9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4409

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(Withdrawn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

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

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

Left Side

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

Right Side

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

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

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

Left Side

Folder No. 2: (In chron. order)
Interim Summary Reports by W. O. Engineers

Right Side

~~Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports,~~ Operator's
104's Monthly Report with transmittal, narrative, maps, and Field Team review.

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

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Mr. Frank Johnson	FJ	10/14
2. Mr. George Selfridge		
3. ~~Mr. F. L. Knouse~~ Murphy		
4.		
5.		
FROM: Jay L. Chambers JLC		10/14

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions xxx Your information

REMARKS:

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Dalmid Oil and Uranium, Inc.
604 Hamilton Building
P. O. Box 1590
Wichita Falls, Texas.

pertaining to Exploration Project Contract No. Idm-E1066, DMEA No. 4409, including Amendments Nos. 1 through 5, for the period March 7, 1957 to August 29, 1958, inclusive, covering a project for the exploration of Uranium on property known as April, Butte and Canyon Claims located in San Juan County, Utah, approximately 40 miles northwest of Blanding.

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, verification of work performed by reference to Field Team reports and correspondence, 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 reason:

> All of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs 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		$20,941.62
Exceptions:		
Prior to this review	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$20,941.62

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Fifteen thousand, seven hundred six and 22/100ths Dollars is 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.

Amount payable to Operator	$15,706.22
Amount reimbursed	15,206.22
Balance due Operator	$ 500.00

pp. to Opr. 10/20/58

Donald T. Finch

Oct. 9, 1958

Donald T. Finch, OME Auditor

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EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA-4409

AMENDMENT NO. 5

It is agreed this 29th day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dalmid Oil and Uranium, Inc., hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1066 (Docket No. DMEA-4409), dated March 7, 1957, hereinafter called the "Contract," as amended, is further amended, effective August 25, 1958, as follows:

1. In Exhibit "A" under the heading "Description of the Work", Stage II, Article 1, is revised to read as follows:

> "1. Stage II shall consist of not more than 100 hours of bulldozing access roads and drill sites; and drilling not more than 40 offset holes totaling not more than 3,476 feet of non-core and 1,430 feet of core drilling. The holes shall be drilled as offsets to holes which the Government considers favorable. No hole drilled under this stage shall be closer than approximately 75 feet to any other hole drilled under the Contract."

2. In Exhibit "A" under the heading "Fixed Unit Costs", Stage II, Articles 2 and 3 are revised to read as follows:

"2. 3,476 ft. non-core drilling @ $1.25/ft.	$4,345.00
"3. 1,430 ft. core drilling @ $3.50/ft.	$5,005.00"

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

Long
Hoffland
App'd. Sol. Off.
Ching
Kusnitz
Chandler
Selfridge
Johnson

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals
Exploration Administration

DALMID OIL AND URANIUM, INC.

By Chas E Collins, Mgr &

Title Chmn of Board

Please direct
all future
correspondence
to me at

604 Hamilton Bldg
Wichita Falls, Tex.

Thank you

Chas E Collins

August 18, 1958

DOCKET NO. DMEA-4409 (Uranium)
CONTRACT NO. IDM-E1066
DALMID OIL AND URANIUM, INC.
APRIL, BUTTE, AND CANYON CLAIMS
SAN JUAN COUNTY, UTAH

JUSTIFICATION FOR AMENDMENT NO. 5

The object of the project is to explore for deposits of uranium ore in Shinarump scour channels.

Under Stage I of the contract, 37 of the 38 holes allowed were completed and logged by September 6, 1957. Only 3 holes were classed as favorable and 34 were classed as unfavorable and semi-favorable. (See D. P. Elston memorandum, dated September 13, 1957, marked in file.)

Under Stage II, the Field Team has approved 27 holes to further explore favorable areas disclosed by previous drilling under the contract. Reports received to date on this drilling indicate that the project area is not too favorable for significant ore deposits.

In a teletype, dated August 15, 1958, the Field Team recommended that the non-core footage be increased by 476 feet and thecore footage be reduced by 170 feet to allow drilling two additional holes that appear to be warranted. The change in footages involves no increase in the actual costs (i.e., 170' x $3.50 or 476 x $1.25 = $595.00). The Field Team also states that these two holes will probably be the last approved.

The contract allows 40 holes under Stage II of the contract, based on the estimate that 75 feet of non-core and 40 feet of core drilling would be the average required per hole. However, the drilling to date shows that the non-core portion of each hole is averaging at least 100 feet, whereas the core drilling through the Shinarump is much less than the 40 feet authorized. Therefore, the requested amendment for the change in core and non-core drilling is reasonable and approval is recommended. However, additional drilling other than these two holes is not recommended.

F M Murphy

F. M. Murphy

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EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA 4409
CONTRACT NO. Idm-E1066

AMENDMENT NO. 4

It is agreed this 2nd day of June, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dalmid Oil and Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1066, Docket No. DMEA 4409, dated March 7, 1957, hereinafter called the "Contract," that the contract is further amended as follows:

1. The period fixed in Article 1, as amended by Amendment No. 3, within which the work under the contract shall be completed, is extended from seventeen (17) months to eighteen (18) months from the date of the contract.

2. The suspension of work under the contract, provided for under item 2(a) of Amendment No. 3, ending not later than June 1, 1958, is extended to end not later than July 1, 1958.

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

Executed in quintuplicate the day and year first above written.

DALMID OIL AND URANIUM, INC.

By _____
Charles E. Collins,
President

(Seal)

UNITED STATES OF AMERICA

By _____
Alternate Acting Executive
Officer, DMEA Field Team,
Region III

Government's Copy

EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA 4409
CONTRACT NO. Idm-E1066

AMENDMENT NO. 3

It is agreed this 7th day of November, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dalmid Oil and Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1066, Docket No. DMEA 4409, dated March 7, 1957, hereinafter called the "Contract," that:

1. The period fixed in Article 1, as amended by Amendment No. 2, within which work under the contract shall be completed, is extended from "eight" months to seventeen (17) months from the date of the contract.

2. (a) Work under the contract shall be suspended during the period beginning October 11, 1957 and ending not later than June 1, 1958.

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

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

3. The maximum period for royalty payment and lien for payment thereof, as provided for in Article 6 (b) (2) of the contract, is increased to eleven (11) years from the date of the contract.

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

Executed in quintuplicate the day and year first above written.

DALMID OIL AND URANIUM, INC.

By Charles E. Collins
Charles E. Collins
President

UNITED STATES OF AMERICA

By E. M. Hanchmann
Acting Executive Officer
DMEA Field Team, Region III

(Seal)

Government's Copy

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EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA 4409
CONTRACT NO. Idm-E1066

AMENDMENT NO. 2

It is agreed this 6th day of September, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dalmid Oil and Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1066, Docket No. DMEA 4409, dated March 7, 1957, hereinafter called the "Contract," that:

1. The period fixed in Article 1 within which the Operator shall complete the work is extended from "six" to "eight" months from the date of the Contract.

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

Executed in quintuplicate the day and year first above written.

DALMID OIL AND URANIUM, INC.

By Charles E. Collins
Charles E. Collins
President

(SEAL)

UNITED STATES OF AMERICA

By E. M. Hashman
Acting Executive Officer, DMEA
Field Team, Region III

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AMENDMENT NO. 1		

EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA 4409
CONTRACT NO. Idm-E1066

It is agreed this 9th day of May, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dalmid Oil and Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1066, Docket No. DMEA-4409, dated March 4, 1957, hereinafter called the "Contract," that:

1. The date fixed in Article 1, on or before which the Operator shall begin work, is extended to June 1, 1957.

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

Executed in sextuplicate the day and year first above written.

DALMID OIL AND URANIUM, INC.

By Charles E. Collins
Charles E. Collins
President

UNITED STATES OF AMERICA

By E. M. Hershman
Acting Executive Officer
DMEA Field Team, Region III

Moab Utah
5/8/57

Mr E A Harshman
DMEA Field Team
Region III

Re- Docket No. DMEA 4409
Contract No. d. D.M.-E. 1066
Dalmid Oil + Uranium Corp.
April Butte + Canyon Claims
San Juan County Utah

Dear Sir

I request that we be allowed to delay the start of operations a week or two after May 15.

The reason for requesting the delay is due to unusual weather and heavy snowfall. Large patches of snow still exist on the slope in question and no doubt protect deep layers of frost that would greatly increase the amount of bulldozer time required and in thawing would hinder the work and increase the danger of side hill cutting

Respectfully Yours

Martin F. Maher
Dalmid field supt.
Box 544
Moab Utah

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DENVER

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

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

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

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

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

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

Under "Fixed Unit Costs", the unit cost for non-core drilling shall be the average cost per foot of non-core drilling for each stage, and the unit cost for core drilling shall be the average cost per foot of core drilling for each stage.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O Mitchendorf
Administrator, Defense Minerals
Exploration Administration

DALMID OIL AND URANIUM, INC.
(Operator)

By Charles E. Collins

Title PRESIDENT

I, Norma R. Collins, certify that I am the secretary of the corporation named as Operator herein; that Charles E. Collins, 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.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

Indritz 3/1/57
"Appd. Col. Off."
Murphy
Elis
Chambers
Selfridge
Johnson

EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA-4409

ANNEX I

The land referred to in Article 2 of the Contract is owned by the Operator and consists of nineteen (19) unpatented lode mining claims. The notices of location of the claims are recorded in the Office of the County Recorder, San Juan County, Utah, as follows:

Claim	Book	Page
April Nos. 1-5	87	329-331
Butte Nos. 1-5	46	29-33
Butte No. 6	68	29
April Nos. 6, 7, 8, 13	87	332-335
Canyon Nos. 1-4	36	391-394

The area covered by the above-named claims with reference to section, township, and range lines is shown on the map entitled "Figure 2. Map of April, Butte, and Canyon Groups of Claims, Showing Simplified Geology and Existing and Proposed Drill Hole Locations, Dalmid Uranium Corp. . . .", attached hereto and made a part hereof. Also attached hereto and made a part hereof is "Figure 1.--Location Map, Dalmid Uranium Corporation, April, Butte and Canyon Claim Groups, San Juan County, Utah."

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DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA-4409

EXHIBIT "A"

Description of the Work

General Provisions

1. The object of this project is to explore the Shinarump member of the Chinle formation for possible scour-channel deposits of uranium ore, by means of non-core and core drilling.

2. It is estimated that the average hole will require 75 feet of non-core and 40 feet of core drilling. The holes shall be drilled non-core to about the upper contact of the Shinarump, and then core drilled through the Shinarump into not less than one foot, nor more than ten feet, of the underlying unaltered, red, Moenkopi formation.

3. Mineralized portions of the drill core shall be split, the Operator using one half for assay purposes. The other half of the core shall be stored together with the rest of the core for Government inspection and possible use. The core shall be stored in boxes properly identified as to hole number and with markers placed in the core sections to indicate the depth represented. Upon approval by the Government, the Operator shall dispose of the drill core.

4. All holes shall be logged geologically and probed radiometrically by the Operator. Records of such logging and probing, together with the assay certificates of the core samples, shall be submitted with the Operator's monthly progress report, which shall also include a map or sketch showing the location and collar elevation of all holes drilled during the reporting period.

5. The Government shall not participate in the cost either of an incomplete hole, or of a hole that bottoms less than AX core size, or of a hole that is closer than 100 feet to the outer boundary lines of the project area.

6. Bulldozer work shall be performed with a D-7 Caterpillar or equivalent unit.

7. A competent supervisor shall be employed full time to direct the project work and perform the technical duties necessary to complete the contract in a satisfactory manner.

8. The location of drill holes and access roads, the method of drilling, and the supervision of the project shall be subject to Government approval.

9. The work shall be divided into two stages. The Operator shall complete all of Stage I work and as much of Stage II work as is approved in advance in writing by the Government.

STAGE I

1. Stage I shall consist of bulldozing access roads and drill sites; and drilling not more than thirty-eight (38) holes spaced about 250 feet apart at the approximate locations shown on the Map Figure 2, referred to in Annex I.

2. It is estimated that 100 hours of bulldozing, 2,850 feet of non-core drilling, 1,520 feet of core drilling, 40 hours standby time, 30 samples chemically analyzed for their U_3O_8 content, and incidental costs will be required to complete the thirty-eight (38) holes. However, if additional units and/or costs are necessary to complete the holes, such additional units and costs may, upon written Government approval, be transferred to Stage I from Stage II and a corresponding reduction made in Stage II.

STAGE II

1. Stage II shall consist of not more than 100 hours of bulldozing access roads, and drill sites; and drilling not more than 40 offset holes totaling not more than 3,000 feet of non-core and 1,600 feet of core drilling. The holes shall be drilled as offsets to holes which the Government considers favorable. No hole drilled under this stage shall be closer than approximately 75 feet to any other hole drilled under the contract.

2. In this Stage II not more than 33 samples shall be chemically analyzed to determine their U_3O_8 content; nor shall more than 40 hours of standby time be allowed.

Fixed Unit Costs (See Article 10)

Stage I

1.	Bulldozing, 100 hrs. @ $12/hr.	$1,200.00	
2.	2,850 ft. non-core drilling @ $1.25/ft.	3,562.50	
3.	1,520 ft. core drilling @ $3.50/ft.	5,320.00	
4.	40 hrs. standby time @ $12.50/hr.	500.00	
5.	Incidental allowance for each foot of drill hole completed, 4,370 ft. @ $0.40/ft.	1,748.00	
6.	Chemical analyses for U_3O_8 content of 30 samples @ $3.50/each sample.	105.00	$12,435.50

Stage II

1.	Bulldozing, 100 hrs. @ $12/hr.	$1,200.00	
2.	3,000 ft. non-core drilling @ $1.25/ft.	3,750.00	
3.	1,600 ft. core drilling @ $3.50/ft.	5,600.00	
4.	40 hrs. standby time @ $12.50/hr.	500.00	
5.	Incidental allowance for each foot of drill hole completed, 4,600 ft. @ $0.40/ft.	1,840.00	
6.	Chemical analyses for U_3O_8 content of 33 samples @ $3.50/each sample.	115.50	$13,005.50
	Estimated total cost of Project		$25,441.00
	Government Participation at 75% (rounded)		$19,080.00

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JANUARY 1957
DOCKET 4409

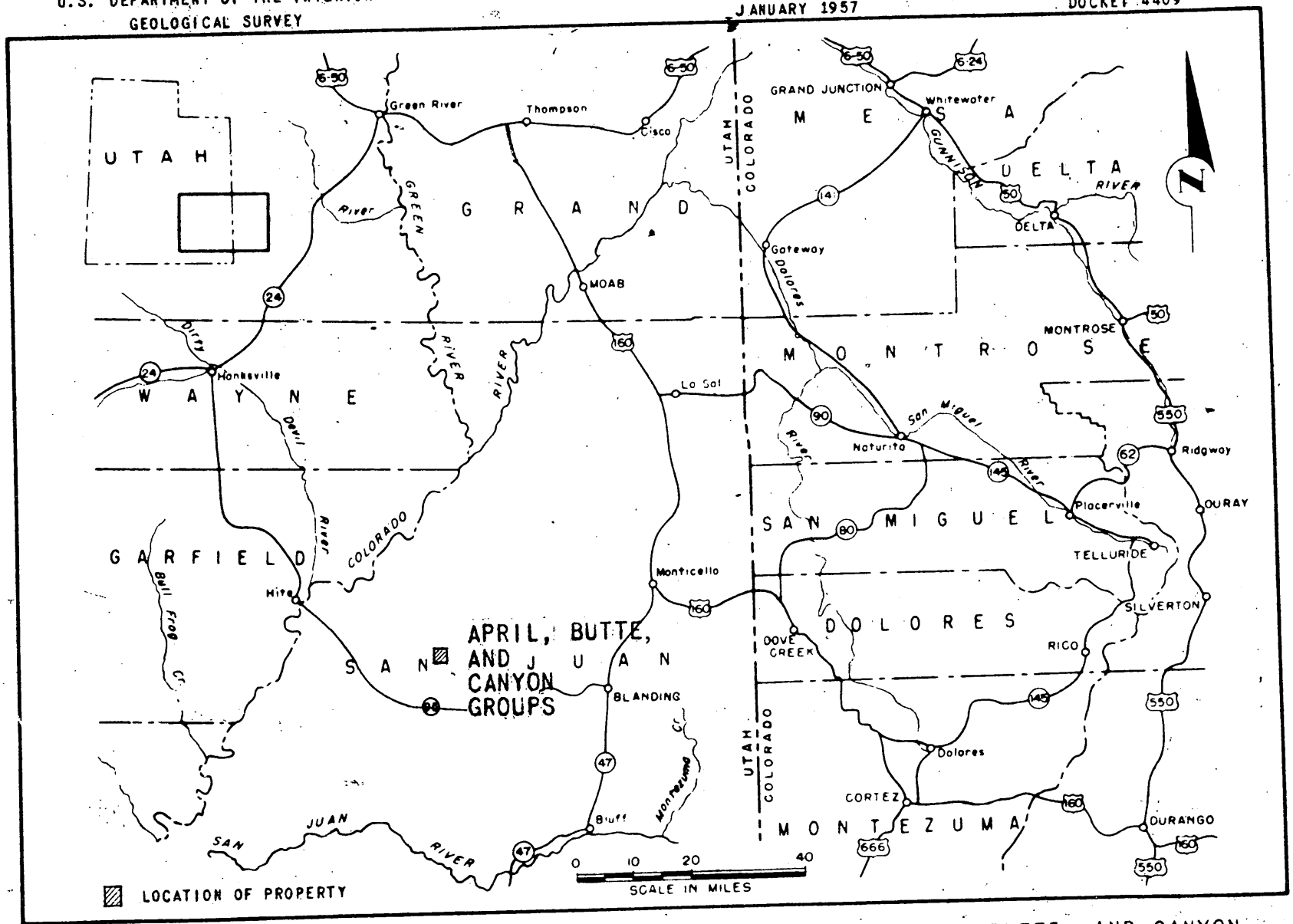


FIGURE 1.--LOCATION MAP, DALMID URANIUM CORPORATION, APRIL, BUTTE, AND CANYON CLAIM GROUPS, SAN JUAN COUNTY, UTAH.

9/12/58

Note that on executed Amendment No. 5, dated August 29, 1958, change of address to:

(All future communications)

Chas. E. Collins, Mgr. &
Chairman of Board
Dalmid Oil and Uranium, Inc.
604 Hamilton Bldg.
Wichita Falls, Texas

Government's copy

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No. Idm-E*	*County*	*State*
4409	Uranium	1066	San Juan	Utah

It is agreed 7 MAR 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dalmid Oil and Uranium, Inc., a Delaware Corporation

whose mailing address is 604 Hamilton Building, P. O. Box 1590
Wichita Falls, Texas
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before May 15, 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within six months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $25,441.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $19,080.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: owner

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: none

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

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

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

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

Recorded at 10:08 o'clock a M., 7-11-56 - Book 128 Page 330
Reception No. 95067 Arella E Warren Recorder. J.R.

$1.30

JUL 11 10 08 AM '56

THIS INDENTURE, Made this 10th day of April, in the year of our Lord one thousand nine hundred fifty-six, between Utarco Uranium Corporation

of the County of Mesa and State of Colorado, party of the first part, and Dalmid Oil & Uranium, Inc., a Delaware Corporation, with principle offices and place of business in

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

WITNESSETH, That the said party of the first part, for and in consideration of the sum of Ten and no/100 ----------100 Dollars, to it in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, remised, released and forever quit-claimed, and by these presents does grant, bargain, sell, remise, release and forever quit-claim, unto the said party of the second part, its heirs and assigns, the following described property, situate, lying and being in Elk Ridge Mining District, in the County of San Juan, and State of ~~Colorado~~ Utah, to-wit:

Butte Claim #6, the original location certificate recorded in Book 68 at Page 29 of the records of San Juan County, Utah.

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

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

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

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
ATTEST:
Norma R. Collins
Secretary

UTARCO URANIUM CORPORATION [SEAL]
Charles E. Collins
President [SEAL]

STATE OF COLORADO,
City & County of Denver } ss.

The foregoing instrument was acknowledged before me this 10th day of April A. D. 1956, by Charles E. Collins as President of Utarco Uranium Corporation.

My commission expires May 9, 1959, 19. Witness my hand and official seal.

Notary Public.

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

2.10

Recorded at 1:18 o'clock a M., 7-11-56 Bo 128 Page 329

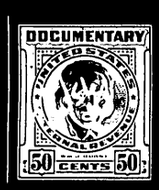
Reception No. 5066 Arella E. Warren Recorder. Paid $2.10

JUL 11 10 00 AM '56

THIS INDENTURE, Made this 10th day of April, in the year of our Lord one thousand nine hundred fifty-six, between Charles E. Collins of the County of Wichita and State of ~~Colorado~~ Texas, party of the first part, and Dalmid Oil & Uranium, Inc., a Delaware Corporation, with its principal office and place of business in ~~xx~~ of the County of Mesa and State of Colorado, party of the second part;

WITNESSETH, That the said party of the first part, for and in consideration of the sum of Ten and no/100---------- Dollars, 100 to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, remised, released and forever quit-claimed, and by these presents does grant, bargain, sell, remise, release and forever quit-claim, unto the said party of the second part, its heirs and assigns, the following described property, situate, lying and being in White Canyon Mining District, in the County of San Juan, and State of ~~Colorado~~ Utah, to-wit:

Butte Claims Nos. 1 to 5, inclusive, the original location certificates for said claims being recorded in Book 46 at Pages 29, to 33, inclusive of the records of San Juan County, Utah.



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

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

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

Signed, sealed and delivered in the presence of

Charles E. Collins [SEAL]

[SEAL]

[SEAL]

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

The foregoing instrument was acknowledged before me this 10th day of April A. D. 1956, by Charles E. Collins.

My commission expires May 9, 1959. Witness my hand and official seal.

Jane Luther
Notary Public.

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

329

Recorded at 1:08 o'clock a M., 7-11-56 Book 128 Page

Reception No. 95065 Recorder.

Jul 11 10 08 AM '56

THIS INDENTURE, Made this 10th day of April, in the year of our Lord one thousand nine hundred fifty-six, between Charles Collins of the County of Wichita and State of ~~Colorado~~ Texas, party of the first part, and Dalmid Oil & Uranium, Inc., a Delaware Corporation, with its principle office and place of business in ~~of~~ the County of Mesa and State of Colorado, party of the second part;

WITNESSETH, That the said party of the first part, for and in consideration of the sum of Ten and no/100 Dollars, to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, remised, released and forever quit-claimed, and by these presents does grant, bargain, sell, remise, release and forever quit-claim, unto the said party of the second part, its heirs and assigns, the following described property, situate, lying and being in White Canyon Mining District, in the County of San Juan, and State of ~~Colorado~~ Utah, to-wit:

Canyon Claims Nos. 1 to 4, inclusive, the original location certificates for said claims being recorded in Book 36 at Pages 391 to 394, inclusive, in the records of San Juan County, Utah.

DOCUMENTARY UNITED STATES INTERNAL REVENUE 2 TWO DOLLARS 2

DOCUMENTARY 20 CENTS 20

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

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

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

Signed, sealed and delivered in the presence of

Charles Collins [SEAL]

[SEAL]

[SEAL]

STATE OF COLORADO, } ss.
City & County of Denver

The foregoing instrument was acknowledged before me this 10th day of April A. D. 1956, by Charles Collins

My commission expires May 9, 1959, 19. Witness my hand and official seal.

Notary Public.

3110

Recorded at 10:08 o'clock a M., Anella E. Recorder,
Reception No. 95063 July 11, 1956 Book 128 Page 326

Jul 11 10 00 AM '56

THIS INDENTURE, Made this 10th day of April, in the year of our Lord one thousand nine hundred fifty-six, between Charles E. Collins

of the County of Wichita and State of Colorado, party of the first part, and Dalmid Oil & Uranium, Inc., a Delaware Corporation, with its principle office and place of business in

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

WITNESSETH, That the said party of the first part, for and in consideration of the sum of Ten and no/100---------- Dollars, 100

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

Buckhorn #10, #11 and #12, the original location certificates for said claims being recorded in Book 67 at pages 196, 197 and 198 of the records of San Juan County, Utah;

Eagle #9 and #11, the original location certificates for said claims being recorded in Book 67 at pages 184 and 186 of the records of San Juan County, Utah;

April #1 to #5, inclusive, the original location certificates for said claims being recorded in Book 87 at pages 329 to 331, inclusive, of the records of San Juan County, Utah.

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

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

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

Signed, sealed and delivered in the presence of

Charles E. Collins [SEAL]

[SEAL]

[SEAL]

STATE OF COLORADO,
City & County of Denver } ss.

The foregoing instrument was acknowledged before me this 10th day of April A. D. 1956, by Charles E. Collins.

My commission expires May 9, 1959, 19. Witness my hand and official seal.

Notary Public.

No. 37. MINING DEED.— R. s, 1824-46 Stout St., Denver, Colorado

PHONE ALPINE 5-9720

JAMES S. HENDERSON
ATTORNEY AT LAW
608-610 EQUITABLE BUILDING
DENVER 2, COLORADO

July 5, 1956

Dalmid Oil & Uranium, Inc.
1730 North 7th Street
Grand Junction, Colorado

Gentlemen:

On May 9, 1955, the undersigned addressed to you title opinions concerning the following mining claims and properties, to-wit:

Mohave County, Arizona:
Yellowstone Nos. 1-11
Mac Nos. 1-12
J.B. Nos. 57-67

San Juan County, Utah:
Buckhorn Nos. 1-9 and 13
Eagle Nos. 1-8 and 10
April Nos. 6,7,8 and 13

Coconino County, Arizona:
Valley Nos. 1-5

Kane County, Utah:
School Land Leases
E/2 of Sec. 2, Range 2, West, Township 43 South; all of Section 36, Range 2 West, Township 42 South, both from the Salt Lake Meridian

I am advised that the rentals have been paid on the School Land leases to December 31, 1956, and that these leases remain in good standing in the name of Dalmid Oil & Uranium, Inc., Lessee.

In regard to the unpatented mining claims, Mr. George Kidd has advised me in writing that since May 9, 1955, the majority of these claims were overstaked by other parties. Thus, perhaps creating some doubt as to the validity of the possessory title of Dalmid Oil & Uranium, Inc. However, on July 2, 1956, Mr. Collins, President of Dalmid Oil & Uranium, Inc., advised me by telephone that representatives of the company had been on the properties within the last 30 days and found no one in possession asserting any claims adverse to Dalmid Oil & Uranium, Inc. and that no filings had been made showing performance of annual assessment work by adverse claimants. Mr. Collins further stated that Dalmid Oil & Uranium, Inc. had reassumed actual possession of the claims.

It is therefore my opinion, assuming that Dalmid has again assumed actual possession of the properties, and in consideration of the fact

that those persons who attempted to overstake the claims have apparently abandoned any rights they may have had, that Dalmid Oil & Uranium, Inc. may safely proceed to explore and mine these properties subject to performance of annual assessment work hereafter and the filing of proper affidavits of proof of labor and improvements.

Yours very truly

James S. Henderson

JAMES S. HENDERSON
Attorney at Law

JSH/jl

9-5-56

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

RECEIVED
SEP - 4 1956

August 30, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Docket DMEA 4409 (Uranium) Dalmid Oil and Uranium Inc., (April and Butte groups) San Juan County, Utah

Enclosed are two copies of an Amendment to the subject application in which the Applicant wishes to also include the Canyon claims in his application.

Two copies of the Amendment will be held in this office pending your release of the application for a field examination.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

DMEA
DEPARTMENT OF THE INTERIOR
AUG 30 1956
REGION III
DENVER, COLORADO

August 29, 1956

Mr. Will M. Traver
Department of the Interior
Defense Minerals Exploration Administration
Room 224 New Customs House
Denver, Colorado

Re: Docket No. DMEA-4056 (Uranium) DMEA-4409

Dear Mr. Traver:

Since the Canyon Claims are in the same group of claims as the April Claims and since we have applied for help in exploration work on the April Claims, we thought it only fair to include the Canyon Claims in this application and we do so by this amendment which we send to you in quadruplicate.

The Canyon Claims are on a steep canyon. In rim stripping with a bull dozer on the contact of Moenkopi and Shinarump, we have discovered mineralized channels on Canyon No. 1 and Canyon No. 3.

Last year we leased these claims to W. K. Rogers. He shot and killed a person and spent the winter in jail at Monticello. When he came clear at the trial, he was without funds to proceed on the mine that he had started on Canyon No. 1 and we had to take legal action to regain possession of these claims. That is the reason they were not included in the first application.

Recently we have drilled several holes on the west side of Canyon No. 1 and No. 2 and have found mineralized sands that make us think these are excellent claims. Your man will be shown this when he examines these grounds.

It was certainly a pleasure to meet you yesterday, and I remain,

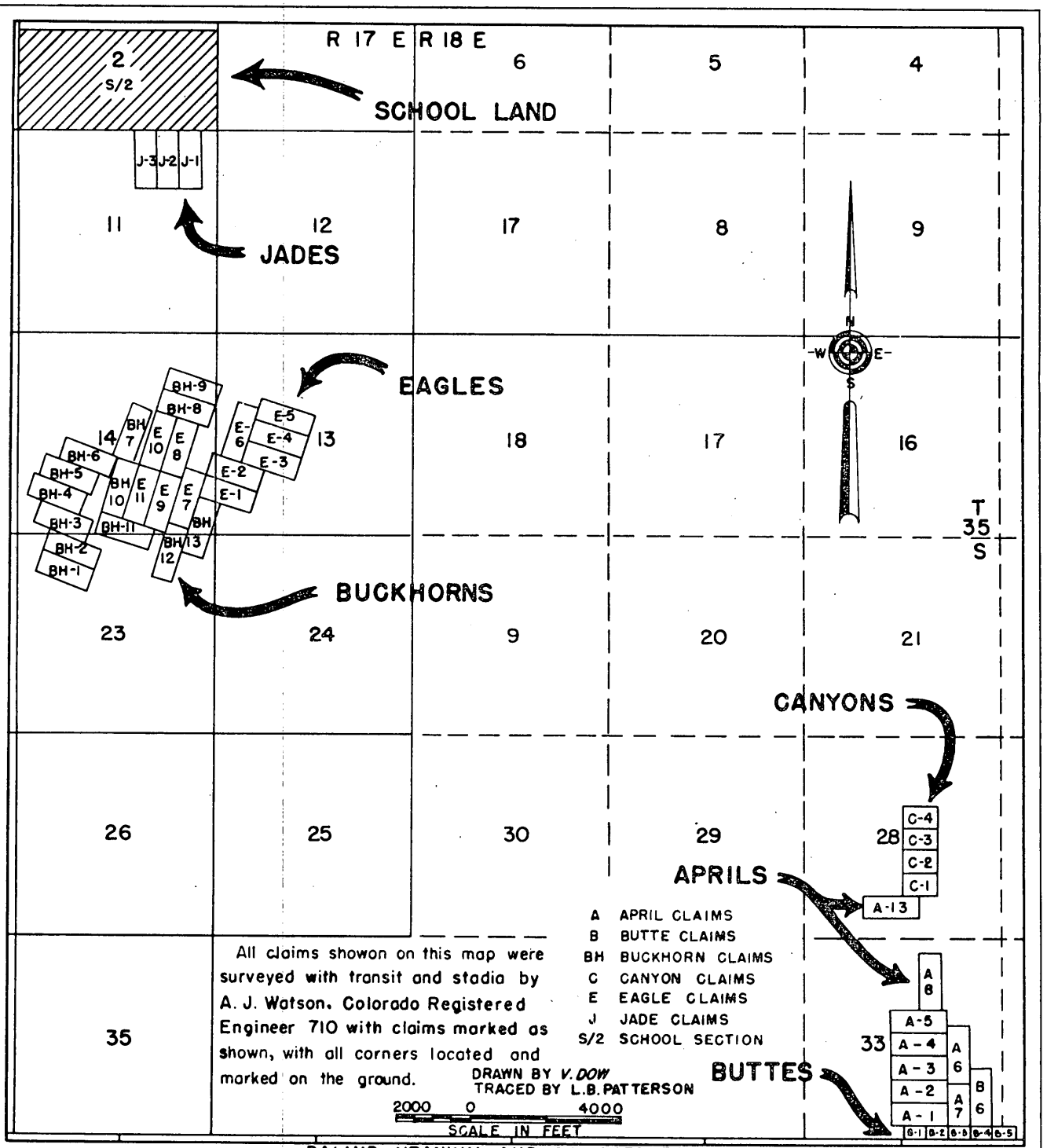
Sincerely yours

DALMID OIL & URANIUM, INC.

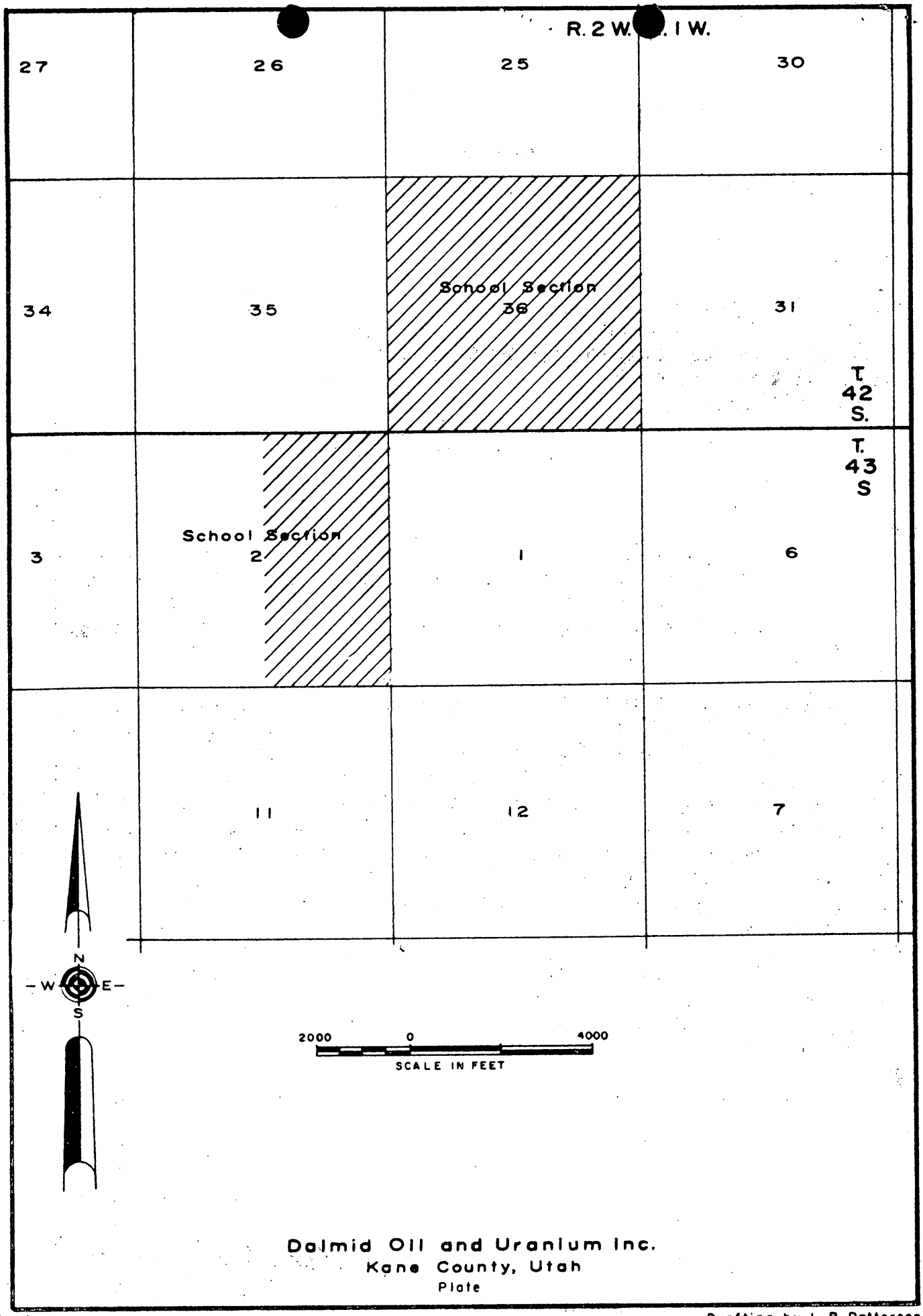
By Charles K. Collins
Charles K. Collins, President

CKC/jl
Enclosure

RECEIVED
SEP - 4 1956



DALMID URANIUM AND OIL CORPORATION
PLATE



Dalmid Oil and Uranium Inc.
Kane County, Utah
Plate

May 1956

Drafting by L. B. Patterson

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

RECEIVED
AUG - 3 1956

July 31, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Application for DMEA Aid (Uranium) Dalmid Uranium Corporation (April and Butte Groups) San Juan County, Utah

Enclosed are two copies of the subject application in the amount of $46,531.60.

Apparently this is the application mentioned in the Administrator's letter dated July 27, 1956 to Mr. Charles E. Collins, President, Utarco Uranium Corporation, re: Docket No. DMEA 4056, (Uranium) (April and Butte Groups), San Juan County, Utah.

One copy of the application is being forwarded to the Grand Junction Office, DMEA, for their review and comments and one copy is being retained in our file.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

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

RECEIVED
AUG - 3 1956

July 31, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. W. Nasler

From: Field Team, Region III

Subject: Application for DMEA Aid (Uranium) Dalmid Uranium Corporation (April and Butte Groups) San Juan County, Utah

Enclosed is the subject application in the amount of $46,531.60.

Please discuss this application with the Bureau of Mines representative in the Grand Junction office and the AEC and forward this office nine copies of your recommendations concerning the advisability of making a field examination.

DMEA Field Team, Region III

W. M. TRAVER,

By W. M. Traver
Executive Officer

Enclosure

MMC:ab

cc: Sec. Op. Comm. (2)
Docket
Marshman
Shaw (2)
Chron.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd
JUL 31 1956

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

RECEIVED
AUG - 3 1956
BUREAU OF MINES
Denver, Colorado

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

Not to be filled in by applicant

Docket No. 4409
Metal or Mineral Uranium
Date Received 8-3-56
Estimated Cost $46,531.60
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Dalmid Uranium Corporation
1730 North 7th Street
Grand Junction, Colorado

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Unpatented April Claims, Numbers 1 through 8, April 13, and Unpatented Butte Claims, numbers 1 through 6. Located in unsurveyed sections 28 and 33, township 35S, Range 18E., S. L. Base and Meridian (15 claims)

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

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

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

(*e*) If you own the land, describe any liens or encumbrances on it None. Assessment work completed for 1955.

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

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. See report, pp. 2

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. No production

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. See report pp. 3, 4.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See report pp. 2

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. Adequate
see report pp. 2 and 3.

16—66551-1

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

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. see report and map, plate 1

(*c*) The work will start within 30 days and be completed within 6 months from the date of an exploration project contract.

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

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project: Report pp. 9

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). see report pp 9

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. see report, pp. 9

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. see report, pp. 9

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be. not applicable

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. not applicable

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project not applicable

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

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above. None

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated May, 1956

DALMID URANIUM CORPORATION
(Applicant)

By Charles E. Collins

President

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

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

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5 1-(f) April, Numbers 1 through 5, filed in book 87, pages 329 to 331.

5 Butte, numbers 1 through 5 claims, filed in book 46, pages 22 and 23.

Butte number 6 claim filed in book 68, page 29.

1 All of the above claims were filed in the San Juan County recorder's office at Monticello, Utah, by the Utarco Uranium Company of Wichita Falls, Texas; and they were subsequently sold to the Dalmid Uranium Corporation of Grand Junction, Colorado.

2 April, numbers 6 and 7 claims were filed in book 87, page 332.

1 ? April 7 8 ? claim was filed in book 87, page 333

1 April 13 claim was filed in book 87, page 335.

15 The above claims were filed by the Dalmid Uranium Corporation in the San Juan, County recorder's office at Monticello, Utah.

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Dalmid Corporation

Charles E. Collins 604 Hamilton Building Wichita Falls, Texas	President and Director
George W. Kidd 205 Leggett Building Midland, Texas	Vice President and Director
George F. Conly 205 Leggett Building Midland, Texas	Secretary
Riley F. Huie 1908 Wilson Street Wichita Falls, Texas	Treasurer
Paul Scheurer 1315 Eighth Street Wichita Falls, Texas	Director

(5D)

CHARLES E. COLLINS, President and Director, has been in the insurance business for twenty years, and, since 1941, has acted as Division Manager for Mutual of Omaha. Mr. Collins is a graduate of Texas Tech College and Colorado College.

GEORGE W. KIDD, Vice-President and Director, has been engaged in the production of crude oil for many years, and has had much experience in an executive and financial capacity with oil companies. Mr. Kidd attended Howard Payne College, and graduated from Oklahoma University.

GEORGE T. CONLY, Secretary, is a certified public accountant and a graduate of Southern Methodist University. Mr. Conly is owner and manager of his own accounting firm.

RILEY P. HUIE, Treasurer is a graduate of Texas University. Mr. Huie is owner and manager of a cleaning and pressing business

PAUL SCHEURER, Director, is a registered professional engineer. Mr. Scheurer has been in the air conditioning contracting business since 1933.

Attached is the experience record of Mr. Vernon T. Dow, mining engineer, who will act as a consultant in supervision of the proposed drilling, and of Mr. Martin Maher, Field Superintendent for Dalmid Uranium Corporation, who will be supervising the drilling program.

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Dalmid Corporation

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PROFESSIONAL RECORD OF VERNON T. DOW

August 15, 1955 to Present Time:
Mine Manager for Norbute Corporation, Box 1700, Grand Junction, Colorado. Work consists of managing the operation of Norbute's Ringtail Uranium Mine, both operational and administrative duties. Also, the examination , valuation and reports on any outside properties which the company may consider acquiring.

March, 1954 to August, 1955
Chief Exploration Engineer for the U.S. Geological Survey,Colorado Plateau project. Writing specifications for all drilling contracts; acting as consultant for any engineering problems arising on drilling projects; ddirecting the use and distribution of heavy equipment, such as bull-dozers, compressors, trucks, light plants, and motor graders; preparing all the monthly engineering reports concerning the drilling. Settling any questions or problems arising between Government and drilling contractors relating to contracts. Preparing invoices for payment of drilling completed.

January, 1952 to March, 1954
Field engineer for U. S. Geological Survey in charge of from two to five government drilling contracts. Principal duties were to enforce the government contracts, oversee the sampling and logging of holes, layout and construction of camps, drill roads, and drill sites. Direct the necessary surveying, maintenance of equipment and camp supplies; compile and write the necessary reports.

June, 1947 to February, 1952
Stope engineer and repair-timber foreman for Miami Copper Company, Miami, Arizona. In charge of the controlled drawing of ore in

the block caving system used there. The ore, after undercutting, must be drawn evenly so as to recover all the ore with a minimum amount of dilution from the overlying waste.

September, 1946 to June, 1947
Safety Engineer and shift boss for Empire Zinc Company, Gilman, Colorado. Work was to supervise development and mining of lead-zinc and copper-silver stopes. The development consisted of shaft sinking the driving of drifts and raises, and stope preparation. Mining was accomplished by using underhand square-set stopes and modified Mitchell stopes.

June 1945 to August 1946
Drill foreman and engineer for the National Lead Company, Baroid Sales Division, Malvern, Arkansas. I directed the exploratory drilling and logging of holes, the results from which I calculated the ore reserves. Also surpervised all topographic surveying, and the surveying and earth-work calculations of stripping and mining contracts.

1944 to 1945
Mining engineer for the Sunshine Mining Company, Kellogg, Idaho. Did all surveying, both surface and underground, and the accompanying office work. At various times worked also as relief shift boss.

1942 to 1944
Level boss for Kennecott Copper Corporation, Ray Mines Division, Ray, Arizona. Supervised all work during my shift pertaining to the development and production of ore. Development; driving of drifts and raises and shrinkage stopes. Equipment used: latest type leyners and stopers. For mucking: Finley loaders and double-drum Ingersoll Rand scrapers. Ore was gathered with the Goodman shaker conveyors and

hauled by eight-ton compressed air locomotives. The workers were ninety-eight per cent Mexican. My crew consisted of approximately seventy-five men.

1936 to 1942
Head transitman and contract engineer for the Kennicott Copper Corporation. Surveying consisted of topographic, underground, railroads and claims, its resultant office work and mapping. Besides engineering work for driving drifts, raises and shafts, I also designed the timber lay-out.

1934 to 1936
Mucker, timberman, miner, transitman, in that order, for Climax Molybdenum Company, Climax, Colorado.

1934
Graduated from Washington State College, School of Mines, Pullman, Washington, with degree in Mining Engineering.

EXPERIENCE RECORD: MARTIN MAHER

1949 to 1951
Diamond drilling, in New Mexico and in Arizona, for Sprague and Henwood, drilling contractors.

1951 to May, 1956
Sampler-bulldozer operator, sampling foreman, for U.S.Geological Survey. In charge of sampling from 4 to 10 diamond drills, the construction of roads and drill sites; maintenance of camp supplies and equipment. Was Government representative in the field for the drilling of hundreds of thousands of feet of diamond drill holes. Compiled drilling information and made the monthly drilling reports.

During the twenty-three years preceeding the above work, was

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associated with the National Biscuit Company in New York City, in both maintenance and production. When pensioned in February, 1946, held the position of foreman, Nabisco baking and packing department, supervising an average of seventy-five men and twenty-five women.

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Dalmid Uranium Corporation
1730 North 7th Street
Grand Junction, Colorado

Report on

APRIL AND BUTTE GROUP OF CLAIMS

Elk Ridge Area, White Canyon Mining District

San Juan County, Utah

May 17, 1956

Vernon T. Dow, Mining Engineer

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Dalmid Corporation

SUMMARY

The area under consideration in this report is known as the April and Butte group of un-patented claims, consisting of April numbers one through eight claims, April number thirteen, and Butte's numbers one through six, owned by Dalmid Uranium Corporation.

Diamond drilling by private companies and the U. S. Geological Survey, from 1952 through 1955, has disclosed eight ore bodies within an eight-mile radius of these claims of sufficient tonnage and grade to justify development.

Application is being submitted for a D. M. E. A. loan for diamond drill exploration on the above-mentioned claims. Results of drilling in areas in the near vicinity of this group of claims and radiometric anomolies on them, indicate that exploration by drilling is warranted.

Drilling by Radio Geophysics Company, directly east of this group of claims, discovered an ore channel which passes through this group of claims.

The loan application which is submitted with this report requests 18,670 feet of drilling, at a total cost of $ 46,531.60 . This exploration program should find enough ore to justify one or two mining operations.

Dalmid Corporation

Introduction

The April and Butte group of claims is located in Sections 28 and 33 township 35S., Range 18E., S. L. P. M., in the Elk Ridge area of the White Canyon mining district in San Juan County, Utah; and it lies in the northern edge of continuous shinarump. Further to the north and east, the shinarump occurs only as isolated fingers. The major production of this area is coming from a number of mines located within an eight-mile radius of the April and Butte group of claims. Production from all of these mines is coming from the Shinarump formations which have filled ancient stream channels in the Moenkopi formation. The ore in these channels is always found in the Shinarump conglomerate just above their contact with the underlying Moenkopi formation. All of these ore deposits were discovered either by rim stripping or diamond drilling.

Location and Physiography

The April and Butte group of claims is approximately 40 miles, by graded road, west of Blanding, Utah, by way of Elk Ridge or 60 miles from Blanding by way of Utah highway 95 and an A. E. C. access road to Deer Flat. The latter road is open the year round, while the road over Elk Ridge is usually snowed in from December to April. The area is convenient to mine supply houses at Blanding. Ore purchasing depots are located at Monticello, Utah, 52 miles away, and at the Happy Jack Mine, 63 miles away.

The Elk ridge area is mountainous, reaching an elevation of about 8500 feet above sea level, and is covered with pine and spruce timber down to an elevation of about 7800 feet above sea level. Below that elevation, the only timber is cedar and pinon pine. Precipitation averages 20 to 40 inches per year, with most of it coming as snow. Winters are

rather severe, but year around operation is possible, being hampered only during spring thaws when ore hauling on existing roads may be difficult. Water from the Hideout Spring, 3 miles to the west, or from Burch Springs, 6 miles to the east, as well as from reservoirs constructed by the U. S. Geological Survey, is ample for drilling and domestic purposes.

Geology

Geologically, the April and Butte group of claims is located about 6 miles west of the axis of the Monument Uplift and lies on its west flank. Most of the Elk Ridge area is copped by the Mossback member of the Chinle formation.

Rocks exposed in the Elk Ridge area consist of sediments of Triassic Permian ages. The mineral deposits of the district are found in the lower portion of the Shinarump Conglomerate where it has filled ancient stream channels cut in the underlying Moenkopi formation. Most of the known channels run in a Northwest-Southeast direction.

In the vicinity of the April and Butte group, the exposed rocks range from the Chinle formation, Mossback sandstone, Shinarump conglomerate, Moenkopi formation, Hoskonini formation, and Oregon rock to the Cedar Mesa formation in the bottom of some of the deepest canyons. The ore minerals encountered in mining are generally dark in color, ranging from grey to coal black, and are usually associated with pyrite and various copper sulphide minerals--azurite, bornite, covellite, and often replace fossillogs and trash.

Drilling by Radio Geophysics Company, directly east of the April-Butte group of claims, has disclosed a mineralized channel which, when projected across Woodenshoe Canyon, would cut through the April Claims. (See plate 2) The Utarco Uranium Corporation in rim stripping a radiometric anomaly on the Canyon 1 claim, discovered a mineralized channel(See plate 1). An adit was driven into this channel and has disclosed about 1 foot of ore assaying 0.70 U_3O_8. This channel appears to be running in a Southwest direction and enters the April 13 claim which is included in this application.

Previous Exploration

There has been no previous exploration on this group of claims, except for an attempt at rim-stripping which was unsuccessful because of the great depth of overburden which made the operation unsafe. The U. S. Geological Survey, from 1953 through 1955, conducted exploration drilling on Deer Flat and discovered several Mineralized channels. Private companies, by rim stripping and diamond drilling, have discovered several ore channels within a radius of 8 miles of the April-Butte group of claims.

History and Production of the Elk Ridge Area (See plate 2*)

The Elk Ridge area, which includes Deer Flat, produced uranium-copper ore since 1953. It is estimated the area is now producing about 5,000 tons of ore per month. Below are listed the main producing properties:

Hideout Mine is operated by White Canyon Mining Company. This was the first mine in the area and started production in 1952. No record of

production is available, but it has the largest production record of any mine in the area. It is presently producing about 60 tons of ore per day.

W N Mine is owned and operated by White Canyon Mining Company, and is located about 6 1/2 miles west of Dalmid's property. This mine began producing in 1953 and has been in intermittent production ever since. No records of production are available on the property.

Sandy Mine is owned and mined by the Shumway brothers. It is located 2 1/2 miles south of Dalmid's property. This mine started production in 1954 and is one of the larger mines of the area. It is producing about 45 tons of ore per day.

Elk Ridge Mining Company Mine is located on the east side of Burch Canyon and is about 4 1/2 miles southeast of Dalmid's property. No figures are available as to their production or reserves.

Okie Mine is located on the west side of Burch Canyon, and north of the Elk Ridge Mining Company's property. This mine was started in 1955 and is producing about 30 tons of ore per day.

Camel Mine is owned and operated by Reynolds and Lybarger, and is located about 6 1/2 miles southwest of Dalmid's property. This mine started production in 1954 and is producing around 30 tons of ore per day.

Pinon Point Mine, also known as the Buckhorn Mine, is located 3 miles northwest of Dalmid's property. This mine is not yet in production. An adit is presently being driven to an ore body discovered by diamond drilling.

Payday Mine, owned and operated by the Shumways, is located 8 miles northeast of Dalmid's property. This mine began production in the fall of 1955 and has been producing steadily ever since.

Payday Mine continued...

The exact tonnage remains undisclosed.

Notch Mine is located at Big Notch on Elk Ridge and lies about eight miles east-northeast of the April and Butte group of claims. This mine is the only one known where the ore is deposited in the Moenkopi formation.

(There are many known prospects throughout the area mentioned where mineralization was disclosed. These prospects have never been drilled, and it is not known whether mineralization of commercial grade ore occurs.)

Knapp Mine, owned and operated by Knapp Uranium Company, is located five miles northwest of Dalmid's property. It started production in 1955 and has been in intermittant production since that time.

Drilling Plans

First Phase. The proposed holes listed below would make up the first phase of drilling. These holes are listed in order of preference as to sequence of drilling and their locations are shown on Plate #1. This series of holes are spaced 250 feet apart ; such spacing of holes should discover any channel with a width of 160 feet, which is about the average width of channel in the area.

Proposed Hole	Estimated Depth	Footage cored
D-1	90	50
D-2	100	50
D-3	130	50
D-4	160	50
D-5	190	50

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First Phase continued...

Proposed Hole	Estimated Depth	Footage Cored
D-6	255	50
D-7	300	50
D-8	380	50
D-9	470	50
D-10	590	50
D-11	100	50
D-12	100	50
D-13	100	50
D-14	100	50
D-15	100	50
D-16	100	50
D-17	100	50
D-18	100	50
D-19	100	50
D-20	100	50
D-21	100	50
D-22	100	50
D-23	100	50
D-24	100	50
D-25	100	50
D-26	100	50
D-27	100	50
D-28	100	50
D-29	100	50
D-30	100	50
D-31	100	50

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First Phase continued....

Proposed Hole	Estimated Depth	Footage Cored
D-31		
D-32	100	50
D-33	100	50
D-34	150	50
D-35	320	50
D-36	220	50
D-37	310	50
D-38	450	50
D-39	585	50
D-40	320	50
D-41	400	50
D-42	425	50
D-43	320	50
D-44	205	50
Total.....	8670	Total....2200

See Plate one.

Second Phase

Of the 44 holes proposed in the first phase, it is estimated that 10 of them should penetrate ore or mineralization, or give indication of the presence of a channel. Each of these holes would then be worthy of 4 offsetting holes on 75-foot spacing to determine the trend or direction of the mineralized channel. This would require 40 holes, with a probable average depth of 250 feet, or a total of 10,000 feet of drilling in the second phase.

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ESTIMATE OF COSTS FOR PROPOSED EXPLORATION WORK

Contract Drilling:		Total cost	Cost per foot
Phase I,	8670 feet @ $1.98 per ft.	$17,166.60	$1.98*
Phase II,	10,000 feet @ $1.98 per ft.	19,800.00	1.98*
Totals	18,670 feet @ $1.98 per ft.	$36,966.60	$1.98*
Road and Drill Site Construction			
Phase I,	120 hours @ $12 per hr.	$ 1,440.00	$0.17
Phase II,	100 hours @ $12 per hr.	1,200.00	0.12
Totals:	220 hours	$2,640.00	0.14
Engineering:			
One engineer, half time			
	6 months @ $800 per month	~~$2,400.00~~ $4800 $5400	$0.13
One field assistant, full time			
	6 months @ $500 per month	$3,000.00	$0.16
Core boxes:	250 @ $1.50 each	$1,000.00	$0.02
Samples for analysis:	200 @ $5 each	$1,000.00	$0.05
Accounting:	6 months @ $25 per month	$ 150.00	$0.01

*Cost per foot is based on the lowest of three bids submitted by Minerals Engineering Company, American Drilling Company, and B. H. Mott and Sons. All coring would be BX size. Cost per foot includes 50 hours standby time for probing holes.

Vernon T. Dow

Vernon T. Dow, Mining Engineer

Supervision			
Engineer or Geological, 6 mo. @ 750.00	4,500.00 (2)		
		70,700.00	
Kane County Properties (Including School Land Lease)			
Drilling (non-core)			
Est. 15,000 ft. @ 1.50	22,500.00		
Dozer Work (Drill sites, roads)			
50 hrs. @ 12.00	600.00		
Supplies, services, assaying	2,500.00		
		25,600.00	
Coconino and Mohave County Properties			
Drilling (non-core)			
Est. 10,000 ft. @ 1.50	15,000.00		
Dozer Work (Drill sites, roads)			
50 hrs. @ 12.00	600.00		
Supplies, services, assaying	2,500.00		
		18,100.00	
			114,400.00 (3)
Possible acquisition of Additional Properties			35,000.00
Reserved for working capital and general corporate purposes			98,472.13
			$248,872.13

(1) A possible account payable to A. M. Metz, Attorney, 165 Broadway, New York, New York for legal services in connection with the prior offering of securities of Dalmid Oil & Uranium, Inc.

(2) The Company proposes to employ a competent engineer or geologist to supervise testing of all its properties, and estimates that such employee will be paid a salary of $750.00, more or less, per month. Six months are allotted for completion of the testing program of the Company.

(3) The proposed expenditures will be restricted to those properties to which the company asserts valid title. No major expenditures are anticipated to be made on those claims acquired from George W. Kidd, (See sub-heading "Title" of "Properties").

In the event the test drilling done on any property or group of claims does not indicate the advisability of probable development, the above estimates will be reduced for such claims, and any unexpended funds allotted for such test drilling and exploration will, in such case, be retained in the general funds of the company.

(4) The Company has no specific property in mind at the present time, but makes this reserve for possible use if property deemed advantageous to the Company is called to its attention in the future.

The above proposed expenditures are estimates only, and the quoted figures must not be deemed to be conclusive.

If any portion of the net proceeds is not required for the purposes above stated, such portion will be used for working capital and other general corporate purposes. The Company reserves the right to vary or change the foregoing purposes if it should appear advisable to do so. No arrangements have been made or will be made for the return to subscribers of funds paid in, if sufficient funds are not raised to undertake the proposed program.

OFFERING AND OFFERING TERMS

The authorized capital stock of the Company consists of 10,000,000 shares of Common Stock having a par value of $.01 787,350 shares have been issued and are outstanding.

The Company is offering to the public 2,700,000 shares of Common Stock, par value $.01 per share, at the public offering price of $270,000.00 or at a price of $.10 per share.

Registrar & Transfer Company, 15 Exchange Place, Jersey City 2, New Jersey is the transfer agent for the stock.

The Company has entered into an Underwriting Agreement with Columbia Securities Company, #1 Equitable Building, Denver 2, Colorado; subject to the terms and conditions therein expressed, the Underwriter has agreed to sell as agent for the Company on a best efforts basis, 2,700,000 shares of Common Stock, par value $.01 per share, at $.10 per share. The Company has agreed to pay as compensation to the Underwriter a commission of $.005 on each share sold for the Company's account by the Underwriter, or the sum of $13,500.00, if all shares are sold.

The Company has agreed to pay the expense of the offering from the proceeds of the sale of this issue of securities. These expenses are estimated not to exceed $10,000.00 and any savings effected will be returned to the general funds of the corporation.

In the event that the Underwriter shall sell the said 2,700,000 shares of Common Stock for the account of the Company within the time provided in this agreement, or any extension or extensions thereof, the Underwriter shall have the preferential right for a period of five years from the date that the offering shall become effective, to purchase for its account or to sell for the account of the Company, any securities that the Company may offer for sale to the public with respect to which the Company may seek an offering; that the Company will consult with the Underwriter with regard to any such offering and will offer the Underwriter the opportunity to purchase or sell any such securities on terms more favorable to the Company than they can secure elsewhere with ten days to accept or reject such offer. The issuer has agreed to indemnify the Underwriter against claims arising under the Securities Act or at common law with respect to this Offering Circular.

All or a part of the 2,700,000 shares of Common Stock of the Company covered by this Offering Circular may be offered by the Underwriter to members of a Selling Group consisting of certain dealers who are members of the National Association of Securities Dealers, Inc. (in which group the Underwriter may be included), and if formed the Underwriter is to be Manager thereof. If the Underwriter decides to form such a Selling Group, the proposed members thereof are to be afforded the opportunity of entering subscriptions with the Manager, subject to allotment by the Manager, for the shares of Common Stock of the Corporation at the public offering price of $.10 per share, less a concession to be agreed upon. The members of the Selling Group who may participate in the offering hereunder will not, under any circumstances, be deemed agents of the Company.

The foregoing does not purport to be a complete statement of the terms and conditions of the Underwriting Agreement. A copy thereof is filed with the Underwriter and available for examination and reference thereto is hereby made, and the foregoing statements are to be deemed qualified and modified in all respects by such reference.

LEGAL OPINIONS

Legal matters in connection with the Securities Act of 1933 have been passed upon by James S. Henderson, 609 Equitable Building, Denver, Colorado. Neither the Company or its officers and directors are at the present time, subject to any legal action, and to the best knowledge of its officers and directors, no such actions are pending or contemplated.

DALMID OIL & URANIUM, INC.
(A Delaware Corporation)

STATEMENT OF ASSETS AND UNRECOVERED PROMOTIONAL EXPLORATORY AND DEVELOPMENT COSTS

March, 31, 1956

You can see how fast we would run out quickly. A small group of us have been carrying on a drilling program at our own expense. We do need your help. We have our own drill & dozer & are ready

ASSETS:		
Cash in Bank		2,372.13
Office Furniture & Fixtures		55.00
Mining Properties and Lease Assignments (For conveyance of 143 unpatented lode mining claims and the assignment of four Utah State Leases (See "Properties") the company issued, or has agreed to issue, 3,200,000 shares of common stock par value $0.01 per share. (See "Transactions with Officers, Directors and Other Persons"). No dollar valuation has been placed on these properties or leasehold interest by the company.		
Unrecovered Promotional, Exploratory and Development Costs	26,407.87	
	26,407.87	
		$28,835.00

*On June 6, 1955 the Company made an offering of common stock to the general public of 2,999,000 shares at $0.10 per share. 287,350 shares were sold for a gross of $28,735.00. The Underwriter was given an option, for $100.00, to purchase warrants for 500,000 shares of common stock at $.10 per share. The warrants were never issued, and no warrants or options for purchase of stock are now outstanding.

All of the stock to which reference has hereinabove been made is being and will be held by the persons owning it, either of record or beneficially, for investment and not for distribution.

In addition to the stock interests above referred to, Mr. Kidd and Mr. Huie hold by location, under separate filings, four unpatented mining claims adjoining the holdings of the Company in San Juan County, Utah. These claims were filed on for Mr. Kidd by Sol Kelly as the Royal Claims, and were refiled on by Mr. Huie as the King Claims. Mr. Kidd and Mr. Huie will convey these four claims to the Company without further consideration. No representation is made that these claims are of any value, and no geological report is available for them.

Other than as stated above no officer, director or affiliate of the issuer has any interest, direct or indirect, in the Company or its assets, or in any property that may be enhanced in valued by the operations of the Company.

CAPITALIZATION

The following table sets forth the capitalization of the Corporation as the date of this Offering Circular:

Common Stock	Presently Authorized	Outstanding	To be Outstanding if all shares are sold
Par Value 1c per share	10,000,000	787,350	3,487,350

(1) Does not include 3,200,000 shares to be issued to Utarco Uranium Corporation (See "Transactions With Officers, Directors and Other Persons"). Upon issuance of said 3,200,000 shares, and assuming the current offering is sold in its entirety, these will be a total of 6,687,350 shares of stock issued and outstanding.

COMMON STOCK

The Common Stock of the Corporation is all of one class. Each share has equal rights with every other share as to voting, dividends and on liquidation. There are no preemptive rights or redemption rights. The Common Stock of the Corporation is fully paid and non-assessable. There are no limitations on the payment of dividends, other than those imposed by the laws of the State of Delaware.

USE OF PROCEEDS

If all shares being offered are sold, and there is no assurance they will be since the offering is on a best efforts basis, the net proceeds to the Company will be $256,500.00 after deduction of the discounts and commissions allowable to the Underwriter, but before deduction of the expenses of the offering.

The Company has agred to pay the expenses of the offering out of the proceeds of the sale of these securities. These expenses are estimated to be approximately $10,000.00. Any savings effected in such expenses will be returned to the general funds of the Company.

The balance of the net proceeds, estimated to amount to $246,500.00 will be added to the sum of $2,372.13 remaining in the general funds of the Company from previous stock sales, and used for the exploration and possible development of the properties of the Company and for general corporate purposes, in the following order of priority:

Accounts Payable		1,000.00(1)
San Juan County Properties (Including School Land Lease)		
Drilling (non-core)		
Est. 40,000 ft. @ 1.50	60,000.00	
Dozer Work (Drill Sites, Roads)		
100 hrs. @ 12.00	1,200.00	
Supplies, services, assaying	5,000.00	

MANAGEMENT AND CONTROL

The names and addresses of the officers and directors of the Company are as follows:

Name	Office	Address
Charles E. Collins	President and Director	604 Hamilton Building Wichita Falls, Texas
George W. Kidd	Vice-President and Director	205 Leggett Building Midland, Texas
George T. Conly	Secretary	205 Leggett Building Midland, Texas
Riley F. Huie	Treasurer	1908 Wilson Street Wichita Falls, Texas
Paul Scheurer	Director	1315—8th Street Wichita Falls, Texas

Charles E. Collins, President and Director, is a resident of Wichita Falls, Texas. Mr. Collins attended Colorado College and Texas Tech. His present occupation is General Insurance Agent. He has been in the insurance business for 20 years, and since 1941 has acted as Division Manager for Mutual of Omaha.

George W. Kidd, Vice-President and Director, attended Howard Payne College at Brownwood, Texas, for two years, and attended Oklahoma University for two years. He was honorably discharged from the United States Army in November, 1944. Mr. Kidd has been engaged in the production of crude oil for most of his adult life.

George T. Conly, Secretary, is a Certified Public Accountant, graduated from Southern Methodist University. In 1950 he established his own accounting firm as a consultant and tax expert.

Riley F. Huie, Treasurer, is a resident of Wichita Falls, Texas. From 1922 up to and including the present time, Mr. Huie is in the cleaning and pressing business. He is the owner and manager of "Huie the Cleaner." He attended the University of Texas.

Paul Scheurer, Director, is also a resident of Wichita Falls, Texas. Mr. Scheurer has been a partner in the air conditioning contracting business since 1933, with the exception of 1943-44 when he was a Mechanical Engineer with the Army Engineers at Fort Bliss, Texas. Mr. Scheurer is a Registered Professional Engineer.

The following shares of stock, which represent both the record and beneficial ownership, are presently held by the officers and directors of the Company.

George W. Kidd, Vice-President and Director	425,000	Shares
George T. Conly, Secretary	25,000	"
Arthur J. Watson, (1)	50,000	"
	500,000	"

(1) Mr. Watson has never been an officer or director of the Company, but was issued 50,000 shares prior to the former offering of securities by the issuer for professional engineering services.

An additional 3,200,000 shares of common stock, par value 1c, will be issued to Utarco Uranium (See "Transactions with Officers, Directors and Other Persons") for properties. This stock will be of record in the name of Utarco, but 200,000 shares will be equitably owned by George W. Kidd. The remaining 3,000,000 shares will be owned both of record and equitably by Utarco Uranium Corporation.

Charles E. Collins, President and Director, Riley F. Huie, Treasurer, and Paul Scheurer, Director, are stockholders of Utarco Uranium Corporation, and, as such will have an equitable interest in the stock of Dalmid Oil & Uranium, Inc. held by Utarco Uranium Corporation in proportion to their respective stockholdings in the latter Company.

STATEMENT OF LIABILITIES

March, 31, 1956

Accounts Payable ..... $1,000.00(1)

(1) A possible account payable to A. M. Metz, Attorney, 165 Broadway, New York, New York for legal services in connection with the prior offering of securities of Dalmid Oil & Uranium, Inc.

STATEMENT OF CAPITAL SHARES

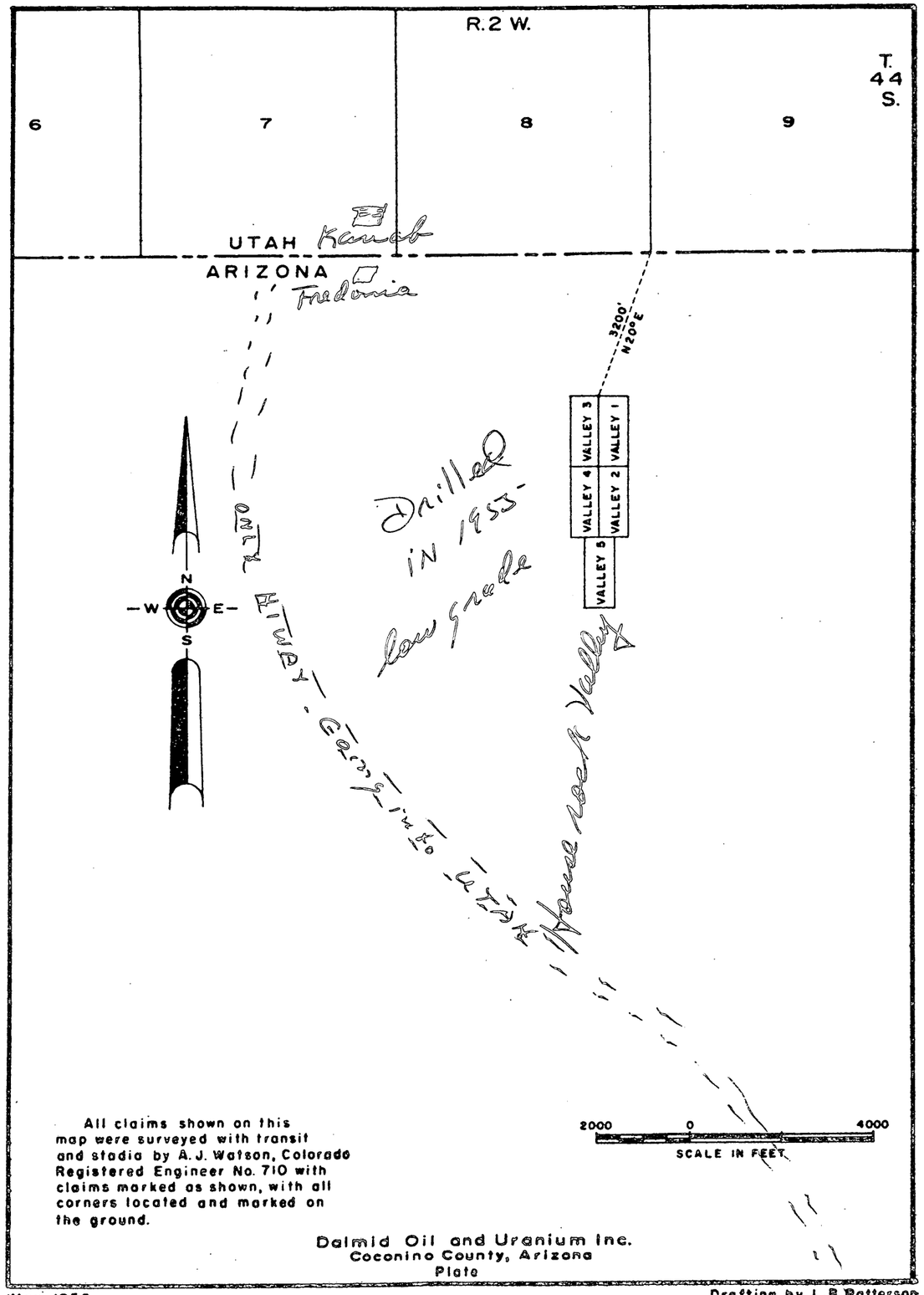
March, 31, 1956

	Shares	Dollars
Common Stock, 1c per share par value (Stock is issued fully paid and non-assessable)	10,000,000	
Issued For:		
Cash	287,350	$28,735.00
Services	75,000	
Property	425,000	
Issued and Outstanding	787,350	$28,735.00
Proceeds from options for warrants		100.00
Reserved for acquisition of mining properties	3,200,000	
	3,987,350	$28,835.00

STATEMENT OF RECEIPTS AND DISBURSEMENTS

May 5, 1955 to March 31, 1956

Receipts:		
Proceeds from option for warrants	$ 100.00	
Net Proceeds from sale of stock	28,735.00	$28,835.00
Disbursements:		
Underwriting Discounts & Commissions	$ 4,310.25	
Travel and Exploration Expense	16,466.02	
Legal and Accounting Expense	1,353.15	
Stock Issue and Franchise Taxes	1,347.75	
Lease Rentals	478.19	
Salaries and Wages	1,734.60	
Office Expenses	717.91	
Office Furniture and Fixtures	55.00	
	26,462.87	
Cash on Hand	2,372.13	
		$28,835.00



May 1956

Drafting by L. B. Patterson

"There was also a development on the entire Buckhorn & Eagle claims (known as Home Mesa), in which claim jumpers overstaked practically the entire mesa. Although assessment work has been done on these claims at the expense of Dalmid, it has been decided temporarily to just sit still and see if the jumpers attempt to consolidate their claims after June 30th. It is our belief that they will do nothing further about it, and that our titles are valid.

"The April claims are in good standing and assessment work has been done on them. At this time proof of labor affidavits are being secured and will be filed for record."

It therefore appears that as of now, the title of the company to the mining claims to which reference has above been made is extremely doubtful, and probably invalid, except as to the four April claims in San Juan County. The school land leases in Kane County, covering approximately 960 acres, appear to be in good standing until December 31, 1956.

In addition the Company has agreed to issue 3,200,000 shares of Common Stock, par value $0.01, to Utarco Uranium Corporation, for conveyance of approximately 85 unpatented lode mining claims transferred to it by Utarco and Charles E. Collins, now President of the Company, and assignment of a state lease, issued by the State of Utah and presently held by Utarco Uranium Corporation, which assignment, however, is subject to approval by the State Land Board of Utah. These claims and leased premises are more fully described under the heading "Properties".

Mr. Collins has advised counsel for the company, so far as the properties conveyed and assigned to the issuer by Utarco Uranium Corporation and Charles E. Collins, as follows: "This is to advise you that the required annual assessment work on the claims assigned by this corporation to Dalmid Oil & Uranium, Inc. has been duly performed for the year 1955 and that proper affidavits of proof of labor and improvements have been filed with the Clerk and Recorder of the Counties in which said claims are situated.

"You are further advised that to the best of our information, knowledge and belief there are no adverse claims to these properties, particularly the 86 claims referred to in your title opinions of November 8, 1955 and that we anticipate no such adverse claims by third parties.

"You are also advised that the rentals on the Utah State Lease covering the S/2 Section 2, Township 35 South, Range 17 East, S.L.M., which lease this company has assigned to Dalmid Oil & Uranium, Inc., are paid for the year 1956 and that said lease is currently in good standing."

Charles E. Collins, President and Director, is also President and a Director of Utarco Uranium Corporation, and a substantial stockholder in that company.

Riley F. Huie, Treasurer and Director, is also Treasurer and a Director of Utarco Uranium Corporation, and Paul Scheurer, Director, is also a Director of Utarco. Both Mr. Huie and Mr. Scheurer are stockholders of the latter company. Therefore, since the majority of the Officers and Directors of Dalmid Oil & Uranium Corporation are also officers, directors and stockholders of Utarco Uranium Corporation, it cannot be said that the dealings between the two companies were consummated at arm's length.

Because of the intangible values of undeveloped properties and the inability to determine the worth for which the stock was issued, the value of the assets received for the issuance of said stock was arbitrarily determined by the Board of Directors. No representation is made that the value of the assets received is greater than, or less value than the particular value of the stock delivered for the mining properties conveyed and the leases assigned.

The Officers and Directors are to receive no salaries until such time as ore is produced in commercial quantities, except that the Officers and Directors will in the future be reimbursed for actual out-of-pocket expenses.

No Officer, Director, promoter or associate of any of them, or the Underwriter has any direct or indirect material interest by contract, options or otherwise in the issuer, or any assets proposed to be acquired or operated by the Company, except as set forth in this Offering Circular. None of such persons has any direct or indirect interest in any property which will benefit or be enhanced in value by the exploration or development of the Company's properties.

San Juan County lease by the State Land Board of the State of Utah, vest in the Company the right to explore for, mine and extract uranium and vanadium from the leased premises during the term of said leases.

Exploration

All of the properties are located in a zone of the Shinarump outcrop. A preliminary drilling program to find the existence of mineralization and to test the general favorability of the claims and of the School Lease Session has been calculated. The amount of work is predicted from a pessimistic viewpoint or being the amount necessary to disprove or discredit the property. Actually, the discovery or continuation of mineralization will change and alter any preconceived drilling pattern because the drilling should be used to develop a mining operation as quickly as possible. Hole depth will average about 250 feet in all cases.

In the judgment of the Company, the preliminary exploratory and geological work on the foregoing properties warrant carrying on of further exploratory work to test the areas. The operations to date, however, have been too preliminary in nature to indicate the extent, if any, that the Company may have mineralization on its properties, and no and mining costs in order to determine the quantity and value of mineralization which Until further geological and exploratory work is done, the Company will not be in a position to ascertain whether its properties, or any of them, contain mineralization in commercial quantities.

Maps

The maps attached to this Offering Circular are not complete in every detail. Some claims are not shown on the maps (i.e. Fern, B-K and Canyon Claims). These are the only maps available, and are designed merely to show the general location of the major holdings of the Company.

TRANSACTIONS WITH OFFICERS, DIRECTORS AND OTHER PERSONS

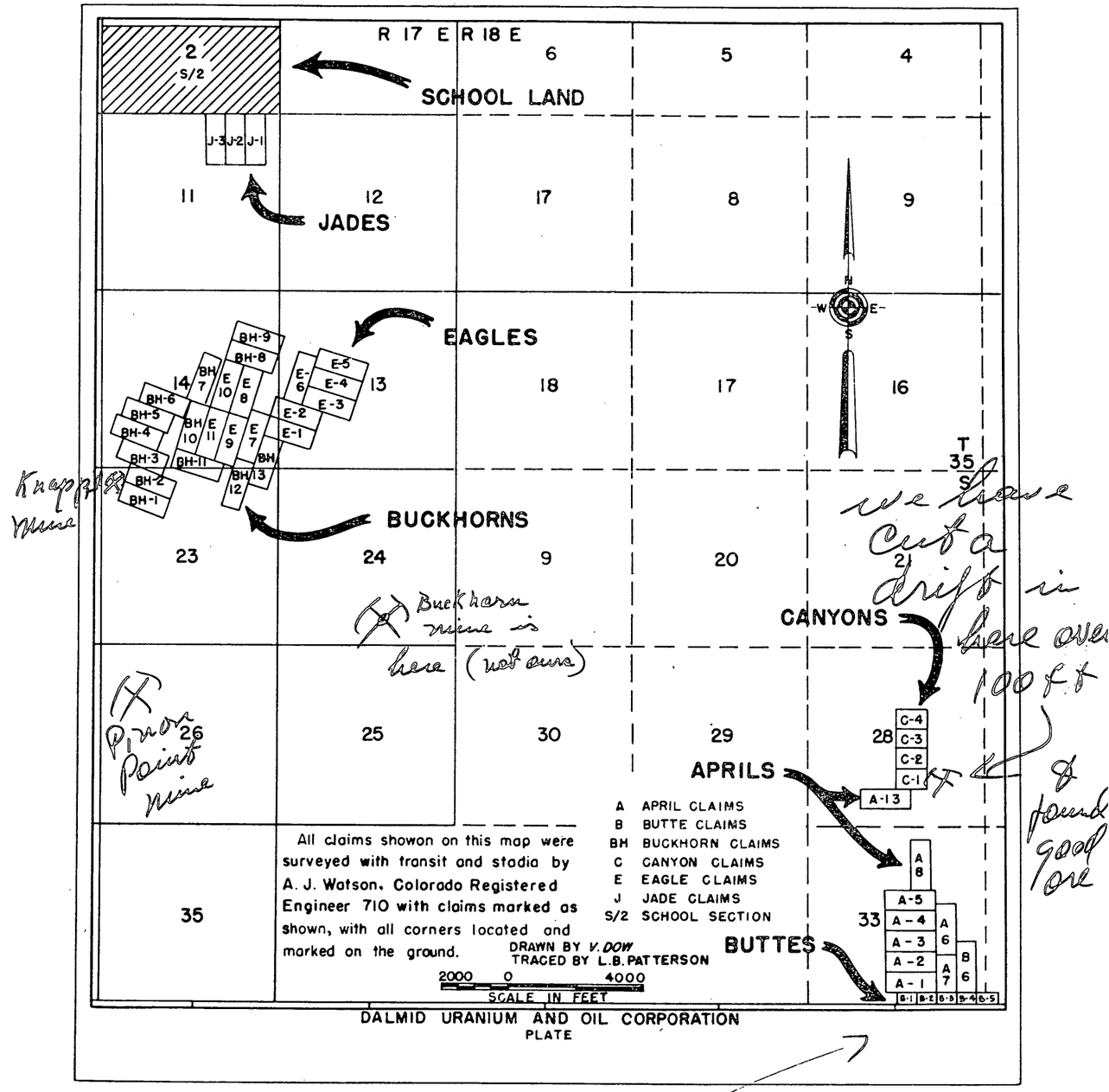
In May, 1955, George W. Kidd, one of the originators of the Company, assigned to it all of his right, title and interest in and to certain mining claims and leases theretofore owned by him and hereinafter described under the heading "Properties".

The Company issued 425,000 shares of Common Stock, par value $0.01 to Mr. Kidd for such assignments, and originally agreed to pay him, in addition, $40,000.00 in cash from the sale of its securities. Mr. Kidd, however, has now relinquished his claim to this money, and will receive no payment in cash from the Company for the assignments to which reference has hereinabove been made. The Company also issued 25,000 shares of its one cent per value stock to George T. Conly, its Secretary, and 50,000 shares to Arthur J. Watson for professional engineering services.

Mr. Kidd has now advised counsel for the company as follows: "The State leases in Kane County, Utah are in force and good standing and the rentals are paid to December 31, 1956.

"The claims in Coconin County and Mohave Counties, Arizona, were staked in accordance with local and Federal mining laws. That titles were approved by Eugene Mast at the time of my acquisition. Since that date assessment work has been done on the properties and no adverse claims to title have come to my attention. (I say assessment work, but I do not say when it was done nor do I say that it was done at any time to coincide with the laws.)

"The properties in San Juan County, Utah, known as the April, Buckhorn and Eagle claims, were acquired by me through purchase. At the time purchased titles were passed by Eugene Mast. Later some of these claims were sold, and then a number of them were transferred to Dalmid when that company was organized. During the time of my ownership assessment work was done on the properties and they were kept in valid standing. After Dalmid had acquired the claims as set out in its original prospectus, it was learned that four of the Buckhorn Claims (Nos. 1 to 4) might have been overstaked on claims that might now be considered the property of Knapp Uranium Co. In a discussion with Mr. Knapp, I agreed to work out a quitclaim agreement with him on the conflict in these four claims. Mr. Knapp has never requested the quitclaim nor has anything further been done about it.



Knapp mine

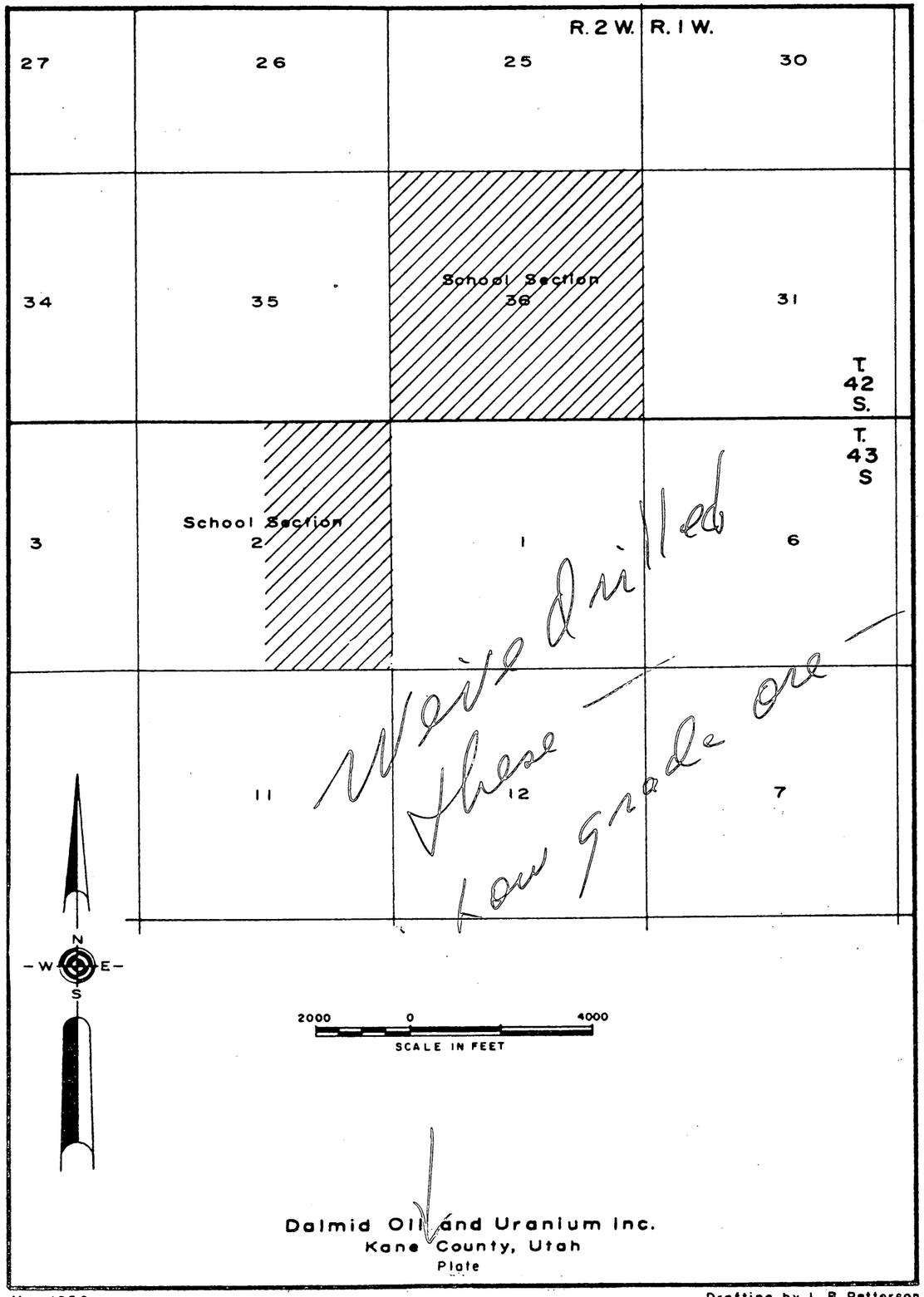
Buckhorn mine is here (not ours)

Pinon Point mine

we have cut a drift in here over 100 ft & found good ore

4½ miles

Hide-Out mine (White Canyon mining Co)



The claims in White Canyon, the Buckhorn, Eagle and April groups are all within economic haulage distance of an Atomic Energy buying station located in White Canyon. Total distance from the farthest claims to the ore depot will not exceed twenty miles.

Grand Junction, Colorado, is the primary town of supply and service in the Colorado Plateau uranium area, and because of its development, it will be to best advantage to center and direct operations from that point.

Title

The Company holds title to the above described 143 unpatented lode mining claims by virtue of conveyances from the original locators or their grantees. No royalties are payable on production had from these properties, but the Company will be required to perform all annual assessment work, and to file proper affidavits of proof of labor and improvements. The opinion of counsel has been had to the effect that by virtue of the conveyances made to it, Dalmid Oil & Uranium, Inc., is vested with the valid right to explore for, mine and extract uranium, vanadium and other ores and minerals from these claims, except as to those claims conveyed to it by Mr. Kidd, concerning which claims, the title of the company is doubtful as noted under the heading "Transactions with Officers, Directors and Other Persons" of this Offering Circular.

To retain the right of possession to the unpatented mining claims, the company must perform annual assessment work for labor on or improvements to the claims equal to $100.00 per claim. Such assessment work must be done for the year 1956 on all claims retained by the issuer, and affidavit of proof of labor and improvements filed with the Clerk and Recorder of the County wherein the claims are located, on or before June 30, 1957.

The mining claims described in this offering circular are unpatented and are subject to the usual risks attendant to all unpatented mining claims and these possible title defects should be emphasized. No examination of state or federal records will preclude the possibility of unrecorded title defects. The validity of location monuments, corners and notices; the actuality of claimed assessment work; the possibility of location on reserved or withdrawn ground in unsurveyed areas; the presence of adverse occupying claimants, are typical of title problems inherent in all unpatented claims and are not susceptible of recorded determination.

The school land in Section 2, Township 35 South, Range 17 East, S.L.M., San Juan County, Utah, containing a total of 320 acres, more or less, is held by assignment of lease. This lease is dated June 3, 1955 and is for a primary term of ten years, beginning January 2nd first succeeding the date of issuance, and as long thereafter as metalliferous minerals may be produced in commercial quantities from said lands, upon condition that at the end of twenty years succeeding the first day of the year in which the lease was issued, such re-adjustment of terms and conditions may be made as the lessor may determine to be necessary in the interest of the State. The assignment of this lease is subject to approval by the State Land Board of Utah.

The school lands in Kane County, Utah, containing a total of 957.39 acres, more or less, are held by assignment of three leases issued by the State of Utah. The leases are dated September 21, 1953, and October 15, 1953, and are for a primary term of ten years, beginning January 2nd first succeeding the date of issuance, and as long thereafter as uranium and vanadium may be produced in commercial quantities from the leased premises, upon condition that at the end of each twenty-year period succeeding the first day of the year in which the lease was issued, such readjustment of terms and conditions may be made as the lessor may determine to be necessary in the interest of the State. Assignment of the leases covering the Kane County land to the issuer has heretofore been approved by the State Land Board of Utah.

No annual assessment work is required, but an annual rental of fifty cents (50c) per acre is payable to the lessor, together with a royalty of twelve and one-half percent (12½%) of the gross value, including bonuses, of the uranium and vanadium produced from the leased premises. The rental shall be credited against the royalties as they accrue for the year.

The opinion of counsel has been had to the effect that the assignments are in proper form and technically correct, and subject to approval of the assignment of the

The Yellowstone, Mac and J B claims may be reached by traveling southwest on a county maintained road from Fredonia, Arizona, a distance of twenty-five miles, more or less, and thence by trails and dirt roads which have been built to serve the area. The Utarco group is about twenty-five miles south and West of Kanab, Utah, and can be reached by about twenty miles of graded county road and five miles of unimproved dirt road. Some light snow falls during the winter months, but in general the property is accessible and can be operated the entire year.

San Juan County, Utah

The Buckhorn, Eagle, April, Jade, Canyon and Butte claims, referred to generally by the Company as the White Canyon Claims, lie in Township 35 South, Ranges 17 and 18 East, from the Salt Lake Meridian, in an area largely unsurveyed. Principally, it may be said that the claims are in midwestern San Juan County. They may be reached by traveling about seventy miles in a generally westerly direction from Blanding, Utah, over an all weather road built by the Atomic Energy Commission, and connecting feeder roads. The claims are accessible the year around, and very little, if any, road building will be necessary for drill sites. The A.E.C. reduction plant, located some twenty miles south of Blanding, is well within the government allowance for haulage of ore.

The Utah State lease covers the S/2 Section 2, Township 35 South, Range 17 East from the Salt Lake Meridian. This lease reserves a royalty of 12½% of production to the State of Utah, and requires payment of an annual rental of $0.50 per acre. The assignment of this lease to the issuer is subject to approval by the State Land Board of Utah.

Kane County, Utah

The C C claims lie in Township 44 South, Range 2 East of the Salt Lake Meridian in Kane County, Utah, just north of the Utah-Arizona State boundary. They are in the same general area as the properties of the Company in Coconino County, Arizona, and are most readily reached from Kanab, Utah, via a graveled county road. It is the belief of the Company that these claims are accessible and can be worked the entire year.

The State school land held by the Company under lease is covered by three leases and consists of the East 1/2 of Section 2, Township 43 South, Range 2 West and all of Section 36, Township 42 South, Range 2 West, both from the Salt Lake Meridian. The leases reserve a royalty of 12½% of production to the State of Utah and require payment of an annual rental of $0.50 per acre. This property is located approximately forty miles east of Kanab, Utah and can be reached by traveling a graveled county road from that town. The road is within two miles of the leased land and access from it is possible, although additional road work should be done to accommodate vehicular travel.

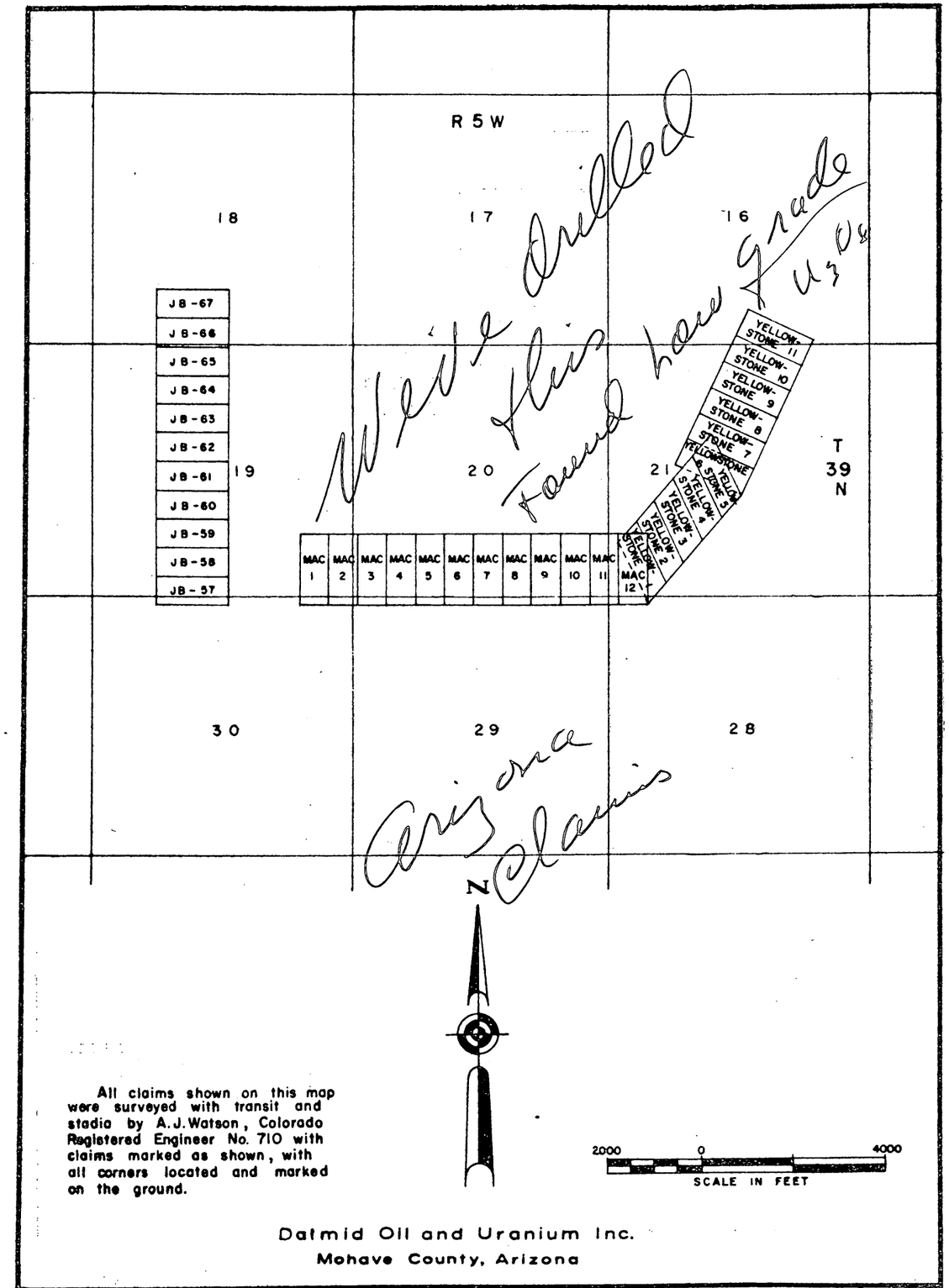
Facilities

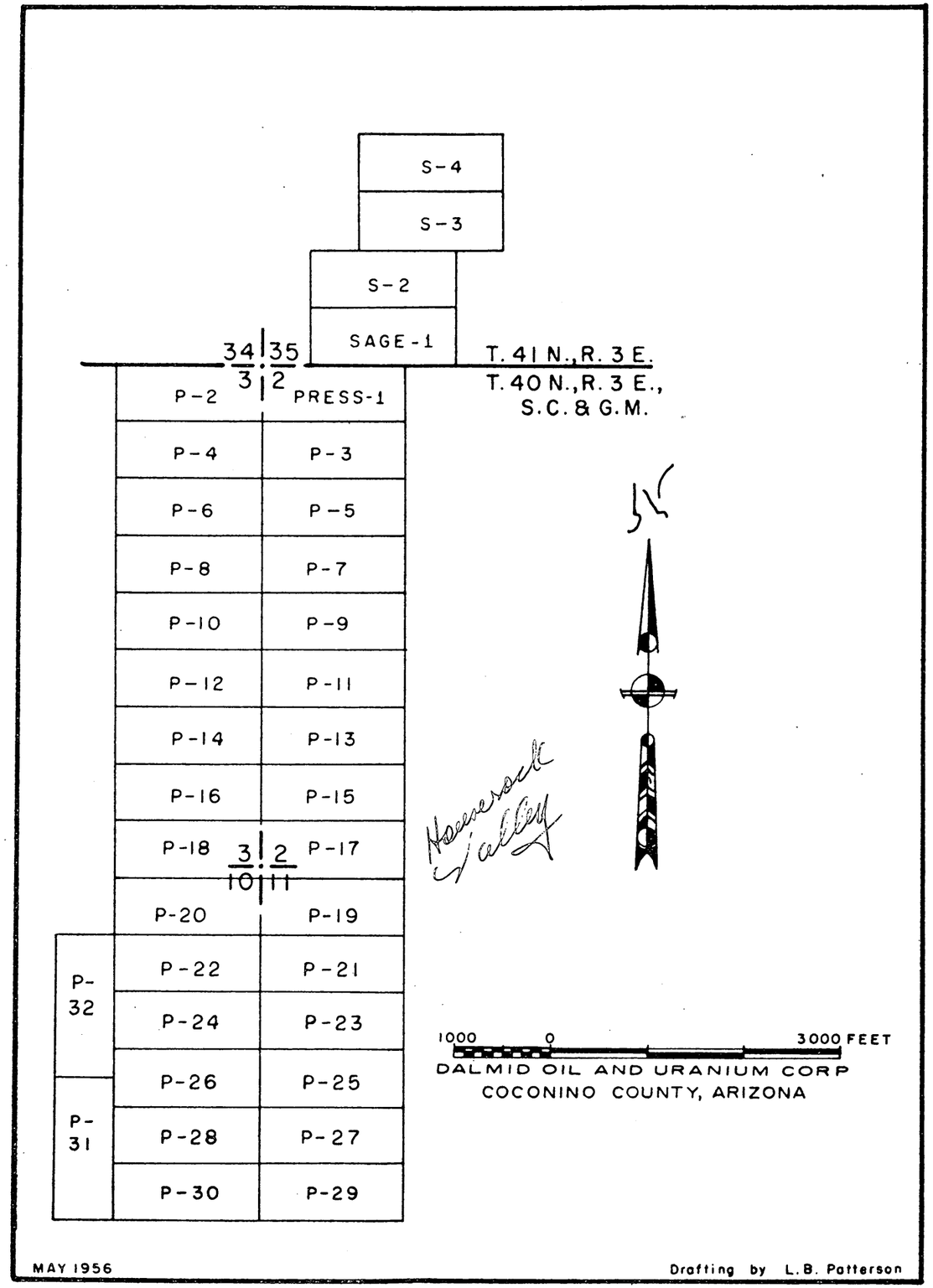
There are no housing accommodations on any of the properties, nor is there any obtainable within commuting distance. It will probably be necessary to build camps as exploratory or mining operations necessitate.

All of the properties are located fairly close to running streams and water for drilling or domestic use can be economically obtained.

Labor supplies are inadequate in all of the districts described and it will be necessary to import whatever employees are needed for operations. Because of the distances the properties are located from foci of uranium activity, it will be necessary to provide complete resources for whatever operation is in progress at the site. This entails some considerable work and expense because semi-self-sufficient camps must be established.

With the exception of the claims located in White Canyon, the properties are located outside the haulage distance for which the Atomic Energy Commission pays for hauling at the rate of six cents per ton mile. The Yellowstone, Mac and J.B. claims are located about 145 miles south of Marysvale, Utah, which is the closest buying station. The Valley claims are approximately 155 miles south of Marysvale and the school leased lands are about 160 miles, also south of Marysvale. Of course, more than two-thirds of each of these haulage distances will be over the good surfaced road of U. S. Highway 89. The fact that considerable amount of the haulage will be over good surfaced roads does favor the properties because the costs of this type of haulage are not so high as most of those in the Colorado Plateau which are over dirt roads.





Plate

The offering price of ten cents per share was determined arbitrarily by the directors, and should not be construed as any indication of the value of the shares issued or to be issued.

PROPERTIES

The Company holds by quit claim and assignment of lease the following unpatented lode mining claims and acreage, totaling approximately 4156 acres:

Coconino County, Arizona
- Valley Claims Nos. 1-5
- Sage Claims Nos. 1-4
- Press Claims Nos. 1-32

Mohave County, Arizona
- Yellowstone Claims Nos. 1-11
- Mac Claims Nos. 1-12
- J B Claims Nos. 57-67
- Fern Claims Nos. 1-8
- B-K Claims Nos. 1-10

San Juan County, Utah
- Buckhorn Claims Nos. 1-13
- Eagle Claims Nos. 1-11
- April Claims Nos. 1-8, Inclusive, and No. 13
- Jade Claims Nos. 1-3
- Canyon Claims Nos. 1-4 (fractional)
- Butte Claims Nos. 1-6

Utah School Land Lease covering S/2 Section 2, Township 35 South, Range 17 East, S.L.M. (Subject to approval of assignment by Utah State Land Board)

Kane County, Utah
- C C Claims Nos. 3-7
- Utah School Land Lease covering E/2 Section 2, Township 43 South, Range 2 West; all of Section 36, Township 42 South, Range 2 West, both from the Salt Lake Meridian.

Coconino County, Arizona

The Valley claims are located in extreme northern Coconino County in an unsurveyed portion and are believed to be tied to the Southeast corner of Section 8, Township 44 South, Range 2 West, S.L.M., which section corner is reported to lie on the Utah, Arizona state boundaries. The claims appear to lie in Township 41 North, Range 2 East from the Gila and Salt River Meridian if the area were surveyed.

The Press claims appear to lie in Sections 1, 2, 3, 10 and 11, Township 40 North, Range 3 East, and the Sage claims appear to lie in the W/2 of Section 35, Township 41 North, Range 3 East. This entire area is largely unsurveyed but the Press and Sage claims lying approximately 50 miles east and south of Kanab, Utah, and can be reached by a gravelled county road. The Valley claims are accessible by traveling a secondary road from a junction with U. S. Highway 89 at the Town of Houserock northward to a point of about 16 miles north of Houserock. From that point, poorly maintained roads have been built on to the north to the vicinity of the claims. These claims are, for the most part, accessible the entire year and it is believed that work can be carried on for all practical purposes the entire 12 months of each year.

Mohave County, Arizona

The Yellowstone claims lie principally within Section 21, with fractions of claims Nos. 10 and 11 lying in Section 16, and a small fraction of claim No. 1 lying in Section 21, all in Township 39 North, Range 5 West, in northeastern Mohave County.

The Mac claims lie principally in Section 20, with portions of the group lying in Sections 19, 21, 28, 29 and 30, Township 39 North, Range 5 West. The J. B. claims lie in Sections 18, 19 and 30, also in Township 39 North, Range 5 West from the Gila and Salt River Meridian, all in Mohave County, Arizona.

The Fern and the B K claims, hereinafter referred to as the Utarco Group, are located in Sections 9 and 16, Township 39 North, Range 5 West. The Fern claims lie approximately 12 miles south of the B K claims on unsurveyed public lands.

DALMID OIL & URANIUM, INC.

(A Delaware Corporation)

2,700,000 Shares
Common Stock

Offering Price: 10 Cents per Share

BUSINESS AND PROPERTY

INTRODUCTORY NOTE

Dalmid Oil & Uranium, Inc. (hereinafter called the "Company"), was incorporated under the laws of the State of Delaware on May 5, 1955. The Company is duly qualified to do business in the States of Colorado, Utah and Arizona. Its principal office is located at 1730 North 7th Street, Grand Junction, Colorado.

The business of the Company is the exploration, development and operation of uranium mining properties. The Company is in the exploratory stage.

The purpose of the present offering is to secure financing to carry on further exploratory work on the Company's properties, hereinafter described, to the extent that funds are available, to conduct preliminary development and mining operations in areas judged suitable by the results of such exploratory work.

The Company is offering to the public 2,700,000 shares of Common Stock, par value $.01 per share at the public offering price of $270,000.00 or at a price of $.10 per share through Columbia Securities Company, who have undertaken to sell the foregoing stock on a best-efforts basis. The underwriting commissions and discounts, payable to Columbia Securities Company amount to $.005 per share, and if all shares are sold, $13,500.00.

The company has agreed to pay the expenses of the offering from the proceeds of the sale of these securities. These expenses are estimated to be approximately $10,000.00. Any savings in such expenses will be returned to the general funds of the corporation. (See "Offering and Offering Terms".)

Prior to this offering, the Company sold 287,350 shares of Common Stock to the general public at $0.10 per share for a total of $28,735.00. Therefore, if all the shares offered herein are sold, and there is no assurance that they will be since the underwriting is on a best efforts basis, the officers, directors and other interested persons will own 3,700,000 shares or approximately 55.3% of the outstanding stock which they received in exchange for mining properties and lease assignments, while the public investors will own 2,987,350 shares, or approximately 44.7% of the outstanding stock for which they will have paid $298,735.00 cash. Of the latter sum, $28,735.00 has heretofore been paid by the general public for 287,350 shares of stock, and $270,000.00 will be paid for 2,700,000 shares if the current offering is sold in its entirety.

The properties assigned and conveyed to the Company were acquired in part by Mr. George W. Kidd, Vice-President and Director, at a cost of approximately $40,000.00. The remaining properties conveyed and assigned to the Company by Charles E. Collins and Utarco Uranium Corporation were acquired by them at a cost of $75,000.00, more or less.

Inasmuch as the stockholdings of the promoters and other interested persons will be larger (55.3%) than those of the general public (44.7%) it should here be noted that the public investors will furnish substantially all of the funds for exploration and, by so doing, take all the risks of failure of the enterprise, except that, in such case, the promoters would have lost the money expended by them for acquisition of the properties. In contrast, the promoters will take substantially no part of the risks of exploring the properties, but if the venture proves successful will be entitled to a majority (55.3%) of the net profits and will own a corresponding majority interest in the assets of the Company.

There is no assurance that vanadium, uranium or any other ore or mineral will be discovered or produced in commercial quantities on any of the properties in which the company is now interested or which it may later acquire.

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Offering Circular, and if given or made, such information must not be relied upon. This Offering Circular does not constitute an offering by the Company or the Underwriter in any State in which it is unlawful to make such offering.

TABLE OF CONTENTS

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. SINCE THIS IS A NEW ISSUE THERE IS NO PRESENT MARKET FOR THE SECURITIES OF THE COMPANY.

DALMID OIL & URANIUM, INC.

(A Delaware Corporation)

2,700,000 SHARES

COMMON STOCK

OFFERING PRICE

10c Per Share

Underwriter

COLUMBIA SECURITIES COMPANY
#1 Equitable Bldg.
Denver 2, Colo.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 11 1957

DATE	INITIALS	CODE

DALMID OIL & URANIUM, INC.

(A Delaware Corporation)

2,700,000 Shares
Common Stock

(Par Value — One Cent)
(Non-Assessable)

A copy of this Offering Circular and other material has been filed with the Regional Office of the Securities and Exchange Commission, Denver, Colorado.

OFFERING PRICE 10c PER SHARE

THESE SECURITIES ARE OFFERED BY DALMID OIL & URANIUM, INC., AS A SPECULATION.

	Price to Public	Underwriting Commissions	Proceeds to Corporation**
Total*	$270,000.00	$13,500.00	$256,500.00**
Per Share	.10	.005	.095

*The Underwriter has agreed to use its best efforts to sell the securities offered herein. (See "Offering and Offering Terms")

**Before deducting the expenses of the offering to be paid by the Issuer from the proceeds of the sale of these securities. These expenses are estimated to be approximately $10,000.00. Any savings in such expenses will be returned to the general funds of the corporation. (See "Offering and Offering Terms".)

Underwriter

COLUMBIA SECURITIES COMPANY
#1 Equitable Bldg. Denver 2, Colorado

Transfer Agent

REGISTRAR AND TRANSFER COMPANY
15 Exchange Place Jersey City 2, N. J.

The SEC stopped this before we got started — Columbia had erred some where in the past --- It was not us, nor the 8 other companies that got a stop-order

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE.

The date of this Offering Circular is June 20, 1956

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 4409

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

Exploration Project

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip Cys to USGS, [redacted]

To:	700	Date	8/6/56
To:	Oper. Com	Date	8/21/56
To:	H. Johnson	Date	8-21-56
To:	Crawford 3643	Date	8/27/56
To:	Oper. Com.	Date	9/10/56
To:	Admin Ast.	Date	9-10-56
To:	M+R	Date	9-10-56
To:	100	Date	2-14-57
To:	225	Date	2-15-57
To:	Gen. Solicitor	Date	2-25-57
To:	Code 800	Date	3-5-57
To:	" 130	Date	3-5-57
To:	110	Date	3-6-57
To:	225	Date	3-6-57
To:	130	Date	8-28-58

DO NOT DETACH

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EC., WASH., D.C. 98868

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
January 16, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 19 1959

DATE	INITIALS	CODE
1-19	C	220
"	JEL	130
1/23	JHB	130
1/26	C	220
[illegible]	[illegible]	700
1/27	Murphy	

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region III

Subject: Docket No. DMEA 4409 (Uranium) Contract Idm-E1066, Dalmid Oil and Uranium, Inc., (April, Butte, and Canyon groups of claims) San Juan County, Utah - FINAL SUMMARY REPORT

Enclosed are the original and two copies of a Joint Final Geologic and Engineering Report, dated January, 1959, by J. W. Hasler, Geologist, Geological Survey, and H. F. Robertson, Mining Engineer, Bureau of Mines, pertaining to the exploration work completed under the subject contract. The original and one copy of the Operator's final report were forwarded by memorandum of September 25, 1958.

The contract was completed, and the Operator was so notified by letter of September 16, 1958.

Final payment to the Operator was processed by this office October 17, 1958, in conformance with the Report of Review of reported project costs, by the Contract Administration and Audit Division, OME, dated October 9, 1958.

Exploration work completed consisted of the drilling of 65 holes, aggregating 5875 feet of non-core drilling and 2097.5 feet of core drilling. Work or services incident to the drilling consisted of 200 hours bulldozing, $47\frac{1}{4}$ hours drill crew stand-by time, analysis of 22 samples for U_3O_8 content, and incidental allowance for 7972.5 feet of drilling; all at a total accepted cost of $20,941.62, toward which the Government contributed 75 percent, or $15,706.22.

The exploration work completed did not result in the discovery or development of a significant quantity of uranium ore, therefore, certification of the project as a discovery or development is not recommended.

Enclosures

By E. N. Harshman
E. N. Harshman

Reviewed by
OME OPERATING COMMITTEE
1-23-59
(date)

FINAL F.T. REPORT

FINAL DISTRIBUTION

MADE OCT 1 1958

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

Administrative Audit Difference Statement

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O. M. E.
RECEIVED OCT 8 1958

DATE	INITIALS	CODE
10/3	C	220
11	[illegible]	110
12/6	[illegible]	700

Dalmid Oil & Uranium, Inc.
604 Hamilton Building
Post Office Box 1590
Wichita Falls, Texas

Date: September 29, 1958

Payee's Reference: August 1958

DMEA-4409

Gentlemen:

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

Amount Claimed	$	2,868.45
Difference	$	2.00
Amount Approved	$	2,870.45

The reason for the difference was due to:

Reinstatement, Bulldozing Costs

The contract provides for 100 hours of bulldozing time under Stage II of the contract. The Operator has reported 100 hours of bulldozing at $12.00 per hour for a total of $1,200.00 but has been reimbursed for the Government's portion of only $1,198.00. The amount of $2.00 is reinstated.

Reinstated Bulldozing Costs ---------- $2.00

Withheld an amount of $500 from reimbursement to the Operator pending resolution of matters prerequisite to closing the account. All approved work under the contract completed and sufficient non-core drilling footage does not remain to permit completion of an additional hole. The contract is considered to be completed.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

Hmc 1-15-59 Gelff HMC

IN REPLY REFER TO:
MINERAL DEPOSITS
O M E
RECEIVED
JAN 12 1959
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICIAL FILE COPY
GEOLOGICAL SURVEY
RECEIVED JAN 19 1959

O. M. E.
P. O. Box 360
Grand Junction, Colorado

DATE	INITIALS	CODE
1/23	JHB	130
		220

OME
DEPARTMENT OF THE INTERIOR
JAN 15 1959
REGION III
DENVER, COLORADO

January 8, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

Through: E. N. Harshman Gelff

From: J. W. Hasler
H. F. Robertson

Subject: Docket No. DMEA 4409 (Uranium), Contract Idm-E 1066, Dalmid Oil and Uranium, Inc., April, Butte, and Canyon groups of claims, San Juan County, Utah. Transmittal of final report

Enclosed are 11 copies of a joint final engineering and geologic report on the above mentioned contract, prepared by H. F. Robertson, U. S. Bureau of Mines, and J. W. Hasler, U. S. Geological Survey.

Under separate cover, we are sending 11 copies of figure 2 and sepias for figure 1 and table 2 for reproduction. Please return the sepia for figure 1.

J. William Hasler
J. William Hasler
Geologist

H. F. Robertson
H. F. Robertson
Mining Engineer

Reviewed by
OME OPERATING COMMITTEE
1-23-59
(date)

OFFICIAL FILE COPY
M. E.
RECEIVED JAN 19 1959

DATE	INITIALS	CODE
1/23	262	13.0
		22.0

MINERAL DEPOSITS
O M E
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JAN 12 1959
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

OME
DEPARTMENT OF THE INTERIOR
JAN 15 1959
DENVER, COLORADO

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY EXAMINING TEAM
REGION III

DMEA 4409

Contract Idm-E 1066

Dalmid Oil and Uranium, Inc.

April, Butte, and Canyon groups of claims

San Juan County, Utah

Uranium

Joint final Geologic and Engineering Report

by

J. W. Hasler
U. S. Geological Survey

H. F. Robertson
U. S. Bureau of Mines

January 1959

Reviewed by
OME OPERATING COMMITTEE
1-23-59
(date)

DMEA 4409
CONTRACT Idm-E 1066
DALMID OIL AND URANIUM, INC.
APRIL, BUTTE, AND CANYON GROUPS OF CLAIMS
SAN JUAN COUNTY, UTAH

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2. Map of April, Butte, and Canyon claims showing generalized geology, existing drill holes and classification, and completed Stage II drill holes, Dalmid Uranium Corp., Elk Ridge area, San Juan County, Utah 22

DMEA 4409
CONTRACT Idm-E 1066
DALMID OIL AND URANIUM, INC.
APRIL, BUTTE, AND CANYON GROUPS OF CLAIMS
SAN JUAN COUNTY, UTAH

INTRODUCTION

Summary

Dalmid Oil and Uranium, Inc., P. O. Box 1590, Wichita Falls, Texas, submitted on July 31, 1956, an application for Government assistance in the exploration for uranium on the April, Butte, and Canyon groups of claims located in the Elk Ridge area, San Juan County, Utah. A field examination of the property was made on September 25, 1956, by a DMEA team accompanied by Martin C. Maher, field superintendent for the operator.

The claims are located on the west side of northerly trending Woodenshoe Canyon, along the western boundary of Elk Ridge. Sedimentary strata exposed on the project area are of Triassic age and range from the Moenkopi formation to the upper member of the Chinle formation. The Shinarump member, at the base of the Chinle formation is the ore-bearing unit in the Elk Ridge-Deer Flat-White Canyon areas.

An east-west trending belt of relatively continuous Shinarump sandstone, the northern edge of which passes through the central part of the claims, contains most of the mines and much of the uranium ore reserve in the Deer Flat-Elk Ridge area. Although exposures on the property are mostly obscured by talus and soil cover, the Shinarump member is classed as more favorable for ore occurrences on the southern half of the claim area than on the northern half. However, sandstone-filled scours at the base of the Shinarump are difficult to detect even when relatively well exposed, so that no part of the subject property near the rim could be eliminated from exploration drilling by means of outcrop inspection.

The operator proposed exploring the area by means of a combination core and noncore drilling program. Minor revisions of the proposal were effected during subsequent conferences and approval of the revised program recommended by the examining team. On March 7, 1957, an exploration contract was signed by representatives of the DMEA and the operator, authorizing a two-stage exploration program consisting of 5,850 feet of noncore drilling and 3,120 feet of core drilling in 78 holes at a maximum overall cost of $25,441.00. Government participation at 75 percent of the overall cost would be a maximum of $19,080.00. The subject contract was the "Fixed Unit Cost" type (MF-200A, Rev. April 1956).

Preliminary work, including road and drill-site construction, started about June 10, 1957. Actual drilling operations commenced June 18, and continued until October 11, 1957, the date of an early winter storm which forced suspension of operations until spring of 1958. A total of 37 Stage I holes and 8 Stage II holes were completed before the drilling was suspended. Work under the contract was resumed on June 25, 1958, and continued until August 29, 1958, using essentially all of the drilling footage and related costs remaining in the contract. A total of 5,875.0 feet of noncore drilling and 2,097.5 feet of core drilling at an accepted cost of $20,941.62 was required to adequately explore the project area. Government participation in the accepted costs was 75 percent of the total or $15,706.22.

None of the holes completed under the contract penetrated significant amounts of ore-grade material, consequently, no ore reserves can be calculated.

Recommendations

The area encompassed by the boundaries of the April, Butte, and Canyon groups of claims has been adequately explored within the economic limits of its uranium potential. The examining team recommends that no further exploration work be done at this time, either with or without Government assistance. Since no indications of significant uranium deposits were discovered by the work completed under Contract Idm-E 1066, certification of discovery or development is not recommended.

LOCATION AND ACCESSIBILITY

The 19 claims included in the project area are located in secs. 28 and 33, T. 35 S., R. 18 E., Salt Lake Meridian, Elk Ridge Mining district, San Juan County, Utah (figs. 1 and 2). The property is reached by traveling 35 miles northwesterly from Blanding, Utah, on old Utah Highway 95 to a junction leading to Woodenshoe Butte, thence 5 miles northwesterly along the Woodenshoe Butte road to the subject property. Blanding is 198 miles by paved highways from Grand Junction, Colorado, the nearest major supply center.

The claims are located on the brush-covered, steep, western side of Woodenshoe Canyon at altitudes ranging from 7,800 to 8,400 feet, and are accessible in dry weather or when the ground is frozen. Surface operations are feasible for about 7 months of the year and are usually suspended in late winter and early spring.

Drill sites are relatively easily prepared, and the cost of bulldozing for access roads is usually moderate. There are no unusual problems of supply, water, labor, or transportation. Buying stations for uranium ore from the area are located at Monticello and Mexican Hat, Utah, each about 50 miles from the subject property.

Living accomodations for personnel working in this district usually consist of house trailers or cabins located at the respective mines or projects.

PROPERTY

The 19 unpatented lode mining claims comprising the project area are owned by the operator. The notices of location of the claims are recorded in the Office of the County Recorder, San Juan County, Utah, as follows:

Claim	Disc. date	Rec. date	Book	Page
April Nos. 1-5	4/4/54	5/3/54	87	329-331
Butte Nos. 1-5	7/2/55	8/1/55	46	29-33
Butte No. 6	9/2/55	9/22/55	68	29
April Nos. 6, 7, 8, 13	4/4/54	5/3/54	87	332-335
Canyon Nos. 1-4	6/17/55	7/15/55	36	391-394

The claims are located in accordance with federal and state regulations and are marked properly on the ground. The northwest (No. 1) corner of the Butte No. 1 claim is described by the location notice as being 350 feet north of the south quarter corner of sec. 33, T. 35 S., R. 18 E., and is plotted at that position (fig. 2).

Exploration for uranium in the Elk Ridge district started in 1950, but there was no significant production until 1953. There has been no production from the subject property except for a trial shipment of 17 tons, averaging 0.14 percent U_3O_8 and 0.33 percent V_2O_5, made in December 1956. The ore was produced from an adit about 125 feet in length, located on the Canyon No. 1 claim. There has been no production from the subordinated property subsequent to the effective date of the contract (March 7, 1957). Production to date from the Deer Flat-Elk Ridge area, in general, totals about 60,000 tons of ore averaging 0.25 percent U_3O_8.

Prior to the DMEA project, the operator had drilled four holes on the Canyon No. 1 claim. Core recovery in the holes was poor, and no records were kept of the results of the drilling. Other prior exploration on the property consisted of a limited amount of rim stripping on the Canyon No. 1 claim which resulted in the driving of the above-mentioned adit into a mineralized exposure uncovered by the bulldozing operation.

Currently, all development of the property has ceased and it is very unlikely that the operator will resume exploration or mining in the near future since the completed DMEA project discovered no ore reserves.

GEOLOGY

The April, Butte, and Canyon claims are on the west side of northerly trending Woodenshoe Canyon along the western boundary of Elk Ridge. The difference of elevation from the bottom of the canyon to the top of Woodenshoe Butte, just west of the claims, is about 1,700 feet. The rocks exposed in the area are sedimentary strata of Permian and Triassic age.

The following generalized stratigraphic section is taken from a preliminary U. S. Geological Survey map of a part of the Elk Ridge area by R. Q. Lewis, et al.

Age	Formation	General lithology	Thickness (feet)
	Wingate sandstone	Massive festoon crossbedded red, buff and white sandstone	240-300
	Chinle formation upper member	Thick-bedded red and maroon sandstone underlain by thick section of gray, purple, and red mudstone	480-530
Upper Triassic	Moss Back member	Massive gray to white conglomeratic sandstone	55-100
	Lower member	Blue, gray, and red mudstone locally thin gray flaggy sandstone	5-150
	Shinarump member	Ledge-forming gray and white quartz sandstone containing minor lenses of conglomeratic and mudstone. Fills minor scours out into top of underlying Moenkopi formation.	0-60
	UNCONFORMITY		
Lower and Middle Triassic	Moenkopi formation	Red, buff, and brown shale and sandstone; upper and lower parts dominantly shale	225-280
	Cutler formation Hoskinnini tongue	Reddish to buff silty sandstone and minor shale	50-90
Permian	Organ Rock tongue	Massive red sandy siltstone	170-230
	Cedar Mesa sandstone member	Thick gray festoon crossbedded sandstone	1000-1200

The strata on the claims are the Triassic, Moenkopi, and Chinle formations, but only the Moss Back sandstone member of the Chinle formation is relatively well exposed on parts of the claims. A cover of talus and soil obscures most of the bedrock in the area and rim stripping by bulldozer to uncover the contact of the Shinarump member with the underlying Moenkopi formation has been effective as a prospecting tool only along limited parts of the claims. The "50-foot sandstone" (fig. 2) as mapped by the applicant is a local sandstone unit in the Chinle formation, which is about 5 to 10 feet thick, and is about 30 feet above the top of the Shinarump member.

The Shinarump member of the Chinle formation is the ore-bearing unit in the Deer Flat-Elk Ridge area. The Shinarump member is a fine- to coarse-grained quartzose sandstone, which locally contains small pebbles of quartz at the base, and interbedded lenses of gray to dark-gray siltstone and mudstone. Carbonaceous trash, as plant fragments and thin discontinuous seams of coalified wood, is common in the sandstones and mudstones. Locally, there are coalified remnants of trees imbedded in the sandstone, and very locally the rock is stained dark gray to black by what appears to be a petroliferous residue.

At and near the outcrop, the sandstones are stained light to dark yellow brown by limonite derived from the oxidation of iron sulfides. Behind the outcrop, where the sandstones are relatively unoxidized, they are light to dark gray in color and contain sparse to abundant iron sulfides. No copper-bearing minerals, either sulfides or carbonates, were observed on the claims.

The Shinarump member is the basal member of the Chinle formation. The lowermost beds of the Shinarump member are channeled into the underlying Moenkopi formation. In the general area, channel scours commonly are shallow and in places are difficult to detect. The scours range from about 3 to 10 feet in depth and from about 175 feet to 1,000 feet in width; they are usually irregular in cross section, and because of interbedded mudstones in sandstone, the limits of channels may be obscure in detail. Accurate surveying to establish elevations of the base of the Shinarump member where it outcrops and of collars of drill holes which penetrate the Moenkopi formation is essential for the detection of these channels. In the area of relatively continuous sandstone, the upper part of the Shinarump member is a rather tabular layer composed of an aggregate of crossbedded sandstone strata and minor interbedded mudstone. To the north, the Shinarump member consists of lenses of sandstone which are largely more discontinuous than to the south.

The structure in the area consists of a simple regional dip of strata of 2° to 3° southwesterly from the Monument upwarp to the east. Apparent dips from exposures at the top of the Moenkopi formation indicate a N. 50° to 75° W. strike, and a dip of about 2-1/2° SW. A structural terrace on the top of the Moenkopi formation exists near the small mine on the Canyon claims as there is an apparent dip of 2° southeasterly to the base of Shinarump conglomerate where exposed near the April No. 6 and Butte No. 6 claims. There are no known faults in the claim area.

ORE DEPOSITS

The ore-bearing sandstones in the Deer Flat-White Canyon areas are the lower sandstone lenses of the Shinarump member. Ore, most commonly, is in those lenses which fill scours in the underlying Moenkopi formation. Overlying, more tabular, sandstone lenses are usually barren of ore minerals. An exception to the general relationship that the ore minerals are in the lowermost lenses occurs in the Sandy mine about 1-1/4 miles south of the subject property where the ore minerals in part of the deposit are about 15 feet above the base of the Shinarump member. However, uranium ore most commonly is localized in medium- to coarse-grained carbonaceous sandstone near the floor of the channels.

The uranium deposits in the nearby Deer Flat area contain relatively unoxidized uranium and copper minerals. The principal minerals are uraninite, chalcopyrite, chalcocite, bornite, and covellite. Within the ore bodies, the ore minerals replace fossil wood fragments and are disseminated in sandstone. In general, the copper content of the rock is proportional to the uranium content, so that any rock which might be classified as copper ore would probably also be classified as uranium ore.

The ore deposits, which are narrow and elongate, follow the trend of the channels. A deposit commonly consists of several ore bodies in the bottom or along the flanks of a channel; the ore bodies are separated by mineralized and barren ground. Mudstone lenses in the sandstone are common and, in part, appear to have been responsible for the localization of the individual ore bodies.

The ore bodies and deposits commonly occupy only parts of the channels. Channel widths range from about 175 feet to 900 feet; channels have been traced by drill holes for distances up to about 2,000 feet. Ore deposits within the channels range in width from a few feet to about 100 feet; the lengths range from a few hundreds to more than 1,500 feet. Ore bodies range from several feet to several hundred feet in length. Layers of ore-grade material range from less than 1 foot thick to as much as 6 feet; in the larger ore bodies the average thickness is about 3 feet.

THE PROJECT

Most of the uranium ore deposits in the Elk Ridge-White Canyon area are found in an east-west trending belt of relatively continuous Shinarump sandstone. As verified by outcrop inspection, the northern edge of the belt passes through the center of the project area thus fulfilling one criteria of favorableness for uranium deposition in this area. The southern part of the project area is favorably situated relative to a known ore body and channel on the east side of Woodenshoe Canyon. This, plus the presence of anomalous radioactivity at several places along the approximate trace of the Shinarump on the ground, indicated that Government participation in an exploration program designed to test the Shinarump member at moderate depths was justified.

The operator proposed a two-stage drilling program consisting of 18,670 feet of core and noncore drilling at an estimated overall cost of $46,531.60. The first stage consisted of 44 holes on about 250-foot centers to explore for evidence of channel structure and/or mineralization. The proposed second stage provided for a maximum of 40 holes offset 75 feet from any previously drilled holes which cut significant mineralization or evidence of favorable channel scours.

The operator's program was slightly modified (six proposed Stage I holes were deleted because of their nearness to previously drilled holes and Shinarump sandstone outcrops) and incorporated in Contract Idm-E 1066, effective March 7, 1957. The project work was to begin by May 15, 1957, but, due to late thawing of the winter's accumulation of snow, the starting date was necessarily postponed until June 10, 1957. One recess of operations, lasting from October 11, 1957 to June 25, 1958, was necessary because of winter snows. All project work was completed by August 29, 1958.

Five amendments to the contract became necessary during the life of the project and are as follows:

Amendment No. 1 - executed to extend the date, on or before which project work shall start, from May 15, 1957, to June 1, 1957.

Amendment No. 2 - executed to extend the period fixed within which the Operator shall complete the work from six months to eight months from the date of the contract.

Amendment No. 3 - executed to extend the period fixed within which the work shall be completed, provide for a recess of operations from October 11, 1957, to not later than June 1, 1958, and increase the maximum period for royalty payment and lien for payment thereof to eleven years from the date of the contract.

Amendment No. 4 - executed to extend the completion date to eighteen months from the date of the contract and to extend the ending date of the suspension of operations to not later than July 1, 1958.

Amendment No. 5 - executed to redistribute the units of core and noncore drilling available in Stage II of the contract.

Description of Work Completed

Exploration under Contract Idm-E 1066 started on June 10, 1957, with access road and drill-site construction. On June 18, 1957, actual drilling operations commenced and progressed steadily until October 11, 1957, when winter conditions forced cessation of surface activities. During the elapsed time, 37 Stage I holes and 8 Stage II holes were completed. Results obtained by the first stage drilling indicated that, although none of the holes penetrated significant ore deposits, at least two well-defined channel scours were present in the southern part of the project area. No definite channels were found in the northern part of the area although there does appear to be a broad regional scour that occupies the entire area of the five Canyon claims. The west side of three small, local scours within the broad scour were tested with a total of 8 second stage holes but nothing significant was found. During the period between October 11, 1957, and June 25, 1958, no progress was made on the project.

On June 25, the winter recess ended and work was resumed on drilling authorized but uncompleted. Three additional Stage II holes were drilled in the northern part of the project area and evaluation indicated that no further exploration could be justified on the Canyon group of claims. The remainder of the exploration drilling was concentrated on testing the two channels located in the southern part of the project area. After June 25, 1958, a total of 1 Stage I hole and 16 Stage II holes were drilled on the April and Butte claim groups. All the holes were essentially barren of uranium mineralization. The operator and the Government then considered the entire project area adequately explored and the project was terminated on August 29, 1958.

None of the 65 holes drilled during the DMEA project penetrated enough uranium-bearing material to permit the calculation of ore reserves.

Summary of Factual Data

Work under the subject contract was accomplished between June 10, 1957, and August 29, 1958. All holes were noncore drilled to the upper part of the Shinarump member of the Triassic-Chinle formation, then core drilled until 1 to 10 feet of the underlying, red Moenkopi formation had been penetrated. The total footage drilled during the two stages of exploration amounted to 7,972.5 feet. The total cost of drilling only, as accepted by the Government, was $14,685.00. The accepted overall cost of the project was $20,941.62 (table 2). The Government's share of the cost of the project was 75 percent of the overall amount, or $15,706.22. The monthly reports of the operator were reviewed by an OME Auditor and, on October 9, 1958, a Report of Review substantiating the approved project cost was distributed.

The only production from the property occurred prior to subordination of the April, Butte, and Canyon claim groups, consequently, no repayment of the Government's participating share has been made to date.

No equipment was purchased for use on the project. All exploration drilling was done by independent contractors who furnished all necessary equipment and supplies for the actual drilling operation. All other operating equipment and supplies were either expendable or accounted for on a depreciation basis and covered by the incidental allowance per foot of completed and accepted drilling, thereby leaving no salvage or disposal problems.

CONCLUSIONS AND RECOMMENDATIONS

No unusual difficulties were encountered with the exploration drilling. During the first part of the project (June 10 to October 11, 1957), the operator's supervisor incorrectly determined the interval to be cored in several holes, resulting in 130 feet of cored footage being paid for at the noncore rate. Conferences with OME personnel soon remedied the errors and no additional major disallowances were necessary. A consulting geologist was employed to supervise the second portion of the project (June 25 to August 29, 1958) and the program was completed without further difficulties.

Evaluation of the data obtained by the project drilling indicates that the property has been adequately explored without finding any ore bodies of significant size. Two channel scours, located near the Butte and April claim groups, were traced as far as practicable without finding more than a trace of uranium in the most favorable parts. No ore reserves are calculated from the results of the project drilling.

On consideration of the above, the examining team recommends that no certification of discovery or development be issued. Government participation in additional exploration of the subject property is not recommended.

Table 1.--Summary of drilling results.
DMEA 4409 Contract Idm-E 1066

Hole No.	Noncore	Core	Total	Thickness OBSS	Mineralization Interval	Mineralization %eU$_3$O$_8$
			STAGE I DRILL HOLES			
1	75.0	17.0	92.0	6.5	Barren	
2	60.0	40.2	100.2	8.0	96.3- 97.3 97.3- 97.9	0.12 0.12
3	70.0	35.0	105.0	3.0	55.2- 56.1 98.6- 99.8	0.01 0.03
4	80.0	41.5	121.5	1.8	110.7-111.5	0.03
5	100.0	19.0	119.0	0.0	Barren	
6	40.0	44.0	84.0	0.5	Barren	
7	45.0	40.0	85.0	1.2	41.1- 42.1	0.02
8	55.0	40.0	95.0	14.0	43.2- 44.8 90.6- 91.8	0.01 0.01
9	40.0	50.0	90.0	22.0	25.0- 27.0 42.2- 42.5	0.02 0.02
10	30.0	39.5	69.5	17.0	Barren	
11	55.0	48.9	103.9	28.0	Barren	
12	55.0	32.5	87.5	3.0	32.8- 33.8 40.9- 41.9	0.01 0.17
13	35.0	26.4	61.4	14.0	Barren	
14	55.0	15.0	70.0	4.0	Barren	
15	45.0	40.1	85.1	7.2	Barren	
16	45.0	38.0	83.0	15.2	Barren	
17	65.0	35.1	100.1	24.9	Barren	
18	50.0	40.6	90.6	17.0	Barren	
19	50.0	41.5	91.5	11.5	Barren	
20	40.0	21.0	61.0	4.5	Barren	

Table 1.--Summary of drilling results--Continued.
DMEA 4409 Contract Idm-E 1066

Hole No.	Noncore	Core	Total	Thickness OBSS	Mineralization Interval	Mineralization %eU$_3$O$_8$
21	40.0	20.0	60.0	0.1	Barren	
22	40.0	30.0	70.0	0.0	Barren	
23	60.0	40.0	100.0	0.0	Barren	
24	95.0	30.0	125.0	0.0	Barren	
25	80.0	43.2	123.2	0.0	Barren	
26	80.0	30.0	110.0	1.5	Barren	
27	110.0	50.4	160.4	10.0	152.0-153.1	0.09
28	70.0	40.0	110.0	11.0	103.0-103.8	0.13
29	70.0	50.7	120.7	7.0	115.0-115.5	0.03
30	85.0	30.1	115.1	19.6	111.4-112.3	0.54
31	75.0	45.0	120.0	12.2	113.3-114.0	0.04
32	80.0	40.0	120.0	8.0	113.4-114.2	0.05
33	95.0	50.3	145.3	2.5	138.0-139.0	0.03
34	75.0	39.2	114.2	1.3	105.4-106.6	0.01
35	70.0	32.1	102.1	2.1	93.7- 94.4	0.04
36	70.0	43.6	113.6	0.4	99.2-100.1	0.12
37A	65.0	45.0	110.0	3.0	100.0-100.6	0.05
38	60.0	31.1	91.1	3.3	Barren	
Stage I Totals	2,410.0	1,396.0	3,806.0			

Table 1.--Summary of drilling results--Continued.
DMEA 4409 Contract Idm-E 1066

Hole No.	Noncore	Core	Total	Thickness OBSS	Mineralization Interval	Mineralization %eU$_3$O$_8$
			STAGE II DRILL HOLES			
39	172.0	13.0	185.0	11.0	183.0-183.8	0.17
40	100.0	20.0	120.0	14.0	Barren	
41	100.0	20.0	120.0	17.0	Barren	
42	108.0	27.0	135.0	27.0	Barren	
43	115.0	19.5	134.5	17.0	Barren	
44	105.0	17.5	122.5	13.0	Barren	
45	100.0	32.5	132.5	24.0	128.2-129.2	0.02
46	100.0	29.0	129.0	10.0	124.8-125.6 125.6-126.5	0.07 0.02
47	105.0	29.0	134.0	19.4	130.6-131.7	0.15
48	115.0	25.0	140.0	21.7	136.4-137.4	0.05
49	120.0	25.0	145.0	15.0	137.5-140.0	0.05
50	115.0	29.0	144.0	12.5	Barren	
51	125.0	30.0	155.0	17.4	Barren	
52	125.0	37.0	162.0	6.0	Barren	
53	33.0	28.5	61.5	14.0	55.9- 56.4	0.10
54	40.0	15.0	55.0	15.0	53.1- 53.4	0.07
55	40.0	15.0	55.0	14.0	50.6- 52.3	0.01
56	80.0	28.5	108.5	17.0	Barren	
58	137.0	29.0	166.0	7.0	Barren	
59	140.0	18.0	158.0	10.0	Barren	

Table 1.--Summary of drilling results--Continued.
DMEA 4409 Contract Idm-E 1066

Hole No.	Noncore	Core	Total	Thickness OBSS	Mineralization Interval	Mineralization %eU$_3$O$_8$
61	145.0	41.0	186.0	27.0	Barren	
62	155.0	36.0	191.0	34.0	Barren	
66	225.0	23.0	248.0	18.0	Barren	
67	225.0	39.0	264.0	27.5	Barren	
68	240.0	29.0	269.0	27.0	Barren	
69	225.0	28.0	253.0	26.5	Barren	
70	175.0	18.0	193.0	16.0	Barren	
Stage II Totals	3,465.0	701.5	4,166.5			
Project Totals	5,875.0	2,097.5	7,972.5			

Table 2.--Summary of costs incurred during project.
DMEA 4409 Contract Idm-E 1066

Contract Items	Unit	Unit Cost	Claimed		Accepted		Contract Maximums (as amended)		
			Units	Cost	Units	Cost	Units	Unit Costs	Total Cost
Fixed Unit Costs									
Stage I									
Noncore drilling	foot	$ 1.25	2,280.0	$ 2,850.00	2,410.0 1/	$ 3,012.50	2,850.0	$ 1.25	$ 3,562.50
Core drilling	foot	3.50	1,526.0	5,341.00	1,396.0	4,886.00	1,520.0	3.50	5,320.00
Standby time	hour	12.50	25.75	321.87	25.75	321.87	40.0	12.50	500.00
Bulldozing	hour	12.00	100.00	1,200.00	100.00	1,200.00	100.0	12.00	1,200.00
Incidental allowance	foot	0.40	3,806.0	1,522.40	3,806.0	1,522.40	4,370.0	0.40	1,748.00
Chemical analyses	each	3.50	15.0	52.50	15.0	52.50	30.0	3.50	105.00
Stage II									
Noncore drilling	foot	$ 1.25	3,465.0	$ 4,331.25	3,465.0	$ 4,331.25	3,476.0	$ 1.25	$ 4,345.00
Core drilling	foot	3.50	701.5	2,455.25	701.5	2,455.25	1,430.0	3.50	5,005.00
Standby time	hour	12.50	21.5	268.75	21.5	268.75	40.0	12.50	500.00
Bulldozing	hour	12.00	100.0	1,200.00	100.0	1,200.00	100.0	12.00	1,200.00
Incidental allowance	foot	0.40	4,166.5	1,666.60	4,166.5	1,666.60	4,600.0	0.40	1,840.00
Chemical analyses	each	3.50	7.0	24.50	7.0	24.50	33.0	3.50	115.50
Totals				$21,234.12		$20,941.62 2/			$25,441.00

1/ Includes 130 feet of core drilling paid for at noncore drilling rate.

2/ Verified by OME Auditor's Report of Review dated October 9, 1958.

Government participation in accepted costs at 75 percent $ 15,706.22

Average overall cost of drilling per foot $ 2.63

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
NOVEMBER 1958, Contract idm-E1066, DOCKET 4409

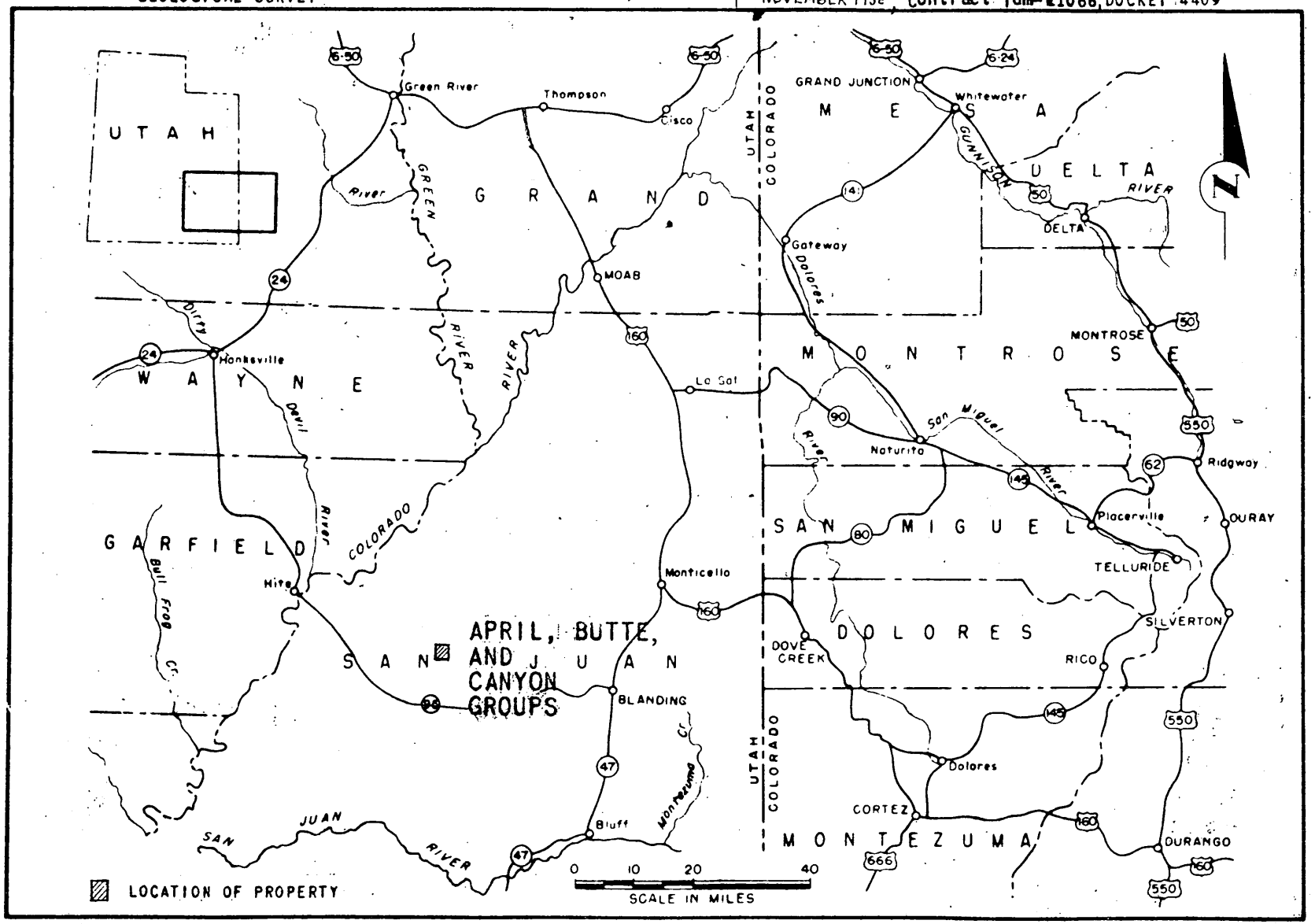

FIGURE 1.--LOCATION MAP, DALMID URANIUM CORPORATION, APRIL, BUTTE, AND CANYON CLAIM GROUPS, SAN JUAN COUNTY, UTAH.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 19 1959

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
September 25, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 29 1958

DATE	INITIALS	CODE
9.29	C	220
9/29	[illegible]	800
"	Murphy	700

Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte and Canyon claims), San Juan County, Utah

Enclosed are the original and one copy of a final report submitted by the subject Operator, pertaining to the work completed under the contract.

The Operator's final report has been reviewed by this office and appears to satisfy the requirements under Article 5 (c) of the contract form. Therefore, it is recommended that the Operator's final report be accepted as complying with the contract provisions.

E. N. Harshman

E. N. Harshman

Enclosures

OME, Reg. III
SEP 22 1958

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RECEIVED SEP 29 1958

DATE	INITIALS	CODE

535 Orchard Avenue
Grand Junction, Colorado

September 1, 1958

Mr. J. W. Townsend
DMEA
224 New Customhouse
Denver 2, Colorado

Dear Mr. Townsend:

The following is the final geologic report on the Dalmid Oil & Uranium Corporation's project 4409, Contract Idm-E1066, April et al claims on Elk Ridge, San Juan County, Utah. Since no significant uranium deposits were found the project was terminated as of August 29, 1958.

Enclosed are the following:

2 maps (No. 4 South area, No. 5 North area)

Geologic report

Sincerely yours,

Raymond C Robeck

Raymond C. Robeck,
Agent for:
Dalmid Oil & Uranium, ~~Corp~~ Inc.

CC: Collins

6 PR'S
FINAL
REPORT

Final Report

Dalmid Oil and Uranium, Inc. , Docket 4409

1. (a) Docket 4409, Contract Idm-E1066, was set up to explore for uranium on Dalmid's April, Canyon and Butte claims on Elk Ridge in San Juan County, Utah.
   (b) Mr. Charles E. Collins, President, Dalmid Oil and Uranium, Inc. P.O. Box 1590, Wichita Falls, Texas.
   (c) The April, Canyon and Butte claims are located in Section 33, T35S, R18E, SLPM. San Juan County, Utah.

2. (a) The object of this project was to explore the Shinarump member of the Chinle formation for possible channel deposits of uranium ore, by means of non-core and core drilling. The holes are located parallel to and about 200 feet back from the outcrop of the Shinarump. The Shinarump and at least one foot of the underlying red Moenkopi was cored (at least Ax size). Any mineralized portion was split and assayed. All holes were logged radiometrically and geologically. The work was divided into two stages. The object of Stage I was to find favorable areas, and the object of Stage II was to drill offset holes in favorable areas.

   (b) Stage I Estimated Costs

1.	Bulldozing, 100 hours at $12/hr	$1,200.00	
2.	2,850 ft. non-core drilling, $1.25/ft	3,562.50	
3.	1,520 ft. core drilling, $3.50/ft.	5,320.00	
4.	40 hrs. standby time, $12.50/hr.	500.00	
5.	Incidental allowance for each ft. of drill hole completed, 4,370 ft., $0.40/ft.	1,748.00	
6.	Chemical analyses for U_3O_8 content of 30 samples at $3.50/each sample	105.00	$12,435.50

Stage II

1.	Bulldozing, 100 hrs. at $12/hr.	$1,200.00	
2.	3,000 ft. non-core drilling at $1.25/ft	3,750.00	
3.	1,600 ft. core drilling at $3.50/ft.	5,600.00	
4.	40 hrs. standby time at $12.50/hr.	500.00	
5.	Incidental allowance for each foot of drill holes completed, 4,600 ft. at $0.40/ft.	1,840.00	
6.	Chemical analyses for U_3O_8 content of 33 samples at $3.50/each sample.	115.50	$13,005.50

Estimated total cost of project $25,441.00
Government Participation at 75%(rounded) $19,080.00

3. (a) The actual work completed followed the pattern as first set up. A total of 65 holes were drilled under DMEA contract. There were four areas, two in the North area and two in the South, that were found by Stage I drilling that seemed to warrant further drilling. The Stage II offset drilling in the North area did not find any well defined channel although radioactivity was found in several holes. In the South area, the April and Butte channels were found and followed toward the southwest. Hindsight indicates that the original program should have been set up with a larger portion of the work as Stage II drilling. This would have permitted a more systematic and thorough drilling of the April and Butte channels. Complete changes in personnel in company and DMEA supervision did not permit a continuity of action that could take full advantage of the information from each hole as it was drilled. It now seems to the writer that much of the Stage I drilling could have been omitted and that footage applied to drilling the known channels.

3. (b)

	Stage I	Stage II	Actual Costs
Non-core drilling	$3,012.50	$4,331.25	
Core drilling	4,886.00	2,455.25	
Bulldozing	1,200.00	1,200.00	
Standby	321.87	268.75	
Incidental	1,522.40	1,666.60	
Analyses	52.50	24.50	
Totals:	$10,995.27	9,946.35	Total cost- $20,941.62
		Government's share (75%)	- $15,706.21

4. (a) The drilling operations started on June 15, 1957, during a very rainy season which hampered operations a great deal. As a consequence, the Stage II drilling was not completed on schedule and the bad weather finally forced a recess on October 11, 1957. Work started again on June 25, 1958 and was completed on August 28, 1958.

(b) The North and South areas are written up as two separate reports. In general, the drilling was done by an independent contractor with a Joy coring rig. This worked out fairly well as long as there was not much footage to plug drill per hole. In some phases of Stage II when plugging as as much as 235 feet, the drilling was so slow that the total cost to the operator became more than was budgeted for in the DMEA contract. The main difficulty is the allowance paid for incidentals on a fixed rate per foot of drilling. It is suggested that future contracts be set up in a different manner.

Geologic report on the South Area

This report covers the work done on the Butte 1-6, and April 1-7 claims. A total of 41 holes were drilled. In Stage I, 25 holes were drilled, 4 are mineralized and the rest are barren. In Stage II, 16 holes were drilled and they are all barren except for about .02 U_3O_8 in hole D-70. All mineralization that was found was along the very southern edge of the claims.

All holes were collared in the Chinle formation and bottomed in the underlying red Moenkopi. All holes except 66, 67,68 and 69 were started below the Moss Back sandstone. The Moss Back drilled fairly easily with only a few cemented streaks. Usually the water circulation was lost in or at the base of the Moss Back. Circulation was sometimes lost in sandstones in the Monitor Butte member. Also, circulation was often lost in the coarse uncemented portions of the Shinarump sandstone.

The Moss Back is up to 83 feet thick and consists of fine-to-medium-grained brown to gray sandstone, with only a few streaks of gray mudstone and conglomerate. The Monitor Butte is about 140 feet thick and consists of mudstones, claystones and sandstones. They are usually gray except for the lowermost 30 feet which is red or purple-red mudstones and sandy siltstones that grade into the underlying Shinarump siltstone. The most prominent Monitor Butte sandstone is about 40 feet above the Shinarump. Radioactivity was found at several places in this sandstone, although its lenticular nature seems to prohibit any systematic exploration on just that sandstone.

The Shinarump's thickness as reported varies because of two factors. (1) The amount of channeling into the underlying Moenkopi, and (2) the ability of a worker to pick the upper contact where it grades into the Monitor Butte. As reported the Shinarump ranges from Zero in Hole D-5 to 34 feet in Hole D-62. The thickness of the Shinarump by itself does not show how deep a channel may be. This has to be first shown by precise control on the elevation of the base of the Shinarump and control on the local dip of the beds. The Shinarump consists of mudstones and silty sandstones near the top that become coarser lower in the section. These upper sediments are usually purple-red or gray and are often mottled. The gray seems to be the portions that have been partially altered from the original purple color. The lower beds of Shinarump are fine to coarse-grained sandstones with local conglomerate lenses containing pink quartz pebbles

up to one inch in size. There are a few mudstone lenses that may be either red or gray. Where leached the beds are usually light brown as a result of the oxidation of its contained iron sulfides. Unoxidized beds are gray or red. Only very small amounts of asphalt were observed. Uranium where found is present at the base of the Shinarump often in a basal mudstone.

Outcrops are poor in the area so drilling was set up to explore the entire length of the outcrop. Results show that the only exposures of Shinarump are portions of channels found during drilling. Two of these channels "April" and "Butte" (see Map 4) seemed good enough for further prospecting. The April channel seems to have a depth of at least 31 feet. It is a fairly straight continuous channel but it seems to have some high and lows along its course. This seemed to be the case where the holes 66,67 and 68 were drilled in a fence across the channel; however hole 69 indicates the channel may continue on to the southwest with the same direction and depth. This is a good channel and indications are that it might have been a good channel for trapping uranium deposits, However several factors show that uranium-bearing solutions may never have gotten into this channel. There was no radioactivity of any amount found at any place in the channel. Usually a trace is left in the basal mudstone if uranium solutions ever passed through. The Moenkopi mudstones at most were bleached from red to gray up to .1 of a foot. At several places red mudstones or sandstones are still present in the section at several vertical positions.

The Butte channel also appeared to contain no radioactivity until drilling was done in holes 39 and 70. There has not been enough drilling, however to say definitely that these holes are part of the Butte channel. The braided stream conditions that exist in the area can change the course and nature of a channel very quickly. In holes 56, 57,58 and 59 indications were that the Butte channel may not exist further to the southwest. Holes 39 and 70 are too far away to be able to say that they are part of the same (Butte) channel.

Since no significant uranium deposits were found in the South area, the drilling was terminated before all funds were used up. Stage II drilling was set up only to offset favorable holes. This was completed when holes 69 and 70 were drilled and no ore was found in either channel. Therefore, because of the above statements, no calculations were made as to the amount of uranium that might be present in the areas where some mineralization was found.

Final Geologic Report - North area

A total of 24 holes were drilled under DMEA contract. Of these one hole (D-30) was an ore hole, 15 were mineralized, and 8 were barren. All holes were collared in the Monitor Butte member of the Chinle. They were drilled with a plugged bit to the top of the Shinarump. Bx size core was cut in the Shinarump and into underlying red Moenkopi.

The Shinarump is present in every hole but its thickness is a very questionable matter. In this general area there appears to be a lenticular lower coarse Shinarump sandstone overlain by mottled purple-gray siltstone or mudstone. Then in several places there may be a Shinarump-like coarse sandstone above the mudstone. In those places where the upper sandstone is not present or distinct, the Shinarump grades into the overlying Monitor Butte and therefore the contact can be picked at some arbitrary point that the worker thinks is best. Thus thickness of the Shinarump should not be used too specifically. In reviewing the thicknesses of the Shinarump as reported, they range from a maximum of 25 feet in hole D-45 to a minimum of 1.5 feet in hole D-51.

An attempt was made to contour the base of the Shinarump after having removed the regional dip. No detectable variation was found except possibly for a local deepening near the south adit. This might possibly continue southwestwardly toward hole D-45. However, no ore grade material was found there so no future drilling was planned because no specific channelling trend could be mapped. Even though no definite channels were found there does appear to be a

broad regional scour that occupies (N-S) the entire area of these 5 claims. It is not possible to project the dip very far because of poor exposures and variations in the local dip.

It is, therefore, difficult to map local channels and even to compare the elevation on the base of the broad scour to the elevations to the north and south of the scour. For this reason the depth of the scour is not known; although it may be on the order of 25 feet and have an undulating base both in N-S cross-section and probably in the E-W longitudinal section.

The uranium seems to be present mainly along the base of the Shinarump and often in a basal mudstone. Abundant amounts of fluid asphalt was found in several holes in the coarse lower sandstone. The ore-grade material as found in D-30 does not continue for any great distance. Offsets were drilled to the west and east without finding any significant uranium. This seems to typify the area - that uranium is present because it was protected from oxidation and other leaching action, by local concentrations of asphalt or mudstones which formed small stratigraphic traps that were bypassed by the normal leaching in the area. Experience has shown that the normal leaching action takes place at least 300 feet back (down dip SW) from the Shinarump outcrop. Yet all these holes are within 300 feet of the outcrop. This may indicate that uranium might be present in large amounts further under cover. However, as previously stated, drilling to date has not found enough mineralization or specific channel trends to justify further drilling on these claims.

On the basis of the above statements the following conclusion is made. No ore reserves were found and no attempt has been made to calculate the amount of uranium that may be present as indicated by outcrops and drilling.

Raymond C. Robeck

Raymond C. Robeck,
Consulting Geologist,

September 1, 1958

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

DENVER, COLORADO

September 13, 1957

Memorandum

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

Through: E. N. Harshman
J. William Hasler

From: D. P. Elston

Subject: Docket No. DMEA 4409, (Uranium), Contract No. Idm-E 1066, Dalmid Oil and Uranium Corporation (April, Butte, and Canyon claims), San Juan County, Utah.

The operator has drilled 37 of the 38 stage I drill holes approved under the subject contract. The cores of all but one of these holes were inspected and logged geologically on September 6, 1957. The inspection was necessitated by the need for geological data not evident from the data submitted by the operator. The results of the inspection of the cores indicate that the operator's evaluation of the ground was too liberal on the side of general favorableness. Of the 37 holes drilled, only three are classed as favorable and 34 are classed as unfavorable and semifavorable for the occurrence of ore by the examining geologist (See accompanying map and Table 1). Of the scours delimited by stage I drilling only one is pronounced and is filled with sandstone; at least four others apparently are minor scours or undulations, three of which are filled with mudstone, and all of which are of questionable significance. For the purpose of this memorandum the four drilling areas of the subject property are referred to as the southern area, the south-central area, the central area, and the northern area. These will be discussed in order.

Southern area: Drill holes nos. 1 through 4 were drilled on the Butte nos. 3 and 4 claims. These drill holes penetrated from about 1 to 8 feet of sandstone, of a general favorable color and texture, at the base of the Shinarump member but, because of the thinness of the potential host rock, these holes are classed as semifavorable and unfavorable for ore. Drill hole no. 2 penetrated eight feet of sandstone that contained 1.5 feet of sub-ore grade material at the base. There is no apparent scour at the base of the Shinarump member between holes 1, 2, and 3 and the sandstone in these holes, except for the basal one foot in hole no. 2, has been subjected to oxidation and is limonite stained. These holes are about 104 feet north of the southern property boundary and the only logical direction for exploration is to the south beneath deeper cover. Because of the oxidized condition of the sandstone and the lack of an apparent structure at the base

of the Shinarump, offsets to the east and west of hole no. 2, which would be slightly more than 100 feet from the outer property boundary, do not appear warranted and drilling closer to the property boundary to the south is not in line with DMEA policy.

To the west, the elevation of the base of the Shinarump member in hole no. 4, in relation to hole no. 3, suggests that perhaps as much as 10 feet of scour is present. However, only 1.5 feet of sandstone at the base of the Shinarump was penetrated in hole no. 4 and it appears that the scour is filled at this place with mudstone rather than sandstone. Proposed drill hole no. 39, 150 feet west of drill hole no. 4, is designed to test the westward extent of the scour and determine if a sand facies exists in the scour. The westward direction of exploration is the only direction that can be done here under the DMEA program.

Attention is called to the locations of hole nos. 1-4, which are not in the positions called for in the request of Mr. Martin F. Maher, supervisor for the operator, on June 22, 1957, and approved by the Field Team on June 27, 1957. Rather, the operator's progress report map for August 1957 shows the entire line of holes shifted westward 250 feet from the approved revised locations. These locations are believed correct rather than the positions shown on the map which accompanied the operator's request for stage II drilling on which the holes are shown at the approved locations. The shifting of the line of holes to the west has not materially affected the exploration program and no action on the part of DMEA is recommended.

South-central area: Hole no. 5 of stage I has not been drilled. Its revised location is near a prominent drainage as shown on the accompanying map. Because drainages in the area largely appear to have been cut at places where the Shinarump member consists predominantly of mudstone, and because of the general thinness and absence of sandstone in holes 3, 4, and 6, it is unlikely that this proposed hole will penetrate a significant section of the Shinarump member. However, because of the wide-spacing it is recommended that this hole be drilled in its revised location to complete the primary control. This position differs from the revised location approved August 26, 1957, which now is not geologically sound because of the westward shift of holes 1-4.

Thirteen holes, nos. 6 through 18, were completed in stage I of the contract on the April 4-6, and Butte 5 claims. Two holes in this part of the area are classed as favorable for ore (hole nos. 8 and 11). The elevations at the base of the Shinarump member in these holes suggest that a slight scour, 3 to 5 feet in depth, is present in the vicinity of hole D-8, and a more pronounced scour, with a possible depth of 10 to 15 feet, is present in the vicinity of hole no. 11. Hole 8 penetrated 14 feet of sandstone of favorable color and texture which although anomalously radioactive, is not classed as mineralized. Hole 11 penetrated 28 feet of sandstone classed as favorable for ore, but no anomalous radioactivity was detected

in this hole. The accessory sulfide minerals in the sandstone in these holes have been subjected to extensive oxidation and the sandstone contains sparse to abundant amounts of limonite staining. No mudstones are present in the sandstone that might act as traps to prevent leaching of uranium minerals near the outcrop. The remaining holes penetrated from about one-half to 17 feet of sandstone; the thicker sandstones in these holes are mostly red in color and are classed as generally unfavorable for ore. The thinner sandstones are in part unfavorably colored and in part too thin to be classed as favorable for ore.

The five recommended stage II drill holes, offsetting holes nos. 8 and 11 are justified because of the favorable color, texture, and thickness of the sandstone and because of the apparent scours at the base of the Shinarump member. The lack of uranium minerals in the sandstone penetrated in these two holes is not necessarily unfavorable. The strata dip about 3-1/2 degrees to the southwest. Flushing of uranium minerals from the sandstone near the outcrop downdip beneath depper cover could reasonably have taken place with no evidence remaining as to the former presence of the ore minerals. Because of the extensive cover and the possible existence of a broad shallow syncline to the southwest, the leaching perhaps extends no more than 200-300 feet behind the outcrop. In order to test for the extensions of favorable structures in possibly unoxidized ground, the initial stage II offset holes are spaced 150 feet west and southwest of [illegible]les 8 and 11. The results of this drilling may warrant additional stage II

Cent[illegible] drill holes, nos. 19 through 25, drilled on [illegible] the April nos. 5 and 8 claims penetrated unfavor- [illegible] no sandstone in the Shinarump member and are classed as un- [illegible]or ore.

Northern area: Thirteen drill holes, nos. 26 through 38, were drilled on stage I of the contract on the April 13 and Canyon 1-4 claims. Only one of these holes, in which the lower sandstone lens is about 12 feet thick, is classed as favorable for ore (hole no. 30). The remaining holes are classed as unfavorable and semifavorable for ore although many of these holes are weakly mineralized. The sandstone strata in the Shinarump member here are discontinuous and are interbedded with red and green mottled mudstones; locally sandstone is as much as 15 feet above the base of the Shinarump member and the contact of the underlying Moenkopi formation and the Shinarump member is a mudstone-on-mudstone contact. Shallow scours, possibly not parts of channel systems, are inferred in the vicinity of holes 31 and 33 and are estimated to be about 3 feet and 10 feet in depth, respectively. Because of the possibility that an ore-bearing lens or layer of sandstone may be present at the base of these scours a limited amount of drilling in the vicinity of holes 31 and 32 is recommended. Ore deposits present in this part of the ground, because of the lensing condition of the sandstones, are likely to be small and, at most, probably will not contain more than

300 to 500 tons of ore. Because of the expected small size of these deposits the recommended offsets are on a 100-foot spacing. These holes are located west of the stage I holes in order to test the more deeply buried Shinarump that possibly is unoxidized and to determine if the scours are a part of a broad channel system.

One additional hole, offset 100 feet northwest of hole 28, is also proposed. This hole will test the southwestward extension of an apparent mudstone-filled scour found in the limited underground workings to the northeast. The evaluation of hole 28 suggests that a sandstone facies may be present at the base of the Shinarump member here. No holes can be drilled to the north of this hole as the operator has tested the ground west of the prospect with three drill holes.

No drilling is proposed for the northernmost part of the claims as the sandstone lenses penetrated in holes 34 through 38 are a few inches to 3 or 4 feet thick and mudstones in the lower part of the Shinarump member are predominant. Although a gentle five-foot scour is evident in an east to west cross-section drawn through holes 34-38, there is no suitable host rock for a significant ore deposit.

Hole depths: The operator submitted no estimates as to depths of the holes which he originally proposed for stage II and the estimated depths shown in Table 2 are those of the examining geologist derived from a topographic map. The footages provided in stage II of the contract are not exceeded by the recommended stage II drill holes.

Inadequacy of operator's technical data: The geological data submitted by the operator's supervisor, as well as the evaluations of some of the drill holes and of the ground in general, are, in part, incorrect. From personal inspection of the core from all but one of the holes drilled under stage I of the contract, the operator's geologic logs were found to be lithologically incorrect with the most common error being a distinction between sandstone and mudstone made on the basis of cementation rather than grain size. Grain size is overestimated on all of the lithologic logs and sandy mudstone and siltstone is frequently referred to as medium-grained sandstone, although in a few places sandstone has been logged as mudstone. The classification of the favorableness of individual holes is overestimated with the only unfavorable holes listed by the operator as those holes which penetrated essentially no sandstone whatsoever in the Shinarump member. In addition, the lack of a reasonable concept of exploration was demonstrated by the stage II drilling proposal made by the operator's representative in which he felt it necessary to utilize the entire 40 holes permitted in stage II of the contract for drilling shallow holes in oxidized sandstone between generally unfavorable and semifavorable holes, and drilling scattered widely-spaced deeper holes as much as five-hundred feet west of the primary holes with no regard for channel-like structures shown by stage I drilling. He still wishes to be allowed to drill the maximum number

of stage II holes and does not particularly approve of the initial limited amount of stage II drilling herein proposed because of the "expense", the expense and trouble attendant, evidently, of evaluation of the data and the justification of additional work. The operator's representative has had no formal training in geology or engineering and has had no experience in mining.

Excessive coring: The examining geologist is of the opinion that excessive coring at the top of the cored intervals was done in many of the stage I drill holes (See Table 3). In conversation with the applicant's supervisor, the impression was given that since the contract stated that the average hole would require 40 feet of coring, the operator was entitled to utilize the full average amount; in some cases more than 40 feet was utilized. However, the contract also states that the object of the drilling is to explore for possible scour-channel deposits of uranium ore in the Shinarump member, and these deposits typically occur at the base of the member. For exploration purposes, the DMEA is not particularly concerned with the mudstone-on-mudstone or mudstone-discontinuous sandstone contact of the base of the Monitor Butte member and underlying Shinarump member but rather is interested in testing by core the lower part of the Shinarump member.

In assembling Table 3, plug bit depths were recomputed on the basis of available outcrop data and in sequential order of drilling of the holes, but utilizing only a minimal correction for dip. The footages considered to be in excess at the top of the cored intervals thus are minimum footages. From inspection of the data, it appears that the operator's supervisor is capable of projecting and estimating the elevation of the base of the Shinarump member from a known point to a hole that is to be drilled as evidenced by many of the stage I holes where almost exactly 40 feet of coring was done. This is suggestive that many of the contacts were fairly closely estimated and that the beginning of the cored interval was determined by adding 40 feet to these estimates.

It is recommended that in stage II drilling, a maximum coring interval of 30 feet be stipulated for offset holes in the vicinity of stage I holes nos. 8 and 11, and that maximum coring intervals on the other offset holes be limited to 25 feet.

Operator's proposed rim stripping: The operator has requested that 15 hours of bulldozer time be allowed for rim stripping in the Monitor Butte member in the vicinity of hole no. 12. The ore minerals penetrated by hole no. 12 are in a well cemented siltstone, 43 feet above the base of the Shinarump member. The chance of finding even a small economic body of ore minerals in this stratigraphic position and in such a host rock is quite poor. No bulldozing time is recommended.

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The results of the stage II drill holes that are approved should be evaluated by the DMEA prior to any additional work.

Enclosed are 24 copies of a map showing the stage I drill holes and recommended stage II drill holes.

D. P. Elston,
Geologist

DPE/mlr

Enclosures
Maps (24)
Tables 1, 2, and 3 (10)

Table 1. Pertinent Stage I drill hole data
(collar elevations and chemical assay data from operator's geologic logs)

Hole No. D-	Collar elevation	Shinarump member base (depth)	Shinarump member Thickness of sandstone (feet)	Mineralized intervals: Chemical assay base	Chemical assay thick.	Chemical assay U_3O_8	Geological Survey radiometric hole probe or operator's radiometric evaluation(0) base	thick.	eU_3O_8	Classification F-favorable SF-semi " U-un "	Remarks
1	7903.7	87.6	6.5				Barren (weakly mineralized-0)			SF	2' ms split in ss
2	7912.3	97.4	8	97.4	1.5	0.082	97.3	1.0	0.12	SF	Gn&R ms sm in ss,5' above base
							97.9	0.6	0.12		
3	7910.4	99.6	3	99.6	0.9	0.047	99.8	1.2	0.030	U	Mineralized in poorly sorted basal mudstone-ss sequence
4	7914.7	112.1	1.8	112.1	1.3	0.059	111.5	0.8	0.034	U	
5	Not drilled										
6	7872.8	81.3	0.3				Barren			U	0.5' silty VF,F ss at [illegible]
7	7892.[illegible]	80.3	1.2				42.1	1.0	0.023	U	Mineralized in Monitor Butte member
8	7913.5	91.6	14				Barren			F	Good color and texture
9	7924.3	87.3	22				Barren			SF	2' fav.tex.ss 8' above [illegible] remainder poor tex., [illegible] 7' poor color
10	7912.7	63	17				Barren			SF	R ms sm at 53.7&55.8;0.02[illegible]' buff ms at base
11	7947.9	101.9	25				Barren			F	Good color and texture
12	7948.1	54.8	3				41.9	1.0	0.17	U	Mineralized siltstone in Monitor Butte member
13	7925.1	60.0	12				Barren			U	Unfav. color thru-out
14	7933.9	62.9	4.2				Barren (0)			U	
15	7947.7	79.6	7.2				Barren			SF	
16	7939.7	79.6	15.2				Barren			U	1.5' fav.colored ss near [illegible] remainder unfav.color [illegible] R ms sms.

Table 1 (con't.)

Hole No. D-	Collar elevation	Shinarump member base (depth)	Shinarump member Thickness of sandstone (feet)	Mineralized intervals Chemical assay base	Chemical assay thick.	Chemical assay U_3O_8	Geological Survey radiometric hole probe or operator's radiometric evaluation(0) base	Geological Survey thick.	Geological Survey eU_3O_8	Classification F - SF - U	Remarks
17	7955.8	95.9	24.9				Barren			SF	Basal 9' fav.color; remainder unfav.color
18	7938.2	88.6	17 (ss/ms)				Barren			U	Basal 10' R ms with two 0.3' ss ribs; overlying 7'ss partly red
19	7955.8	89.5	11.5				Barren			U	Poor color and texture
20	7951.7	57.9	4.5				Barren			U	Basal 2' good color and tex.
21	7960.6	52.9	0.1				Barren			U	Basal 0.1',ms with m-c sand grains
22	7979.8	68.4(?)	0				Barren			U	
23	8020.4	96.3	0				Barren			U	
24	8063.5	122.3(?)	0				Barren (0)			U	
25	8071.5	116.7	0				Barren			U	
26	8104.6	107.9	1.5 (15' above base)				Barren			U	Poor texture
27	8137.4	153.1	10 (13' above base)	153.1	0.9	0.086	153.2	0.8	0.050	U	Min. in ms at lower contact; no ss in basal 13' of Tcs, overlain by 10' ss of good texture and color
28	8105.8	103.5	11	103.8	0.8	0.127	103.7	0.8	0.038	SF	Min.in ms, locally sandy; only very weak radioactivity on field counter; ss,dominantly fine-grained,well-cemented; bdg.obscure.
29	8138.3	115.5	7/2	115.5	0.5	0.028	115.8	0.8	<0.010	U	2' VF-F ss@base, overlain by 15' R ms, overlain by 7' F-MF,C,R ss.
30	8143.8	112.1	19.6	112.3	0.9	0.538	113.0	0.8	0.25	F	R ms split 12' above base; VF ss 6' above base; otherwise fair texture and good color; ore minerals mos mostly in ss.

Table 1 (con't.)

Hole No. D-	Collar elevation	base (depth)	Thickness of sandstone (feet)	Mineralized intervals: Chemical assay base	Chemical assay thick.	U_3O_8	Geological Survey radiometric hole probe or operator's radiometric evaluation(0) base	thick.	eU_3O_8	Classification F - SF - U	Remarks
31	8150.2	113.8	12.2	114.0	0.7	0.039	114.1	1.2	0.040	SF	
32	8158.6	114.0	8 (14' above base)	114.2	0.8	0.046	114.3	1.0	0.027	U	Sandy siltstone at&near base; 1/2 of upper ss, VF grained
33	8182.2	139	2.5	139.0	1.0	0.025			0.03(0)	U	About 2.5' ss of good texture and color; upper ss,R,0.5' thick
34	8164.4	106.3	1.3				Barren			U	VF-MF silty ss; upper ss absent
35	8162.8	94.2	2.1	94.4	0.7	0.044	94.2	1.6	<0.010	U	
36	8163.5	104.0	0.4/0.4	100.1	0.9	0.118	100.3	1.1	<0.010	U	Two thin muddy ss's separated by 6' of ms; min.adjacent to cbn in sandy ms.
37A	8156.3	100.5	1.7/1.3	106.0	0.6	0.047	99.4	0.7	<0.005	U	Two thin muddy ss's separated by 4' of ms; min.in Moenkopi siltstone; barren by Gov't probe
38	8143.5	84.0	2.6/0.7				Barren			U	1',R Chinle ms at base; overlain by 0.7' R ss,by 3.4'gy ST, by 2.6' of F ss; slight anomalous radioactivity in Moenkopi

Table 2. Locations and estimated depths of recommended Stage II drill holes

Stage II hole D-	offset from hole D-	Bearing	Distance (feet)	Estimated Depth
39	4	West	150	105
40	3	S.62°W.	150	135
41	8	N.55°W.	150	135
42	11	S.22°W.	150	140
43	11	S.60°W.	150	150
44	11	N.84°W.	150	130
45	28	N.40°W.	100	110
46	30	S.56°W.	100	140
47	30	N.53°W.	100	140
48	31	S.60°W.	100	140
49	31	N.63°W.	100	140
50	33	S.34°W.	100	160
51	33	S.84°W.	100	180
52	33	N.35°W.	100	160
Undrilled Stage I hole	(operator's revised location)			
5	6	S.55°W.	450	50

Table 3. List of Stage I drill holes by areas showing plug bit and cored intervals, sequence of drilling, and cored footage at top of cored interval considered to be excessive.

Hole No.	Date started	Sequence of drilling	Plug bit feet	Core feet	Thickness of sandstone	Excessive core
Southern area						
D-1	8-7-57	1	75.0	17.0	6.5	0
2	8-8-57	2	60.0	40.2	8	15
3	8-9-57	3	60.0	45.0	3	20
4	8-12-57	4	60.0	61.5	1.8	25
South-central area						
6	8-6-57	13	40.0	44.0	0.5	10
7	8-5-57	12	45.0	40.0	1.2	10
8	6-29-57	11	55.0	40.0	14	0
9	6-28-57	10	40.0	50.0	22	15
10	6-28-57	9	20.0	49.5	17	15
11	6-27-57	8	55.0	48.9	28	5
12	6-26-57	7	55.0	32.5	3	0
13	6-25-57	6	35.0	26.4	14	0
14	6-25-57	5	55.0	15.0	4.2	0
15	6-18-57	1	30.0	55.1	7.2	20***
16	6-19-57	2	45.0	38.0	15.2	5
17	6-21-57	3	65.0	35.1	24.9	0
18	6-22-57	4	50.0	40.4	17*	5
Central area						
19	8-2-57	7	45.0	46.5	11.5	10
20	8-1-57	6	40.0	21.0	4.5	0
21	8-1-57	5	40.0	20.0	0	0
22	7-31-57	4	40.0	30.0	0	0
23	7-30-57	3	60.0	40.0	0	10
24	7-29-57	2	95.0	30.0	0	0
25	7-25-57	1	50.0	66.7	0	0
Northern area						
26	7-22-57	12	70.0	40.0	1.5*	15
27	7-23-57	13	100.0	60.0	10*	20
28	7-19-57	11	50.0	60.0	11	20
29	6-30-57	1	70.0	50.7	7/2*	0**
30	7-1-57	2	85.0	30.1	19.6	5
31	7-8-57	3	75.0	45.0	12.2	15
32	7-9-57	4	80.0	40.0	8*	10
33	7-10-57	5	95.0	50.3	2.5	15
34	7-11-57	6	75.0	40.2	1.3	10
35	7-12-57	7	70.0	32.1	2.1	5

Table 3 (con't.)

Hole No.	Date started	Sequence of drilling	Plug bit feet	Core feet	Thickness of sandstone	Excessive Core
36	7-15-57	8	70.4	43.6	0.4/0.4*	5
37A	7-17-57	9	65.0	45.0	1.7/1.3*	10
38	7-18-57	10	60.0	31.1	2.6/0.7*	0

* See respective hole number on table 1

** Initial hole in group; extra coring allowed for control

*** Initial hole in group but 150' from Shinarump outcrop upon which control had been already established; a minimum of 20 feet of core at top entirely unwarranted.

Docket copy

Project Summary Report

By: F. M. Murphy January 29, 1959

1. Docket No. DMEA-4409 (Uranium)
Contract No. Idm-E1066

Operator - Dalmid Oil and Uranium, Inc.
604 Hamilton Building
P. O. Box 1590
Wichita Falls, Texas
Charles E. Collins, Mgr. and Chairman of the Board.

Operator's Property Rights -

Owner of 19 unpatented lode mining claims, April Nos. 1-7, Butte Nos. 1-6, April Nos. 8 and 13, and Canyon Nos. 1-4, situate in secs. 28 and 33, T. 35 S., R. 18 E., S.L.B.M., San Juan County, Utah.

2. Contract dated March 7, 1957.

Amendments -

No. 1, dated May 9, 1957, extends starting date to June 1, 1957.

No. 2, dated September 6, 1957, extends completion date to November 7, 1957.

No. 3, dated November 7, 1957, provides winter recess and extends completion date to August 7, 1958; also adds one year to pay-back period.

No. 4, dated June 2, 1958, extends completion date to September 7, 1958, and adds additional month to recess period.

No. 5, dated August 29, 1958, increases non-core drilling footage and decreases core footage with no increase in total estimated cost of contract.

3. Work under the contract began about June 10, 1957, and was completed on August 29, 1958.

4. Certification - the Field Team, October 8, 1958, recommended that the project should not be certified.

5. Work Authorized -

	Stage I - (38 holes) Units	Cost	Stage II - 40 holes (offsets) Units	Cost
Bulldozing @ $12.00/hr.	100 hrs.	$ 1,200.00	100 hrs.	$ 1,200.00
Non-core drilling @ $1.25/ft.	2850 ft.	3,562.50	3476 ft.*	4,345.00
Core drilling @ $3.50/ft.	1520 ft.	5,320.00	1430 ft.*	5,005.00
Standby time @ $12.50/hr.	40 hrs.	500.00	40 hrs.	500.00
Incidental allowance @ $0.40/ft.	4370 ft.	1,748.00	4600 ft.	1,840.00
Analyses U_3O_8 @ $3.50 each	30	105.00	33	115.50
Totals		$12,435.50		$13,005.50

Estimated Cost of Project $25,441.00
Government Participation @ 75% (rounded) $19,080.00

Work Completed - (Accepted units and Costs)

	Stage I - (38 holes) Units	Cost	Stage II - (27 holes) Units	Cost
Bulldozing	100 hrs.	$1,200.00	100 hrs.	$1,200.00
Non-core drilling	2410 ft.	3,012.50	3465 ft.*	*4,331.25
Core drilling	1396 ft.	4,886.00	701.5 ft.	2,455.25
Standby time	25.75 hrs.	321.87	21.5 hrs.	268.75
Incidental allowance	3806 ft.	1,522.40	4166.5ft.	1,666.60
Analyses U_3O_8	15	52.50	7	24.50
Totals		$10,995.27		$9,946.35

Total Actual Cost of Project $20,941.62
Government Participation @ 75% $15,706.21

* see Amendment No. 5

6. Audit Report of Review, October 9, 1958, by Donald T. Finch.

Total Cost as Billed by Operator $20,941.62
Total Accepted Cost $20,941.62
Government Participation @ 75% $15,706.22

7. Final Reports -

Operator's, received September 29, 1958, meets the requirements under Article 5(c) of the Field Team's, received January 19, 1959.

8. Excerpts from Joint Final Geologic and Engineering Report, by J. W. Hasler, USGS, and H. F. Robertson, USBM:

The claims are located on the west side of northerly-trending Woodenshore Canyon, along the western boundary of Elk Ridge. Sedimentary strata exposed on the project area are of Triassic age and range from the Moenkopi formation to the upper member of the Chinle formation. The Shinarump member, at the base of the Chinle formation, is the potential ore-bearing unit in the Elk Ridge-Deer Flat-White Canyon areas.

An east-west trending belt of relatively continuous sandstone, the northern edge of which passes through the central part of the claims, contains most of the mines and much of the uranium ore reserve in the Elk Ridge-Deer Flat area. Exposures of Shinarump sandstone on the property are mostly obscured by talus and soil cover.

The project work was designed to explore the Shinarump for possible scour channel deposits of uranium ore by means of non-core and core drilling.

From June to October, 1957, a total of 37 Stage I holes and 8 Stage II holes were drilled. The project was then recessed during the winter months. The work was resumed on June 25, 1958, and 11 Stage I and 19 Stage II holes were drilled. None of the holes completed under the contract penetrated significant amounts of ore-grade material.

The field examiners and the Field Team recommend that the project should not be certified.

Comments - Division of Rare and Miscellaneous Metals.

The project work was completed in a satisfactory manner. The project area was adequately explored; therefore, no additional exploration is recommended. The writer agrees with the Field Team that the project should not be certified.

F. M. Murphy

F. M. Murphy
Mining Engineer

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

M

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator: Dalmid Oil and Uranium, Inc.		Actual Cost	
State: Utah		Agreed Unit Cost	
Final Report of Audit		Commodity: Uranium	Docket No. DMEA-4409
Final Report of Review	x		Contract No. Idm-E1066

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Core	2950	11783.98	2097.5'	8335.29	8335.29
Drilling (Specify) Non-core	6326	11036.52	5875'	10129.33	10,129.33
Surface Excavation					
Underground Excavation					
Roads and Trails Bulldozing		2400.00		2400.00	2400.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Analyses U_3O_8		220.50		77.00	77.00
Totals		$ 25,441.00		$20,941.62	*$20,941.62

* Net cost total must agree with final report of audit or review.

Complete
~~(Incomplete)~~

Prepared by [signature] Date 11/10/58

31398

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/29/59	Murphy	700
1/30	Krouse	700
Hold until 3/22	Chamberlin	800
3/23	Selfridge	120
		110
		100
3/24	C	220
		700

MAR 23 1959

Mr. Charles E. Collins
Manager and Chairman of Board
Dalmid Oil and Uranium, Inc.
604 Hamilton Building
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA-4409 (Uranium)
Contract No. Idm-E1066
April, Butte, Canyon Claims
San Juan County, Utah

Dear Mr. Collins:

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

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

We appreciate your interest and participation in the DMEA exploration program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

FMMurphy/gla
1-29-59
cc to: Director's Reading File
Div. of Contract Adm. & Audit
F. M. Murphy
OME Field Team, Region III (2)

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 23 1959

DATE	INITIALS	CODE
1/23	C	220
1/26	Murphy	700

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

Date January 22, 1959
DMEA Docket No. 4409
DMEA Contract No. Idm-E1066
Commodity Uranium
Name of Applicant Dalmid Oil and Uranium, Inc.
Location of property San Juan County, Utah
Estimated cost of project $20,941.62

Memorandum

To: Frederick L. Knouse, Acting Director, OME
Rare and Misc. Minerals Division

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

Subject: Review of Final Report
(Application, Field Team Report, etc.)

1. Date of subject document: 1/16/59 2. Date received by reviewer: 1/21/59

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked 'yes' above:

8. Factors meeting special consideration:

a. Location ☐
b. Ownership ☐
c. Evidence of mineralization ☐
d. Geology ☐
e. Proposed exploration method ☐
f. Alternate exploration method ☐
g. Costs
h. ☐

9. Action advised:

a. Obtain information from applicant ☐
b. Refer to Field Team ☐
c. Denial ☐
d. Agree with Field Team ☒
e. Disagree with Field Team ☐
f. Suggest alternate plan ☐
g. Request another consideration ☐
h. Approval ☐
i. Consult with Mr. _____ at _____ AEC Office

10. Remarks: (Use back of page if necessary). Certification of project as discovery or development not recommended.

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 27, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 1958
DATE | INIT.
10/29 C 220
110
10/30 Mailing

Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMEA 4409 (Uranium) Contract Idm-E1066, Dalmid Oil and Uranium, Inc., (April, Butte, and Canyon claims) San Juan County, Utah - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated October 17, 1958, relative to final payment under the terms of the subject contract.

E. N. Harshman

E. N. Harshman

Enclosures

224 New Customhouse
Denver 2, Colorado
October 17, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 4409 (Uranium) Contract Idm-E1066, Dalmid Oil and Uranium, Inc., (April, Butte, and Canyon claims) San Juan County, Utah - FINAL PAYMENT

Reference is made to our memorandum of September 25, 1958, whereby we forwarded the final Form MF-104, Operator's Monthly Report and Voucher, for August 1958, and requested that you withhold the amount of $500.00, pending resolution of matters prerequisite to closing the account.

The Operator's final report has been received, therefore we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated August, 1958.

Basis for Final Payment

Total accepted cost----------	$20,941.62
Government participation at 75 percent---	15,706.22
Total prior payments----------	15,206.22
Balance due the Operator----------	$ 500.00

Original signed
E. N. HARSHMAN

E. N. Harshman

JDC:hmh

cc: Chmn. Op. Comm. (2)
Robertson, OME/GJ
MF-104 file, Reg. III
Hasler
Harshman
OME/DFC
Cooper
Chron

$500.00
JB

10/20/58 Dma 59.53

A Form 7
12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/14	G McCarthy	800
10/14	[illegible]	800
10/15	[illegible]	220
10/24	[illegible]	700

OCT 14 1958

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

Re: Docket No. DMEA-4409 (Uranium)
Dalmid Oil and Uranium, Inc.
Contract No. Idm-E1066

Dear Mr. Finch:

Your Report of Review covering the referenced project is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

GMcCarthy/GMcC
October 14, 1958

cc: Docket
Director's Reading File
Mr. Chambers

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado
October 8, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 10 1958

DATE	INITIALS	CODE
10/10	C	220
	~~Murphy~~	

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME Field Team, ~~Region III~~

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are the original and two copies of a joint memorandum, dated October 3, 1958, from J. W. Hasler, Geologist, Geological Survey, and H. F. Robertson, Mining Engineer, Bureau of Mines, pertaining to the results of work performed under contract No. Idm-E1066.

Since the work performed did not result in the discovery or development of a significant quantity of uranium ore, the field examiners recommend that the project not be certified, in which this office concurs.

The work provided for in the contract has been essentially completed; therefore, execution of a formal termination agreement is not considered necessary.

E. N. Harshman

E. N. Harshman

Enclosures

IN REPLY REFER TO:

OCT 7 1958

OME
DEPARTMENT OF THE INTERIOR
OCT 7 - 1958
REGION III
DENVER, COLORADO

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 10 1958

DATE	INITIALS	CODE
October 3, 1958		

W.O.

Memorandum

To: Acting Executive Officer, OME Field Team, Region III

Through: E. N. Harshman

From: J. W. Hasler
H. F. Robertson

Subject: Review of Contract Idm-E 1066 (Uranium), DMEA Docket 4409, Dalmid Oil and Uranium, Inc., (April, Butte, and Canyon claims), San Juan County, Utah

The Dalmid Oil and Uranium, Inc., 604 Hamilton Building, P. O. Box 1590, Wichita Falls, Texas, applied to the Defense Minerals Exploration Administration for Government assistance to explore for uranium on the subject claims in the Elk Ridge area, San Juan County, Utah. The application was referred to the field, an examination was made and recommendation for an exploration contract were approved. Drilling under terms of DMEA Contract Idm-E 1066 began on June 15, 1957, and the work was completed on August 28, 1958.

The claims are located on the west side of northerly trending Woodenshoe Canyon, along the western boundary of Elk Ridge. Sedimentary strata exposed on the claim are Triassic in age and range from the Moenkopi formation to the upper member of the Chinle formation. The Shinarump member at the base of the Chinle formation is the ore-bearing unit in the Elk Ridge, Deer Flat, and White Canyon areas. The northern edge of an east-west trending belt of relatively continuous Shinarump sandstone passes through the central part of the April, Butte, and Canyon group of claims. This belt contains most of the mines and much of the ore reserves in the area. There is abundant talus and soil cover on the claims, but on the basis of a few exposures, the Shinarump member is classed more favorable for ore on the southern half of the claims than on the northern half. However, sandstone-filled scours at the base of the Shinarump member are difficult to detect even when relatively well exposed so that no part of the claims near the rim can be eliminated from drilling by means of inspection of outcrop.

The southern part of the claims are favorably situated relative to a known ore body and channel on the east side of Woodenshoe Canyon. This plus the presence of anomalous radioactivity at several places along the approximate trace of the Shinarump on the ground indicated that a moderate program designed to test the Shinarump at intermediate depths was justified.

The chances of finding a large ore deposit was not good, but the chance of finding a deposit in the 500-2,500 ton class appeared fair, as there was some indication that two or three channels may be present on the claims.

The examining team recommended an exploration program consisting of 78 noncore and core drill holes totaling 8,970 feet at an estimated cost of $25,441.16. Government participation at 75 percent would be $19,081.00.

The object of this project was to explore the Shinarump member of the Chinle formation for possible scour-channel deposits of uranium ore, by means of noncore and core drilling.

It was estimated that the average hole would require 75 feet of noncore and 40 feet of core drilling. The holes were to be drilled noncore to about the upper contact of the Shinarump and then core drilled through the Shinarump into not less than 1 foot, nor more than 10 feet of the underlying red Moenkopi formation.

Stage I

"Stage I shall consist of bulldozing access roads and drill sites; and drilling not more than 38 holes spaced about 250 feet apart along and generally following the configuration of the outcrop, but located far enough from the outcrop to adequately test for possible Shinarump channels. An estimated 100 hours of bulldozing, 2,850 feet of noncore drilling, 1,520 feet of core drilling, 40 hours standby time, 30 samples chemically analyzed for their U_3O_8 content was thought to be sufficient to complete Stage I work."

Stage II

"Stage II shall consist of not more than 100 hours of bulldozing access roads, and drill sites, and drilling not more than 40 offset holes totaling not more than 3,000 feet of noncore and 1,600 feet of core drilling. The holes shall be drilled as offsets to holes which the Government considers favorable. No hole drilled under this stage shall be closer than approximately 75 feet to any other hole drilled under the contract."

Sixty-five holes were completed for a total of 7,972 feet of noncore and core drilling during the course of the work under DMEA Docket Idm-E 1066. Thirty-eight holes were completed during Stage I and 27 Stage II holes were drilled to offset and test ore, or favorable holes with respect to possible discovery of ore bodies in Shinarump scour channels.

The area drilled was divided into a northern and a southern area. Two shallow scour channels were discovered in the northern area and the Stage I holes were offset by 11 Stage II holes with essentially negative results. In the southern area, two strong southwest-trending channel scours were discovered by Stage I drilling and these were extenstively tested by 16 Stage II offset holes. The Shinarump formation was present in nearly all of the holes and was, for the most part, favorable in nature, however, all Stage II holes were barren or contained only thin lenses of low-grade mineralized material. No mineralized or ore-grade material of significant size and quantity was found as a result of the DMEA program. The property has been adequately tested with Government participation and is considered to be essentially barren. No further work by the Government is warranted. Therefore, it is recommended that the project under DMEA Docket 4409 (Uranium), Contract Idm-E 1066 be terminated and that no Certification of Discovery and/or Development be issued.

J. William Hasler

J. William Hasler
Geologist

H. F. Robertson

H. F. Robertson
Mining Engineer

9-29 C 220
~~Murphy~~ 700

224 New Customhouse
Denver 2, Colorado
September 26, 1958

Memorandum

To: T. E. Bunding, OME Auditor - w/enclosure

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

Subject: Docket No. DMSA 4409 (Uranium), Contract No. Dm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte and Canyon claims), San Juan County, Utah

Work under the subject contract has been completed and the Operator was so notified by our letter of September 16, 1958, a copy of which is enclosed for your records.

The Operator has rendered a final account and final engineering and geologic report, as required by the contract. Therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit, or Report of Review of reported project costs, whichever the case may indicate.

Work or service completed on a "Fixed Unit Cost" basis consisted of the following:

Item	Units
Bulldozing	200 hours
Non-core drilling	5,875. feet
Core drilling	2,097.5 feet
Stand-by time	47½ hours
Incidental allowance	7,972.5 feet
Analyses	22

The amount of $500 was withheld from reimbursement to the Operator in processing its accounting report for the month of August, 1958.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JDC:prl

cc: Chan. Op. Comm. (2)
Harshman
Corres. file
Cooper
Chron.

226 New Customhouse
Denver 2, Colorado
September 25, 1958

C 220
9/29 9/24 800

Memorandum

To: J. William Shaler
E. F. Robertson, GRE/GJ

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

Subject: Contract No. DMSA 3809 (Uranium), Contract No. Zha-81056 Delsid Oil and Uranium, Inc. (April, Ruth and Canyon claims), San Juan County, Utah

All work approved under the subject contract has been completed and sufficient non-core footage does not remain available for completion of an additional hole. Therefore, the contract is considered to be completed.

Please forward to this office a joint memorandum containing your recommendations relative to Certification as a Discovery or Development.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JMC:pri

cc: Chem. Op. Comm. (2)
Harshman
GRE/DC
Contrac. file
Cooper
Chron.

224 New Customhouse
Denver 2, Colorado
Sept. 25, 1958

929 C 220
9/29 800
~~Murphy~~ 700

Mr. Charles E. Collins,
Manager and Chairman of the Board
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. EMRA 4409 (Uranium)
Contract Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Form MF-104, Operator's Monthly Report and Voucher, for August 1958, has been received in this office and is being processed for payment.

The following reinstatement and deduction have been made:

Reinstatement, Bulldozing Costs

A total of 100 hours bulldozing at $12.00 per hour has been reported under Stage II for a total cost of $1200.00. To date the Government has participated in only $1198.00 of the acceptable costs. An amount of $2.00 is reinstated.

Amount Withheld

All approved work under the contract has been completed and sufficient non-core drilling footage does not remain available to permit completion of an additional hole, therefore, the contract is considered to be completed. An amount of $500.00 is withheld pending release to this office of a Certificate and Report of Audit, or Report of Review of the reported project costs by an auditor of the Office of Minerals Exploration.

You will be further advised of the reinstatement and deduction by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region XII.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Robertson, OME/G.Jct.
Harshman
OME/DFC
Hasler
Cooper
Corres. file, Reg. III
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
September 24, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 29 1958
DATE | INITIALS | CODE
9-29 | C | 220
" | Murphy | 700

Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte and Canyon claims), San Juan County, Utah

Enclosed are three copies of confirmation of verbal work approval, issued by the OME Field Team, Region III, for the drilling of two additional holes under the provisions of Stage II of the subject contract.

Also enclosed are three copies of a joint memorandum, dated September 19, 1958, from J. William Hasler, Geologist, Geological Survey, and H. F. Robertson, Mining Engineer, Bureau of Mines, pertaining to the matter. Two copies of the Operator's request, dated August 14, 1958, were forwarded to you with copies of our memorandum of August 15, 1958, to the field examiners.

Copies of the confirmation of work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

E. N. Harshman

E. N. Harshman

Enclosures

224 New Customhouse
Denver 2, Colorado
September 24, 1958

Mr. Charles E. Collins
Manager and Chairman of the Board
Dalmid Oil and Uranium, Inc.
604 Hamilton Building
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Em-K1066
Dalmid Oil and Uranium, Inc.
(April, Butte and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

In reference to a letter dated August 14, 1958, from Raymond C. Robeck, Consulting Geologist for Dalmid Oil and Uranium, Inc., this constitutes confirmation of verbal work approval given August 15, 1958, for the drilling of two additional holes under the provisions of Stage II of the referenced contract. The locations of the two holes are as follows:

Hole No.	Location
D-69	Approximately 200 ft. S. 32° W. of Stage II Hole No. D-67
D-70	Approximately 75 ft. N. 58° W. of Stage II Hole No. D-39.

Nothing in this confirmation of verbal work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

JDC:prl
cc: Chan. Op. Comm. (3)
Finance Office, Region III
Amendment file, Region III
Barshman
Hasler
Robertson OMR/GJ

cc: Mr. Raymond C. Robeck
535 Orchard Avenue
Grand Junction, Colorado

OMR/DFC
Corres. file
Cooper
Chron.

Very truly yours,

OMR Field Team, Region III

By E. M. Harshman
E. M. Harshman
Acting Executive Officer

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 29 1958
DATE INITIALS

IN REPLY REFER TO:
MINERAL DEPOSITS

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

RECEIVED
SEP 22 1958
U.S.
GEOLOGICAL SURVEY
DENVER, COLORADO

OME, Reg. 3
SEP 22 1958

September 19, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman

From: J. W. Hasler
H. F. Robertson

Subject: Recommendations for additional Stage II drilling DMEA Docket 4409 (Uranium), Contract Idm-E 1066. Dalmid Oil & Uranium, Inc. April, Butte, and Canyon claims, San Juan County, Utah.

Recent exploratory drilling by the Dalmid Oil and Uranium Inc., on the April and Butte group of claims, under DMEA Contract Idm-E 1066 has discovered the presence of two southwest-trending channels in the Triassic-Shinarump formations.

The approval of 10 holes to test the possible extension of these inferred channels was given the operator on July 21, 1958, and a number of these holes were not drilled due to somewhat discouraging results, as far as the continuation of definite and sharply defined channels is concerned. In a letter to the Executive Officer, DMEA Field Team, Region III, dated August 14, the operator reported the work completed on authorized holes 61, 66, 67, and 68 and requested that authorized holes 60, 63, 64, and 65 not be drilled because holes 61, 66, 67, and 68 showed the April channel to become more shallow and indistinct, and to resemble a braided channel. As a more or less final request, the operator requested two Stage II holes be drilled. One on the rim near the center of what might be the extension of the April channel 200 feet S. 32° W. from approved hole 67. The other hole is proposed to offset mineralized hole 39 on the Butte No. 3 claim. The hole should be located 75 feet N. 58° W. of the hole 39. Drill hole 39 penetrated 0.75 feet of 0.17 percent U_3O_8 at a depth of 183.75 feet.

Verbal approval was given the operator on August 15 to complete Stage II offset holes 69 and 70 upon recommendation of the examining team, during a conference (via telephone) with the Alternate Acting Executive Officer, DMEA Field Team, Region III. A study of the data revealed that there may still be a possibility of finding uranium ore along the April and Butte channels. Therefore, the two offset holes D-69 and D-70 should be drilled.

J. William Hasler
J. William Hasler
Geologist

H. F. Robertson
H. F. Robertson
Mining Engineer

SMFA
RECEIVED SEP 25 1958
DATE | INITIAL
9-25 C 220
9/26 800
~~Receipt~~ 700

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
September 22, 1958

Mr. Charles E. Collins
Chairman of the Board
Dalmid Oil and Uranium, Inc.
604 Hamilton Building
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. DMs-K1066
Dalmid Oil and Uranium, Inc.
(April, Betty and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Receipt is acknowledged of the following material pertaining to the final report covering work completed under the subject contract:

1. Five copies of transmittal letter, dated September 1, 1958, from Raymond C. Robeck, Consulting Geologist

2. Four copies of typed section of the final report, by Raymond C. Robeck, Consulting Geologist

3. Four copies of map entitled, "Map 4, Dalmid Oil and Uranium, Inc., April et al. claims, Elk Ridge, Utah"

4. Five copies of map entitled, "Map 5, Dalmid Oil and Uranium, Inc. DMEA 4409, Elk Ridge Area, San Juan County, Utah, North Area".

Five complete copies of the final report are required under Article 5 (e) of the contract form. Therefore, please furnish this office one additional copy of the typed section of the final report and of Map 4, items 2 and 3 above.

You may disregard our letter of September 19, 1958, concerning the requirement for the final report, as the letter was mailed prior to receipt of Mr. Robeck's report pertaining to the project work.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman

JBC:prl

cc: Mr. Raymond C. Robeck
535 Orchard Avenue
Grand Junction, Colorado

cc: OME/Washington-2
Harshman
Hasler
Robertson OME/GJ
OME/DFC
Corres. file
Cooper
Chron.

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
September 19, 1958

9/22 C 220
9/22 800
700

Mr. Charles E. Collins
Chairman of the Board
Dalnid Oil and Uranium, Inc.
604 Hamilton Building
Wichita Falls, Texas

Re: Docket No. DMMA 4409 (Uranium)
Contract No. Mm-21066
Dalnid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Receipt is acknowledged of your letter of September 17, 1958, whereby you indicate that the narrative report for August, 1958 is to be considered as your final report.

The narrative report for August, 1958 does not in any respect meet the requirements outlined in Article 5(c) of the contract form, which stipulates that "This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit cost thereof." All of these requirements must be complied with.

It is not required that you include copies of all drill logs and other detailed drilling data previously submitted with your monthly accounting reports and vouchers; however, you must include a thorough summary of the drilling data as a part of the final report.

As indicated in our letter of September 16, 1958, an amount of $500 will be withheld in processing Form MM-104, "Operator's Monthly Report and Voucher," for August, 1958, pending resolution of matters prerequisite to closing the account, which include the release to this office of a Certificate and Report of Audit, or Report of Review of the reported project costs, which Audit or Review cannot be scheduled until an acceptable final report has been received by the Government.

We request that you give this matter your immediate attention. The original and four copies of the final report are required by the Government.

Very truly yours,

original signed by
J. W. TOWNSEND

J. W. Townsend

JDC:prl

cc: CMX,Washington-2 } w/copy of
Marshman } Operator's
Kasler } letter of
Robertson,CMX/GJ } Sept. 18,
CMX/[redacted] } 1958.
Corres. file }
Cooper
Chron.

OME, Reg. III

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 22 1958

DATE	INITIALS	CODE

Sept. 18, 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA field Team, Region III
United States Department of the Interior
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Sir:

You may consider our last report as a final report.

Very sincerely yours,

DALMID OIL AND URANIUM CORP.

Chas E Collins

Chas. E. Collins
Chairman of the Board

CEC/wh

COPY

524 New Customhouse
Denver 2, Colorado
September 16, 1958

9-19 C
9/19 cadd
220
800
~~700~~

Mr. Charles H. Collins
Manager and Chairman of the Board
Dalmid Oil and Uranium, Inc.
604 Hamilton Building
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Information available in this office indicates that all approved work under the contract has been completed and that sufficient non-core drilling footage does not remain unexpended under Stage II of the contract for completion of an additional hole. Therefore, the contract is considered completed upon completion of the currently approved work.

Your attention is directed to Article 5 (c) of the contract form, relative to rendering to the Government a final engineering and geologic report pertaining to the work completed under the contract.

An amount of $500 will be withheld in processing Form MF-104, Operator's Monthly Report and Voucher, for August, 1958, pending resolution of matters prerequisite to closing the account, which includes release to this office of a Certificate and Report of Audit, or Report of Review of reported project costs, by the Contract Administration and Audit Division, DMEA. The Audit or Review cannot be scheduled until your final report has been received by the Government.

We are desirous of closing the accounts for all completed contracts at the earliest possible date. Therefore, your immediate attention in rendering your final report is requested.

JDC:prl
cc: Chmn. Op. Comm. (2)
Marshman
Hasler
Robertson, DMEA/GJ
DMEA/DFC
Corres. file
Cooper
Chron.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

224 New Customhouse
Denver 2, Colorado
September 15, 1958

9/18 C 220
9/18 800
" Murphy 700

Memorandum

To: J. William Ehaler
E. F. Robertson, DMEA/GJ

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-81066, Dalnid Oil and Uranium, Inc. (April, Betts, and Canyon claims), San Juan County, Utah

On August 15, 1958, you informed this office that two holes would be approved verbally in reference to the Operator's request of August 14, 1958, and that the field recommendations concerning the two holes would be forthcoming.

To date we have not received either your written confirmation to the Operator or your report containing field recommendations.

Please submit to this office a joint report containing your recommendations in the matter as soon as possible, so that we may continue to process the Operator's final voucher.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JDC:prl

cc: Chem. Op. Comm. (2)
Barnhart
DMEA/RFC
Corres. file
Cooper
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
September 9, 1958

DMEA
RECEIVED SEP 12 1958

DATE	INITIALS	CODE
9/12	C	220
		700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are the Government's and Audit copies of Amendment No. 5 to Contract No. Idm-E1066, which was forwarded by your letter of August 29, 1958 for signature by the Operator.

Copies of the Amendment have been distributed to the Operator, the Finance Office, and others concerned in Region III.

E. N. Harshman

E. N. Harshman

Enclosures

224 New Customhouse
Denver 2, Colorado

September 4, 1958

9-9 C 220
9/9 800
~~9/9 Monthly 100~~

Mr. Charles E. Collins
Dalmid Oil & Uranium, Inc.
604 Hamilton Building
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA 4409 (Uranium)
Contract I&m-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte & Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Form MF-104, Operator's Monthly Progress Report and Voucher, for the period June-July 1958, is being processed for payment.

The amounts which were withheld from reimbursement on the October 1957 voucher and the supplemental October 1957 voucher have been reinstated.

An error is noted in the Unit Costs and Total Costs reported for standby time authorized by the contract in both Stage I and Stage II, as reported on Forms MF-104 and MF-104A for the period June-July 1958. The error is reflected in the "Totals Previously Reported" and "Totals to Date," for the item of standby time in Stage I and Stage II, on Form MF-104. The error is likewise reflected on Form MF-104A in the "Costs to Date" and "Unit Costs to Date," for the item of standby time. Please review the contract provision regarding "Fixed Unit Costs" and make the necessary corrections in future reports.

You will be further advised of the foregoing reinstatement by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

MHM:jy
cc: Chm. Op. Comm. (2)
Robertson-DMEA,G.Jct.
Hasler
DMEA,DFC
Harshman
Cooper
Corres. file, Reg. III
Chron.

924 New Customhouse
Denver 2, Colorado
September 2, 1958

DATE	INITIALS	CODE
9/5	C	220
9/5	[illegible]	800
"	[illegible]	700
	(Murphy)	

Mr. Raymond C. Rybeck
Consulting Geologist
Baluid Oil and Uranium, Inc.
535 Orchard Avenue
Grand Junction, Colorado

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Ida-X1066
Baluid Oil and Uranium, Inc.
(April, Batte, and Canyon claims)
San Juan County, Utah

Dear Mr. Rybeck:

In reference to your letter of August 14, 1958, enclosed are the Government's, Audit, Finance Office, and Field Team copies of proposed Amendment No. 5 to Contract No. Ida-X1066, which has been prepared to increase the non-core drilling footage and decrease the core drilling footage originally provided for under Stage II of the Contract.

If the Amendment is satisfactory, all copies are to be signed by an official of Baluid Oil and Uranium, Inc. authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office; upon receipt of which, the "Operator's Copy" will be forwarded to you.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

Enclosures

JDC:prl
cc: Chem. Op. Comm. (2)
Harshman
Hasler
Robertson DMEA GJ
DMEA DFC
Corres. file
Cooper
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/27/58	Ching	700
8/27	Kurusz	700
"	Chambers	800
8/29	[illegible]	130
"	Johnson	110
"	Butterfoy	100
9/2	C	220
		700

AUG 29 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
April, Butte, Canyon Claims
San Juan County, Utah

Dear Mr. Townsend:

In accordance with our teletype of August 19, 1958, we are enclosing the original and four copies of a proposed Amendment No. 5 to the subject contract, signed by the Administrator. Also enclosed are two extra copies of the amendment for the use of the Field Team.

If you and the Operator find the proposed amendment in order, please have the Operator execute it as indicated and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/3)

Enclosures

MChing/gla
8-27-58

APPROVED:

P. F. Yopes (2/3)
Member, Bureau of Mines

N. E. Nelson (2/3)
Member, Geological Survey

cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching
Mr. Murphy

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
August 28, 1958

DMEA
RECEIVED SEP 2 1958

DATE	INITIALS	CODE
9/2	C.	220
"	[illegible]	700
	(Murphy)	

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil & Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are three copies of confirmation of work approval, issued by the DMEA Field Team, Region III, for the drilling of three additional holes under the provisions of Stage II of the contract.

Also enclosed are three copies of a letter from the Operator, dated August 5, 1958, requesting Government approval for the drilling of the holes; and three copies of a joint memorandum, dated August 21, 1958, from J. William Hasler, Geologist, Geological Survey, and H. F. Robertson, Mining Engineer, Bureau of Mines, containing their recommendations in the matter.

Copies of the confirmation of verbal work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

J. W. Townsend

J. W. Townsend

Enclosures

SEP 2 1958
CODE

204 New Customhouse
Denver 2, Colorado
August 28, 1958

Mr. Raymond C. Schaub, Geologist
Duhaldé Oil & Uranium, Inc.
375 Continental Assurance
Grand Junction, Colorado

Re: Contract No. [illegible] (Uranium)
Contract No. [illegible]
Duhaldé Oil & Uranium, Inc.
(April, Bebb, and Cooper claims)
San Juan County, Utah

Dear Mr. Schaub:

In reference to your letter of August 5, 1958, this constitutes confirmation of verbal approval issued by the Government on August 4, 1958, to drill three additional holes under the provisions of Stage II of the contract. The locations of the three approved holes are indicated by the symbol X on the map entitled, "Map of April and Bebb Claims Showing Recommended Stage II Holes, requested August 4, 1958, Duhaldé Oil & Uranium Corp., San Juan County, Utah," which is attached hereto and made a part of this confirmation of verbal work approval.

Nothing in this confirmation of verbal work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

JRF:yrl
cc: Chem. Op. Comm. (5)
Finance Office, Region III
Assistant file, Region III
Burnham
Butler
Robertson DMEA/GJ
DMEA/RFC

Very truly yours,

DMEA Field Team, Region III

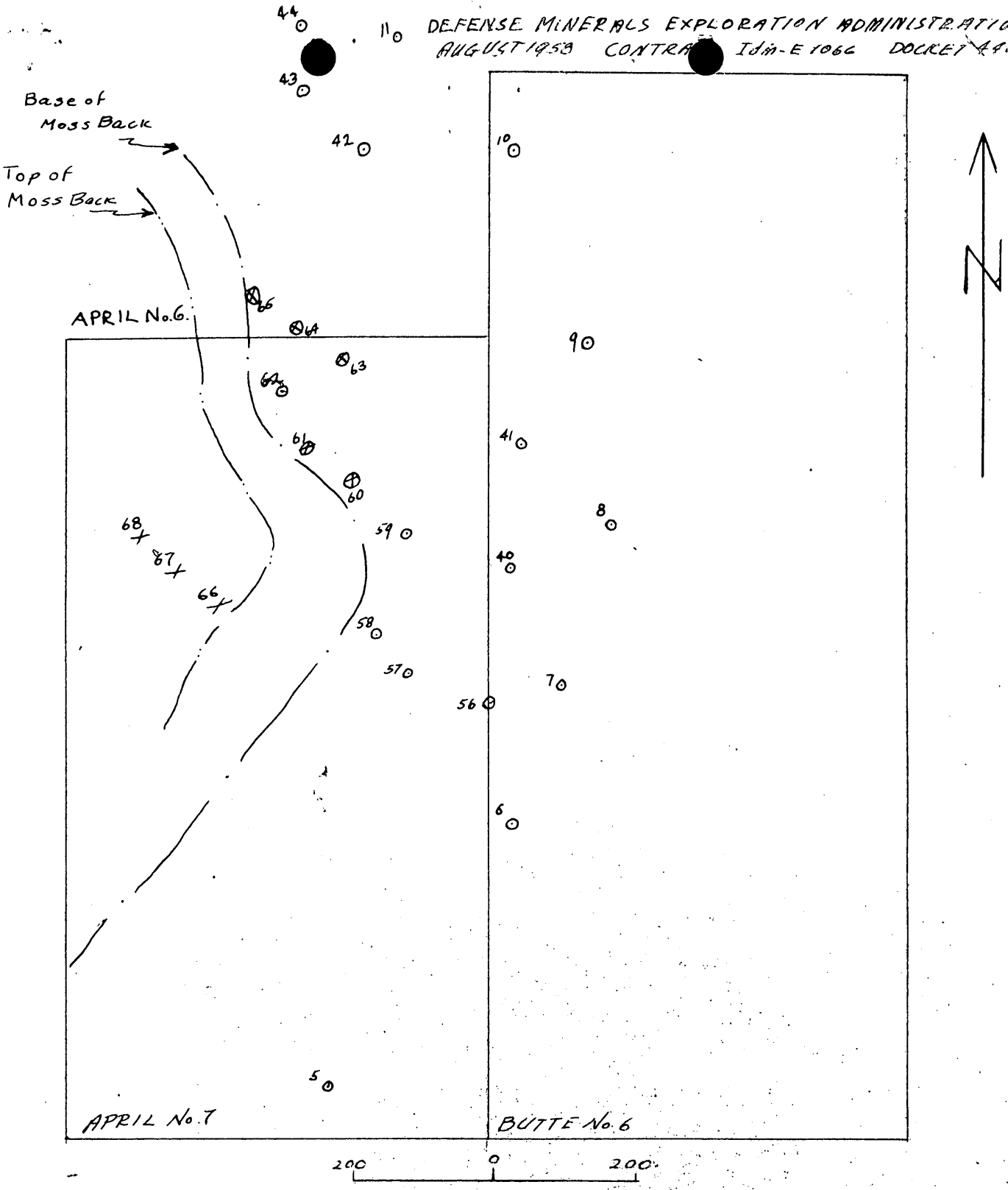
By J. V. Forsund
J. V. Forsund

By Robert W. King
Robert W. King
for H. F. Burnham

cc: Mr. Charles E. Collins, President
Duhaldé Oil & Uranium, Inc.
P. O. Box 1399
Wichita Falls, Texas

Corres. file
Cooper
Chron.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
AUGUST 1959 CONTRA[redacted] IDM-E 1066 DOCKET 4403



MAP OF APRIL + BUTTE CLAIMS SHOWING RECOMMENDED STAGE II HOLES REQUESTED AUGUST 4 1958 DALMID OIL + URANIUM CORP. SAN JUAN COUNTY, UTAH

X 66 PROPOSED STAGE II HOLE

⊗ 60 APPROVED STAGE II HOLE NOT DRILLED

⊙ COMPLETED HOLE

DMEA
DEPARTMENT OF THE INTERIOR
AUG 26 1958
REGION III
DENVER, COLORADO

535 Orchard Avenue
Grand Junction, Colorado

August 5, 1958

DMEA
RECEIVED SEP 2 1958
DATE | INITIALS | CODE

Mr. J. W. Townsend
DMEA
224 New Customhouse
Denver 2, Colorado

Dear Mr. Townsend:

The following is a written request to follow up the oral request that I made August 4 for Dalmid Oil & Uranium on Docket 4409. I request that holes 60, 63, 64 and 65 not be drilled and 57 be abandoned and not claimed for DMEA payment. The footage and etc. that would have been used in the above mentioned holes I request be used to drill holes 66, 67 and 68. These holes are approximately 250 feet southwest of No. 61. No. 66 is on the south, No. 67 is 75 feet northwest of that and No. 68 is 75 feet further northwest.

Sincerely yours,

Raymond C Robeck

Raymond C. Robeck

agent for
Dalmid Oil & Uranium Corp.

CC: Collins

IN REPLY REFER TO:
MINERAL DEPOSITS

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR

AUG 26 1958
REGION III
DENVER, COLORADO

RECEIVED SEP 2 1958

DMEA
RECEIVED
AUG 22 1958
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

DATE	INITIALS	CODE

P. O. Box 360
Grand Junction, Colorado

August 21, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman

From: J. W. Hasler
H. F. Robertson

Subject: Recommendation for drilling three additional Stage II holes under DMEA contract Ida-E 1066 (Uranium), Docket 4409, Dalmid Oil and Uranium Corporation, April, Butte, and Canyon claims, San Juan County, Utah.

Recent exploratory drilling on the April and Butte claims under the current contract has disclosed the presence of two scour channels trending about S. 40° W., across the April No. 6 claim and the Butte No. 6 claim. Of the 10 authorized holes designed to test the channels 3 penetrated fair thicknesses of Shinarump sandstone and 1 hole (62) penetrated 3½ feet of Shinarump sandstone showing fair continuity of the Butte and April channels. All holes were barren, but showed considerable leaching.

The operator's agent proposed drilling three more Stage II holes higher on the mesa and some 300 feet southwesterly from Stage II holes 60, 61, and 62; the proposal was to further test the April channel as well as to gain more cover and possibly get into the primary zone.

This proposal seems reasonable and is therefore recommended. Verbal approval was given the operator on August 4, 1958, by E. N. Harshman, member of the Field Team, Region III, through J. W. Hasler after recommendations by the examining team.

The holes shall be drilled approximately as shown on the accompanying map, and cannot be drilled closer than 75 feet to any other hole drilled under the contract.

Enclosed is the applicant's request dated August 5, 1958. The request was submitted to the Grand Junction office.

J. William Hasler
J. William Hasler
Geologist

H. F. Robertson
H. F. Robertson
Mining Engineer

224 New Customhouse
Denver 2, Colorado
August 25, 1958

8/29 C 220
CET 800
Chmn 100
(Murphy)

Mr. Charles E. Collins
Balmid Oil & Uranium, Inc.
604 Hamilton Building
P. O. Box 1990
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract I4s-E1066
Balmid Oil & Uranium, Inc.
(April, Butte & Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

In reference to your letter of August 22, 1958, Form MF-104, Operator's Monthly Report and Voucher, for June and July, 1958, has been received and will be processed by this office within the next day or so.

The voucher must also be processed through the Finance Office, Region III, after which the check will be issued by the regional disbursing office, at Denver, therefore you should anticipate a delay of several days before your check is received.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JDC:hmh

cc: Chmn. Op. Comm. (2))
Harshman)
Hasler) w/copy of
Robertson, DMEA/G.Jct.) Operator's
DMEA/DPC) letter of
Corres.file, Reg. III) 8/22/58

Chron
Cooper

DMEA
DEPARTMENT OF THE INTERIOR
AUG 2 1958
REGION III
DENVER, COLORADO

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

August 22, 1958

D M E A
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte & Canyon Claims)
San Juan County, Utah

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

Dear Mr. Harshman:

Is there more needed before you can handle the report that we made about two weeks ago? We need the money to help settle our accounts.

Also, there was a small carry-over from 1957 for bull dozer, which your files will indicate. Do you need an additional statement on this?

Assuring you we will be happy to have an answer by return mail, I am,

Sincerely yours,

Chas. E. Collins

Chas. E. Collins

c/a

OFFICIAL FILE COPY

Date	Surname	Code
8/18/58	Murphy	700
8/19	Kubick	700
8/19	[illegible]	130
8/19	Hopes	130
8/19	Nelson	130
"	Johnson	110
"	Matthews	100
8/20	[illegible]	220
		700

AUG 19 1958

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

T E L E T Y P E

J. W. TOWNSEND
ALTERNATE ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT AUGUST 15, DOCKET DMEA-4409, CONTRACT IDM-E1066, DALMID OIL AND URANIUM, INC. WILL PREPARE AMENDMENT DECREASING CORE AND INCREASING NON-CORE FOOTAGE IN STAGE II.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (2B)

FMMurphy/gla
8-18-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy
Confirmation to Region III

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

AUG 19 1958

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 21 1958

DATE	INITIALS	CODE
8/21	N. G.	225
	Murphey	700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA-4409 (Uranium) Contract Idm-E1066, Dalmid Uranium Corporation (April, Butte and Canyon claims) San Juan County, Utah

Enclosed are three copies of confirmation of verbal work approval, issued by the DMEA Field Team, Region III, for the drilling of ten holes under the provisions of Stage II of the contract.

Also enclosed are three copies of a joint memorandum, dated August 4, 1958, from J. W. Hasler, Geologist, Geological Survey and H. F. Robertson, Mining Engineer, Bureau of Mines, relative to the map. Two copies of the Operator's request, dated July 7, 1958, were forwarded to you with copies of our memorandum of July 21, 1958, to the field examiners.

Copies of the confirmation of work approval have been distributed to the Operator, the Finance Office and others concerned in Region III.

J. W. Townsend

J. W. Townsend

Enclosures

25th Ave Centennial
Denver 2, Colorado

AUG 19 1958

Mr. Raymond C. Rebeck, Geologist
Dalnid Uranium Corporation
535 Orchard Avenue
Grand Junction, Colorado

Re: Docket DMEA-4409 (Uranium)
Contract EMu-K1066
Dalnid Uranium Corporation
(April, Butte and Canyon claims)
San Juan County, Utah

Dear Mr. Rebeck:

In reference to your letter of July 7, 1958, this constitutes confirmation by the Government of verbal approval, which was given July 21, 1958, for the drilling of ten (10) additional holes under the provisions of Stage II of the contract. The locations of the ten approved holes are indicated by the symbol (x) on the map entitled, "Figure 1, Map of April and Butte Claims Showing Approved Stage II Holes," which is attached hereto and made a part of the confirmation of work approval.

Nothing in this confirmation of work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By J. W. Townsend
J. W. Townsend

By E. M. Harshman
E. M. Harshman

JDC:jy
cc: Chm. Op. Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Hasler
DMEA, G.Jct. (Robertson)
DMEA, DPC
Corres. file
Cooper
Charon.

Enclosure

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 21 1958
DATE | INITIALS | CODE
AUG 5 1958
GEOLOGICAL SURVEY
DENVER, COLORADO

IN REPLY REFER TO:

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

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

August 4, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman

From: J. William Hasler
H. F. Robertson

Subject: DMEA Docket 4409 (Uranium), Contract Idm-E 1066, Dalmid Oil & Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah. Request for additional Stage II drilling.

The operator, in a letter to the Field Team, Region III, dated July 7, 1958, proposed that eleven (11) Stage II holes be drilled at the locations shown on the map accompanying his request.

Prior drilling on the April No. 6 claim, and the Butte No. 6 claim has defined two prominent scours trending approximately S. 35° W., one on the April No. 6 claim, locally called the April channel by the operator, and the other one on the Butte No. 6 claim known as the Butte channel.

DMEA hole numbers 40 and 41 showed a thickening of the Shinarump in the Butte channel and an increase in favorability of the Shinarump even though the holes were barren. Hole number 42 was in a deepened portion of a scour-like channel on the April No. 6 claim and the Shinarump attains a thickness of 27 feet. The Shinarump is mostly a coarse, poorly cemented sandstone that is locally stained brown, apparently by leaching action in the channel.

The map accompanying the operator's request shows the proposed eleven Stage II holes designed to test the possible extension of the scours with the hope of picking up an ore body. There may be a possibility that the Butte and April scour channels may converge and add favorability to the chances of finding an ore body in a channel scour as well as being further away from the more oxidized area near the rim.

An appraisal of the results indicate that ten holes would adequately test the extension of the Butte and April scour channels. It is recommended, therefore, that three rows of holes be drilled as shown on the accompanying sketch.

Three proposed holes, nos. 56, 57, and 58, will test the southwesterly extension of the Butte channel, four holes, 59, 60, 61, and 62, will test the area between the Butte and April channels and the most northerly row of 3 holes proposed nos. 63, 64, and 65, will test the possible extension of the April channel.

Verbal approval on the 10 recommended holes was given the operator's geologist, R. C. Rebeck, on July 21, 1958, by the Field Team, Region III, through J. W. Hasler.

J. William Hasler

J. William Hasler,
Geologist

H. F. Robertson

H. F. Robertson,
Mining Engineer

DRAFT
8/18/58
FMMurphy/glh

DOCKET COPY

EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA-4409
CONTRACT NO. IDM-E1066

AMENDMENT NO. 5

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dalmid Oil and Uranium, Inc., hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1066 (Docket No. DMEA-4409), dated March 7, 1957, hereinafter called the "Contract," as amended, is further amended, effective August 25, 1958, as follows:

1. Under Exhibit "A," Description of the Work, Stage II, item 1., line 3, the words "3,000 feet of non-core and 1,600 feet of core drilling" are revised to read "3,476 feet of non-core and 1,430 feet of core drilling."

2. Under Fixed Unit Costs, Stage II, item 2., is revised to read:

"3,476 ft. non-core drilling @ $1.25/ft. $4,345.00"

and item 3 is revised to read:

"1,430 ft. core drilling @ $3.50/ft. $5,005.00"

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

Executed in quintuplicate the day and year first above written.

UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

DALMID OIL AND URANIUM, INC.

By _____

Title _____

Mr. G. Selfridge

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 18 1958

DATE	INITIALS	CODE
8-18	H.G.	225
		130
-11	[illegible]	700

N 235 BUR MINES 8-15-58 10-15

MAN, OPERATING COMMITTEE, DMEA

KET DMEA 4409, CONTRACT IDM-E1066, DALMID OIL AND URANIUM, INC. ENTY-SEVEN STAGE II HOLES HAVE BEEN APPROVED AND DRILLED TO DATE. WO ADDITIONAL HOLES WARRANTED BUT APPROVAL FOR THEM WILL INVOLVE AN AMENDMENT T XX TO THE CONTRACT TO DECREASE CORE FOOTAGE BY 170 FEET AND INCREASE NON-CORE FOOTAGE BY 476 FEET. THE TWO ADDITIONAL HOLES WILL PROBABLY BE THE LAST TO BE APPROVED. RECOMMEND THE AMENDMENT BE EFFECTIVE AUGUST 25 TO ENABLE CONTINUITY OF OPERATIONS. PLEASE TELETYPE ADVICE AS TO HOW WE SHOULD PROCEED.

428

J W TOWNSEND

3 LINE WORD IS WARRANTED

END DLC ACK 235

Denver, Colo.

AUG 20 1958

INITIALS		CODE
8/20	JJ. g.	225
8/20	[illegible]	800
	[illegible]	700

[illegible] New Customhouse
Denver 2, Colorado

August 15, 1958

Memorandum

To: E. N. Harshman

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-M1066 Dalmid Oil and Uranium, Inc. (April, Butte and Canyon claims) San Juan County, Utah.

Enclosed is a copy of the Operator's letter of August 14, 1958, requesting the Government's approval for two additional holes to be drilled under the provision of Stage II and a transfer of sufficient core footage to non-core footage to enable completion of 475 feet of non-core drilling in the proposed holes.

J. W. Hasler contacted this office by telephone today and indicated the holes would be approved subject to transfer of the necessary non-core footage. The matter of transfer of the non-core footage was referred to the Washington Office by teletype today. (In legal)

A copy of the Operator's request was forwarded direct to Hasler by the Operator, and Hasler indicated that the necessary field recommendations report would be forthcoming.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Encl.

JWT:bh
cc: Chan. Op. Comm.(2)) with copy of
Corres. File M-1066) Operator's request
DMEA/DPC
Hasler
Robertson, DMEA/Gr.Jct.
Cooper
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 20 1958
INITIALS DATE
DMEA
DEPARTMENT OF THE INTERIOR
AUG 15 1958
REGION III
DENVER, COLORADO

535 Orchard Avenue
Grand Junction, Colorado

August 14, 1958

Mr. J. W. Townsend
DMEA
224 New Customhouse
Denver 2, Colorado

Dear Mr. Townsend:

This letter is to bring you up to date and to request permission to drill 2 more holes on Dalmid's 4409 project on Elk Ridge.

Holes 61, 66, 67 and 68 have been completed. Their location and relationship to the April channel is shown on the enclosed map. Hole 61 was partially leached and barren. Holes 66, 67 and 68 show the channel as only slightly leached but no radioactivity was found.

There are drilling funds still unused in the contract so I would like to drill one more hole 200 feet down the April Channel (SW) to make sure we aren't missing some ore. I also request to offset hole 39 which was mineralized with 0.17 U_3O_8 in the bottom 0.75. This offset would be 75 feet northwest of No. 39.

To date Stage II drilling has exceeded the non-core footage by 75 feet. To pay for this and the 2 above mentioned holes, I request that funds set up for coring in Stage II be transferred to non-coring to cover 475 feet of non-core drilling.

As it now stands there is still 964.5 feet allowed for coring at $3.50 per foot. I request that oral permission be given now to drill the holes and final payment be made after the approval of the request for change of funds.

Sincerely,

Raymond C. Robeck

Raymond C. Robeck,
Consulting Geologist
Agent for:
Dalmid Oil and Uranium Corp.

		CODE
7/23	C	220
7/23	[illegible]	800
	~~[illegible]~~	~~700~~

224 New Customhouse
Denver 2, Colorado
July 21, 1958

Memorandum

To: E. E. Barnhart - w/enclosure

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Dmr-E1066, Balmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed is a copy of a letter from the Operator's geologist, dated July 7, 1958, with map and drill hole data attached, which constitutes a request for the Government's approval of eleven (11) additional holes under Stage II of the contract.

The request was forwarded through the Grand Junction Office and a copy was retained there for their use in preparing recommendations. Mr. Hasler called this morning and recommends approval of ten (10) holes, and he was given authorization to give verbal approval for them, which is to be confirmed in the usual manner.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:prl

cc: Chem.Op.Comm.-2 } w/copy of
Corres. file } Operator's request.
Hasler
Robertson
Cooper
Chrom.

DMEA
DEPARTMENT OF THE INTERIOR

JUL 15 1958
REGION III
DENVER, COLORADO

535 Orchard Avenue
Grand Junction, Colorado

July 7, 1958

DMEA
RECEIVED JUL 22 1958

DATE		CODE

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Dear Mr. Townsend:

The following is a resumé of drilling in 1958 and 1957. This is presented as justification for additional drilling on the April claims on Elk Ridge, San Juan County, Utah. This is in regard to Dalmid Oil and Uranium Corporation's lease 4409, Contract Idm-21066.

The outcrop of the Shinarump is very poor in this area. Rim stripping and drilling in Stage I gave us more information on the presence and character of the Shinarump. Stage II offsets were then authorized to test the more favorable areas. To date, during 1958, holes 3, 40, 41, 42, 43 have been completed. The Shinarump was absent in Number 3. Numbers 40 and 41 were drilled in the "Butte" channel (see enclosed map). Number 42 was drilled in the thalwag (deep) of the "April" channel and showed a Shinarump thickness of 27 feet. Most of the Shinarump consists of a coarse, poorly cemented sandstone that is stained brown by leaching action in the channel. Number 43 appears to be on the northwest flank of the April channel. No radioactivity was found in the leached out portions of these channels.

As shown on the map, I propose that eleven (11) more holes be drilled to further explore the April and Butte channels to see if they continue south-westward and if we can find unleached portions of the channels.

There will be very little dozer work and it will be easy. These holes will be a little deeper than those in the past.

During the time this request is being acted upon, we will continue to do dozer work and drilling on holes 39, 44, 53, 54, 55. This should take about two weeks.

Sincerely,

Raymond C. Rebeck

Raymond C. Rebeck,
Consulting Geologist
Agent for:
Dalmid Oil and Uranium Corp.

DRILL HOLE LOG

Type of Drill: Jay

Logged For: Dalmid Uranium - 4409

Drill-hole No.: 5
Total depth: 119
Collar elev.: T. 7922 P
Area: Elk Ridge

COORDINATES
North: East:
Tie:

Claim:
Date started: 7/1/58
Date completed: 7/2/58
Logged by: R. C. Robeck

Summary of log: Unfavorable; OBSS: Absent Thick: 0; SS color: —; MS under OBSS: Red; Cbn: N

DEPTH From	DEPTH To	Rock	Color	Grain	Carbon	REMARKS
0	100	MS, ST	Pp gray	F	N	Monitor Butte, Plug
100	112.2	MS, ST	Pp	F	N	Mottled Monitor Butte, Bx Core
112.2	112.4	MS	gray	F	N	Moenkopi
112.4	119	MS	Red	F	N	"

y-Ray Log: 0 — 1000

RECEIVED JUL 23 1958 U.M.E.A.

SAMPLE BASE	SAMPLE THICK	LAB ASSAY (%) U_3O_8	LAB ASSAY (%) V_2O_5	FIELD EST. (%) U_3O_8	FIELD EST. (%) V_2O_5
				Barren	

Abbreviations

Wh—white	CG—conglomerate
Br—brown	SS—sandstone
R—red	MS—mudstone
Gy—gray	ST—siltstone
Bl—blue	F—fine
Gn—green	M—medium
Yw—yellow	C—coarse
Bk—black	N—none
Pp—purple	S—sparse
Cbn—carbon	A—abundant
OBSS—ore bearing sandstone	

Hole No. 5

DRILL HOLE LOG

Type of Drill: Joy

Logged For: Dalmid Uranium - 4409

Drill-hole No.: 40
Total depth: 120
Collar elev.: T 7958
Area: Elk Ridge

COORDINATES
North: East:
Tie:

Claim:
Date started: 6/25/58
Date completed: 6/26/58
Logged by: R. C. Robeck

Summary of log: Favorable; OBSS 102-116 Thick 14; SS color Br, gy; MS .05' gn under OBSS; Cbn: None

DEPTH From	DEPTH To	Rock	Color	Grain	Carbon	REMARKS
0	60	MS	pp-gy	F	N	
60	65	CG, SS	gy	F-C	N	drilled with diamond bit
65	100					Plug ; Monitor Butte Mn.
100	105	SS, ST	pp	F-M	S	Interbedded. Fcs. Bx core
105	106	ST sdy	pp	F	N	
106	106.8	SS	gy, Pp strks	C	N	
106.8	108.5	SS	Pp	F-C	N	
108.5	108.9	SS	gy	M	N	
108.9	111.1	SS, CG	gy	C	N	
111.1	113	CG	br	C	N	oxidized, porous
113	116	CG	gy	C	N	1/4" Pebbles, wh. Kaolin cement
116	120	MS	Red	F	N	Moenkopi

γ-Ray Log: 0 — 1000

RECEIVED JUL 23 1958 U.M.E.A.

SAMPLE BASE	SAMPLE THICK	LAB ASSAY (%) U_3O_8	LAB ASSAY (%) V_2O_5	FIELD EST. (%) U_3O_8	FIELD EST. (%) V_2O_5
				Barren	

Abbreviations

Wh—white	CG—conglomerate
Br—brown	SS—sandstone
R—red	MS—mudstone
Gy—gray	ST—siltstone
Bl—blue	F—fine
Gn—green	M—medium
Yw—yellow	C—coarse
Bk—black	N—none
Pp—purple	S—sparse
Cbn—carbon	A—abundant
OBSS—ore bearing sandstone	

Hole No. 40

DRILL HOLE LOG

Type of Drill: Joy

Logged For: Dalmid Uranium - 4409

Drill-hole No.: 41
Total depth: 120
Collar elev.: T 7967 P
Area: Elk Ridge

COORDINATES
North: East:
Tie:

Claim:
Date started: 6/27/58
Date completed: 6/30/58
Logged by: R. C. Robeck

Summary of log: Favorable; OBSS 99 - 115.7 Thick 17; SS color gy, br; MS under OBSS grn, gy; Cbn. N

DEPTH From	DEPTH To	DESCRIPTION Rock	Color	Grain	Carbon	REMARKS
0	100	MS, ST	Pe gy	F	N	Monitor Butte; Plug
100	100.6	SS	gy, Pp strks,	M-C	N	99' Fcs. Bx Core
100.6	104.6	SS	Pp	F-M	N	
104.6	105.2	SS	gy	M-F	N	Iron oxide strks.
105.2	105.8	SS	gy	M-C	N	"
105.8	107	SS	gy	M-C	N	Thin strks.
107	111.7	SS	gy	C	N	Rusty, with kaolin cement
111.7	112.1	SS	gy brn	M-C	N	
112.1	114.2	SS	Pp	F-M	N	streaked
114.2	115	SS	gy	F-M	N	
115	115.7	SS	gy, brn	C	N	
115.7	116	MS	gy	F	N	Moenkopi
116	120	MS	Red	F	N	

y-Ray Log (0 – 1000)

RECEIVED JUL 23 1958 D.M.E.A.

SAMPLE BASE	SAMPLE THICK	LAB ASSAY (%) U_3O_8	LAB ASSAY (%) V_2O_5	FIELD EST. (%) U_3O_8	FIELD EST. (%) V_2O_5
				Barren	

Abbreviations

Wh—white	CG—conglomerate
Br—brown	SS—sandstone
R—red	MS—mudstone
Gy—gray	ST—siltstone
Bl—blue	F—fine
Gn—green	M—medium
Yw—yellow	C—coarse
Bk—black	N—none
Pp—purple	S—sparse
Cbn—carbon	A—abundant
OBSS—ore bearing sandstone	

Hole No. 41

DRILL HOLE LOG

Type of Drill: Joy

Logged For: Dalmid Uranium - 4409

Drill-hole No.: 42
Total depth: 135
Collar elev.: T 8005 P
Area: Elk Ridge

COORDINATES
North: East:
Tie:

Claim:
Date started: 6/30/58
Date completed: 7/1/58
Logged by: R. C. Robeck

Summary of log: Favorable; OBSS 107-133.6 Thick 27; SS color brn; MS under OBSS 94; Cbn. N

DEPTH From	DEPTH To	Rock	Color	Grain	Carbon	REMARKS
0	108	MS, ST	Pp gy	F	N	Monitor Butte. Plug
108	110.1	SS	Pp, brn, gy	F-C	N	107' Rcs. Bx core
110.1	133.6	SS	brn	C	N	Porous, oxidized, some dark iron? spots left
133.6	133.8	MS	gy	F	N	Moenkopi
133.8	135	MS	Red	F	N	"

γ-Ray Log 0 1000

RECEIVED JUL 23 1958 D.M.E.A.

SAMPLE BASE	SAMPLE THICK	LAB ASSAY (%) U_3O_8	LAB ASSAY (%) V_2O_5	FIELD EST. (%) U_3O_8	FIELD EST. (%) V_2O_5
				Barren	

Abbreviations

Wh—white	CG—conglomerate
Br—brown	SS—sandstone
R—red	MS—mudstone
Gy—gray	ST—siltstone
Bl—blue	F—fine
Gn—green	M—medium
Yw—yellow	C—coarse
Bk—black	N—none
Pp—purple	S—sparse
Cbn—carbon	A—abundant
OBSS—ore bearing sandstone	

Hole No. 42

DRILL HOLE LOG

Type of Drill: Joy

Logged For: Dalmid Uranium - 4409

Drill-hole No.: 43
Total depth: 134.5
Collar elev.: T 8007 P
Area: Elk Ridge

COORDINATES
North: East:
Tie:

Claim:
Date started: 7/2/58
Date completed: 7/3/58
Logged by: R. e. Robeck

Summary of log: ~~Un~~ Semi favorable; OBSS 113-130 Thick 17; SS color brn; MS under OBSS gray; Cbn. N

DEPTH From	DEPTH To	Rock	Color	Grain	Carbon	REMARKS
0	65	MS,ST	Pp gy	F		Monitor Butte
65	66	SS	gray	C-F	N	" " , cemented
66	115	MS,ST	Pp gy	F	N	" " , Plug
115	116.6	SS	Pp	F-C	N	113' Fcs , brn strks. Bx Core
116.6	117.2	SS	brn	M-C	N	Pp strks.
117.2	117.6	SS	Pp	M	N	
117.6	117.8	SS	brn	C	N	
117.8	118.2	SS	Pp	M	N	brn strks.
118.2	119.8	SS	brn	C	N	
119.8	120.9	SS	Pp	F-M	N	brn strks
120.9	121.4	SS	gy brn	F-M	N	Minor Mn stain
121.4	130	SS	brn	C	N	blk Mn at 122-123, Not all leached
130	130.1	MS	gray	F	N	Moenkopi
130.1	134.5	MS	Red	F	N	"

y-Ray Log: 0 — 1000

RECEIVED JUL 23 1958 D.M.E.A.

SAMPLE BASE	SAMPLE THICK	LAB ASSAY (%) U_3O_8	LAB ASSAY (%) V_2O_5	FIELD EST. (%) U_3O_8	FIELD EST. (%) V_2O_5
				Barren	

Abbreviations

Wh—white	CG—conglomerate
Br—brown	SS—sandstone
R—red	MS—mudstone
Gy—gray	ST—siltstone
Bl—blue	F—fine
Gn—green	M—medium
Yw—yellow	C—coarse
Bk—black	N—none
Pp—purple	S—sparse
Cbn—carbon	A—abundant
OBSS—ore bearing sandstone	

Hole No. 43

June 13, 1958

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Two amendments to contracts

Mr. Knouse has reviewed Amendment No. 6, dated May 27, 1958, to Contract No. Idm-E943, Docket DMEA-4047, Charles M. Coleman and Associates, and approves it.

Mr. Murphy has reviewed and approved Amendment No. 4, dated June 2, 1958, to Contract No. Idm-E-1066, Docket No. DMEA-4409, Dalmid Oil & Uranium, Inc.

Neither of these amendments require further review by the Legal Division.

/s/ Grace L. Ault

Grace L. Ault

Docket DMEA-4047
" " 4409

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
June 9, 1958

DMEA
RECEIVED JUN 16
6/12 C 220 130 700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil & Uranium, Inc. (April, Butte and Canyon claims) San Juan County, Utah

Enclosed are the Government's and Audit copies of executed Amendment No. 4 to Contract No. Idm-E1066, which was prepared as discussed with you by telephone June 3, 1958, to extend the completion date to eighteen months from the date of the contract and to extend the ending date of the suspension of operations to not later than July 1, 1958.

Copies of the Amendment have been distributed to the Operator, the Finance Office, and others concerned in Region III.

J. W. Townsend

Enclosures

Form 7
(2-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/3/58	Murphy	700
		130
		110
		100
		220
		700

Department of the Interior

14X4401(01) Revolving Fund,
Defense Production Act, Interior
(Transfer to Office of
Secretary)
DMEA

T E L E T Y P E

J. W. TOWNSEND
ALTERNATE ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT JUNE 2, DOCKET DMEA-4409, DALMID OIL & URANIUM, INC. FIELD TEAM MAY PREPARE AMENDMENT EXTENDING SUSPENSION PERIOD AND COMPLETION DATE FIXED IN AMENDMENT NO. 3.

CHAIRMAN, OPERATING COMMITTEE

FMMurphy/gla
6-3-58
cc to: Admr.'s Reading File
Operating Committee
THKillsgaard, 5224
Mr. Murphy
Confirmation to Region III

Not sent.
Mr. Selfridge gave O.K. to Jappuseed over phone 6/3/58

8623

OFFICIAL FILE COPY
DMEA

RECEIVED JUN 13 1958

DATE	INITIALS	CODE
6/3	J. G.	225
"	Murphy	700

DN 235 BUR MINES 6-2-58 4-21

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE DOCKET DMEA 4409, CONTRACT IDM-E1066, DALMID OIL AND URANIUM, INC. OPERATOR REQUESTS ONE MONTH EXTENSION OF SUSPEN ION PERIOD, WHIHXX WHICH ALSO WILL INVOLVE A LIKE EXTENSION OF COMPLETION EXX PERIOD. EXTENSION NECESSITATED BECAUSE OF INACCESSIBILITY OF PROJECT ARE-// AREA, THEREFORE RECOMMENDED. PLEASE TELETYPE ADVICE AS TO WHETHER YOU WILL PREPARE AMENDMENT OR SHOULD WE.

J W TOWNSEND, ACTM EXEC. OFFICER

Denver, Colorado

DMEA

5 1958

6/5 C 220
6/5 800
" ~~Hardhat~~ 700

224 New Customhouse
Denver 2, Colorado
June 2, 1958

Mr. Charles E. Collins, President
Rabbit Oil and Uranium, Inc.
P. O. Box 1990
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Ma-11066
Rabbit Oil and Uranium, Inc.
(April, Butte and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Enclosed are the Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Amendment No. 4 to Contract No. Ma-11066, which has been prepared in reference to your letter of May 30, 1958, to extend the suspension of operations to and not later than July 1, 1958 and to extend the period within which work shall be completed from seventeen months to eighteen months from the date of the contract, thus making the date on or before which work is to be completed September 7, 1958.

If the Amendment is satisfactory, all copies are to be signed by you as indicated, the corporate seal affixed, and all copies promptly returned to this office; upon receipt of which and after signature by the Government's representative, the "Operator's Copy" will be returned to you.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:prl

cc: Chem.Op.Cont.-2
Horsman
DMEA/Gr.Jct.
Kesler
DMEA/RFC
Corres. file
Townsend
Chron.

w/copy of Operator's letter of May 30, 1958.

DMEA
DEPARTMENT OF THE INTERIOR
JUN 2 - 1958
REGION III
DENVER, COLORADO
ORIGINAL FILE COPY
DMEA
RECEIVED JUN 5 1958
DATE

May 30, 1958

U. S. Department of the Interior
D M E A
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm.E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Attention: Mr. F. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

Dear Mr. Harshman:

Last night Don Van Pelt, our driller, called me and said that it would be two or three weeks before we could get in on our claims, that mud was very bad at this time.

We would like to set our starting date up until July 1st.

Hoping that this meets with your approval, I am,

Sincerely yours,

Chas. E. Collins

Chas. E. Collins

c/a

DMEA
DEPARTMENT OF THE INTERIOR
MAY 26 1958
REGION III
DENVER, COLORADO

Dalmid Oil & Uranium, Inc.

5/28 C 220
5/28 407 800
7/21/1 700

604 HAMILTON BUILDING P. O. Box 1590, WICHITA FALLS, TEXAS

May 23rd, 1958

U. S. Department of the Interior
D. M. E. A.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, & Canyon claims)
San Juan County, Utah

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

Dear Mr. Harshman:

I have your letter of May 15th. We plan to be active in our drilling program on the First of June. I have the same drilling crew that worked for us last year.

As I understand it at this time we only have three holes approved. Will your field man be able to meet with us to finish up this Second Stage Drilling Program?

Assuring you I will be happy to hear from you, I am,

Sincerely,

Chas E Collins

Chas. E. Collins

c/a

DMEA

28 58

204 New Customhouse
Denver 2, Colorado
May 26, 1958

Mr. Charles E. Collins, President
Dalmid Oil & Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Iam-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

In reference to your letter of May 23, 1958, you are correct in that only three holes have been approved to date for drilling under Stage II of the contract.

In the event you desire to perform additional drilling, you should submit for the Government's consideration a request for the approval of such drilling in a manner similar to your request of October 23, 1957.

Upon receipt of your request for the Government's approval of the additional drilling, our field man will be glad to discuss the matter with you.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:prl

cc: Chmn.Op.Comm.-2) w/copy of
Harshman) Operator's
DMEA/Gr.Jct.) letter.
Hasler)
DMEA/DFC)
Corres. file)
Townsend
Chron.

224 New Customhouse
Denver 2, Colorado
May 15, 1958

5/19
5/19 C 220
5/20 800
~~5/20 700~~

Mr. Charles E. Collins, President
Dalmid Oil & Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (UranIMM)
Contract No. 26m-81066
Dalmid Oil & Uranium, Inc.
(April, Brite, and Cooper claims)
San Juan County, Utah

Dear Mr. Collins:

Receipt is acknowledged of your letter of May 14, 1958 regarding contemplated resumption of work under the contract.

Under the provisions of Amendment No. 3, work must be resumed on or before June 1, 1958. Therefore, if conditions beyond your control prevent resumption of work as required, you should immediately request a further extension of the date presently fixed in Amendment No. 3 for the end of the suspension of operations.

Very truly yours,

Original signed
E. N. HARSHMAN

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

JWT:pvl

cc: Chem.Op.Comm.-2
Harshman
DMEA/Gr.Jct.
Hasler
DMEA/DPC
Corres. file
Townsend
Chron.

} w/copy of Operator's letter of May 14.

DMEA
DEPARTMENT OF THE INTERIOR
MAY 16 1958
REGION III
DENVER, COLORADO

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

May 14th, 1958

U.S. Dept. of the Interior
D. M. E. A.
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4409 (Uranium)
Contract Idm-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

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

Dear Sir:

We would like to start our drilling program again, about the First of June . . . I was up last week and I believe that we can get in on these claims by the First of June.

Please let me hear from you if this meets with your approval, sending me any papers that might be necessary.

Sincerely yours,

Chas E Collins

Chas. E. Collins

c/a

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE
12/16	gb	220
12/16	[illegible]	800
12/17	[illegible]	200

224 New Customhouse
Denver 2, Colorado
December 12, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P.O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA 4409 (Uranium)
Contract Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Supplemental Form MS-104-Operator's Monthly Report and Voucher, for October, 1957, has been received in this office. The entire amount of Government participation due on the supplemental Voucher is withheld, pending resumption of the project work. The total amount withheld from reimbursement to Dalmid Oil and Uranium, Inc., is as follows:

Amount withheld from October, 1957, Voucher-----$400.00
Amount withheld from supplemental October, 1957, Voucher----------130.50
Total amount withheld----------$530.50

You will be further advised of the above deduction by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III.

Yours very truly,

Original signed by
W. H. KING
W. H. King
Executive Officer, DMEA
Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
DMEA, DFC
Harshman
Hasler
DMEA, G.Jct.
Townsend
Corres.file,Reg.III
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

DEC 9 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 11 1957

DATE	INITIALS	CODE
12/11	gb	220
12	[illegible]	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are three copies of confirmation of work approval pertaining to the drilling of three holes under Stage II of the contract.

Also enclosed are three copies of the Operator's letter of October 25, 1957 requesting approval for the drilling of the three holes.

A field report containing recommendations relative to the drilling of the three approved holes was forwarded by our memorandum of October 21, 1957 in support of denial by this office of the Operator's request for additional drilling in an area to the west of Stage I holes.

Copies of the confirmation of verbal work approval have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

W H King
W. H. King

Enclosures

DOCKET

EXTRA COPY
DMEA
RECEIVED 1957

DATE		CODE

224 New Customhouse
Denver 2, Colorado

December 5, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-21066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

In reference to Mr. Maher's letter of October 25, 1957 and prior communications, this confirms verbal approval by the DMEA Field Team, Region III, issued October 29, 1957, for you to drill three holes under the provisions of Stage II of the Contract as follows:

1. Hole No. D-54 will be drilled at a location approximately 100 feet due east of Hole No. D-30.

2. Hole No. D-53 will be drilled at a location not closer than 75 feet due south of Hole No. D-54.

3. Hole No. D-55 will be drilled at a location not closer than 75 feet due north of Hole No. D-54.

Nothing in this confirmation of verbal approval for drilling under Stage II shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By W. H. King
W. H. King

By E. N. Marshman
E. N. Marshman

JWT:prl

cc: Chmn. Op. Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Marshman
DMEA/DFC
Hasler
DMEA/Gr. Jct.
Townsend
Corres. File
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
OCT 28 1957
REGION III
DENVER, COLORADO

Dalmid Oil & Uranium, Inc.

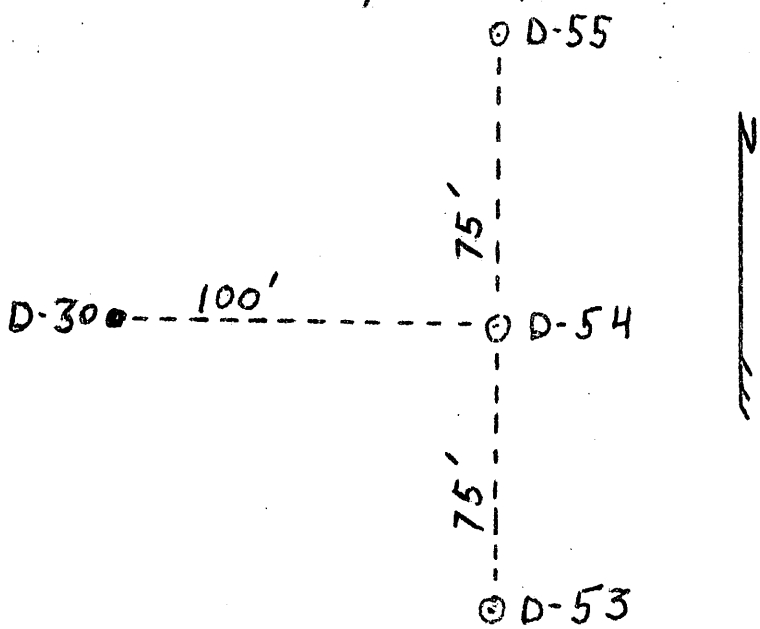
604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

Moab Utah
10/25/57

Re: Docket # DMEA 4409
Contract # I.D.M. - E1066
Dalmid Oil & Uranium Co.

Mr. E. N. Harshman

Dear Sir:- This is a request to offset first stage hole # 30 to the east as per sketch.



I think you have enough information on hand to pass on this request. Respectfully yours

Martin F. Maher
Box 544
Moab Utah

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 11 1957
DATE | INITIALS | CODE

ORIGINAL COPY
DMEA
RECEIVED DEC 9 1957
DATE
12/9 gb 220
12/9 800
" Murphy 700

224 New Customhouse
Denver 2, Colorado

December 5, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Your letter of November 26, 1957, addressed to Mr. E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III, requests information on the general requirements to qualify a man to supervise a DMEA contract.

Under Item 7 of Exhibit "A" of your contract, a competent full-time supervisor is required and funds for this supervisor are included in the incidental cost of 40 cents per foot of hole drilled (Fixed Unit Costs, Stage I, Item 5, and Stage II, Item 5). No other funds are provided for supervision.

It is virtually impossible to establish a check list of qualifications to be used in estimating the competency of a supervisor. In general, we believe that a supervisor should be a competent engineer or geologist familiar with the many problems that arise during exploration. Familiarity with the particular area in which exploration is contemplated is desirable but not mandatory. For obvious reasons, we are prohibited from suggesting employment of any particular engineer or geologist.

You will note that since my return to duty Mr. Harshman is no longer Acting Executive Officer; however, please feel free to discuss with me any problems you may have regarding prosecution of work under your contract.

Very truly yours,

Original signed by
W. H. KING

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

ENH:
JMT:prl
cc: Chmn.Op.Comm.-2) w/copy of
Harshman) Operator's letter
Corres. fil) of November 26.
Townsend)
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
NOV 29 1957
REGION III
DENVER, COLORADO

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

November 26, 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA-4409 (Uranium)
Contract Idm-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, & Canyon Claims)
San Juan County, Utah

Dear Mr. Harshman:

This is just a personal letter to you. In our contract there was an allowance made for a Field Supervisor. What requirements must a man have for us to qualify him to receive an assistance from you, for his services for the balance of our program?

As you know, we have tried to progress under the guidance of one man that we thought knew his business. I believe now that we would make greater headway if we had a geologist or engineer with more experience to have advised with us....although your men have given us great assistance in this matter.

Again, I will say that I am not writing this letter to you as an official of the DMEA, but as a man who I believe is my friend. Would appreciate any suggestions you may have to make.

Sincerely yours,

Chas. E. Collins

Chas. E. Collins

c/a

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 2 1957

DATE	INITIALS	CODE
12/2	C	220
12/3	[illegible]	800
12/4	MHM	~~700~~

224 New Customhouse
Denver 2, Colorado

November 29, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA-4409 (Uranium)
Contract Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Form MF-104, Operator's Monthly Report and Voucher, for the month of October 1957, is being processed for payment.

The reported costs for 50 core boxes are disallowed since this item is included under the item of Incidental Allowance.

An amount of $400.00 is being withheld from payment to you pending the resumption of work as specified by the contract. Should the work not be resumed within the specified time, the amount withheld will be deferred until such time as you have complied with all conditions prerequisite to closing the account.

You will be further advised of the disallowance and amount withheld by means of the Administrative Audit Difference Statement. The disallowance should be taken into account when preparing your next Form MF-104 and Form MF-104A.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

MHM:jy
cc: Chm. Op. Comm. (2)
Harshman
DMEA,DFC
DMEA,G.Jct.
Townsend
Corres. file
Chron.

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
#45	132.5	50BX	7.4-129.6	128.0-128.9	0.9	720			.023	
#46	129.0	50BX	6.3-126.3	124.8-125.6	0.8	2200			.074	
				125.6-126.5	0.9	660			.021	
#47	134.0	50BX	4.0-130.1	119.7-120.7	1.0	420			.010	
				128.0-128.8	0.8	3000			0.11	
				128.8-130.1	1.3	640			.016	
#48	140.0	50BX	4.1-138.4	128.3-129.4	1.1	320			<.010	
				131.8-132.6	0.8	300			<.010	
				134.0-134.8	0.8	400			.011	
				136.4-137.0	0.6	2000			.084	
				137.0-137.7	0.7	1200			.035	
				137.7-138.4	0.7	600			.021	

RECEIVED
DATE

Docket DMEA-4409 (Uranium) Contract Idm-E1066,
Dalmid Oil and Uranium, Inc., (April, Butte, and Canyon claims) San Juan County, Utah

FT MEMO
11-21-57

* From top to bottom depths

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

November 19, 1957

Memorandum

To: Hazel Berry, Operating Committee

From: Irene Z. Mainster
Div. of Rare & Misc. Metals

Subject: Clearance of Amendment No. 3 - Idm-E1066 - DMEA-449

Mr. Murphy has reviewed and approved Amendment No. 3, dated November 7, 1957, to Contract No. Idm-E1066, Docket No. DMEA-449, Dalmid Oil and Uranium, Inc., and has indicated that no further review of the amendment is required by the Legal Division.

Irene Z. Mainster

Irene Z. Mainster

ORIGINAL FILE COPY
DMEA
RECEIVED NOV 18 1957
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11/19 | C | 220
11/19 | [illegible] | 800
11 | ~~[illegible]~~ | ~~700~~

224 New Customhouse
Denver 2, Colorado

November 12, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA-4409 (Uranium)
Contract Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Reference is made to your letter, dated October 12, 1957, whereby you request reconsideration by the Government, of the disallowance of 295 feet of core drilling performed above the top of the Shinarump. This drilling was accepted as non-core drilling, at the non-core drilling rate, and adjustment was made in conjunction with processing of Form MF-104, Operator's Monthly Report and Voucher, for the period from August 1, through August 13, 1957.

The drilling data has been reanalyzed by the Government, on the most liberal basis possible, consistent with the terms of the contract, using only such information as was available to all parties to the contract from the beginning of the project without any reference whatsoever to the core as actually recovered. The results are tabulated below:

Hole No.	Revised Analysis of excess core drilling footage to be paid at non-core rate
3	10
4	20
10	10
15	15
19	5
25	30
26	10
27	10
28	20

Total ---------- 130 feet.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 15 1957

DATE		CODE
11/15	gb	220
11/19	[illegible]	130
11/18	FMN	700

November 12, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah.

Enclosed are the Government's and Audit copies of Amendment No. 3 to Contract No. Idm-E1066, which has been executed to extend the period fixed within which the work shall be completed, provide for a recess of operations from October 11, 1957 to not later than June 1, 1958, and increase the maximum period for royalty payment and lien for payment thereof to eleven years from the date of the Contract.

Also enclosed are three copies of the Operator's letter of November 7, 1957 requesting the time extension and recess of operations.

Copies of the Amendment have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

E. N. Harshman

E. N. Harshman

Enclosures

DMEA
DEPARTMENT OF THE INTERIOR
NOV 8 - 1957
REGION III
DENVER, COLORADO

Re. Docket # D.M.E.A. 4409
Contract # I.D.M. - E 1066
Dalmid Oil & Uranium Co.

Moab Utah
11-7-57

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 15 1957

DATE	INITIALS	CODE
	R.M.	

Mr. E. N. Harshman

Dear Sir; Recieved yours of November 4 this a.m. And I am giving the required information below.

#1 October 10, 1957
#2 June 1, 1958
#3 A period of two(2) months from date operations are resumed.

Re #1 as stated in my request of November 1 for a recess we were unable to operate since Oct. 10 due to adverse weather conditions

Re #2 June 1 was about as early as operations could be economically started in 1957. That is why I chose this date in 1958.

Re. #3 I think two(2) months should suffice to complete the ten (10) now approved plus any offsets approved in the future.

I would have requested a recess sooner but until I recieved a copy of your letter of October 25 to Mr. Collins naming November 7 as date of completion I had assumed amendment #1 still allowed us six(6) months and had moved the completion date from November 14, 1957 to November 30, 1957.

Respectfully yours Martin F. Maher
Box 544 Moab Utah

RECEIVED NOV 12 1957
DATE | INITIALS | CODE
11/12 | C | 220
11/12 | | 800
" | | 700

224 New Customhouse
Denver 2, Colorado

November 8, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Enclosed are the Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Amendment No. 3 to Contract No. Idm-E1066, which has been prepared in reference to Mr. Maher's letters of November 1 and November 7, 1957, to provide for a recess of operations and extension of the period fixed within which the work shall be completed. The Amendment also increases the maximum period for royalty payment and lien for payment thereof to eleven (11) years from the date of the Contract.

If the Amendment is satisfactory, all copies are to be signed by you as indicated, the corporate seal affixed, and all copies promptly returned to this office; upon receipt of which and after signature by the Acting Executive Officer, DMEA Field Team, Region III, for the Government, the Operator's Copy will be returned to you.

Very truly yours,
Original signed by
E. N. HARSHMAN

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

JWT:prl

CC: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Hasler

cc: Mr. Martin F. Maher
P. O. Box 544
Moab, Utah
DMEA/Gr.Jct.
Corres. file
Townsend
Chron.

Reconciliation:

Core footage previously accepted as non-core,
at the non-core drilling rate ----------295 feet
Excess core footage above Shinarump, as determined by subsequent analysis ----------130 feet
Net footage to be adjusted between core and non-core drilling rates ---------- 165 feet

Reimbursement for the Government's percentage of the net adjustment between core and non-core costs for the above 165 feet of drilling has been recommended by this office, and you should receive payment in the near future. If you have any questions regarding the matter, please feel free to contact this office.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

JDC:jy

cc: Chm. Op. Comm. (2)
Hasler
Harshman
DMEA,DFC
DMEA, G.Jct.
Townsend
Corres. file E1066
MF-104 file, Reg. III
Chron.

11/7 gb 220
11 ~~AM~~ 200

224 New Customhouse
Denver 2, Colorado
November 4, 1957

Mr. Martin F. Maher
Dalmid Oil and Uranium Company
P. O. Box 544
Moab, Utah

Re: Docket DMEA-4409 (Uranium
Contract Idm-E1066
Dalmid Oil and Uranium Company
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Maher:

Reference is made to your letter of November 1, 1957, concerning a recess of operations under Contract Idm-E1066.

By letter of October 25, 1957, to Mr. Collins, we informed him that a suspension of operations which will also involve an extension of the date fixed on or before which the work shall be completed, must be provided for by an Amendment to the Contract, executed by the Operator and the Government.

Before consideration can be given to your request for recess of operations, the following specific dates are necessary:

1. The date the last work was performed under the contract.

2. The date on or before which operations will be resumed.

3. The period of time necessary to extend the date presently fixed on or before which work shall be completed, to enable you to complete the work provided for after operations are resumed.

Inasmuch as the contract expires November 7, 1957, your prompt attention should be given the matter of forwarding the required information.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JWT:hmh
cc: Charles E. Collins
Dalmid Oil & Uranium Company
Box 1590, Wichita Falls, Texas

cc: Chairman Op.Comm. (2))
Harshman)w/copy of
Hasler) Operator's
DMEA, DFC) letter of
DMEA, G.Jct.) 11/1/57
Townsend)
Corres.file,Reg.III)
Chron

Moab Utah
11/1/57

Re. Docket No. D.M.E.A. 4409
Contract No. I.D.M.-E 1066
Dalmid Oil & Uranium

OFFICIAL FILE COPY
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RECEIVED NOV 7 1957
DATE | INITIALS | CODE

Mr. E. N. Harshman

Dear Sir, This is a request to recess our drilling program. We have not been able to operate since the storm hit on Oct. 11 A.M. Eleven consecutive days of intermittent rain left the drill area a quagmire. Two light snow falls and the fact that the mud freezes at night kept the area from drying enough to haul water. Another heavy rain yesterday Oct. 31 made us decide to give up our hope of completing our program this fall. So I am requesting a recess until the company feels conditions are favorable to continue. How much notice does the D.M.E.A. require before starting operations after such a recess?

Respectfully Yours
Martin F. Maher
Box 544 Moab Utah

DMEA
DEPARTMENT OF THE INTERIOR
NOV 4 - 1957
REGION III
DENVER, COLORADO

224 New Customhouse
Denver 2, Colorado

October 25, 1957

10/28	gs	220
10/28		800
"		700

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA-4409 (Uranium)
Contract Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Reference is made to our letter of October 17, 1957 and your reply of October 22, 1957 concerning an extension of the period fixed within which work under the contract shall be completed, the expiration date of which is November 7, 1957.

An unauthorized suspension of operations, which will involve an extension of the period fixed within which the work shall be completed, places you in default of the contract. However, to eliminate that condition, it is the practice to authorize a necessary suspension of operations by an amendment, executed by the Operator and the Government.

In order to prepare such an amendment, the following specific dates are necessary:

1. The date the last work was performed under the contract.

2. The date on or before which operations will be resumed.

3. The estimated period of time necessary to enable you to complete the work provided for under the contract subsequent to the date on or before which operations are to be resumed.

If you anticipate that adverse weather conditions will force suspension of the work prior to November 7, 1957, it is suggested that you defer providing the requested dates until the date under item 1 is known.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

JWT:jy

cc: Chm. Op. Comm. (2))
Harshman)
Hasler) w/copy of Oper's. ltr.
DMEA/DFC) of Oct. 22.
DMEA/G.Jct.)
Corresp.)
Townsend
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

October 24, 1957

DMEA
RECEIVED
10/28 C 220

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA-4409 (Uranium) Contract Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims) San Juan County, Utah

Enclosed are two copies of the Operator's letter of October 19, 1957, which is a self-explanatory reply to the letter from this office to Mr. Martin F. Maher, dated October 16, 1957, two copies of which were forwarded to you at the time of writing.

E. N. Harshman

E. N. Harshman

Enclosures

DMEA
DEPARTMENT OF THE INTERIOR
OCT 22 1957
REGION III
DENVER, COLORADO

Moab, Utah
October 19, 1957

Mr. J. H. Harshman
Acting Executive Officer
DMEA Field Team, Region III
22L New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1409 (Uranium)
Contract No. Rm-61066
Delmid Oil & Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Harshman:

Received yours of October 16. I have the instructions referred to in your letter and I did not send all the information I would normally send. I am taking the liberty of sending you an explanation direct instead of through my Company's office.

During the first stage I complied with rules set down in the contract to the best of my ability. During this second stage I have tried to work "through and with" the Grand Junction office. Mr. Alston informed me that if I had worked through and with the Grand Junction office, I could have probably drilled continuously from first to second stage. If I had broke the first stage into sections and consulted him, we might have been able to have sections approved for second stage drilling while other sections were still being drilled first stage. This, I know, was contrary to contract wording, but the possibility that the month and one half delay, in good weather, could have been avoided, decided me to seek whatever cooperation I could get to avoid future delays. I took my logs and core to Grand Junction, knowing if offsets were approved, it would be necessary to go through the routine of a formal request, but hoping for a quick verbal O.K. The formula was simple if offsets were approved, but with offsets disapproved, I was truly in a dilemma. To place a formal request after consulting them, might be considered "going over their heads", and antagonize these men. What would such a request get us? It was made plain when the 1/4 holes approved by Mr. Alston were the only holes approved on our second stage, that he spoke the truth when he said it was his job to approve or disapprove our request for holes.

The next move is my request for offsets for holes #6 and #7. Mr. Archbold, a Grand Junction Geologist, took over our docket. This man visited the job, inspected and logged core, met the rolling members of Shinarump, exposed by dozer work and drift, and seemed sincere in his attempt to help us finish this program. I told him

N.O.

my problem, namely, the few holes left to drill, and the fact that we could not afford to hold the drillers long on stand-by after the 40 hours stand-by allowed for our second stage were used. Therefore, quick approval was essential for any holes that were to be approved. He suggested that I send the formal request, plus one copy direct to Grand Junction office, on receipt of this copy they would contact you and a verbal approval or disapproval would be reached in the shortest possible time. Mr. Archbold took the necessary information on these holes, in the form of his personal log. Government summary logs were made on all holes. It is evident by your letter that they did not contact you with the information, or their decision.

A storm that delayed our drill program 9 days to date, has made it possible for us to await this decision. We have about one week's drilling when mud dries or freezes. All my actions were taken in what I thought were the best interests of my Company, that includes the success of our drill program.

Hoping the flaw in Mr. Archbold's suggestion can be found and remedied, as I feel his method, both simple and according to contract, could help us complete this program before snow halts it.

Respectfully yours

Martin F. Maher

Martin F. Maher

DMEA
DEPARTMENT OF THE INTERIOR
OCT 24 1957
REGION III
DENVER, COLORADO

October 22, 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, & Canyon claims)
San Juan County, Utah

Dear Mr. Harshman:

It is muddy on the Wooden Shoe Flats, therefore, I would like to ask for an indefinite lay-off on suspension of time, with the idea that we are requesting a new starting date when we feel the conditions are favorable, after we have drilled as many of the holes as we can under the present conditions.

Year before last, it took us two days to get off the claims and down into Blanding, as we waited until the heavy Fall storms had set in. Having had that experience, I feel that this request is in order.

Thank you very much.

Very sincerely yours,

Chas E. Collins

c/a

Chas. E. Collins

COPY

w.o.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY DMEA RECEIVED OCT 24 1957		
DATE	INITIALS	CODE
10/24	C	220
		700

October 21, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are three copies of denial by this office of the Operator's request for three holes to offset drill holes D-46 and D-47.

Also enclosed are three copies of the Operator's request of 10/12/57 for the Government's approval of the three offset holes and three copies of a joint memorandum, dated October 17, 1957, from N. L. Archbold and H. F. Robertson pertaining to the Operator's request.

Copies of the denial of the Operator's request for work approval have been distributed to the Operator and to others concerned.

E. N. Harshman

E. N. Harshman

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 24 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

October 21, 1957

Mr. Martin F. Maher
Dalmid Oil and Uranium, Inc.
P. O. Box 544
Moab, Utah

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Maher:

Reference is made to your letter of 10/12/57, requesting the Government's approval for three drill holes to offset holes D-46 and D-47, which were drilled under provisions of Stage II of the Contract, as approved by a letter from this office, dated September 17, 1957.

A review of the data from the underground workings of the Canyon No. 1 mine and from drill holes drilled to date under the Contract indicate the presence of a mineralized lens of Shinarump sandstone filling a northerly trending scour in the top of the Moenkopi formation. The trend of the scour in the mine and the thickness of the Shinarump sandstone in the drill holes indicate that the scour is located to the east of drill holes D-30, D-46, and D-47. Therefore, it is the opinion of this office that the three holes proposed by you for drilling to the west of holes D-46 and D-47 cannot be expected to penetrate a favorable thickness of the Shinarump sandstone. Under the circumstances, your request for the Government's approval for the three offset holes is denied.

The Government would be glad to give consideration to a proposal for additional drilling to the east of hole D-30, if you would care to submit such a proposal. It is realized that drilling in that locality would necessitate the moving of a drill rig down over a rim formed by a 50-foot sandstone member. However,

that locality appears to be the only one adjacent to hole D-30 which has the possibility of providing more favorable results.

Very truly yours,

DMEA Field Team, Region III

By E. M. Harshman
E. M. Harshman

By J. W. Townsend
J. W. Townsend

cc: Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

JWT:prl

cc: Chmn. Op. Comm. (3)
Harshman
DMEA/DFC
Hasler
DMEA/Gr.Jct.
Townsend
Corres. file
Chron.

OFFICIAL FILE COPY
INFORMAL REFER TO:
RECEIVED OCT 24 1957

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colo.

October 17, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. William Nasler
E. N. Harshman

From: N. L. Archbold
H. F. Robertson

Subject: DMEA docket No. 4409 (Uranium), contract No. Idm-E 1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah. Operator's request for additional stage II holes.

In a letter dated October 12, 1957 the operator requested Government approval for three additional stage II drill holes to be located as offsets of mineralized holes D-46 and D-47.

The operator proposes three holes to be drilled west of holes D-46 and D-47. Geology of the general area is shown on the attached map. Data from the underground workings of the Canyon No. 1 mine and from drill holes indicate the presence of a mineralized lens of Shinarump sandstone filling a northerly trending scour in the top of the Moenkopi formation. The trend of the scour in the mine and the thickness of the Shinarump sandstone in the drill holes indicate that the scour is located to the east of holes D-46 and D-47. The three holes proposed by the operator cannot be expected to penetrate a favorable thickness of Shinarump sandstone.

Ore deposits occur along the bottom of the Shinarump where it fills scours cut into the top of the Moenkopi formation; therefore, it is logical to place offset holes to the east of holes D-46 and D-47. The operator is reluctant to place any holes east of holes D-46 and D-47 because this would necessitate moving drill rigs down over the rim formed by the "50 foot" sandstone. The examining team believes drill sites could be built east of the rim without excessive bulldozer work; however, the amount of remaining bulldozing time should be checked, as that information is not presently available in this office.

The operator may or may not wish to submit a request for offset holes to be located east of holes D-46 and D-47. In any event, the examining team recommends that the Government deny approval of any offset holes located to the west of holes D-46 and D-47.

N. L. Archbold

N. L. Archbold,
Geologist, USGS

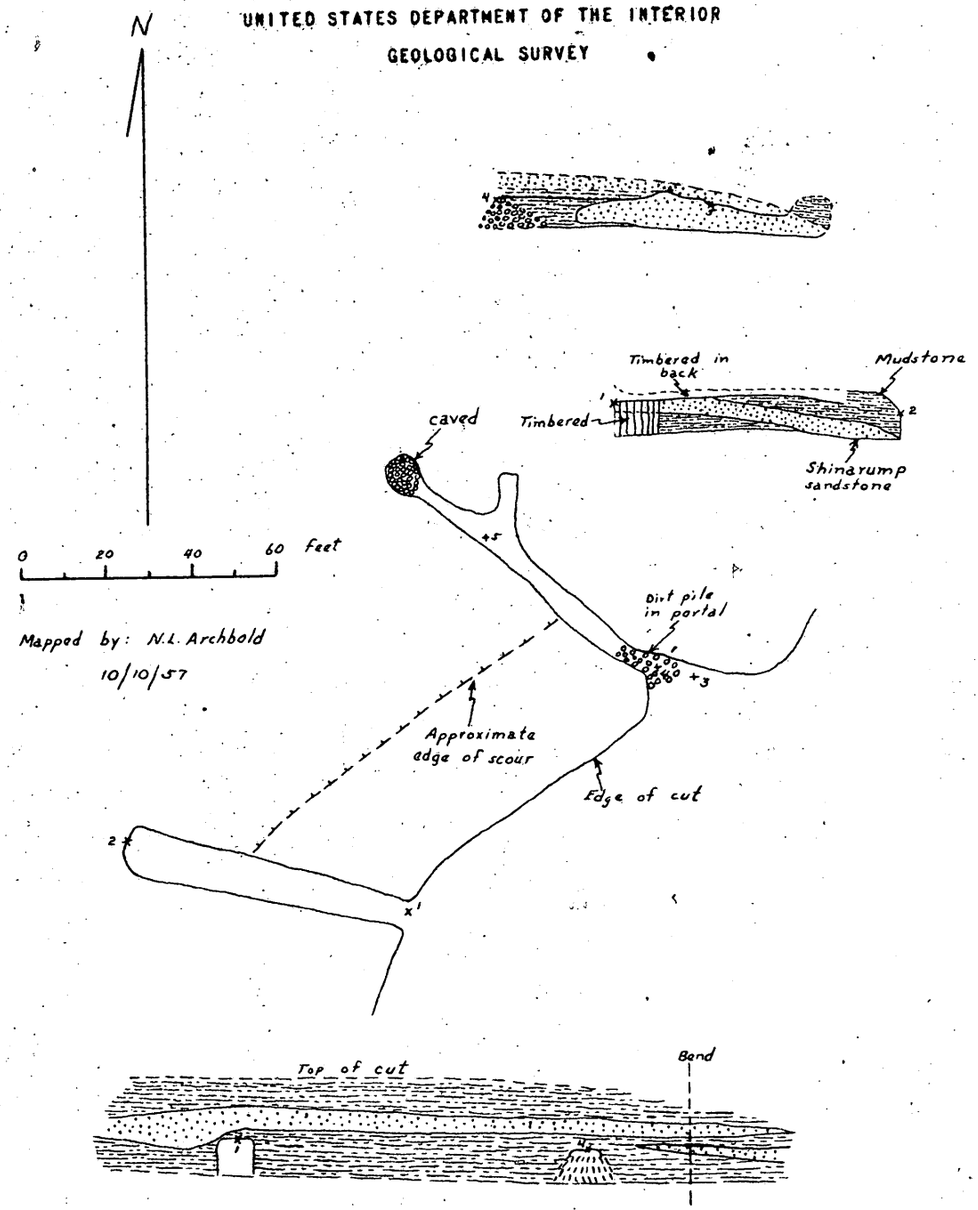
H. F. Robertson

H. F. Robertson,
Mining Engineer, USBM

NLA/mlr
Enclosure

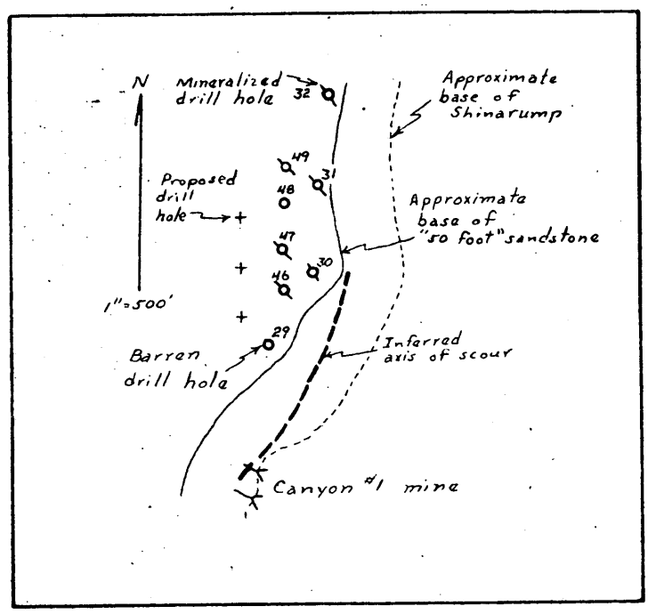
UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY



DEFENSE MINERALS EXPLORATION ADMINISTRATION

OCTOBER 1957 DOCKET 4409



Sketch map showing relation of proposed holes to geology (position of contacts and drill holes taken from operator's maps)

Drill Hole	Thickness of Shinarump
29	2.0
30	19.6
31	12.2
32	8.1
46	0.8
47	6.5
48	6.9
49	2.5

GEOLOGIC MAP OF THE CANYON NO. 1 MINE.

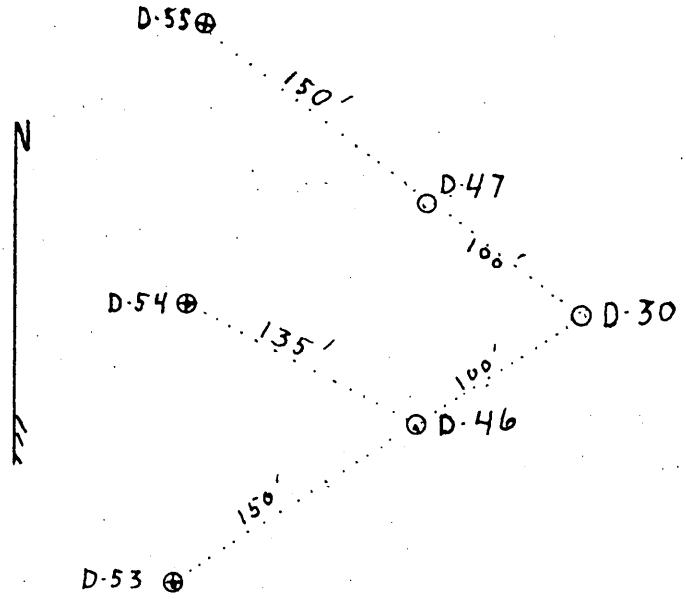
Moab Utah
10/12/57

Re Docket # DMEA 4409
Contract I.DM.-E 1066
Dalmid Oil & Uranium Co.

Mr E A Harshman

Dear Sir.

This is a request to offset second stage holes #46 and 47. Which are offsets of first stage hole #30. as per sketch.



The core from holes #46 and 47 has been logged by D.M.E.A. geologist.

Request for offsets of holes 48 to 52 inc. have been disapproved.

Respectfully Yours

Martin F. Maher

Box 544

Moab Utah.

DMEA
DEPARTMENT OF THE INTERIOR
OCT 14 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

October 17, 1957

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DMEA
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		800
		~~700~~

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA-4409 (Uranium) Contract Idm-E1066, Dalmid Oil and Uranium Corporation (April, Butte, and Canyon claims) San Juan County, Utah

Enclosed are two copies of a memorandum, dated October 15, 1957, from Carl Belser, Mining Engineer, Bureau of Mines, concerning progress under the subject contract during September, 1957.

No work was performed during the period which is subject to Government participation under the terms of the contract. Therefore, voucher and accounting Forms MF-104 and MF-104A will not be submitted by the Operator.

E. N. Harshman

E. N. Harshman

Enclosures

REGION III

Building 20
Denver Federal Center
Denver 2, Colo.
Oct. 15, 1957

Memorandum

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

From: Carl Belser

Subject: Docket DMEA 4409 (Uranium) Contract No. Idm-E1066, Dalmid Oil and Uranium Corporation (April, Butte, and Canyon claims) San Juan County, Utah -- Progress report for September 1957

No drilling was done in September. Five holes had been drilled by October 8, 1957, the time of the inspection, and three more drill sites were prepared. Martin F. Maher had taken the five cores to Grand Junction for inspection and was not at the property.

No claims are made by the operator for payment during September 1957.

Carl Belser
Carl Belser
Mining Engineer

CB/mm
cc: 6
Idm-E1066
chron

Official

DMEA
DEPARTMENT OF THE INTERIOR
OCT 16 1957
REGION III
DENVER, COLORADO

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224 New Customhouse
Denver 2, Colorado
October 17, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA-4402 (Uranium)
Contract Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

The period fixed for completion of the work provided for under Contract Idm-E1066, will expire November 7, 1957. If, for reasons beyond your control, it will not be possible to complete the work by November 7, 1957, you should submit to this office for consideration by the Government, the original and five copies of a request for extension of the completion period for such specific additional time as you anticipate will be required.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Hasler
DMEA, DFC
DMEA, G. Jct.
Townsend
Corres. file, Reg. III
Chron

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RECEIVED OCT 21 1957

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10/22	F-MM	700

224 New Customhouse
Denver 2, Colorado

October 16, 1957

Mr. Martin F. Maher
Dalmid Oil & Uranium, Inc.
P. O. Box 544
Moab, Utah

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Maher:

Reference is made to your letter of 10/12/57, requesting the Government's approval for three holes to offset holes D-46 and D-47.

You failed to provide this office with the results obtained from drilling holes D-46 and D-47. Therefore, decision by the Government on your request will necessarily be delayed until applicable information can be obtained from our Grand Junction Office.

In your letter of 10/12/57, you state, "Requests for offsets of holes 48 to 52, inclusive, have been disapproved." We have received no written request in this office for offsetting holes 48 to 52, and conclude that the "request" you refer to was actually an informal discussion with members of our Grand Junction staff.

In reference to the matter of requesting the Government's approval for work under a contract, you are referred to instructions in the second paragraph on page 3 of the letter from this office to Mr. Collins, dated March 18, 1957, of which we assume you were surely provided a copy. Approval or denial of such requests can be made only by the DMEA Field Team or the Washington staff.

Upon receipt of an operator's request in writing, and to expedite project work, this office has occasionally authorized DMEA

field representatives to forward verbal authorization for certain requested work, which is subject to later confirmation in writing from this office. However, official denials are never handled verbally. Neither does this office take final official action on any matter involving additional work prior to receipt of a request for the work in writing from the Operator.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

cc: Mr. Charles E. Collins, President
Dalmid Oil & Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

JWT:prl

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
DMEA/Gr.Jct.
Hasler
Townsend
Corres. file
Chron.

EXTRA COPY
DMEA
RECEIVED OCT 21 1957

DATE	INITIALS	CODE
10/21	FMM	

224 New Customhouse
Denver 2, Colorado
October 16, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Gamma-ray log interpretations

Enclosed are four copies each of gamma-ray log interpretations for the following DMEA contracts:

Docket DMEA-4363 (Uranium) Contract Idm-R1065,
Lisbon Uranium Corporation (John Brown claim group)
Mesa County, Colorado

Docket DMEA-4409 (Uranium) Contract Idm-R1066,
Dalmid Oil and Uranium, Inc. (April, Butte, and
Gateway claims) San Juan County, Utah

Dalmid Oil & Uranium
Wooden Shoe Canyon, Utah
DMEA Docket No. 4409

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
#49	145.0 →	50BX	4.7	142.7	130.7	131.5	0.8	310			<.010	
					136.4	137.4	1.0	1100			.025	
					138.2	139.1	0.9	1200			.030	
#50	144.0 →	50BX	4.7	141.0	128.3	129.3	1.0	360			<.010	
					136.5	137.7	1.2	520			.013	
					137.7	138.6	0.9	400			.010	
					139.2	139.9	0.7	280			<.010	
#51	155.0 →	50BX	50.3	152.0	Barren							
#52	162.0 →	50BX	29.7	159.4	142.5	143.6	1.1	450			.011	
					149.4	150.3	0.9	220			<.010	

* From top to bottom depths

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DMEA
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700

224 New Customhouse
Denver 2, Colorado
October 2, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA-4409 (Uranium)
Contract Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Reference is made to your letter of September 29, 1957, to the Fiscal Officer, Region III, regarding payment on Form MF-104, Operator's Monthly Report and Voucher, for the period from August 1, to August 13, 1957. As this office is familiar with the project operations the letter has been referred to this office for reply.

The Voucher was processed by the Finance Office, Region III, on September 27, 1957, at which time an Administrative Audit Difference Statement was forwarded to you. You should receive a check for the Government's percentage of the approved costs within the next few days.

Our letter to you, dated September 26, 1957, outlines the reason for the deductions which were made from the above Voucher and includes a tabulation of the excess core footage on a hole by hole basis. As your office is far removed from the field operations a more detailed explanation of the disallowance is given below.

The contract stipulates that the holes shall be drilled non-core to about the upper contact of the Shinarump and then core drilled through the Shinarump into not less than one foot and not more than 10 feet of the unaltered red Moenkopi formation. Careful examination of the core from all drilling to date under the contract shows that a total of 295 feet of excessive core drilling was performed above the upper contact of the Shinarump where non-core drilling is required by the contract. Sufficient core footage was allowed above the Shinarump

in each hole to assure coring of the entire thickness of Shinarump, and additional allowance was made for any variations in elevation at the top of the Shinarump. We can see no reason for the excessive coring as good stratigraphic control is present in the drilling area.

The excess core drilling was accepted by the Government as non-core drilling at the non-core drilling rate and payment was made to Dalmid Oil and Uranium, Inc., on that basis. If you have any further questions regarding the deductions please feel free to contact this office.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Hasler
DMEA, DFC
DMEA, G.Jct.
Townsend
R. R. Cooper
Corres. file, Reg.III
Chron

w/copy of Operator's letter of 9/29/57

Dalmid Oil & Uranium, Inc.

601 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

9-29-57

ADMINISTRATIVE OFFICE
REGION III
SEP 30 1957
BUREAU OF MINES
DENVER, COLORADO

Mr R R Cooper
Fiscal Officier, Region III
DMEA

Dear Sir:

I have your criticism of 9/27 about our having to many core feet drilled. I hope we have not done an in-curable thing. The deal we started on was for 75% of a $25,000 drilling program. So far, the continued holding back makes it hard to get enough done this year (if we don't hurry) to have made this a profitable connection for the DMEA or our company. Tell us what is wrong, let's make corrections, pay our bills and go ahead.

So far, we have not had your part of the last small bill we turned in. Please pay us whatever you think is right. All we want is what is right, and according to our agreement.

If you will go ahead and help us, we can start outlining a good body of ore, or at least exploring to see if it is there. We hired a goverment man---he has visitors from time to time---All we want is a business deal---we are not asking for favors, or friendly gestures, from anyone. Texas-Zinc keeps drilling on the lower end of DEER FLATS and proving that this is an excellent area---every hole they drill seems to have a show of ore.....They are working toward Wooden Shoe Flats, as hard as they can. Just because someone wrote an article once saying the Deer Flat Area was no good, does not prove that it is no good. Help us and we will get the DMEA their money back, because I believe there is a good body of ore in and around the area we are exploring.

It is not my intention to hurt anybody's feelings, but merely to go ahead on a business like basis.

Chas E Collins

HOW DID THE DIFFERENCE YOU MENTION IN YOUR REPORT COME ABOUT?
PLEASE LET ME HEAR FROM YOU... CEC

NATIONAL FILE COPY
DMEA
RECEIVED 1957
DATE
9-30 220
9/30 800
700

224 New Custom[illegible]
Denver 2, Colora[illegible]
September 26, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA-4409 (Uranium)
Contract I4m-R1066
Dalmid Oil and Uranium, Inc.
(April, Butte and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Form MF-104, Operator's Monthly Report and Voucher, for the period, August 1-13, 1957, has been received in this office and is being processed for payment.

A recent examination of all drill core obtained to date shows that a total of 295 feet of core drilling has been performed above the upper contact of the Shinarump member of the Chinle formation. The excess core drilling, which is acceptable to the Government as non-core drilling, is tabulated below:

Hole No.	Excess core drilling	Hole No.	Excess core drilling
D-1	0	D-21	0
D-2	15	D-22	0
D-3	20	D-23	10
D-4	25	D-24	0
D6	10	D-25	0
D-7	10	D-26	15
D-8	0	D-27	20
D-9	15	D-28	20
D-10	15	D-29	0
D-11	5	D-30	5
D-12	0	D-31	15
D-13	0	D-32	10
D-14	0	D-33	15
D-15	20	D-34	10
D-16	5	D-35	5
D-17	0	D-36	5
D-18	5	D37A	10
D-19	10	D-38	0
D-20	0	Total	295

The difference bet[illegible] drilling rate for the above excess core drilli[illegible] be further informed of the details of th[illegible] an Administrative Audit Difference Statement which will be forw[illegible] by the Finance Office, Region III. Please make the necessary [illegible] footage and costs on the next reports submitted on Forms [illegible]104A.

Yours very truly,

Original signed by
J. W. TOWNSEND

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

cc: Mr. Martin Maher
P. O. Box 544
Moab, Utah

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA, DFC
DMEA, G.Jct.
Hasler
Townsend
Corres.file, Reg.III
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

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DMEA
RECEIVED SEP 19 1957

DATE	INITIALS	CODE
9-19	C	220
11		100

September 17, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are three copies of approval from this office for the drilling of fourteen holes under Stage II of the Contract and revised approval superseding our letter of August 27, 1957 for the drilling of Stage I hole No. 5.

Also enclosed are three copies of a memorandum, dated September 13, 1957, from D. P. Elston, Geologist, Geological Survey, and three copies of the Operator's narrative for August 1 to August 13, 1957, pertaining to holes completed under Stage I. Copies of the Operator's request for approval of the work were forwarded with copy of our memorandum to the field examiners, dated August 27, 1957.

Copies of the work approval have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

for E. N. Harshman

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 19 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

September 17, 1957

Mr. Martin F. Maher, Field Superintendent
Dalmid Oil and Uranium, Inc.
P. O. Box 544
Moab, Utah

Re: Docket No. DMEA 4489 (Uranium)
Contract No. Idm-21066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Maher:

In reference to your request of August 17, 1957 for the Government's approval for drilling under Stage II of the Contract, and consistent with provisions in the Contract pertaining thereto, the Government approves the following fourteen (14) holes for drilling under Stage II of the Contract:

Reference Numbers Approved Stage II Drill Holes	Estimated Depth
39	105
40	135
41	135
42	140
43	150
44	130
45	110
46	140
47	140
48	140
49	140
50	160
51	180
52	160

Instead of drilling Stage I hole No. 5 at the revised location approved by letter of August 27, 1957, the hole will be drilled at a location 200 feet west and 50 feet south from the location indicated on the map, "Figure 2," attached to the Contract.

The foregoing approved Stage II hole locations and the approved revised location of Stage I hole No. 5 are shown by the symbol "X" on the map, dated September 1957, entitled "Map of April, Butte and Canyon Claims Showing Generalized Geology, Existing Drill Holes and Classification, and Recommended Stage II Drill Holes, Dalmid Uranium Corp., Elk Ridge Area, San Juan County, Utah," which is attached hereto and made a part of this work approval.

Reference is made to your request of August 27, 1957 for the Government's approval to allocate 15 hours of Stage II bulldozer time to rim stripping of an area adjacent to hole No. 12. It is the Government's opinion that the chance of finding even a small body of economically minable ore minerals by the rim stripping proposed is extremely remote. Therefore, your request is denied.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By for J. W. Townsend
E. H. Harshman
Acting Executive Officer

Enclosure

cc: Mr. Charles H. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1990
Wichita Falls, Texas

cc: Finance Office, Reg. III
Amendment file, Reg. III
Chem. Op. Comm. (3) ✓
Harshman
DMEA/DPC
DMEA/Gr.Jct.
Kesler
Corres. file
Townsend
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
SEP 16 1957
REGION III
DENVER, COLORADO

P.O. Box 360
Grand Junction, Colorado

SEP 16 1957

GEOLOGICAL SURVEY
DENVER, COLORADO

September 13, 1957

RECEIVED
SEP 19 1957
D.M.E.A.

Memorandum

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

Through: E. N. Harshman
J. William Hasler

From: D. P. Elston

Subject: Docket No. DMEA 4409, (Uranium), Contract No. Idm-E 1066, Dalmid Oil and Uranium Corporation (April, Butte, and Canyon claims), San Juan County, Utah.

The operator has drilled 37 of the 38 stage I drill holes approved under the subject contract. The cores of all but one of these holes were inspected and logged geologically on September 6, 1957. The inspection was necessitated by the need for geological data not evident from the data submitted by the operator. The results of the inspection of the cores indicate that the operator's evaluation of the groundwas too liberal on the side of general favorableness. Of the 37 holes drilled, only three are classed as favorable and 34 are classed as unfavorable and semifavorable for the occurrence of ore by the examining geologist (See accompanying map and Table 1). Of the scours delimited by stage I drilling only one is pronounced and is filled with sandstone; at least four others apparently are minor scours or undulations, three of which are filled with mudstone, and all of which are of questionable significance. For the purpose of this memorandum the four drilling areas of the subject property are referred to as the southern area, the south-central area, the central area, and the northern area. These will be discussed in order.

Southern area: Drill holes nos. 1 through 4 were drilled on the Butte nos. 3 and 4 claims. These drill holes penetrated from about 1 to 8 feet of sandstone, of a general favorable color and texture, at the base of the Shinarump member but, because of the thinness of the potential host rock, these holes are classed as semifavorable and unfavorable for ore. Drill hole no. 2 penetrated eight feet of sandstone that contained 1.5 feet of sub-ore grade material at the base. There is no apparent scour at the base of the Shinarump member between holes 1, 2, and 3 and the sandstone in these holes, except for the basal one foot in hole no. 2, has been subjected to oxidation and is limonite stained. These holes are about 104 feet north of the southern property boundary and the only logical direction for exploration is to the south beneath deeper cover. Because of the oxidized condition of the sandstone and the lack of an apparent structure at the base

of the Shinarump, offsets to the east and west of hole no. 2, which would be slightly more than 100 feet from the outer property boundary, do not appear warranted and drilling closer to the property boundary to the south is not in line with DMEA policy.

To the west, the elevation of the base of the Shinarump member in hole no. 4, in relation to hole no. 3, suggests that perhaps as much as 10 feet of scour is present. However, only 1.5 feet of sandstone at the base of the Shinarump was penetrated in hole no. 4 and it appears that the scour is filled at this place with mudstone rather than sandstone. Proposed drill hole no. 39, 150 feet west of drill hole no. 4, is designed to test the westward extent of the scour and determine if a sand facies exists in the scour. The westward direction of exploration is the only direction that can be done here under the DMEA program.

Attention is called to the locations of hole nos. 1-4, which are not in the positions called for in the request of Mr. Martin F. Maher, supervisor for the operator, on June 22, 1957, and approved by the Field Team on June 27, 1957. Rather, the operator's progress report map for August 1957 shows the entire line of holes shifted westward 250 feet from the approved revised locations. These locations are believed correct rather than the positions shown on the map which accompanied the operator's request for stage II drilling on which the holes are shown at the approved locations. The shifting of the line of holes to the west has not materially affected the exploration program and no action on the part of DMEA is recommended.

South-central area: Hole no. 5 of stage I has not been drilled. Its revised location is near a prominent drainage as shown on the accompanying map. Because drainages in the area largely appear to have been cut at places where the Shinarump member consists predominantly of mudstone, and because of the general thinness and absence of sandstone in holes 3, 4, and 6, it is unlikely that this proposed hole will penetrate a significant section of the Shinarump member. However, because of the wide-spacing it is recommended that this hole be drilled in its revised location to complete the primary control. This position differs from the revised location approved August 26, 1957, which now is not geologically sound because of the westward shift of holes 1-4.

Thirteen holes, nos. 6 through 18, were completed in stage I of the contract on the April 4-6, and Butte 5 claims. Two holes in this part of the area are classed as favorable for ore (hole nos. 8 and 11). The elevations at the base of the Shinarump member in these holes suggest that a slight scour, 3 to 5 feet in depth, is present in the vicinity of hole D-8, and a more pronounced scour, with a possible depth of 10 to 15 feet, is present in the vicinity of hole no. 11. Hole 8 penetrated 14 feet of sandstone of favorable color and texture which although anomalously radioactive, is not classed as mineralized. Hole 11 penetrated 28 feet of sandstone classed as favorable for ore, but no anomalous radioactivity was detected

in this hole. The accessory sulfide minerals in the sandstone in these holes have been subjected to extensive oxidation and the sandstone contains sparse to abundant amounts of limonite staining. No mudstones are present in the sandstone that might act as traps to prevent leaching of uranium minerals near the outcrop. The remaining holes penetrated from about one-half to 17 feet of sandstone; the thicker sandstones in these holes are mostly red in color and are classed as generally unfavorable for ore. The thinner sandstones are in part unfavorably colored and in part too thin to be classed as favorable for ore.

The five recommended stage II drill holes, offsetting holes nos. 8 and 11 are justified because of the favorable color, texture, and thickness of the sandstone and because of the apparent scours at the base of the Shinarump member. The lack of uranium minerals in the sandstone penetrated in these two holes is not necessarily unfavorable. The strata dip about 3-1/2 degrees to the southwest. Flushing of uranium minerals from the sandstone near the outcrop downdip beneath deeper cover could reasonably have taken place with no evidence remaining as to the former presence of the ore minerals. Because of the extensive cover and the possible existence of a broad shallow syncline to the southwest, the leaching perhaps extends no more than 200-300 feet behind the outcrop. In order to test for the extensions of favorable structures in possibly unoxidized ground, the initial stage II offset holes are spaced 150 feet west and southwest of holes 8 and 11. The results of this drilling may warrant additional stage II work.

Central area: Seven drill holes, nos. 19 through 25, drilled on stage I of the contract on the April nos. 5 and 8 claims penetrated unfavorable sandstone or no sandstone in the Shinarump member and are classed as unfavorable for ore.

Northern area: Thirteen drill holes, nos. 26 through 38, were drilled on stage I of the contract on the April 13 and Canyon 1-4 claims. Only one of these holes, in which the lower sandstone lens is about 12 feet thick, is classed as favorable for ore (hole no. 30). The remaining holes are classed as unfavorable and semifavorable for ore although many of these holes are weakly mineralized. The sandstone strata in the Shinarump member here are discontinuous and are interbedded with red and green mottled mudstones; locally sandstone is as much as 15 feet above the base of the Shinarump member and the contact of the underlying Moenkopi formation and the Shinarump member is a mudstone-on-mudstone contact. Shallow scours, possibly not parts of channel systems, are inferred in the vicinity of holes 31 and 33 and are estimated to be about 3 feet and 10 feet in depth, respectively. Because of the possibility that an ore-bearing lens or layer of sandstone may be present at the base of these scours a limited amount of drilling in the vicinity of holes 31 and 32 is recommended. Ore deposits present in this part of the ground, because of the lensing condition of the sandstones, are likely to be small and, at most, probably will not contain more than

300 to 500 tons of ore. Because of the expected small size of these deposits the recommended offsets are on a 100-foot spacing. These holes are located west of the stage I holes in order to test the more deeply buried Shinarump that possibly is unoxidized and to determine if the scours are a part of a broad channel system.

One additional hole, offset 100 feet northwest of hole 28, is also proposed. This hole will test the southwestward extension of an apparent mudstone-filled scour found in the limited underground workings to the northeast. The evaluation of hole 28 suggests that a sandstone facies may be present at the base of the Shinarump member here. No holes can be drilled to the north of this hole as the operator has tested the ground west of the prospect with three drill holes.

No drilling is proposed for the northernmost part of the claims as the sandstone lenses penetrated in holes 34 through 38 are a few inches to 3 or 4 feet thick and mudstones in the lower part of the Shinarump member are predominant. Although a gentle five-foot scour is evident in an east to west cross-section drawn through holes 34-38, there is no suitable host rock for a significant ore deposit.

Hole depths: The operator submitted no estimates as to depths of the holes which he originally proposed for stage II and the estimated depths shown in Table 2 are those of the examining geologist derived from a topographic map. The footages provided in stage II of the contract are not exceeded by the recommended stage II drill holes.

Inadequacy of operator's technical data: The geological data submitted by the operator's supervisor, as well as the evaluations of some of the drill holes and of the ground in general, are, in part, incorrect. From personal inspection of the core from all but one of the holes drilled under stage I of the contract, the operator's geologic logs were found to be lithologically incorrect with the most common error being a distinction between sandstone and mudstone made on the basis of cementation rather than grain size. Grain size is overestimated on all of the lithologic logs and sandy mudstone and siltstone is frequently referred to as medium-grained sandstone, although in a few places sandstone has been logged as mudstone. The classification of the favorableness of individual holes is overestimated with the only unfavorable holes listed by the operator as those holes which penetrated essentially no sandstone whatsoever in the Shinarump member. In addition, the lack of a reasonable concept of exploration was demonstrated by the stage II drilling proposal made by the operator's representative in which he felt it necessary to utilize the entire 40 holes permitted in stage II of the contract for drilling shallow holes in oxidized sandstone between generally unfavorable and semifavorable holes, and drilling scattered widely-spaced deeper holes as much as five-hundred feet west of the primary holes with no regard for channel-like structures shown by stage I drilling. He still wishes to be allowed to drill the maximum number

of stage II holes and does not particularly approve of the initial limited amount of stage II drilling herein proposed because of the "expense", the expense and trouble attendant, evidently, of evaluation of the data and the justification of additional work. The operator's representative has had no formal training in geology or engineering and has had no experience in mining.

Excessive coring: The examining geologist is of the opinion that excessive coring at the top of the cored intervals was done in many of the stage I drill holes (See Table 3). In conversation with the applicant's supervisor, the impression was given that since the contract stated that the average hole would require 40 feet of coring, the operator was entitled to utilize the full average amount; in some cases more than 40 feet was utilized. However, the contract also states that the object of the drilling is to explore for possible scour-channel deposits of uranium ore in the Shinarump member, and these deposits typically occur at the base of the member. For exploration purposes, the DMEA is not particularly concerned with the mudstone-on-mudstone or mudstone-discontinuous sandstone contact of the base of the Monitor Butte member and underlying Shinarump member but rather is interested in testing by core the lower part of the Shinarump member.

In assembling Table 3, plug bit depths were recomputed on the basis of available outcrop data and in sequential order of drilling of the holes, but utilizing only a minimal correction for dip. The footages considered to be in excess at the top of the cored intervals thus are minimum footages. From inspection of the data, it appears that the operator's supervisor is capable of projecting and estimating the elevation of the base of the Shinarump member from a known point to a hole that is to be drilled as evidenced by many of the stage I holes where almost exactly 40 feet of coring was done. This is suggestive that many of the contacts were fairly closely estimated and that the beginning of the cored interval was determined by adding 40 feet to these estimates.

It is recommended that in stage II drilling, a maximum coring interval of 30 feet be stipulated for offset holes in the vicinity of stage I holes nos. 8 and 11, and that maximum coring intervals on the other offset holes be limited to 25 feet.

Operator's proposed rim stripping: The operator has requested that 15 hours of bulldozer time be allowed for rim stripping in the Monitor Butte member in the vicinity of hole no. 12. The ore minerals penetrated by hole no. 12 are in a well cemented siltstone, 43 feet above the base of the Shinarump member. The chance of finding even a small economic body of ore minerals in this stratigraphic position and in such a host rock is quite poor. No bulldozing time is recommended.

DMEA 4409 9/13/57

The results of the stage II drill holes that are approved should be evaluated by the DMEA prior to any additional work.

Enclosed are 24 copies of a map showing the stage I drill holes and recommended stage II drill holes.

D P Elston

D. P. Elston,
Geologist

DPE/mlr

Enclosures
Maps (24)
Tables 1, 2, and 3 (10)

Table 1. Pertinent Stage I drill hole data
(collar elevations and chemical assay data from operator's geologic logs)

Hole No. D-	Collar elevation	Shinarump member base (depth)	Shinarump member Thickness of sandstone (feet)	Mineralized intervals Chemical assay base	Chemical assay thick.	Chemical assay U_3O_8	Geological Survey radiometric hole probe or operator's radiometric evaluation(0) base	Geological Survey thick.	Geological Survey eU_3O_8	Classification F-favorable SF-semi " U-un "	Remarks
1	7903.7	87.6	6.5				Barren (weakly mineralized-0)			SF	2' ms split in ss
2	7912.3	97.4	8	97.4	1.5	0.082	97.3	1.0	0.12	SF	Good ms sm in ss,5' above base
							97.9	0.6	0.12		
3	7910.4	99.6	3	99.6	0.9	0.047	99.8	1.2	0.030	U	Mineralized in poorly sorted basal mudstone-ss sequence
4	7914.7	112.1	1.8	112.1	1.3	0.059	111.5	0.8	0.034	U	
5	Not drilled										
6	7872.8	81.8	0.5				Barren			U	0.5' silty VF,F ss at 80'
7	7892.0	80.8	1.2				42.1	1.0	0.023	U	Mineralized in Monitor Butte member
8	7913.5	91.6	14				Barren			F	Good color and texture
9	7924.8	87.3	22				Barren			SF	2' fav.tex.ss 8' above base; remainder poor tex.,upper 7' poor color
10	7912.7	63	17				Barren			SF	R ms sm at 53.7&55.8;0.025' buff ms at base
11	7947.9	101.9	28				Barren			F	Good color and texture
12	7948.1	84.8	3				41.9	1.0	0.17	U	Mineralized siltstone in Monitor Butte member
13	7928.1	60.0	14				Barren			U	Unfav. color thru-out
14	7938.9	62.9	4.2				Barren (0)			U	
15	7947.7	79.6	7.2				Barren			SF	
16	7939.7	79.6	15.2				Barren			U	1.5' fav.colored ss near top; remainder unfav.color and R ms sms.

Table 1 (con't.)

Hole No. D-	Collar elevation	Shinarump member base (depth)	Shinarump member Thickness of sandstone (feet)	Mineralized intervals Chemical assay base	Chemical assay thick.	Chemical assay U_3O_8	Geological Survey radiometric hole probe or operator's radiometric evaluation(0) base	Geological Survey thick.	Geological Survey eU_3O_8	Classification F - SF - U	Remarks
17	7955.8	95.9	24.9				Barren			SF	Basal 9' fav.color; remainder unfav.color
18	7938.2	88.6	17 (ss/ms)				Barren			U	Basal 10' R ms with two 0.3' ss ribs; overlying 7'ss partly red
19	7955.8	89.5	11.5				Barren			U	Poor color and texture
20	7951.7	57.9	4.5				Barren			U	Basal 2' good color and tex.
21	7960.6	52.9	0.1				Barren			U	Basal 0.1',ms with m-c sand grains
22	7979.8	68.4(?)	0				Barren			U	
23	8020.4	96.3	0				Barren			U	
24	8063.5	122.3(?)	0				Barren (0)			U	
25	8071.5	116.7	0				Barren			U	
26	8104.6	107.9	1.5 (15' above base)				Barren			U	Poor texture
27	8137.4	153.1	10 (13' above base)	153.1	0.9	0.086	153.2	0.8	0.050	U	Min. in ms at lower contact; no ss in basal 13' of Res, overlain by 10' ss of good texture and color
28	8105.8	103.5	11	103.8	0.8	0.127	103.7	0.8	0.038	SF	Min.in ms, locally sandy; only very weak radioactivity on field counter; ss,dominantly fine-grained,well-cemented; bdg.obscure.
29	8138.3	115.5	7/2	115.5	0.5	0.028	115.8	0.8	<0.010	U	2' VF-F ss@base, overlain by 15' R ms, overlain by 7' F-MF,C,R ss.
30	8143.8	112.1	19.6	112.3	0.9	0.538	113.0	0.8	0.25	F	R ms split 12' above base; VF ss 6' above base; otherwise fair texture and good color; ore minerals mostly in ss.

Table 1 (con't.)

Hole No. D-	Cellar elevation	base (depth)	Thickness of sandstone (feet)	Mineralized intervals: Chemical assay base	Chemical assay thick.	U_3O_8	Geological Survey radiometric hole probe or operator's radiometric evaluation(0) base	thick.	eU_3O_8	Classification F - SF - U	Remarks
31	8150.2	113.8	12.2	114.0	0.7	0.039	114.1	1.2	0.040	SF	
32	8158.6	114.0	8 (14' above base)	114.2	0.8	0.046	114.3	1.0	0.027	U	Sandy siltstone at near base; 1/2 of upper ss, VF grained
33	8182.2	139	2.5	139.0	1.0	0.025			0.03(0)	U	About 2.5' ss of good texture and color; upper ss,R,0.5' thick
34	8164.4	106.3	1.3				Barren			U	VF-MF silty ss; upper ss absent
35	8162.8	94.2	2.1	94.4	0.7	0.044	94.2	1.6	< 0.010	U	
36	8163.5	104.0	0.4/0.4	100.1	0.9	0.118	100.3	1.1	< 0.010	U	Two thin muddy ss's separated by 6' of ms; min.adjacent to chn in sandy ms.
37A	8156.3	100.5	1.7/1.3	106.0	0.6	0.047	99.4	0.7	< 0.005	U	Two thin muddy ss's separated by 4' of ms; min.in Moenkopi siltstone; barren by Gov't probe
38	8143.5	84.0	2.6/0.7				Barren			U	1',R Chinle ms at base; overlain by 0.7' R ss,by 3.4'gy SF, by 2.6' of F ss; slight anomalous radioactivity in Moenkopi

Table 2. Locations and estimated depths of recommended Stage II drill holes

Stage II hole D-	offset from hole D-	Bearing	Distance (feet)	Estimated Depth
39	4	West	150	105
40	8	S.62°W.	150	135
41	8	N.55°W.	150	135
42	11	S.22°W.	150	140
43	11	S.60°W.	150	150
44	11	N.84°W.	150	130
45	28	N.40°W.	100	110
46	30	S.56°W.	100	140
47	30	N.53°W.	100	140
48	31	S.60°W.	100	140
49	31	N.63°W.	100	140
50	33	S.34°W.	100	160
51	33	S.84°W.	100	180
52	33	N.35°W.	100	160
Undrilled Stage I hole	(operator's revised location)			
5	6	S.55°W.	450	50

Table 3. List of Stage I drill holes by areas showing plug bit and cored intervals, sequence of drilling, and cored footage at top of cored interval considered to be excessive.

Hole No.	Date started	Sequence of drilling	Plug bit feet	Core feet	Thickness of sandstone	Excessive core
Southern area						
D-1	8-7-57	1	75.0	17.0	6.5	0
2	8-8-57	2	60.0	40.2	8	15
3	8-9-57	3	60.0	45.0	3	20
4	8-12-57	4	60.0	61.5	1.8	25
South-central area						
6	8-6-57	13	40.0	44.0	0.5	10
7	8-5-57	12	45.0	40.0	1.2	10
8	6-29-57	11	55.0	40.0	14	0
9	6-28-57	10	40.0	50.0	22	15
10	6-28-57	9	20.0	49.5	17	15
11	6-27-57	8	55.0	48.9	28	5
12	6-26-57	7	55.0	32.5	3	0
13	6-25-57	6	35.0	26.4	14	0
14	6-25-57	5	55.0	15.0	4.2	0
15	6-18-57	1	30.0	55.1	7.2	20***
16	6-19-57	2	45.0	38.0	15.2	5
17	6-21-57	3	65.0	35.1	24.9	0
18	6-22-57	4	50.0	40.4	17*	5
Central area						
19	8-2-57	7	45.0	46.5	11.5	10
20	8-1-57	6	40.0	21.0	4.5	0
21	8-1-57	5	40.0	20.0	0	0
22	7-31-57	4	40.0	30.0	0	0
23	7-30-57	3	60.0	40.0	0	10
24	7-29-57	2	95.0	30.0	0	0
25	7-25-57	1	50.0	66.7	0	0
Northern area						
26	7-22-57	12	70.0	40.0	1.5*	15
27	7-23-57	13	100.0	60.0	10*	20
28	7-19-57	11	50.0	60.0	11	20
29	6-30-57	1	70.0	50.7	7/2*	0**
30	7-1-57	2	85.0	30.1	19.6	5
31	7-8-57	3	75.0	45.0	12.2	15
32	7-9-57	4	80.0	40.0	8*	10
33	7-10-57	5	95.0	50.3	2.5	15
34	7-11-57	6	75.0	40.2	1.3	10
35	7-12-57	7	70.0	32.1	2.1	5

Table 3 (con't.)

Hole No.	Date started	Sequence of drilling	Plug bit feet	Core feet	Thickness of sandstone	Excessive Core
36	7-15-57	8	70.4	43.6	0.4/0.4*	5
37A	7-17-57	9	65.0	45.0	1.7/1.3*	10
38	7-18-57	10	60.0	31.1	2.6/0.7*	0

* See respective hole number on table 1

** Initial hole in group; extra coring allowed for control

*** Initial hole in group but 150' from Shinarump outcrop upon which control had been already established; a minimum of 20 feet of core at top entirely unwarranted.

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

DMEA
ARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

DMEA
SEP 19 1957
D.M.E.A.

Re: Docket #DMEA-4409
Contract #Idm-E1066
Dalmid Oil & Uranium Corp
(April, Butto & Canyon Claims)
San Juan County, Utah

Mr. E. N. Harshman
U.S. Dept. of Interior
DMEA

NARRATIVE FOR AUGUST 1 TO AUGUST 13, 1957 AND FOR COMPLETED FIRST STAGE

Nine (9) holes were completed by 12:30 P.M. August 13, 1957, four (4) drill sites and the necessary roads. Of the 9 holes completed 4 were mineralized, 1 favorable, 2 semi-favorable and 2 unfavorable. All 9 holes contained some mineralization in the upper chinle mud. A broken cross-head on the drill pump delayed the last 2 holes for 2 days. A new head was obtained in Grand Junction, Colo.

Of the 38 holes allowed in our first stage, 37 were completed. Hole No. 5 was not drilled, due to its unfavorable position. A request to eliminate this hole accompanies this narrative. In my request of June 22, 1957, to move sites 1 to 5 inc. permission was granted for holes 1 to 4 and #5 was not mentioned. The amount of movement to take #5 out of the bottom of the water-way bed was too great to move without permission and to drill there would, in my opinion, be a waste of your money and ours. A hole in the second stage request has been placed to cover this site.

Re: Bull-dozing. 100 hrs were used, actually a little more, by avoiding costly turning spots on the steep side hills and spending as little time as possible smoothing roads and shooting to hold grades we managed quite well. Thanks to the cooperation of the water haulers, who had to back up as much as 500 feet at times.

Re: Assays. 15 Assays were used of the 30 allowed. No assays were made of the numbrous low counts encountered, instead we left casing in holes and when necessary washed holes so the U.S. Geological Survey Logging Unit could log all holes.

Re: Standby. The 40 hours allowed proved more than ample and 24 3/4 hours were used.

Re: Coring. 1520 feet were allowed and 1507 were used. On each new point one hole was cored from up near the 50 feet sand base in the hope of finding a continuation of the ore grade zone found in hole #9. This was unsuccessful.

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

#2 - Narrative

Re: Non-core. 2850 feet were allowed and 2180 were used. A request to move the remaining 670 feet to the second stage drilling accompanies this narrative. The reason for this is to run a second stage line of holes back from the rim and we may need a little more non-core footage. The thick shinarump sands found in the favorable but not mineralized area, from hole 18 South to hole 9, are up to 28 feet thick. These permiable sands have layers of coarse and very coarse sand, poorly cemented and highly porous, as they still outcrop and are on the down-dip side of Woodenshoe Canyon. I feel leaching could be complete for some distance from the rim.

This area not mineralized in the Shinarump carries count in the upper chinle, in fact this mineralized zone appears all the way from hole 21 South, to the end of our drilling. In my experience of three seasons drilling with U.S.G.S. of hundreds of holes just West of this section a "kick" in or near the base of the 50 foot sand was common, however, I have never encountered an ore grade deposit as found in hole #12 (1 foot Assay 0.214%). I suggest about 15 hours of Bull-dozer work be converted to Rim strip, the area marked on map of requested second stage drilling, to expose this possible ore zone. A request to convert 15 hours from the possible 100 hours allowed in the second stage for this purpose, accompanies this narrative.

On the map which I will refer to as figure 2A, I have marked an area from hole #21 North to hole #25 as unfavorable. No Shinarump sand was found in this area. As our holdings are only one claim wide at this point, no second stage drilling is requested in this area.

From hole #26 North the entire area appears to be mineralized, sulphides and carbon are abundant, good Shinarump sands over 10 feet thick are present. The first stage drilling leaves much to be decided in this area. The following train of thought is my reasons for the proposed locations of second stage drilling on figure 2A: A channel appears to exist between holes #28 and #29. This channel was assumed to be there by all who voiced an opinion as to where the channel indicated by "mine" on map figure 2A would run.- Including myself and the examining DMEA Geologist. This accounts for the large

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space between holes #28 and #29. A channel or scour appears to exist at hole #33 and again at holes #36 and #37. The channel at hole #33 could cut the area in a Northwest direction and exit at holes #36 and #37. However, I am inclined to believe that 3 channels are possible, running as the channel between #28 and #29 appears to run. (South-westerly).

All sand lenses that outcrop on the rim in our drill area appear to run in this general direction. This point should be decided by the straight line of holes running from the South offset of hole #36 South. The width of channels might be decided by the second stage holes set between our first stage holes. Sets of 3 holes have been placed around the most favorable holes in an attempt to make a valid discovery. The 3 proposed second stage holes that are the West offsets of holes #30-31-32 are set more than 75 feet away and in line. This very favorable area appears to be on normal dip and not channeled. Hole #30 contains good grade ore (0.538% Assay). This ore is not in a carbon layer or "hot-nut" but is contained near the bottom of a thick dark gray sand.

Holes #1 to #4 inc., on the South end of our project, contain Shinarump sand that is well mineralized, despite possible leaching. The sand is oxidized and has many water ways between jointing, that appears to be separating. Hole #2 showed near 2 feet of 17-18% ore on my logging equipment, the sample assayed 0.082%. Two second stage holes on 75 foot centers are suggested to offset this hole East and West. Holes #3 and #4 are well mineralized (Assays 0.047 and 0.059% respectively). A second stage hole is suggested between #3 and #4, and one is suggested West of #4 to decide the possible channel apparent in cross section E-E at hole #4.

Drilling North of these holes in the eroded drainage area, in my opinion, is not advisable, and drilling South of these holes is not permissible, due to the "100 foot from outer boundary clause in the contract". A hole placed to the West of the one already proposed would soon be on top of the moss-back rim and go better than 225 feet. So, we are limited in our attempt to develop this favorable mineralized area.

I am not sure of the procedure, so I am sending a request of the usual kind to be allowed to drill a second stage as presented on figure 2A. This request accompanies this narrative.

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

#4 - Narrative

Our drilling season is not long at this elevation and was shortened this year by a late thaw and rains. We have a good drill crew and have had excellent core recovery. In order to finish in good weather and retain our present drill crew, we are hoping for a speedy O.K. on our second stage program. We realize the problem and amount of personnel involved in processing such a request and will appreciate any effort that will cut down our lay-off time.

Respectfully yours,

Martin F. Maher

Martin F. Maher
Field Superintendent
Dalmid Oil & Uranium Corp.

Dalmid Oil and Uranium
Wooden Shoe Canyon, Utah
DMEA Docket No. 4409

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
#22	70.0	40BX	4.0-68.6	Barren						
#23	100.0	none	3.9-98.5	Barren						
#24	125.0	none	5.2-106.0	Barren -- not on bottom						
#25	123.0	50BX	5.0-121.6	120.1-121.0	0.9	210			<.010	
#26	110.0	none	3.9-106.6	Barren						
#27	160.4	40BX	5.2-156.5	152.4-153.2	0.8	1700			.050	
				155.0-155.7	0.7	200			<.005	
#28	110.0	50BX	3.8-108.0	99.5-101.1	1.6	240			<.005	
				112.9-113.7	0.8	1400			.038	
#34	114.2	none	4.6-113.0	105.4-106.8	1.4	300			<.005	
#35	102.0	50BX	4.4-100.3	92.6-94.2	1.6	380			<.010	
#36	113.6	50BX	5.8-111.6	99.2-100.3	1.1	420			<.010	
#37	110.0	50BX	6.3-108.5	98.7-99.4	0.7	200			<.005	
#38	91.1	50BX	1.0-89.0	84.3-85.2	0.9	270			<.010	
				85.2-86.1	0.9	240			<.010	

* From top to bottom depths

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

September 13, 1957

Memorandum

To: Hazel Berry, Operating Committee

From: Irene Z. Mainster, Division of Rare & Misc. Metals

Subject: Amendment Clearance

Mr. Murphy has reviewed and indicated no other legal action necessary for Amendment No. 2, dated 9-6-57, Contract Idm-E1066, Docket DMEA-4409, Dalmid Oil and Uranium, Inc. He has also indicated that this amendment should have extended the payback period to eleven years.

Irene Z. Mainster

Irene Z. Mainster

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 13 1957

DATE	INITIALS	CODE
9/13	P	220
		130
9/13		700

September 10, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are the Government's and Audit copies of Amendment No. 2 to Contract No. Idm-E1066, which has been executed to extend the period fixed within which the Operator shall complete the work from six months to eight months from the date of the contract.

Copies of the Operator's letter of September 4, 1957, requesting the extension, were forward to you with copies of our letter to the Operator, dated September 6, 1957.

Copies of the Amendment have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

E. N. Harshman

E. N. Harshman

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 9 1957

DATE	INITIALS	CODE
9/9	B	220
9/9	[illegible]	800
9/9	[illegible]	700

824 New Customhouse
Denver 2, Colorado

September 6, 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Enclosed are the Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Amendment No. 2 to Contract No. Idm-E1066, which has been prepared in reference to your letter of September 4, 1957, to extend the period fixed in Article 1 within which the Operator shall complete the work from six months to eight months from the date of the Contract.

If the Amendment is satisfactory, all copies are to be signed by you as indicated, the corporate seal affixed, and all copies promptly returned to this office; upon receipt of which and after signature by the Executive Officer, DMEA Field Team, Region III, for the Government, the "Operator's Copy" will be returned to you.

Very truly yours,

Original signed by
F. N. HARSHMAN

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

JWT:prl

cc: Chmn.Op.Comm.-2) w/copy of
Harshman) Operator's
DMEA/DFC) letter of
DMEA/Gr.Jct.) September 4.
Hasler)
Townsend)
Corres. file)
Chron.

DMEA
ARTMENT OF THE INTERIOR
SEP 5 - 1957
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 9 1957

DATE	INITIALS	CODE

September 4, 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
U.S. Dept. of the Interior
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA-4489 (Uranium)
Contract Idm-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, & Canyon Claims)
San Juan County, Utah

Dear Mr. Harshman:

Regarding your letter of August 26, 1957, we do ask for an extension of the time to complete our Contract Idm-E1066. which according to your letter would expire September 7, 1957.

As you know, the frost and snow made it impossible for us to begin on March 15. We did not begin until June 1, 1957. We have completed the first phase of this program, and the application is now in your office asking for permission to conduct a drilling program to further prove the program we set out to prove.

May I point out that on May 10, 1957, you wrote directly to our Field Superintendent, M. F. Maher, and enclosed the original and five copies of Amendment No. 1, which were prepared in reference to Maher's letter of May 8, 1957 which asked that the commencement date on this job be June 1, 1957.

We ask for an extension of the months of September and October to complete this program as outlined in Maher's recent application for a Secondary drilling program. We believe we can complete the program during September and October.

Mr. Harshman, I believe you are going to be happy with this Contract, because of the excellent findings we have made so far.

I enclose herewith the original and five copies of this letter.

Thank you very much.

Very sincerely yours,

Chas. E. Collins

Chas. E. Collins, Pres.

c/a

OFFICIAL FILE C
D M E A
RECEIVED AUG 29 1957
8/29 C 220
8/29 800
900

224 New Customhouse
Denver 2, Colorado

August 27, 1957

Mr. Martin F. Maher, Field Superintendent
Dalmid Oil & Uranium Corporation
P. O. Box 544
Moab, Utah

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-X1066
Dalmid Oil & Uranium, Inc.
(April, Butte and Canyon claims)
San Juan County, Utah

Dear Mr. Maher:

Reference is made to your letter of August 17, 1957, wherein you request transfer of 670 feet of non-core drilling from Stage I to Stage II.

There is no provision in the contract as presently written to permit transfer of drilling footage from Stage I to Stage II. Therefore, an amendment to the contract would be necessary to provide for the transfer.

Inasmuch as of this date we have approved the moving of drill hole D-5 to permit its being drilled, there will be less footage available to transfer from Stage I to Stage II. In addition, we prefer that the transfer of drill footage be deferred until the matter of your requested approval for drilling under Stage II has been resolved and the exact extent of excess footage in Stage I and deficient footage in Stage II is known. Please revive your request when those facts are known.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

JWT:prl

cc: Chmn.Op.Comm.-2) w/copy of
Harshman) Operator's
DMEA/DFC) letter of
DMEA/Gr.Jct.) August 17.
Hasler)
Townsend)
Corres. file)
Chron.

August 17, 1957

Re: Docket DMEA-4409
Contract Idm-E1066
Dalmid Oil & Uranium Corp
(April, Butte & Canyon Claims)
San Juan County, Utah

Mr. E. N. Harshman
U.S. Dept. of Interior
DMEA

Dear Sir:

This is a request to move 670 feet of Non-core drilling from Stage I to Stage II. This amount was left over and some of it could be used to move our second stage drill holes back from the rim. I feel this would be advantageous in certain areas.

Yours truly,

Martin F. Maher
Field Supt.
Dalmid Oil & Uranium Corp
Box 544
Moab, Utah

COPY

DMEA
ARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY, DMEA RECEIVED AUG 29 1957		
DATE	INITIALS	CODE
8/29	C	220
8/29	[illegible]	800
8/29	FM	700

224 New Customhouse
Denver 2, Colorado

August 27, 1957

Memorandum

To: J. W. Hasler with enclosures
DMEA/DFC (Reiser) " "

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

Subject: Docket No. DMEA-4409 (Uranium), Contract No. Idm-E1066
Dalmid Oil & Uranium Corp. (April, Butte & Canyon Claims)
San Juan County, Utah.

Enclosed is the following material pertaining to operations under the subject contract:

1. Copy of the Operator's letter of August 17, 1957, with attached map, which constitutes a request for the Government's approval of drilling under Stage II of the contract.

2. Copy of the Operator's letter of August 17, 1957, requesting the Government's approval for use of 15 hours of Stage II bulldozing to rim strip an area adjacent to Hole No. 12.

3. Copy of the Operator's narrative report accompanying Form NF-104 covering the period August 1-13, 1957.

Referring to the material under item 1, please note that the requested Holes 53, 55, 59, 63 and 67 are offsets to other proposed offset holes; therefore, are questionable as complying with requirements pertaining to Stage II drilling. Also, proposed holes Nos. 43, 44, 45, 46, 47, 48, 70 and 72 are too far from Stage I holes to be considered as offset holes, as provided for under Stage II.

Please submit a joint memorandum report containing your recommendations relative to the Operator's requests under items 1 and 2. If drilling is recommended, include 12 extra copies of a map showing location of holes to be drilled; also details of rim stripping, if such is recommended.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JWT:bh
cc-Chairman, Op. Comm.(2)) w/copy enclosures,
Corres. File E-1066) items 1, 2, and 3.
Harshman) w/copy of enclosures, except
DMEA/Gr.Jct.) without map with item 1.
Townsend
Chron.

August 17, 1957

Re: Docket DMEA-4509
Contract Ium-E1066
Dalmid Oil & Uranium Corp
(April, Butte & Canyon Claims)
San Juan County, Utah

Mr. E. N. Harshman
U.S. Dept. of Interior
DMEA

Dear Sir:

This is a request for permission to drill out a second stage as presented on map, figure 2A. This proposed program is set up on the findings of our first stage drilling, and I believe will be possible within the limits of our contract.

Yours truly,

Martin F. Maher
Field Supt.
Dalmid Oil & Uranium Corp
Box 544
Moab, Utah

COPY

August 17, 1957

Re: Docket DMEA-4409
Contract Idm-E1066
Dalmid Oil & Uranium Corp
(April, Butte & Canyon Claims)
San Juan County, Utah

Mr. E. N. Harshman
U.S. Dept. of Interior
DMEA

Dear Sir:

This is a request to convert 15 hours of the possible 100 hours allowed in Stage II for bull-dozer work, to rim strip the area so marked on map, figure 9A. This area close to hole #12 appears to be a cheaper and better way to investigate the ore pocket found in hole #12 at the base of the 50 ft. sand.

Yours truly,

Martin Maher
Field Supt.
Dalmid Oil & Uranium Corp
Box 544
Moab, Utah

COPY

DMEA
ARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

Re: Docket #DMEA-4409
Contract #Idm-E1066
Dalmid Oil & Uranium Corp
(April, Butte & Canyon Claims)
San Juan County, Utah

DMEA
ARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
U.S. Dept. of Interior
DMEA

NARRATIVE FOR AUGUST 1 TO AUGUST 13, 1957 AND FOR COMPLETED FIRST STAGE

Nine (9) holes were completed by 12:30 P.M. August 13, 1957, four (4) drill sites and the necessary roads. Of the 9 holes completed 4 were mineralized, 1 favorable, 2 semi-favorable and 2 unfavorable. All 9 holes contained some mineralization in the upper chinle mud. A broken cross-head on the drill pump delayed the last 2 holes for 2 days. A new head was obtained in Grand Junction, Colo.

Of the 38 holes allowed in our first stage, 37 were completed. Hole No. 5 was not drilled, due to its unfavorable position. A request to eliminate this hole accompanies this narrative. In my request of June 22, 1957, to move sites 1 to 5 inc. permission was granted for holes 1 to 4 and #5 was not mentioned. The amount of movement to take #5 out of the bottom of the water-way bed was too great to move without permission and to drill there would, in my opinion, be a waste of your money and ours. A hole in the second stage request has been placed to cover this site.

Re: Bull-dozing. 100 hrs were used, actually a little more, by avoiding costly turning spots on the steep side hills and spending as little time as possible smoothing roads and shooting to hold grades we managed quite well. Thanks to the cooperation of the water haulers, who had to back up as much as 500 feet at times.

Re: Assays. 15 Assays were used of the 30 allowed. No assays were made of the numbrous low counts encountered, instead we left casing in holes and when necessary washed holes so the U.S. Geological Survey Logging Unit could log all holes.

Re: Standby. The 40 hours allowed proved more than ample and 24 3/4 hours were used.

Re: Coring. 1520 feet were allowed and 1507 were used. On each new point one hole was cored from up near the 50 foot sand base in the hope of finding a continuation of the ore grade zone found in hole #12. This was unsuccessful.

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

#2 - Narrative

Re: Non-core. 2850 feet were allowed and 2180 were used. A request to move the remaining 670 feet to the second stage drilling accompanies this narrative. The reason for this is to run a second stage line of holes back from the rim and we may need a little more non-core footage. The thick shinarump sands found in the favorable but not mineralized area, from hole 18 South to hole 9, are up to 28 foot thick. These permiable sands have layers of coarse and very coarse sand, poorly cemented and highly porous, as they still outcrop and are on the down-dip side of Woodenshoe Canyon. I feel leaching could be complete for some distance from the rim.

This area not mineralized in the Shinarump carries count in the upper chinle, in fact this mineralized zone appears all the way from hole 21 South, to the end of our drilling. In my experience of three seasons drilling with U.S.G.S. of hundreds of holes just West of this section a "kick" in or near the base of the 50 foot sand was common, however, I have never encountered an ore grade deposit as found in hole #12 (1 foot Assay 0.214%). I suggest about 15 hours of Bull-dozer work be converted to Rim strip, the area marked on map of requested second stage drilling, to expose this possible ore zone. A request to convert 15 hours from the possible 100 hours allowed in the second stage for this purpose, accompanies this narrative.

On the map which I will refer to as figure 2A, I have marked an area from hole #21 North to hole #25 as unfavorable. No Shinarump sand was found in this area. As our holdings are only one claim wide at this point, no second stage drilling is requested in this area.

From hole #26 North the entire area appears to be mineralized, sulphides and carbon are abundant, good Shinarump sands over 10 feet thick are present. The first stage drilling leaves much to be decided in this area. The following train of thought is my reasons for the proposed locations of second stage drilling on figure 2A: A channel appears to exist between holes #28 and #29. This channel was assumed to be there by all who voiced an opinion as to where the channel indicated by "mine" on map figure 2A would run.- Including myself and the examining DMEA Geologist. This accounts for the large

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

#3 - Narrative

space between holes #28 and #29. A channel or scour appears to exist at hole #33 and again at holes #36 and #37. The channel at hole #33 could cut the area in a Northwest direction and exit at holes #36 and #37. However, I am inclined to believe that 3 channels are possible, running as the channel between #28 and #29 appears to run. (South-westerly).

All sand lenses that outcrop on the rim in our drill area appear to run in this general direction. This point should be decided by the straight line of holes running from the South offset of hole #36 South. The width of channels might be decided by the second stage holes set between our first stage holes. Sets of 3 holes have been placed around the most favorable holes in an attempt to make a valid discovery. The 3 proposed second stage holes that are the West offsets of holes #30-31-32 are set more than 75 feet away and in line. This very favorable area appears to be on normal dip and not channeled. Hole #30 contains good grade ore (0.538% Assay). This ore is not in a carbon layer or "hot-nut" but is contained near the bottom of a thick dark gray sand.

Holes #1 to #4 inc., on the South end of our project, contain Shinarump sand that is well mineralized, despite possible leaching. The sand is oxidized and has many water ways between jointing, that appears to be separating. Hole #2 showed near 2 feet of 17-18% ore on my logging equipment, the sample assayed 0.082%. Two second stage holes on 75 foot centers are suggested to offset this hole East and West. Holes #3 and #4 are well mineralized. (Assays 0.047 and 0.059% respectively). A second stage hole is suggested between #3 and #4, and one is suggested West of #4 to decide the possible channel apparent in cross section E-E at hole #4.

Drilling North of these holes in the eroded drainage area, in my opinion, is not advisable, and drilling South of these holes is not permissible, due to the "100 foot from outer boundary clause in the contract". A hole placed to the West of the one already proposed would soon be on top of the moss-back rim and go better than 225 feet. So, we are limited in our attempt to develop this favorable mineralized area.

I am not sure of the procedure, so I am sending a request of the usual kind to be allowed to drill a second stage as presented on figure 2A. This request accompanies this narrative.

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

#4 - Narrative

Our drilling season is not long at this elevation and was shortened this year by a late thaw and rains. We have a good drill crew and have had excellent core recovery. In order to finish in good weather and retain our present drill crew, we are hoping for a speedy O.K. on our second stage program. We realize the problem and amount of personnel involved in processing such a request and will appreciate any effort that will cut down our lay-off time.

Respectfully yours,

Martin F. Maher

Martin F. Maher
Field Superintendent
Dalmid Oil & Uranium Corp.

224 New Customhouse
Denver 2, Colorado

August 27, 1957

COPY
AUG 29 1957
INITIALS | CODE
8/29 C 220

Mr. Martin F. Maher, Field Sup't.
Dalmid Oil & Uranium Corporation
P. O. Box 544
Moab, Utah

Re: Docket No. DMEA-4409 (Uranium)
Contract No. Idm-K1066
Dalmid Oil & Uranium Corporation
(April, Butte and Canyon Claims)
San Juan County, Utah

Dear Mr. Maher:

Reference is made to your letter of August 17, 1957, and Field Team, Region III, approval of June 26, 1957, authorizing the moving of Holes D1, D2, D3, and D4.

We apologize for an oversight in this office for failure to include approval for the moving of Hole D5.

This constitutes approval to move Hole D5 approximately 100 feet due south from the location as indicated on the map, Figure 2, attached to the contract. It is the Government's opinion that Hole D5 should be drilled; otherwise, it appears that there is no justification for the drilling of Hole 43 under Stage II, as you have requested.

Nothing in this delayed approval for the moving of Hole D5 shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

E. N. Harshman

By E. N. Harshman
Acting Executive Officer

JWT:bh
cc-Finance Office, Reg. III
Amendment File, Reg. III
Chairman, Op. Comm. (3))-w/copy
Harshman) of Opera-
DMEA/DFC) tor's
DMEA/Gr.Jct.) letter
Hasler) of August
Corres. File) 17, 1957
Townsend
Chron.

August 17, 1957

Re: Docket #DMEA-4409
Contract #Idm-E1066
Dalmid Oil & Uranium Corp
(April, Butte & Canyon Claims)
San Juan County, Utah

Mr. E. N. Harshman
U.S. Dept. of Interior
DMEA

Dear Sir:

This is a request to eliminate Hole #5 from our first stage drill program. In my request of 6/22/57 to move holes #1 to #5, inc., permission was granted for holes #1 to #4 inc. Hole #5 was not mentioned. The movement to take site #5 out of the bottom of the water way bed was too great to move without permission, and to drill there would, in my opinion, be a waste of your money and ours. In our proposed second stage drilling a hole has been placed to cover this site.

Yours truly,

Martin F. Maher
Field Supt.
Dalmid Oil & Uranium Corp.
Box 544
Moab, Utah

DMEA
ARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

224 New Customhouse
Denver 2, Colorado

August 26, 1957

RECEIVED AUG 28 1957		
DATE	INITIALS	CODE
8/28	C	220
8/28	nas	800
		700

Mr. Charles E. Collins, President
Dalmid Oil and Uranium Corporation
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA-4409 (Uranium)
Contract Idm-E1066
Dalmid Oil & Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

The completion period for all of the work outlined in Contract Idm-E1066, will expire on September 7, 1957. If for reasons beyond your control you will be unable to complete all contract work by that date you should submit to this office for consideration by the Government, the original and five copies of a request that the completion period be extended for such specific additional time as will be required.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman
DMEA, DFC
DMEA, G.Jct.
Hasler
Townsend
Corres.file, Reg. III
Chron.

EXTRA COPY
DMEA
RECEIVED AUG 15 1957
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado

August 12, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Gamma-ray log interpretations

Enclosed are four copies each of gamma-ray log interpretations for the following DMEA contracts:

Docket DMEA-3991 (Uranium) Contract Idm-R1004,
Crown Uranium Company (Lost Brothers claim group)
San Miguel County, Colorado

Docket DMEA-4409 (Uranium) Contract Idm-R1066,
Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims) San Juan County, Utah

Docket DMEA-4420 (Uranium) Contract Idm-R1056,
Black Uranium Company, Inc. (Picole Pete et al claims)
San Juan County, Utah

Docket DMEA-4590 (Uranium) Contract Idm-R1087,
New Jersey Zinc Company (Sec. 36, T14N, R10W, NMPM)
McKinley County, New Mexico

Original signed by
E. N. HARSHMAN

E. N. Harshman

JEC:mmh
cc: Corres. files: R1004, R1066) w/copy of
R1056, R1087) Gamma-ray logs

Sealer
Harshman
DMEA/RFC } w/copy of Gamma-ray
DMEA/G.Jct.) logs
Chron.

Dalmid Oil and Uranium
Wooden Shoe Canyon, Utah
DMEA Docket No. 4409

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
#8	95.0	40.BX	3.2-93.8	44.4-45.4	1.0	320			<.010	
				91.8-92.7	0.9	320			<.010	
#9	90.0	none	2.3-87.1	26.0-28.4	2.4	680			.014	
				35.0-36.5	1.5	260			<.005	
				39.9-42.9	3.0	350			<.010	
#10	69.5	none	3.3-68.2	Barren						
#11	103.9	none	2.7-101.4	Barren						
#29	120.7		1.2-119.2	115.0-115.8	0.8	240			<.010	
#30	115.1	50.BX	3.5-113.5	106.6-107.4	0.8	200			<.005	
				112.2-113.0	0.8	5300			0.25	√
#31	120.0	40.BX	5.5-119.6	112.9-114.1	1.2	1600			.040	
#32	120.0	50.BX	4.0-118.9	113.3-114.3	1.0	810			.027	
#33	135.3?	50.BX	5.1-133.7	125.8-126.8	1.0	240			<.005	

* From top to bottom depths

FMM

Dalmid Oil & Uranium
Wooden Shoe Canyon, Utah
DMEA Docket No. 4409

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
#12	87.5	40.0BX	3.3-86.0	32.8-33.8	1.0	280			<.010	
				40.9-41.9	1.0	4500			.17	
#13	61.4	none	3.1-57.5	10.9-12.1	1.2	460			.010	
#14	70.0	none	Plugged							
#15	85.0	none	5.3-80.0	Barren						
#16	83.0	40.0BX	2.6-79.3	Barren						
#17	100.1	50.0BX	6.4-99.0	Barren						
#18	90.6-	50.0BX	4.0-88.6	12.4-13.4	1.0	290			<.010)	
				25.1-26.4	1.3	530			.012)	Plug bit
				34.0-35.1	1.1	280			<.010)	zone

Docket DMEA-4409 (Uranium) Contract Idm-E1066,
Dalmid Oil & Uranium, Inc., (April, Butte and Canyon claims) San Juan County, Utah 7-15-57

* From top to bottom depths

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

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June 27, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4409 (Uranium), Contract No. Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are four copies of approval from this office to move four drill holes that are to be drilled under the provisions of the contract.

Also enclosed are four copies of the Operator's request and four copies of a joint memorandum, dated June 25, 1957, from J. William Hasler, Geologist, Geological Survey, and H. F. Robertson, Mining Engineer, Bureau of Mines.

Copies of the approval to change the locations of the holes have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

W H King
W. H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 1 1957
DATE ... CODE

June 26, 1957

Mr. Martin F. Maher
Dalmid Oil and Uranium, Inc.
P. O. Box 544
Moab, Utah

Re: Docket No. DMEA 4409 (Uranium)
Contract No. IAm-R1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Maher:

Reference is made to your letter of June 22, 1957, wherein you request the Government's approval to move drill holes Nos. D-1, D-2, D-3, and D-4 approximately 100 feet due south from the locations as indicated on the map, "Figure 2," attached to the Contract.

This constitutes the Government's approval to move the four drill holes as requested, provided that the holes shall be drilled not closer than 100 feet to the outer boundary lines of the project area.

Nothing in this approval to move the four drill holes shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By W. H. King
W. H. King
Executive Officer

JWT:prl

cc: Chmn. Op. Comm. 4
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DFC
DMEA/Gen.Jct.
Nasler
Townsend
Corres. file
Chron.

MIN IN REPLY REFER TO:

RECEIVED

JUN 26 1957

GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colorado

June 25, 1957

Memorandum

To: W. H. King, Executive Officer, DMEA Field Teams, Region III

Through: E. N. Harshman EMH

From: J. William Hasler
H. F. Robertson

Subject: Request to move proposed drill sites and holes 1 to 5, inclusive. DMEA Docket 4409 (Uranium), Dalmid Oil and Uranium, Inc., contract Idm-E 1066, April, Butte, and Canyon claims, San Juan County, Utah.

The Dalmid Oil and Uranium, Incorporated, in a letter to E. N. Harshman June 22, 1957, requested that stage I holes Nos. 1 to 5, inclusive on the Butte claims Nos. 3, 4, 5, and 6 be moved about 100 feet south of their present proposed location. The reason for the move is that the topography will allow the applicant to take more advantage of the so-called 50-foot sandstone unit of the Shinarump member of the Chinle formation. The Shinarump outcrop, as shown on figure 2 in the report of examination, is relatively near the actual outcrop and the outcrop on the Butte No. 5 claim is apparently eroded farther south. As the holes are moved southward, they will be 105 feet from the withdrawn ground in section 4. ?

It is the opinion of the examining team that it will be advantageous to move the drill sites of holes Nos. 1 to 5 south 100 feet of their present proposed location. We recommend that the request be approved. We will notify the applicant immediately if we can receive verbal approval.

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RECEIVED JUL 1 1957

DATE	INITIALS	CODE
JWH/mlr		

J. William Hasler
J. William Hasler,
Geological Survey

DMEA
DEPARTMENT OF THE INTERIOR
JUN 27 1957
REGION III
DENVER, COLORADO

H. F. Robertson,
Bureau of Mines

Moab Utah
6-22-57

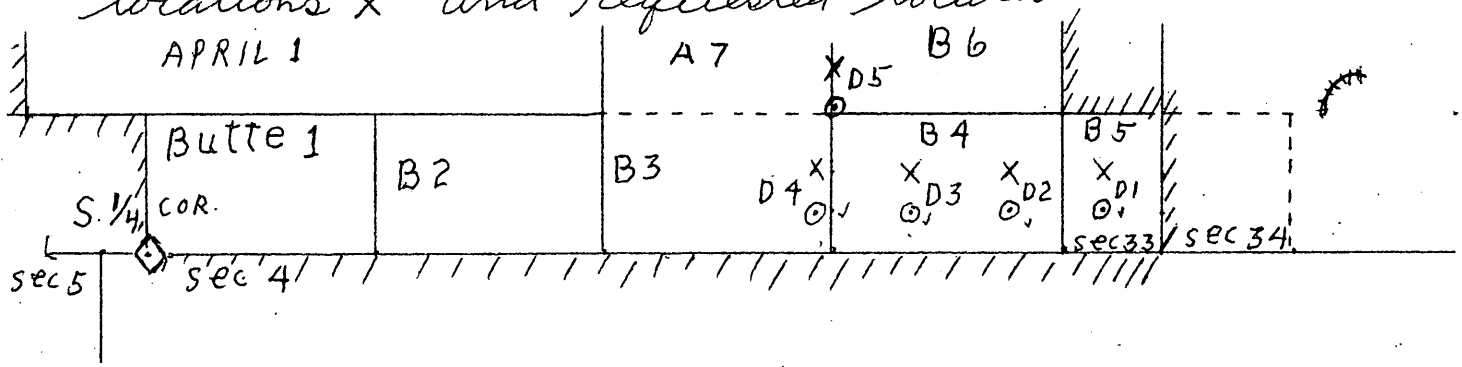
Mr. E. N. Harshman:-

Re.- Docket # D.M.E.A. 4409
Contract # I.D.M.-E1066
Dalmid Oil & Uranium Inc.

DMEA
DEPARTMENT OF THE INTERIOR
JUN 26 1957
REGION III
DENVER, COLORADO

Dear Sir:-

This is a request to move the proposed drill sites #1 to 5 inc. about 100 feet south. This would put #1 to 4 inc. about 105 feet from our south border and would take them from a much eroded area to the top lip of the 50 foot sand. Here is a sketch from "Figure 2" showing present locations "X" and requested locations "⊙".



We started drilling on site #15 to take advantage of the geologic control offered by Shinarump outcrop below site 15.

Yours Truly
Martin F. Maher
Box 544
Moab Utah

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RECEIVED JUL 1 1957
DATE | INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

May 21, 1957

OFFICIAL FILE COPY
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RECEIVED MAY 24 1957

DATE	INITIALS	CODE
5/24	JWB	220
	es	130
6/18	FWM	700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA-4409 (Uranium), Contract Idm-E1066
Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims) San Juan County, Utah

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E1066, which has been executed to extend the date on or before which the project work shall be started to June 1, 1957. Also enclosed are three copies of the Operator's letter of May 8, 1957, requesting the extension of the starting date.

Copies of the amendment have been distributed to the Operator, Finance Office, Region III, and to others concerned.

E. N. Harshman

Encls.

E. N. Harshman

June 3, 1957

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Murphy has reviewed and approved Amendment No. 1, dated May 9, 1957, to Contract No. Idm-E1066, Docket No. DMEA-4409, Dalmid Oil and Uranium, Inc., and has indicated that no further review is necessary by the Legal Division.

Grace L. Ault

OFFICIAL FILE COPY
DMEA
RECEIVED
DATE
5-13
5/13
CO
220
800
700

224 New Customhouse
Denver 2, Colorado

May 10, 1957

Mr. Martin F. Maher
Field Superintendent
Dalmid Oil and Uranium, Inc.
P. O. Box 544
Moab, Utah

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Maher:

Enclosed are the original and five copies of proposed Amendment No. 1 to Contract No. Idm-E1066, which has been prepared in reference to your letter of May 8, 1957 to extend the date fixed on or before which work will be commenced to June 1, 1957.

If the Amendment is satisfactory, all copies are to be signed by the President, Dalmid Oil and Uranium, Inc., as indicated, the corporate seal affixed, and all copies promptly returned to this office.

Upon receipt of the properly signed copies of the Amendment and after signature by the Acting Executive Officer, DMEA Field Team, Region III, for the Government, an executed copy of the Amendment will be returned to you.

Very truly yours,

Original signed by
N. HARSHMAN

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

JWT:prl

cc: Chairman, Op. Comm. -2
Harshman
Konselman
Hasler
Townsend
Corres. file
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE
3/21	C	220
3/22	B	215
"	Murphy	700

March 18, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4409 (Uranium), Contract ~~No. Idm-E1066~~, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah

Enclosed are the Government's, Division, and Audit copies of Exploration Project Contract No. Idm-E1066, which was forwarded by your letter of March 7, 1957 for signature by the Applicant.

The date of May 15, 1957 has been inserted in Article 1 for the date on or before which work is to be commenced.

The contract, dated March 7, 1957, provides for work estimated to cost $25,441.00, toward which the Government will contribute 75%, or an amount not to exceed $19,080.00.

Also enclosed are three copies of a letter from this office, dated March 18, 1957, whereby we forwarded the "Operator's Copy" of the contract, blank report forms, and instructions relative to reporting on work performed under the contract.

Copies of the contract have been distributed to the Finance Office, Region III, and to others concerned.

E. N. Harshman

E. N. Harshman

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

March 18, 1957

CERTIFIED MAIL

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Contract No. Idm-E1066
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah

Dear Mr. Collins:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No. Idm-E1066, Docket No. DMEA 4409.

Also enclosed are six copies of form MF-104, "Operator's Monthly Report and Voucher," and six copies of form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to Mr. John F. Shaw, U. S. Bureau of Mines, Room 137, Building 20, Denver Federal Center, Denver 2, Colorado. The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form, each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and the results of the work. The monthly accounting report will not be processed for reimbursement to you unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

The U. S. Geological Survey and the U. S. Bureau of Mines maintain a field office in the A.E.C. Compound at Grand Junction, Colorado. DMEA representatives of the two services can be contacted as follows:

J. W. Hasler, U. S. Geological Survey
Telephone, Grand Junction, Chapel 3-2110, Ext. 282

M. H. Salsbury, U. S. Bureau of Mines
Telephone, Grand Junction, Chapel 3-2110, Ext. 274.

Both men can be reached by mail at

Post Office Box 360
Grand Junction, Colorado.

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

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective which has, or have, been drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent, and the required records made a part of your claim for reimbursement.

The contract is prepared on form MF-200A, and under its provisions and as outlined in Exhibit "A", the work is to be performed at "Fixed Unit Costs," which will be the basis of reimbursement to you as units of work are completed and reported on forms MF-104 and MF-104A.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only and such requests are not to be incorporated in your narrative report accompanying monthly progress report forms MF-104 and MF-104A.

The locations of the holes to be drilled under Stage I are indicated as approximate on the map, "Figure 2," attached to the contract. Should conditions encountered necessitate any appreciable change in the location of any of the holes, approval of this office for the change must be obtained prior to performance of the drilling. Otherwise, the drilling may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on the results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising the results of the work.

You should anticipate a suspension of operations between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and make recommendations to this office relative to the additional work you propose.

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

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, RFCA, or by the RFCA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract, with a copy of your letter to Mr. Shaw.

Very truly yours,

E. N. Harshman

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

Enclosures

JWF:prl

cc: Chairman, Op. Comm. (5)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Shaw (2)
Hasler
Townsend Corres. file Chron. 3

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 14 1957

DATE	INITIALS	CODE
3/14	C	220
	Murphy C	700

March 11, 1957

CERTIFIED MAIL

Mr. Charles Collins, President
Dalmid Oil and Uranium, Inc.
604 Hamilton Building
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA 4409 (Uranium)
Dalmid Oil and Uranium, Inc.
(April, Butte, and Canyon claims)
San Juan County, Utah -
Proposed Exploration Project
Contract No. Idm-E1066

Dear Mr. Collins:

Enclosed are the Government's, Division, Audit, Finance Office, and Field Team copies of proposed Exploration Project Contract No. Idm-E1066, which has been prepared pursuant to your application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the Contract is satisfactory, all copies are to be signed by an official of Dalmid Oil and Uranium, Inc. authorized to sign such an instrument, the signer's title inserted, the signature attested to by the Secretary of the company, the corporate seal affixed, and all copies promptly returned to this office.

In the event the Contract is not satisfactory, all copies are to be returned promptly to this office, together with your comments on or objections to the Contract.

Your attention is especially directed to three provisions in the Contract:

1. The Government will not contribute to the costs of any of the work that is provided for in the Contract which is performed prior to the date of the Contract.

2. The Contract requires completion of the exploration work within the period fixed therefor. Approval must be obtained from this office for any suspension of work which may result in failure to complete the work within the period specified.

3. Royalty is due the Government on all production from the land described in the Contract, beginning on the date of the Contract.

If the Contract is satisfactory, and upon return of all copies properly signed, the "Operator's Copy" of the Contract will be forwarded to you, together with blank report forms and instructions relative to reporting on work performed under the Contract. Also, instructions will be given as to the procedure to be followed in corresponding with this office in matters concerning operations under the Contract.

When the signed copies of the Contract are returned, please advise the date on or before which work will be commenced, for our insertion in Article 1 of the Contract form.

Very truly yours,

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

Enclosures

JWT:prl

cc: Chairman, Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Townsend
Docket
Chron.

DMEA Form 7
(12-56)

800

OFFICIAL FILE COPY

Date	Surname	Code
3-6-	Murphy	700
3-6	Ellis	700
3-6	Chambers	800
3/6	Selfridge	130
"	Johnson	110
"	Whittenday	100
3-8	C	220

700

Mr. E. N. Harshman, Acting
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

MAR - 7 1957

Re: Docket No. DMEA-4409 (Uranium)
Dalnid Oil and Uranium, Inc.
April, Butte, Canyon Claims
San Juan County, Utah

Dear Mr. Harshman:

Enclosed are the original and five copies of a proposed short-form contract signed by the Administrator for the Government. Attached to each contract form DF-200A are Annex I (1 page), Exhibit "A" (3 pages), and two maps (Figure 1 and Figure 2). Also enclosed for Field Team use are two extra copies of Annex I, Exhibit "A," Figure 1, and Figure 2 (1 copy only), and two copies of a self-explanatory letter, dated February 19, 1957, to Mr. Ellis from the Applicant.

If you and the Applicant find the contract in order, please insert in Article 1 the date work shall begin, then have an authorized representative of the corporation sign the original and five copies. Thereafter, kindly distribute the signed copies in the usual manner.

If any part of the proposed contract does not meet with your approval and the Applicant's, then the original and all copies, including the extra copies, are to be returned to this office with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

FMMurphy/izm (3-5-57) 3-6-57
cc to: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsggard, 5224
JKratchman, AEC

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3-6	Chamb	800
3-6	C	225
3-6	~~Mooch~~	~~700~~
	Docket	

March 6, 1957

...andum

Chairman, Operating Committee

...m: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMEA-4409 (Uranium)
Dalmid Oil and Uranium, Inc.
April, Butte, Canyon Claims
San Juan County, Utah

The applicant for this contract submitted bids for both core and noncore drilling from (1) Minerals Engineering Company, (2) American Drilling Company, and (3) D. H. Mott and Sons. The lowest bid was $1.98 for both core and noncore and included 50 hours of standby time. BX was the minimum size core drilling. The contract gave the ~~bid~~ approximately $2.03 which was near enough, but added $1,000.00 for standby time.

Attachment

JLChambers/wb
March 6, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

No S. R+R

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

March 6, 1957

Memorandum

To: Chairman, Operating Committee

From: Jay L. Chambers, Chief
Contract Administration and Audit Division

Subject: Docket No. DMEA-4409 (Uranium)
Dalmid Oil and Uranium, Inc.
April, Butte, Canyon Claims
San Juan County, Utah

The applicant for this contract submitted bids for both core and noncore drilling from (1) Minerals Engineering Company, (2) American Drilling Company, and (3) D. H. Mott and Sons. The lowest bid was $1.98 for both core and noncore and included 50 hours of standby time. BX was the minimum size core drilling. The contract gave the ~~bid~~ operator approximately $2.03 which was near enough, but added $1,000.00 for standby time.

Attachment

[illegible] last page of application

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No.* *Idm-E*	*County*	*State*
4409	Uranium		San Juan	Utah

It is agreed ....., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dalmid Oil and Uranium, Inc., a Delaware corporation

whose mailing address is 604 Hamilton Building, P. O. Box 1590
Wichita Falls, Texas

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before ....., and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within six months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $25,441.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $19,080.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: owner

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: none

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

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

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

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

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

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

Under "Fixed Unit Costs" the unit cost for non-core and core drilling is considered the average cost per foot for each stage.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By .....

.....

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ....., who signed this contract on behalf of the Operator, was then ..... 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.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

DRAFT
2/25/57
FMMurphy/gla

EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA-4409

ANNEX I

The land referred to in Article 2 of the Contract consists of nineteen (19) unpatented lode mining claims. The notices of location of the claims are recorded in the Office of the County Recorder, San Juan County, Utah, as follows:

Claim	Book	Page
April Nos. 1 - 5	87	329-331
Butte Nos. 1-5	46	29- 33
Butte No. 6	68	29
April Nos. 6, 7, 8, 13	87	332-335
Canyon Nos. 1-4	36	391-394

The area covered by the above-named claims with reference to section, township, and range lines is shown on the map entitled "Figure 2 - Map of April, Butte, and Canyon Groups of Claims, Showing Simplified Geology and Existing and Proposed Drill Hole Locations, Dalmid Uranium Cop. - - -", attached hereto and made a part hereof.

DRAFT
2/25/57
FMMurphy/gla

EXPLORATION PROJECT CONTRACT
DALMID OIL AND URANIUM, INC.
DOCKET NO. DMEA-4409

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore the Shinarump member of the Chinle formation for possible scour-channel deposits of uranium ore, by means of non-core and core drilling.

It is estimated that the average hole will require 75 feet of non-core and 40 feet of core drilling. The holes shall be drilled non-core to about the upper contact of the Shinarump, and then core drilled through the Shinarump into not less than one foot, nor more than ten feet, of the underlying unaltered, red, Moenkopi formation.

Mineralized portions of the drill core shall be split, the Operator using one-half for assay purposes. The other half of the core shall be stored together with the rest of the core for Government inspection and possible use. The core shall be stored in boxes properly identified as to hole number and with markers placed in the core sections to indicate the depth represented. Upon approval by the Government, the Operator shall dispose of the drill core.

All holes shall be logged geologically and probed radiometrically by the Operator. Records of such logging and probing, together with the assay certificates of the core samples, shall be submitted with the Operator's monthly progress report, which shall also include a map or sketch showing the location and collar elevation of all holes drilled during the reporting period.

The Government shall not participate in the cost of an incomplete hole, to one that bottoms less than Ax core size, nor to one that is closer than 100 feet to the outer boundary lines of the project area.

Bulldozer work shall be performed with a D-7 Caterpillar or equivalent unit.

A competent supervisor shall be employed full time to direct the project work and perform the technical duties necessary to complete the contract in a satisfactory manner.

The location of drill holes and access roads, the method of drilling, and the supervision of the project shall be subject to Government approval.

The work shall be divided into two stages. The Operator shall complete all of Stage I work and as much of Stage II work as is approved of in advance in writing by the Government.

Stage I

Stage I shall consist of bulldozing access roads and drill sites; and drilling not more than thirtyeight (38) holes spaced about 250 feet apart at the approximate locations shown on the map Figure 2, referred to in Annex I.

It is estimated that 100 hours of bulldozing, 2,850 feet of non-core drilling, 1,520 feet of core drilling, 40 hours standby time, 30 samples chemically analyzed for their U_3O_8 content, and incidental costs will be required to complete the thirtyeight (38) holes, however, if this estimate is too low the required units and costs to complete

the holes may, with written Government approval, be transfered from Stage II with a corresponding reduction in that stage.

Stage II

Stage II shall consist of not more than 100 hours of bulldozing access roads, and drill sites; and drilling not more than 40 offset holes totaling not more than 3,000 feet of non-core and 1,600 feet of core drilling. The holes shall be drilled as offsets to holes which the Government consider favorable. No hole drilled under this stage shall be closer than approximately 75 feet to any other hole drilled under the contract.

Under this Stage II not more than 30 samples shall be chemically analyzed to determine their U_3O_8 content; nor more than 40 hours of standby time be allowed.

Fixed Unit Costs

Stage I

Bulldozing, 100 hrs. @ $12/hr.	$1,200.00	
2,850 ft. non-core drilling @ $1.25/ft.	3,562.50	
1,520 ft. core drilling @ $3.50/ft.	5,320.00	
40 hrs. standby time @ $12.50/hr.	500.00	
Incidental allowance for each foot of drill hole completed, 4,370 ft. @ $0.40/ft.	1,748.00	
Chemical analyses for U_3O_8 content of 30 samples @ $3.50/sample	105.00	..... $12,435.50

Stage II

Bulldozing, 100 hrs. @ $12/hr.	$1,200.00	
3,000 ft. non-core drilling @ $1.25/hr.	3,750.00	
1,600 ft. core drilling @ $3.50/ft.	5,600.00	
40 hrs. standby time @ $12.50/hr.	500.00	
Incidental allowance for each foot of drill hole completed, 4600 ft. @ $0.40/ft.	1,840.00	
Chemical analyses for U_3O_8 content of 33 samples @ $3.50/sample	115.50	$13,005.50

Total Estimated Cost of Project $25,441.00

Government Participation @ 75% (rounded) $19,080.00

Dalmid Oil & Uranium, Inc.

2-19-57

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

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D M E A
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2/21 Murphy 780

Re: Docket #DMEA-4409 (URANIUM)
DALMID OIL AND URANIUM, INC.
APRIL, BUTTE, CANYON CLAIMS
SAN JUAN COUNTY, UTAH.

Mr Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division,
U S Dept of the Interior
Washington D. C.

Dear Sir:

Thank you for your letter of Feb 15th, 1957. This will help to clarify the questions that you asked....

1. DALMID OIL AND URANIUM Corporation is our proper name. We are a Delaware corporation.

2. L H Peterson originally staked the claims in question. Later he sold out to George Kidd. Then Kidd incorporated and organized the above named corporation. AND THEN CHARLES COLLINS AND UTARCO URANIUM CORPORATION combined with Dalmid Oil and Uranium Corporation.

   Vernon Dow, a man that I thought was experienced in making applications to your office, made this application for Dalmid.

   The Canyon Claims were originally staked in my name, Charles E Collins, and the Butte 1-5 were staked in my name. Later on, after Utarco was domesticated in Utah, these claims were assigned to Utarco. Butte #6 was staked in Utarco's name.

   When we combined with Dalmid, we assigned our (UTARCO) claims to Dalmid. and in such a way that it met with the approval of the SEC. Your copy of Dalmid's Propectus indicates this.

   Enclosed are Photo-stats of Assignments ~~from~~ from Chas E Collins to Dalmid on the April 1-5 claims---from me to Dalmid on the Canyons 1-4---and from me to Dalmid of the Buttes 1-5....and from Utarco to Dalmid of the Butte #6. And...a photo-stat of a letter from Atty Jas S Henderson (he got the SEC exemption for us) regarding the titles of the Aprils 6,7,8, & 13.

   The dates of the records made at Monticello , and the page and book are noted at the top of these instruments.

Mr Ellis, if these are not sufficient, please let me know what else you may need. We have good claims and need your help. You will be proud of this loan.

sincerely,
Chas E Collins
President

IN REPLY REFER TO:

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

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2/28	C	220
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		225

Comments complete

February 27, 1957

Re: DMEA 4409
Dalmid Uranium Corporation
Butte and Canyon claims
San Juan County, Utah
$25,441 - Uranium

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 4409, Dalmid Uranium Corporation; April, Butte, and Canyon claims, Elk Ridge area, San Juan County, Utah, (uranium).

The examining team report that geologic conditions on the subject property are favorable in that two or three shinarump channels are believed to be present; and some of the claims are situated within an area of continuous Shinarump conglomerate, thus assuring a continuous ore-host rock. The examiners recommend of a DMEA contract providing for 8,970 feet of drilling at an estimated total cost of $25,441.

On Elk Ridge a boundary has been established between continuous and discontinuous Shinarump sediments. This boundary passes through the applicant's claims from southwest to northeast. The field men state, p. 21, "To to north on the Canyon claims the Shinarump member is probably less continuous and any ore-bearing channels will probably be small. The chance of finding a significant uranium deposit here is poor ---."

In recommending drill hole locations the examiners have located more than half of the Stage I holes north of the boundary of continuous Shinarump in an area where chances for success are considered poor. I would like to suggest that consideration be given to a multi-staged project in which all of Stage I, and possibly II, be confined to the most favorable area -- south of the boundary of continuous Shinarump. The area to the north could be drilled in a later stage should encouragement be gained from drilling results to the south.

The examiners further recommend that the work be supervised by a "Government-approved geologist." Such direct Government approval of individuals is not advisable; however the applicant should be made aware of his responsibilities in operations under a DMEA contract.

I agree with the recommendation for approval of the application with the reservations outlined above.

W. P. Williams

William P. Williams

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

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2/26	C	720
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		225

February 25, 1957

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division
U. S. Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Dockett DMEA-4409(Uranium)
April, Butte, Canyon Claims
San Juan County, Utah

Dear Mr. Ellis:

The record books in the Courthouse at Monticello, San Juan County, Utah, indicate that the April Claims Nos. 6, 7, 8, and 13 were recorded on Pages 332, 333, and 335 when George Kidd, also known as G. W. Kidd, of the County of Dallas, State of Texas, signed a quit-claim mining deed on the 9th day of May in 1955.

I hope that we have sent you sufficient information and that you will grant our application for a loan. We would like to get it underway as soon as possible, and I promise that the next application that we make will be in order when it reaches your office.

Very sincerely yours,

Chas E Collins

Charles E. Collins
President

CEC:kn

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"	Murphy	700

4409 Feb. 20, 1957

DMEA Project No. 4409
DMEA Contract No.
Commodity Uranium
Name of Contractor Dalmid Uranium Corp.
Name of Property April, Butte and Canyon claims
Location of Property San Juan County, Utah
Estimated Cost of Project $25,441.16

Ernest William Ellis, DMEA Member
Uranium Commodity Committee
John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Joint Report of Examination

Date 2/18/57 Date of Contract 2/18/57

Is this a new project? Yes [ ] No [ ]

Is this a continuing project? Yes [ ] No [ ]

Is contract ready to execute? Yes [ ] No [ ]

Is this project ready to extend? Yes [ ] No [ ]

Is this a renewal or other?

Is this a special exploration?
a. Yes [ ]
b. Partial [ ]
c. Program of exploration [ ]
d. Other [ ]

Is Regional exploration method [ ]
b. Alternate exploration method [ ]
c. Geo [ ]
d. _____ [ ]

Is this an application for a renewal [ ]
b. Prior to field work [ ]
c. Period [ ]
d. After field work [x]
e. Check with Mr. _____ of _____ AEC office.

Remarks (Use back of page if necessary)

a. Discussion with field team [ ]
b. Request alternate plan [ ]
c. Request another commission [ ]
d. Approval [ ]

Permid Oil & Uranium, Inc.

[illegible] BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

1957
REGION III
DENVER, COLORADO

February 18, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 25 1957

DATE	INITIALS	CODE

Mr. W. M. Traver
224 New Customhouse
Denver 2, Colorado

Dear Mr. Traver: Re: Docket DMEA 4409(Uranium)
April, Butte, Canyon Claims
San Juan County, Utah

I would like very much to hear from you regarding the status of our application for loan.

If there is anything else that is needed to complete this file, we would be happy to give it to you.

The group that owns these claims has weathered the financial storm for quite a while without monies from the outside. Our future will be greatly helped if this loan comes through.

I would like to hear from you at your earliest convenience on this matter.

Very sincerely yours,

Chas E Collins

Charles E. Collins
President

CEC:kn

DMEA Form 7
(12-56)

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"	Mitchenson	100
2-18	C	220
		700

FEB 15 1957

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
604 Hamilton Building
P. O. Box 1590
Wichita Falls, Texas

Re: Docket No. DMEA-4409 (Uranium)
Dalmid Uranium Corporation
April, Butte, Canyon Claims
San Juan County, Utah

Dear Mr. Collins:

Your letter of February 7, 1957, relating to the above-referenced application, is acknowledged.

In order to expedite the processing of your application, will you submit the following additional information as soon as possible:

1. The application states your company's name as "Dalmid Uranium Corporation"; however, your letterhead shows "Dalmid Oil and Uranium, Inc." Which title is correct?

2. The records at San Juan County Courthouse show location data which are somewhat different than noted in the application. Our findings are as follows:

Claim	Locator	Book	Page
April Nos. 1-5	E.M.P. Mining Co. by L. H. Peterson	87	329-331
Butte Nos. 1-5	Charles E. Collins	46	29-33
Butte No. 6	Utarco Uranium Corp. by Charles E. Collins	68	29
Butte No. 6	Deed from Utarco to Dalmid	128	327
April Nos. 6, 7, 8, and 13	E.M.P. Mining Co. by L. H. Peterson	87	332-335
Canyon Nos. 1-4	Charles E. Collins	36	391-394

8623

Which recordings are correct, the above or the data submitted in the application?

3. We require one copy of such deeds, agreements, etc., which validate and confirm your corporation's interests as "owner" of the above nineteen claims.

Your application will be held in abeyance pending receipt of the above-requested information.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

F^M^Murphy/gla
2-14-57
cc to: Admr.'s Reading File
Code 700, Mr. Murphy
DMEA Field Team, Region III (2)
T.H.Kiilsgaard, 5224
Jack Kratchman - AEC

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

224 New Customhouse
Denver 2, Colorado

February 11, 1957

Memorandum

To: Secretary, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Joint Report of Examination, Docket DMEA 4409 (Uranium) Dalmid Uranium Corporation (April, Butte and Canyon claims) San Juan County, Utah

Enclosed are the original and three copies of a joint engineering and geologic report of examination on the subject property.

The field examiners conclude that exploration is justified and recommend the application be approved. The Field Team concurs in this recommendation.

Also enclosed are nine extra copies of Figures 1 and 2 of the subject report which will assist in the preparation of the contract.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
2-18-57
(date)

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2-13	C	220
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2-19	C	220
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ON-SITE EXAM. REPORT

DMEA
DEPARTMENT OF THE INTERIOR
FEB 6 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

TRANSMITTED
FEB 11 1957

January 18, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman
J. F. Shaw

From: J. William Hasler

Subject: Transmittal of a joint report of examination on DMEA docket 4409 (Uranium), Dalmid Uranium Corporation, April, Butte and Canyon claims, San Juan County, Utah

Enclosed are original and nine copies of an approval report of examination on the subject application. The application was referred to the field and an examination was made September 25, 1956. As a result of the examination it was found that additional claim ownership and surveying was required before any contract work could be approved, and the information was not received by this office until the early part of January.

The claims are located on the west side of Woodenshoe Canyon on the west boundary of Elk Ridge, San Juan County, Utah. Sedimentary strata exposed on the claims are of Triassic age and range from the Moenkopi formation to the upper member of the Chinle formation. The Shinarump member is the ore bearing formation in the Elk Ridge area. The approximate boundary of the northern edge of an eas-west trending belt of relatively continuous sandstone of the Shinarump member passes through the central part of the claims. The area contained within the confines of this belt of continuous Shinarump contains the larger ore bodies in the area.

There are fairly good chances of finding ore deposits in the 500 to 2,500 ton class on the subject claims and there is also some indication that two or three channels may be present. Consequently an alternate program was suggested, that is acceptable to the applicant as well. It is recommended that the program outlined in this report be approved and that a contract be prepared.

Reviewed by
DMEA OPERATING COMMITTEE
2-18-57
(date)

DATE	INITIALS	CODE
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DMEA

I concur with the conclusions and recommendations of the examining team. The Atomic Energy Commission was consulted relative to the appraisal of the property.

Enclosed are twenty-four copies of figure 2, including twelve for the contract, as well as the applicant's brochure.

J. William Hasler
J. William Hasler
Geologist

JWH/bh
Enclosures

FOR UNITED STATES GOVERNMENT USE ONLY

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

TRANSMITTED
FEB 11 1957

DEFENSE MINERALS EXPLORATION ADMINISTRATION

JOINT REPORT OF EXAMINATION BY EXAMINING TEAM
REGION III

OFFICIAL FILE COPY
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DATE	INITIALS	CODE
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DMEA 4409

APRIL, BUTTE AND CANYON GROUPS OF CLAIMS

Dalmid Uranium Corporation

San Juan County, Utah

Uranium

Joint Engineering and Geological Report

By

Reviewed by
DMEA OPERATING COMMITTEE
2-18-57
(date)

H. F. Robertson
Mining Engineer
Bureau of Mines

D. P. Elston
Geologist
Geological Survey

February 1957

DMEA 4409

APRIL, BUTTE AND CANYON GROUPS OF CLAIMS
DALMID URANIUM CORPORATION
SAN JUAN COUNTY, UTAH

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    Exploration and Development 7
    Mining Equipment and Other Facilities 8
Geology 8
Ore Deposits 12
Ore Reserves 16
Proposed Exploration 16
Summary of Proposed Project Cost 21
Conclusions and Recommendation 21

ILLUSTRATIONS

Figure — Follows page

1. Location map, Dalmid Uranium Corporation, April, Butte, and Canyon Claim Groups, San Juan County, Utah 3

2. Map of April, Butte, and Canyon Groups of Claims, showing simplified geology and existing and proposed drill hole locations, Dalmid Uranium Corp., Elk Ridge area, San Juan County, Utah 22

Table — Page

1. Estimated Drilling Depths, Stage I holes 18

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DMEA 4409

APRIL, BUTTE, AND CANYON GROUPS OF CLAIMS
DALMID URANIUM CORPORATION
SAN JUAN COUNTY, UTAH

INTRODUCTION AND SUMMARY

On July 31, 1956, Dalmid Uranium Corporation, 1730 North 7th Street, Grand Junction, Colorado, applied for DMEA assistance to explore for uranium on the April, Butte, and Canyon groups of claims, located in the Elk Ridge area, San Juan County, Utah. The applicant's plan of exploration consisted of 18,670 feet of non-core and core drilling at an estimated overall cost of $46,531.60. Government participation at 75 percent would be $34,898.70.

The property was inspected on September 25, 1956 by a DMEA examining team consisting of H. F. Robertson, Bureau of Mines, and D. P. Elston, Geological Survey. The team was accompanied by Marty Maher, field superintendent for the applicant.

The claims are located on the west side of northerly trending Woodenshoe Canyon, along the western boundary of Elk Ridge. Sedimentary strata exposed on the claims are of Triassic age and range from the Moenkopi formation to the upper member of the Chinle formation. The Shinarump member at the base of the Chinle formation is the ore-bearing unit in the Elk Ridge - Deer Flat - White Canyon areas. The northern edge of an east-west trending belt of relatively continuous Shinarump sandstone passes through the central part of the claims.

This belt contains most of the mines and much of the ore reserve in the Deer Flat - Elk Ridge area. There is abundant talus and soil cover on the claims, but on the basis of a few exposures, the Shinarump member is classed as more favorable for ore on the southern half of the claims than on the northern half. However, sandstone-filled scours at the base of the Shinarump member are difficult to detect even when relatively well exposed, so that no part of the claims near the rim can be eliminated from drilling by means of inspection of outcrops.

The southern part of the claims are favorably situated relative to a known ore body and channel on the east side of Wooden Shoe Canyon. This, plus the presence of anomalous radioactivity at several places along the approximate trace of the Shinarump on the ground, indicates that a program designed to test the Shinarump member at moderate depths is justified. U. S. Geological Survey geologists, R. Q. Lewis, Jr., who has mapped this area geologically and is familiar with the mines, and William Gazdick, who had charge of the last Government drilling project in nearby Deer Flat, concur with the examining team's opinion that some exploration is justified.

The chance of finding a large ore deposit is poor; but the chance of finding a deposit in the 500-2,500 ton class is fair as there is some indication that two or three channels may be present on the claims. The revised exploration program submitted with this report was agreed on in conference with the applicant's representative.

The examining team recommends approval of an exploration program consisting of 78 holes, totaling 8,970 feet of non-core and core drilling, at an estimated overall cost of $25,441.16. Government participation at 75 percent would be $19,081.00.

ACKNOWLEDGEMENTS

The Atomic Energy Commission was consulted for data concerning the Elk Ridge area. Reserve and production records of mines in the area were obtained from the Exploration Division-Ore Reserves Branch. The latest mapping by Richard Q. Lewis, U.S.G.S., in the Elk Ridge district has been utilized. Mr. Lewis was also consulted for his opinion on the potentialities of the subject property. W. B. Gazdik, who was in charge of the nearby Geological Survey Deer Flat drilling project was consulted for pertinent areal information.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The nineteen claims included in the proposed project are located in secs. 28 and 33, T. 35 S., R. 18 E., Salt Lake meridian, Elk Ridge Mining district, San Juan County, Utah (figs. 1 and 2). The property is reached by traveling 35 miles northwesterly from Blanding, Utah, on old Utah Highway 95 to a junction; thence 5 miles northwesterly on a graded access road to the subject property. Blanding is 198 miles by paved highways from Grand Junction, Colorado, the nearest major supply center.

The property is on the brush-covered, steep, western side of Wooden Shoe Canyon at altitudes ranging from 7,800 to 8,400 feet, and is accessible in dry weather or when the ground is frozen. Surface operations are feasible for about seven months of the year. Operations are usually suspended in late winter and early spring.

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JANUARY 1957
DOCKET 4409

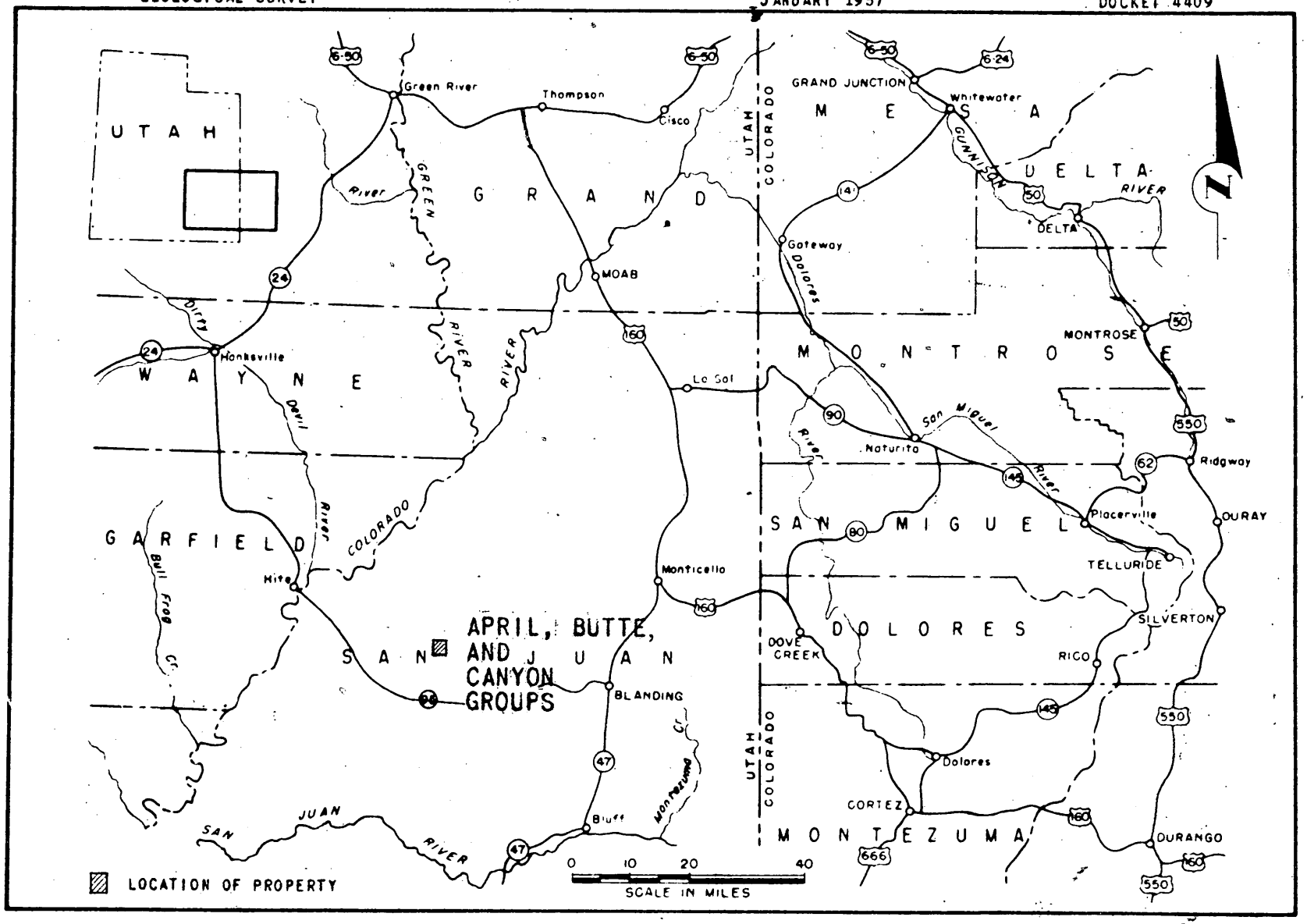


FIGURE 1.--LOCATION MAP, DALMID URANIUM CORPORATION, APRIL, BUTTE, AND CANYON CLAIM GROUPS, SAN JUAN COUNTY, UTAH.

Drill sites are easily prepared, and the cost of bulldozing for access roads is moderate. There are no unusual problems of supply, water, labor, or transportation.

Buying stations for uranium ore are at Monticello, Utah, 52 miles northeast of the property and at White Canyon, Utah, 63 miles to the west.

Living accommodations for personnel working in this district must be provided by the operator.

HISTORY, PRODUCTION AND OWNERSHIP

Exploration for uranium in the Elk Ridge district started in 1950, but there was no production until 1953. There has been no production from the subject group of claims, although at the time of examination an adit about 125 feet in length had been driven on the Canyon No. 1 claim.

The following production from the Deer-Flat-Elk Ridge area, with average grade of uranium, copper, and calcium carbonate are from A.E.C. records and are complete to July 1, 1956.

Mine or claim	Tons (short)	U_3O_8	Cu	$CaCO_3$
Camel (cigarette group)	2,661	0.16	*0.08	*0.72
Camel (hideout group)	54	0.07	---	---
Charley No. 3	193	0.11	0.82	0.53
Hideout	11,730	0.32	*1.53	*0.44
Maidora	367	0.15	0.12	0.3
Notch	226	0.24	*0.04	1.4 (?)
Notch No. 2	181	0.08	---	1.7
Notch No. 4	13	0.44	0.03	1.7
Notch No. 5	80	0.09	---	---

Mine or claim	Tons (short)	U_3O_8	Cu	$CaCO_3$
Okie group	4,458	0.20	*0.17	16.4
Payday No. 5	7,427	0.36	*0.29	*1.08
Peavine Queen	35	0.15	0.04	0.6
Sandy	1,027	0.22	0.73	---
Sandy No. 3	4,237	0.17	*0.20	*15.0
Sandy No. 4	33	0.27	0.80	10.4
W. N.	7,508	0.22	*0.54	*1.1
Total	40,230	0.26		

* approximate grade from incomplete data

Dalmid Uranium Corporation presumably is the owner of the nineteen unpatented lode mining claims included in the proposed project and states that the claim location certificates are recorded at the San Juan County Courthouse, Monticello, Utah, as follows:

Claim	Location	Book	Page
April Nos. 1-5	Utarco Uranium Co.	87	329-331
Butte Nos. 1-5	Utarco Uranium Co.	46	22 and 23
Butte No. 6	Utarco Uranium Co.	68	29
April Nos. 6 and 7	Dalmid Uranium Corp.	87	332
April 7	Dalmid Uranium Corp.	87	333
April 13	Dalmid Uranium Corp.	87	335
Canyon Nos. 1-4	- - -	36	391-394

A subsequent check of the records at the San Juan County Courthouse made by DMEA personnel disclosed that recorded data was somewhat different from that submitted by the applicant, as follows:

Claim	Disc. Date	Rec. Date	Locator	Book	Page
April Nos. 1-5	4/4/54	5/3/54	E.M.P. Mining Co. by L.H. Peterson	87	329-331
Butte Nos. 1-5	7/2/55	8/1/55	Charles E. Collins	46	29-33
Butte No. 6	9/2/55	9/22/55	Utarco Uranium Corp. by Charles E. Collins	68	29
Butte No. 6	----	7/11/56	Deed from Utarco to Dalmid	128	327
April Nos. 6-7-8-13	4/4/54	5/3/54	E.M.P. Mining Co. by L.H. Peterson	87	332-335
Canyon Nos. 1-4	6/17/55	7/15/55	Charles E. Collins	36	391-394

It will be noted that the applicant shows incorrect page numbers on the entries for the Butte Nos. 1 through 5 claims.

A comparison of the two sets of recording data indicates that most of the instruments transferring ownership from the locators of claims to the applicant apparently have not been recorded, and they were not furnished with the application. The applicant should be requested to submit pertinent instruments such as deeds, agreements, etc; which validate and confirm their interests as "owner" of the nineteen subject claims.

The claims appear to be located in accordance with Federal and State regulations and are marked properly on the ground. The N.W. (No. 1) corner of the Butte No. 1 claim is described by the location notice as being 350 feet north of the south quarter corner of section 33, T. 35 S., R. 18 E., and is plotted in that position on the applicant's maps. A tie is also described for the NE (No. 1) corner of the April No. 1 claim, but gives only the bearing from a section corner more than a mile distant and is not definite enough to be of positive use.

The April claims Nos. 9, 10, 11, 12, 14, 15, 16, 17, 18 and Canyon No. 5 are not controlled by the applicant and are not included with the claims subordinated to the proposed project.

The Canyon claims were incorrectly placed on the original map submitted by the applicant. A survey of the outcrops and of some of the claim corners made in late December, 1956, showed that the Canyon claims were placed 320 feet too far to the east on the original map. The claims are plotted on figure 2 of this report in accordance with the revised map submitted by the applicant on January 3, 1957. The claims are tied to the 1/4 corner at the south end of section 33, T. 35 S., R. 18 E., SLBM, according to the location certificate of the April No. 1 claim.

It is noted that the form MF-103 shows the name of the applicant as "Dalmid Uranium Corporation". When referring to the applicant, this form of the corporation name is used in this report. However, letters from the company president seem to indicate that the company is incorporated under the name "Dalmid Oil and Uranium, Inc.". This matter of the correct corporate name should be resolved.

PRESENT STATUS

Exploration and Development

The only exploration by drilling on the applicant's property consits of four plug-and core-drill holes on the Canyon No. 1 claim (fig. 2). Core recovery in the holes was poor, and no records were kept of the results of the drilling.

A limited amount of rim stripping was attempted on the Canyon No. 1 claim, and an adit driven into a mineralized exposure uncovered by the bulldozing operation (fig. 2). The tunnel was driven about 125 feet in a northwesterly direction and was inoperative at the time of examination in September. The applicant reports that operations were resumed in December and that some ore (grade unreported) has been produced and shipped. Certification of the property for initial production bonus has been applied for.

Mining Equipment and Other Facilities

There was no mining equipment on the property at the time of the examination. The applicant is the owner of a drill rig which may be used for part of the proposed exploration. However, it is more probable that the drilling would be done by an independent contractor.

There are no permanent camp facilities on the property so any housing would have to be furnished by the operator.

Ample domestic and drilling water can be obtained within a few miles of the claims.

GEOLOGY

The April, Butte and Canyon claims are on the west side of northerly trending Woodenshoe Canyon along the western boundary of Elk Ridge. The difference of elevation from the bottom of the canyon to the top of Woodenshoe Buttes, just west of the claims, is about 1,700 feet. The rocks exposed in the area are sedimentary strata of Permian and Triassic age.

The following generalized stratigraphic section is taken from a preliminary U. S. Geological Survey map of a part of the Elk Ridge area by R. Q. Lewis, et al.

Age	Formation	General Lithology	Thickness (feet)
	Wingate Sandstone	Massive festoon cross-bedded red, buff and white sandstone	240-300
Upper Triassic	Chinle formation upper member	Thick bedded red and maroon sandstone underlain by thick section of gray, purple and red mudstone	480-530
	Moss Back member	Massive gray to white conglomeratic sandstone	55-100
	Lower member	Blue, gray and red mudstone locally thin gray flaggy sandstone	5-150
	Shinarump member	Ledge-forming gray and white quartz sandstone containing minor lenses of conglomeratic and mudstone. Fills minor scours cut into top of underlying Moenkopi formation	0-60
	unconformity		
Lower and Middle Triassic	Moenkopi formation	Red, buff and brown shale and sandstone; upper and lower parts dominantly shale	225-280
Permian	Cutler formation Hoskinnini tongue	Reddish to buff silty sandstone and minor shale	50-90
	Organ Rock tongue	Massive red sandy siltstone	170-230
	Cedar Mesa sandstone member	Thick gray festoon cross-bedded sandstone	1000-1200

The strata on the claims are the Triassic Moenkopi and Chinle formations, but only the Mossback sandstone member of the Chinle formation is relatively well exposed on parts of the claims. A cover of talus and soil obscures most of the bedrock in the area and rim stripping by bulldozer to uncover the contact of the Shinarump member with the underlying Moenkopi formation has been effective as a prospecting tool only along limited parts of the claims. The "50-foot sandstone" (fig. 2) as mapped by the applicant is a local sandstone unit in the Chinle formation, which is about 5 to 10 feet thick, and is about 30 feet above the top of the Shinarump member.

The Shinarump member of the Chinle formation is the ore-bearing unit in the Deer Flat-Elk Ridge area. The Shinarump member is a fine- to coarse-grained quartzone sandstone, which locally contains small pebbles of quartz at the base, and interbedded lenses of gray to dark-gray siltstone and mudstone. Carbonaceous trash, as plant fragments and thin discontinuous seams of coalified wood, is common in the sandstones and mudstones. Locally, there are coalified remnants of trees imbedded in the sandstone, and very locally the rock is stained dark-gray to black by what appears to be a petroliferous residue.

At and near the outcrop, the sandstones are stained light to dark yellow-brown by limonite derived from the oxidation of iron sulfides. Behind the outcrop, where the sandstones are relatively unoxidized, they are light to dark-gray in color and contain sparse to abundant iron sulfides. No copper-bearing minerals, either sulfides or carbonates, were observed on the claims.

The Shinarump member is the basal member of the Chinle formation. The lowermost beds of the Shinarump member are channeled into the underlying Moenkopi formation. In the general area, channel scours commonly are shallow and in places are difficult to detect. The scours range from about 3 to 10 feet in depth and from about 175 feet to 1,000 feet in width; they are usually irregular in cross-section, and because of interbedded mudstones in sandstone, the limits of channels may be obscure in detail. Accurate surveying to establish elevations of the base of the Shinarump member where it outcrops and of collars of drill holes which penetrate the Moenkopi formation is essential for the detection of these channels. In the area of relatively continuous sandstone, the upper part of the Shinarump member is a rather tabular layer composed of an aggregate of crossbedded sandstone strata and minor interbedded mudstone. To the north, the Shinarump member consists of lenses of sandstone which are largely more discontinuous than to the south.

The structure in the area consists of a simple regional dip of strata of 2° to 3° southwesterly from the Monument upwarp to the east. Apparent dips from exposures at the top of the Moenkopi formation indicate a N. 50°-75° W. strike, and a dip of about 2 1/2° SW. A structural terrace on the top of the Moenkopi formation exists near the small mine on the Canyon claims as there is an apparent dip of 2° south-easterly to the base of Shinarump conglomerate where exposed near the April No. 6 and Butte No. 6 claims. There are no known faults in the claim area.

ORE DEPOSITS

The ore-bearing sandstones in the Deer Flat--White Canyon areas are the lower sandstone lenses of the Shinarump member. Ore, most commonly, is in those lenses which fill scours in the underlying Moenkopi formation. Overlying, more tabular, sandstone lenses are usually barren of ore minerals. An exception to the general relationship that the ore minerals are in the lowermost lenses occurs in the Sandy mine about 1 1/4 miles south of the subject property where the ore minerals in part of the deposit are about 15 feet above the base of the Shinarump member. However, uranium ore most commonly is localized in medium-to coarse-grained carbonaceous sandstone near the floor of the channels.

The uranium deposits in the nearby Deer Flat area contain relatively unoxidized uranium and copper minerals. The principal minerals are uraninite, chalcopyrite, chalcocite, bornite and covellite. Within the ore bodies, the ore minerals replace fossil wood fragments and are disseminated in sandstone. In general, the copper content of the rock is proportional to the uranium content, so that any rock which might be classified as copper ore would probably also be classified as uranium ore.

The ore deposits, which are narrow and elongate, follow the trend of the channels. A deposit commonly consists of several ore bodies in the bottom or along the flanks of a channel; the ore bodies are separated by mineralized and barren ground. Mudstone lenses in the sandstone are common and, in part, appear to have been responsible for the localization of the individual ore bodies.

The ore bodies and deposits commonly occupy only parts of the channels. Channel widths range from about 175 feet to 900 feet; channels have been traced by drill holes for distances up to about 2,000 feet. Ore deposits within the channels range in width from a few feet to about 100 feet; the lengths range from a few hundreds to more than 1,500 feet. Ore bodies range from several feet to several hundred feet in length. Layers of ore-grade material range from less than 1 foot thick to as much as 6 feet; in the larger ore bodies the average thickness is about 3 feet.

Most of the production from the area has come from a northeasterly trending belt of ground that is about 4 to 5 miles in width in which the Shinarump member is relatively continuous. The subject property is on the northern edge of this belt (fig. 2). Because of the lack of exposures, the position of the northern margin of this belt in the vicinity of the claims is not firmly established. However, the relatively little outcrop suggests that the southern part of the claims may be more favorable for ore than the northern part of the claims.

The prospect tunnel on the Canyon No. 1 claim and the cores of four drill holes near the tunnel were inspected by the examining team. No conclusive evidence for the existence of a significant ore-bearing channel was found. A sandstone lens along the main drift contains a few small, spotty concentrations of uranium minerals and anomalous radioactivity along the base where the sandstone is in contact with altered gray-green mudstone of the Moenkopi formation.

The sandstone lens is about 2 to 3 feet thick near the portal, swells to about 8 feet thick 30 to 40 feet behind the portal, is about 5 feet thick where the tunnel divides in branching drifts, and apparently grades into gray mudstone at the western limit of the workings. The increase of sand thickness is in part due to the filling of a gentle scour in the Moenkopi, but is mostly just a sandstone lens which grades laterally into gray Shinarump mudstones. The southwestern part of the workings are in mudstone which abruptly dips into what is apparently the edge of an unmineralized scour filled with Shinarump mudstone. The strike of a fossil log in sandstone in the main drift, which may parallel the palaeo-stream flow, is N. 78° W.

Near the portal, the thin basal sandstone lens is 2-3 feet thick; it is overlain by about 5 feet of gray mudstone which, in turn, is overlain by 5 to 6 feet of sandstone. The overall thickness of the Shinarump member here is about 15 to 20 feet.

About 250 feet northeast of the portal (the "mineralized channel" on the applicant's map), there is a very weakly mineralized sandstone lens which is a maximum of 5 feet thick and which overlies altered Moenkopi mudstone. Channeling or scour filling here is not apparent.

Very weak anomalous radioactivity was detected about 800 feet north of the prospect in a single detached, apparently inverted boulder of sandstone of the Shinarump member which protruded above the soil mantle.

The cores of four holes drilled west of the prospect were examined. The thickness of the Shinarump member penetrated by the drill ranges from about 15 to 25 feet and generally consists of an upper and lower sandstone lens separated by mudstone. The lowermost sandstone lens ranges from about 1 to 3 feet thick.

The sparsely micaceous finely laminated Moenkopi mudstone which underlies the basal sandstone lens is light green to gray green, but the thickness of this altered zone is mostly less than 1 foot.

A feature detected in the westernmost two holes that may indicate either a channel scour or a local steepening of dip is that the Shinarump-Moenkopi contact in the southernmost of the two holes is 15 feet lower in elevation than in the hole 200 feet to the north. However, this apparent scour is largely filled with mudstone and the only anomalous radioactivity detected was a very small richly mineralized "button". On the basis of the very thin and apparently discontinuous basal sandstones which were observed, the chance of finding a significant deposit of uranium in the northern part of the claims is poor.

To the south, the slopes on the April and Butte claims, like those on the Canyon claims, are mostly covered by soil and talus which support a heavy growth of scrub oak. The anomaly detected by the applicant with a scintillometer on the Butte No. 6 claim was too weak to be detected by a geiger counter which the examining team carried. Furthermore, no outcrop of the Shinarump was observed where placed on the applicant's map but rather just boulders and fragments of sandstone identifiable as Shinarump.

In addition an error in the trace of the Shinarump-Moenkopi contact on the subject claims as plotted on the applicant's original map was noted by the examining team. An outcrop of the Shinarump member just north of the Butte No. 6 claim is about 160 feet lower in elevation than the outcrop by the tunnel on the Canyon No. 1 claim. The drop in elevation of the contact was not shown originally but since has been corrected by spot surveying of the few outcrops.

Geologic contacts on the map submitted with this report (fig. 2) are generalized, and thus hole locations in the field may have to be adjusted. This will not affect the objective of the drilling program which is to test the Shinarump member at moderate depths at distances ranging from about 100 to 400 feet behind the approximate trace of the member at the surface.

ORE RESERVES

The small amount of exploration and development which has been performed on the subject property has not uncovered any ore bodies of commercial importance.

Ore reserves for the mines in the Deer Flat-Elk Ridge area, as estimated by the A.E.C., are 86,248 short tons of indicated and inferred ore having an average grade of 0.26 percent U_3O_8.

PROPOSED EXPLORATION

The applicant proposed a two-stage drilling program consisting of 18,670 feet of core and non-core drilling at an estimated over-all cost of $46,531.60. The first stage included 44 holes spaced 250 feet apart and designed to discover any channel with a minimum width of 160 feet.

The second stage of the applicant's proposed program would offset any stage I hole which penetrated ore or mineralized material, or indicated the presence of a favorable channel. It is estimated that ten of the first stage holes would warrant offsetting with four holes each, at 75-foot spacing, to determine the trend or direction of a mineralized channel. This would require a total of 40 holes averaging 250 feet in depth.

The applicant was requested to submit three drilling bids on the proposed project. The bids received by the applicant are tabulated below.

Contractor	Non-Core			Core		
	0-200	200-400	400-600	0-200	200-400	400-600
American Drilling Company	$1.25	$1.50	$1.75	$3.50	$4.00	$4.50
B. H. Mott & Sons, Inc.	$1.80	$2.20	$2.90	$3.00	$3.50	$4.75
Sprague and Henwood, Inc.	$1.60	$1.80	$2.10	$3.50	$3.75	$4.50

The lowest of the three bids, that of American Drilling Company, is used in the estimate of costs for the proposed project.

The exploration program proposed by the applicant was modified slightly during subsequent conferences with the applicant's representative and the following program agreed upon.

The program would be set up in two stages. In the first stage, 38 plug-bit and core holes would be drilled on about 250-foot centers as shown on figure 2. This would require an estimated maximum of 2,850 feet of plug-bit and 1,520 feet of core drilling. Stage II would provide for a maximum of 40 offset holes on 75-foot centers from any previously drilled holes which cut significant mineralization or evidences of favorable channel scours.

A maximum of four holes would be permitted around any previously drilled hole.

A table of estimated drilling depths are based on the applicant's estimates and on data from a U. S. Geological Survey geologic map (Elk Ridge 3 NW Quadrangle, San Juan County, Utah) follows:

Table I - Estimated Drilling Depths of Stage I holes--April and Butte claims

Hole No.	Non-Core feet	Core feet	Total feet		Hole No.	Non-Core feet	Core feet	Total feet
D-1	60	40	100		D-15	70	40	110
D-2	70	40	110		D-16	70	40	110
D-3	100	40	140		D-17	70	40	110
D-4	130	40	170		D-18	70	40	110
D-5	90	40	130		D-19	70	40	110
D-6	70	40	110		D-20	70	40	110
D-7	70	40	110		D-21	70	40	110
D-8	70	40	110		D-22	70	40	110
D-9	70	40	110		D-23	70	40	110
D-10	70	40	110		D-24	70	40	110
D-11	70	40	110		D-25	70	40	110
D-12	70	40	110		D-26	70	40	110
D-13	70	40	110		D--27	160	40	200
D-14	70	40	110		D-28	70	40	110
				Total		2,150	1,120	3,270

Canyon claims

Hole No.	Non-Core feet	Core feet	Total feet		Hole No.	Non-Core feet	Core feet	Total feet
D-29	70	40	110		D-36	70	40	110
D-30	70	40	110		D-37	70	40	110
D-31	70	40	110		D-38	70	40	110
D-32	70	40	110					
D-33	70	40	110	Total		700	400	1,100
D-34	70	40	110					
D-35	70	40	110					
				Total Stage I		2,850	1,520	4,370

The estimated coring interval of 40 feet would permit taking core from a point near the top of the Shinarump sandstone, through the potential ore zone and any altered Moenkopi underlying the Shinarump member and bottoming holes in ten feet or less of red Moenkopi mudstone.

Estimated Cost of Proposed Program

Stage I:

Estimated time for completion -- 2 months.

Basis - 1 drill rig - 1 shift per day.

25 days per month - 100 feet per shift.

(1) Independent Contracts:

Bulldozing for access roads and drill sites 100 hours at $12.00 per hour	$ 1,200.00
Drilling - 2,850 feet of non-core drilling at $1.25 per foot	3,562.50
1,520 feet of core drilling at $3.50 per foot	5,320.00
40 hours standby time at $12.50 per hour	500.00
Total Independent Contracts	$10,582.50

(2) Labor and Supervision:

1 geologist - supervisor, full-time 2 months at $600.00 per month	$ 1,200.00
Total Labor and Supervision	$ 1,200.00

(3) Operating Materials and Supplies:

Gasoline, oil, and repairs on jeep or pickup for supervisor-geologist 2 months at $50.00 per month	$ 100.00
160 core boxes at $1.25 each	200.00
Total Operating Supplies --	$ 300.00

(4) Operating Equipment:

Depreciation - 1 jeep or pickup valued at	$ 1,800.00
1 Babbel counter and probe valued at	$ 800.00
	$ 2,600.00

Depreciation on 60 month basis

$\frac{2600}{60}$ = $433.33 per month

Depreciation for 2 months	$ 86.66
Total Operating Equipment	$ 86.66

(5) and (6) No initial rehabilitation, repairs, new buildings or equipment.

(7) Miscellaneous:

Chemical assays, 30 samples analyzed for U_3O_8, at $3.50 each	$ 105.00
Direct accounting costs - 2 months at $50.00 per month	$ 100.00
Payroll taxes and insurance at 6 percent of $1,200.00	$ 72.00
Total Miscellaneous	$ 277.00

Total estimated cost of 4,370 feet of drilling	$12,446.16
Estimated cost per foot	2.85

Incidental allowance (all costs, less independent contracts and chemical assays) per foot

$\frac{\$1,758.66}{4,370 \text{ feet}}$ = 0.40

Stage II:

Drilling an estimated 40 offset holes on 75-foot centers around 25 percent of the 38 stage I holes. Total core and non-core footage is 4,600 feet.

3,000 feet of non-core drilling at $1.25 per foot	$ 3,750.00
1,600 feet of core drilling at $3.50 per foot---	5,600.00
40 hours standby at $12.50 per hour	500.00
100 hours bulldozing at $12.00 per hour	1,200.00
Incidental allowance - 4,600 feet at $0.40 per foot	1,840.00
Total Stage II drilling	$12,890.00
30 assays for U_3O_8 at $3.50 each	105.00
Total Stage II estimated costs	$12,995.00

SUMMARY OF PROPOSED PROJECT COSTS

Stage	No. of holes	Non-Core feet	Core feet	Total feet	Overall cost
I	38	2,850	1,520	4,370	$12,446.16
II	40	3,000	1,600	4,600	12,995.00
Total	78	5,850	3,120	8,970	$ 25,441.16

Average overall cost per foot for project	$ 2.84
Government participation - 75 percent or	19,081.00
Time for completion - 4 months	

CONCLUSIONS AND RECOMMENDATION

The ground on the southern part of the claims is within the probable belt of continuous Shinarump and is classed as favorable for ore. The chance of finding a uranium deposit in the 500 to 2,500 ton class here is fair and exploration drilling is recommended. To the north on the Canyon claims the Shinarump member is probably less continuous and any ore-bearing channels will probably be small. The chance of finding a significant uranium deposit here is poor, but because of the vagaries of deposition of

the Shinarump, and of ore in the Shinarump, exploration drilling is recommended for this area also.

A drilling project as outlined in the body of the text is recommended for approval. The proposal includes a maximum of 78 holes, totaling 8,970 feet of drilling, at an estimated cost of $25,441.16; Government participation at 75 percent would be $19,081.00.

Experience with the applicant in the past four months suggests that the applicant's representative might manage an exploration program by "the seat of his pants" with the result that surveying and geologic logging and evaluation probably would be slighted if not largely ignored. It is strongly recommended that a geologist approved by the Government supervise the exploration program and gather and evaluate the data derived therefrom. The validity of the evaluation of the drill-hole data will depend upon a fit between good geological logs of the core and the spatial positions of sections penetrated by the drill.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 11 1957

DATE	INITIALS	CODE
2/12	C	220
	Murphy	700
		225

Dalmid Oil & Uranium, Inc.

604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

February 7, 1957

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

Re: Docket No. DMEA-4409 (Uranium)
April-Butte-Canyon Groups
San Juan County, Utah

Dear Sirs:

The future of our company depends largely upon your action on our application for a loan on the above mentioned claims.

We have cut roads, we have drilled, we have exhausted what monies we have had to work with up to this point. We have discovered numerous outcroppings. There are several large, producing mines in the immediate area of our claims. Our claims are easy to drill since there is very little overburden.

The thought came to my mind that if you knew how desperately we needed your assistance and how much we would appreciate it, that it might help you in your decision.

I am enclosing a snapshot of a group of our claims. Please note how the moenkopi comes up to the contact road that we have cut near the top of the mountain. We have used a dozer and cut back into the hill where mineralized sands became evident.

Certainly, we are anxious to hear from you.

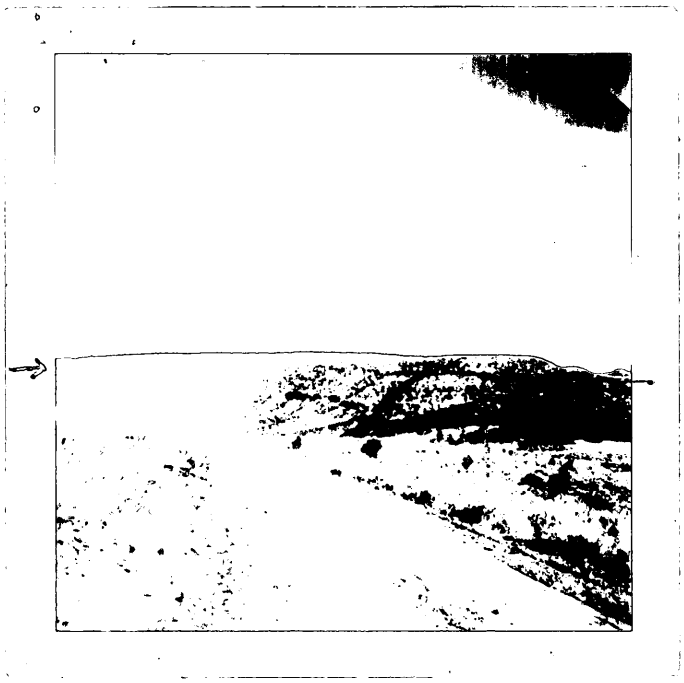
Very sincerely yours,

Chas E Collins

Charles E. Collins
President

CEC:kn

Note: map and prospectus accompanying this letter are in packet.
Field Team report recommending contract received 2/13/57
Fay/ay.



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

224 New Customhouse
Denver 2, Colorado

January 15, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 24 1957

DATE	INITIALS	CODE
1-24	C	220
1-24	~~Eblin~~ (Resumgnd)	700
	Margy	

Mr. Charles E. Collins, President
Dalmid Oil & Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA 4409 (Uranium)
April, Butte, Canyon Claims
San Juan County, Utah

Dear Mr. Collins:

This will acknowledge receipt of your letter dated January 9, 1957 regarding the captioned docket.

This is to advise that the additional information requested from you by our letter of November 15, 1956 was delivered to the Grand Junction Office, DMEA, by your Mr. Maher on January 3, 1957.

We are advised that the field examiners now have sufficient information to complete their report of examination on your property. Upon receipt by this office, the report of examination will be forwarded the Washington Office, DMEA, who will advise you of their final action.

Yours very truly,

Original signed by
W. M. TRAVER

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

HMC:ytl
cc
Sec. Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Docket 4409
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
JAN 11 1957
REGION III
DENVER, COLORADO

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

IN REPLY REFER TO:
R
JAN 11
GEOL... DENVER

January 10, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 24 1957

DATE	INITIALS	CODE

Memorandum

To: Executive Officer, DMEA Field Team, Region III

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

From: D. P. Elston

Subject: Correspondence from Charles E. Collins, President, Dalmid Oil and Uranium, Inc., DMEA docket 4409 (Uranium)

Mr. Charles E. Collins of Dalmid Oil and Uranium, Inc., in a letter dated January 5, 1957, informed me that Messrs. Vernon Dow and Martin Maher had returned to the April, Butte and Canyon claims to do the surveying requested by the Field Team. He stated the "proper corrections" had been made by them and wishes to know if this office has made "this correction" and if we have sent the "field examination" to Mr. Traver in Denver.

For your information, Mr. Maher delivered to this office on January 3, 1957, a copy of a map of their claims which shows the survey data requested by the Field Team. In addition to a tie with a section corner, and spot locations and elevations of the Shinarump member, the Canyon group of claims have been moved 320 feet west of their former position as originally submitted by the applicant.

The data have been incorporated in a copy of the map which will be submitted with the report of examination which should be completed and ready for transmittal in a couple of weeks.

As it took about 3 months to get one day's work from the Dalmid organization (the surveying was done December 30, 1956) Mr. Collins should not feel too badly that the "corrections" could not be incorporated here in final form in a matter of one or two days.

D. P. Elston,
Geologist

DPE/mlr

COPY

DALMID OIL & URANIUM, INC.

604 Hamilton Building P.O. Box 1590 Wichita Falls, Texas

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 24 1957

DATE	INITIALS	CODE

January 9, 1957

Mr. W. M. Traver
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4409 (Uranium)
April, Butte, Canyon Claims
San Juan County, Utah

Mr. Dow informs me that he has submitted the needed information to your Field Office in Grand Junction.

The purpose of this letter is to see if you need further information to complete your investigation.

We truly hope that we have given you everything that you need, and I look forward to hearing from you with much interest.

Sincerely yours,

/s/
Charles E. Collins
President

CEC:kn

(ytl)

IN REPLY REFER TO:

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

DMEA
DEPARTMENT OF THE INTERIOR
JAN 21 1957
REGION III
DENVER, COLORADO

JAN 18 1957
GEOLOGICAL SURVEY
DENVER, COLORADO

January 16, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman E. N. H

From: D. P. Elston

Subject: Correspondence from Charles E. Collins, President Dalmid Oil & Uranium, Inc. DMEA Docket 4409 (Uranium)

Enclosed are five copies of letter from Mr. Charles E. Collins, President of Dalmid Oil & Uranium, Inc.,as requested in your memorandum of January 14.

D. P. Elston
R.

For J. William Hasler,
Geologist

MLR

Enclosures (5)

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 24 1957

DATE	INITIALS	CODE

DALMID OIL & URANIUM, INC.
P. O. Box 1590
Wichita Falls, Texas

January 5, 1957

OFFICIAL FILE COPY DMEA RECEIVED JAN 24 1957		
DATE	INITIALS	CODE

Mr. Don Elston
DMEA Office
Atomic Energy Commission Compound
Grand Junction, Colorado

Dear Mr. Elston:

Vernon Dow and Martin Maher told me by telephone that they had gone back to survey the April, Canyon, and Butte Claims, and that they had made the proper corrections in the map that you needed.

If this correction has been made and you have sent your field examination on to Mr. Traver in Denver, I wish you would please tell me.

Thank you very much.

Sincerely yours,

Charles B. Collins
President

CBC:kn

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 4 1957

DATE	INITIALS	CODE
1-4-57	E.	700
January 2, 1957		

224 New Customhouse
Denver 2, Colorado

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA 4409 (Uranium)
April-Butte-Canyon Groups
San Juan County, Utah

Dear Mr. Collins:

This will acknowledge receipt of your letter dated December 28, 1956, regarding the captioned docket.

This is to advise that we have not as yet received sufficient information to complete the Report of Examination on your property. Please refer to our letters to you, dated November 15, 1956 and December 20, 1956, in which we requested a true claim map showing the topography and the land lines tied reasonably well to the several exposures and approximate surface trace of the Shinarump member.

Since additional surveying on the property will be required before you can submit the requested information, will you please advise the date you expect the survey to be completed.

Yours very truly,

Original signed by
W. M. TRAVER

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

HMC:ytl
cc
Sec. Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Docket 4409
Chron.
) w/cc of Applicant's letter

COPY

DAIMID OIL & URANIUM, INC.
604 Hamilton Building P. O. Box 1590 Wichita Falls, Texas

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 2, 1957
DATE

December 28, 1956

Mr. W. M. Traver
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4409 (Uranium)
April-Butte-Canyon Groups
San Juan County, Utah

Dear Mr. Traver:

I hope that you now have the complete information in your office that is necessary to bring this application for a loan to a successful conclusion. If there is more needed we will have to get geologists back on these grounds, and it may be a while before that would be an easy thing to do at that elevation.

We will be in touch with you in the very near future. Thank you very much.

Sincerely yours,

Charles E. Collins
President

CEC:kn

(ytl)

JAN 2 1957

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

MINERAL DEPOSITS
DEC 21 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

224 New Customhouse
Denver 2, Colorado

December 20, 1956

Mr. Charles E. Collins, President
Dalmid Oil & Uranium Company
P. O. Box 1590
Wichita Falls, Texas

Re: Docket DMEA 4409 (Uranium)
April-Batte-Canyon Groups
San Juan County, Utah

Dear Mr. Collins:

Will you please advise, by return mail, when we may expect the information requested in my letter to you, dated November 15, 1956.

If the property cannot be surveyed on account of inclement weather, please so advise. Apparently Mr. Dow does not have the necessary information, since additional surveying will be required. We are unable to hold DMEA applications open indefinitely.

Yours very truly,

Original signed by
W. M. TRAVER

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

HMC:ytl
cc
Sec. Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Docket 4409
Chron.
w/cc of Hasler's memo.

RECEIVED
DEC 31 1956

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
DEC 20 1956
REGION III
DENVER, COLORADO

December 18, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman ENH

From: J. William Hasler

Subject: DMEA docket 4409 (Uranium), Dalmid Oil and Uranium, Inc., (April-Butte-Canyon groups), San Juan County, Utah.

This is in reply to your letter of December 17, asking if applicant had supplied us with sufficient information to complete our report of examination on the subject property.

Mr. Dow was in the office recently and informed us that he does not have the necessary information, and that additional surveying on the property will be required before the requested information can be supplied. Mr. Dow is now in the employ of the Bureau of Land Management, and it will now be necessary for the Dalmid Oil and Uranium, Inc., to have the work completed by another engineer. Until such data are received, our report will be held in abeyance, unless you request a denial without prejudice.

J. William Hasler

J. William Hasler,
Geologist

JWH/mlr

2-20-56

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

RECEIVED DEC 20 1956 DMEA

224 New Customhouse
Denver 2, Colorado

December 17, 1956

Memorandum

To: J. W. Hasler

From: DMEA Field Team, Region III

Subject: Docket DMEA 4409 (Uranium) Dalmid Oil and Uranium, Inc. (April-Butte-Canyon Groups) San Juan County, Utah

Will you please advise if sufficient additional information has been submitted by the subject Applicant to enable you to complete your Report of Examination on the property.

The recording data on the Canyon claims was forwarded you in a copy of the Applicant's letter, dated November 20, 1956.

Mr. Vernon Dow stated that he would supply direct to the Grand Junction Office, DMEA the other information requested in our letter to the Applicant, dated November 15, 1956.

DMEA Field Team, Region III

Original signed by
W. M. TRAVER

By W. M. Traver
Executive Officer

HMC:ytl
cc: Sec. Op. Comm. (2)
Harshman
Shaw (2)
Docket 4409
Chron.

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

P.O. New Custom Bldg.
Denver 2, Colorado

November 15, 1956

Dalmid Uranium Corporation
1730 North 7th Street
Grand Junction, Colorado

Re: Docket DMEA No. 4409 (Uranium)
April-Butte-Canyon Groups
San Juan County, Utah

Gentlemen:

In order to give further consideration to a proper drilling program, we request that you supply a map on which the claim boundaries, topography, and land lines are tied reasonably well to the several exposures and approximate surface trace of the Shinarump member on the claims.

The map supplied with your application has the geology sketched incorrectly on the April and the Butte claims, as the strata have a southerly component of dip which amounts to about 190 feet from the Canyon 1 to April 6 claims. In addition, no geology is shown on the Canyon 2-4 claims in the northern part of the area, and you submitted no proposed program for the exploration of these claims. Any exploration which might be considered on the Canyon 2-4 claims will be dependent upon where on the claims the Shinarump member is present.

Further clarification is also needed in the southern part of the property where there is a conflict of data between your map and a U.S.G.S. Preliminary Geologic Map as to the location of the outcrop of the Shinarump member. The position of the Shinarump member appears to be correctly placed relative to topography on the U.S.G.S. Map, as there is a bench behind the outcrop. This bench and the outcrop, according to the U.S.G.S. Map, are on Government withdrawn land. On your map, the outcrop is shown on parts of the Butte 4-5 claims about 300 feet north of the boundary of withdrawn land, and about 120 feet lower in elevation and below the bench.

To clarify these problems, we request a true claim map which shows, by means of a reasonably accurate survey, the relations of

the Shinarump member with a few spot elevations to the topography, claim boundaries, and section corner.

Please furnish this office the recording data on the Canyon claims numbers 1 to 4.

When we receive all of the above data, we will continue to process this application.

Yours very truly,

Original signed by
W. M. TRAVER

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

HMC:ytl
cc
Sec. Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Docket 4409
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
SEP 17 1956
REGION III
DENVER, COLORADO

September 14, 1956

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Acting Supt., Denver Experiment Station, Reg. III

Subject: Docket DMEA 4479 (Uranium), Dalmid Uranium Corporation (April-Butte-Canyon Groups), San Juan County, Utah

The application for Dalmid Uranium Corporation, Docket DMEA 4479 was received in this office on September 14, 1956.

A field examination will be made and suitable report prepared by an engineer from the Denver or Grand Junction office.

JOHN F. SHAW

John F. Shaw

cc: W. M. Traver (2)
K. W. Marshman
J. W. Hasler
H. H. Salsbury
J. F. Shaw
Sec. Op. Com (2)

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

RECEIVED
SEP 17 1956

224 New Customhouse
Denver 2, Colorado

September 13, 1956

Memorandum

To: J. F. Shaw (2) w/Brochure
J. W. Emler w/copy of Amendment to Application

From: Field Team, Region III

Subject: Docket No. DMEA-4409 (Uranium), Daloid Uranium Corporation (April-Butte-Canyon Groups), San Juan County, Utah

Enclosed is the brochure on the subject application together with an amendment to the application, received from the Applicant in which he states his desire to include the Canyon Claims in this application. A field examination and suitable report are requested.

Also enclosed is a copy of a letter from the Chairman, Operating Committee, dated September 10, 1956, and memoranda of the review of the application by W. P. Williams and John E. Crawford.

If the examiners recommend an exploration program, the applicant should be requested to furnish three bids from drilling contractors for the proposed drilling.

Will you please return the brochure with a report of examination.

DMEA Field Team, Region III

W. M. TRAVER

By W. M. Traver
Executive Officer

Encl.
HMC:bh
cc-Sec. Op. Comm. (2)
Harshman
Docket DMEA-4409
Chron.

Surname copy

700

Ellis
Lamb
Kilsgaard
Selfridge

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

SEP 10 1956

Dalmid Uranium Corporation
1730 North 7th Street
Grand Junction, Colorado

Re: Docket No. DMEA-4409 (Uranium)
April-Butte-Canyon Groups
San Juan County, Utah

Gentlemen:

The application, as amended, for assistance in exploring your property, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred for a field examination to:

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

The Regional Office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

Frank E. Johnson
(Ty ...)

ACTING Administrator

Copy to: Dalmid Oil & Uranium Corporation
604 Hamilton Building
Wichita Falls, Texas

EWEllis/gla
9-10-56
cc to: Admr.'s Reading File
Docket
Code 700
DMEA Field Team, Region III (2)

A.G.S.

S[illegible]ame copy

700

Ellis
Selfridge
Yellowstone

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

SEP 10 1956

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

Re: Docket No. DMEA-4409 (Uranium)
Dalmid Uranium Corporation
April-Butte-Canyon Groups
San Juan County, Utah

Dear Mr. Traver:

The above-docketed application is referred to Region III Field Team for a field examination and recommendation.

Enclosed are copies of memoranda, dated August 30 and September 7, 1956, from W. P. Williams, USGS, and September 4, 1956, from John E. Crawford, USBM, relating to the subject application, as amended.

If the Field Team recommends an exploration program, the Applicant should be requested to furnish three bids from drilling contractors for the proposed drilling.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

R.G.S.

9-7-56

IN REPLY REFER TO:

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

September 7, 1956

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application amendment, DMEA 4409, Dalmid Oil and Uranium Co., Inc., April, Butte, and Canyon claims, San Juan County, Utah.

The applicant desires to amend his application by adding four contiguous mining claims to the north of the claims originally submitted. Because the applicant has discovered mineralization on the four claims it would be desirable to have them described in a DMEA contract to help protect the Government's interest.

The applicant presents no proposal for exploration work with DMEA participation on the recently added claims. The addition of the claims does not alter in any way the suggestions and recommendations in my memorandum to E. W. Ellis, DMEA, dated August 30, 1956.

W. P. Williams

W. P. Williams

9/7/56 gl

RECEIVED
SEP - 7 1956

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

Date September 4, 1956

DMEA Docket No. 4409
DMEA Contract No.
Commodity Uranium
Name of applicant Dalmid Uranium Corporation
Name of property
Location of property San Juan County, Utah
Estimated cost of project $46,531.60

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee
From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee
Subject: Review of Application for Assistance
(Application, Field Team Report, etc.)

gel

1. Date of subject document: May 1956 2. Date received by reviewer: 8/27/56.

3. Prior reports on this property known to reviewer: Yes [ ], No [x].

4. Prior reports on nearby properties known to reviewer: Yes [ ], No [x].

5. Information available on past production: Yes [ ], No [x].

6. Other pertinent factors known to reviewer: Yes [ ], No [x].

7. Explain items marked yes above:

8. Factors needing special consideration:
a. Location [ ]
b. Ownership [ ]
c. Evidence of mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs [ ]
h. [ ]

9. Action advised:
a. Obtain information from applicant [ ]
b. Refer to Field Team [x]
c. Denial [ ]
d. Agree with Field Team [ ]
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request another examination [ ]
h. Approval [ ]
i. Consult with Mr. Gordon at Grand Junction AEC office.

10. Remarks: (Use back of page if necessary)
Amendment of August 29 to include the Canyon claims should be incorporated in the application. Mr. J. O. Hosted, Washington representative of the Atomic Energy Commission, assisted in the review.

8/31/56

IN REPLY REFER TO:

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

August 30, 1956

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 4409, Dalmid Uranium Corporation; Canyon, April, and Butte claims, Elk Ridge, San Juan County, Utah

The applicant proposes to explore for uranium ore deposits by means of a total of 84 drill holes aggregating a total of 18,670 feet of drilling at a total project cost of $46,532.

The applicant's property is located within the area of continuous Shinarump conglomerate, the ore host, in a part of Elk Ridge where ore has been mined from small to intermediate-sized ore bodies. No ore has been produced from the property.

The applicant's map shows that the Shinarump bench outcrops on the property. A field examination would therefore be advisable to determine, among other things, lithologic features of the Shinarump and the presence or absence of channel structures.

I recommend that the application be referred to the Field Team for examination and report.

W. P. Williams

W. P. Williams

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

224 New Customhouse
Denver 2, Colorado

August 24, 1956

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Docket DMEA-4409 (Uranium), Dalmid Uranium Corporation, (April and Butte Groups), San Juan County, Utah

Enclosed are four copies of a joint review of the subject application by members of the Grand Junction office, DMEA.

Because the proposed project is in the vicinity of Shinarump channel sediments, the field recommends that an examination be made. We concur in this recommendation.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer, DMEA

Enclosures

RECEIVED
AUG 27 1956

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

MINERAL REPORTS
DMEA
RECEIVED
AUG 24 1956
SURVEY
COLORADO

REPLY REFER TO:

August 23, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: J. William Hasler
M. H. Salsbury Through: E. N. Harshman

Subject: DMEA 4409 (Uranium) Dalmid Uranium Corporation (April and Butte groups), San Juan County, Utah

We have carefully reviewed the Dalmid Uranium Corporation application for Government aid to explore for ore deposits in the Shinarump member of the Chinle formation.

The ore bodies in the Elk Ridge area are generally localized in the lower part of paleo stream channels scoured into the top of the Moenkopi formation and filled with Shinarump sediments.

The subject property is located on the north margin of a favorable belt of dominantly continuous Shinarump sandstone and conglomerate that trends northeasterly across Elk Ridge. Most of the production from this area came from mines located within this belt. Because the applicant's property lies along the margin of this favorable belt and the general area has produced significant amounts of uranium ore, a field examination is probably warranted, and is recommended.

J. William Hasler
J. William Hasler
Geologist

JWH/mlr

RECEIVED
AUG 27 1956

700

Chairman, Operating Committee, DMEA 8/22/56

BUR MINES DN 235 8-21-56 3-48 PM

CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT R E DOCKET DMEA 4409 DALMID URANIUM CORPORATION. GRAND JUNCTION WEEKLY REPORT STATES PRELIMINARY REPORT IS BEING HELD IN ABEYANCE TEMPORARILY PENDING RETURN AUGUST 20 OF GEOLOGIST MOST FAMILIAR WITH AREA. DENIAL WITHOUT FIELD EXAMINATION INDICATED. SHOULD HAVE REPORT IN YOUR HANDS BY AUGUST 27.

W M TRAVER

RECEIVED
AUG 21 1956

Denver, Colorado

DMEA DEPT. OF THE INTERIOR

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

DMEA
14X1401(01) Revolving Fund, Defense Production Act, Int.
(Allocated Working Fund to the Office of the Secy.)
700

FILE COPY
Surname:
Selfridge
Weissenborn

AUG 21 1956

TELETYPE

W. H. TRAVER
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

RE DALMID URANIUM CORPORATION DOCKET DMEA 4409 PLEASE ADVISE WHEN WE MAY EXPECT TO RECEIVE GRAND JUNCTION MEMORANDUM.

George C. Selfridge
CHAIRMAN, OPERATING COMMITTEE (HS)

EWEllis/izm 8-21-56
cc to: Docket
Code 700
Mr. Ellis
Admr.'s Reading File
Operating Committee
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHostad, Rm. 3210, GSA
Confirmation to Region III

RECEIVED
AUG 13 1956

Dalmid Developments
White Canyon Area

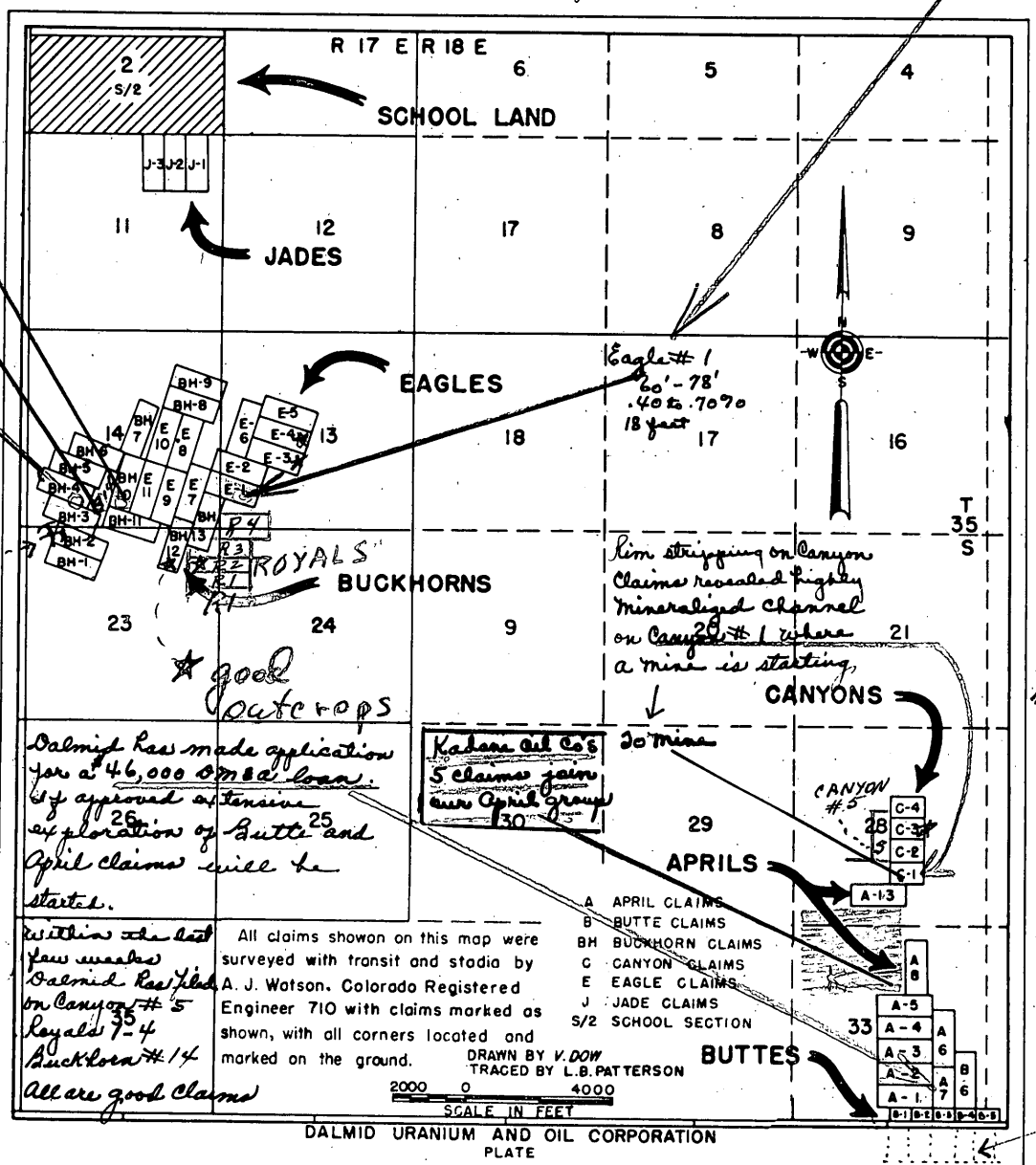
One Ore body 1,000 feet long drilled into on Buckhorns #4, 14 + 10
Mineralized sands found on Eagle #1 ..... from 60 to 78 feet
Dalmid starts mine on Canyon #1.

Buckhorn #10
69' - 71'
.33 to .46%

Buck Horn #14
74' - 77'
.40 to .48%

Buckhorn #4
77' - 81
.18 to .40%

KNAPP'S MINE
"HORNEY TOAD CLAIMS"
KNAPP'S claims cover our BK-1-2-3
(We over-staked in the snow)



DALMID URANIUM AND OIL CORPORATION
PLATE

Dalmid's claims are 4 1/2 miles from the famous "Hide out Mine"

6 1/2 miles from W-R-Mine

2 1/2 miles from S Runaway's Sandy Mine

8 miles from Shumway's Pay-Day Mine

Knapp's Horney Toad Mine, on Buck Horn #2 See prospectus.

The Camel, Cliff, Pinion Point, Happy Jack, Maybe and other good properties in this Area

We have asked the A.E.C. for Utah the balance of these fractional claims

You are invited to visit Dalmid's Claims - near Blanding to see the progress being made. Include this on your vacation agenda.

I am anxious to hear from every Dalmid Stockholder.

Chas. E. Collins

DALMID OIL AND URANIUM, INC.
August 6, 1956

TO THE STOCKHOLDERS OF DALMID OIL AND URANIUM, INC.

DEAR STOCKHOLDER:

This is my first report to you. It is my intention to keep you informed as to the development of Dalmid. Recent drillings on Home Mesa on our Buckhorn 4, 14, and 10 indicate a body of ore over 1,000 feet long.

In drilling on Eagle No. 1 we found mineralized sands from 60 feet to 78 feet. Testing from .40 to .70.

In cutting roads for drill sights we have found mineralized sands on Buckhorn 12, Royals 1, Royals 2, and 4, Aprils 5, 6, 7, and 13, and on Butte No. 6. "Major Oil Companies are buying properties very close to us. The Kadane Oil Company owns five claims right next to our April group. In fact, they bought them from George Kidd, and their claims are named the Aprils 9, 10, 11, 12, and 14."

We found a mineralized channel on Canyon No. 1 and have started a mine there.

Dalmid has applied to the DMEA for a $46,000 loan.

Dalmid has petitioned the Atomic Energy Commission for the balance of the fractional Butte claims. We feel that they will grant our request.

Why is Dalmid stock a good buy? (1) Because we have good management, (2) Because we have been able to hire one of the top USGS field men, Mr. Martin Maher, as our field superintendent, (3) It has taken a lot of time, travel, and money to locate the claims and develop them as far as we have been able to do at this time.

I feel sure that many of you wondered what your company was doing, and we hope that this knowledge makes a booster out of you for Dalmid. Remember, if we all pull together the results will be better.

As your new president, I would like very much to hear from you----------to have your comments, ideas, and suggestions. I am,

Very sincerely yours,

Chas. E. Collins

CHARLES E. COLLINS, PRESIDENT

8/14/56

UTARCO URANIUM CORPORATION

RECEIVED
AUG 13 1956

8-12-56

604 HAMILTON BUILDING
WICHITA FALLS, TEXAS

C. E. COLLINS, President

DALMID OIL & URANIUM
CORPORATION'S APP

DMEA-4409

Robert E Adams, Chief
Operations Control and
Statistics Division
DMEA
Washington 25 D C

Dear Sir:

Thank you very much for your letter saying that you have received our application for a loan. Please push it through as rapidly as possible. We believe we are in the correct territory to get results.

This means a lot to me personally, as some how it is a step that we have been working towards for quite some time.

I send you a report to Dalmid Stockholders that you might be interested in. There was no activity for about two hundred of these people--we hope, with your good aid, to make their investment in stock one that is worth while.

Again, I thank you.

Chas E Collins

Chas E Collins
Dalmid Oil and Uranium Corp.

August 6, 1956

Dalmid Uranium Corp.
1730 North 7th Street
Grand Junction, Colorado

Subject: DMEA-4409
Re: Exploration Assistance
April & Butte Groups

Gentlemen

The receipt of your application dated May, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4409 and referred to the Rare & Misc. Metals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

August 6, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region III.

DMEA - 4409 Dalmid Uranium Corp.
April & Butte Groups

Robert E. Adams
Chief, Operation's Control
and Statistics Division

Wichita Falls Times
WICHITA FALLS, TEXAS
Page 6B SUNDAY July 29, 1956

URANIUM NEWS NOTES

By MIKE CARPENTER

A group of Wichitans took over top management positions in a Midland, Tex., uranium company which they merged with their company after several months of negotiations.

Charles E. (Chuck) Collins, president of Utarco Uranium (a Wichita Falls corporation) this week announced details of a merger which gives Utarco controlling ownership (80 per cent) of Dalmid Oil & Uranium, Inc.

Both companies will retain their identities, Utarco as a drilling company—and Dalmid as an operating company. Utarco stockholders get three shares of Dalmid for each two of their Utarco shares. Dalmid has filed an amendment to their original SEC registration, seeking approval of a new issue of 2,700,000 shares of stock, to be handled by Columbia Securities Co., Denver. Most of Utarco's original stockholders are Wichitans and most of Dalmid's are residents of Midland and Amarillo, Tex., and Denver and Grand Junction, Colo.

USGS MAN HEADS FIELD OPERATIONS

Collins, new president of Dalmid, announced the employment of one of the U.S. Geological Survey's top field men as new field superintendent for Dalmid. He is Marty Maher, who for the past five years had charge of operations in the White Canyon area for the USGS.

George Kidd of Midland, former Dalmid president, is now vice president. Another Midland man, George Conly, a CPA, remains as secretary. Also elected at the reorganized firm's first board of director's meeting were these Wichitans: Paul Scheurer, director; Riley Tuey, treasurer; and Collins, president.

Dalmid now holds a total of over 200 proven and semi-proven claims in Utah and Arizona, 105 of which were acquired from Utarco in the merger.

KERR-McGEE PLANNING BIG URANIUM MERGER

An estimated one-sixth of this country's uranium ore reserves will be held by a new development company owned principally by Kerr-McGee Oil Industries, Inc., of Oklahoma City.

Dean McGee, president of Kerr-McGee, is slated to be president of the new company, to be known as Kermac Nuclear Fuels Corp. Other owners will be Pacific Uranium Mines Co. of Los Angeles and Anderson Development Corp. of Albuquerque (Anderson Bros., Houston pipe line contractors).

Kerr-McGee will staff the new [illegible] and have general direction [illegible] operations. All three firms [illegible]ol their known mineable [illegible] ore reserves

Clay W

112 Locations Are Surveyed In North Texas

By FRANK O. HALL
Times Oil Editor

L. T. Burns Estate Saturday reported a calculated 24-hour potential of 317.08 barrels of 44 gravity oil for its No. C-1 Brown which opens a new Mississippian lime pay 10 miles southeast of Bluegrove, in Clay County.

The 24-hour potential was based on an actual 11-hour flow of 145.33 barrels through 14/64-inch choke from pay perforated at 6024-36 feet with 48 shots. Operator set 5½-inch pipe at total depth of 6097 feet. With packer on casing, tubing pressure was 600 pounds. Gas-oil ratio was 900-1.

Natural Completion

Completion was natural.

The discovery is in M. Gross survey A-155.

Name suggested for the new pay is Burns-Brown (Mississippian) Field.

The Clay County discovery was the only strike officially potentialed the past week in the North Texas (Wichita Falls) District.

Operators staked 112 new ventures, involving 21 wildcats, in North Texas during the week, according to the Phelps Oil Reporting Service.

Completions in the district totaled 104 for the week.

Wildcats Staked

Three North Texas wildcats were staked as the week ended. They are:

DENTON COUNTY—H. L. Enos of Dallas No. 1 Perry, two miles south of Sanger, 2500 feet from east and 150 from north lines of R. A. Johnson survey A-666, to 2400 feet.

KNOX COUNTY—Fain & McGaha No. B-1 H. P. Arledge, 9½ miles southeast of Vera, 330 feet from west and south lines of section 211, block A, BBB&C survey, to 2100 feet.

MONTAGUE COUNTY—Williams Drilling Co. of Saint Jo No. 2 L. K. Guerin, six miles north of Saint Jo, 990 feet from east and 1466 from south lines of section 53, MEP&P survey A-526, to 4000 feet.

Welex Stock Split Approved

FORT WORTH, July 28.—A two-for-one split of common stock has been voted by the board of directors of Welex Jet Services, Inc., according to Ray O. Shaffer, president. The action took place during the quarterly meeting [illegible]

Wichita Falls Times
WICHITA FALLS, TEXAS
Page 5B SUNDAY July 29, 1956

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STAR EFFORT—Virginia Mayo, famous actress, drives a silver spike into a silver star at a boulevard intersection in Hollywood, Calif. The ceremony marks the start of the city's million-dollar glamorization program. The star symbols are being used to mark crosswalks, and are the first of many glamor touches to be applied to the movie city.

UNFULFILLED PROMISE — With the wheat harvest in [illegible] of Lincoln, Kan., drives a chisel to turn unde[illegible]

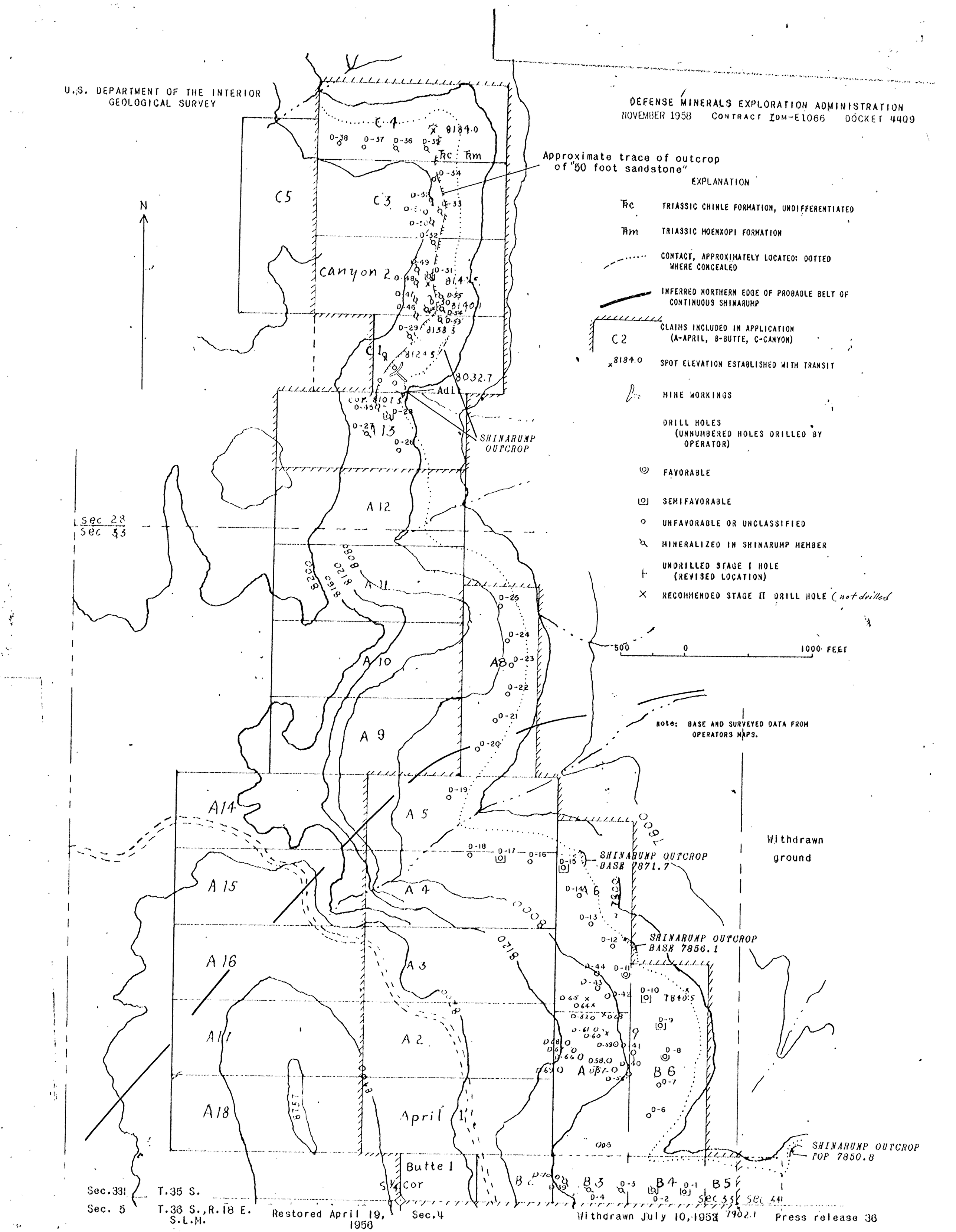


FIGURE 2-MAP OF APRIL, BUTTE AND CANYON CLAIMS SHOWING GENERALIZED GEOLOGY, EXISTING DRILL HOLES AND CLASSIFICATION, AND COMPLETED STAGE II DRILL HOLES, DALMID URANIUM CORP., ELK RIDGE AREA, SAN JUAN COUNTY, UTAH.

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JANUARY 1957
DOCKET 4409

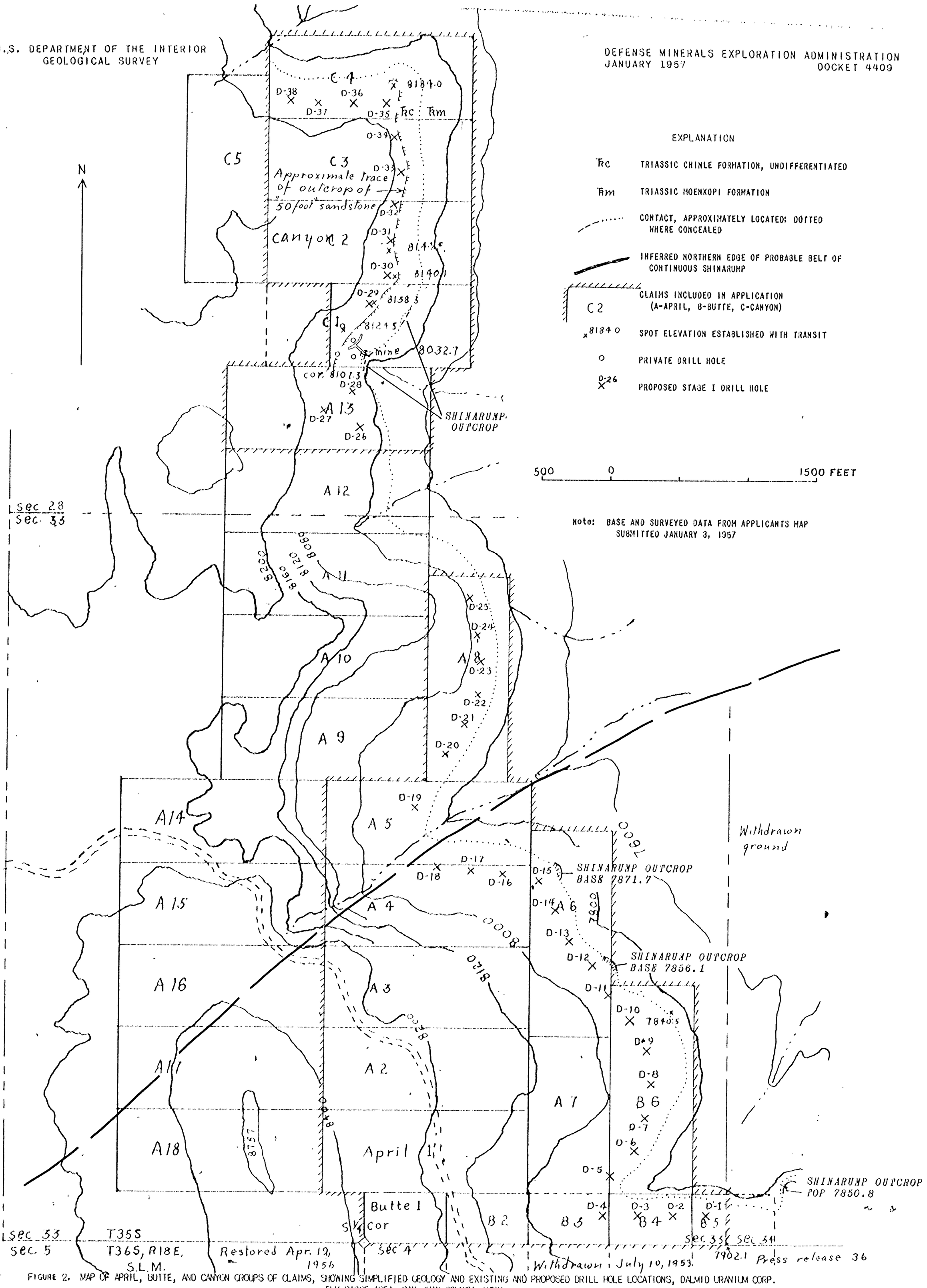


FIGURE 2. MAP OF APRIL, BUTTE, AND CANYON GROUPS OF CLAIMS, SHOWING SIMPLIFIED GEOLOGY AND EXISTING AND PROPOSED DRILL HOLE LOCATIONS, DALMID URANIUM CORP. ELK RIDGE AREA, SAN JUAN COUNTY, UTAH.

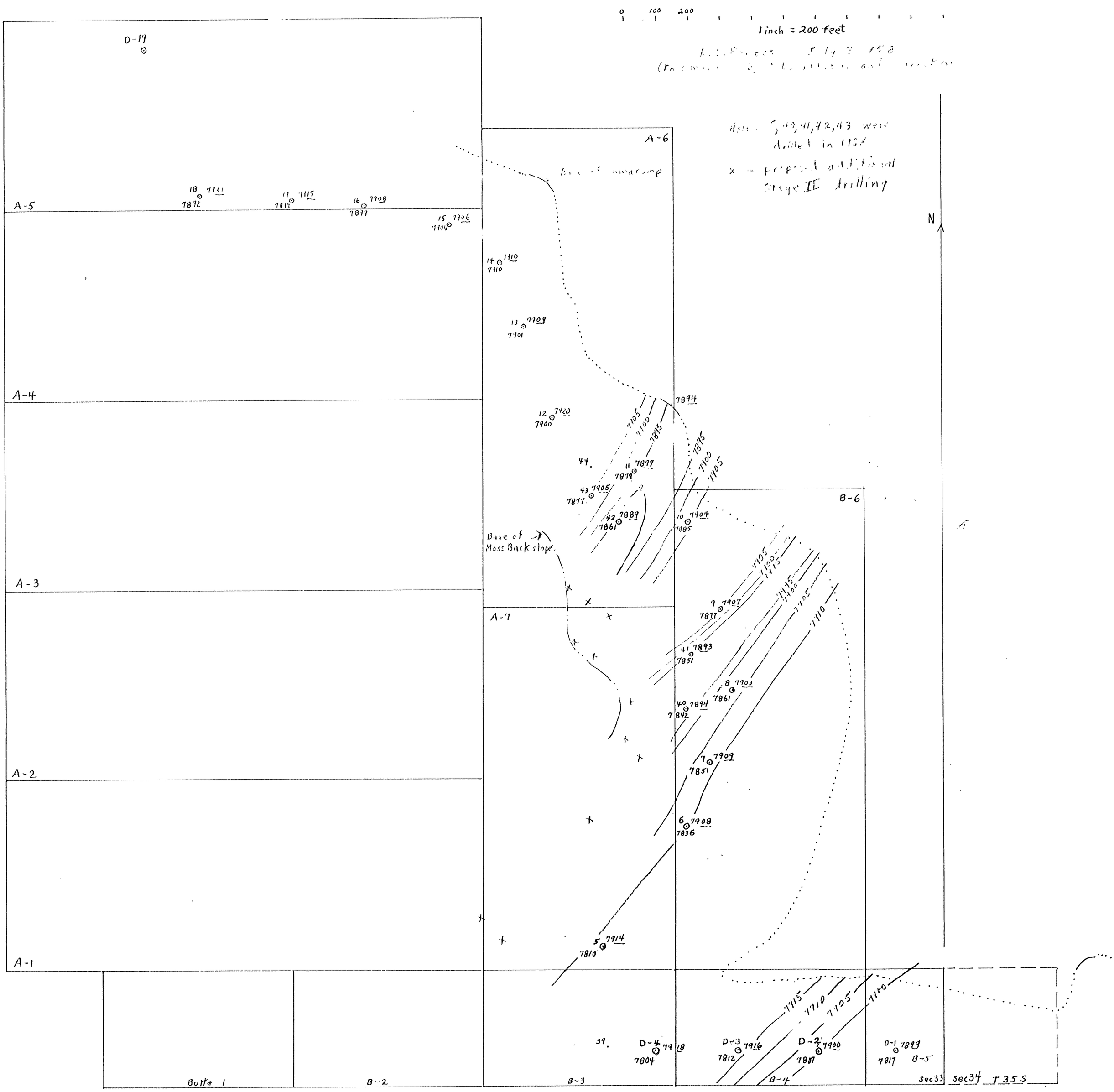
RECEIVED JUL 28 1958
DATE | INITIALS | CODE

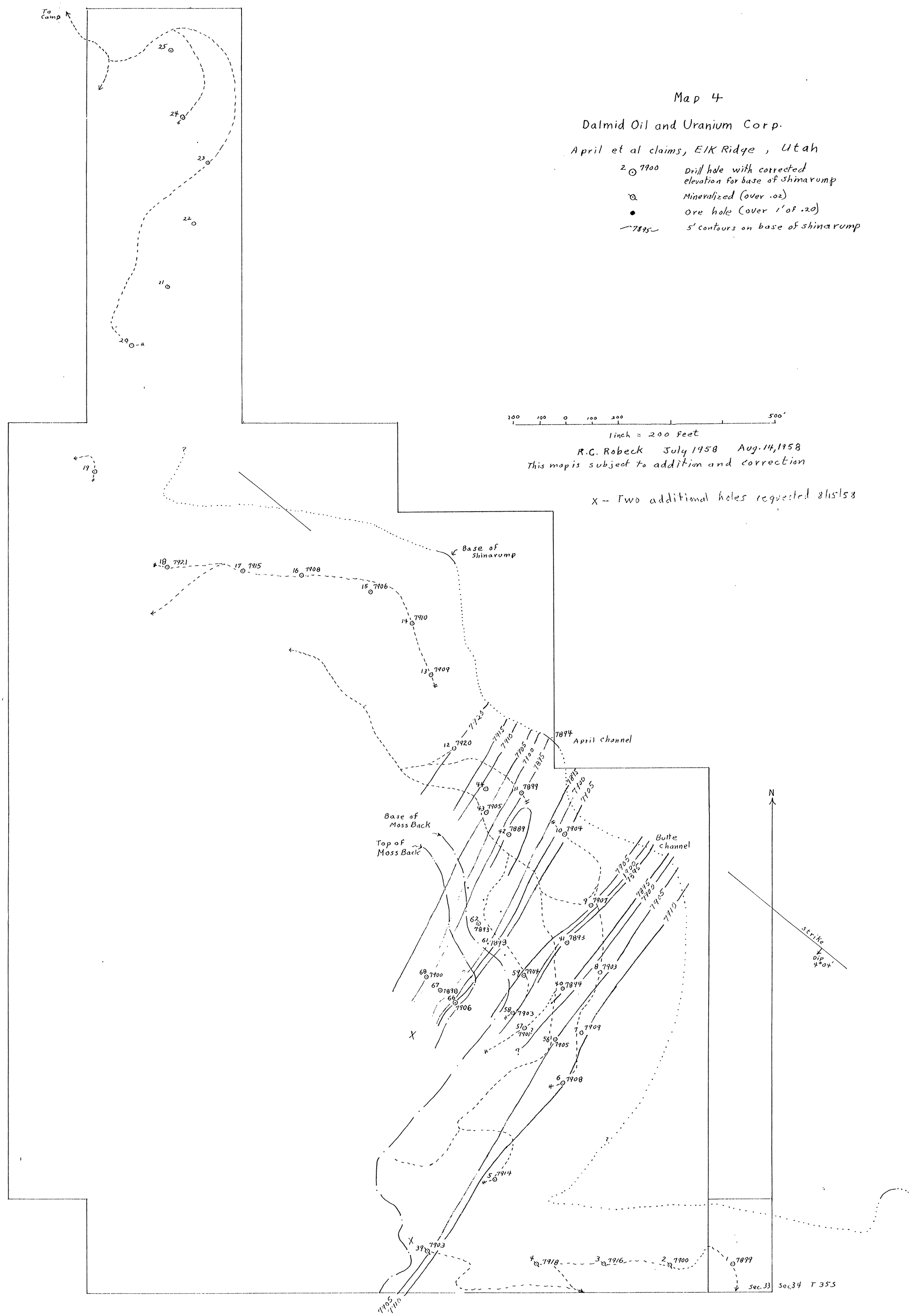
Dalmid Oil and Uranium Corp

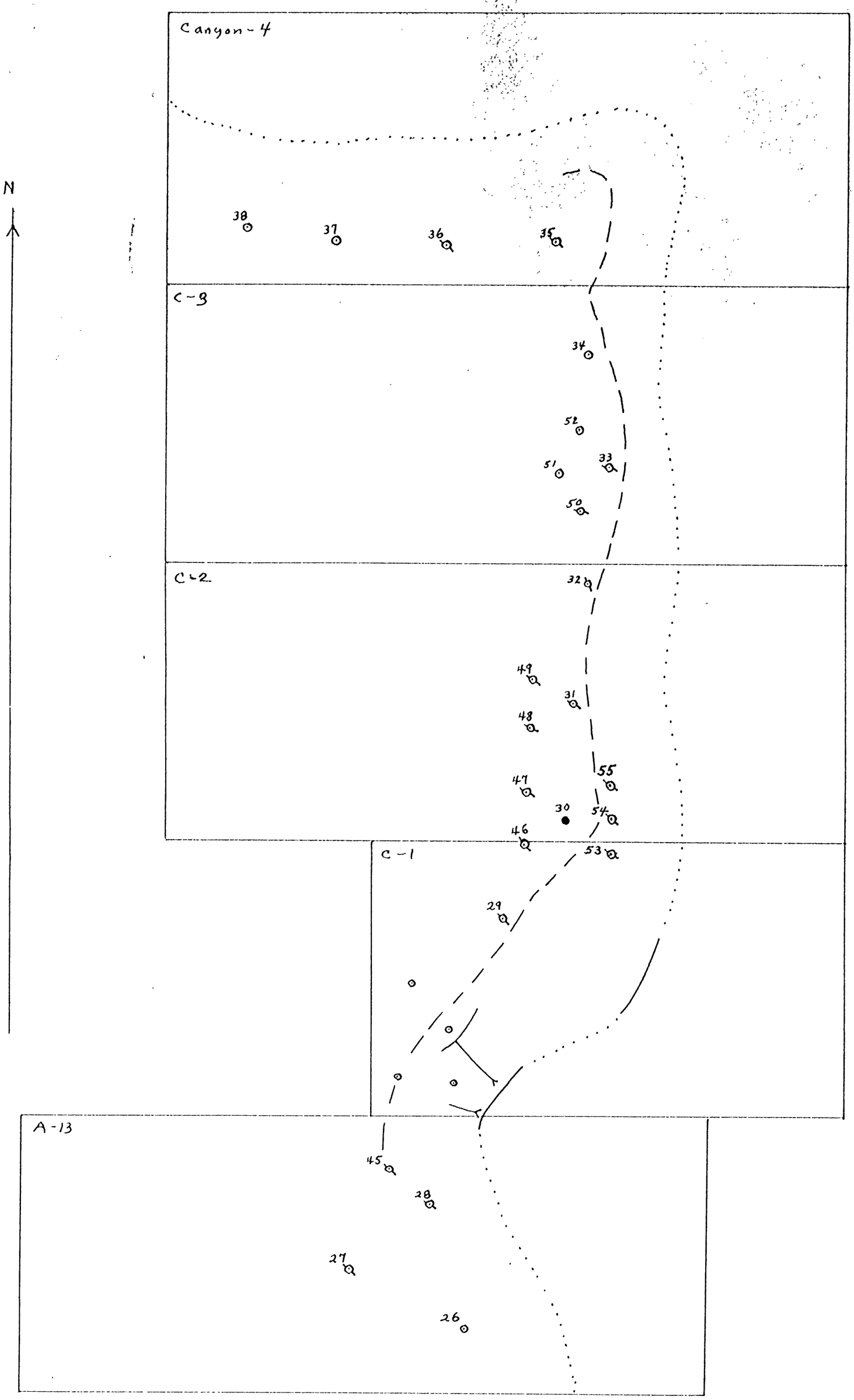
April et al claims, Elk Ridge, DMEA 4409

16 ⊙ 7908
7899

Drill hole, showing elevation of Moenkopi
corrected elevation of Moenkopi is underlined




Map 4
Dalmid Oil and Uranium Corp.
April et al claims, Elk Ridge, Utah
Drill hole with corrected elevation for base of shinarump
Mineralized (over .02)
Ore hole (over 1' of .20)
5' contours on base of shinarump
200 100 0 100 200 500'
1 inch = 200 feet
R.C. Robeck July 1958 Aug. 14, 1958
This map is subject to addition and correction
X -- Two additional holes requested 8/15/58
To Camp
Base of Shinarump
April Channel
Base of Moss Back
Top of Moss Back
Butte Channel
strike
Dip 4°04'
N
Sec. 33
Sec. 34 T 35 S



Map 5

Dalmid Oil and Uranium, ~~Corp.~~ Inc

DMEA 4409

Elk Ridge Area, San Juan County, Utah

North Area

100 0 200 500'

1 Inch = 200 feet

Prepared by R.C. Robeck

July 20, 1958

o - Barren

Q - Mineralized

● - Ore

Map 4

Dalmid Oil and Uranium, Corp. Inc

April et al claims, Elk Ridge, Utah

2 ⊙ 7900 Drill hole with corrected elevation for base of Shinarump

Mineralized (over .02)

Ore hole (over 1' of .20)

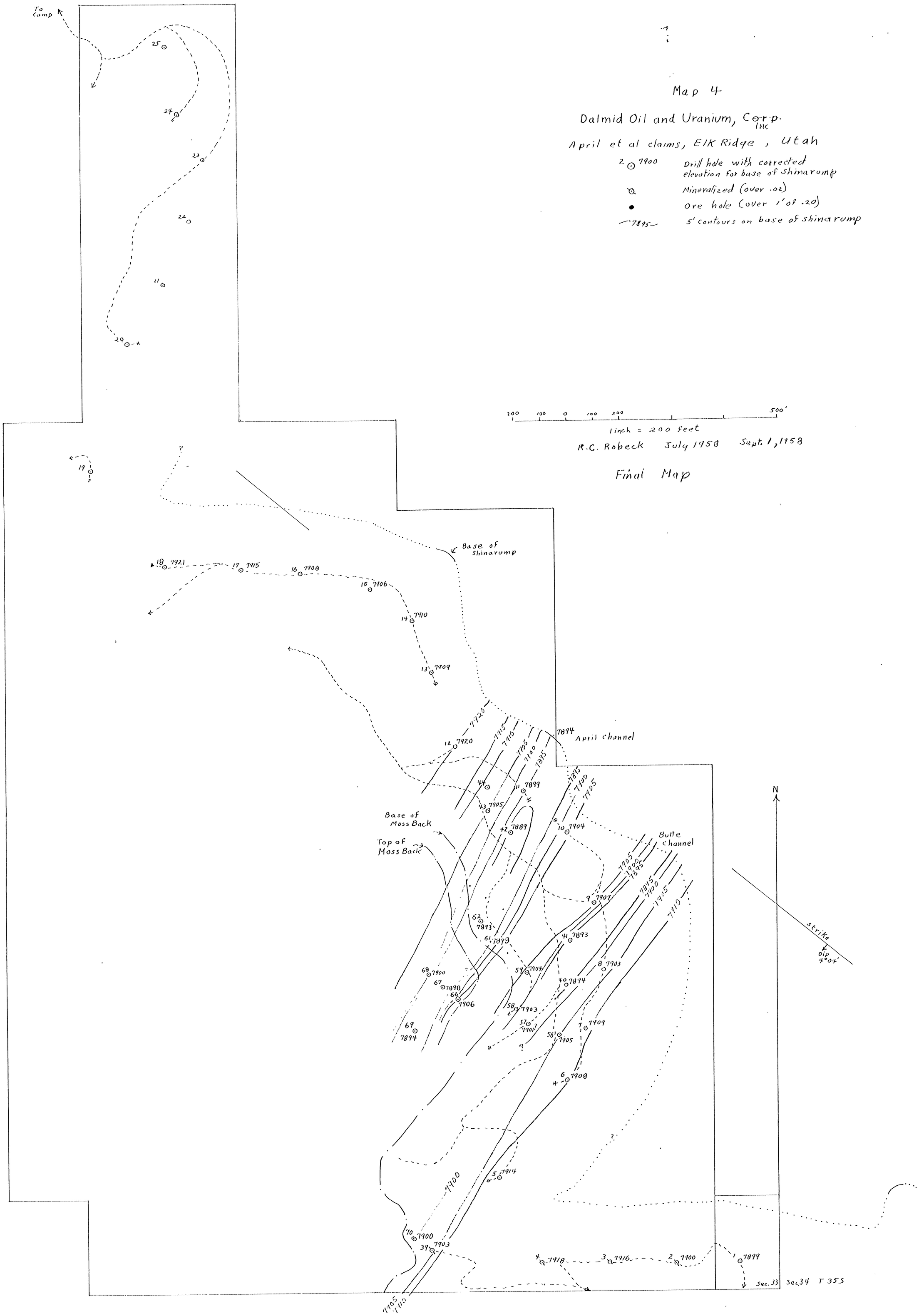
7895 5' contours on base of Shinarump

200 100 0 100 200 500'

1 inch = 200 feet

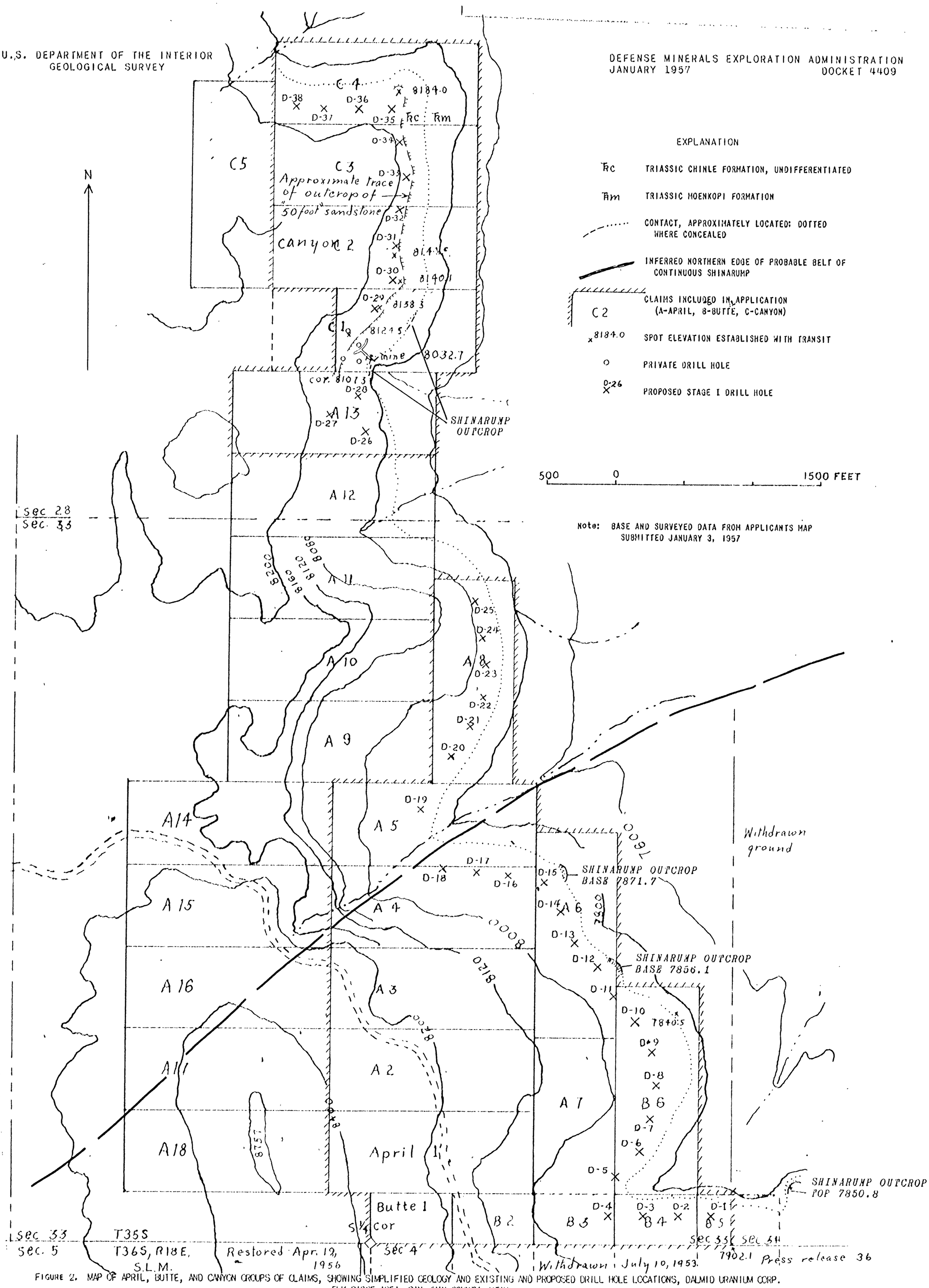
R.C. Robeck July 1958 Sept. 1, 1958

Final Map



U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JANUARY 1957
DOCKET 4409



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DEFENSE MINERALS EXPLORATION ADMINISTRATION
JULY 1958 CONTRACT IDM-E1066 DOCKET 4409

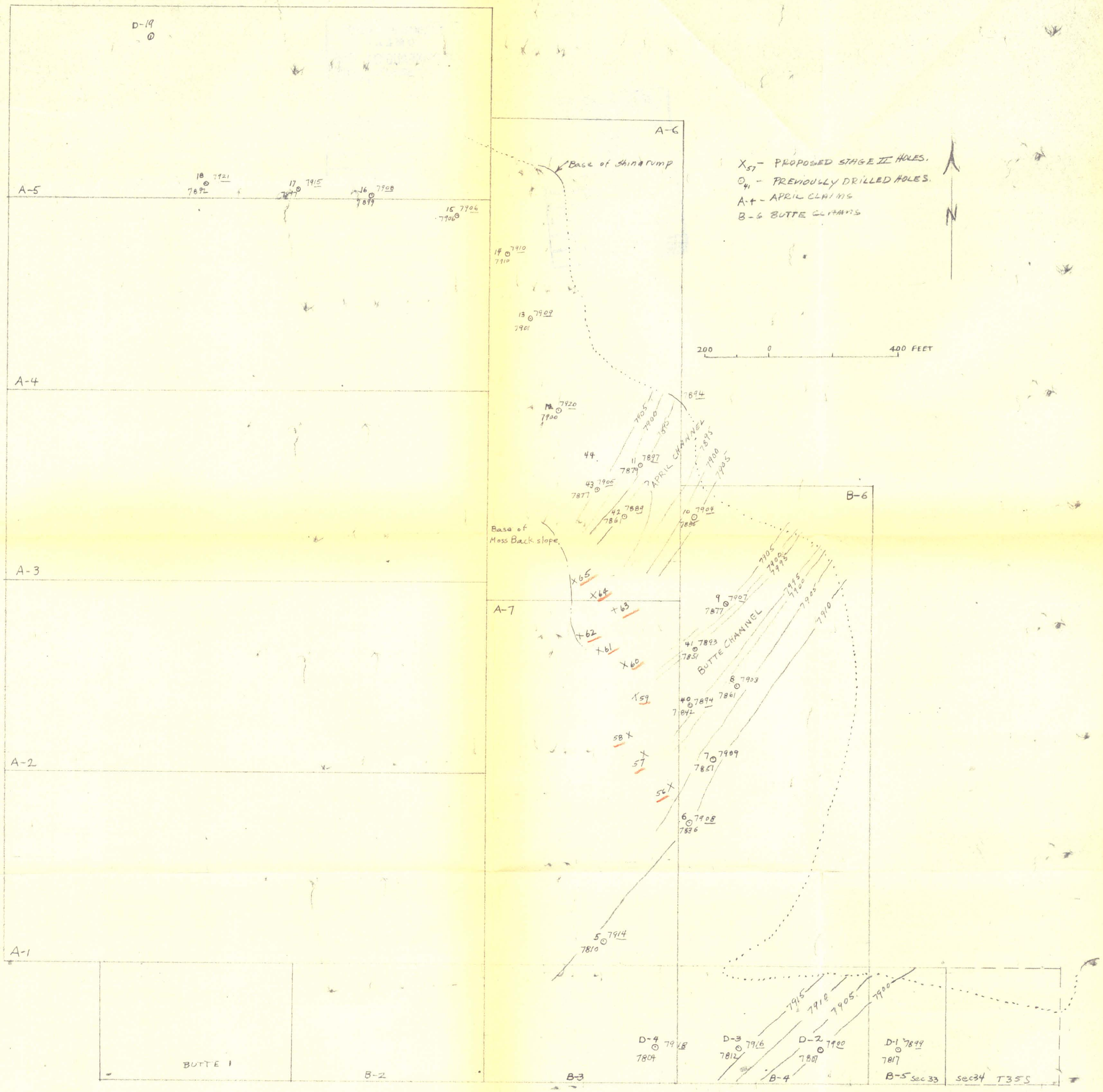
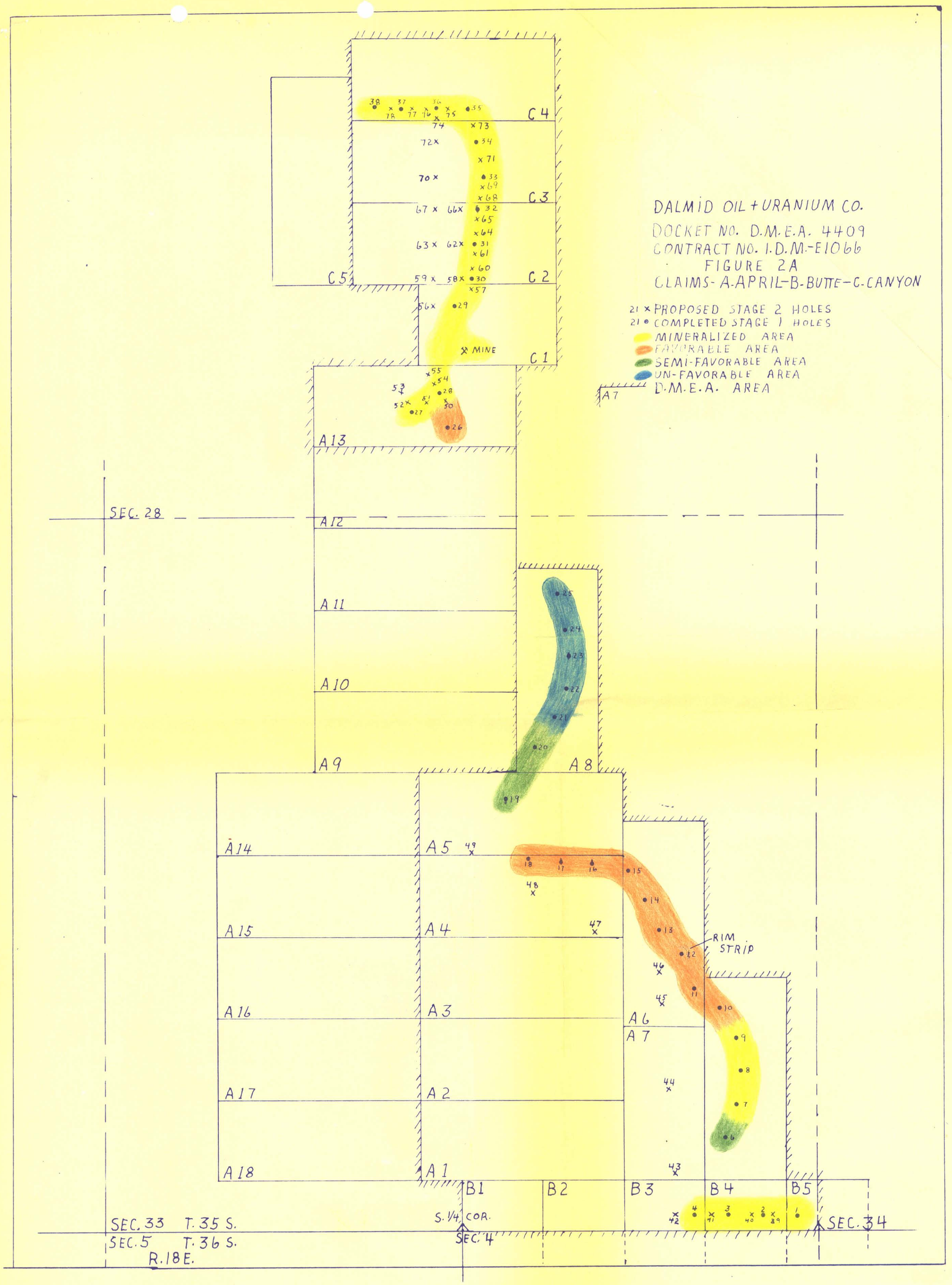


FIGURE 1.--MAP OF APRIL & BUTTE CLAIMS SHOWING APPROVED STAGE II HOLES REQUESTED JULY 7, 1958. DALNID URANIUM INC. SAN JUAN CO. UTAH.


DALMID OIL + URANIUM CO.
DOCKET NO. D.M.E.A. 4409
CONTRACT NO. I.D.M.-E1066
FIGURE 2A
CLAIMS- A-APRIL-B-BUTTE-C-CANYON
21 × PROPOSED STAGE 2 HOLES
21 • COMPLETED STAGE 1 HOLES
MINERALIZED AREA
FAVORABLE AREA
SEMI-FAVORABLE AREA
UN-FAVORABLE AREA
D.M.E.A. AREA
MINE
RIM STRIP
SEC. 28
SEC. 33 T. 35 S.
SEC. 5 T. 36 S.
R. 18 E.
S. 1/4 COR.
SEC. 4
SEC. 34
C 1
C 2
C 3
C 4
C 5
A 1
A 2
A 3
A 4
A 5
A 6
A 7
A 8
A 9
A 10
A 11
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A 14
A 15
A 16
A 17
A 18
B 1
B 2
B 3
B 4
B 5