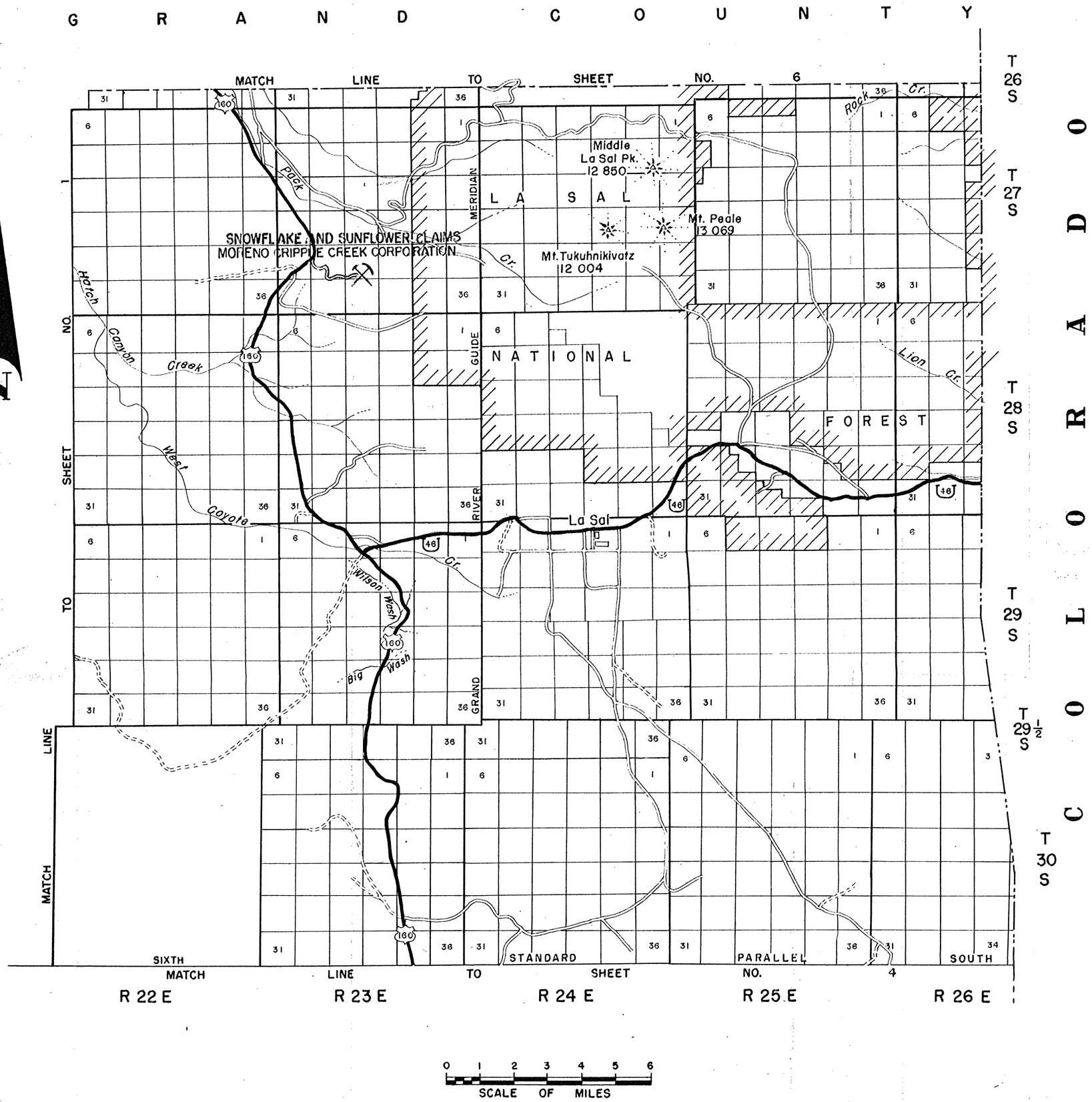
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

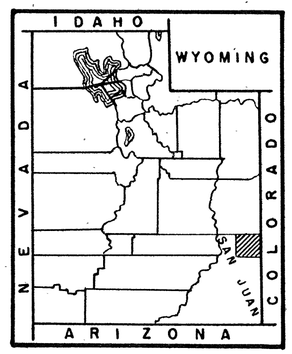
Fig. 3 DMEA Docket No. 2515
Plan of Proposed Exploration

SNOWFLAKE AND SUNFLOWER CLAIMS
MORENO CRIPPLE CREEK CORPORATION

SAN JUAN COUNTY, UTAH

ENGINEER: R. L. Middleton	DATE: AUG. 1, 1952
TRACED: AUG., 1952; BY: A. P. T. S.	1900 - 180 - C
CHECKED:	





U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 1

DMEA Docket No. 2515

STATE : UTAH

COUNTY : SAN JUAN

Sheet 2 of 11

Location Map

ENGINEER: *H. K. THURBER*	DATE : MAY 13, 1954
TRACED: MAY, 1954, BY: A.P.T.S.	1900 - 178 - C
CHECKED :	

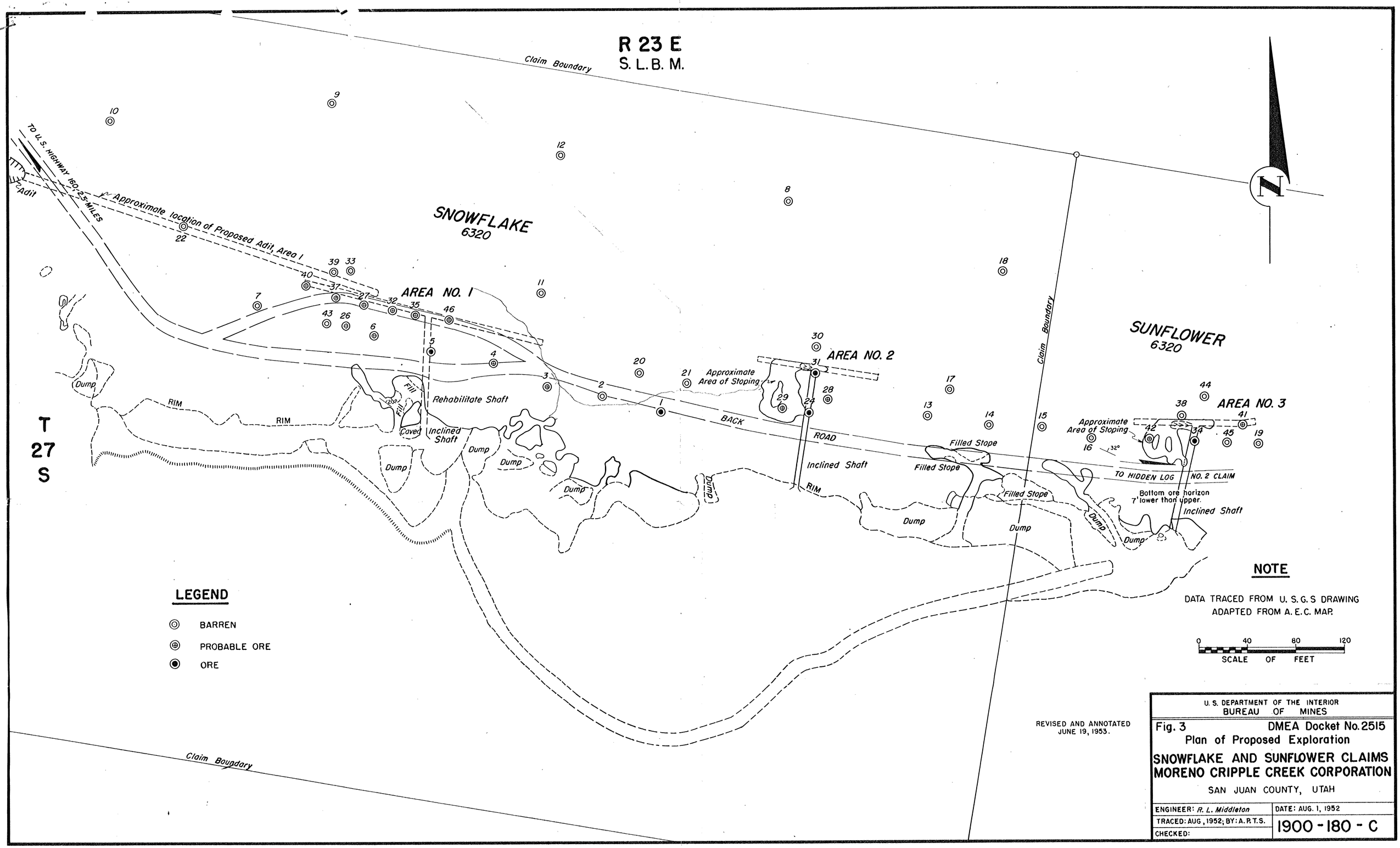
After maps by AEC & USBM

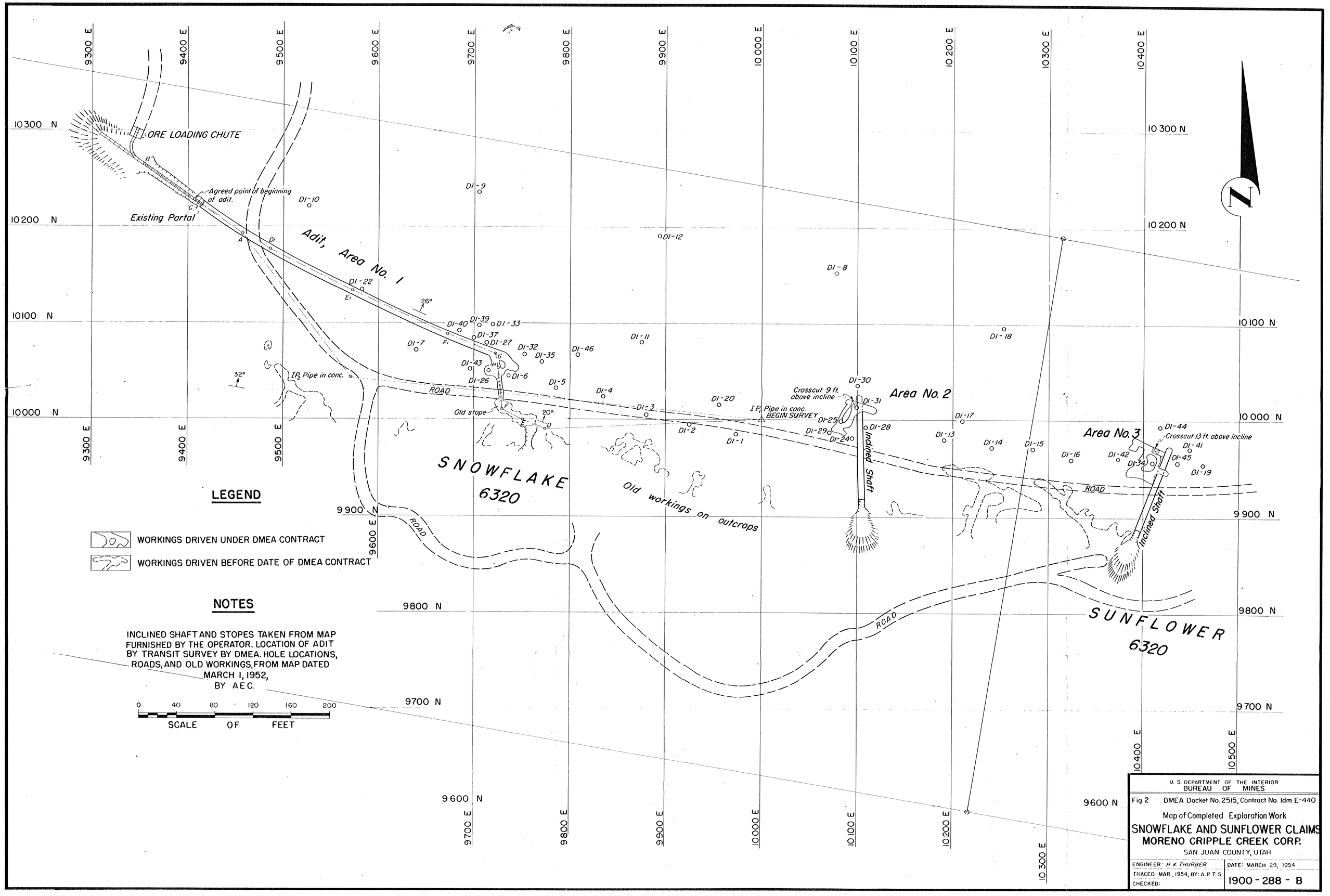
FIG. 2

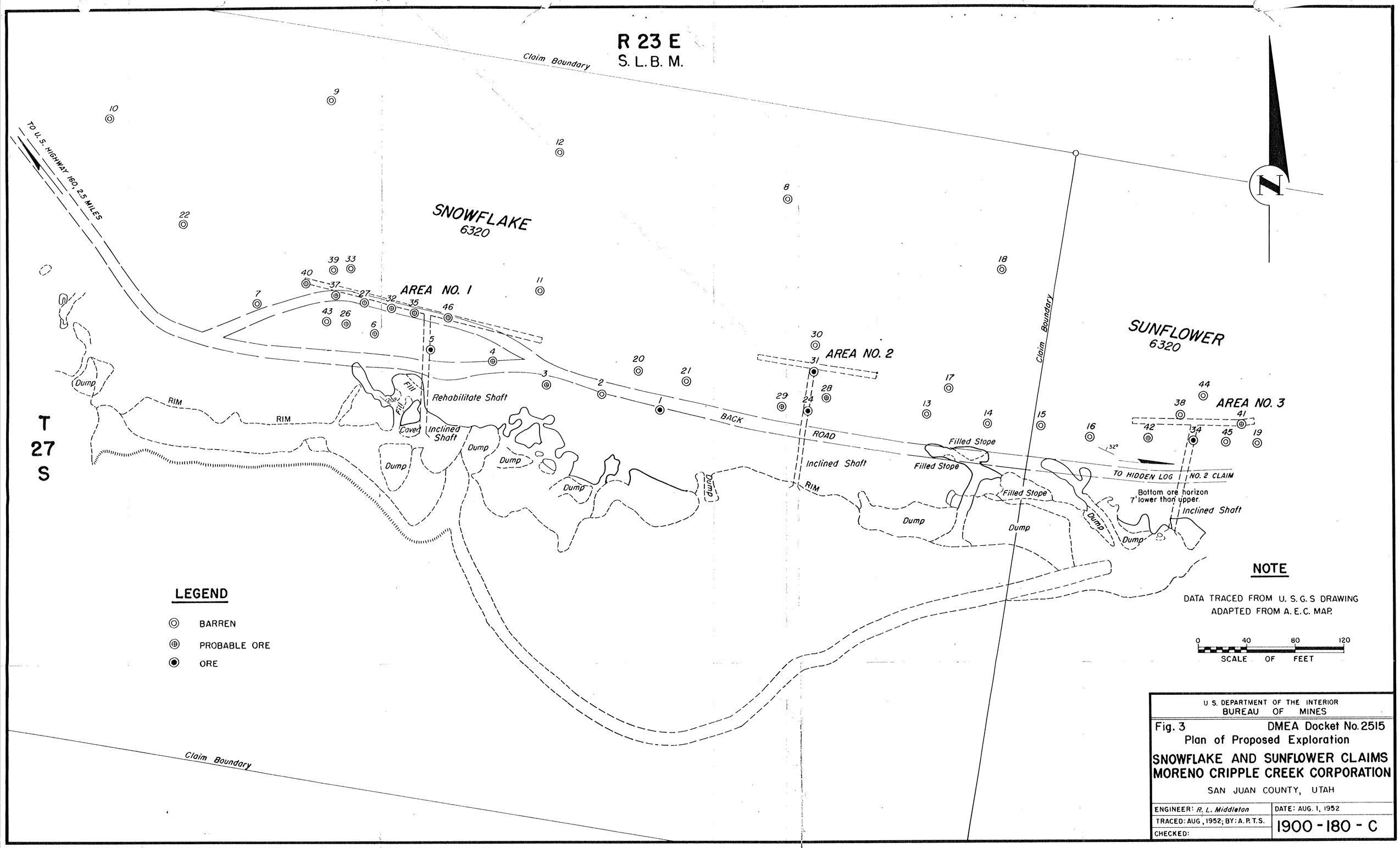
MAP SHOWING WORKINGS AND CLAIMS OF MORENO–CRIPPLE CREEK CORP.

SAN JUAN COUNTY, UTAH

0 40 80 120ft.
Scale


R 23 E
S. L. B. M.
T 27 S
Claim Boundary
TO U. S. HIGHWAY 160, 2.5 MILES
Adit
Approximate location of Proposed Adit, Area I
SNOWFLAKE
6320
AREA NO. 1
Rehabilitate Shaft
Inclined Shaft
Caved
Fill
Dump
RIM
BACK ROAD
Approximate Area of Stoping
AREA NO. 2
Filled Stope
SUNFLOWER
6320
AREA NO. 3
Approximate Area of Stoping
32°
TO HIDDEN LOG NO. 2 CLAIM
Bottom ore horizon 7' lower than upper.
Inclined Shaft
LEGEND
BARREN
PROBABLE ORE
ORE
NOTE
DATA TRACED FROM U. S. G. S DRAWING
ADAPTED FROM A. E. C. MAP.
0 40 80 120
SCALE OF FEET
REVISED AND ANNOTATED
JUNE 19, 1953.
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Fig. 3
DMEA Docket No. 2515
Plan of Proposed Exploration
SNOWFLAKE AND SUNFLOWER CLAIMS
MORENO CRIPPLE CREEK CORPORATION
SAN JUAN COUNTY, UTAH
ENGINEER: R. L. Middleton
DATE: AUG. 1, 1952
TRACED: AUG, 1952; BY: A. P. T. S.
CHECKED:
1900 - 180 - C


ORE LOADING CHUTE
Agreed point of beginning of adit.
Existing Portal
Adit, Area No. 1
Area No. 2
Area No. 3
Crosscut 9 ft. above incline
Crosscut 13 ft. above incline
I.P. Pipe in conc. BEGIN SURVEY
I.P. Pipe in conc.
Old stope
ROAD
Inclined Shaft
SNOWFLAKE 6320
SUNFLOWER 6320
Old workings on outcrops
LEGEND
WORKINGS DRIVEN UNDER DMEA CONTRACT
WORKINGS DRIVEN BEFORE DATE OF DMEA CONTRACT
NOTES
INCLINED SHAFT AND STOPES TAKEN FROM MAP FURNISHED BY THE OPERATOR. LOCATION OF ADIT BY TRANSIT SURVEY BY DMEA. HOLE LOCATIONS, ROADS, AND OLD WORKINGS, FROM MAP DATED MARCH 1, 1952, BY AEC.
0 40 80 120 160 200
SCALE OF FEET
N
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Fig. 2 DMEA Docket No. 2515, Contract No. Idm E-440
Map of Completed Exploration Work
SNOWFLAKE AND SUNFLOWER CLAIMS
MORENO CRIPPLE CREEK CORP.
SAN JUAN COUNTY, UTAH
ENGINEER: H. K. THURBER
DATE: MARCH 29, 1954
TRACED: MAR., 1954, BY: A.P.T.S.
CHECKED:
1900 - 288 - B



U S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 3 DMEA Docket No. 2515

Plan of Proposed Exploration

SNOWFLAKE AND SUNFLOWER CLAIMS
MORENO CRIPPLE CREEK CORPORATION

SAN JUAN COUNTY, UTAH

ENGINEER: R. L. Middleton	DATE: AUG. 1, 1952
TRACED: AUG, 1952; BY: A. P. T. S.	1900 - 180 - C
CHECKED:	