LISBON URANIUM CORPORATION
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH

A. P. KICDE
PRESIDENT
ERIC C. RYBERG
VICE-PRESIDENT
MAX B. LEWIS
SECRETARY
E. R. DUMKE, JR.
TREASURER

March 31, 1959

OME
DEPARTMENT OF THE INTERIOR
JUL 6 - 1959
REGION III
DENVER, COLORADO

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

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarada Mining Company (formerly Gateway Mining & Development Company), Mesa County, Colorado

Gentlemen:

Reference is made to your letter of May 27, 1958, wherein you indicate that your office is holding an overpayment of $1415.87 in connection with the above referenced loan.

The undersigned and each of them hereby agree that said overpayment shall be paid to Lisbon Uranium Corporation, and the undersigned hereby authorize said payment to be made directly to Lisbon Uranium Corporation.

LISBON URANIUM CORPORATION

By [signature]

FLANDERS MINING COMPANY

By Theron E. Sanders
Accountant

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 13 1959

DATE	INITIALS	CODE
	MSW:rm	

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 13 1959

DATE	INITIALS	CODE
7-13	gad	270
7/13	[illegible]	800
7-16	m	500
		225

22A New Customhouse
Denver 2, Colorado

July 7, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 2126 (Uranium) Contract Ion-2408, Gateway Mining and Development Company, Inc. (Gilmore, LaSal, Tetaloff, John Thornton, John Brown and La Salle claims) Mesa County, Colorado

This has further reference to our memorandum to you dated April 8, 1959, on the subject contract.

Enclosed is an agreement signed by Lisbon Uranium Corporation and Flanders Mining Company. This agreement authorizes us to pay directly to Lisbon Uranium Corporation the amount of $1415.87, which amount was an overpayment of royalty. Will you please make this refund.

J. W. Townsend

Enclosure

HMC:jy

cc: Chm. Op. Comm. (2) } w/copy of agreement
Roy. Corres. } dtd. 3/31/59
Charon.

Flanders Mining Company
POST OFFICE BOX 861
Grand Junction, Colorado

OME
DEPARTMENT OF THE INTERIOR
MAY 4 - 1959
REGION III
DENVER, COLORADO

May 1, 1959

Department of the Interior
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining & Development Company), Mesa County, Colorado

Gentlemen:

We have written Lisbon Uranium Corporation with regard to refund of an overpayment of $1,415.87 on above DMEA contract. It is agreeable with Flanders Mining Company that the amount of overpayment be refunded to Lisbon Uranium Corporation. However, we have not signed any document to this effect, pending word from Lisbon Uranium Corporation that this arrangement is agreeable with them.

We regret this delay, but feel we should not sign any such document until we hear from Lisbon Uranium Corporation that this arrangement is agreeable with them.

Yours very truly,

FLANDERS MINING COMPANY

By T. Sanders

T. Sanders

TS:ws

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 6 1959

DATE	INITIALS	CODE
5/5	a	220
5/6	[illegible]	800
5/6	[illegible]	700
		225

Copies To.
Chairman Op. Com
Finance

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 13 1959

DATE		
4/13	C	220
"	~~[illegible]~~	700
		225

224 New Customhouse
Denver 2, Colorado
April 8, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, ORE Field Team, Region III

Subject: Docket No. [illegible]-2128 (Remand) Gateway Mining & Development Co., Inc. Gilmore, LaSal, Tetzleff, John Thornton, John Brown and LaSalle Claims, Mesa County, Colorado - Contract No. I4r-2408

We have received no reply to our letters of February 25, 1959, regarding the royalty overpayment of $2,415.87 on the subject contract.

Therefore, will you please transfer this amount to the suspense account 14 x 6875 (03), as instructed in the attached letter from the Chairman of the Operating Committee, dated March 3, 1959.

Original signed by
J. W. TOWNSEND

Enclosure

J. W. Townsend

HMC/ff

cc: Chmn. Op. Comm. (2)
Robertson, w/copy of Chmn's letter dated March 3, 1959
Royalty file, I408
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Talbert	800
3-2	Chambers	800
3/4	Kuome	700
		~~700~~
3/3	[illegible]	130
"	Johnson	100
3/5	"	~~310~~ 220

225

MAR 3 1959

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

Re: Docket No. DMEA-2126 (Uranium)
Gateway Mining & Development Co., Inc.
Gilmore, LaSal, Tetsloff, John
Thornton, John Brown and
LaSalle Claims
Mesa County, Colorado
Contract No. Idm-E408

Dear Mr. Townsend:

Your memorandum of February 25, 1959, requests advice as to further action regarding the royalty overpayment of $1,415.87 on the referenced contract.

In the event that your letters of February 25, 1959, to Flanders Mining Company and Lisbon Uranium Corporation do not elicit the required approval for the refund, the amount involved should be transferred to the suspense account 14 x 6875 (23). The Branch of Finance, Bureau of Mines, has requested that this be done prior to June 30, 1959, in order that the project account may be closed at the end of the current fiscal year.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHS)

APPROVED:

H. G. Iverson (JHS)
Member, Bureau of Mines

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

cc: Docket
Director's Reading File
Operating Committee
THKiilsgaard
JPaone
Mr. Chambers
Branch of Finance, Bureau of Mines
Mr. Donald T. Finch, OME Auditor

EDTalbert/GMcC
March 3, 1959

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado

February 25, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1959

DATE	INITIALS	CODE
3/2	C	220
3/2	[illegible]	700
		800
		225

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company & Utarado Mining Company, (formerly Gateway Mining & Development Company), Mesa County, Colorado

Enclosed are copies of follow-up letters to Lisbon Uranium Corporation and Flanders Mining Company suggested in your letter to this office dated February 20, 1959.

We would appreciate receiving your suggestions as to how this matter should be followed up in the event that we receive no answers to our letters of February 25, 1959.

Enclosures

J. W. Townsend

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1959
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado

February 25, 1959

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket EMEA 2128 (Uranium), Contract Km-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining & Development Company), Mesa County, Colorado

Dear Mr. Sanders:

We have had no reply to our letter to you dated May 27, 1958 regarding an overpayment of $1,415.87.

Before this overpayment can be refunded to either the Flanders Mining Company or the Lisbon Uranium Corporation, this office must first receive written approval of both of these companies as to how the check should be written.

Enclosed for your information is a copy of a letter dated February 25, 1959 to Lisbon Uranium Corporation,

It is desirable that this project account be closed as soon as possible. Will you therefore please give this matter immediate consideration.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

Enclosure

cc: Lisbon Uranium Corporation

HMC/ff
cc: Chmn. Op. Comm. (2)
Royalty File E-408
Harshman
Robertson/Gr.Jct.
Chron.

EXTRA COPY
O. M. E.
RECEIVED

224 New Customhouse
Denver 2, Colorado

February 25, 1959

Lisbon Uranium Corporation
First Security Building
Salt Lake City, Utah

Re: Docket DMEA 2126 (Uranium), Contract
IAm-E408, Flanders Mining Company and
Utaredo Mining Company (formerly Gateway
Mining & Development Company), Mesa County,
Colorado

Gentlemen:

We have had no reply to our letter to you dated May 27, 1958, regarding an overpayment of $1,415.87.

Before this overpayment can be refunded to either the Flanders Mining Company or the Lisbon Uranium Corporation, this office must first receive written approval of both of these companies as to how the check should be written.

Enclosed for your information is a copy of a letter dated February 25, 1959 to the Flanders Mining Company.

It is desirable that this project account be closed as soon as possible. Will you therefore please give this matter immediate consideration.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

Enclosure

cc: Flanders Mining Company
HMC/ff
cc: Chmn. Op. Comm. (2)
Royalty file E-408
Harshman
Robertson, Gr. Jct.
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/19	Talbert	800
2-19	Crawford	800
2/19	Hoover	700
		700
2/20	[illegible]	130
"	Johnson	100
		~~[illegible]~~
2/24	C	220

225

FEB 20 1959

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

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining & Development Co., Inc.
Gilmore, LaSal, Tetaloff, John
Thornton, John Brown and
LaSalle Claims
Mesa County, Colorado
Contract No. Idm-2408

Dear Mr. Townsend:

The matter of a $1,415.87 refund due to royalty overpayment on the referenced contract was the subject of your practically identical letters dated May 27, 1958, to Flanders Mining Company and Lisbon Uranium Corporation.

Please advise as to the replies, if any, received. If none were received, follow-up letters are suggested in order that the project account may be closed as soon as possible.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

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

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

cc: Docket
Director's Reading File
Operating Committee
THKiilsgaard
James Paone
Mr. Chambers
Branch of Finance, Bureau Mines

EDTalbert/GMcC
February 19, 1959

8623

224 New Customhouse
Denver 2, Colorado
May 27, 1958

5/29 C 220
~~700~~

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket No. DMEA 2128 (Uranium)
Contract No. Idm-E408, Flanders Mining Company and Utarado Mining Company (Formerly Gateway Mining and Development Company)
Mesa County, Colorado

Dear Mr. Sanders:

By letter dated May 2, 1958, you were informed that an overpayment of $1,415.87 has been made on the subject contract.

Before the overpayment can be refunded to either the Flanders Mining Company or the Lisbon Uranium Corporation, this office must first receive written approval of both of these companies as to how the check should be written.

Enclosed for your information is a copy of a letter dated May 27, 1958, to Lisbon Uranium Corporation concerning this subject.

Very truly yours,

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

cc: Lisbon Uranium Corporation

MHM:dp

cc: Sec. Op. Comm. 2
Royalty File E408)w/cy Chmn's
DMEA/GJ) letter 5-21-58
Chron.

DMEA
MAY 1958

224 New Customhouse
Denver 2, Colorado
May 27, 1958

5/29 C 220
~~Murphy 700~~

Lisbon Uranium Corporation
First Security Building
Salt Lake City, Utah

Re: Docket No. ~~DMEA 2128~~ (Uranium)
Contract No. Idm-E408, Flanders Mining Company and Uharado Mining Company (Formerly Gateway Mining and Development Company)
Mesa County, Colorado

Gentlemen:

By copy of our letter dated May 2, 1958, to Mr. T. Sanders, Flanders Mining Company, you were informed that an overpayment of $1,415.87 has been made on the subject contract.

Before the overpayment can be refunded to either the Flanders Mining Company or the Lisbon Uranium Corporation, this office must first receive written approval of both of these companies as to how the check should be written.

Enclosed for your information is a copy of a letter dated May 27, 1958, to Flanders Mining Company concerning this subject.

Very truly yours,

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

cc: Flanders Mining Company

MHM:dp

cc: Sec. Op. Comm. 2
Royalty File E408
DMEA/GJ
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/20	Chambers	800
5/20	Murphy	700
5/21	Ellis	700
5/21	GCS	130
"	Johnson	110
"	Hutchinson	100
5/22	C	220
		780

MAY 21 1958

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

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining & Development Co., Inc.
Gilmore, LaSal, Tetsloff, John Thornton, John Brown and LaSalle Claims
Mesa County, Colorado
Contract No. Idm-E408

Dear Mr. Harshman:

Please refer to your memorandum of May 15, 1958, addressed to the Chairman, Operating Committee. Before you can send a check to refund the overpayment to either the Flanders Mining Company or the Lisbon Uranium Corporation, it would be advisable to get approval of both of these companies as to how the check should be written.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

APPROVED:

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

Thor H. Kiilsgaard (HB)
Member, Geological Survey

JLChambers/ama
May 20, 1958

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Kiilsgaard
Mr. Chambers

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ORIGINAL FILE COPY
DMEA
RECEIVED MAY 19 1958
CODE
5/19 C 220
" 7 MM 700

224 New Customhouse
Denver 2, Colorado
May 15, 1958

Memorandum

cipent
cfto 800

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 2128 (Uranium) Contract No. Idm-E408
Flanders Mining Company and Utarado Mining Company
(Formerly Gateway Mining and Development Company,)Mesa
County, Colorado

Enclosed for your consideration and rendering of a decision is a letter dated May 6, 1958, from T. Sanders, Flanders Mining Company. Mr. Sanders requests that they be sent the over payment ($1,415.87) made on the subject contract. Since, "Flanders Mining Company made royalty payments on the last production on the claims covered by contract # Idm-E408 . . ."

You will note from your copy of our letter dated May 2, 1958, to Mr. Sanders that the royalty check causing overpayment of the account was issued by Lisbon Uranium Corporation. From copies of settlement sheets supplied to your office by our memorandum dated May 7, 1958, you will also note that the royalty payment covered the production from the Thornton Mining claim. The Thornton claim is the same as the John Thornton claim subordinated under Contract Idm-E408.

We would appreciate advice as to which party the refund is rightly due.

E. N. Harshman

E. N. Harshman

Flanders Mining Company
POST OFFICE BOX 861
Grand Junction, Colorado

May 6, 1958

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

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Gentlemen:

Thank you for your letter of May 2, 1958.

Since Flanders Mining Company made royalty payments on the last production on the claims covered by contract # Idm-E 408, we feel that we are entitled to the refund on the over-payment. We will settle with Lisbon Uranium Corporation for the payments they made on the above contract.

Very truly yours,

FLANDERS MINING COMPANY

T. Sanders

T. Sanders

TS/mmh

cc: Lisbon Uranium Corporation
First Security Building
Salt Lake City, Utah

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 19 1958
DATE | INITIALS | CODE

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1958

DATE		CODE
5/5	C	220
5/5		800
~~5/5~~		~~740~~

224 New Customhouse
Denver 2, Colorado
May 2, 1958

Mr. T. Sanders
Flanders Mining Company
P. O. Box 661
Grand Junction, Colorado

Re: Docket No. DMEA 2125 (Uranium)
Contract No. Dmn-2408
Flanders Mining Company and
Utexado Mining Company
(Formerly Gateway Mining and
Development Company),
Mesa County, Colorado

Dear Mr. Sanders:

In response to letter dated April 14, 1958, from Mr. M. Hyde, you are advised that the current royalty status of the captioned contract is as follows:

Amount of Government participation	$46,772.10
Amount of repayment	48,187.97
Overpayment	$ 1,415.87.

The most recent deposit credited to the account was check No. 4486 issued by the Lisbon Uranium Corporation in the amount of $4,546.12.

Very truly yours,

Original signed by
E. N. MARSHMAN

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

cc: Lisbon Uranium Corporation
Salt Lake City, Utah

MEM:prl

cc: Sec. Op. Comm.-2) w/copy of mentioned
Royalty file) letter and related
Corres. file) correspondence.
Mesler)
DMEA/GR.JCT.)
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1958
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado
May 2, 1958

Mr. Carl M. Gilbert, President
Utarado Mining Company, Inc.
Gateway, Colorado

Re: Docket No. DMEA 2128 (Uranium)
Contract No. Lbm-8408
Flanders Mining Company and
Utarado Mining Company
(Formerly Gateway Mining
and Development Company),
Mesa County, Colorado

Dear Mr. Gilbert:

You are advised that the current royalty status of the captioned contract is as follows:

Amount of Government participation	$46,772.10
Amount of repayment	48,187.97
Overpayment	$ 1,415.87.

The most recent deposit credited to the account was check No. 4486 issued by the Lisbon Uranium Corporation in the amount of $4,546.12.

Very truly yours,

Original signed by
W. N. HARSHMAN

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

cc: Flanders Mining Company
Grand Junction, Colorado

MHM:PRL

cc: Sec.Op.Comm.(2)
Royalty file
Corres. file
Hasler
DMEA/GR.JCT.
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1958
DATE CODE

224 New Customhouse
Denver 2, Colorado

May 2, 1958

Memorandum

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

From: Donald T. Finch, Auditor

Subject: Docket No. DMEA 2128 (Uranium), Contract No. I4m-2408 Originally Gateway Mining and Development Company, Now being operated by Lisbon Uranium Company (Transferee Flanders Mining Company) and by Uterado Mining Company

Pursuant to your request, I have reviewed the subject royalty files and the Finance Office records.

According to a Report of Review dated May 7, 1953, prepared by Donald T. Finch, the total accepted costs of Contract No. I4m-2408 amounted to $51,969.00 with the Government's contribution on a 90 percent basis being $46,772.10.

Royalty payments, during the period September 26, 1952 (effective date of the exploration contract) to April 23, 1958, have been made by several lessees, and transferees of Gateway Mining and Development Company. As of April 23, 1958, the records of the DMEA Finance Office reflect the following:

Total Government contribution	$46,772.10
Total of royalty payments received at Certificate of Deposit No. 14-23-040-123 dated April 23, 1958	48,187.97
Royalty Payments received in excess of Government's contribution	$ 1,415.87

The last royalty payment was received from Lisbon Uranium Corporation on April 22, 1958. This payment was in the amount of $4,546.12.

Donald T. Finch

Donald T. Finch, Auditor

Flanders Mining Company
POST OFFICE BOX 861
Grand Junction, Colorado

April 14, 1958

DMEA
DEPARTMENT OF THE INTERIOR
APR 16 1958
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Defense Minerals Exploration
224 New Custom House
Denver 2, Colorado

Dear Mr. Harshman:

Please be advised we contacted Mr. Mulliner of Lisbon Uranium Corporation this date in regard to your correspondence dated March 4 and April 9, 1958. Our arrangement with Lisbon is that they make the DMEA payments for Docket No. DMEA 2128 and in turn, bill Flanders Mining Company for the corresponding amount.

Their delay is due to checking their records as to payment on the Thornton or John Thornton claim. Mr. Mulliner stated in any event Lisbon would forward payment to you by April 17th.

Please advise the current balance for the referenced docket and the projected balance after payment by Lisbon for past statements as indicated in your referenced correspondence.

Yours very truly,

FLANDERS MINING COMPANY

T. Sanders by M. Hyde

T. Sanders

TS/mmh

Reg III Note

Rec'd check from Lisbon for $4546.12 on 4/22/58

LISBON URANIUM CORPORATION
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH

A. P. KIBBE
PRESIDENT
ERIC C. RYBERG
VICE-PRESIDENT
MAX B. LEWIS
SECRETARY
GLEN L. DAVIS
TREASURER

April 18, 1958

DMEA
DEPARTMENT OF THE INTERIOR
APR 22 1958
REGION III
DENVER, COLORADO

Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

In Re: Docket No. DMEA 2128 (Uranium)
Contract Ldm - E408
Lisbon Uranium Corporation

Dear Sir:

We regret the late payment enclosed for royalties due, but the undersigned had previously been informed that the Thornton Claim was not subordinated under the above docket. We are now enclosing our check in the amount of $4,546.12 in payment of royalties computed as follows:

Liquidation No.		Proceeds
7663		$22,272.82
7716		10,728.50
7764		17,375.91
7790		17,496.53
7805		10,337.86
7856		12,470.87
	Total	$90,922.49
	Royalty at 5%	$ 4,546.12

This includes shipments through the month of February, 1958, which is all that is available at this writing.

We enclose also three copies of settlement sheets and load details. Notice that where a deduction for lime penalty is shown on the settlement sheet this deduction has not been taken in the above schedule since adjustment was subsequently made.

Respectfully submitted,

LISBON URANIUM CORPORATION

By D. W. Fullmer

DWM/brc

224 New Customhouse
Denver 2, Colorado
April 23, 1958

Memorandum

To: Donald T. Finch, Auditor, DMEA

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

Subject: Docket No. DMEA 2128 (Uranium) Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company) Mesa County, Colorado

We have received royalties which indicate the amount of Government participation in work performed under the subject contract has now been fully repaid.

We would appreciate your reviewing the necessary records and providing this office with a royalty statement of your findings.

Original signed by
E. N HARSHMAN

E. N. Harshman

MHM:dp

cc: Royalty File E408
Chron.

OFFICIAL FILE COPY

Date	Surname	Code
4/29	Alley	800
4/30	C	220

APR 30 1958

Mr. Thomas H. Breding
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

2128

Dear Mr. Breding:

On Monday we received Certificate of Deposit No. 123, dated April 23, 1958, giving a royalty payment of $4,546.12 by Gateway Mining and Development Company, Idm-E408, DMEA-2128.

This certified project received $46,772.10 in Government contribution; however, the posting of this latest royalty receipt will bring the total repayment on our records to $48,187.97, or an overpayment of $1,415.87.

Will you please check into this matter and advise us if there has been an overpayment.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

AMAlley/ama
April 29, 1958

Copy to: Docket
Adm. Reading File
Mr. Chambers

8623

224 New Customhouse
Denver 2, Colorado

April 9, 1958

(~~[illegible]~~)

DATE		
4/15	D	220
4/15	[illegible]	200
"	~~[illegible]~~	75c

Mr. William M. Spencer
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket No. DMEA 2128 (Uranium)
Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company) Mesa County, Colorado

Dear Mr. Spencer:

Enclosed is a photo copy of our letter to you dated March 4, 1958, for which we have received no reply.

Please give this matter your immediate attention.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM:dp

cc: Royalty File E408
Sec. Op. Comm. (2)
DMEA/GJ
Chron.

224 New Customhouse
Denver 2, Colorado
March 4, 1958

3/7 C 220
3/7 800
3/10 700

Mr. William M. Spencer
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket No. DMEA 2128 (Uranium)
Contract Idm-E408, Flanders
Mining Company and Uterado Mining
Company (formerly Gateway Mining
and Development Company)
Mesa County, Colorado

Dear Mr. Spencer:

A check of AEC production records indicates that the following DMEA production produced by Lisbon Uranium Corporation, has not been reported to this office.

Liq.No	Date	Claim	Dry Tons
7663	10/57	1/ Thornton	750.62
7616	11/57	"	363.13
7764	12/57	"	687.36

1/ Thornton claim is the same as John Thornton claim, subordinated under Docket DMEA 2128.

Please submit three copies of each settlement sheet with load detail sheets, where applicable, and your check for the royalty due. Your check should be made payable to the Defense Minerals Exploration Administration and sent at once to the Executive Officer, DMEA Field Team, Region III, 224 New Customhouse, Denver 2, Colorado.

MHM:hmh

cc: Royalty File, E408
Sec.Op. Comm. (2)
DMEA/G.Jct.
Chron

Yours very truly,

Original signed by
W. H. KING

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

cc: Lisbon Uranium Company
Salt Lake City, Utah

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	Alley	800
11/6	Chambers	800
11/6	C	220
		700

NOV 6 1957

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Idm-E408, DMEA-2128
Flanders Uranium
and
Idm-E488, DMEA-1896
Excalibur Uranium Corp.

Dear Mr. Brading:

In checking the November Supporting Schedule for Monthly Report, Strategic and Critical Minerals Exploration Program, it is noted that a royalty payment of $1,059.21 is credited to Contract No. Idm-E488, Docket No. DMEA-1896, Excalibur Uranium Corporation. Also, Certificate of Deposit No. 52, dated October 31, 1957, gives the same contract number and amount of royalty but lists the name of the operator as Flanders Uranium. Our records show that Flanders Uranium is Contract No. Idm-E408. Further, Excalibur Uranium Corporation was never certified, a closing letter having been issued September 1, 1955.

Will you please check into this matter and advise me as to the contract account to which this collection should properly be credited.

Sincerely yours,

Jay L. Chambers, Director
Contract Administration
and Audit Division

AMAlley/ama
November 6, 1957

Copy to: Docket - DMEA-2128
Admr. Reading File
Mr. Chambers

8623

RECEIVED
DATE
11/7 gb 220
11/7 800
11-8 700

224 New Customhouse
Denver 2, Colorado
November 5, 1957

Wells, Baxter & Miller
Certified Public Accountants
407-10 Kearns Building
Salt Lake City 1, Utah

Re: Docket DMEA-2128 (Uranium)
Contract Idm-E408
Flanders Mining Company and
Utarado Mining Company
(Formerly Gateway Mining and
Development Company),
Mesa County, Colorado

Gentlemen:

We have been requested by Lisbon Uranium Corporation, to supply you with the following information, relative to DMEA Exploration Contract No. Idm-E408.

1. Terms of the Contract: The provisions relative to repayment by the Operator, to the Government, are contained in Section 10 of DMEA Order-1 Amended, a copy of which is attached.

   The repayment period, and lien therefor, under Contract Idm-E408, extends for 10 years from the date of the contract, or until the net amount of Government contribution is repaid in full, whichever occurs first.

2. Contingent or actual liability of Lisbon Uranium Corporation per Contract Idm-E408, as of July 31, 1957: $14,662.90.

3. Original Amount of Contract: $51,969.00.

   (Actual Government participation at 90%: $46,772.10)

4. Balance due on Contract as of July 31, 1957: $14,662.90.

5. Date of Contract: September 26, 1952.

Yours very truly,
Original signed by
E. N. HARSHMAN

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

JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman
DMEA, G.Jct.
DMEA, DFC
Roy. Corres.file, Idm-E408
Chron
CC: Lisbon Uranium Corporation, Salt Lake City, Utah

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 25 1957

		CODE
10/25	gb	220
10/25		800
10/28	FLK	700

224 New Customhouse
Denver 2, Colorado

October 22, 1957

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Sanders:

The royalty statement for the above captioned contract is as follows:

Amount of Government Participation	$46,772.10
Amount Repaid	38,018.76
Balance Due	$ 8,753.34

The noted amount repaid includes your company's check Number 367, dated October 18, 1957, for $1,448.91.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM/vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
DMEA/G.Jct.
Marshall
Chron.

Form 7
(56)

225

OFFICIAL FILE COPY

Date	Surname	Code
	Rohan	140
	Sumpter	140
10/10	Kuoike	700
10-10	Chambers	800
10/11	GCL	130
"	Johnson	110
" 10/11	Mattendorf	110 220

OCT 11 1957

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

Re: Docket DMEA 2128 (Uranium)
Contract Idm-E408
Flanders Mining Company and
Utarato Mining Company
Mesa County, Colorado

Dear Mr. Townsend:

Your memorandum dated September 23, 1957, to the Operating Committee asked that we review the instruments in the subject docket to determine whether your procedure in requesting payment of royalty from Flanders Mining Company and Utarato Mining Company "according to the source of production" is correct.

The Supplemental Agreement dated October 26, 1954, between Flanders Mining Company, partnership, and Gateway Uranium Company (now merged into Lisbon Uranium Corporation), a copy of which was transmitted with your memorandum, refers to a Special Warranty Deed of the same date, and to a Detailed Purchase Agreement dated October 1, 1954, by and between the same parties. We do not have copies of these instruments and, therefore, are unable to determine the status of the interests held in the claims subject to the exploration contract, as represented by these instruments.

We agree with the statement in your memorandum that the Letter of Understanding, dated March 28, 1957, between Lisbon Uranium Corporation and Flander Mining Company, which specifically does not vary the obligations

8623

of these parties under the Supplemental Agreement referred to above, does not affect the royalty rights of the Government, as it is an arrangement for the convenience of the parties in paying royalty to the Government.

We understand that Utarato and Flanders are both paying royalty, depending upon the source of production, and suggest that you continue to receive the royalty from them, and look to them for payment if royalty is owing.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

APPROVED:

P. F. Yopes (HB)

Member, Bureau of Mines

W. P. Williams (HB)

Member, Geological Survey

HCRubin:md
10/9/57
CC: ~~DMEA~~ Docket
Admin. Reading File
Operating Com.
T. H. Kiilsgaard, USGS
Ernest M. Ellis Rm. 4445
John E. Crawford Rm. 3643
R. P. Dwyer
H. C. Rubin
Chron.
Pending

DMEA
RECEIVED OCT 14 1957

DATE		CODE
10/14	C	220
10/14	[illegible]	200
		225

224 New Customhouse
Denver 2, Colorado

October 10, 1957

Mr. Carl M. Gilbert, President
Utarado Mining Company, Inc.
Gateway, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Gilbert:

We wish to acknowledge receipt of your check for $1,574.71 and settlement sheets requested by our letter dated September 11, 1957; and receipt of load detail sheets requested by our letter dated October 7, 1957.

Thank you for your prompt attention to both of these matters.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM/vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
DMEA/G,Jct
Marshall
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED 11 1957

DATE	INITIALS	CODE
10/11	C	220
10/11	[illegible]	800
		225

224 New Customhouse
Denver 2, Colorado

October 7, 1957 **CERTIFIED MAIL**

Mr. Carl M. Gilbert, President
Utarado Mining Company, Inc.
Gateway, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Gilbert:

Enclosed, for your immediate attention, is a photocopy of our letter to you dated September 11, 1957 concerning production made by Utarado Mining Company, Inc., for which we have received no reply.

Subsequent to our letter of September 11, settlement sheets and royalty for production made by you and covered by Liquidation Number 7450 and 7450 (corrected), have been received by this office. The settlement assays used for payment are reported on an approximate basis only which indicates a load detail sheet was part of this liquidation.

You are requested to submit three (3) copies of the missing load detail to this office so that our records may be complete.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

Enclosure

MHM/vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
DMEA/G.Jct.
Marshall
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957

CODE
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9/30 C
9/30 4407

224 New Customhouse
Denver 2, Colorado

September 25, 1957

Mr. William M. Spencer
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Spencer:

A royalty check for $1,457.82 and one copy of each settlement sheet bearing Liquidation Number 1750, 7079, 1697, 1536, 7313, 7336, 7392, 7445, 7421 and 7510 have been received from Lisbon Uranium Corporation. The check and settlement sheets comply with our letter dated September 11, 1957, which was directed to Mr. T. Sanders, Flanders Mining Company.

We note that the settlement sheets bearing Liquidation Number 1536, 1750, 7079, 7313, 7336, 7392, 7421, 7445 and 7510 each cover a series of individual shipments and hence show the assay of the production on an approximate basis only. When this is the case, the Government requires that the settlement sheet be accompanied by the applicable load details for audit purposes. Accordingly, for the previously mentioned liquidations, we request that the necessary load detail sheets be submitted to this office. The Operator's copies, if loaned to this office, will be duplicated to meet our requirements and promptly returned.

In the future, you are requested to instruct Lisbon Uranium Corporation that we will require three (3) copies of all load details when applicable in addition to the normal submission of three (3) copies of settlement sheets and royalties on DMEA production.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

cc: Lisbon Uranium Corp.
Salt Lake City, Utah

MHM/vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
DMEA/G.Jct.
Marshall
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 25 1957

DATE	INITIALS	CODE
9/26	C	220
9/26	bbf	800
		225

September 23, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

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

Subject: Docket DMEA 2128 (Uranium) Contract Idm-E408, Flanders Mining Company and Utarato Mining Company (formerly Gateway Mining and Development Company) Mesa County, Colorado

Enclosed is a copy of "SUPPLEMENTAL AGREEMENT" dated October 26, 1954, between Flanders Mining Company and Gateway Uranium Corporation submitted to this office in response to our letter request of September 18, 1957, to Mr. T. Sanders, Flanders Mining Company.

It appears that this instrument and the "Letter of Understanding", copy of which was submitted previously to your office, would have little affect on the interests that the Government holds in the land described in the subject contract. Accordingly, we will continue to make requests for royalties to Flanders Mining Company and Utarato Mining Company respectively according to the source of production.

At the convenience of your Legal Section, we would appreciate a review of all documents involved in this contract and advice as to whether or not our present procedure for requesting royalties is correct.

J. W. Townsend

J. W. Townsend

DATE	INITIALS	CODE

Flanders Mining Company
POST OFFICE BOX 861
Grand Junction, Colorado
September 19, 1957

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

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 2128 (Uranium)

Dear Mr. Townsend:

This will refer to your letter of September 18th to Mr. T. Sanders of Flanders Mining Company.

Enclosed please find 4 copies of the Supplemental Agreement dated October 26th, 1954 between Gateway Uranium Corporation and Flanders Mining Company.

No agreement exists between Flanders and Beaver Mesa Uranium. Beaver Mesa was operating the LaSal #1 claim on a lease from Lisbon Uranium Corporation, the company into which Gateway Uranium Corporation merged. In order to obtain a copy of this lease document, it will be necessary to contact Lisbon Uranium Corporation, First Security Building, Salt Lake City, Utah or Beaver Mesa Uranium, Inc., 1129 Colorado Ave., Grand Junction, Colorado.

In that the LaSal #1 claim was originally conveyed by Flanders to Gateway Uranium Corporation, the status of this claim regarding DMEA is adequately covered by the Supplemental Agreement enclosed.

Please contact us if you have further questions.

Yours very truly,

FLANDERS MINING COMPANY

William M. Spencer

William M. Spencer

WMS:b

Photo cy
WO
DMEA/G. F.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 25 1957

DATE	INITIALS	CODE

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT made this 26th day of October, 1954 by and between PLANTERS MINING COMPANY, a copartnership consisting of Messrs. Frederick L. Anderson, Lee Van Atta and Hanna P. Siegel (hereinafter called "PLANTERS"), and GATEWAY URANIUM CORPORATION, a Delaware corporation (hereinafter called "GATEWAY URANIUM").

I. RECITALS

1. Reference is hereby made to Special Warranty Deed of even date herewith by and between Planters Mining Company, a copartnership composed of Frederick L. Anderson, Lee Van Atta (also known as Lee Vann Atta) and Hanna P. Siegel, therein called First Party, and Gateway Uranium Corporation, a Delaware corporation, therein called Second Party, conveying certain mining claims under the terms and conditions and subject to the encumbrances and reservations all as therein more particularly described (a copy of same being marked Exhibit A, attached hereto and hereby made a part hereof as though fully set forth herein and being hereinafter called "Special Warranty Deed").

2. Reference is hereby made to Detailed Purchase Agreement dated the 1st day of October, 1954 by and between Gateway Mining & Development Co., Inc., a Colorado corporation, therein called First Party, and Planters Mining Company, a copartnership composed of Frederick L. Anderson, Lee Van Atta and Hanna P. Siegel, therein called Second Party (a copy of same being marked Exhibit B, attached hereto and hereby made a part hereof as though fully set forth herein and being hereinafter called "Detailed Purchase Agreement").

3. Planters and Gateway Uranium desire hereby to enter

into a supplemental agreement with respect to said mining claims conveyed by said Special Warranty Deed.

II. NOW, THEREFORE, the parties mutually agree as follows:

A. Gateway Uranium's Agreements:

1. Gateway Uranium hereby assumes and agrees to perform, with respect to the mining claims conveyed by said Special Warranty Deed, all obligations of Flanders under subparagraph 2 of paragraph II B of said Detailed Purchase Agreement, which reads as follows:

> "2. Second Party [Flanders] agrees that until such time as the total royalty reserved in said Special Warranty Deed has been paid in full to First Party [Gateway Mining & Development Co., Inc.] or its assignees:
>
> (a) In the event that any ores, metals or minerals in commercial quantities are discovered upon any of said mining claims, Second Party or its assignees shall proceed with reasonable diligence and in good miner-like fashion to mine and sell the same;
>
> (b) Second Party or its assignees will perform all necessary annual labor and improvements under said mining claims, as required by applicable law, and file necessary affidavits with respect thereto prior to May 1st of each calendar year, or, in the event of the failure to perform such annual labor and to file said annual affidavits in said time, Second Party or its assignees on or before such May 1st date, shall tender back to First Party or its assignees, by appropriate quitclaim deed, the particular mining claims as to which said failure has occurred.

2. Independently of and in addition to the foregoing obligations, Gateway Uranium hereby agrees to perform all necessary annual labor or improvements on said mining claims as required by applicable law and file necessary affidavits with respect thereto prior to May 1st of each calendar year, or to give Flanders advance written notice prior to May 1st that such labor will not be done for that year specifying the names of claims affected.

In the event that Gateway Premium shall notify Plaintiffs that such labor will not be performed, Plaintiffs shall have the right but not the obligation to enter upon the said mining claims as to which such labor will not be performed and perform such work prior to the lst of such year. If Plaintiffs do perform said labor on the said mining claims and shall file the necessary affidavits with respect thereto in accordance with applicable law, Gateway Premium agrees within thirty (30) days after receipt of the notice hereinafter specified either (1) to reimburse Plaintiffs for the out-of-pocket expenses in performing the work up to the amount required to be expended for compliance with applicable law, or (2) to give a quitclaim deed to Plaintiffs covering any mining claim as to which Plaintiffs shall have performed said annual labor as above provided. The written notice from Plaintiffs shall state that such annual labor has been performed and necessary affidavits relating thereto have been filed and specify the amount expended by Plaintiffs therefor.

3. Independently of and in addition to its foregoing obligations Gateway Premium hereby further agrees, with respect to that certain mining claim hereinafter described, conveyed by said Special Warranty Deed, to pay one-half (1/2) of all of those certain payments to the Defense Minerals Exploration Administration pursuant to Exploration Project Contract by and between the United States of America acting through the Department of the Interior, Defense Minerals Exploration Administration, and the Gateway Mining and Development Company, Inc., dated the 26th day of September, 1952, Docket No. 2128:

Name of Claim	Mono County Clerk and Recorder's Records		
	File No.	Book	Page
La Sal # 1	S-13-49	504	135
	S-07-49	504	429 °
	S-23-54	614	538 °

° Amended or relocated certificates.

B. Flanders Agreement:

1. In the event Gateway Studios, or its assigns, performs this agreement and pays the royalty reserved to Flanders in said special warranty deed, Flanders hereby agrees, with respect to the mining claims conveyed by said Special Warranty Deed

(a) To pay a particular part of the royalty reserved to Gateway Mining & Development Co., Inc., its successors and assigns, contained in that certain deed dated October 1, 1954 from said Gateway Mining & Development Co., Inc. to Flanders Mining Company (recorded in the records of the Clerk and Recorder of Ouray County, Colorado, on October 4, 1954, in Book 139 at page 39) which part of said reservation reads as follows:

"4. And receiving and accepting unto Plaintiff Gateway Mining & Development Co., Inc., its successors and assigns, in addition to the royalty above described, a royalty of 10% of the gross proceeds realized from the sale of ores, which or minerals mined and sold from the mining claims hereby conveyed, but not, however, exceeding the sum of Two Hundred Fifty Dollars ($250.00) during any calendar month, until the sum of Sixteen Thousand Four Hundred Forty Dollars and Twenty-Four Cents ($16,440.24) is paid to Plaintiff Gateway Mining & Development Co., Inc., and thereafter said additional royalty shall cease and terminate. Said additional royalty shall be subordinated and paid in the same manner as the royalties in paragraphs numbered 2 and 3 above."

This agreement by Flanders shall not apply to any of the royalty reserved in said deed from said Gateway Mining & Development Co., Inc. to Flanders Mining Company except the part hereinabove expressly set forth.

(b) To make those certain payments to the Defense Minerals Exploration Administration pursuant to Exploration Project Contract by and between the United States of America

notice through the Department of the Interior, Defense Minerals Exploration Administration, and the Gateway Mining and Development Company, Inc., dated the 26th day of September, 1952, Docket No. 2188, except, however, that with respect to the mining claim hereinafter described conveyed by said Special Warranty Deed, Flanders' obligations under this paragraph shall be limited to making only one-half (1/2) of such payments:

Name of Claim	Mesa County Clerk and Recorder's Records		
	Book of Mining Claims	Page	Date
La Sal # 1	5-13-49	504	155
	5-4-49	504	439 °
	6-3-53	614	530 °

° Amended or relocated certificates.

C. It is mutually agreed that:

1. If each and all of the following events occur, namely: (a) if the conveyance of mining claims from said Gateway Mining & Development Co., Inc to Flanders, as described in said Detailed Purchase Agreement, should be set aside for want of authority of the officers making such conveyance; and (b) if, in consequence, Gateway Uranium is divested of the mining claims conveyed to it by Flanders by said Special Warranty Deed; and (c) if Flanders succeeds in recovering from said Gateway Mining & Development Co., Inc. all or part of the purchase price paid by Flanders in connection with said mining claims conveyed to it by said Gateway Mining & Development Co., Inc., Then, and only upon the occurrence of all of such events, Flanders agrees to repay to Gateway Uranium the same proportion of the sum of One Hundred Five Thousand Dollars ($105,000.00) as Flanders' actual recovery, less ~~all~~ unrecovered court costs and ~~expenses~~ attorneys fees paid in connection therewith, from said Gateway Mining & Development Co., Inc. bears to Two Hundred Fifty Thousand Dollars ($250,000.00)

8. This agreement shall be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF the parties have caused this instrument to be duly executed and sealed as of the day and year first above written.

E.G.D.

FLANDERS MOTORS COMPANY

By [illegible]
President

CONTINAT BRAKEUM CORPORATION

By [illegible]

OFFICIAL FILE COPY
DMEA
RECEIVED 1957
CODE
9/23 C 220
9/23 480 800
" 700
" 225

224 New Customhouse
Denver 2, Colorado

September 18, 1957

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Sanders:

Please submit four (4) true copies of the Supplemental Agreement dated October 26, 1954 between Gateway Uranium Corporation and Flanders Mining Company referred to in the March 28, 1957 letter of understanding between Lisbon Uranium Corporation and Flanders Mining Company. Photocopies ofthe latter were furnished to our office by your letter of September 12, 1957.

You are also requested to furnish us with four (4) copies each of the agreement which apparently exists between Flanders Mining Company and Beaver Mesa Uranium.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

MHM/vj

cc: Royalty File E408))
Sec. Opr. Comm. (2) w/cy of Flander's 9/12/57 ltr. &
DMEA/G.Jct.) referred to ltr of understanding
Marshall
Chron.

Flanders Mining Company
POST OFFICE BOX 861
Grand Junction, Colorado
September 12, 1957

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

Mr. E. N. Harshman
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Dear Mr. Harshman:

This will refer to your letter of September 11th regarding Docket DMEA 2128 (Uranium).

We enclose a photocopy of the March 28, 1957 letter of understanding between Lisbon Uranium Corporation and Flanders Mining Company regarding DMEA payments. If the information contained in this letter is not complete for your purposes, we shall arrange to have the original agreements copied and mailed to you.

We have notified Lisbon of their delinquency and have asked them to make the necessary payments.

Yours very truly,

FLANDERS MINING COMPANY

William M. Spencer

William M. Spencer

WMS:b
encl 4
cc: Robert McDonald

Photo cy to.
DMEA/G. Sec
Sec Ore Comm - 2
w/cy of 3/28/57 w/ acknowledgment

Rov E 408

LISBON URANIUM CORPORATION

FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH

A. P. KIBBE
PRESIDENT
ERIC C. RYBERG
VICE-PRESIDENT
MAX B. LEWIS
SECRETARY
E. R. DUMKE, JR.
TREASURER

March 28, 1957

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

Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Gentlemen:

This letter is being written to confirm our understanding with regard to payments to be made on DMEA Loan, Docket No. 2128, which loan is applicable to certain mining claims which Gateway Uranium Corporation purchased from your company, and which Lisbon Uranium Corporation thereafter acquired by merger of Gateway Uranium Corporation into Lisbon Uranium Corporation.

Under the terms of a certain Supplemental Agreement dated October 26, 1954, between Gateway Uranium Corporation and Flanders Mining Company, Gateway Uranium Corporation agreed to pay one-half of all payments due under said DMEA Loan No. 2128, which were applicable to the LaSal No. 1 claim and Flanders agreed to assume the remaining one-half of the obligations due on said loan with relation to the LaSal No. 1 claim and the obligation to pay all amounts due under said loan and applicable to the remainder of the claims conveyed by Flanders to Gateway.

On March 2, 1957, Lisbon Uranium Corporation entered into an agreement, whereby Woodard, as an independent contractor, will mine, among other claims, the LaSal No. 1, LaSal No. 2 and LaSal No. 3 claims which are subject to said DMEA Loan.

You have requested that Lisbon Uranium Corporation make all payments due under said DMEA Loan applicable to production from the above three claims and that Lisbon bill you for all amounts required to be paid by you on said DMEA Loan under the terms of the above described Supplemental Agreement.

Lisbon Uranium Corporation hereby agrees that until further notice to you, it will make payment of all amounts due under said DMEA Loan and applicable to production from the LaSal No. 1, LaSal No. 2, and LaSal No. 3 claims and will bill you once each month for the total amount of such payments applicable to production from the LaSal No. 2 and LaSal No. 3 claims and 50% of such payments made which are applicable to production from the LaSal No. 1 claim, with the understanding that payment of all amounts so billed shall be made by your company to Lisbon

within ten days of the date of receipt of each bill and with the further understanding that should you fail to make any such payments promptly and as agreed, Lisbon shall be allowed to withhold any further royalty payments to your company applicable to any properties purchased by Gateway Uranium Corporation from Flanders Mining Company, until such time as all amounts paid by Lisbon under the DMEA Loan have been recovered from the royalty so retained.

It is specifically understood that this agreement shall not vary the rights, duties or obligations of the parties under the above described Supplemental Agreement and that the sole purpose hereof is to provide a convenient procedure for making payment of amounts due under the above described DMEA Loan.

If this letter adequately sets forth our understanding, I will appreciate your acknowledging that fact by signing the carbon copy hereof in the space provided and returning same to this office.

Very truly yours,

LISBON URANIUM CORPORATION

A. P. Kibbe, President

APK:rm

Flanders Mining Company hereby agrees to be bound by the terms and conditions set forth in the foregoing letter dated March 28, 1957.

Dated April _____, 1957.

FLANDERS MINING COMPANY

By _____

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 16 1957

DATE		CODE
9-16	C	220
		800
		225

224 New Customhouse
Denver 2, Colorado

September 11, 1957

Mr. Carl M. Gilbert, President
Utarado Mining Company, Inc.
Gateway, Colorado

Re: Docket DMEA 2128 (Uranium) Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Gilbert:

A check of AEC production records indicates that the following DMEA production produced by Utarado Mining Company, Inc., has not been reported to this office:

Liq. No.	Date	Claim	Dry Tons
1208	12/55	LaSalle	80.51
1301	2/56	"	24.09
1285	2/56	"	16.15
1417	2/56	"	24.59
1503	7/56	"	23.03
1772	12/56	"	38.59
1790	12/56	"	19.10
7043	1/57	"	15.34
3462	6/57	"	96.76

Please submit four copies of each settlement sheet with load detail sheets, where applicable, and your check for the royalty due. Your check should be made payable to the Defense Minerals Exploration Administration and sent at once to the Executive Officer, DMEA Field Team, Region III, 224 New Customhouse, Denver 2, Colorado.

Very truly yours,

E. N. Harshman

E. N. Harshman
Acting Executive Officer

MHM:eh

cc: Royalty File E408
Sec. Op. Comm. (2)
DMEA/G. Jct.
Marshall
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 13 1957

9/16	C	220
9/16		800
		225

224 New Customhouse
Denver 2, Colorado

September 11, 1957

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket DMEA 2128 (Uranium) Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Sanders:

A check of AEC production records indicates that the below-listed production subject to DMEA royalty has not been reported to this office;

Liq. No.	Date	Claim	Shipper	Dry Tons
7313	4/57		Lisbon Uran. Corp.	333.77
7336	5/57		"	198.76
7392	5/57		"	296.36
7421	6/57		"	101.85
7445	6/57		"	136.87
1536	9/56	La Sal 1	Beaver Mesa U.	67.50
1697	10/56	"	"	13.23
1750	10/56	"	"	92.90
7079	1/57	"	"	17.48

You will note from the above list that the shippers of this production are Beaver Mesa Uranium and Lisbon Uranium Corporation.

A review of our records indicates that we have not received a copy of the Mining Agreement, which apparently exists between Flanders Mining Company and the two concerns, Beaver Mesa Uranium and Lisbon Uranium Corporation. We refer to Article 7 of the contract which states in part:

> "....The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights...without making suitable provision for the preservation of the Government's rights to a percentage royalty on production and lien for the payment thereof...."

You are, therefore, requested to submit four (4) copies each of the indicated agreements promptly to this office. If these instruments do not suitably protect the Government's interest, then we have no recourse but to request payment of royalties on the above-listed production from you.

E. N. Harshman

E. N. Harshman

MHM:eh

cc: Royalty File E408
Sec. Op. Comm. (2)
DMEA/G. Jct.
Marshall
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED 16
DATE CODE
9-16 C 220
9/16 800
225

224 New Customhouse
Denver 2, Colorado

September 11, 1957

Memorandum

To: DMEA/G. Jct., Att: M. H. Salsbury

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

Subject: Docket DMEA 2128 (Uranium) Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

In reply to your memorandum of August 30, 1957, you are right in indicating that our royalty record cards are in error in the two noted instances:

1. Liquidation number 3015 should be listed only once on sheet number 3 of our uranium production records and then only in the first noted position. The cards we keep list production with payments received. Royalty and settlement sheets were received on this production on two different dates; hence, for record purposes they were posted twice. The production totals, of course, should be reduced by the indicated amount. The royalty is to be noted as an overpayment.

2. Liquidation number 7161 should be listed as liquidation number 7167.

In reference to your report that shipments have been made, but not reported by lessees or asignees of the subject operator, we enclose a copy of our letter to Mr. T. Sanders, Flanders Mining Company and also a copy of our letter to Mr. Mr. Carl M. Gilbert, President, Utarado Mining Company, Inc.

Enclosed is a photostatic copy of sheet nos. 9 and 10 from our royalty records which confirms the fact that royalties and settlement sheets have been received for liquidation numbers 7340, 7362, 7411 and 7450.

E. N. Harshman

E. N. Harshman

MHM:eh

cc: Royalty File) W/cy of Salsbury's memo
Sec. Op. Comm. (2)) Dtd. 8/30/57
Marshall
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
SEP 3 - 1957
REGION III
DENVER, COLORADO

Box 360
Grand Junction, Colorado

August 30, 1957

Memorandum

To: M. H. Marshall

Through: Executive Officer,
DMEA Field Team
Region III

From: M. H. Salsbury

Subject: Docket No. DMEA 2128 (Uranium), Contract Idm-E 408, Gateway Mining & Development Company and successors, LaSalle, La Sal et al claims, Mesa County, Colorado -- Conciliation of AEC production records with shipments on which DMEA royalties have been paid.

A check of AEC production records made in connection with semiannual reports of certified projects for the period January 1, 1957 to June 30, 1957 shows that, according to lists furnished by the Denver office of the DMEA Field Team Region III, no royalty has been paid on shipments made by lessees or assignees of the subject operator listed in the attached Table 1. Possibly royalty payments for some of the shipments have been received since the production list from the Denver office was compiled. It was also noted that liquidation no. 3015 is listed twice on sheet no. 3: first on November 11, 1956, and again in production after January 1, 1957.

Liquidation no. 7161 on the Denver list corresponds in tonnage and content to liquidation no. 7167 in the AEC production records.

No effort was made at this time to check back further than July 1, 1955. There may be other discrepancies prior to that date.

M. H. Salsbury,
Mining engineer

MHS/bh
Attachment

W.O.

Table 1

Liq. No.	Date 1957	Claim	Shipper	Dry Tons	U_3O_8 %	U_3O_8 lbs.	V_2O_5 %	V_2O_5 lbs.	Mill 2/
7043	Jan.	LaSalle	Utarado Min.Co.	15.34	0.31	95.13	2.70	828.54	9
3462	June	LaSalle	" " "	96.76	0.54	1039.23	2.46	4767.77	21
7079	Jan.	LaSal 1	Beaver Mesa U."	17.46	0.16	55.95	0.61	213.31	11
7313	April		Lisbon Uran. Corp.	333.77	0.19	1249.55	0.61	4057.67	11
7336	May		" "	198.76	0.26	1018.40	0.96	3818.96	11
7392	May		" "	296.36	0.19	1133.91	0.72	4243.92	11
7421	June		" "	101.85	0.15	314.31	0.47	967.38	11
7445	June		" "	136.67	0.20	537.97	0.80	2192.30	11
7167 1/	Feb.	LaSal 4	Beaver Mesa U.	21.15	0.30	126.89	0.99	418.75	11
7340	May	LaSal 5	Utardo Min. Co.	72.63	0.25	358.42	0.76	1108.66	11
7362	May	"	" "	70.14	0.22	312.52	0.90	1256.45	11
7411	June	"	" "	89.27	0.27	475.44	1.44	2569.84	11
7450	June	"	" "	157.41	0.31	974.44	1.59	4993.60	11

1/ Liquidation number 7167 corresponds to liq. no. 7161 on the Denver list.

2/ Mill 9 is Union Carbide Nuclear Co., Rifle, Colorado
Mill 21 is Climax Uranium Co., Grand Junction, Colorado
Mill 11 is Union Carbide Nuclear Co., Uravan, Colorado

The following shipments made during the period July 1956 to December 31, 1956 are also missing from the list furnished by the Denver office DMEA.

1503	July	LaSalle	Utarado Mining	23.03	0.74	340.90	2.29	1054.94
1536	Sept.	La Sal 1	Beaver Mesa U.	67.50	0.18	237.78	0.80	1074.35
1697	Oct.	" "	" "	13.23	0.31	82.00	1.09	288.32
1750	Oct.	" "	" "	92.90	0.21	391.94	0.83	1547.72
1772	Dec.	LaSalle	Utarado Mining	38.59	0.69	530.58	2.45	1891.54
1790	Dec.	" "	" "	19.10	0.70	267.18	2.50	956.78

The following shipments made between July 1, 1955 and June 30, 1956 are shown on AEC records as having been mined from the LaSalle claim and shipped by the Utarado Mining Company:

1208	12-55	80.51
1301	2-56	24.09
1265	2-56	16.15
1417	5-56	24.59

OFFICIAL FILE COPY
D M E A
RECEIVED AUG 16 1957

DATE	INITIALS	CODE
8/16	E.E.J.	800
		MHF

224 New Customhouse
Denver 2, Colorado

August 14, 1957

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (Gilmore, et al., Claims), Mesa County, Colorado

Dear Mr. Sanders:

Per your letter of August 12, 1957, please be advised of the royalty status of Contract Idm-E408, as follows:

Amount of Government Participation	$46,772.10
Royalty Payments to Date	32,670.85
Balance Due	$14,101.25

You are to understand that the above balance is subject to revision by future DMEA audit.

Your company was sent a letter on July 31, 1957 with the request that certain missing load detail sheets be submitted to this office. Since the letter was sent to a post office box number different to that shown on your letter head, and hence may not have been received, we are enclosing a copy of our July 31 letter for your attention.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

Enclosure
MHM/vj
cc: Royalty File E408
Sec. Opr. Comm. (2)
DMEA/G.Jct.
Marshall
Chron.

OFFICIAL FILE COPY. DMEA RECEIVED AUG 5 1957		
DATE	INITIALS	CODE
8/5	P.K	220
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		M&F

224 New Customhouse
Denver 2, Colorado

July 31, 1957

Flanders Mining Company
P. O. Box 287
Montrose, Colorado

Re: Docket No. ~~DMEA 2120~~ (Uranium), Contract No. Idm-E408, Flanders Mining Company and Utarado Mining Company (Formerly Gateway Mining and Development Company), Gilmore, et al., Claims Mesa County, Colorado

Gentlemen:

Your company's check No. 277 for $367.00, and four copies of each settlement sheet covering production reported by Liquidation Numbers 7340, 7362 and 7411, Union Carbide Nuclear Company - Purchaser, have been received by this office.

We find that each of these settlement sheets was supported by a load detail, but copies of which were not included with the copies of the settlement sheets received by us. Accordingly, please provide us with one copy of each load detail sheet which provided the basis for this royalty payment.

If you elect to provide us with your personal copies, we will reproduce a sufficient number to meet our requirements and return yours at once by certified mail.

For future shipments, where load details are part of the ore settlements, copies should accompany each applicable settlement sheet. The Government and the Operator is thus assured of the accuracy of the records which may be subjected to inspection at a future date.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM/cj
cc: Royalty File E408
Sec. Opr. Comm. (2)
DMEA/G.Jct.
Marshall
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-3	Ellis	700
5-3	Mittendorf	100
		225
5/6	C	220

MAY - 3 1957

Mr. M. Scott Woodland
c/o Max B. Lewis, Attorney at Law
Suite 840, First Security Building
Salt Lake City, Utah

Re: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-E408
Flanders Mining Company and
Utardo Mining Company
(Formerly Gateway Mining and
Development Company)
Gilmore, et al., Claims
Mesa County, Colorado

Dear Mr. Woodland:

Your letter, dated April 26, 1957, addressed to Mr. E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III, has been forwarded to the Washington office for reply.

It is noted that you desire a copy of the subject contract. I regret to inform you that there are no extra copies of the contract available. However, the contract was written on form MF-200(A) (February 1952) a copy of which is enclosed. From it you may learn the terms of repayment. As to the method of repayment, checks, for royalties due, are made payable to the Defense Minerals Exploration Administration, and then accompanied with the Ore Settlement statements, are forwarded to the Executive Officer by either the ore buyer or the operator, according to certain circumstances.

I trust this is the information you desire.

Sincerely yours,

SIGNED
Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

Enclosure
EWEllis (FLK) izm 5-3-57
cc to: Mr. Knouse
Code 700
Admr.'s Reading File
THKiilsgaard, 5224
DMEA FT Reg. 3 (2)

8623

OFFICIAL FILE COPY
D M E A
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DATE		CODE
5/3	C	220
5/4		800
		225

224 New Customhouse
Denver 2, Colorado

May 1, 1957

Mr. M. Scott Woodland
c/o Max B. Lewis, Attorney at Law
Suite 840, First Security Building
Salt Lake City, Utah

Re: Docket DMEA 2128 (Uranium)
Contract Idm-E408, Flanders
Mining Company and Utaredo
Mining Company (Formerly
Gateway Mining and Development
Company) Mesa County, Colorado

Dear Mr. Woodland:

The request for a copy of Contract Idm-E408 made by your letter of April 26, 1957, has been referred to our Washington Office, DMEA for reply.

You can expect to receive word from them in the near future.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer

MHM:eh
cc: Royalty File E408
Ch. Op. Comm. (2)
Konselman (2)
Marshall
Chron.

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

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RECEIVED MAY 2 1957

DATE	INITIALS	CODE
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		225

April 30, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Enclosed is a photocopy of a letter dated April 26, 1957 from M. Scott Woodland, which requests that he be furnished with a copy of Contract Idm-E408.

We believe that such a request should be answered only by the Washington Office, DMEA. Accordingly, we are referring the matter to you for whatever action is indicated.

Your office has already been furnished with copies of correspondence relating to Mr. Woodland's previous request of April 12, 1957.

E. N. Harshman

E. N. Harshman

Enclosure

MAX B. LEWIS
ATTORNEY AT LAW
SUITE 840 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH
EMPIRE 4-4844

M. SCOTT WOODLAND
REED A. WATKINS

DMEA
...TMENT OF THE INTERIOR
APR 29 1957

April 26, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 2 1957

DATE	INITIALS	CODE

Mr. E. M. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver, Colorado

Re: Lisbon Uranium Corporation
DMEA Docket 2128

Dear Mr. Harshman:

Thank you for your letter of April 19th regarding the above matter.

It would appear that my lack of familiarity with your terminology caused me to request the wrong item. Particularly, I was desirous of having a copy of the Agreement whereby the terms and method of repayment were set forth.

It would appear that these matters are provided by the "Exploration Project Contract", and I would, therefore, appreciate your forwarding to me a copy of this contract.

Very truly yours,

M. Scott Woodland

M. Scott Woodland

MSW:rm

PHOTO CY TO
WC (2)
KONSELMAN (2)

224 New Customhouse
Denver 2, Colorado

April 19, 1957

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DMEA
RECEIVED APR 24 1957

DATE	INITIALS	CODE
4/24	C	220
4/25		800
4/25		700
		221

Mr. M. Scott Woodland
c/o Max B. Lewis, Attorney at Law
Suite 840, First Security Building
Salt Lake City, Utah

Re: Docket DMEA-2128 (Uranium)
Contract Idm-E408
Flanders Mining Company and Utarado Mining Company
(Formerly Gateway Mining and Development Company)
Mesa County, Colorado

Dear Mr. Woodland:

In reply to your request of April 12, 1957, we enclose a copy of the following:

1. "Certification of the United States of America of a Discovery or Development under an Exploration Project Contract," dated July 3, 1953, to Gateway Mining and Development Company, Inc.

2. Letter, dated July 6, 1953, to Mr. R. C. Hartman, President, Gateway Mining and Development Company, Inc., from C. O. Mittendorf, Administrator, DMEA, transmitting Item 1 above.

The land included in the subject contract is described as follows:

	La Sal Nos.
Gilmore	1
Tetzloff	2
John Thornton	3
La Salle	4
	5
	6
	7
	John Brown No. 1

The claims are located in Sec. 36, T. 51 N., R. 20 W. and Sec. 31, T. 51 N. and R. 19 W., N.M.P.M., Mesa County, Colorado.

MAX B. LEWIS
ATTORNEY AT LAW
SUITE 840 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH
EMpire 4-4844

M. SCOTT WOODLAND
REED A. WATKINS

April 12, 1957

MINERAL DEPOSITS
DME
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APR 17 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

Defense Minerals Exploration Administration
AEC Compound
Grand Junction, Colorado

Gentlemen:

Certain mining claims which Lisbon Uranium Corporation acquired by reason of the merger of Gateway Uranium Corporation into Lisbon Uranium Corporation, are subject to DMEA Loan, Docket Number 2128.

At the present time, Lisbon Uranium Corporation does not have a copy of the above Loan Agreement. We would, therefore, appreciate your forwarding to this office a photostatic copy of the Loan Agreement and a statement as to the present balance due under the loan.

Very truly yours,

M. Scott Woodland

M Scott Woodland

MSW:rm

OFFICIAL FILE COPY
DMEA
RECEIVED APR 24 1957

DATE	INITIALS	CODE

PHOTOCY TO
CHAIRMAN (2)
~~CORRESP.~~
SWAN (2)

RECEIVED
COLORADO
DENVER
APR

E 408

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

224 New Customhouse
Denver 2, Colorado

December 4, 1956

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Royalty payments, Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Sanders:

Per your letter of November 30, 1956, please be advised of the royalty status of Contract Idm-E408 as follows:

Amount of Government Participation	$46,772.10
Royalty payments to date	26,269.51
Balance Due	$20,502.59

The above balance is subject to revision by future DMEA audit. Royalty payments are required on all shipments from the property described in the cited contract until September 26, 1962, or until the amount of $46,772.10 has been repaid, whichever occurs first.

Yours very truly,

Original signed by
W. M. TRAVER

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

MHM/vj

cc: Royalty File E408
Corres. File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Marshall
Chron.

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

224 New Customhouse
Denver 2, Colorado

November 8, 1956

RECEIVED NOV 13 1956

Mr. William M. Spencer
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Spencer:

Your company's check No. 1488 dated October 31, 1956 for $1,883.18 has been received by this office.

Please forward four (4) copies of all settlement sheets, with load details if applicable, covering production which forms the basis for this royalty payment.

Yours very truly,

Original signed by
W. M. TRAVER

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

MHM/vj

cc: Royalty File E408
Corres. File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Marshall
Chron.

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

RECEIVED
OCT - 1956

224 New Customhouse
Denver 2, Colorado

October 3, 1956

Memorandum

To: Secretary, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Enclosed are two copies of a statement, signed by Donald D. Smith, President of Central Eureka Corporation, confirming the fact Flanders Mining Company remains a wholly owned subsidiary of Central, and remains responsible for its obligations under the provisions of Contract Idm-E408.

The statement is in reply to our request dated September 19, 1956.

W. M. Traver

W. M. Traver

Enclosures

September 22, 1956

I, Donald Smith, President and Director of Central Eureka Corporation, hereby confirm that Flanders Mining Company, a Nevada corporation, remains in existence as a wholly owned subsidiary of Central Eureka Corporation and that as such it remains responsible for its liabilities and obligations under the provisions of Contract Idm-E408.

Donald D. Smith

Central Eureka Corporation
Donald D. Smith, President

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

224 New Customhouse
Denver 2, Colorado

September 19, 1956

Mr. William M. Spencer
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Spencer:

With regard to your letter dated September 11, 1956, please furnish us with the original and six (6) copies of a statement signed by an official of the parent organization, Central Eureka Corporation, to the effect that Flanders Mining Company, a Nevada corporation, remains in existence and thereby remains responsible for its liabilities, including its obligation under the provisions of Contract Idm-E408.

Yours very truly,

W. M. TRAVER

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

MHM/vj

cc: Royalty File E408
Corres. File E408 w/cy of Contr. & Spencer's ltr dtd 9/11/56
Sec. Opr. Comm. (2) w/cys of " & " " " "
J. F. Shaw (2) w/cy of Contr. & Spencer's ltr dtd 9/11/56
Finance Office " " " & " " " "
Marshall
Chron.

Flanders Mining Company
POST OFFICE BOX 861
Grand Junction, Colorado

September 11, 1956

DMEA
DEPARTMENT OF THE INTERIOR
SEP 12 1956
REGION III
DENVER, COLORADO

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

Re: Docket DMEA 2128

Dear Mr. Traver:

Mr. Sanders has shown me your letter of September 10 regarding Docket DMEA 2128.

The following conveyances and transactions relative to the DMEA contract have transpired:

1. On December 31, 1955, Flanders Mining Company, Partnership, transferred most of its assets and liabilities to Flanders Mining Company, Corporation. Included in the transfer was the DMEA obligation. Flanders partnership became the sole owner of all of the outstanding stock of Flanders corporation.

2. In June, 1956, Flanders partnership traded all of its Flanders corporation stock to Central Eureka Corporation for a certain amount of Central Eureka stock. While Central has become the owner of Flanders Corporation, Flanders remains an entity in itself subject to corporation law and possessor of the DMEA liability.

We enclose 6 copies of the contract between Flanders corporation and Flanders partnership showing assumption of all liabilities by the corporation. Because Flanders remains in existence and thereby remains responsible for its liabilities, we suggest that it is not necessary to forward copies of the Flanders-Central transaction.

Please contact us if you have further questions.

Yours very truly,

FLANDERS MINING COMPANY

William M. Spencer

William M. Spencer

RECEIVED

GENERAL ASSIGNMENT AND ASSUMPTION OF LIABILITIES

In consideration of the issuance to FLAMERO MINING COMPANY, a limited partnership, of One Hundred Thousand (100,000) shares, $1.00 par value each, of capital stock of FLAMERO MINING COMPANY, a Nevada corporation, and the assumption by said FLAMERO MINING COMPANY, a Nevada corporation, of all liabilities and obligations of the said FLAMERO MINING COMPANY, a limited partnership, as of the close of business December 31, 1955, FLAMERO MINING COMPANY, a limited partnership, hereby grants, bargains, sells, assigns, conveys, transfers and sets over to FLAMERO MINING COMPANY, a Nevada corporation, as of the close of business December 31, 1955, all of its assets and properties, both real and personal, of every kind and nature and wherever situated, and every interest therein, save and except only:

(a) The One Million Four Hundred and Forty Thousand (1,440,000) shares of the common stock of Salbua Mining and Development Co., a Colorado corporation, owned by the said limited partnership; and

(b) Any and all right, title and interest which the Partnership has, has had, or may have in certain mining claims commonly called "Bluebird-Navajo Claims" under and by virtue of that certain

agreement dated May 2, 1955, by and between the Partnership and said Dalton Mining and Development Co.

PLANTERS MINING COMPANY, a Nevada corporation, hereby assumes and agrees to pay and perform all of the obligations and liabilities of PLANTERS MINING COMPANY, a limited partnership, as such obligations and liabilities exist at the close of business December 31, 1955.

The parties hereto agree to execute and deliver any and all necessary or proper deeds, bills of sale, assignments, transfers, stock certificates, agreements, contracts, and other documents for the purpose of effecting the foregoing transfers and assumptions.

IN WITNESS WHEREOF we have executed this document this 28th day of December 1955.

PLANTERS MINING COMPANY, a
limited partnership

By: [illegible]
General Partner

PLANTERS MINING COMPANY, a
Nevada corporation,

By: [illegible]
President

[illegible]
Secretary

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

RECEIVED
SEP 17 1956

224 New Customhouse
Denver 2, Colorado

September 12, 1956

Memorandum

To: J. F. Shaw

From: Executive Officer, DMEA Field Team, Region III

Subject: Reporting error in Semiannual Report of Certified Project for the period January 1, 1956 through June 30, 1956, Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders & Utarado Mining Companies (Gilmore, LaSal, Tetsloff, John Thornton, John Brown & LaSalle Claims), Mesa County, Colo.

In the semiannual report for the subject contract recently submitted to this office, an amount has been entered after the item Amount of Royalty Due when the word "None" is appropriate.

Royalty is due the Government when production is made from the land described in the contract and then in the manner and amount as set forth by the contract. Hence, no amount is to be entered after this item unless the Operator owes the Government royalty on the actual or assigned value of production, which was made on orebefore the last date of the period covered by the report.

Please have this fact brought to the attention of the examining engineer who prepared the above mentioned report.

W. M. TRAVER

W. M. Traver

MHM/vj

cc: Semiannual Report File E408
Sec. Opr. Comm. (2)
E. N. Harshman
J. W. Hasler
Marshall
Chron.

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

RECEIVED
SEP 12 1956

224 New Customhouse
Denver 2, Colorado

September 10, 1956

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
GRAND Junction, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Sanders:

This office has been informed that property subordinated to the Government under the subject contract has been sold to Central Eureka Corporation, San Jose, California.

We refer you to Article 7 of the contract which states in part as follows:

> "....The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights...without making suitable provision for the preservation of the Government's rights to a percentage royalty on production and lien for the payment thereof...."

You are accordingly requested to submit six (6) copies of the instrument of conveyance (signed copies or photostats of same preferred) promptly to this office which conforms to the stated provisions of the contract.

Yours very truly,

W. M. TRAVER

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

MHM/vj

cc: Royalty File E408
Corres. File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Marshall
Chron.

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

224 New Customhouse
Denver 2, Colorado

August 16, 1956

Carl M. Gilbert, President
Utarado Mining Company, Inc.
P. O. Box 287
Montrose, Colorado

Re: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Gilbert:

Review of the royalty file for Contract Idm-E408 indicates we have received no further advice as to the status of ownership of production from the La Salle claim, subsequent to information provided in your letter dated April 5, 1956.

Please advise.

Yours very truly,

W. M. TRAVER

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

MHM/vj

cc: Royalty File E408
Corrs. File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Marshall
Chron.

RECEIVED
AUG 20 1956

7/2/56

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

RECEIVED
JUL 2 - 1956

224 New Customhouse
Denver 2, Colorado

June 29, 1956

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Royalty payments, Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Sanders:

Per your request of June 27, 1956, please be advised of the royalty status of Contract E-408 as follows:

Total Amount of Government Participation	$46,772.10
Total Royalty Payments to Date	18,041.93
Balance Due	$28,730.17

Royalty payments are required on all shipments from the property described in the cited contract until September 26, 1962 or until the amount of $46,772.10 has been repaid, whichever occurs first.

Yours very truly,

W. M. TRAVER

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

MMM/vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F.Shaw (2)
Marshall
Chron.

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

RECEIVED
APR 16 1956

224 New Customhouse
Denver 2, Colorado

April 12, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company, Inc.), Mesa County, Colorado

We have revised our ownership records for property subordinated to the Government under DMEA Contract Idm-E408 as per your letter of April 9, 1956.

For your records we are enclosing two copies of a reply to our letter of March 30, 1956 from Carl C. Gilbert, president of Utarado and two photocopies of the lease supplied by Mr. Gilbert.

W. M. Traver

W. M. Traver

Enclosures

CARL M. GILBERT
President
KENNETH H. HUSTON
Vice President
HARRIET M. MILLER
Secretary-Treasurer

Utarado Mining Company, Inc.

Montrose, Colorado

P. O. BOX 287

April 5, 1956

DMEA
Date Rec'd.
APR 9 1956
BUREAU OF MINES
Denver, Colorado

The Defense Minerals Exploration Administration
Denver, Colorado

Attn: Mr. W. M. Traver

Dear Mr. Traver:

Your letter of March 30th at hand and with reference to the law suit on the house between ourselves and the Geranium Mining Company, we are possibly in the process of settling by negotiation, and if we are unable to reach a settlement suit will be filed very shortly.

Your further assumptions are correct as to The Utarado Mining Company owning the La Salle and La Salle Extension and we have leased from The Flanders Mining Company North Half of La Salle #3, LaSalle #5, La Salle #6, La Salle #7, Tetsloff, Tetsloff Extension and the La Salle #6 Extension.

We are enclosing a copy of the original mining Lease from Gateway Mining & Development Company, who have subsequently sold to the Flanders Mining Company. An official survey was not in existance at the time this lease was made, and upon the official survey the discovery of fractions, namely Tetsloff Extension and La Salle #6 Extension was made and filed upon and made a part of the lease subject to the same terms as in the enclosed copy of agreement.

If there are any further questions I will try to answer same. Thanking you, I remain

Very truly yours,

Carl M. Gilbert

Carl M. Gilbert H.M.
President

CMG/m

Loyalty File E408

Book

AGREEMENT

THIS AGREEMENT, made and entered into on this the 18th day of March, 1954, by and between GATEWAY MINING & DEVELOPMENT CO., INC., a Colorado Corporation, party of the first part, hereinafter referred to as lessor, and UTARADO MINING CO., INC., a Colorado Corporation, party of the second part, hereinafter referred to as lessee,

WITNESSETH;

That for and in consideration of the premises and the mutual covenants and agreements herein contained, the parties agree as follows, to-wit:

1. That the lessor does hereby let, lease, and demise unto the lessee the following described unpatented lode mining claims situate in the Gateway (Unorganized) mining District, Mesa County, Colorado, to-wit:

Claim Name	Recorded in Book	Page
North Half of La Sal No. 3	504	490
La Sal No. 5	504	196
La Sal No. 6	504	493
La Sal No. 7	504	532
Tetzloff	547	23

for a term of ten (10) years beginning on this date and for so long a time thereafter as lessee is mining ores in commercial quantities. Lessor warrants that it has good possessory title to said mining claims except against the United States of America.

2. The lessee agrees to pay and the lessor agrees to accept as payment for rental of said premises 25% of the values of all ores, minerals, and metals extracted from said mining claims, including 25% of all premiums that may be paid by the United States Atomic Energy Commission, or any other governmental agency, but not including any bonus, development, or haulage allowance received by the lessee for ores extracted from said premises, it being the agreement of the parties that bonus, development, and haulage allowances paid to the lessee shall be kept and retained by it as its sole and separate property. It is agreed between the parties that

The rentals to be paid to the lessor shall be paid by the buyer or buyers of ores produced from said premises and this agreement shall constitute the authority of said buyer or buyers of ore produced from said premises to deduct the amount of rentals due the lessor from the purchase price of any ores produced from said premises and to remit the same to the lessor in care of Kynie & Hotchkiss, 535 Main, Grand Junction, Colorado.

5. It is contemplated by the lessee that it shall drive a tunnel across a part of the mining claims above described. The parties agree that in the event the lessee shall in the future have use for said tunnel during the term of this agreement to transport ores mined from property now owned by the lessor that lessee shall have the right to so use said tunnel without additional charge.

6. The parties hereto agree that all parties shall have the benefit of any depletion allowances now provided by statute or which may be hereafter provided by statute as their interests may appear.

5. Lessee agrees that it will immediately enter upon said premises or upon the La Salle or La Salle extention mining claims owned by lessor and will proceed with due diligence and in good miner-like fashion to explore, develop, and mine any ores found upon the mining claims described herein, and lessee further agrees that it will perform a minimum of 840 man hour shifts per month in working the above described premises or the tunnel which it expects to commence upon its L. Salle mining claim driving said tunnel across its La Salle and L. Salle Extention mining claims to the mining claims herein leased to it with due diligence except when prevented by weather conditions, unavoidable casualty, or Acts of God.

6. Lessee agrees to allow the lessor or its agent, from time to time, to enter upon said premises for the purpose of inspection, survey, or taking samples therefrom.

7. Lessee agrees to comply with all requirements of the State and Federal Mining Inspectors and to do no act or thing to cause either the Federal or State Mine Inspector to close the mine located upon said premises.

8. Lessee shall and hereby does assume all responsibility in case of accident or injury of its employees or third persons who may become injured in or about said property.

9. Lessee agrees to promptly pay all bills and expenses incurred by it and by said prompt payment to prevent the filing of any and all liens of miners, mechanics, or materialmen against said leased premises.

10. Lessee agrees at all times to comply fully with the provisions of the workmen's compensation laws of the State of Colorado and a failure at any time to so fully comply with said provisions shall automatically render this lease null and void.

11. Lessee agrees that he will keep posted upon the premises above described in a conspicuous place a Notice in the folliwing form, to-wit:

NOTICE TO ALL EMPLOYEES ON THIS PROPERTY AND TO ALL OTHERS THEREIN IN ANY CONCERN.

NOTICE IS HEREBY GIVEN TO ALL PERSONS EMPLOYED ABOUT OR PERFORMING SKILL, MATERIALS, MACHINERY, OR OTHER FIXTURES OR PERSONAL OR ANY KIND, IN, TO OR ON ANY MINE OR MINES UPON THIS PROPERTY, OR IN, TO OR ON THIS PROPERTY OR ANY PART THEREOF, THAT THE UNDERSIGNED, AS OWNER OF SAID PROPERTY, ARE NOT AND WILL NOT BE RESPONSIBLE FOR ANY [illegible], [illegible], [illegible], [illegible], FIXTURES, [illegible] TO ANY [illegible], [illegible] PROPERTY OR ANY PART THEREOF, [illegible] THE INTEREST OF SAID OWNERS BE SUBJECT TO ANY LIEN FOR SUCH. ALL PERSONS ARE HEREBY NOTIFIED THAT THE PROPERTY AFORESAID IS BEING OPERATED BY COLORADO MINING CO., INC. TO WHOM ALL PERSONS MUST LOOK FOR PAYMENT.

GATEWAY MINING & DEVELOPMENT COMPANY, INC., Owner

12. The lessee agrees to furnish to the lessor, upon request, any and all geological information obtained by him in exploring, developing or mining said premises.

13. Lessee agrees that it shall at all times during the term of this agreement comply with the provisions of the laws now existing or which may be hereafter enacted relative to the performing of annual labor and improvements upon the above described unpatented lode mining claims and agrees to keep and file all necessary affidavits of assessment work so done by it.

14. Lessee agrees that it shall, at the termination hereof, whether by cancellation as hereinafter provided or by limitation of

time, return the above described premises to the lessor with all tunnels, drifts, and mine workings in good condition except damages to said workings occassioned by unavoidable casualty.

15. IT IS MUTUALLY AGREED between the parties hereto that Lessee shall have the right to surrender this lease at any time upon giving Lessor at least 60 days written notice sent by registered mail to it in care of Hymns and Hotchkiss, 215 Main Street, Grand Junction, Colorado, and upon such surrender or cancellation as hereinafter provided, Lessee shall have the right, within a reasonable time, to remove his machinery, equipment and personal property from said claims CONDITIONED that all royalty payments have been paid in full.

16. IT IS MUTUALLY AGREED between the parties hereto that upon violation by Lessee of any of the covenants in this lease, the term thereof shall, at the option of Lessor, expires, and the same and said mining claims shall become forfeited to Lessor and Lessor may thereupon enter upon said mining claims and dispossess all persons occupying same, or, at its option, Lessee and all persons found in occupation thereof may be proceeded against as guilty of unlawful detainer; PROVIDED, HOWEVER, That if said lease is forfeited upon the election of Lessor by reason of the failure of Lessee to perform any covenant thereof, Lessor shall give Lessee at least 30 days notice in writing, by registered mail, sent to it at Montrose, Colorado, notifying it of such failure and setting out in such notice the substantial facts as to any such default or breach, and upon failure or refusal by lessee to cure and correct such default within 30 days from the receipt of such notice, Lessee shall surrender and deliver up possession of all said mining claims, and his rights under this lease shall thereupon cease and determine.

Time is of the essence of this agreement and all covenants and conditions contained herein, express or implied, shall extend to and be binding upon the heirs, executors, administrators, successors, and lawful assigns of all of the parties hereto.

[illegible] WHEREOF, the parties hereto have hereunto set their [illegible] and seals the day and year first above written.

[illegible] & [illegible] CO. INC.

By [illegible] (Signed)
President

[illegible]

[illegible] (Signed)
[illegible]

[illegible]

[illegible] CO., INC.

By [illegible] (Signed)
President

[illegible]

[illegible]

[illegible]

[illegible] by the [illegible]

[illegible] & [illegible] CO.

By [illegible] (Signed)
President

[illegible]

[illegible] (Signed)
[illegible]

700

FILE

Sum

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

APR 9 1956

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

Re: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-[illegible]08
Gateway Mining and Development Co., Inc.
Gilmore, La Sal, Tetaloff, John Thornton,
John Brown, and La Salle Claims
Mesa County, Colorado

Dear Mr. Traver:

This is with reference to your memorandum of March 30, 1956, in which you state the deed from the subject Operator to the Flanders Mining Company did not convey the Gilmore, John Thornton and John Brown No. 1 claims to Flanders Mining Company.

Your attention is directed to Exhibit "A" attached to the "Special Warranty Deed," transmitted to you with our letter of March 5, 1956. On page 4 of the exhibit, John Brown No. 1 claim is listed, and on page 6 the Gilmore and John Thornton claims are listed as being conveyed to Flanders.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

FLKnouse/izm 4-5-56

cc to: Docket
Code 700
Mr. Knouse
Admr.'s Reading File
Operating Committee
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5 224
JONosted, Rm. 3210, GSA

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

R.C.G.

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

224 New Customhouse
Denver 2, Colorado

March 30, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2128 (Uranium), Contract No. Idm-E408, Gateway Mining and Development Company, Inc., (La Sal Claims Nos. 1 to 7 incl., John Thornton, Tetzloff, Gilmore, and La Salle Claims) Mesa County, Colorado

Reference is made to our memorandum of January 26, 1956 with enclosed letter from Cecil S. Haynie of the Gateway Mining Company. Based on this memorandum and later correspondence you furnished us two copies of a "Special Warranty Deed" dated October 1, 1954, between the Gateway Mining and Development Company, Inc., and the Flanders Mining Company.

As you have stated, this deed provides for DMEA royalty payments under Contract Idm-E408 to be assumed by the Flanders Mining Company; however, a review of this document reveals that the Gilmore, John Thornton, and the John Brown No. 1 claims were not conveyed to Flanders, or these claims may have been relocated and conveyed under different names. We assume the Tetzloff claim listed in the deed to be the same claim of Annex I to Contract Idm-E408, for which the recording data is not furnished.

As DMEA Contract Idm-E408 was between the Government and Gateway Mining and Development Company, Inc., we believe that Cecil S. Haynie, the corporation's attorney and representative, should be required to furnish the Government a formal statement as to the present ownership of the subject claims. In view of Mr. Haynie's reluctance to furnish information to this office (letter of January 23, 1956) we recommend that the Washington Office legal department formulate a letter of demand to Cecil S. Haynie.

The La Salle claim, also subordinated to the Government under Contract Idm-E408, is now owned by the Utarado Mining Company and royalty payments are currently being paid on production. We are this day requesting a copy of the purchase agreement for this property from Carl C. Gilbert, President of Utarado.

Your assistance in this matter will be appreciated.

W. M. Traver

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

March 30, 1956

Mr. Carl C. Gilbert, President
Uterado Mining Company
P. O. Box 41
Montrose, Colorado

Re: Royalty Payments, DMEA Docket 2128
(Uranium) Contract No. Idm-E408
Gateway Mining and Development Co., Inc.
Mesa County, Colorado

Dear Mr. Gilbert:

Please advise the status of the lawsuit between your corporation and the Germanium Mining Company regarding ownership of production from your La Salle claim.

According to our records, the Uterado Mining Company owns the La Salle claim and leases the North 1/2 La Sal No. 3, all of La Sal Nos. 5, 6, and 7, and the Tetzleff and the Tetzleff Extension from the Flanders Mining Company. Please advise if this information is correct, and if so, we would appreciate receiving one copy (signed copy or photostat preferred) of the purchase agreement to the La Salle claim and your lease to the other claims. These documents are necessary to our files as the property in question has been subordinated to the Government by the previous owners.

Very truly yours,

W. M. TRAVER

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

RDB:bh

cc - Royalty File E-408
Sec. Op. Comm. (2)
J. F. Shaw (2)
Berk.
Chron.

700

FILE COPY
Surname:
FLKnouse
Selfridge
Thiekiilsgaard

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

MAR 1956

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

Re: Docket No. DMEA-8128 (Uranium)
Contract No. Idm-8408
Gateway Mining and Development Co., Inc.
Gillmore, La Sal, Totaloff, John Thornton,
John Brown, and La Salle claims
Mesa County, Colorado

Dear Mr. Trever:

As requested in your memorandum of February 27, 1956, there are enclosed two copies of a "Special Warranty Deed," dated October 1, 1954, between the Gateway Mining and Development Company, Inc., and the Flanders Mining Company.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

O. M. Bishop (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

FLKnouse/izm 3-2-56

cc to: Docket
Code 700
Mr. Knouse
Admr.'s Reading File
Operating Committee
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

R.C.B.

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

RECEIVED
MAR - 1 1956

224 New Customhouse
Denver 2, Colorado

February 27, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Company, Inc., Mesa County, Colorado

Further reference is made to letter of February 21, 1956 signed by W. S. Martin, Acting Chairman, DMEA Operating Committee received in answer to our memorandum dated January 26, 1956. We have need for a copy of the referred to document between Gateway Mining and Development Company, Inc. and Flanders Mining Company in our royalty files for this contract. Complete knowledge of the extent of ownership, effective dates of property transfer, royalty and other provisions are essential to us as the majority of royalty correspondence is initiated by Region III personnel.

In order that our files may be complete and workable would you please have a photocopy of above referenced document made for us, or if you wish, forward your file copy to us for duplicating. It will be returned to you as soon as we have made a copy.

W. M. Traver

W. M. Traver

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

FEB 21 1956

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

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining and Development Company, Inc
Gilmore, La Sal, Tomloff, John Thornton, John Brown, and La Salle Claims
Mesa County, Colorado
Contract No. Idm-2408

Dear Mr. Traver:

Your memorandum dated January 26, 1956, to the Operating Committee requested that we try to obtain a copy of the instrument under which the Flanders Mining Company holds possession of the land in order to determine whether suitable provision was made for preserving the Government's royalty and lien under the subject contract. We regret very much not having informed you previously that we have a copy of this document. It is dated October 1, 1954, and provides in paragraph 3 of Exhibit B thereto that Flanders' rights in the land are subject to -

> "Those certain payments to the Defense Minerals Exploration Administration pursuant to Exploration Project Contract by and between the United States of America acting through the Department of the Interior, Defense Minerals Exploration Administration, and the First Party, /Gateway/ dated the 26th day of September, 1952, Docket No. 2128."

As Flanders Mining Company's letter of February 14, 1955, to Mr. Shaw acknowledged the Government's royalty rights in the land, and as, your memorandum states, royalty is in fact being paid, there does not seem to be any present royalty problem under this contract.

Your memorandum also asked that we review the general question of recording the Government's lien for royalty, apparently

suggesting this procedure as a possible aid in keeping current with property transfers as well as in collecting royalty due the Government. The same general question was raised in your region earlier in connection with the subject contract and was discussed in Mr. Mittendorf's letter dated May 17, 1954, to the Executive Officer. That letter concluded that the facts of the case presented did not support the suggestion for recording liens and prior statements of policy on the subject of recording were enclosed. We do not find that your latest memorandum makes out a case for a change of procedure either.

There is little question that recording the Government's lien would give greater security for the Government's claim for royalty. However, in the past, the decision not to require recording of liens has always been dictated by practical considerations, discussed in the enclosures referred to above. Apart from the problem of collecting royalty, even if a lien were recorded you would be no better off in tracking down the current landowner or landholders; you would still have to seek them out if you wished to know who they are and had not been informed as to their identity.

We do not, by the tenor of this response, mean to imply that we are foreclosing a review of the question of recording liens. On the contrary, we shall cause a fresh review of the subject to be made. However, we will not be aided by anynew matter, as your recommendation is not based in specific terms or upon any special cases. It would be helpful, in reviewing this subject matter, to have the benefit of field experiences in specific cases wherein recording of the Government's lien would have facilitated collection of royalty.

HCRubin/emd
2/15/56

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (SHB)

Copy to: DMEA Docket
Adm. R. File
Operating Comm.
J. E. Crawford, Bu.Mines
T. H. Kiilsgaard, G.S.

Approved:

/s/ Robert W. Geehan (SHB)
Member, Bureau of Mines

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

E. W. Ellis
R. P. Dwyer
H. C. Rubin
chron.
pending

[illegible]

[illegible]

[illegible]

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

RECEIVED
FEB 1 3 1956

224 New Customhouse
Denver 2, Colorado

February 13, 1956

T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Royalty payments, DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Co., Inc., Mesa County, Colorado

Dear Mr. Sanders:

As per your request of February 7, 1956, please be advised as follows:

1. The Government on July 3, 1953 certified that a discovery had been made by work performed under Contract Idm-E408.

2. Royalty payments are required on all shipments from the property until September 26, 1962 or until $46,772.10 has been paid.

3. Total royalty payments to date have amounted to $15,919.64, leaving a balance of $30,852.46.

Yours very truly,

W. M. TRAVER

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

RDB/vj

cc: Royalty File E408 w/ltr
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Berkenkotter
Chron.

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

RECEIVED
FEB 13 1956

224 New Customhouse
Denver 2, Colorado

AIRMAIL

February 9, 1956

Mr. Carl C. Gilbert, President
Utarado Mining Company
P. O. Box 41, Montrose, Colorado

Re: Royalty payment, DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Co., Inc., Mesa County, Colorado

Dear Mr. Gilbert:

Please disregard our letter of February 8, 1956. The information requested can be deferred pending settlement of other matters discussed with you at time payment was made.

Yours very truly,

W. M. TRAVER

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

vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Chron.

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

RECEIVED
FEB 13 1956

224 New Customhouse
Denver 2, Colorado

February 8, 1956

Mr. Carl C. Gilbert, President
Utarado Mining Company
P. O. Box 41, Montrose, Colorado

Re: Royalty payment, DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Co., Inc., Mesa County, Colorado

Dear Mr. Gilbert:

On January 3, 1956 we wrote you a letter acknowledging receipt of your check for $3,882.17; and also asked you to explain which Liquidation Nos. the $628.65 A.E.C. bonus payment applied to. We will appreciate your early reply in order that we may keep our records current.

Yours very truly,

W. M. TRAVER

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

vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Chron.

Surname copy

700

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

F L Knouse
Ellis
H Johnson

February 2, 1956

Memorandum

To: Mr. Robert Dwyer
Associate Solicitor, Division of Mineral Resources

From: C. O. Mittendorf, Administrator

Subject: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-4408
Gateway Mining and Development Company, Inc.
Gilmore, La Sal, Teasleff, John Thornton,
John Brown, and La Salle claims
Mesa County, Colorado

Please review and draft the necessary reply to the memorandum, dated January 26, 1956, from the Executive Officer, Region III, filed in the docket, which concerns (1) DMEA policy of recording liens against a property for the collection of Government royalties, and (2) a letter to the subject Operator or representative for a copy of the deed which transferred the subject property to the Flanders Mining Company.

Since you may deem it advisable to forward some of the following information to Region III, your attention is directed to a copy of the "Special Warranty Deed" from the Gateway Mining and Development Company, Inc. to the Flanders Mining Company that was transmitted to this office by the Flanders Mining Company on April 11, 1955; also related interoffice memoranda.

In this connection, I would appreciate your views and recommendations concerning the question of recording liens for DMEA royalties on production from certified projects. Prior to preparing a reply to the Region III inquiry you may desire to discuss this question with Mr. Johnson and me.

C. O. Mittendorf

C. O. Mittendorf

FLKnouse/gla
cc to: Admr.'s Reading File
Mr. Johnson
Docket
Code 700
Mr. Knouse

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

RECEIVED
JAN 30 1956

224 New Customhouse
Denver 2, Colorado

January 26, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Company, Inc., La Sal claims Nos. 1 to 7 incl., John Thorton, Tetzloff, Gilmore, and La Salle claims, Mesa County, Colorado

Enclosed is a copy of letter dated January 23, 1956 from Cecil S. Haynie, representative of the Gateway Mining Company, received in reply to our letters of December 6, 1955 and January 10, 1956. For your convenience we enclose copies of these letters also.

We believe a letter to Mr. Haynie bearing the signature of the Administrator would be much more effective than one from this office. If possible, we suggest that H. C. Rubin of your office prepare the letter, as we sincerely appreciate his specific and straightforward manner shown in recent royalty matters referred from this office.

DMEA funds expended for exploration work on the subject property has resulted in the discovery of orebodies which have been partially proven by ore shipments to date. (Royalty payments at 5.0 percent of gross value equals $11,809.41 as of January 1, 1956). The sale of the property actually resulted from the increased valuation of the property due to the DMEA work performed.

It is our contention that Gateway Mining Company (the original applicant and operator) is legally liable to the Government for the payment of all royalties unless we are furnished copies of an ownership transfer document which specifically provides for the transfer of the DMEA indebtedness due the Government to future owners. Mr. Haynie states that this provision was incorporated in the Flanders Mining Company purchase agreement and we do not question this fact as Flanders has paid us royalty on two ore shipments. The Government lien against production is not a matter of public record as no evidence of this lien is recorded in the county records under DMEA's present operating procedure. Contract form MF-200A on which Contract Idm-E408 was prepared requires the operator to supply the information requested from Mr. Haynie by inference only, but it would definitely be to his advantage to do so.

At least one of the claims (the La Salle) subordinated to the Government is now controlled by the Utarado Mining Company (president - Mr. Carl C. Gilbert). The greatest percentage of the royalty payments made to the Government to date have been received from Mr. Gilbert for ore production from the La Salle claim, so the Government was evidently protected in this title transfer also. We hope to bring all title records up to date by requesting copies of all transactions affecting ownership. Our request addressed to Mr. Haynie was therefore only our first step in the clarification of present ownership and determination of the individuals or corporations who are legally liable for the payment of current DMEA royalties.

An early reply regarding this matter will be appreciated. We are deeply concerned with the question of keeping ownership of DMEA properties current. This is becoming more of a problem as time passes especially for uranium properties. Some applicants obtain DMEA Contracts with the sole idea in mind of proving up an indicated tonnage and grade by DMEA drilling to warrant a quick sale of the property, and many of our properties have been sold several times. Also individual claims of an original claim group have changed ownership with the result that we now require royalty payments from several individuals and corporations to offset one original loan. If the Government's lien was recorded against the property we would have no trouble enforcing royalty payments. As it is we must have property ownership records current in our files in order to determine just who is liable. A revision of DMEA procedure is certainly warranted.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED

JAN 30 1956

January 23, 1956

JAN 24 1956

BUREAU OF LAND MGMT
Grand Junction, Colorado

Bureau of Mines
Department of the Interior
Mining and Minerals Exploration
Administration Bldg.
226 Post Office Building
Denver 2, Colorado

Re: DMMA Docket 2125 (Uranium), Contract No. 1498, Gateway Mining and Development Company, Inc., La Sal Claim Nos. 1 to 7 incl., John Thorton, Tetzloff, Gilmore, and La Salle Claims, Mesa County, Colorado

Gentlemen:

We would certainly like to be able to accommodate you and comply with your request of December 6, 1955 and furnish you with two signed copies of the instrument of conveyance of the above mentioned claims. The instrument of conveyance consists of several pages and in view of the fact that Gateway Mining and Development Company has been dissolved we do not feel that we should bear the expense of having photostats of the deed prepared.

We assure you that the interest of the government was protected in the instrument of conveyance and the property was sold expressly subject to the liens of the government and the Purchaser, Flanders Mining Company, was at all times aware of the fact that the government had a lien on the property. If we can be of further assistance to you please advise.

Yours truly,

RAYNIE & MITCHELL

By [signature]

[illegible]

RECEIVED

JAN 30 1956

[illegible]

[illegible]

Re: [illegible]

Dear Mr. [illegible]:

[illegible]

[illegible]

[illegible]

[illegible]

RECEIVED
JAN 30 1956

224 New Customhouse
Denver 2, Colorado

January 30, 1956

Mr. Cecil S. Haynie
Haynie and Hotchkiss, Attorneys
535 Main Street
Grand Junction, Colorado

Re: DMEA Docket 2128 (Uranium) Contract Jdm-2408, Gateway Mining and Development Company, Inc., La Sal Claims No. 1 to 7 incl., John Thorton, Tetzloff, Gilmore, and La Salle Claims, Mesa County Colorado

Dear Mr. Haynie:

Reference is made to our letter of December 6, 1955, a copy of which we enclose for your convenience.

If you are no longer associated with the Gateway Mining and Development Corporation, we would greatly appreciate being furnished a formal statement to this effect and the corporation's present mailing address. A copy of our December 6, 1955 letter was mailed to 875 Glenwood Avenue, Grand Junction, Colorado and was returned unclaimed.

In the event you are still an official of this corporation, please furnish us the information requested on December 6, 1955.

Yours very truly,

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

RECEIVED
JAN 1 3 1956

224 New Customhouse
Denver 2, Colorado

January 10, 1956

Mr. Cecil S. Haynie
Haynie and Hotchkiss, Attorneys
535 Main Street
Grand Junction, Colorado

Re: DMEA Docket 2128 (Uranium) Contract Idm-E408, Gateway Mining and Development Company, Inc., La Sal Claims No. 1 to 7 incl., John Thorton, Tetsloff, Gilmore, and La Salle Claims, Mesa County Colorado

Dear Mr. Haynie:

Reference is made to our letter of December 6, 1955, a copy of which we enclose for your convenience.

If you are no longer associated with the Gateway Mining and Development Corporation, we would greatly appreciate being furnished a formal statement to this effect and the corporation's present mailing address. A copy of our December 6, 1955 letter was mailed to 875 Glenwood Avenue, Grand Junction, Colorado and was returned unclaimed.

In the event you are still an official of this corporation, please furnish us the information requested on December 6, 1955.

Yours very truly,

W. M. TRAVER

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

RB:jy
cc: Royalty File E408
Sec. Op. Comm. (2)
J. F. Shaw (2)
Berk
Chron.

Enclosure

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

224 New Customhouse
Denver 2, Colorado

January 3, 1955

Mr. Carl C. Gilbert, President
Utarado Mining Company
P. O. Box 41, Montrose, Colorado

Re: Royalty Payment, DMEA Docket 2128 (Uranium), Contract Mm-E408, Gateway Mining and Development Co., Inc. Mesa County, Colorado

Dear Mr. Gilbert:

We acknowledge receipt of your check in the amount of $3,882.17 and settlement sheets for shipments of ore. The amount of $3,253.52 was in payment of DMEA royalties due on these shipments. We would appreciate it if you would explain which Liquidation Nos. the $628.65 A.E.C. bonus payment applies to.

Yours very truly,

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

vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Chron.

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

224 New Customhouse
Denver 2, Colorado

December 21, 1955

Memorandum

To: T. A. Christensen

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

Subject: Royalty Payment - DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Company, Inc. - Colorado

Enclosed is Flanders Mining Company check No. 1085 in the amount of $59.17 in full payment of royalty still due on Lots No. R-1143 and R-1157.

Settlement sheets and partial payment on these shipments were transmitted to your office December 8, 1955.

E. N. Harshman

E. N. Harshman

Enclosure

vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Royalty Report File
Chron.

Surname copy

700

F. L. Knouse
Selfridge
F. L. Knouse
Mitchell

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

DEC 1 6 1955

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

Re: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-E408
Gateway Mining and Development Company, Inc.
Mesa County, Colorado

Dear Mr. Traver:

In accordance with Mr. Barshman's memorandum of December 5, 1955, we are enclosing two copies of the Administrator's letter, dated July 6, 1953, which transmitted a copy of the certification of discovery or development, dated July 3, 1953, to the subject Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

FLKnouse/gla
12-16-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Knouse

R.C.S.

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

RECEIVED
DEC 12 1955

224 New Customhouse
Denver 2, Colorado

December 8, 1955

Mr. William M. Spencer
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Royalty payments, DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Co., Mesa County, Colorado

Dear Mr. Spencer:

We acknowledge receipt of Flanders Mining Company check No. 1073 for $185.55 and settlement sheets for Liquidation Nos. R-1143 and R-1157 pertaining to ore shipments made from the La Sal No. 5 claim.

Correct royalties on these shipments should be $161.17 and $83.55 respectively, computed at 5.0 percent of the gross payment as explained in Section 10 of the enclosed copy of DMEA Order 1, Amended.

Please send your check for $59.17 for the balance due on these two shipments to the Executive Officer, DMEA Region III, Room 224 New Customhouse, Denver 2, Colorado. All Government royalty checks are to be made payable to the Defense Minerals Exploration Administration.

Yours very truly,

E. N. Harshman

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

Enclosure

RDB/vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Berkekkotter
Chron.

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

RECEIVED
DEC - 8 1955

224 New Customhouse
Denver 2, Colorado

December 6, 1955

Mr. Cecil S. Haynie
Haynie and Hotchkiss, Attorneys
535 Main Street
Grand Junction, Colorado

Re: DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Company, Inc., La Sal Claims Nos. 1 to 7 incl., John Thorton, Tetzloff, Gilmore, and La Salle Claims, Mesa County, Colorado

Dear Mr. Haynie:

Our records indicate that the subject mining claims which were subordinated to the Government under DMEA Contract Idm-E408 have been disposed of by the Gateway Mining and Development Company, Inc.

Your attention is directed to the provisions of Article 7 to Contract Idm-E408 which requires the Gateway Mining and Development Co. to make suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof.

For our records, please furnish us with two signed copies or photostats of signed copies of each legal document pertaining to the transfer of ownership of the claims listed in Article 2 of the contract.

Yours very truly,

E. N. Hershman

E. N. Hershman
Acting Executive Officer
DMEA Field Team, Reg.III

RDB/vj

cc: Gateway Mining & Dev. Co.
Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Berkenkotter
Chrom.

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

RECEIVED
DEC - 8 1955

224 New Customhouse
Denver 2, Colorado

December 5, 1955

Mr. Carl C. Gilbert, President
Utarado Mining Company
P. O. Box 41, Montrose, Colorado

Re: Royalty payments, DMEA Docket 2128
(Uranium) Contract Idm-E408, Gateway
Mining and Development Company, Inc.,
Mesa County, Colorado

Dear Mr. Gilbert:

Our records indicate that you informed our DMEA auditor, Mr. Finch, on May 26, 1955 that the pending lawsuit between your company and the Germanium Mining Company had been settled in favor of the Utarado Mining Company and advised that application for the payment of the Atomic Energy Production Bonus on shipments made from the La Salle claim would be made on or about May 31, 1955.

Please inform us of the progress made in obtaining this bonus payment on past production.

Yours very truly,

E. N. Harshman

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

RDB/vj
Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
D. T. Finch
Berkenkotter
Chron.

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

RECEIVED
DEC - 8 1955

224 New Customhouse
Denver 2, Colorado

December 5, 1955

Memorandum

To: Secretary, Operating Committee, DMEA

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

Subject: DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Co., Inc., Mesa County, Colorado

Our files for the subject contract are incomplete as we do not have copies of the letter transmitting a copy of the Certification of Discovery dated July 3, 1953 to the operator; however, we do have the Certification.

At your convenience please furnish us with two copies of this transmittal letter.

E. N. Harshman

E. N. Harshman

Surname copy

700

F L Knouse
Ellis
Selfridge
Fryman

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

OCT 17 1955

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

Re: Docket No. DMEA-2128 (Uranium)
Contract No. Ldm-Eh08
Gateway Mining and Development Company, Inc.
Gilmore, LaSal, Tesloff, John Thornton,
John Brown, and La Salle Claims
Mesa County, Colorado

Dear Mr. Traver:

This is with reference to the Semi-Annual Report of Certified Project for the period January 1 through June 30, 1955, on the subject property. Please determine and advise if the Operator informed all the lessees of their royalty obligations to DMEA. If they have not been so advised, the Operator should be requested to do so.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

FLKnouse/gla
10-14-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Knouse

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

RECEIVED
SEP 30 1955

224 New Customhouse
Denver 2, Colorado

September 28, 1955

Mr. Carl C. Gilbert
Box 41, Montrose, Colorado

Re: Royalty payments, DMEA Docket 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Co., Inc., La Sal Claims Nos. 1 to 7 incl., John Brown and La Salle Claims, Mesa County, Colorado

Dear Mr. Gilbert:

In reply to your request to be informed of the balance of royalty payments still outstanding under the subject DMEA Contract, please be advised that:

1. This contract was certified as a discovery on July 3, 1953 for a total repayment of $46,772.10 and is effective until September 26, 1962.

2. Our records indicate that royalty payments to date have amounted to $11,564.64. This includes the $4,032.09 payment made by you on September 22, 1955.

Therefore there is still an indebtedness of $35,207.46 due the Government on future production.

Yours very truly,

W. M. TRAVER

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

RDB/vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Berkenkotter
Chron.

Tachet

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

JUN 20 1955

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

Re: Royalty Audit
Gateway Mining and Development Co.
Contract Idm-F408, Docket DMEA-2128
Uranium

Dear Mr. Finch:

Receipt is acknowledged of your Royalty Audit Certificate and Report covering the above-cited Exploration Project Contract. The Report is acceptable and distribution may be effected accordingly.

I concur with your suggestion, in view of our agreement with A.E.C., that no copy of the audit report should be released to the Gateway Mining and Development Company. I also concur with your suggestion that the findings as to the balance of royalty due from the Utarado Mining Company be summarized by letter addressed to the producer. However, I believe that this letter should go out over the signature of the Executive Officer rather than the auditor, and that it should be in the form of a request for payment of the balance due upon such time as payment of the production bonus is received.

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/wb
June 20, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.G.J.

Rubin
Hofflund
Ellis
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

APR 2 9 1955

Mr. William M. Spencer
Flanders Mining Company
Post Office Box 861
Grand Junction, Colorado

Re: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-2408
Gateway Mining and Development Co.
Gilmore, LaSal, Tetzloff,
John Thornton, John Brown, and
La Salle Claims
Mesa ~~and Grant~~ County~~ies~~, Colorado

Dear Mr. Spencer:

Thank you for your letter of April 11, in response to my letter of April 1, transmitting a copy of the Special Warranty Deed, with Exhibits A, B, and C thereto, which transferred certain land from Gateway Mining Company to your company.

Your letter of February 14 informed the Government of the transfer of the land and that the Government's interests "are adequately protected by the pertinent documents pertaining to the sale;" stated that the drilling performed under the subject contract was "localized in a very small area relative to the claims included in the loan;" and stated that a transit survey of the claims included in the subject contract indicated that they were not contiguous, requiring your company to locate two fractional claims. Your letter of February 14 offers to subject the two fractional claims to royalty payments if the Government will exclude from the royalty provisions of the contract 6 of the 12 claims which were the subject of the exploration project.

After consideration of the entire matter it is our view that as the Government is entitled to royalty on any production from the land set forth in the contract there would be no advantage to the Government granting the exclusions you request. In the absence of such a consideration, it is regretted that your offer must be declined.

HCRubin:gjb 4/22/55
Copy to: DMEA Docket
Sol. Docket
Adm. R. File
J. L. Hofflund
H. C. Rubin
Chron. File
Pending File
T. H. Killsgaard
E. M. Ellis

Sincerely yours,

C. O. Mittendorf (for)

Administrator

J. E. Crawford, BM
Field Team, Region III (2)

R.C.S.

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

APR 26 1955.

Memorandum

To: The Administrator, DMEA
ATTENTION: F. L. Knouse

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2128 (Uranium), Gateway Mining and Development Co., Mesa ~~and Grant Counties,~~ County, Colorado

As requested in Mr. Knouse's memorandum, we have prepared a letter for the Administrator's signature responding to the Flanders Mining Company letter dated February 14 pertaining to the subject project.

We have not, as requested in Mr. Knouse's memorandum of the same date, prepared an agreement making the fractional claims in question a part of the contract. Our memorandum dated March 30 to the Administrator pointed out that the obligations of Gateway and Flanders arose in two different ways--Gateway's under the contract, and Flanders by the undertaking of the deed. As the contract was not assigned to Flanders, there would be no opportunity to enter into an amendment of the contract with that company. On the other hand, as Gateway is liable for royalty in any event, there may be no need to consider entering into any additional agreements at this time.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb 4/26/55

Copy to: DMEA Docket
Sol. Docket
J. L. Hofflund
H. C. Rubin
E. W. Ellis (2)
Chron. File

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

Surname copy
F L Knouse
Ellis

April 14, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-E408
Gateway Mining and Development Co.
Gilmore, LaSal, Tetsloff,
John Thornton, John Brown, and
La Salle claims
Mesa County, Colorado

INTERIOR DEPT.
APR 15 1955
SOLICITOR

Reference is made to letter dated February 14, 1955, from the Flanders Mining Company which was transmitted to Washington by the Executive Officer, DMEA Field Team, Region III, under date of March 9, 1955; Mr. Traver's further memorandum to the Operating Committee on March 11, and your memorandum to the Administrator, dated March 30.

In accordance with the suggestion made in your memorandum, we requested the Flanders Mining Company to furnish us with a copy of the document which transferred the interests of the Gateway Mining and Development Company to them. We now have their letter of April 11, together with the Special Warranty Deed dated October 1, 1954, transferring the mining claims, with copies of Exhibits A, B, and C, which we are referring to you herewith for further review.

We concur with Mr. Traver's memorandum dated March 9 to the Operating Committee that no ground presently included in the contract be deleted; also that the claims recently located by Flanders to cover unlocated fractions within the block of ground originally included under Article 2 should now be included to more fully protect the Government's interest.

Therefore, please draft the necessary reply to Flanders rejecting their proposal, and also prepare the necessary documents for the signature of the Flanders Mining Company to include the claim Fraction No. 1 and Stockton Fraction in the contract.

/s/ F. L. Knouse

F. L. Knouse

FLKnouse/gla
cc: Docket
Code 700
Mr. Knouse

4/13/55-gla

Flanders Mining Company
POST OFFICE BOX 861
Grand Junction, Colorado

April 11, 1955

Defense Minerals Administration
RECEIVED
APR 13 1955

Mr. C. O. Mittendorf
Defense Mineral Exploration Adm.
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA 2128
Contract No. Idm - E 408
Gateway Mining &
Development Co.

Dear Mr. Mittendorf:

As requested in your letter of April 1, 1955, we are enclosing a carbon copy of the Special Warranty Deed dated October 1, 1955, transferring the mining claims in question from the Gateway Mining & Development Company to the Flanders Mining Company, together with carbon copies of Exhibits "B" and "C", and a photostatic copy of Exhibit "A".

Additional information shall be forwarded as requested.

Very truly yours,

FLANDERS MINING COMPANY

William M. Spencer

William M. Spencer

WMS:b
Enc.

COPY

Recorded at 10:26 O'clock A.M. Oct. 4, 1954
Reception No. 614413 Annie M. Dunston, Recorder

Federal Minerals Administration
RECEIVED
OCT 13 1955

SPECIAL WARRANTY DEED

THIS DEED, Made this first day of October, in the year of our Lord one thousand nine hundred and fifty-four, between GATEWAY MINING AND DEVELOPMENT COMPANY, INC., a corporation duly organized and existing under and by virtue of the laws of the State of Colorado, of the first part, and FLANDERS MINING COMPANY, a copartnership consisting of FREDERICK L. ANDERSON, LEE VAN ATTA, and HAZEN P. SLAGEL, of the second part;

WITNESSETH, That the said party of the first part, for and in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration, to the said party of the first part, in hand paid by the said party of the second part, the receipt whereof is hereby confessed and acknowledged, has granted, bargained, sold and conveyed and by these presents does grant, bargain, sell, convey and confirm unto the said party of the second part, its successors and assigns forever, all the following described lots or parcels of land, situate, lying and being in the County of Grand and State of Utah and County of Mesa and State of Colorado, to-wit:

All real property of the party of the first part, including without limitation the mining claims described in Exhibit "A" hereto attached and hereby made a part hereof as though fully set forth herein.

This conveyance is subject to the encumbrances described in Exhibit "B" hereto attached and hereby made a part hereof as fully as though set forth herein.

RESERVING AND EXCEPTING, However, to the party of the first part, its successors and assigns, the royalty interest described in Exhibit "C" attached hereto and made a part hereof as though fully set forth herein.

Together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever, of the said party of the first part, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances; TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances unto the said party of the second part, its successors and assigns forever.

And the said party of the first part, for itself and its successors covenants and agrees to and with the said party of the second part, its successors and assigns, the above bargained premises in the quiet and peaceable possession of the said party of the second part, its successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, by, through or under the said party of the first part, to WARRANT AND DEFEND FOREVER.

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

GATEWAY MINING AND DEVELOPMENT CO., INC.

BY s/ Herman J. Tetzloff

EXHIBIT "A" TO DEED MADE THE FIRST DAY OF OCTOBER, 1954, BETWEEN GATEWAY MINING AND DEVELOPMENT COMPANY, INC. AND FLANDERS MINING COMPANY, A COPARTNERSHIP CONSISTING OF FREDERICK L. ANDERSON, LEE VAN ATTA AND HAZEN P. SLAGEL

Claim		Recorded	Book	Page
Big Jake 1		Nov. 14, 1950	9 J	528
Big Jake 1	**	Sept. 3, 1954	37	524
Big Jake 2		Nov. 14, 1950	9 J	528
Big Jake 2	**	Sept. 3, 1954	37	525
Big Jake 3		Nov. 14, 1950	9 J	528
Big Jake 3	**	Sept. 3, 1954	37	526
Big Jake 4		Nov. 14, 1950	9 J	528-529
Big Jake 4	**	Sept. 3, 1954	37	527
Big Jake 5		Nov. 14, 1950	9 J	529
Big Jake 5	**	Sept. 3, 1954	37	528
Big Jake 6		Nov. 14, 1950	9 J	529
Big Jake 6	**	Sept. 3, 1954	37	529
Big Jake 7		Nov. 14, 1950	9 J	529
Big Jake 7	**	Sept. 3, 1954	37	530
Big Jake 8		Nov. 14, 1950	9 J	529
Big Jake 8	**	Sept. 3, 1954	37	531
Big Jake 9		Nov. 14, 1950	9 J	530
Big Jake 9	**	Sept. 3, 1954	37	532
Big Jake 10		Nov. 14, 1950	9 J	530
Big Jake 10	**	Sept. 3, 1954	37	533
Bonanza 8		Jan. 5, 1950	9 J	391
Bonanza 8	Amend.***	Aug. 24, 1953	11	45
Bonanza 9		Jan. 5, 1950	9 J	391
Bonanza 9	Amend.***	Aug. 24, 1953	11	46
Bonanza 10		Jan. 5, 1950	9 J	391
Bonanza 10	Amend	Aug. 24, 1954	35	454
Bonanza 10	**	Sept. 3, 1954	37	541
Bonanza 11		March 1950	9 J	409
Bonanza 11	Amend.	Aug. 24, 1954	35	455
Corvusite 1		June 8, 1949	9 J	255
Corvusite 2		June 8, 1949	9 J	255
Corvusite 3		June 8, 1949	9 J	256
Corvusite 3	**	Sept. 3, 1954	37	542
Corvusite 4		June 8, 1949	9 J	256
Corvusite 4	**	Sept. 3, 1954	37	543
Corvusite 5		June 8, 1949	9 J	256
Corvusite 5	**	Sept. 3, 1954	37	544
Corvusite 16		June 8, 1949	9 J	265
Corvusite 16	**	Sept. 3, 1954	37	510
Corvusite 19		Oct. 21, 1950	9 J	514
Corvusite 19	Amend ***	Aug. 24, 1953	11	47
Corvusite 20		Oct. 21, 1950	9 J	514
Corvusite 20	Amend.***	Aug. 24, 1953	11	48
Corvusite 20	Amend.	Aug. 24, 1954	35	456
Corvusite 21		Oct. 21, 1950	9 J	514
Corvusite 21	Amend.***	Aug. 24, 1953	11	48
Corvusite 21	Amend.	Aug. 24, 1954	35	457

Corvusite 22		Oct. 21, 1950	9 J	515
Corvusite 22	Amend.***	Aug. 24, 1953	11	50
Corvusite 23		Oct. 21, 1950	9 J	515
Corvusite 23	Amend.***	Aug. 24, 1953	11	51
Corvusite 24		Oct. 21, 1950	9 J	515
Corvusite 24	Amend.***	Aug. 24, 1953	11	52
Corvusite 25		Oct. 21, 1950	9 J	515
Corvusite 25	Amend.***	Aug. 24, 1953	11	53
Corvusite 26		May 27, 1950	9 J	440
Corvusite 26	**	Sept. 3, 1954	37	511
Corvusite 27		May 27, 1950	9 J	511
Corvusite 27	Amend	Aug. 24, 1954	35	458
Corvusite 28		July 31, 1950	35	487
Corvusite 28	Amend.***	Aug. 24, 1953	11	54
Corvusite 28	Amend	Aug. 24, 1954	35	459
Corvusite 29		July 31, 1950	9 J	487
Corvusite 29	Amend	Aug. 24, 1954	35	460
Corvusite 29	**	Sept. 3, 1954	37	545
Corvusite 30		July 31, 1950	9 J	487
Corvusite 30	**	Sept. 3, 1954	37	512
Corvusite 31		Sept.23, 1950	37	497
Corvusite 31	Amend.***	Aug. 24, 1953	11	55
Corvusite 32		Sept.23, 1950	9 J	497
Corvusite 32	Amend.***	Aug. 24, 1953	11	56
Corvusite 33		Sept.23, 1950	9 J	497
Corvusite 33	Amend.***	Aug. 24, 1953	11	57
Corvusite 34		Sept.23, 1950	9 J	498
Corvusite 34	Amend.***	Aug. 24, 1953	11	58
Corvusite 35		Sept.23, 1950	9 J	498
Corvusite 35	Amend.***	Aug. 24, 1953	11	59
Corvusite 36		Sept.23, 1950	9 J	498
Corvusite 36	Amend ***	Aug. 24, 1953	11	60
Corvusite 37		Sept.23, 1950	9 J	498
Corvusite 37	Amend.***	Aug. 24, 1953	11	61
Corvusite 38		Sept.23, 1950	9 J	499
Corvusite 38	Amend.***	Aug. 24, 1953	11	62
Corvusite 39		Sept.23, 1950	9 J	499
Corvusite 39	Amend.***	Aug. 24, 1953	11	63
Corvusite 40		Sept.23, 1950	9 J	499
Corvusite 40	Amend ***	Aug. 24, 1953	11	64
Salt Wash 1		Oct. 10, 1949	9 J	329
Salt Wash 1	Amend.***	Aug. 24, 1953	11	35
Salt Wash 2		Oct. 10, 1949	9 J	329
Salt Wash 2	Amend.***	Aug. 24, 1953	11	36
Salt Wash 3		Oct. 10, 1949	9 J	330
Salt Wash 3	Amend.***	Aug. 24, 1953	11	37
Salt Wash 4		Oct. 10, 1949	9 J	330
Salt Wash 4	Amend.***	Aug. 24, 1953	11	38
Salt Wash 5		Oct. 10, 1949	9 J	330
Salt Wash 5	Amend.***	Aug. 24, 1953	11	39
Salt Wash 6		Oct. 10, 1949	9 J	330
Salt Wash 6	Amend.***	Aug. 24, 1953	11	40
Salt Wash 7		Oct. 10, 1949	9 J	331
Salt Wash 7	Amend.***	Aug. 24, 1953	11	41
Salt Wash 8		Oct. 10, 1949	9 J	331
Salt Wash 8	Amend.***	Aug. 24, 1953	11	42

Salt Wash 9	Oct. 10, 1949	9 J	331
Salt Wash 9 Amend.***	Aug. 24, 1953	11	43
Salt Wash 10	Oct. 10, 1949	9 J	331
Salt Wash 10 Amend.***	Aug. 24, 1953	11	44
Urantah 9	Aug. 24, 1950	9 J	492
Urantah 9 **	Sept. 3, 1954	37	528
Urantah 10	Aug. 24, 1950	9 J	492
Urantah 11	Aug. 24, 1950	9 J.	493
Urantah 12	Aug. 24, 1950	9 J	493
Urantah 13	Aug. 24, 1950	9 J	493
Urantah 13 Amend.	Aug. 14, 1954	34	132
Urantah 14	Aug. 24, 1950	9 J	493
Urantah 14 Amend.	Aug. 14, 1954	34	133
Urantah 15	Aug. 24, 1950	9 J	494
Urantah 15 Amend.	Nov. 10, 1950	9 J	524
Urantah 16	Aug. 24, 1950	9 J	494
Urantah 17	Aug. 24, 1950	9 J	494
Urantah 17 Amend.	Nov. 10, 1950	9 J	524
Urantah 18	Aug. 24, 1950	9 J	494
Urantah 18 Amend.	Nov. 10, 1950	9 J	524
Urantah 19	Aug. 24, 1950	9 J	494
Urantah 19 Amend.	Nov. 10, 1950	9 J	525
Urantah 20	Nov. 20, 1953	14	35
Utah 1	Jan. 5, 1950	9 J	391
Utah 1 **	Sept. 3, 1954	37	547
Utah 2	Jan. 5, 1950	9 J	392
Utah 2 **	Sept. 3, 1954	37	548
Utah 3	Jan. 5, 1950	9 J	392
Utah 3 **	Sept. 3, 1954	37	549
Utah 4	Jan. 5, 1950	9 J	392
Utah 4 **	Sept. 3, 1954	37	550
Utah 5	Jan. 5, 1950	9 J	390
Utah 5 **	Sept. 3, 1954	37	534
Utah 6	Jan. 5, 1950	9 J	390
Utah 6 **	Sept. 3, 1954	37	535
Utah 8	Nov. 14, 1950	9 J	530
Utah 8 **	Sept. 3, 1954	37	536
Utah 9	Nov. 14, 1950	9 J	530
Utah 9 Amend	Aug. 24, 1954	35	461
Utah 9 **	Sept. 3, 1954	37	551
Utah 10	Nov. 14, 1950	9 J	531
Utah 10 **	Sept. 3, 1954	37	537
Utah 11	Nov. 15, 1950	9 J	531
Utah 11 Amend	Aug. 24, 1954	35	462
Utah 11 **	Sept. 3, 1954	37	552
Utah 12	Nov. 15, 1950	9 J	531
Utah 12 **	Sept. 3, 1954	37	538
Utah 13	Nov. 15, 1950	9 J	531
Utah 13 Amend ***	Nov. 20, 1953	14	38
Utah 13 Amend	Aug. 24, 1954	35	463
Utah 16	Nov. 15, 1950	9 J	532
Utah 16 **	Sept. 3, 1954	37	539
Utah 17	Nov. 15, 1950	9 J	532
Utah 17 **	Sept. 3, 1954	37	540

Arthur	Nov. 20, 1953	14	36
Arthur Amend ****	Aug. 20, 1954	37	513
Arthur Extension	Sept. 3, 1954	37	521
Big Jake Annex 1	Sept. 3, 1954	37	553
Big Jake 2	Sept. 3, 1954	37	554
Big Jake 3	Sept. 3, 1954	37	555
Hartmann	July 1, 1951	9 K	112
Hartmann Extension	Sept. 3, 1954	37	522
La Sal	June 3, 1950	9 J	444
La Sal Amend	Aug. 24, 1954	35	453
Rosella	Nov. 20, 1953	14	34
Rosella Amend.****	Aug. 20, 1954	37	514
Rosella Extension	Sept. 3, 1954	37	523
Urantah 10 Extension	Sept. 3, 1954	37	515
Urantah 11 Extension	Sept. 3, 1954	37	516
Urantah 13 Extension	Sept. 3, 1954	37	517
Urantah 16 Extension	Sept. 3, 1954	37	518
Urantah 19 Extension	Sept. 3, 1954	37	519
Urantah 20 Extension	Sept. 3, 1954	37	520
Utah Annex 1	Sept. 3, 1954	37	556

** Relocated under Public Law 585
*** Amended under Public Law 250
**** Amended under Public Law 585

(The foregoing unpatented mining claims recorded in the Recorder's office of Grand County, Utah.)

(The following unpatented mining claims recorded in the Clerk and Recorder's office of Mesa County, Colorado.)

John Brown 1		July 10, 1950	528	490
John Brown 2		July 10, 1950	528	489
John Brown 3		August 23, 1950	531	391
John Brown 4		August 23, 1950	531	392
John Brown 5		August 23, 1950	531	393
John Brown 6		August 23, 1950	531	394
John Brown 7		August 23, 1950	531	395
John Brown 8		August 23, 1950	531	396
John Brown 9		August 23, 1950	531	397
John Brown 10		August 23, 1950	531	398
John Brown 11		Sept. 22, 1950	533	158
John Brown 12		Sept. 22, 1950	533	159
John Brown 13		Sept. 22, 1950	533	160
John Brown 14		Sept. 22, 1950	533	161
John Brown 15		Sept. 22, 1950	533	162
John Brown 16		Sept. 22, 1950	533	163
John Brown 17		Sept. 22, 1950	533	164
John Brown 18		Sept. 22, 1950	533	165
John Brown 19		Sept. 22, 1950	533	166
John Brown 19	Amend.	Aug. 23, 1954	614	541
John Brown 20		Sept. 22, 1950	533	167
John Brown 20	Amend.	Feb. 26, 1951	542	161
John Brown 21		Oct. 4, 1950	533	543
John Brown 21	Amend.	Feb. 26, 1951	542	162
John Brown 21	Amend.	Aug. 23, 1954	614	542

John Brown 22		Oct. 4, 1950	533	544
John Brown 22	Amend.	Feb. 26, 1951	542	160
John Brown 23		Oct. 4, 1950	533	546
John Brown 23	Amend.	May 2, 1951	547	21
John Brown 24		Oct. 4, 1950	533	545
John Brown 24	Amend.	May 2, 1951	547	22
John Brown 25		Oct. 4, 1950	533	548
John Brown 25	**	Sept.11, 1954	617	463
John Brown 26		Oct. 4, 1950	533	547
John Brown 26	Amend.***	Nov. 7, 1953	13	81
John Brown 27		Oct. 4, 1950	533	549
John Brown 27	Amend	Feb. 26, 1951	542	163
John Brown 28		Feb. 26, 1951	542	158
John Brown 29		Feb. 26, 1951	542	159
La Sal 1		May 13, 1949	504	155
La Sal 1	Amend.	May 27, 1949	504	489
La Sal 1	Amend	Aug.23, 1954	614	538
La Sal 2		May 9, 1949	503	573
La Sal 2	Amend.	May 27, 1949	504	494
La Sal 2	Amend.	Oct.24, 1950	535	17
La Sal 2	Amend	Aug.23, 1954	614	539
La Sal 3		May 9, 1949	503	574
La Sal 3	Amend.	May 27, 1949	504	490
La Sal 3	Amend.	Aug.23, 1954	614	540
La Sal 4		May 9, 1949	503	572
La Sal 4	Amend.	Apr.23, 1952	564	548
La Sal 5		May 14, 1949	504	196
La Sal 5	Amend	Apr.23, 1952	564	549
La Sal 6		May 27, 1949	504	493
La Sal 6	Amend	Apr.23, 1952	564	547
La Sal 7		Oct. 4, 1950	533	532
La Sal 7	Amend.	Apr.23, 1952	564	550
La Sal 8		Oct. 4, 1950	533	533
La Sal 9		Oct. 4, 1950	533	534
La Sal 9	Amend.	July 21, 1953	586	564
La Sal 10		Oct. 4, 1950	533	535
La Sal 10	Amend.	July 21, 1953	586	563
La Sal 11		July 23, 1954	611	378
La Sal 12		Dec. 23, 1953	595	17
Salt Wash 11		Oct. 4, 1950	533	536
Salt Wash 11	Amend.***	Aug.24, 1953	588	201
Salt Wash 12		Oct. 4, 1950	533	537
Salt Wash 12	Amend.***	Aug.24, 1953	588	202
Salt Wash 13		Oct. 4, 1950	533	538
Salt Wash 13	Amend ***	Aug.24, 1953	588	203
Salt Wash 14		Oct. 4, 1950	533	539
Salt Wash 14	Amend ***	Aug.24, 1953	588	204
Salt Wash 15		Oct. 4, 1950	533	540
Salt Wash 15	Amend ***	Aug.24, 1953	588	205
Salt Wash 16		Oct. 4, 1950	533	541
Salt Wash 16	Amend.***	Aug.24, 1953	588	206
Salt Wash 17		Oct. 4, 1950	533	542
Salt Wash 17	Amend ***	Aug.24, 1953	588	207

Urantah 21	Sept. 11, 1954	617	469
Urantah 22	Sept. 11, 1954	617	470
Urantah 22 Extension	Sept. 9, 1953	589	74
Utah 2	Sept. 11, 1954	617	462
Utah 7	Aug. 17, 1954	613	560
Utah 12	Sept. 11, 1954	617	464
Utah 13	Sept. 11, 1954	617	465
Utah 14	Sept. 11, 1954	617	466
Utah 15	Sept. 11, 1954	617	467
Utah 16	Sept. 11, 1954	617	468
Babbie	Aug. 23, 1953	531	390
Babbie Extension	Sept. 23, 1954	619	35
Big Jake 9	Sept. 11, 1954	617	461
Bluepoint	May 13, 1954	604	498
Duffy	May 7, 1951	547	182
Duffy Extension	Sept. 23, 1954	619	39
Gilmore	Feb. 19, 1951	541	576
Henrietta	Dec. 23, 1953	595	13
Henrietta Amend ****	Sept. 1, 1954	617	457
Henrietta Extension	Sept. 11, 1954	617	490
John Brown Annex	July 29, 1954	612	104
John Brown Annex **	Sept. 22, 1954	618	500
John Brown Annex 1	July 29, 1954	612	105
John Brown Annex 1 **	Sept. 22, 1954	618	501
John Brown Annex 2	July 29, 1954	612	106
John Brown Annex 2 **	Sept. 22, 1954	618	502
John Brown Annex 3	Aug. 5, 1954	612	411
John Brown Annex 3 **	Sept. 22, 1954	618	503
John Brown Annex 4	Aug. 5, 1954	612	412
John Brown Annex 4 **	Sept. 22, 1954	618	504
John Brown Annex 5	Aug. 5, 1954	614	413
John Brown Annex 5 Amend.	Aug. 23, 1954	614	543
John Brown Annex 5 **	Sept. 22, 1954	618	505
John Brown Annex 6	Aug. 23, 1954	614	544
John Brown Annex 6 **	Sept. 22, 1954	618	506
John Brown Annex 7	Aug. 23, 1954	614	545
John Brown Annex 7 **	Sept. 22, 1954	618	507
John Brown Annex 8	Aug. 23, 1954	614	546
John Brown Annex 8 **	Sept. 22, 1954	618	508
John Brown Annex 9	Aug. 23, 1954	614	547
John Brown Annex 9 **	Sept. 22, 1954	618	509
John Brown Annex 10	Aug. 23, 1954	614	548
John Brown Annex 10**	Sept. 22, 1954	618	510
John Brown 14 Extension	Sept. 23, 1954	619	37
John Brown 15 Extension	Sept. 23, 1954	619	38
Johnson	May 7, 1951	547	181
Johnson Amend	Aug. 12, 1954	613	216
John Thornton	Aug. 23, 1952	564	551
Karns	Feb. 5, 1951	541	76
Karns Extension	Sept. 23, 1954	619	36

La Sal Annex	Aug. 4, 1954	612	328
La Sal Annex **	Sept.22, 1954	618	511
La Sal 1 Extension	Sept.23, 1954	619	40
La Sal 6 Extension	Sept.23, 1954	619	41
Litz Fraction	Sept.23, 1954	619	34
Norbert Newheisel	May 23, 1952	564	552
Newheisel Extension	Dec. 23, 1953	595	15
Newheisel Extension Amend.	Aug. 23, 1954	614	550
Robert	Dec. 23, 1953	595	14
Robert Amend.****	Sept. 1, 1954	617	548
Salt Wash 18	Aug. 28, 1954	614	549
Salt Wash 18 **	Sept.22, 1954	618	512
Stockton Fraction	Aug. 5, 1954	612	414
Stockton Fraction **	Sept.22, 1954	618	513
✓Tetzloff	May 2, 1951	547	23
Tetzloff Extension	Sept.23, 1954	619	42
Thornton Extension	Dec. 23, 1953	595	12
Thornton Extension Amend.	Aug. 23, 1954	614	551
Tiny Brown	May 7, 1951	547	183
Utah Annex 2	Sept.11, 1954	617	459

** Relocated under Public Law 585
*** Amended under Public Law 250
**** Amended under Public Law 585

except all those portions of La Sal No. 8, La Sal No. 9, La Sal No. 10, S½ of La Sal No. 7, S 600 feet of La Sal No. 5, heretofore conveyed to ALAN M. SIMPSON, et al. as in said deed recorded April 14, 1954, in Book 602 at page 334 of the records of the County Clerk and Recorder of Mesa County, Colorado.

The party of the first part also conveys to the party of the second part the following-described property as described in a deed dated the 21st day of December 1953, wherein Alan M. Simpson and Julian E. Simpson, doing business as Simpson Mining Company and Arthur Hamilton, Otil Phillips, Jr., John W. Harris, W. D. McDavid, Rex Phillips and Graham B. Ladd, as grantors, conveyed to the Corvusite Mining and Exploration Company and J. W. Lewis, Grantees, to-wit:

All those portions of Rajah No. 1, Rajah No. 11, Rajah No. 13, Rajah No. 72, Rajah No. 66, Rajah No. 67, Rajah No. 68, La Sal No. 4, La Sal No. 5, La Sal No. 7, La Sal No. 6, La Sal No. 8, La Sal No. 9, La Sal No. 10 lode mining claims, lying within the boundaries of the following described area, to-wit:

Beginning at point A, from whence the Southeast Corner of Section 36, Township 51 North, Range 20 West, New Mexico Principal Meridian bears South 50°30' 10" East 1932.3 feet (such point lies 163 feet West of corner number 3 of Rajah No. 1); thence South 338 feet to Southeast corner of La Sal No. 4, a monument in place; thence West 600 feet to the Southwest corner of La Sal No. 4 which is also the Southeast corner of La Sal No. 5, a monument in place; thence West 437 feet to point B, from whence corner No. 3 of Rajah No. 13, a monument in place, bears North 338 feet; thence West 173 feet to Point C, from whence USGS drill

hold No. BV-50 bears North 68°30' West 213 feet; thence North 338 feet to Point D; from whence the Southeast Corner of La Sal No. 7, a monument in place, bears North 285 feet; thence West 427 feet to corner No. 4 of Rajah No. 13, a monument in place; thence West 600 feet to corner No. 4 of Rajah No. 15, a monument in place, thence North 285 feet to point E, from whence corner No. 3 of Rajah No. 72, a monument in place, bears North 315 feet; thence West 473 feet to F, from whence corner No. 4 of Dakota No. 6, a monument in place, bears South 21° West, 310 feet; thence North 300 feet to point G; thence North 15 feet to point H; thence West 276 feet to the North side center stake of Rajah No. 72, a monument in place; thence West 750 feet to corner No. 2 of Rajah No. 72, a monument in place; thence South 15 feet to point I; thence South 585 feet to corner No. 1 of Rajah No. 72, a monument in place; thence South 15 feet to point J; thence West 574 feet to point K, from whence the Southwest corner of La Sal No. 10, a monument in place, bears South 69° 30' West, 50 feet; thence North 600 feet to point L, from whence USGS drill hold No. BV-69 bears South 54° West, 278 feet; thence East 100 feet to point M, from whence the East side center stake of Rajah No. 66, a monument in place bears South 67° East, 285 feet; thence North 600 feet to point N, from whence corner No. 1 of Rajah No. 66, a monument in place, bears North 85° West, 347 feet; thence East 262 feet to point O; thence North 37 feet to corner No. 2 of Rajah No. 63, a monument in place; thence North 300 feet to corner No. 4 of Rajah No. 67, a monument in place; thence North 263 feet to point P; thence 600 feet East to point Q; from whence corner No. 3 of Rajah No. 67, a monument in place, bears South 263 feet; thence East 638 feet to point R, from whence the Northeast corner of La Sal No. 8, a monument in place bears South 80° West, 12 feet; thence South 56° 37' 40" East, 3245.1 feet to point A, the place of beginning;

and also all those portions of Rajah No. 64, Dakota No. 2, La Sal No. 12, and Urantah No. 21 lode mining claims, lying within the boundaries of the following-described area, to-wit:

Beginning at Wilson's Monument 113M on the West boundary line of the State of Colorado, from whence the Southwest corner of Section 35, Township 51 North, Range 20 West, New Mexico Principal Meridian, (a closing corner on the West boundary of the State of Colorado) bears South 1019 feet, Wilsons Monument 113M is identical with Northwest corner of Urantah No. 21, a monument in place; thence East 600 feet to point S; thence South 96 feet to corner No. 3 of Rajah No. 64, a monument in place; thence East 215 feet to point T; thence South 22 feet to corner No. 3 of Dakota No. 7, a monument in place; thence South 600 feet to corner No. 4 of Dakota No. 7, a monument in place; thence South 600 feet to corner No. 4 of Dakota No. 7, a monument in place; thence South 600 feet to corner No. 4 of Dakota No. 5, a monument in place; thence West 215 feet to point U; thence South 182 feet to point V; from whence corner No. 4

of Rajah No. 65, a monument in place, bears North 1318 feet; thence West 85 feet to point W, from whence corner No. 1 of Dakota No. 2, a monument in place, bears North 182 feet; thence West 515 feet to point X, a point on the West boundary of the State of Colorado; thence North 481 feet to the Southwest corner of Section 35, Township 51 North, Range 20 West, New Mexico Principal Meridian; thence North 1019 feet to Wilson Monument 113M, the place of beginning.

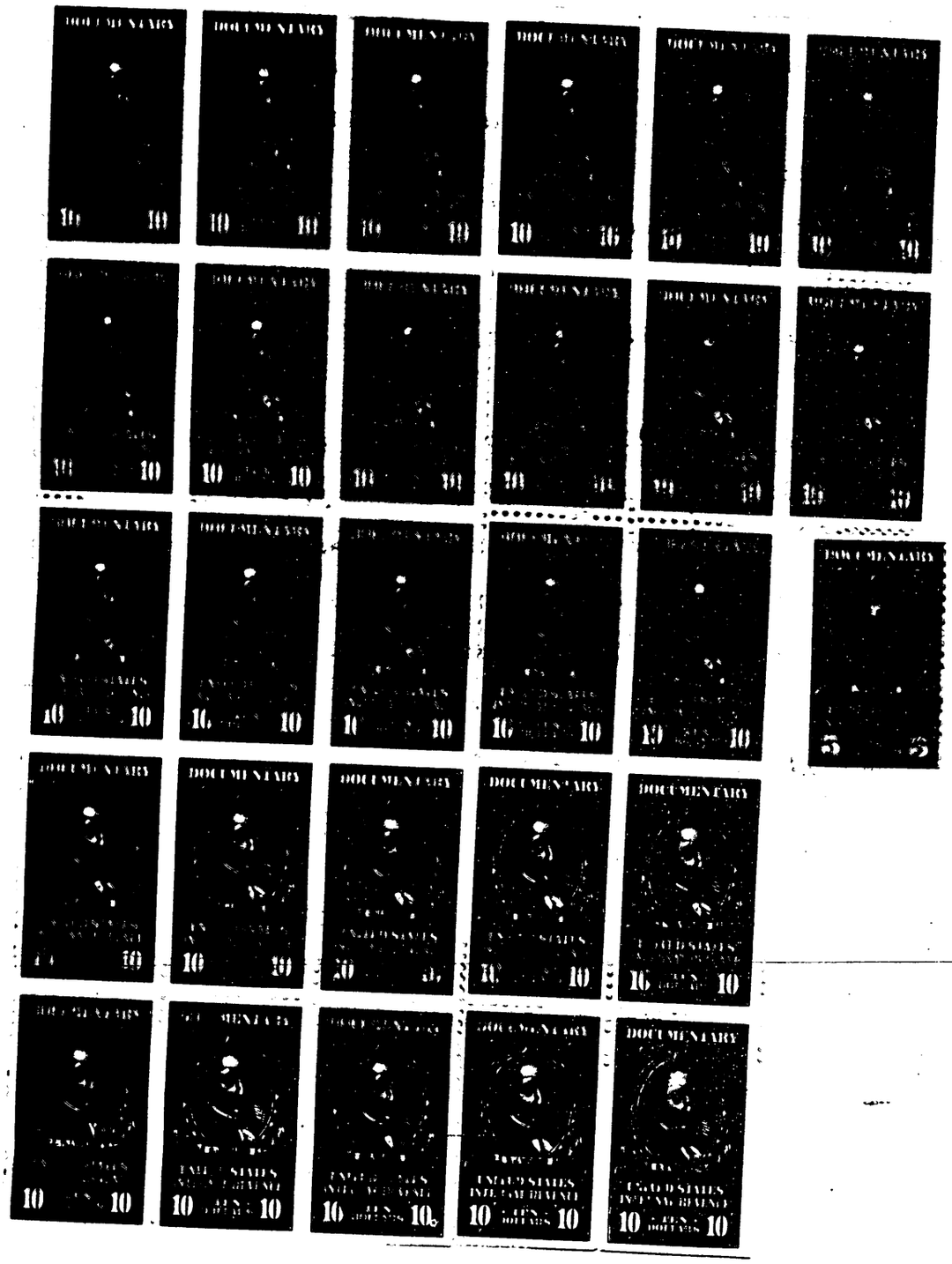

EXHIBIT B

To deed from Gateway Mining and Development Company, Inc., a Colorado corporation, to Flanders Mining Company, a co-partnership consisting of Frederick L. Anderson, Lee Van Atta and Hazen P. Slagel:

1. That certain Agreement of Lease, dated the 18th day of March, 1954, by and between First Party, as Lessor, and Utarado Mining Co., Inc. a Colorado Corporation, as Lessee, covering those certain unpatented mining claims located in the Gateway (unorganized) Mining District in Mesa County, Colorado, to-wit:

North Half of La Sal No. 3
La Sal Nos. 5, 6 and 7
Tetzloff

First Party's interest in and to said lease being hereby assigned to Second Party.

2. That certain Agreement of Lease dated the _____day of June, 1953, by and between First Party, as Lessor, and Harold Bowen, James F. Bowen, Euza V. Bowen, Howard Vest and Ann Lowe, doing business as Geranium Mining Company, as Lessees, covering that certain unpatented mining claim situate in the Gateway (unorganized) Mining District in Mesa County, Colorado, to-wit:

North Half of La Sal No. 2

First Party's interest in and to said lease being hereby assigned to Second Party.

3. Those certain payments to the Defense Minerals Exploration Administration pursuant to Exploration Project Contract by and between the United States of America acting through the Department of Interior, Defense Minerals Exploration Administration, and the First Party, dated the 26th day of September, 1952, Docket No. 2128.

EXHIBIT C

To deed from Gateway Mining and Development Company, Inc., a Colorado corporation, to Flanders Mining Company, a co-partnership consisting of Frederick L. Anderson, Lee Van Atta and Hazen P. Slagel:

1. Reserving and Excepting, however, unto First Party, its successors and assigns, 10% of the gross value of all ores, metals or minerals mined and sold from the mining claims hereby conveyed, and 10% of any production bonus paid by the United States Atomic Energy Commission, not including, however, any sums paid by any governmental agency as haulage or development allowance; said royalty payments to continue until the total sum of One Million Dollars ($1,000,000.00) has been paid to First Party, and thereupon to cease and terminate. The Second Party shall have no obligations whatsoever to pay any part of said sum of One Million Dollars ($1,000,000.00) ether than from proceeds, as and if received, of ores mined from said mining claims, or any of them.

2. The Bank of Menomonie, Menomonie, Wisconsin, its successors and assigns, is hereby designated irrovocably as the sole and exclusive Agent of First Party, its successors and assigns, to receive any and all royalty payable under this reservation, with full power in said Agent to give receipts and final acquittances and releases therefor. Such designation of said Agent shall be binding upon First Party, its successors and assigns; and Second Party, its successors and assigns, shall be under no duty or obligation to inquire into the authority of said Agent, and shall be relieved of and protected from all further obligation for all and every part of such royalty, upon payment thereof to said Agent.

3. Said royalty shall be subordinated to any contractual obligations hereafter incurred by Second Party, its successors and assigns, to the United States of America acting through the Department of the Interior, Defense Minerals Exploration Administration, or successor, for the purpose of exploring or developing said mining claims or any of them.

4. And reserving and excepting unto First Party, its successors and assigns, in addition to the royalty above described, a royalty of 10% of the gross proceeds realized from the sale of ores, metals or minerals mined and sold from the mining claims hereby conveyed, but not however, exceeding the sum of Two Hundred Fifty Dollars ($250.00) during any calendar month, until the sum of Sixteen Thousand Three Hundred Forty Dollars and Twenty-Four Cents ($16,340.24) is paid to First Party, and thereafter said additional royalty shall cease and terminate. Said additional royalty shall be subordinated and paid in the same manner as the royalties in paragraphs numbered 2 and 3 above.

Surname 700

F. L. Knouse

Ellis

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

APR - 1 1955

Mr. William M. Spencer
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Docket No. DMEA-2126 (Uranium)
Contract No. Idm-E408
Gateway Mining and Development Co.
Gilmore, LaSal, Tetsleff,
John Thornton, John Brown, and
La Salle Claims
~~Mesa and Grant Counties~~, Colorado

Dear Mr. Spencer:

This is in response to your letter dated March 14, 1955, addressed to the U. S. Bureau of Mines, Denver, Colorado, concerning a conflict in the land area described in the subject contract and your proposal to delete certain parts of this land area and add two claim fractions located by your Company.

In order for us to resolve this question please furnish us with a copy of the document which transferred the interests of the Gateway Mining and Development Company to Flanders Mining Company.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

FLKnouse:am
3-31-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
DMEA Field Team, Region III(2)

R.C.G.

Putin

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

MAR 30 1955.

Memorandum

To: The Administrator, DMEA
Attention: E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2128 (Uranium), Gateway Mining and Development Company, Mesa County, Colorado, Contract No. Idm-E408

In a memorandum dated March 17, Mr. Knouse requested that we review a letter dated February 14 from Flanders Mining Company to Mr. Shaw and memoranda from field representatives commenting thereon, and recommended that Flanders request to delete certain claims from royalty obligation be denied.

The Flanders letter states that Flanders acquired all assets of Gateway Mining Company on October 1, 1954, and that "the interests of the DMEA are adequately protected by the pertinent documents pertaining to the sale"; that the drilling performed under the subject contract was "localized in a very small area relative to the claims included in the loan"; and that a transit survey of the claims in question indicated that they were not contiguous, requiring Flanders to file two fractional claims. Flanders offers to subject the fractional claims to royalty payments if the Government will delete 6 claims from royalty obligation under the contract, they being various distances away from the drilling project area.

The project was certified on July 3, 1953, it apparently having been completed sometime prior thereto. The contract is on the short form (February 1952). Article 7 of the Contract provides that the Operator shall not transfer its rights in the land without making suitable provision for the preservation of the Government's right to percentage royalty, and if it does not make such provision it remains liable for royalty.

It should be noted that the obligations of Gateway and Flanders to the Government occur in two separate ways;

DMEA Docket

the former depend upon the exploration contract, and the latter depend upon whatever arrangement Gateway made with Flanders to preserve the Government's royalty claim against the property transferred. We do not have copies of the documents between Gateway and Flanders evidencing the transaction, but we do have Flanders' assurance "that the interests of the DMEA are adequately protected by the pertinent documents." Possibly these documents would show that Flanders is required to pay royalty on the fractional claims regardless of any concession by the Government,--i.e., without releasing the more remote property as suggested by Flanders. Even if Flanders is not now liable for royalty on the fractional claims, yet Gateway would remain liable under the exploration contract.

Before declining Flanders' proposal, I deem it desirable that you should weigh the foregoing considerations and advise us of your conclusions. You may wish to ask Flanders for copies of the documents in question so as to ascertain just what Flanders' obligations are. On the other hand, if you think that the Government's royalty rights against the fractional claims are not of much importance, and are willing to look only to Gateway for the payment of royalty with respect thereto, you may prefer simply to reject Flanders' proposal. We will prepare such response to Flanders' inquiry as may be indicated by your further advice to us.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

~~JLHm~~HCRubin/JLHofflund/emd

Copy to: DMEA Docket
Solicitor's Docket
E. W. Ellis (2)
J. L. Hofflund
H. C. Rubin
chron.

Surname 700

Ellis

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

March 17, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-4408
Gateway Mining and Development Company
Mesa County, Colorado

This refers to memoranda dated March 9 and 11 from the Executive Officer, Region III, with attachments, and a letter from Mr. William M. Spencer of the Flanders Mining Company (the reported property owners) concerning a conflict determined by a survey in the land area described in the subject contract.

This survey shows that some of the claims described in the contract are not contiguous (i.e., forming a solid block) as shown by the map attached to the contract and submitted by the Operator. Mr. Spencer proposes to exclude certain mining claims described in the contract and add fractions they have located that would form a small block of land covering the area drilled. We see no reason to exclude any of the land described in the contract and believe that the Operator should be required to correct and add such claim fractions to the contract as are required to constitute a contiguous block of land as shown on the map attached to the contract.

Please review the attachments and draft the necessary reply to the Flanders Mining Company.

F. L. Knouse

Attachments

FLKnouse:am
3-17-55
cc to: Docket
Code 700
Mr. Knouse

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

224 New Customhouse
Denver 2, Colorado

March 11, 1955

AIRMAIL

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Co., Mesa County, Colorado

Reference is made to my memorandum of March 9, 1955 transmitting material concerned with subordination of ground under the subject contract, especially the last paragraph with respect to recommendations.

It is my recommendation after further consideration that the Government insist on payment of royalty on production from all claims listed under Article 2 of the contract exclusive of the John Brown No. 1 claim but including fractional claims located by Flanders Mining Company to cover open area to form a solid block of claims.

This is in accordance with the Government's understanding when the contract was negotiated and supports the recommendation of Project Supervisor Shaw.

W. M. Traver

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

March 9, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Co., Mesa County, Colorado

Enclosed is the following material pertaining to ground subordinated under the subject contract:

1. Original and three copies of a letter dated February 14, 1955 from the Flanders Mining Company with attached three maps and transmittal thereof from John F. Shaw dated March 2, 1955.

2. Original and three copies of a memorandum from Carl Belser, Mining Engineer, U.S. Bureau of Mines, dated March 2, 1955.

Flanders Mining Company, purchaser of Gateway Mining and Development Company's interest, proposes that certain additional ground be added under Article 2 of the contract and that certain ground presently included be deleted.

We see no reason for deleting ground presently included under the contract. However, possibly the claims recently located to cover unlocated fractions within the block of ground originally included under Article 2 should now be included to more fully protect the Government's interests.

The matter appears to be one involving DMEA policy, therefore it is forwarded for your consideration and appropriate action without specific recommendations.

W. M. Traver

W. M. Traver

Enclosures

Maps in folder

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Bureau Mines Administration
RECEIVED
MAR 14 1955

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
March 2, 1955

Memorandum

To: John F. Shaw, Project Supervisor

From: Carl Belser

Subject: Claims subject to DMEA royalty under DMEA 2128, Idm-E408, Gateway Mining and Development Company, Mesa County, Colorado.

The engineer's report of Scott W. Hazen, Jr., dated July 11, 1952 lists the following claims:

Gilmore	LaSal No. 6
LaSal No. 1	LaSal No. 7
LaSal No. 2	John Brown No. 1
LaSal No. 3	Tetzloff
LaSal No. 4	John Thornton
LaSal No. 5	La Salle

These claims are also listed in the signed contract under Annex I.

Hazen adds "The purchase agreement from the Corvusite Mining and Exploration Company includes many other mining claims in the district, but they are not included in the exploration district." The property map of the Gateway Mining and Development Company by L. J. Coady, dated May 24, 1954, shows the properties included in DMEA project No. 2128 in red. Since then it appears that errors in the original survey have been found. The fractions (Stockton, LaSal Annex, LaSal No. 1 extension and LaSal No. 6 extension as well as the fraction south of the Tetzloff extension) should be included in the contract as it was understood by the Government that, with the exception of the John Brown No. 1, the claims formed a solid block and were so listed by the Gateway Mining and Development Company.

The DMEA exploration project cost $51,969.00, of which the Government's share was $46,772.10. Since the beginning of the contract, through January 5, 1955, the Gateway Mining and Development Company has shipped 1,235.104 dry tons of ore containing 10,219.01 pounds of U_3O_8 and 30,285.62 pounds of V_2O_5. The value of the ore was $65,104.92, from which the Government received $3,251.18 in royalties. The balance due the Government amounts to $43,520.92. An additional production, worth $870,418.40 would be required to amortize the Government's share of the direct costs of the DMEA project.

It is the writer's belief that the Thornton, LaSal No. 4, LaSal No. 5, LaSal No. 6, LaSal No. 7, and John Brown No. 1 claims should not be excluded from the contract and all the fractions found to exist by the new survey within the boundaries of the main claim block represented by the original applicant as a solid block should also be included.

Carl Belser
Carl Belser
Mining Engineer

cc WMTraver (5)
NEHarshman
DMEA 2128
Chron

CB/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd
MAR 2 1955

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
March 2, 1955

BUREAU OF MINES
Denver, Colorado

MAR 14 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Project Supervisor

Subject: Claims subject to DMEA royalty, DMEA 2128, Contract Idm-E408, Gateway Mining and Development Company, Mesa County, Colorado.

Enclosed are six copies of a letter dated February 14, 1955, from the Flanders Mining Company, regarding the claims included in Contract Idm-E408, three maps, and six copies of a memorandum from Carl Belser.

We believe that the Government is entitled to royalty on all production from the claims listed on the contract with the exception of the John Brown No. 1 claim. The original application of the Gateway Mining and Development Company represented that all the claims, with the exception of the John Brown No. 1 claim formed a solid block. A later survey showed that there were some open fractions between the original claims. These fractions have been located and the production from this ground should be subject to royalty. The Gateway Mining and Development Company agreed to pay on what was presumed to be a solid block of ground and the Government entered into the contract with this understanding. This was part of the consideration for the Government to enter into the contract and we see no reason why it should be changed at this time.

?

John F. Shaw

John F. Shaw

Enclosures

cc 6
NEHarshman
DMEA 2128
Chron

JFS/cm

Date Rec'd
FEB 17 1955
BUREAU OF MINES
Denver, Colorado

FLANDERS MINING COMPANY
Post Office Box 861
GRAND JUNCTION, COLORADO

February 14, 1955

DIST. ENGR.
EXAMINATION
DIST. CLERK
PERSONNEL
FILES

DMEA
Date Rec'd
MAR 3 1955
BUREAU OF MINES
Denver, Colorado

MAR 14

U. S. Bureau of Mines
Dept. of the Interior
Federal Center
Denver, Colorado

Attention: Mr. John Shaw

Dear Mr. Shaw:

E408

Reference is made to Docket Number 2128 - Uranium, a loan made to the Gateway Mining and Development Company of Grand Junction, Colorado.

Last October 1, Flanders Mining Company purchased the entire assets of the Gateway Mining and Development Company. The government is hereby informed that the interests of the DMEA are adequately protected by the pertinent documents pertaining to the sale.

Relative to the claims included in the loan, Flanders Mining Company requests that certain amendments be made for the following reasons:

1. The drilling was apparently localized in a very small area relative to the claims included in the loan.

2. A transit survey of the claims in question completed this summer indicates certain alterations in claim locations which were not realized when the loan was submitted.

Flanders requests that the following alterations in the contract be considered by the DMEA:

1. The claim fractions LaSal #1 and Stockton Fraction located as a result of the survey be included in the loan.

2. The Thornton claim located approximately 650 feet from the nearest drill hole be excluded.

3. The LaSal #4 and LaSal #5 claims located approximately 1000 feet from the nearest drill hole be excluded.

4. The LaSal #6 and LaSal #7 claims located approximately 1700 feet from the nearest drill hole be excluded.

5. The John Brown #1 claim located a mile and one-half from the nearest drill hole be excluded.

The following three maps have been forwarded for your examination:

1. A large scale map showing final surveyed locations of all DMEA holes.

2. A medium scale map showing the locations of the claims included in the loan relative to the drilling.

3. A small scale map showing in particular the relation of John Brown #1 to the drilling.

I enjoyed talking with you last Monday and sincerely hope we can get together again. Meanwhile, your consideration of this matter would be greatly appreciated.

Yours very truly,

FLANDERS MINING COMPANY

William M. Spencer

WMS:b

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

224 New Customhouse
Denver 2, Colorado

January 3, 1955

Mr. Carl C. Gilbert, President
Utaredo Mining Company
P. O. Box 41, Montrose, Colorado

Re: Royalty Payment, DMEA Docket 2128 (Uranium), Contract Dm-E408, Gateway Mining and Development Co., Inc. Mesa County, Colorado

Dear Mr. Gilbert:

We acknowledge receipt of your check in the amount of $3,882.17 and settlement sheets for shipments of ore. The amount of $3,253.52 was in payment of DMEA royalties due on these shipments. We would appreciate it if you would explain which Liquidation Nos. the $628.65 A.E.C. bonus payment applies to.

Yours very truly,

W. M. Traver

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

vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Chron.

140

FILE COPY
SURNAME:

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

Rewritten:

Rubin
Hollund
Rubin
Johnson
Lodge info.

DMEA-2128

MAY 17 1954

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

Re: Recording of Owner's Consent to Lien and Certificate of Discovery where Certification of Discovery is made

Dear Mr. King:

In your memorandum to me of April 27, you pointed out that the titles to interests in mining claims are frequently transferred, and recommended that consideration be given—

> ". . . to recording the Owner's Consent to Lien and the Certificate of Discovery at the time certification of discovery is made."

The matter of perfecting the Government's royalty claim arising out of exploration project contracts by the recordation of documents has been given frequent consideration, and the conclusion has always been reached that it is not feasible to do so. Attached hereto is a copy of a memorandum dated September 24, 1951, from the General Counsel to the Administrator, and a copy of a memorandum dated February 11, 1952, from the Administrator to Assistant Secretary Rose, both bearing upon this subject.

It should be pointed out that a party cannot be bound by the recordation of a document which he has not signed, and that operators do not sign the certification of discovery. Probably the only effective way to perfect the Government's lien by recordation would be to cause the signature of the operator on the exploration project contract and the signature of the landlord on an Owner's Consent to Lien to be acknowledged before a notary at the time they are executed. It is doubtful that the recordation of the certification of discovery and of the Owner's Consent to Lien would be effective without the recordation of the exploration contract which is the foundation of the Government's lien.

R.C.B.

You cite Docket No. DMEA-2128, Contract Idm-E408, Gateway Mining & Development Company, Incorporated, as an example where recording would have been beneficial to the Government. As a reason why it would be beneficial, you say:

> ". . . we understand that the LaSalle claim, included in Annex I of the contract and shown therein as a claim possessed by the Gateway Mining & Development Company, Incorporated, under lease, has been sold to an individual who plans to mine the ore disclosed by the exploration project on the La Salle claim. Thus, there will be two operators shipping ore from ground which was originally included in one contract."

The only person who could sell the "La Salle" claim would be the owner thereof, and presumably the title would be transferred subject to the leasehold which our operator has. This would not affect our operator's rights nor interfere with the Government's claim against the production.

Undoubtedly, it would be beneficial to bring operators' titles down to date and to require the perfection of the Government's lien by suitable recordings, but the question is whether the benefits of such practice would outweigh the obvious detriments with respect to time, difficulties, and expense. I know of no instance so far where the Government's royalty interest has been jeopardized by failure to record documents.

Sincerely yours,

C. O. Mitteadorf

Administrator

Enclosures 2

HCRubin:
JLHofflund:ep 5-11-54

Copy to: Docket No. DMEA-2128
Mails & Files
Administrator
Admin. Reading File
Mr. Ellis
Mr. Hofflund
Mr. Rubin
Chron.
Pending

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

Defense Minerals Administration
RECEIVED
MAY 6 - 1954

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

DATE: May 5, 1954

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

SUBJECT: Final geologic report, DMEA Docket 2128 (Uranium), Contract Idm-E 408, Gateway Mining and Development Company, Inc., Gilmore and La Sal group of claims, Sec. 36, T. 51 N., R. 20 W., and Sec. 31, T. 51 N., R. 19 W., Mesa County, Colorado

Results of exploration at the property identified above resulted in the discovery of 1,500 to 1,800 tons of indicated and inferred ore by the applicant's estimate and a discovery has already been certified. The geologic report on the results of the investigation has been reviewed.

The geologic review of the results of the exploration suggest that most of the ore bodies, which do not exceed a few hundred tons in size, are confined to a channel-like portion of the upper sandstone unit of the Salt Wash member of the Morrison formation. The drilling also served to define the approximate limits and probable trend of the channel feature. The geologist examiner believes that other deposits might be found by further exploration along the favorable trend and suggests that some Government assistance is justified. No indication was given, however, that any undiscovered ore bodies would be larger or more densly clustered than those already known.

I believe that any decision in regard to the possibility of further Government assistance should be withheld until such time as a new application might be presented.

Arthur P. Butler, Jr.

Copies to: E. Wm. Ellis (2)

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

Defense Minerals Administration
RECEIVED
MAY 3 - 1954

224 New Customhouse
Denver 2, Colorado

RECEIVED
MAY 4 - 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

April 27, 1954

Memorandum

To: C. O. Mittendorf

From: Executive Officer, DMEA Field Team, Region IV

Subject: Recording of Owner's Consent to Lien and Certificate of Discovery where Certification of Discovery is made.

It has come to the attention of this office that ownership of mining claims changes frequently. This is especially true of uranium mining claims during the present boom, which continues to grow.

To protect the Government's interest in its share of production which results from an Exploration Project, we recommend that consideration be given to recording the owner's consent to lien and the certificate of discovery at the time certification of discovery is made.

A good example is Docket No. DMEA 2128, Contract Idm-E408 (Uranium), Gateway Mining & Development Company, Incorporated, Mesa County, Colorado. The amount of Government participation was $46,772.10, and royalties in the amount of $1,194.05 have accrued to the Government from the sale of ore to date. This Exploration Project was certified July 3, 1953. Since that time we understand that the La Salle claim, included in Annex 1 of the contract and shown therein as a claim possessed by the Gateway Mining & Development Company, Incorporated, under lease, has been sold to an individual who plans to mine the ore disclosed by the Exploration Project on the La Salle claim. Thus, there will be two operators shipping ore from ground which was originally included in one contract. It is entirely possible that the ownership will change again before mining on this claim is completed.

We realize that consideration must also be given to the provision for release of the lien at the time of recording, and we will appreciate receiving your thoughts on these matters.

W. H. King

W. H. King

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

224 New Customhouse
Denver 2, Colorado

April 8, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2128 (Uranium), Contract Idm-E408, Gateway Mining and Development Company, Inc., Mesa County, Colorado - FINAL REPORT

In our memorandum to you of April 6, 1954, relative to the final reports on Contract Idm-E408, the date referred to as January 12, 1953 should have been June 12, 1953.

W. H. King

FILE COPY
SURNAME:

Knouse
Elfridge
Chandler

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

MAR 31 1954

Mr. Jack H. Lewis
P. O. Box 1202
Grand Junction, Colorado

Re: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-1408
Gateway Mining and Development
Company, Inc.
Mesa County, Colorado

Dear Mr. Lewis:

This is in reply to your letter of March 14, 1954, addressed to the U. S. Bureau of Mines, Denver, Colorado, concerning the possibility of obtaining the results of the exploration drilling done by the subject company on the La Salle claim under the above contract with this Agency.

Reports made by the Operator and the Government's Field Team are for the confidential use of the Government only and are not made available to the public. Although such information as you have requested is not made available to others, we have no objection to the Operator furnishing the land owner this information, or we will be glad to furnish it to you upon the written request of the Operator. The Operator's request should be addressed to Mr. [illegible] H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado.

We wish to call to your attention, that as a result of the exploration work, a Certification of Discovery or Development has been issued on this project. A copy of the certification is enclosed for your information. In view of this certification all production from the land described in the contract is subject to the Government's percentage royalty until the sum of $46,772.10 is paid or until September 26, 1962.

Enclosure
FLKnouse/FEJohnson/gla/bih
3-30-54
cc to: Docket
Admr. Reading File
Messrs. H.D.Keiser - Room 3641
A.P.Butler,Jr. - Room 3212 GSA
F.L.Knouse
F.E.Johnson
Region IV (2)

Sincerely yours,

C. O. Mittendorf

Administrator

RCB 3-31-54

Frank

This guy is the owner —
Signed an "Owner's Consent"
& now has the land back —
Project certified —
Rather than turn him down
completely — We should be able
to send him a copy of the
certification

C. O. Mittendorf (for) Liable for full amount of Gov. grant.

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

Mr. Jack W. Lewis
P. O. Box 1202
Grand Junction, Colorado

Re: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-E408
Gateway Mining and Development
Company, Inc.
Mesa County, Colorado

Dear Mr. Lewis:

This is in reply to your letter of March 14, 1954, addressed to the U. S. Bureau of Mines, Denver, Colorado, concerning the possibility of obtaining the results of the exploration drilling done by the subject company on the La Salle claim under the above contract with this Agency.

Reports made by the Operator and the Government's Field Team are for the confidential use of the Government only and are not made available to the public. ~~While~~ although such information as you have requested is not made available to others, we have no objection to the Operator furnishing the land owner this information, or we will be glad to furnish ~~you a copy~~ it to you upon the written request of the Operator.

The Operator's request should be addressed to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado.

We wish to call to your attention, that in a number of the [illegible] cases, [illegible] a copy of the [illegible] has been issued on this property. By reason of these certifications, all property [illegible] from the land [illegible] the contract [illegible] by the Government [illegible] until the sum of $6,172.10 is paid or until September 26, 1962.

Sincerely yours,

Administrator

~~1 Mrs. Schwartz~~

2 Mrs. Wittenberg

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

224 New Customhouse
Denver 2, Colorado

March 17, 1954.

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2128 (Uranium), Contract No. Idm-E408, Gateway Mining & Development Company, Mesa County, Colorado.

Enclosed are the original and two copies of a letter from Jake W. Lewis and a copy of our reply to 700. Mr. Lewis requests information on the drilling of the La Salle claim.

The drill holes on the La Salle claim are shown on the Operator's final report which was forwarded you with our letter of June 12, 1953. The final geologic report by the Geological Survey has not yet been received by this office.

We question the owner's right to obtain this information from this office while the lease is still in effect, and we are referring the letter to you for your consideration and reply.

W H King
W. H. King

Enclosures

C
O
P
Y

J. W. Lewis
P. O. Box 1202
Grand Junction, Colo.
3/14/54

U. S. Bureau of Mines
Denver, Colorado

Re: D.M.E.A. loan to Gateway Mining and Dev. Co.

I think I wrote you some time ago regarding this loan, as you know I have a claim in the loan group known as the La Salle, I signed the sub-or. agreement and am willing to assume the total cost of the total amount of drilling on my ground, the co. have violated their lease and is subject to canselation. I have one ore hole on my claim and am sur that the ore trend is crossing it, I am ready to start a tunnel thru the claim, expect to tap this ore and get into production soon.

I have never been able to find any reliable records on the drilling, could your office inform me as to the total footage, both core and wagon on the La Salle claim. If I have to pay out the intire loan I would at least like to know how much of the drilling was on my ground. Thanking you for any information you can give me at an early date, I am

Sincerely yours,

/s/ Jake W. Lewis

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

224 New Customhouse
Denver 2, Colorado

March 17, 1954.

Mr. Jake W. Lewis
P. O. Box 1202
Grand Junction, Colorado

Re: Docket DMEA-2128 (Uranium), Contract Idm-E408, Gateway Mining & Development Company

Dear Mr. Lewis:

This will acknowledge receipt of your letter dated March 14, 1954, requesting information on the drilling results on the La Salle claim.

Your letter is being forwarded to the Washington Office of the Defense Minerals Exploration Administration for their consideration and reply.

Very truly yours,

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

HMC:cwm
cc: Contract
Administrator, DMEA
RPFischer
WMTraver
AHKoschmann
Chron.

C O P Y

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

224 New Customhouse
Denver 2, Colorado

January 27, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty on Bonus Payments for Initial Production of Uranium Ore

Reference is made to your letter of inquiry dated January 20, 1954, concerning the above subject.

All operators of DMEA contracts for uranium have been notified that royalty is due on all AEC bonus payments. To date we have received the following amounts in payment of royalty on AEC Production Bonus:

E61	Cherokee Mines	626.41
E236	Excalibur Uranium Corp.	130.13
E381	Sunnyside Uranium Corp.	206.29
E399	Salina Mining & Smelting Co.	27.58
	Total	$990.41

In addition we have bonus royalty due on several shipments from various other operators for which we have requested payment.

We have been notified by the Gateway Mining Company, E408, DMEA-2128 and the Boomerang Mining Company, E445, that their properties are not eligible for AEC bonus payments. We have verified these statements through the AEC office in Grand Junction, Colorado

/s/ W. H. King

W. H. King