DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED FEB 21 1958 D.M.E.A.

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Big Six Explorations, Inc.
220 North Jefferson
Odessa, Texas

pertaining to Exploration Project Contract No. Idm-E1019, DMEA No. 4249, including Amendment No. 1, for the months of November, 1956 to May, 1957, inclusive, covering a project for the exploration of Uranium on property known as Sorrell Horse and Citation Claims located in Gila County, about 20 miles south of Young, Arizona.

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		$16,595.51
Exceptions: (Schedule attached)		
Prior to this review	$1,103.01	
Herewith	0.00	1,103.01
Total Accepted Cost		$15,492.50

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 Eleven thousand, six hundred nineteen and 38/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$11,619.38
Amount reimbursed	11,119.38
Balance due Operator	$ 500.00

Donald T. Finch

February 18, 1958

Donald T. Finch, Auditor

BIG SIX EXPLORATIONS, INC.

Contract No. Idm-E1019 Docket No. IMEA 4249

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

(a) 57.89%, or $8,968.50, of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs for work actually performed.

(b) 42.11%, or $6,524.00, of the costs incurred were supported by documentary proof of the costs claimed under the contract provisions for contribution by the Government on the basis of actual costs incurred.

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

BIG SIX EXPLORATIONS, INC.

Contract No. Idm-E1019 Docket No. DMEA 4249

SCHEDULE OF DISALLOWANCES

The following disallowances were made by the DMEA Finance Officer, Region III, upon the recommendation of the Examining Engineer. The Executive Officer of the DMEA Field Team, Region III, and the Auditor concur with these disallowances.

Assays (Excess claim of 1 assay - No support)	$ 5.00	
Supervision (Not applicable to road building)	153.23	
Camp materials and supplies not applicable to road work	89.04	
Excessive depreciation on pickup truck	39.72	
Repairs to equipment not applicable to road work	118.14	
Payroll taxes (Adjustment for excess supervision disallowed above.)	3.05	
Workmen's compensation in excess of rates shown by State of Arizona	29.90	
Gas, oil, station wagon and camp supplies not applicable to road	111.95	
Telephone (Not applicable to road)	2.20	
Excess charge for accounting not applicable to road	66.67	
Net road costs in excess of allowable maximum of 2,800 feet of road construction @ $2.33 per foot. (3,000 feet constructed.)	484.11	
Total Disallowances		$1,103.01

BIG SIX EXPLORATIONS, INC.

Contract No. Idm-E1019 | Docket No. DMEA 4249

	Total to Date MF-104 May, 1957	Disallowed By Finance Officer	Accepted Costs
Fixed Unit Costs			
250 Ft. of drifting and crosscutting @ $31.00/ft.	$ 7,750.00		$ 7,750.00
4 Ft. of timbering @ $4.50/ft.	18.00		18.00
8 assays @ $5.00 each	40.00	$ 5.00	35.00
Percussion Drilling			
477 Ft. @ $1.50/ft.	715.50		715.50
150 Ft. @ $3.00/ft.	450.00		450.00
Total Fixed Unit Costs	$ 8,973.50	$ 5.00	$ 8,968.50
Actual Cost			
Roads (Operator elected to perform this work instead of by independent contract.)			
Labor	$ 1,175.82		$ 1,175.82
Supervision	850.00	$ 153.23	696.77
Explosives	169.58		169.58
Equipment Rental	4,212.50		4,212.50
Depreciation (Truck)	83.60	39.72	43.88
Drill steel, bits and small tools	94.10		94.10
Camp supplies	89.04	89.04	-
Repairs to Equipment	174.12	118.14	55.98
Payroll Taxes	40.52	3.05	37.47
Liability Insurance (Workmen's Compensation)	173.28	29.90	143.38
Gas and Oil (Compressor)	396.06	111.95	284.11
Telephone	2.20	2.20	-
Accounting	141.67	66.67	75.00
Gas for pickup truck	19.52		19.52
Net costs claimed in excess of allowable maximum of 2,800 Ft. of Road @ $2.33/ft.		484.11	484.11
Total Actual Costs	$ 7,622.01	$1,098.01	$ 6,524.00
Total All Costs	$16,595.51	$1,103.01	$15,492.50

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

Re: Docket No. DMEA-4249
Contract No. Idm-81019
Big Six Explorations, Inc.

Dear Mr. Finch:

Your Report of Review on the referenced contract is acceptable. You are authorized to make normal distribution.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Director
Contract Administration
and Audit Division

EDTalbert/wb
February 21, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

EXTRA COPY
DMEA
RECEIVED FEB 19 1958
DATE
COPY
800

224 New customhouse
Denver 2, Colorado

February 17, 1958

Memorandum

To: T. H. Brading, DMEA Auditor

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4249 (Uranium), Contract No. Idm-E1019, Big Six Explorations, Inc. (Sorrell Horse and Citation claims), Gila County, Arizona

The subject contract was considered completed upon completion of the work under Stage I of the contract and the Operator was so advised by letter from this office dated July 12, 1957.

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

Acceptable units of work or services completed on a Fixed Unit Cost basis are as follows:

Drifting	250 feet
Drift timbering	4 feet
Percussion drilling (Holes less than 50 feet in length)	477 feet
Percussion drilling (Holes greater than 50 feet in length)	150 feet
Chemical analysis of samples for U_3O_8 content	7.

The sum of $500.00 was withheld from reimbursement to the Operator in processing its final accounting report, which was for the month of May, 1957.

Original signed by
W. H. KING

W. H. King

JWT:prl

cc: Chmn. Op. Comm. (2)
Harshman
Corres. file
Townsend
Chron.

EXTRA COPY DMEA RECEIVED 1957		
DATE	[illegible]	CODE
		800

224 New Customhouse
Denver 2, Colorado

August 9, 1957

Mr. Roger Ashford, President
Big Six Explorations, Inc.
220 North Jefferson
Odessa, Texas

Re: Docket DMEA-4249 (Uranium)
Contract Idm-E1019
Big Six Explorations, Inc.
(Sorrel Horse and Citation claims)
Gila County, Arizona

Dear Mr. Ashford:

Form MF-104, Operator's Monthly Report and Voucher, for May, 1957, together with all supporting data, has now been received in this office and is being processed for payment.

The cost of five chemical analyses was reported on Form MF-104, however, assay results were submitted for only four samples. The cost of one chemical analysis is disallowed.

The amount of $900.00, which was withheld from the April 1957, voucher, is reinstated and an equal amount is withheld from the May, 1957 voucher, pending resolution of matters prerequisite to closing the account, which include;

1. Rendering to the Government a final report as required under Article 7(e), of the contract form.

2. Release to this office of an Audit Report or Report of Review of the reported project expenditures, by the Contract Administration and Audit Division, DMEA.

If you have any questions regarding the above please feel free to contact this office.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh
cc: Mr. R.J. Allison
Big Six Explorations, Inc.
Box 6, Young, Arizona
Chem. Op. Comm. (2)
Harshman
DMEA/Tucson
Emerick
Townsend
Corres.file, Reg.III
Chron

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DATE 6 1958
CODE

224 New Customhouse
Denver 2, Colorado
February 25, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4249 (Uranium) Contract Idm-E1012, Big Six Explorations, Inc. (Sorrell Horse and Citation claims) Gila County, Arizona - FINAL PAYMENT

Reference is made to our memorandum of August 9, 1957, whereby we transmitted the final Form MF-104, Operator's Monthly Report and Voucher, for the month of May 1957, and requested that you withhold the amount of $500.00, from reimbursement to the Operator pending resolution of matters prerequisite to closing the account.

The Operator's final report has been received, therefore, we recommend that final payment to the Operator be made on the following basis which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated February 18, 1958.

Basis for Final Payment:

Total accepted cost----------	$15,492.50
Government participation at 75%------	11,619.38
Total Prior Payments----------	11,119.38
Balance due the Operator----------	$ 500.00

Original signed by
W. H. KING

W. H. King

JDC:hmh

cc: Chem. Op. Comm. (2)
DMEA/Tucson
MF-104 file, Reg. III
Harshman
Emerick
Townsend
Corres. file, Reg. III
Caron

$500.00

2/27/58 DMEA 58-92

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

Budget Bureau No. 42-R1036.5

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

Month of May, 1957 Docket No. DMEA 4249 Contract No. Idm. E1019
Operator's Name Big Six Explorations, Inc. Minerals Uranium
Address Box 6, Young, Arizona
Contract Amount, $ 26703.00 Government Participation: 75 % Amount, $ 20091.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1165.50		1165.50			
~~Bundozing~~ Assaying	25.00	15.00	40.00			
Crosscutting						
Drifting		7750.00	7750.00			
Timbering		18.00	18.00			
(2) Labor and Supervision:						
Labor		1175.02	1175.02			
Supervision		850.00	850.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		169.58	169.58			
Pipe						
Track						
(4) Operating Equipment:						
Rental		4212.50	4212.50			
Purchase		183.14	183.14			
Depreciation		03.60	03.60			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		174.12	174.12			
Sampling and Analysis						
Payroll Taxes		40.52	40.52			
Liability Insurance		173.28	173.28			
Gas and Oil		396.06	396.06			
Telephone		2.20	2.20			
(8) Contingencies (specify):						
Accounting		141.67	141.67			
Miscellaneous		19.52	19.52			
TOTALS	1190.50	15405.01	16595.51	1185.50	15,405.01	16,590.51
				4	4098.01	4098.01
					14,307.00	15,492.50

RECEIVED AUG 15 1957 D.M.E.A.

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

Date 6-15-57 *Payee Big Six Explorations, Inc.

Per [signature] Title Director

*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:

$ 889 13

Signature [signature]
(Authorized Certifying Officer)

Date 8/12/57 Vou. No. DMA 58-14
(See other side)

4 Previous Disallowance
Note: Withheld 500.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 1019 in accordance with the terms of the contract.

Signature M Memplo Title Mining Engineer Date 7-11-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature L. M. Hinshaw Title acting Executive Officer Date AUG 9 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-10-A
(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 May, 195 7 Docket No. DMEA 4249 Contract No. Idm E1019

Operator's Name Big Six Explorations, Inc.,

Address Box No. 6, Young, Arizona Minerals Uranium

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				7750.00	250	31.00	550	31.00
Crosscutting								
Raising								
Shafts								
Winzes Timbering				18.00	4	4.50	70	4.50
Drilling: Core - 50 ft	Ft	715.50	477	715.50	477	1.50	1000	1.50
Churn - 50 ft	Ft	450.00	150	450.00	150	3.00	300	3.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				7622.01	3000	2.40		6524.00
Assays	Ea	25.00	5	40.00	8	5.00		5.00
TOTAL DISTRIBUTED COSTS		1190.50		16595.51				TOTAL COSTS AUTHORIZED BY CONTRACT
					Road			6524.00
					Drifting			17050.00
Operating Equipment Purchased								
Initial Rehabilitation and Repairs					Timbering			315.00
New Buildings, Improvements, etc.					Drilling			2400.00
					Assaying			500.00
TOTAL COSTS		1190.50		16595.51	Total (rounded to)			26790.00

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

Date 6-15-57 Operator Big Six Explorations, Inc.

Per H. J. Allison Title Director

REMARKS:

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

(Instructions on reverse)

(For Government use only)

RECEIVED
AUG 15 1957
D.M.E.A.

D. M. Combs

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

E 1619

FINAL DISTRIBUTION
MADE AUG 13 1957.

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Customs Bldg., Denver 2, Colorado

Administrative Audit Difference Statement

Big Six Explorations, Inc.
220 N. Jefferson
Odessa, Texas

Date: August 12, 1957
Payee's Reference: May 1957

Gentlemen:

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

Amount Claimed	$	1190.50
Difference	$	5.00
Amount Approved	$	1185.50

The reason for the difference was due to:

Disallow:	Claimed 5 Chemical analyses @ $5.00 ea.	$25.00
	Results have been submitted for only 4 analyses @ $5.00 ea.	$20.00
	Disallow 1 chemical analyses	5.00
Reinstate:	$500.00 which was withheld from the March 1957 voucher.	
Withhold:	$500.00 pending resolution of matters which are prerequisite to closing the account.	

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

Very sincerely yours,

N. E. Stokes
Audit Section

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DATE	INITIALS	CODE

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

224 New Customhouse
Denver 2, Colorado

August 9, 1957

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D M E A
RECEIVED AUG 16 1957
DATE | INITIALS | CODE

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket-4249 (Uranium) Contract Idm-E1019
Big Six Explorations, Inc. (Sorell Horse and Citation claims) Gila County, Arizona - Operator's Monthly Progress Report for the month of May, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-184A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work during May, 1957, was performed at fixed Unit Costs in accordance with the contract form. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Amount to be Disallowed, Chemical Analyses:

The Operator has reported a total of five Chemical analyses on Form MF-104 for May, 1957. Results have been submitted for only four analyses, therefore the reported cost for one chemical analysis is to be disallowed.

<u>Disallow</u> the reported cost for one Chemical Analysis at $5.00---------- $5.00

Amounts to be reinstated and withheld:

<u>Reinstate</u> an amount of $500.00, which was withheld from the March, 1957, voucher.

Withhold an amount of $500.00, pending resolution of matters which are prerequisite to closing the account. The contract is considered completed, and the Operator was notified by letter of July 12, 1957.

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

Amount reported on Form MF-104, for May, 1957	$1190.50
Amount to be disallowed	5.00
Total accepted cost for May, 1957	$1185.50
Government participation at 75 percent	889.13

Amounts to be reinstated and withheld:

Amount to be reinstated	$500.00	
Amount to be withheld	500.00	
Net reinstatement or deduction		0.00
Balance due the Operator		$ 889.13

Remarks:

Date of Report----------June 15, 1957
Date Received in Field Office----------June 25, 1957
Date Received in Region Office----------July 15, 1957
Reason for delay: Held pending receipt of map and assay certificates from Operator.

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

JDC:hmh
cc: Chem. Op. Comm. (2))w/copy of complete
EMRA/Tucson) report
MF-104 file, Reg. III)
Harshman)
Emerick) w/copy of Engr's report
Townsend)
Chron

DMEA

DEPARTMENT OF THE INTERIOR

JUL 15 1957

REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 15 1957

DATE	INITIALS	CODE
July 12, 1957		

Memorandum

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

From: T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject: Progress Report for May 1957, Docket DMEA-1249 (Uranium) Contract Idm-51019, Big Six Explorations, Inc. (Terrell Mose and Citation Claims), Gila County, Ariz.

Enclosed with this report in quintuplicate are 5 copies each of the operator's Forms [illegible]-104 and 104A, radiometric log and narrative report.

On June 5, 1957, W. L. Emerick and I visited subject property for the purpose of making my regular monthly progress inspection and to jointly check on the results of the work. We were accompanied by B. J. Allison, Director of the Corp. and project supervisor.

I found that the 12 percussion drill holes approved by the Acting Executive Officer's letter of April 29, 1957 had been completed, reportedly during May. As reported in our joint memorandum to you of June 7, 1957, Mr. Emerick and I tested the cuttings which had been sacked in 5-foot intervals and check probed 1 of the holes. No significant readings above background were obtained from any of the cuttings. Findings from the probing of hole 7 were essentially the same as reported by the applicant.

ANALYSIS OF THE OPERATOR'S REPORT

The report was received and inspected at Tucson June 25, 1957. The map and assay certificates were found in acceptable and were returned to Mr. Allison the same day. A request that the material be corrected and returned before June 10 was mailed June 8. Attempts to contact Mr. Allison by phone July 5 and 8 were unsuccessful. The material had not been returned on July 11 when I completed this report for forwarding on July 12, the day before taking off on a 3-week vacation. If the corrected maps and assay certificates are received before mailing time they will be enclosed with the report. Otherwise, Mr. Storms will be asked to forward them to you.

W. H. King (3)
DMEA-1249
BY

TMRomslo:rj

Form MF-106

Drilling - The $1,165.50 is for the 477 feet and 150 feet of percussion drill hole at $1.50 and $0.00 per foot respectively. The 477 feet comprises holes 1 to 9 that were each drilled to a depth of 50 feet and charged for as 40-foot holes and hole 12 that could not be drilled beyond 36 feet. The 150 feet is for holes 10 and 11 that were each drilled to a depth of 75 feet. The depth of all the holes is shown on the operator's radiometric log. Hole 9 was drilled to a depth of 50 feet as indicated by cuttings but due to raveling it could be logged only to a depth of 40 feet.

Assaying - The $25.00 is for the assay of 5 samples at the specified cost of $5.00 each. It should be approved if acceptable assay certificates and a map showing the locations and descriptions of the samples is made available. Incidentally, the map also should show the same information for the previously reported 3 assays.

Totals - The monthly cost of $1,190.50 appears to be correct. The other costs, $15,405.01 and $16,595.51, also appear to be correct before the previous disallowance of $1,098.01.

Form MF-104A

The form has been properly completed.

NARRATIVE REPORT

The report is acceptable. The map, as originally received, also would have been acceptable if it had included the previously mentioned sampling data.

RECOMMENDATIONS

Joint memoranda of June 7 and July 8 by Mr. Emerick and me recommend that contract be terminated as all approved work of Stage I had been completed with unfavorable results.

Continue to withhold the $500.00 pending official termination of the contract, a final audit, and receipt of the operator's Final Report.

Original signed by
T. M. Romslo
T. M. Romslo

Box No. 6,
Young, Arizona,
June 15, 1957.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 15 1957
DATE | INITIALS | CODE

Mr. W. R. Storms,
U. S. Bureau of Mines,
P. O. Box No. 4097,
University Station,
Tucson 5, Arizona.

Re: DMea - 4249 - Uranium
Contract No. Idm. E1019
Big Six Explorations, Inc.,
Box No. 6, Young, Arizona.

Attention: Mr. Traver.

Dear Sir:

Pursuant to DMea 4249, Contract No. Idm. E1019, we herewith submit narrative report for May, 1957, together with Maps and Log of completed drilling, and completed Forms MF104 and MF104A.

During May the drilling in Stage I was completed, with ten (10) holes under fifty feet, and two (2) holes over fifty feet.

After drilling, probing and catching samples at five foot intervals we found very little showing in the probing of the holes or in the samples, except one spot at 27½ feet in Hole No. 4 and one spot at 27½ feet in Hole No. 6, as shown on the accompanying Log.

Mineralization in the drift and in the drill holes was spotty, probably due to bedding. Since no appreciable mineralization was found at any of drilling spots we feel it is not advisable to spend more time or money at this time. If more information is available at a later date on Uranium in the Dripping Springs we may consider more work.

We will submit a final report in the near future.

Very truly yours,

BIG SIX EXPLORATIONS, INC.,

R. J. Allison

R. J. Allison, Director.

RJA:wb
Encls.

DMEA
PARTMENT OF THE INTERIOR
AUG 7 - 1957
REGION III
DENVER, COLORADO

August 5, 1957

Memorandum

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

From: T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject: Program Report for May 1957, Docket DMEA 4249 (Uranium) Contract Idm-E1019, Big Six Explorations, Inc. (Sorrell Horse and Chetton Claims), Gila County, Ariz.

Enclosed are the original and 4 copies of map and assay certificates that I returned to the Operator for corrections and revisions June 25, 1957. The data was corrected and returned to Tucson July 31, 1957.

The corrected map shows the locations and assays of 4 of the reported 5 samples and marks the locations of 3 previously approved samples. The assays of the 4 new samples are shown on the certified certificates. It follows that approved assaying costs at $5.00 per sample should be $20.00 instead of the reported $25.00.

Original signed by
T. M. Romslo

T. M. Romslo

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 15 1957

DATE	INITIALS	CODE

CC W. H. King (8)
DMEA-4249
DF

T. M. Romslo:fr

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

FILE COPY
DMEA
RECEIVED MAY 31 1957

DATE	INITIALS	CODE
5/31	C	220
"	COM	100
		800

224 New Customhouse
Denver 2, Colorado

May 28, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA-4249 (Uranium) Contract Idm-E1019, Big Six Explorations, Inc. (Sorrell Horse and Citation claims) Gila County, Arizona

Enclosed are two copies of the Engineer's Report, Operator's Narrative report, and covering memorandum by the Superintendent, Southwest Experiment Station, covering progress under the subject contract during April, 1957. No voucherable progress was accomplished during the month, therefore no Forms MF-104 and MF-104A were submitted by the Operator.

E. N. Harshman

E. N. Harshman

Enclosures

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

May 24, 1957

Memorandum

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

From: Superintendent, Southwest Experiment Station

Subject: April 1957 Progress Report, Docket DMEA-4249 (Uranium), Contract Idm-K1619, Big Six Explorations, Inc. (Sorrell Horse & Citation Claims), Gila County, Ariz.

Enclosed in quintuplicate are the following:

1. Bureau of Mines engineer's report;

2. Operator's narrative report.

As no work was done during April under terms of the Contract, no Forms MF-104 nor MF-104A are enclosed.

Signed by Walter R. Storms

Walter R. Storms

CC Exec. Off (8)
DMEA-4249
DF

WRStorms:frj

May 23, 1957

Memorandum

To: Walter R. Stamm, Superintendent, Southwest Experiment Station

From: T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject: Progress Report for April 1957, Docket DMEA-4249 (Uranium) Contract IAm-51619, Big Six Explorations, Inc. (Sorrell Horse and Citation Claims), Gila County, Ariz.

At Young, Ariz. on May 7, 1957, Mr. R. J. Allison told me that no vouchersable progress was made in explorations of subject contract during April 1957. He said that the entire month was spent in obtaining, repairing and setting-up long hole drilling equipment. He also reported that hole 2 was started May 4 and completed May 6. This progress was checked when I visited the project after completion of an inspection of explorations at the nearby Black Brush claims.

Mr. Allison's letter to you of May 13, 1957 contains statements that confirm the above findings. It is considered as the Operator's Narrative Report for April 1957.

Original signed by
T. M. Romslo
T. M. Romslo, Mining Engineer
Southwest Experiment Station

FILE COPY
MAY 23 1957

DATE	INITIAL	CODE

CC Exec. Off. (Orig. & 3)
DMEA-4249
RF

TMRomslo:frj

Box No. 6,
Young, Arizona,
May 13, 1957.

Mr. W. R. Storms,
U. S. Bureau of Mines,
P. O. Box No. 4097,
University Station,
Tucson 5, Arizona.

Re: Docket No. DMEA 4249 (Uranium)
Contract No. Idm-E1019
Big Six Explorations, Inc.,
Box No. 6, Young, Arizona.

Attention: Mr. Traver.

Dear Sir:

There was no work done on the Drilling, Stage I, of the above project during the month of April, 1957.

However, since receiving Government Approval from Mr. E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III, from 224 New Customhouse, Denver, Colorado, under date of April 29th, 1957, we have commenced drilling and will report this on our May report.

Very truly yours,

R. J. Allison

R. J. Allison.

RJa;wb

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

Budget Bureau No. 42-R1036.5

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

Month of March, 1957 Docket No. DMEA 4249 Contract No. Idm E1019
Operator's Name Big Six Explorations, Inc., Minerals Uranium
Address Box 6, Young, Arizona
Contract Amount, $ 26,783.00 Government Participation: 75 % Amount, $ 20,091.00

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						
Assaying		15.00	15.00			
Crosscutting						
Drifting	2790.00	4960.00	7750.00			
Timbering		10.00	10.00			
(2) Labor and Supervision:						
Labor		1175.02	1175.02			
Supervision		850.00	850.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		169.58	169.58			
Pipe						
Track						
(4) Operating Equipment:						
Rental		4212.50	4212.50			
Purchase		183.14	183.14			
Depreciation		83.60	83.60			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		174.12	174.12			
Sampling and Analysis						
Payroll Taxes		40.52	40.52			
Liability Insurance		173.28	173.28			
Gas and Oil		396.06	396.06			
Telephone		2.20	2.20			
(8) Contingencies (specify):						
Accounting		141.67	141.67			
Miscellaneous		19.52	19.52			
TOTALS	2790.00	12615.01	15405.01	2,790.00	12,615.01	15,405.01
				11 -	1,098.01	1,098.01

RECEIVED APR 29 1957 DMEA

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 4-4-57 *Payee Big Six Explorations, Inc.
Per [signature] Title Director

*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: 11,517.00 14,307.00
$ 1592.50
Signature [signature]
(Authorized Certifying Officer)
Date 4/22/57 Vou. No. DMA 57-114
(See other side)

4 Previous Disallowance
Note: Withhold 500.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E109 in accordance with the terms of the contract.

Signature T M Momoh WRS Title Mining Engineer Date 4-10-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Henderson Title Acting Executive Officer Date APR 18 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March, 195 7 Docket No. DMEA 4249 Contract No. Idn E1019

Operator's Name Big Six Explorations, Inc.,

Address Box No. 6, Young, Arizona Minerals Uranium

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	2790.00	90	7750.00	250	31.00	550	31.00
Crosscutting								
Raising								
Shafts								
~~Winzes~~ Timbering	Ft.			18.00	4	4.50	70	4.50
Drilling: ~~Core~~ -50 Ft.	Ft.						1000	1.50
~~Churn~~ +50 Ft.	Ft.						800	3.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				7622.01	3000	2.40		6524.00
Assays	Ea			15.00	3			5.00
Total Distributed Costs		2790.00		15405.01				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2790.00		15405.01				

Total Costs Authorized by Contract	
Road	6524.00
Drifting	17050.00
Timbering	315.00
Drilling	2400.00
Assaying	500.00
Total (rounded to)	26788.00

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

Date 4-4-57 Operator Big Six Explorations, Inc.

Per [signature] Title Director

Remarks:

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

(Instructions on reverse)

(For Government use only)

RECEIVED APR 29 1957 D.M.E.A.

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE APR 24 1957

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

Administrative Audit Difference Statement

Big Six Explorations, Inc.
Box 6,
Young, Arizona

Date: April 22, 1957
Payee's Reference: March 1957

Gentlemen:

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

Amount Claimed $ 2,790.00

Difference $

Amount Approved $ 2,790.00

The reason for the difference was due to:

Withhold: $500.00 pending performance of additional work under the Contract.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 29 1957

DATE	INITIALS	CODE
4/29	C	220
5/1	CBM	100
		800

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

ORIGINAL FILE COPY
DMEA
RECEIVED
DATE

224 New Customhouse
Denver 2, Colorado

April 18, 1957

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket-4249, (Uranium) Contract Idm-E1019
Big Six Explorations, Inc. (Sorrel Horse and
Citation claims) Gila County, Arizona - Operator's
Monthly Progress Report for the month of March 1957

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

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for March, 1957, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deduction:

<u>Withhold</u> an amount of $500.00 pending the performance of additional work under the contract. All authorized Stage I work has been completed except for the percussion drilling which has not yet been approved by the Government.

Remarks

Date of Report——————————April 4, 1957
Date Received in Field Office——————April 8, 1957
Date Received in Region Office——————April 17, 1957

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

Enclosures
JDC:hh
cc: Chem. Op. Comm. (2)
Storms
Harshman) w/copy of Engr's
Townsend) report
MF-104 File, Reg.III
Chron.

April 15, 1957

Memorandum

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

From : Superintendent, Southwest Experiment Station

Subject : March 1957 Progress Report, Contract Idm-K1019 (Uranium) Docket DMEA-4249, Big Six Explorations, Inc. (Sorrell Horse and Citation Claims), Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Signed by Walter R. Storms

Walter R. Storms

CC E. N. Harshman (8)
DMEA-4249
MF

WRStorms:frj

OFFICIAL FILE COPY
D M E A
RECEIVED
DATE

DMEA
DEPARTMENT OF THE INTERIOR
APR 17 1957
REGION III
DENVER, COLORADO

April 15, 1957

Memorandum

To : Walter R. Sterns, Superintendent, Southwest Experiment Station

From : T. M. Romalo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for March 1957, Docket DMEA-4249 (Uranium), Contract Idm-81619, Big Six Explorations, Inc. (Sorrell Horse and Citation Claims), Gila County, Ariz.

On April 9, 1957, I visited the exploratory project of captioned contract and checked progress with R. J. Allison, Director of the Corp. and project supervisor, and Melvin Stockman, a practical mining engineer. Mr. Stockman does survey work and prepares reports for the corporation and other operators ona part-time basis. Also present was J. N. Vaick of the U. S. Geological Survey who completed mapping of the adit and obtained data relative to additional explorations.

I found that the adit had been advanced from 160 feet to completion at 250 feet from the portal. Significant uranium mineralization in the 90-feet section was noted only at 248 to 250 feet where it occurs in the upper 1 feet of the west half of the adit. A chip sample of the zone was obtained for analysis.

The sample obtained last month from the 4-inch thick zone at 137 to 142 feet was analysed by the Bureau. It assayed 0.34 percent U_3O_8, chemically.

The operator's plan of long hole drilling from the adit, discussed by all present, shortly will be submitted for approval.

ANALYSIS OF THE OPERATOR'S REPORT

The report was received at Tucson April 8, 1957. The map of the report was found inadequate and returned to the Operator the same day. It was revised and returned April 15, 1957.

DMEA
RECEIVED
DATE

CC E. N. Harshman (Orig. & 8)
DMEA-4249
BF

TMRomalo:frj

Form MW- 104

Drifting - The $2,790.00 is for the 90 feet of authorized adit at $31.00 per feet. The 250 feet of allowable adit now has been completed to cross-sectional dimensions of not less than 5 by 7 feet.

Totals - The monthly total, $2,790.00, is correct. The other totals, $12,615.01 and $15,405.01, included disallowed road costs totalling $1,098.01.

Form MW-104 A

The form has been properly completed.

Narrative Report

The report with attached map is acceptable.

Original signed by
T. M. Romslo
T. M. Romslo
Mining Engineer
Southwest Experiment Station

Box No. 6,
Young, Arizona,
April 6, 1957.

Dr. R. D. Morris,
U. S. Bureau of Mines,
P. O. Box No. 4087,
University Station,
Tucson 6, Arizona.

Re: Mon - 249 - Drain
Contract No. Ir. 4019
Big Six Explorations, Inc.
Box 6, Young, Arizona.

Attention: Mr. Brown.

Dear Sir:

Pursuant to ARD drift, Contract No. Ir. 4019, we herewith submit our report for March, 1957, complete with maps and Forms 6-1-1 and 6-1-2.

The final 90 feet of drift included in Stage I was completed this month, and we are now ready to start long hole drilling as per Stage I.

The maps will show all mineralized areas encountered in the entire 250' of drift. The extent of mineralization will be determined by drilling of long and more shorter holes.

Apparently the lack of sulfides in the drift between 160 feet and 190 feet back is due to recent fracturing. We believe that as we advance the drift we are entering a more favorable area. The last 20 feet show more sulfides and less calcite; therefore, should be more suitable for fresher mineralization.

The final four feet show mineralization on the right rib and especially into the face, which gives assays up to 1.3 M.P./M.T. Apparently water percolate has already started redepositing secondary mineralization on the right wall from one above. All 250 feet of drifting has been done under the most favorable beds, with a maximum of 12 inches of favorable beds showing in the drift.

All known ore bodies in adjacent Apache Junction are in hard, 35° dip fracture patterns, and, in view of this fact, we have paralleled such structure. Also, due to the fact that we are immediately under favorable beds, we feel it is the source for lack of structure showing in drift.

We are now preparing drilling program as per Stage I, to be submitted for approval.

Very truly yours,

R. J. Allison

R. J. Allison.

RJA:d
Encls.

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

Budget Bureau No. 42-R1036.5

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

Month of February 195 7 Docket No. DMEA 4249 Contract No. Idm E1019
Operator's Name Big Six Explorations, Inc. Minerals Uranium
Address Box No. 6, Young, Arizona
Contract Amount, $ 26,788.00 Government Participation: 75 % Amount, $ 20,091.00

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						
~~Bulldozing~~ Assaying		15.00	15.00			
Crosscutting						
Drifting	1060.00	3100.00	4960.00			
Timbering		10.00	10.00			
(2) Labor and Supervision:						
Labor		1175.82	1175.82			
Supervision		850.00	850.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		169.58	169.58			
Pipe						
Track						
(4) Operating Equipment:						
Rental		4212.50	4212.50			
Purchase		103.14	103.14			
Depreciation		83.60	83.60			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		174.12	174.12			
Sampling and Analysis						
Payroll Taxes		40.52	40.52			
Liability Insurance		173.28	173.28			
Gas and Oil		396.06	396.06			
Telephone		2.20	2.20			
(8) Contingencies (specify):						
Accounting		141.67	141.67			
Miscellaneous		19.52	19.52			
TOTALS	1060.00	10755.01	12615.01	1860.00	10755.01	12,615.01
				4	1,098.01	1,098.01
					9,657.00	11,517.00
					$1395.00	

RECEIVED MAR 25 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-13-57 *Payee Big Six Explorations, Inc.
Per R. G. Allison Title Director

*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 3/20/57 Vou. No. DMA 57-103
(See other side)

4 Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Fdm-E1019 in accordance with the terms of the contract.

Signature T. M. Donald WRA Title Mining Engineer Date 3-14-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Hardman Title acting Executive Officer Date MAR 19 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED MAR 25 1957 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February, 195 7 Docket No. DMEA 4249 Contract No. Idm E1019

Operator's Name Big Six Explorations, Inc. Minerals Uranium

Address Box No. 6, Young, Arizona.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1860.00	60	4960.00	160	31.00	550	31.00
Crosscutting								
Raising								
Shafts								
~~Winzes~~ Timbering	Ft.			16.00	4	4.50	70	4.50
Drilling: Core -50 Ft.	Ft.						1000	1.50
Churn 150 Ft.	Ft.						300	3.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				7622.01	3000	2.48	1	6524.00
Assays	Ea.			15.00	3		100	5.00
TOTAL DISTRIBUTED COSTS		1860.00		12615.01				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1860.00		12615.01				

	TOTAL COSTS AUTHORIZED BY CONTRACT
Road	6524.00
Drifting	17050.00
Timbering	315.00
Drilling	2400.00
Assaying	500.00
Total (rounded to)	26790.00

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

Date 3-13-57 Operator Big Six Explorations, Inc.

Per R. J. Allison Title Director.

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)

W. Romolo

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 MAR 25 1957

DATE	INITIALS	CODE
3/26	C	220
1/26	COM	100
		800

224 New Customhouse
Denver 2, Colorado

March 19, 1957

FINAL DISTRIBUTION
MADE MAR 21 1957

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket-4249, (Uranium) Contract Idm-E1019, Big Six Explorations, Inc. (Sorrell Horse and Citation claims) Gila County, Arizona Operator's Monthly Progress Report for the month of February, 1957

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

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for February, 1957, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks

Date of Report——————————March 13, 1957
Date Received in Field Office——March 14, 1957
Date Received in Region Office——March 18, 1957

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures
JDC:HH
cc: Chmn. Op. Comm. (2)
Storms
Harshman, w/copy of engr's report
MF-104 File E1019
Chron.

March 14, 1957

Memorandum

To : E. H. Hardman, Acting Executive Officer, DMEA Field Team, Region III.

From : Superintendent, Southwest Experiment Station

Subject : February 1957 Progress Report, Contract I4s-21019 (Uranium), Docket DMEA-4246, Big Six Explorations, Inc. (Sorrell Horse and Gitchien Claims), Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Signed by Walter R. Storms

Walter R. Storms

CC Exec. Off. (8)
DMEA-4246
SF

WRStorms:fr]

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D M E A
RECEIVED MAR 25 1957

DATE		CODE

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

OFFICIAL FILE COPY
DMEA
RECEIVED 1957
DATE | CODE

March 14, 1957

Memorandum

To : Walter R. Stoms, Superintendent, Southwest Experiment Station, Region III

From : T. M. Romalo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for February 1957, Docket DMEA-4249 (Uranium), Contract Ldm-41819, Big Six Exploration, Inc. (Sorrell Horse and Citation Claims), Gila County, Ariz.

I visited the exploratory project of subject contract and checked progress with "Dusty" Williams, March 7, 1957. Mr. Williams, who had been employed as a miner, reported that he now was driving the adit under a contract with the corporation. He also reported that Mr. Allison, project supervisor, had gone to Globe, Ariz. to attend a meeting of the Uranium Producers Association. Mr. Allison was expected to return to the project the following day.

J. N. Faick, geologist, U. S. Geological Survey, accompanied me to the property where he obtained data for an Interim Report.

Progress for February was confined to 60 feet of advance in the adit. The advance was from 100 feet to 160 feet from the portal of the adit.

Zones of abnormal radioactivity have been encountered in the adit at approximately 35, 50, 75 and 140 to 150 feet from the portal. They appear to be confined to a single 4 to 12 inch thick stratum of the nearly horizontally-bedded quartzite. A sample of 4-inch thick zone at 137 to 142 feet was obtained for analysis by the Bureau of Mines. The assay of the sample was not available at this writing.

CC Executive Officer (Orig. & 2)
DMEA-4249
RF

TMRomalo:frj

ANALYSIS OF THE OPERATOR'S REPORT

Form MP-194

Drifting - The only cost incurred is the $1,860.00 for the 60 feet of authorized advance in the adit at $31.00 per foot.

Totals - The Monthly Total, $1,860.00, is correct. The other totals, $10, 756.01 and $12,615.01, include disallowed costs of road construction totalling $1,000.01

Form MP-194A

The form has been properly completed.

Narrative Report

I have accepted the report with reluctance because the attached map is entirely too sketchy. Mr. Allison will be informed that his future reports will not be accepted unless they contain a map showing pertinent geological features and workings of the project area.

Original signed by
T. M. Romslo

T. M. Romslo
Mining Engineer
Southwest Experiment Station

ORIGINAL DOCUMENT
DTSA
RECEIVED
DATE

Box 6,
Young, Arizona,
March 7, 1957.

Mr. W. R. Storms,
United States Bureau of Mines,
P. O. Box No. 4097,
University Station,
Tucson 5, Arizona.

Re: DMEA - 4249 - Uranium
Contract No. Idm. E1019
Big Six Explorations, Inc.,
Box 6, Young, Arizona.

Attention: Mr. Traver.

Dear Sir:

Pursuant to DMea 4249, Contract No. Idm. E1019, we herewith submit narrative report for February, 1957, with maps and completed Forms MF104 and MF 104A.

An additional sixty (60) feet of adit was driven in February, showing increasing mineralization as the adit is advanced. The ribs and floor show only weak mineralization, increasing strongly in the back.

Small lines or kidneys of ore show in the back, beginning at 110 feet from the portal to 145 feet. At 145 feet from the portal ore, 18 inches wide, was exposed in the back of the adit and continues to the present face. This ore will be sampled and assay reports sent with next month's report. It is very possible that this is a N. 20° E. Fracture. Counter readings show ore 0.25 U_3O_8. Test holes will be drilled up in this ore and probed for more information.

Very truly yours,

R. J. Allison

R. J. Allison.

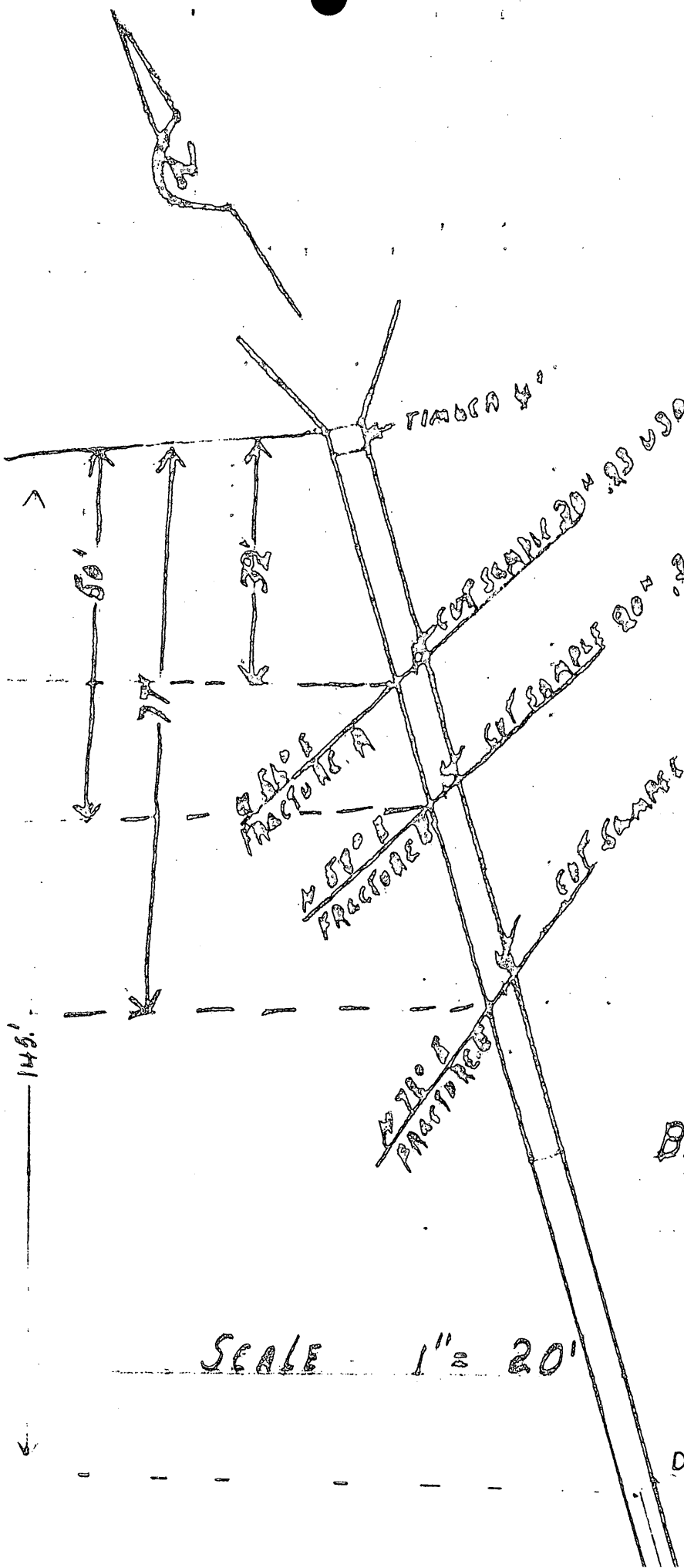
RJa;wb
Encls.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 25 1957

DATE	INITIALS	CODE

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 25 1957

DATE	INITIALS	CODE



Big Six Explorations Inc
DMEA 4249

SCALE 1" = 20'

D FRA[illegible] MINES
APPEARS TO BE S. [illegible]
SHOWS [illegible]

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January 195 7 Docket No. DMEA 4249 Contract No. Idm E1019
Operator's Name Big Six Explorations, Inc. Minerals Uranium
Address Box No. 6, Young, Arizona
Contract Amount, $ 26,788.00 Government Participation: 75 % Amount, $ 20,091.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
~~Bulldozing~~ Assaying	15.00	none	15.00			
Crosscutting						
Drifting	1860.00	1240.00	3100.00			
Timbering	18.00	none	18.00			
(2) Labor and Supervision:						
Labor		1175.82	1175.82			
Supervision		850.00	850.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		169.58	169.58			
Pipe						
Track						
(4) Operating Equipment:						
Rental		4212.50	4212.50			
Purchase		103.14	103.14			
Depreciation		83.60	83.60			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		174.12	174.12			
Sampling and Analysis						
Payroll Taxes		40.52	40.52			
Liability Insurance		173.28	173.28			
Gas and Oil		396.06	396.06			
Telephone		2.20	2.20			
(8) Contingencies (specify):						
Accounting		141.67	141.67			
Miscellaneous		19.52	19.52			
TOTALS	1893.00	8862.01	10755.01	1,893.00	8,862.01	10,755.01
				-1	1,098.01	1,098.01

RECEIVED MAR 25 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-13-57 *Payee Big Six Explorations, Inc.
Per [signature] Title Director

*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: 9,657.00
7,764.00
$1419.75
Signature [signature] (Authorized Certifying Officer)
Date 3/20/57 Vou. No. DMA 57-103
(See other side)

4 Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1014 in accordance with the terms of the contract.

Signature D M Romalo Title Mining Engineer Date 3-14-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature E. M. Hemmerson Title Acting Executive Officer Date MAR 19 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED MAR 25 1957 D.M.E.A.

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

Month of January, 7 Docket No. DMEA 4249 Contract No. Idm E1019

Operator's Name Big Six Explorations, Inc. Minerals Uranium

Address Box No. 6, Young, Arizona

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
	Ft.	1060.00	60	3100.00	100	31.00	550	31.00
Drifting								
Crosscutting								
Raising								
Timbering	Ft.	18.00	4	18.00	4	4.50	70	4.50
Winzes -50 Ft.	Ft.						1000	1.50
Drilling: Core 150 Ft.	Ft.						300	3.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits				7622.01	3000	2.40	1	6524.00
Assays Trails	Ea.	15.00	3	15.00	3		100	5.00
Total Distributed Costs		1893.00		10755.01				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1893.00		10755.01				

Total Costs Authorized by Contract	
Road	6524.00
Drifting	17050.00
Timbering	315.00
Drilling	2400.00
Assaying	500.00
Total (rounded to)	26700.00

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

Date 3-13-57 Operator Big Six Explorations, Inc.

Per R. J. Ellison Title Director

Remarks:

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

(Instructions on reverse)

(For Government use only)

T. M. Romolo

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

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26	COM	100
		800

224 New Customhouse
Denver 2, Colorado

March 19, 1957

FINAL DISTRIBUTION
MADE MAR 21 1957

Memorandum

To: E. A. Christensen

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

Subject: DMEA Docket-4249, (Uranium) Contract Idm-E1019, Big Six Explorations, Inc. (Sorrell Horse and Citation claims) Gila County, Arizona - Operator's Monthly Progress Report for the month of January, 1957

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

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for January, 1957, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report——————————March 13, 1957
Date Received in Field Office————March 14, 1957
Date Received in Region Office————March 18, 1957

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures
JOC:hh
cc: Chmn. Op. Comm. (2)
Storms
Harshman) w/copy of engr's.
MF-104 report
File E1019
Chron.

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DATE | INITIAL | CODE

March 14, 1957

Memorandum

To : E. N. Hartman, Acting Executive Officer, DMEA Field Team Region III

From : Superintendent, Southwest Experiment Station

Subject : January 1957 Progress Report, Contract idm-21019 (Uranium) Docket DMEA-4249, Big Six Explorations, Inc. (Sorrell Horse and Citation Claims), Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A, with certified assay certificate.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Signed by Walter R. Storms

Walter R. Storms

CC Exec. Off. (8)
DMEA-4249
DF

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

WRStorms:frj

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RECEIVED MAR 20 1957
DATE | SERIAL | CODE

March 14, 1957

Memorandum

To : Walter H. Storms, Superintendent, Southwest Experiment Station, Region III

From : T. M. Romale, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for January 1957, Docket DMEA-4349 (Uranium), Contract Ida-41819, Big Six Explorations, Inc. (Sorrell Horse and Citation Claims), Gila County, Ariz.

On February 13, 1957, I visited the Sorrell Horse and Citation claims and checked progress under the captioned contract with R. J. Allison, a Director of the Corporation and project supervisor. Approximately 10 miles of roads near the claims were barely passable with the supervisor's 4-wheel drive pick-up. The roads had been made impassable by intermittent heavy rain and snowfalls that started early in January. Provisional repairs to the road were made with bulldozers furnished by the county highway department and mine operators.

I found work accomplished under the contract during January 1957 was confined to the adit where the face was advanced 60 feet, 4 lineal feet of timber was installed in a set at the portal, and 3 samples were obtained and assayed. The 60 feet of advance was from 40 to 100 feet from the portal. Locations and contents of the 3 samples assayed are shown on the map of the Operator's Narrative Report. Since the samples were taken across fractured zones at the back of the adit only the width of the mineralized zone has been indicated. Initial testing of the zones will be done at the Operator's expense by drilling and probing a few short stoper holes.

ANALYSIS OF THE OPERATOR'S REPORT

The Operator's report was received and checked at Tucson on February 19. On the same day the MF-104 forms were returned for corrections and additional data. On March 4, the forms were resubmitted, found unacceptable and returned to the operator. Acceptable forms were received March 14.

CC Exec. Off. (Orig. & 3)
DMEA-4349
MF

TMRomale:frj

Form MF-104

Drifting - The $1,860.00 is for the authorized 60 feet of advance at $31.00 per ft. The cross-sectional dimension of the adit is nowhere less than the specified minimum of 5 by 7 feet.

Timbering - The $18.00 is for the 4 feet of authorized timbering at $4.50 per foot.

Assaying - The $15.00 is for the authorized assays of 3 channel samples at $5.00 per sample. The cost is supported by a certified assay certificate showing an actual cost of $22.50 or $7.50 per sample.

Totals - The monthly total of $1,893.50 is correct. The other totals, $5,062.61 and $10,725.51, include disallowed road costs totalling, $1,098.61, costs reportedly incurred during November and December 1956.

Form MF-104A

The form has been properly completed.

Narrative Report

The report with attached sketch is considered acceptable. For future reports, the operator will be requested to replace the sketch with a map of the project area showing principal workings and both surface and underground mineralized zones.

(Original signed by
T. M. Romalo)

T. M. Romalo
Mining Engineer
Southwest Experiment Station

January 31, 1957

Mr. W. H. Storms, Supt.
Southwest Experiment Station
United States Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona:

Attention: Mr. W. H. Traver, Executive Officer, DMEA
Field Team, Reg. III

Re: Docket No. DMEA 249 (Uranium)
Contract No. Idm. 1019
BAC SIX PARTNER INC., INC
(Correll Horse & Citation Claims)
Gila County, Arizona

Dear Sir:

Pursuant to Article 76 (3) I am herewith submitting a narrative report of the work performed during the reporting period ending January 31, 1957.

Sixty additional feet of adit was driven in January. Mineralization was found on three fractures at 32 feet, 50 feet and 77 feet from the portal which have been assayed by Arizona Testing Laboratories. A copy of the assay will be submitted with this report.

Work was hampered by the weather for approximately half the month. The A.S.C. road was washed out in spots and a dozer was required to clear before operations could be resumed.

The three above fractures were located at approximately where surface showings indicated. Fractures B and C show mineralization over an approximate width 20 to 30 inches. Fractures will be drilled in February to determine the extent of mineralization. Phyrite and Calco Phyrite are very consistent along fracture patterns at approximately 65 feet from portal and oxidized zone was encountered and continuous to 100 feet, which indicates we are about to pass through a strong north east fracture zone that shows some mineralization other than the above named fractures.

From indications of fractures, the main ore body lies west.

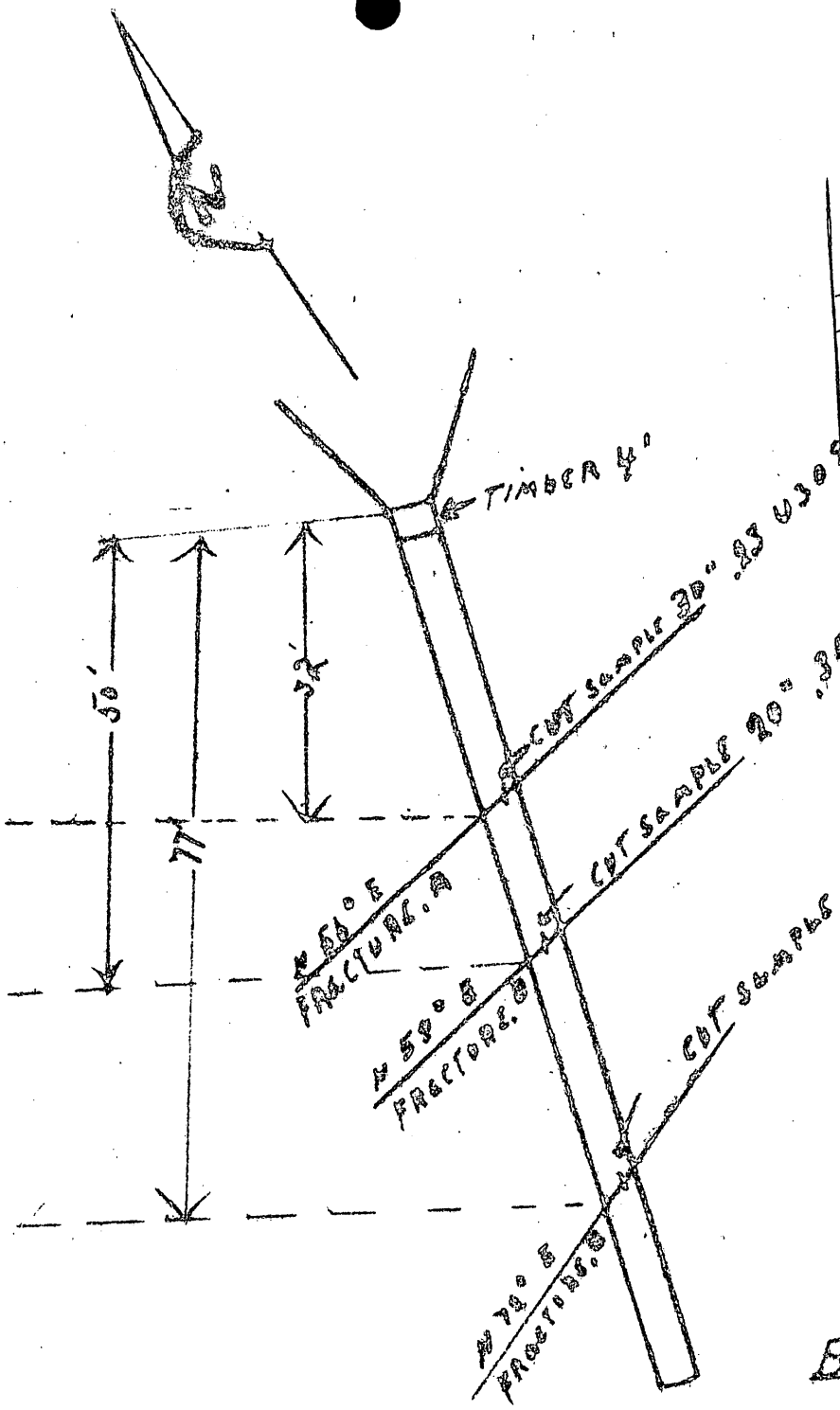
Operations were slowed down after 65 feet of drifting due to oxidation and over breaking. As a result of that we had to move about one and a half times as much much as previously.

Respectfully submitted

R. J. Allison

R. J. Allison

g



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DMEA
RECEIVED MAR 25 1957

DATE	INITIALS	CODE

Big Six Exploration's Inc
D.M.E.A. 4249

Scale - 1" = 20'

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

Budget Bureau No. 42-R1036.5

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

Month of Nov. and Dec. 1956 Docket No. DMEA 4249 Contract No. Idm.-E 1019
Operator's Name Big Six Explorations, Inc. Minerals Uranium
Address 220 N. Jefferson, Odessa, Texas
Contract Amount, $ 26 788.00 Government Participation: 75 % Amount, $ 20 091.00

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						
Bulldozing						
Crosscutting						
Drifting	1 240.00	None	1 240.00			
(2) Labor and Supervision:						
Labor	1 175.82	None	1 175.82			
Supervision	850.00	None	850.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	169.58	None	169.58			
Pipe						
Track						
(4) Operating Equipment:						
Rental	4 212.50	None	4 212.50			
Purchase	183.14	None	183.14			
Depreciation	83.60	None	83.60			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	174.12	None	174.12			
Sampling and Analysis						
Payroll Taxes	40.52	None	40.52			
Liability Insurance	173.28	None	173.28			
Gas and Oil	396.06	None	396.06			
Telephone	2.20	None	2.20			
(8) Contingencies (specify):						
Accounting	141.67	None	141.67			
Miscellaneous	19.52	None	19.52			
TOTALS	8 862.01	None	8 862.01	7764.00	—	7764.00

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

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1-8-57 *Payee Big Six Explorations, Inc.
Per Roger F. Ashby Title President

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 5823.00
Signature
(Authorized Certifying Officer)
Date 3/6/57 Vou. No. DMA 57-85
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDM-E1019 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date 1-22-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date FEB 5 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. & Dec. 1956 Docket No. DMEA 4249 Contract No. Ism.- E 1019

Operator's Name Big Six Explorations, Inc. Minerals Uranium

Address 220 N. Jefferson, Odessa, Texas

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	1 240.00	40	1 240.00	40	31.00	250	31.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Ft.	7 436.87	3000	7 436.87	3000	2.48	2800	2.33
Total Distributed Costs		8 676.87	40	8 676.87				
Operating Equipment Purchased		183.14		183.14				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		8 862.01	40	8 862.01				

Total Costs Authorized by Contract	
Stage 1-Indep. Contract	6 524.00
Stage 1-Fixed Unit Cost	9 357.00
Stage 2-Fixed Unit Cost	10 907.00
	26 788.00

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

Date 1-8-57 Operator Big Six Explorations, Inc.

Per Roger T. Sanford Title President

Remarks:

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

(Instructions on reverse)

(For Government use only)

W Momob

INSTRUCTIONS

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

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

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

GPO 872894

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

Administrative Audit Difference Statement

Big Six Explorations, Inc.
Box 6,
Young, Arizona

Date February 6, 1957
Payee's
References: November &
December 1956

FINAL DISTRIBUTION MADE FEB 7 1957

Gentlemen:

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

Amount Claimed $ 8,862.01

Difference $ 1,098.01

Amount Approved $ 7,764.00

The reason for the difference was due to:

Disallowances, Access Road

1.	Supervision: time not spent on road work	$153.23
	Operating Equipment purchased: Camp materials & supplies not used on road work.	89.04
	Depreciation: Used 3 yr. straight line computation instead of allowable 5 yr straight line computation.	39.72
	Repairs to Equipment: costs not documented (18.37) repairs related to adit work. (12.00) repairs prior to starting of road work (87.77)	118.14
	Payroll taxes: in excess of 2% of accepted labor & supervision costs.	1.85
	Liability Insurance: on truck (12.80) in excess of allowable 7.65% of acceptable labor and supervision costs (17.10)	29.90
	Gas & Oil Groceries (84.61), tires & tubes for station wagon not assigned to road work (27.34).	111.95
	Telephones: - - - - - - - - - - -	2.20
	Accounting - duplication of work.	66.67
	Total costs not applicable to road work.	$613.90

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DATE | STATE | CODE

2. Total amount reported access road.	7,622.01	
Costs not applicable.	613.90	
Total costs applicable to access road.	7,008.11	
Maximum allowable cost as established in the Contract, 2800 ft. @ 2.33/ft.	6,524.00	
Excess costs to be disallowed.		$ 484.11
Total Amount to be disallowed.		$1,090.01

Very truly yours

H. E. Stokes
Audit Section

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

224 New Customhouse
Denver 2, Colorado

February 5, 1957

RECEIVED FEB 11 1957
DMEA INDIAN PROJECT

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4249 (Uranium) Contract Idm-K1019
Big Six Explorations, Inc. (Sorrel Horse and Citations claims) Gila County, Arizona.
Operator's Monthly Progress Report for the period November and December 1956.

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

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Disallowances, Access Road:

1. Costs not applicable to construction of access road

Item (2) Supervision: time not spent on road work----------$153.23

Item (3) Operating Equipment purchased: camp materials and supplies not used on road work---------- 89.04

Depreciation: Operator used 3 year straight line computation instead of allowable 5 year straight line computation----------39.72

Item (7) Repairs to Equipment: costs not documented (18.37), repairs related to adit work (12.00), repairs prior to starting of road work (87.77)--------$118.14

Payroll taxes: in excess of 2% of accepted labor and supervision costs-------3.05

Liability Insurance: insurance on truck (12.80), in excess of allowable 7.65% of acceptable labor and supervision costs (17.10)----------29.90

Gas and Oil: Groceries (84.61), tires and tubes for station wagon not assigned to road work (27.34)----------111.95

Telephones----------2.20

Item (8) Accounting: duplication of work----------66.67

Total costs not applicable to road work--------$613.90

2. Costs in excess of maximum allowable unit and total costs as established in the contract

Total amount reported, access road----$7622.01
Costs not applicable----------613.90
Total costs applicable to access road----------$7008.11
Maximum allowalbe cost as established in the contract, 2800 feet at 2.33/ft.----------6524.00
Excess costs disallowed----------$484.11

Total amount to be disallowed $1098.01

Reconciliation with amount reported by the Operator on Form MF-104 for November and December, 1956

Amount Reported on Form MF-104 for November-December, 1956----------$8862.01

Amount to be disallowed----------1098.01

Total acceptable cost for Nov.-Dec. 1956---------- $ 7764.00
Government participation at 75 percent----------$ 5823.00

REMARKS

Date of Report----------January 8, 1957
Date Received in Field Office----------January 11, 1957
Date Received in Region Office----------January 25, 1957

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures

JDC:ytl
cc
Chan. Op. Comm. (2)
Storms
Harshman) w/copy of engr's. report
Townsend)
MF-104 File Idm-R1019
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
JAN 25 1957
REGION III
DENVER, COLORADO

January 23, 1957

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team

From : Superintendent, Southwest Experiment Station

Subject : November-December 1956 Progress Report, Docket DMEA-4249 (Uranium), Contract Lam-K1019, Big Six Explorations, Inc., (Sorrell Horse and Citation Claims), Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A, original with copies of payroll and invoices.

Also enclosed are 4 extra copies of our engineer's report.

All work is in accordance with terms of the contract. However, because of several questionable costs in access road construction, I recommend that the Government's share of the costs be paid with the provision that any over payment, if found by a later audit, would be returned to the Government. As you will note, T. M. Remalo has found several questionable items in the road costs.

Signed by Walter R. Storms

Walter R. Storms

CC W. M. Traver (3)
DMEA-4249
BF

WRStorms:frj

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D M E A
RECEIVED FEB 11 1957

DATE	INITIALS	CODE

January 22, 1957

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for November and December 1956, Docket DMEA-4249 (Uranium), Contract Ldm-81619, Big Six Explorations, Inc. (Sorrell Horse and Citation Claims), Gila County, Ariz.

A final check on progress under subject contract for November and December 1956 was made by me on January 8, 1957 in the presence of R. J. Allison, project supervisor. Information obtained during the period is contained in my Interim Reports of November 16 and December 13, 1956.

During the final inspection I found that 3,000 feet of access road and 40 feet of adit had been completed during the report period. Preparatory work and actual construction of the access road reportedly were started on November 1 and November 8, 1956, respectively. The road reportedly was completed on December 5, 1956. Upon completion of the road a 30-foot long trench was excavated from the end of the road to the site of the authorized adit. Cost of the trenching, an item not included in the contract, reportedly was absorbed by the operator. The adit, started shortly after completion of the trench, was driven a total of 55 feet of which 40 feet reportedly was completed on December 21, 1956.

Construction of the access road, as reported in the Operator's Narrative Report, was done on an actual cost basis. Equipment used consisted of a Model D-8 bulldozer, a 105 CFM compressor, and an International Pick-up. The road closely followed the prescribed route, but is 200 feet longer than the estimated and authorized 2,800 feet. The excess probably is due to errors in mapping. Drilling and blasting was required on about 950 lineal feet of solid rock and on boulders covering approximately 400 lineal feet of the road.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 1 1957
DATE INITIALS CODE

CC W. M. Traver (Orig. & 8)
DMEA-4249
RF

TMRomslo:frj

The adit is being driven to a minimum cross section of 5 by 7 feet in lightly fractured quartzite that requires no timber support. At 32 feet from the portal a weak cross-fracture shows abnormal radioactivity. A chip sample was taken along the fracture by Mr. Allison for assay. Equipment in use includes the pick-up, a 210 CFM compressor, a slusher-leader (ramp-type) and jack-leg pneumatic drills.

ANALYSIS OF THE OPERATOR'S REPORT

The report was received at Tucson on January 11, 1957. Mr. Allison was notified in a letter of January 14, 1957 that transmittal of the report to Denver would be expedited if he would visit Tucson and work with me on necessary changes and additions to documented costs. Some of the changes were made during his visit on January 18 and the remainder were included in invoices that he corrected at Young, Ariz. and personally returned to Tucson on January 21.

Form MF-104

Drifting - The $1,240.00 is for the 40 feet of authorized drifting at $31.00 per feet.

The remaining costs are for construction of the road on an actual cost basis.

Labor - The $1,175.83 is for wages paid and documented by certified payrolls. Wages of O. C. Adams for work performed prior to actual construction of the road (Nov. 5, 6, and 7) reportedly were for assisting Mr. Allison in detailed flagging of the road. According to Mr. Allison, the hourly wage of $1.87½ for laborers and $2.25 for driller-blaster are the same as underground rates at the nearby Hope Uranium Mine. He said payment of these wages for surface work were necessary to obtain good and steady employees. He also said that considerable overtime work was done with the object of getting underground before the start of winter rain and snow storms.

Supervision - Mr. Allison reported his salary is $600.00 per month. On this basis the corrected cost for supervision is $600 for November plus 5/31 of $600.00 for December, or a total of $697.74.

Explosives - The $169.58 is an acceptable cost for powder, caps, and fuse. Cost of these items is supported by certified copies of individual invoices and a statement by the Valley store, Young, Ariz.

Operating Equipment -

Rental - The $4,212.50 is for the following items, each of which is supported by a certified invoice.
Item 1, Rental of a model D-8, Bulldozer from Wayne Hammon for 214 hours at $16.00 per hour, a total of $3,424.00. The charge of $16.00 includes fuel and repairs and is in line with the prevailing contract rate of about $19.00 per hour that also includes the operator.

Item 2, Rental of a 185 CFM compressor from Frank Mathews for 1 month at $200.00. This rental rate prevails in the district.

Item 3, Labor of Wayne Hammond, the bulldozer operator and owner, for 214 hours at $2.75 per hour. The hourly rate of pay is in line with prevailing schedules. The total cost of this item, $588.50, should have been charged to labor.

Purchase - The $183.14 is documented by 2 certified invoices, one of $94.10 for drill steels and miscellaneous tools and bits, and another of $89.04 for camp materials and supplies. The total amount should have been charged to Operating Materials and Supplies.

Regarding the materials of the $94.10 invoice, Mr. Allison said each of the 4 pieces of steel was broken and the bits were essentially unusable at completion of the road work. Salvage value of the steel, bits, and tools was estimated to be about $25.00. On this basis, the allowable cost of these items would be $94.10 minus $25.00 or $69.10.

No part of the $89.04 is allowable because although the camp was set-up it was neither necessary nor utilized during road construction.

Depreciation - The $83.60 is supported by a statement certified by Roger F. Ashford, president of the corporation. It is for 40 days depreciation of the identified pick-up truck on a 3-year straight line basis. The allowable cost, based on 100 percent depreciation in 5 years and actual use for 35 days (Nov. 1 to Dec. 5), is $\frac{2,088.22}{5(365)} \times 35$ or $43.88.

Miscellaneous

Repairs to equipment - The $174.12 is partially supported by 5 invoices totalling $155.75. Of the $155.75, only $55.90 is considered allowable as it represents the replacement cost of a windshield that reportedly was broken during construction of the road. The other costs are disallowed for reasons given below.

Invoice	Explanation
$12.00	Repairs were made for hauling equipment for driving adit.
77.81) 7.96) 2.00)	The repairs of these 3 costs evidently were needed prior to starting construction of the road.

Payroll Taxes - The certified taxes are 2 percent of $3,025.82, the reported cost of labor and supervision, of $40.52. On the basis of my accepted total cost of $1,873.56 for these items the approved taxes would be $37.47. This cost is for November. Costs for December were not reported.

Liability Insurance - The $173.28 includes $160.48 for Workmens Compensation Insurance for November and $12.80 for insurance on the pick-up. The $160.48, certified as a true and correct expense by Mr. Ashford, is supported by Payroll Report to The Industrial Commission of Arizona. Taxes on December wages were not reported. The approved cost based on my accepted labor and supervision cost would be 7.65 percent of $1,873.56 or $143.38. The $12.80 of the certified statement for insurance on the pick-up is not approved because the insurance is on equipment in which Government has no financial interest.

Gas and Oil - The $386.06, supported by certified invoices and statement of the Valley Store, includes $84.61 for groceries and $311.45 for gas, oil, and miscellaneous items. The $84.61 for groceries is not an acceptable cost. The $311.45 includes an unacceptable cost of $27.34 for tires and tubes used on a station wagon. According to Mr. Allison, the station wagon was used for a few days while the pick-up was being repaired and the cost of the tires was inadvertently included. The remaining costs, $284.11, are acceptable. They include $272.16 for gas and oil for the pick-up and compressor, and miscellaneous items costing a total of $11.95. The miscellaneous items should have been charged to Operating Materials and Supplies, and to Repairs to Equipment. They include: friction tape, $0.45; brake fluid, $13.5; Prestone, $6.00; tire boots, $2.85; and tire repairs, $1.20.

Telephone - The $2.20 of the uncertified telephone bill is not an acceptable cost.

Contingencies

Accounting - The $141.67 is supported by 2 certified statements, $66.67 and $75.00 for accountants of Globe, Ariz. and Odessa, Tex., respectively. An acceptable cost is $75.00 for the accountant at the applicant's home office. Services of a second accountant are not considered necessary.

Miscellaneous - The $19.52 includes $17.50 for gas and oil, and $2.02 for repairs, both for the pick-up. It represents acceptable costs that should have been charged to the categories identified by the invoices.

Totals The $8,062.01 includes $1,240.00 for the 40 feet authorized drifting at $31.00 per foot and $7,622.01 for construction of 3,000 feet of road on an actual cost basis.

Reported and my acceptable costs of road construction are shown in the following table. Changes in the distribution of costs which have been mentioned above have not been included in the table.

Cost of Road

Labor and Supervision	Operator's Report	Disallowances	Acceptable Costs
Labor	$1,175.82	—	1,175.82
Supervision	850.00	152.26	697.74
Operating Matl's & Supplies			
Explosives	169.58	—	169.58
Operating Equipment			
Rental	4,212.50	—	4,212.50
Purchase	183.14	114.04	69.10
Depreciation	83.60	39.72	43.88
Miscellaneous			
Repairs to equip.	174.12	118.14	55.98
Payroll taxes	40.52	3.05	37.47
Liability Ins.	173.28	29.90	143.38
Gas & Oil	396.06	111.95	284.11
Telephone	2.20	2.20	0.00
Contingencies			
Accounting	141.67	66.67	75.00
Miscellaneous	19.52	—	19.52
Total	$7,622.01	637.93	$6,984.08

Accepted costs per foot are $\frac{\$6,984.08}{3,000}$ or $2.33

The approved total cost of the road is 2,800 feet at $2.33 per foot or $6,524.00, the maximum allowed by the contract.

Form MF-104A

The form has been properly completed.

Narrative Report

The report with attached map is acceptable. It is signed and reportedly was prepared by William S. Bradbury, mining engineer, Globe Engineering & Development Company. This company, according to Mr. Allison, is consultant for the applicant. Exception is taken to Bradbury's statement that the decision of construction of the road by the applicant was decided by the writer and Messrs. Pardee and Allison. This statement was called to Mr. Allison's attention when he visited Tucson on January 21, 1957. He said Mr. Bradbury was furnished information for the report and evidently assumed that I had been consulted.

A large scale map of the underground exploratory area is being prepared for future reports.

Original signed by
T. M. Romslo

T. M. Romslo
Mining Engineer
Southwest Experiment Station

December 31, 1956.

ORIGINAL FILE COPY
RECEIVED FEB 1 1957
DATE | INITIALS

Mr. W. R. Storms, Supt.,
Southwest Experiment Station,
United States Bureau of Mines,
P. O. Box No. 4097,
University Station,
Tucson, Arizona.

Attention: Mr. W. M. Traver, Executive Officer, DMEA
Field Team, Reg. III

Re: Docket No. DMEA 4249 (Uranium)
Contract No. Idm. E 1019
BIG SIX EXPLORATIONS, INC.
(Sorrell Horse & Citation Claims)
Gila County, Arizona.

COPY

Dear Sir:

Pursuant to Article 7b (3), I am herewith submitting a narrative report of the work performed during the reporting period ending December 31st, 1956.

Three thousand (3000) feet of access mine road has been constructed. Before construction of this road bids were requested from licensed contracting firms. Two bids were submitted. Bid No. I, by Johnson Brothers of Phoenix, Arizona, was Ten Thousand ($10,000.00) Dollars for twenty-eight hundred (2800) feet of road. Bid No. II, by Hagen Construction Company of Globe, Arizona, stated that the only way they would consider doing the job was on a cost-plus basis. After due consideration of these bids by Mr. Romslo, Mr. Pardee and Mr. Allison it was decided that by renting a dozer and operator on an hourly basis, under company supervision, the road could be constructed for less money. Three thousand (3000) feet was constructed for considerably less than the above stated bids

on twenty-eight hundred (2800) feet.

Approximately 250' of road required drilling and blasting of diabase boulders, which were too large for dozer to move. 150' feet of road required drilling and blasting of quartzite float and diabase. 100' of road, at switchback, was in a basaltic flow and required drilling and blasting. The last 850' of road was in solid rock and required drilling and blasting. The grade of the road carried it through the diabase to the diabase-quartzite contact, thence on into the quartzite entirely.

At proposed adit, marked (A) on enclosed plan, it was necessary to make a fifteen (15) foot open cut in order to ensure a safe portal. Forty (40) feet of 5 X 7 drift has been driven from this portal to date. This drift has a bearing of S 19° W.

At a distance of 32' from the portal the first mineralization was encountered in a small cross fracture. This fracture gave a reading of .60 on the second range of a Geiger Counter. Chip samples were taken and are being sent for assay.

Respectfully submitted,

GLOBE ENGINEERING & DEVELOPMENT COMPANY,

William S. Bradbury

William S. Bradbury.

WSB:me
Encls.

COPY

Mr. Roger F. Ashford, President
Big Six Explorations, Inc.
220 North Jefferson
Odessa, Texas

Re: Docket No. DMEA-4249 (Uranium)
Contract No. Idm-51019
Sorrell Horse and Citation Claims
Gila County, Arizona

Dear Mr. Ashford:

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

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

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

Administrator

Copies to:
Homer Haught
Alfred C. Haught
Alfred C. Haught, Attorney in Fact for Van Baker
Alfred C. Haught, Attorney in Fact for Clifford L. Martin
C. A. Haught
Harvey McKee (All of these addressed at Young, Arizona)
Admr.'s Reading File
Contract Adm. and Audit Division
Mr. Ching
DMEA Field Team, Region III (2)
MChing/gla 4-23-58

DMEA Form 14

Contract No. Idm-E 1019

Docket No. 4249

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
October 16, 1956	**III**	**Arizona**	**Uranium**

Name and Address of Operator: **Big Six Explorations, Inc.**
B ox 6
Young, Arizona

	Reserve	Obligation
Prior Amount	0	20,091.00
Increase	0	0
Decrease	0	8,471.62
Revised Amount	0	11,619.38

Remarks:

ALLEN S. DAKAN

(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Title)

Date delivered to Bureau of Mines, Washington 4/15/58

22845

EXTRA COPY DMEA RECEIVED JUL 15 1957		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

July 12, 1957

Mr. Roger F. Ashford, President
Big Six Explorations, Inc.
220 North Jefferson
Odessa, Texas

Re: Docket No. DMEA 4249 (Uranium),
Contract No. IAm-K1018
Big Six Explorations, Inc.
(Borrell Horse and Citation claims)
Gila County, Arizona

Dear Mr. Ashford:

Exhibit "A" of the Contract provides that the Operator shall perform all the work under Stage I and as much of the Stage II work as is approved in advance in writing by the Government.

As you have performed all of the work outlined under Stage I, and since the Government's approval will not be forthcoming for any work under Stage II, therefore the Contract is to be considered completed upon completion of the Stage I work and upon your rendering to this office the final accounting report and an acceptable final engineering and geologic report, as provided for in Article 7(a) of the Contract form.

A nominal sum will be withheld from reimbursement to you in processing your final accounting report, pending receipt of your final engineering and geologic report and release to this office of a Report of Review of Contract expenditures by the Contract Administration and Audit Division, DMEA; after which final payment to you will be effected.

Very truly yours,

Original signed by
W. H. KING

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

JWT:prl

cc: Comm. Op. Comm. - 3
Finance Office,
Region III
Amendment file,
Region III
Barshman
Emerick
DMEA/Tucson
DMEA Auditor, Reg. III
Townsend
Corres. file
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

JUL 10 1957
REGION III
DENVER, COLORADO

MINERAL DEPOSITS
RECEIVED
JUL 10 1957

Box 4126 University Station
Tucson, Arizona

EXTRA COPY
GEOLOGICAL SURVEY
DENVER, COLO.
RECEIVED
JUL 1957

DATE	INITIALS	CODE

July 8, 1957

Memorandum

To: W. H. King

From: T. M. Romalo
W. L. Emerick Through: E. N. Kirchman

Subject: Docket DMEA-4249 (Uranium), Contract Ida-21619
Big Sky Explorations, Inc.
(Sorrell Horse and Citation claims) Gila County, Arizona

Reference is made to your letter of July 2, 1957, requesting a joint report containing field examiners' recommendations relative to termination of the above subject contract in its present status.

Stage I of the subject contract, all of which has been completed by the operator, included:

2,800 lineal feet of access road,
230 feet of adit (drift),
500 feet of percussion drill test holes less than 30 feet in depth,
150 feet of percussion drill test holes with depths of 30 feet or over.

The percussion drill test holes were designed to test radioactive zones in and above an intermittently mineralized horizontal bed in the Dripping Spring quartzite at the back of the 230-foot drift. The mineralized bed ranges in thickness from 3 to 12 inches and averages about 3-1/2 inches. Percussion drill test holes were drilled in radioactive zones at the face of the drift and at distances of 35, 50, 75, 140 and 150 feet from the portal.

Ten percussion drill test holes of 30 feet depth and 2 percussion drill test holes 75 feet in depth were completed and probed by the operator in May 1957. Drill cuttings from the 12 percussion drill test holes were checked with a geiger counter by the field examiners on June 5, 1957. Nothing of significance was indicated by either the operator's probing of the holes or the field examiners' check of drill hole cuttings.

Stage I work under the contract indicated that the zones of radioactivity in the Bringing Spring quartzite on the property were small, intermittent and insignificant in occurrence and quality. Stage I work of the contract adequately explored the zones of radioactivity and exposed the nature of the occurrences on the property. The field examiners do not, therefore, feel that under the findings of Stage I of the contract further exploration work under Stage II would be justified, and they recommend that the contract be terminated in its present status.

Original signed by
T. M. Romslo

T. M. Romslo
Mining Engineer, U. S. Bureau of Mines

W L Emerick

W. L. Emerick
Geologist, U. S. Geological Survey

TMR:WLE:ms

cc: King (10)
Kerrahmen
DMEA-Tucson
Emerick

224 New Customhouse
Denver 2, Colorado

June 13, 1957

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4249 (Uranium) Contract Idm-H1019
Big Six Explorations, Inc. (Sorrel Horse and Citation claims), Gila County, Arizona

Enclosed is a copy of a letter dated June 11, 1957, from the subject operator, requesting that all correspondence and checks be mailed to:

Big Six Explorations, Inc.
220 N. Jefferson
Odessa, Texas.

In the future please send all checks to the above address.

W. H. KING

W. H. King

JDC:hh

cc: Chem. Op. Comm. (2) }
Harshman }w/copy of Oper.
DMEA-Tun. } letter of
Hasler } 6/11/57
Townsend }
Corres. file, Reg. III)
Chron.

JUN 17 1957
800

BIG SIX EXPLORATIONS, INC.
220 N. JEFFERSON
ODESSA, TEXAS

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

June 11, 1957

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

RE: Docket DMEA-4249 (Uranium)
Contract Idm-E1019
Big Six Explorations, Inc.
(Sorrel Horse and Citation claims)
Gila County, Arizona

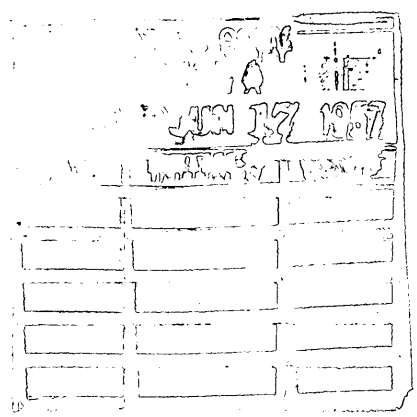
Gentlemen:

In reference to the above contract, we would like to request that all correspondence and checks be mailed to Big Six Explorations, Inc. at their home office:

220 N. Jefferson, Odessa, Texas.

Very truly yours,

Roger F. Ashford, President
Big Six Explorations, Inc.



DMEA
RECEIVED MAY 21 1957
DATE | INITIALS | CODE
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EXPLORATION PROJECT CONTRACT

BIG SIX EXPLORATIONS, INC.

DOCKET NO. DMEA 4249

CONTRACT NO. Idm-E1019

AMENDMENT NO. 1

It is agreed this 21st day of May, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Big Six Explorations, Inc. hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1019, Docket No. DMEA 4249, dated October 16, 1956, hereinafter called the "Contract," that:

1. The date fixed in Article 3, on or before which work is to be completed, is extended from May 31, 1957 to November 30, 1957.

2. The maximum period for payment of royalty and lien for payment thereof, provided for in the contract, is increased to eleven years from the date of the contract.

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

Executed in sextuplicate the day and year first above written.

BIG SIX EXPLORATIONS, INC.

By Roger F. Ashford
Roger F. Ashford, President

UNITED STATES OF AMERICA

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

BIG SIX EXPLORATIONS, INC.
220 N. JEFFERSON
ODESSA, TEXAS

DMEA
DEPARTMENT OF THE INTERIOR
MAY 20 1957
REGION III
DENVER, COLORADO

May 15, 1957

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

RE: Docket No. DMEA 4249 (Uranium)
Contract No. Idm-E1019
Big Six Explorations, Inc.
(Sorrell Horse and Citation Claims)
Gila County, Arizona

Dear Mr. Harshman:

In reference to my letter of May 10, 1957, I am sorry that I did not explain the situation more clearly.

In referring to the weather, I was speaking of the time between November 1956 and May 1957. During that period of time there were several times that our road was washed out and we had to get a doger to repair it. Even the road that the State put on Cherry Creek was washed out at times.

Then there were several days lost because of the severe snow storms.

The only time we shut down was during the above mentioned weather or when there was equipment failure.

We are at the present working on the final part of stage one which is long hole drilling. We expect to finish this long hole drilling by the end of May.

In requesting an extension of the contract, I was anticipating the work on stage two in the event that we feel it advisable to continue on stage two and the government O. K.s stage two.

Very truly yours,

Roger F. Ashford

Roger F. Ashford, President
Big Six Explorations, Inc.

BIG SIX EXPLORATIONS, INC.
220 N. JEFFERSON
ODESSA, TEXAS

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

May 10, 1957

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

RE: Docket DMEA-4249 (Uranium)
Contract Idm-E1019
Big Six Explorations, Inc.
(Sorrel Horse and Citation Claims)
Gila County, Arizona

Gentlemen:

In reference to the above contract the Big Six Explorations, Inc. wish to request a six months extension.

The severe winter and spring rains made access to the project practically impossible, thereby hindering transportation of men and supplies.

Thanking you in advance for your consideration, I remain,

Yours very truly,

Roger F. Ashford

Roger F. Ashford, President
Big Six Explorations, Inc.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 16 1957
DATE | INITIALS | CODE
5/16 | C | 220
| | 801

224 New Customhouse
Denver 2, Colorado

May 13, 1957

CERTIFIED MAIL

Mr. R. J. Allison, Director
Big Six Explorations, Inc.
Box 6
Young, Arizona

Re: Docket No. DMEA 4049 (Uranium)
Contract No. Iam-E1019
Big Six Explorations, Inc.
(Sorrell Horse and Citation claims)
Gila County, Arizona

Dear Mr. Allison:

Reference is made to project work approval issued by the DMEA Field Team, Region III, under date of April 29, 1957, pertaining to the drilling of twelve percussion drill holes under the provisions of Stage I of the Contract.

Regardless of the stated depths of holes Nos. 1 to 9, inclusive, and hole No. 12 on the map entitled, "DMEA 4049, Iam-E1019, Big Six Explorations, Inc., Gila County, Arizona, Proposed Drilling, Stage I," which is attached thereto and made a part of the work approval, holes Nos. 1 to 9, inclusive, and hole No. 12 shall not be drilled to a depth exceeding 49 feet, in order to conform with provisions in the Contract.

Nothing in this change of work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

By E. N. Harshman

E. N. Harshman
Acting Executive Officer

JWT:prl
cc: Chmn. Op. Comm. -4
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Storms

cc: Mr. Roger F. Ashford, President
Big Six Explorations, Inc.
220 North Jefferson
Odessa, Texas
(via Certified Mail)

Emerick
Townsend
Corres. file
Chron.

Official

EXTRA COPY
DMEA
RECEIVED
DATE
CODE
800

224 New Customhouse
Denver 2, Colorado

April 29, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4249 (Uranium), Contract No. 18m-R1019, Big Six Explorations, Inc. (Sorrell Horse and Citation claims), Gila County, Arizona

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III.

Also enclosed are two copies of the Operator's request and four copies of data from the field examiners pertaining to the matter.

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

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JWT:prl

cc: Finance Office,
Region III - w/copy of work approval.
Harshman) w/copy of Work Approval,
Storms) Operator's request, and
Corres.file) data from field examiners.
Emerick - w/copy of work approval and data from field examiners.
Townsend
Chron.

224 New Customhouse
Denver 2, Colorado

April 29, 1957

Mr. R. J. Allison, Director
Big Six Explorations, Inc.
Box No. 6
Young, Arizona

Re: Docket No. DMEA 4249 (Uranium)
Contract No. Idm-E1019
Big Six Explorations, Inc.
(Sorrell Horse and Citation claims)
Gila County, Arizona

Dear Mr. Allison:

In reference to your request of April 10, 1957, this constitutes the Government's approval for the drilling of twelve (12) percussion drill holes at the locations, direction, inclination, and depth as indicated on the map entitled, "DMEA 4249, Idm-E1019 Big Six Exploration Inc., Gila County, Arizona, Proposed Drilling, Stage I," which is attached hereto and made a part of this work approval.

Cutting samples are to be saved on 5-foot intervals and otherwise handled as provided for in the Contract.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

By E. N. Harshman

E. N. Harshman
Acting Executive Officer

JWT:prl
cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Storms
Emerick
Townsend
Corres. file
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
APR 29 1957
REGION III
DENVER, COLORADO

MINERAL DEPOSITS
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U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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Box 4126 University Station
Tucson, Arizona

April 19, 1957

Memorandum

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

From: J. H. Faick
T. M. Romalo

Through: W. L. Emerick
W. R. Storms

Subject: Proposed long-hole drilling, Docket DMEA-4249 (Uranium) Contract Idm-E1019, Big Six Explorations, Inc. (Sorrell Horse and Citation Claims), Gila County, Arizona.

Please find enclosed the 24 copies of the requested map showing the approximate locations and designs of the proposed 12 long holes.

Regarding sampling, we recommend that the General Provisions of Exhibit "A" be applicable to:

1. Drill cuttings from 5-foot intervals,

2. Radiometric probing of holes at intervals of approximately 2.5 feet.

J. H. Faick
J. H. Faick, Geologist
U. S. Geological Survey

T. M. Romalo
T. M. Romalo, Mining Engineer
U. S. Bureau of Mines

JHF:TMR:ms

cc: Executive Officer (8)
Harshman
Storms
Emerick

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DMEA
DEPARTMENT OF THE INTERIOR
APR 17 1957
REGION III
DENVER, COLORADO

Box 4126 University Station
Tucson, Arizona

April 15, 1957

Memorandum

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

From: J. H. Faick
T. M. Rosalo

Through: W. L. Emerick
W. R. Stevens

Subject: Proposed long-hole drilling, Docket DMEA-4249 (Uranium) Contract Ida-41019, Big Six Explorations, Inc. (Sunnall Mesa and Citation Claims), Gila County, Arizona

Reference is made to R. J. Allison's letter and map of April 10, 1957, to W. R. Stevens. The letter contains a request for approval of allowable long-hole drilling following completion of authorized drifting of Stage I.

The proposed drilling is designed to test for radioactive zones above an intermittently mineralized 3 to 12 inch thick bed of quartzite at the back of the adit. This bed is at the base of a radioactive zone a few tens of feet thick, as indicated by scattered anomalous readings at the surface. The zone is horizontally bedded quartzite of the Dripping Spring formation.

The proposed holes are to be drilled in and to the west of the vertical plane of the adit, and will explore a considerable part of the mineralized quartzite. Most of the radioactivity appears to extend above and into the west wall of the adit, in the direction of most of the proposed drilling. The proposed drilling is shown (incorrectly) on the applicant's map, and the geology is shown on the attached DMEA map.

The drilling which is to be done for 6 stations is as follows:

(1) At Stations 1, 2, 3, and 4:
a. One hole S 19° W, + 60°, 30 ft.
b. One hole S 60° W, + 45°, 30 ft.

(2) At Station 5:
One hole S 19° W, + 60°, 30 ft.

(3) At Station 6:
a. One hole S 19° W, + 60°, 30 ft.
b. One hole S 23° W, + 45°, 75 ft.
c. One hole S 60° W, + 15°, 75 ft.

Total requested footage is the allowable 650 feet in 10 holes with lengths of 50 ft. or less, and 150 feet in holes exceeding 50 ft. in length.

The proposed drilling, in our opinion, is feasible and should be done to test for radioactive zones above the adit and to determine if additional explorations are justified.

T. K. Romslo, Mining Engineer
U. S. Bureau of Mines

J. F. Faick, Geologist
U. S. Geological Survey

TKR:JFF:nm
cc: Executive Officer (3)
Harshman (3)
Storms
Emerick

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Box No. 6,
Young, Arizona,
April 10, 1957.

Mr. E. E. Storus,
U. S. Bureau of Mines,
P. O. Box No. 4097,
University Station,
Tucson 5, Arizona.

DMEA
DEPARTMENT OF THE INTERIOR
APR 17 1957
REGION III
DENVER, COLORADO

Re: DMea - 4249 - Uranium
Contract No. Idm. 81019
Big Six Explorations, Inc.
Box No. 6, Young, Arizona.

Attention: Mr. Traver.

Dear Sir:

We are writing to make application for drilling on Stage I as per our contract. Having completed all the drifting in Stage I we are now ready to start drilling upon approval. We would also ask that this request be made retroactive as of April 16, 1957.

The program will be started by a series of short holes to be drilled by the owners. From these short holes we will get information that will prove valuable to us. We would like to set four (4) stations in drift for 1 - 50' hole up at 60° and 1 - 50' hole at a lesser angle into the right rib; one (1) station for 1 - 50' hole at 60°; and one (1) station at the face of drift where we would like to place 1 - 75' hole at right angle to the drift and to the west, and 1 - 75' hole in the general direction of the drift and up at 15°, and 1 - 50' hole at 60° S. 20° West. Additional holes and extensions to some 50' holes to help explore the most favorable horizon which extends from the top of drift to a thickness of 90' would also be made, with extension to at least two of the 50' holes at 60° to crosscut entire structure, these additional holes and extensions to be made at owners' expense.

Vertical holes could be drilled but would require a raise for each station. Therefore, it is less expensive to drill longer holes at about 60°.

The right rib of drift shows more and stronger mineralization. We feel that contract long holes should be used to explore the right rib and back of drift. Some exploration holes will be done by owners in left rib because we feel the contract does not allow enough drilling to explore all favorable places.

Maps showing stations and direction and angle of holes will accompany this application; Station No. 1 at 20' from portal; Station No. 2 at 45' from portal; Station No. 3 at 70' from portal; Station No. 4 at 130' from portal; Station No. 5 at 175' from portal; and Station No. 6 at 250' from portal.

Very truly yours,

BIG SIX EXPLORATIONS, INC.

R. J. Allison

R. J. Allison, Director.

RJa:mb
Encls.

Contract No. Idm-E 1019

Docket No. 4249

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
October 16, 1956	III	Arizona	Uranium

Name and Address of Operator: Six Six Explorations, Inc.
Box 6
Young, Arizona

	Reserve	Obligation
Prior Amount	$20,091.00	0
Increase	0	$20,091.00
Decrease	$20,091.00	0
Revised Amount	0	$20,091.00

Remarks:

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

Date Delivered to Bureau of Mines, Washington 10/30/56

98963

Government's Copy

RECEIVED

OCT 26 1956

MF-200
(Revised June 1954)

Docket No. DMEA 4249

Commodity Uranium

Contract No. Idm-E 1019

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 16th day of October, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Big Six Explorations, Inc., a Texas corporation, whose mailing address is Box 6 Young, Arizona, 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 2 maps

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 Arizona, County of Gila, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ____, page ____, official records of said County; and

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

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

[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: Consent to Lien of owners of leased claims is attached.

(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. The work to be performed is described in Exhibit "A." The Operator on or before December 1, 1956, shall commence the work, and on or before May 31, 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 an amount not less than the estimated total allowable costs set forth in Exhibit "A"~~, except as otherwise provided in Exhibit "A" with respect to stages of work. 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 $26,788.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $20,091.00: *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 thereof 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.

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.)

(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, except as to optional provision in Exhibit "A" concerning construction of access road.

(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 access road is the average unit cost per foot computed on the basis of all the actual unit costs of said item incurred by the Operator: Provided, That the Government will not contribute to any portion of the average unit cost that exceeds the estimated unit costs of said item.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense Mineral
Exploration Administration

BIG SIX EXPLORATIONS, INC.
(Operator)

By Roger F. Ashford

President

10-23-56

I, Bill R. Casteveens, certify that I am the secretary of the corporation named as Operator herein; that Roger F. Ashford 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.

Bill R. Casteveens

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

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EXPLORATION PROJECT CONTRACT
BIG SIX EXPLORATIONS, INC.
DOCKET NO. DMEA-4249

ANNEX I

The land referred to in Article 2 of the Contract consists of seven (7) contiguous unpatented lode mining claims, situated in the W½ of sec. 4, T. 6 N., R. 14 E., G. & S. R. M., Notices of Location of which are recorded in the Office of the County Recorder, Gila County, Arizona, as follows:

Claim	Docket	Page
Sorrell Horse No. 1	7	359
Sorrell Horse No. 2	7	360
Citation No. 1	22	378
Citation No. 2	22	379
Citation No. 3	22	380
Citation No. 4	22	381
Citation No. 5	51	344

The locations of the claims are shown on the attached map entitled "Figure 2 - Claim Map, Big Six Exploration Inc., Gila County, Ariz." and made a part of this Contract.

The Operator is the owner of Citation No. 5 claim, and is in possession and has the right to possession for the purposes of the Contract of Sorrell Horse Nos. 1 and 2 and Citations Nos. 1 through 4 claims for a period of ten years, renewable, pursuant to a mining lease dated November 1, 1955, executed by the owners, Alfred Haught, Homer Haught, C. A. Haught, Van Baker, Clifford Martin, and Harvey McKee, and Big Six Explorations Co., the lessee, which was assigned to the Operator.

MF-205
(Combines and supercedes MF-201 [redacted] MF-203)
June 1956

For Government's Use Only
EXPLORAT[redacted] PROJECT CONTRACT
Operator Big Six Exploration, Inc.
Docket No. DMEA- 4249
Contract No. Idm-E 1019
Contract Date OCT 19 1956

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

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OCT 26 1956

To the United States of America:

Referring to that certain land in the County of Gila, State of Arizona, described as follows: 2/

Unpatented lode mining claims recorded in Office of Recorder, Gila County, Arizona as follows: Sorrell Horse Nos. 1 and 2, Docket 7 pages 359 and 360; Citation Nos. 1, 2, 3, and 4, Docket 22, pages 378, 379, 380, and 381.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this 11 day of August, 1951.

HOMER HAUGHT ~~Donald Wayne Haught~~	[Seal]	Young Ariz.	[Address]
ALFRED HAUGHT ~~Glenn Morris Haught~~ Alfred C Haught	[Seal]	Young Ariz.	[Address]
Van Baker Alfred C Haught	[Seal]	His attorney-in-fact Young Ariz.	[Address]
CLIFFORD MARTIN ~~Virgil Baker~~ Alfred C Haught	[Seal]	His attorney-in-fact Young Ariz.	[Address]
C. A. HAUGHT ~~Richard Baker~~ C. A. Haught	[Seal]	Young Ariz.	[Address]
Harvey McKee Harvey McKee	[Seal]	Young Ariz.	[Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____ [Corporate Seal]

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EXPLORATION PROJECT CONTRACT
BIG SIX EXPLORATIONS, INC.
DOCKET NO. DMEA-4249

EXHIBIT A

Description of the Work

General Provisions

The object of this project is to explore the lower part of the upper member of the Dripping Spring quartzite, which underlies the property in a nearly horizontal blanket-like formation, by means of drifting, crosscutting, and percussion drilling.

The project shall be supervised at all times by a qualified mining engineer or geologist, who shall direct or perform the required surveying, mapping, sampling, drill-hole logging, and prepare the reports required pursuant to this Contract.

As the drifting and crosscutting progresses, representative samples shall be taken in mineralized areas. Areas of persistent mineralization shall be channel sampled. Areas of spotty mineralization shall be tested by chip sampling or by means of a composite sample of each round broken.

All drill cuttings shall be saved by methods and at drilling intervals, and checked for radioactivity, as approved by the Government. The percussion drill test holes shall be of sufficient size to permit probing with standard radiometric equipment. Any section of drill cuttings that indicates significant radioactivity shall be split into halves, and one-half shall be analyzed chemically for uranium and the other half shall be furnished to the Government. Drill cuttings from other sections of each hole shall be properly boxed, labeled, and stored for Government inspection and disposition.

All drill holes shall be logged geologically and probed for radioactivity, and four copies of each log furnished to the Government.

The Government shall not contribute to the costs of an incompleted drill hole.

All samples from the drifts and crosscuts selected for chemical analyses shall be split into halves, one-half used for assay purposes and the other half properly stored for Government inspection

and disposition. Not more than 50 samples shall be analyzed chemically for U_3O_8 for Stage I and not more than 50 samples shall be analyzed chemically for U_3O_8 for Stage II. The method of all sampling is subject to the approval of the Government.

Cross-sectional dimensions of the adit drift and crosscuts shall be not less than 5 feet by 7 feet in the clear of timber. The drift and crosscuts shall be timbered as necessary, with standard drift sets on 5-foot centers, or steel rock bolted in lieu of timbering where appropriate.

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

The work is divided into two stages as set forth below. The Operator shall perform all the work in Stage I, and as much of the Stage II work as is approved in advance in writing by the Government.

Stage I

Stage I consists of constructing an access road approximately as shown on the attached map entitled "Fig. -4 - Proposed Exploration, Big Six Exploration Inc. Gila County, Ariz.," suitable only for transporting equipment, labor, materials, and supplies to the adit site, and driving an adit (drift) approximately as shown in the area marked with a circled A, on the same map.

Areas penetrated by the adit that show favorable indications of mineralization shall be further explored by drilling either long or short percussion drill holes, as approved by the Government.

The Government will not contribute to the fixed costs of units of work that exceed the following:

2,800 linear feet of access road

250 feet of adit (drift)

35 linear feet of adit timbering, or any portion of the fixed costs of rock bolting in lieu thereof that exceeds $4.50 per foot of drift when averaged over a 5-foot section

500 feet of percussion drill test holes less than 50 feet in depth

150 feet of percussion drill holes with depths of 50 feet or over.

Stage II

Stage II consists of driving crosscuts from the adit in an eastward or westward direction to explore any significant mineralization found in the adit as the result of Stage I work. From these

openings either long or short percussion drill holes shall be drilled to further explore any significant mineralization encountered, as approved by the Government.

The Government will not contribute to the fixed costs of units of work that exceed the following:

300 feet of crosscut

35 linear feet of crosscut timbering, or any portion of the fixed costs of rock bolting in lieu thereof that exceeds $4.50 per foot of drift when averaged over a 5-foot section

500 feet of percussion drill test holes less than 50 feet in depth

150 feet of test holes 50 feet in depth or deeper.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

2,800 feet access road	@ $2.33/ft.	$6,524.00 x/
Categories (2) through (7)	None	

Fixed Unit Costs

250 feet of adit	@ $31.00/ft.	7,750.00
35 feet of timbering (or bolting)	@ $4.50/ft. @ $4.00/bolt	157.50
500 feet of percussion drill hole (depth less than 50 feet)	@ $1.50/ft.	750.00
150 feet of percussion drill hole (depth 50 feet or deeper)	@ $3.00/ft.	450.00
50 chemical analyses	@ $5.00/sample	250.00
Estimated Total Cost of Stage I		$15,881.50

Stage II

Actual Costs

None

Fixed Unit Costs

300 feet of crosscut	@ $31.00/ft.	$ 9,300.00	
35 feet of timbering (or bolting)	@ $4.50/ft. @ $4.00/bolt	157.50	
500 feet of test hole (less than 50 feet)	@ $1.50/ft.	750.00	
150 feet of test hole (depth 50 feet or deeper)	@ $3.00/ft.	450.00	
50 chemical analyses	@ $5.00/sample	250.00	
Estimated Total Cost of Stage II			$10,907.50
Estimated Total Cost of Project (rounded to)			$26,788.00
Government Participation @ 75%			$20,091.00

x/ The Operator may perform the work of constructing the access road in lieu of contracting it, in which case Categories (2) through (7) of Article 6(a) shall apply and all schedules of actual costs required thereunder are waived: Provided that the Government will not contribute to any portion of the actual costs that exceeds $2.33/ft. averaged as provided in Article 13(f).

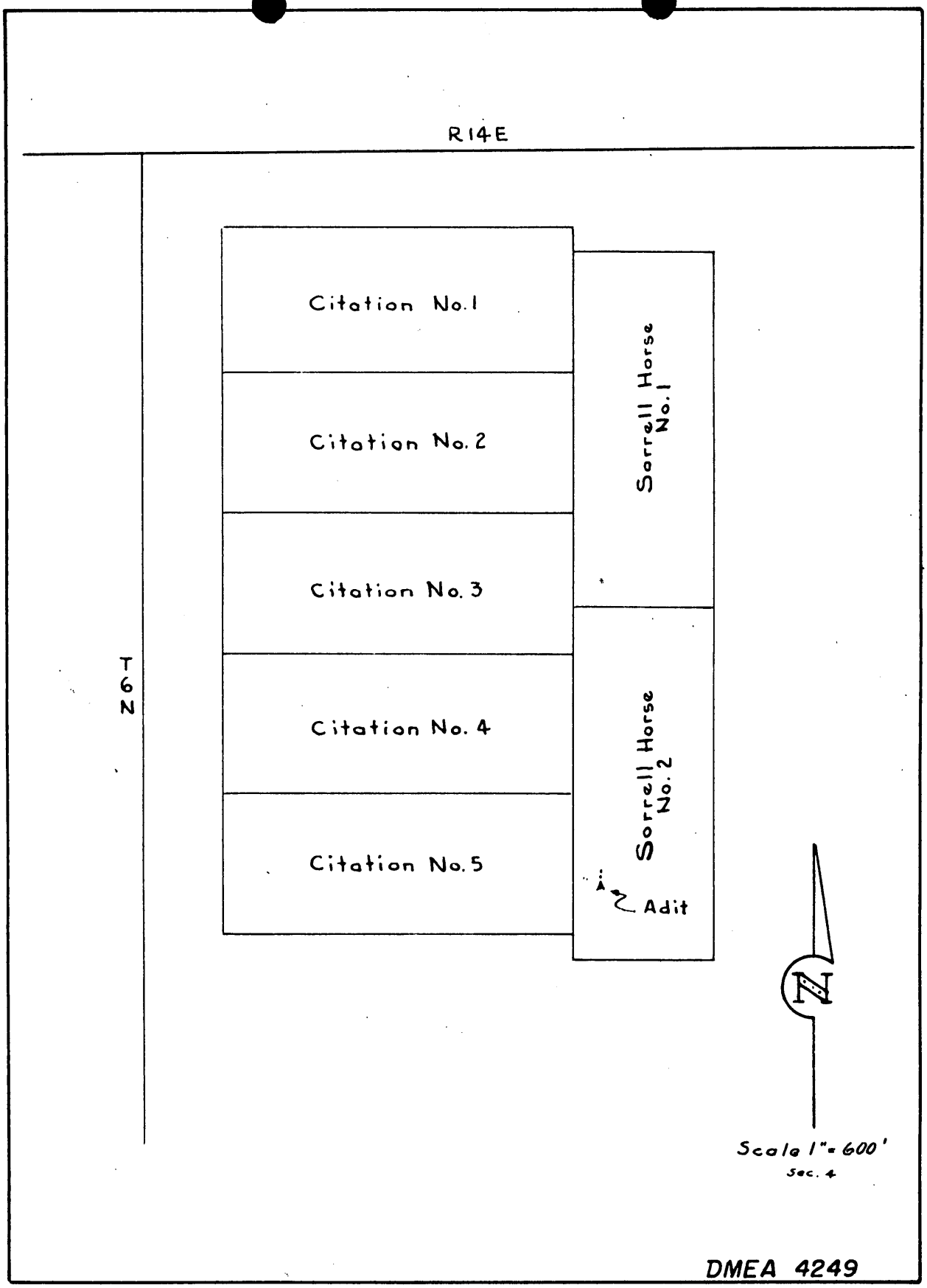

FIG.-2- CLAIM MAP, BIG SIX EXPLORATION INC.
GILA COUNTY, ARIZ.

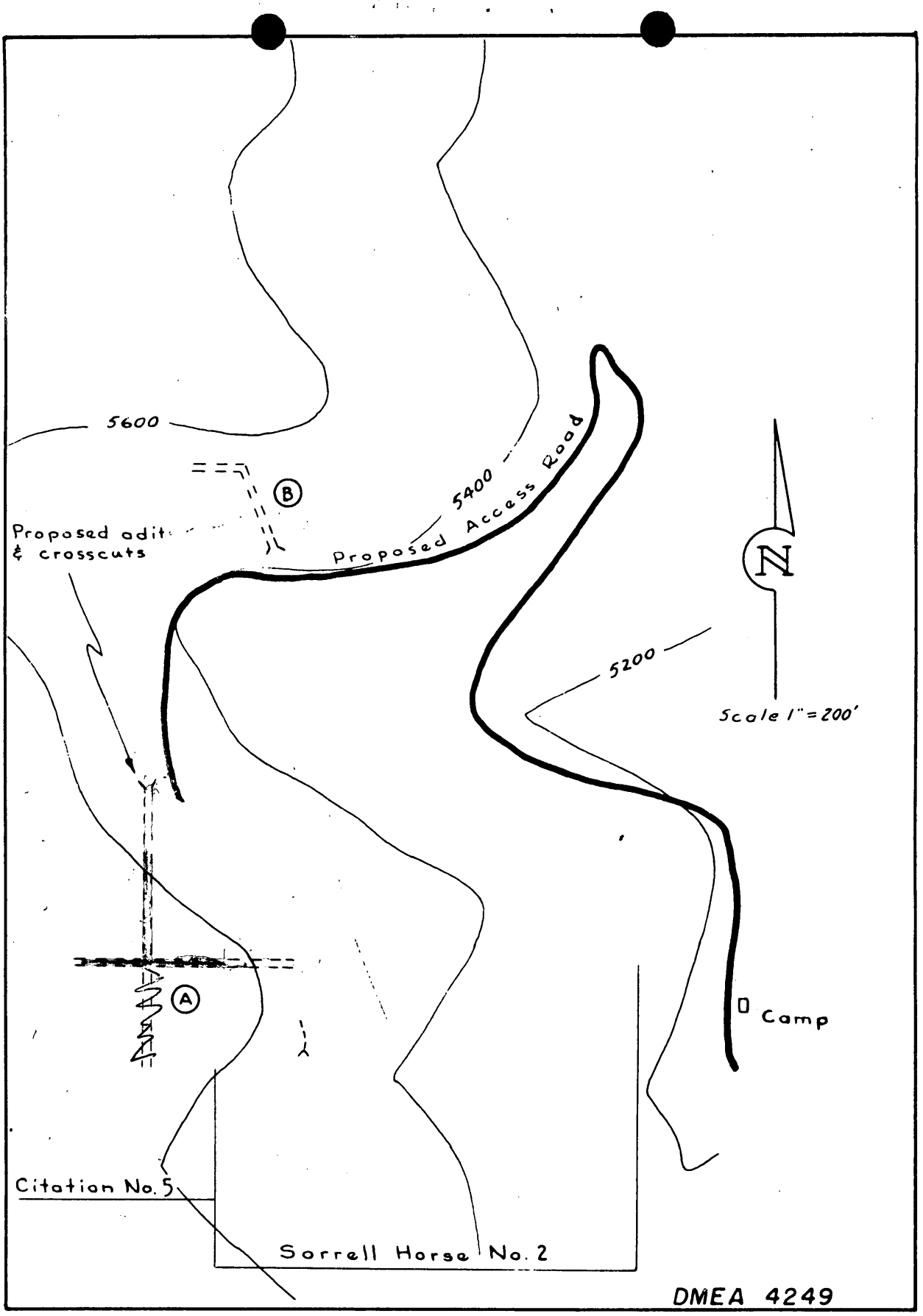

FIG. - 4 - PROPOSED EXPLORATION, BIG SIX EXPLORATION INC.
GILA COUNTY, ARIZ.

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

RECEIVED
OCT 26 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

October 24, 1956

Mr. Roger F. Ashford, President
Big Six Explorations, Inc.
220 North Jefferson
Sherman, Texas

Re: Docket No. DMEA 4249 (Uranium)
Contract No. 14m-X1019
Big Six Explorations, Inc.
(Sorrell Horse and Citations claims)
Gila County, Arizona

Dear Mr. Ashford:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No. 14m-X1019, Docket No. DMEA 4249.

Also enclosed are six copies of form MF-104, "Operator's Monthly Report and Voucher," and six copies of form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to Mr. W. R. Storms, U. S. Bureau of Mines, P. O. Box 4097, University Station, Tucson 5, Arizona. 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 Mr. Storms or this office for assistance.

The contract is prepared on form NF-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 NF-104 for such work must be supported each month by a signed copy of the billing from the subcontractor; or, submit for our records a certified copy of the subcontract agreement. Amounts reported on the basis of "Fixed Unit Costs" require no documentation, as they are otherwise verified.

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 <u>not</u> to be incorporated in your narrative report accompanying monthly progress report forms NF-104 and NF-104A.

The location of the work to be performed under Stage I is indicated on the map, "Figure 4," attached to the contract. Should conditions encountered necessitate any appreciable change in the location or direction of any of the work, approval of this office for the change must be obtained prior to performance of the work. Otherwise, the work may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on the results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising the results of the work.

You should anticipate a suspension of operation 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, with a copy of your letter to Mr. Storms.

Very truly yours,

Original signed by
W. M. TRAVER

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

Enclosures

JWT:prl

cc: Chairman, Oper. Comm. (5)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Storms
Emerick
Townsend
Corres. file
Chron.

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

SEP 28 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Rare and Miscellaneous Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4249 (Uranium)
Big Six Explorations, Inc.
Sorrell Horse and Citation Claims
Gila County, Arizona

As requested in Mr. Ellis' memorandum dated September 12, 1956, we have prepared the attached Contract.

It should be noted that the applicant is a corporation, but the lease submitted with the application is executed with the partnership "Big Six Exploration Co." Accordingly, before the Contract is executed by the Government, evidence of assignment of said lease by the partnership to the corporation applicant should be submitted. In addition, if the assignment reserves any rights in the lease to the partnership or to any individuals therein, a Consent to Liens is required for each interest reserved.

Robert P. Dwyer

HCRubin/wog
September 27, 1956
Copy to: Solicitor's Docket (2)
DMEA Docket
G.C.Selfridge
J.L.Chambers
E.W.Ellis (2)
R.P.Dwyer
H.C.Rubin
Chron.

Contract No. Idm-E 1019

Docket No. 4249

Approved contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
October 16, 1956	III	Arizona	Uranium

Name and Address of Operator:

Big Six Explorations, Inc.
Box 6
Young, Arizona

	Reserve	Obligation
Prior Amount	0	0
Increase	$20,091	0
Decrease	0	0
Revised Amount	$20,091	0

Remarks:

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

Date Delivered to Bureau of Mines, Washington 10/16/56

98963

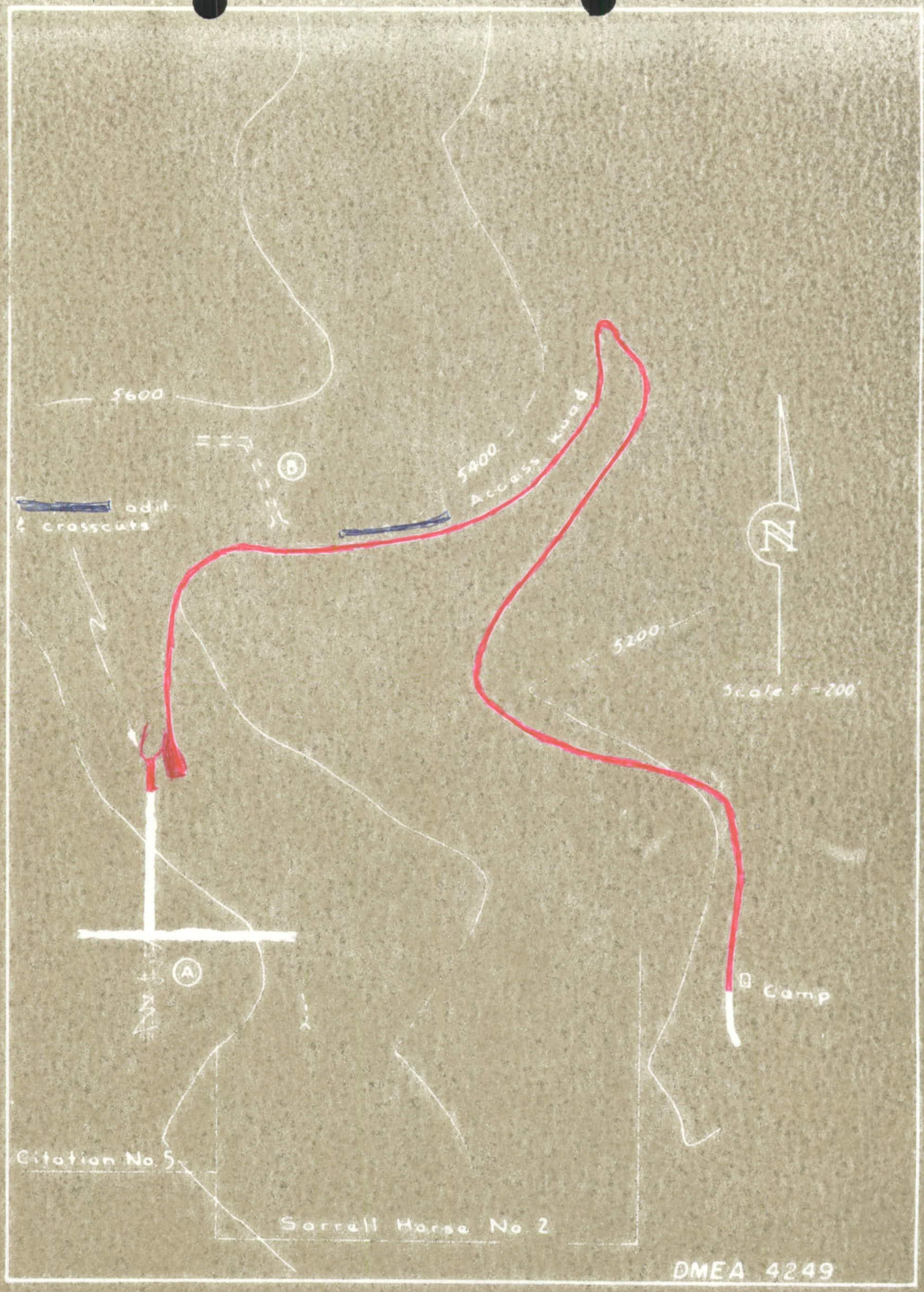

FIG. - 4 - PROPOSED EXPLORATION, BIG SIX EXPLORATION INC.
GILA COUNTY, ARIZ

■ Completed

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FEB 11 1957
D.M.E.A.

D.M.E.A. # 4249

Big Six Explorations, Inc.
R. J. Allison
Box 6, Young, Ariz.

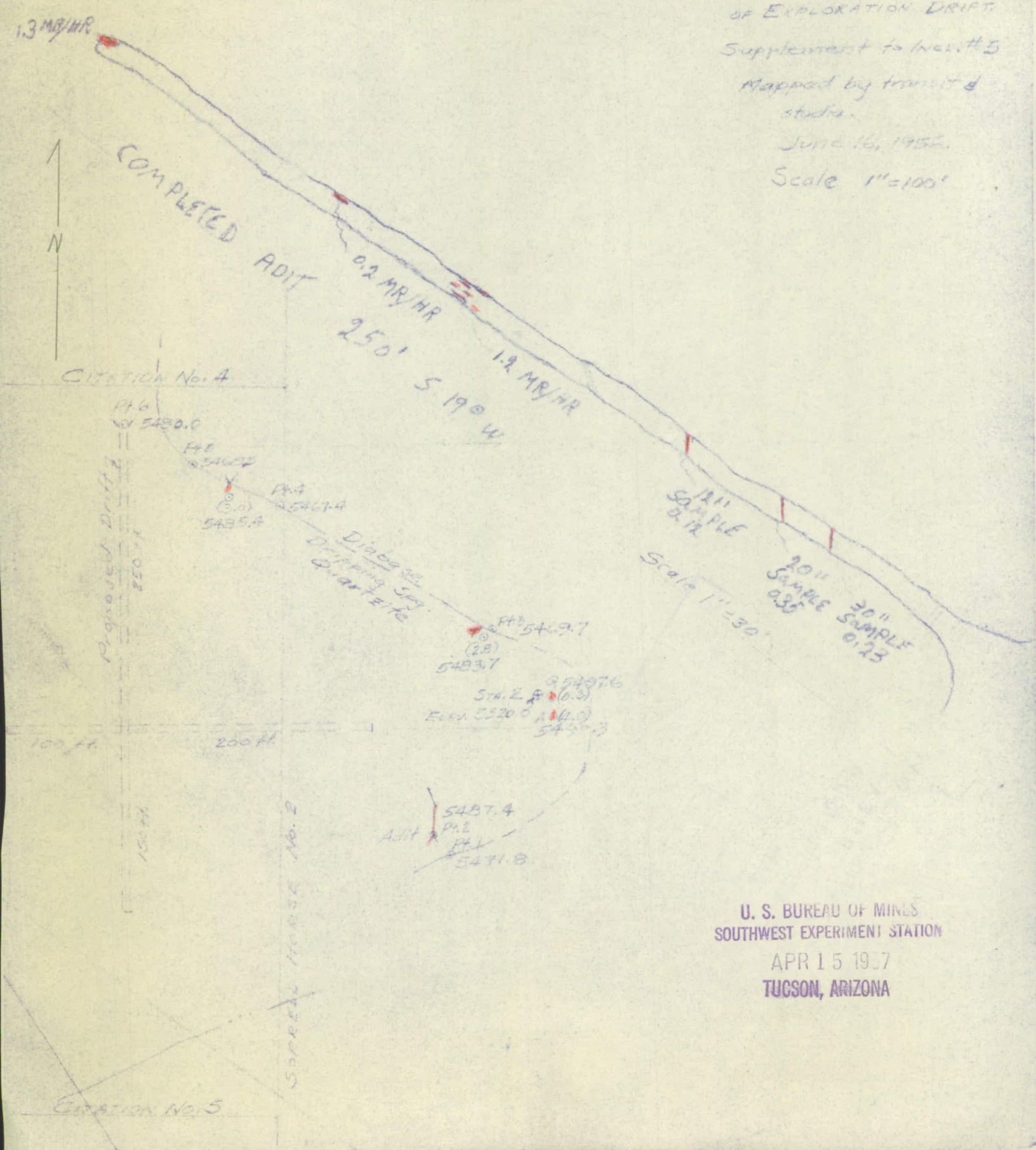
To Determine Elevation of Exploration Drift.

Supplement to Incl. #5

Mapped by transit & stadia.

June 16, 1956.

Scale 1" = 100'



U. S. BUREAU OF MINES
SOUTHWEST EXPERIMENT STATION
APR 15 1957
TUCSON, ARIZONA

OFFICIAL MAIL
APR 29 1957
U.S. POSTAGE
PENALTY FOR PRIVATE USE, $300
RECEIVED
INITIALS
DATE