EXTRA COPY O. M. E. RECEIVED JUL 13 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

July 7, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 2128 (Uranium) Contract Idm-2403, Gateway Mining and Development Company, Inc. (Gilmore, LaSal, Tetzloff, 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

EMC:jy

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

8/7/59 Payment confirmed by July Supporting Schedule

LISBON URANIUM CORPORATION
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH

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

March 31, 1959

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 _____

FLANDERS MINING COMPANY

By Theron E. Sanders
Agent

EXTRA COPY
O. M. E.
RECEIVED JUL 13 1959
DATE | INITIALS

MSW:rm

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

EXTRA COPY
O. M. E.
RECEIVED MAY 6 1959

DATE	INITIALS	
		900

Copies To.
Chairman Op. Com
Finance

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. DMEA-2193 (Uranium) Gateway Mining & Development Co., Inc. Gilmore, LaBal, Yetzloff, John Thornton, John Brown and LaSalle Claims, Mesa County, Colorado - Contract No. Lm-E408

We have received no reply to our letters of February 25, 1959, regarding the royalty overpayment of $2,415.57 on the subject contract.

Therefore, will you please transfer this amount to the suspense account 14 x 6875 (F3), as instructed in the attached letter from the Chairman of the Operating Committee, dated March 3, 1959.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosure

HMC/ff

cc: Chmn. Op. Comm. (2)
Robertson, w/copy of Chmn's letter dated March 3, 1959
Royalty file, E408
Chron.

EXTRA COPY
O. M. E.
RECEIVED APR
DATE

MAR 3 1959

[redacted]

[redacted]

Dear Mr. [redacted]

Your memorandum of February 26, 1959, requests advice as to Bureau action regarding the capital expenditure of $[redacted] on the [redacted] project.

In the week that your letter of February 26, 1959, to Finance Mining Company and Kaiser Steel Corporation was sent, [redacted] the required approval for the [redacted], the amount involved should be considered in the amount [redacted]. The Bureau of Finance Bureau of Mines has requested that [redacted] by June 30, 1959. In order that the project account may be closed at the end of the current fiscal year.

Sincerely yours,

7/9 - Bureau of Finance notified no action has been taken. [illegible]

George C. Rotrige

Chairman, Operating Committee

APPROVED:

H. G. Iverson

Director, Bureau of Mines

N. E. Nelson

Director, Geological Survey

cc: Docket
Director's Reading File
Operating Committee
TEKillingsord
JFsons
Mr. Chambers
Branch of Finance, Bureau of Mines
Mr. Donald T. Finch, GAO Auditor

EDTalbert/GMcC
March 3, 1959

MAR 2 1959

EXTRA COPY
O. M. E.
RECEIVED MAR 2 1959

224 New Customhouse
Denver 2, Colorado

February 25, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket EMKA 2128 (Uranium), Contract Em-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.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures
HMC/ff
cc: Royalty file E-408
Harshman) w/copies of letters to Lisbon Uranium Corporation
Robertson) and Flanders Mining Company
Chron

EXTRA COPY
O. & E.
RECEIVED MAR 2 1959

224 New Customhouse
Denver 2, Colorado

February 25, 1959

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

Re: Docket DMEA 2126 (Uranium), Contract Lim-R408, Flanders Mining Company and Utaredo 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
DMX 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 MAR 2 1959

224 New Customhouse
Denver 2, Colorado

February 25, 1959

Lisbon Uranium Corporation
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 & 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
OME Field Team, Region III

Enclosure

cc: Flanders Mining Company

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

FEB 20 1959

Mr. J. V. Townsend
Executive Officer
OGE Field Team, Region III
[illegible] New Customhouse
Denver 2, Colorado

Re: Project No. [illegible] (Vanadium)
Gateway Mining & Development Co., Inc.
Gibson, Lohi, Mitchell, Mike
Napoleon, John Brown and
Bobbie Jones
Mesa County, Colorado
Contract No. [illegible]

Dear Mr. Townsend:

The amount of $ 81,035.57 noted due by royalty overpayment on the referenced contract was the subject of your previously submitted letter dated May 21, 1958, to Gateway Mining Company and Vanadium Corporation.

Please advise us by the return, if any, remained. If none were required, following letters are suggested in order that the project account may be closed as soon as possible.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

P. F. Yopes
Chief, Branch of Finance

N. E. Nelson
Chief, Geological Survey

cc: Bachman
Director's Reading File
Operating Committee
Phillingsord
Jones Paton
Mr. Chambers
Branch of Finance, Bureau Mines

EDTulbert/Chad
February 18, 1959

F. P. Yopes

N. E. Melton

DMEllsworth/mcc
February 15, 1960

224 New Customhouse
Denver 2, Colorado
May 27, 1958

800

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

Re: Docket No. DMEA 2198 (Uranium)
Contract No. I4m-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.

224 New Customhouse
Denver 2, Colorado
May 27, 1958

800

Lisbon Uranium Corporation
First Security Building
Salt Lake City, Utah

Re: Docket No. DMEA 2128 (Uranium)
Contract No. Idm-E408, Flanders
Mining Company and Uravado Min-
ing 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.

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

APPROVED:

P. F. Yopes

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

JLChambers/ama
May 20, 1958

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

Aug To 700

RECEIVED MAY 19 1958

CODE 700

224 New Customhouse
Denver 2, Colorado
May 15, 1958

Memorandum

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.

Original signed by
E. N. HARSHMAN

E. N. Harshman

MHM:dp

cc: Royalty File E408
DMEA/GJ
Chron.

Not
M

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

6-95 (Rev
(April

sed)
955)

UNITED STATES
DEPARTMENT OF T INTERIOR
BUREAU OF MINES

REFERENCE SLIP

Route to:	Name	Room
1.	Mr. J. L. Chambers, Director	
2.	Contract Administration and Audit Division, DMEA	
3.		
4.		
5.		

For:

---------- Action	---------- Record of ----------
---------- Approval	---------- Referring to ----------
---------- Comment	---------- Reply for signature of ----------
---------- Conference	---------- Rewriting
---------- Consideration	---------- See or call me
---------- Filing	---------- Signature
---------- Initials	---------- Suggestions
---------- Instructions	---------- Surname
---------- Investigation	----XX---- Your information
---------- Mailing	
---------- Note and return	
---------- Previous correspondence	
---------- Recommendation	

Remarks:

Attached is a copy of a letter dated May 2, 1958, to the Acting Executive Officer, DMEA Field Team, Region III, concerning paid-in-full status of account

Originally Gateway Mining and Development Company
Now being operated by Lisbon Uranium Company
(Transferee Flanders Mining Company) and by Utarado
Mining Company - Docket DMEA 2128, Contract Idm-E408

Donald T. Finch

From *(Name)*

Donald T. Finch, Auditor Date May 2, 1958

Division—Office—Address

Ext: Room:

U. S. GOVERNMENT PRINTING OFFICE 16—71726-1

OFFICIAL FILE COPY
DMEA
RECEIVED 5 1958
5/5 C 220 600

224 New Customhouse
Denver 2, Colorado

May 2, 1958

Memorandum

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

From: Donald T. Finch, Auditor

Subject: Docket No. DMEA 2128 (Uranium), Contract No. I6m-2408 Originally Gateway Mining and Development Company, Now being operated by Lisbon Uranium Company (Transferee Flanders Mining Company) and by Uvarado 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. I6m-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

DTF:bh
cc: J. L. Chambers
Subject
Chron.

EXTRA COPY
DMEA
RECEIVED MAY 5
DATE | CODE
800

554 Rev Customhouse
Denver 2, Colorado
May 2, 1958

Mr. Carl H. Gilbert, President
Utaredo Mining Company, Inc.
Gateway, Colorado

Re: Docket No. DMEA 2128 (Uranium)
Contract No. Em-[illegible]
Flanders Mining Company and
Utaredo 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
E. N. HARSHMAN

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

cc: Flanders Mining Company
Grand Junction, Colorado

MEM:PRL

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

EXTRA COPY DMEA		
RECEIVED MAY 5 1958		
DATE		CODE

124 New Customhouse
Denver 2, Colorado
May 2, 1958

Mr. T. Sanders
Flandreau Mining Company
P. O. Box 561
Grand Junction, Colorado

Re: Docket No. DMEA 2128 (Uranium)
Contract No. [illegible]
Flandreau Mining Company and
Utaredo 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. HARSHMAN
E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

cc: Lisbon Uranium Corporation
Salt Lake City, Utah

MEM:yrl

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

w/copy of mentioned letter and related correspondence.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

May 2, 1958

Memorandum

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

From: Donald T. Finch, Auditor

Subject: Docket No. DMEA 2128 (Uranium), Contract No. Idm-E408 Originally Gateway Mining and Development Company, Now being operated by Lisbon Uranium Company (Transferee Flanders Mining Company) and by Utarado 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. Idm-E408 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 661
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

Rec'd Invoice

Rec'd check from Lisbon for $454.12 on 4/22/58

LISBON URANIUM CORPORATION

FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH

A. P. KIDDE
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 Idm - 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	10,377.86
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.

TRIPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT

Standard Form 219

4/23/58 (Date sent)

123 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 4,734.25

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 4,734.25		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bennett
(Authorized signature)

APR 23 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

E-408	Flanders Mining	4,546.12
E-1124	Leadville Lead Uran. Corp.	188.13
		$4,734.25

DMEA
RECEIVED 1958

4-5 C 220 800

QUINTUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

4/2/58 (Date sent)

112 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

(3) The Sum of $ 2,059.18

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 2,059.18		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

APR 2 - 1958
(Date of credit in Treasurer's account)

Depositor will retain this copy.

E-[illegible] Flanders Mining $2,059.18

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

3/21/58 (Date sent)

14-23-040-108 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo. (Name and location of depositary)

(3) The Sum of $ 2,213.90

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 2,213.90		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

MAR 21 1958 (Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E-827 Wya. Cont.	1,438.79
E-408 Flanders Mining	561.69
E-1127 Am. Smelting & Refining	213.42
	2,213.90

1124 Roosevelt Reed Wm

3/24/ 31. D. 235 800

EXTRA COPY
DMEA
RECEIVED MAR 7 1958
DATE
CODE
800

224 New Customhouse
Denver 2, Colorado
March 4, 1958

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:

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

Yours very truly,

Original signed by
W. H. KING

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

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

cc: Lisbon Uranium Company
Salt Lake City, Utah

Extra

800

224 New Customhouse
Denver 2, Colorado
March 4, 1958

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

Re: Docket No. DMEA 2138 (Uranium)
Contract Idm-E408, Flanders
Mining Company and Uterado Min-
ing Company (Formerly Gateway
Mining and Development Company),
Mesa County, Colorado

Dear Mr. Gilbert:

A check of AEC production records indicate that the below listed production produced by Uterado Mining Company, Inc. has not been reported to this office.

Lic. No.	Date	Claim	Dry Tons
3503	7/57	LaSalle	66.61
3557	7/57	"	39.89
3588	8/57	"	49.60
3626	8/57	"	15.12
3801	11/57	"	15.02

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.

We have been informed that the litigation between Uterado and Germanium Mining Company concerning AEC bonus payments on production subject to DMEA royalty has been decided in your company's favor. We recall an understanding which exists between you and this office that when settlement was finally made, and if in your favor, you would submit the royalties due.

MHM;dp

Very truly yours,
Original signed by
W. H. KING
W. H. King
Executive Officer

cc: Royalty File E408
Sec. Op. Com. (2)
w/cy of newspaper clipping
DMEA/G.J.
Chron.

Gtia

Decision Reached In Mining Lawsuit

A district court jury today awarded to Utarado Mining Co. the full amount of $20,939 which it claimed in a disputed uranium production bonus case.

Utarado sued Geranium Mining Co., Frank L. Seymour, James F. Martin, James F. Bowen, Howard Vest III, Mary Bowen, Euza Bowen and Ann Lose. The claim was for the bonus paid Geranium by the Atomic Energy Commission for the first ore taken out of the Lasalle mine.

Utarado took over the Lasalle claim and the question was whether [illegible] mine. The case was thought to be a test case. The jury deliberated for five and a half hours after three and a half days of testimony.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Denver, Colo.

DEPOSIT NO.
14--23-040-87

For credit of 9013 Treasury R[redacted]onal Office, Denver, Colo. 1/[redacted]58
(Name, title, and disbursing o[redacted]r identification symbol of accountable officer) [redacted]te sent)

deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

$ 3,276.14

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		3,276.14

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bonnett
(Authorized signature)

JAN 30 1959
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

ORIGINAL FILE COPY
DMEA
RECEIVED FEB 3 1958
DATE | CODE
2/3/58 C.A.P. 2-5-5 0000

E-875	McFarland & Hullinger	490.76
E-8[illegible]	Cont. Uran. Co.	1,146.18
E-400	Flanders Mining Co.	1,639.20
		3,276.14

1958 FEB 30 PM 12 3R
Mail Dept.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 9013 Treasury Regional Office, Denver, Colo. 12/17/57
(Name, title, and disbursing officer identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

DEPOSIT NO. 14-23-040-70

$ 667.67

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		667.67

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bonnett
(Authorized signature)

December 17, 1957
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

ORIGINAL FILE COPY
DMEA
RECEIVED DEC 23 1957

DATE	[illegible]	CODE
12/23	H. H.	225
		800

E-[illegible]33	Uran Enterprise	398.63
E-1124	Leadville Lead	46.48
E-408	Utahrado	222.56
	Total	667.67

1957 DEC 17 PM 12 54

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. 14-23-040-8461

For credit of 9013 Treasury Regional Office, Denver, Colo. 11/25/57
(Name, title, and disbursing officer identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

$ 717.34

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		717.34

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

11/25/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

E-875 McFarland & Hullinger 636.09
E-408 Lisbon Uranium 81.25

717.34

OFFICIAL FILE COPY
DMEA
RECEIVED
29 1957
CODE
11/29 C
220
800

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

November 12, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 15 1957

DATE	INITIALS	CODE
11/15	C	220
		800

Mr. J. L. Chambers, Director
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

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

Dear Mr. Chambers:

Reference is made to your letter addressed to Mr. Brading, November 6, 1957, concerning indicated credit of royalty payment of $1,059.21 to Contract Idm-E488, Excalibur Uranium Corporation, on the November supporting schedule for monthly report, Strategic and Critical Minerals Exploration Program.

Tom is on annual leave and so I am answering for him.

This item should have been shown as a credit to Contract Idm-E408, Flanders Uranium. It arose in connection with Union Carbide Nuclear Company Liquidation No. 7601 dated October 4, 1957, and represents royalty on production from La Salle Claim No. 3 controlled by Flanders Uranium. Proper credit had been made in ledger account but the report was in error. The matter has been discussed with Mrs. Stokes and she is correcting her copies.

Very truly yours,

Donald T. Finch

Donald T. Finch, Auditor

EXTRA COPY
DMEA
RECEIVED NOV 15 1957
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado

November 12, 1957

Mr. J. L. Chambers, Director
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

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

Dear Mr. Chambers:

Reference is made to your letter addressed to Mr. Brading, November 6, 1957, concerning indicated credit of royalty payment of $1,059.21 to Contract Idm-E488, Excalibur Uranium Corporation, on the November supporting schedule for monthly report, Strategic and Critical Minerals Exploration Program.

Tom is on annual leave and so I am answering for him.

This item should have been shown as a credit to Contract Idm-E408, Flanders Uranium. It arose in connection with Union Carbide Nuclear Company Liquidation No. 7601 dated October 4, 1957, and represents royalty on production from La Salle Claim No. 3 controlled by Flanders Uranium. Proper credit had been made in ledger account but the report was in error. The matter has been discussed with Mrs. Stokes and she is correcting her copies.

Very truly yours,

Donald T. Finch

Donald T. Finch, Auditor

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 9013 Treasury Regional Office, Denver, Colo. 10/[illegible]/57
(Name, title, and disbursing [illegible]ner identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

DEPOSIT NO. 14-23-040-52

$ 1,651.64

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		1,651.64

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

E. Hedlin
(Authorized signature)

10/31/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 4 1957

DATE	INITIALS	CODE
11/4/	H. H.	225
		800

E-827 Wyo Continental 592.43
E-488 Flanders, Uran 1,059.21
408

1,651.64

1957 OCT 31 AM 11 57

Mr. Thomas H. Breding
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. Breding:

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,

(S)

Jay L. Chambers, Director
Contract Administration
and Audit Division

AMAlley/ama
November 6, 1957

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

Denver, Colo.

DEPOSIT NO.
14-23-040-47

$ 1,613.74

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 9013 Treasury Regional Office, Denver, Colo. 10/22/57
(Name, title, and disbursing other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		1,613.74

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bonnett
(Authorized signature)

10/22/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

Flanders Mining Co E-408.
1,448.91

Uranium Prospectors
E-877 164.83

1,613.74

Flanders Mining Co., E-408 1,448.91
Uranium Prospectors E-877 164.83

1,613.74

CANCELLED COPY
DMEA
OCT 25 1957

DATE		COPIES
10/25	H.D.	225
		900

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. 14-23-040-42

For credit of 9013 Treasury Regional Office, Denver, Colo. 10/11/57
(Name, title, and disbursing officer identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

$ 2,513.11

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		2,513.11

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Marjorie C. Hamilton
(Authorized signature)

10/11/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

E-791	W.A.Greer	345.98
E-408	Utahrado Mining	1,574.71
E-875	McFarland Hullinger	592.42
		2,513.11

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE	INITIALS	CODE
10/14/57	Y.G.	220
		800

E-408

For Certificate of Deposit No. 40, dated October 8, 1957, giving royalty payment of $169.58, see E-291.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Denver, Colo.

DEPOSIT NO. 14-23-040-36

For credit of 9013 Treasury Regional Office, Denver, Colo. 9/25/57
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

$ 696.89

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		696.89

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bonnell
(Authorized signature)

9/25/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

E-408 Flanders & Utarado 696.89

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 27 1957

DATE	INITIALS	CODE
9/27	C	220
		800

E-408

For Certificate of Deposit No. 35, dated September 24, 1957, giving royalty payment of $1,457.82, see E-360.

For Certificate of Deposit No. 17, dated August 13, 1957, giving royalty payment of $561.65, see E-381.

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. 14-23-040-12

For credit of 9013 Treasu[redacted] Regional Office, Denver, Colo. 7/31/57
(Name, title, and disbursing or [redacted] identification symbol of accountable officer) [redacted]ate sent)

deposited with Federal ReserveBank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

$ 367.00

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		367.00

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense MineralsExploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

L Fowler
(Authorized signature)

7/31/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Denver, Colo.

DEPOSIT NO. 14-23-040-6

For credit of 9013 Treasury Regional Office, Denver, Colo. 7/12/57
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

$ 3,132.30

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		3,132.30

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bennett
(Authorized signature)

7/12/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 20 1957

DATE	INITIALS	CODE
7/17	C	22

1957

E-422	Black Bear	168.29
E-791	Four Corners	1,411.59
E-703	Neptune	80.49
E-445	Crown Min.	138.34
E-928	Norbute	163.86
E-440	Pat Ambrose	104.63
E-408	Utarado Min.Co.	1,065.10
		3,132.30

1957 JUL 22 PM 1 15

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 9013 Treasury Regional Office, Denver, Colo. 7/2/57
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

DEPOSIT NO. ~~14-23-040-275~~

$ ~~245.30~~

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		245.30

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

B. Giacomozzi
(Authorized signature)

7/2/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

E-[illegible] Utarado Mining Co. 245.30

1957 JUN 1 AM 11 51

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO.
14-23-040-165

$ 682.77

For credit of 9013 Treasury Regional Office, Denver, Colo. 6/6/57
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		682.77

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bonnett
(Authorized signature)

6/7/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

E-408 Utahradi 682.77

1957 JUN 7 PM 1 05

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Treasury Regional Office, Denver, Colo. 3/13/57
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

DEPOSIT NO. 14-23-010-225

$ 4,662.63

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		4,662.63

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bonnett
(Authorized signature)

3/13/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

✓E-928	Norbute Corp.	127.42
✓E-440	L. B. Wright	102.81
✓E-408	Beaver Uran.	1,046.65
✓E-812	Hamilton Harris, etc.	3,059.98
✓E-877	Uran Prosp.	53.21
✓E-875	McFarland & Hullinger	272.56
		4,662.63

1957 MAR 13 PM 12 44

For Certificate of Deposit No. 88, dated January 2, 1957, giving royalty payment of $1,157.51, see E-53.

For Certificate of Deposit No. 80, dated December 11, 1956, giving royalty payment of $1,275.36, see E-53.

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. 11-23-010-62

For credit of 413 Treasury Regional Office, Denver, Colo. 11/5/56
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

$ 2,922.75

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
1[illegible]/01		2,922.75

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

B. [illegible]
(Authorized signature)

11/5/56
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

E-485	J. G. & G. L. Shumway	55.69
E-791	Four Corners	497.76
E-408	Flanders	1,883.18
E-875	McFarland & Hullinger	420.37
E-509	Mike Vinson	65.75
		2,922.75

DENVER BRANCH
FEDERAL RESERVE BANK
1956 NOV 5 AM 11 54
MAIL DEPT.

For Certificate of Deposit No. 49, dated October 9, 1956, giving royalty payment of $2,449.58, see E-53.

E-408

For Certificate of Deposit No. 35, dated September 11, 1956, giving royalty payment of $1,496.73, see E-33.

E-408

For Certificate of Deposit No. 25, dated August 13, 1956, giving royalty repayment of $2,398.09, see E-317.

Denver, Colorado

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO.
14-23-040-135

$ 2,011.05

For credit of 413 Treasury Regional Office, Denver, Colo. 6/4/56
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		2,011.05

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

6/4/56 (Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

DENVER FEDERAL CENTER
1956 JUN 4 PM 12 25

E-866 Foothills Mining	185.44
E-408 Flanders Minint & Utarado Mining Co.	1,825.61
	2,011.05

E-408

For Certificate of Deposit No. 121, dated April 27, 1956, giving royalty repayment of $273.12, see E-360.

For Certificate of Deposit No. 97, dated February 28, 1956, giving royalty repayment of $23.56, see E-100.

E-408

For Certificate of Deposit No. 88, dated February 6, 1956, giving royalty repayment of $228.06, see E-317.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Treasury Regional Office, Denver, Colo. 1/4/56
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

DEPOSIT NO. 14-23-040-77

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

$ 5,631.94

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		5,631.94

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

JAN 4 1956
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

E-660	Southwest	1,609.45
E-445	Boomerang	140.32
E-408	Gateway Mining	3,882.17
		5,631.94

RECEIVED
JAN 9 1956

E-408

For Certificate of Deposit No. 76, dated December 22, 1955, giving royalty repayment of $59.17, see E-54.

For Certificate of Deposit No. 69, dated December 9, 1955, giving royalty repayment of $185.55, see E-54.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Treasury Regional Office, Denver, Colo. 9/23/55
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

DEPOSIT NO. 14-23-040-38

deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

$ 4,032.09

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		4,032.09

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colo.

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

SEP 23 1955
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
JUN 2 0 1955

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of Uranium and Vanadium ores for the period September 26, 1952 through April 22, 1955 by the transferees and lessees of

The Gateway Mining and Development Co.
535 Main Street
Grand Junction, Colo.

produced from the La Salle and La Sal group of claims located in the West Gateway and Beaver Mesa Mining districts, approximately 75 miles from Grand Junction in Mesa County, Colorado, under the terms of Contract Idm-E408, Docket No. DMEA 2128.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the total net sales of Uranium and Vanadium for this period to be $160,051.75, of which $33,142.76 is for Production Bonus subject to clarification of suspense status with Atomic Energy Commission. Royalty due the United States Government at the contract rate of 5% is $8,002.61.

The royalty paid and balance due are as follows:

Total Royalties Due		$8,002.61
Total Royalties Received	$6,345.52	
Less: Mill Adjustment of Net Overpayment	.05	6,345.47
Balance of Royalties Due, Subject to Clarification of Suspense Status with A.E.C.		$1,657.14

Donald T. Finch

June 14, 1955

Donald T. Finch, Auditor

FIRST ROYALTY AUDIT REPORT

RECEIVED

JUN 2 0 1955

I INTRODUCTION

On May 24, to 26, 1955, an audit of royalty payments received, covering the period September 26, 1952, to April 22, 1955, was made of the various production records and ore sales accounts of transferees and lessees pertaining to Contract Idm-5408, Docket No. DMEA 2128, with the

Gateway Mining and Development Co.
535 Main Street
Grand Junction, Colo.

covering a project of exploration for Uranium located in the West Gateway and Beaver Mesa Mining Districts, approximately 75 miles from Grand Junction in Mesa County, Colorado, and commonly known as the La Sal group.

The production records and ore sales accounts pertaining to this contract were located at various places in Grand Junction and Montrose, Colorado. Specific locations will be noted later in this report under discussion of production by various parties.

During the course of the audit conferences were held with the following persons:

Mr. Cecil S. Haynie, Attorney-at-Law and Secretary and Treasurer, Gateway Mining and Development Co.
535 Main Street, Grand Junction, Colorado

Mr. Walter S. Dalby, C.P.A.
Dalby and McNulty, Certified Public Accountants
First National Bank Building, Grand Junction, Colo.

Mr. Clarence Olsen, C.P.A.
First National Bank Building, Grand Junction, Colo.

Mr. Max R. Jorgenson, Accountant
Employed by Dalby and McNulty
First National Bank Building, Grand Junction, Colo.

Mr. William M. Spencer,
Flanders Mining Company
159 Colorado Avenue, Grand Junction, Colorado

Mr. Carl M. Gilbert,
Utarado Mining Company
P.O. Box 41 (540 Main Street) Montrose, Colorado

In addition to the foregoing, the following representatives of the Atomic Energy Commission's Operations Office at Redlands, Grand Junction, Colorado were interviewed:

Mr. Sheldon P. Wimpfen, Manager
Mr. K. L. Burson, Acting Director Finance Division
Mr. Robert Scott, Chief Accountant
Mr. Louis Perrin, Production Accountant

II. GENERAL INFORMATION

The Exploration Contract dated September 26, 1952, authorized a total cost of $51,969.00 with Government participation of $46,772.10. A Report of Review dated May 7, 1953, prepared by Donald T. Finch, D.M.E.A. Auditor, shows total accepted costs and Government participation were equal to total contract authorization.

A Certificate of Discovery was issued by the D.M.E.A. on July 3, 1953. The property involved is described in Article 2 and Annex I of the Exploration Contract. It consisted of the following claims:

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

* Note spelling on last claim

According to a letter dated December 17, 1953, addressed to Executive Officer, D.M.E.A. Field Team, Region IV (now Region III) from the Atomic Energy Commission, Claims La Sal Nos. 1 through 7, John Brown No. 1, Gilmore, and Tetslof were certified for bonus payments under D.U.P.C-6-C-18. All production bonus payments under this certification were completed prior to the effective date of the Exploration Contract. The La Salle claim was certified under D.U.P.C-6-C-17 along with seventeen claims not listed in the Exploration Contract. The Audit determined that there had been no bonus payments made under this certification for production subsequent to the date of the Exploration Contract. The A.E.C. records show there remains a balance of 9,469.36 lbs. U_3O_8 available for bonus payments. At the time of the audit this certification had been suspended because of boundary encroachment. Additional comments on this situation will be made later in this report under "Production Bonus."

The A.E.C. also advises that it has no record of the John Thornton Claim having been certified for Production Bonus payments. Should production occur on this claim, the then owner should make the proper application to A.E.C. for such certification. It is recommended the D.M.E.A. Field Team, Region III, alert the Inspecting Engineers of this situation; and should their six month's periodic inspections disclose production from the John Thornton claim, appropriate determination should be made that application is made to A.E.C. for the Production Bonus certification.

The Audit disclosed the following parties were engaged in production from the properties covered in the Exploration Contract subsequent to its effective date:

H. Bowen and E. Stuller, Lessees,
Claim, La Sal No. 2
A.E.C. License No. P-404

Jack Montgomery, Lessee
Claim, La Sal No. 1
A.E.C. License No. P-639

Frank Seymore and James Martin, Lessees
d/b/a Geranium Mining Company
Claim, La Sal No. 2
A.E.C. License No. P-1411

Utarado Mining Company, Owner of La Salle Claim
A.E.C. License No. P-1661

The production and sales records of the Geranium Mining Company are maintained by Mr. Clarence Olsen, C.P.A., First National Bank Building, Grand Junction, Colorado. Summary records of production and sales by Bowen and Stuller, Jack Montgomery, and Geranium Mining Company are reflected on the books of the Gateway Mining and Development Company, which are located in the Public Accounting Office of Dalby and McNulty, Certified Public Accountants, First National Bank Building, Grand Junction, Colorado.

The production and sales records of the Utarado Mining Company are in the possession of Mr. Carl M. Gilbert, 540 Main Street, Montrose, Colorado.

At the time of the audit Gateway Mining and Development Company was divested of ownership or control of all of the properties covered by the Exploration Contract.

Based on unconfirmed information, ownership or control of these properties at present is as outlined below:

At the time the Exploration Contract became effective the La Salle Claim owned by J. W. Lewis was possessed under lease by the Gateway Mining and Development Company. This claim was subsequently released by Gateway Mining and Development Company. It was purchased on March 1, 1954, by Utarado Mining

Company which began production in January, 1955. Mr. Gilbert, representative of Utarado Mining Company advised that in addition to outright ownership of the La Salle Claim and La Salle Extension, leases were held by "Utarado" on the North 1/2 of La Sal No. 3, all of La Sal Nos. 5, 6, and 7, Tetslof and Tetslof Extension.

It is understood the Geranium Mining Company holds a lease on La Sal No. 2.

On October 1, 1954, Gateway Mining Company sold all of its assets to the Flanders Mining Company, whose offices are at 159 Colorado Avenue, Grand Junction, Colorado. This company is represented by Mr. William M. Spencer. Prior to the audit the Flanders Mining Company had not had any production.

Subsequent to the foregoing sales, the properties were re-surveyed and the following survey errors were disclosed:

La Salle Extension
La Sal No. 1 Extension
Stockton Fraction
Thornton Extension
La Sal Extension
Tetslof Extension

Based on analysis of plot maps, review of report by Carl Belser, Mining Engineer, U.S.B.M., and discussion with the Executive Officer, DMEA Field Team, Region III, it appears that any production from those areas included in the foregoing survey corrections will be subject to DMEA royalty. Should production occur from these areas it is suggested that the matter be referred to the Legal Division for a ruling.

Examination of various production records confirmed by records of the Atomic Energy Commission disclosed that there were no production sales from any of the claims involved in the Exploration Contract during the period September 26, 1952, (the effective date of the contract) to June 5, 1953.

Sales of ore were limited to Climax Uranium Company at Grand Junction, Colorado, and to United States Vanadium Company at Rifle, Colorado.

Sales of ores are evidenced by "Ore Settlement" sheets bearing a "Liquidation No." The settlement sheets issued by Climax Uranium Company list, on the face of the sheet, each lot shipment included in the settlement. This purchaser's settlement sheets also list any direct payments for royalty payments or for haulage charges made to parties other than the seller of the ore.

The settlement sheets issued by United States Vanadium Company are a summary statement only. Reference is made to "Load Detail" sheet which is the listing of the lot shipments included in the settlement. From an examination of the Geranium Company files it also appears that U.S. V. Co. summarizes the disbursements of the proceeds on a plain sheet of paper which bears no identification with the purchaser.

Copies of all settlement sheets have been furnished the Executive Officer of the DMEA Field Team, Region III. Those settlement sheets issued by U.S. V. Co. covering sales of ore by Geranium Mining Company had, however, been mutilated by tearing off the ore owner's certificate, and no Load Detail sheets or disbursement summaries had been submitted to the Executive Officer, DMEA Field Team, Region III.

Mr. Max R. Jorgenson, Accountant, advised that copies of settlement sheets from U.S. V. Co. covering sales of ores by Geranium Mining Company were submitted to Gateway Mining and Development Company in the same mutilated condition as those furnished the Executive Officer, DMEA Field Team, and that copies of load detail sheets, or disbursement summaries, had never been received by "Gateway."

The audit disclosed that the Gateway Mining and Development Company received a royalty from the Geranium Mining Company of 30% of the base payments for U_3O_8 and V_2O_5. "Gateway" then paid the DMEA royalty on the basis of the copies of ore settlement sheets it received.

During a conference with Mr. Clarence Olsen, C.P.A., who handles Geranium Mining Company's books, Mr. Max R. Jorgenson, Accountant for Gateway Mining Company, and the Auditor, Mr. Olsen asked if hauling charges paid directly by the U.S. V. Co. to Mr. E. Stuller, former lessee of the claim operated by Geranium Mining Company, were allowable deductions from the Receiving Station payments for ores before computing DMEA royalty payments.

In reply reference was made to Sec. 10, Par. C. of DMEA Order 1, Amended. Mr. Olsen was advised that because of the fact Geranium Mining Company had no part in the payment of DMEA royalties, the foregoing Section of DMEA Order 1 did not apply to that company.

In a subsequent conference with Mr. Cecil S. Haynie, Secretary and Treasurer of Gateway Mining and Development Company, and Mr. Max R. Jorgenson this matter was discussed in greater detail. Mr. Haynie was advised by Mr. Jorgenson that based on unconfirmed data there may have been an overpayment of DMEA royalties for Geranium Mining Company production of over $500.00.

The Auditor suggested to Mr. Haynie that because of the informal record of haulage payments and lack of clearcut accounting support, it would be necessary for the Gateway Mining Company to file a claim for any refund of royalty payments the Company considered as excessive. The Auditor expressed the opinion that such reclaim should be supported by an itemized statement from United States Vanadium Company of payments to Mr. E. Stuller for trucking the ores in question and also a statement from Mr. Stuller that at the time he received such payments he had no interest direct or indirect in the production.

Mr. Haynie stated that as Secretary and Treasurer of Gateway Mining and Development Company he was very sure there would be no claim for refund filed because of

(a) Expense and effort involved in compiling adequate proof of overpayment.

(b) Other ramifications

Note: Other ramifications not enumerated apparently were in connection with stipulated settlement between "Geranium", "Gateway" and "Utarado" following lawsuit over boundary encroachment of Utarado's boundary lines by Geranium Company.

The Auditor has not shown an overpayment of royalties in this report and recommends that should a claim for refund be filed by Gateway Mining and Development Company, consideration should be given to the matter at that time.

It is recommended in the future the Executive Officer of the DMEA Field Team request that all sales of ores to United States Vanadium Company involving DMEA royalties be supported by complete Settlement Sheets, Lead Detail sheets and Disbursement Summaries.

Gateway Mining and Development Company paid the royalties due on production by H. Bowen and E. Stuller from Claim La Sal No. 2, and by Jack Montgomery Claim La Sal No. 1.

Royalties payments applicable to production by Utarado Mining Company have been paid direct by that company.

A great deal of pre-audit analysis was performed by the Auditor at the D.M.E.A. office, Denver, Colorado.

III SCOPE OF AUDIT AND FINDINGS

The Audit was limited to determining the accuracy and propriety of royalty payments, received by the Finance Officer, which were applicable to production and sales of ores during the period September 26, 1952, to April 22, 1955, and a determination that all indicated sales of ores subject to DMEA royalty under the Exploration Contract and Amendments, for which settlement sheets have been released, have been properly accounted for.

The extent of the Audit and the findings follow:

A. Conference with the Examining Engineer, U.S.B.M.

The Mining Engineer who made the majority of inspections of the project during the exploration period had left the employment of the U.S.B.M. at the time of the audit.

A six months periodic inspection of the properties is scheduled for a U.S.B.M. Mining Engineer during the month of June, 1955. On June 1, 1955, the Mining Engineer assigned to this inspection was advised of the situations described in the preceding section of this report. He was also furnished summary totals of production by the various parties.

In addition, the situation was discussed with the Executive Officer of the D.M.E.A. Field Team, Region III.

In view of the positive reconciliation of production by claims with the detailed records of the A.E.C., it was decided to complete the audit report before the U.S.B.M. Engineer's return from the inspection of the properties.

B. Audit of Settlement Statements

During the audit itemized statements of production, sales and royalties were prepared from copies of "Ore Settlement Sheets" received by the Executive Officer, D.M.E.A. Field Team, Region III. Separate statements were prepared for each producer by Claim and by Purchaser. A condensed summary of this statement is made a part of this report as Schedule I. The itemized detail of royalty payments is filed as part of the audit working papers.

Discussion of the data in the condensed summary and the degree of confirmation follows:

Gross Weight in Pounds - 4,903,000 lbs.

Gross weight in pounds represents the total weight shown on the ore settlement sheets. This item is a total of individual lots. Where detail lots were shown on settlement sheets on file with the Executive Officer, DMEA Field Team, Region III, total weights were recomputed during the audit.

A 30% spot-check was made of all data shown on lead detail sheets supporting United States Vanadium Company purchases from Geranium Mining Company during the on-site examination of producers' records.

Dry Weight in Pounds - 4,562,262.14 lbs.

This item is the total of the dry weight shown on the ore settlement sheets. Average moisture percentage as determined by assays was reflected on each settlement sheet. All such computations for the period September 26, 1952 to April 22, 1955 were recomputed during the audit.

Dry Weight in Tons - 2,281.13 Tons

Dry weight in tons was computed during the audit to determine the value per ton of ore and the applicable percentage of DMEA royalty. Examination of Schedule I shows that in this case all DMEA royalty was at the rate of 5% of the total value subject to royalty.

Settlement Assays (U_3O_8) and (V_2O_5)

Settlement assays shown on Schedule I of this report are weighted averages, computed during the audit from data shown on the individual settlement sheets.

Pounds (U_3O_8) - 20,529.99 Lbs.
Pounds (V_2O_5) - 58,142.75 Lbs.

These items represent the total pounds of each compound as shown on the settlement sheets, and is determined by applying the applicable assay grade to the dry pounds of ore. All computations as shown on each settlement sheet for the period under audit were recomputed during the audit.

Payments for (U_3O_8) - $71,511.59
Payments for (V_2O_5) - $18,024.27

All base payments for U_3O_8 and V_2O_5 were at the A.E.C. established prices. Prices paid for U_3O_8 ranged from $2.50 to $3.50 per lb. according to grade. Payments for V_2O_5 were at the rate of 31¢ per lb. All extensions for these payments during the period September 26, 1952 through April 22, 1955 were recomputed during the audit.

Development Allowance - $10,265.08

Development allowance was paid at the A.E.C. prescribed rate of 50¢ per lb. of U_3O_8. All computations of development allowance for the period from September 26, 1952 to April 22, 1955 were recomputed during the audit.

Premiums

Excess of 4 lbs. U_3O_8 per Ton - 11,511.93 lbs., $8,634.02

Payments for this premium were at the A.E.C. prescribed rate of 75¢ per excess lb. All computations involved in the payments of this premium for the period audited were recomputed during the audit.

Excess of 10 lbs. U_3O_8 per Ton _ 2,476.02 lbs., $619.02

Payments for this premium were at the A.E.C. prescribed rate of 25¢ per excess lb., in addition to the 75¢ premium above. All computations involved in the payment of this premium for the period September 26, 1952 to April 22, 1955 were recomputed during the audit.

Haulage Allowance - $18,474.35

Haulage allowances paid by the purchasers were on the basis of wet ton miles. All payments during the period were equal or in excess of A.E.C. requirements. Payments ranged from 6¢ to 8.4¢ per wet ton mile. Distances allowed ranged from 75 to 134 miles. Mr. Wimpfen , Manager of A.E.C. Operations Office, advised that mill purchasers made haulage allowances in excess of A.E.C. regulations in order to secure certain types of ores amenable to their mill operations. All computations of haulage allowance for the period under review were recomputed during the audit.

Lime Penalty - $86.52

Penalties for excessive lime content of ores were applicable to a few shipments. These penalties were assessed in accordance with A.E.C. schedules. All computations applicable to lime penalties for the audit period were recomputed.

Hauling Charges Paid by Purchaser to Truckers - $532.82

Hauling charges which settlement sheets from Climax Uranium Company reflected as being direct payments by the purchaser have been treated as allowable deductions in this audit report. It was noted during the audit that

these direct payments were equal to the haulage allowance of 6¢ per wet ton mile. Reference is made to previous discussion in Section II of this report concerning the indefinite status of hauling charges applicable to sales of ores by Geranium Mining Company to United States Vanadium Company, and which have been disregarded in this report.

Total Receiving Station Payments - $126,908.99

The computation of all total receiving station payments during the period September 26, 1952 to April 22, 1955 were confirmed during the audit. Amounts of all such payments were also reconciled with the Claim production records of the Atomic Energy Commission's Operations Office at Grand Junction, Colorado.

Production Bonus - $33,142.76

The status of the Production Bonus Accounts has been partially outlined in Section II of this report. The Production Bonus Account D.U.P.C-6-C-17 applicable to the La Salle Claim, owned and operated by Utarado Mining Company, was in a suspense status at the time of the audit. It was reported to the auditor that this account had been suspended pending the outcome of a lawsuit by Utarado against Geranium Mining Company involving the encroachment of the boundaries of the La Salle Claim by the "Geranium" Company. During a conference with representatives of the A.E.C. on May 25, 1955, the available balance of this account of 9,469.36 lbs. of U_3O_8 was confirmed.

The auditor was authorized by Mr. Perrin of the A.E.C. to advise Mr. Gilbert of the Utarado Mining Company of the steps necessary to remove the suspension of the account.

In a conference with Mr. Gilbert on May 26, 1955 at Montrose, Colorado, the auditor was advised that the lawsuit had been settled in favor of the Utarado Mining Company. Mr. Gilbert was then advised concerning the necessary steps to take in order to collect the applicable production bonus. These steps are as follows:

a. Submit to A.E.C. proof of ownership of La Salle Claim.

b. Furnish the A.E.C. with proof of the Court's decision in the referenced lawsuit.

c. A.E.C. will then order an inspection of the properties by its own Engineers.

d. Upon receipt of a report from these Engineers the A.E.C. will then accept an application for payment of the Production Bonus

Mr. Gilbert was urged to take immediate steps to collect this bonus, and he assured the Auditor he would contact the Operations Office of the A.E.C. on May 31, 1955, and would transmit the amount of royalty due the D.M.E.A. as soon as payment of the production bonus was received by Utarado Mining Company.

The status of the available balance is as follows:

Available Balance of U O per A.E.C. 9,469.36

Utarado Mining Company Production

Date	Liquidation No. Climax U. Co.		Pounds U_3O_8
2-5-55	1642		1,192.11
2-18-55	1648		2,652.93
3-9-55	1664		1,146.26
3-22-55	1672		2,463.62
4-6-55	1684	2,249.60	
Less: Excess		235.16	2,014.44
Total Lbs. U_3O_8 as above			9,469.36

The base payment for U_3O_8 on all of the above production by Utarado Mining Company was at the rate of $3.50 per lb. The amount of production bonus due is, therefore, 9,469.36 lbs. at $3.50, or $33,142.76.

Total Value Subject to DMEA Royalty - $160,051.75

The total value of all shipments during the period September 26, 1952 through April 22, 1955, including the pending production bonus, amounts to $160,051.75. This total was recomputed and confirmed during the audit. The weighted average value per ton of these shipments was $70.16.

Total DMEA Royalty Due - $8,002.61

DMEA royalty due for the period September 26, 1952 through April 22, 1955 is at the rate of 5% of total value of $160,051.75, or $8,002.61. (Note: Amount due includes 2¢ mill accumulation.)

Total DMEA Royalties Received - $6,345.52

The total DMEA royalties received during the period, according to records of the Finance Officer, amounted to $6,345.52. This amount was confirmed during the audit.

Balance DMEA Royalty Due - $1,657.14

The unpaid balance of royalty due is 5% of the production bonus of $33,142.76 due the Utarado Mining Company, or $1,657.14. This amount of royalty due should be received shortly after the Utarado Mining Company clarifies the suspense status of the item with the A.E.C.

It is recommended that mill adjustments of a 6¢ overpayment applicable to Production by Geranium Mining Company and a 1¢ underpayment applicable to Production by H. Bowen and E. Stuller be written off.

These last two items have been eliminated in the certificate attached to this report.

G. Audit of Operator's Records

The totals of all sales of ores subject to DMEA Royalty for the period September 26, 1952 through April 22, 1955 were compiled during the audit. The sales totals applicable to Geranium Mining Company production and the Utarado Mining Company production were reconciled with the books and records of the respective companies. In turn, the totals of production by H. Bowen and E. Stuller, Jack Montgomery and Geranium Mining Company were reconciled with the books and records of the Gateway Mining Company.

IV CONCLUSIONS

The audit has confirmed, with the exception of minor mill adjustments disregarded in this report, the accuracy and propriety of the royalty payments received by the Finance Officer, which are applicable to ore sales during the period September 26, 1952 through April 22, 1955. It has also determined that all indicated sales of ores during the subject period for which settlement sheets have been released, have been properly accounted for.

The balance of royalties due shown in this report are subject to clarification of the status of the Production Bonus Account D.U.P.Q-6-C-17 with the Atomic Energy Commission.

June 14, 1955

Donald T. Finch

Donald T. Finch, Auditor.

GATEWAY MINING AND DEVELOPMENT COMPANY

EXPLORATION CONTRACT IDM-[illegible], DOCKET NO. DMEA 2128

CONDENSED SUMMARY OF SALES QTORES AND DMEA ROYALTIES.

SCHEDULE I

					TOTAL GERANIUM PRODUCTION		GRAND TOTAL
A.E.C. License Number	P-404	P-639	P-1411	P-1411	P-1411	P-1661	
Claim	L.S. #2	L.S. #1	L.S. #2	L.S. #2	L.S. #2	La Salle	
D.U.P.C-6-C Number	18	18	18	18	18	17	
Purchaser	U.S. V. Co.	Climax U. Co.	Climax U. Co.	U.S. V. Co.		Climax U. Co.	
Receiving Station	Rifle, Colo.	Gr. Jct., Colo.	Grd. Jct., Colo.	Rifle, Colo.		Grd. Jct., Colo.	
Seller	H. Bowen and K. Stuller	J. Montgomery	Geranium Mining Company	Geranium Mining Company	Geranium Mining Company	Utarado Mining Company	
Dates	6/5/53	6/25 to 7/10/53	7/27/53 to 5/7/54	8/4/53 to 2/3/55	7/27/53 to 2/3/55	2/5 to 4/22/55	6/5/53 to 4/22/55
Qty. of Liquidation Settlements	1	2	6	27	33	6	42
Gross Weight, Pounds	36,320	52,370	183,660	2,303,520	2,487,180	2,327,130	4,903,000
Net Dry Weight, Pounds	34,467.68	51,098	173,881	2,166,175.46	2,340,056.46	2,136,646	4,562,262.14
Net Dry Weight, Tons	17.2338	25.549	86.9405	1,083.09	1,170.03	1,068.323	2,281.13
Settlement Assays (Average)							
Uranium (U_3O_8)	.15	.23054	.267436	.446	.4332	.4785	.4500
Vanadium (V_2O_5)	1.32	1.189	1.467808	1.167	1.189	1.3692	1.2744
Pounds U_3O_8	51.70	117.80	465.02	9,671.25	10,136.27	10,224.22	20,529.99
Base Payment U_3O_8	$129.25	$383.25	$1,627.58	$33,586.73	$35,214.31	$35,784.78	$71,511.59
Development Allowance at 50¢	$ 25.85	$ 58.90	$ 232.52	$ 4,835.69	$ 5,068.21	$ 5,112.12	$10,265.08
Premiums							
Excess 4 Lbs. U_3O_8 Per Ton							
Lbs. U_3O_8		23.66	117.26	5,420.11	5,537.37	5,950.90	11,511.93
Amount at 75¢ Lb.		$17.75	$87.95	$4,065.13	$4,153.08	$4,463.19	$8,634.02
Excess 10 Lbs U_3O_8 Per Ton							
Lbs. U_3O_8				1,325.56	1,325.56	1,150.46	2,476.02
Amount at 25¢ Lb.				$ 331.40	$ 331.40	$ 287.62	$ 619.02
Haulage Allowance							
Average Per Net Ton	$6.00	$4.20	$5.80	$9.33	$9.07	$6.00	$7.54
Number of Net Tons	18.16	26.185	91.83	1,151.76	1,243.59	1,163.565	2,451.50
Amount of Haulage Allowance	$108.96	$109.98	$532.82	$10,741.20	$11,274.02	$6,981.39	$18,474.35
Pounds V_2O_5	454.97	607.54	2,552.24	25,272.27	27,824.51	29,255.73	58,142.75
Payment V_2O_5 at 31¢ lb.	$141.04	$188.34	$791.19	$ 7,834.42	$ 8,625.61	$9,069.28	$18,024.27
Amount Line Penalty			$ 42.72	$43.80	$ 86.52		$ 86.52
Hauling Chgs. Pd. by Purchaser to Trucking Co.			$532.82		$532.82		$532.82
Total Receiving Station Payn't	$405.10	$758.22	$2,696.52	$61,350.77	$64,047.29	$61,698.38	$126,908.99
A.E.C. Production Bonus	None Avail.	None Available	None Available	None Available	None Available	$33,142.76	$ 33,142.76
Total Value Subj. DMEA Royalty	$405.10	$758.22	$2,696.52	$61,350.77	$64,047.29	$94,841.14	$160,051.75
Average Value Per Dry Ton	$ 23.50	$ 29.67	$ 30.99	$56.64	$54.74	$88.78	$70.16
DMEA Royalty Due at 5%	$ 20.26	$ 37.91	$134.83	$3,067.56	$3,202.39	$4,742.05	$8,002.61
DMEA Royalty Received	20.25	37.91	134.89	$3,067.56	$3,202.45	3,084.91	6,345.52
Balance DMEA Royalty Due	$ .01	—	$ .06	—	$ .06	$1,657.14	$1,657.09

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-E406, 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

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

RECEIVED
JUN 20 1955

224 New Customhouse
Denver 2, Colorado

June 15, 1955

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Royalty Audit
Gateway Mining and Development Company
Contract Idm-E408, Docket No. DMEA 2128
Uranium

Dear Mr. Chambers:

Enclosed are three copies of Royalty Audit Certificate and two copies of Royalty Audit Report for the period September 26, 1952 through April 22, 1955, under the subject contract.

Considerable detail concerning control and ownership of the various properties has been reflected in the audit report. It is believed this information will be of value in the making of future audits of the operations under this contract.

Because of opposing interests now involved in the production and also because of the A.E.C. policy concerning release of production data as outlined in my letter of June 2, 1955, it is recommended that there should be no release of the audit report to Gateway Mining and Development Company.

It is suggested that data concerning the balance of royalty due from Utarado Mining Company be summarized by the auditor in a letter to that producer when your office advises me of approval of the audit report. I shall appreciate receiving your instructions in this respect.

Sincerely yours,

Donald T. Finch

Donald T. Finch, Auditor.

Encs.

For Certificate of Deposit No. 17, dated August 8, 1955, giving royalty repayment of $1,187.08, see E-4.

QUADRUPLICATE

STANDARD FORM 209c (Formerly Cert. of Deposit, Form 6559)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with Federal Reserve Bank of Kansas City, Mo., 5/6 Denver, Colo.
(Name and location of depositary) (Date sent)

DEPOSIT NO. 14-23-040-105

the sum shown opposite for credit, subject to check, in the disbursing account of—

$ 1,585.60

C. E. Evans, R.D.O., Denver, Colo.
(Name and address of officer to be credited)

SYMBOL NO. 413

On account of—
14X401

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colo.

Received in Accounts of C. E. Evans, RDO Denver, Colo. MAY 9 1955

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

MAY 6 1955
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

Contract No. E408 1585.60
Gateway Mining and Dev. Co., Inc
Total $1585.60

MAY 6 1955
C. E. EVANS, Reg'l D.O.
U. S. Treas. Dept.,
Denver

E-408

For Certificate of Deposit No. 84, dated March 22, 1955, giving royalty repayment of $1,499.31, see E-360.

E-408

For Certificate of Deposit No. 80, dated March 11, 1955, giving royalty repayment of $152.40, see E-4.

QUADRUPLICATE

STANDARD FORM 209c (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with Federal Reserve Bank of Kansas City, Mo.,
(Name and location of depositary) Denver, Colo. (Date sent)

DEPOSIT NO. 14-23-040-70

$ 754.04

the sum shown opposite for credit, subject to check, in the disbursing account of—

C. E. Evans, RDO, Denver, Colo.

(Name and address of officer to be credited)

SYMBOL NO. 413

On account of—
14X4401

E-448

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colo.

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

FEB 11 1953
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

~~Idm E-53~~	~~Eureka Tungsten~~	~~48.32~~
~~Idm E-319~~	~~J.W. Garrick~~	~~104.93~~
~~Idm E-333~~	~~Geo. Lump~~	~~234.16~~
~~Idm E-321~~	~~Campbell & Wentlang~~	~~86.12~~
~~Idm E-4~~	~~Chief Con~~	~~194.76~~
~~Idm E-36~~	~~Boulder Tungsten~~	~~150.91~~
Idm E-568	F.F.Hintze	188.92
Idm E-532	Ben Waltz Etc.	.74
Idm E-620	Galtie Boy	39.68
Idm E-408	Gateway	554.70

E-408

For Certificate of Deposit No. 64, dated January 19, 1955, giving royalty repayment of $120.61, see E-4.

For Certificate of Deposit No. 52A, dated December 17, 1954, giving royalty repayment of $815.37, see E-333.

For Certificate of Deposit No. 33, dated September 30, 1954, giving royalty repayment of $19.52, see E-4.

For Certificate of Deposit No. 16, dated August 16, 1954, giving royalty repayment of $186.24, see E-53.

E-408

For Certificate of Deposit No. 1, dated July 6, 1954, giving royalty repayment of $166.40, see E-7.

Khamkeo

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

224 New Customhouse
Denver 2, Colorado

May 18, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-Gateway Mining & Development Company, Docket No. 2128, Contract No. E408, Colorado

Enclosed are settlement sheets covering ore shipped under Liquidation No. R182 to the United States Vanadium Company and Liquidation No. 1203 shipped to the Climax Uranium Company.

Also enclosed is check in the amount of $51.27 in payment of royalty on the above shipments as follows:

Liquidation No. R-182----------	$25.97
Liquidation No. 1203----------	25.30
	$51.27

W. H. King
W. H. King

Enclosures

See E-4 for C.D. #6

For Schedule of Collections No. DMA-C-112, dated March 24, 1954, giving royalty repayment of $63.07, see E-54.

For Schedule of Collections No. DMA-C-101, dated February 26, 1954, giving royalty repayment of $24.49, see E-54.

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

224 New Customhouse
Denver 2, Colorado

January 29, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-Contract No. Idm-E408, Docket No. DMEA 2128, Gateway Mining Company, Colorado.

Enclosed is copy of settlement sheet covering Liquidation No. R4 for ore shipped by the Gateway Mining Company to the United States Vanadium Company.

Also enclosed is check in the amount of $93.65 in payment of royalty on this shipment.

W. H. King

Enclosures

es

cc: Royalty File
Sec. to the Oper. Comm. w/enc. settlement sheet
Traver w/enc. settlement sheet
Chron.

For Schedule of Collections No. DMA-C-87, dated February 3, 1954, giving royalty repayment of $93.65, see E-397.

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

224 New Customhouse
Denver 2, Colorado

Department of the Interior
Defense Minerals Administration
RECEIVED
FEB 1 1954

January 27, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-Gateway Mining Company, Contract Idm-2438, Docket No. DMA 2128, Colorado

Enclosed is copy of settlement sheet covering Liquidation No. 5392 for ore shipped by the Gateway Mining Company to the United States Vanadium Company.

Also enclosed is check in the amount of $216.45 in payment of royalty on this shipment.

W. H. King

Enclosures

es

cc: Royalty File
Sec. to the Oper. Comm. w/enc. settlement sheet
Traver w/enc. settlement sheet
Chron.

For Schedule of Collections No. DMA-C-85, dated February 1, 1954, giving royalty repayment of $216.45, see E-6.

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

Defense Minerals Administration
RECEIVED
DEC 28 1953

224 New Customhouse
Denver 2, Colorado

December 24, 1953

Mr. Cecil D. Haynie
Haynie and Hotchkiss
Attorneys at Law
535 Main Street
Grand Junction, Colorado

Re: DMEA Docket 2120 (Uranium)
Contract Idu-7403
Gateway Mining and
Development Company, Inc.

Dear Mr. Haynie:

Reference is made to your letter dated December 7, 1953, and our answering letter of December 11, 1953.

The matter of DMEA Bonus royalty pertaining to production from property listed in Contract Idu-7403 was referred to the Atomic Energy Commission for advice. A letter was received from Charles A. Mason, Chief of the Development Branch of the Mining Division, AEC, a copy of which is enclosed. It appears from this letter that DMEA Bonus may be obtained for at least part of the production from Gateway Mining Company property.

We therefore advise that application be made for this bonus payment for past and future production from this property. Please advise this office of future developments regarding this subject.

Yours very truly,

W. H. KING

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

Enclosure

RDD:jp
cc Royalty File
Chron
Sec. to Op. Comm.
WMTraver
RDBerkenkotter
w/encl

C
O
P
Y

UNITED STATES
ATOMIC ENERGY COMMISSION
Grand Junction, Colorado

RECEIVED
1953

December 17, 1953.

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

Re: BONUS PAYMENT ON D.U.P.C6-C-17 AND 18

Dear Mr. King:

This will acknowledge your letter of December 11, 1953, requesting the status of bonus payments on certain claims and the date of the last payment.

Our records show the LaSal Nos. 1 to 7 inclusive, John Brown No. 1, Gilmore and Tetzloff claims to have been certified for bonus payments along with other claims in the group under D.U.P.C6-C-18. The applicant for this certification was the Gateway Mining and Development Company. This group has received all of the bonus for which it was certified. The last payment under C-18 was made on May 2, 1952.

The LaSalle claim was certified under D.U.P.C6-C-17, along with 17 other claims not listed by you. The applicant for this certification was J. W. Lewis. Our records show 9,469.16 pounds of U_3O_8 still eligible for bonus payments. The date of the last payment on C-17 was October 22, 1952.

We have no record of a John Thornton claim, owned by the Gateway Mining and Development Company, being certified for bonus.

If the Gateway Mining and Development Company is the lessee of the LaSalle claim, it appears that the company could be made eligible to collect the bonus still remaining by establishing the existence of a lease.

Very truly yours,

/s/ Charles A. Rasor, Chief
Development Branch
Mining Division

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. DMA-54-C-82

Sheet No. 1

Department of the Interior
(Department or Establishment)

(14-23-040)
Defense Minerals Exploration Administration
(Bureau or Office)

Received by C. L. Evans, Regional Disbursing Officer (Name) (Title) at Denver, Colorado (Station)

Period January 1954 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
1/18/54		Gateway Mining & Development Co., Check No. 1210 drawn on The United States Bank of Grand Junction, Grand Junction, Colorado	Repayment under the Mineral Exploration Program, Contract No. Idm-2408, Gateway Mining Co.	44.36	14X4401 Revolving Fund Defense Production Act, Interior
			Total,	44.36	

Received _____, subject to collection. Forwarded January 18, 1954

_____
(Disbursing clerk or accountable officer)

By _____

By _____
(Name)
Title Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

For Schedule of Collections No. DMA-C-74, dated January 6, 1954, giving royalty repayment of $63.68, see E-6.

For Schedule of Collections No. DMA-C-61, dated December 7, 1953, giving royalty repayments of $30.93 and $2.75, see E-71.

For Schedule of Collections No. DMA-C-55, dated November 18, 1953, giving royalty repayments of $32.55 and $321.31, see E-345.

For Schedule of Collections No. DMA-C-54, dated November 18, 1953, giving royalty repayment of $17.24, see E-4.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
NOV 18 1953

224 New Customhouse
Denver 2, Colorado

November 16, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty Payment - Contract Idm-E408, Docket No. DMEA 2128, Gateway Mining Company

Enclosed is a check in the amount of $32.55 covering the balance due in royalty on ore shipped by the Gateway Mining Company to the United States Vanadium Company in accordance with our letter of September 28, 1953.

John F. Shaw
John F. Shaw, for
W. H. King

Enclosure

JFS:fwo

cc Sec.Oper.Comm.
WMTraver
Contract
Chron

MSL

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. DMA-R4-C-34

Sheet No. 1

(14-23-040)

Department of the Interior
(Department or Establishment)

Defense Minerals Exploration Administration
(Bureau or Office)

Received by C. E. Evans, Regional Disbursing Officer (Name) (Title) at Denver, Colorado (Station)

Period October, 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
9/30/53		Gateway Mining and Development Co., Check No. 1161 drawn on The United States Bank of Grand Junction, Grand Junction, Colorado	Repayment under the Mineral Exploration Program, Contract No. Idm-E408, Gateway Mining & Development Co.	186.90	14X4401 Revolving Fund, Defense Production Act, Interior
"		Gateway Mining & Development Co., Check No. 1155 drawn on The United States Bank of Grand Junction, Grand Junction, Colorado	Repayment under the Mineral Exploration Program, Contract No. Idm-E408, Gateway Mining & Development Co.	30.86	"
"		United States Smelting, Refining & Mining Co., Check No. 96491 drawn on U.S. Smelting Refining & Mining Co., Boston, Mass.	Repayment under the Mineral Exploration Program, Contract No. Idm-E4, Chief Consolidated Mining Company	263.04	"
"		American Smelting and Refining Co., El Paso Smelting Works, Check No. 32676 drawn on The State National Bank, El Paso, Texas	Repayment under the Mineral Exploration Program, Contract No. Idm-E345, Ira L. Moseley	4.39	"
"		Hetzer-Mines, Inc., Check No. 1295 drawn on First National Bank in Boulder, Boulder, Colo.	Repayment under the Mineral Exploration Program, Contract Idm-E53, Eureka Tungsten	77.64	"
			Total,	$562.83	

Received _____, subject to collection. Forwarded October 1, 1953

_____
(Disbursing clerk or accountable officer)

By _____

By Naomi E. Stokes (Name)

Title Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

E-408

For Schedule of Collections No. DMA-R4-C-16, dated August 24, 1953, giving royalty repayment of $65.86, see E-4.

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

224 New Customhouse
Denver 2, Colorado

August 18, 1953

Memorandum

To: Jay L. Chambers, Chief
Contract Administration and Audit Division

From: Executive Officer, DMEA Field Team, Region IV

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

Thank you for the royalty check in the amount of $65.86 from the Gateway Mining & Development Company.

We have instructed Mr. Haynie to send all future royalty checks to this office.

W. H. King

W. H. King

No. 1

AMENDMENT OF CONTRACT: No. IM-5408

Contract Docket No. UMA 2126, dated September 26, 1952, between the United States of America and Gateway Mining and Development Company, Inc., is hereby amended as follows, effective as of the date of said contract.

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form IM-200(A), delete "five months" and in lieu thereof substitute "seven (7) months".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated March 5, 1953.

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

By _____
R. C. Hartman, President

UNITED STATES OF AMERICA

By _____
Executive Officer, UMRA
Field Team, Region IV

Attest

No. 1

AMENDMENT OF CONTRACT: No. Idm-E408

Contract Docket No. DMEA 2128, dated September 26, 1952, between the United States of America and Gateway Mining and Development Company, Inc., is hereby amended as follows, effective as of the date of said contract.

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200(A), delete "five months" and in lieu thereof substitute "seven (7) months".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated March 5, 1953.

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

By Herman J. Tetzloff
~~Hxzfzx Hartman, President~~
Herman J. Tetzloff, President

UNITED STATES OF AMERICA

By W. H. King
Executive Officer, DMEA
Field Team, Region IV

Attest

[illegible]

[illegible]

[illegible]

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. Mittenderf'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 any mere 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.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

NCRubin/cmd
2/13/56
Copy to: MMA Docket
Adm. R. File
Operating Comm.
J. E. Crawford, Bu.Mines
Taylor-Hillegaard, G.S.

/s/ Robert W. Geehan

Member, Bureau of Mines

W. P. Williams

Member, Geological Survey

E. W. Ellis
R. P. Dwyer
N. C. Rubin
chron.
~~pending~~
J. L. Chambers

[illegible]

FEB 21 1956

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

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining and Development Company
Gilmore, La Sal, Tuttle, John Thornton, John Brown, and La Salle Claims
Mesa County, Colorado
Contract No. Ida-2068

Dear Mr. Trover:

Your memorandum dated January 24, 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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Gateway Mining Company, Inc.
875 Glenwood Avenue
Grand Junction, Colorado

pertaining to Exploration Project Contract Idm-E408, Docket No. DMEA 2128, and including amendment No. 1, covering a project for exploration of Uranium, for the months of November, 1952 to March, 1953.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the Field Team in charge of the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

The contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor	$51,969.15
Exceptions:	
Excess of Gross contract amount	.15
Total Accepted Cost	$51,969.00

The contract calls for a 90 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Forty-six thousand seven hundred seventy-two and 10/100 Dollars

-$46,772.10-

is considered valid and proper.

Dated: May 7, 1953

Donald T. Finch

Donald T. Finch, Auditor

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

AUG 1 1 1953

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

Re: Docket No. DMEA-2128
Contract No. Idm-E408
Gateway Mining and Development
Company, Inc.

Dear Mr. King:

Mr. Cecil S. Haynie of the Haynie & Hotchkiss law firm in behalf of the Gateway Mining and Development Company, sent to this office a check in the amount of $65.86 as royalty on ore produced on the above-cited contract.

The check is being sent to you for deposit. You might contact Mr. Haynie and advise him to send checks to your office.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

JLChambers/wb
August 10, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

May 14, 1953

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Dear Mr. Chambers:

In compliance with the instructions contained in your letter to Mr. Brading, dated May 12, 1953, I have amended my Report of Review for Exploration Contract Idm-E408, Gateway Mining Company.

The reason the report, as originally submitted, showed total billing of $51,969.15 and Government Participation amount of $46,772.24, was that Exhibit A of the Contract calls for sundry drilling at the indicated unit costs. The operator performed this drilling and billed the DMEA for the arithmetically correct amount. Viz.units × authorized unit costs.

In connection with the 15 cents difference in Gross Contract amount and Exhibit A of the contract, there is enclosed a copy of a memorandum to the Administrator from the Executive Officer, DMEA Field Team, Region IV, dated October 31, 1952.

Sincerely yours,

Donald T. Finch

Donald T. Finch
Auditor, Region IV

Enclosure

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

C
O
P
Y

224 New Customhouse
Denver 2, Colorado

October 31, 1952

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E408, Docket DMEA 2128, Gateway Mining & Development Company, Inc. (Uranium).

The total estimated cost of the project on page 1 of Exhibit A attached to Contract Idm-E408 is given as $51,969.00. The total of the estimated costs in the project is $51,969.15. The figure of $51,969.00, which is in error, is also used in Article 4 of the contract. The amount of Government participation is also in error in the amount of 13½ cents.

We do not believe that this error is large enough to warrant consideration, however we believe it should be called to your attention.

/s/ W. H. King

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1953 Docket No. DMEA 2128 Contract No. IDM-E-408
Operator's Name Gateway Mining & Development Company Minerals Uranium
Address P.O. Box 896, Grand Junction, Colorado
Contract Amount, $ 51,969.00 Government Participation: ____% Amount, $ 46,772.10

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	6830.54	45,138.61	51,969.15	6830.39	45,138.61	51,696.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6830.54	45,138.61	51,969.15	6830.39	45,138.61	51,696.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 1, 1953 *Payee Gateway Min. & Development Co.
Per John L. Schumacher Title Mining Engineer

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

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

(Instructions on reverse)

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

$ 6147.85

Signature [illegible] (Authorized Certifying Officer)

Date 6-5-53 Vou. No. 53-144

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 408 in accordance with the terms of the contract.

Signature R. R. McLellan 6.147.49 Title Mining Engineer Date 4/28/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.DB.

Signature W. H. King Title Executive Officer Date JUN 4 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1953 Docket No. DMEA 2128 Contract No. IDM-E-408

Operator's Name Gateway Mining & Development Company Minerals Uranium

Address P.O. Box 896, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	6,830.54	2073	48,337.65	14670	3.295	14670	48,337.65
~~OTHER~~ Wagon	Feet	0	0	3,631.50	2700	1.345	2700	3,631.50
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		6,830.54	2073	51,969.15				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								51,969.00

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

Date April 1, 1953 Operator Gateway Min. & Dev. Co.

Per John I. Schumacher Title Mining Engineer
JOHN I. SCHUMACHER

REMARKS: Cost to date and cost authorized by contract vary by $0.15.

Footage & price is equal to cost to date. Difference is not due to error in operators calculation but in error on Exhibit "A".

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Office ...

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

JUN 15 1953

Administrative Audit Difference Statement

Date: June 5, 1953
Payee's
Reference: Progress Report
March, 1953
(Final)

Gateway Mining & Development Co., Inc.,
875 Glenwood Avenue
Grand Junction, Colo
I-DMA-E408

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

Amount Claimed $ 6830.54

Difference $ .15

Amount Approved $ 6830.39

The reason for the difference was due to:

Excess of gross contract amount. Should have been $51,969.15 instead of $51,969.00 as shown on Exhibit "A" in contract.

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

Very sincerely yours,

A. K. O

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

June 4, 1953.

FINAL

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado. Operator's Monthly Progress Report for the period March 1953. (Final Report)

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

As this contract is prepared on Form MF-200A there is no jointly-owned equipment in which the Government has an equity.

This report constitutes the Operator's final claim under the contract and is recommended for payment in conformance with the final Report of Review by the Contract Administration and Audit Division dated May 29, 1953.

Amount claimed by the Operator this Report	$6,830.54
Excess of Gross Contract Amount	.15
Amount Approved for Payment	$6,830.39
Payment to Operator at 90 percent	$6,147.35
Amount Previously Paid to Operator	$40,624.75
Payment this Report	6,147.35
Total Government Payment under the Contract	$46,772.10
Government Payment authorized by Contract	$46,772.10

Remarks:

Date of Report	April 1, 1953.
Date Received in Field Office	April 9, 1953.
Date Received in Region Office	May 5, 1953.
Date Processed for Payment	June 1, 1953.

Held up pending receipt of Operator's Final Report and issuance of Report of Review by the Contract Administration and Audit Division.

W. H. King

W. H. King

Enclosures

cc: Contract
Secretary to the Oper. Comm. (2)
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
May 4, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado - Progress report for March 1953

Please find enclosed the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative, progress maps, drill statistics, recapitulation of diamond drill hole data, and daily drill reports (one copy)--and the original and six copies of Russell R. McLellan's memorandum covering inspection of the surface diamond drill accomplishments and verification of the reporting form entries and extensions. Contract is short-form MF-200 (A).

Documentation is not required on short-form contracts. Work was performed in conformance with the terms of the contract, with 2,073 feet of drilling completed, as reported in the narrative and on the MF-104A forms.

A difference of 15 cents in the cost authorized by contract and the cost times unit price is noted on the contractor's MF-104A forms and in the inspecting engineer's memorandum.

Payment is approved and certified on the MF-104 form of $6,147.49, or 90 percent of the total $6,830.54 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

WMT/ch

cc: 4
E408
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Denver Federal Center
Building 20, Room 137
Denver 14, Colorado
May 4, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Russell R. McLellan

Subject: DMEA 2128, Contract Idm-2408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado - Progress Report for March 1953

The project was visited on March 17, 1953, shortly before the exploration program was completed on March 25, 1952. Only one of the thirteen holes completed during the month contained ore. A total of 2,073 feet of drilling for the period expended the allowable footage of 14,670 feet for diamond drilling.

All holes are plainly marked and core from the mineralized zones has been split and boxed. Approximately forty boxes of core are stored on the mesa and can be picked up by Bureau of Mines representatives at their convenience.

The company engineer, John I. Schumacher, was contacted in Grand Junction on April 21, 1953, at which time he indicated that he would be away most of the spring and summer and to address any further correspondence concerning the project to:

Mr. Cecil Haynie,
Haynie and Hotchkiss, Attorneys
P. O. Box 896
Grand Junction, Colorado

Mr. Haynie is Secretary and Treasurer of the Gateway Mining and Development Company.

The monthly report is complete with narrative, drill hole data, assay data, and maps. The maps show the areas of indicated and inferred ore estimated from the results of the wagon and diamond drilling.

The company engineer has submitted his final report, and the writer is preparing the final DMEA engineering report and a memorandum recommending certification of discovery.

All entries on forms MF-104 and MF-104A appear to be correct and payment is recommended of $6,147.49, or 90 percent of the $6,830.54 claimed, pending final audit and pending receipt of the DMEA engineering report. It should be noted that an error of $0.15 was made in typing the DMEA contract. The total amount should read $51,969.15 in place of $51,969.00. The correct amount appears on the MF-104 forms. W. H. King refers to the error in his letter of October 31, 1952, to C. O. Mittendorf.

for Russell R. McLellan
Mining Engineer

RRM/cb

cc: 6
E408
DMEA Chron.

Gateway Mining and Development Company DMEA 2128

MONTHLY REPORT

STATISTICAL DATA

PERIOD: March 1953

	THIS PERIOD	TO DATE	
Holes drilled	13	140	
Wagon drilling	0	42	
Diamond drilling	13	98	
Footage drilled	2137.0	17451.0	
Wagon drilling	0	2724.0	*
Diamond drilling	2137.0	14734.0	*
Holes lost	0	3	
Footage lost	0	108	
Mineralized holes	3	36	
Ore holes	1	12	

* Wagon drilling total is 24 Ft. over maximum and diamond drilling total is 64 Ft. over maximum as shown on contract. The cost of this over footage will be paid by Gateway Mining and Development Company

NARRATIVE

Drilling of the maximum footage of the contract was completed on March 25, 1953. Drilling was slow this month due to the extended periods of rain, snow, and thaws which made the roads impassable. Results of the drilling were not too favorable as only one ore hole was drilled. Diamond drill Hole No. 98, about 50 feet southeast of Hole No. 42 showed 1 foot of 0.21 U3O8. The other holes in this same area around ore Hole No. 42 were blank.

Four additional blocking out holes around ore holes 38, 39 and 81 were also poor. One, No. 94, was mineralized.

Two additional holes around ore Hole 9 were blank and one of three holes in the vicinity of holes 14 and 26 was mineralized. Little reserves were added by this month's drilling, but it is felt that later mining will show more ore between drill holes than is indicated by later drilling.

Cores from the ore and mineralized cuttings have been checked in the field with a counter for mineralization and barren core discarded. Boxes containing mineralized sections and ore splits have been saved and are stored in the camp bunkhouse. All holes have been marked by a wood 3" x 3" stake and metal tag showing the hole numbers. Duplicate copies of the drill logs are on file in the Grand Junction office of the company.

John I. Schumacher

JOHN I. SCHUMACHER
Mining Engineer

GATEWAY MINING AND DEVELOPMENT COMPANY

DMEA 2128
March 1953

RECAP OF DRILL HOLE DATA

HOLE NO.	GEOL. NO.	DEPTH	FAVORABILITY	REMARKS
86	135-0	125 Ft.	Unfav.	Poor SS color, No Grn. Ms
87	136-0	188 Ft.	Fav.	Good Grn Ms thickness
88	137-0	124 Ft.	Unfav.	Poor SS color, No Grn Ms
89	139-0	188 Ft.	Unfav.	Poor SS thickness
90	140-0	194 Ft.	Fav.	Good thickness of SS & Grn Ms
91	141-0	203 Ft.	Fav.	Good thickness of SS & Grn Ms
92	142-0	194 Ft.	Mnlz.	Ore grade
93	143-0	183 Ft.	Fav.	Good thickness of SS & Grn Ms
94	144-0	184 Ft.	Mnlz.	Not ore grade
95	145-0	174 Ft.	Semi-fav.	Fair thickness of SS & Grn Ms
96	147-0	113 Ft.	Mnlz.	Not ore grade
97	148-0	113 Ft.	Fav.	Good thickness of SS
98	149-0	154 Ft.	Fav.	Good thickness of SS & Grn Ms

TOTAL DIAMOND DRILLING: 2137 Feet

ASSAY DATA

HOLE NO.	GEOL. NO.	FROM	TO	V_2O_5	U_3O_8	RECOVERY
92	142-0	177.0	178.0	0.80	0.21	100%

No other holes assayed this month.

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

224 New Customhouse
Denver 2, Colorado

June 8, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado.

Enclosed are two copies of the Operator's Final Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of March, 1953, pertaining to DMEA Docket 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado. There was no jointly-owned property purchased under this contract. The contract was a short form one prepared on Form MF-200A.

Forms were processed for payment in conformance with the Report of Review dated May 29, 1953.

Government's full contribution amounted to $46,772.10 as allowed by the contract.

Copies of Engineer's Final Report, Geologist's Final Report, and Operator's Final Report will be transmitted at a later date after all data has been assembled in this office.

W. H. King

Enclosures

Form MF-10a (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1953 Docket No. DMEA 2128 Contract No. IDM-E-408
Operator's Name Gateway Mining and Development Company Minerals Uranium
Address P.O. Box 896, Grand Junction, Colorado
Contract Amount, $ 51,969.00 Government Participation: 90 % Amount, $ 46,772.10

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	9,799.33	35,339.28	45,138.61			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	9,799.33	35,339.28	45,138.61	9799.33	35,339.28	45,138.61

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

Date March 5, 1953 *Payee Gateway Min. & Dev. Company

John L. Schumacher

Per JOHN L. SCHUMACHER Title Mining Engineer

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

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

(Instructions on reverse)

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

$ 8819.40

Signature [illegible]
(Authorized Certifying Officer)

Date 4/6/53 Voucher No. DMA 53-115

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E 408 in accordance with the terms of the contract.

Signature Mr. Dare #881940 Title Mining Engineer Date 3-26-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date APR 1 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 19[illegible])

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1953 Docket No. DMEA 2128 Contract No. IDM-E-408
Operator's Name Gateway Mining and Development Company Minerals Uranium
Address P.O. Box 896, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	9799.33	2974	41,507.11	12597	3.295	14670	48337.65
~~Chip~~ Wagon	Feet	0	0	3,631.50	2700	1.345	2700	3631.50
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		9799.33	2974	45,138.61				
Operating Equipment Purchased								51,969.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date March 5, 1953 Operator Gateway Min. & Dev. Company

Per John I. Schumacher Title Mining Engineer
JOHN I. SCHUMACHER

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

April 1, 1953.

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1953

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2128, Contract Idm-2408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado. Operator's Monthly Progress Report for the period February 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Operator was given prior approval by the Government for the 40 offset holes which are now being drilled on the property as stated in the contract.

Remarks:

Date of Report	March 5, 1953.
Date Received in Field Office	March 10, 1953.
Date Received in Region Office	April 1, 1953.
Date Processed for Payment	April 1, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

cc: Contract
√Secretary to the Oper. Comm. (2)
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 30, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado - Progress Report for February 1953

Enclosed please find the original and four copies of the subject progress report—forms MF-104 and MF-104A, with narrative, including drill statistics, three prints only of progress maps, recapitulation of diamond drill hole data including assays, and daily drill reports (one copy)—and the original and six copies of W. L. Dore's memorandum covering inspection of the surface diamond drill progress and reporting form entries. The contract is short form MF-200 (A).

The inspecting engineers visited the project with the contractor's consultant and verified the 2,974 feet of core drilling reported.

Operations were in conformance with the terms of the contract. Documentation is not required on short form contracts, entries and extensions are correct on the reporting forms, and payment is approved and certified on the MF-104 form of $8,819.40, or 90 percent of the total $9,799.33 claimed by the contractor.

Your attention is called to the fact that the operator has submitted only three copies of the progress map. He is being advised to prepare five copies for his March report and, if additional copies are required for this report and you will so advise, we will request them immediately.

With favorable weather conditions the offset drill holes approved by DMEA representatives will be completed during March and the contract terminated.

W. M. Traver

W. M. Traver

enclosures

WMT/cb

cc: 4/ E408, DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 30, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA #128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado - Progress report for February 1953

The drilling operation on the La Sal group of claims was visited on March 17, 1953, by R. R. McLellan and W. L. Dare. John I. Schumacher, consulting engineer for the company, was contacted at the property and progress and remaining work discussed. Heavy snows have hampered the work both in February and March, but it was reported that, weather conditions permitting, the drilling should be completed by the end of March.

The offset drill hole locations for holes drilled in February and the locations of holes being drilled in March were approved in advance by representatives of the Bureau of Mines and Geological Survey. The core is being logged by USGS geologists from R. P. Fischer's staff in Grand Junction.

Schumacher has attached a complete copy of drill hole logs and a recapitulation sheet showing assay data. It is noted, however, that only three copies of the progress map were transmitted with the report.

Approval is given to the work accomplished and payment is recommended as $8,819.40, which is 90 percent of $9,799.33, the amount claimed.

W. L. Dare
Mining Engineer

WLD/cb

cc: 6
E408
DMEA Chron.

GATEWAY MINING AND DEVELOPMENT COMPANY D.M.E.A. 2128

MONTHLY REPORT

STATISTICAL DATA

PERIOD: February 1953

	THIS PERIOD	TO DATE
Holes drilled	20	127
Wagon drill	0	42
Diamond drill	20	85
Footage drilled	2974	15,314.0
Wagon drill	0	2,724.0
Diamond drill	2974	12,597.0
Holes lost	0	3
Footage lost	0	108
Mineralized holes	5	33
Ore holes	5	11

NARRATIVE

During the month of February, 2974 feet of core drilling was completed. Two drills worked most of the month but progress was slow because of alternating thaws and snow which made road conditions poor and water hauling impossible for short periods.

Twenty holes were drilled, six were mineralized and two of these were of ore grade and thickness. Hole No. 81 assayed 3.1 feet of 0.41 U_3O_8 and 1.33 V_2O_5. Hole 72 had 0.8 feet of 0.25 U_3O_8 and 1.97 V_2O_5.

Before beginning the blocking out drilling, it was hoped that ore could be found connecting the ore holes Nos. 14, 26, 65 and 25, however, blocking out drilling has not proven the continuity and it now appears that this area is made up of a series of smaller ore bodies connected by a thin layer of low grade mineralization. This may also be true of the area around 81, 89 and 88 and possibly the areas around 42 and 9.

A preliminary evaluation suggests that selective mining could be done in the first two of the above areas. Further drilling beyond the maximum of the contract, however, is not contemplated at this time as it appears that the size of the ore bodies may not warrant deeper drilling. Future mining may give a better picture as to the average size ore body.

The remainder of the footage (2073 feet) will be used to block out around holes 42, 9, 88, 25 and a few additional holes around the area of 26, 72 and 65. Drilling should be completed about March 15 if the weather favorable but under poor conditions it may be extended to the end of the

John I. Schu

JOHN I. SCHUBACH

GATEWAY MINING AND DEVELOPMENT COMPANY

DMEA 2128
February 1958

RECAP OF DRILL HOLE DATA

HOLE NO.	GEOL. NO.	DEPTH	FAVORABILITY	REMARKS
DD 66	114	124	Mnlz.	Mnlz. in upper SS
DD 67	115	138	Fav.	Fair thickness of SS & Gn. Ms
DD 68	116	104	Unfav.	No. Gn Ms
DD 69	117-0	143	Mnlz.	Below ore grade
DD 70	119-0	150	Mnlz.	Below ore grade
DD 71	120-0	143	Fav.	Good thickness of SS & Gn Ms
DD 72	121-0	154	Mnlz.	Ore grade
DD 73	122-0	144	Mnlz.	Below ore grade
DD 74	123-0	155	Fav.	Good thickness of SS & Gn Ms
DD 75	124-0	135	Semi-Fav.	Poor thickness of Gn Ms
DD 76	125-0	105	Semi-Fav.	Poor thickness of Gn Ms
DD 77	126-0	174	Mnlz.	Below ore grade
DD 78	127-0	170	Fav.	Good thickness of SS & Gn Ms
DD 79	128-0	183	Fav.	Good thickness of SS & Gn Ms
DD 80	129-0	170	Fav.	Fair thickness of SS & Gn Ms
DD 81	130-0	183	Mnlz.	Ore grade
DD 82	131-0	190	Semi-Fav.	Fair thickness of SS & Gn Ms
DD 83	132-0	193	Semi-Fav.	Fair thickness of SS & Gn Ms
DD 84	133-0	104	Un-Fav.	Poor thickness of SS & Gn Ms
DD 85	134-0	114	Semi-Fav.	Fair thickness of SS & Gn Ms

TOTAL DIAMOND DRILLING: 2974 feet.

ASSAY DATA

HOLE NO.	GEOL. NO.	FROM	TO	V_2O_5	U_3O_8	RECOVERY
DD 69	117-0	130.5	131.0	0.03	0.03	100%
DD 70	119-0	134.5	135.5	0.03	0.02	100%
DD 70	119-0	135.5	137.0	0.05	0.07	100
DD 72	121-0	143.0	143.8	1.97	0.25	95
DD 73	122-0	129.5	130.5	0.02	0.01	85
DD 81	130-0	169.9	170.8	0.15	0.09	100
DD 81	130-0	170.8	172.3	0.71	0.29	100
DD 81	130-0	172.3	172.7	5.32	1.80	100
DD 81	130-0	172.7	173.0	0.56	0.14	100

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January 8 1953 Docket No. DMEA 2229 Contract No. DMA-14-099-53

Operator's Name Gateway Mining & Development Co. LLC Minerals Uranium

Address P.O. Box 699, Grand Junction, Colorado

Contract Amount, $ 81,969.69 Government Participation: 99 % Amount, $ 69,772.19

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:	15,842.53	19,496.92	35,339.45			
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	15,842.53	19,496.92	35,339.45	15842.36	19,496.92	35,339.28

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

Date Feb. 3, 1953 *Payee Gateway Min. & Dev. Company

Per John I. Schmutzler Title Consultant Mining Engineer

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

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(Instructions on reverse)

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

$14258.12

Signature (Authorized Certifying Officer)

Date 3/11/53 Vou. No. DMA 53-107

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 408 in accordance with the terms of the contract.

Signature R. R. McLellan 14,258.12 Title Mining Engineer Date 2/22/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: L.D.B.

Signature W. H. King Title Executive Officer Date MAR 9 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1953 Docket No. DMEA 2120 Contract No. [illegible]
Operator's Name Gateway Mining & Development Company Minerals Uranium
Address P.O. Box 636, Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	10,042.53	4030	31,707.70	9023	3.296	34070	60377.00
Churn Wagon	foot	(0)	0	3,631.50	2700	1.345	2700	3633.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		10,042.30	4030	35,339.20				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								61,930.00

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

Date Feb. 3, 1953 Operator Gateway Min. & Dev. Co.

Per John I. Schumacher Title Consultant Engineer
JOHN I. SCHUMACHER

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

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

224 New Customhouse
Denver 2, Colorado

March 9, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2128, Contract Idm-E408 (Uranium) Gateway Mining Company, Mesa County, Colorado - Operator's Monthly Progress Report, for the Period January 1953

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report----------February 3, 1953
Date Received in Field Office----------February 11, 1953
Date Received in Region Office----------March 5, 1953
Date Processed for Payment----------March 9, 1953

W. H. King
W. H. King

Enclosures

RDB:es

cc: Contract
Sec. to the Oper. Comm.(2)
Traver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 2, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Mesa County, Colorado - Progress report for January 1953

Please find enclosed the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative, progress map, recapitulation of core drill hole data, assays, and daily drill reports (one copy)--and the original and six copies of R. R. McLellan's memorandum covering inspection of the surface diamond drill progress and entries on the reporting forms. The contract is short form MF-200 (A).

The inspecting engineers were unable to visit the project due to weather conditions. However, geologists of the Geological Survey make regular routine inspections and confirm the work accomplishments for the reporting period. Unit progress was 4,808 feet. Entries and cost extensions on the reporting forms are correct.

Payment is approved and certified on the MF-104 form of $14,258.12, or 90 percent of the total $15,842.36 claimed by the contractor.

Offset diamond drill hole locations were approved by the DMEA representatives.

W. M. Traver

W. M. Traver

enclosures

WMT/eb

cc 4, E408, DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 2, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Russell R. McLellan

Subject: DMEA 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Mesa County, Colorado - Progress report for January 1953

The company consulting engineer, J. I. Schumacher, was contacted in Grand Junction by Russell R. McLellan and Wilbert L. Dare on February 17, 1952. Heavy snow and high winds caused temporary isolation of the project area; therefore, a visit to the claims was impossible.

Locations of proposed offset holes were approved by the Bureau engineers and by USGS geologists. Fifteen to 20 offset holes will be drilled in the vicinity of ore holes 9, 14, 25, 26, 38, 39, 42, and 65. With reasonably fair weather the project should be completed during the second or third week of March 1953.

The core is being logged by USGS geologists from R. P. Fischer's staff in Grand Junction. Fischer was able to verify that work had been completed as reported in the operator's narrative. A total of 4,808 feet of diamond drilling was completed during the month.

The work is considered to be satisfactory and is in conformance with the terms of the contract. An assay record and a recapitulation of drill hole data are attached to each copy of the narrative. Five copies of drill hole progress maps are included in the report.

Payment is recommended of $14,258.12, or 90 percent of the $15,842.36 claimed.

Russell R. McLellan

Russell R. McLellan
Mining Engineer

RRM/cb

cc 6
E408
DMEA Chron.

[illegible] 1128

[illegible]

[illegible]

[illegible] February 195[illegible]

	[illegible]	[illegible]
Holes drilled	[illegible]	107
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

[illegible] diamond drilling [illegible] drilling [illegible] the month. A total of [illegible] feet of the drilling was done [illegible] drilling [illegible].

[illegible] holes [illegible] drilling [illegible] approximately 1 to 2 [illegible] evidence indicates that in general the [illegible] are not [illegible] the [illegible] of the ore body, but probably [illegible].

[illegible] location of [illegible] mineralization it now appears that [illegible] [illegible] 1, [illegible] and [illegible] 23; [illegible] (c) [illegible] development [illegible] hole [illegible] in the vicinity of [illegible].

[illegible] drilling [illegible] the present remaining diamond drilling, [illegible] feet should be completed about March 7, 195[illegible].

John J. Schumark

John J. [illegible]
Consultant [illegible]

Attached: [illegible]
[illegible]
[illegible]

[illegible]

[illegible]
January 19[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 37	[illegible]	153	[illegible]-fav.	Poor thickness of [illegible]
[illegible] 38	69	184	[illegible]lz.	Ore grade
[illegible] 39	81	183	[illegible]lz.	Ore grade
[illegible] 40	97	155	Unfav.	Poor thickness of [illegible]
[illegible] 41	93	144	Unfav.	Poor thickness of [illegible]
[illegible] 42	44	193	[illegible]lz.	Ore grade
[illegible] 43	52	185	[illegible]av.	Fair thickness of [illegible]
[illegible] 44	50	193	[illegible]av.	Good thickness of [illegible]
[illegible] 45	42	154	[illegible]av.	Good thickness of [illegible]
[illegible] 46	99	175	Unfav.	Poor thickness of [illegible]
[illegible] 47	43	188	Semi-fav.	Poor thickness of [illegible]
[illegible] 48	100	114	Unfav.	Poor thickness of [illegible]
[illegible] 49	81	150	Unfav.	Poor thickness of [illegible]
[illegible] 50	101	193	Unfav.	Poor thickness of [illegible]
[illegible] 51	103	144	Unfav.	Poor thickness of [illegible]
[illegible] 52	103	144	Unfav.	Poor thickness of [illegible]
[illegible] 53	45	173	[illegible]av.	Good thickness of [illegible]
[illegible] 54	104	174	Semi-fav.	Fair thickness of [illegible]
[illegible] 55	105	174	[illegible]av.	Good thickness of [illegible]
[illegible] 56	61	176	[illegible]av.	Good thickness of [illegible]
[illegible] 57	103	201	[illegible]av.	Good thickness of [illegible]
[illegible] 58	107	143	Semi-fav.	Poor thickness of [illegible]
[illegible] 59	103	176	[illegible]av.	Good thickness of [illegible]
[illegible] 60	109	175	Semi-fav.	Poor thickness of [illegible]
[illegible] 61	119	211	[illegible]av.	Very good [illegible] thickness
[illegible] 62	47	153	Semi-fav.	Poor thickness of [illegible]
[illegible] 63	119	124	[illegible]lz.	Below ore grade
[illegible] 64	111	103	Semi-fav.	Poor thickness of [illegible]
[illegible] 65	110	142	[illegible]lz.	Ore grade

[illegible]: 4853 feet

[illegible] MINING AND [illegible] COMPANY

DSA 2158
January 1955

ASSAY DATA

HOLE NO.	SHOL. FL.	FROM	TO	V_2O_5	U_3O_8	RECOVERY
DD 42	44	170.5	171.5	1.59%	0.95%	95%
DD 58	60	156.0	157.1	2.04	0.57	100%
DD 59	61	157.5	159.5	0.95	0.14	100%
DD 65	112	172.5	173.5	0.90	1.74	100%
DD 65	112	129.5	130.0	1.34	0.12	100%
DD ~~64~~ 63	115	8[illegible].0	82.5	1.63	0.05	80%
DD 21	76	114.5	116	0.07	0.03	70% *

* Hole completed in December.

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

Budget Bureau No. 42-R1036.3.
Approval expires 9-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 9 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name Gateway Mining & Development Co. Minerals [illegible]
Address P.O. Box [illegible], Grand Junction, Colorado
Contract Amount, $ [illegible] Government Participation: 90 % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	11,041.54	8,455.38	19,496.92			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	11,041.54	8,455.38	19,496.92	11041.54	8455.38	19496.92

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

Date January 7, 1953 Payee Gateway Mining & Development Co.

Per John J. Schumacher Title President & Agent

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

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

(Instructions on reverse)

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

$ 9937.39

Signature [illegible]
(Authorized Certifying Officer)

Date 1/29/53 Voucher DMA 53-92

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 408 in accordance with the terms of the contract.

Signature R. R. McLellan 9,937.39 Wmk Title Mining Engineer Date 1/19/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

Signature W. H. King Title Executive Officer Date JAN 26 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 9 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

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Address P.O. Box [illegible], Grand Junction, Colorado

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Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	11,041.[illegible]	[illegible]	16,[illegible].42	[illegible]	2.[illegible]	[illegible]	[illegible].66
Churn-Vegas	Feet			[illegible].00	2700	1.[illegible]	2700	[illegible].50
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		11,041.[illegible]	[illegible]	19,[illegible].62				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								[illegible].00

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

Date January 7, 1953 Operator Gateway Min. & Dev. Co.

Per John I. Schumacher Title Consultant Engineer
JOHN I. SCHUMACHER

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(Instructions on reverse)

(For Government use only)

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U. S. GOVERNMENT PRINTING OFFICE 205676

[illegible] 5126

[illegible]

[illegible]

[illegible]: December 1952

	This Month	To Date
Holes Drilled	24	78
Wagon Drill	0	42
Diamond Drill	24	36
Footage Drilled	[illegible]1	7[illegible].0
Wagon Drill	0	[illegible]724.0
Diamond Drill	[illegible]1.0	[illegible]1[illegible].0
Holes Lost	0	[illegible]
Footage Lost	0?	100?
Mineralized Holes	0?	[illegible]
Ore Holes	0?	5

[illegible]

[illegible], drilled [illegible] Diamond [illegible] [illegible] feet being drilled by two drills in a total of 24 holes. ([illegible] holes on progress map). [illegible] holes [illegible] of [illegible] thickness.

[illegible] information obtained from the drilling this month is develo-ping several favorable characteristics that may lead to [illegible] in the future drilling. An isopach of the sand thickness shows that the thick-est part of the sand lenses is the [illegible] and east to the east of the main workings and then [illegible] between the two main workings. The ore, however, seems to lie along the thinning edges rather than in the thickest part, and is [illegible] noticeable where any abrupt change takes place such as the rapid thickening of the underlying blue clay.

As far as can be determined at this stage of the drilling, the thickest sand follows along [illegible] to [illegible] and the southwest to [illegible] 37, [illegible] and [illegible] 67.

Plans for the coming month are to continue the relatively wide [illegible] drilling along the edge of this favorable zone. A line of holes along the [illegible] edge will also be drilled.

No ore reserves are estimated as yet as no blocking out holes have been drilled.

John V. Schumacher

[illegible]

Consultant Engineer

Attached: Drilling Progress Map
Logs of Drill Hole Information
Assay results

[illegible]

[illegible]
December [illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 12	[illegible]	150	Unl[illegible].	Not ore grade Good thickness of [illegible]
[illegible] 14	[illegible]	143	Unlz.	Good [illegible] in [illegible]
[illegible] 15	[illegible]	140	Unfav.	Poor [illegible] thickness
[illegible] 16	70	155	Unfav.	Poor [illegible] thickness
[illegible] 17	72	110	Unfav.	Poor [illegible] thickness
[illegible] 18	72	133	Semi-fav.	Carbon chunks, but poor [illegible] thickness
[illegible] 19	[illegible]	153	Unfav.	Poor [illegible] thickness
[illegible] 20	77	146	Unfav.	Poor [illegible] thickness
[illegible] 21	[illegible]	150	Unlz.	Carbon chunks [illegible] good [illegible] thickness
[illegible] 22	[illegible]	144	Unfav.	Poor [illegible] thickness
[illegible] 23	19	132	Fav.	Good [illegible] thickness
[illegible] 24	82	102	Fav.	Good [illegible] thickness [illegible]
[illegible] 25	75	134	Unlz.	Ore grade
[illegible] 26	84	125	Unlz.	Ore grade
[illegible] 27	83	120	Semi-fav.	Fair [illegible] thickness
[illegible] 28	[illegible]	133	Fav.	Good [illegible] thickness
[illegible] 29	[illegible]	114	Unfav.	Poor [illegible] thickness
[illegible] 30	[illegible]	174	Unfav.	Poor [illegible] thickness
[illegible] 31	[illegible]	120	Unfav.	Poor [illegible] thickness
[illegible] 32	[illegible]	158	Unfav.	Poor [illegible] thickness
[illegible] 33	94	143	Unfav.	Poor [illegible] thickness
[illegible] 34	95	100	Fav.	Good [illegible] thickness
[illegible] 35	[illegible]	177	Unlz.	Semi-fav. in [illegible]
[illegible] 36	[illegible]	100	Unfav.	Poor [illegible]. thickness

[illegible]: 3851.0 feet

GATEWAY MINING AND DEVELOPMENT COMPANY

DMEA 2129
December 1952

SAMPLE RESULTS

HOLE. NO.	SAMPL. NO.	FROM	TO	V_2O_5	U_3O_8	% Recovery
WD 32	51	58 ft.	59 ft.	.01	.03	
W D 33	49	82 ft.	84 ft.	.03	.05	
WD 34	55	72.5 "	74.3 "	.02	.02	

* Note holes above were drilled in the previous period.

WD 13	60	114.0	115.0	.57	.03	85
WD 28	73	128.5	130.0	.30	.07	100
WD 30	61	111.5	112.0	.05	.30	100
WD 33	52	70.0	72.5	.22	.02	66
WD 35	53	78.3	79.0	1.12	.03	66

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

New Customhouse
Denver 2, Colorado

January 26, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB 3 1953

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2126, Contract Idm-2408, (Uranium) Gateway Mining and Development Co., Mesa County, Colorado - Operator's Monthly Progress Report for the period of December, 1952

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-800A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report - January 7, 1953
Date Received in Field Office - January 12, 1953
Date Received in Region Office - January 21, 1953
Date Processed for Payment - January 26, 1953

W. H. King
W. H. King

Enclosures

RDB:oc
cc: Contract
Secretary to the Operating Committee (2)
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
January 20, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2128, Contract Idm-E4C8 (Uranium), Gateway Mining and Development Company, Mesa County, Colorado - Progress report for December 1952

Please find enclosed the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative, progress map (1 copy), recapitulation of core drill hole data, assays, and daily drill reports (1 copy)--and the original and six copies of Russell R. McLellan's memorandum covering inspection of the progress and reporting form entries. The contract is on short form MF-200 (A).

McLellan verifies the core drilling accomplishments from inspection of the core and the entries on the two reporting forms.

Payment is approved of $9,937.39, or 90 percent of the total $11,041.54 claimed by the contractor.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/eb

cc: 4
E4C8
DMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
January 20, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Russell R. McLellan

Subject: DMEA 2128, Contract Idm-R408 (Uranium), Gateway Mining and Development Company, Mesa County, Colorado - Progress report for December 1952.

The La Sal group of claims was visited by Russell R. McLellan and Wilbert L. Dore on January 13, 1953. One additional diamond drill went into operation on the date of the inspection, making a total of three operating drills. Considerable snow covered the area but drilling is expected to continue at an increased rate in an effort to complete the project by the end of February 1953.

Drifting snow covered many of the holes so that the exact locations could not be determined by visual inspection. However, the core was available for inspection at the mine camp. Twenty-four core drill holes were completed during the period for a total of 3,351.0 feet, as reported in the narrative.

Included with the narrative report are the assay results, a recapitulation of drill hole data, a drilling progress map, and a daily drill report for each hole drilled during the period.

Arrangements have been made whereby all core will be logged by geologists from the U. S. Geological Survey's Grand Junction office.

All work has been performed in conformance with the terms of the short form contract, and payment is recommended of $9,937.39, or 90 percent of the $11,041.54 claimed.

Russell R. McLellan
Russell R. McLellan
Mining Engineer

RRM/eb

cc: 6, R408, DMEA Chron.

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

Budget Bureau No. 100-R036.3.
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
JAN 22 1953

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

Month of November, 1952 Docket No. DMEA 2128 Contract No. IDM-E 408
Operator's Name Gateway Mining and Development Company Minerals Uranium
Address P.O. Box 896, Grand Junction, Colorado
Contract Amount, $ 51,969.00 Government Participation: 90 % Amount, $ 46,772.10

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling Core	4823.88	0	4823.88			
Bulldozing						
Crosscutting						
Drifting						
Wagon drilling	3631.50	0	3631.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8455.38		8455.38	8455.38		8455.38

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

Date December 10, 1952 *Payee Gateway Mining & Development Co.

Per John I. Schumacher JOHN I. SCHUMACHER Title Mining Consultant

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

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

(Instructions on reverse)

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

$ 7609.84

Signature (Authorized Certifying Officer)

Date 1/14/53 Voucher 53-81

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-408 in accordance with the terms of the contract.

Signature R. R. McLellan 7609.84 WMT Title Mining Engineer Date 12/23/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.R.

Signature W. H. King Title Executive Officer Date JAN 12 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1952 Docket No. DMEA 2128 Contract No. IDM-E 408
Operator's Name Gateway Mining & Development Company Minerals Uranium
Address P.O. Box 896, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	4823.88	1464	4823.88	1464	3.295	14670	48337.65
~~Churn~~ Wagon	feet	3631.50	2700	3631.50	2700	1.345	2700	3631.50
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		8455.38	4164	8455.38				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								51969.00

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

Date December 10, 1952 Operator Gateway Mining & Development Company

Per John I. Schumacher Title Mining Consultant
JOHN I. SCHUMACHER

REMARKS: As shown on the attached report 2724 feet of wagon drilling was completed. 2700 was authorized by the contract. The company will pay the 24 feet over the authorized footage.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 23 1953

224 New Customhouse
Denver 2, Colorado

January 12, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado - Operator's Monthly Progress Report, for the period November, 1952

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Additional 900 ft. churn drilling was approved by inspecting engineer, therefore a total of 2700 ft. of churn drilling is allowed under the contract.

Remarks:

Date of Report----------December 10, 1952
Date Received in Colorado Branch Office----------December 15, 1952
Date Received in Region IV Office----------December 31, 1952
Date Processed for Payment----------January 9, 1953

W. H. King
W. H. King

Enclosures

RPB; es
cc: Contract
Sec. to the Oper. Comm. (2)
Traver
Chron.

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 29, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2128, Contract Idm-E408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado - Progress report for November 1952

Please find enclosed the original and four copies of the above progress report, the initial progress report submitted by the operator--forms MF-104 and MF-104A, with narrative, maps, and recapitulation of drill hole data--and the original and six copies of Russell R. McLellan's memorandum covering inspection of the progress and accounts.

McLellan verified the wagon drilling and core drilling and the correctness of entries on the reporting forms. The contract was prepared on the short form MF-200 (A).

Payment is approved of $7,609.84, or 90 percent of the total $8,455.38 claimed by the contractor.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/cb

cc 4
MKoschmann
E408
DMEA Chron

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 29, 1952

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Russell R. McLellan

Subject: DMEA 2128, Contract Dm-R408 (Uranium), Gateway Mining and Development Company, Inc., Mesa County, Colorado - Progress report for November 1952.

The La Sal group of claims was visited by Russell R. McLellan and Wilbert L. Dare on December 18, 1952. Diamond drilling was in progress in spite of heavy snowfall and freezing weather. Continued snowfall may interrupt the drilling temporarily during December and January.

Drilling is being done in a satisfactory manner and core and cuttings are being collected properly. Many of the drill holes could not be located due to drifting snow; however, the amount of drilling reported in the narrative is verified by driller's logs and is undoubtedly correct.

The company reports a total of 2,700 feet of wagon drilling and 1,464 feet of diamond drilling completed. The maximum allowable footage for wagon drilling has been reached at 2,700 feet.

Maps, hole logs, and assay returns are included with the narrative report and the MF-104 forms. Invoices and payrolls are not included as the exploration is being conducted on a short form contract.

Payment is recommended of $7,609.84, or 90 percent of the $8,455.38 claimed.

Russell R. McLellan
Russell R. McLellan
Mining Engineer

RRM/eb

cc 6
AHKoschmann
R408
DMEA Chron

[illegible] COMPANY . . . . . [illegible]

[illegible]

[illegible]

Period [illegible] November 1952 — Accumulated [illegible], 1952

	Production	Costs
Holes drilled	[illegible]	[illegible]
[illegible] drill	[illegible]	[illegible]
[illegible] drill	[illegible]	[illegible]
Footage drilled	[illegible]	[illegible]
[illegible] drill	[illegible]	[illegible]
[illegible] drill	[illegible]	[illegible]
Holes [illegible]	[illegible]	[illegible]
[illegible] holes	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

Information [illegible] the [illegible] are [illegible] with [illegible] and construction and drill site clearing on November [illegible], 1952. Final [illegible] drilling was started on November [illegible] the [illegible] on November 17th. The initial [illegible] on November [illegible], no [illegible] was completed on November [illegible] (1[illegible] feet). [illegible] from the [illegible] drill [illegible], the final [illegible] of [illegible] feet of [illegible] drilling was started on November [illegible] and completed on November [illegible]. Total [illegible] drilling footage completed at the end of November was 1[illegible] feet.

Drilling results thus far have been very encouraging, with 17 [illegible] holes drilled [illegible]. Three were dry [illegible]. Most of the minor [illegible] below may be of one [illegible] or all many [illegible] can be for the [illegible]. Mineralization is [illegible] the [illegible] of drill [illegible]. Information is [illegible] as either [illegible], or [illegible] [illegible] but [illegible] [illegible] the presence of [illegible] or [illegible] by [illegible] [illegible], which [illegible] [illegible] as [illegible]. [illegible] is defined as [illegible] values of 0.10 or [illegible] at least one foot [illegible]. It should be noted that on [illegible] the range [illegible] mineralization from [illegible] to [illegible], some [illegible] would be [illegible] of one (0.10 [illegible]). However, in [illegible] the hole [illegible] a [illegible] and [illegible] cable, the [illegible] difference [illegible] to be about 3.[illegible] [illegible]. [illegible] the hole is then [illegible] as one hole. [illegible] in [illegible] drill [illegible] [illegible] is [illegible] that to [illegible] color variation [illegible] is [illegible] to [illegible] the cutoff.

The [illegible] drill holes were [illegible], the [illegible] of which [illegible] the [illegible] up to [illegible] of [illegible] feet. [illegible] holes [illegible] 16 [illegible] (a [illegible] feet [illegible] the total [illegible] drill footage drilled [illegible] the [illegible] footage [illegible] feet.

however, the company will pay for this difference. [illegible] feet were lost in three holes due to no air return while [illegible] drilling. [illegible] holes were followed by another hole a short distance away, usually 5 feet, and they [illegible] 11 [illegible] 12, [illegible] 10 [illegible] 12 [illegible] 9 [illegible].

[illegible] drilling results, it is expected that [illegible] diamond drilling behind [illegible] favorable in [illegible] to produce [illegible] close to the [illegible] this strata of mineralization [illegible] in the drift near it.

[illegible] of the diamond drilling has been concentrated in the [illegible] edge, however, [illegible] t-west line of holes [illegible] to [illegible] more complete [illegible] in 1 section [illegible]. [illegible] drilling pattern [illegible] changes [illegible].

[illegible] operation of the contract has progressed smoothly in spite of [illegible] two [illegible] during the period. [illegible] two drilling contractors started on the [illegible] drilling [illegible] good rate per shift [illegible] good core recovery. [illegible] drill ([illegible]) and two diamond drills (Johnson [illegible]) were used during the month. The company caterpillar was used to construct drilling sites [illegible] during the period. [illegible] to check the operation of the drill [illegible], core recovery by [illegible], [illegible] core [illegible], [illegible] holes, [illegible] core boxes, split core and other incidental work. [illegible] geologic field [illegible] holes, [illegible] holes and acts in field supervision of the project.

[illegible] drill core [illegible] in [illegible] which [illegible] in [illegible] junction [illegible] on the job. It is [illegible] that [illegible] eventually [illegible] storage.

[illegible] tored on the [illegible].

[illegible] ficial [illegible] completed.

John I. Schumacher

[illegible] I. [illegible]

[illegible] Engineer

[illegible]

[illegible]

			Fav.	Count at top of Gn MS
			Fav.	Count at top of Gn MS
			Fair	Fair SS thickness

January 27, 1953

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
U. S. Bureau of Mines
224 New Customs House Building
Denver 2, Colorado

Re: Docket DMEA 2128
Contract Idm-8408

Dear Mr. King:

We would like to request that an amendment to the contract to extend completion date from February 26, 1953 to April 15, 1953, be made for our contract. This extension is necessary because we were notified late on the starting date and due to the winter conditions which have delayed drilling to some extent. Please advise us as soon as possible if this amendment has been granted.

Sincerely,

GATEWAY MINING & DEVELOPMENT COMPANY

By [signature]

COPY

Docket No. DMEA 2128

Commodity: Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 408

Date of Contract ~~or amendment~~: September 26, 1952

Name and Address of Operator:
Gateway Mining and Development Company Inc.
Colorado corporation
Grand Junction, Colorado

Amount of Government participation $ 46,772.10

Percent of Government participation 90 %

Region: IV State: Colorado

(Name)
J. L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Sept. 26, 1952 13808

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2128

COMMODITY Uranium

Government's Copy

UNITED STATES OF AMERICA Idm-E 408
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
OCT 24 1952

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 26th day of September, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Gateway Mining and Development Company, Inc., a Colorado corporation
875 Glenwood Avenue
Grand Junction, Colorado

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado County of Mesa, described as follows:[3] known as the Gateway Mining and Development Company's property, located in the West Gateway and Beaver Creek Mining District, in Sec. 36. T51N, R20W, and Sec. 31, T51N, R19W, N.M.P.M., is shown on the attached maps of the Gateway Mining and Development Company, Exhibit "B" and Exhibit "B" (Part 2), made a part hereof, and further described in Annex I, annexed hereto.

the Operator represents and undertakes:[4]

(a) That the Operator is the owner of some claims, listed in Annex 1 in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

(b) That the Operator is a lessee of a claim, and holds an agreement to purchase some claims, listed in Annex I, in possession and entitled to possession, and the Landlord's Subordination Agreements are attached.

~~(c) That the Operator is a lessee of a claim, in possession and entitled to possession, and the Owner's Consent to lien is attached.~~

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of Five months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $46,772.10 which is 90 percent of $51,969.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

Gateway Mining and Development Co., Inc.
(Operator)

By R. C. Hartmann
President

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Administrator
Defense Minerals Exploration Administration

I, John P. Thornton, certify that I am the secretary of the corporation named as Operator herein; that R. C. Hartmann, president, who signed this contract on behalf of the Operator, was then secretary of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

John P. Thornton
John P. Thornton, Secretary

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
GATEWAY MINING AND DEVELOPMENT CO., INC.
DOCKET NO. DMEA-2128

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore the Salt Wash member of the Morrison Formation, Jurassic Age underlying the described property, for uranium ore. The exploration work shall be done by drilling holes from the surface with wagon mounted and also diamond core drills, consisting of 30 wagon drill holes, and 81 diamond core drill holes. In addition, if approved in advance by the Government, 15 offset wagon drill holes and 40 offset diamond core drill holes may be drilled. All holes which are to be drilled to a maximum depth of 90 feet shall be drilled with percussion wagon mounted drill, and deeper holes shall be drilled with diamond core drills. The locations of the original holes to be drilled are shown on the attached maps Exhibit "B" and Exhibit "B" (Part 2) identified by a cross within a circle ⊗. Hole diameters, depths, method of sampling, recovery of drill cutting, cores, and sludge, and samples to be supplied to the Government are all subject to approval of the Government. Drilling shall be started on the Northern part of the property and progress to the Western limits.

Estimated Costs of Project

30 wagon drill holes, 1800 feet @ $1.345/ft.	$ 2,421.00	
15 wagon drill offset holes 900 feet @ $1.345/ft.1/	1,210.50	
81 diamond core drill holes 9780 feet @ $3.295/ft.	32,225.10	
40 diamond core drill offset holes 4890 feet @ $3.295/ft.1/	16,112.55	
Total Estimated Cost of Project		$51,969.00
Government participation at 90%		$46,772.10

1/ Prior approval of Government before drilling is required.

EXPLORATION PROJECT CONTRACT
GATEWAY MINING AND DEVELOPMENT CO., INC.
DOCKET NO. DMEA-2128

ANNEX I

Claims owned by Operator

Gilmore

Tetzloff

John Thornton

Claims possessed by Operator under agreement to purchase

La Sal No.		Book	Page
1		504	498
2		504	494
3		504	490
4		503	572
	(amended location)	564	548
5		504	196
	(amended location)	564	549
6		504	493
	(amended location)	564	547
7		533	532
	(amended location)	564	550
John Brown No. 1		528	490

Claim possessed under lease

La Salle

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in ~~fee simple~~ good possessory title of that certain parcel of ground in the county of Mesa, State of Colorado, and county of Grand, State of Utah, described in a certain Exploration Project Contract dated _____, 195__, between The Gateway Mining and Development Company, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as ~~Lessor~~ Vendor of said property under ~~lease~~ purchase and sales Agreement dated October 14, 1950, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 25th day of February, 1952.

Corvusite Mining and Exploration Company

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

J. R. Eagle
Secretary

Carl F. Schubert
President

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner ~~in fee simple~~ good possessory title of that certain parcel of ground in the county of Mesa, State of Colorado, described in a certain Exploration Project Contract dated _____, 195__, between The Gateway Mining and Development Company, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated 24 March, 1952, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 24 day of March, 1952.

Jake W. Lewis
Ray Lewis
by J. Lewis
his attorney in fact.

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

CANCELLATION AGREEMENT

IT IS MUTUALLY AGREED, by and between GATEWAY MINING AND DEVELOPMENT COMPANY, INC., a Colorado Corporation, and RALPH HULL, that the lease agreement between the parties dated the 5th day of June, 1952, whereby the company leased to RALPH HULL, the following described mining property located in Mesa County, Colorado, to-wit:

> Beginning at a point 200 feet North of the Southwest corner of the Gilmore Lode Mining Claim, thence West 200 feet; thence South 600 feet; thence East 400 feet; thence North 600 feet; thence West 200 feet to the point of beginning.

WHEREAS said lease is hereby terminated, cancelled and shall have no further force nor effect.

By and between GATEWAY MINING AND DEVELOPMENT COMPANY, INC, a Colorado Corporation, dated at Grand Junction, Colorado, on the 1st day of October, 1952.

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

by Leo D Hayes
Attorney

Ralph Hull

COPY

224 New Customhouse
Denver 2, Colorado

October 21, 1952

REGISTERED

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E 408, DMEA Docket 2128, Gateway Mining and Development Company, Inc. (Uranium)

Enclosed are the original and two copies of Contract Idm-E 408. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed is a copy of the cancellation agreement between the Gateway Mining and Development Company, Inc. and Ralph Hull.

/s/ W. H. King

Enclosures

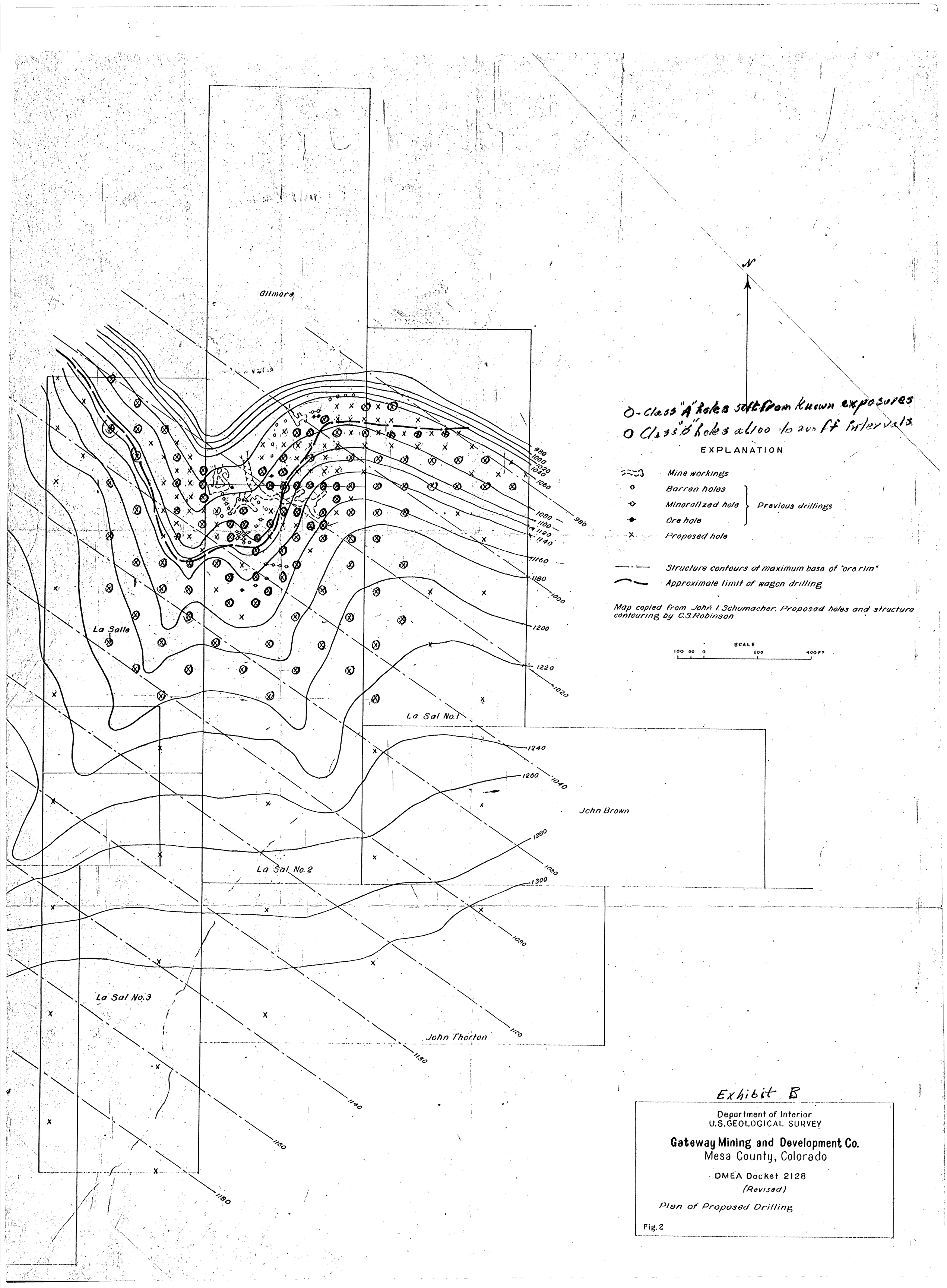

Exhibit B

Department of Interior
U.S. GEOLOGICAL SURVEY

Gateway Mining and Development Co.
Mesa County, Colorado

DMEA Docket 2128
(Revised)

Plan of Proposed Drilling

Fig. 2

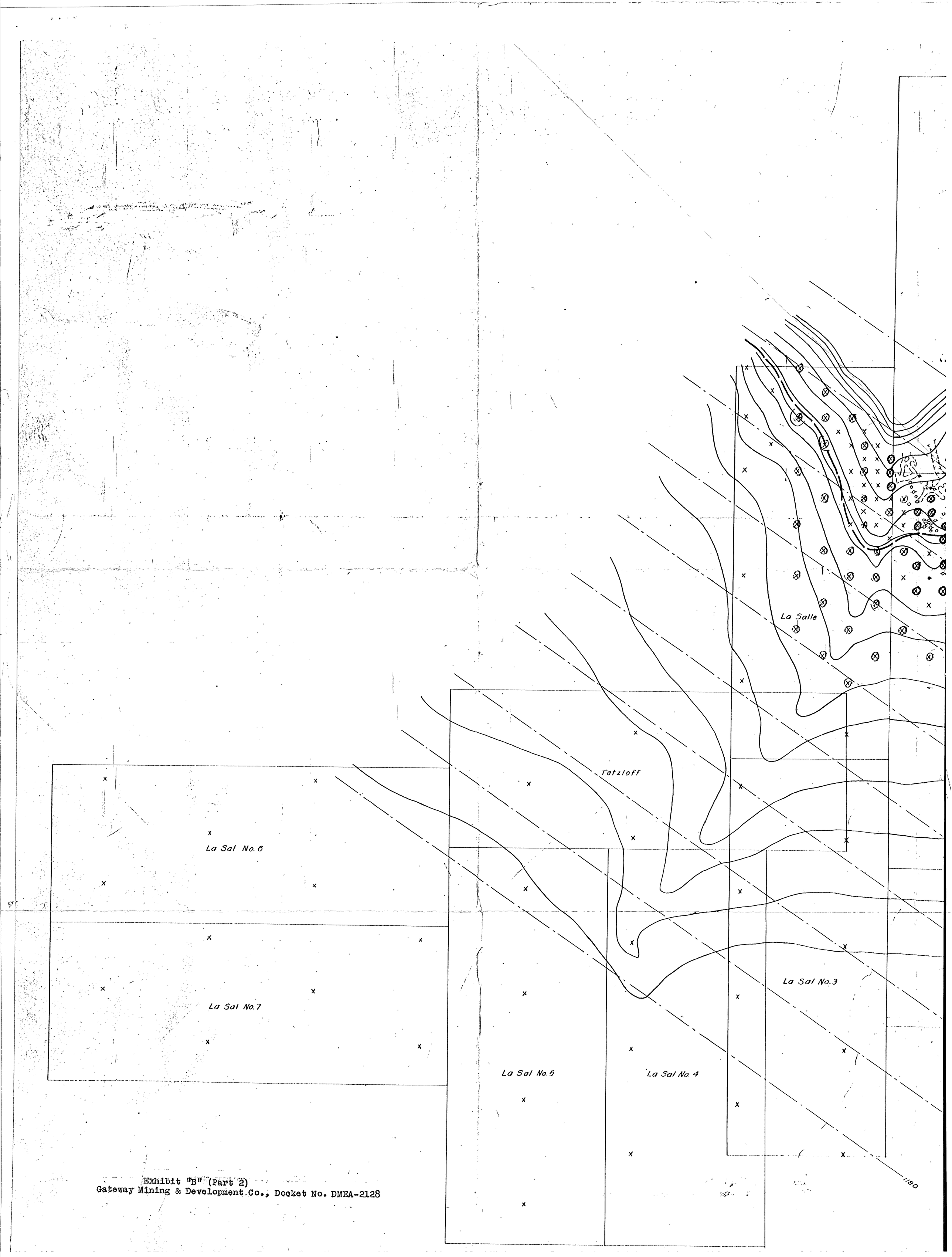

Exhibit "B" (Part 2)
Gateway Mining & Development Co., Docket No. DMEA-2128