OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

10/13 C 220 800

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. Idn-81066, 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

Oct. 9, 1958

Donald T. Finch

Donald T. Finch, OME Auditor

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

800

284 New Customhouse
Denver 2, Colorado
September 26, 1958

Memorandum

To: T. E. Bruding, OGE Auditor - w/enclosure

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

Subject: Docket No. DMMA 1409 (Uranium), Contract No. AEm-11066, Dalnid Oil and Uranium, Inc. (Agril, Betts 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 $900 was withheld from reimbursement to the Operator in preceding its accounting report for the month of August, 1958.

Original signed by
E. N. HARSHMAN
E. N. Harshman

JDC:prl

cc: Chem. Op. Comm. (2)
Harshman
Corresp. File
Cooper
Chron.

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:bmh

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

$500.00

10/20/58 DMA 59-53

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

DMEA
DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.5
SEP 12 1958
REGION III
DENVER, COLORADO

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

Month of Auguet, 1958 Docket No. DMEA 4409 Contract No. Idm-E1066
Operator's Name Dalmid Oil and Uranium, Inc. Minerals Uranium
Address Box 1590, Wichita Falls, Texas
Contract Amount, $ 25,441.00 Government Participation: 75 % Amount, $ 19,080.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:		Stage I				
Drilling	-	7898.50	-			
Bulldozing	-	1200.00	-			
~~Crosscutting~~ Standby	-	517.57	-			
~~Drilling~~ Standby*	4.50	-	4.50			
Incidental	-	1522.40	-			
(2) ~~Equipment Repairs~~ Analyses	-	52.50	-			
Labor	4.50	10990.77	10995.27			
Supervision		Stage II				
~~Drilling~~ Drilling	2166.75	4619.75	6786.50			
(3) ~~Operating Equipment~~:						
~~Dozer~~ Bulldozing	-	1200.00	1200.00			
~~Equipment~~ Standby	93.75	136.75	268.75			
~~Pipe~~ Standby*	38.25	-	-			
~~Misc~~ Incidental	565.20	1101.40	1666.60			
Analyses	-	24.50	24.50			
Total Stage II	2863.95	7082.40	9935.60			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
*Cost not claimed on July report						
TOTALS	2868.45	18075.17	20941.62	2870.45	18,734.92	21,605.37
				663.75	663.75	
					18,071.17	20,941.62
					$1652.84	

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug. 29, 1958 *Payee Dalmid Oil & Uranium, Inc.
Per Raymond C. Roleck Title Agent

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

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

Previously disallowed $500.00 Withheld

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $20,941.62

Signature
(Authorized Certifying Officer)

Date 9/29/58 Vou. No. DMEA 59-42
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1066 in accordance with the terms of the contract.

Signature H. F. Roberson #2151.34 Title Mining Engr. Date 9/11/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature E. M. Hawkman Title Acting Executive Officer Date SEP 25 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

DEPARTMENT OF THE INTERIOR

SEP 12 1958
REGION III
DENVER, COLORADO

RECEIVED SEP 8 1958 O.M.E.

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

Month of August 195 8 Docket No. DMEA 4409 Contract No. Idm-B1066

Operator's Name Dalmid Oil and Uranium, Inc. Minerals Uranium

Address Box 1590, Wichita Falls, Texas

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
		Stage I						
Non-core drilling	ft.	-	-	3012.50	2410	1.25	2850	1.25
Core drilling	ft.	-	-	4886.00	1396	3.50	1520	3.50
Bulldozing	hr.	-	-	1200.00	100	12.00	100	12.00
Standby	hr.	-	-	321.87	25.75	12.50	40	12.50
Standby*	hr.	4.50	1	-	-	4.50	-	-
Incidental	ft.	-	-	1522.40	3806	0.40	4370	0.40
Analyses	spl.	-	-	52.50	15	3.50	30	3.50
Total Stage I		4.50		10995.27				
		Stage II						
Non-core drill	ft.	1545.75	1235	4331.25	3465	1.25	3000	1.25
Core drilling	ft.	623.00	178	2455.25	701.5	3.50	1600	3.50
Bulldozing	hr.	-	-	1200.00	100	12.00	100	12.00
Standby	hr.	93.75	7.5	268.75	21.5	12.50	40	12.50
Standby*	hr.	38.25	8.5	-	-	4.50	-	
Incidental	ft.	565.20	1413	1666.60	4166.5	0.40	4600	
Analyses	spl.	-	-	24.50	7	3.50	33	3.50
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Stage II		2863.95		9946.35				
Total Costs		2868.45		20941.62				

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

Date Aug.29,1958 Operator Dalmid Oil & Uranium, Inc.

Per Raymond C. Robeck Title Agent

Remarks: H.I.R.

* Costs not claimed on July report.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE OCT 1 1958

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

Administrative Audit Difference Statement

EXTRA COPY
O. M. E.
RECEIVED OCT 3 1958

DATE	INITIALS	CODE
10/6	CDM	100
		800

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

Date: September 29, 1958

Payee's Reference: August 1958

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

Withhold 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

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

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMRA 4409 (Uranium) Contract Idm-E1066, Dalmid Oil and Uranium, Inc., (April, Butte, and Canyon claims) San Juan County, Utah - Operator's Monthly Progress Report for the month of August, 1958

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

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

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 $1200.00, but has been reimbursed for the Government's portion of only $1198.00. The amount of $2.00 is to be reinstated.

Reinstate Bulldozing costs---------- $ 2.00

Withhold an amount of $500.00 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.

Reconciliation with Amount Reported by the Operator on Form MF-104 for August, 1958

Amount reported on Form MF-104 for August, 1958----------	$2868.45
Amount to be reinstated----------	2.00
Total acceptable costs for August, 1958----------	$2870.45
Government participation at 75 percent----------	2152.84
Amount to be withheld----------	500.00
Balance due the Operator----------	$1652.84

Remarks:

Date of Report----------August 29, 1958
Date Received in Field Office---------September 2, 1958
Date Received in Region Office--------September 12, 1958

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JBC:hmh

cc: Chmn. Op. Comm. (2)
MF-104 file, Reg. III
Robertson, GME/G.Jct.
GME/DFC)
Harshman) w/copy of Engr's
Nasler) report
Cooper)
Chron

DMEA
DEPARTMENT OF THE INTERIOR
SEP 12 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

September 11, 1958

Memorandum

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

From: H. F. Robertson

Subject: Docket No. DMEA 4409 (Uranium), Contract Idm-E 1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims), San Juan County, Utah. Progress report for August 1958

Work continued on the authorized second stage drill holes during the period covered by the operator's claim. Six holes were completed and, since none of the holes penetrated significant mineralization, represent the final work performed under the subject contract. The project was visited on September 10, 1958, by H. F. Robertson accompanied by J. W. Hasler, USGS.

The operator's claim (received at Grand Junction on September 2, 1958) covers the costs incurred in the completion of 1,235 feet of non-core drilling and 178 feet of core drilling in 6 drill holes as follows:

Fixed Unit Cost Items:

Non-core drilling	- 1,235 feet at $1.25/ft.	$ 1,543.75
Core drilling	- 178 feet at $3.50/ft.	623.00
Standby	- 7½ hours at $12.50/hr.	93.75
*Standby	- 1 hour at $4.50/hr.	4.50
* Standby	- 8½ hours at $4.50/hr.	38.25
Incidental allowance	- 1,413 feet at $0.40/ft.	565.20
Total claimed for August 1958		$ 2,868.45

* Standby time on June-July 1958 report claimed at only $8.00/hr. Form MF-200A contract allows $12.50/hr. as a fixed unit cost. Thus, these items represent the difference between the amount claimed and the amount stipulated by the contract (see letter dated 9/4/58 from J. W. Townsend to the operator).

All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore, documentation of the costs is not required. The hole locations and cored intervals were checked during the field inspection and conform to contract specifications and subsequent work approvals. The non-core footage required to complete the six holes exceeded the maximum units originally allowed by the contract, but Amendment No. 5 (effective August 25, 1958) provided for a transfer of core footage to non-core footage. The maximum non-core footage, as amended, was not exceeded.

The exploration program under the subject contract is now completed and no more work will be requested or recommended. The project did not result in the discovery of any minable quantities of uranium ore and the operator is requesting termination of the project in it's present status.

The inspecting engineer recommends payment of $2,151.34, representing 75 percent of $2,868.45, the amount claimed for operations during August 1958.

H. F. Robertson

H. F. Robertson
Mining Engineer

Table 1.--Summary of drilling operations during August 1958
DMEA 4409 Contract IGa-E 1066

Hole No.	Drill Footage			Mineralization	
	Non-core	Core	Total	Radiometric	Chemical
D - 61	145	41	186	Barren	--
D - 66	225	23	248	Barren	--
D - 67	225	39	264	Barren	--
D - 68	240	29	269	Barren	--
D - 69	225	28	253	Barren	--
D - 70	175	18	193	Barren	--
Totals	1,235	178	1,413		

DMEA
DEPARTMENT OF THE INTERIOR

SEP 12 1958
REGION III
DENVER, COLORADO

535 Orchard Avenue
Grand Junction, Colorado

August 29, 1958

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

Dear Mr. Townsend:

The following is the monthly report (and last) for August on the Dalmid 4409 project on Elk Ridge, Utah. A total of six holes were drilled this month. Since no significant uranium deposit was found the project is terminated as of this date.

Enclosed are 6 copies each of:

2 financial sheets
1 narrative for August, 1958
1 map (No.4)
6 logs of holes 61, 66, 67, 68, 69 and 70.

The final report will follow shortly.

Sincerely yours,

Raymond C Robeck

Raymond C. Robeck,
Consulting Geologist
Agent for:
Dalmid Oil & Uranium, ~~Corp.~~ INC.

CC: Collins

DALMID OIL & URANIUM, ~~CORP~~ Inc.
DMEA Project 4409
. Ridge, San Juan County, Utah
April, Canyon et al claims

Narrative for August 1958

All the drilling this month was part of the Stage II drilling in the South area to explore further the April and Butte channels.

Hole D-61

The collar elevation is 8024. The Moenkopi was encountered at a depth of 184 feet with approximately 27 feet of Shinarump above it. The hole seems to be in but on the south edge of the April (North) channel. The Shinarump is about one-half leached. The hole is barren.

Holes 60, 63, 64 and 65 were not drilled because it did not seem necessary when holes 61 and 62 found the channel but showed that any possible uranium was probably leached out.

Hole D-66

This was the first of several holes drilled from on top of the Moss Back. The Moss Back drilled fairly easily, having only a few cemented streaks. However, water circulation was often lost in the Moss Back, and nearly always lost at the base of the Moss Back. The collar elevation is 8081. The Moenkopi was encountered at 247 feet giving a total of 18 feet of Shinarump. This indicates the hole is up on the south side of the April channel. The hole is only slightly leached but barren.

Hole D-67

The collar elevation is 8089. The Moenkopi was encountered at 262 feet making a total of 27.5 feet of Shinarump. This means the hole is in the April channel, but that some sort of complex braiding or terracing condition may exist between holes 66, 67 and 68. The hole is only slightly leached but is barren.

Hole D-68

The collar elevation is 8098. The Moenkopi was encountered at 268 feet making a total of 27 feet of Shinarump. This indicates the hole is on some sort of terrace in the April channel, which is 2 feet higher than the base of the channel in hole 67. The hole is only slightly leached but is barren.

Hole D-69

This hole was drilled 200 feet down dip and down channel (SW) from Hole 67. The collar elevation is 8060. The Moenkopi was encountered at 251.5 feet making a total of 26.5 feet of Shinarump. The hole is deep in the thalwag of the April channel and is only very slightly leached but is barren.

Hole D-70

This hole was drilled 75 feet N 50° W from Hole 39 which was mineralized. The collar elevation is 7976. The Moenkopi was encountered at 188 feet making a total of 16 feet of Shinarump. The hole seems to be about 3 feet deeper in the Butte(?) channel but the hole is barren except for about .02 U_3O_8 in the dark mudstone at 186 feet.

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

Budget Bureau No. 42-R1036.5

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

RECEIVED SEP 29 1958 D.M.E.A.

Month of June-July, 1958 Docket No. DMEA 4409 Contract No. Idm-E1066
Operator's Name Dalmid Uranium & Oil Corp. Minerals Uranium
Address Box 1590, Wichita Falls, Texas
Contract Amount, $ 25,441.00 Government Participation: 75% Amount, $ 19,080.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:		Stage I				
Drilling	191.50	7707.00	7898.50			
Bulldozing	-	1200.00	1200.00			
Crosscutting ~~xxxxxxxx~~ Standby	8.00	198.00	206.00			
Drifting ~~xxxxx~~ Incidental	47.60	1474.80	1522.40			
Analyses	-	52.50	52.50			
(2) Labor and Supervision:						
Labor ~~xxxx~~ Total Stage I	247.10	10632.30	10879.40			
Supervision						
Technical Services		Stage II				
(3) Operating Mat'ls. and Supplies:						
Timber ~~xxxxx~~ Drilling	2660.75	1959.00	4619.75			
Explosives ~~xxxxxxx~~ Dozer	921.00	279.00	1200.00			
Pipe ~~xxxx~~ Standby	68.00	44.00	112.00			
Trucks ~~xxxx~~ Incidental	644.80	456.60	1101.40			
Analyses	10.50	14.00	24.50			
Total Stage II	4305.05	2752.60	7057.65			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
					13,519.02	18,071.17 Corrs
TOTALS	4552.15	13384.90	17937.05	4,552.15	13,345.02	17,897.17

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

Date 8/2/58 *Payee Dalmid Oil & Uranium Corp.

Per Raymond C Robeck Title Agent

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

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

Pmstate 530-50

(Instructions on reverse)

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

$3,944.61

Signature (Authorized Certifying Officer)

Date 8/29/58 Vou. No. DMEA 59-29

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1066 in accordance with the terms of the contract.

Signature H. F. Robertson #3414.11 Title Mining Engr. Date 8/15/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. W. Townsend Title Alternate acting Executive Officer Date AUG 26 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED SEP. 5 1958 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June-July 1958 Docket No. DMEA 4409 Contract No. Idm-51066
Operator's Name Dalmid Oil & Uranium Corp. Minerals Uranium
Address Box 1590, Wichita Falls, Texas

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
		Stage I						
Non-core drilling	ft.	125.00	100	3012.50	2410	1.25	2850	1.25
Core "	ft.	66.50	19	4886.00	1396	3.50	1520	3.50
Dozer	hr.	-	-	1200.00	100	12.00	100	12.00
Standby	hr.	8.00	1	206.00	25.75	8.	40	8.00
Incidental	ft.	47.60	119	1522.40	3806	0.40	4370	0.40
Analyses	spl.	-	-	52.50	15	3.50	30	3.50
Total Stage I		247.10		10879.40				
		Stage II						
Non-core drill	ft.	1656.25	1325	2787.50	2230	1.25	3000	1.25
Core-drilling	ft.	1004.50	287	1832.25	523.5	3.50	1600	3.50
Dozer	hr.	921.0	76.75	1200.00	100	12.00	100	12.00
Standby	hr.	68.00	8.5	112.00	14.	8.00	40	8.00
Incidental	ft.	644.20	1612.00	1101.40	2753.5	0.40	4600	0.40
Analyses	spl.	10.50	3	24.50	7	3.50	33	3.50
Total Stage II		4305.05		7057.65				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		4552.15		17937.05				

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

Date 8/2/58 Operator Dalmid Oil & Uranium Corp.

By Raymond C. Robeck Title Agent

Remarks: N.F.R.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE SEP 2 1958

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

Administrative Audit Difference Statement

[redacted]

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

[redacted]

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

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

EXTRA COPY
DMEA
RECEIVED SEP 5 1958

DATE	INITIALS	CODE
9/5	Com	100
		800

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

824 New Customhouse
Denver 2, Colorado
August 27, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 4409 (Uranium) Contract Idm-K1066, Balmid Oil and Uranium Corp., (April, Butte, and Canyon claims) San Juan County, Utah - Operator's Monthly Progress Report for the period of June - July, 1958

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

An error is noted in the Unit Costs for standby time authorized by the contract in both Stage I and Stage II, as reported on Forms MF-104 and MF-104A. 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. We are instructing the Operator to make the necessary corrections in future reports.

We consider that the Operator has complied with the intent of the contract, and the work is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract MF-200A, therefore documentation of the costs is not required.

Reinstate the amount of $530.50 which was withheld from the October, 1957, and supplemental October, 1957, voucher.

Remarks:

Date of Report----------August 2, 1958
Date Received in Field Office----------August 4, 1958
Date Received in Region Office----------August 18, '

Enclosures
MEM:bmh
cc: Chmn. Op. Comm. (2)
DMEA/G.Jct.
MF-104 file, Reg. III
Barnhman)
DMEA/DFC) w/copy of
Basler) Engr's Report
Cooper)
Chron

Original signed by
J. W. TOWNSEND

J. W. Townsend

DMEA
DEPARTMENT OF THE INTERIOR
AUG 18 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

August 15, 1958

Memorandum

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

From: H. F. Robertson

Subject: Docket No. DMEA 4409 (Uranium), Contract Idm-E 1066, Dalmid Oil and Uranium Corp. (April, Butte, and Canyon claims, San Juan County, Utah. Progress report for June-July 1958

Work under the subject contract was resumed on June 25, 1958, thus terminating the authorized (Amendments Nos. 3 and 4) recess which included the period between October 11, 1957, and July 1, 1958. The project was visited on August 7, 1958, by H. F. Robertson accompanied by Raymond C. Robeck, the operator's geologist.

The operator's claim (received at Grand Junction on August 4, 1958) covers the costs incurred in the completion of 1,425 feet of non-core drilling and 306 feet of core drilling in 1 first stage hole and 13 second stage holes. Reimbursement is claimed for the following items (Stages I and II combined):

Fixed Unit Cost Items

Non-core drilling,	1,425 feet at $1.25/ft.	$ 1,781.25
Core drilling,	306 feet at $3.50/ft.	1,071.00
Standby time,	9½ hours at $8.00/hr.	76.00
Bulldozer,	76-3/4 hours at $12.00/hr.	921.00
Incidental allowance,	1,731 feet at $0.40/ft.	692.40
Chemical analyses,	3 samples at $3.50 ea.	10.50
	Total claimed for June-July operations	$ 4,552.15

All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore, documentation of the costs is not required. The hole locations, cored intervals, and penetration of the underlying red Moenkopi were checked during the inspection and all appear to conform to contract specifications.

Note that payment for Hole D-57 was not claimed by the operator. The hole was drilled non-core completely through the Shinarump formation because of an erroneous collar elevation used by the operator's geologist when estimating the plug-bit depth. The hole was radiometrically probed and found to be barren. The approximate depth and thickness of the Shinarump formation was obtained from the driller and correlates with the depth of formations in adjacent holes D-56 and D-58. There is nothing more to be gained by redrilling the hole, so it is recommended that the operator be permitted to delete the hole planned at that particular location.

The operator is currently drilling additional second stage holes in the southern part of the project area.

The inspecting engineer recommends payment of $3,414.11, representing 75 percent of $4,552.15, the amount claimed for operations during June-July 1958.

H. F. Robertson

H. F. Robertson
Mining Engineer

Table I - Summary of drilling operations during June - July 1958

Hole No.	Drill Footage			Mineralization			
				Radiometric		Chemical	
	Non-Core	Core	Total	Interval	% eU_3O_8	Interval	% U_3O_8
B-5	100	19	119	Barren		-	-
D-39	172	13	185	183.0-183.8	0.08	183.0-183.8	0.17
D-40	100	20	120	Barren		-	-
D-41	100	20	120	Barren		-	-
D-42	108	27	135	Barren		-	-
D-43	115	19.5	134.5	Barren		-	-
D-44	105	17.5	122.5	Barren		-	-
D-53	33	28.5	61.5	55.9-56.4	0.10	-	-
D-54	40	15	55	53.1-53.4	0.05	53.1-53.4	0.07
D-55	40	15	55	50.6-52.3	0.06	50.6-52.3	0.007
D-56	80	28.5	108.5	Barren		-	-
D-58	137	29	166	Barren		-	-
D-59	140	18	158	Barren		-	-
B-62	155	36	191	Barren		-	-
Totals	1,425	306	1,731				

555 Orchard Avenue
Grand Junction, Colorado

August 2, 1958

Mr. J. W. Townsend
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Dear Mr. Townsend:

Enclosed is the first monthly report for 1958 for Dalmid Oil & Uranium Corp.'s DMEA project 4409. Work started on June 23, 1958 and a total of ~~15~~ 14 holes were completed.

Enclosed are 6 copies each of the following:

Map No. 4
Map (DMEA contract map showing holes in north area)
14 ~~15~~ Geologic logs
2 Assay sheets
Narrative of activities
2 Financial sheets

Sincerely,

Raymond C. Robeck

Raymond C. Robeck,
Consulting Geologist
Agent for:
Dalmid Oil & Uranium Corp.

Dalmid Oil and Uranium Corp.
DMEA Project 4409
April et al Claims, Elk Ridge, San Juan County, Utah

Narrative for June-July 1958

The Stage II drilling was recessed on October 11, 1957. Drilling began in 1958 on June 25. Some errors were found in previous surveying so the entire south (April-Butte) area was resurveyed as is shown on the enclosed Map 4. The holes were drilled with water using a Jay coring rig.

Hole D-40

The collar elevation is 7958. The hole was plugged 4-1/4 inches in diameter to 60 where a Bx casing was set. The hole was then plugged with a Hawthorne Bx size bit to 100. Bx core was then cut to a total depth of 120 feet. A Monitor Butte cemented sandstone at 100' had to be cored with a diamond bit for 2 feet. The top of the Shinarump is often in a gradational unit so that it (the top) is difficult or impossible to determine. The Moenkopi was encountered at a depth of 116 giving an approximate Shinarump thickness of 14 feet. The hole appears to be in a channel although in an area that is leached. The hole contains 10 feet of coarse sandstone but is barren.

D-41

Collar elevation is 7967. The Moenkopi was encountered at 116 giving an approximate Shinarump thickness of 17 feet. The hole appears to be a foot lower in the same (Butte) channel as D-40 is in. The hole is leached and barren.

D-42

Collar elevation is 8005. The Moenkopi was encountered at 1[illegible] feet giving an approximate Shinarump thickness of 27 feet. The hole was leached and barren although deep in the "April" channel. There is 24 feet of clean coarse brown sandstone in the base of the channel.

D-5

This is a Stage I hole that was not drilled in 1957. Collar elevation is 7922. The Moenkopi was encountered at 112 feet without finding any Shinarump.

D-43

Collar elevation is 8007. The Moenkopi was encountered at 139 so the Shinarump is about 17 feet thick. The hole was leached and barren and appears to be up on the northwest flank of the April channel.

D-44

Collar elevation is 8005. The Moenkopi was encountered at 119.5 feet so the Shinarump is about 13 feet thick. The hole was leached and barren.

D-39

This hole was drilled in the location as shown on DMEA contract map of the April et al Claims. Collar elevation is 7975. The Moenkopi was encountered at 184 so the Shinarump is about 11 feet thick. A mudstone .75 foot thick at the base contains 0.17 U_3O_8 (Chem.) The Shinarump sandstones and interbedded mudstones were not leached.

North Area
Hole D-55

These holes were drilled as offsets to D-30 which was an ore hole. Collar elevation is 8091. The Moenkopi was encountered at 53 feet making the Shinarump a very questionable 14 feet thick. There is an upper sandstone if included in the Shinarump would make the Shinarump 10 feet thicker. The lower 9 feet of Shinarump is a coarse sandstone that is nearly black because it contains asphaltic oil. The asphalt seems to protect the rocks from leaching and thus accounts for small pockets of radioactivity that seem to be present in the area. This hole from 50.6 to 52.3 (1.7') assayed .007 U_3O_8.

D-54

Collar elevation is 8090. The Moenkopi was encountered at 53 feet so the Shinarump is about 13 feet thick. At the base 0.3 feet assayed 0.07 U_3O_8. The sands are asphaltic.

D-53

Collar elevation is 8091. The Moenkopi was encountered at 57 feet so the Shinarump is about 14 feet thick. Slight radioactivity (.10 field est.) was found from 55.8 to 56.3 (.5'). The sands are asphaltic.

South Area

These holes were drilled as offsets to further explore the trend and nature of the April and Butte channels.

Hole D-57

Collar elevation is 7974. Water circulation was lost and the Shinarump was plugged through before detection. A sandstone was encountered from 135 to 140. This seems to make a corrected elevation of 7901 which indicates the hole is not in the thalwag but on the terraced side of the Butte channel. The hole was probed and it is barren. (This hole has not been claimed for payment on this month's financial statement.)

D-56

Collar elevation is 7946. The Moenkopi was encountered at 105 so the Shinarump is about 17? feet thick. The top contact is very questionable. The hole is mostly leached out and barren.

D-58

Collar elevation is 7999. The Moenkopi was encountered at 162 feet so the Shinarump is about 19 feet thick. The hole is only slightly leached but is barren.

D-59

Collar elevation is 8003. The Moenkopi was encountered at 153.5 feet so the Shinarump is about 16.5 feet thick. The hole is slightly leached but is barren.

D-62

Collar elevation is 8039. The Moenkopi was encountered at 169 feet so the Shinarump is about 34 feet thick. The hole is mostly leached, is barren but is in the thalwag of the April channel.

Raymond C Robeck
Geologist
Aug 2, 1958

Drilling - Stage I I 1958

Hole	Plug	Core	Standby	Analyses	Incidental
39	172	15	1.	1	185
40	100	20	.5	-	120
41	100	20	.5	-	120
42	108	27	.5	-	135
43	115	19.5	.5	-	134.5
44	105	17.5	2.	-	122.5
53	33	28.5	.5	1	61.5
54	40	15	.5	1	55.
55	40	15	.5	-	55.
56	80	28.5	.5	-	108.5
58	137	29	.5	-	166.
59	140	18	.5	-	158.
62	155	36	.5	-	191
	1325	287.0	8.5	3	1612.0

Drilling - Stage I 1958

5	100	19	1	-	119

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

SUPPLEMENTAL

RECEIVED DEC 20 1957 DMEA

Month of October, 1957 Docket No. DMEA 4409 Contract No. Idm-E1066
Operator's Name Dalmid Oil and Uranium Corporation Minerals Uranium
Address 604 Hamilton Bldg., Wichita Falls, Texas
Contract Amount, $ 25,441.00 Government Participation: 75 Amount, $ 19,080.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		9666.00	9666.00			
Bulldozing	174.00	1303.00	1477.00			
~~Crosscutting~~ Standby		378.12	378.12			
~~Drifting~~ Incid.Allow		1931.40	1931.40			
Chemical Analyses		66.50	66.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	174.00	13,345.02	13,519.02	174.00	13,345.02	13,519.02

DMEA DEPARTMENT OF THE INTERIOR DEC 11 1957 REGION III DENVER, COLORADO

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

Date 12/5/57 *Payee Dalmid Oil & Uranium Corp

Per Oscar E. Collier Title President

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

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

(Instructions on reverse)

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

$ For Payment

Signature (Authorized Certifying Officer)

Date 12/17/57 Vou. No. —

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E1066 in accordance with the terms of the contract.

Signature [illegible] (130.56) Title Mining Engineer Date 12/10/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. R. King Title Executive Officer Date DEC 12 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 20 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SUPPLEMENTAL

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1957 Docket No. DMEA 4409 Contract No. Tem-E1066
Operator's Name Dalmid Oil and Uranium Corporation Minerals Uranium
Address 604 Hamilton Bldg., Wichita Falls, Texas

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
			STAGE I.					
Bulldozing	hr			1200.00	100	12.00	100	12.00
Core Drill.	ft			4819.50	1377	3.50	1520	3.50
Non-Core "	ft			2887.50	2310	1.25	2850	1.25
Standby	hr			309.37	24.75	12.50	40	12.50
Incid. Allow	ft			1474.80	3687	0.40	4370	0.40
Analyses	Spl.			52.50	15	3.50	30	3.50
			STAGE II					
Bulldozing	hr	174.00	14.5	277.00	23.25	12.00	100	12.00
Core Drill	ft			827.75	236.5	3.50	1600	3.50
Non-Core "	ft			1131.25	905	1.25	3000	1.25
Standby	hr			68.75	5.5	12.50	40	12.50
Incid.	ft			456.60	1141.5	0.40	4600	0.40
Analyses	Spl.			14.00	4	3.50	33	3.50
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		174.00		13,519.02				

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

Date 12/5/57 Operator Dalmid Oil & Uranium Corp.

Per Olen E. Cobb Title President.

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

REMARKS:

(Instructions on reverse)

(For Government use only) Carl Belser

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE DEC 18 1957

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

Administrative Audit Difference Statement

[redacted]
[redacted]
[redacted]
[redacted]

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

[redacted]:

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

Amount Claimed $ [redacted]

Difference $

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 20 1957

DATE	INITIALS	CODE
12/20	C	220
12/20	Com	100
		800

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

224 New Customhouse
Denver 2, Colorado
December 12, 1957

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4409 (Uranium) Contract Idm-21066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims) San Juan County, Utah - Supplemental Operator's Monthly Progress Report, for the month of October, 1957

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

We consider that the Operator has complied with the intent of the contract, and the work is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract MF-200A, therefore documentation of the costs is not required.

Withhold the entire amount of reimbursement due the Operator on the supplemental voucher, pending resumption of project work which is recessed for the winter.

The total amount withheld to date from the October 1957, Voucher, and the supplemental October 1957, Voucher, 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

Remarks:

Date of Report----------December 5, 1957
Date Received in Field Office----------December 10, 1957
Date Received in Region Office----------December 11, 1957

Original signed by
W. H. KING

W. H. King

Enclosures
JDC:hmh
cc: Chmn. Op. Comm. (2))with
DMEA, DFC)complete
MF-104 file, Reg. III) report
Harshman)
Hasler) w/copy of Engr's report
DMEA, G.Jct.)
Townsend)

Chron

DMEA
DEPARTMENT OF THE INTERIOR
DEC 11 1957
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
Dec. 10, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Carl Belser

Subject: Docket DMEA 4409 (Uranium) Contract Idm-E1066,
Dalmid Oil and Uranium Corp. (April, Butte, and Canyon claims)
San Juan County, Utah -- Additional progress reported for
October 1957

The 14.5 hours of bulldozer work which was not included in the October 104's is additional bulldozer work on drill sites that was not included with the 8.75 hours claimed in the first October 104's. The work has been done and as the winter intermission will be for about a six month interval, should be entered on our records.

The operator ~~claims~~ was billed for 14.5 hours at $12.50 an hour or $181.25. The contract only allows $12.00 an hour, or $174.00 so the difference or $7.25, has been ~~disallowed~~. deducted by the Operator.

It is recommended that 75 percent of $174.00 or $130.50 be paid to the operator but that the payment of this sum be withheld until work on the contract has been resumed.

Carl Belser
Carl Belser
Mining Engineer

CB/mw
cc: 6
Idm-E1066
chron

DMEA
DEPARTMENT OF THE INTERIOR
NOV 13 1957
REGION III
DENVER, COLORADO

November 11, 1957

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

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Dear Mr. Harshman:

Here is a bill for 14½ hours of Cat work that were needed in the preparation of 11 drill sites for the last 11 holes allowed in our participating contract.

Our billing was at $12.50 an hour, or $181.25. I would thank you to include 75% of that amount in your final settlement for your part of this year's work.

Please pardon the piece-meal way I had in getting this last monthly statement together.

Sincerely yours,

Chas. E. Collins

Chas. E. Collins

c/a

Encl.

DMEA
DEPARTMENT OF THE INTERIOR
DEC 11 1957
REGION III
DENVER, COLORADO

November 11, 1957

COPY

STATEMENT

From: Utarco Uranium Corporation
604 Hamilton Building
Wichita Falls, Texas

To: Dalmid Oil and Uranium Corporation
604 Hamilton Building
Wichita Falls, Texas

For the drilling of 11 drill sites $181.25

Note: We employed 14½ hours of bulldozing work in the preparation of these sites.

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED NOV 9 1957 D.M.E.A.

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

Month of October, 1957 Docket No. DMEA 5409 Contract No. Idm-E1066
Operator's Name Dalmid Oil & Uranium Corp Minerals Uranium
Address 604 Hamilton Bldg. Wichita Falls, Tex
Contract Amount, $ Government Participation: % Amount, $ 25,441.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1959.00	7999.50	9958.50			
Bulldozing	103.00	1200.00	1303.00			
~~xxxxxx~~ Standby Tm.	68.75	309.37	378.12			
~~xxxxx~~ Incid. Allow	456.60	1474.80	1931.40			
Chemical Analyses	14.00	52.50	66.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Core Boxes	37.50	-	37.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2638.85	11036.17	13,675.02	2,601.35	11,407.42	14,008.77

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

Date 11/7/57 *Payee Dalmid Oil & Uranium Corp.

Per Olan E. Collins Title President

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

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

(See instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $ 1551.01

1/ 663.75
10,743.63
663.75
13,345.02

Signature
(Authorized Certifying Officer)

Date 12/2/57 Voucher No. DMA 58-66

(See other side)

1/ - Previous Disallowance
note: Withhold 400.00
Reinstatement made 11/3/57 added to last 2 cols (m.10v)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idw-E1066 in accordance with the terms of the contract.

Signature Carl Baker (E1,951,01) Title Mining Engineer Date 11/20/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Executive Officer Date NOV 27 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED DEC 9 1957 DMEA

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 7 195 Docket No. DMEA 4409 Contract No. Adm-E1066

Operator's Name Dalmid Oil & Uranium Corp Minerals Uranium

Address 604 Hamilton Bldg. Wichita Falls, Texas

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
			STAGE I					
xxxxBulldozing	hr	103.00	8 3/4	1303.00	108 3/4	12.00	100	12.00
Drifting xxxxCore Drill	ft	827.75	236.5	6102.25	1743.5	3.50	1520	3.50
Crosscutting xxxxNon-Core "	ft	1131.25	905.0	3856.25	3085.0	1.25	2850	1.25
Raising xxxxStandby Time	hr	68.75	5.5	378.12	30.25	12.50	40	12.50
Shafts xxxxincld.Allow	ft	456.60	141.5	1931.40	4828.5	0.40	4370	0.40
Winzes xxxxxxxAnalyses	Spl.	14.00	4	66.50	19	3.50	30	3.50
Drilling: Core xxxx								
Churn xxxbulldoz.			STAGE II					
Auger xxxxxCore Drill								
Stripping xxxxxNon-Core "								
Trenching xxxxxStandby Time								
Test Pits xxxxxxxxIncld.All.								
Roads and Trails Analyses								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Core Boxes-Stage I		37.50		37.50				
Total Costs		2638.85		13675.02				

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

Date 11/7/57 Operator Dalmid Oil & Uranium Corp

Per Chas. E. Collins Title President

Remarks:

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

(Instructions on reverse)

(For Government use only) Carl Belin

INSTRUCTIONS

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

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

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

GPO 872894

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

FINAL DISTRIBUTION
MADE DEC 5 1957

Administrative Audit Difference Statement

Date: Dec. 3, 1957
Payee's
Reference: October 1957

Dalaid Oil and Uranium, Inc.
604 Hamilton Bldg.
P.O. Box 1590
Wichita Falls, Texas

Gentlemen:

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

Amount Claimed $ 2,638.85

Difference $ 37.90

Amount Approved $ 2,601.35

The reason for the difference was due to:

Disallowance,

50 core boxes at .75 each $37.90

Withheld $100.00 pending resumption of work.

EXTRA COPY
DMEA
RECEIVED DEC 9 1957

DATE	[illegible]	CODE
12/9	gb	220
	Cdm	100
11	FJ	800
		800

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

224 New Customhouse
Denver 2, Colorado

November 27, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-4409 (Uranium) Contract Idm-E1066, Dalmid Oil and Uranium Corp. (April, Butte, and Canyon claims) San Juan County, Utah - Operator's Monthly Progress Report for October 1957

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

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Disallowance, Core Boxes

The reported costs for core boxes allegedly used in Stage I are recommended for disallowance since this item is included under incidental allowance.

Disallow
Reported cost of 50 core boxes at 75¢ each---- $37.50

Reconciliation with Amount Reported by Operator on Form MF-104 for October, 1957

Amount reported on Form MF-104 for October 1957 ---------	$2,638.85
Total disallowance ----------	37.50
Total accepted cost	$2,601.35

Government participation at 75 percent ---------- $1,951.01

Amount to be Withheld

The project is now in authorized recess; therefore, an amount of $400.00 is to be withheld from the amount to the Operator, until such time as work has been resumed. In the event work is not resumed within the allotted time, the amount withheld is to be deferred until such time as the Operator has complied with all conditions prerequisite to closing the account.

Withhold
Amount pending resumption of work ----------$400.00

We note that the cost reported on the Operator's Form MF-104A is under Stage I. All work reported for the month of October was actually performed under Stage II of the contract.

REMARKS:

Date of Report ---------- November 7, 1957
Date Received in Field Office ---------- November 13, 1957
Date Received in Region Office ---------- November 26, 1957

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

MHM:jy

cc: Chm. Op. Comm. (2))
DMEA,DFC) w/complete report
MF-104 file)

Harshman)
DMEA,G.JCT.)
Hasler) w/copy Engr's. report
Townsend)
Chron.

DMEA
...ENT OF THE INTERIOR
NOV 26 1957
REGION III
DENVER, COLORADO

REGION III

Memorandum

Building 20
Denver Federal Center
Denver 2, Colorado
November 22, 1957

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

From: Carl Belser

Subject: Docket DMEA 4409 (Uranium), Contract Idm-81066, Dalmid Oil and Uranium Corp. (April, Butte, and Canyon claims) San Juan County, Utah---Progress report for October, 1957.

The property was last visited by the writer on October 8, 19, at which time 5 holes had been drilled, the sixth hole was being drilled, and the drill sites for the other two holes had been prepared. The cores, which were not at Dalmid at the time, were examined by H. L. Archbold and Wendell A. Bradley of the Geological Survey. All cores were found to conform with the contract. The road to Elk Ridge was not passable during the week November 4-8. Holes drilled in October follow:

Hole	Feet Non-core	Feet Core	Feet Total	Hours Standby	Top M. S.	Uranium Content	
45	100.0	32.5	132.5	1/2	129.2	128.2' - 129.2' =	e.02
46	100.0	29.0	129.0	1/2	125.7	124.7' - 124.7 =	.015
						119.5' - 120.5' =	e.02
47	105.0	29.0	134.0	1	131.7	130.6' - 131.7' =	.147
48	115.0	25.0	140.0	1	137.4	136.4' - 137.4' =	.054
						132.0' - 133.0' =	e.02
49	120.0	25.0	145.0	1/2	140.0	137.5' - 140.0' =	.051
						128.8' - 129.6' =	e.02
50	115.0	29.0	144.0	0	139.0	138.0' - 139.0' =	e.03
51	125.0	30.0	155.0	1 1/2	150.0	Barren	
52	125.0	37.0	162.0	1/2	159.6	143.7' - 144.5' =	e.02
Total (8)	905.0	236.5	1,141.5	5 1/2		Stage II holes	

The following expenses were incurred by the operator during October, 1957:

Bulldozing 8 3/4 hours at $12.00/hr. (105.00)	$ 103.00
236.5 ft. of core drilling, 3.50/ft.	827.75
905 ft. of non-core drilling, $1.25/ft.	1,131.25
5.5 hrs. standby at $12.50/hr.	68.75
1,141.5 ft. incidental allowance at $.40/ft.	456.60
4 chemical analyses at $3.50 ea.	14.00
	$ 2601.35

Payment of 75 percent of the above amount or $1,951.01 is recommended.

The operator bulldozing cost is $103.00 instead of $105.00. The item 50 core boxes at $.75 each, $37.50 is disallowed as it comes under incidental expenses.

Carl Belser
Mining Engineer

CB:ss
cc: 6
IAm-E1066
Chron

DMEA
DEPARTMENT OF THE INTERIOR
NOV 27 1957
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
NOV 12 1957
REGION III
DENVER, COLORADO

November 7, 1957

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

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Dear Mr. Harshman:

NARRATIVE FOR OCTOBER 1957

Only eight holes #45 to #52, inclusive, were completed,due to weather. Three drill sites, #40-#41 and #5 and the necessary roads were bulldozed.

Of the eight holes drilled, only one, #51, was barren. One hole, #47, contained ore grade (Chemical Assay), but all 4 holes (#46 to #49, inc.) extend the mineralized area of holes #30 and #31 about 100 feet West. It is the opinion of DMEA Geologist that this mineralization would center East of hole #30. If you note hole #45 on Cross Section H-H, it indicates Channel Northwest of hole #28. Our drift is 65 feet in North and slightly West direction, and at the face is in a scour, approximately 8 feet deep and still dipping. A line from hole #45, across the position of Mine Face, would come close to approved hole #53, and appears to bear out DMEA opinion.

Holes #50-#51 & #52 were placed to check scour or Channel indicated by hole #33. On Cross Section H-H these 3 holes indicate the scour or Channel runs North and slightly West. The sand thickened in hole #52, and in my opinion should be offset.

A storm that struck early on October 11th, lasted eleven days with intermittent rains. The drill area was too muddy tooperate. We have tried three times to operate, but without success. Two light snowfalls, and the fact that the mud freezes at night, keeps the area from drying. On October 31st, another storm struck. After some four hours rain, we decided to give up hope of operating again this Fall, and I requested a recess. The mud did not freeze hard enough to support a water truck, so we could not operate at night.

Respectfully yours,

M F Maher

(Signed) Martin F. Maher
By CEC

FROM:

UTARCO URANIUM CORPORATION
604 Hamilton Building
Wichita Falls, Texas

TO:

DALMID OIL & URANIUM CORPORATION
604 Hamilton Building
Wichita Falls, Texas

FOR:

Date - October, 1957

Hole No	Date Start	Date Com-plete	Shifts	Item 1 Core @$3.50	Item 7 Plug @$1.25 @ ft.	Item 9 Bull-dozing @$12.00 @ hr.	Assays @$3.50	Stand-by $12.50	Core Boxes @75¢	Total Footage	Total Payments
45	10-10	10-10	1 4/8	32.5	100.0					132.5	245.00
46	10-9	10-9	1 3/8	29.0	100.0			½		129.0	232.75
47	10-8	10-8	1 3/8	29.0	105.0			½		134.0	245.25
48	10-4	10-4	1 1/8	25.0	115.0			1		140.0	243.75
49	10-3	10-3	1 3/8	25.0	120.0			1		145.0	243.75
50	10-2	10-2	1 2/8	29.0	115.0			½		144.0	245.25
51	10-1	10-2	1 4/8	30.0	125.0			0		155.0	280.00
52	9-30	10-1	2 3/8	37.0	125.0			1 ½		162.0	292.00
							4				14.00
									50		37.50
						3 Drill Sites and Roads 8.75					
Incidental Allowance											103.00
Total				236.5	905.0	8 3/4	4	5.5	50	1141.5	456.60
Total $s				827.75	1131.25	103.00	14.00	68.75	37.50	1141.5	2638.85

I certify that this is a true and proper statement from Utarco Uranium Corp., and it has not been paid.

Nov. 7, 1957 Oliver E. Collins President

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

DMEA
DEPARTMENT OF THE INTERIOR
NOV 12 1957
REGION III
DENVER, COLORADO

Dalmid Oil & Uranium

Nov. 2, 1957

Hole Sample Description	% U_3O_8	% V_2O_5	% $CaCO_3$	%	%	%			
46 - 124.7-125.7	0.015								
47 - 130.6 - 131.7	0.147								
48 - 136.4 - 137.4	0.054								
49 - 137.5 - 140	0.051								

TOTAL CHARGES $ 12.00 Paid J.E.S.

J. Earl Smith
CHEMIST

FINAL DISTRIBUTION

MADE NOV 17 1957

224 New Customhouse
Denver 2, Colorado
November 8, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA 4409 (Uranium) Contract Idm-E1056, Dated Oil and Uranium, Inc., (April Butte, and Canyon claims) San Juan County, Utah

Reference is made to our memorandum of September 26, 1957, by which we forwarded Form MF-104, Operator's Monthly Report and Voucher, for the period from August 1, through August 15, 1957, and recommended payment for 295 feet of core footage at the non-core drilling rate.

Enclosed are five sets of material consisting of the following data in conjunction with an adjustment of the previously disallowed core drilling footage which was paid for at the non-core drilling rate:

1. Copy of Operator's protest on the disallowance, dated October 12, 1957.

2. Copy of a joint memorandum report, dated October 23, 1957, from N. L. Archbold and M. H. Salsbury, pertaining to the disallowance.

3. Copy of the Acting Executive Officer's Analysis of the matter, dated November 1, 1957.

On the basis of material under Item 3, the following adjustment of reimbursement to the Operator is recommended.

Core footage previously accepted at non-core rate------- 295 feet
Excess core footage as determined by final analysis of the drilling data, by the Government (Item 3 above)---------- 130 feet

Core footage to be adjusted between core and non-core drilling rates---------- 165 feet

$278.44

11/12/57 DMA 58-59

Adjustment of Drilling Costs:

Acceptable cost for 165 feet of drilling at core drilling rate of $3.50 per foot	$577.50
Previously accepted cost for 165 feet at non-core drilling rate of $1.25 per foot	206.25
Net drilling costs to be reinstated	$371.25
Government participation at 75 percent	$278.44

Original signed by
E. N. HARSHMAN

E. N. Harshman

JDC:hmh

cc: Chmn. Op. Comm. (2))
DMEA, DFC) w/copy of Items 1, 2 and 3
MF-104 File, Reg. III) listed above

Harshman)
Hasler)w/copy of Items 2 and 3 listed above
DMEA, G.Det.)
Townsend
Chron

RECEIVED NOV 27 1957
DATE INITIALS CODE

224 New Customhouse
Denver 2, Colorado

November 1, 1957

Memorandum

To: Files

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

I have reviewed a memorandum, dated October 23, 1957, from N. L. Archbold, U. S. Geological Survey, and M. H. Salsbury, U. S. Bureau of Mines, which makes recommendations regarding disallowances of certain core drilled footage completed under the subject contract.

The memorandum analyses the disallowance in three ways; one considers non-core drilling depths with reference to the inferred base of the Shinarump, and two consider non-core depths with reference to the inferred top of the Shinarump. I consider the analysis founded on the position of the inferred base of the Shinarump to be the most sound in view of the well defined lower contact (in contrast to a less well defined upper contact) and the fact that the Operator based his protest of disallowed core footage on the position of the inferred base of the Shinarump.

The entire problem resolves itself into a reasonable interpretation of the contract stipulation that core drilling shall start about at the top of the Shinarump, all drilling above this point to be non-core. I concur with the Archbold-Salsbury method of approach which utilizes geologic data available prior to the start of the drilling program, supplemented in part by data gained as holes were drilled, to establish inferred depths to the base of the Shinarump and thus to establish the inferred top of the Shinarump, the point at which core drilling was to start. This approach is technically sound, one which could be used by a reasonably competent Operator, and does not involve a depth determination of a particular hole <u>after</u> it was drilled, as contended by the Operator

It is my opinion that supervision of this project has not been as good as should be expected from a reasonably competent Operator.

Obvious errors in judgment are apparent and certain disallowances should be made. For example, 75 feet of non-core drilling were correctly estimated for drill hole No. 1, while in drill holes Nos. 2, 3, and 4, whose collar elevations were about 10 feet higher than drill hole No. 1 and whose locations were stratigraphically down dip from drill hole No. 1, 60 feet of core drilling were incorrectly estimated. The Government should not be penalized for such obviously poor judgment.

I wish to point out, however, that the Government's examining team consisted of experts in the field of uranium exploration on the Colorado Plateau, and it is unreasonable to expect such superior technical ability in the average DMEA operator. Accordingly, I have revised somewhat the disallowances recommended in the Archbold-Salsbury memorandum, using their method of approach but somewhat liberalizing their criteria.

In my analysis, I have used the basic data given in the Archbold-Salsbury memorandum. I have assumed a very liberal 30-foot maximum thickness for the Shinarump, as did they, and to establish a firm basis for the start of coring, the contract statement "about the top of the Shinarump" is administratively determined to be within a maximum of 10 feet above the inferred contact. This contrasts with the 5-foot limitation used in the memorandum. Please note that in my analysis all disallowances are based on the inferred position of the top of the Shinarump, a position based on surface data available to the Operator at the start of the program. No disallowances are based on actual positions of contacts as determined after drilling of specific holes was completed.

Attached is a table showing my recommended disallowances.

Original signed by
E. N. HARSHMAN
E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

ENH:jy

cc: MF-104's (5)
Harshman
DMEA/DFC
Hasler
Townsend
Corres. file
Chron.

Hole Number (in sequence drilled)	Collar Elevation	Est. elevation base of Shinarump	Est. depth to base of Shinarump, feet	Est. avg. 1/ thickness of Members to be core drilled	Non-core drilling depths, feet			Excess core drilling footage to be paid at non-core drilling rates
					Calculated	Minimum 2/ Acceptable	As Drilled	
15	7947.7	7865.0	82.7	40	42.7	45	30	15
10	7912.7	7845.0	67.7	40	27.7	30	20	10
28	8105.8	7995.0	110.8	40	70.8	70	50	20
26	8104.6	7985.0	119.6	40	79.6	80	70	10
27	8137.4	7985.0	152.4	40	112.4	110	100	10
25	8071.5	7950.0	121.5	40	81.5	80	50	30
19	7955.8	7865.0	90.8	40	50.8	50	45	5
3	7910.4	7800.0	110.4	40	70.4	70	60	10
4	7914.7	7795.0	119.7	40	79.7	80	60	20
							Total	130
							Core footage previously paid for at non-core rate	295
							Footage to be adjusted between core and non-core rate	165

1/ Thirty feet estimated thickness of Shinarump, plus 10 foot maximum allowable differential for core drilling to assure coring of entire Shinarump.

2/ Rounded to 5 foot increments of drilling, which was stated as being considered necessary by Operator.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR

OCT 25 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

OCT 25 1957

October 23, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
J. William Hasler

From: N. L. Archbold
M. H. Salsbury

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.

In a letter dated October 12, 1957, Mr. Charles E. Collins, President of Dalmid Oil and Uranium, Inc., protests the Government's disallowance of 295 feet of core drilling, which was subsequently accepted at the non-core price. Mr. Collins bases his argument on two points: (1) competence of his field superintendent, Mr. M. F. Maher, who was employed for several years by the Government, during which time he became "well acquainted" with the area in which the operator's April, Butte, and Canyon claims are located; and (2) the Government disallowed cored footage after the core had been examined, but the operator did not have the advantage of this core before the hole was drilled, and therefore should not be held responsible for excessive cored footage, as non-core drilling depths were determined as accurately as possible with the existing information. Mr. Collins also cites apparent inconsistencies, on the part of the Government, in determining excessive cored footage. Because of the controversy the property and the project were reexamined by N. L. Archbold, geologist for the U. S. Geological Survey, on October 10, 1957. This examination serves as a basis for the following discussion of Mr. Collins' arguments.

The DMEA geologist's conclusions are based solely on an evaluation of the work and not on the competency of the operator's supervisor. It might be pointed out however that Mr. Maher was employed by the Geological Survey as a sample foreman and as such was under direct supervision of a project geologist who evaluated drilling results and set drilling depths. Mr. Maher, a non-professional employee, was not responsible for such determinations and, on the basis of the experience cited by Mr. Collins, is not necessarily competent to perform engineering and geologic functions. Mr. Maher's supervision of the subject project appears to be satisfactory in all but technical aspects.

The following analysis is made to show what can be expected in the control of drilling depths based only on data available to the operator at the time the determinations were made. According to Mr. Collins' letter the non-core drilling depths were calculated by assuming a thickness of 30 feet for the Shinarump, then non-core drilling to a point 30 feet above the estimated base of the Shinarump. Assuming a Shinarump thickness of 30 feet over the entire area is unwarranted, because the thickness is much less in exposures on the property. A maximum assumed thickness of twenty feet would have been more in keeping with the data gained from inspection of the outcrops. Data gained in the first few drill holes should have suggested to the operator that the average thickness of the Shinarump was less than 20 feet. But because one hole (D-11) penetrated nearly 30 feet of Shinarump sandstone, let it be conceded that there might be a slight basis for Mr. Collins' contention, and a thickness of 30 feet for the Shinarump member has been assumed. In addition, five additional feet of coring has been allowed in those holes in which coring is considered to have been started too soon. Actually the additional 5 feet is not really justified because considerable leeway has been given by using a thickness of 30 feet of Shinarump.

Mr. Collins states that in determining excess cored footage the Government has the advantage because the holes have already been drilled. The calculation of the non-core drilling depths made in this memorandum uses only information that was available prior to drilling or became available to the operator as drilling proceeded; thus, the Government geologist has no advantage, and it is not a case of hindsight being better than foresight. The data used are: (1) collar elevations of the drill holes, (2) horizontal positions of the holes, (3) horizontal and vertical positions at the base of the Shinarump, (4) corrected elevation of the base of the Shinarump obtained from 3 drill holes, and used to adjust the depths in holes drilled after the information became available, and (5) observed strike and dip of the formations. The operator's data on drill holes and observed elevation of Shinarump exposures is used. A local strike of S 60° E and dip of about 2-1/2 degrees to the southwest was measured on the property by N. L. Archbold using exposures of the Moss Back member of the Chinle formation. These could have been observed by the operator. Using the measured strike and the operator's elevations of Shinarump outcrops a general structure contour map on the base of the Shinarump can be drawn. Such a map is shown in the attached figure 1. Using the structure contour map and the known collar elevations of the drill holes the correct non-core drilling depths to a point 30 feet above the estimated base of the Shinarump can be estimated. It should be noted that the drilling should have been carefully watched as it proceeds northward from hole D-29 because the structure contours were extrapolated in the northern part of the drilling area. By checking the core in holes D-30, D-31, and D-32 as they are drilled, it is found that the elevation of the base of the Shinarump is increasingly lower in a northward direction than originally estimated. Certainly, by the time hole D-32 was drilled it should have been evident that the dip of

the Shinarump had flattened in the northern part of the drilling area. Thus the structure contours in the northern part of the area are adjusted by extrapolation of the position of the base of the Shinarump as found in holes D-30, D-31, and D-32. The non-core drilling depths for holes D-33 through D-38 are then recalculated using the adjusted structure contours. Table 1 shows the non-core drilling depths calculated by the methods outlined.

Note that, by using this method of calculating non-core drilling depths, only one hole (D-33) would have been non-core drilled into the top of the Shinarump as placed by the examining team, or only 4 holes (D-26, D-35, D-37, D-38) would have been non-core drilled into the top of the Shinarump as placed by the operator (table 1).

Thus, using the method which the operator claims to have used, there is an unwarranted excess cored footage of 255 feet (table 1). The operator has been given every advantage in these calculations. He should have used data made available from holes as they were drilled, whereas the DMEA calculations are made from data available at the start of the project and not adjusted until after holes D-30, D-31, and D-32 were drilled. The operator's assumed thickness of 30 feet for the Shinarump was used whereas the examining team feels an assumed thickness of 20 feet is a more reasonable figure (data from the operator's drill logs gives an average thickness of 17.4 feet and this is believed to be slightly excessive). In addition another five feet of coring has been allowed in those holes which the DMEA examiners consider that the operator started coring too high.

Calculation of non-core drilling depths using the estimated top of the Shinarump is also feasible but the operator's maps do not give elevations on the top of the Shinarump outcrops. Moreover, the operator feels that the top of the Shinarump is a "controversial" contact. The examining team does not feel that the contact at the top of the Shinarump is as "controversial" as Mr. Collins implies. A calculation of drilling depths can be made based on the contact as picked by the operator. In table 2 it is shown that the operator cored an average of 18.5 feet above the top of the Shinarump in each hole. If a maximum of 10 feet of core above the top of the Shinarump, as determined by the operator is permitted, a disallowance of 364.9 feet of core drilling could be made (table 2).

Table 3 shows where the examining team would place the top of the Shinarump in each hole. If the top of the Shinarump, as determined by the examining team, is used; the operator cored an average of 22.6 feet above the top of the Shinarump in each hole. In this case 459.6 feet of coring would be disallowed if a maximum of 10 feet of core above the top of the Shinarump were allowed.

The disallowance of 295 feet of core drilling which the Government has made is very lenient in the judgement of the examining team. The figure of 255 feet of excess core footage, as analyzed in Table 1, allows for greater leeway in setting the drilling depths than the Government is justified in permitting, if reasonably competent performance in the project is required.

On the foregoing basis, any adjustment of the disallowance already made is not considered to be justified by the examining team and is not recommended.

The operator, as well as the Government, has been subject to unnecessary expense in the operation of the project and certainly had no intention of incurring greater costs than were necessary. If claimed costs and footages are considered as justified to the extent that they do not exceed contract maximums and that excessive coring should not be disallowed because poor judgement was exercised by the operator's supervisor, then the coring claimed in Stage I, 1,507 feet, could be allowed.

The objective of the project, to explore the Shinarump member for mineralization in possible channels or scours, appears to have been accomplished with negative results. The last Stage II drilling proposed by the operator was not justified in the judgement of the examining team and was denied. There is no evidence of the presence of favorable channeling or mineralization on the property from drilling completed to date.

N. L. Archbold

N. L. Archbold,
Geologist

M. H. Salsbury

M. H. Salsbury,
Mining Engineer

NLA/bh
Enclosures

Table 1.--Comparison of operator's non-core drilling depths and depths estimated using inferred base of Shinarump. Holes listed in the order in which they were drilled.

Holes in sequence drilled	Collar eleva.	Actual eleva. of base of Shinarump	Operator's non-core drilling depths	Cored footage disallowed by Elston	Estimated eleva. of base of Shinarump	DMEA Estimate non-core drilling depths less 5 ft.	Depth to top of Shin. as determ. by operator	Excess cored footage as calculated in this memo
15	7947.7	7868.1	30	20	7865	50	72.4	20
16	7939.7	7860.1	45	5	7865	40	63.9	--
17	7955.8	7859.9	65	--	7860	60	78.5	--
18	7938.2	7849.6	50	5	7855	50	71.5	--
14	7939.8	7876.9	55	--	7860	45	55.0	--
13	7928.1	7868.1	35	--	7855	40	46.2	5
12	7948.1	7863.3	55	--	7855	60	79.2	5
11	7947.8	7846.0	55	5	7850	65	73.9	10
10	7912.7	7848.5	20	15	7845	35	45.9	15
9	7924.8	7837.5	40	15	7845	45	72.0	5
8	7913.5	7821.9	55	--	7835	45	77.5	--
29	8138.3	8022.8	70	--	8030	75	98.2	15
30	8143.8	8031.7	85	5	8045	65	92.5	--
31	8150.2	8036.4	75	15	8055	60	96.8	--
32	8158.6	8044.6	80	10	8070	55	91.6	--
33	8182.2	8043.2	95	15	8045	100	119.3	5
34	8164.4	8057.8	75	10	8050	80	87.7	5
35	8162.8	8068.6	70	5	8050	80	75.3	10
36	8163.5	8059.5	70	5	8050	80	79.6	10
37	8156.3	8055.8	65	10	8050	70	79.7	5
38	8143.5	8059.5	60	--	8045	65	66.1	5
28	8105.8	8002.3	50	20	7995	75	84.0	25
26	8104.6	7996.7	70	15	7985	85	87.1	15
27	8137.4	7985.2	100	20	7985	115	130.8	15
25	8071.5	7954.8	50	--	7950	85	98.0	35
24	8063.5	7941.2	95	--	7935	95	108.0	--

Table 1 (cont.)

Holes in sequence drilled	Collar eleva.	Actual eleva. of base of Shinarump	Operator's non-core drilling depths	Cored footage disallowed by Elston	Estimated eleva. of base of Shinarump	DMEA Estimate non-core drilling depths less 5 ft.	Depth to top of Shinarump as determ. by operator	Excess cored footage as calculated in this memo
23	8020.4	7924.5	60	10	7925	60	81.2	--
22	7979.8	7911.4	40	--	7915	30	49.8	--
21	7960.6	7907.7	40	--	7905	30	40.0	--
20	7951.7	7893.8	40	--	7890	25	40.0	--
19	7955.8	7866.3	45	10	7865	55	66.4	10
7	7892.0	7811.2	45	10	7830	25	62.7	--
6	7872.8	7791.0	40	10	7820	20	54.8	--
1	7903.7	7816.1	75	--	7810	60	75.0	--
2	7912.3	7814.9	60	15	7805	70	79.5	10
3	7910.4	7810.8	60	20	7800	75	81.6	15
4	7914.7	7802.6	60	25	7795	85	91.5	25
Totals				295				255

Table 2.--Actual cored footage above top of Shinarump as determined by operator.

Hole No.	Depth to top of Shinarump as determined by operator	Non-core drilling depth	Core taken above top of Shinarump	Disallow
15	72.4	30.0	42.4	32.4
16	63.9	45.0	18.9	8.9
17	78.5	65.0	13.5	3.5
18	71.5	50.0	21.5	11.5
14	55.0	55.0	--	--
13	46.2	35.0	11.2	1.2
12	79.2	55.0	24.2	14.2
11	73.9	55.0	18.9	8.9
10	45.9	20.0	25.9	15.9
9	72.0	40.0	32.0	22.0
8	77.5	55.0	22.5	12.5
29	98.2	70.0	28.2	18.2
30	92.5	85.0	7.5	--
31	96.8	75.0	21.8	11.8
32	91.6	80.0	11.6	1.6
33	119.3	95.0	24.3	14.3
34	87.7	75.0	12.7	2.7
35	75.3	70.0	5.3	--
36	79.6	70.0	9.6	--
37	79.7	65.0	14.7	4.7
38	65.1	60.0	6.1	--
28	84.0	50.0	34.0	24.0
26	87.1	70.0	17.1	7.1
27	130.8	100.0	30.8	20.8
25	98.0	50.0	48.0	38.0
24	108.0	95.0	13.0	3.0
23	81.2	60.0	21.2	11.2
22	49.8	40.0	9.8	--
21	40.0	40.0	--	--
20	40.0	40.0	--	--
19	66.4	45.0	21.4	11.4
7	62.7	45.0	17.7	7.7
6	64.8	40.0	24.8	14.8
1	75.0	75.0	--	--
2	79.5	60.0	19.5	9.5
3	81.6	60.0	21.6	11.6
4	91.5	60.0	31.5	21.5
Totals			683.5	364.9

$\frac{683.5}{37}$ = average of 18.5 feet of core per hole taken above top of Shinarump

Table 3.--Actual footage cored above top of Shinarump as determined by examining team from operator's drill logs.

Holes in sequence drilled	Depth to top of Shinarump as determined by examining team	Non-core drilling depths	Core taken above top of Shinarump	Disallow	
15	72.0	30.0	42.0	32.0	
16	63.9	45.0	18.9	8.9	
17	78.5	65.0	13.5	3.5	
18	71.5	50.0	21.5	11.5	
14	56.4	55.0	1.4	--	
13	46.2	35.0	11.2	1.2	
12	79.2	55.0	24.2	14.2	
11	73.9	55.0	18.9	8.9	
10	44.5	20.0	24.5	14.5	
9	65.2	40.0	25.2	15.2	
8	77.1	55.0	22.1	12.1	
29	91.2	70.0	21.2	11.2	
30	88.4	85.0	3.4	--	
31	96.8	75.0	21.8	11.8	
32	84.5	80.0	4.5	--	
33	98.2	95.0	3.2	--	
34	103.1	75.0	28.1	18.1	
35	83.6	70.0	13.6	3.6	
36	103.6	70.0	33.6	23.6	
37	83.0	65.0	18.0	8.0	
38	76.3	60.0	16.3	6.3	
28	90.4	50.0	40.4	30.4	
26	91.4	70.0	21.4	11.4	
27	129.2	100.0	29.2	19.2	
25	101.7	50.0	51.7	41.7	Shinarump* absent
24	107.3	95.0	12.3	2.3	"
23	84.9	60.0	24.9	14.9	"
22	53.4	40.0	13.4	3.4	"
21	40.0	40.0	--	--	"
20	53.3	40.0	13.3	3.3	
19	80.0	45.0	35.0	25.0	
7	77.6	45.0	32.6	12.6	
6	66.8	40.0	26.8	16.8	
1	75.0	75.0	--	--	
2	83.4	60.0	23.4	13.4	
3	90.0	60.0	30.0	20.0	
4	110.6	60.0	50.6	40.6	
Totals			792.1	459.6	

Average 22.6 feet per hole

* Where the Shinarump is absent, the top is estimated as being 15 feet above the top of the Moenkopi formation.

DMEA
DEPARTMENT OF THE INTERIOR
OCT 14 1957
REGION III
DENVER, COLORADO

October 12, 1957

EXTRA COPY
DMEA
RECEIVED NOV 21 1957

DATE	INITIALS	CODE

Mr. E. N. Marchman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA-4[illegible] (Uranium)
Contract Idm-51066
Dalnim Oil & Uranium, Inc
(April, Butte & Canyon Claims)
San Juan County, Utah

Dear Mr. Marchman:

Recently your office disallowed monies for Core Drilling, and we hereby ask you to reconsider this act after you have studied these reasons for asking you to do so.

This work was done under the supervision of M. H. Maher, a man who met with your requirements when the contract was made, and you had his history in the application. I invite you to review his history. He is a man with a lot of know-how, and is well acquainted in that immediate area, or the Government would not have kept him there for years.

RE HOLE #15....Your Field Man approved only 30 feet of coring, above the Contact. This was our first hole, and we were feeling for contact and Shinarump thickness, but in hole #11 he approved 41.9 feet above contact, and condemned 5 feet. In two other holes, #3 and #35, he set the plug depth to less than 20 feet above the contact, by condemning all coring above that point. After establishing the fact that the Shinarump Member reached 30 feet and more in hole #11, we used 30 feet above the estimated contact, as a possible thickness. WHAT MEASURE DOES YOUR FIELD MAN USE?

Let us take the 6 holes, in which you condemned 5 feet of coring. Five feet of plugging is one unit. By that, we mean it is common practice to set plug depths in even 5 foot depths. Is this not true? Therefore, if we differed with your Field Man just one foot, in where the plug should be set, we would use a 5 foot unit. There is no definite contact between the Chinle and the Shinarump as there is between the Shinarump and the Moenkopi.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Aug. 1 to Aug. 13, 1957 Docket No. DMEA 4409 Contract No. Idm-E1066

Operator's Name Dalmid Oil & Uranium Corporation Minerals Uranium

Address 604 Hamilton Bldg. Wichita Falls, Tex

Contract Amount, $ Government Participation: % Amount, $ 25,441.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:	1754.45	6245.05	7999.50			
Drilling	~~xxxxxx~~ 78.00	1122.00	~~xxxxxx~~ 1200.00			
Bulldozing						
xxxxxxxStandby Tm	100.00	209.37	309.37			
Crosscutting						
xxxxxIncid.Allow	320.08	1154.72	1474.80			
Drilling						
Chemical Analyses	10.50	42.00	52.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
	2263.03		11036.17			
TOTALS	~~xxxxxx~~	8773.14	~~xxxxxx~~	1599.28	8,773.14	10,372.42

RECEIVED OCT 4 1957 DMEA

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

Date 8/19/57 *Payee Dalmid Oil & Uranium Corp.

Per Charles E. Collins By Martin F. Mahe Field Supt. Title President

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

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

(Instructions on reverse)

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

$ 1199.46

Signature RCC (Authorized Certifying Officer)

Date 9-27-57 Vou. No. DMA-58-39 (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1066 in accordance with the terms of the contract.

Signature Carl Behr (4638.77) Title Mining Engineer Date 9/17/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Alternate Acting Executive Officer Date SEP 25 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug. 1-Aug. 13 195 7 Docket No. DMEA 4409 Contract No. Idm-E1066

Operator's Name Dalmid Oil & Uranium Corp Minerals Uranium

Address 604 Hamilton Bldg. Wichita Falls, Texas

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
				STAGE I				
Drifting ~~xxxx~~Bulldozing	hr	78.00	6 2/4	1200.00	100.0	12.00	100	12.00
Crosscutting ~~xxxxx~~Core Drill	ft	1375.20	335.2	5274.50	1507.0	3.50	1520	3.50
Raising ~~xxxx~~Non-core "	ft	581.25	465.0	2725.00	2180.00	1.25	2850	1.25
Shaft ~~xxx~~Standby Time	hr	100.00	8	309.37	24 3/4	12.50	40	12.50
Winzes ~~xxx~~Incid.Allow	ft	320.08	800.2	1474.80	3687.0	0.40	4370	0.40
Drilling ~~xxxxx~~Analyses	Spl.	10.50	3	52.50	15	3.50	30	3.50
				STAGE II				
~~xxxxx~~ Bull-Doz								
Stripping ~~xxxxx~~Core Drill.								
Trenching ~~xxxxx~~Non-Core "								
Test Pits ~~xxxxx~~Standby Tm.								
Roads ~~xxxxxxxx~~Incid.Allow								
Analyses								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2263.03		11036.17				

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

Remarks:

RECEIVED OCT 4

Date 8/19/57 Operator Dalmid Oil & Uranium Corp

Per Charles E. Collins Title President

By Martin F. Maher Field Supt.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

Dma 58-39

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
[redacted]
Administrative Audit Difference Statement

FINAL DISTRIBUTION
MADE OCT 1 1957

[redacted]

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

[redacted]

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

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 4 1957

DATE	INITIALS	CODE
10/4	C	220
4	Com	100
		800

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

Very sincerely yours,

RRC

~~XXXXXXXXXXX~~ Randel R. Cooper
~~XXXXXXXXXXX~~ Fiscal Officer, Region III

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

224 New Customhouse
Denver 2, Colorado

September 26, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-4409 (Uranium) Contract Idm-E1066 Delmid Oil and Uranium, Inc. (April, Butte and Canyon claims) San Juan County, Utah - Operator's Monthly Progress Report for the period, August 1-13, 1957

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

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Holes 1, 2, 3, 4, were not drilled at the locations shown on the map attached to the contract, however, it has been determined that holes at the revised locations serve the same purpose as if they had been drilled at the originally stipulated locations. Drilling of the holes at the revised locations indicate that the trend of the mineralization is to the west, therefore the drilling of hole No. 1 at the original location would have served no useful purpose. Under the circumstances the drilling of the holes at the revised locations are approved.

The engineer's report recommends disallowance of 6.5 hours of bulldozer time because only 37 of the possible maximum of 38 Stage I drill sites have been prepared. The exact number of Stage I drill holes which must be drilled is not specified in the contract, therefore as all of the reported bulldozer work has actually been performed no disallowance is necessary.

The contract stipulates that the holes shall be drilled non-core to about the upper contact of the Shinarump member of the Chinle formation, and then core drilled through the Shinarump, and into not less than one foot and not more than 10 feet of unaltered red Moenkopi formation.

A recent inspection of the core by a DMEA geologist indicates that excess coring was performed above the upper contact of the Shinarump, therefore the excess coring is considered as non-core drilling and acceptable at the non-core drilling rate. A copy of the geologist's memorandum of September 13, 1957, is attached.

Following is a tabulation of all holes drilled to date, showing excess core footage drilled to date:

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
D-6	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	D-37A	10
D-19	10	D-38	0
D-20	0		295

Disallowance, drilling costs

Reported cost for above 295 feet core drilling at $3.50 per foot---------- $1032.50
Acceptable cost, 295 feet at non-core drilling rate of $1.25 per foot---------- 368.75

Amount to be disallowed---------- $ 663.75

Reconciliation with Amount Reported by the Operator on Form MF-104 for the Period, August 1-13, 1957

Amount reported on Form MF-104 for above period---------- 2263.03
Amount to be disallowed---------- 663.75
Total accepted cost for above period---------- 1599.28

Government participation at 75 percent---------- $1199.46.

Remarks:

Date of Report----------August 19, 1957
Date Received in Field Office----------August 28, 1957
Date Received in Region Office----------September 18, 1957.

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2) } w/copy of
DMEA, DFC } Geologist's
MF-104 file, Reg.III } report of 9/13/57
Harshman }
Hasler } w/copy of
DMEA, G.Jct. } Engr's report
Townsend }
Chron

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

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
Sept. 17, 1957

Memorandum

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

From: Carl Belser

Subject: Docket DMEA 4409 (Uranium) Contract Idm-E1066, Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims) San Juan County, Utah -- Progress report for August 1957

The April, Butte, and Canyon claims were visited on September 5, 1957 in company with Martin F. Maher. Holes and cores were inspected. Drill sites were made with an adequate sized bulldozer.

Holes drilled in August 1957, follow:

	Hole	Feet Non-Core	Feet Core	Feet Total	Hours Standby	Percent U_3O_8
	1	75.0	17.0	92.0	1	86.6'-87.6' = e.02 83.0'-83.7' = e.03
	2	60.0	40.2	100.2	½	95.9'-97.4' = 0.082 = e.17
	3	60.0	45.0	105.0	1	98.7'-99.6' = 0.047 = e.05
	4	60.0	61.5	121.5	½	110.8-112.1' = 0.059 = e.06
	6	40.0	44.0	84.0	1	Barren count 25' below collar
	7	45.0	40.0	85.0	1	Barren mineralized top of Chinle
	19	45.0	46.5	91.5	1	Barren Chinle M. S. mineralized
	20	40.0	21.0	61.0	¼	Barren
	21	40.0	20.0	60.0	1 3/4	Barren count in Chinle upper M. S.
Total	9	465.0	335.2	800.2	8	Drilled in August
	11	505.0	431.1	936.1	5½	Drilled in June
	17	1210.0	740.7	1950.7	11¼	Drilled in July
	37	2,180.0	1,507.0	3,687.0	24 3/4	Total Stage I drilling (less Hole 5)

The following costs were incurred by the operator in August 1957:

335.2 feet core drilling at $3.50/ft.	$1,173.20
465.0 feet non-core drilling at $1.25/ft.	581.25
8 hours standby time at $12.50/hr.	100.00
800.2 feet incidental allowance at $0.40/ft.	320.08
3 chemical analyses for U_3O_8 at $3.50/ea.	10.50
Total	$2,185.03

Holes Nos. 1, 2, 3, and 4 have been shifted to the west but according to geologist, D. F. Elston, should be allowed. The road and drilling site for Stage I drill hole No. 5 has not been prepared and as 9½ bulldozing hours have been credited for June and July drilling, the 6½ hours bulldozing time claimed has been disallowed until the site for hole No. 5 is prepared.

Payment of 75 percent of the above or, $1,638.77 is recommended.

Carl Belser

Carl Belser
Mining Engineer

CB/mw
ce: 6
Idm-E1066
ehren

DMEA
ARTMENT OF THE INTERIOR

AUG 26 1957
REGION III
DENVER, COLORADO

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

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 numerous 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.

#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.U.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

#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.

#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.

COPY

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

Dalmid Oil Co.

Aug. 16, 1957

Sample Description	% UO_3	% V_2O_5	% $CaCO_3$	%	%	%			
~~Ho~~ #2 95.8-97.4	0.082								
#3 98.9-99.6	0.047								
#4 110.8-112.1	0.059								

TOTAL CHARGES $ 9.00 Paid

J. Earl Smith
CHEMIST

FROM:

UTARCO URANIUM CORPORATION
604 Hamilton Building
Wichita Falls, Texas

TO:

DALMID OIL & URANIUM CORPORATION
604 Hamilton Building
Wichita Falls, Texas

Date - Aug. 1 to Aug.13, 1957

FOR:

Hole No.	Date Start	Date Complete	Shifts	Item 1 Core @ $3.50	Item 7 Plug @ $1.25 @ ft.	Item 9	Bull-dozing @ $12.00 @ hr	Assays @ $3.50	Stand-by $12.50	Total Footage	Total Payments
1	8-7	8-8	7/8	17.0	75.0				1	92.0	165.75
2	8-8	8-8	7/8	40.2	60.0				2/4	100.2	221.95
3	8-9	8-12	1 2/8	45.0	60.0				1	105.0	245.00
4	8-12	8-13	1 4/8	61.5	60.0				2/4	121.5	296.50
6	8-6	8-7	1 2/8	44.0	40.0				1	84.0	216.50
7	8-5	8-6	1 4/8	40.0	45.0				1	85.0	208.75
19	8-2	8-2	7/8	46.5	45.0				1	91.5	231.50
20	8-1	8-1	5/8	21.0	40.0				1/4	61.0	126.625
21	8-1	8-1	5/8	20.0	40.0				1 3/4	60.0	141.875
						4 Drill Sites and Roads 6 2/4 hrs.					78.00
								3			10.50
Incidental Allowance											320.08
Total				335.2	465.0	6 2/4		3	8	800.2	2263.03
Totals				1173.20	581.25	78.00		10.50	100.00	800.2	2263.03

I certify that this is a true and proper statement from Utarco Uranium Corp., and it has not been paid.

Aug.19, 1957 _____ President

DMEA
DEPARTMENT OF THE INTERIOR
SEP 16 1957
REGION III
DENVER, COLORADO

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

IN REPLY REFER TO:

MINERAL DEPOSITS
DMEA
RECEIVED
SEP 16 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

Corr File
Reg III

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 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

#2 - J. H. Harshman October 12, 1957

This Contact, when laid out in Core, is at times, to put it mildly, CONTROVERSIAL. Your Field Man had the great advantage of setting his plug depths from Core. We had to set ours from the SURFACE, and before the holes were drilled, yet you do not concede, in these 6 holes, that we should differ with you even one foot, without paying for it ourselves.

Please lay out the colored Cross Sections and you will see the inconsistency that we are talking about. The red line indicates 20 feet above the contact, our target. We use the word TARGET because we were supposed to start coring "AT ABOUT" the Chinle-Shinarump contact. The words "AT ABOUT", and the fact that the contact is indefinite before drilling, should give us more than a 5 foot lee-way. The ORANGE COLOR indicates the depth we plugged. The GREEN is the coring approved by Mr. Elston, therefore, the top of the GREEN is Mr. Elston's plug depth.

NOTE THE LARGE DISTANCE BETWEEN hole #28 and #29. The plug depth was pulled up on these two holes, due to this extra distance, and the fact that the drift from which we shipped ore, indicates a Channel between them. You approved the move in #29, BUT CONDEMNED IT IN HOLE #28. We do not understand this.

Please note, that by running a line along your approved plug depths in holes #30-31-32, that they follow well with the normal dip, and then continue said line across hole #33, and your plug depths drops about ONE HALF the condemned coring. WHY? There is no positive indication on the surface that the channel or scour existed there. We, too, could have done this from Core.

NOTE IN SECTION D-D, how Mr. Elston's plug depths conform to the established bottom (ESTABLISHED BY DRILLING), against the normal dip, as run from contact in hole #35 to hole #38. Surely, we were not expected to detect this channeling from the surface, and to drop our plug depths, as you did FROM CORE.

FROM A LEGAL ASPECT.....We were allowed 40 feet average per hole to explore the ground, and the privilege of requesting more units to be moved from the second stage, if needed, to do a good job. WE USED AN AVERAGE OF 41 feet per hole.

#3 - M. N. Marshman October 18, 1957

Mr. Marshman, what we find in a completed hole will INDICATE, but will not GUARANTEE, what will be found in a hole 250 feet away, ON EACH HOLE BEING AN INDIVIDUAL EXPLORATION. Therefore, we do not understand your approving 41.9 feet of coring, plus the 1 to 10 feet allowed below contact in one hole (#II), and then insist the plug depth should have been lowered to less than 20 feet from contact in others, namely #3 and #35.

OUR DRILLING SUPERINTENDENT assures us that he will use his best judgment in the drilling of the second row of holes that you have approved, without plugging short may through the thick Shinarump Member. We feel, however, that knowledge of the upper Shinarump Sands, even though it is hard and non-commercial, may be of benefit, if only to use them as a back for a drift to save timbering.

Mr. Marshman, our original agreement was to go in and spend $25,000 to explore this area. We feel that this is a minimum amount to prove anything, and we want to make this loan ON THAT NOW THE ON BOND, but if we give up before we finish the agreed upon program, what will it have gained anyone?

THE WHITE CANYON MINING COMPANY is drilling toward us, just as hard as they can. They are using three or four drills, and working right up THEIR SIDE toward our claims.

Help us, Mr. Marshman. Snows are coming, and we are anxious to make this a proven area in 1957. Please allow this footage that you have disallowed.

Thank you very much,

Chas. E. Collins

c/a Chas. E. Collins

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,
Geologist

DPE/mlr

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

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

DMEA
Budget Bureau No. 47-R13.3

AUG 14 1957
REGION III
DENVER, COLORADO

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

Month of July, 1957 Docket No. DMEA 4409 Contract No. Idm-E1066
Operator's Name Dalmid Oil & Uranium Corporation Minerals Uranium
Address 604 Hamilton Bldg., Wichita Falls, Texas
Contract Amount, $ Government Participation: % Amount, $ 25,441.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	4104.95	2140.10	6245.05			
Bulldozing	288.00	834.00	1122.00			
~~xxxxxxxx~~Standby Tm	140.62	68.75	209.37			
~~xxxxx~~Incid. Allow	780.28	374.44	1154.72			
Chemical Analyses	35.00	7.00	42.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5348.85	3424.29	8773.14	5348.85	3424.29	8773.14

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

Date 8/12/57 *Payee Dalmid Oil & Uranium Corp

Per _____ Title President

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

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

(Instructions on reverse)

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

$4011.64

Signature _____ (Authorized Certifying Officer)

Date 8/28/57 Voucher No. DMA 58-24

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idx-E1066 in accordance with the terms of the contract.

Signature [illegible] (~~4001,89~~ 4011,069) Title Mining Engineer Date 8/16/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title acting Executive Officer Date AUG 27 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DMEA
DEPARTMENT OF THE INTERIOR
AUG 14 1957
REGION III
DENVER, COLORADO

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

Month of July 1957 Docket No. DMEA 4409 Contract No. Idm-E1066
Operator's Name Dalmid Oil & Uranium Corporation Minerals Uranium
Address 604 Hamilton Bldg., Wichita Falls, Texas

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
			STAGE I.					
Bulldozing	hr	288.00	24.0	1122.00	93½	12.00	100	12.00
Core Drill.	ft.	2592.45	740.7	4101.30	1171.8	3.50	1520	3.50
Non-core "	ft.	1512.50	1210.0	2143.75	1715	1.25	2850	1.25
Standby Time	hr	140.62	11	209.37	16 3/4	12.50	40	12.50
Incid. Allow	ft.	780.28	1950.7	1154.72	2886.8	0.40	4370	0.40
Analyses	Spl.	35.00	10	42.00	12	3.50	30	3.50
			STAGE II.					
Bulldoz.								
Core Drill.								
Non-Core"								
Standby Time								
Incid. Allow								
Analyses								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		~~5348.85~~		~~8773.14~~				~~25,441.00~~

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

Date 8/12/57 Operator Dalmid Oil & Uran. Corp.

Per _____ Title President

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

Remarks:

(Instructions on reverse)

(For Government use only)

Carl Belser

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE AUG 29 1957

OFFICIAL FILE COPY
DMEA
RECEIVED

9B Com 100

224 New Customhouse
Denver 2, Colorado

August 27, 1957

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket-4409 (Uranium) Contract Idm-E1066
Dalmid Oil and Uranium, Inc. (April, Butte and Canyon claims) San Juan County, Utah - Operator's Monthly Progress Report for the month of July, 1957

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

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 75 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks

Date of Report----------August 12, 1957
Date Received in Field Office----------August 16, 1957
Date Received in Region Office----------August 19, 1957

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:hmh
cc: Chmn. Op. Comm.(2))
DMEA/DFC)w/copy complete report
MF-104 file,Reg.III)

Harshman)
DMEA/G.Jct.) w/copy of Engr's report
Hasler)
Chron

DMEA
ARTMENT OF THE INTERIOR

REGIO. III

AUG 19 1957
REGION III
DENVER, COLORADO

Buildi g 20
De.ver Federal Ce ter
De.ver 2, Colorado
August 19, 1957

Memora dum

To: Execu ive Officer, DMEA Field Team, Regio. III

From: Carl Belser

Subjec : Docke DMEA 4409 (Ura.ium) Con rac. Idm-81066, Dalmid Oil and Ura ium, Inc. (April, Bu e, and Ca yon claims) Sa. Jua. Cou y, Utah -- Progress report for July 1957

The April, Bu e, and Canyo claims were visited o August 7, 1957 in company with Marti F. Maher. Holes and cores were inspected. Drill sites were made with an adequate sized bulldozer.

Holes drilled in July 1957, follow:

Hole	Feet Non-core	Feet Core	Feet Total	Hours Standby	Percent U_3O_8
22	40	30	70	½	Barren
23	60	40	100	½	Barren
24	95	30	125	½	Barren
25	50	73.2	123.2	1	Barren
26	70	40	110	1¼	Barren
27	100	60.4	160.4	½	152'-153.1' = 0.086 e = .05
28	50	60	110.0	1	103'-103.8' = .127 e .08
29	70	50.7	120.7	½	115'-115.5' = .028 e .03
30	85	30.1	115.1	3/4	111.4'-112.3' = .538 e .60
31	75	45	120.0	1¼	113.3'-114' = .039 e .05
32	80	40.0	120.0	½	113.4'-114.2' = .046 e .03
33	95	50.3	145.3	½	138'-139' = .025 e .03
34	75	39.2	114.2	½	105.4'-106.6 = e .01
35	70	32.1	102.1	½	93.7'-94.4' = .044 e .05
36	70	43.6	113.6	1	99.2'-100.1' = .118 e .06
37A	65	45	110.0	½	100'-100.6' = .047 e .03
38	60	31.1	91.1	½	84'-85.1' = e .01
17	1210.0	740.7	1,950.7	11¼	

The following costs were incurred by the operator in July 1957:

Bulldozing 24 hours at $12.00/hr.	$288.00
740.7 feet of core drilling at $3.50/ft.	2,592.45
1,210 feet of non-core drilling at $1.25/ft.	1,512.50
11¼ hours standby at $12.50/hr.	140.62
1950.7 feet incidental allowance at $0.40/ft.	780.28
10 chemical analyses at $3.50/ea.	35.00
Total	$5,348.85

Payment of 75 percent of the above or $4,011.64 is recommended.

Carl Belser
Carl Belser
Mining Engineer

CB/mw
cc: 6
I&m-51066
chron

DMEA
DEPARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

DMEA
ARTMENT OF THE INTERIOR
AUG 14 1957
REGION III
DENVER, COLORADO

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

NARRATIVE FOR JULY

During July showers were frequent, but came in the evening or at night and less than one shift was lost to weather. The equipment was moved only one time by the cat due to mud.

Seventeen holes were completed: four (4) unfavorable, one (1) semi-favorable, and twelve (12) mineralized, three (3) of which were ore grade.

Continuous mineralized holes from #27 north with ore grade on each end, #28 on south end and #36 on north end, sands 10 feet and thicker, dark gray shinarump mud with abundant carbon and sulphides (cubes of pyrite in hole #36 measured over three-tenths of an inch) is very encouraging. In next week's narrative, which should cover the completed first stage, I will dwell on this mineralized section, to push it for a large share of second stage drilling.

Holes on Claim April #8 have proved the point unfavorable, but shinarump sand in hole #20 in August drilling indicates the favorable area drilled in June extends across April #5.

Eleven sites and the necessary roads were prepared during July, and weather permitting, we hope to complete the first stage by August 11 or 12.

Respectfully yours,

Martin F. Maher
Field Supt.
Dalmid Oil & Uranium Corp.

COPY

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

Dalmid Uranium & Oil Corp.

July 27, 1957

SAMPLE DESCRIPTION		% U_3O_8	%	%	%
Hole					
27	152 - 153.1	0.086			
28	103 - 103.8	0.127			
29	115 - 115.5	0.028			
30	111.4 - 112.3	0.538			
31	113.3 - 114	0.039			
32	113.4 - 114.2	0.046			
33	138 - 139	0.025			
35	93.7 - 94.4	0.044			
36	99.2 - 100.1	0.118			
37	100 - 100.6	0.047			

TOTAL CHARGES $ 30.00 Paid

J. Earl Smith
Chemist

FROM:

UTARCO URANIUM CORPORATION
604 Hamilton Building
Wichita Falls, Texas

TO:

DALMID OIL & URANIUM CORPORATION
604 Hamilton Building
Wichita Falls, Texas

Date - July, 1957

FOR:

Hole No	Date Start	Date Com-plete	Shifts	Item 1 Core @ $3.50	Item 7 Plug @ $1.25 @ ft.	Bull-Dozing @ $12.00 Item 9 @ hr.	Assays @ $3.50	Stand-by @ $12.50	Total Footage	Total Payments
22	7+31	7-31		30.0	40.0			2/4	70.0	161.25
23	7-30	7-31		40.0	60.0			2/4	100.0	221.25
24	7-29	7-30		30.0	95.0			2/4	125.0	230.00
25	7-25-	7-26		73.2	50.0			1	123.2	331.20
26	7-22	7-23		40.0	70.0			1 1/4	110.0	243.125
27	7-23	7-24		60.4	100.0			2/4	160.4	342.65
28	7-19	7-22		60.0	50.0			1	110.0	285.00
29	6-30	7- 1		50.7	70.0			2/4	120.7	271.20
30	7- 1	7- 2		30.1	85.0			3/4	115.1	220.975
31	7- 8	7- 8		45.0	75.0			1 1/4	120.0	266.875
32	7- 9	7- 9		40.0	80.0			2/4	120.0	246.25
33	7-10	7-11		50.3	95.0			2/4	145.3	301.05
34	7-11	7-12		39.2	75.0			2/4	114.2	237.20
35	7-12	7-15		32.1	70.0			2/4	102.1	206.10
36	7-15	7-16		43.6	70.0			1	113.6	252.60
37A	7-16	7-18		45.0	65.0			1/4	110.0	241.875
38	7-18	7-18		31.1	60.0			1/4	91.1	186.975
						11 Drill Sites and Roads. 24.0 hrs.				288.00
							10			35.00
Incidental Allowance										780.28
~~Combined Assays~~										~~30.00~~
Total				740.7	1210.0	24.0	10	11 1/4	1950.7	5348.855
Totals				2592.45	1512.50	288.00	35.00	140.625	1950.7	5348.855

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

Budget Bureau No. 42-R1036.5

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

Month of June, 1957 Docket No. DMEA 4409 Contract No. Idm-E1066
Operator's Name Dalmid Oil and Uranium Corporation Minerals Uranium
Address 604 Hamilton Bldg., Wichita Falls, Texas
Contract Amount, $ Government Participation: % Amount, $25,441.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2140.10	0	2140.10			
Bulldozing	834.00	0	834.00			
Standby Time	68.75	0	68.75			
Incid. Allow	374.44	0	374.44			
Chemical Analyses	7.00	0	7.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3424.29			3424.29		3424.29

RECEIVED AUG 7 1957 D.M.E.A.

DMEA DEPARTMENT OF THE INTERIOR JUL 23 1957 REGION III DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7/13/57 *Payee Dalmid Oil & Uranium Corp.
Per Oliver E. Collins Title President

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$3568.22
Signature (Authorized Certifying Officer)
Date 8/2/57 Voucher No. DMA 58-10
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Fdm-E1066 in accordance with the terms of the contract.

Signature Carl Beber (P2,567.47) Title Mining Engineer Date 7/24/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H Kring Title Executive Officer Date JUL 26 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1957 Docket No. DMEA 4409 Contract No. Idm-E1066
Operator's Name Dalmid Oil and Uranium Corporation Minerals Uranium
Address 604 Hamilton Bldg., Wichita Falls, Texas

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
			STAGE I					
Bulldozing	hr	834.00	69½	834.00	69½	12.00	100	12.00
Core Drill	ft	1508.85	431.1	1508.85	431.1	3.50	1520	3.50
Non-core Drill	ft	631.25	505	631.25	505	1.25	2850	1.25
Standby time	hr	68.75	5.5	68.75	5.5	12.50	40	12.50
Incid. Allow	ft	374.44	936.1	374.44	936.1	0.40	4370	0.40
Analyses	Spl.	7.00	2	7.00	2	3.50	30	3.50
			STAGE II					
Bulldoz.								
Core Drill.								
Non-core Dr.								
Standby Time								
Incid. Allow.								
Analyses								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3424.29		3424.29				25,441.00

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

Date 7/13/57 Operator Dalmid Oil & Uran. Corp.

Per [signature] Title President

Remarks:

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

(Instructions on reverse)

(For Government use only)

RECEIVED AUG 7 1957 D.M.E.A.

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE AUG 5 1957

224 New Customhouse
Denver 2, Colorado

July 26, 1957

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DMEA
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DATE	INITIALS	CODE
8/7	P.K.	220
8	Com	100
		800

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4409 (Uranium) Contract Idm-EI066, Dalmid Oil and Uranium, Inc. (April, Butte and Canyon claims) San Juan County, Utah - Operator's Monthly Progress Report for the month of June, 1957

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

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 75 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Note: The engineer's report recommends disallowance of $1.00 from the amount reported by the Operator for "Analyses." No disallowance is to be made, as the reported cost does not exceed the Fixed Unit Cost established in the contract for Chemical Analyses.

Remarks:

Date of Report ---------- July 18, 1957
Date Received in Field Office ---------- July 23, 1957
Date Received in Region Office ---------- July 25, 1957

Original signed by
W. H. KING

W. H. King

Enclosures

JDC:jy
cc: Chm. Op. Comm. (2)
DMEA,DFC
MF-104 File, Reg. III
Harshman
DMEA,G.Jct.
Hasler
} w/copy of engr's. report
Chron.

DMEA

REGION III

DEPARTMENT OF THE INTERIOR

JUL 25 1957

REGION III

DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
July 24, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Carl Belser

Subject: Docket DMEA (Uranium) Contract Idm-E1066,
Dalmid Oil and Uranium, Inc. (April, Butte, and Canyon claims)
San Juan County, Utah -- Progress report for June 1957

The April, Butte, and Canyon claims were visited on July 10, 1957 in company with Martin F. Maher. Holes and cores were inspected. All holes were AX size or larger.

Holes drilled in June 1957, follow:

Hole	Feet Non-core	Feet Core	Total Footage	Hours Standby	Percent eU_3O_8
8	55.0	40.0	95.0	¼	90.6'-91.8' = .01
					51.0'-76.0' = .002
					43.2'-44.8' = .01
9	40.0	50.0	90.0	½	87.0'-87.5' = .01
					42.2'-42.5' = .015
					32.5'-35.0' = .008
					25.0'-27.0' = .02
10	20.0	49.5	69.5	½	Barren
11	55.0	48.9	103.9	½	Barren
12	55.0	32.5	87.5	½	39.5'-42.0' = .15 to .22
13	35.0	26.4	61.4	½	Barren
14	55.0	15.0	70.0	1	Barren
15	30.0	55.1	85.1	½	Barren
16	45.0	38.0	83.0	½	Barren
17	65.0	35.1	100.1	½	Barren
18	50.0	40.6	90.6	½	Barren
11	505.0	431.1	936.1	5½	

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The following costs were incurred by the operator:

69½ hours bulldozing at $12.00/hr.	$834.00
431.1 feet core drilling at $3.50/ft.	1,508.85
505.0 feet non-core drilling at $1.25/ft.	631.25
5.5 hrs. standby time at $12.50/hr.	68.75
936.1 feet incidental expense at $0.40/ft.	374.44
2 chemical analyses at $3.00/ea.	6.00
Total	$3,423.29

The receipt for the assaying was $6.00 not $7.00 and $1.00 of the operator's costs was disallowed.

Payment of 75 percent of the above amount, or $2,567.47 is recommended.

Carl Belser
Carl Belser
Mining Engineer

CB/mw
cc: 6
Idm-E1066
chron

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DATE | INITIALS | CODE

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

United States
Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

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

NARRATIVE FOR JUNE

The first half of June was wet with 4½ days rain, melting snow and frost made bull-dozing slow. When it was decided to ask permission to move Holes NO.1 to No. 5, the road being built to these sites, was temporarily discontinued in the wet clay at base of Mossback. It was decided to start drilling on site No. 15 to take advantage of geologic contral offered by two shinarump outcrops.

Drilling equipment was moved in with considerable difficulty on June 15. The draw works on the drill being used to pull other equipment through and around mud in the road. The driller took sick that night and drilling did not start until June 18, with a new drill.

22 drill sites, the access roads, and 11 holes were completed at the end of June. One Hole No. 12 contained ore grade in a gray-green mud between a hard sand-stone rib and a thin chert rib, just below the base of the 50 foot sand. Hole No. 18 showed mineralization above the shinarump. Holes No. 9 and No. 8 showed mineralization in the ore zone and anchannel appears to be developing there. A channel is indicated at Hole No. 11 with favorable shinarump sand-stone about 28 feet thick. This hole was moved about 25 feet to comply with the 100 foot from nearest border rule. A channel starting at Hole No. 15 with a shinarump lense about 7½ feet thick. Seems to scour or develop more depth at Hole No. 18.

Of 11 holes completed, 1 is unfavorable, 1 semi-favorable, 5 favorable, 3 mineralized and 1 with ore grade count.

Having jumped from Hole No. 18 to site 29 to take advantage of the dry shelf on the 50 foot sand, the first 2 days drilling in July shows promise of a better report next, month.

Respectfully yours,

M. Maher
Field Supt.
Dalmid Oil & Uranium Inc.

COPY

FROM:

UTARCO URANIUM CORPORATION
604 Hamilton Building
Wichita Falls, Texas

TO:

DALMID OIL & URANIUM CORPORATION
604 Hamilton Building
Wichita Falls, Texas

Date - June, 1957

FOR

Hole No.	Date Start	Date Complete	Shifts	Item 1-Core @ $3.50	Item 7 Plug @ $1.25 @ ft.	Item 9	Bull-Dozing @ $12.00 @ hr.	Assays @ $3.50	Stand-by @ $12.50	Total Footage	Total Payments
8	6-29	6-30	6/8	40.0	55.0				1/4	95.0	211.875
9	6-28	6-29	1 2/8	50.0	40.0				2/4	90.0	231.25
10	6-28-	6-28	1	49.5	20.0				2/4	69.5	204.50
11	6-27	6-27	1 4/8	48.9	55.0				2/4	103.9	246.15
12	6-26	6-26	1 4/8	32.5	55.0				2/4	87.5	188.75
13	6-25	6-25	6/8	26.4	35.0				2/4	61.4	142.40
14	6-25	6-25	6/8	15.0	55.0				1	70.0	133.75
15	6-18	6-19	1 7/8	55.1	30.0				2/4	85.1	236.60
16	6-19	6-20	1 7/8	38.0	45.0				2/4	83.0	195.50
17	6-21	6-21	1 2/8	35.1	65.0				2/4	100.1	210.35
18	6-22	6-22	1	40.6	50.0				1/4	90.6	207.725
						22 Drill Sites & Roads	69 2/4				834.00
								2			7.00
Rent for Pickup, Jeep, Elec. Probe & other equipment											500.00
Salary for Supervisor											500.00
Rent on Transit											30.00
Totals				431.1	505.0		69 2/4		5 2/4	936.1	
											$4079.50
Totals				$1508.50	$631.25		$834.00		$68.75		~~$xxxxxx~~

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

RECEIVED AUG 7 D.M.E.R.

Dalmid Oil & Uranium

July 6, 1957

Sample Description	% UO_3	% V_2O_5	% $CaCO_3$	%	%	%			
Hole #9 40½'	0.011								
Hole #12 41'	0.214								

TOTAL CHARGES $ 6.00 Paid

J. Earl Smith
CHEMIST

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

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-81066
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)

RECEIVED
SEP 29 1958

DATE	INITIALS	CODE
9		800

333 New Customhouse
Denver 2, Colorado
September 24, 1958

Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. RMFA 4409 (Uranium), Contract No. Idm-7106, 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 19, 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.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:prl
cc: Finance Office,
Region III - w/copy of confirmation of work approval.
Harshman) w/copy of confirmation
Hasler) of work approval and
Robertson OME/GJ) joint memorandum.
OME/DFC)
Corres. file)
Cooper
Chron.

Audit's copy

DMEA
RECEIVED SEP 12
DATE | INITIALS

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.

204 New Customhouse
Denver 2, Colorado
September 24, 1958

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

Re: Docket No. [illegible] (Uranium)
Contract No. [illegible]
Dalmid Oil and Uranium, Inc.
(April, Ruth and Gwynn 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. 30° W. of Stage II Hole No. D-67
D-70	Approximately 75 ft. S. 58° W. of Stage II Hole No. D-59.

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: Chem. Op. Comm. (3)
Finance Office, Region III
Assessment file, Region III
Hershman
Hesler
Robertson OGM/SJ

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

OGM/DFC
Courses. file
Cooper
Chron.

Very truly yours,

GSS Field Team, Region III

By E. H. Kaufman
E. H. Kaufman
Acting Executive Officer

MINERAL IN REPLY REFER TO:

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

OME, Reg. 3
SEP 22 1958

RECEIVED SEP 29 1958
U. S. GEOLOGICAL SURVEY DENVER, COLORADO

September 19, 1958

Memorandum

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

Through: E. N. Harshman EWH

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

DALMID OIL AND URANIUM, INC.

By Chas E. Collins Mgr

Title Chairman of Board

800

[illegible] Bar Continuance
Denver 2, Colorado
August 28, 1956

Memorandum

To: Chairman, Operating Committee, NMA

From: Alternate Acting Executive Officer, NMA Field Team, Region III

Subject: Docket No. NMA 4409 (Uranium), Contract No. [illegible], Rainbow Oil & Uranium, Inc. (April, Davis, and Cooper claims), San Juan County, Utah

Enclosed are three copies of confirmation of work approval, issued by the NMA 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, 1956, requesting Government approval for the drilling of the holes; and three copies of a joint memorandum, dated August 22, 1956, from J. William Mather, Geologist, Geological Survey, and E. F. Robertson, Mining Engineer, Bureau of Mines, concerning 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.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:pfl
cc: Finance Office,
Region III - w/copy of confirmation of work approval.

Townsend
Mather
Robertson NMA/GS
NMA/DFC
Central File
Cooper
Clarke
} w/copy of confirmation of work approval, Operator's letter, and joint memorandum.

20th Rev Continuous
Denver 2, Colorado
August 28, 1958

Mr. Raymond S. Roberts, Geologist
Rainbow Oil & Uranium, Inc.
555 Gaylord Avenue
Grand Junction, Colorado

Re: Project No. [illegible] Mtg (Uranium)
Contract No. [illegible]
Rainbow Oil & Uranium, Inc.
(April, Robin, and Gangan claims)
San Juan County, Utah

Dear Mr. Roberts:

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 enclosed, "Map of April and Robin Claims Showing Recommended Stage II Holes, dated August 4, 1958, Rainbow 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.

Very truly yours,

DMEA Field Team, Region III

By J. V. Hammond
J. V. Hammond

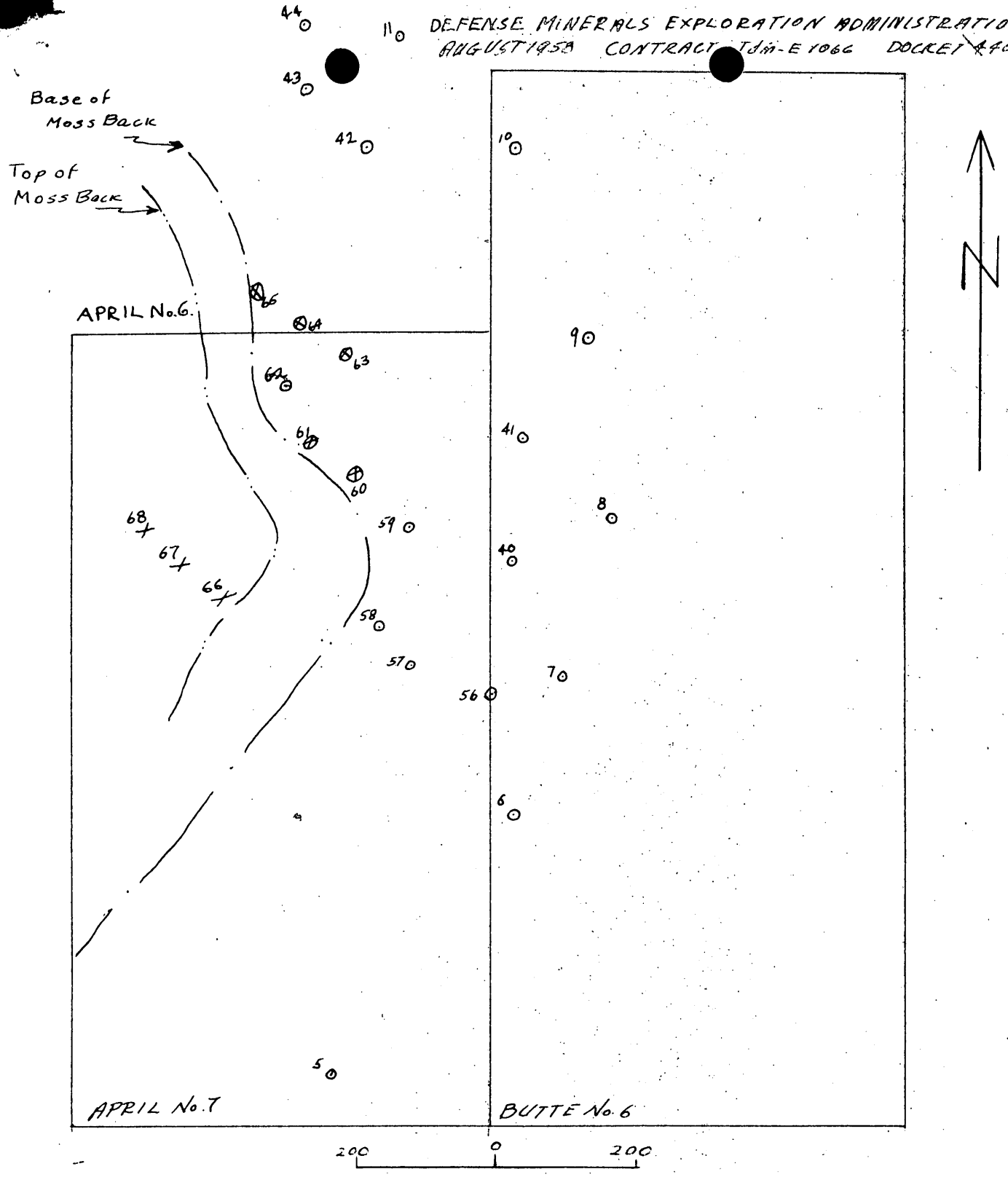
By Robert V. King
Robert V. King
For E. H. Spielman

JDC:yrl
cc: Chem. Op. Comm. (3)
Finance Office, Region III
Amendment file, Region III
Shrimsek
Hasler
Robertson DMEA/GF
DMEA/DFC

cc: Mr. Charles E. Collins, President
Rainbow Oil & Uranium, Inc.
P. O. Box 1990
Wichita Falls, Texas

Corres. file
Cooper
Chron.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
AUGUST 1958 CONTRACT TJM-E 1066 DOCKET 440-3



MAP OF APRIL + BUTTE CLAIMS SHOWING RECOMMENDED STAGE II HOLES REQUESTED AUGUST 4, 1958 DALMID OIL + URANIUM CORP. SAN JUAN COUNTY, UTAH

X66 PROPOSED STAGE II HOLE

⊗60 Approved Stage II HOLE NOT DRILLED

⊙ COMPLETED HOLE

DMEA
DEPARTMENT OF THE INTERIOR
AUG 28 1958
REGION III
DENVER, COLORADO

535 Orchard Avenue
Grand Junction, Colorado

August 5, 1958

MASTER COPY
DMEA
RECEIVED SEP 2 1958

DATE	INITIALS	CODE

Mr. J. R. 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. Rebeck

Raymond C. Rebeck
Agent for
Dalmid Oil & Uranium Corp.

CC: Collins

DMEA
DEPARTMENT OF THE INTERIOR

AUG 26 1958
REGION III
DENVER, COLORADO

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

EXTRA COPY
DMEA
RECEIVED SEP 2 1958
DATE | INITIALS | CODE

MINERAL REPORTS
DMEA
RECEIVED
AUG 22 1958
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

IN REPLY REFER TO:

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 I6m-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 34 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.

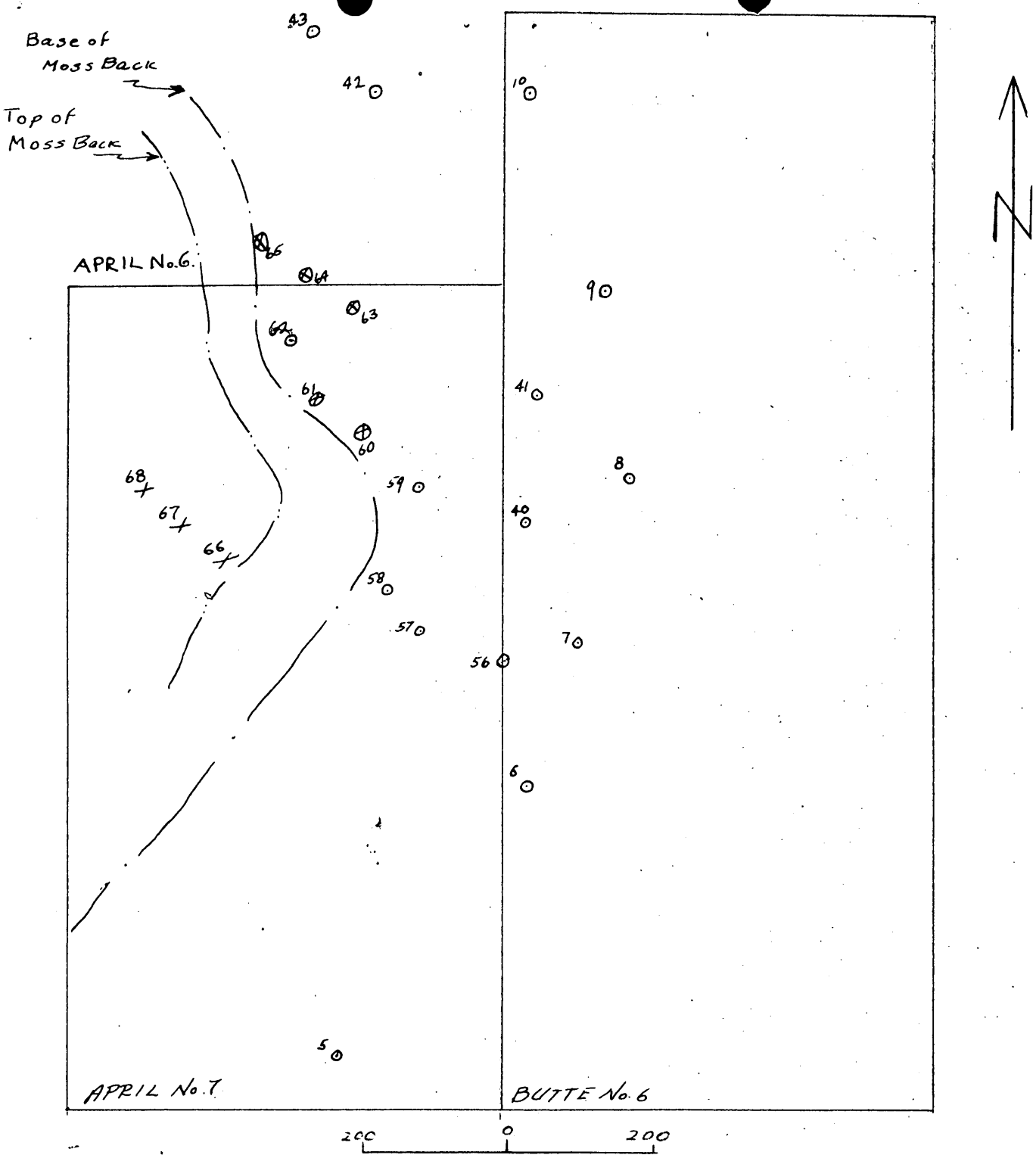
The holes shall be drilled approximately as shown on the accompanying map, and cannot be drilled closer than 75 feet to any other hole drilled under the contract.

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
AUGUST 1958 CONTRACT [illegible]m-E 1066 DOCKET [illegible]



MAP OF APRIL + BUTTE CLAIMS SHOWING RECOMMENDED STAGE II HOLES REQUESTED AUGUST 4 1958 DALMID OIL + URANIUM CORP. SAN JUAN COUNTY, UTAH

X66 PROPOSED STAGE II HOLE

⊗60 Approved Stage II HOLE NOT DRILLED

⊙ COMPLETED HOLE

Audit Copy

ORIGINAL CODE COPY
DMEF
RECEIVED JUN 12 1958
CODE

EXPLORATION PROJECT CONTRACT
DAIMID OIL AND URANIUM, INC.
DOCKET NO. DMEA 4409
CONTRACT NO. 14m-[illegible]

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 Daimid Oil and Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. 14m-[illegible], 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.

DAIMID OIL AND URANIUM, INC.

By Charles E. Collins
Charles E. Collins,
President

(Seal)

UNITED STATES OF AMERICA

By [illegible]
Alternate Acting Executive Officer, DMEA Field Team, Region III

EXTRA COPY DMEA		
RECEIVED DEC 11 1957		
DATE	INITIALS	CODE
12/11	gk	220
		800

224 New Customhouse
Denver 2, Colorado

DEC 9 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 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.

Original signed by
W. H. KING

W. H. King

Enclosures

JWT:prl

cc: Finance Office, Region III) w/copy of
Harshman) confirmation
DMEA/DFC) of work
Hasler) approval.
DMEA/Gr. Jct.)
Corres. file)
Townsend
Chron.

EXTRA COPY DMEA RECEIVED 11 1957		
DATE	INITIALS	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-K1066
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 M Harshman
E. M. Harshman

JWT:prl

cc: Chmn. Op. Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
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.

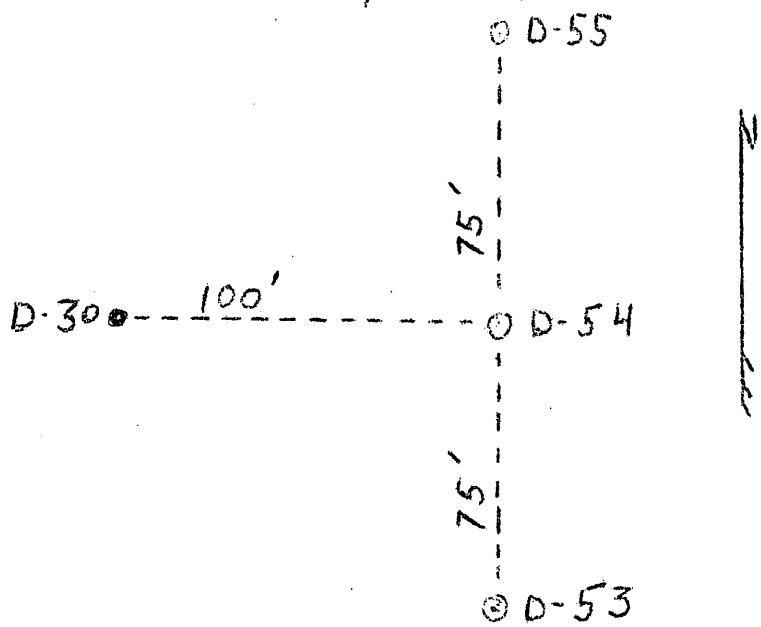
604 HAMILTON BUILDING P. O. Box 1590 WICHITA FALLS, TEXAS

Moab Utah
10/25/57

Re: Docket #DMEA 4409
Contract # I.D.M. - E1066
Dalmid Oil + Uranium Co.

Mr. E. V. 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. Mecham
Box 544
Moab Utah

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DMEA
RECEIVED 1957

DATE	INITIALS	CODE

Audit 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.

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 15 1957
DATE | INITIALS | COPY
11/15 | gb | 220
800

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 L. M. Kaufman
Acting Executive Officer
DMEA Field Team, Region III

(Seal)

EXTRA COPY
DMEA
RECEIVED OCT 24 1957

DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

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.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JWT:prl

cc: Harshman) w/copy of work denial
Hasler) and joint memorandum
DMEA/DFC) dated October 17.
DMEA/Gr.Jct.)
Corres. file - w/copy of enclosures
Townsend
Chron.

EXTRA COPY
DMEA
RECEIVED OCT 23 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. Iam-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 30-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. N. Harshman
E. N. 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

IN REPLY REFER TO:
DMEA
DEPARTMENT OF THE INTERIOR
OCT 18 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colo.

October 17, 1957

EXTRA COPY
DMEA
RECEIVED OCT 24 1957

DATE	INITIALS	CODE

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. William Hasler
E. N. Marshman

From: N. L. Archbold
H. F. Robertson

Subject: DMEA docket No. 4409 (Uranium), contract No. Ida-E 1066, Delmid 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/alr
Enclosure

EXTRA COPY
DMEA
RECEIVED SEP 18 1957
DATE | INITIALS | CODE
800

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 4409 (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 800 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, Balmid 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 J W Townsend
for E. N. Harshman
Acting Executive Officer

Enclosure

cc: Mr. Charles E. Collins, President
Balmid 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/DFC
DMEA/Gr.Jct.
Hasler
Corres. file
Townsend
Chron.

IN REPLY REFER TO:

DMEA
SEP 16 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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. Marshman
J. William Hasler

From: D. F. Elston

Subject: Docket No. DMEA 4409, (Uranium), Contract No. Idm-E 1066, Balmid 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 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	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' ss split in ss
2	7912.3	97.4	8	97.4	1.5	0.082	97.3	1.0	0.12	SF	Gmkk ss ss in ss,5' above base
							97.9	0.6	0.12		
3	7910.4	99.6	3	99.6	0.9	0.047	99.6	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	0.6	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 mx ss at 53.7-55.8;0.025' buff ss 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 ss sss.

Table 1 (con't.)

Hole No. D-	Collar elevation	Chinarump member base (depth)	Chinarump 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 radiometric hole probe or operator's radiometric evaluation(0) thick.	Geological Survey radiometric hole probe or operator's radiometric evaluation(0) eU_3O_8	Classification F - SF - U	Remarks
17	7955.6	95.9	24.9				Barren			SF	Basal 9' fav.color; remainder unfav.color
18	7936.2	86.6	17 (ss/ss)				Barren			U	Basal 10' R ss with two 0.3' ss ribs; overlying 7'ss partly red
19	7955.6	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',ss 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 ss at lower contact; no ss in basal 13' of R ss, 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	0.036	SF	Min.in ss, locally sandy; only very weak radioactivity on field counter; ss,dominantly fine-grained,well-sorted; bdg.obscure.
29	8138.3	115.5	7/2	115.5	0.5	0.028	115.8	0.6	<0.010	U	2' VF-F ss base, overlain by 15' R ss, overlain by 7' F-MF,C,R ss.
30	8143.6	112.1	19.6	112.3	0.9	0.538	113.0	0.8	0.25	F	R ss split 12' above base; VF ss 6' above base; otherwise fair texture and good color; ore minerals [illegible]

Table 1 (cont't.)

Hole No.	Collar elevation	base (depth)	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
31	6150.2	113.8	12.2	114.0	0.7	0.039	114.1	1.2	0.040	SF	
32	6158.6	114.0	8 (14' above base)	114.2	0.6	0.046	114.3	1.0	0.027	U	Sandy siltstone at near base; 1/2 of upper ss, VF grained
33	6182.2	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	6164.4	106.3	1.3				Barren			U	VF-F silty ss; upper ss absent
35	6162.8	94.2	2.1	94.4	0.7	0.044	94.2	1.6	<0.010	U	
36	6163.5	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 ss; min.adjacent to ctm in sandy ss.
37A	6156.3	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 ss; min.in Moenkopi siltstone; barren by Gov't probe
38	6143.5	64.0	2.6/0.7				Barren			U	1',R Chinle ss 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	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

RECEIVED SEP 19 1957 D.M.E.A.

DMEA
ARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

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

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 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

Dalmid Oil & Uranium. Inc.

604 HAMILTON BUILDING P. O. Box 1596 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.

Audit OFFICIAL FILE COPY
DMEA
RECEIVED SEP 13 1957

DATE	INITIALS	CODE

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 Chas E. Collins
Charles E. Collins
President

UNITED STATES OF AMERICA

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

(SEAL)

Official

~~EXTRA~~ COPY DMEA RECEIVED SEP 18 1957		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

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.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

ENH:prl

cc: Finance Office, Region III
Harshman
DMEA/DFC
DMEA/Gr.Jct.
Hasler
Townsend
Corres. file
Chron.

) w/copy of Amendment No. 2.

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-E1066
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

EXTRA COPY DMEA RECEIVED		
DATE	INITIALS	COPY
		800

224 New Customhouse
Denver 2, Colorado

August 27, 1957

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

June 26, 1957

EXTRA COPY
RECEIVED
DATE
800

Mr. Martin F. Maher
Dalmid Oil and Uranium, Inc.
P. O. Box 544
Moab, Utah

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

Dear M . 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: Comm. Op. Comm. -4
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DFC
DMEA/G. Jct.
Hasler
Townsend
Corres. file
Chron.

MINERAL DEPOSITS
DMEA
RECEIVED
JUN 26 1957
U.S.
GEOLOGICAL SURVEY
DENVER, COLORADO

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colorado

June 25, 1957

Memorandum

To: W. M. King, Executive Officer, DMEA Field Team, 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 Ida-s 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.

EXTRA COPY
DMEA
RECEIVED JUN 1 1957

DATE	INITIALS	CODE

J. William Hasler
J. William Hasler,
Geological Survey

H. F. Robertson,
Bureau of Mines

JWH/adr

DMEA
DEPARTMENT OF THE INTERIOR
JUN 27 1957
REGION III
DENVER, COLORADO

Moab Utah
6-22-57

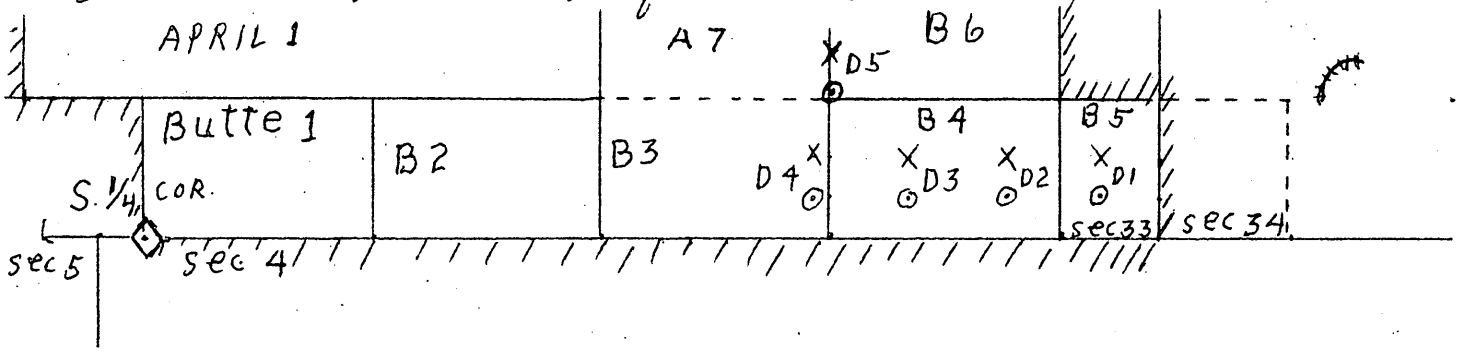
Mr. E. N. Harshman:-

DMEA
DEPARTMENT OF THE INTERIOR
JUN 26 1957
REGION III
DENVER, COLORADO

Re.- Docket # D.M.E.A. 4409
Contract # I.D.M.-E1066
Dalmid Oil & Uranium Inc.

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 Dinarump outcrop below site 15.

Yours Truly
Martin F. Maher
Box 544
Moab Utah

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RECEIVED JUL 1 1957
DATE | INITIALS | CODE

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 24 1957

DATE	INITIALS	CODE
		800
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. Hanchman
Acting Executive Officer
DMEA Field Team, Region III

Moab Utah
5/8/57

Mr. E. N. Harshman
D.M.E.A. Field Team
Region III

Re- Docket No. D.M.E.A. 4409
Contract No. I. 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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RECEIVED MAY 1957
DATE | CODE

DMEA
DEPARTMENT OF THE INTERIOR
MAY 9 - 1957
REGION III
DENVER, COLORADO

MME Form 14
Sept. 1958

Contract No. Idm-E) 1066
~~Idm-33)~~

Docket No. DMEA) 1409
~~[illegible])~~

Date of Action 10/29/50

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Terminated Contract

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor: Dalnid Oil & Uranium, Inc.
604 Hamilton Building
Post Office Box 1590
Wichita Falls, Texas

Date of Contract	Region	State	Commodity
March 7, 1957	III	Utah	Uranium
	Reserve		Obligation
Prior Amount	0		19,080.00
Increase	0		0
Decrease	0		3,373.78
Revised Amount	0		15,706.22

Remarks:

cc: 800
210

43244

Contract No. Idm-E 1066

Docket No. 4409

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
March 7, 1957	III	Utah	Uranium

Name and Address of Operator: Dalmid Oil & Uranium, Inc.
604 Hamilton Building
Post Office Box 1590
Wichita Falls, Texas

	Reserve	Obligation
Prior Amount	$19,080	0
Increase	0	$19,080
Decrease	19,080	0
Revised Amount	0	$19,080

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 3/22/57

989

Audit copy

OFFICIAL FILE COPY DMEA RECEIVED MAR 21 1957		
DATE	INITIALS	CODE
		800

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 Daimid 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.

(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

DALMID OIL AND URANIUM, INC.

(Operator)

By O. Mitchendorp
Administrator, Defense Minerals
Exploration Administration

By Charles E. Collins

Title President

I, Norma L. 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

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RECEIVED MAR 21 1957
DATE | INITIALS | CODE

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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DMEA
RECEIVED MAR 21 1957
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

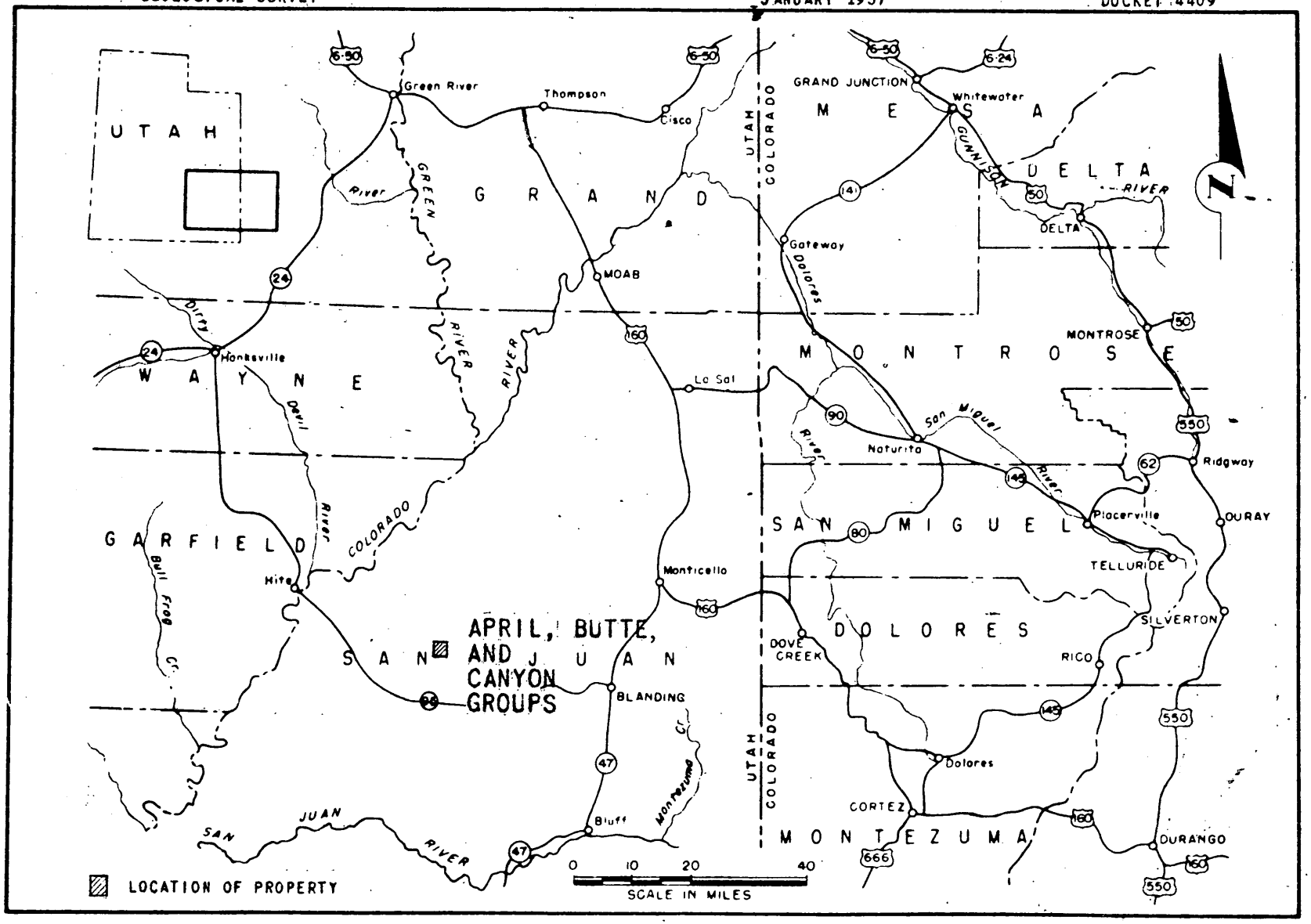

FIGURE 1.--LOCATION MAP, DALMID URANIUM CORPORATION, APRIL, BUTTE, AND CANYON CLAIM GROUPS, SAN JUAN COUNTY, UTAH.

EXTRA-COPY

~~OFFICIAL FILE COPY~~

DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE

[illegible] New Customhouse
Denver 2, Colorado

March 18, 1957

CERTIFIED MAIL

Mr. Charles E. Collins, President
Dalmid Oil and Uranium, Inc.
P. O. Box 1990
Wichita Falls, Texas

Re: Docket No. DMEA 4409 ([illegible])
Contract No. 14m-X1066
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. 14m-X1066, Docket No. DMEA 4409.

Also enclosed are six copies of form MP-104, "Operator's Monthly Report and Voucher," and six copies of form MP-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 P. Shaw, U. S. Bureau of Mines, Room 137, Building 20, Denver Federal Center, Denver 2, Colorado. The extra copy is for your records.

Forms MP-104 and MP-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 MP-104 and MP-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. 262

M. R. 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, DMEA, or by the DMEA 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. Hom/.

Very truly yours,

E. M. Harshman

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

Enclosures

JWT:prl

cc: Chairman, Op. Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Shaw (2)
Hasler
Townsend Corres. file Chron. 3

Contract No. Idm-E 1066

Docket No. 4409

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
March 7, 1957	III	Utah	Uranium

Name and Address of Operator: Dalmid Oil & Uranium, Inc.
604 Hamilton Building
Post Office Box 1590
Wichita Falls, Texas

	Reserve	Obligation
Prior Amount	0	0
Increase	$19,080.00	0
Decrease	0	0
Revised Amount	$19,080.00	0

Remarks:

ALLEN S. DAKAN

(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Title)

Date Delivered to Bureau of Mines, Washington 3/7/57

989

March 6, 1957

Memorandum

To: Chairman, Operating Committee

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMA-4409 (Uranium)
Delmid Oil and Uranium, Inc.
April, Fritte, 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. W. 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

JLChambers/wb
March 6, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JANUARY 1957 DOCKET 4409

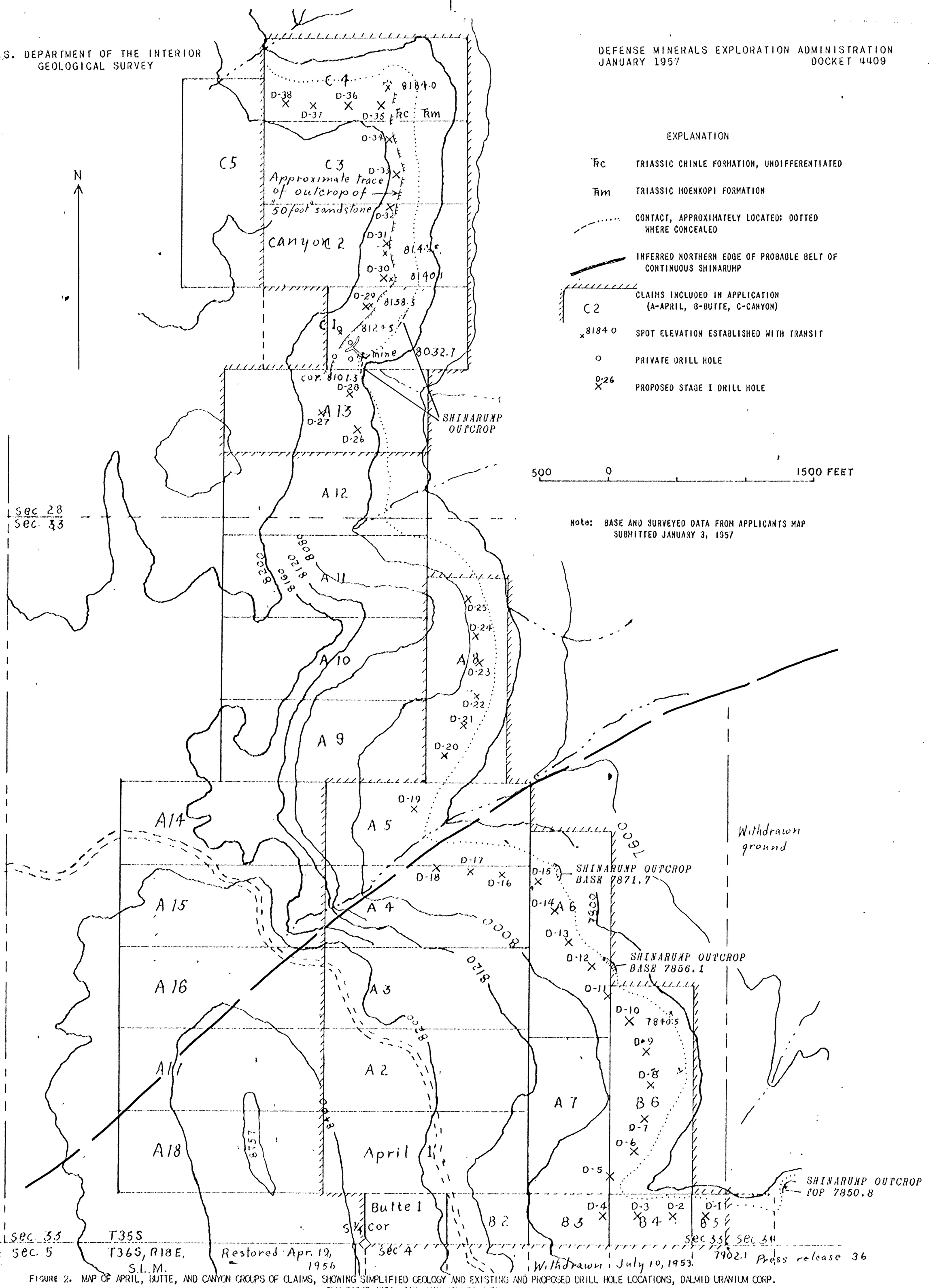

FIGURE 2. MAP OF APRIL, BUTTE, AND CANYON GROUPS OF CLAIMS, SHOWING SIMPLIFIED GEOLOGY AND EXISTING AND PROPOSED DRILL HOLE LOCATIONS, DALMID URANIUM CORP. ELK RIDGE AREA, SAN JUAN COUNTY, UTAH.