IMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

IMEA NO. 4577

1091
20 MAY 1957

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(Withdrawn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

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

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

Left Side

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

Right Side

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

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

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

Left Side

Folder No. 2: (In chron. order)
~~Interim Summary Reports by U. S. Engineers~~

Right Side

~~Operator's Semi Annual Report for Certified Payment, Field Team Interim Reports~~, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review. DRILL LOGS

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

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

9775

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E1091, Docket DMEA-4577 (uranium and selenium), dated May 29, 1957, with

Metals, Inc.
c/o Charles S. Merrill
680 South State Street
Salt Lake City, Utah

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Skyline Claims located in Natrona County, Wyoming, during the period June 18, 1959, through August 23, 1963.

In accordance with a May 14, 1958, Termination Agreement and Article 8 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated December 9, 1958, indicated accepted costs under the exploration contract amounting to $7,397.18 with the Government's contribution on a 75 percent basis being $5,547.89.

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

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review, which also found no sales subject to the Government's royalty through June 17, 1959. Accordingly, as of August 23, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert, OME Auditor

September 5, 1963

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of 15 unpatented claims (Skyline Nos. 1 through 15) located in sec. 35, T. 34 N., R. 89 W., 6th P.M. & B., eastern Gas Hills district. At the time the contract was executed the Operator was in possession by virtue of a November 13, 1956, quit claim deed granted by Mrs. Helen F. Wentz in consideration of stock in the Operator-corporation.

Exploration work under the contract was discontinued September 27, 1957, and formally terminated by an agreement dated May 14, 1958. No ores were produced during the exploration period.

By letter dated March 10, 1959, the Operator reported that it had performed no work on the property since September 1957. By letters dated February 15 and 26, 1960, the Operator's former president, Charles S. Merrill, advised that no ore had been shipped or stockpiled by Metals, Inc., "now defunct". By letter dated May 31, 1962, the Office of the Secretary of State, State of Utah, stated that Metals, Inc., had been suspended as of March 31, 1960, for non-payment of corporate tax.

In reply to a March 12, 1963, inquiry the Office of the County Clerk, Natrona County, Wyoming, advised that: (1) on July 2, 1959, Helen F. Wentz "located (or re-located)" the claims; (2) on February 17, 1960, the claims were included in a mortgage granted to Charles T. Burgess and R. M. Railsback; and (3) assessment work for 1960, 1961, and 1962 was recorded by Joe Wentz.

In an August 23, 1963, reply to a MME Form 63 inquiry, Joe & Helen F. Wentz, c/o Farmers Supply Co., Lander, Wyoming, reported that: (1) property reverted back to Helen F. Wentz from Metals, Inc., by default; (2) since July 2, 1959, there had been no production from the property; and (3) "just keeping up assessment work at present".

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

(1) The files indicate that no minerals have been produced from the property since the date of the contract; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract Lbm-E1091, Docket No. DMEA 4577, dated May 29, 1957, with

Metals Inc.
670 South State Street
Salt Lake City, Utah

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Uranium and Selenium, from property referred to as Skyline Claims, located in Natrona County, Wyoming, during the period May 29, 1957 to June 17, 1959.

Pseudo Certification was effected in Termination Agreement dated May 14, 1958, and accordingly royalty is payable on all the production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of Final Cost Audit dated December 9, 1958, indicated accepted costs under the exploration contraction amounting to $7,397.18, with the Government's contribution on a 75 percent basis being $5,547.89.

No royalty has been paid to the Government to date in connection with this contract.

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

(a) According to the Field Team's Semi-Annual Report of certified project for the period July 1, 1958 to December 31, 1958, operation ceased about October 1, 1957; no ore has been shipped since May 29, 1957, (The date of the exploration contract), no operations or ore shipments are anticipated in 1959.

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

June 17, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

JUN 22 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

EXTRA COPY
O. M. E.
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DATE	INITIALS	CODE

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Metals, Inc.
670 South State St.,
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-E1091, ~~IMMA No. 4377~~, including Amendment No. 1, and Termination Agreement dated May 14, 1958, for the period May 29, 1957 to September 30, 1957, inclusive, covering a project for the exploration of Uranium and Selenium on property known as Skyline Claims located in Natrona County, Wyoming.

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 reasons given on the attachment to this report.

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

Total cost as billed by Contractor		$8,993.32
Exceptions: (Schedule attached)		
Prior to this review	$929.47	
Less: Reinstatement by review	0.00	
Herewith	666.67	1,596.14
Total Accepted Cost		$7,397.18

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 Five Thousand, Five Hundred Forty-seven and 89/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$5,547.89
Amount reimbursed	5,547.89
Balance due Operator	$ 0.00

Donald T. Finch
Donald T. Finch,
OME Auditor

December 9, 1958

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

CONTRACT NO. Idm-M1091 DOCKET NO. DMEA-4577

METALS, INC.

(a) The Monthly Reports were supported by documentary proof of that portion ($6,743.19) of the costs which covered work performed at unit rates under independent contract (per schedule attached.)

(b) The balance ($653.99) 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; and

(c) The administrative costs to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder.

SCHEDULE OF EXCEPTIONS

T NO. Idm-E1091 DOCKET NO. DMEA-4577

METALS, INC.

owances Prior to Review

August, 1957 MF-104		
444 Ft. of excessive non-core drilling @ 87¢/ft.	$386.28	
Incidental allowance applicable to excessive drilling (444 Ft. @ 18¢/ft.)	79.92	
September, 1957 MF-104		
Overcharge in excess of actual cost for 3,699 ft. of non-core drilling (reported as 3,799 ft.)	157.62	
143 Ft. of excessive non-core drilling @ 87¢/ft.	124.41	
11 Hrs. of excessive bulldozing time @ $12.50/hr.	137.50	
Incidental allowance applicable to overcharge and excessive drilling (243 Ft. @ 18¢/ft.)	43.74	
Total Disallowances Prior to Review		$ 929.47
Disallowance for Operator's failure to file final engineering and geologic report (Disallowed by OME Field Team, Region III, with approval of Operating Committee)		666.67
TOTAL DISALLOWANCES		$1,596.14

The Executive Officer, OME Field Team, Region III, and the Auditor concur with the foregoing disallowances.

SUMMARY OF DOCUMENTED COSTS

CONTRACT NO. Idm-E1091 DOCKET NO. DMEA-4577

METALS, INC.

Independent Contracts

7,337 Feet Non-core Drilling at 87¢ per foot	$6,383.19	
6 Hours Standby Time at $10.00 per hour	60.00	
24 Hours Bulldozer Time at $12.50 per hour	300.00	
Total Documented Costs		$6,743.19

Fixed Unit Costs

Incidental allowance 7,337 Feet of completed drilling at 18¢ per foot	$1,320.66	
Deduct:		
Gross disallowance for Operator's failure to file final engineering and geological report	666.67	653.99
ACCEPTED COST		$7,397.18

Government's copy

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TERMINATION AGREEMENT

It is agreed this 14th day of May, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Metals, Inc., hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-E1091, Docket No. DMEA-4577, dated May 29, 1957, as amended, hereinafter called the "Contract", that:

1. Effective October 1, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs of work performed prior to October 1, 1957.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. The total net amount contributed by the Government is repayable in the form of a percentage royalty on all minerals mined or produced from the land described in Article 2 of the Contract, which 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 transfers or fails to retain its interest in the land), shall pay to the Government, in the same manner and amount and for the same period provided in the Contract as if certification of discovery or development had been made, said certification being hereby waived.

5. All rights of the Government respecting percentage royalty and liens to secure the payment thereof (as provided in paragraph 4 herein), reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

App'd. Sol. Off.
Chung
Talbut
Selfridge
Johnson

6. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C Mitkendorf
Administrator, Defense Minerals
Exploration Administration

METALS, INC.

By [illegible]

Title President

April 28, 1958

Ellis

Justification For Termination Agreement

Docket No. DMEA-4577 (Uranium)
Contract No. Idm-E1091
Metals, Inc.
Skyline Claims
Natrona County, Wyoming

The completion date under the subject contract is November 30, 1957. As far as we know no work has been done under the contract since September 30, 1957. The work suspension was unauthorized.

The Operator successfully completed 50 of the 85 holes provided for in Stage I, but failed to complete 28 holes because of caving, unconsolidated ground. Presumably, 7 holes were not started. Results of the drilling to date have not been encouraging.

Repeated letters to the Operator from the Executive Officer and from this office have failed to bring forth a satisfactory answer. The Operator has made no attempt to correct its default under the contract.

Under these circumstances, a Termination Agreement with a pseudo certification clause is in order.

Michael Ching
Michael Ching

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EXPLORATION PROJECT CONTRACT
METALS, INC.
DOCKET NO. DMEA 4577
CONTRACT NO. Idm-E1091

AMENDMENT NO. I

It is agreed this 28th day of August, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Metals, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1091, Docket No. DMEA 4577, dated May 29, 1957, hereinafter called the "Contract," that the Contract is amended, effective June 6, 1957, as follows:

1. The date fixed in Article 3, on or before which the Operator shall commence the work, is extended from June 6, 1957 to July 25, 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 quintuplicate the day and year first above written.

METALS, INC.

BY Charles S. Merrill
Charles S. Merrill
President

(Seal)

UNITED STATES OF AMERICA

BY E. M. Hardman Acting
Executive Officer, DMEA
Field Team, REGION III

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MF-200
(Revised June 1954)

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

Docket No. DMEA 4577

Commodity Uranium & Selenium

Contract No. Idm-E 1091

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 29 MAY 1957 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Metals, Inc., a Utah corporation

whose mailing address is ~~670 South State Street~~ 680 Fifth ~~Salt Lake City, Utah~~ 28 East 400 South, see correspondence attached, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map (Figure 5)

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] Quit Claim Deed, [7] recorded in Book 153, page ....., official records of said County; and

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: ....

....

....

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium & Selenium .... June 6th 1957 .... The work to be performed is described in Exhibit "A." The Operator on or before .... shall commence the work, and on or before November 30, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work ~~or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit A~~ except as otherwise provided in Exhibit "A" with respect to stages of work. (See Annex II.)

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $31,732.00 ....
The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $23,799.00 ....: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; ~~but except for any such excesses in categories, subcategories or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated total allowable cost of the work.~~ See Annex II.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums. See Annex II.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9. See Annex II.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *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: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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.

(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: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *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 13. *Changes and added provisions.*—

See Annex II.

Long
Ehrlich
Ching
Ellis
Chambers
Selfridge

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf

Administrator, Defense Minerals
Exploration Administration

METALS, INC.
(Operator)

By Charles S. Merrill
President

I, M. M. Richey, certify that I am the secretary of the corporation named as Operator herein; that Charles S. Merrill 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.

M. M. Richey

[CORPORATE SEAL]

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DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT
METALS, INC.
DOCKET NO. DMEA-4577

ANNEX I

The land referred to in Article 2 of the Contract consists of 15 unpatented lode mining claims situated in sec. 35, T. 34 N., R. 89 W., 6th P.M.&B., Natrona County, Wyoming. The land is shown on the map entitled "Figure 5. Recommended Drill Holes -------," attached hereto and made a part hereof.

Notices of location of the claims are recorded in the Office of the County Recorder, Natrona County, Wyoming, as follows:

Claim	Book	Page	Date Recorded
Skyline 1	49	451	Sept. 5, 1956
Skyline 2	48	522	Sept. 5, 1956
Skyline 3	48	524	Sept. 5, 1956
Skyline 4	48	526	Sept. 5, 1956
Skyline 5	48	528	Sept. 5, 1956
Skyline 6	48	530	Sept. 5, 1956
Skyline 7	48	532	Sept. 5, 1956
Skyline 8	48	534	Sept. 5, 1956
Skyline 9	48	536	Sept. 5, 1956
Skyline 10	48	538	Sept. 5, 1956
Skyline 11	48	540	Sept. 5, 1956
Skyline 12	48	542	Sept. 5, 1956
Skyline 13	48	544	Sept. 5, 1956
Skyline 14	48	546	Sept. 5, 1956
Skyline 15	48	548	Sept. 5, 1956

The above claims were transferred to Metals, Inc., by Helen F. Wentz by Quit Claim Deed, dated November 13, 1956.

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EXPLORATION PROJECT CONTRACT
METALS, INC.
DOCKET NO. DMEA-4577

ANNEX II
(Article 13. Changes and Added Provisions)

(a) Annex II is added to the items listed in Article 1 as a part of this Contract.

(b) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."

(c) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(d) Categories (2) through (7) of Article 6(a) are deleted.

(e) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.

(f) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

(g) Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract.

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EXPLORATION PROJECT CONTRACT
METALS, INC.
DOCKET NO. DMEA-4577

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration by non-core drilling to test the potential ore-bearing sandstones of the upper Wind River formation of Eocene age.

Since the known ore deposits in the area do not exceed 150 feet in depth, drill holes shall bottom at that depth unless specific provisions are made herein for deeper drilling.

In the case of dry non-core drilling, cuttings shall be collected with a Duclone or similar sample collector. Where wet non-core drilling is done, provisions shall be made for taking satisfactory sludge samples. Samples shall be taken at two-foot intervals in either case.

Cuttings from all drill holes shall be checked for radioactivity. Samples indicating significant mineralization shall be split into halves; one half shall be analyzed chemically for uranium and one half shall be properly labeled and stored for the use of the Government. The unmineralized cuttings also shall be labeled and stored for inspection by the Government. At the completion of the project, upon Government approval, all stored samples may be disposed of by the Operator.

Mineralized zones containing uranium associated with pyrite may also contain recoverable by-product selenium. If the drill cuttings and radiometric probing of a hole indicate the presence of a minable thickness of uranium ore in such a zone, a composite sample covering the entire minable thickness of the zone shall be made up from the cuttings and such composite sample shall be analyzed for selenium by chemical or X-ray spectrographic methods.

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

No drill hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I.

No payment shall be made by the Government for incompleted drill holes.

All bulldozer work shall be performed with a D-6, D-7 or larger unit bulldozer or an equivalent unit of other make. If a D-6 bulldozer or equivalent unit is used the allowable hourly rate shall be reduced from $12.50 to $10.00 and the number of allowable hours increased accordingly.

The project shall be supervised at all times by a competent geologist or mining engineer who shall devote full time to the project work.

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

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

Stage I

Prepare access roads and drill sites and drill approximately 85 holes aggregating an estimated 15,500 feet, as indicated on the map, Figure 5. The holes of the grid pattern are at intervals of 400 feet and oriented so that the northeast-southwest diagonals parallel the assumed trend of mineralization. The 11 solid black dots represent holes that are to be drilled first. The maximum depth of these holes shall be 400 feet, and none of them shall extend more than 10 feet below the contact between the Wind River formation and the underlying Mesozoic or Paleozoic rocks. The remaining 74 holes shall be drilled to a uniform depth of 150 feet.

Stage II

Prepare access roads and drill sites and drill not more than 68 holes aggregating not more than 12,200 feet as offsets to previously drilled holes which penetrated mineralized material. Deep offsets exceeding 150 feet shall not be drilled closer than 150 feet from any of the 11 Stage I deep holes. Offsets 150 feet in depth shall not be drilled closer than 100 feet from any previously drilled hole.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

15,500 feet non-core drilling @ $0.87/ft.	$13,485.00	
24 hours drill crew standby time @ $10.00/hr.	240.00	
24 hours bulldozing @ $12.50/hr.	300.00	
Categories (2) through (7)	None	$14,025.00

Fixed Unit Costs (See Article 13)

Incidental allowance* for each foot of drilling completed, 15,500 feet @ $0.18/ft.	$ 2,790.00	
100 chemical analyses for U_3O_8 @ $3.50 each	350.00	
50 analyses for selenium @ $10.00 each	500.00	3,640.00
Estimated Total Cost of Stage I		$17,665.00

Stage II

Actual Costs

Category (1) Independent Contracts

12,200 feet non-core drilling @ $0.87/ft.	$10,614.00	
20 hours drill crew standby time @ $10.00/hr.	200.00	

Stage II (Cont'd)

Actual Costs (cont'd)

16 hrs. bulldozing @ $12.50/hr.	$ 200.00	
Categories (2) through (7)	None	$11,014.00

Fixed Unit Costs (See Article 13)

Incidental allowance* for each foot of drilling completed, 12,200 feet @ $0.18/ft.	2,196.00	
102 chemical analyses for U_3O_8 @ $3.50 each	357.00	
50 analyses for selenium @ $10.00 each	500.00	3,053.00
Estimated Total Cost of Stage II		$14,067.00

SUMMARY OF COSTS

Estimated Total Cost of Stage I	$17,665.00
Estimated Total Cost of Stage II	14,067.00
Estimated Total Cost of the Project	$31,732.00
Government participation @ 75%	$23,799.00

* Includes all costs that might otherwise be allowable costs of the project under Categories (1) through (7) of Article 6(a), except as otherwise scheduled in Exhibit "A."

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DMEA
DEPARTMENT OF THE INTERIOR
DEC 17 1956

REGION III
DENVER, COLORADO

Not to be filled in by applicant

Docket No. 4577
Metal or Mineral Uran: Selenium
Date Received 12-21-56
Estimated Cost $67,741.40
Participation (Government %)

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

RECEIVED
DEC 21 1956
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INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Charles S. Merrill (President)
METALS, INC. (Incorporated in the State of Utah)
670 South State Street
Salt Lake City, Utah

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract see attached sheets. Page 1

(*b*) State any mine name by which the property is known. Known only as MI-A (Metals Inc. A group)

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Metals, Inc. is the sole owner of this property.

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

(*e*) If you own the land, describe any liens or encumbrances on it The property is without encumbrances.

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

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

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None

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

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

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Uranium, selenium and rare earths.

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

(*c*) The work will start within 30 days and be completed within 12 months from the date of an exploration project contract.

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

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

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

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

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

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

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

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated December 8, 1956

(Applicant)

By Charles S. Merrill

Charles S. Merrill, President
METALS, INC.

670 South State St. - SLC, Utah

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

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

Metals, Incorporated
670 South State Street
Salt Lake City, Utah
(Attached Sheets to Form MF-103)

3. Applicants Property Rights. The fifteen (15) unpatented claims selected for exploration are located in the NE 1/4 of T-34 N, R-89 W, Natrona County in Wyoming. Many unexplored surrounding claims may be acquired by Metals, Inc. providing the exploration proves satisfactory and acquisition appears warranted. This property, formerly known as the Skyline Claims, was originally filed by Helen F. Wentz and is recorded in Book 48 in the Natrona County Clerk's Office, Casper, Wyoming, as follows:

Claim No.	Page	Claim No.	Page	Claim No.	Page
1	520	6	530	11	540
2	522	7	532	12	542
3	524	8	534	13	544
4	526	9	536	14	546
5	528	10	538	15	548

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4-a. There are no mine workings or production facilities on the property and past exploration was limited to validation consisting of "cat" holes eight to ten feet deep. The property is easily accessible for examinational purposes.

4-c. A detailed description of the geological features of the property, inculding the mineralization and type of bedded deposits are contained in the attached geologic report. A general area map and a sketch of the proposed drilling program is also contained in this report. Metals, Inc. plans to explore this property as the surface indications, geology and other features indicate that there is a strong possibility of discovering large ore reserves in the area. Also this corporation negotiated a 10 year contract with the Split Rock Mill for the purchase of proven reserves.

4-d. Access dirt roads leading to the property as shown on the attached maps. There are no towns in the Gas Hills area. Riverton is approximately 66 miles to the west, and Casper is 73 miles to the east. A minor supply point is located at Split Rock, approximately 39 miles to the southwest. Buying stations are operating at Riverton and Split Rock. The construction of the Lucky Mc Uranium Mill in the Gas Hills area has been approved by the AEC.

4-e. Sufficient manpower is available to complete this project as scheduled. Materials and supplies can be obtained from either Casper, Split Rock, or Riverton, Wyoming. Sufficient water is available on the property for culinary and drilling purposes. An electrical power line is located approximately 1-1/2 miles east of the MI-A claims; however, power will not be required for this operation. Also, the construction of a main power line to the Lucky Mc properties (See 4-c. attached) is contemplated by the REA.

5-b. The property held by Metals, Inc. in the East Gas Hills area is comprised of 109 claims. After examination of this property, 15 MI-A claims were selected as having the best potential for uranium deposition. In general, the strata are composed of terrace gravels, loosely cemented sandstones, arkose,

conglomerates, and mudstone of the Wind River formation. The exploration of the MI-A claims will be accomplished by contract, plugged drilling, in conjunction with a planned sampling and assaying program. The drilling of the MI-A claims has been projected in three stages, namely: Stage I is outlined in a rectangular pattern, 300' NS and 400' EW centers. Stage I drilling was designed for the purpose of exploring underground strata, correlating lithology, and determining structural features such as faulting and folding, which are considered to be the main channel controls in the Gas Hills area; Stage II drilling is a 250' x 250' x 300' triangle, and was designed to ascertain the presence of ore bodies, and to delieniate channel trends. The offset pattern was designed to eliminate the possibilities of leaving open unexplored areas in line with the general direction of the channel trends; Stage III drilling, is projected on a 150' x 300' x 250' offset triangle. Any of the above stages will be employed where discovery or conditions warrant the same.

The drilling program will be controlled as follows: Radiometric readings will be taken on course drill cuttings every 2' and fines every 10'. Drill holes will also be probed radiometrically. Radiometric counts will be automatically tape recorded in order to provide comparative data on each drill hole. Control cannot be maintained without consideration of the disequilibrium factors, i.e., whether ore is in or out of balance in favor of chemical assay or radiometric count. As an example, the writer examined ore in the Gas Hills area which had a radiometric count of approximately .10. This ore sample assayed .54. These factors will be offset by assaying approximately ten, split, mixed samples from each hole. Two of the ten assays will be by spectrographic analysis, to determine the presence of selenium, rare earths and other minerals. It is not intended to drill strata which may contain ore bodies beyond commercial recovery. This positioning could happen by major faulting, folding or other associated structural features. When lower Miocene strata are encountered, drilling will be discontinued and efforts extended on more favorable horizons. Faulting and other structural features should be drilled out. Any favorable showing of mineralization should require Stage II drilling in order to delineate channel trends.

Deer Creek proper is not considered to be favorable enough to warrant drilling.

A total of 30,000 feet will be drilled upon the claims using the three stage system. All holes will be drilled to a depth sufficient to evaluate commercial ore. If one sector is barren, another one may justify a closer stage of drilling. If Arts & Metals, Inc. is selected as the contractor, drilling will be done during an 8 hr period each day, six days a week, weather permitting.

5-d. Mr. Charles S. Merrill, President of Metals, Inc., is a successful businessman. He has successfully operated large and small business enterprises

in the Salt Lake area for the past 40 years. He has been actively engaged in the uranium field since 1947. He is President of Bengal, Inc. which has considerable holdings in the Gas Hills area. This corporation has been completely reorganized and is now operating on a business-like basis. Through his efforts, Bengal "Mars" uranium ore body in East Gas Hills was discovered and is now being mined.

Mr. Albert A. Robinson, Vice President of Metals, Inc., has been associated with Mr. Merrill for the past two years. Mr. Robinson has been primarily responsible for organizing the office staff, administrative, accounting and bookkeeping proceedures. Also, he is very familiar with banking, auditing and preparation of contract data.

M. M. Richey, Secretary and Treasurer of Metals, Inc. has had twenty years business experience, and holds very responsible positions at the present time.

Mr. Charles S. Merrill is also President of the Arts & Metals, Inc., which is incorporated in the State of Utah. This corporation, which is actively engaged in the exploration of uranium properties especially in the Gas Hills area is composed of personnel specifically selected for their technical skills. They have all had experience in this district and are well-acquainted with the possibilities and problems peculiar to it.

ARTS & METALS, INC.

The experience and background of Charles S. Merrill, President and Executive Director has been described in the preceding paragraphs. Joseph S. Merrill, Vice President and Director, graduated with a B.S. degree in geology from the University of Utah in June 1940. Has approximately 17 years military and governmental service; Lt. Commander U. S. Navy Reserve. U. S. Geodetic and Geological Surverys, Planning Examiner, U.S. Navy. For the past 2 1/2 years he has been engaged in the research, discovery and exploration of uraniferous ores in the Colorado Plateau and Wyoming. For the past year, Mr. Merrill has confined his study and field work almost exclusively to the Gas Hills area. He is also the Chief Geologist for Bengal, Inc. and is directing the operations as related to geological matters.

Joseph L. Mabey, Jr. the Secretary & Director has an honorable discharge as a Lt. Colonel in the United States Army. He owns several businesses which have been operated successfully in Clearfield, Utah for the past ten years. During 1954 and 1955, Mr. Mabey spent full time as the Field Manager in charge of the exploration of approximately 650 uranium claims in Southern Utah. This work included the layout of the drilling program, supervision of the drilling, construction of campsites, road building and other related tasks. Since Nov. 1955, Mr. Mabey has been the Field Manager for Bengal, Inc., and supervised the drilling which blocked out the Mars ore body in the East Gas Hills area.

Mr. Mabey is the Field Manager for Arts & Metals, Inc. also.

Mr. Homer R. Don, Treasurer of Arts & Metals, Inc., has had 17 years of office and finance experience. During World War II he was the supervisor of the Treasury Department funds which expended over one million dollars monthly. At the present time, Mr. Don is also the Operational Mgr. and Secretary-Treasurer of the Deseret Mortuary Corporation.

In view of the foregoing, the applicants are well-qualified to effect maximum utilization of personnel and equipment in the best interest of the government and the re-payment of the loan -- "Know - how" is a necessary qualification to successfully conclude a mining venture. The men involved not only possess this talent, but in addition, they know the district by actual successful operation.

RECEIVED
DEC 21 1956
D.M.E.A.

6. Estimate of Costs

Competitive bids for drilling and geological services are attached for comparison. See attached sheets.

6 (a). Items 6 (a) through (e) will be covered by the contractor.

7 (b). The operator will reimburse the contractor at the rate of 25 percent of the total unit costs as they accrue.

Arts and Metals Inc.

670 South State St.
Salt Lake City, Utah

December 7, 1956

Mr. Charles S. Merrill
President, Metals, Inc.
670 South State Street
Salt Lake City, Utah

Dear Mr. Merrill:

In reply to your letter of 3 December 1956, the quotations covering the exploration of the MI-A claims in Natrona County, Wyoming are attached for your consideration.

Schedule I covers the drilling on a cost per foot basis. Schedule II is a quotation for field supervision, geological services, sampling and assaying. Schedule III is the estimated cost for the construction of a small prefabricated camp building.

Very truly yours,

By Joseph L. Mabey, Jr.
Joseph L. Mabey, Jr.
Field Manager

Attachment: Schedules A thru D

Arts and Metals Inc.

670 South State St.
Salt Lake City, Utah

Bid Account for Metals, Inc.

SCHEDULE A - DRILLING

Estimated cost of drilling the MI-A property consisting of 15 claims located in Natrona County, Wyoming, is $1.25 per foot for plugged drilling. This quotation includes all operating costs, labor, equipment, bits and covers all contingencies. Also, our drilling equipment is adequate to recover samples as specified by your data sheet dated November 1956. It is estimated that approximately three months will be required to complete this program.

30,000 feet @ $1.25 per foot $37,500.00

SCHEDULE B - GEOLOGICAL SERVICES

Field Supervisor	@	$50.00	Daily rate
Geologist	@	50.00	Daily rate
Asst. Geologist	@	35.00	Daily rate
General Helper	@	20.00	Daily rate
		$155.00	

Consultant Geologist @ $100.00 Daily rate - (part-time) 3 days per week. It is estimated that 72 days will be required to complete this work. 72 days @ $155.00 per day $11,160.00, Consultant work - 30 days @ $100.00 per day $3,000.00 is a total of $14,160.00.

Assays:

1600 regular	@ $ 4.50	$7,200.00
400 spectrographic	@ 10.00	4,000.00

The above quotations include the following work:

Field layout of drilling pattern, supervision of the drilling and roadwork, sampling, radiometric recordings of ground samples, probe logs and automatic tape recordings of each drill hole, sampling, packaging, handling and assaying of drill cuttings which includes mixing and splitting, description of lithology and mineralization, correlation of strata, recording of underground water, engineering and progress reports, clerical administrative and drafting services.

The above quotations include the following equipment which will be supplied and furnished by Arts & metals, Inc.:

jeeps and trucks for the transportation of person

Arts and Metals Inc.

670 South State St.
Salt Lake City, Utah

nel and servicing of other equipment, oil, fuel, food, and other necessary supplies. Holes will be probed by Babbel equipment, cuttings will be examined by a 111 B. Scintillator and automatic tape recordings of each hole will be taken by Esterline - Angus Model AW. The above quotation is based on the premise that the camp building will be made available for personnel.

6(a) SCHEDULE C - Road Building, Leveling and Grading.

It is estimated that eighteen (18) working days will be required to prepare drilling sites.

One D-8 caterpillar 18 - eight (8) hour days, 144 hrs @ $17.00 per hour - $2,448.00. This bid was submitted by Lt. Johnson Construction Company of Ogden, Utah, and Gas Hills, Wyoming.

6(f) SCHEDULE D - Estimate for Pre-fab Building

In accordance with your request, the estimated cost of a pre-fabricated camp building is as follows: Size 20 x 30 ft. Construction will be built up steel frame with steel trusses. This building will be bolted together so that it can be easily dismantled and moved to another location if required.

ITEM	COST
Steel trusses and columns	$ 925.00
NuWay siding - 1,000 sq. feet	104.35
(4) Windows	32.00
(1) Door	12.00
T & G flooring - 600 sq. ft.	92.00
2 x 4 stringers (roof & sides)	
16 - 18'	29.88
22 - 10'	22.58
12 floor joints - 2 x 10 x 20' (foundation)	83.50
2 x 10 x 10 shelves, etc. - 5 lengths	15.26
100 lineal ft. of 4 x 4 (foundation)	26.93
Cement - 10 bags	11.50
Nails	11.20
Heating Plant	105.00
Electrical plant, wiring & fixtures	325.00
Pipe & fittings	67.50
Sink & drain board	27.00

Arts and Metals Inc.

670 South State St.
Salt Lake City, Utah

Felt & roofing compound	57.50
Insulation	66.00
Nuts & bolts	23.20
Cost of transportation of material and initial construction	396.00
TOTAL	$2,433.40

RECAPITULATION OF ESTIMATES

SCHEDULE A	DRILLING	37,500.00
SCHEDULE B	GEOLOGICAL SERVICES AND ASSAYING	25,360.00
SCHEDULE C	ROAD BUILDING	2,448.00
SCHEDULE D	CAMP BUILDING	2,433.40 — no
	TOTAL	$67,741.40

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS
General Offices
1321 South Main Street Phone HUnter 4-4401
SALT LAKE CITY 15, UTAH

November 27, 1956

Reply to: S.L.C.

Mr. Charles S. Merrill
President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

RECEIVED
DEC 21 1956
D.M.E.A.

Dear Sir:

Reference is made to your request for rates to perform a proposed drilling program in the Gas Hills area, Natrona County, Wyoming. The following rates are based on drilling during the summer months only, April through August, and on a minimum program of 20,000 feet.

1. Drilling four inch diameter holes to 150 ft. depths and recovering dust samples as per specifications, $3.00 per foot, plus cost of mud if dust samples are not recoverable due to ground conditions. Should it become necessary to drill with mud, the cost of each sample would be $5.00 additional per sample.

2. Should it become necessary to use diamond bits in order to obtain a sample the drilling rate will be $6.00 per foot plus mud, plus cost of diamond bits.

3. Should it become necessary to haul water to complete the holes, the rate would be $175.00 per month plus 12¢ per mile. If the distance to water is over two miles, it will be necessary to charge for cost of driver's wages in addition to the other rates.

Should you require any further information regarding this bid, please call us.

Yours very truly,

A. F. Goldsworthy

A. F. Goldsworthy
Manager, Drilling Division

AFG:lm

STANFORD R. MAHONEY
GEOLOGIST
216 State Exchange Bldg.
Salt Lake City, Utah

December 11, 1956

BID QUALIFICATIONS

DEC 21 1956
D.M.E.A.

Mr. Charles S. Merrill, President
Metals, Incorporated
670 South State Street
Salt Lake City, Utah

Dear Mr. Merrill:

The attached Bid Schedule A for geological services on your MIA claims project is submitted pursuant to your request for bid of December 4, 1956.

It is my understanding that the geological crew will be responsible for drill hole layout and supervision of drill site and drill road preparation. The geologist will act as supervisor, aided by an assistant geologist. The third man would be an experienced skilled laborer to act as field assistant, with the duty of assisting in preparation and collection of samples and general project assistance.

Field and sampling procedure, as I understand it, will consist of the following:

1. Drill hole layout, including supervision and layout of drill sites and roads.

2. Eight hour daily supervision of drilling so as to accomplish the maximum sample recovery with minimum dilution and contamination. Supervision would include measuring in of drill rods for depth control.

3. Radiometric probing of each drill hole to secure the most accurate readings. This usually would be performed immediately upon completion, unless radon gas liberation or other factors dictate a delayed time. A strip log record with automatic recording tape for the entire hole.

4. Radiometric recording of standard volume samples of drill cuttings.

5. Thorough mixing and two-part splitting of drill cuttings samples, one-half to be sent for assay, the other half to be retained for subsequent study or check assays. Ten samples probably will be taken from each of 162 drill holes, 150 feet deep.

Stanford R. Mahoney

STANFORD R. MAHONEY
GEOLOGIST
216 State Exchange Bldg.
Salt Lake City, Utah

December 11, 1956

Bid Schedule A

METALS, INC. MIA CLAIMS PROJECT BID ESTIMATE

Charges based on daily rates when established on job - Minimum 45 day period

Bid Item	Daily Cost	60 Day Project Cost
Personnel:		
Geologist - Supervisor Assistant Geologist Field Assistant	$ 150.00	$ 9,000.00
Meals and Lodging (We supply facilities):	$ 35.00	$ 2,100.00
Transportation:		
One pickup or carryall truck and one field car or truck, while on job. Includes mileage on job and travel to and from job from Salt Lake City base.	$ 25.00	$ 1,500.00
Equipment:		
Radiometric probing and recording equipment of Babbel quality or equivalent, surveying and geological equipment. Sample catching equipment at drill rig to be furnished by drilling contractor or Metals, Inc.	$ 15.00	$ 900.00
Office:		
Secretarial, reproduction, drafting, forms, and supplies for reports and maps.	$ 12.00	$ 720.00

Stanford R. Mahoney

6. Lithologic log of entire hole to be prepared as strip log and on lithologic log form as written log.

7. Weekly summary report to be furnished to Metals, Inc.

8. Final project report to be furnished to Metals, Inc. at end of project.

Inasmuch as a continuing and large outlay of funds will be required to set up and maintain my crew, in the event I should be selected, I should like to suggest certain minimum requirements as to payment on the project:

1. Ten percent of the estimated project cost to be advanced upon instructions to proceed to the project.

2. Twenty percent after 15 days from the start of the project, and at 30 days and 45 days.

3. Thirty percent upon completion of the field project and submittal of the final report to Metals, Inc. by my office.

The above suggested schedule can, of course, be modified to some extent by agreement to fit schedules of reimbursement to you from the government or other factors.

The above bid qualifications and the attached Bid Schedule A are submitted subject to withdrawal upon written notice, and otherwise is valid for 90 days from date.

Respectfully submitted

Stanford R. Mahoney

Stanford R. Mahoney

SRM:ne
Encl.

Bid Item	Daily Cost	60 Day Project Cost
Sampling and Assaying:		
Containers, express charges, assaying for uranium only. Average of 3 drill holes per day and 10 samples per hole at $6.00 per sample (this item to be based and billed at actual per sample rate of $6.00, but included herewith on per diem basis).	$ 180.00	$ 10,800.00
Total Daily Estimated Charges	$ 417.00	
60 Day Project Total Costs		$ 25,020.00

To accompany attached Bid Qualifications.

Stanfus R. Mahoney

JOY MANUFACTURING COMPANY
1359 SOUTH SECOND WEST STREET
SALT LAKE CITY 15, UTAH
TELEPHONE 7-1559

EXECUTIVE OFFICES
HENRY W. OLIVER BUILDING
PITTSBURGH 22, PA.

November 30, 1956

Metals, Inc.
670 South State Street
Salt Lake City, Utah

Attention: Mr. Charles S. Merrill

Subject: Contract Core Drilling, Uranium Property in Natrona County, Wyoming

DEC 21 1956

Gentlemen:

With reference to the data submitted by you for proposed core drilling in Wyoming, our Contract Core Drill Division wishes to submit the following quotation:

Price for plugging 4" dry holes, based on 24000' of hole, $1,95. Coring, $6.00 per foot.

It will be necessary for you to furnish and maintain all roads on drill site, core boxes, and water at drills if drilling can not be done with air, or whenever tools become stuck in the hole. Any standby or delay will be charged at the rate of $10.00 per hour.

We will be able to start drilling April, 1957, at your convenience, and will complete work within three months.

I hope the above quotation meets with your approval. For any further information which you require, please feel free to call on us.

Yours truly,

JOY MANUFACTURING COMPANY

Peter B. Petrie

Peter B. Petrie

PBP:kk

WESTERN CONSULTING SERVICE

343 South State Street | 204 State Exchange Building, Salt Lake City 1, Utah | Phone ELgin 9-5563

November 28, 1956

Re: Metals Inc. Acc't.

DEC 21 1956

Mr. Charles S. Merrill, Pres.,
Metals Incorporated,
670 South State Street,
Salt Lake City, Utah.

Dear Mr. Merrill:

In reply to your request for an itemized bid for geological and supervisory services covering proposed exploration drilling on your M.I.A. Group claims, Natrona County, Wyoming, we are pleased to submit the following.

It was deemed advisable to separate the bid into three (3) separate groupings to facilitate probable future adjustments, thus; Group I includes our basic charges for placing an adequate crew in the field with needed equipment; Group II details the additional cost of maintaining living quarters and mess accomodations for our personel, this item being carried separately as it is considered unlikely that an independant camp will be desirable for the sole use of geological and supervisory personel; Group III includes the charge for handling, packaging, freight, and assay charges on samples to be taken, an item which cannot be reduced to a daily charge with present information.

The following estimate is based on the assumption that the contract will involve approximately sixty (60) days time, and the bid is submitted pending a guaranteed thirty (30) days minimum tenure.

In order to complete a contract, we would require that an advance payment be made in the amount of $9,000.00, and an agreement signed requiring that installments of $4,545.00 be paid against the balance at two week (14 day) intervals thereafter. As an alternative, the estimated contract amount, $27,180.00, could be placed in escrow pending our performance.

Respectfully submitted,

Fred N. Earll

Fred N. Earll,
Geologist

FE/bm

WESTERN CONSULTING SERVICE

343 South State Street | 204 State Exchange Building, Salt Lake City 1, Utah | Phone ELgin 9-5563

ESTIMATED CHARGES - MINERALS INC. ACCT.

Group I, (Basic charges):

Crew: Includes Chief geologist-Supervisor, Assistant geologist, and one field helper.	$150.00	
Transportation and eqipment: Includes one general service truck, personal car for Chief geologist, necessary geological and radiometric equipment.	50.00	
Office and miscellaneous: Includes stenographic help, drafting, drafting supplies, and other miscellaneous cost items.	10.00	
Sub-total, Group I	$210.00	$210.00/day

Group II, (Quarters and accomodations):

Crew: Includes one Cook-Camp tender.	$ 25.00	
Equipment: Includes trailer to sleep 4, power generator, fuel, food, and incidental supplies.	35.00	
Sub-total, Group II	$ 60.00	$ 60.00/day

Group III, (Assaying charges):

Charges: Includes handling, packaging, freight, and assay charges, estimated at $6.10/sample.		
*Note: Based on an assumed 3 drillholes or 30 samples per day average, the daily charge would approximate $6.10 X 30	$183.00	
Est. sub-total, Group III	$183.00	$183.00/day

Total daily charge (estimated) ---------- $453.00/day

Total contract charge, based on assumed 60 day tenure-------- $27,180.00

November 27, 1956

Mr. Charles S. Merrill, President
METALS, INC.
670 South State Street
Salt Lake City, Utah

Dear Mr. Merrill:

A geological field examination of the uranium claims recently acquired by Metals, Inc. was made during the period from the 16th through the 24th of November, 1956. for the purpose of evaluating the uranium potential of this property.

The MI group consists of 109 claims, however, in accordance with your instructions the MI-A claims number 1 through 15 were selected as having the best possibilities for uranium production in the near future. Surface mineralization, stratigraphy and favorable structural features were the basis for this selection.

The evaluation of the adjoining claims will be submitted by a separate report.

The attached geologic report includes cost data for the exploration of the MI-A claims.

Respectfully submitted,

Joseph S Merrill

Joseph S. Merrill,
Geological Consultant
45 North Lakeview
Clearfield, Utah

NOVEMBER 1956

GEOLOGIC REPORT - MI-A CLAIMS

WYOMING

METALS, INC.

Joseph S. Merrill
Geologist

November 26, 1956

Mr. Charles S. Merrill, President
METALS, INC.
670 South State Street
Salt Lake City, Utah

Dear Mr. Merrill:

A geological field examination of the uranium claims recently acquired by Metals, Inc. was made during the period from the 16th through the 24th of November , 1956 for the purpose of evaluating the uranium potential of this property.

The MI group consists of 109 claims, however, in accordance with your instructions the MI-A claims number 1 through 15 were selected as having the best possibilities for uranium production in the near future. Surface mineralization, stratigraphy and favorable structural features were the basis for this selection.

The evaluation of the adjoining claims will be submitted by a separate report.

Respectfully submitted,

By

Joseph S. Merrill
Geological Consultant
45 North Lakeview
Clearfield, Utah

Attachments 1. General area map.
2. Proposed Drill Pattern

GEOLOGICAL REPORT

I. GENERAL INFORMATION

The MI-A Claims are located in the East Gas Hills area, in the Ervay Basin of the east central zone of Wyoming, Township 34 North Range 89 West Section 35, Natrona County. Access to this property is by dirt roads from U.S. Highway 26 at Waltman, hence 24 miles to the southwest and 66 miles east from Riverton on the Gas Hills State Highway road. The area is bounded by Cyclone Ridge on the north, the Rattlesnake Mountains on the southeast and the east Gas Hills area on the Southwest.

The main producing uranium mines in the area (as shown in Exhibit A) are (1) Nostrum (Union Carbon and Carbide Company has an option on this property); (2) Two States; (3) Vern Hughes, Veca Pit; (4) Bengal, Inc., Mars Pit; (5) Lucky Mc. (6) Levi Pit; (7) Vitro Chemical and PC Mining. The Globe mining area is located approximately 12 miles to the southwest. The Joe Wents mine is one mile to the north of the MI-A property.

Outlets for uranium ores are the Riverton Buying Station and the Split Rock Mill operated by the Lost Creek Oil and Uranium Company. The construction of the Lucky Mc Mill in the Gas Hills area has been approved.

Mr. W. R. Zeller, AEC geologist who has his office at the Federal Building ~~#27~~ 25, Denver, Colorado, considers this area as very favorable for the deposition of uranium.

The Cyclone Ridge is truncated on the north by a major escarpment which terminates in the Ervay Basin. The claim area consists for the most part of rolling hills scored by gullies and ravines. The general erosion pattern is to the southwest; however, Deer Creek which traverses the claims flows to the northwest. The claims, in general, are quite accessible; however, roads and leveling will be required to permit ingress and egress of drilling equipment.

A good campsite is located on flat ground in the center of MI-A Claim No. 13. Water could be made available by drilling a shallow well in the creek bed adjoining the campsite. A power line terminates about one mile and a half to the east at the Hilliman Taschum Camp. A natural gas pipeline is located 100 yards north of the proposed campsite. The area is fairly isolated and the Nostrum's Gas Hills camp is located approximately ten miles to the southwest.

The elevation of the MI-A Claims is 6,900 feet. Moisture during summer months is negligible, and light-to-moderate winds usually prevail throughout the seasons. The area is workable approximately eight months of the year; however, the winters are extremely severe with low temperatures, deep snows with accompanying blizzards. During winter months, December through March, vehicular travel over the unimproved roads is hazardous, as many of the small draws are filled by drifting snow.

STRUCTURE

The two most prominent structural features involve the Eocene rocks with a major normal fault located 3/4 of a mile northeast of the property. Another fault escarpment truncates the southern portion of the claims. This fault has placed dark brown, coarse, highly-limonited sandstones laterally against the yellowish sands which are believed to be much older in age. These two major faults are positioned in an east west pattern. Numerous minor fractures and transverse faults occur in a north south trend between the two major escarpments. The formations strike in a northwest southeast direction and generally dip 17 degrees to the southwest until interrupted by a structural feature at Deer Creek. The excavation on MI-A Claim No. 8 shows numerous lenticular sandstone beds folded into a dome-like shape.

STRATIGRAPHY AND LITHOLOGY

The Windriver formation of lower Eocene age is exposed on the MI-A Claims Nos. 1 through 9. These rocks are yellowish brown arkosic sandstones, dominantly coarse grained, granulitic, poorly sorted sub-angular grains of white, green, and blue quartz; white to greenish micas, hornblende and microcline. This sandstone is ferruginous with crossbedding and contains considerable limonite staining. The beds overlay a light gray fine grained sandstone of lower Eocene age.

The lithology and stratigraphic positioning of these rocks are identical to the formations overlying the Nostrum uranium ore bodies. Flood channels consisting of andesite and quartz boulders from 0.3 to 1.5 feet in diameter trend across the claims in a southwesterly direction. The unexposed portions are covered with a pediment veneer of terrace gravels, silts and sands. Green and gray tuffaceous claystones are exposed on the southern portion of Claims Nos. 14 and 15. These rocks are considered to be upper Eocene in age. Volcanic ash from the Rattlesnake Mountains is mixed with the terrace gravels in this area.

MINERALIZATION

The MI-A Claims are located in the mineralized trend one mile southwest of the Joe Wentz Uranium Mine which was recently opened. The uranium mineralization is primary in nature and is disseminated in a blue gray mudstone. Ilmenite banding is frequently exposed in the upper arkosic caprock. Mr. Wentz stated that chemical and spectrographic analyses have disclosed the presence of 3 to 5% selenium and other rare earths of the cerium group in the uranium ore at the mine. The stratigraphy of the Wentz mine (middle to upper Windriver) is identical to the geology on the MI-A Claims.

The yellowish sandstones which are exposed on Claim No. 8 contain ilmenite in banded and concretionary forms. Limonite staining in the folded sandstone lenses is very prominent. Some of the sands contain a pinkish cast mineral which is believed to be selenium. The radiometric readings on Claim No. 8 are three to four times the normal background count.

RECOMMENDATIONS

On the basis of factual data collected by field investigation, the underground exploration of the MI-A, 1 through 15 claims is trongly recommended in view of the following information: The surface indications, lithology, positioning of the strata, and the controls are indentical to the overlying rock of a number of ore bodies in the Gas Hills area. Mineralized channels are exposed in the Wenta mine approximately one mile to the northeast. The same type of faulting, folding and surface mineralization as is found above other ore bodies is exposed on Claim No. 8 which is calculated to be on the center line of the mineralized belt or channel trend.

It is recommended that drilling, especially in the mineralized zone, be followed as outlined in the attached proposed drilling map.

It is believed that there is a very good possibility of discovering large uranium ore reserves in this area.

Joseph S Merrill

Joseph S. Merrill
Geologist

Knowse

Docket file

Project Summary Report

By: Michael Ching December 18, 1958

1. Docket No. DMEA-4577 (Uranium and Selenium)
Contract No. Idm-E1091

Operator - Metals, Inc.
680 ~~670~~ South State Street
Salt Lake City, Utah

Property - 15 unpatented lode mining claims, Skyline 1-15, situated in sec. 35, T. 34 N., R. 89 W., 6th P. M. & B., Natrona County, Wyoming

Operator's Property Rights - Owner

2. Contract (Long Form) dated May 29, 1957

Final starting date - July 25, 1957
Actual starting date - July 25, 1957
Contract completion date - November 30, 1957
Termination Agreement - dated May 14, 1958. Effective October 1, 1957

Work Authorized -

Test the upper Wind River formation of Eocene age for uranium and selenium by non-core drilling in two stages as follows:

Stage I (approx. 85 holes)

15,500 ft. non-core drilling @ $0.87/ft.	$13,485.00	
24 hrs. standby time @ $10/hr.	240.00	
24 hrs. bulldozing @ $12.50/hr.	300.00	
15,500 ft. @ $0.18/ft. inc.al.	2,790.00	
100 U_3O_8 analyses @ $3.50 each	350.00	
50 selenium analyses @ $10 each	500.00	$17,665.00

Stage II (see following page)

Stage II (Max. 68 holes)

12,200 ft. non-core drilling @ $0.87/ft.	$10,614.00	
20 hrs. standby time @ $10/hr.	200.00	
16 hrs. bulldozing @ $12.50/hr.	200.00	
12,200 ft. @ $0.18/ft. incidental allowance	2,196.00	
102 U_3O_8 analyses @ $3.50 each	357.00	
59 selenium analyses @ $10 each	500.00	$14,067.00

Estimated total cost of the project	$31,732.00
Government participation @ 75%	$23,799.00

Amendments -

No. 1 - dated August 28, 1957. Extends the final starting date from June 6 to July 25, 1957.

Work Completed - Work was confined to Stage I

Stage I (50 holes)

7,337 ft. non-core drilling @ $0.87/ft.	$6,383.19	
24 hrs. bulldozing @ $12.50/hr.	300.00	
6 hrs. standby time @ $10/hr.	60.00	
7,337 ft. @ $0.18/ft. incidental allowance	1,320.00	

Total cost of the project	$8,063.85
Disallowance for failure to submit final report	666.67
Net cost of the project	$7,397.18
Government participation @ 75%	$5,547.89

Final Reports Received -

Operator - None submitted.
Field Team - dated October 13, 1958, received October 20, 1958.

3. Auditor's Report of Review, dated December 9, 1958.

Total cost as billed by Operator	$8,993.32
Exceptions	1,596.14
Total accepted cost	$7,397.18
Government participation @ 75%	$5,547.89

4. Certification of discovery -

Regular certification was not justified, but the Termination Agreement, dated May 14, 1958, provided for a pseudo certification.

5. Results and Comments -

On the subject property the upper coarse-grained facies of the Wind River formation constitutes the target horizon. The lower facies is not present. The upper facies was found to range in thickness from 75 to 250 feet.

50 holes were completed in accordance with contract specifications, with rotary drill rigs. Water was used in drilling all holes. The Operator failed to complete 28 holes because of caving, unconsolidated ground. Arkosic sandstone, with some interfingering mud and claystone layers, was encountered in all holes. No ore-grade material was encountered in any of the holes. One hole had one foot of .06% eU_3O_8 material. All other holes showed less than .04% eU_3O_8. No selenium was noted in any of the drill hole samples.

The drillers evidently encountered considerable difficulty in getting the holes down. The Operator claimed that it could not keep a drilling contractor on the job because of the excessive costs. However, sufficient work was completed to enable the Government to make an unfavorable appraisal of the property. On the basis of the work completed, a certification of discovery was not justified, but a Termination Agreement with a pseudo certification was signed with the Operator after the latter was able to complete only 50 of the 85 holes authorized under Stage I.

The Operator failed to prosecute the work steadfastly and, when in default, failed to respond to the Government's efforts to have the authorized Stage I work completed. Furthermore, despite repeated efforts of the Field Team to secure a final report on the project, none was forthcoming.

Michael Ching

Michael Ching

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

C

WORK COMPLETED ANALYSIS

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

Operator **Metals, Inc.**		Actual Cost	X
State **Wyoming**		Agreed Unit Cost	
Final Report of Audit	Commodity **Uranium and selenium**	Docket No. **DMEA-4577**	
Final Report of Review		Contract No. **Idm-E1091**	

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) D.D. Non-core	27,900'	$ 29,525.00	7,337	$ 7,097.18	$ 7,097.18
Surface Excavation					
Underground Excavation					
Roads and Trails		500.00		300.00	300.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Analyses		1707.00		—	—
Totals		$ 31,732.00		$ 7,397.18	* $ 7,397.18

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

Complete
(~~Incomplete~~)

Prepared by Michael Ching Date ~~11-13-58~~ 12-17-58

31398

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/4/67		110
		220

August 4, 1967

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Core drilling of the property under the subject contract did not result in a mineral discovery. The Operator failed to complete Stage I of the project; therefore, the contract was terminated with a Royalty Agreement to protect the Government's interest. The period for repayment of the Government's contribution to exploration costs expired May 29, 1967.

The Operator relinquished control of the property to the former owners of the property, Mr. and Mrs. Joe Wentz of Lander, Wyoming. Metals, Inc., lost its charter on March 31, 1960, for failure to pay the State corporate tax. Periodic reports indicated no production from the property. Our last inquiry to the owners was returned by the Post Office in Lander, Wyoming, with the notation "Moved left no address."

A check with the AEC indicated only minor production in October 1958 and July 1959. A previous investigation indicated that the October 1958 production was from property one mile north of the land subordinated to the Government and not subject to the Government's royalty. The shipment in July 1959 was too low in grade for payment to be made on the uranium content, hence, no royalty was due the Government.

Under the circumstances, the file and records on this case are considered closed.

Frank E. Johnson

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
Branch of Budget and Fin.
OME Docket
OME Reading File
OME Region III
120M

FEJohnson/gla 8-4-67

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

INITIAL	CODE
gla	120 m
	110
	120 m
	220

August 1, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA-4577 (Uranium and Selinium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Transmitted herewith are two copies of a letter on the production of the above-mentioned subject.

J. William Hasler
mc

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

Enclosures

9604

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OFFICE
GRAND JUNCTION, COLORADO 81501

IN REPLY REFER TO: MP:ASJT

July 28, 1967

OME Region III
RECEIVED
JUL 31 1967
Denver, Colorado

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

Subject: DMEA-4577 (Uranium and Selinium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Dear Bill:

As requested by your letter of July 21, 1967, we have checked the production records, and we find that the only production shown for the above Skyline claims was in October 1958, amounting to 192.90 tons 1 at 0.16% U_3O_8, containing 617.26 pounds of U_3O_8, shipped to the Western Nuclear mill at Split Rock by Northwestern Oil and Mining Co., and in July 1959, Joe Wentz shipped 54 tons 2 of 0.03% U_3O_8 material from the Skyline No. 6.

Very truly yours,

Don R. Hill, Director
Mining Division

8/2/67

1 3/30/59 - Region III reported inspection indicated no production from subject claims and that production of 192.90 tons was from land, now held outside of property, therefore, not subject to Government royalty.

2 Shipment too low in grade for payment. No royalty due.

Office of Minerals Exploration

July 21, 1967

Mr. Don R. Hill, Director
Mining Division - Atomic Energy Commission
Grand Junction Office
Grand Junction, Colorado 81501

Subject: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Dear Don:

We have been informed by our Washington office that on May 31, 1962, the Office of the Secretary of State, State of Utah, informed the Office of Minerals Exploration that Metals, Inc., had been suspended as of March 31, 1960. Work done under the contract found no ore-grade material and the contract was terminated by a pseudo certification because the work provided for was not completed. In 1964, Mrs. Wentz informed us that there was no AEC allotment for the property.

We would be appreciative if you will inform us of any production that might have come from the Skyline claims.

Sincerely yours,

J. William Hasler

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

cc: Chief (2)
Hasler chron
OME chron
AEC production figures
E1091

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/5	Selfridge	130
10/6	Johnson	110
		220

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

OCT 6 1965

Subject: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-21091

Enclosed is a copy of MME Form 63 sent to Mr. and Mrs. Joe Wentz, which was returned to us marked "Moved left no address."

On May 31, 1962, the Office of the Secretary of State, State of Utah, informed us that Metals, Inc., had been suspended as of March 31, 1960. Work done under the contract found no ore-grade material and the contract was terminated by a pseudo certification because the work provided for was not completed. In 1964, Mrs. Wentz informed us that there was no AEC allotment for the property. In the circumstances, the case is referred to you to add to the list of those previously sent for which no further MME Forms 63 would be mailed. The case will be closed by us on May 29, 1967. In the meantime, should anyone be in the immediate area they might check up on the Skyline Claims to see if there has been any activity there. Results of the DMEA work do not warrant a special trip.

(Signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosure

GCSelfridge/gla (10-5-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)
120M

23263

4577

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☒ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*

C55—16—71548-5—F GPO

Docket DMEA-4577

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 23 1963
DATE
Glen Murphy 500
230

September 10, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4577 (Uranium and Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline Claims)
Natrona County, Wyoming

Attached is the original Report of Royalty Review dated September 5, 1963 on the subject property covering the period June 18, 1959, through August 23, 1963.

Original signed by

Hugh M. Connors

Attachment

cc: Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E1091
Chron

HMC/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/5	[illegible]	220

SEP 5 1963

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

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

(a) Original to the Fiscal Section, Division of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington 25, D. C.; and
(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 9-5-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 2 1963

DATE		
7/8		
JUN 25 1963		800
	Murphy	500
		200

Mr. Lou K. Musser, County Clerk
Office of County Clerk
Natrona County, Wyoming

Re: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Dear Mr. Musser:

If available, will you kindly send us the mailing addresses of Mr. and Mrs. Joe Wentz, Charles T. Burgess, and R. M. Railsback, who were principals in a $50,000.00 Mortgage, dated February 17, 1960, which included Skyline Nos. 1 through 15 lode mining claims.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

JUL 2 - 1963

Last known address on Joe Wentz is Box 902
Riverton, Wyo.

LOU K. MUSSER
County Clerk
P. O. Box 863
CASPER, WYOMING

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

OFFICIAL BUSINESS

Office of Minerals Exploration
Washington 25, D. C.

Remail - 4/16/63
Registered Mail
Return receipt requested

POSTAGE AND FEES PAID
DEPARTMENT OF THE INTERIOR

Mailed March 26, 1963

Unclaimed
Refused
Address unknown
Insufficient Address
No such street number
No such office in state
Do not re-mail in this envelope

CASPER,
APR 1,
12 30 PM
1963
WYO.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/24	on leave	500
6/25	Talbot	800
	Selfridge	520
6/25	J. Brown	110
	[illegible]	100
		220

JUN 25 1963

Mr. Lou K. Musser, County Clerk
Office of County Clerk
Natrona County, Wyoming

Re: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Dear Mr. Musser:

If available, will you kindly send us the mailing addresses of Mr. and Mrs. Joe Wentz, Charles T. Burgess, and R. M. Railsback, who were principals in a $50,000.00 Mortgage, dated February 17, 1960, which included Skyline Nos. 1 through 15 lode mining claims.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

FMMurphy/mm
6/24/63
cc: Director's ReadingFile
Region III (2)
✓Docket
Code 500

43683

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

Re: DMEA-6577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract I6m-E1091

Mr. and Mrs. Joe Wentz

Casper, Wyoming

Dear Mr. and Mrs. Wentz:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since July 2, 1959, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since July 2, 1959, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	_____ Tons	_____	_____
Concentrates	_____ Tons	_____	_____
Other	_____ Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

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

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 21 1963

DATE	INITIALS	CODE
3/21	[illegible]	800
	[illegible]	500

MAR 12 1963

County Recorder
Natrona County Clerk's Office
Casper, Wyoming

Re: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Dear Sir:

Will you kindly inform this office the present status of Skyline Nos. 1 through 15 lode mining claims, located by Helen F. Wentz and recorded in Book 49 at page 451 and in Book 48 at page 522 et. seg., on September 5, 1956, at your office.

Also, if possible, will you kindly give us the name and address of the present owner. The claims were quit-claimed to Metals, Inc. prior to May 29, 1957, the date the referenced exploration contract with the Government was executed. Our records indicate that Metals, Inc. has been dissolved.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

On July 2, 1959 Helen F. Wentz located (or re-located) 36 Claims for Uranium, Thorium and other fissionable materials plus Vanadium, Manganese and other non-fissionable associated minerals in Section 35, Twp. 34, R. 89 in Natrona County, Wyoming. These claims are called Skyline Nos. 1 thru 36.

On February 17, 1960 Skyline Nos. 1 through 36 were included in a $50,000.00 Mortgage from Joe Wentz and Helen F. Wentz to Charles T. Burgess & R. M. Railsback, mortgagees. This mortgage is still open.

The Annual Assessment work on said claims was recorded for the years 1960, 1961 and 1962 by Joe Wentz, husband of Helen F. Wentz.

OFFICE OF COUNTY CLERK
Natrona County, Wyoming

By: Lou K. Musser
Lou K. Musser, County Clerk

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/12	Murphy	500
3/12	Tolfrit	800
	Selfridge	120
3/12	Johnson	110
3/12	Farrell	100
		220

MAR 12 1963

County Recorder
Natrona County Clerk's Office
Casper, Wyoming

Re: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E109%

Dear Sir:

Will you kindly inform this office the present status of Skyline Nos. 1 through 15 lode mining claims, located by Helen F. Wentz and recorded in Book 49 at page 451 and in Book 48 at page 522 et. seq., on September 5, 1956, at your office.

Also, if possible, will you kindly give us the name and address of the present owner. The claims were quit-claimed to Metals, Inc. prior to May 29, 1957, the date the referenced exploration contract with the Government was executed. Our records indicate that Metals, Inc. has been dissolved.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

FMMurphy/mm
3/12/63
cc: Director's Reading File
Region III (2)
Docket
Code 500

8623

Re: DM&A-4577

I find nothing in file to indicate that Wentz "are now in possession". Apparently, the claims were quit-claimed to Ops. for stock in 1956, but I find nothing to indicate reversion after Ops. became defunct.

I suggest writing Natrona County Recorder for information as to present owner and then attempting to assert our lien.

Talbot
6/11/62

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/9	Murphy	500
	Fumich	500
6/11	Talbot	800
6/11	Selbridge	120
6/11	On leave	110
6/11	Fumich	100
		220
		500

JUN 1 1 1962

Mr. and Mrs. Joe Wentz

Casper, Wyoming

Re: DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Dear Mr. and Mrs. Wentz:

We have been advised that you are now in possession of the Skyline Nos. 1 through 18 claims which were explored under the subject contract.

Enclosed is a self-explanatory letter, dated December 30, 1958, to Metals, Inc., stating the Government's rights to royalty on production from the above-named claims. Also enclosed is a copy of the form on which the contract was written. Please refer to Items (e), (f), (g), and (h) of Article 8 of the contract form (marked in red) in regard to the regulations covering payments of the Government's percentage royalty.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

FMMurphy/gla
6-9-62
cc to: Director's Reading File
Contract Division
Region III (2) w/cy letr. 5/31/62 from Secy. State of Utah
Docket
Code 500

43683

STATE OF UTAH

OFFICE OF THE SECRETARY OF STATE

SALT LAKE CITY

LAMONT F. TORONTO
SECRETARY OF STATE
WENDELL L. COTTRELL
DEPUTY SECRETARY OF STATE

May 31, 1962

4577

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 5 1962

DATE	INITIALS	CODE
6/5	[illegible]	800
		120
~~6/6~~	~~Murphy~~	~~500~~
		220

Re: METALS, INC.

In reply to your recent letter relative to the above company, our records show that the charter has been suspended for non-payment of corporate tax.

Date of suspension: 3-31-60

Very truly yours,

LAMONT F. TORONTO,
SECRETARY OF STATE

By A. Atkinson
Clerk

aa

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/25	Murphy	500
	Murphy	500
5/25	Talbert	800
5/25	[illegible]	120
5/25	Orlean	110
5/25	Orlean	100
5/27	Coe	220
		500

pm

MAY 2 5 1962

Secretary of State
State of Utah Capital Building
Salt Lake City, Utah

Re: DMEA-4577 (Uranium-Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming
Contract Idm-E1091

Dear Mr. Secretary:

Will you please advise the present status of Metals, Inc., as shown by your records. If the corporation is defunct, will you please advise the date the corporation was dissolved.

Sincerely yours,

George G. Selfridge

ACTING Director

(2/2)

FMMurphy/gla
5-25-62
cc to: Director's Reading File
Region III (2)
Docket

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 8 1960

DATE	INITIALS	
3-7	gad	VVO
3/7	[illegible]	800
~~[illegible]~~		~~500~~
		225

Building 20 - Federal Center
Denver 25, Colorado

March 2, 1960

Secretary of State
State of Utah Capitol Building
Salt Lake City, Utah

Re: Docket No. DMEA-4577 (Uranium-Selenium)
Contract No. Idm-E1091
Metals, Inc. (Skyline claims)
Natrona County, Wyoming

Dear Mr. Secretary:

Will you please advise the present status of Metals, Inc., as shown by your records. If the corporation is defunct, will you please advise the date the corporation was dissolved.

Very truly yours,

Original signed by

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

HMC/ms

cc: Chmn. Op. Comm. (2)
Royalty corres E1091
Chron

See letter 3/12/60 [illegible]
[illegible] copy
[illegible]

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 26 1960

DATE	INITIALS	CODE
2-26	gad	220
2/26	[illegible]	800
	Murphy	500
		225

Building 20 - Federal Center
Denver 25, Colorado

February 23, 1960

Mr. Charles S. Merrill
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract No. Idm-E1091
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

In reference to advice in your letter of February 15, 1960, your attention is directed to the provisions of Article II(d) of form MP-300 (Revised June 1954), on which contract No. Idm-E1091 is prepared, which is quoted in part as follows:

> "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."

The royalty payment provision under item 4 of the Termination Agreement dated April 14, 1958 is in lieu of certification. Therefore, the above quoted provision of the contract is effective.

We will appreciate receiving two true copies of the instrument whereby Metals, Inc. relinquished control of the property subordinated under the contract, which was acquired by Metals, Inc. from Helen F. Weets by Quick-Claim Deed dated November 13, 1956.

Very truly yours,

Original signed

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

JWT:mjs
cc: Chmn. Op. Comm (2) w/cy ltr Feb 15, 1960
Royalty Corres E1091
Suspense
Chron

February 15, 1960

United States Department of the Interior
Office of Minerals Exploration
Building 20-- Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract No. Idm-E1091
(Skyline claims)
Natrona County, Wyoming

Gentleman:

Please be notified that the Skyline Claims in Natrona County, Wyoming, are no longer in control of Metals Inc. No shipments of ~~oar~~ ORE were made nor stock piled.

Metals Inc. is now defunct.

Very truly yours,

Charles S. Merrill

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 26 1960

DATE	INITIALS	CODE

OME
DEPARTMENT OF THE INTERIOR
FEB 1 5 1960
REGION III
DENVER, COLORADO

LAMONT F. TORONTO
SECRETARY OF STATE
WENDELL L. COTTRELL
DEPUTY SECRETARY OF STATE

STATE OF UTAH

OFFICE OF THE SECRETARY OF STATE
SALT LAKE CITY

DMEA 4577

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March 10, 1960

Idm-E1091

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

Attention: J. W. Townsend, Executive Officer, OME

Dear Mr. Townsend:

With reference to your letter of March 2 1960, please be advised that the METALS, INC., is at the present time in Good Standing.

Sincerely yours,

LAMONT F. TORONTO
SECRETARY OF STATE

By [signature]
Clerk

11j

2 copies to Chairman
3-17-60

OME
DEPARTMENT OF THE INTERIOR
MAR 11

Metals, Inc.

Lake Hills

Thru The Years Quality Costs No More

HMC
Roy
10 ors.

Executive Offices
680 South State Street
Salt Lake City 2, Utah

Metals, Inc.

DMEA-4577

February 26, 1960

E 1091
Pseudo-certification by item 4 of Termination Agreement
No commercial ore discovered by the drilling completed. Fagan

United States
Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Dear Mr. Townsend:

Metals Inc., at no time transfered any title or claim to any person. The claims were secured from Mr. and Mrs. Joe Wentz, who became stock holders in Metals Inc. As Metals Inc., is now defunct, we suppose, no yearly assements work has been done on the claims. ← not so Fagan

OFFICIAL FILE COPY
O. M. E.
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3/4	Mr. Murphy	500
		225

Chairman

Very truly yours,

Charles S. Merrill

OME
DEPARTMENT OF THE INTERIOR
FEB 29 1960
REGION III
DENVER, COLORADO

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"	~~Murphy~~	~~500~~
		225

Building 20 - Federal Center
Denver 25, Colorado
February 9, 1960

Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract No. Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Gentlemen:

Will you please advise if the captioned property has been subleased or any changes made in ownership other than this office has been notified. If yes, please furnish details of the transaction and include a true or signed copy of any instrument that was executed in conjunction with the matter.

Has there been any production from the land subordinated under the referenced contract since January 1, 1959? If yes, and shipments made, who was the purchaser?

Has any ore been stockpiled? If yes, please advise the estimated tonnage and grade.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E1091
Chron.

MME Form 7
(10-58)

OFFICIAL FILE COPY

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JUL 2 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-4577 (Uranium & Selenium)
Metals Inc.
Contract No. Idm-E1091

My June 23 memorandum returned your Report of Royalty Review on the subject contract for either revision or explanation. Your memorandum received yesterday gives the explanation. Accordingly, your report is acceptable and regional distribution is authorized.

EDTalbert/ama
July 2, 1959

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

43683

EXTRA COPY O. M. E. RECEIVED JUL 1 1959		
DATE	INITIALS	CODE
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		225

224 New Customhouse
Denver 2, Colorado

Memorandum

TO: E. D. Talbert, Acting Chief
Contract Administration & Audit Division

From: Donald T. Finch, OME Auditor, Region III

Subject: Docket No. DMEA 4577 (Uranium-Selenium) Metals, Inc.
Contract No. Idm-E1091

Reference is made to your memorandum dated June 23, 1959, which returned Report of Royalty Review for either revision or explanation as may be indicated after further consideration.

As I understand your memorandum, you returned this report of royalty review because the Washington files indicated possible shipment of 192.9 tons of production containing 617.26 lbs. U_3O_8 based on letter of Mr. Milton H. Marshall dated March 2, 1959.

Enclosed is a photo copy of Mr. Marshall's "Statement in Lieu of Semi-Annual Report" dated March 30, 1959. You will note this report showed the property was inspected March 26, 1959, and that production indicated in Mr. Marshall's previous letter was from a property about 1 mile north of the DMEA subordinated land.

In view of the foregoing, I am at a loss relative to revision of the Report of Royalty Review for this project dated June 17, 1959, and am returning it to your office for further instructions.

Donald T. Finch

Donald T. Finch

Enclosure

DTF:ltm

cc: Subject

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/23	G	220
		700

JUN 23 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-4577 (Uranium and Selenium)
Metals, Inc.
Contract No. Idm-E1091

Your Report of Royalty Review on the subject contract is returned herewith for either revision or explanation as may be indicated after further consideration.

Although you state that no ore has been shipped since May 29, 1957, copies of correspondence in the Washington files indicate the possibility that 192.9 tons of production containing 617.26 lb. U_3O_8 was shipped by Northwestern Oil and Mining Company, P. O. Box 164, Sheridan, Wyoming, during October 1958 from the Skyline claim to Western Nuclear mill under License No. P-3894 (as reported in Milton H. Marshall's March 2, 1959, memorandum to the Executive Officer, OME Field Team, Region III).

Enclosures

EDTalbert/ama
June 22, 1959

Copy to: Docket
Director's Reading File
Code 800

See item 2 on 9/1/56 - 12/30/56
Semi-Annual Report Series 9/5/63

43683

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O. M. E.
RECEIVED MAR 16 1959

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224 New Customhouse
Denver 2, Colorado

March 12, 1959

Memorandum

To: Milton H. Marshall

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4577 (Uranium-Selenium), Contract No. Idm-E1091, Skyline Claims, Natrona County, Wyoming

Metals, Inc.

Attached is a copy of a letter from Charles S. Merrill dated March 10, 1959, which is in reply to our letter to him dated March 10, 1959.

It is entirely possible that the "Skyline" claim with the reported AEC production is not a claim subordinated under the subject contract. Further investigation by you at the Western Nuclear Mill and the AEC Office in Casper may reveal the true location of the "Skyline" claim in question. The property should be accessible in another month or six weeks and your semiannual report on this property should be delayed until the source of the mentioned production is checked out.

Original signed by
J. W. TOWNSEND

Enclosure

J. W. Townsend

HMC/ff

cc: Chmn. Op. Comm. (2))
Harshman) w/ copy of Merrill's letter of 3/10/59
Royalty file E1091)
Chron.

224 New Customhouse
Denver 2, Colorado

March 3, 1959

FILE COPY
DATE 1959
3/5

CERTIFIED MAIL

Mr. Charles S. Merrill, President
Metals, Inc.
28 East Seventh South
Salt Lake City, Utah

Re: Docket No. [illegible]-4377 (Uranium and selenium), Contract No. Idm-E1091, Skyline Claims Natrona County, Wyoming

Dear Mr. Merrill:

The Casper office of the AEC reports that 192.9 tons of ore were shipped from the "Skyline" claim during October 1958 by the Northwestern Oil and Mining Company.

Was this shipment from the "Skyline" claims in the captioned contract? Please advise if there has been any change in the ownership of the land subordinated to the Government in Contract No. Idm-E1091. If so, in accordance with the last paragraph of the Administrator's letter to you dated December 30, 1958, you are requested to notify this office of any change in ownership of production rights that might have any effect on the Government's right to its percentage royalty.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer
[illegible] Field Team, Region III

HMC/ff

cc: Chairman, Op. Comm. (2)
Harshman
Marshall
royalty file E1091
chron.
} w/ copy of Marshall's memorandum of 3/2/59

OME
DEPARTMENT OF THE INTERIOR
MAR 3 - 1959
REGION III
DENVER, COLORADO

March 2, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Milton H. Marshall

Subject: Docket No. DMEA 4577 (Uranium-Selenium) Contract Idm-E1091, (Skyline claims) Natrona County, Wyoming

Mr. M. Clifford Smith, Assistant Chief, Casper Office, AEC, reports that 192.9 tons of production containing 617.26 lb. U_3O_8 was shipped by Northwestern Oil and Mining Company, P. O. Box 164, Sheridan, Wyoming during October 1958, from the "Skyline" claim to Western Nuclear mill under License No. P-3894. Mr. Smith was unable to say if the Skyline claim is one of the claims subordinated to the Government under Contract Idm-E1091.

The only road I knew of affording access to the property was blocked by snow drifts ranging from 2 to 8 feet in depth, so I was unable to verify the report by visual inspection.

Please advise if preparation of the semi-annual report should be delayed until the source of the mentioned production is checked out.

Milton H. Marshall
Milton H. Marshall
Mining Engineer

MHM-mw

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	
12/19/58	Ching	700
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	On leave	~~140~~
		~~100~~
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12/30 Berol (
12/30 Sel (130)

Mr. Charles S. Merrill, President
Metals, Inc.
28 East Seventh South
Salt Lake City, Utah

DEC 30 1958

INTERIOR DEPT.
RECEIVED
DEC 19 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

DEC 22 1958

SOLICITOR

Re: Docket No. DMEA-4577 (Uranium and selenium)
Contract No. Idm-E1091
Skyline Claims
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to the subject contract which was terminated by mutual agreement on May 14, 1958.

By the terms of the Exploration Project Contract, as amended, and the Termination Agreement, all production of minerals from the land described in the contract, from May 29, 1957, is subject to the Government's percentage royalty as set forth in the contract until the sum of $5,547.89 is paid, or until May 29, 1967, whichever occurs first.

Payments should be made to the Executive Officer, OME Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Office of Minerals Exploration, which is the successor to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from production are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Executive Officer of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Your attention is especially called to Article 2 (d) of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also, if production is not made for an extended period, please notify the Executive Officer at six-month intervals that no production has been made, when that is the case.

MChing/gla 12-19-58
cc to: Director, Reading File
Fra[redacted] Johnson
Fra[redacted]mb, Rm. 3608
T. [redacted]gaard, 5224
Mr. [redacted]

Sincerely yours,

George C. Selfridge

Acting Director (2/8)

Operating Comm.
Contract Adm. & Audit
OME Field Team, Region III
Mr. Self[redacted]

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
December 16, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 22 1958

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Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region III

Subject: Docket No. DMEA 4577 (Uranium-Selenium) Contract No. Idm-E1091, Metals, Inc., (Skyline claims) Natrona County, Wyoming - FINAL SUMMARY REPORT

The original and two copies of the Joint Final Engineering and Geologic Report, by W. N. Sharp, Geologist, Geological Survey, and W. W. Winkel, Mining Engineer, Bureau of Mines, was forwarded by our memorandum of October 15, 1958.

The Operator has failed to render its final report as required under Article 7(c) of the contract, therefore the amount withheld from reimbursement to the Operator in processing its final voucher for September, 1957 has been disallowed in accordance with your instructions by letter of November 7, 1958.

The contract was terminated effective October 1, 1957, by a Termination Agreement dated May 14, 1958.

Exploration work completed consisted of the drilling of 50 holes, aggregating 7737 feet of non-core drilling. Work or services incident to the drilling consisted of 24 hours bulldozing, six hours drill crew stand-by time, and incidental allowance for 7737 feet of drilling; all at a total accepted cost of $7397.18, toward which the Government contributed 75 percent, or $5747.89.

Item 4 of the Termination Agreement provides for payment to the Government of royalties on production from the property in the same manner and for the same period as if a Certification of Discovery or Development had been issued, such certification being waived.

FINAL F.T. SUMMARY

By J. W. Townsend
J. W. Townsend

By E. N. Harshman
E. N. Harshman

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
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4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado
October 16, 1958

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Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMEA 4577 (Uranium and Selenium) Contract Idm-E1091, Metals Inc., (Skyline claims) Natrona County, Wyoming

Reference is made to our memorandum dated October 15, 1958, whereby we forwarded the joint final engineering and geologic report by the OME field examiners.

Our memorandum states that certification of the contract is not recommended; however, in reviewing the matter we find that the Termination Agreement contains a pseudo certification.

E. N. Harshman

E. N. Harshman

FINAL
F.T. REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~BUREAU OF MINES~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 15, 1958

Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMEA 4577 (Uranium and Selenium), Contract No. Idm-E1091, Metals, Inc. (Skyline claims), Natrona County, Wyoming

Enclosed are the original and two copies of a Joint Final Engineering and Geologic Report, dated October 13, 1958, by W. N. Sharp, Geologist, Geological Survey, and W. W. Winkel, Mining Engineer, Bureau of Mines, pertaining to work completed under the subject contract.

The Field Team Final Summary Report will be forwarded to you when all matters prerequisite to closing the account have been resolved. The Operator's final report has not as yet been received in this office.

The field examiners state that the DMEA project work did not result in the discovery of a significant quantity of uranium and/or selenium ore; therefore, certification of the project as a discovery or development is not recommended.

E. N. Harshman

E. N. Harshman

Enclosures

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O. M. E.
RECEIVED OCT 20 1958

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Reviewed by
OME OPERATING COMMITTEE
10-24-58
(date)

Also see F.T. Memo dated 10/16/58.

OME
DEPARTMENT OF THE INTERIOR
OCT 14 1958
REGION III
DENVER, COLORADO

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

OFFICE OF MINERALS EXPLORATION

JOINT FINAL REPORT BY EXAMINING TEAM
REGION III

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1958

DATE	INITIALS	CODE
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DMEA 4577

Contract Idm-E 1091

Metals, Inc.

Skyline claims

Natrona County, Wyoming

Uranium and selenium

Joint Final Engineering and Geologic Report

by

W. N. Sharp, Geologist
Geological Survey

W. W. Winkel, Mining Engineer
Bureau of Mines

October 13, 1958

Reviewed by
OME OPERATING COMMITTEE
10-24-58
(date)

CONTENTS

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Introduction and summary..... 1

Location, accessibility, and physical features..... 2

Property..... 3

History and production..... 5

Geology..... 5

The Skyline claims..... 7

Ore reserves..... 9

The project..... 9

Original program and modifications..... 9

Description of work completed..... 11

Summary of factual data..... 13

Conclusions..... 14

ILLUSTRATIONS

Figure — Follows page

1. Location map, Metals, Incorporated, Skyline claims, Natrona County, Wyoming. DMEA 4577, Contract No. Idm-E 1091..... 2

2. Geologic map of part of East Gas Hills district, Wyoming, showing location of Skyline claims and other properties.....14

3. Map of Skyline claims, Natrona Co., Wyoming showing location of DMEA drill holes.....14

DMEA 4577

CONTRACT Idm-E 1091

METALS, INC.
SKYLINE CLAIMS
NATRONA COUNTY, WYOMING

INTRODUCTION AND SUMMARY

Metals, Inc., a Utah corporation, 670 South State Street, Salt Lake City, Utah, applied to the Defense Minerals Exploration Administration for assistance in exploring the upper Wind River formation on 15 unpatented lode mining claims for uranium, selenium, and rare earths. Those claims labeled MI-A Nos. 1 through 15 in the application, and recorded and shown in the contract as the Skyline Nos. 1 through 15 are in the eastern Gas Hills district, Natrona County, Wyoming (fig. 1). In the original application, the applicant proposed drilling 30,000 feet of non-core holes at an estimated cost of $67,741. This was later revised to 24,700 feet of non-core drilling in 228 holes at a cost of $57,415.40.

An examination of the property was made by DMEA on February 12, 1957. As a result of the examination a two-stage program, modified somewhat from the revised program proposed by the applicant, was agreed upon. The modified program consisted of rotary non-core drilling of 153 holes with a total aggregate depth of 27,700 feet. The estimated

cost of this program was $32,984.22, and the Government's share at 75 percent participation was $24,738.16.

The contract with Metals, Inc., was terminated when 50 of the 153 proposed holes were completed. No significantly radioactive material was found in any hole; all readings were less than 0.06 percent eU.

LOCATION, ACCESSIBILITY, AND PHYSICAL FEATURES

The group of 15 unpatented lode mining claims designated MI-A Nos. 1 through 15 in the application, but recorded and called the Skyline Nos. 1 through 15 in the contract, are in sec. 35, T. 34 N., R. 89 W., 6th Principal Meridan, Natrona County, Wyoming (figs. 1 and 2). To reach the property from Riverton, Wyoming, go 1.5 miles south on State Highway 320 turn left onto the Sand Draw road and go 1.5 miles to a cattle guard; turn left and continue on this unimproved dirt road for 52 miles to Four Corners. From Four Corners take the road to the left and continue northeast along the Pipe Line for approximately 14 miles to the property. A new road from Split Rock, Wyoming, which is on U. S. Highway 287, has been constructed and leads to the Four Corners junction. This road allows for a southern access to the area as well as the western access from Riverton and the northern access from Maneta.

The east Gas Hills is an area of generally rolling terrane incised at places by shallow draws and drainage valleys. Relief in the claims

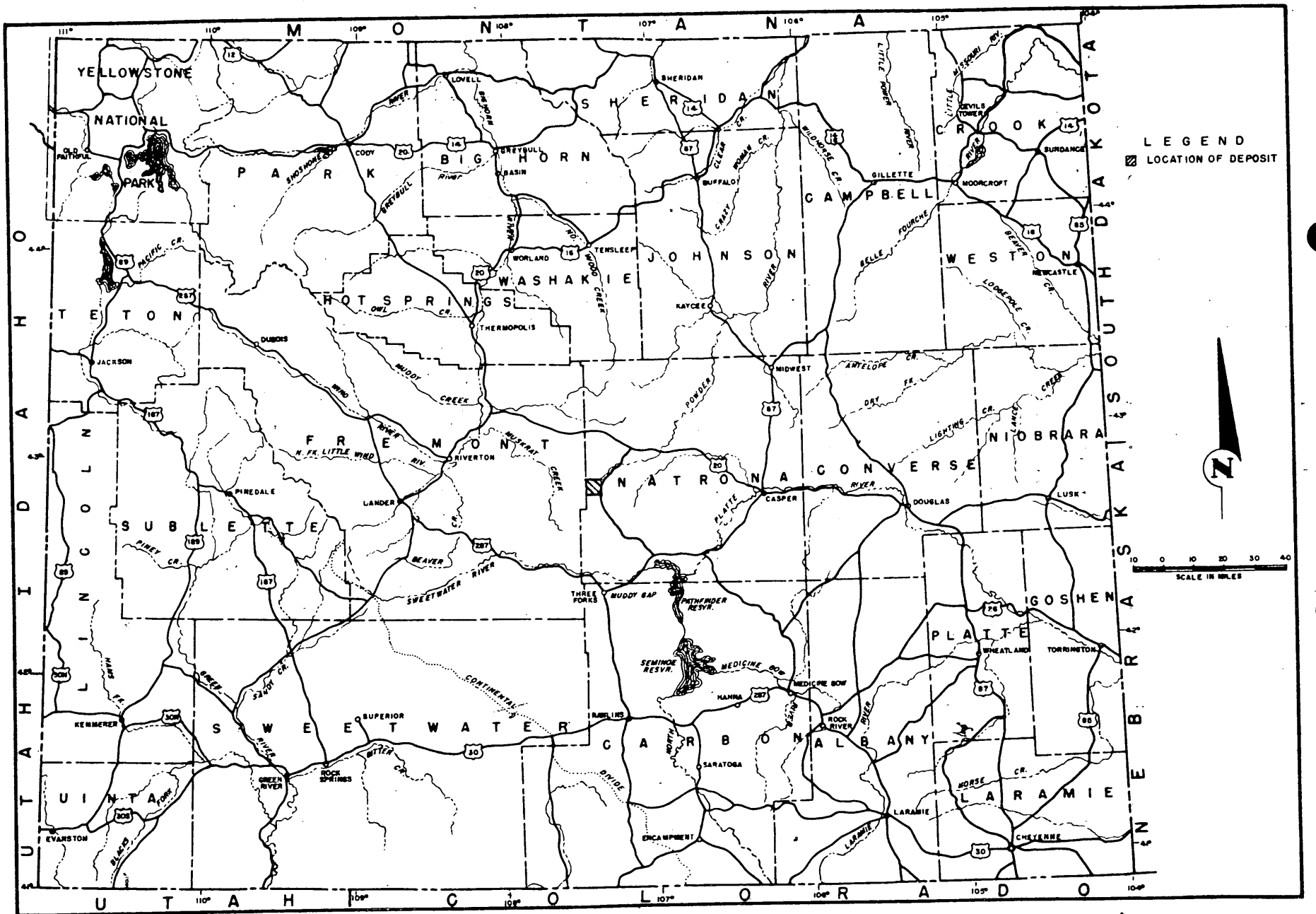

FIGURE 1 - LOCATION MAP, METALS, INCORPORATED, SKYLINE CLAIMS, NATRONA COUNTY, WYO. DMEA 4577, CONTRACT NO. IDM-E1091

area is low, altitudes range from about 6,840 to 6,960 feet. Except for Deer Creek draw that crosses the southern end of the claims there are no outstanding topographic features.

The vegetation is typical of a great part of Wyoming, being mainly sagebrush, native grasses, and cacti.

The climate is typical of the northern plains and mountain regions; summer temperatures are moderate; but in winter sub-zero temperatures are common, and heavy snows accompanied by high winds make travel over unimproved roads hazardous, and at times impossible.

No water is found on the claims, and water for drilling and domestic purposes is hauled in. No power facilities are on the property; however, a power line terminates about 1-1/2 miles east of the property. Supplies can be obtained either at Casper, Riverton, or Lander, Wyoming. A. E. C. buying stations for uranium ore are located at Riverton and Split Rock, respectively 66 miles east and 39 miles south of the property. Casper is about 75 miles east of the claims via U. S. Highway 20.

PROPERTY

Metals, Inc., 670 South State Street, Salt Lake City, Utah, a Utah corporation, is the owner of the property consisting of the Skyline Nos. 1 through 15 unpatented mining claims. The claims are on record as the Skyline 1 through 15 in Book 48-49 pages 451 and 522 through 548, at the County Recorder's office at Casper, the county seat of Natrona County. The records were checked and the claims are recorded as follows:

Claim	Book	Page	Date Recorded
Skyline 1	49	451	Sept. 5, 1956
" 2	48	522	" " "
" 3	"	524	" " "
" 4	"	526	" " "
" 5	"	528	" " "
" 6	"	530	" " "
" 7	"	532	" " "
" 8	"	534	" " "
" 9	"	536	" " "
" 10	"	538	" " "
" 11	"	540	" " "
" 12	"	542	" " "
" 13	"	544	" " "
" 14	"	546	" " "
" 15	"	548	" " "

The above claims were transferred to Metals, Inc., by Helen F. Wentz through quitclaim deed, recorded in Book 153 of Deeds and dated November 13, 1956.

HISTORY AND PRODUCTION

Uranium ore was discovered in the Gas Hills district in September 1953, near the present Lucky Mc mine about 8 miles southwest of the Skyline claims. Since that time private companies have discovered and developed several ore bodies, and the A.E.C. and the U. S. Geological Survey have done considerable geologic work in the area.

The Skyline claims have produced no uranium ore, and the results of drilling on the property indicate strongly that no significant amount of ore-grade uranium-bearing material is present on the claims in the Wind River formation.

The applicant indicated that appreciable amounts of selenium and rare earths (3 to 5 percent) occurred with the uranium in the district. This feature has not been confirmed as the results of drilling on the Skyline claims. Some rare earths may occur in trace amounts in the Gas Hills, but it is doubtful that they could be recovered commercially as a by-product. It is probable also that selenium in small amounts may be found in widely scattered places on the claims since some selenium has been found in uranium deposits of the Gas Hills; however, none was noted in any drill hole samples.

GEOLOGY

The Skyline claims are in the easternmost part of the Gas Hills district in an area of gently rolling terrane underlain at the surface

by the upper coarse-grained facies of the Wind River formation of early Eocene age (fig. 2). The Gas Hills district is a part of a larger geologic province of central Wyoming, the Wind River Basin. Sedimentary rocks exposed in the Gas Hills district range in age from Cambrian to Miocene. Paleozoic rocks average about 2,000 feet in thickness; Mesozoic rocks average about 10,000 feet in thickness; and Tertiary rocks, mostly arkosic and tuffaceous sandstone, mudstone, and conglomerate, average about 3,000 feet in thickness, and include rocks of Paleocene, Eocene, Oligocene and Miocene ages.

The Eocene Wind River formation in the Gas Hills district was deposited on an irregular erosion surface which apparently formed the northern slope of the ancestral Granite Mountains that are south of the district. This pre-Wind River erosion surface had a relief of more than 1,300 feet, and the Tertiary sediments covered all of the older rocks except for a few very high ridges.

The Wind River formation is composed of two facies: a lower fine-grained facies, and an upper coarse-grained facies. Sediments of the lower part were derived mainly from Mesozoic sedimentary rocks, but the upper coarse-grained part was derived almost entirely from Precambrian granite of the Granite Mountains. The lower facies of the Wind River is about 125 feet thick and is composed predominantly of siltstone, claystone, and fine-grained sandstone. This facies is present only in the western part of the district. The upper coarse-grained facies of the

Wind River formation is as much as 800 feet thick, and is composed largely of coarse-grained arkosic sandstone and pebble-to-boulder conglomerate.

The pre-Wind River rocks in the Gas Hills district dip northward about 10 to 15 degrees. At places this moderate dip is modified by northwest plunging folds the most notable of which is the Gas Hills anticline (fig. 2). The Wind River formation and younger rock dip 2 to 3 degrees to the south.

East trending normal faults are common in the district particularly in a belt east of the Gas Hills anticline, and most of the large uranium deposits of the district are located in the areas of numerous faults.

The uranium deposits in the Gas Hills district, of economic importance are all in the upper coarse-grained facies of the Wind River formation. The deposits are generally blanket-like bodies where uranium minerals are concentrated and occur as interstitial fillings. Deposits occur both in oxidized and in unoxidized zones. Uranium minerals in the oxidized deposits are mostly autunite, uranophane, and hydrous oxides; in the unoxidized deposits uraninite and coffinite predominate.

The Skyline claims

The Skyline claims are located close to the northeastern edge of the Wind River outcrop in the eastern part of the Gas Hills district

(fig. 2). They cover terrane that includes the drainage valley of Deer Creek and consequently have relief of about 150 feet within the property boundaries.

The claims lie about 1 mile southwest of the Wentz mine site and about 4 miles northeast of the area of numerous large mines including the Aljob, the Veca, and the Two States. This area between the Wentz mine and the group of large mines contains little apparent structure (see fig. 2), and has not been the site of any significant uranium discovery. The exploratory work on the Skyline claims did not result in an ore discovery.

From the drill-hole data it is found that the Wind River formation, which consist of the upper facies only, ranges in thickness from 75 feet to about 250 feet. Most of this change in thickness is a reflection of the irregular ground surface. However, some changes must be due to the irregular pre-Wind River erosion surface which in this area is cut on the Cody shale of upper Cretaceous age.

The drill holes were all low in radioactivity. None of the holes logged contained radioactivity greater than an estimated 0.06 percent eU_3O_8, and the maximum reading was in hole No. 4 at 127-128 feet depth, in the area of thickest Wind River section (see fig. 3). The traces of radioactivity detected in several of the holes drilled are not significant. The minor highs of radioactivity appear to be associated with the thin clay beds in the conglomerate, and in no hole did they warrant additional offset holes.

ORE RESERVES

No ore reserves were discovered by the project drilling.

THE PROJECT

The purpose of the project was to explore the Skyline claim Nos. 1 through 15 for deposits of uranium as well as for any associated selenium. The area is underlain by the upper coarse-grained facies of the Wind River formation in which oxidized and unoxidized deposits of uranium are known to occur, one of these, the Wentz mine is 1 mile northeast of the property.

Significant uranium ore deposits have been mined from the upper Wind River formation southwest of the claims in the same general area of the Gas Hills district. From data available at the time the project was being considered, the prospects of finding significant ore deposits appeared favorable.

Original program and modifications

The original program as outlined in the application included three stages of drilling, the first stage to consist of 102 holes on a rectangular 300- by 400-foot pattern, oriented with the 300-foot centers on lines striking N. 30° E., paralleling the supposed trend of inferred "channels". Stage II was a similiar rectangular pattern with each hole in the center of the Stage I rectangle. Stage III was offset drilling at sites 150 and 200 feet from Stage I and Stage II holes so as to

complete a 150- by 200-foot rectangular grid. A total of 30,000 feet were proposed for the three stages of drilling.

The proposed program was later revised by the applicant to include a total of 228 holes with an aggregate total footage of 24,700 feet. Sixty-seven holes were to be drilled on a 400-foot grid, 137 in selected areas on a 100-foot grid and 24 holes as offsets to mineralized holes of the 400-foot grid. The total estimated cost of this revised program was $57,415.40. An examination of the property was made on February 12, 1957, and as a result a modified two-stage program consisting of 153 rotary non-core holes with a total footage of 27,700 feet was recommended (fig. 3). The estimated cost of the modified program amounted to $32,984.22.

A contract, dated May 29, 1957, was signed authorizing 15,500 feet of non-core drilling and incidentals under Stage I at a cost of $17,665.00, and 12,200 feet of non-core drilling and incidentals under Stage II at a cost of $14,067.00. Total estimated cost for the contract was $31,732.00 with Government participation at 75 percent or $23,799.00. Work under the contract was scheduled to start on June 6, 1957, and to be completed by November 30, 1957.

Amendment No. 1, dated August 28, 1957, authorized extension of the starting date in Article 3, from June 6, 1957, to July 25, 1957.

Under terms of the contract holes Nos. 50, 53, 56, 78, and 81 should have been the first holes drilled in order that good stratigraphic data

be gained to control subsequent drilling. However, holes Nos. 5, 8, 25, 28, and 47 were drilled first instead. These holes appeared to give adequate geologic data on the underlying formations, and the operator was informed that the order of drilling was not mandatory.

Description of work completed

Exploration under Stage I of the contract was started on July 25, 1957, and the last drilling was completed on September 26, 1957. The work completed during the contract period included 7,337 feet of non-core drilling in 50 completed drill holes, 24 hours bulldozer time, 6 hours standby time, and incidental expenses for 7,337 feet of drilling.

All of the completed holes were drilled with portable rotary drill rigs using 4-1/4-inch rotary bits. Water was used in drilling all holes. Immediately after being drilled, all holes were gamma-logged with a Babbel probe unit, and the results recorded on an Esterline-Angus recorder. Drill cuttings were taken at 2-foot intervals and piled systematically near the hole. After sufficient time for drying, the cuttings were examined, and a lithologic log was made of the hole. Small samples were taken from each pile of cuttings and these were retained for further examination or assay if warranted.

Seventy-eight holes with an aggregate total depth of 8,791 feet were drilled under Stage I of the contract. Of these holes 28 were

incomplete, ranging from 10 to 80 feet in depth and totaling 767 feet. No payment was made or claimed for these holes. In the remaining 50 holes a total of 8,024 feet were drilled; however 687 feet were disallowed making the total footage 7,337 feet for which payment was allowed. Of the 50 completed holes, 32 were drilled through the upper Wind River formation into the underlying Cody shale, some of the holes being drilled as much as 78 feet in shale. Most of the holes encountered the Cody shale at a depth of about 100 feet, the depth of the Wind River-Cody contact, however, ranged from 65 to 220 feet. Arkosic sandstone with some interfingering mud and claystone layers was encountered in all holes.

A summary of the factual data of the completed work under the contract is shown in the following table.

SUMMARY OF FACTUAL DATA

Contract Item	Contract estimated costs			Claimed			Accepted costs (subject to audit)		
	Units	Unit cost	Total	Units	Unit cost	Total	Units	Unit cost	Total
Stage I									
Non-core drilling	15,500 ft.	$ 0.87	$13,485.00	8,024 ft.	$ 0.87	$ 6,980.88	7,337 ft.	$ 0.87	$ 6,383.19
Incidental expense	15,500 ft.	0.18	2,790.00	8,024 ft.	0.18	1,444.32	7,337 ft.	0.18	1,320.66
Bulldozer time	24 hrs.	12.50	300.00	23.8 hrs.	12.50	297.50	24 hrs.	12.50	300.00
Standby time	24 hrs.	10.00	240.00	20.0 hrs.	10.00	200.00	6 hrs.	10.00	60.00
Analysis - Selenium	50 ea.	10.00	500.00	ea.	10.00	0.00	---	10.00	0.00
Analysis - U_3O_8	100 ea.	3.50	350.00	ea.	3.50	0.00	---	3.50	0.00
Totals - Stage I			$17,665.00			$ 8,922.70			$ 8,063.85
Government share at 75 percent			$13,248.75			$ 6,692.03			$ 6,047.89
Stage II									
Non-core drilling	12,200 ft.	$ 0.87	$10,614.00						
Incidental expense	12,200 ft.	0.18	2,196.00						
Bulldozer time	16 hrs.	12.50	200.00						
Standby time	20 hrs.	10.00	200.00						
Analysis - Selenium	50 ea.	10.00	500.00						
Analysis - U_3O_8	102 ea.	3.50	357.00						
Total Stage II			$14,067.00						
Government share at 75 percent			$10,550.25						
Contract total			$31,732.00						$ 8,063.85
Government share at 75 percent			$23,799.00						$ 6,047.89

CONCLUSIONS

Work under the contract was sufficiently well performed and adequately supervised to produce interpretable results. Results of the DMEA drilling were unfavorable in terms of new uranium ore-bodies. No ore-grade material was encountered in any of the holes and in all but one hole, which had 1 foot of 0.06 percent eU_3O_8, the radioactivity was rated mostly less than 0.04 percent eU_3O_8.

A termination agreement, signed by the operator, was received by the DMEA Field Team on August 6, 1958.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 19 1958
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1/4 | Chg | 700

224 New Customhouse
Denver 2, Colorado
December 16, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4577 (Uranium and Selenium) Contract Idm-E1091, Metals, Inc., (Skyline claims) Natrona County, Wyoming - Final Settlement, NO PAYMENT

Reference is made to our memorandum of November 25, 1957, whereby we forwarded the final Form MF-104, Operator's Monthly Report and Voucher, for September 1957, and requested that you withhold an amount of $500.00 from reimbursement to the Operator, pending resolution of matters prerequisite to closing the account.

The Operator has failed to submit its final report as required under Article 7(c) of the contract; therefore, disallowance has been made of costs totaling $666.67, the Government's portion of which is $500.00, representing the amount withheld from reimbursement to the Operator. A copy of a relative letter from the Chairman, Operating Committee, OME, dated November 7, 1958, and a copy of the follow-up letter mentioned in the last paragraph of the Chairman's letter, are attached.

Final settlement of the account is as follows, which is in conformance with the Report of Review of reported project costs, by the Contract Administration and Audit Division, OME, dated December 9, 1958.

Basis for Final Settlement

Total accepted cost----------	$7397.18
Government participation at 75 percent----	5547.89
Total prior payments----------	5547.89
Balance----------	$ 0.00

JDC;hmh

Original signed by
J W. TOWNSEND

J. W. Townsend

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/12	G McCarthy	800
12/12	Tolbert	800
12/12	C	220
		700

DEC 11 1958

Via Air Mail

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

Re: Docket No. DMEA-4577
(Uranium-Selenium)
Metals, Inc.
Contract No. Idm-E1091

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
December 12, 1958

cc: Docket
Director's Reading File
Mr. Chambers

8623

OFFICIAL FILE COPY O. M. E. RECEIVED DEC 11 1958		
DATE	INITIALS	CODE
12/11	C	220
12	Chung	700

224 New Customhouse
Denver 2, Colorado

December 8, 1958

Memorandum

To: Donald T. Finen, OME Auditor, Region III

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMRA 4577 (Uranium and Selenium) Contract No. Idm-E1091, Metals, Inc., (Skyline claims) Natrona County, Wyoming

The subject Operator has failed to render the required final geologic and engineering report, as provided for under Article 7(c) of the contract; therefore, we have been authorized by the Washington office to disallow the sum of $500.00, withheld from reimbursement to the Operator in processing its accounting report for the month of September, 1957.

A copy of a letter from this office to the Operator, dated November 5, 1958, a copy of the Chairman's letter of November 7, 1958 pertaining to the matter and a copy of the rough draft of the follow-up letter mentioned in the last paragraph of the Chairman's letter, are enclosed for your reference. Also enclosed is a copy of the Termination Agreement which was executed to terminate the contract effective October 1, 1957.

Final settlement and closing of the 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 by the Contract Administration and Audit Division, whichever the case indicates.

Accepted units of work or service completed on a Fixed Unit Cost basis, consist of Incidental Allowance on 7,337 feet of non-core drilling.

J. W. Townsend

J. W. Townsend

JWT/ad
Enclosures
cc: Chmn. Op. Comm. (2))
Harshman) w/copy of letter to
Corres. File, Region III) Operator dated 12/5/58
Cooper
Chron.

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 24 1958		
DATE	INITIALS	CODE
11/24	C	220
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xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 21, 1958

AIR MAIL

Mr. Charles S. Merrill, President
Metals, Inc.
28 East Seventh South
Salt Lake City 2, Utah

Re: Docket No. DMRA-4577
(Uranium and selenium)
Contract No. Idm-E1091
Skyline Claims
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to your letter of November 19, 1958, in reply to the letter from this office dated November 12, 1958, regarding the rendering by your company of a final Engineering and Geologic Report, as provided for under Article 7 (c) of the contract.

The required final Engineering and Geologic Report is to be in narrative form; therefore, there are no particular forms provided for that purpose.

The Engineering section of the report should be a complete summary of operations under the contract, giving the dates work was started and completed, the work accomplished, cost and results thereof. The Geologic section should contain a complete summary of the geology of the project area, analysis of the results obtained from the work, including the extent of ore reserves resulting from the work. Five (5) copies of the report are to be submitted, each copy complete with a map or maps showing the location and extent of the work. The Accounting Report submitted for the month of September 1957 is considered adequate as your final Accounting Report; however, the final Engineering and Geologic Report should contain a tabulation showing the units of work and unit costs, as recorded on Form MF-104A, which was submitted as a part of the Accounting Report for September 1957.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT/ff

cc: Chmn. Op. Comm. (2))
Harshman)
Marshall, OME/DFC) w/copy of Operator's letter of Nov.19,1958
Corres. File, Region III)
Cooper
Chron.

DMEA Form 7
(12-56)

sent to field for mailing 11/10

OFFICIAL FILE COPY

Date	Surname	Code
11/4/58	Ching	700
11/4	Kusabe	700
	Long	140
	Sanger	140
11-6	Chandler	800
11/7	Schrader	130
	Jones	
	Nelson	
11/7	Jensen	110
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NOV 12 1958

Mr. Charles S. Merrill, President
Metals, Inc.
28 East Seventh South
Salt Lake City 2, Utah

Re: Docket No. DMEA-4577
(Uranium and selenium)
Contract No. Idm-E1091
Skyline Claims
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to our letters of August 13 and September 24, 1958, regarding the rendering of a final engineering and geologic report on the subject project.

We wish to cooperate fully with you in the matter of allowing ample time for the submission of the required report, but if it has not been received by November 25, 1958, we will then consider that you do not intend to submit such a report; in which case, payment of the $500.00 due you under form MF-104 for the month of September, 1957, will be disallowed, and the accounts for the project will be closed.

Sincerely yours,

Executive Officer

MChing/gla
11-4-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching
OME Field Team, Region III (2)
Contract Adm. & Audit Division

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

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11/4/58	Ching	700
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NOV 7 1958

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4577
(Uranium and selenium)
Contract No. Idm-E1091
Metals, Inc.
Skyline Claims
Natrona County, Wyoming

Dear Mr. Townsend:

In accordance with Mr. Harshman's memorandum of October 29, we are enclosing the original and seven copies of an undated letter to Metals, Inc., prepared for your signature. It is suggested that the letter be dated, registered, and a return receipt requested.

Also enclosed are two draft copies of a follow-up letter that may be used if the Operator fails to meet the deadline.

Sincerely yours,

George C. Selfridge
(sgd)
ACTING Chairman, Operating Committee

Enclosures

APPROVED:

P. F. Yopes (sgd)
Member, Bureau of Mines

N. E. Nelson (sgd)
Member, Geological Survey

MChing/gla
11/4/58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching
Contract Adm. & Audit Division

RECEIVED
NOV - 5 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 29, 1958

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Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMEA 4577 (Uranium-Selenium) Contract Idm-E1091, Metals Inc., (Skyline claims) Natrona County, Wyoming

Reference is made to our letter of September 24, 1958, and previous correspondence with the subject Operator concerning the rendering of a final report in accordance with the provisions of Article 7(c) of the contract form.

Although more than ample time has been allowed, the Operator has failed to submit its final report or to advise this office as to the date on or before which the report will be submitted.

We request permission to advise the Operator that if the final report is not received within two weeks the amount of $500.00, which was withheld in processing the Operator's final voucher for September 1957, will be permanently withheld in lieu of the Operator's final report. In the event the Operator does not submit his final report and the amount of $500.00 is permanently withheld, we recommend that your office waive the requirement under Article 7(c) of the contract form, relative to the rendering of a final report by the Operator.

E. N. Harshman

E. N. Harshman

OFFICIAL FILE COPY O. M. E. RECEIVED OCT 24 1958		
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

Date October 22, 1958
DMEA Docket No. 4577
DMEA Contract No. Idm-E1091
Commodity Uranium and Selenium
Name of Applicant Metals, Inc.
Location of property Natrona County, Wyoming
Estimated cost of project $32,984.22

Memorandum

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

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

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

1. Date of subject document: 10/15/58 2. Date received by reviewer: 10/23/58

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

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

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

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

7. Explain items marked 'yes' above:

8. Factors meeting special consideration:

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

9. Action advised:

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

10. Remarks: (Use back of page if necessary). Certification not recommended

224 New Customhouse
Denver 2, Colorado
September 24, 1958

9-29 C 220
9/29 800
700

Mr. Charles S. Merrill, President
Metals, Inc.
28 East 7th Street
Salt Lake City 2, Utah

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract No. Xdm-X1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to our letter of August 13, 1958, whereby we forwarded the "Operator's Copy" of TERMINATION AGREEMENT and directed your attention to the provisions of Article 7 (e) of the contract form relative to rendering to the Government of a final report pertaining to the work completed under the captioned contract. To date, we have received no information from you concerning the required final report.

Please forward to this office by October 10, 1958, either the required five copies of the final report or a firm commitment as to the date on or before which the report will be received in this office. Otherwise, the matter will be referred to the Washington Office for consideration and appropriate action due to your failure to comply with the contract provisions.

Very truly yours,

Original signed by
E. N. Marshman

E. N. Marshman
Acting Executive Officer

JDC:prl

cc: OME/Washington (2)
Marshman
Binyon OME/DFC
Corres. file
Cooper
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
August 13, 1958

ORIGINAL COPY DMEA RECEIVED AUG 15 1958		
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Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4577 (Uranium-Solenium), Contract No. Idm-E1091, Metals, Inc. (Skyline claims), Natrona County, Wyoming

Enclosed are the Government's and Audit copies of the TERMINATION AGREEMENT, which was forwarded by your letter of May 15, 1958 for signature by the Operator.

Copies of the Termination Agreement have been distributed to the Operator, the Finance Office, and others concerned in Region III.

J. W. Townsend

J. W. Townsend

Enclosures

Chairman Operating Comm.
DMEA

DN 235 BUR MINES 8-6-58 4-21

CHAIRMAN OPERATING COMM. DMEA

REOURLET AUGUST 4, 1958, DOCKET DMEA 4577, CONTRACT IDM-E1091, METALS, INC. TERMINATION AGREEMENT RECEIVED IN THIS OFFICE TODAY PROPOERLY SIGNED BY OPERATOR. PLEASE DISREGARD OUR RECOMMENDATION TO TERMINATE UNILATERALLY.

J W TOWNSEND

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 6 1958

DATE	INITIALS	CODE
8/7	J.G.	225
8/7	HC	700

No action required
mc

Denver, Colorado

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.
AUG 7 8 40 AM '58

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
August 4, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4577 (Uranium and Solenium), Contract No. Idm-E1091, Metals, Inc. (Skyline claims), Natrona County, Wyoming.

Enclosed are the original and two copies of a joint memorandum, dated July 31, 1958, from E. N. Harshman, Geologist, Geological Survey, and E. O. Binyon, Mining Engineer, Bureau of Mines, relative to termination of the subject contract.

It is the opinion of the field examiners that additional work would not be to the advantage of the Government and, therefore, that the contract should be terminated unilaterally without a psuedo certification, in which this office concurs.

We recommend that action be taken by your office to terminate the contract unilaterally without a psuedo certification.

J. W. Townsend

Enclosures

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
DEPARTMENT OF THE INTERIOR
AUG 1 - 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 31, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

From: E. N. Harshman, U. S. Geological Survey
E. O. Binyon, U. S. Bureau of Mines

Subject: Docket DMEA 4577 (Uranium-selenium) Contract Idm-E1091, Metals, Inc. (Skyline claims) Natrona County, Wyoming

This is in reply to your memorandum dated July 28, 1958 in which you request recommendations as to the termination or continuance of the work under the contract.

Under Stage I of the contract, the operator completed 50 of the 85 holes that were to be drilled under this stage. The aggregate total footage drilled in the 50 holes was 7924 feet of which 587 feet were disallowed. In addition 767 feet was drilled in 28 incompleted holes that ranged from 10 to 60 feet in depth, the average depth being 27 feet. The remaining 7 holes were not started. The total cost of the drilling and incidental work, bulldozing, standby time and incidental allowance as claimed, amounted to $8,993.32, of which $8,064.05 was allowed for payment. The Government's share at 75 percent amounted to $6,047.84 and from this $500.00 has been withheld pending receipt of the operator's final report.

The completed drill holes covered the northern 9 claims, Skyline 1 through 9 except for the greater part of the Skyline 8 and 9 claims and the northern 1/3 of the Skyline 10 through 15 claims on a 400 x 400 foot grid pattern. The drilled out area is approximately 83 percent of the total area included by the claims subordinated under the contract. The incompleted holes covered the remaining area but gave no information as to mineralization or lithology.

Results of the drilling were extremely unfavorable. None of the holes encountered ore grade mineralization (0.10 percent U_3O_8 or better) and in only one hole, hole No. 4 located at the north end of the Skyline No. 1 claim, was the mineralization as indicated by probe, better than .05 percent. The probe readings showed .05 to .06 percent eU_3O_8 material at depth 127 to 128 feet in this hole. In the remaining 49 holes the probe readings ranged from 0 to 0.04 percent eU_3O_8, with most of the readings between 0.01 and 0.02 percent. No chemical analyses were made of samples of the cuttings.

RECEIVED
AUG 8 1958
D.M.E.A.

In the southern and western part of the property, the Cody shale which underlies the Wind River formation was found at a depth range of from 50 to 80 feet indicating that, at least this part of the property was a high at the time of deposition of the uranium bearing sediments and not a favorable area.

It is the opinion of the examining team that further drilling on the property would not result in a significant discovery and is not warranted and it is suggested that the contract be terminated unilaterally without a pseudo certification.

E. N. Harshman

E. N. Harshman
Member Field Team

E O Binyon

E. O. Binyon
Mining Engineer

EOB/mw

DMEA Form 7
(12-56)

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Date	Surname	Code
7/22	Ching	700
7/22	Inouye	700
7-23	Chambers	880
	Martin	130
7/23	Johnson	180
23	Whatendorf	180
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		700

JUL 23 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4577 (Uranium and selenium)
Contract No. Idm-E1091
Metals, Inc.
Skyline Claims
Natrona County, Wyoming

Dear Mr. Townsend:

The Operator has not replied to our telegram, dated July 14, 1958. It appears that Mr. Merrill has no intention of signing the Termination Agreement forwarded to him by the Acting Executive Officer on May 20.

A review of the Operator's progress reports indicates that 50 of the 85 holes contemplated in Stage I were successfully completed, 28 were not completed because of caving, unconsolidated ground, and 7, presumably, were not started. The northeastern half of the property appears to have been tested as planned in Stage I, and the remaining portion was partially tested by five or six widely spaced holes. The results were not encouraging.

Under these circumstances it is suggested that the Field Team review the results of the project to date and, in light of field observations and other information available to it, determine whether further work would be to the advantage of the Government.

If it is found that further work would not be to its advantage, the Government would be justified in terminating the contract unilaterally, without a pseudo certification.

If it is found that further work would indicate the probability of making a worthwhile discovery it is suggested that you contact the Operator and advise it that unless the

8623

aforementioned Termination Agreement is signed the Government would initiate action to recover all payments to the Operator made to date.

Sincerely yours,

W. S. Martin
(esf)
ACTING Chairman, Operating Committee

APPROVED:

P. F. Yopes
(esf)
Member, Bureau of Mines

N. E. Nelson
(esf)
Member, Geological Survey

MChing/izm 7-22-58
cc: Mr. Ching
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

7

OFFICIAL FILE COPY

Date	Surname	Code
7-11		960
7/11	[illegible]	120
"	[illegible]	110
"	[illegible]	100
7/14	C	320
		900

JUL 14 1958

Dept. of the Interior

DMEA

14X1401(01) Revolving Fund
Defense Production Act,
Interior (Transfer to Office of
Secretary)

CHARLES S. MERRILL
28 EAST SEVENTH SOUTH
SALT LAKE CITY, UTAH

RE DMEA DOCKET 4577 CONTRACT IDM-E 1091. PLEASE ADVISE YOUR INTENTIONS REGARDING TERMINATION AGREEMENT FORWARDED YOU ON MAY 20.

C. O. Mittendorf (fw)

C. O. MITTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

MChing/izm 7-11-58
cc: Mr. Ching
Admr.'s Reading File
DMEA FT Reg. 3 (2)
Confirmation copy

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
July 7, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 10 1958

DATE	INITIALS	CODE
7/10	C	220
7-10	Cheng	700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4577 (Uranium-Selenium) Contract Idm-E1091, Metals, Inc., (Skyline claims) Natrona County, Wyoming

Reference is made to our letters to the subject Operator, dated May 20, 1958, and June 20, 1958, relative to the return of the Government's, Audit, Finance Office and Field Team copies of the proposed Termination Agreement, which was forwarded to this office by your letter of May 15, 1958, for execution by the Operator.

The Operator has failed to return the above copies of the proposed Termination Agreement as requested by this office; therefore we are referring the matter to your office for such action as may be necessary in order to effect termination of the contract.

J. W. Townsend

6/23 C 220
6/23 800
700

224 New Customhouse
Denver 2, Colorado
June 20, 1958

CERTIFIED MAIL

Mr. Charles S. Merrill, President
Metals, Inc.
28 East 7th South
Salt Lake City 2, Utah

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to our certified letter of May 20, 1958, whereby we forwarded the Government's, Audit, Finance Office and Field Team copies of the proposed Termination Agreement and requested that all copies be returned to this office promptly, either signed as indicated if satisfactory, or unsigned together with your objections and comments. To date you have not complied with our request.

All copies of the Termination Agreement must be received in this office by June 30, 1958, otherwise the matter will be referred to the Washington Office of DMEA for such action as may be necessary to protect the interests of the Government.

Yours very truly,

Original signed by
J. W. TOWNSEND

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Binyon)
Cooper
Corres.file, Reg. III
Chron

cc: Metals, Inc.
670 S. State St.,
Salt Lake City, Utah

6/20 H.J. 225
6/26 [illegible] 800
6/27 Cherry 700

Charles S. Merrill

28 EAST SEVENTH SOUTH
SALT LAKE CITY 2, UTAH
June 18, 1958

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

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

Re: Docket No. DMEA 4577 (Uranium and Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Harshman:

I have been unable to get anyone to finish the drilling on the Skyline Claims so I guess I can do nothing but give this matter up.

Therefore take notice that we do not intend to continue the project work.

Very truly yours,
Metals, Inc. by:

Charles S. Merrill

Copies Distributed to:
Chm. Op. Comm (2)
Harshman
DMEA, DFC (Binyon)
Cooper
Corresp. file, Reg III

Termination agreement with pseudo. sent F.T. on May 15.
mc.

224 New Customhouse
Denver 2, Colorado
May 20, 1958

5/22 C 220
5/23 ~~800~~
5/26 ~~[illegible]~~ 100

CERTIFIED MAIL

Mr. Charles S. Merrill, President
Metals, Inc.
28 East 7th South
Salt Lake City 2, Utah

Re: Docket No. ~~DMEA 4377 (Uranium~~
Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Since you have evidenced no desire to maintain the contract in force by providing the information requested by our letter of March 26, 1958, and prior correspondence, enclosed are the Government's, Audit, Finance, and Field Team copies of the proposed Termination Agreement, which has been prepared to terminate the contract in its present status effective October 1, 1957.

If the Termination Agreement is satisfactory, all copies are to be signed by an official of Metals, Inc., authorized to sign such an instrument and all copies promptly returned to this office. Upon receipt of which the "Operator's" copy will be forwarded to you.

If the Termination Agreement is not acceptable, please return all copies immediately, together with your objections to and comments thereof.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

Enclosure

JWT:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Rinyon)
Townsend
Corres.file, Reg.III
Chron

cc: Metals, Inc.
670 S. State St., Salt Lake City, Utah

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/12	Ching	700
5/12	Ellis	700
5/12	Selfridge	800
5/14	[illegible]	130
"	Johnson	110
"	[illegible]	100
	[illegible]	[illegible]
5/15	C	220
		700

MAY 15 1958

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

Re: Docket No. DMEA-4577
(Uranium and selenium)
Contract No. Idm-E1091
Metals, Inc.
Skyline Claims
Natrona County, Wyoming

Dear Mr. Harshman:

In accordance with your memorandum of April 23, 1958, we are enclosing a proposed Termination Agreement between the Government and Metals, Inc., signed by the Administrator.

You will note that the agreement contains a pseudo certification clause.

If you and the Operator find the agreement in order, please have the Operator execute it as indicated and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Enclosures

APPROVED:

Frank D. Lamb (HB)
Member, Bureau of Mines

W. P. Williams (HB)
Member, Geological Survey

MChing/izm 5-12-58
cc: Mr. Ching
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

DRAFT
MChing/gla
4-28-58

Docket No. DMEA-4577 (Uranium)
Contract No. Idm-E1091
Metals, Inc.
Natrona County, Wyoming

TERMINATION AGREEMENT

It is agreed this day of , 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Metals, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1091, Docket No. DMEA-4577, dated May 29, 1957, as amended, hereinafter called the "Contract," that:

1. Effective October 1, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the agreed actual and fixed unit costs of work performed prior to October 1, 1957.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government respecting reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The total net amount contributed by the Government shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in Article 2 of the

Contract, in the manner and amount provided in the Contract, certification of discovery or development being hereby waived.

6. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

In Witness Whereof, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

METALS, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
April 23, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED APR 25 1958

DATE		CODE
4/25	N.O.	220
"	Chang	700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4577 (Uranium and Selenium), Contract No. Idm-E1091, Metals, Incorporated (Skyline claims), Natrona County, Wyoming

Reference is made to the Administrator's letter to the Operator, dated February 25, 1958, the Operator's letter of March 3, and letter from this office to the Operator, dated March 26, 1958; all pertaining to failure of the Operator to provide certain specified information.

The Operator has not favored this office with a reply to our letter of March 26, 1958. Therefore, it is recommended that suitable action be taken by your office to protect the Government's interest in the matter by terminating the contract with a psuedo Certification if necessary.

E. N. Harshman

E. N. Harshman

3/28

224 New Customhouse
Denver 2, Colorado
March 26, 1958

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4577 (Uranium and Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

By letter of March 3, 1958, you informed this office that you would be able by March 10, 1958, to decide whether or not you wish to continue the project work.

The above information has not been received in this office to date; therefore, please give the matter your immediate attention and inform this office of your decision by return mail.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Townsend
Corres. file, Reg. III
Chron

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

DMEA
RECEIVED MAR 10 1958

DATE	INITIALS	CODE
3/10	C	220
"	[illegible]	700

VIA AIR MAIL

March 7, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4577 (Uranium and Selenium), Contract No. Idm-E1091, Metals, Inc. (Skyline claims), Natrona County, Wyoming

Enclosed are two copies of the Operator's letter of March 3, 1958 providing information in conjunction with matter discussed in our teletype to you of February 21 and the Administrator's letter to the Operator, dated February 25, 1958.

W H King
W. H. King

Enclosures

Charles S. Merrill

28 EAST SEVENTH SOUTH
SALT LAKE CITY 2, UTAH

March 3, 1958

DMEA
DEPARTMENT OF THE INTERIOR
MAR 6 - 1958
REGION III
DENVER COLORADO

United States Department of the Interior
224 New Custom House Building
Denver 2, Colorado

Attention: Mr. E.N. Harshman

Re: Docket No. DMEA-4577
(Uranium and Selenium)
Contract No. Idm-E1091
Skyline Claims
Natrona County, Wyoming

Dear Mr. Harshman:

I have come back to the office and have been trying to see what I can do with the Skyline Properites in Natrona County, Wyoming.

The drillers who worked on the drilling have all drawn off the property and refused to continue because of the excess costs of operation. I have seen considerable work done, but I have never seen anything more difficult in the Gas Help Area.

I will immediately see what can be done, either to continue the contract or to discontinue it. I hope to find out this week or by the 10th of this month, just what can be done, at which time I will inform you with the information.

I appreciate your indulgence and trust we can come to some sensible conclusion.

Very truly yours,

METALS INC.

Charles S. Merrill
President

CSM:ch

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/25	Chiang	700
2/25	Ellis	700
2/25	Jorman	110
"	Hartenstaff	100
2/26	C	220
		700

FEB 25 1958

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA-4577
(Uranium and Selenium)
Contract No. Idm-E1091
Skyline Claims
Natrona County, Wyoming

Dear Mr. Merrill:

The completion date under the subject contract is November 30, 1957. As far as we know the last work done on the project was in September.

Our Executive Officer at Denver wrote you on November 27 and December 18, requesting certain information which would enable us to provide you with a recess in operations and an extension of the completion period. Such action would protect you from defaulting under the contract, but no reply was received from you.

We have reviewed your letter of November 19, 1957, to Mr. E. N. Harshman, and we are aware of the difficulties you have encountered in drilling this ground. We note from your progress reports that you have successfully completed 50 of the 85 holes contemplated in Stage I, but failed to complete 28 holes because of caving, unconsolidated ground. We assume that 7 holes were not started.

Under these circumstances, it is suggested that you make an immediate appraisal of the situation and report your findings. If you believe that the work done to date has largely tested the property and the results have not been encouraging, you may wish to request that the contract be terminated in its present status. We will then give due consideration to your request. On the other hand, if you do not believe that the property has been adequately tested and wish to complete all work contemplated under Stage I, you should promptly supply the information requested in Mr. Harshman's letter of November 27. The contract may then be placed in good standing for further work.

8623

Since the contract is now in default, it is requested that prompt attention be given to the above-mentioned matters. If we do not hear from you by April 1, 1958, we shall take whatever action is necessary to protect the Government's interests.

Sincerely yours,

Administrator

MChing/izm 2-25-58

cc: Mr. Ching
Admr.'s Reading File
DMEA FT Reg. 3 (2)

D.M.E.A.

DN 235 BUR MINES 2-21-58 8-32

CHAIRMAN, OPERATING COMMITTE, DMEA

RE DOCKET DMEA 4577, CONTRACT IDM-E1091, METALS, INC., OUR MEMO OF 12-31-57 AND PRIOR COMMUNICATIONS PERTAINING TO MAINTAINING THE CONTRACT IN FORCE.

RECOMMEND THAT THE OPERATOR BE CONTACTED BY YOUR OFFICE IN AN EFFORT TO OBTAIN ACTION AS OUTLINED IN OUR LETTER TO THE OPRXX OPERATOR DATED 11-27-57.

W H KING

ORIGINAL FILE COPY
DMEA
RECEIVED FEB 21 1958
DATE | CODE
2/21 | 320
11 | 700

Denver, Colorado

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

December 31, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4577 (Uranium-Selenium) Contract Idm-E1091, Metals, Inc. (Skyline claims) Natrona County, Wyoming

Enclosed are two copies of a letter, dated December 28, 1957, from Lynn N. Jenson, which is in reply to our letter of December 18, 1957 to Mr. Charles S. Merrill, inquiring as to the status of information requested in our letter of November 27, 1957, relative to extension of the date fixed for completion of the work and a suspension of operations.

You will see from the correspondence in your files that the Operator appears to be reluctant to complete the work as provided for by the contract or otherwise co-operate in maintaining the contract in force.

W. H. King

Enclosures

12
1-a
220
700

WHK

Lake Hills

Thru The Years Quality Costs No More

Executive Offices
680 South State Street
Salt Lake City 2, Utah

DMEA
DEPARTMENT OF THE INTERIOR
DEC 30 1957
REGION III
DENVER, COLORADO

December 28, 1957

Department of the Interior
Mr. W. H. King
Executive Officer, DMEA
Field Team, Region 111
224 New Customhouse
Denver 2, Colorado

Docket No. DMEA 4577
(Uranium and Selenium)
Contract No. Idm-E1091
Metals, Inc. (Skyline claims)
Natrona County, Wyoming

Dear Mr. King:

Mr. Merrill will be on return from California in the next two or three weeks, at which time he will communicate with you relative to the action on the above contract.

Very truly yours,

LAKE HILLS

By Lynn N. Jenson
Office Manager

LNJ/vj

WO

224 New Customhouse
Denver 2, Colorado

December 18, 1957

12/20 gb 220
12/20 EEB 800
12/23 ~~[illegible]~~ 700

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4577
(Uranium and Selenium)
Contract No. Idm-E1091
Metals, Inc. (Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to our letter of November 27, 1957, pertaining to suspension of operations and extension of the date fixed on or before which work shall be completed.

Since the contract expired November 30, 1957, and it cannot be maintained in an indefinite status, your prompt attention should be given the matter of providing the requested information.

Very truly yours,

Original signed by
W. H. KING
W. H. King
Executive Officer, DMEA
Field Team, Region III

JWT:bh
cc: Chairman, Op. Comm.(3)
Harshman
DMEA/DFC (Binyon)
Townsend
Corres. File
Chron.

224 New Customhouse
Denver 2, Colorado
November 25, 1957

12/2 C 220
12/3 800
11 700

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA-4577 (Uranium and Selenium)
Contract Idm-EL091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Referring to the last sentence on page 2, of EXHIBIT "A", attached to the Contract, pertaining to the remaining 74 holes to be drilled under Stage I:

Because of conditions encountered in the drilling to date which show the objective horizon to be at a shallower depth than was originally anticipated, effective this date the remaining holes shall not be drilled deeper than 150 feet, or shall not extend more than 10 feet below the contact between the Wind River formation and the underlying Mesozoic or Paleozoic rocks, whichever is the lesser depth.

An Amendment will be prepared effective this date to make appropriate changes to the portion of EXHIBIT "A", first referred to, and will be mailed to you for signature.

The foregoing is in conformance with the provisions stipulated in the 6th paragraph, page 2, of EXHIBIT "A", attached to the contract, which is quoted as follows:

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

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (3)
Harshman
DMEA/DFC (Binyon)
Townsend
Corres.file, Reg.III
Chron

224 New Customhouse
Denver 2, Colorado

November 27, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 29 1957

DATE	INITIALS	CODE
11/29	GC	220
11/29	[illegible]	800
12/2	[illegible]	700

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4577 (Uranium and Selenium)
Contract No. Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to your letter of November 19, 1957, apparently in reply to our letter of November 15, 1957, concerning an extension of the date presently fixed on or before which the work shall be completed.

It appears that extension of the date fixed for completion of the work is involved with a suspension of operations. An unauthorized suspension of operations which necessitates an extension of the date fixed for completion of the work places you in default of the contract. Therefore, to eliminate the default, it is desirable to establish the period of suspension of operations by an amendment to the contract executed by the parties concerned. Before full consideration can be given the matter of extending the contract completion date, please advise the following:

1. The date the last work was performed under the contract.

2. The date on or before which operations will be resumed.

3. The period of time after end of suspension of operations which you deem will be necessary to enable you to complete all of the work provided for in the contract in the event Stage II work is undertaken.

In reference to our letter to you of November 25, 1957, restricting the depth of the balance of the seventy-four (74) holes to be drilled under Stage I, we will defer preparation of the amendment pending receipt of the foregoing requested information, so that it can all be incorporated in one amendment.

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.-3)
Harshman) w/copy of Operator's
DMEA/DFC-Binyon) letter of Nov. 19.
Corres. file)
Townsend
Chron.

METALS INC.

Salt Lake City, Utah
November 19, 1957

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

Re: Docket DMEA-4577 (U & Sel)
Contract Ldm-Elo 91
Metals Inc, (Skyline Claims)
Natrona County, Wyoming.

Dear Sir:

We hereby apply for the extension of the completion time limit on our contract to be June 10, 1958. Each succeeding day brought us into difficulty which was insurmountable. Some of the principal reasons for this extension are:

1. We have found no way to drill the flood channels encountered.

2. The present drilling costs have put everybody out of business, resulting in heavy losses. Every drill outfit has quit and left the field.

3. Practically every hole has been a problem. But there were many which consumed a full day for ten foot depth. Many holes were abandoned in an effort to continue progress to try to meet the costs. The costs in the completed holes has been about twice the usual amount met in tough going in the district.

4. We must have time in which to make a survey of the program when the weather will be suitable and favorable for such a careful effort.

At the present time the completion of some of the holes will take diamond drilling with core barrel operation. Some may be made with a complete casing operation. It is quite certain none can be done with less than a $4.50 per foot cost.

Let us see what can be done and we will make a further report on the program we think might work. We had many surprises including the shallow depth to Cody Shale.

Very truly yours,
METALS INC.

CHARLES S. MERRILL
PRESIDENT

C.S.M.:mr

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

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 30 1957
DATE INITIALS
11/29
11/29
220
800
700

224 New Customhouse
Denver 2, Colorado
November 25, 1957

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA-4577 (Uranium and Vanadium) Contract [illegible]
Metals, Inc
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Form MF-104, Operator's Monthly Report and Voucher for September, 1957, has been received in this office and is being processed for payment.

Two sets each of Forms MF-104 and MF-104A were submitted for the period and neither set had been properly completed. The first set of forms submitted is being processed for payment by making necessary deductions as indicated below:

1. The cost of 3,709 feet of drilling and incidental allowance was reported; however, only 3,609 feet of drilling was actually performed. The excess cost for 100 feet of drilling is disallowed.

2. The Contract stipulates that none of the holes indicated by solid black dots on Figure 5, shall extend more than 10 feet below the contact between the Wind River Formation and the underlying Mesozoic or Paleozoic rocks. During September three of the holes penetrated more than 10 feet below the contact, therefore costs, including incidental allowance for the following excess drilling is disallowed:

Hole	Total Depth	Base of Wind River	Allow. Foot. below Wind Riv.	Total Allow. footage	Excess Footage
20	120	107	10	117	3
56	204	106	10	116	88
73	150	30	10	40	52
	Excess footage drilled				143

ontract provides for a total of 24 hours
ulldozing under stage 1. During September the
3. wable bulldozing was exceeded by 11 hours. The
orted cost for the excess bulldozing is disallowed.

ork under the contract has been temporarily suspended, therefore an amount of $500.00 is withheld from reimbursement, pending resumption of work under the contract. If the work is not resumed the amount of $500.00 will continue to be withheld pending resolution of matters prerequisite to closing the account, which include:

A. Execution by the parties of the contract of a suitable agreement to terminate the contract in its present status, without requiring performance of the balance of work provided for.

B. Rendering to the Government a Final Report in accordance with Article 7(c) of the contract form.

C. Release to this office of an Audit Report or Report of Review of the reported project costs by the Contract Administration and Audit Division, DMEA.

You will be further advised of the details of the above deductions by means of an Administrative Audit Difference Statement which will be forwarded to you by the Finance Office, Region III. Please make the necessary adjustments of units and costs in conjunction with the next report submitted on Forms MF-104 and MF-104A.

Enclosed is a sample copy of each Form, which have been prepared from records in this office to show the accepted units and costs to date. The units and costs as shown on the sample forms are tentative and are subject to audit or review by the Contract Administration and Audit Division, DMEA.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2))
Harshman)w/copy of
DMEA/DFC)"Sample"
Townsend) Forms MF104
Corres.file,Reg. III) and MF-104A
Chron

cc: Kenneth McGriffin, Geologist
438 South Main Street
Salt Lake City, Utah

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

Budget Bureau No. 42-R1036.5

SAMPLE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SAMPLE

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1957 Docket No. DMEA 4577 Contract No. Ion-E1021

Operator's Name Metals, Inc. Minerals Uranium and Selenium

Address 670 South State Street, Salt Lake City, Utah

Contract Amount, $31,732.00 Government Participation 75 % Amount, $23,799.00

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			6393.29			
Bulldozing			300.00			
~~xxxxxxx~~ Standby			60.00			
Crosscutting						
~~xxxxx~~ Incidental			1320.66			
Drifting						
Analyses			0.00			
(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			8073.95			

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

Date ..... *Payee .....

Per ..... Title .....

*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:

$.....

Signature .....
(Authorized Certifying Officer)

Date ..... 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. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 195 7 Docket No. DMEA 1577 Contract No. [illegible]

Operator's Name Metals, Inc. Minerals [illegible]

Address 670 South State Street, Salt Lake City, Utah Molybdenum

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								
Mining Drilling	ft.			6939.10	7357	0.97	15,000	0.97
Equipment Charity	hr.			60.00	6	10.00	24	10.00
Mining Bulldozing	hr.			300.00	24	12.50	24	12.50
Mining Incidental	ft.			1320.66	7357	0.20	15,000	0.20
Assay Analyses U.O.	ea.			0.00	0	--	200	3.00
Assay Conc. Analyses, Co. Cpd.	ea.			0.00	0	--	50	30.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs				8639.65				

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 ..... Operator .....

Per ..... Title .....

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)

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

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 25 1957
DATE | INITIALS | CODE
11/25 | C | 220
11/25 | [illegible] | 800
" | [illegible] | 700

224 New Customhouse
Denver 2, Colorado

November 21, 1957

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA-4577 (Uranium and Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Form MF-104, Operator's Monthly Report and Voucher for the period from July 25, to August 25, 1957 is being processed for payment.

The contract stipulates that the holes represented by solid black dots shall not extend more than 10 feet below the contact between the Wind River formation and the underlying Mesozoic or Paleozoic rocks. Five of the deep holes penetrated more than 10 feet below the contact, therefore, the reported cost, including Incidental Allowance for the following excess drilling is disallowed:

Hole No.	Total Depth	Base Wind River	Allow. footage below Wind River	Allowable footage	Excess footage
5	240	220	10	230	10
8	165	140	10	150	15
25	240	150	10	160	30
28	270	90	10	100	170
47	310	131	10	141	169

Total excess footage---------- 444

You will be further informed of the details of the disallowance by means of an Administrative Audit Difference Statement which will be forwarded to you by the Finance Office, Region III.

Yours very truly,

Original signed by
E. N. HARSHMAN

E. N. Harshman

JDC:hmh

cc: Chmn. Cp. Comm. (2)
DMEA/DFC
Harshman
Townsend
Corres. file, Reg. III
Chron

cc: Mr. Kenneth McGriffin, Geologist
438 South Main Street
Salt Lake City, Utah

224 New Customhouse
Denver 2, Colorado
November 15, 1957

11/21 C 220
11/15 800
700

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA 4577 (Uranium and Selenium) Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

The date fixed for completion of the work provided for under Contract Idm-E1091 is November 30, 1957. If, for reasons beyond your control, it will not be possible to complete the work by November 30, 1957, you should submit to this office for consideration by the Government, the original and five copies of a request for extension of the completion date for such specific additional time as you anticipate will be required.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Townsend
Corres.file, Reg. III
Chron

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE
11/1	C	220
11/1	[illegible]	800
11-4	[illegible]	700

224 New Customhouse
Denver 2, Colorado
October 29, 1957

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA 4577 (Uranium and Selenium) Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Form MF-104, Operator's Monthly Report and Voucher, Form MF-104A, Operator's Unit Cost and Progress Report, Narrative Report and drilling data for September, 1957, has been received in this office.

Invoices for drilling and bulldozing were not submitted with the report as required by the contract. Please submit the invoices to this office as soon as possible so that the September 1957, report can be placed in line for processing.

Enclosed are six copies each of Forms MF-104 and MF-104A, for use in your next monthly accounting report.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

Enclosures
JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman
DMEA, DFC
Townsend
Corres.file,Reg.III
Chron

224 New Customhouse
Denver 2, Colorado
October 23, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 25 1957
10/25 gb 220
10/26 800
10/28 700

Mr. Charles G. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA-4577 (Uranium and Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to our letter to you, dated September 16, 1957, whereby we requested that you submit revised Form MF-104, Operator's Monthly Report and Voucher, for the period July 25-August 25, 1957, and a simplified tabulation of the radiometric data for each hole completed during the period.

The revised Form MF-104 was received in this office October 1, 1957, but we have not as yet received the radiometric data. Please submit the radiometric data to this office as soon as possible.

The project was visited by a DMEA representative on October 9, 1957, at which time no work was in progress and no equipment was on the property. Please inform this office of the present status of the project work, including a list of the holes completed subsequent to August 25, 1957, and of your plans for completion of the balance of the project work.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA, DFC
Townsend
Corres.file,Reg.III
Cooper
Chron

9/19 C 220
9/19 800
700

224 New Customhouse
Denver 2, Colorado
September 16, 1957

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA-4577 (Uranium-Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Form MF-104, Operator's Monthly Report and Voucher, Form MF-104A, Operator's Unit Cost and Progress Report, Operator's Narrative Report, and supporting data have been received in this office, but cannot be processed for payment for the following reasons:

1. Forms MF-104 and MF-104A have not been properly completed. We are enclosing a sample copy of each form which we have prepared to indicate the required method of reporting, and six blank copies of each form for your use in making the necessary corrections.

2. Sufficient radiometric probing data was not included with the report. Although we do not require the actual strip logs at this time, it is necessary that we have a complete tabulation of the data contained on the strip logs, similar to the following example:

Hole No. X

Footage	Reading
0-120	Background
120-122.5	0.02 e U_3O_8
122.5-143	Background
143-144	0.05 e U_3O_8
144-150	Background

see folder #2
for July - August
voucher

Please complete the enclosed Forms MF-104 and MF-104A, using the sample forms as a guide, and return the original and four signed copies of each form to this office, together with radiometric probing data for each hole reported for the period. We will then be able to continue processing the Voucher for payment of the Government's share of the acceptable costs.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

Enclosures

JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman
DMEA, DFC
Townsend
Corres.file,Reg.III
Cooper
Chron

w/copy of sample Forms MF-104 and MF-104A

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

SAMPLE

Budget Bureau No. 42-R1036.5

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

RECEIVED SE 19 D.M.E.A. SAMPLE

Month of July 25-Aug. 25, 1957 Docket No. DMEA 4577 Contract No. Ida-R1091
Operator's Name Metals, Inc. Minerals Uranium-Selenium
Address 670 S. State St., Salt Lake City, Utah
Contract Amount, $ 31,732.00 Government Participation: 75 % Amount, $ 23,799.00

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 Contracts:						
Drilling	3675.75	0.00	3675.75			
Bulldozing	297.50	0.00	297.50			
Standby	60.00	0.00	60.00			
Incid. Allow.	760.50	0.00	760.50			
Analyses	0.00	0.00	0.00			
(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	4793.75	0.00	4793.75			

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

Date ..... *Payee .....

Per ..... Title .....

*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:

$.....

Signature .....
(Authorized Certifying Officer)

Date ..... 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. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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

SAMPLE

UNITED STATES
DEPARTMENT OF THE INTERIOR

SAMPLE

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of 7/25,0/25, 1957 Docket No. DMEA 4577 Contract No. Ids-[illegible]

Operator's Name Metals, Inc. Minerals Uranium, Selenium

Address 670 South State St., Salt Lake City, Utah

OPERATION STAGE I	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
Non-core drill	ft.	3675.75	4225	3675.75	4225	0.87	15500	0.87
Standby	hr.	60.00	10	60.00	10	10.00	24	10.00
Bulldozing	hr.	297.50	23.8	297.50	23.8	12.50	24	12.50
Incid. Allow.	ft.	760.50	4225	760.50	4225	0.18	15500	0.18
Analyses U_3O_8	Spl	0.00	0	0.00	0		100	3.50
Analyses Se	Spl	0.00	0	0.00	0		50	10.00
STAGE II								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4793.75		4793.75				

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 ..... Operator .....

Per ..... Title .....

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)

INSTRUCTIONS

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

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

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

GPO 872894

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

September 10, 1957

Memorandum

To: Hazel Berry, Operating Committee

From: Irene Z. Mainster
Div. of Rare & Misc. Metals

Subject: Amendment Clearance - DMEA-4577

Mr. Ching has reviewed and approved Amendment No. 1, dated 8-28-57, to Contract No. Idm-E1091, Docket No. DMEA-4577, Metals, Inc., and has indicated that no further action or review of the amendment is required by the Legal Division.

Irene Z. Mainster

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

OFFICIAL FILE COPY DMEA RECEIVED SEP 9 1957		
DATE	INITIALS	CODE
9-9	C	220
	esf	130
		700

September 6, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4577 (Uranium-Selenium), Contract No. Idm-E1091, Metals, Inc. (Skyline claims), Natrona County, Wyoming

Enclosed are the Government's and Audit copies of Amendment No. 1 to Contract No. Idm-E1091, which has been executed to extend the date fixed on or before which work will be commenced from June 6, 1957 to July 25, 1957.

Also enclosed are three copies of the Operator's letter of August 24, 1957, advising the date work was commenced.

Copies of the Amendment have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

E. N. Harshman

E. N. Harshman

Enclosures

Metals Inc.

August 24, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 9 1957
DATE INITIALS CODE

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

J. W. Townsend
Alternate Acting Executive
Officer, DMEA field Team,
Region III
224 New Customhouse
Denver, Colorado

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract No. Idm-E1091
Metals, Inc. (Skyline claims),
Natrona County, Wyoming.

Dear Mr. Townsend:

In answer to your letter of July 3, written by Mr. King, and your letter of August 21, written by yourself, please be advised:

Work was begun under the above named contract on July 25, 1954.

Access roads, drilling sites, flagging of holes to be drilled, have been performed.

Work has not been suspended under this contract and is now being prosecuted ~~on~~ at a steady pace.

Mr. Kenneth McGriffin of 438 South Main Street, Salt Lake City, telephone - EM 4-0202 is the geologist for this project.

I hope you will excuse the delay in furnishing the above information, as there was some misunderstanding, combined with a lot of field complications. The drilling has been very rugged through heavy boulders and most drillers will not tackle the job. We have had some evidences of ore.

Very truly yours,

METALS, INC.
by

Charles S. Merrill

CSM/bm

Copies distributed to
HARSHMAN
DMEA, DFC
TOWNSEND
CORRES. FILE

9/3 9/3 220 800 700

224 New Customhouse
Denver 2, Colorado

August 29, 1957

Mr. Charles S. Merrill,
President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract No. Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

In reference to your letter of August 24, 1957, enclosed are the Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Amendment No. 1 to Contract No. Idm-E1091, which has been prepared to extend the date fixed on or before which the Operator shall commence work from June 6, 1957 to July 25, 1957.

All copies of the proposed Amendment should be signed by you as indicated, the corporate seal affixed, and all copies promptly returned to this office.

Upon return of the properly signed copies of the Amendment, and after signature by the Executive Officer, DMEA Field Team, Region III, for the Government, the 'Operator's Copy' will be returned to you.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

JWT:prl

cc: Chmn.Op.Comm.-2
Harshman
DMEA/DFC (Binyon)
Townsend
Corres. file
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 26 1957

DATE	INITIALS	CODE
8/26	G	220
8/26	Und	800
8/26	[illegible]	700

224 New Customhouse
Denver 2, Colorado

August 21, 1957

CERTIFIED MAIL

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract No. Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

A search of our files fails to indicate that we ever received a reply from you to our letter of July 3, 1957 relative to the extension of the date fixed in the Contract on or before which work was to be commenced.

Neither do we find evidence of your advice that work had been actually commenced under the Contract, other than your letter of June 24, 1957 wherein you advised that work would begin on July 2.

If work under the Contract was actually commenced, please advise the date. If work has not been started, please advise your plans relative to commencing the work, as the DMEA Contract cannot be maintained in an indefinite status.

We will appreciate a reply to the foregoing by return mail.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:prl

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Binyon)
Townsend
Corres. file
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/5	Chiang	700
"	Ellis	700
"	Johnson	110
		100
8/6	P.K	220
		700
8/5	Martin	130
8/5	Yager	130
8/5	Ridgeyard	130

700

AUG - 5 1957

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA-4577
(Uranium and Selenium)
Contract No. Idm-E1091
Skyline Claims
Natrona County, Wyoming

Dear Mr. Merrill:

Your letter of July 26, 1957, to Mr. King, our Executive Officer at Denver, regarding an amendment to the subject contract to provide for part-time in lieu of full-time supervision, has been referred to this office for consideration.

We cannot agree with the suggested change since it is the policy of the Defense Minerals Exploration Administration to see that competent supervision is provided at all times on an exploration project. Our experience on other projects in your general area has demonstrated that comparatively rapid progress can usually be made in the non-core drilling of the upper Wind River formation. Consequently, a competent mining engineer or geologist should be present at all times to assure adequate supervision of the location of holes, testing, sampling, logging and probing of holes, recording, appraisal of results, and all the multitudinous details that are a part of an efficient exploration project. Furthermore, the project covers selenium ore which is difficult to recognize in the drill cuttings and requires specialized knowledge to obtain satisfactory results.

The incidental allowance of $0.18 per foot of drilling includes provisions for the required supervisor for 5 months at $600 per month, and a part-time helper. A sum of $3,900 was estimated as sufficient to provide the necessary supervision to complete all phases of the program. This allowance is reasonable, and about average for DMEA projects of this size; however, it does not approach the

8623

$12,475.00 to $14,160.00 estimated as necessary in your application. These last figures appear to be excessive in relation to the amount of exploration contemplated.

We regret that we can see no justification for the amendment requested.

Sincerely yours,

C. O. Mittendorf (fwo)

Administrator

MChing/gla
8-5-57
cc to: Admr.'s Reading File
Code 700, Mr. Ching
THKiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)

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

OFFICIAL FILE COPY
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RECEIVED 1957

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8/1	C	220
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AIRMAIL

July 30, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: DMEA Docket-4577 (Uranium and Selenium) Contract Idm-E1091 Metals, Inc. (Skyline claims) Natrona County, Wyoming

Enclosed are the original and two copies of the Operator's letter of July 26, 1957, requesting an Amendment to the contract to reduce the requirement of a full time geologist or engineer to part time basis.

Reducing requirements under the contract is not deemed within the authority delegated to this office, therefore the matter is forwarded for your consideration and appropriate action with the following comments and recommendations:

1. The project work deals with Selenium ore which is a difficult mineral to recognize in the drill cuttings, therefore necessitating specialized knowledge in order to obtain the desired results.

2. The field examiners question the Operator's ability to properly supervise the work without the assistance of a trained geologist or engineer.

3. The minimum requirement recommended is that a qualified geologist or engineer be present at all times when drilling is in progress through the potential ore bearing horizons and that he shall supervise all sampling and probing operations and prepare appropriate records and reports thereof.

E. N. Harshman

E. N. Harshman

224 New Customhouse
Denver 2, Colorado

July 30, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED
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8/1 C 220
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8-1 Chrng 700

AIRMAIL

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: DMEA Docket-4577
(Uranium and Selenium)
Contract Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. Merrill:

Reference is made to your request of July 26, 1957, for an Amendment to the contract to reduce the required full time geologist or engineer to part time basis.

Preparation of an Amendment of the nature involved is not within the authority delegated to this office, therefore your request has been forwarded to the Washington Office, DMEA, for their consideration and appropriate action on which you should hear at an early date.

Yours very truly,

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

JWT:hmh
cc: Chmn. Op. Comm. (3)
Townsend
Corres. file, Reg. III
Chron.

WN

T

Metals Inc.

July 26, 1957

DMEA
DEPARTMENT OF THE INTERIOR
JUL 29 1957
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED 1957

DATE	INITIALS	CODE

W. H. King
Executive Officer, DMEA
Field Team
224 New Customhouse
Denver, Colorado

Re: Docket No. DMEA 4577
(Uranium and Selenium)
Contract No. Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Dear Mr. King:

We hereby make request for changes in our contract No. Idm-E1091 of Metals, Inc. on the Skyline Claims in Natrona County, Wyoming, Docket No. DMEA 4577, as to Exhibit "A" DISCRIPTION OF WORK GENERAL PROVISIONS, we quote, "

> "The project shall be supervised at all times by a competant geologist or mining engineer who shall devote full time to the project work."

Instead of FULL TIME, we would like this paragraph to read PART TIME, together with any other language which may be necessary.

The reasons for the suggested change are as follows:

1. The number of contemplated drills has been reduced to One.
2. The drilling is slow, because of heavy, conglomerate material.
3. Costs for a geologist would be exorbitant and far beyond the limit of expense contemplated or allowed.
4. Nothing would be gained by a full time geologist in the classification, Narrative Report, Conditions Encountered, Extent of Work, maps, sketches, or in the result of work done.
5. All permanent data can be combined and furnished in a proper and complete manner, on part time employment operation.
6. The Exploration Project Contract will not differ in result from the original undertaking.

I doubt this

We will appreciate this alteration. Thanking you, we are

Very truly yours,

Charles S. Merrill
President
METALS, INC.

CSM/nm

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 8 1957

DATE	INITIALS	CODE
7/8	C	220
7/8	[illegible]	800
	[illegible]	700

224 New Customhouse
Denver 2, Colorado

July 3, 1957

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4577 (Uranium-Selenium)
Contract No. Idm-E1091
Metals, Inc. (Skyline claims),
Natrona County, Wyoming.

Dear Mr. Merrill:

Reference is made to your letter of July 1, 1957, wherein you request postponement of the starting date of work under Contract No. Idm-E1091.

In the last paragraph of our letter of May 31, 1957, by which we forwarded copies of the Contract for signature, we requested that when the signed copies of the Contract were returned that we were to be advised the date on or before which work would commence, for our insertion in Article 1 of the Contract form. However, in signing the Contract, you elected to insert the date of June 6, 1957 under Article 1 as the date on or before which work would commence.

By your letter of June 24, 1957, you advised that work would begin on July 2, 1957.

The Contract provides for preparation of access roads and drill sites in conjunction with the drilling outlined for Stage I. Therefore, if such work was commenced on or before June 6, 1957, it would constitute commencing work under the Contract. Otherwise, if no work was performed on or before June 6, 1957, you are in default under the provisions of the Contract and should correct the situation by submitting for the Government's consideration a request and justification for an amendment to the Contract to extend the starting date for such specific additional time as you deem necessary. A specific date on or before which work will be commenced should be supplied.

Relative to requests for amendments to the Contract and other correspondence with this office, please refer to the next to the last paragraph on page 2 of our letter of June 11, 1957.

Relative to the requirement pertaining to suspension of operations under the Contract, you are referred to item 2 of our letter of May 31, 1957.

We trust we will be favored by a reply and an explanation of the situation, by return mail.

Very truly yours,

Original signed by
W. H. KING

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

JWT:prl

cc: Chmn. Op. Comm. -2) w/copy of
Harshman) Operator's
DMEA/DFC) letter of
Townsend) July 1.
Corres. file)
Chron.

Metals Inc.

DMEA
DEPARTMENT OF THE INTERIOR
JUL 3 1957
REGION III
DENVER, COLORADO

RECEIVED JUL 8 1957

DATE		

July 1, 1957

W. H. King, Executive Officer DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4577
(Uranium and Selenium)
Contract No. Idm-E1091
Metals, Inc.
(Skyline Claims)
Natrona County, Wyoming

Dear Sir:

In reference to our letter of June 4, 1957, we wish to explain that we are having trouble with our contracts for drilling.

In as much as the drilling in half the claims apparently will be very difficult, we wish to postpone the starting date until we are able to begin the project.

If we will be allowed this consideration, it will be appreciated very much.

Very truly yours,

Charles S. Merrill
President

CSM/nm

Excerpt from Mr. Mittendorf's diary, 5/21/57:

Charles Merrill, of Metals, Inc., DMEA-4577, phoned again from Salt Lake City. I told him the contract had been received from Legal about noon, but that the Division found it necessary to make a minor change in the provisions. I explained that Legal had worded the contract in such a way that the holes approved under Stage 2 could be drilled only to offset holes drilled under Stage 1. The Division felt that this language was too restrictive because it might develop that some of the Stage 2 holes might be used offset holes other than those drilled under Stage 1.

Mr. Merrill thought the change was a very good one and very important to him. He was very courteous and appreciative.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1957

DATE	INITIALS	CODE
6/13	C	220
6/13	B	215
6/14	~~[illegible]~~	700

June 11, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4577 (Uranium and Selenium), Contract No. Idm-E1091, Metals, Inc. (Skyline claims), Natrona County, Wyoming

Enclosed are the Government's, Division, and Audit copies of Exploration Project Contract No. Idm-E1091, which was forwarded by your letter of May 29, 1957 for signature by the Operator and insertion of a suitable starting date under Article 3, which was done by the Operator in longhand.

Also enclosed are three copies of a letter from this office, dated June 11, 1957, whereby we forwarded the "Operator's Copy" of the contract, blank report forms and instructions relative to reporting on work performed under the contract, and procedures to be followed in communicating with this office in all matters pertaining to the contract.

The contract, dated May 29, 1957, provides for work estimated to cost $31,732.00, toward which the Government will contribute 75%, or an amount not in excess of $23,799.00.

Copies of the contract have been distributed to the Finance Office, Region III, and to others concerned.

W H King
W. H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

June 11, 1957

CERTIFIED MAIL

Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMRA 4577
(Uranium and Selenium)
Contract No. Idm-E1091
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming

Gentlemen:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No. Idm-E1091, Docket No. DMRA 4577.

Also enclosed are six copies of form MF-104, "Operator's Monthly Report and Voucher," and six copies of form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced and monthly thereafter, you are required to submit the original and four copies of each form to the Executive Officer, Defense Minerals Exploration Administration, 224 New Customhouse, Denver 2, Colorado. The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form; each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement to you unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

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 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-200, and under its provisions and as outlined in Exhibit "A" of the contract, the allowable costs are a combination of actual costs with a maximum average unit cost established for work under "Category (1)" and fixed unit costs for performing the remaining items of work or services. Under the provisions of Exhibit "A", the work under "Category (1)" is to be performed by subcontract. The costs recorded under item "(1)" on form MF-104 for such work must be supported each month by a signed copy of the billing from the subcontractor. Amounts reported on the basis of the "Fixed Unit Costs" require no documentation as they are otherwise verified.

In the event you desire to perform the work under "Category (1)" on company account instead of subcontracting it, as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

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 holes to be drilled under Stage I are indicated on the map, "Figure 5," attached to the contract. Should conditions encountered necessitate or make desirable a 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 the work under a stage 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 locations of holes previously drilled and the locations of the holes you propose to drill under the next stage. Your request should be complete with drill logs, results of radiometric probing, chemical analyses, and any other pertinent data concerned with the prior work which will be of value to the Government in appraising the work performed under the prior stage.

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 their 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.

Very truly yours,

W. H. KING

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

JWT:pri

cc: Chan.Op.Comm.-3
Finance Office, Reg. III
Amendment file, Reg. III
Marshman
DMEA/DPC
Townsend
Corres. file
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
6/5	JWD	220
"	Chiang	700

224 New Customhouse
Denver 2, Colorado

May 31, 1957

CERTIFIED MAIL

Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA-4577 (Uranium-Selenium)
Metals, Inc.
(Skyline claims)
Natrona County, Wyoming
Proposed Exploration Project
Contract Idm-E1091

Gentlemen:

Enclosed are the Government's, Division, Audit, Finance Office, and Field Team copies of proposed Exploration Project Contract No. Idm-E1091, which has been prepared pursuant to your application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the Contract is satisfactory, all copies are to be signed by an official of Metals, Inc., authorized to sign such an instrument, the signer's title inserted, the signature attested to by the Secretary, the corporate seal affixed, and all copies promptly returned to this office.

In the event the Contract is not satisfactory, all copies are to be returned promptly to this office, together with your comments on or objections to the Contract.

Your attention is especially directed to three provisions in the Contract:

1. The Government will not contribute to the costs of any of the work that is provided for in the Contract which is performed prior to the date of the Contract.

2. The Contract requires completion of the exploration work by the date fixed therefor. Approval must be obtained from this office for any suspension of work which may result in failure to complete work by the date specified.

3. Royalty is due the Government on all production from the land described in the Contract, beginning on the date of the Contract.

If the Contract is satisfactory, and upon return of all copies properly signed, the "Operator's Copy" of the Contract will be forwarded to you, together with blank report forms and instructions relative to reporting on work performed under the Contract. Also, instructions will be given as to the procedure to be followed in corresponding with this office in matters concerning operations under the Contract.

When the signed copies of the Contract are returned, please advise the date on or before which work will be commenced, for our insertion in Article (1) of the Contract form.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

Enclosures

JWT:hmh
cc: Chmn. Op. Comm. (2)
Harshman
Konselman
Townsend
Docket file, Reg. III
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-23	Ching	700
5-23	Ellis	700
5-23	Chamberlin	800
5/27	GCS	130
		700
"	Mutendorf	100
5/29	C	230

MAY 29 1957

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

Re: Docket No. DMEA-4577 (Uranium - Selenium)
Metals, Inc.
Skyline Claims
Natrona County, Wyoming

Dear Mr. Harshman:

Enclosed are the original and five copies of a proposed long-form contract between the Government and Metals, Inc., signed by the Administrator. The contract consists of Form MF-200, Annexes I and II, Exhibit "A" (4 pages), and map (Figure 5). Also enclosed are two extra copies each of Annexes I and II, Exhibit "A", and map (Figure 5) for the use of the Field Team.

If you and the Operator find the proposed contract satisfactory, it is ready for the signature of the Operator, provided that a suitable final starting date is inserted under Article 3.

The costs recommended by the field examiners have been incorporated in the proposed contract with only one significant change, namely, a reduction of the incidental allowance from $0.22 to $0.18 per foot of drilling, effected by the allowance of a field assistant for half time instead of full time.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

A. D. McMahon
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

MChing/dlm 5-23-57
cc to Mr. Ching
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

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

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5/9	Cl	700
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		225

AIR MAIL

May 7, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

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

Subject: Docket DMEA-4577 (Uranium, Selenium and Rare Earths) Metals, Inc. (Skyline Claims) Natrona County, Wyoming

As mentioned by the last paragraph of our letter dated April 29, 1957 to you, one of the field examiners inspected the records at the Natrona County Courthouse and reports the following:

> Amended location notice for the Skyline No. 1 claim is contained in Book 49, Page 451. The claim is now stated to be located in Section 35, T. 34 N., R. 89 W.

We believe that the legal descriptions of all the properties proposed for subordination are now in order.

E. N. Harshman

E. N. Harshman

RECEIVED
MAY 10 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

DMEA Form 7
(12-56)

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Date	Surname	Code
4-30	Ching	700
5/1	Ellis	700
		225

April 30, 1957

Memorandum

To: The Files

From: Michael Ching, Mining Engineer
Rare and Miscellaneous MetalsDivision

Subject: Proposed Contract Costs
Docket No. DMEA-4577 (Uranium & selenium)
Metals, Inc.
Skyline (MI-A) Claims
Natrona County, Wyoming

The following drilling cost is based upon the average cost under DMEA projects in the Gas Hills area, as worked out by the field examiners. It is $0.38 less than the lowest drilling bid submitted by the Applicant, but is a reasonable figure for this area. Some actual costs have been considerably lower, as in the case of the Vitro properties.

Independent Contracts

27,700 ft. non-core drilling @ $0.87/ft.	$24,099.00	
44 hrs. drill crew standby @ $10/hr.	440.00	
40 hrs. bulldozing @ $12.50/hr.	500.00	
		$25,039.00

Incidental Allowance

Labor and Supervision		
Field assistant (Part time), 4.5 months	$900.00	
Geologist, 5 months	3,000.00	
Operating materialsand supplies	130.00	
Operating equipment	575.00	
Miscellaneous	445.00	
Contingencies	57.00	
	$5,107.00	
Rounded to $0.18/ft. of drilling or		$4,986.00

Other Fixed Unit Costs

202 chemical analyses for U_3O_8 @ $3.50/each	$707.00	
100 analyses for selenium @ $10/each	1,000.00	
		$1,707.00

Estimated Total Cost of the Project $31,732.00

Government Participation @ 75 % $23,799.00

MChing/izm 4-30-57
cc to: Mr. Ching

Michael Ching
Michael Ching

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4-30	Ching	700
4-30	Ellis	700
		220

April 30, 1957

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Proposed Contract
Docket No. DMEA-4577 (Uranium & selenium)
Metals, Inc.
Skyline (MI-A) Claims
Natrona County, Wyoming

Will you kindly prepare a long-form contract between the Government and Metals, Inc., in accordance with the attached draft.

Nine copies of a map (Figure 5) are attached for use with the contract.

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

Attachments

RECEIVED
MAY - 2 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

MChing/izm 4-30-57
cc to: Mr. Ching

8623

DRAFT
MChing/izm
4-30-57

DOCKET COPY

MF-200
(Revised June 1954)

Docket No. DMEA 4577

Commodity Uranium & Selenium

Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] .....

Metals, Inc., a Utah corporation

whose mailing address is 670 South State Street
Salt Lake City, Utah
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map (Figure 5)

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] Quit Claim Deed, [7] recorded in Book 153, page ....., official records of said County; and

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

.....

.....

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium & Selenium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before November 30, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A." See Article 13

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 31,732.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 23,799.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work. See Article 13

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums. See Article 13

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9. See Article 13

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

DRAFT
MChing/izm
4-30-57

EXPLORATION PROJECT CONTRACT
METALS, INC.
DOCKET NO. DMEA-4577

ANNEX I

The land referred to in Article 2 of the Contract consists of 15 unpatented lode mining claims situated in sec. 35, T. 34 N., R. 89 W., 6th P.M.&B., Natrona County, Wyoming. The land is shown on the map entitled "Figure 5. Recommended Drill Holes ----------," attached hereto and made a part hereof.

The Operator refers to the claims as the MI-A claims; however, the notices of location of the claims are recorded in the Office of the County Recorder, Natrona County, Wyoming as follows:

Claim	Book	Page	Date Recorded
Skyline 1	48	520	Sept. 5, 1956
" 2	"	522	"
" 3	"	524	"
" 4	"	526	"
" 5	"	528	"
" 6	"	530	"
" 7	"	532	"
" 8	"	534	"
" 9	"	536	"
" 10	"	538	"
" 11	"	540	"
" 12	"	542	"
" 13	"	544	"
" 14	"	546	"
" 15	"	548	"

The above claims were transferred to Metals, Inc., by Helen F. Wentz by Quit Claim Deed, dated November 13, 1956.

DRAFT
4/30/57
[illegible]/gla
MChing

EXPLORATION PROJECT CONTRACT
METALS, INC.
DOCKET NO. DMEA-4577

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration by non-core drilling to test the potential ore-bearing sandstones of the upper Wind River formation of Eocene age.

Since the known ore deposits in the area do not exceed 150 feet in depth, drill holes shall bottom at that depth unless specific provisions are made herein for deeper drilling to test promising lower horizons.

In the case of dry non-core drilling, cuttings shall be collected with a Duclone sample collector or equivalent unit of other make. Where wet non-core drilling is done, provisions shall be made for taking satisfactory sludge samples. Samples shall be taken at two-foot intervals in either case.

Cuttings from all drill holes shall be checked for radioactivity and samples indicating significant mineralization shall be split. One portion shall be analyzed chemically for uranium and one portion shall be properly labeled and stored for the use of the Government. The unmineralized cuttings also shall be labeled and stored for inspection by the Government. Upon completion of the project all stored samples shall be disposed of by the Operator upon authorization by the Government.

Mineralized zones containing uranium associated with pyrite may also contain recoverable by-product selenium. If the drill cuttings and

radiometric probing of shole indicate the presence of a minable thickness of uranium ore in such a zone, a composite sample covering the entire minable thickness of the zone shall be made up from the cuttings and such composite sample shall be analyzed for selenium by chemical or X-ray spectrographic methods.

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

No drill hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I.

No payment shall be made for incompleted drill holes.

Access roads and drill sites shall be prepared with a D-7 bulldozer or an equivalent or larger unit of other make. If a D-6 bulldozer or equivalent unit is used the allowable hourly rate shall be reduced from $12.50 to $10.00 and the number of allowable hours increased accordingly.

The project shall be supervised at all times by a competent geologist or mining engineer who shall devote full time to the project work.

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

The work shall be divided into two stages as hereinafter described. The Operator shall complete Stage I, and shall perform as much of Stage II as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites and drill approximately 85 holes aggregating an estimated 15,500 feet, as indicated on the map, Figure 5. The holesof the grid pattern are at intervals of 400 feet and oriented so that the northeast-southwest diagonals parallel the assumed trend of mineralization. The 11 solid black dots represent holes that are to be drilled first. The maximum depth of these holes shall be 400 feet, and none of them shall extend more than 10 feet below the contact between the Wind River formation and the underlying Mesozoic or Paleozoic rocks. The remaining 74 holes shall be drilled to a uniform depth of 150 feet.

Stage II

Prepare access roads and drill sites and drill not more than 68 holes aggregating not more than 12,200 feet as offsets to previously drilled holes showing significant mineralization. Deep offsets exceeding 150 feet shall not be drilled closer than 150 feet from any of the 11 deep Stage I holes. Offsets 150 feet in depth shall not be drilled closer than 100 feet from any previously drilled hole.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts		
15,500 feet non-core drilling @ $0.87/ft.	$13,485.00	
24 hrs. drill crew stand-by time @ $10.00/hr.	240.00	
24 hrs. bulldozing $12.50/hr.	300.00	
Categories (2) through (7)	None	$14,025.00

Fixed Unit Costs (See Article 13)

Incidental allowance* for each foot of drilling completed

15,500 feet @ $0.18/ft.	$ 2,790.00	
100 chemical analyses for U_3O_8 @ $3.50 each	350.00	
50 analyses for selenium @ $10.00 each	500.00	$ 3,640.00
Estimated Total Cost of Stage I		$17,665.00

Stage II

~~Incidental allowance* for each foot of drilling completed~~

Actual Costs

Category (1) Independent Contracts		
12,200 feet non-core drilling @ $0.87/ft.	$10,614.00	
20 hrs. drill crew stand-by time @ $10.00/hr.	200.00	
16 hrs. bulldozing $12.50/hr.	200.00	
Categories (2) through (7)	None	$11,014.00

Fixed Unit Costs (See Article 13)

Incidental allowance* for each foot of drilling completed

12,200 feet @ $0.18/ft.	$ 2,196.00	
102 chemical analyses for U_3O_8 @ $3.50 each	357.00	
50 analyses for selenium @ $10.00 each	500.00	$ 3,053.00
Estimated Total Cost of Stage II		$14,067.00

Summary of Costs

Estimated Total Cost of Stage I	$17,665.00
Estimated Total Cost of Stage II	14,067.00
Estimated Total Cost of the Project	$31,732.00
Government participation @ 75%	$23,799.00

* Includes all costs that might otherwise be allowable costs of the project under Categories (1) through (7) of Article 6(a), except as otherwise scheduled in Exhibit "A"

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

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AIR MAIL

April 29, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

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

Subject: Docket DMEA-4577 (Uranium) Selenium and Rare Earths (Skyline Claims) Natrona County, Wyoming

Enclosed are two copies of a letter, dated April 24, 1957, from the Applicant authorizing us to change the name of the claims proposed for subordination under the subject docket from "MI-A" to "Skyline."

In this connection, we also enclose nine copies of Figure 5 which reflects this change of claim name and are to be used in the preparation of the contract.

The Applicant's stated change in location notice for the Skyline No. 1 Claim will be checked at the Natrona County Courthouse by a member of the examining team this week.

E. N. Harshman

E. N. Harshman

Enclosures

1 set to USGS
5/22/57 gla

Metals Inc.

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EXECUTIVE OFFICES
670 South State St.
Salt Lake City, Utah

April 24, 1957

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

Mr. E. N. Harshman
Acting Executive Officer
Defense Minerals Exp. Adm.
Denver, Colorado

Re: Docket DMEA 4577 (Uranium-Selenium) MI-A Claims
Natrona County, Wyoming

Dear Mr. Harshman

In compliance with our telephone conversation this afternoon we have recorded Skyline #1 Claim and corrected the location notice to read 34 North instead of 35 North.

In as much as the weather has made it beyond our control to properly post and change the Skyline Claims # 1 to 15 to the name of MI-A Claims. Let us correct our Docket to read Skyline Claims instead of MI-A Claims. This is your authority to make said changes.

We are sure you will realize what it is to work in a country where the snow is up to the hind pockets of a tall indian.

Respectfuly yours,

Charles S. Merrill
President, Metals Inc.

PHOTO CY TO
Harshman
Konsezman (2)
WO (2)

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DMEA
RECEIVED APR 29 1957

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"	~~Chmy~~	700

[illegible]
[illegible]
[illegible]
[illegible] Corporation [illegible]

Date April 25, 1957

DMEA Market No. 4577
DMEA Contract No.
Commodity Uranium, selenium, and rare earths
Name of applicant Metals, Inc.
Name of property MI-A Claims
Location of property Natrona County, Wyoming
Estimated cost of proj. $32,984.22

To: Ernest William Ellis, DMEA Member
Rare Earth Commodity Group Committee
From: C. T. Baroch, Rare-earth Specialist C.T.B.

Subject: Review of [illegible] Field Team Report
[illegible] application, hold [illegible] report [illegible]

1. Date of request for report: 4/12/57. 2. Date received by [illegible] 4/25/57
3. Prior reports on this property known to reviewer: Yes [ ] No [ ]
4. Other reports on nearby properties known to reviewer: Yes [ ] No [ ]
5. Better data available on price production: Yes [ ] No [ ]
6. Other pertinent factors known to reviewer: Yes [ ] No [ ]
7. Reply to items noted yes above:

8. Note a matter special consideration:
a. contact [ ]
b. anomaly [ ]
c. evidence of mineralization [ ]
d. colony [ ]
e. Proposed exploration noted [ ]
f. Alternate exploration noted [ ]
g. Costs [ ]
h. [ ]

9. Action advised:
a. Obtain information from applicant [ ]
b. Refer to Field Team [ ]
c. Denial [ ]
d. Agree with Field Team [X]
f. Consult with Mr. _____ at _____ AEC offices.
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request another examination [ ]
h. Approval [X]

10. Remarks: (Use back of page if necessary)

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

OFFICIAL FILE COPY DMEA RECEIVED APR 26 1957		
DATE	INITIALS	CODE
4/26	C	220
		700

Date April 25, 1957

DMEA Docket No. 4577
DMEA Contract No.
Commodity Uranium, Selenium & Rare Earths
Name of applicant Metals, Inc.
Name of property MI-A Claims
Location of property Natrona County, Wyo.
Estimated cost of project $67,741.40

Ernest William Ellis, DMEA Member
Selenium Commodity Committee
Elmo G. Knutson, Bureau of Mines Member
Selenium Commodity Committee

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

1. Date of subject document: 4/12/57. 2. Date received at Washington: 4/24/57.

3. Other reports on this property known to reviewer: Yes [ ] No [ ]

4. Other reports on nearby properties known to reviewer: Yes [ ] No [ ]

5. Information available on past production: Yes [ ] No [ ]

6. Other pertinent factors known to reviewer: Yes [ ] No [ ]

7. Explain items marked yes above:

8. Items needing special consideration:
- a. Location [ ]
- b. Ownership [ ]
- c. Evidence of mineralization [ ]
- d. Geology [ ]
- e. Proposed exploration method [ ]
- f. Alternate exploration method [ ]
- g. Costs [ ]
- h. _____ [ ]

9. Action advised:
- a. Obtain information from applicant [ ]
- b. Refer to Field Team [ ]
- c. Denial [ ]
- d. Agree with Field Team [x]
- e. Disagree with Field Team [ ]
- f. Suggest alternate plan [ ]
- g. Request another examination [ ]
- h. Approval [x]
- i. Consult with Mr. _____ at _____ ARC office.

10. Remarks: (Use back of page if necessary)

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"	[illegible]	700

April 24, 1957

4577
Uranium, Selenium & Rare Earths Metals, Inc.
MI-A Claims
Natrona County, Wyo.
$67,741.40

Ernest William Ellis, DMEA Member
Uranium Commodity Committee
James Paone, Bureau of Mines Alternate Member
Uranium Commodity Committee

Field Team Report

4/12/57 4/23/57

Yes [ ] No [ ]

Yes [ ] No [ ]

Costs [ ]

[x]

Approval [x]

Remarks: (Use back of page if necessary)

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DMEA

DN 235 BUR MINES 4-26-57 4-17

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE DOCKET DMEA-4577. APPLICANT REQUESTS PROCESSING APPLICATION UNDER NAME SKYLINE CLAIMS AS RECORDED RATHER THAN UNDER MI-A CLAIMS AS SHOWN IN APPLICATION. WE WILL FORWARD 9 COPIES OF CORRECTED FIGURE 5 WITH APPLICANT S REQUEST ABOUT MAY 1,-957.

E N HARSHMAN

END UT 3

Denver, Colorado

APR 29 7 53 AM '57
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

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Memorandum

~~April 26, 1957~~

To: E. W. Ellis, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 4577, (uranium), Metals, Inc., MI-A claims, Natrona County, Wyoming.

The field examiners report that geologic conditions appear favorable enough on the applicant's property to warrant DMEA participation in exploration costs. Their conclusions are based on the facts that the main ore zone, the upper Wind River formation, underlies the property; and the property lies between two areas from which uranium ore is being produced.

The field examiners recommend approval of a DMEA contract that would provide for a total of 153 drill holes, a total of 27,700 feet of drilling, at a total estimated cost of $32,984. The project would be considerably modified from the applicant's proposals.

I agree with the recommendations of the examining team as set forth in their field examination report.

W. P. Williams

W. P. Williams

(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 related costs incurred.

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

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *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: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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.

(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: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *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 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."
(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.
(c) Categories (2) through (7) of Article 6(a) are deleted.
(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.
(e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."
(f) Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

.....
(Operator)

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

Chrg

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RARE METALS AND MISCELLANEOUS METALS DIVN=

ERNEST M ELLIS CHIEF WASHDC= DEPT OF INTERIOR

DMEA 4577 HAVE CORRECTED SECTION FILING AND SUGGEST

USING SKY LINE FOR NAME OF CLAIMS HAVE OKAY FROM

HARSHMAN=

METALS INC=

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24	Mitchell	100
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APR 24 1957

Department of Interior

BLM

Charles S. Morrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

RE: SOCKET DMEA 4577 FURTHER PROCESSING YOUR APPLICATION PENDING CLARIFICATION CLAIM RECORDINGS AS SUGGESTED IN B.N. HARSHMAN LETTER OF APRIL 16.

ERNEST M. ELLIS, CHIEF
RATE AND RECORDATIONS
METALS DIVISION

MChing/dlm 4-23-57
cc to : Mr. Ching
Admr&s Reading File
Mr. THKiilsgaard, 5224
Confirmation copy to Ap.
DMEA FT Reg. 3 (2)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

April 16, 1957

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Memorandum

To: Secretary to the Operating Committee,

From: DMEA Field Team, Region III

Subject: Joint Report of Examination, Docket DMEA-4577 (Uranium, Selenium and Rare Earths) Metals, Incorporated (MI-A Claims) Natrona County, Wyoming

Enclosed are the original and three copies of a Joint Report of Examination by E. O. Binyon, USBM, and Walden P. Bratt, USGS.

Also enclosed are four copies of our letter to the Applicant requesting that you be furnished with the book and page numbers of the amended location notices which show the change of claim name.

The field examiners conclude that the probability for making a significant discovery is sufficiently promising to justify Government participation. Accordingly, they recommend that the application be approved, to which the Field Team concurs.

The Field Team believes that the project would not suffer if the sampler were eliminated and the supervision limited to one full-time geologist at $600 per month.

Also enclosed are nine extra copies of Figure 5 of the report for use in the preparation of the contract.

E. N. Harshman

By E. N. Harshman
Acting Executive Officer

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
4-22-57
(date)

ON-SITE F.T. REPORT

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224 New Customhouse
Denver 2, Colorado

April 16, 1957

Mr. Charles S. Merrill
President, Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket DMEA 4577 (Uranium-Selenium) MI-A Claims
Natrona County, Wyoming

Dear Mr. Merrill:

The land you proposed for subordination in the application under the captioned docket number is stated to be the MI-A Claims Nos. 1-15, whereas these claims are actually recorded as the Skyline Claims Nos. 1-15. To properly clarify this inconsistency, please provide the Washington Office DMEA with the original and three signed copies of a letter stating the book and page numbers of the amended location notices which show the change in name from the Skyline Claims 1-15 to the MI-A Claims 1-15. A copy of your letter should be sent to this office for our records.

You may further wish to note and correct an error in the recording of the Skyline No. 1 Claim. The Township is recorded as 35 North. The correct Township number of this claim is 34 North.

E. N. Harshman

By E. N. Harshman
Acting Executive Officer

MHM:eh
cc: Sec. Op. Comm. (4)
Harshman
Mining Division
Shaw
Gordon
Docket
Chron.

Reviewed by
DMEA OPERATING COMMITTEE
4-22-57
(date)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

IN REPLY REFER TO:

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DEPARTMENT OF THE INTERIOR
APR 15 1957
REGION III
DENVER, COLORADO

April 15, 1957

Memorandum

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

From: John F. Shaw
E. N. Harshman

Subject: DMEA Docket 4577 (Uranium, Selenium, and Rare Earths), Metals, Inc. (MI-A claims), Natrona County, Wyoming

Enclosed are the original and nine copies of a joint report of examination by Walden P. Pratt, U. S. Geological Survey, and E. O. Binyon, U. S. Bureau of Mines, in which Government assistance in exploring the subject claims is recommended.

The applicant originally submitted a request for grid drilling comprising 30,000 feet at an estimated total cost of $67,741.40. The request was later revised to include considerable close-spaced drilling in selected areas purported to be favorable. The revised program consisted of 24,700 feet of drilling at an estimated total cost of $57,415.40.

The examiners recommend a two-stage program of grid drilling and offsetting comprising a maximum of 153 holes (27,700 feet) at a total estimated cost of $32,984.22, Government participation 75 percent or $24,738.16. The program is designed to explore the upper Wind

Reviewed by
DMEA OPERATING COMMITTEE
4-22-57
(date)

River formation in an area believed to contain significant deposits of uranium ore. Provision is made to analyse for selenium in uranium-bearing material containing pyrite.

We concur with the conclusions and recommendations in the report of examination.

We note certain inaccuracies in claim locations and recording data which should be clarified prior to issuance of an exploration contract.

John F. Shaw
Supervising Mining Engineer

E. N. Harshman
Member, Field Team

Enclosures (10)
ENHarshman:mp

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

TRANSMITTED
APR 16 1957

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

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DMEA 4577

Metals, Incorporated

MI-A claims

Natrona County, Wyoming

Uranium, Selenium, and Rare Earths

Joint Engineering and Geological Report

by

Walden P. Pratt, Geologist
Geological Survey

E. O. Binyon, Mining Engineer
Bureau of Mines

April 12, 1957

Reviewed by
DMEA OPERATING COMMITTEE
4-22-57
(date)

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DMEA 4577

METALS, INCORPORATED
MI-A CLAIMS
NATRONA COUNTY, WYOMING

SUMMARY

Metals, Incorporated, a Utah Corporation, has applied for assistance in exploring for uranium, selenium, and rare earths on a group of 15 claims in the eastern Gas Hills, Wyoming. The area is underlain by the upper facies of the Wind River formation, which contains known unoxidized uranium ore deposits a mile north and 2 to 3 miles to the southwest. The applicant originally proposed to drill a total of 30,000 feet in non-core holes on a 300- by 400-foot grid pattern. He later revised this to 24,700 feet in 228 holes, of which 67 were to be drilled on a 400-foot grid, 137 on a 100-foot grid in five "highly favorable" areas selected on the basis of stratigraphy, structure, and surface mineralization, and 24 as offsets to mineralized holes of the 400-foot grid. Total estimated cost of the revised program was $57,415.40. After examining the property in the field, and discussing it with H. D. Zeller of the Geological Survey and with E. W. Grutt, Jr., and R. G. Lindlof of the A.E.C., the examining team has concluded that a reasonable amount of exploration for uranium and possible by-product selenium

is warranted on the basis of the presence of the upper Wind River formation, but that there is no justification for closely spaced drilling in the applicant's selected areas. A modified two-stage program of drilling, intended to explore the upper Wind River formation in general to a depth of 150 feet and locally to 400 feet, is recommended for approval. This program includes a total of 27,700 feet of non-core drilling at an estimated cost of $32,984.22; Government participation at 75 percent is $24,738.16.

INTRODUCTION

Metals, Incorporated, a Utah Corporation, 670 South State Street, Salt Lake City, Utah, applied to the Defense Minerals Exploration Administration for assistance in exploring the upper Wind River formation on the unpatented MI-A claims Nos. 1 through 15 for uranium, selenium, and rare earths. The claims are in the eastern Gas Hills in sec. 35, T. 34 N., R. 89 W., sixth principal meridian, Fremont County, Wyoming (fig. 1).

In the original application the applicant proposed drilling 30,000 feet of non-core holes at an estimated cost of $67,741. He later revised this to 24,700 feet of non-core drilling in 228 holes at a cost of $57,415.40.

An examination of the property was made February 12, 1957, by Walden P. Pratt, geologist, Geological Survey, and E. O. Binyon,

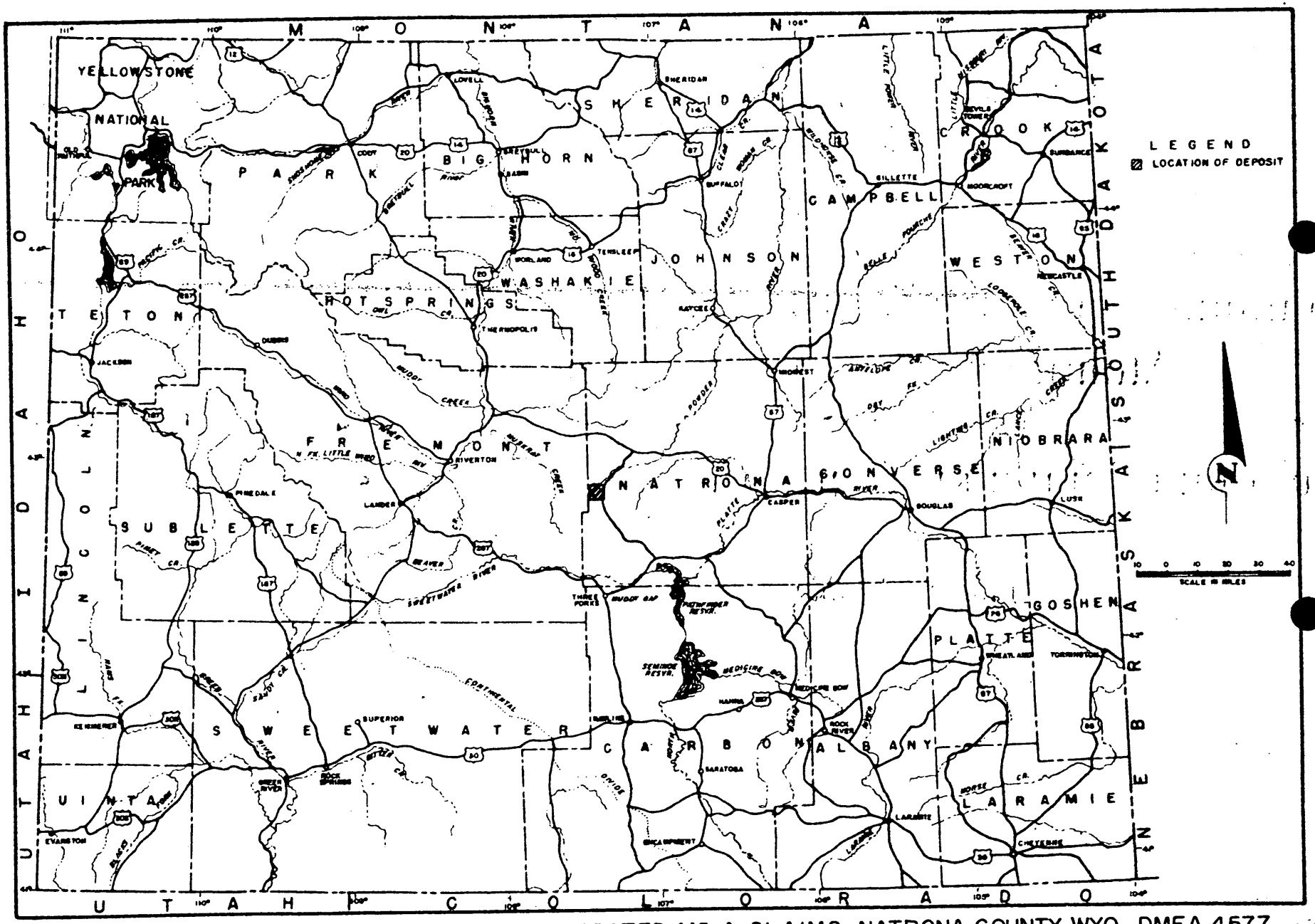

FIGURE 1 - LOCATION MAP, METALS, INCORPORATED, MI-A CLAIMS, NATRONA COUNTY, WYO. DMEA 4577

mining engineer, Bureau of Mines. The examining team was accompanied by Joseph S. Merrill, geologist for the applicant, and Joseph L. Mabey, Jr., field manager of Arts and Metals, Inc., 670 South State Street, Salt Lake City, Utah. Exploration of the property was discussed with H. D. Zeller, geologist, Geological Survey and with E. W. Grutt, Jr., and Raymond G. Lindlof, of the Casper, Wyoming, office of the A.E.C. All three were agreed that some exploration is warranted.

Although the applicant has done no work on the property other than the discovery work and a relatively minor amount of radiometric surveying, the area is known to be favorable in that it is underlain by the upper Wind River formation, the formation in which all uranium deposits in the Gas Hills have been found. Furthermore, the property is located about 1 mile south of a producing mine, and 2 to 3 miles northeast of several other producing mines. On the basis of these facts, the examining team believes that the property warrants exploration and that the chances for a significant discovery are good.

A two-stage program consisting of 153 non-core holes with a total aggregate footage of 27,700 feet, at an estimated cost of $32,984.22 is recommended. Government participation at 75 percent is $24,738.16.

ACKNOWLEDGEMENTS

The examining team was accompanied in the field by Joseph L. Mabey, Jr., and Joseph S. Merrill, consulting geologist for Metals, Inc. Acknowledgement is given to H. D. Zeller of the Geological Survey for helpful discussion of Gas Hills geology; to E. W. Grutt, Jr., and R. G. Lindlof of the A.E.C. at Casper, Wyoming, for information on nearby properties; and to H. W. Lakin and D. F. Davidson of the Geological Survey for information on selenium and rare earths.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The MI-A group of 15 unpatented mining claims is in sec. 35, T. 34 N., R. 89 W., sixth principal meridian, Natrona County, Wyoming. To reach the property from Riverton, go 1.5 miles south on State Highway 320; then take the road to the left known as the Sand Draw road and go 1.5 miles to a cattle guard; turn left and continue on this unimproved dirt road for 52 miles to Four Corners. From Four Corners take the road to the left and continue northeast along the Pipe Line road for approximately 14 miles to the property. A new road from Split Rock, which is on U. S. Highway 287, has been constructed and leads to the Four Corners junction. This road reduces considerably the mileage from Rawlins.

Relief in the claim area is low, altitudes ranging from 6,900 to 6,960 feet. Except for Deer Creek at the southern end of the claims there are no outstanding topographic features.

The vegetation is typical of a great part of Wyoming, being mainly sagebrush, native grasses, and cactus.

Summers are moderate, the temperature seldom reaching 100° F. In the winter months, however, heavy snows accompanied by winds make travel over the unimproved dirt roads hazardous if not impossible. Winter temperatures below 0° F are not uncommon. In the spring, heavy snow or rainfall makes travel difficult.

No water is found on the claims, and water for drilling and domestic purposes will have to be hauled. There are no power facilities on the property, the power line terminating about 1-1/2 miles east of the property. Diesel- or gasoline-driven drills and light plants for the camp will have to be used. Supplies necessary for the project can be obtained either at Casper, Riverton, or Lander, Wyoming. A.E.C. buying stations for uranium ore are located at Riverton and Split Rock, respectively 66 miles east and 39 miles south of the property. Casper is about 73 miles east of the claims via U. S. Highway 20.

HISTORY, PRODUCTION, AND OWNERSHIP

Uranium ore was discovered in the Gas Hills district in September 1953, near the present Lucky Mc mine which is approximately 8 miles southwest of the MI-A claims. Since that time the A.E.C. and the U. S. Geological Survey have done considerable work in the area, and private companies have discovered and developed several ore bodies.

There has been no production from the claims included in the application.

Metals, Incorporated, 670 South State Street, Salt Lake City, Utah, a Utah Corporation, is the owner of the property consisting of 15 unpatented mining claims known as MI-A 1 through 15. The claims are on record as the Skyline 1 through 15 in Book 48, pages 520 through 548, at the County Recorder's office at Casper, the County Seat of Natrona County. The records were checked and the claims are recorded as follows:

Claim	Book	Pages	Date recorded
Skyline 1-15	48	520-548	Sept. 5, 1956

The record is apparently incorrect for the Skyline No. 1 claim in that the township is recorded as Township 35 North instead of Township 34 North, the correct township number.

Also on record is a Quit Claim Deed, dated November 13, 1956, to Helen F. Wentz of Waltman, Natrona County, Wyoming, in Book 153

of Deeds, transferring the claims to Metals, Incorporated. It seems that since the claims are referred to in the application as the MI-A group or MI-A claims, an amended location showing the change in name from the Skyline 1-15 to MI-A 1-15 should be filed.

GEOLOGY

The MI-A claims are in the easternmost part of the Gas Hills, in an area of gently rolling hills underlain by the upper, coarse-grained facies of the Wind River formation of early Eocene age. The upper Wind River formation, thought to average about 300 feet thick in this area, lies flat or dips very gently, and rests unconformably on folded Mesozoic and Paleozoic sedimentary rocks. The lower Wind River formation is not present. In the claim area the upper Wind River formation is exposed at the surface or is buried under a veneer of overburden; it is composed chiefly of yellowish-brown, dominantly coarse-grained arkosic sandstones. The formation itself may be cut by a few minor fractures, but so far as is known it is not faulted significantly in this area. The underlying formations are cut by two probable faults, both trending roughly northwest: one, possibly a thrust, is about 1,500 feet south of the Wentz mine; the other, whose existence is less certain, is thought to coincide with the trend of Deer Creek (fig. 2). Both of these faults are thought to be of Laramide age,

involving the pre-Eocene rocks but not affecting the Wind River formation except in possible determination of its thickness through their effects on the underlying topography; therefore they should not be considered in the sense of interfering with the channel trend established by the Wentz deposit. This general trend of N. 30° E. is assumed as the trend of channels in the Wind River formation that are favorable sites for the accumulation of uranium minerals; the assumption is made on the basis of the reported trend of the Wentz ore body, and on the basis of structures mapped by H. D. Zeller southwest of the claims.

Uranium ore is being produced from the upper Wind River formation at several localities in the eastern Gas Hills (fig. 2). At all of these localities except one, the ore is being mined in open pits, at a maximum depth of about 140 feet (Two States pit); the exception is the Wentz mine, northeast of the claims, where the ore lies about 30 feet below the surface but is being mined in an adit in spite of impracticality. The ore deposits are blanket-type bodies consisting principally of uraninite and/or coffinite intimately mixed with pyrite, filling pore spaces and in part replacing grains of friable siltstones and sandstones.

The Wentz deposit, the nearest known ore body, is less than a mile northeast of the claims. Mr. Wentz reported to the examining

team that A.E.C. probing of previous drill holes showed the deposit to extend 3,800 feet southwest and several hundred feet east and west, with an average thickness of 20 feet. In contrast to this, Mr. Raymond Lindlof, in the Casper office of the A.E.C., reported on March 19 that seven holes near the Wentz mine had been probed by the A.E.C., and that only one of them, located 230 feet N. 31° W. of the Wentz portal, showed significant radioactivity; this hole ran 9 feet at 0.38 percent eU_3O_8 from 67 to 76 feet, and 4 feet at 0.30 percent eU_3O_8 from 79 to 83 feet, or a total of 16 feet averaging 0.29 percent eU_3O_8. The ore being mined at the time of the examination assayed 0.04 percent eU and 0.13 to 0.14 percent U.

Surface radioactivity anomalies occur at many places in the Gas Hills, but exploration has shown that they are generally caused by very low grade near-surface disseminations of oxidized uranium minerals and are not necessarily related (for exploratory purposes) to the more significant unoxidized deposits.

The application includes exploration for selenium and rare earths as well as uranium, apparently on the basis of a statement by Mr. Wentz that the uranium ore in his mine contains "3 to 5 percent selenium and other rare earths of the cerium group." Mr. Wentz's statements in general are characterized by over-optimism, and this statement in particular (if correctly quoted) has not been confirmed.

Selenium occurs in minute amounts in pyrite in some of the Gas Hills uranium deposits, and in the zone of oxidation is thought to occur in its native state in oxidized "envelopes" surrounding uranium-pyrite bodies. Mills at the Lucky Mc and Lost Creek mines are being equipped for attempted recovery of selenium, but only as a by-product. The applicant states that a pinkish mineral in sandstones on the claim area is believed to be selenium, but this belief has not been confirmed by a chemical analysis. Nevertheless, in view of the possibility of its recovery as a by-product, the recommended program allows for some selenium analyses. In regard to rare earths, the team was advised by Zeller that while the Gas Hills ores may contain rare earths in trace amounts, it is extremely doubtful that they could be recovered commercially. Rare earths will therefore not be considered further in this report.

GEOLOGIC BASIS FOR EXPLORATION

The applicant based his original proposal on three factors: (1) the presence of the upper Wind River formation, (2) a supposed correlation of detailed stratigraphy with that of producing areas, and (3) "favorable surface indications" (faults, folds, and limonite stains) reported to be identical to features found at the surface over known ore bodies. He stated that "the stratigraphy of the Wentz mine is identical to the geology on the MI-A claims", and

that "the lithology and stratigraphic positioning of [the section on the MI-A claims] are identical to the formations overlying the Nostrum uranium ore bodies" (fig. 2).

The general justification - the fact that the claims are underlain by the upper facies of the Wind River formation - is reasonable; many geologic features of the Gas Hills uranium deposits are still open to question, but it is the opinion of H. D. Zeller that for the present, any area underlain by the upper Wind River formation may be considered as having a good potential for the discovery of uranium deposits. Zeller and the examining team concur, however, in a serious doubt as to the identity of the stratigraphic sections exposed on the MI-A claims and at the nearby mines. The basis for these correlations is apparently a distinctive "favorable trap horizon of blue-gray mudstone," which is reported by the applicant's geologist to be 25 to 45 feet below the surface in the selected areas. The applicant does not present any conclusive evidence, nor could the examining team find any evidence, to show that this bed lies at the stated depth; but even if it were proved, the bed could not be relied on as a marker because there are several such beds in the upper Wind River formation and most of them are erratic or discontinuous. The correlation is also questionable on structural grounds. If, as is stated in the geologic report, the general dip is 17 degrees southwest, then the section exposed at the Wentz mine should lie at a depth of about

2,100 feet in the center of the MI-A claims, and could be exposed at the surface only by a major fault or fold in the Wind River formation. There is no evidence for either a fault or a fold of this magnitude. Actually the general dip is probably less than 3 degrees south or southwest; since the surface of the claim area is only about 100 feet lower than the Wentz mine, the dip would have to be less than 1 degree in order for the same section to be exposed in both places. Thus the two sections could be identical, but the team does not believe there is sufficient evidence to say definitely whether they are or are not.

In conclusion, the examining team feels that the known presence of ore bodies in the upper Wind River formation north and south of the claims justifies exploration of the upper facies in general to a reasonable depth, but that because of the uncertainty of the stratigraphy and the discontinuous nature of the ore bodies, exploration should not be aimed at any specific horizons.

ORE RESERVES

There are presently no known ore reserves on the property.

PRESENT STATUS

Except for the discovery pits, no work has been done on the property and there is no mining or milling equipment or other facilities on the property.

The applicant has done a minor amount of radiometric surveying, and reported a radioactivity anomaly on the MI-A 8 claim. The anomaly was checked by the field team and found to be about four times normal background. The applicant also reports the possible presence of selenium on the basis of showings of pink sandstone in several localities on the claims.

PROPOSED EXPLORATION

Original proposal

The applicant originally proposed a three-stage program of exploration drilling to cover the entire 15 claims. The first stage consisted of 102 holes set in a rectangular 300- by 400-foot pattern, oriented with the 300-foot centers on lines striking N. 30° E., parallel to the supposed trend of the "channels" (fig. 3). Stage II was a similar rectangular pattern with each hole in the center of a Stage I rectangle. Stage III holes were offset at 150 and 200 feet from the others so as to complete a 150- by 200-foot rectangular pattern; the Stage II holes in claim no. 8 were also set on the close-spaced pattern because of "favorable surface indications" in that area. Stage I drilling was designed "for the purpose of exploring underground strata, correlating lithology, and determining structural features such as faulting and folding, which are considered to be the main channel controls in the Gas Hills area"; Stage II drilling was

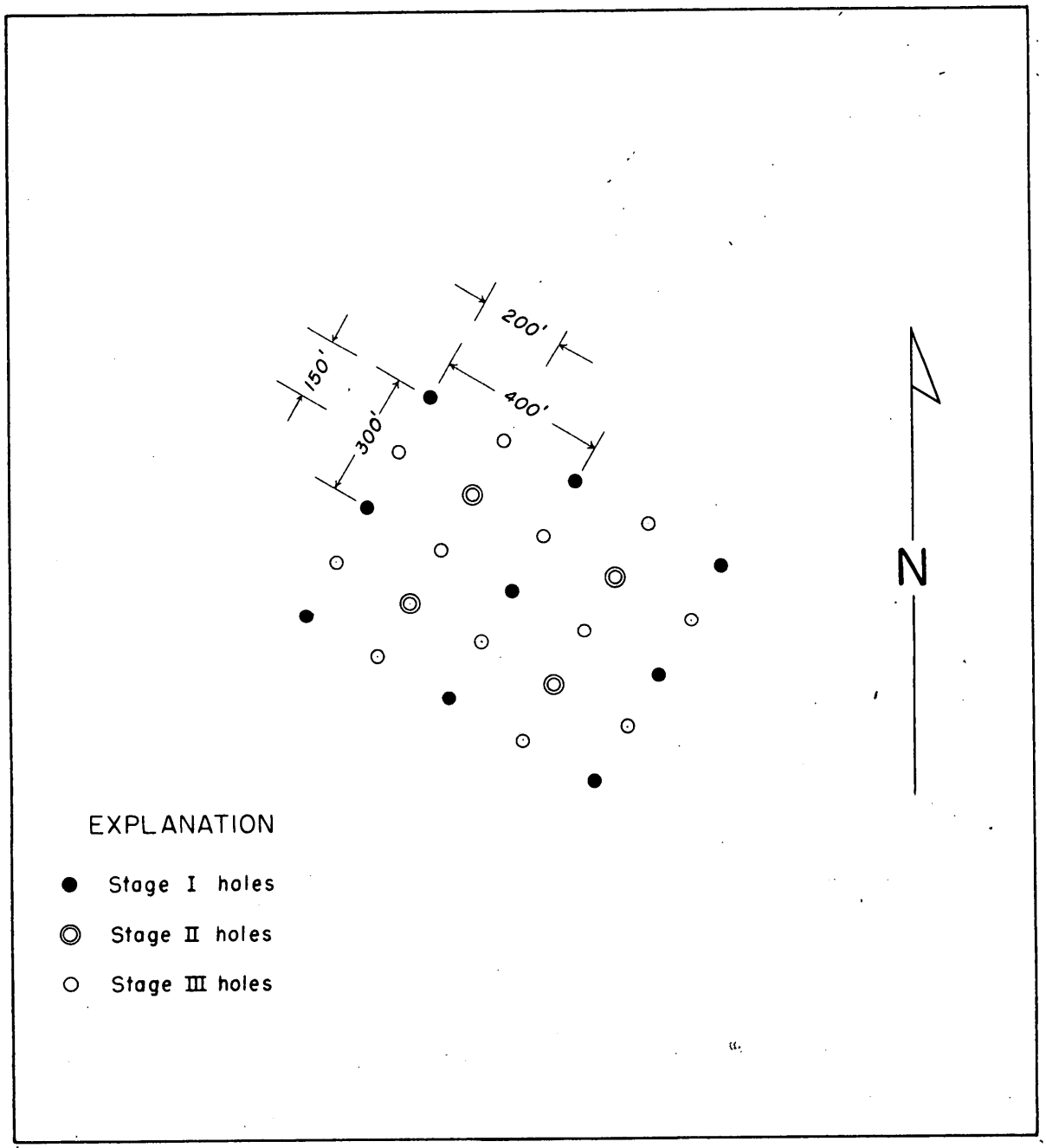

FIGURE 3. EXAMPLE OF ORIGINAL PROPOSED DRILL PATTERN

METALS, INC., MI-A CLAIMS

T. 34 N., R. 89 W., NATRONA COUNTY, WYOMING

DMEA DOCKET 4577

designed "to ascertain the presence of ore bodies, and to delineate channel trends," but was apparently contingent on favorable showings of uranium minerals in Stage I; Stage III drilling was apparently intended to delineate ore bodies discovered in the previous stages. The drilling was to comprise a total of 30,000 feet in the three stages; the holes were to be drilled to a depth of 150 feet, which the applicant considered "sufficient to evaluate commercial ore." In addition, all holes were to be probed radiometrically, and 10 "split, mixed samples" from each hole were to be assayed for uranium, and 2 of the 10 also analyzed spectrographically for selenium and rare earths.

The applicant submitted three drilling bids; the drilling bid of Arts and Metals, Inc., was accompanied by bids on geological services, assays, road building, and a prefabricated building. Two other bids on geological services were also submitted. Estimated total cost of the program was $67,741.40 as follows:

<u>Drilling</u>

30,000 feet at $1.25 per foot	$37,500.00

<u>Geological Services</u>

Field Supervisor at	$ 50.00 per day	
Geologist at	50.00 " "	
Assistant geologist at	35.00 " "	
General Helper at	20.00 " " ?	
	$155.00 per day	
Estimated 72 days at $155.00		$11,160.00

Consultant geologist at $100.00 per day			
Estimated 30 days at $100.00		$ 3,000.00	
Assays			
1,600 regular at $4.50	$ 7,200.00		
400 spectrographic at $10.00	4,000.00		
		11,200.00	
			$25,360.00
Road Building			
D-8 caterpillar, 18 eight-hour days or 144 hours, at $17.00 per hour			2,448.00
Camp Building			
Prefabricated camp building, 20 x 30 feet, steel frame (Itemized)			2,433.40
Total			$67,741.40

Revised proposal

The examining team conferred in the field with Joseph S. Merrill and Joseph L. Mabey, Jr., of Metals, Inc., on February 12, 1957. At this time Mr. Merrill stated that in addition to the proposed grid drilling, he would like close-spaced drilling under Stage I in several small areas which showed "favorable surface indications" - specifically, folds, faults and fault intersections or iron stains

thought to contain selenium. The team was conducted to one of these areas, in the northwest part of claim no. 8, where the exposed sandstones were cut by a fault of undetermined displacement, were locally stained reddish-brown, and locally gave scintillometer readings 3 to 4 times background. In the opinion of the team, the chief merit of these features was that they presented a somewhat more specific target than the arbitrary grid drilling, and that they might be used to advantage where they occurred, simply to supplement the grid drilling - in other words, if there was to be any departure from grid drilling, it should be based on these features. Mr. Merrill estimated that the other areas of "favorable surface indications" were about the same size as the one visited--on the order of 200 by 300 feet, or about 1 to 2 acres. The team felt that a small amount of drilling in such areas was justified, and after further discussion, Mr. Merrill expressed his intention to submit a revised application for a two-stage drilling program as follows:

Stage I, Phase I: Drilling of 3 or 4 holes, spaced no closer than 100 feet, in each of about 5 small areas of "favorable surface indications;" the "surface indications" were to be specifically described for each area (the team placed particular emphasis on this because of Mr. Merrill's demonstrated fondness for meaningless generalizations).

Stage I, Phase II: Drilling on a square grid pattern on 400- or 500-foot centers, oriented at 45° to the assumed N. 30° E. trend

of channels so as to provide maximum density of spacing across the trend (this was explained several times to Mr. Merrill and Mr. Mabey with the aid of diagrams).

Stage II: Drilling offset holes on 100-foot spacings from mineralized holes of Stage I, four offsets to each hole.

On February 20, 1957, the applicant requested that the original application be modified as follows:

Stage I, Phase A: Drilling a total of 137 holes on 100-foot centers in 5 selected areas covering a total of 1,187,500 square feet or about 27 acres, or an average of 27 holes and 5 acres for each area (fig. 4). The five selected areas were covered by this blanket justification: "The enclosed areas were selected on the basis of favorable ground indications as follows: Ground exposure of stratigraphy, surface radiometric counts, surface mineralization, structural and other technical features."

Stage I, Phase B: Drilling a total of 67 holes on 400-foot centers covering the remainder of the claim area. The grid is oriented N. 30° E., contrary to the recommendation of the examining team.

Stage II: Offset drilling, 4 holes around each of 6 assumed mineralized Stage I-B holes.

Estimated total cost of the revised program is $57,415.40, as follows:

Drilling

Stage I, Phase A

25 drill holes at 150 feet	3,750 feet		
112 drill holes at 100 feet	11,200 feet		
	14,950 feet		

Stage I, Phase B

13 drill holes at 150 feet	1,950 feet		
54 drill holes at 100 feet	5,400 feet		
	7,350 feet		

Stage II

24 drill holes at 100 feet	2,400 feet		
Total drilling, 24,700 feet at $1.25 per foot			$30,875.00

Geological Services

Supervisor, Geologist, Asst. geologist, and General Helper, 65 days at $155.00 per day		$10,075.00	
Consultant Geologist			
24 days at $100.00 per day		2,400.00	
Assays			
1,312 regular at $4.50	$ 5,904.00		
328 spectrographic at $10.00	3,280.00		
		9,184.00	
			21,659.00

Road Building		
D-8 caterpillar, 144 hours at $17.00 per hour	$ 2,448.00	
Camp Building	2,433.40	
Total		$57,415.40

RECOMMENDED EXPLORATION PROGRAM

The examining team feels that there is a fair chance of discovering a significant deposit of uranium ore in the MI-A claim area, but that the applicant has failed to justify the extravagant program of initial drilling he has proposed. A grid drilling program covering the entire claim area is justifiable because of the general favorability of the area, but the applicant's statement that study of the stratigraphy indicates that the favorable blue-gray mudstone is at shallow depths (25 to 45 feet) in the selected areas--as justification for grid drilling on 100-foot centers in those areas--is not supported by evidence and cannot be evaluated. In view of the applicant's failure to give specific geologic reasons for his selection of areas for detailed gridding, and in view moreover of what the team considers a ridiculously extensive drilling proposal in those areas, it is recommended that the "selected area" phase of the program be abandoned, and that the program be limited to a first stage of grid drilling 85 holes on 400-foot centers and a second stage of 100-foot

offsets around mineralized Stage I holes. Of the 85 Stage I holes, 11 should be drilled to a depth of 400 feet and the remaining 74 to 150 feet (fig. 5). The shallow holes should adequately explore the upper Wind River formation to 150 feet, the approximate maximum depth at which an average ore body can be mined economically at present, and the deep holes should provide skeletal information on possible mineralization at greater depths, and on possible channels in the underlying erosion surface, which are thought to have had some control on the deposition of the ore minerals. The grid pattern should be oriented with the 400-foot intervals along lines bearing N. 15° W. and N. 75° E. (fig. 5), as this orientation provides maximum density of holes across the assumed N. 30° E. trend of potentially mineralized channels--a line of holes every 280 feet rather than every 400 feet as in the applicant's proposals. It should be noted that the applicant's revised program implies a good chance of penetrating an ore body anywhere within any of the five selected areas, and therefore that the program herein recommended should be satisfactory to him as the revised grid places one or more holes in each of the five selected areas (fig. 5). Stage II drilling of offsets around mineralized holes of Stage I shall require prior approval by the Government. Offsets to the deep holes should not be drilled to explore mineralized zones deeper than 150 feet unless probing or analyses have indicated ore-grade mineralization.

The applicant included 400 spectrographic analyses, apparently for selenium and rare earths, at a cost of $10.00 per sample. As explained above, rare earths will not be considered here. Selenium should be considered, but the examining team was advised by H. W. Lakin of the Geological Survey that emission spectrographic analyses for selenium are not reliable. Chemical or X-ray spectrographic analyses for selenium, both considered reliable, can be made for $10.00 per sample, and it is therefore recommended that 100 such analyses for selenium be included in the contract. A list of reliable analysts is appended to this report. Available information suggests that selenium is generally localized in pyritic zones. For this reason, and furthermore because the selenium is to be recovered as a by-product, the contract should specify that samples for selenium analysis should be taken from pyrite-uranium zones. Each sample should be a composite from the entire minable thickness of the zone as indicated by probe results. There is a rapid field test for qualitative determination of selenium, but Lakin advises that this also is not reliable.

The building proposed by the applicant has been excluded because it is not considered necessary for an exploration program of this scope.

For preparation of drill sites and roads required to reach the drill sites, a D-7 bulldozer or equivalent is the maximum size

needed; average rental or contract rate in the district is $12.50 per hour. The contract should allow for substitution of a D-6 bulldozer or equivalent at $10.00 per hour if a D-7 is not available. The $12.50 figure is used in the estimate of costs.

Estimated costs of the recommended program are based on an average drilling rate of 250 feet per rig per day for 26 days per month. On this basis 4-1/4 months will be required to complete the drilling and, with half a month allowed for completion of the final report, the time for completion of the program is 4-3/4 months. Adding 1/4 month for contingencies the total time for the project is 5 months.

The lowest drilling bid submitted by the applicant is $1.25 per foot for non-core drilling. This is $0.40 per foot above the average for the DMEA contracts let thus far in the Gas Hills district and $0.12 above the highest price per foot. One contract has consistently drilled for approximately $0.55 per foot including bits, etc. In the costs given below $0.87 per foot is allowed for the non-core drilling; this is the average of DMEA contract costs excluding the drilling cost on the Vitro properties which is exceptionally low.

Estimated cost

Stage I and Stage II

Independent Contracts

11 non-core holes--depth 400 feet--4,400 feet at $0.87 per foot	$ 3,828.00
74 non-core holes--depth 150 feet--11,100 feet at $0.87 per foot	9,657.00
8 non-core holes--depth 400 feet--3,200 feet at $0.87 per foot (offset drilling Stage II)	2,784.00
60 non-core holes depth 150 feet 9,000 feet at $0.87 per foot (offset drilling Stage II)	7,830.00
Dozer time (Preparation of drill sites and roads) 40 hours at $12.50 per hour	500.00
Standby time (for probing holes) at 30 min and 15 minutes (400- and 150-foot holes) per hole 43 hours at $10.00 per hour	430.00
Total Independent Contracts Stage I and Stage II	$25,029.00

Incidental Allowances

Labor, Supervision and Consultant

Sampler or field assistant at $400.00/mo for 4-1/2 months	$ 1,800.00	
Geologist at $600.00 per month for 5 months.	3,000.00	
Total Labor Supervision and Consultant		$ 4,800.00

Operating Material and Supplies		
Sample sacks 500 at $10.00/M	$ 5.00	
Office supplies $25.00 per month for 5 months	125.00	
Total Operating Materials and supplies		$ 130.00
Operating Equipment		
1 Vehicle for transportation 5,000 miles at $0.07 per mile	$ 350.00	
Probing equipment $50.00 per month for 4-1/2 months	225.00	
Total Operating Equipment		$ 575.00
Rehabilitation and Repairs		
None		---
New Buildings improvement and Installation		
None (see text of report)		---
Miscellaneous		
Accounting at $50.00 per month for 5 months	$ 250.00	
Payroll Taxes 5 percent of $4,800.00	240.00	
* Analyses--U_3O_8-V_2O_5--40 holes at 5 samples per holes--200 at $4.50 for each U_3O_8-V_2O_5 analyses	900.00	
** Analyses--Selenium--at $10.00 per sample maximum allowable 100	1,000.00	

* Based on 20 percent of holes being mineralized with 10 extra samples allowed

** Selenium analyses of composites from 40 holes with an additional 60 analyses allowed for a maximum total of 100

Total Miscellaneous		$ 2,390.00
Contingencies 5 percent of $1,195.00		59.75
Total Incidental Allowances (Less Analyses)		$ 6,054.75
Total Incidental Allowances per foot (27,700 feet) (Less Analyses)	$ 0.2186	
Total Stage I and Stage II (Including analyses)		$32,983.75
Government participation at 75 percent		$24,737.81

Stage I

Independent Contracts

11 non-core holes depth 400 feet	4,400 feet	
74 non-core holes depth 150 feet	11,100 feet	
Total Drilling at $0.87 per foot -	15,500	$13,485.00
Dozer time (drill site preparation and roads 22 hours at $12.50 per hour		275.00
Standby time (for probing holes) 85 holes (30 minutes and 15 minutes for 400- and 150-foot holes) 24 hours at $10.00 per hour		240.00
Total Independent Contracts		$14,000.00

Incidental Allowances

15,500 feet at $0.2186 per foot	$ 3,388.30
Analyses--U_3O_8/V_2O_5 112 samples at $4.50 each	504.00
Selenium--56 samples (maximum allowable at $10.00 per sample	560.00
Total Stage I	$18,452.30
Government participation at 75 percent	$13,839.23

Stage II

Independent Contracts

8 non-core holes depth 400 feet	3,200 feet	
60 non-core holes depth 150 feet	9,000 feet	
Total Drilling at $0.87 per foot -	12,200 feet	$10,614.00
Dozer time (drill site preparation and roads 18 hours at $12.50 per hour		225.00
Standby time (for probing holes) 68 holes 30 minutes and 15 minutes for 400- and 150-foot holes) 19 hours at $10.00 per hour		190.00
Total Independent Contracts		$11,029.00

Incidental Allowances

12,200 feet at $0.2186 per foot	$ 2,666.92
Analyses U_3O_8/V_2O_5 88 samples at $4.50 each	396.00

Selenium--44 samples (maximum allowable) at $10.00 per sample	$ 440.00
Total Stage II	$14,531.92
Government participation at 75 percent	$10,898.94

Summary of cost

	Holes	Footage	Cost
Stage I	85	15,500	$18,452.30
Stage II	68	12,200	14,531.92
	153	27,700	$32,984.22

Sampling of the cuttings should be done by a Duclone sampler or similar sampling device and samples should be taken at 2-foot intervals in all holes. Each sample to be assayed for selenium should be a composite of all samples from each pyritic-uranium zone in any hole, indicated by probe results to be of minable grade.

Holes should be probed radiometrically immediately upon completion. Copies of the hole probes with all essential data such as collar elevations, elevations of mineralized horizons, radiometric results and total depths should be submitted with the monthly reports. Lithologic logs of the holes should also be submitted with the reports. Invoices for dozer work and certified copies of assay results should accompany the monthly reports.

CONCLUSIONS AND RECOMMENDATIONS

The examining team concludes that the MI-A claim area has a good potential for the discovery of a significant deposit of uranium ore, because it is underlain by the upper Wind River formation and because it is between two areas in which uranium ore is being produced from the upper Wind River formation. The team also concludes that some attention to selenium, as a possible by-product, is warranted. Approval of a two-stage exploration program for 27,700 feet of non-core drilling, at an estimated cost of $32,984.22 (Government's share $24,738.16), is recommended.

Appendix 1

List of reliable selenium analysts

* O. A. Beath
University of Wyoming
Laramie, Wyoming

M. L. Salmon
Anal Lab
718 Sherman St.
Denver 3, Colorado

South Dakota Agricultural Experiment Station
Brookings, South Dakota

* recommended

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

224 New Customhouse
Denver 2, Colorado

February 27, 1957

OFFICIAL FILE COPY
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DATE	INITIALS	CODE
3/1	C	220
3-1	[illegible]	700

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 4577 (Uranium-Selenium) Metals, Inc. (MI-A claims) Natrona County, Wyoming

Enclosed are the original and one copy of a revised exploration program submitted by the subject applicant. Attached to each is a copy of the covering letter dated February 20, 1957, from the applicant which makes formal request for a modification to the initial loan application.

The revised program will be considered by the examining team in an examination report now in preparation.

DMEA Field Team, Region III

E. N. Harshman

By E. N. Harshman
Acting Executive Director

Enclosures

DMEA
DEPARTMENT OF THE INTERIOR
FEB 25 1957
REGION III
DENVER, COLORADO

February 20, 1957

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DATE	INITIALS	CODE

COPY

Mr. W. M. Traver
Executive Officer DMEA
Field Team Region III
224 New Customshouse Bldg.
Denver 2, Colorado

Dear Mr. Traver:

I have reviewed the attached report from our geologist and concur in the recommended changes to DMEA Loan, MIA #4577.

Accordingly, it is requested that change No. 1 be included as a modification to the initial loan application.

Your promptness in processing these papers is appreciated.

Very truly yours,

METALS, INC.

By Charles S. Merrill
President

CSM:R
Incls: Revised Cost Estimates
including Chg. No. 1
(Original & 5 copies)

Metals Inc.

EXECUTIVE OFFICES
670 South State St.
Salt Lake City, Utah

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RECEIVED MAR 1 1957

DATE	INITIALS	CODE

CHANGE I to DMEA Loan Application, MIA #4577, Revised 19 February 1957

COST ESTIMATES:

Schedule A. Drilling.

Stage I - Phase A (Selected areas)

25 drill holes @ 150' deep	3,750 feet	
112 drill holes @ 100' deep	11,200 feet	
Sub-total this phase	14,950 feet	

Stage I - Phase B

13 drill holes @ 150' deep	1,950 feet	
54 drill holes @ 100' deep	5,400 feet	
Sub-total this phase	7,350 feet	

Stage II

Four 100' offset drill holes in six mineralized areas--24 drill holes 100' deep	2,400 feet	
Total drill footage, 24,700' @ $1.25 per foot*		$30,875.00

*Includes drill bits, travel time and all contingencies

Schedule B - Geological Services

Field Supervisor	@ $50.00 daily rate
Geologist	@ $50.00 daily rate
Asst. Geologist	@ $35.00 daily rate
General Helper	@ $20.00 daily rate
	$155.00

Consultant @ $100.00 daily rate, part-time 24 days.
It is estimated that 65 days will be required to complete this work

65 days @ $155.00	$ 10,075.00	
Consultant 24 days @ $100.00	2,400.00	
	$ 12,475.00	
Assays, 1,312 regular @ $4.50	5,904.00	
328 Spectrographic @ $10.00	3,280.00	
	$ 9,184.00	21,659.00

Schedule C - Road Building, Leveling & Grading (no change)
18 Working days, 144 hours at $17.00 per hour $2,448.00

Schedule D - Estimate for building for camp (no change) $2,433.40

RECAPITULATION.

Schedule A	$30,875.00
Schedule B	$21,659.00
Schedule C	$ 2,448.00
Schedule D	$ 2,433.40
TOTAL	$57,415.40

Approved _____
Charles S. Merrill, President

Joseph S. Merrill
Trip Report 47
MIA Claims - Metals, Inc.
10 through 13 February 1957

After consultation with the Field Examining Team, Mr. E. O. Benyon from Bureau of Mines and Mr. W. P. Pratt of the U. S. Geological Survey of the Denver Region, it is recommended that the drill pattern for the MIA Claims, Natrona County, Wyoming, be modified as projected on the attached revised drill pattern map. This proposal entails not only reduced costs but a more effective drilling grid in more favorable areas. The enclosed areas, as indicated on the attached map, were selected on the basis of favorable ground indications as follows: Ground exposure of stratigraphy, surface radiometric counts, surface mineralization, structural and other technical features.

The major difference between the initial, proposed drilling pattern and the new suggested grid is that the total drill footage would be decreased and emphasis would be placed on the areas with the best possibilities of discovering ore at shallow depths.

Study of the stratigraphy in the selected areas indicates that the favorable trap horizon of blue gray mudstone is from 25 to 45 feet below the surface in this area. The difference in distance from surface to the top of this member is varied and controlled by the dip and faulting.

The revised grid pattern is projected into two stages, namely: Stage I, Phase A, which is the drilling of the selected areas on a 100' grid. Stage I, Phase B is the basic grid pattern which is designed on 400 foot centers. The drilling depth has been modified from the initial submission to the extent that only one out of five holes will be drilled to a depth of 150', which is based upon a re-evaluation and study of the stratigraphy and excavation costs. It is contemplated that Phase A and B will be completed in sequence prior to the commencement of initiating offset drilling. It is also understood that the DMEA Program does not include the delineation of ore bodies. An example of Stage II is indicated on the attached map.

This program includes four offset holes on 100' centers from each mineralized drill hole. This method will help to avoid drilling outside the perimeter of a good commercial ore body. In all instances, offset holes will not be drilled closer than 100' centers in all directions from existing drill holes. Also drilling is not contemplated closer than 100' from the external boundaries of the MIA claims.

In view of the economy and increased drilling effectiveness, it is recommended that a revised estimate be prepared and forwarded as Change I to DMEA Loan Application, MIA No. 4577.

Joseph S. Merrill
Consultant and Geologist
45 North Lakeview
Clearfield, Utah

Attachment No. 1
Revised Drill Pattern

COPY

EXTRA-COPY
[redacted]
DMEA
RECEIVED MAR 1 1957

DATE	INITIALS	CODE

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 22 1957

DATE	INITIALS	CODE
1-22	LW	220
1-22	[illegible]	700

224 New Customhouse
Denver 2, Colorado

January 17, 1957

Memorandum

To: E. N. Harshman (w/brochure)
W. H. King (2) (w/brochure)

From: DMEA Field Team, Region III

Subject: Docket DMEA 4577 (uranium-selenium) Metals, Inc. (MI-A Claims) Natrona County, Wyoming

Enclosed is the subject application in the amount of $67,741.00. A field examination and suitable report are requested.

Also enclosed for your information is a copy of a letter from the Chairman of the Operating Committee, dated January 14, 1957, together with memoranda of review of the application by John E. Crawford and T. H. Kiilsgaard.

Please return the Bureau of Mines copy of the brochure to this office with the report of examination.

DMEA Field Team, Region III

Original signed by
W. M. TRAVER

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

Enclosures

HMC:ytl
cc
Sec. Op. Comm. (2)
Docket 4577
Chron.

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
1/10/57	Ching	700
1-10	Ellis	700
1/11	Selfridge	130
1/11	R. Johnson	110
		~~100~~
1/14	CW	~~225~~
		700

JAN 14 1957

Mr. U. H. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4577 (Uranium-Selenium)
Metals, Inc.
MI-A Claims
Natrona County, Wyoming

Dear Mr. Traver:

The subject application is being referred to you for investigation, a field examination if warranted, and recommendations.

Copies of memoranda, dated January 7 and 8, 1957, by John E. Crawford, USBM, and T. H. Kiilsgaard, USGS, respectively, relating to the application, are enclosed for your information. Also enclosed are two copies of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SHB)

Enclosures

Frank D. Lamb (SHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

MChing/gla
1-10-57
cc to: Admr.'s Reading File
Operating Committee
Code 700
Mr. Ching
Messrs. JECrawford, 3643
THKiilsgaard, 5224
JOHosted, 3210, GSA

8623

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
10/10/57	Ching	700
1-10	Ehly	700
1/11	Selbrede	110
1/11	Zgan	110
		~~100~~
		225
		700

Kilsgaard
Lamb

JAN 14 1957

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA-4577 (Uranium-Selenium)
MI-A Claims
Natrona County, Wyoming

Dear Mr. Merrill:

The application for assistance in exploring your claims, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred to:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

Frank E. Johnson (for)

ACTING Administrator

MChing/gla
1-10-57
cc to: Admr.'s Reading File
Code 700
Mr. Ching
DMEA Field Team, Region III (2)

8623

ORIGINAL FILE COPY
DMEA
RECEIVED JAN 9 1957
IN REPLY REFER TO:

DATE	INITIALS	CODE
1/9/57	glc	700
"	Mr. Ellis	700

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 8, 1957
Re: DMEA Docket 4577 (Uranium)
Metals, Inc.
Natrona County, Wyoming

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of application

Metals, Inc. has applied for a DMEA contract, the proposed work to consist of drilling the MI-A claims, section 35, T. 34 N., R. 89 W., Natrona County, Wyoming. A total of 30,000 feet of drilling is proposed, the holes to be drilled in three stages. The completed project would be a more or less even-spaced grid of holes over 15 unpatented claims. Estimated costs of the project total $67,741.40.

The MI-A claims are roughly three miles northeast of nearest known East Gas Hills ore deposits. They are north of what has previously been considered to be an east-west trend of the East Gas Hills mineralized zone. Nothing is given in the application, in the way of geologic information, that adds merit to the property other than the fact that it is underlain by the Wind River formation. The entire Gas Hills region, however, is one in which geologic information is rapidly being accumulated, almost on a day to day basis. The northern fringe area, in which the MI-A claims lie, therefore may be considered more promising now than it was a few months ago.

I recommend referral of this application to the Field Team for a field examination and report. Field examiners should consult with W. H. Zeller, of the Denver U. S. Geological Survey office, before going to the field as Zeller is a recognized authority on Gas Hills geology. Should the field examiners decide that the claims warrant a project, they might discuss a more modified drilling program with the applicant, because the one proposed seems to be more extensive than is needed. The proposed supervisory services also seem to be too expensive.

T. H. Kiilsgaard
T. H. Kiilsgaard

cw

OFFICIAL FILE COPY DMEA RECEIVED JAN 7 1957		
DATE	INITIALS	CODE
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

Date January 7, 1957

DMEA Docket No. 4577
DMEA Contract No.
Commodity Uranium-Selenium
Name of applicant MI-A Group Metals, Incorporated
Name of property
Location of property Natrona County, Wyoming
Estimated cost of project $67,741.00

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

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

1. Date of subject document: 12/21/56. 2. Date received by reviewer: ~~xxx~~ 1/4/~~56~~ 57

3. Prior reports on this property known to reviewer: Yes [ ] No [x]

4. Prior reports on nearby properties known to reviewer: Yes [ ] No [x]

5. Information available on past production: Yes [ ] No [x]

6. Other pertinent factors known to reviewer: Yes [ ] No [x]

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location [ ]
   b. Ownership [ ]
   c. Evidence of mineralization [x]
   d. Geology [ ]
   e. Proposed exploration method [x]
   f. Alternate exploration method [ ]
   g. Costs [x]
   h. [ ]

9. Action advised:
   a. Obtain information from applicant [ ]
   b. Refer to Field Team [x]
   c. Denial [ ]
   d. Agree with Field Team [ ]
   e. Disagree with Field Team [ ]
   f. Suggest alternate plan [ ]
   g. Request another examination [ ]
   h. Approval [ ]
   i. Consult with Mr. E. E. Thurlow at Denver AEC office.

10. Remarks: (Use back of page if necessary) Mr. J. O. Hosted, Washington representative of the Atomic Energy Commission, assisted in the review.

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

December 21, 1956

Metals Inc.
670 South State Street
Salt Lake City, Utah

Subject: DMEA-4577

Gentlemen:

Your application for exploration assistance, dated December 8, 1956 submitted to our office at Denver, has been assigned Docket Number DMEA-4577 and referred to the Rare and Miscellaneous Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

(Sgd) Allen S. Dakan

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region III, Denver, Colorado

Code 700

6916

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

224 New Customhouse
Denver 2, Colorado

December 18, 1956

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium-Selenium) MI-A Group Metals, Incorporated, Natrona County, Wyoming

Enclosed are the original and two copies of the subject application in the amount of $67,741.00.

In reviewing the application, we note the following:

1. The nearest known ore is one mile southwest of the Applicant's property at the Joe Wentz mine.

2. Lack of proof of the existence of a definite mineralized target area.

3. Overenthusiastic drilling program.

4. Applicant's estimated costs are too high.

DMEA Field Team, Region III

W. M. Traver

Enclosures

By W. M. Traver
Executive Officer

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

224 New Customhouse
Denver 2, Colorado

December 18, 1956

RECEIVED
DEC 21 1956
D.M.E.A.

Mr. Charles I. Merrill, President
Metals, Incorporated
670 South State Street
Salt Lake City, Utah

Re: Application for DMEA Aid
(Uranium-Selenium) MI-A Group
Natrona County, Wyoming

Dear Mr. Merrill:

This will acknowledge receipt of your letter dated December 11, 1956, and four copies of the captioned application.

Your application is being forwarded the Washington Office DMEA, and they will advise you if additional information is required.

Yours very truly,

Original signed by
W. M. TRAVER

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

HMC:ytl
cc
Sec. Op. Comm. (3)
Harshman
Shaw (2)
Subject
Chron.

Metals Inc.

EXECUTIVE OFFICES
670 South State St.
Salt Lake City, Utah

December 11, 1956

DMEA
DEPARTMENT OF THE INTERIOR
DEC 17 1956
REGION III
DENVER, COLORADO

RECEIVED
DEC 21 1956
D.M.E.A.

Executive Officer - Region 3
Defense Minerals Exploration Admin.
224 New Customs House Building
Denver 2, Colorado

Dear Sir:

We hereby make application for a D.M.E.A. Loan to be used in the discovery of strategic metals and minerals on selected property located in Gas Hills Mining District, Natrona County, Wyoming.

We enclose your form #MF-103, cost data and other related information which has been prepared in quadruplicate. This presentation is made on the unit cost basis and is presented in accordance with the procedures and regulations set forth in D.M.E.A. #1 and amendments thereto.

Metals, Inc. staff personnel will be made available to provide additional data if required. In case the D.M.E.A. representative wishes us to escort him while making field examinations, we will be glad to furnish a suitable person.

The early processing of this request will enable effective planning of this operation. We should be able to be in uniform production during favorable weather.

Respectfully,

METALS, INC.

Charles S. Merrill
President

CSM:dc

Attachment: MF-103 (Original and 3 copies)

EXTRA-COPY

~~ORIGINAL FILE COPY~~

DMEA

RECEIVED MAR 1 1957

DATE	INITIALS	CODE

February 19, 1957

Mr. Charles S. Merrill, President
Metals, Inc.
670 South State St.
Salt Lake City, Utah

COPY

Dear Mr. Merrill:

At your request, I re-visited the MIA Claims in the Gas Hills Area during the period from the 10th day through the 13th of February, 1957. The purpose of this trip was to obtain additional geological data and to escort Mr. E. O. Binyon and Mr. W. P. Pratt over the property. These representatives from the Bureau of Mines and the U. S. Geological Survey examined the property in connection with the processing of the application for DMEA loan, MIA Number 4577.

After consultation with the Examining Team, it was decided that a more effective drilling program, at less cost, could be projected for the exploration of this property.

As a result of this study, the possibilities of discovering large uranium reserves appear even more favorable than the initial evaluation.

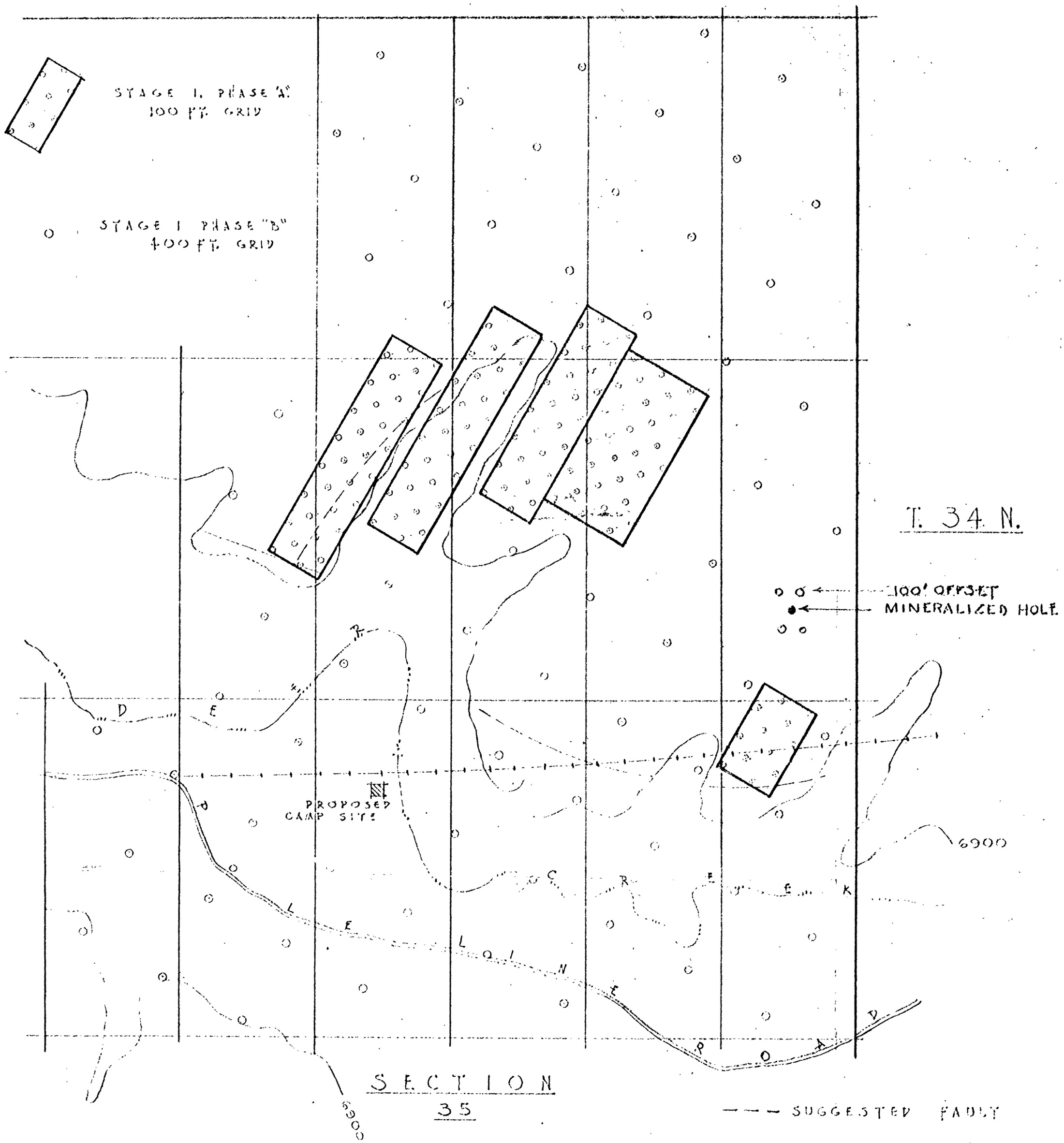
The recommendations and changes are attached for your appraisal.

Very truly yours,

Joseph S. Merrill
Consultant Geologist
45 North Lakeview
Clearfield, Utah

Incls: Trip Report 47

M E T A L S I N C.



P R O P O S E D D R I L L P A T T E R N

M. I. A. C L A I M S

SCALE 1" = 400'

REVISED 16 FEB. 1957

NATRONA COUNTY
WYOMING

JOSEPH S. MERRILL
GEOLOGIST

OFFICIAL FILE COPY DMEA RECEIVED JAN 24 1957		
DATE	INITIALS	CODE
1-24	C.	220
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DMEA
DEPARTMENT OF THE INTERIOR
JAN 18 1957
REGION III
DENVER, COLORADO

January 18, 1957

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Superintendent, Denver Experiment Station, Reg. III

Subject: Docket DMEA 4577 (Uranium selenium) Metals, Inc., (MI A Claims) Natrona County, Wyoming

The application for Metals, Inc., Docket DMEA 4577, in the amount of $67,741.00 was received in this office on January 18, 1957.

A field examination will be made and suitable report prepared by an engineer from the Denver office.

W. H. KING

W. H. King

cc: W. M. Traver (2)
E. N. Harshman
J. F. Shaw
Sec. Op. Com(2)

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4577

PREPARED FOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION

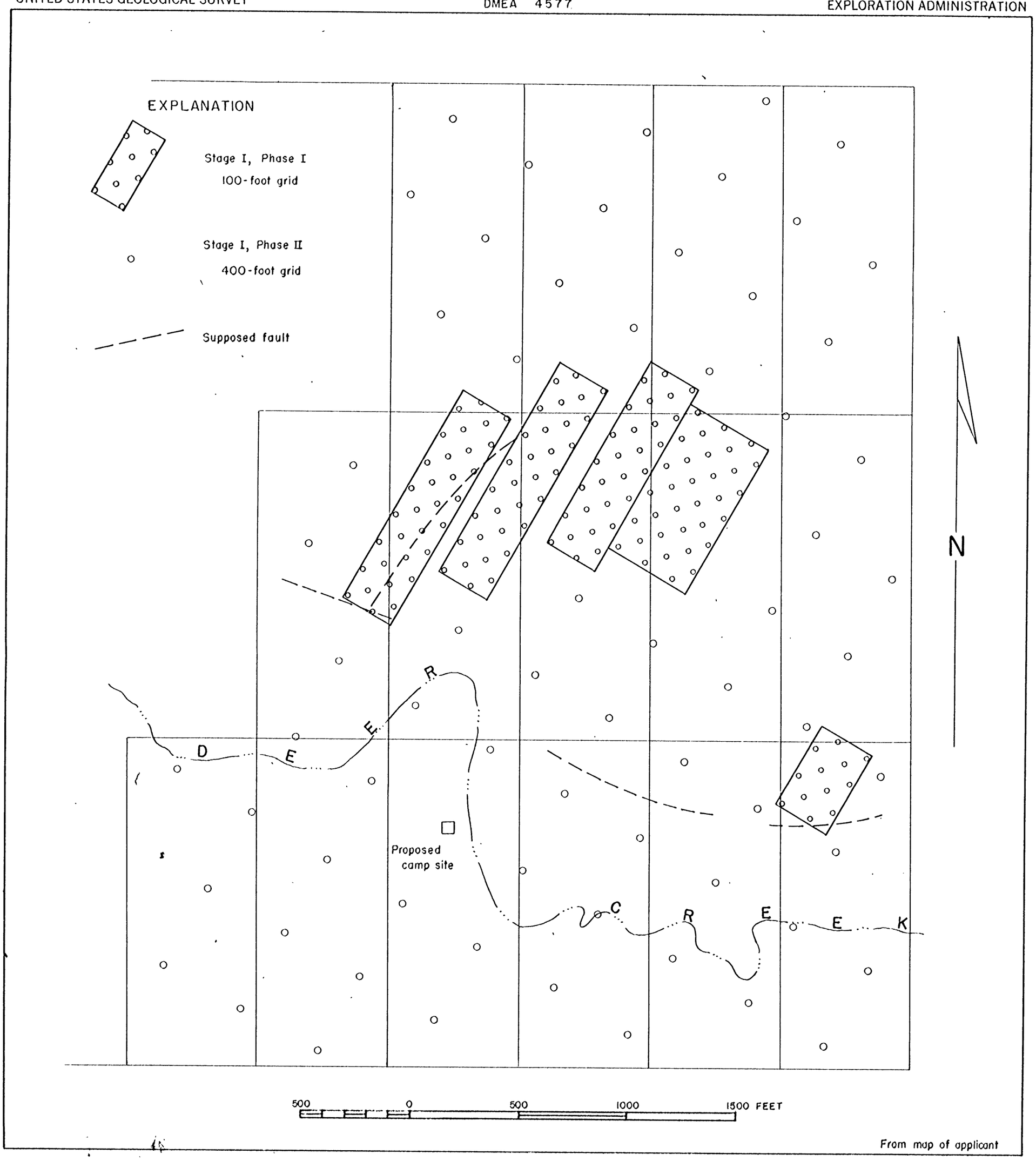


FIGURE 4. APPLICANT'S REVISED PROPOSAL
METALS, INC., MI-A CLAIMS
T. 34 N., R. 89 W., NATRONA COUNTY, WYOMING
DMEA DOCKET 4577

OFFICIAL FILE COPY
D M E A
RECEIVED APR 18 1957
DATE | INITIALS | CODE

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4577

PREPARED FOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION

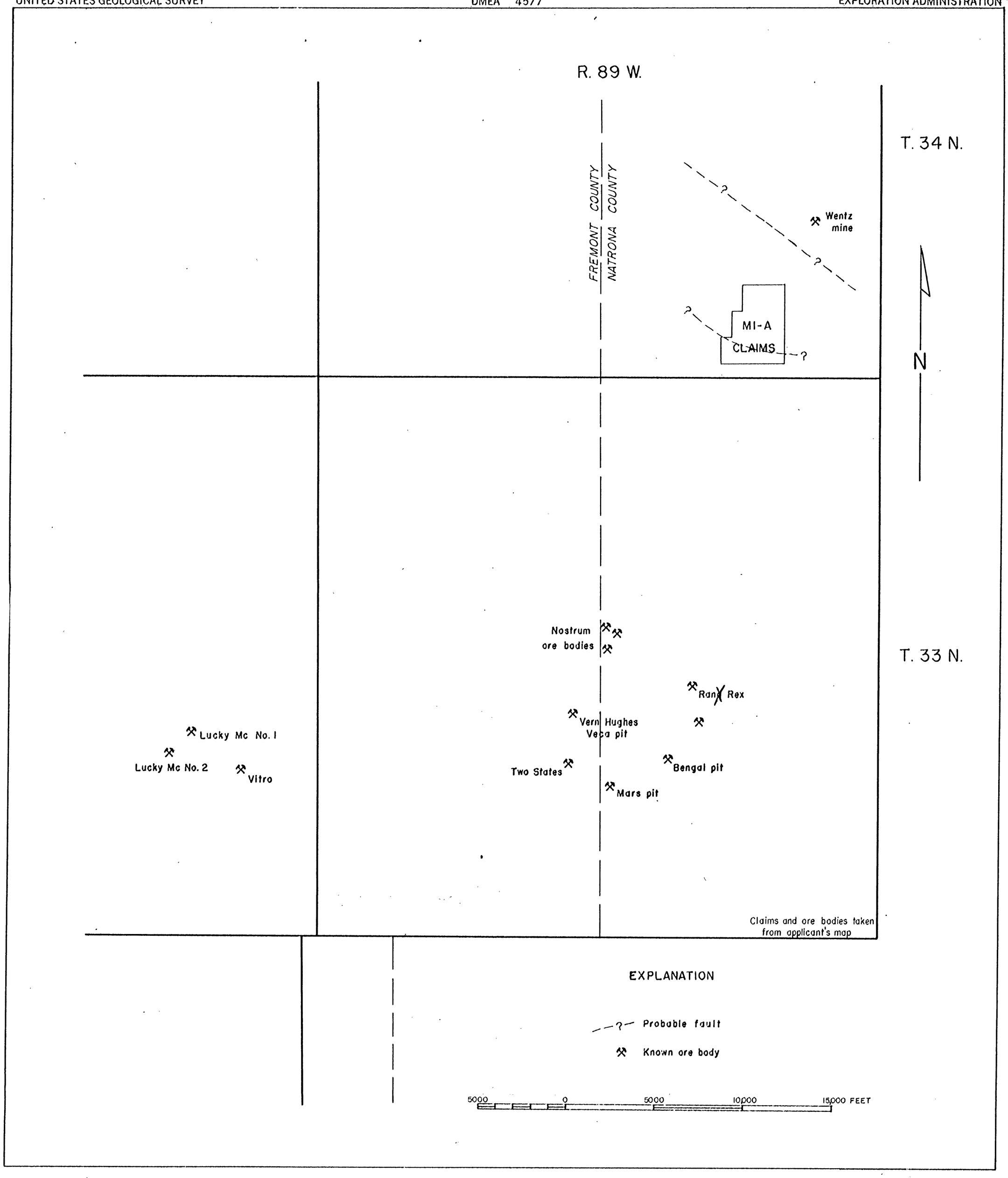


FIGURE 2. PART OF EAST GAS HILLS URANIUM DISTRICT, WYOMING
SHOWING LOCATION OF MI-A CLAIMS
AND OTHER PROPERTIES

DMEA DOCKET 4577

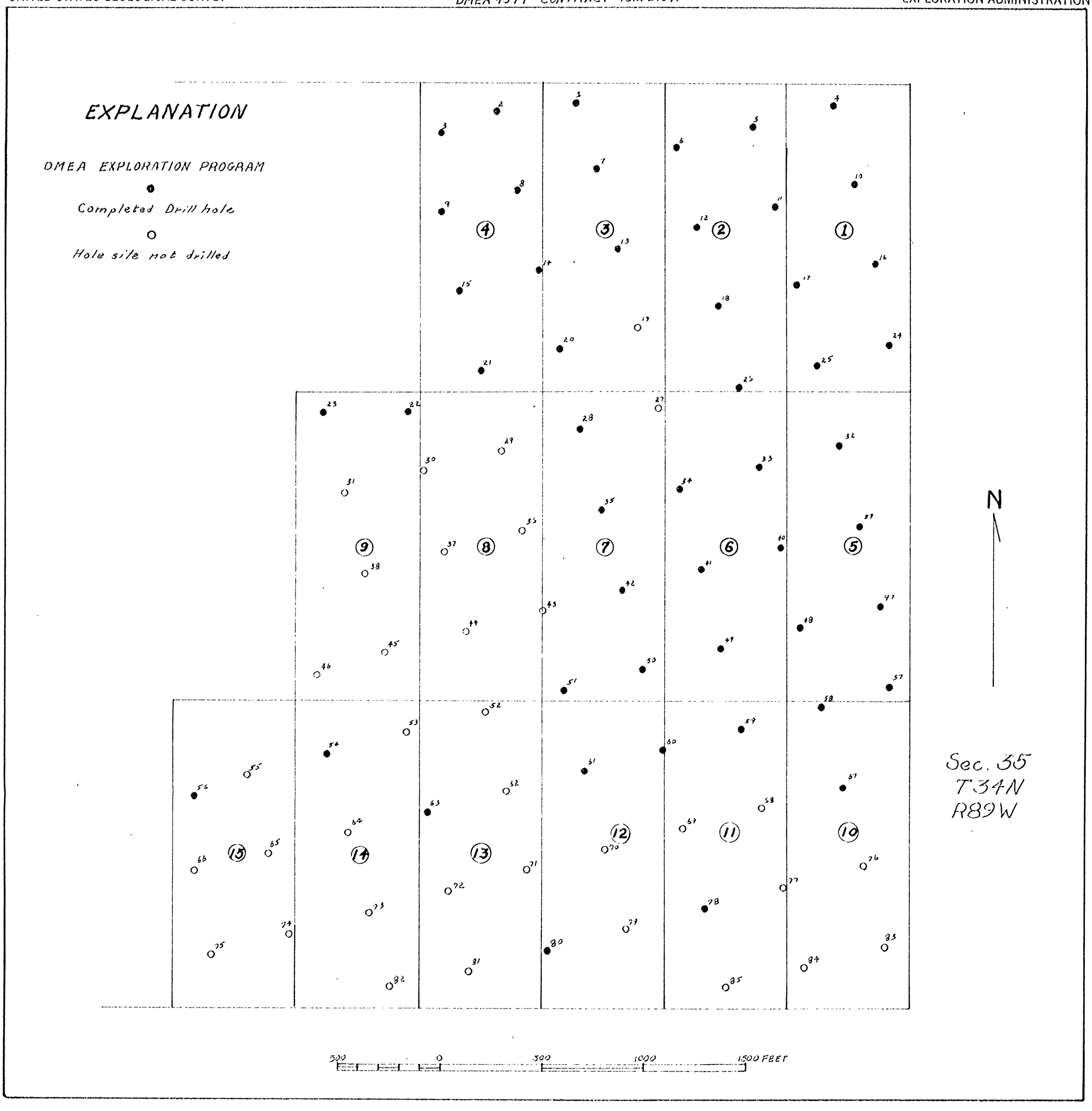


Fig. 3. MAP OF SKYLINE CLAIMS, NATRONA CO., WYOMING SHOWING LOCATION OF DMEA DRILL HOLES

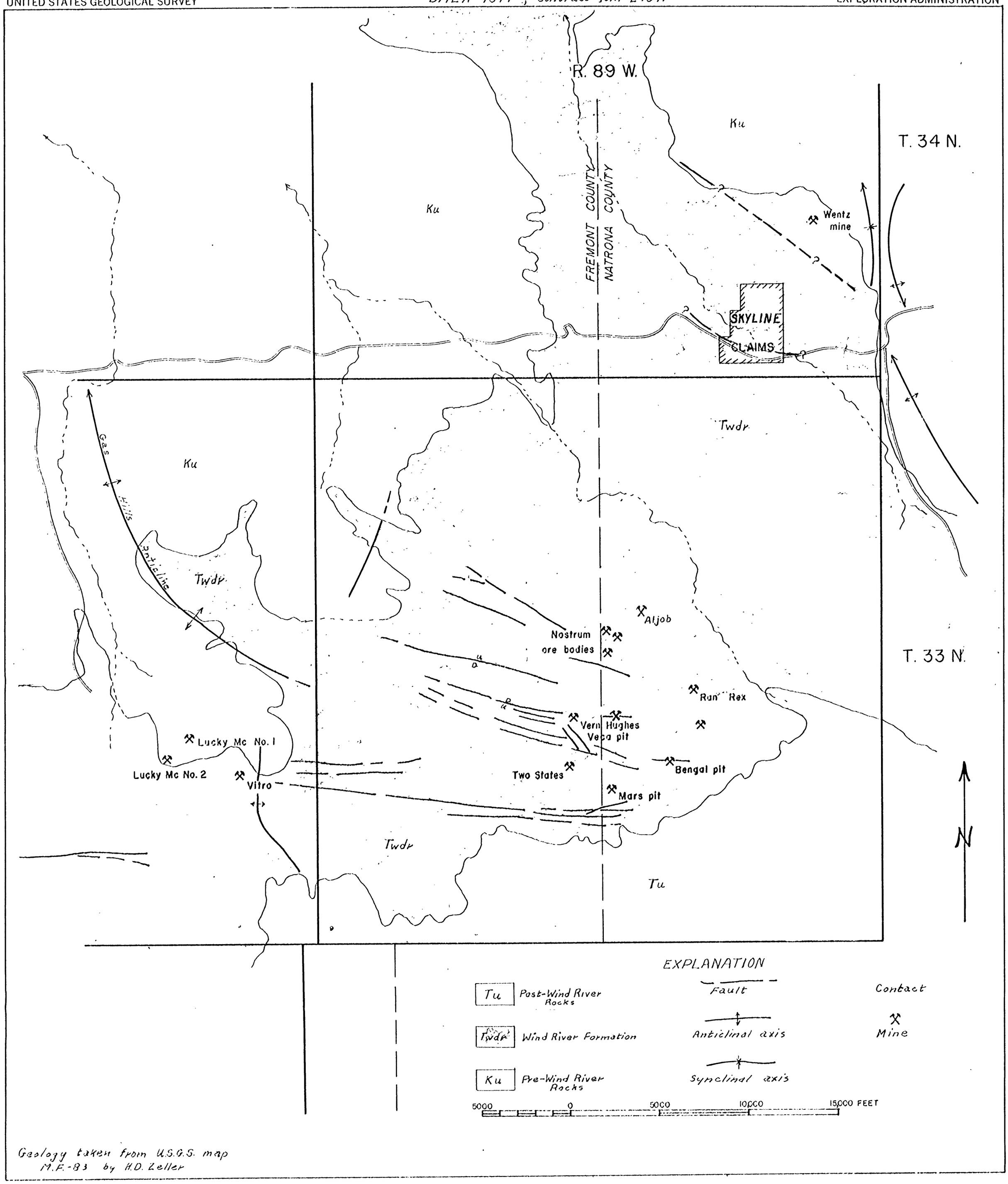
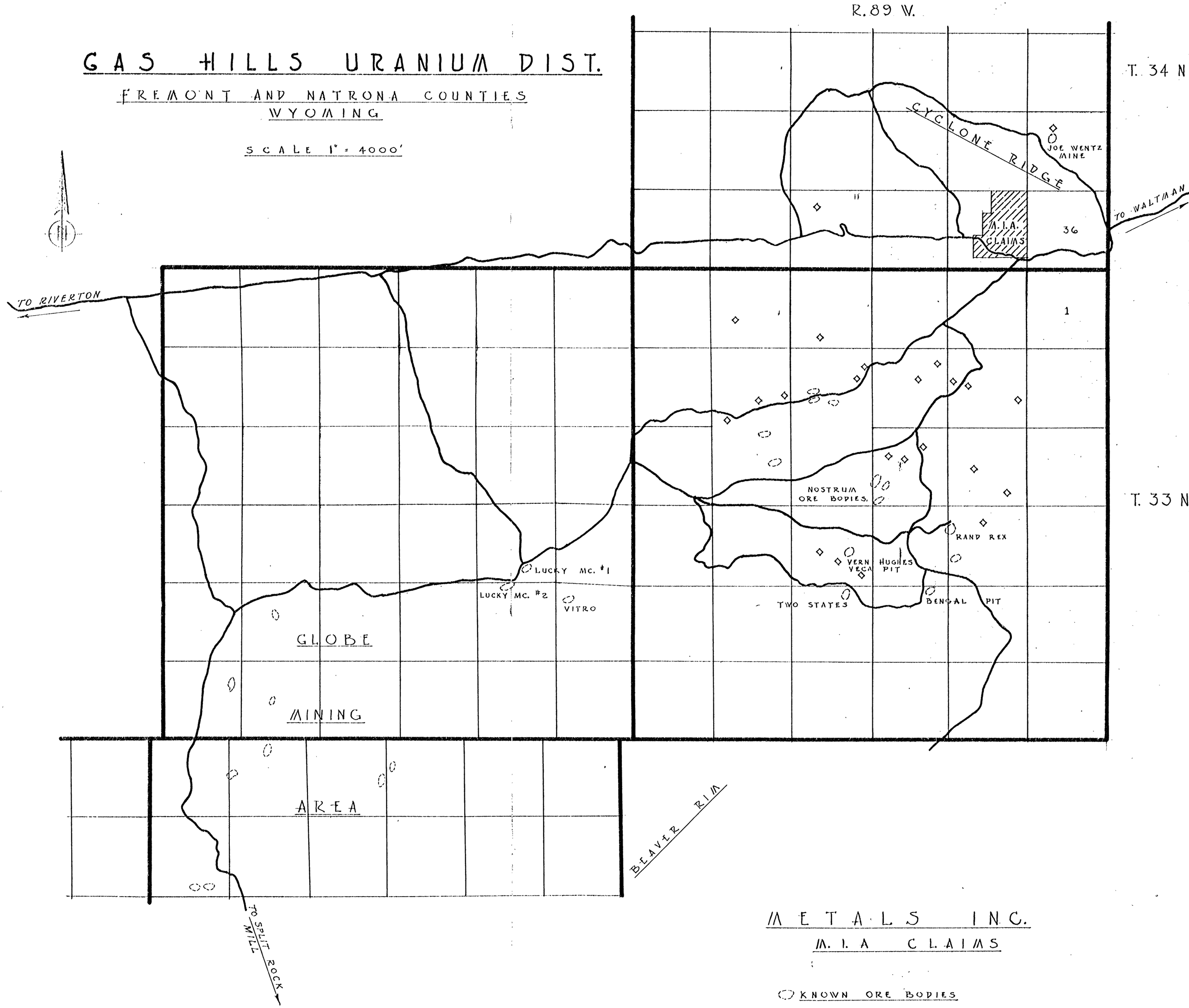


Figure 2. GEOLOGIC MAP OF PART OF EAST GAS HILLS DISTRICT, WYOMING SHOWING LOCATION OF SKYLINE CLAIMS AND OTHER PROPERTIES

GAS HILLS URANIUM DIST.

FREMONT AND NATRONA COUNTIES
WYOMING

SCALE 1" = 4000'



METALS INC.

M. I. A CLAIMS

KNOWN ORE BODIES

A.E.C. ANOMALIES

NOVEMBER 1956

PREPARED BY JOSEPH S. MERRILL
GEOLOGIST

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4577

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

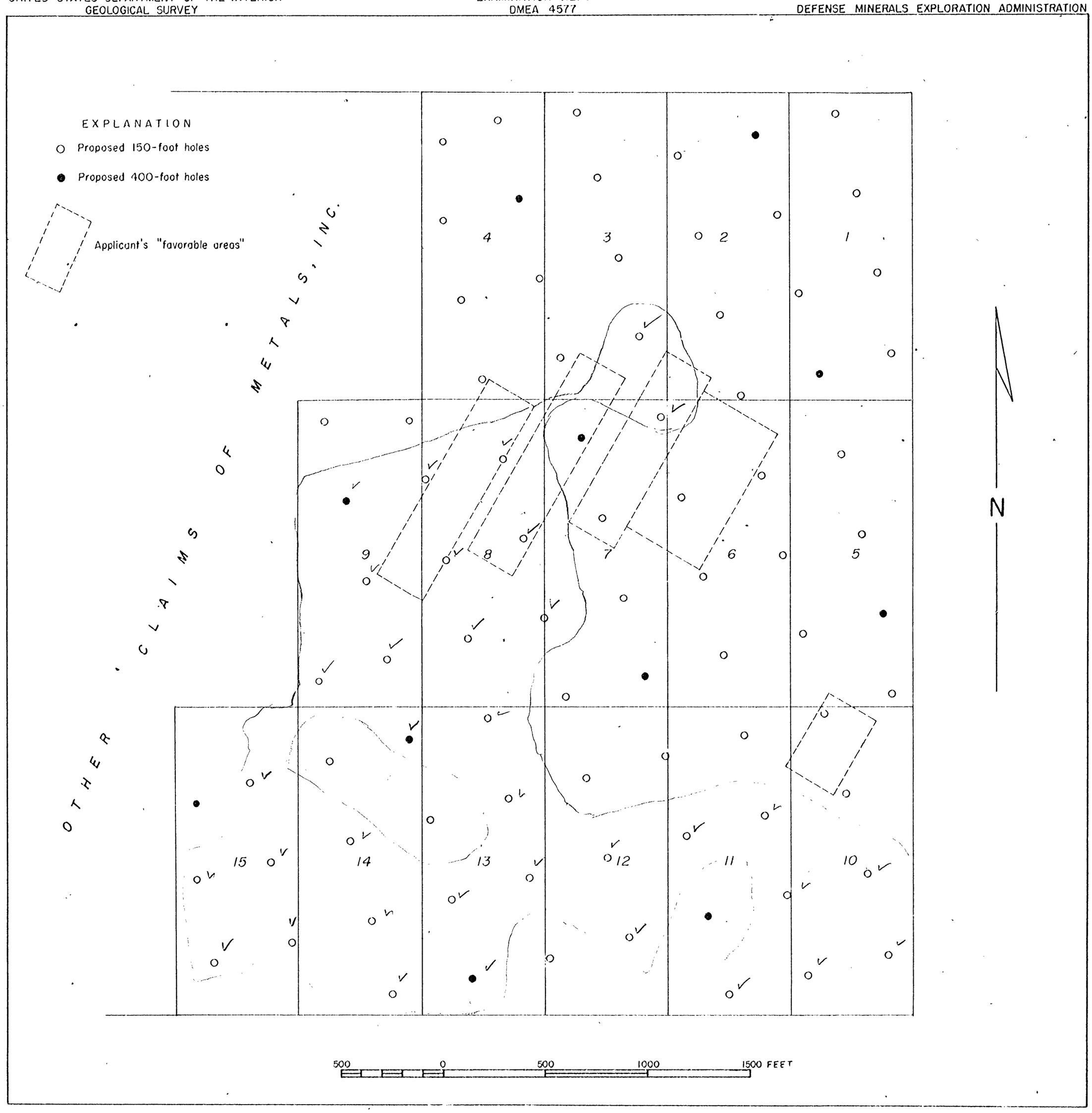


FIGURE 5. RECOMMENDED DRILL HOLES
METALS, INC., SKYLINE CLAIMS
T. 34 N., R. 89 W., NATRONA COUNTY, WYOMING
DMEA DOCKET 4577

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4577

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

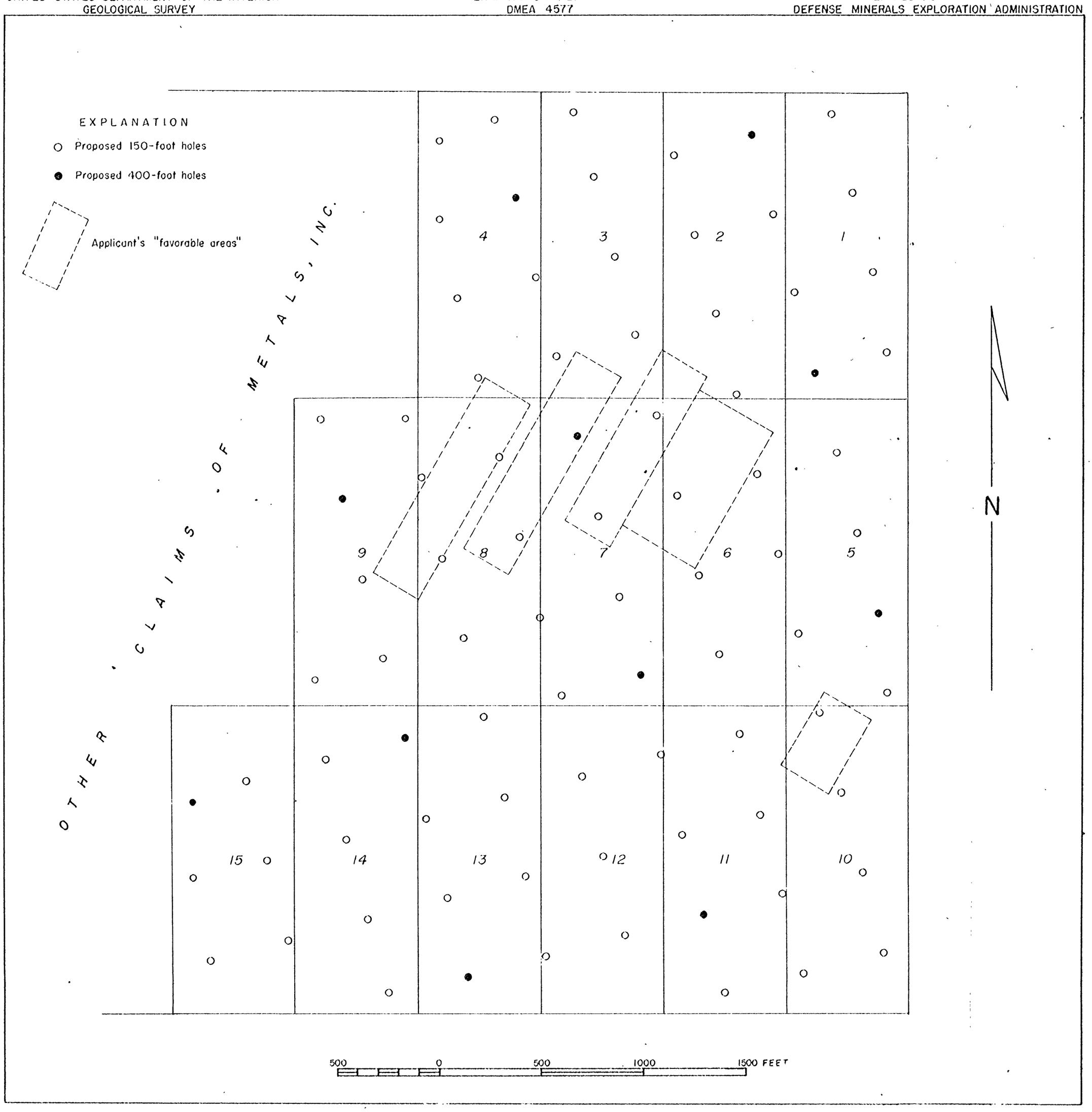
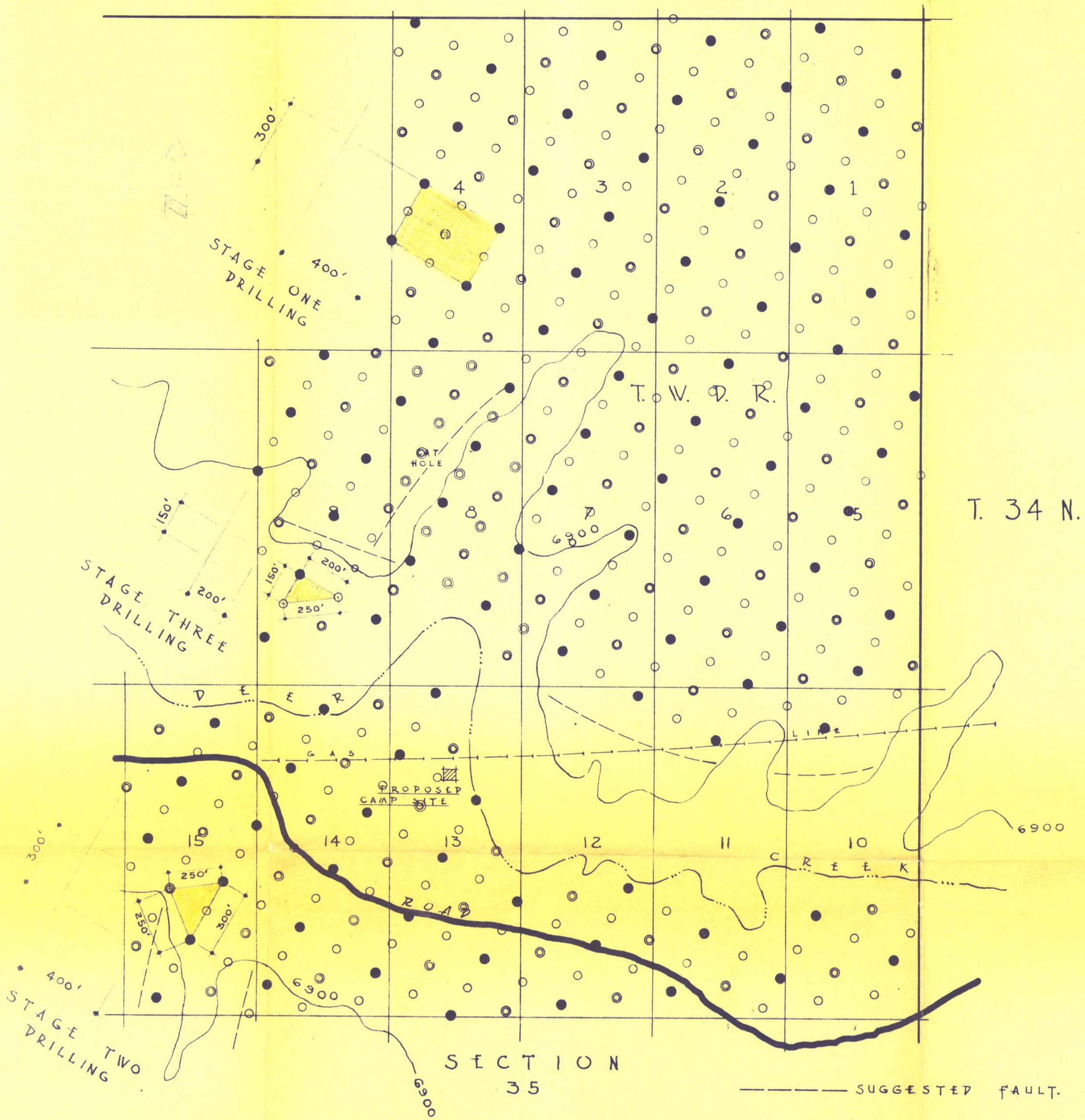


FIGURE 5. RECOMMENDED DRILL HOLES
METALS, INC., SKYLINE CLAIMS
T. 34 N., R. 89 W., NATRONA COUNTY, WYOMING
DMEA DOCKET 4577

M E T A L S I N C.



P R O P O S E D D R I L L P A T T E R N

M. I. A. C L A I M S

SCALE 1" : 400'

NATRONA COUNTY
WYOMING

NOVEMBER 1956

PROJ. BY JOSEPH S. MERRILL
GEOLOGIST