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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 25 1954

224 New Customhouse
Denver 2, Colorado

March 23, 1954

92T

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed is copy of settlement sheet covering ore shipped under Liquidation No. R-81.

Also enclosed is check in the amount of $63.07 in payment of royalty on this shipment.

John F. Shaw
John F. Shaw
For W. H King

Enclosures

es

cc: Royalty File
Sec. to the Oper. Comm. (2) w/enc. settlement sheet
Traver w/enc. settlement sheet
Chron.

D

2.

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado — Grand Junction, Colorado, March 5, 1954
Liquidation No. R-81 — Lot No. See load detail — Shippers Lot No.
Bought of Geranium Mining Company — A.E.C. License No. P-1411
Address c/o Harold Bowen, Gateway, Colorado
Type of Ore Carnotite — Date Received 2-1-54 thru 2-28-54
Mining Claim La Sal #2 — Mining District Gateway - Brown Mesa — Pile No. Bin

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	SETTLEMENT ASSAYS V_2O_5	SETTLEMENT ASSAYS $CaCO_3$	CONTENTS POUNDS U_3O_8	CONTENTS POUNDS V_2O_5	CONTENTS POUNDS $CaCO_3$
				approx	averages				
	120480	6.1	113187.98	0.17	0.71		191.32	805.01	

PRICED PER A.E.C. CIRCULAR NO. 5 (Revised)

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U308 Payment	191.32	2.90	56.59	9.85	554.83	
Development Allowance	191.32	.50	56.59	1.70	95.66	
Excess 4 lbs. per ton Premium						
Excess 10 lbs. per ton Premium						
Total U308 Payment						650.49
V205 Payment	805.01	.31	56.59	4.40	249.55	
Total V205 Payment						249.55
Less High Line Penalty over 6% CaCo3						
Base Penalty						
___%—___%=___% Penalty @ $ .04 per 1/10th						
TOTAL						
Haulage Allowance 100 Miles 6024 Wet Tons @ .06 per wet ton mile		5% of $261.48 = $13.07 Gov. Royalty				361.44
Total U3O8, V2O5 and Haulage Payment						1261.48

DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE — Idm-E NO. 408 — DMEA NO. 2128

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [X] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [X] Royalty Audits
- [X] Certification of Discovery
- [ ] Closing Letter
- [X] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [X] Contract Amendments
- [X] Contract with all exhibits and annexes
- [X] Owner's Consent to Lien and Subordination Agreement
- [X] Application and attachments

Right Side

- [X] Project summary (final)
- [X] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [X] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [X] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:
Folder No. 2 - Correspondence 1954 to _____

Left Side

Folders No. 4 : Reports

- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [XX] Field Team Semi-Annual Report for Certified Project and analysis
- [X] Field Team Interim Reports
- [X] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. 5 : Maps (Use pocket folder or envelope) and Supplemental information to the revised application

Folders No. 3 : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

Docket Copy

1953

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Gateway Mining and Development Company, Inc.
875 Glenwood Avenue
Grand Junction, Colorado

Pursuant to the provisions of Exploration Project contract No. Idm-E408, dated September 23, 1952 (Docket No. DMEA-2128), hereinafter called the "contract," between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration.

The nature of said discovery or development is described broadly or indicated as follows:

Small, widely distributed, tabular ore bodies of uranium and vanadium oxide minerals occur on the land described in Article 2 (Annex I) of the contract.

Dated: JUL 3 1953

THE UNITED STATES OF AMERICA

By C D Mittendorf
Administrator, Atomic Minerals
Exploration Administration

cc to: Adm. Reading File
Operating Committee
Docket
Edmund F. Mansure, Adm. DMEA
DMEA Field Team, Region IV (2)
Messrs. A. L. Butler, Adm. 320 DMEA
H. L. Keiser, Adm. 8
Ellis
F. W. Johnson
Contract & Audit Division
Finance Office

J. L. Ellis
Butler
Keiser
Johnson
Talbert

COPY

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 (Signed) _____
Attorney

(Signed) Ralph Hull

NOTE: This is a copy of Cancellation Agreement, one copy of which was rec'd and referred to Contract Adm. & Audit Div. 10/24/52.

(JWB)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED

JUN 20 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-8408, 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

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-E408, 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
Tetalof
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 Tetalof 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, Tetslef and Tetslef 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
Tetslef 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 these 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. Legal

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. Jorgensen, 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 lead 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. Jorgensen, 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, Load 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 itemised 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 itemised 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.

C. 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.C-6-C-17 with the Atomic Energy Commission.

June 14, 1955

Donald T. Finch

Donald T. Finch, Auditor.

SCHEDULE I

GATEWAY MINING AND DEVELOPMENT COMPANY

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

CONDENSED SUMMARY OF SALES OF ORE AND DMEA ROYALTIES

					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.S.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 R. Stuller	J. Montgomery	Geranium Mining Company	Geranium Mining Company	Geranium Mining Company	Uterado 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	5,958.98	11,511.95
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 Wet Ton	$6.00	$4.20	$5.80	$9.33	$9.07	$6.00	$7.54
Number of Wet Tons	18.16	26.185	91.83	1,151.76	1,243.59	1,163.565	2,451.90
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 Lime 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 Paym't	$[illegible]5.10	$758.22	$2,696.52	$61,350.77	$64,047.29	$61,658.38	$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	$[illegible]5.10	$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	$3,067.54	$3,202.39	$4,742.05	$8,002.61
DMEA Royalty Received	20.25	37.91	134.89	$3,067.54	$3,202.45	3,084.91	6,346.52
Balance DMEA Royalty Due	$ .01	--	$ .06	--	$ .06	$1,657.14	$1,657.09

5/26/53 gla

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

Audit Report

No. 1

@E Kane
3/5/53
Rutin

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
~~President~~
Herman J. Tetzloff, President

UNITED STATES OF AMERICA

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

Attest

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-M408

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 of 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 _____

COPY

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2128

COMMODITY Uranium

Docket Copy
Idm-E 408

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
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
575 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, 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 of some claims, listed in Annex 1

(*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.

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.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Administrator
Defense Minerals Exploration Administration

Gateway Mining and Development Co., Inc.
(Operator)

By R. C. Hartmann
President

Betty Hollmer
Secretary

I, John P. Thornton, certify that I am the secretary of the corporation named as Operator herein; that R. C. Hartmann who signed this contract on behalf of the Operator, was then president of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

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, 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.

[illegible]

[illegible]

[illegible]

U. S. GOVERNMENT PRINTING OFFICE 16—64562-1

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in ~~leasehold~~ 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—64562-1

J. R. Eagle
Secretary

Carl F. Schubert
President

orig & 4 copies

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1952

MINING LEASE

THIS AGREEMENT OF LEASE, Made and entered into in duplicate as of December 19, 1951 between J. W. LEWIS, as Lessor, and LEE HETZEL, as Lessee, WITNESSETH:

That Lessor, in consideration of the royalties to be paid and the covenants to be kept by the Lessee, has granted, demised, and let, and by these presents, does grant, demise, and let unto Lessee the La Salle lode mining claim in the Gateway Mining District, Mesa County, Colorado.

TO HAVE AND TO HOLD Unto Lessee for the term of one year from the date hereof, expiring at noon on December 19, 1952, unless sooner forfeited or determined through the violation of any covenant hereinafter against Lessee reserved.

In consideration of this lease, Lessee covenants and agrees with Lessor as follows, to-wit:

To enter upon said mining claim and work and mine the same with due and reasonable diligence, so as to take out the greatest amount of ore possible throughout the term hereof, unless prevented by extraordinary casualty beyond the control of lessee;

To pay a royalty of 25% of the net proceeds of all ores mined and sold from said claim, which royalty payment shall be 25% of all proceeds received from ores sold, except the development allowance allowed and paid to producers of uranium ores by the Atomic Energy Commission, and, in the event any bonus payment shall be allowed by reason of mining operations hereunder, Lessor shall receive 25% thereof. A signed copy of this lease shall be authority to any ore buyer to pay said royalty direct to Lessor at his address, 875 Glenwood avenue, Grand Junction, Colorado.

In the event Lessee employs more than three employees in and about this lease, he shall take out Workmen's Compensation Insurance covering his said employees, and present evidence thereof to Lessor, and any failure so to do shall automatically render this lease null and void, without demand or notice.

Upon the failure of Lessee to comply with any other of the provisions herein, Lessor, upon giving Lessee 15 days written notice of such default, may, at the expiration of such period, if such default has not been fully cured, terminate this lease and the same shall become null and void and possession of said mining claim shall forthwith be redelivered to Lessor.

WITNESS Their names.

J. W. Lewis
Lessor

Lee Hetzel
Lessee

[The The UNDERSIGNED
hereby

Witness

LEASE AGREEMENT

THIS LEASE AGREEMENT, Made and entered into on this 19th day of May, A. D. 1952, by and between J. W. LEWIS and RAY LEWIS, hereinafter referred to as Lessors, and GATEWAY MINING AND DEVELOPMENT COMPANY, INC., hereinafter referred to as Lessee, WITNESSETH:

That said Lessors, for and in consideration of the rents, royalties, covenants and agreements hereinafter mentioned to be paid, kept and performed by said Lessee, have leased and demised, and by these premises do lease and demise unto the said Lessee, the following described mining property situate in the Gateway Mining District, County of Mesa, State of Colorado, to-wit:

The La Salle

TO HAVE AND TO HOLD the above described premises for the purposes of mining, from the 19th day of May, 1952, to the 19th day of May, 1957, unless sooner forfeited or terminated as hereinafter provided.

It is understood and agreed that unless on or before September 24, 1952, the Lessee institutes and commences a drilling program upon said claim for the purpose of prospecting for and discovering ore, then and in that event this lease shall automatically terminate and be of no further force and effect.

It is further understood and agreed that for and in consideration of the premises and the covenants herein contained, Lessors also grant unto Lessee an option to continue this lease on the same terms and conditions as herein set forth for an additional period of five (5) years, said option to be exercised by Lessee notifying Lessors of its intention so to do by registered mail addressed to Lessors at 875 Glenwood Avenue, Grand Junction, Colorado.

In consideration of the premises, the Lessee agrees as follows:

1. To enter upon said leased premises and to work the same in mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible with due regard to the development and preservation of said mine or mining premises, as a workable mining property, and to the special covenants herein contained.

2. To repair all old timbering wherever it may become necessary, and to well and sufficiently timber said mine and mining premises at all points where proper and necessary in accordance with good and safe mining; continuing the timbering in the working shafts now upon said premises with timber of the same dimensions as heretofore used, unless it becomes necessary for safety to use larger timber, in which event timber of sufficient size for safety and permanent mining shall be used.

3. To allow the Lessors or their agent from time to time to enter upon and descend into all parts of said leased premises, for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such inspection, surveys or examination.

4. To occupy and hold as the property of the Lessors all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered with said leased ground by the said Lessee or any person or persons under or in privity with it, with privilege to said Lessee to work and mine the same as part and parcel of said premises.

5. To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty.

It is understood that the bonuses from the United States of America or the Atomic Energy Commission shall be paid 2/3rds to Lessee and 1/3rd to Lessor.

It is understood and agreed that the Lessee shall pay to Lessors 20% of the gross mill returns on all ore mined from said premises, said sums to be computed in accordance with the settlement sheets as furnished by the Purchaser of the ores.

The Lessee shall and hereby does assume all responsibility in case of accident to them or any of their employees in or about said property.

All taxes assessed against said demised premises for ores mined and shipped under this lease shall be paid by the Lessee.

All bills and expenses incurred by the Lessee or those in privity with it shall be promptly paid by the Lessee, and by said prompt payments said Lessee

shall prevent the filing of any and all liens of miners, mechanics or material men, against said demised premises; and, if by reason of the failure of said Lessee to pay such bills or expenses, any lien or liens shall be filed against said premises the said Lessors may forthwith pay off and discharge the same, and the said Lessee held bound to pay to said Lessors all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, and the said Lessors may also at their election declare a forfeiture of this lease.

It is mutually understood and agreed that in the event the Lessee abandons said premises or fails, neglects or refuses to do mining or development work upon the property above described for a period of 60 continuous days during the term of this agreement, unless caused by weather conditions, act of God, or unavoidable casualty, the Lessors shall have the right and option at their election to terminate this lease by giving 10 days written notice of their intention to terminate to the Lessee, said notice to be sent to Lessee by registered mail, c/o Haynie & Hotchkiss, 535 Main Street, Grand Junction, Colorado.

Said Lessee further covenants that no person not in privity with the parties hereto shall be allowed to hold possession of said premises or any part thereof under any pretext whatever.

Further, that it will deliver to said Lessors quiet and peaceable possession of said demised premises in good order and condition with all drifts, tunnels and other passages thoroughly drained and cleared of loose rock and rubbish and said premises ready for immediate continued working, without demand or further notice, on the 19th day of May, 1957, at noon, or at any time previous thereto, upon demand for forfeiture, and it is mutually understood that all machinery and tools which may be placed upon said premises by the said Lessee may be removed therefrom within ten days after the termination of this lease; provided, however, that no such tools or machinery shall be so removed while the said Lessee may be in any manner indebted to the said Lessors under any obligation incurred under this lease.

Upon the violation of any covenant or condition herein contained, this lease shall, at the option of said Lessors, expire and terminate, and the said

premises with the appurtenances and all buildings and other improvements shall become forfeited to the Lessors, and the said Lessors, or their agent may thereupon, after demand in writing for possession, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law, or at the option of the Lessors, the said Lessee and all persons found occupying said premises or any part thereof may be proceeded against as guilty of unlawful detainer.

Time is of the essence of this agreement, and each and every clause of this indenture and all the covenants and conditions contained herein, expressed or implied, shall extend to the successors, heirs, executors, administrators and lawful assigns of all of the parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto subscribed their names the day and year first above written.

J.W. Lewis (SEAL)
J.W.Lewis

Ray Lewis Ray Lewis
By J.W. Lewis (SEAL)
His Attorney in Fact.

Lessors.

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

Attest: John P. Kaunton
Secretary.

By R. C. Hartman (SEAL)
President.
Lessee

TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT, Made and entered into on this, the 16 day of May, 1952, by and between JAKE W. LEWIS, party of the first part, and LEE HETZEL, party of the second part, WITNESSETH:

WHEREAS, the first party leased to the second party the following described mining claim located in Mesa County, Colorado, to-wit:

LaSalle

by written agreement dated the 19th day of December, 1951;

AND WHEREAS, it is the mutual wish and desire of the parties hereto that said lease agreement be terminated effective this date;

NOW THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the parties agree as follows:

That the lease agreement whereby first party leased to second party the above described mining claim by written agreement, dated December 19, 1951, is hereby terminated effective this date and is of no further force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first hereinabove written.

Jake Lewis (SEAL)
First Party.

Lee Hetzel (SEAL)
Second Party.

MINING LEASE

THIS AGREEMENT OF LEASE, Made and entered into in duplicate as of December 19, 1951 between J. W. LEWIS, as Lessor, and LEE HETZEL, as Lessee, WITNESSETH:

That Lessor, in consideration of the royalties to be paid and the covenants to be kept by the Lessee, has granted, demised, and let, and by these presents, does grant, demise, and let unto Lessee the La Salle lode mining claim in the Gateway Mining Distrist, Mesa County, Colorado.

TO HAVE AND TO HOLD Unto Lessee for the term of one year from the date hereof, expiring at noon on December 19, 1952, unless sooner forfeited or determined through the violation of any covenant hereinafter against Lessee reserved.

In consideration of this lease, Lessee covenants and agrees with Lessor as follows, to-wit:

To enter upon said mining claim and work and mine the same with due and reasonable diligence, so as to take out the greatest amount of ore possible throughout the term hereof, unless prevented by extraordinary casualty beyond the control of lessee;

To pay a royalty of 25% of the net proceeds of all ores mined and sold from said claim, which royalty payment shall be 25% of all proceeds received from ores sold, except the development allowance allowed and paid to producers of uranium ores by the Atomic Energy Commission, and, in the event any bonus payment shall be allowed by reason of mining operations hereunder, Lessor shall receive 25% thereof. A signed copy of this lease shall be authority to any ore buyer to pay said royalty direct to Lessor at his address, 875 Glenwood avenue, Grand Junction, Colorado.

In the event Lessee employs more than three employees in and about this lease, he shall take out Workmen's Compensation Insurance covering his said employees, and present evidence thereof to Lessor, and any failure so to do shall automatically render this lease null and void, without demand or notice.

Upon the failure of Lessee to comply with any other of the provisions herein, Lessor, upon giving Lessee 15 days written notice of such default, may, at the expiration of such period, if such default has not been fully cured, terminate this lease and the same shall become null and void and possession of said mining claim shall forthwith be redelivered to Lessor.

WITNESS Their names.

J. W. LEWIS
Lessor

LEE HETZEL
Lessee

MINING LEASE

THIS AGREEMENT OF LEASE, made and entered into in duplicate as of December 15, 1951 between J. W. LEWIS, as lessor, and THE [illegible], as lessee, WITNESSETH:

That lessor, in consideration of the royalties to be paid and the covenants to be kept by the lessee, has granted, demised and let, and by these presents, does grant, demise, and let unto lessee the la Sella lode mining claim in the Gateway Mining District, Mesa County, Colorado.

TO HAVE AND TO HOLD unto lessee for the term of one year from the date hereof, expiring at noon on December 15, 1952, unless sooner terminated or determined through the violation of any covenant hereinafter against lessee reserved.

In consideration of this lease, lessee covenants and agrees with lessor as follows, to-wit:

To enter upon said mining claim and work and mine the same with due and reasonable diligence, so as to take out the greatest amount of ore possible throughout the term hereof, unless prevented by extraordinary casualty beyond the control of lessee;

To pay a royalty of 25% of the net proceeds of all ores mined and sold from said claim, which royalty payment shall be 25% of all proceeds received from ores sold, except the development allowance allowed and paid to producers of uranium ores by the Atomic Energy Commission, and, in the event any such payment shall be allowed by reason of mining operations hereunder, lessor shall receive 25% thereof. A signed copy of this lease shall be authority to any ore buyer to pay said royalty direct to lessor at his address, 225 Glenwood avenue, Grand Junction, Colorado.

In the event lessee employs more than three employees in and about this lease, he shall take out workman's compensation insurance covering his said employees, and present evidence thereof to lessor, and any failure so to do shall automatically render this lease null and void, without demand or notice.

Upon the failure of lessee to comply with any other of the provisions herein, lessor, upon giving lessee 15 days written notice of such default, may, at the expiration of such period, if such default has not been fully cured, terminate this lease and the same shall become null and void and possession of said mining claim shall forthwith be redelivered to lessor.

WITNESS their hands.

J. W. LEWIS
lessor

[illegible]
lessee

CERTIFIED COPY

STATE OF COLORADO }
COUNTY OF MESA } ss.

I, Annie M. Dunston

County Clerk and Recorder in and for said County and State do hereby certify that the within and foregoing is a full, true and correct copy of Amended Location Cert.

No. 564 as it appears on record in my office in Book 564

at Page 548.

WITNESS my hand and official seal at Grand Junction, Colorado, this 23 day of April, 1952.

Issued to J. W. Lewis

Annie M Dunston
County Clerk and Recorder, Mesa County.

No. 3938 Fee: $ .50

By
Deputy.

No. 288. AMENDED LOCATION CERTIFICATE.—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, Denver.

STATE OF COLORADO,
County of Mesa } ss.

KNOW ALL MEN BY THESE PRESENTS: That Corvusite mining & exploration co.

the undersigned, have this 25th day of Feb., 19 52, amended, located and claimed, and by these presents do amend, locate, and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the La Sal no.4 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the east side, and 300 feet on the west side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 1200 feet running south from center of discovery cut and 300 feet running North from center of discovery cut said discovery Cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Gateway Mining District, County of Mesa and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 running south 1500 ft. to cor. no.2, thence east 600 ft. to cor.no.3, thence north 1500 ft. to cor.no.4, thence west 600 ft. to cor. no.1 place of begining.

corner no.1 being common with corner no.4 of La Sal no.5

This being the same lode originally located on the 5th day of April, 1949, and recorded on the day of, 1, in Book 503, Page 572, in the office of the Recorder of Mesa County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record.

Said lode was discovered the 5th day of April, A. D. 19 49

Attest:

Date of Amended Location, 2/25, A. D. 19 52

Date of Amended Certificate, 2/25, A. D. 19 52

Corvusite mining & exploration co. [SEAL]

by J.W.Lewis vice pres.& gen.mgr. [SEAL]

[SEAL]

[SEAL]

[SEAL]

[SEAL]

558687
copy

AMENDED LOCATION CERTIFICATE

On the La Sal no.4

Mining Claim of Cornusite mining & exploration co.

In Gateway

Mining District,

mesa County,

State of Colorado.

STATE OF COLORADO,
County of MESA } ss.

I hereby certify that this Amended Location Certificate was filed for record in my office at 3 o'clock P M.

Apr 23, 1952, and is duly recorded in Book 564

Page 548

Annie M. Dunaton
Recorder.

By
Deputy.

Fees, $

6-50 THE BRADFORD-ROBINSON PTG. CO., DENVER

No. 288. AMENDED LOCATION CERTIFICATE.—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, Denver.

STATE OF COLORADO,
County of Mesa } ss.

KNOW ALL MEN BY THESE PRESENTS: That Corvusite mining & exploration co.

the undersigned, have this 25th day of Feb., 19 52, amended, located and claimed, and by these presents do amend, locate, and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the La Sal No.5 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the east side, and 300 feet on the west side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 750 feet running south from center of discovery cut and 750 feet running north from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Gateway Mining District, County of Mesa and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 ~~running~~ south 1500 ft.to cor.no.2,thence east 600 ft.to cor.no.3,thence north 1500 ft.to cor.no.4,thence west 600 ft. to cor.no.1 place of begining.

corner no.1 being south 300 ft.from the center ¼ corner of section 36/T51N/R20W/ N.M.P.M.

This being the same lode originally located on the 5th day of April, 1949, and recorded on the day of, 1, in Book 504, Page 196, in the office of the Recorder of Mesa County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record.

Said lode was discovered the 5th day of April, A. D. 1949

Attest:

Date of Amended Location, 2/25, A. D. 1952

Date of Amended Certificate, 2/25, A. D. 1952

Corvusite mining & exploration co. [SEAL]

by J.W.Lewis vice pres & gen.mgr. [SEAL]

J.W.Lewis [SEAL]

[SEAL]

[SEAL]

[SEAL]

[SEAL]

558688

Copy

AMENDED LOCATION CERTIFICATE

On the La Sal no.5

Mining Claim of Corvusite

mining & exploration co.

In

Gateway Mining District,

mesa County,

State of Colorado.

STATE OF COLORADO,

County of MESA } ss.

I hereby certify that this Amended Location Certificate was filed for record in my office at 3 o'clock P M.

Apr 23, 19 52, and

is duly recorded in Book 564

Page 549

Annie M. Dunston

Recorder.

By NTE

Deputy.

Fees, $

6-50 THE BRADFORD-ROBINSON PTG. CO., DENVER

No. 288. AMENDED LOCATION CERTIFICATE.—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, Denver.

STATE OF COLORADO,
County of Mesa } ss.

KNOW ALL MEN BY THESE PRESENTS: That The Corvusite mining & exploration co.

the undersigned, have this 25th day of Feb., 19 52, amended, located and claimed, and by these presents do amend, locate, and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the La Sal No.6 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the north side, and 300 feet on the south side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 1500 feet running west from center of discovery cut and feet running from center of discovery said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Gateway Mining District, County of mesa and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 running west 750 ft.to ~~corner no.2~~, center side Stake, continuing on the same course 750 ft. to corner no.2, thence south 600 ft.to ~~corner~~ no.3, thence east 750 ft.to center side line stake, continuing on same course 750 ft.to ~~corner~~ no.4 thence north 600 ft.to ~~corner~~ no.I place of begining.
corner no.I being common with the center ¼ ~~corner~~ of section 36, T5IN/R20W/NMPM

This being the same lode originally located on the 5th day of April, 1949, and recorded on the day of, 1, in Book 504, Page 493, in the office of the Recorder of Mesa County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record.

Said lode was discovered the 5th day of April, A. D. 19 49 52

Attest:

Date of Amended Location, 2/25, A. D. 19 52

Date of Amended Certificate, 2/25, A. D. 19 52

Corvusite mining & exploration co. [SEAL]
by J.W.Lewis, Vice pres.&gen.mgr. [SEAL]
J.W.Lewis [SEAL]
[SEAL]
[SEAL]
[SEAL]

558686

copy

AMENDED LOCATION CERTIFICATE

On the La Sal no.6

Mining Claim of Corvusite mining & exploration co.

In Gateway

Mining District,

Mesa County,

State of Colorado.

STATE OF COLORADO,
County of Mesa } ss:

I hereby certify that this Amended Location Certificate was filed for record in my office at 3 o'clock P M.

Apr 23 52, 19, and

is duly recorded in Book 564

Page 547

Bonnie M. Dunston
Recorder.

By
Deputy.

Fees, $

6-50 THE BRADFORD-ROBINSON PTG. CO., DENVER

No. 288. AMENDED LOCATION CERTIFICATE.—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, Denver.

STATE OF COLORADO,
County of Mesa } ss.

KNOW ALL MEN BY THESE PRESENTS: That The Corvusite mining & exploration co.

the undersigned, have this 25th day of Feb., 19 52, amended, located and claimed, and by these presents do amend, locate, and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the La Sal No.7 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 ft feet on the north side, and 300 feet on the south side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 750 feet running west from center of discovery cut and 750 feet running east from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Gateway Mining District, County of Mesa and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 running west 1500 ft.to corner no.2,thence south 600ft. to cor,no.3,thence east 1500 ft. to cor.no.4,thence north 600 ft to cor.no.1 place of begining.

corner no.1 being common with corner no.4 of La Sal no.6

This being the same lode originally located on the 11 th day of Sept., 1950, and recorded on the day of, 1, in Book 533, Page 532, in the office of the Recorder of Mesa County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record.

Said lode was discovered the 11 day of Sept., A. D. 19 50

Attest:

Date of Amended Location, 2/25, A. D. 19 52

Date of Amended Certificate, 2/25, A. D. 19 52

Corvusite mining & exploration co.
by J.W.Lewis vice pres.&gen.mgr. [SEAL]

J.W.Lewis [SEAL]

[SEAL]

[SEAL]

[SEAL]

[SEAL]

258689

copy

AMENDED LOCATION CERTIFICATE

On the La Sal no.7

Mining Claim of Corvusite

~~mining & exploration co.~~

In Gateway

Mining District,

mesa County,

State of Colorado.

STATE OF COLORADO,
County of MESA } ss.

I hereby certify that this Amended Location Certificate was filed for record in my office at 3 04 o'clock P M.

Apr 23 '52, 19, and

is duly recorded in Book 564

Page 330

Connie Mathewson

Recorder.

By

Deputy.

Fees, $

6-50 THE BRADFORD-ROBINSON PTG. CO., DENVER

CERTIFIED COPY

STATE OF COLORADO
COUNTY OF MESA } ss.

I, Annie M. Dunston

County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Amended Location Cert.

No. _____ as it appears on record in my office in Book 564 at Page 549.

WITNESS my hand and official seal at Grand Junction, Colorado, this 23 day of April, 1952.

Issued to J. W. Lewis

Annie M Dunston
County Clerk and Recorder, Mesa County.

No. 3907 Fee $ 5.04

By _____ Deputy

CERTIFIED COPY

STATE OF COLORADO)
COUNTY OF MESA) ss.

I, Annie M Durston

County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Amended Location Cert

No. as it appears on record in my office in Book 564

at Page 547

WITNESS my hand and official seal at Grand Junction, Colorado, this 23 day of April, 1952.

Issued to J W Lewis

Annie M Durston
County Clerk and Recorder, Mesa County.

No. 3909 Fee: $ 50¢

By
Deputy.

CERTIFIED COPY

STATE OF COLORADO }ss.
COUNTY OF MESA

I, Annie M. Dunston

County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Amended Location Cert

No. _____ as it appears on record in my office in Book 564

at Page 650.

WITNESS my hand and official seal at Grand Junction, Colorado, this 23 day

of Apr, 195 2.

Issued to J. W. Lewis

Annie M Dunston
County Clerk and Recorder, Mesa County.

2910

AMENDED LOCATION CERTIFICATES

Nos. 558686
558687
558688
558689

4/30/52

IMPORTANT NOTE:

Address communications to Company Attorney:

John P. Thornton, Esq.
11½ S. Barstow Street
Eau Claire, Wisconsin

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA 2128 REVISED
Metal or Mineral
Date Received 4-3-52
Amount $
Participation (Government %)

LEGAL DIVISION OF THE DEFENSE MINERALS ADMINISTRATION
APR 3 - 1952
RECEIVED

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

Name and address of applicant

Date March 15, 1952

If you have already filed MF-100, give date filed Revised MF-100 accompanying this application, type of assistance requested Exploration Loan,

DMA Docket Number (if available) 2128
MS 2703

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

GATEWAY MINING AND DEVELOPMENT COMPANY
(Name of company)

By R. C. Hartman
(Signature of authorized official)

(Date)

(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

MF FORM-103

1. a. Description of real property involved in exploration.

The area proposed for exploration lies in Section 36, T 51 N, R 20 W, New Mexico Principal Meredian and Section 31 T 51 N, R 19 W, New Mexico Principal Meredian.

The claims on which exploration is proposed are as follows:

Gilmore Lode
LaSal No. 1
LaSal No. 2
LaSal No. 3
LaSal No. 4
LaSal No. 5
LaSal No. 6
LaSal No. 7
Tetzloff
John Thornton
John Brown No. 1
LaSalle

Included on these claims are the following mines. (See mines and description under 2., Form MF-100)

b. See attached agreements

1. Agreement between Corvusite Mining Company and Gateway Mining and Development Company.

2. Subordination agreement from Corvusite Mining Company.

3. Lease on LaSalle Claim from Jake Lewis and Ray Lewis to Gateway Mining Company.

4. Subordination agreement from Jake Lewis and Ray Lewis.

c. Same as 1-a above.

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

MF FORM-103

2. a. Metals expected to be found are uranium and vanadium.

   b. See Report on Exploration Project for Gateway Mining and Development Company. (With maps).

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

3. a. Proposed work and total cost.

Proposed Work

Wagon Drilling (Report, pages 17 & 18)

Initial Phase-Drilling to include wagon drilling around mine workings; average depth of holes 40 feet. Total 40 holes or 1600 feet.

Close-Spaced Wagon Drilling-To include holes drilled on grid pattern at 50 foot intervals; average depth 50 feet. Total 270 holes or 13,500 feet.

Diamond Drilling

Moderate-Spaced Diamond Drilling-Includes holes on 100 foot grid between the 80 and 160 foot depths. Average depth 120 feet. Total 174 holes or 20,880 feet.

Wide-Spaced Drilling-Includes holes spaced at 400 foot intervals between depths of 160 feet to 350 feet. Average depth 260 feet. Total 44 holes or 11,440 feet.

Other work includes the building of roads to the drilling sites which should require approximately three-fourths of the bulldozers time. The other fourth can be spent in stripping rims along the ore horizon on the LaSalle, Gilmore and LaSal No. 1 Claims.

All other work such as core logging, probing holes, etc., are incidental to the work described above.

GATEWAY [illegible]ING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

(3-a continued)

Total cost of project

Constructural cost	$ 98,520.00
Labor	9,016.00
Supervision	8,750.00
Supplies	
Non-expendable	600.00
Expendable	3,135.00
Travel	1,725.00
Depreciation	2,100.00
Others	3,990.00
Repair to D-8 Caterpillar	2,000.00
Total Project Cost	$129,836.00

Cost Estimates

These costs are based on price estimates made by drilling contractors, government agencies, and private companies. Contract drilling is favored over buying drills and hiring skilled personnel for many reasons.

1. Equipment, drills and ax rods are difficult to obtain at present from manufacturers.
2. Skilled drilling personnel are scarce in this area and considerable time is required to "break-in" new men.
3. Contractors generally have better performance records for core recovery and drilling speed. This is shown by the fact that the major mining companies on the Colorado Plateau contract their diamond drilling.
4. No need to supply housing facilities for drilling personnel which results in saving on contracts of short duration.

All costs are based on 7 months expected duration of the project.

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

3. b. This project can be started within one month after exploration is approved and be completed within 7 months after starting date, provided the major part of the drilling is during the months of May, June, July, August, September, October and November when drilling conditions are most favorable.

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

4. See Report on Exploration Project for Gateway Mining and Development Company.

GATEWA[illegible]INING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

5. See Item 17, Form MF-100.

GATEWAY M[illegible]NG AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

6. None - Contractors personnel will furnish own living quarters.

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

7. a. None

b. None

c. Item 17, Form MF-100 is a list of equipment that would be available for this project, however, it is anticipated that only the D-8 Caterpillar and the jeep one-ton pickup would be used. The jeep's cost of operation, depreciation are listed under travel at $0.10 per mile.

The D-8 caterpillar is valued at $12,000.00 and is in need of repairs estimated at $2,000.00. Depreciation charged to the project would be $250.00 per month or $1,750.00 based on 7 months operation.

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

8. Schedule of Labor and Supervision

Labor - Based on 7 months time, 6 days per week

Bulldozer operator	$2.00/hr	$3,192.00
Sampler (Wagon drill)	1.50/hr	2,184.00
Cook	1.50/hr	2,184.00
Helper	1.00/hr	1,456.00
	Total labor cost	$9,016.00

Supervision - Based on 7 months time

General Superintendent (Jake Lewis) $600.00/mo	$4,200.00
Consultant Engineer, 10 days/mo $30.00/day	2,100.00
Field Asst. - Eng. Aid. $350.00/mo	2,450.00
Total supervision cost	$8,750.00

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

9. Schedule of other costs

Constructural cost

Wagon Drilling

Initial Phase Drilling, 1600 Ft. $0.80/Ft.		$ 1,200.00
Close-spaced Drilling, 13500 Ft. $0.80/Ft.		10,800.00

Diamond Drilling

Moderate-Spaced,	20880 Ft. $2.50/Ft.	52,200.00
Wide-Spaced,	11440 Ft. $3.00/Ft.	34,320.00
	Total constructural cost	$ 98,520.00

Supplies

Non-expendable

1 Each - Geiger Muller Counter with 100 Ft. cable extension	350.00
1 Each - Du-Clone Dust Collector for wagon drill cuttings	250.00

Expendable

Fuel for cat, 3000 gals., 0.18 gals. delivered	540.00
Butane for heat and cooking	320.00
Groceries, 6½ men $2.00/day, 25 days per mo.	2,275.00
Total supplies	$ 3,735.00

Travel

a. 3 vehicles $0.10/mile including depreciation, gas, oil. Average 750 miles, per month, per vehicle	1,575.00
b. Personnel Travel incidental to project, 15 days, $10.00/day	150.00
Total travel	$ 1,725.00

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

(9 continued)

Incidental Expenses (Based on 7 months operation)

a.	Accounting $30.00/Mo.	$ 210.00
b.	Assaying 100 sample/Mo. $5.00 each	3,500.00
c.	Map reproduction	35.00
d.	Government report typing	70.00
e.	Engineering supplies, transit rental, drafting paper, etc., $25.00/Mo.	175.00
	Total incidental expenses	$ 3,990.00

Depreciation on Equipment and Facilities

Caterpillar D8 1947 with blade	$ 1,750.00
Camp Bldgs.	350.00
Total depreciation	$ 2,100.00
Repair to caterpillar D-8	2,000.00
Total cost of exploration project	$129,836.00

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

MF FORM-103

10. a. One tenth of the total amount as specified above.

b. Yes.

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

FORM MF-103

11. None - "Report on Exploration Project on Claims owned by Gateway Mining and Development Company", cover all phases of property, its operation and history.

A G R E E M E N T

THIS AGREEMENT, Made and entered into this 14th day of October, A. D. 1950, by and between CORVUSITE MINING AND EXPLORATION CO., a Colorado Corporation, party of the first part, and HERMAN J. TETZLOFF, R. C. HARTMAN and D. E. KARNS, parties of the second part, WITNESSETH:

WHEREAS the first party hereto is the owner of the following described unpatented lode mining claims situate in the Gateway Mining District (Unorganized), Mesa County, Colorado, to-wit:

La Sal No. 1, Location Certificate recorded in Book 504, Page 489
La Sal No. 2, Location Certificate recorded in Book 504, Page 494
La Sal No. 3, Location Certificate recorded in Book 504, Page 490
La Sal No. 4, Location Certificate recorded in Book 503, Page 572
La Sal No. 5, Location Certificate recorded in Book 504, Page 196
La Sal No. 6, Location Certificate recorded in Book 504, Page 493
La Sal No. 7, Location Certificate recorded in Book 533, Page 532
La Sal No. 8, Location Certificate recorded in Book 533, Page 533
La Sal No. 9, Location Certificate recorded in Book 533, Page 534
La Sal No. 10, Location Certificate recorded in Book 533, Page 535
John Brown No. 1, Location Certificate recorded in Book 528, Page 490
John Brown No. 2, Location Certificate recorded in Book 528, Page 489
John Brown No. 3, Location Certificate recorded in Book 531, Page 391
John Brown No. 4, Location Certificate recorded in Book 531, Page 392
John Brown No. 5, Location Certificate recorded in Book 531, Page 393
John Brown No. 6, Location Certificate recorded in Book 531, Page 394
John Brown No. 7, Location Certificate recorded in Book 531, Page 395
John Brown No. 8, Location Certificate recorded in Book 531, Page 396
John Brown No. 9, Location Certificate recorded in Book 531, Page 397
John Brown No. 10, Location Certificate recorded in Book 531, Page 398
John Brown No. 11, Location Certificate recorded in Book 533, Page 158
John Brown No. 12, Location Certificate recorded in Book 533, Page 159
John Brown No. 13, Location Certificate recorded in Book 533, Page 160
John Brown No. 14, Location Certificate recorded in Book 533, Page 161
John Brown No. 15, Location Certificate recorded in Book 533, Page 162
John Brown No. 16, Location Certificate recorded in Book 533, Page 163
John Brown No. 17, Location Certificate recorded in Book 533, Page 164
John Brown No. 18, Location Certificate recorded in Book 533, Page 165
John Brown No. 19, Location Certificate recorded in Book 533, Page 166
John Brown No. 20, Location Certificate recorded in Book 533, Page 167
John Brown No. 21, Location Certificate recorded in Book 533, Page 543
John Brown No. 22, Location Certificate recorded in Book 533, Page 544
John Brown No. 23, Location Certificate recorded in Book 533, Page 546
John Brown No. 24, Location Certificate recorded in Book 533, Page 545
John Brown No. 25, Location Certificate recorded in Book 533, Page 548
John Brown No. 26, Location Certificate recorded in Book 533, Page 547
John Brown No. 27, Location Certificate recorded in Book 533, Page 549
Bobbie No. 1, Location Certificate recorded in Book 531, Page 390
Saltwash No. 11, Location Certificate recorded in Book 533, Page 536
Saltwash No. 12, Location Certificate recorded in Book 533, Page 537
Saltwash No. 13, Location Certificate recorded in Book 533, Page 538
Saltwash No. 14, Location Certificate recorded in Book 533, Page 539
Saltwash No. 15, Location Certificate recorded in Book 533, Page 540
Saltwash No. 16, Location Certificate recorded in Book 533, Page 541
Saltwash No. 17, Location Certificate recorded in Book 533, Page 542

and the following described unpatented lode mining claims situate in the Gateway Mining District (Unorganized), Grand County, Utah, to-wit:

Saltwash No. 1, Location Certificate recorded in Book 9J, Page 329
Saltwash No. 2, Location Certificate recorded in Book 9J, Page
Saltwash No. 3, Location Certificate recorded in Book 9J, Page 330
Saltwash No. 4, Location Certificate recorded in Book 9J, Page 330
Saltwash No. 5, Location Certificate recorded in Book 9J, Page 330
Saltwash No. 6, Location Certificate recorded in Book 9J, Page 330
Saltwash No. 7, Location Certificate recorded in Book 9J, Page 331
Saltwash No. 8, Location Certificate recorded in Book 9J, Page 331
Saltwash No. 9, Location Certificate recorded in Book 9J, Page 331
Saltwash No. 10, Location Certificate recorded in Book 9J, Page 331
Urantah No. 9, Location Certificate recorded in Book 9J, Page 492
Urantah No. 10, Location Certificate recorded in Book 9J, Page 492
Urantah No. 11, Location Certificate recorded in Book 9J, Page 493
Urantah No. 12, Location Certificate recorded in Book 9J, Page 493
Urantah No. 13, Location Certificate recorded in Book 9J, Page 493
Urantah No. 14, Location Certificate recorded in Book 9J, Page 493
Urantah No. 15, Location Certificate recorded in Book 9J, Page 493
Urantah No. 16, Location Certificate recorded in Book 9J, Page 494
Urantah No. 17, Location Certificate recorded in Book 9J, Page 494
Urantah No. 18, Location Certificate recorded in Book 9J, Page 494
Urantah No. 19, Location Certificate recorded in Book 9J, Page 494
Urantah No. 20, Location Certificate recorded in Book 9J, Page 494
Urantah No. 21, Location Certificate recorded in Book 9J, Page 495
Urantah No. 22, Location Certificate recorded in Book 9J, Page 495
Bonanza No. 8, Location Certificate recorded in Book 9J, Page 391
Bonanza No. 9, Location Certificate recorded in Book 9J, Page 391
Utah No. 1, Location Certificate recorded in Book 9J, Page 391
Utah No. 2, Location Certificate recorded in Book 9J, Page 392
Utah No. 3, Location Certificate recorded in Book 9J, Page 392
Utah No. 4, Location Certificate recorded in Book 9J, Page 392
Utah No. 5, Location Certificate recorded in Book 9J, Page 390
Utah No. 6, Location Certificate recorded in Book 9J, Page 390
Utah No. 7, Location Certificate recorded in Book 9J, Page 507
Corvusite No. 1, Location Certificate recorded in Book 9J, Page 255
Corvusite No. 2, Location Certificate recorded in Book 9J, Page 255
Corvusite No. 3, Location Certificate recorded in Book 9J, Page 256
Corvusite No. 4, Location Certificate recorded in Book 9J, Page 256
Corvusite No. 5, Location Certificate recorded in Book 9J, Page 256
Corvusite No. 16, Location Certificate recorded in Book 9J, Page 256
Corvusite No. 19, Location Certificate recorded in Book 9J, Page 514
Corvusite No. 20, Location Certificate recorded in Book 9J, Page 514
Corvusite No. 21, Location Certificate recorded in Book 9J, Page 514
Corvusite No. 22, Location Certificate recorded in Book 9J, Page 515
Corvusite No. 23, Location Certificate recorded in Book 9J, Page 515
Corvusite No. 24, Location Certificate recorded in Book 9J, Page 515
Corvusite No. 25, Location Certificate recorded in Book 9J, Page 515
Corvusite No. 26, Location Certificate recorded in Book 9J, Page 440
Corvusite No. 27, Location Certificate recorded in Book 9J, Page 440
Corvusite No. 28, Location Certificate recorded in Book 9J, Page 489
Corvusite No. 29, Location Certificate recorded in Book 9J, Page 487
Corvusite No. 30, Location Certificate recorded in Book 9J, Page 487
Corvusite No. 31, Location Certificate recorded in Book 9J, Page 497
Corvusite No. 32, Location Certificate recorded in Book 9J, Page 497
Corvusite No. 33, Location Certificate redorded in Book 9J, Page 497
Corvusite No. 34, Location Certificate recorded in Book 9J, Page 498
Corvusite No. 35, Location Certificate recorded in Book 9J, Page 498

Corvusite No. 36, Location Certificate recorded in Book 9J, Page 498
Corvusite No. 37, Location Certificate recorded in Book 9J, Page 499
Corvusite No. 38, Location Certificate recorded in Book 9J, Page 499
Corvusite No. 40, Location Certificate recorded in Book 9J, Page 444
La Sal, Location Certificate recorded in Book 9J, Page 444
Corvusite No. 39, Location Certificate recorded in Book 9J, Page 499

and

WHEREAS it is the mutual wish and desire of the parties hereto that the first party sell and the second parties buy the above described mining claims:

NOW, THEREFORE, it is agreed as follows:

That the first party will sell and the second parties will purchase the above described mining claims for the total purchase price of $53,500.00, said sum to be paid in installments, without interest, as follows:

The sum of $5,000.00 cash in hand paid, the receipt whereof is hereby acknowledged by first party;

The sum of $10,000.00 on or before November 1, 1950;

The sum of $12,833.33 on or before October 9, 1951;

The sum of $12,833.33 on or before October 9, 1952;

The sum of $12,833.33 on or before October 9, 1953;

It is agreed that the second parties shall pay to the first party 10% of the net proceeds derived from the sale of ores or minerals produced and sold from said mining claims; "net proceeds" being defined to be the net amount received from the purchaser or purchasers of such ores and minerals but not including any haulage or development allowance. Any money received by second parties as haulage and development allowance shall be and remain the money of second parties. Any amount so paid to first party shall be credited upon the purchase price.

The parties hereto agree to instruct the purchaser or purchasers of such ores or minerals to pay 10% of the net proceeds directly to first party, at the offices of Adams, Heckman & Traylor, Grand Junction, Colorado.

Second parties agree to keep accurate records of all ores and minerals produced and sold from said mining claims and to furnish first party with duplicate settlement sheets of all sales of such ores and minerals.

First party covenants and represents to the second parties that it has good possessory title to each of the mining claims sold by it hereunder and

hereinabove described, and agrees to furnish an abstract of title certified substantially to the date of delivery of said abstract so showing.

Upon the payment in full of the purchase price of $53,500.00 as aforesaid, the first party shall execute and deliver to the second parties a good and sufficient mining deed conveying to second parties the above described mining claims.

First party agrees to furnish to second parties' attorney, all proper evidence of first party's compliance with the laws of the State of Colorado and the State of Utah pertaining to the sale of mining property by mining corporations, and particularly with Section 27, Chapter 41, 1935 Colorado Statutes Annotated.

First party agrees to furnish to the second parties or their attorney, an abstract of title to said property certified substantially to date on or before the 1st day of December, 1950. Second parties' attorney shall have 30 days in which to examine said abstract and should it appear that title of first party in said mining claims is not a good possessory title, first party agrees to correct the title to said claims at its expense on or before July 1, 1951, so as to show a good possessory title in first party, and should first party fail, neglect or refuse to so correct said title at its expense, second parties may do any act or thing required to perfect said title and deduct the cost thereof, including Court costs and attorneys fees, from the purchase price of said property.

It is agreed that in the event that it shall become necessary or expedient, in order to protect the first party's possessory title to said mining claims, or any of them, the second parties may make and file additional or amended location certificates in the name of the first party and record the same, the expense thereof to be borne by the first party.

First party agrees to pay all production and other taxes levied and assessed upon such production or upon said mining claims to the date hereof. From and after the date hereof, the second parties agree to prepare and file with the proper authorities of Mesa County, Colorado, and Grand County, Utah, all statements required by law for the ascertainment and determination of such production or other tax. Second parties agree to pay all taxes levied or assessed against said mining

claims or production therefrom from and after the date hereof and to pay such taxes before the same become delinquent.

Second parties agree to perform or have performed the annual labor required to be performed upon or for the benefit of said mining claims during the term of this agreement and shall file the proper and necessary affidavit or affidavits thereof in the manner and time required by law and agree to furnish first party copies of such affidavit or affidavits.

It is agreed that the second parties hereto may have immediate possession of said premises and may go upon the same for the purpose of mining, core drilling and other exploration work and may install upon said premises any and all improvements, machinery, fixtures and other property which may be used by them in connection with said work and in the event of the termination hereof, as herein provided, may remove any and all improvements, machinery and fixtures installed by them within 60 days after said termination.

It is mutually agreed between the parties hereto that time is of the essence of this agreement and upon the failure of the second parties to make the payment required of them on November 1, 1950, this agreement may be terminated on that date by the first party and the sum of $5000.00 paid to first party on this date shall be kept and retained by it in full satisfaction and liquidation of any and all damages it may have sustained and first party shall have no right, title, claim or action against second parties for damages for failure to perform said contract or for specific performance of the contract. It being further agreed that upon the failure of the second parties to make any of the payments subsequent to November 1, 1950, as required herein, or to keep and perform any of the covenants and agreements herein contained to be kept and performed by them, this agreement may be terminated at the election of the first party, upon giving to the second parties 60 days written notice of its intention so to do, which notice may be served as provided by law for service of notice to quit and in the event of such termination, all payments heretofore made by second parties to first party shall be kept and retained by the first party in full satisfaction and liquidation of all damages which first party may have sustained by breach of this agreement, and upon

termination of this agreement, the first party shall have the right to re-enter upon and retake possession of said premises, and the second parties hereby agree to surrender and deliver up said premises peaceably to the first party, and upon their failure so to do, second parties shall be deemed to be subject to eviction and removal, forcibly or otherwise, with or without process of law.

In the event that first party is unable to furnish good possessory title to any claim, and unable possibly successfully perfect title to said claims, the overall purchase price herein recited shall be reduced to the extent of $500.00 per claim or fraction thereof to which it is impossible to perfect good possessory title, PROVIDED, HOWEVER, THAT FIRST PARTY GUARANTEES TO perfect good possessory title to a minimum of 90 claims. The undersigned J. W. Lewis, also known as Jake Lewis, signs this contract individually, and agrees to do any and all things necessary to perfect and complete title to any and all of the above mentioned claims, both as a stockholder of the Corvusite Mining and Exploration Co., and as an individual.

It is further understood and agreed by and between the parties hereto that the second parties shall have the right to abandon and terminate this agreement at any time, upon giving 10 days notice to first party, in which event the payment of all moneys made to first party by second parties shall be retained by first party as liquidated damages.

IT IS FINALLY AGREED that each and all of the covenants and agreements herein contained shall extend to and be binding upon the successors and assigns of the respective parties.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

CORVUSITE MINING AND EXPLORATION CO.

By Carl F. Schubert
President
First Party

ATTEST:

J. R. Cagle
Secretary

Jake Lewis (SEAL)
Individually

R. C. Hartman (SEAL)
Herman J. Tetzloff, by
R. C. Hartman, his atty in fact

D. E. Karns by R. C. Hartman, (SEAL)
his atty in fact.

A G R E E M E N T

THIS AGREEMENT, Made and entered into on this, the 25th day of February, A.D. 1952, by and between CORVUSITE MINING AND EXPLORATION CO., a Colorado Corporation, party of the first part, and GATEWAY MINING AND DEVELOPMENT COMPANY, INC., a Colorado Corporation, party of the second part, WITNESSETH:

WHEREAS the first party hereto and one Herman J. Tetzloff, R. C. Hartman and D. E. Karns entered into a purchase and sale agreement dated the 14th day of October, 1950, wherein first party agreed to sell to said Herman J. Tetzloff, R. C. Hartman and D. E. Karns 107 unpatented lode mining claims situate in the Gateway Mining District (Unorganized) Mesa County, Colorado, and Grand County, Utah, all of said mining claims being described in said agreement, and

WHEREAS the said Herman J. Tetzloff, R. C. Hartman and D. E. Karns have assigned all of their right, title and interest in and to said agreement and in and to said mining claims to second party hereto, and

WHEREAS the second party hereto has not made the payment due on October 9, 1951, in the amount of $12,833.33 as required by the terms of said contract, and

WHEREAS the first party hereto has given notice of default as required by the terms of said agreement to the second party and to the purchasers named in said agreement, of the first party's intention to repossess said property and forfeit all rights of the second party hereto in and to the same in accordance with the terms and provisions of said agreement, and

WHEREAS there is a balance of $9,614.27, after crediting royalties for ores mined and sold from said premises to October 9, 1951, as provided in said agreement, due, owing and unpaid on the installment to have been paid on October 9, 1951, and

WHEREAS the second party hereto has agreed that the first party hereto shall have the right and privilege of amending the locations of the following described mining claims situate in Mesa County, Colorado, to-wit:

LaSal #4, LaSal #5, LaSal #6, and LaSal #7

so as to give first party good possessory title to said mining claims as amended;

the parties having agreed that the first party does not have good possessory title to said mining claims as now located;

NOW, THEREFORE, For and in consideration of the premises and the mutual covenants and agreements herein contained, and in consideration of the second party's accepting said LaSal #4, LaSal #5, LaSal #6 and LaSal #7, Mesa County, Colorado, as amended by the first party, it is agreed between the parties as follows:

1. First party agrees that the second party has paid to first party on this date the sum of $9,614.27, being the balance due after crediting payments of royalties received by first party on the installment due as of October 9, 1951.

2. The parties agree that the agreement dated October 14, 1950, between the said first party, and Herman J. Tetzloff, R. C. Hartman and D. L. Karns shall be changed, altered and amended in the following respects, to-wit:

The installment due on October 9, 1952, shall be due and payable on or before April 9, 1953, and the final installment due on October 9, 1953, shall be due and payable on or before April 9, 1954, and the second party, as assignee of the purchasers named in said agreement, shall not be or become in default by reason of their failure to pay said installments prior to April 9, 1953, and April 9, 1954 respectively. Royalty payments shall continue as provided in said agreement and shall be credited by first party on said future installment payments.

The parties further agree that in all other respects said contract of October 14, 1950, shall be and remain in full force and effect except that the second party shall not demand or receive credit by reason of the fact that the first party does not, as presently located, have good possessory title to said LaSal #4, LaSal #5, LaSal #6 and LaSal #7, Mesa County, Colorado, mining claims; it being understood and agreed that the second party does not waive its right under the contract to demand and receive good possessory title to all other mining claims described in said agreement of October 14, 1950; it being further understood and agreed that the amended locations of said LaSal #4, LaSal #5, LaSale #6 and LaSal #7, Mesa County, Colorado, shall be amended in such manner as to show good possessory title to the same in first party hereto.

It is finally understood and agreed by and between the parties hereto that the notice of default heretofore served on the sedond party shall be of no

further force nor effect.

This agreement shall extend to and be binding upon the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

CORVUSITE MINING AND EXPLORATION CO.

By Carl F. Schubert (SEAL)
President

ATTEST:

J. R. Cagle
Secretary

(SEAL)

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

By D. E. Karns (SEAL)
Vice-President

ATTEST:

John P. Thornton
Secretary

(SEAL)

LEASE AGREEMENT

THIS LEASE AGREEMENT, Made and entered into this 24th day of March, A.D. 1952, by and between J. W. LEWIS and RAY LEWIS, hereinafter referred to as Lessors, and GATEWAY MINING AND DEVELOPMENT COMPANY, INC., hereinafter referred to as Lessee,

WITNESSETH:

That said Lessors, for and in consideration of the rents, royalties, covenants and agreements hereinafter mentioned to be paid, kept and performed by said Lessee, have leased and demised, and by these premises do lease and demise unto the said Lessee the following described mining property situate in the Gateway Mining District, County of Mesa, State of Colorado, to-wit:

The La Salle

TO HAVE AND TO HOLD the above described premises for the purposes of mining, from the 24th day of March, 1952, to the 24th day of March, 1954, unless sooner forfeited or terminated as hereinafter provided.

It is understood and agreed that unless within six (6) months from the date of this agreement, the Lessee institute and commences a drilling program upon said claim for the purpose of prospecting for and discovering ore, then and in that event this lease shall automatically terminate and be of no further force and effect.

It is further understood and agreed that for and in consideration of the premises and the covenants herein contained, Lessors also grant unto Lessee an option to continue this lease on the same terms and conditions as herein set forth for an additional period of three (3) years, said option to be exercised by Lessee notifying Lessors of its intention so to do by registered mail addressed to Lessors at 875 Glenwood Avenue, Grand Junction, Colorado.

It is understood and agreed that this lease is subject to the present lease with one Lee Metzel.

In consideration of the premises, the Lessee agrees as follows:

1. To enter upon said leased premises and to work the same in mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation

of said mine or mining premises, as a workable mining property, and to the special covenants herein contained.

2. To repair all old timbering wherever it may become necessary, and to well and sufficiently timber said mine and mining premises at all points where proper and necessary in accordance with good and safe mining; continuing the timbering in the working shafts now upon said premises with timber of the same dimensions as heretofore used, unless it becomes necessary for safety to use larger timber, in which event timber of sufficient size for safety and permanent mining shall be used.

3. To allow the Lessors or their agent from time to time to enter upon and descend into all parts of said leased premises, for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such inspection, surveys or examination.

4. To occupy and hold as the property of the Lessors all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered with said leased ground by the said lessee or any person or persons under or in privity with it, with privilege to said lessee to work and mine the same as part and parcel of said premises.

5. To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty.

It is agreed that the development allowance shall be paid to Lee Hetzel until such time as Lessee, as a result of its drilling program, discovers ore in merchantable quantity and quality; that thereafter said development allowances shall be paid to Lessee.

It is understood that the bonuses from the United States of America or the Atomic Energy Commission shall be paid 2/3rds to Lessee and 1/3 to Lessors.

It is understood and agreed that the Lessee shall pay to Lessors 20% of the gross mill returns on all ore mined from said premises, said sums to be computed in accordance with the settlement sheets as furnished by the Purchaser of the ores.

The Lessee shall and hereby does assume all responsibility in case of accident to them or any of their employees in or about said property.

All taxes assessed against said demised premises for ores mined and shipped under this lease shall be paid by the Lessee.

All bills and expenses incurred by the Lessee or those in privity with it shall be promptly paid by the Lessee, and by said prompt payments said Lessee shall prevent the filing of any and all liens of miners, mechanics or material men, against said demised premises; and, if by reason of the failure of said Lessee to pay such bills or expenses, any lien or liens shall be filed against said premises the said Lessors may forthwith pay off and discharge the same, and the said Lessee held bound to pay to said Lessors all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, and the said Lessors may also at their election declare a forfeiture of this lease.

Said Lessee further covenants that no person not in privity with the parties hereto shall be allowed to hold possession of said premises or any part thereof under any pretext whatever.

Further, that it will deliver to said Lessors quiet and peaceable possession of said demised premises in good order and condition with all drifts, tunnels and other passages thoroughly drained and cleared of loose rock and rubbish and said premises ready for immediate continued working, without demand or further notice, on the 24th day of March, 1954, at noon, or at any time previous thereto, upon demand for forfeiture, and it is mutually understood that all machinery and tools which may be placed upon said premises by the said Lessee may be removed therefrom within ten days after the termination of this lease; provided, however, that no such tools or machinery shall be so removed while the said Lessee may be in any manner indebted the said Lessors under any obligation incurred under this lease.

Upon the violation of any covenant or condition herein contained, this lease shall, at the option of said Lessors, expire and terminate, and the said premises with the appurtenances and all buildings and other improvements shall become forfeited to the Lessors, and the said Lessors, or their agent may thereupon, after demand in writing for possession, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law, or at the option of the Lessors, the said lessee and all persons found occupying said

premises or any part thereof may be proceeded against as guilty of unlawful detainer.

Time is of the essence of this agreement, and each and every clause of this indenture and all the covenants and conditions contained herein, expressed or implied, shall extend to the successors, heirs, executors, administrators and lawful assigns of all of the parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto subscribed their names the day and year first above written.

_____(SEAL)

RAY LEWIS

By_____(SEAL)

His Attorney in Fact.

Lessors

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

By_____(SEAL)

President

Lessee

ATTEST:

_____

Secretary.

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. dma 21128
Metal or Mineral
Date Received 10-4-51
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 4 1951

GATEWAY MINING AND DEVELOPMENT CO.
GRAND JUNCTION
COLORADO

Name and address of applicant

Date

If you have already filed MF-100, give date filed _____, type of assistance requested _____,

DMA Docket Number (if available) _____

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

Gateway Mining & Development Co., Inc. By Herman Tetzloff
(Name of company) (Signature of authorized official)

Sept. 29, 1951 President
(Date) (Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

Office - File

I. A. Description of real property involved in exploration project.

1. Unpatented lode mining claims situate in the Gateway Mining District (unorganized) to wit:

a. Forty-three mining claims more particularly described on page 1 and 2 of the agreement attached hereto between Corvusite Mining and Exploration Company, party of the first part, and Herman J. Tetzloff, R. C. Hartman, and D. E. Karns, parties of the second part, dated October 14, 1950, said claims being located in Mesa County, Colorado.

b. Sixty-two mining claims more particularly described on page 2 of the Agreement attached hereto between Corvusite Mining and Exploration Company, party of the first part, and Herman J. Tetzloff, R. C. Hartman, and D. E. Karns, parties of the second part, dated October 14, 1950, said claims being located in Grand County, Utah.

c. Twenty-two mining claims more particularly described on page 1 of the agreement between Jake W. Lewis, party of the first part, and Gateway Mining and Development Company, Inc., party of the second part, dated January 10,1961, said claims being located in Grand County, Utah.

d. Nine mining claims filed in the name of Gateway Mining and Development Company, Inc., in the same vicinity and located in Grand County, Utah.

Note: There are two mines located on the above described property, namely, one opened by Gateway Mining and Development Company, Inc., on Gilmore Lode in the vicinity of the La Sal group in Mesa County, Colorado, and also another mine which is leased to Ukele Brothers by Gateway Mining and Development Company and located on La Sal No. 2 in Mesa County, Colorado.

B. Agreements attached hereto please find:

1. Purchase Agreement between Jake W. Lewis, seller, and Gateway Mining and Development Company, Inc., purchaser, of twenty- two mining claims located in Grand County, Utah.

2. Subordination Agreement - Lewis - Gateway Mining and Development Company Agreement to the U. S. Government.

3. Purchase Agreement between Corvusite Mining and Exploration Company, seller, and Norman J. Tetzloff, R. C. Hartman, and D. E. Carns, Purchaser in trust, for the stock holders of Gateway Mining and Development Company, dated October 14, 1950.

Note: This agreement has been duly transfered and assigned to Gateway Mining and Development Company, Inc.

4. Subordination Agreement of Corvusite - Tetzloff, Hartman, and Carns Agreement to the U. S. Government.

C. Gateway Mining and Development Company, Inc., the applicant, has set up seven distinct exploration projects to be conducted if this loan is granted. The projects in the order of their importance are to be conducted in the following areas:

1. Project No. 1: La Sal mining claims No. 1, 2, 3, and Gilmore Lode located in Section 36, T 51 N, R 20 W, Mesa County, Colorado, and John Brown claim No. 27, located in Section 31, T 51 N, R 19 W, Mesa County, Colorado.

2. Project No. 2: Bananza mining claims 8, 9, and 10 located in Section 20, T 25 S, R 26 E, Grand County, Utah, and Bananza claim No. 11 located in Section 19, T 25 S, R 26 E, Grand County, Utah.

3. Project No. 3: John Brown claims No. 1, 2, 6, 7, and 8 located in Section 7, T 15 N, R 19 W, Mesa County, Colorado, and John Brown claim No. 9 in Section 12, T 51 N, R 20 W, Mesa County, Colorado.

4. Project No. 4: Uranteh mining claims 9, 10, 11, 12, located in Section 17, T 25 S, R 26 E, Grand County, Utah, as well as Uranteh No. 31 and 32 located in Section 20, T 25 S, R 26 E, Grand County, Utah, which last two claims are owned by Corvusite Mining and Exploration Company, but Gateway Mining and Development Company has an option to purchase same (see paragraph 2 under Subordination Agreement between Corvusite Mining and Exploration Company and Gateway Mining and Development Company).

5. Project No. 5: Salt Wash claims No. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 located in Section 4, T 26S, R 26 E, Grant County, Utah.

6. Project No. 6: Corvusite mining claims No. 1 and 2 located in Section 13, T 25 S, R 26 E, Grand County, Utah, Corvusite mining claims No. 4, 5, and 25 located in Section 24, T 25 S, R 26 E,

in Grand County, Utah, Corvusite Mining Claims No. 16, 31, 32, 33, 34, 39 and 40 located in Section 30, T 25 S, R 26 E, Mesa County, Colorado.

7. Project No. 7: Corvusite Mining claims No. 26, 27, 29, and 30 located in Section 19, T 25 S, R 26 E, Grand County, Utah.

Note: Purchase agreement annexed hereto with Subordination Agreement.

A G R E E M E N T

THIS AGREEMENT, Made and entered into in duplicate as of September 7, 1951, between CORVUSITE MINING AND EXPLORATION COMPANY, a Colorado corporation, hereinafter called Corvusite, and GATEWAY MINING AND DEVELOPMENT COMPANY, INC., a Colorado corporation, hereinafter called Gateway, WITNESSETH:

R E C I T A L S

Gateway is about to make application for a government loan for the purpose of procuring funds with which to develop and explore certain mining claims in the County of Mesa, State of Colorado, and in the County of Grand, State of Utah. On October 14, 1950, Corvusite and Herman J. Tetzloff, R. C. Hartman and D. E. Karns entered into an agreement whereby Corvusite agreed to sell and said persons agreed to buy a total of 107 unpatented vanadium-uranium lode mining claims situate as aforesaid, a true copy of said agreement being hereto attached and made a part hereof. Said agreement was thereafter duly transferred and assigned to Gateway, and is now in full force and effect, and is so recognized to be by both parties hereto. In order to obtain said government loan for the exploration and development of said mining claims, it is necessary that the rights of Corvusite in said agreement of sale and purchase be subordinated to the government, whereby the government will be repaid its loan in time, manner and amount as may be specified in said agreement to be made and entered into between it and Gateway. Since entering into said agreement of October 14, 1950, it has developed that the title of Corvusite to the LaSal No. 4, the LaSal No. 5 and the LaSal No. 7 specified in said agreement is in doubt; that the parties hereto are in process of adjusting the matter whereby the three mining claims will be removed from said agreement of October 14, 1950; that Corvusite is the owner and in possession of 13 mining claims in Gateway Mining District, Grand County, Utah, not included in said agreement of sale and purchase and known as

Urantah No. 23,	location	notice	recorded	in	Book	9J,	page	528
Urantah No. 31,	"	"	"	"	"	"	"	527
Urantah No. 30,	"	"	"	"	"	"	"	527
Urantah No. 29,	"	"	"	"	"	"	"	527
Urantah No. 28,	"	"	"	"	"	"	"	527
Urantah No. 27,	"	"	"	"	"	"	"	526
Urantah No. 26,	"	"	"	"	"	"	"	526
Urantah No. 25,	"	"	"	"	"	"	"	526
Urantah No. 24,	"	"	"	"	"	"	"	526
Urantah No. 23,	"	"	"	"	"	"	"	526
Corvusite No. 43,	"	"	"	"	"	"	"	517
Corvusite No. 42,	"	"	"	"	"	"	"	517
Corvusite No. 41,	"	"	"	"	"	"	"	517

all in the office of the county recorder of said County of Grand, reference to which being hereby made for a more particular description thereof. These claims are unexplored and undeveloped. Gateway desires an option to purchase the same. Corvusite is desirous of having said claims, or some of them, developed and explored under Gateway's exploration agreement with the government.

Accordingly, in consideration of the premises and of the sum of $25.00 paid by G ateway to Corvusite, the receipt of which is hereby acknowledged, IT IS MUTUALLY AGREED Between the parties hereto, as follows, to-wit:

1. That all of the rights of Corvusite in and to said agreement of October 14, 1950, shall be subordinate to the rights of the United States for the repayment of any loan made by it to Gateway under any exploration agreement between Gateway and the United States to the same extent and fullness as though said exploration agreement had been executed by Corvusite, with the exception of the said LaSal No. 4, the LaSale No. 5 and the LaSal No. 7 lode mining claims.

2. That Corvusite does hereby give and grant to Gateway the first right and option to purchase the said 13 lode mining claims described as Urantah No. 23, Urantah No. 31, Urantah No. 30, Urantah No. 29, Urantah No. 28, Urantah No. 27, Urantah No. 26, Urantah No. 25, Urantah No. 24, Urantah No. 23, Corvusite No. 43, Corvusite No. 42 and Corvusite No. 41, in Gateway Mining District, Grand County, Utah, such option to continue for the duration and period of such exploration contract. The amount of the purchase price therefor and the time and terms of payment to be mutually agreed upon by the parties hereto at or before the expiration of said exploration agreement, Corvusite hereby

covenanting with Gateway that during said period it will not sell, offer to sell or lease all or any of said mining claims to any person or corporation.

3. IT IS FINALLY AGREED That nothing herein contained shall in any manner be so construed as to relieve either party in the full performance of each of the covenants and stipulations agreed to be paid, kept and performed respectively by them in said agreement of October 14, 1950.

WITNESS Their names.

CORVUSITE MINING AND EXPLORATION COMPANY

By Carl F. Schubert
President

ATTEST:

Jack R Cayce
Secretary

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

By Herman J. Litzloff
President

ATTEST:

John P Thornton
Secretary

STATE OF COLORADO,)
: ss.
COUNTY OF M E S A,)

The foregoing instrument was acknowledged before me this 10th day of September, 1951, by Carl F. Schubert, as president of Corvusite Mining and Exploration Company.

Witness my hand and notarial seal. My commission expires February 19, 1953.

Marcedus Murphy
Notary Public

A G R E E M E N T

THIS AGREEMENT, Made and entered into this 14th day of October, A.D. 1950, by and between CORVUSITE MINING AND EXPLORATION CO., a Colorado Corporation, party of the first part, and HERMAN J. TETZLOFF, R. C. HARTMAN and D. E. KARNS, parties of the second part, WITNESSETH:

WHEREAS the first party hereto is the owner of the following described unpatented lode mining claims situate in the Gateway Mining District (Unorganized), Mesa County, Colorado, to-wit:

La Sal	No.	1,	Location Certificate recorded in Book	504,	Page	489
La Sal	No.	2,	Location Certificate recorded in Book	504,	Page	494
La Sal	No.	3,	Location Certificate recorded in Book	504,	Page	490
La Sal	No.	4,	Location Certificate recorded in Book	503,	Page	572
La Sal	No.	5,	Location Certificate recorded in Book	504,	Page	196
La Sal	No.	6,	Location Certificate recorded in Book	504,	Page	493
La Sal	No.	7,	Location Certificate recorded in Book	533,	Page	532
La Sal	No.	8,	Location Certificate recorded in Book	533,	Page	533
La Sal	No.	9,	Location Certificate recorded in Book	533,	Page	534
La Sal	No.	10,	Location Certificate recorded in Book	533,	Page	535
John Brown	No.	1,	Location Certificate recorded in Book	528,	Page	490
John Brown	No.	2,	Location Certificate recorded in Book	528,	Page	489
John Brown	No.	3,	Location Certificate recorded in Book	531,	Page	391
John Brown	No.	4,	Location Certificate recorded in Book	531,	Page	392
John Brown	No.	5,	Location Certificate recorded in Book	531,	Page	393
John Brown	No.	6,	Location Certificate recorded in Book	531,	Page	394
John Brown	No.	7,	Location Certificate recorded in Book	531,	Page	395
John Brown	No.	8,	Location Certificate recorded in Book	531,	Page	396
John Brown	No.	9,	Location Certificate recorded in Book	531,	Page	397
John Brown	No.	10,	Location Certificate recorded in Book	531,	Page	398
John Brown	No.	11,	Location Certificate recorded in Book	533,	Page	158
John Brown	No.	12,	Location Certificate recorded in Book	533,	Page	159
John Brown	No.	13,	Location Certificate recorded in Book	533,	Page	160
John Brown	No.	14,	Location Certificate recorded in Book	533,	Page	161
John Brown	No.	15,	Location Certificate recorded in Book	533,	Page	162
John Brown	No.	16,	Location Certificate recorded in Book	533,	Page	163
John Brown	No.	17,	Location Certificate recorded in Book	533,	Page	164
John Brown	No.	18,	Location Certificate recorded in Book	533,	Page	165
John Brown	No.	19,	Location Certificate recorded in Book	533,	Page	166
John Brown	No.	20,	Location Certificate recorded in Book	533,	Page	167
JOhn Brown	No.	21,	Location Certificate recorded in Book	533,	Page	543
John Brown	No.	22,	Location Certificate recorded in Book	533,	Page	544
John Brown	No.	23,	Location Certificate recorded in Book	533,	Page	546
John Brown	No.	24,	Location Certificate recorded in Book	533,	Page	545
John Brown	No.	25,	Location Certificate recorded in Book	533,	Page	548
J8hn Brown	No.	26,	Location Certificate recorded in Book	533,	Page	547
John Brown	No.	27,	Location Certificate recorded in Book	533,	Page	549
Bobbie	No.	1,	Location Certificate recorded in Book	531,	Page	390

Saltwash No. 11, Location Certificate recorded in Book 533, Page 536
Saltwash No. 12, Location Certificate recorded in Book 533, Page 537
Saltwash No. 13, Location Certificate recorded in Book 533, Page 538
Saltwash No. 14, Location Certificate recorded in Book 533, Page 539
Saltwash No. 15, Location Certificate recorded in Book 533, Page 540
Saltwash No. 16, Location Certificate recorded in Book 533, Page 541
Saltwash No. 17, Location Certificate recorded in Book 533, Page 542

and the following described unpatented lode mining claims situate in the Gateway Mining District (Unorganized), Grand County, Utah, to-wit:

Saltwash No. 1, Location Certificate recorded in Book 9J, Page 329
Saltwash No. 2, Location Certificate recorded in Book 9J, Page
Saltwash No. 3, Location Certificate recorded in Book 9J, Page 330
Saltwash No. 4, Location Certificate recorded in Book 9J, Page 330
Saltwash No. 5, Location Certificate recorded in Book 9J, Page 330
Saltwash No. 6, Location Certificate recorded in Book 9J, Page 330
Saltwash No. 7, Location Certificate recorded in Book 9J, Page 331
Saltwash No. 8, Location Certificate recorded in Book 9J, Page 331
Saltwash No. 9, Location Certificate recorded in Book 9J, Page 331
Saltwash No. 10, Location Certificate recorded in Book 9J, Page 331
Urantah No. 9, Location Certificate recorded in Book 9J, Page 492
Urantah No. 10, Location Certificate recorded in Book 9J, Page 492
Urantah No. 11, Location Certificate recorded in Book 9J, Page 493
Urantah No. 12, Location Certificate recorded in Book 9J, Page 493
Urantah No. 13, Location Certificate recorded in Book 9J, Page 493
Urantah No. 14, Location Certificate recorded in Book 9J, Page 493
Urantah No. 15, Location Certificate recorded in Book 9J, Page 493
Urantah No. 16, Location Certificate recorded in Book 9J, Page 494
Urantah No. 17, Location Certificate recorded in Book 9J, Page 494
Urantah No. 18, Location Certificate recorded in Book 9J, Page 494
Urantah No. 19, Location Certificate recorded in Book 9J, Page 494
Urantah No. 20, Location Certificate recorded in Book 9J, Page 494
Urantah No. 21, Location Certificate recorded in Book 9J, Page 495
Urantah No. 22, Location Certificate recorded in Book 9J, Page 495
Bonanza No. 8, Location Certificate recorded in Book 9J, Page 391
Bonanza No. 9, Location Certificate recorded in Book 9J, Page 391
Utah No. 1, Location Certificate recorded in Book 9J, Page 391
Utah No. 2, Location Certificate recorded in Book 9J, Page 392
Utah No. 3, Location Certificate recorded in Book 9J, Page 392
Utah No. 4, Location Certificate recorded in Book 9J, Page 392
Utah No. 5, Location Certificate recorded in Book 9J, Page 390
Utah No. 6, Location Certificate recorded in Book 9J, Page 390
Utah No. 7, Location Certificate recorded in Book 9J, Page 507
Corvusite No. 1, Location Certificate recorded in Book 9J, Page 255
Corvusite No. 2, Location Certificate recorded in Book 9J, Page 255
Corvusite No. 3, Location Certificate recorded in Book 9J, Page 256
Corvusite No. 4, Location Certificate recorded in Book 9J, Page 256
Corvusite No. 5, Location Certificate recorded in Book 9J, Page 256
Corvusite No. 16, Location Certificate recorded in Book 9J, Page 256
Corvusite No. 19, Location Certificate recorded in Book 9J, Page 514
Corvusite No. 20, Location Certificate recorded in Book 9J, Page 514
Corvusite No. 21, Location Certificate recorded in Book 9J, Page 514
Corvusite No. 22, Location Certificate recorded in Book 9J, Page 515
Corvusite No. 23, Location Certificate recorded in Book 9J, Page 515
Corvusite No. 24, Location Certificate recorded in Book 9J, Page 515
Corvusite No. 25, Location Certificate recorded in Book 9J, Page 515

Corvusite No. 26, Location Certificate recorded in Book 9J, Page 440
Corvusite No. 27, Location Certificate recorded in Book 9J, Page 440
Corvusite No. 28, Location Certificate recorded in Book 9J, Page 489
Corvusite No. 29, location Certificate recorded in Book 9J, Page 487
Corvusite No. 30, Location Certificate recorded in Book 9J, Page 487
Corvusite No. 31, Location Certificate recorded in Book 9J, Page 497
Corvusite No. 32, Location Certificate recorded in Book 9J, Page 497
Corvusite No. 33, Location Certificate recorded in Book 9J, Page 497
Corvusite No. 34, Location Certificate recorded in Book 9J, Page 498
Corvusite No. 35, Location Certificate recorded in Book 9J, Page 498
Corvusite No. 36, Location Certificate recorded in Book 9J, Page 498
Corvusite No. 37, Location Certificate recorded in Book 9J, Page 499
Corvusite No. 38, Location Certificate recorded in Book 9J, Page 499
Corvusite No. 40, Location Certificate recorded in Book 9J, Page 444
La Sal, Location Certificate recorded in Book 9J, Page 444
Corvusite No. 39, Location Certificate recorded in Book 9J, Page 499
and

WHEREAS it is the mutual wish and desire of the parties hereto that the first party sell and the second parties buy the above described mining claims:

NOW, THEREFORE, it is agreed as follows:

That the first party will sell and the second parties will purchase the above described mining claims for the total purchase price of $53,500.00, said sum to be paid in installments, without interest, as follows:

The sum of $5,000.00 cash in hand paid, the receipt whereof is hereby acknowledged by first party;

The sum of $10,000.00 on or before November 1, 1950;
The sum of $12,833.33 on or before October 9, 1951;
The sum of $12,833.33 on or before October 9, 1952;
The sum of $12,833.33 on or before October 9, 1953;

It is agreed that the second parties shall pay to the first party 10% of the net proceeds derived from the sale of ores or minerals produced and sold from said mining claims; "net proceeds" being defined to be the net amount received from the purchaser or purchasers of such ores and minerals but not including any haulage or development allowance. Any money received by second parties as haulage and development allowance shall be and remain the money of second parties. Any amount so paid to first party shall be credited upon the purchase price.

The parties hereto agree to instruct the purchaser or purchasers of such ores or minerals to pay 10% of the net proceeds directly to first party, at the offices of Adams, Heckman & Traylor, Grand Junction, Colorado.

Second parties agree to keep accurate records of all ores and minerals produced and sold from said mining claims and to furnish first party with duplicate settlement sheets of all sales of such ores and minerals.

First party covenants and represents to the second parties that it has good possessory title to each of the mining claims sold by it hereunder and hereinabove described, and agrees to furnish an abstract of title certified substantially to the date of delivery of said abstract so showing.

Upon the payment in full of the purchase price of $53,500.00, as aforesaid, the first party shall execute and deliver to the second parties a good and sufficient mining deed conveying to second parties the above described mining claims.

First party agrees to furnish to second parties' attorney, all proper evidence of first party's compliance with the laws of the State of Colorado and the State of Utah pertaining to the sale of mining property by mining corporations, and particularly with Section 27, Chapter 41, 1935 Colorado Statutes Annotated.

First party agrees to furnish to the second parties or their attorney, an abstract of title to said property certified substantially to date on or before the1st day of December, 1950. Second parties' attorney shall have 30 days in which to examine said abstract and should it appear that title of first party in said mining claims is not a good possessory title, first party agrees to correct the title to said claims at its expense on or before July 1, 1951, so as to show a good possessory title in first party, and should first party fail, neglect or refuse to so correct said title at its expense, second parties may do any act or thing required to perfect said title and deduct the cost thereof, including Court costs and attorneys fees, from the purchase price of said property.

It is agreed that in the event that it shall become necessary or expedient, in order to protect the first party's possessory title to said mining claims, or any of them, the second parties may make and file additional or amended location certificates in the name of the first party and record the same, the expense thereof to be borne by the first party.

First party agrees to pay all production and other taxes levied and assessed upon such production or upon said mining claims to the date hereof. From and after the date hereof, the second parties agree to prepare and file with the proper authorities of Mesa County, Colorado, and Grand County, Utah, all statements required by law for the ascertainment and determination of such production or other tax. Second parties agree to pay all taxes levied or assessed against said mining claims or production therefrom from and after the date hereof, and to pay such taxes before the same become delinquent.

Second parties agree to perform or have performed the annual labor required to be performed upon or for the benefit of said mining claims during the term of this agreement and shall file the proper and necessary affidavit or affidavits thereof in the manner and time required by law and agree to furnish first party with copies of such affidavit or affidavits.

It is agreed that the second parties hereto may have immediate possession of said premises and may go upon the same for the purpose of mining, core drilling and other exploration work and may install upon said premises any and all improvements, machinery, fixtures and other property which may be used by them in connection with said work and in the event of the termination hereof, as herein provided, may remove any and all improvements, machinery and fixtures installed by them within 60 days after said termination.

It is mutually agreed between the parties hereto that time is of the essence of this agreement and upon the failure of the second parties to make the payment required of them on November 1, 1950, this agreement may be terminated on that date by the first party and the sum of $5000.00 paid to first party on this date shall be kept and retained by it in full satisfaction and liquidation of any and all damages it may have sustained and first party shall have no right, title, claim or action against second parties for damages for failure to perform said contract or for specific performance of the contract. It being further agreed that upon the failure of the second parties to make any of the payments subsequent to November 1,1950,as required herein, or to keep and perform any of the covenants

and agreements herein contained to be kept and performed by them, this agreement may be terminated at the election of the first party, upon giving to the second parties 60 days written notice of its intention so to do, which notice may be served as provided by law for service of notice to quit and in the event of such termination, all payments heretofore made by second parties to first party shall be kept and retained by the first party in full satisfaction and liquidation of all damages which first party may have sustained by breach of this agreement, and upon termination of this agreement, the first party shall have the right to re-enter upon and retake possession of said premises, and the second parties hereby agree to surrender and deliver up said premises peaceably to the first party, and upon their failure so to do, second parties shall be deemed to be subject to eviction and removal, forcibly or otherwise, with or without process of law.

In the event that first party is unable to furnish good possessory title to any claim, and unable possibly successfully perfect title to said claims, the overall purchase price herein recited shall be reduced to the extent of $500.00 per claim or fraction thereof to which it is impossible to perfect good possessory title, PROVIDED, HOWEVER, that first party GUARANTEES to perfect good possessory title to a minimum of 90-claims. The undersigned J. W. Lewis, also known as Jake Lewis, signs this contract individually, and agrees to do any and all things necessary to perfect and complete title to any and all of the above mentioned claims, both as a stockholder of the Corvusite Mining and Exploration Co., and as an individual.

It is further understood and agreed by and between the parties hereto that the second parties shall have the right to abandon and terminate this agreement at any time, upon giving 10 days notice to first party, in which event the payment of all moneys made to first party by second parties shall be retained by first party as liquidated damages.

IT IS FINALLY AGREED that each and all of the covenants and agreements herein contained shall extend to and be binding upon the successors

and assigns of the respective parties.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

CORVUSITE MINING AND EXPLORATION CO.

ATTEST:

By Carl F. Schubert President

J. R. Cagle Secretary

First Party

(CORPORATE SEAL)

Jake Lewis Individually

R. C. Hartman (SEAL)

Herman J. Tetzloff (SEAL)
by R. C. Hartman, his attorney in fact

D. E. Karns (SEAL)
by R. C. Hartman, his attorney in fact

Note: Purchase Agreement annexed hereto with Subordination Agreement

A G R E E M E N T

THIS AGREEMENT, Made and entered into in duplicate as of September 7, 1951, between JAKE W. LEWIS, of the County of Mesa, State of Colorado, first party, and GATEWAY MINING AND DEVELOPMENT COMPANY, INC., a Colorado corporation, hereinafter called Gateway, second party, WITNESSETH:

R E C I T A L S

Gateway is about to make application for a government loan for the purpose of procuring funds with which to develop and explore certain mining claims in the County of Mesa, State of Colorado, and in the County of Grand, State of Utah. On January 10, 1951, first party and Gateway entered into an agreement whereby first party agreed to sell and Gateway agreed to buy 22 unpatented vanadium-uranium lode mining claims situate in Gateway Mining District, County of Grand, State of Utah, a true copy of said agreement being hereto attached and made a part hereof. In order to obtain said government loan for the exploration and development of said mining claims and the other mining claims in which Gateway has an interest, it is necessary that the rights of first party in said agreement of sale and purchase be subordinated to the government whereby the government will be repaid its loan in time, manner and amount as may be specified in said agreement to be made and entered into between it and Gateway.

Accordingly, in consideration of the premises and of the sum of $25.00 paid by Gateway to first party, the receipt of which is hereby acknowledged, IT IS MUTUALLY AGREED Between the parties hereto as follows, to-wit:

1. That all of the rights of first party in and to said agreement of January 10, 1951, shall be subordinate to the rights of the United States for the repayment of any loan made by it to Gateway under

any exploration agreement between Gateway and the United States to the same extent and fullness as though said exploration agreement had been executed by first party.

2. IT IS FINALLY AGREED That nothing herein contained shall in any manner be so construed as to relieve either party in the full performance of each of the covenants and stipulations agreed to be kept and performed respectively by them in said agreement of January 10, 1951.

WITNESS Their names.

Jake W. Lewis
FIRST PARTY

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

By Herman J. Teltsoff
President

ATTEST:
John P. Thornton
Secretary

STATE OF COLORADO,)
: ss.
COUNTY OF M E S A,)

The foregoing instrument was acknowledged before me this 8th day of September, 1951, by Jake W. Lewis.

Witness my hand and notarial seal. My commission expires February 19, 1953.

Marcedus Murphy
Notary Public

A G R E E M E N T

THIS AGREEMENT, Made and entered into this 10th day of January, A.D. 1951, by and between JAKE W. LEWIS, party of the first part, and GATEWAY MINING AND DEVELOPMENT COMPANY, INC., party of the second part,

WITNESSETH:

WHEREAS the first party heretois the owner of the following described unpatented lode mining claims situate in the Gateway Mining District (Unorganized), County of Grand, State of Utah, to-wit:

Bonanza No. 10, Location Certificate recorded in Book 9-J, Page 391
Bonanza No. 11, Location Certificate recorded in Book 9-J, Page 409
Big Jake No. 1, Location Certificate recorded in Book 9-J, Page 528
Big Jake No. 2, Location Certificate recorded in Book 9-J, Page 528
Big Jake No. 3, Location Certificate recorded in Book 9-J, Page 528
Big Jake No. 4, Location Certificate recorded in Book 9-J, Page 529
Big Jake No. 5, Location Certificate recorded in Book 9-J, Page 529
Big Jake No. 6, Location Certificate recorded in Book 9-J, Page 529
Big Jake No. 7, Location Certificate recorded in Book 9-J, Page 529
Big Jake No. 8, Location Certificate recorded in Book 9-J, Page 529
Big Jake No. 9, Location Certificate recorded in Book 9-J, Page 530
Big Jake No. 10, Location Certificate recorded in Book 9-J, Page 530
Utah No. 8, Location Certificate recorded in Book 9-J, Page 530
Utah No. 9, Location Certificate recorded in Book 9-J, Page 530
Utah No. 10, Location Certificate recorded in Book 9-J, Page 531
Utah No. 11, Location Certificate recorded in Book 9-J, Page 531
Utah No. 12, Location Certificate recorded in Book 9-J, Page 531
Utah No. 13, Location Certificate recorded in Book 9-J, Page 531
Utah No. 14, Location Certificate recorded in Book 9-J, Page 532
Utah No. 15, Location Certificate recorded in Book 9-J, Page 532
Utah No. 16, Location Certificate recorded in Book 9-J, Page 532
Utah No. 17, Location Certificate recorded in Book 9-J, Page 532

and

WHEREAS it is the mutual wish and desire of the parties hereto that the first party sell and the second party buy the above described mining claims;

NOW, THEREFORE, It is agreed as follows:

That the first party will sell and the second party will purchase the above described mining claims for the total purchase price of $31,000.00, said sum to be paid as follows:

> $10,000.00 by 1000 shares of the common stock of second party, and the balance of $21,000.00 payable at the rate of $250.00 per month, or 10% of the net royalties, as hereinafter set forth, whichever is greater; provided, however, that payments shall not be in excess of $7,500.00 during any one calendar year. The first payment as hereinabove set forth shall be due and payable February 1, 1951, and like payments on or before the 1st day of each month thereafter until the total sum is paid in full. The unpaid balance shall bear no interest.

It is agreed between the parties hereto that the second party shall pay to the first party 10% of the net proceeds derived from the sale of ores or minerals produced and sold from said mining claims, and from the mining claims purchased under contract from Corvusite Mining Company by Herman C. Tetzloff, R. C. Hartman and D. R. Karns, including the claims located in the name of Gateway Mining & Development Company as follows, to-wit:

Gilmore Lode
Tetzloff Lode
Tiny Brown Lode
Duffy Lode
Johnson Lode

"Net proceeds" is defined as the net amount received from the purchaser of such ores and minerals; haulage and development allowances shall not be included in the net proceeds and shall be and remain the money of second party; provided, however, that in the event the said 10% of the amount of the net proceeds derived from the sale of ores or minerals produced from said premises exceeds the sum of $7500.00, as hereinabove set forth, first party shall accept only the sum of $7500.00 in any one calendar year on the total purchase price.

The parties hereto agree to instruct the purchaser or purchasers of such ores or minerals to pay 10% of the net proceeds directly to first party, but not to exceed the sum of $7500.00 in any one calendar year during the term hereof, and this agreement shall constitute an assignment of said 10% to first party.

Second party agrees to keep accurate records of all ores and minerals produced and sold from said mining claims and to furnish party of the first part with duplicate settlement sheets, as received, of all sales of such ores and minerals.

First party covenants and represents to the second party that he has good possessory title to each of the mining claims sold by him hereunder.

Upon the payment in full of the purchase price of $31,000.00 as aforesaid, the first party shall execute and deliver to the second party a good and sufficient mining deed conveying to second party the above described mining claims.

It is agreed that in the event that it shall become necessary or expendient, in order to protect the first party's possessory title to said mining claims, or any of them, the second party may make and file additional or amended location certificates, in the name of the first party and record the same, the expense thereof to be borne by the first party.

First party agrees to pay all production and other taxes levied and assessed upon such production or upon said mining claims to the date hereof. From and after the date hereof, the second party agrees to prepare and file with the proper authorities of Grand County, Utah, all statements required by law for the ascertainment and determination of such production or other tax. Second party agrees to pay all taxes levied or assessed against said mining claims or production therefrom from and after the date hereof and to pay such taxes before the same become delinquent.

Second party agrees to perform or have performed the annual labor, or whatever may by law be required, to be performed upon or for the benefit of said mining claims during the term of this agreement and shall file the proper and necessary affidavit or affidavits thereof in the manner and time required by law.

It is agreed that the second party hereto may have immediate possession of said premises and second party may go upon the same for the purpose of mining, core drilling and other exploration work and may install upon said premises any and all improvements, machinery, fixtures and other property which may be used by it in connection with said work and in the event of the termination hereof, as herein provided, may remove any and all improvements, machinery and fixtures installed by them within 60 days after said termination, but shall not remove any timbering or supports in any mine located on said premises.

The second party agrees, at all times during the term of this agreement, to keep notices constantly and conspicuously posted, setting forth the fact that the premises are being sold to and operated by the second party hereto and that the interest of the first party therein shall not be subjected to liens for services or labor rendered, or materials or supplies furnished or used on or in connection with the premises or mining operations of the second party thereon or therein. The notice shall be in the usual and customary form as required of lessees in mining leases. It is mutually agreed between the parties that in the event it becomes impossible for either party hereto to perform under this contract by reason of any restriction, order or regulation of any government or governmental agency, then and in that event the performance of the contract by the parties so affected shall be postponed until such restriction, order or regulation has been removed.

The second party hereto agrees that in the conduct of its mining operations upon the premises above described, it shall

comply with all applicable requirements of law.

The second party agrees that in the event this agreement is terminated as hereinafter provided herein that the first party shall have all its data concerning core drilling or exploration work conducted by second party upon said property.

It is mutually agreed between the parties hereto that time is of the essence of this agreement and upon the failure of the second party to make the payments, or any of them, as required herein, or to keep and perform any of the covenants and agreements herein contained to be kept and performed by them, this agreement may be terminated at the election of the first party, upon giving to the second party 60 days written notice of his intention so to do, which notice may be served as provided by law for service of notice to quit, or may be addressed to second party at "General Delivery, Grand Junction, Colorado," and in the event of such termination, all payments heretofore made by second party to first party shall be kept and retained by the first party in full satisfaction and liquidation of all damages which first party may have sustained by breach of this agreement, and upon termination of this agreement, the first party shall have the right to re-enter upon and retake possession of said premises, and the second party hereby agrees to surrender and deliver up said premises peaceably to the first party, and upon its failure so to do, second party shall be deemed to be subject to eviction and removal, forcibly or otherwise, with or without process of law.

It being further understood and agreed by and between the parties hereto that the second party shall have the right to abandon and terminate this agreement at any time, upon giving 10 days notice to first party, in which event the payment of all money or monies made to first party by second party shall be retained by first party as liquidated damages.

It is finally agreed that each and all of the covenants and agreements herein contained shall extend to and be binding upon the successors and assigns of the respective parties.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

/s/ Jake W. Lewis (SEAL)
First Party.

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

By /s/ Edward Gillmore (SEAL)
President
Second Party

ATTEST:

Secretary.

II. A. Uranium and incidentally vanadium.

B. Attached please find Geological Sketch of the Lumsden - Corvusite Group of Uranium - Vanadium Mining Claims. The reasons for expecting to find commercial ore bodies are as follows:

1. The Stone mine is located in Section 19, T 25 S, R 26 E, in Grand County, Utah, and from this mine ore has been produced, as applicant is informed, over $250,000.00 worth of Uranium and Vanadium and this Stone mine only occupies approximately 1/8 of one mining claim. The government has statistics on this mine because it has been producing steadily for the past two years.

2. In addition to this the Okele Brothers have been mining on a claim leased from Gateway Mining and Development Company on La Sal No. 2 located in Section 36, T 31 N, R 20 W, for the past year and on one shipment of 15,770 pounds sold to Climax Uranium Company on April 11, 1951, the settlement sheet showed a total gross price of $7,356.32 on this one shipment. This mine is being presently operated and the settlement sheets for total tonage produced are enclosed herein.

3. Employees of the applicant have, on several occasions, found float of uranium ore in the John Brown area.

4. The Gateway Mining and Development Company has opened up its own mine on Gilmore Lode located in Section 36, near the Okele lease from which ore in commercial bodies have been shipped.

5. Gateway Mining and Development Company has in the past year been doing core-drilling in the Lumsden area and the results of this core-drilling has disclosed favorable ore deposits.

6. The U. S. Government already has available to it the geological data of the Stone mine in its possession which report is indicative of the general geological characteristics of the area.

Note: If any further or more particular detailed information is desired on any of the answers of question 2 herein, it will be furnished upon request.

GEOLOGICAL SKETCH OF THE LUMSDEN-CORVUSITE GROUP OF URANIUM-VANADIUM MINING CLAIMS

Situated on Beaver Creek Mesa at the northwestern end of the Uravan mineral belt, between Polar Mesa and the Tenderfoot-Calamity-Outlaw areas, the Lumsden-corvusite district has geological characteristics more or less typical of the better known ore deposits within the region. Inasmuch as Beaver Creek Mesa has been accessible by haulage road only since 1943, production is relatively recent, and there has been little or no systematic exploration. Nevertheless, in this short period, the extracted ore has been high in grade and tonnage. The Lumsden property and the Corvusite Mine (now called the Stone Mine) have been the chief producers. All indications are favorable for large potential reserves. The terraces of shallow drilling ground are generally narrow but extensive in length. In contrast to other mesas in the region, Beaver Creek Mesa, which has numerous ore exposures on all sections of its perimeter, is relatively unexplored. The opinion common to all qualified reports on the district is that the Lumsden-Corvusite area is the most promising on the mesa. All indications are that systematic exploration would discover new, extensive deposits of valuable uranium ore.

On Beaver Creek Mesa uranium and vanadium are found combined in the Salt Wash member of the Morrison sandstone of Upper Jurassic age. The Salt Wash consists of alternate strata of sandstone, mudstone and shale, with sandstone contributing to most of the total. Exposures appear as a series of low cliffs and short, steep slopes. The principal ore horizons, in the upper half of the formation, are approximately at 200 feet, 230 feet and 265 feet above the base of the formation. The Salt Wash varies from 300 feet to 350 feet in thickness. In rare instances, ore is found immediately above the underlying Summerville formation, which is an evenly and thinly bedded red and white sandstone and red shale. Much of the area of favorable Salt Wash deposition is capped by the Brushy Basin shale, which is the top of the Morrison, and this, in turn, is usually capped by strong Cretaceous Dakota sandstone cliffs. Exploratory drilling through this capping would necessitate prohibitively long holes, and only the uncapped areas are to be considered for immediate drilling. Although this precludes much favorable ground, there still remains considerable area where the top of the ore-bearing Salt Wash is amenable to shallow drilling. This area lies aroundthe perimeter of the mesa, adjacent to proven ore, such as in the Lumsden and Stone mines.

The Lumsden-Corvusite district conforms to typical Salt Wash carnotite deposition with characteristic rolls in the bedded structure, in which the ore thickens to large, rich pods and masses. Although it also conforms to the systematic distribution throughout the Uravan mineral belt of a relatively high ratio of uranium to vanadium, there are numerous local exceptions, in which the ore is either a roscoelite type, with secondary oxides such as corvusite and vanoxite, or a rich, hard, black uranium mineral, probably containing microscopic disseminated uraninite. Occasional assay checks on this mineral have run from 12% to over 25% U_3O_8. Carnotite in varying amounts occurs with nearly all of the vanadium minerals. The ore exposed in underground workings ranges in width from a few inches to six oreight feet; insome of the rolls it is even greater.

The general structure of the bedding is a gradual, persistent dip of about 4° to the northeast, extending from a prominant anticlinal fold south of the Corvusite mine. This fold bears approximately N 45° W with its axis passing through the center of Sinbad Valley and Kirks Basin, both of which resulted from erosion along the fold crest. At this point, just under the northern slope of the La Sal Mountains, the Salt Wash formation is absent, but comes in again south of Kirks Basin and extends for about one mile farther south. This entire souther area underlain by Salt Wash extends roughly three miles south of the Stone Mine, about four miles wide, and a narrow strip of Salt Wash extends along the Colorado Utah line for about seven miles south. There are a large number of faults in the vicinity of the prominant anticlinal fold. There are few if any cliff outcrops of Salt Wash in this southern area; as a result, little prospecting has been done there.

In 1943, as recommended by the Metals Reserve Company and the U. S. Geological Survey, the U. S. Bureau of Mines drilled 20 holes around the Stone Mine, then called the Corvusite Mine. Nine holes encountered mineral, and several bodies or ore width and grade were found.

Probably the most favorable zone of deposition is that block which extends over 14,000 feet from the Stone to the Lumsden, about 3000 feet wide, but most of this block is capped by Brushy Basin and Dakota, and only those extremities close to each property should be considered for immediate exploration. In addition, there are blocks of veryfavorable ground south and southwest of the Stone Mine which have never been adequately explored. There is a large block of shallow drilling, about 1500 feet wide and perhaps 4500 feet long, at the Lumsden group and around the La Sal claim. The exploratory holes would average about 150 feet, varrying from 30 feet to 200 feet.

Jcadewis

III. A. Proposed Work.

1. On Project No. 1 the applicant, in the event the loan is granted, intends to sink one hundred core-drill holes for exploration of uranium on each of the five claims included in this project and it is anticipated that the average hole will be approximately 150 feet in depth. This would call for 75,000 feet of core-drilling and it is estimated that the cost would amount to $168,750.00.

2. On Project No. 2 the applicant intends to core-drill seventy-five holes on each of the four claims to a depth of 215 feet per hole. The total footage of core-drilling required is 64,500 feet and the estimated cost is $177,375.00.

3. Project No. 3 includes six mining claims and it is contemplated to drill seventy-five holes on each claim to a depth of approximately 200 feet or a total of 87,500 feet of core-drilling at an estimated cost of $240,625.00.

4. On Project No. 4 the applicant intends to do approximately 65,000 feet of core-drilling on the six claims included in the project at an estimated cost of $178,500.00. This would mean approximately fifty holes in excess of 200 feet depth on each of the six claims.

5. On Project No. 5 the applicant intends to drill sixty holes per claim to an average depth of approximately one hundred feet or a total of 61,000 feet of core-drilling at an estimated cost of $167,750.00.

6. On Project No. 6 the applicant intends to do 28,000 feet of core-drilling which would mean about 40 holes of 60 feet depth on each of the twelve claims at an estimated total cost of $41,500.00.

7. On Project No. 7 it is contemplated core-drilling 12,000 feet at an estimated cost of $18,000.00. The average depth of each hole is estimated to be in excess of 200 feet. This would mean that there will be 60 holes put down on the four claims.

It is estimated that the seven projects outlined above which call for 393,000 feet of core-drilling at an estimated cost of $962,000.00 would require at least 15 core-drill units which would average 80 feet of core-drilling per unit for each core-drilling day. It is planned to

operate on a forty hour a week basis consisting of five eight hour days per week. It is estimated that all fifteen units could turn out a total of 750 feet of core-drilling per day. The estimated cost of $[illegible]2,000.00 is estimated on the basis of comparable contract drilling costs and this figure might even possibly be higher if this core-drilling were contracted. By purchasing the equipment as listed in the application before stated in the drilling projects, and working the machines ourselves, it is planned that we can make at least the re-capture value of the equipment to be purchased which is estimated at $232,324.75 on the above outlined core-drilling program, as well as speed up exploration work all around. The estimated cost of $[illegible]2,000.00 would not, of course, include the cost of machinery and equipment which would have to be purchased, nor would it include the cost of enlarging facilities to house the necessary personnel and crews. The total cost of the entire seven projects can be broken down as follows:

a. Three hundred thirty-three thousand feet of core-drilling....$[illegible]2,000.00

b. Purchase cost of necessary equipment..... 524,090.03

c. Cost of enlarging facilities for personnel and crews 39,979.50

d. Estimated necessary working capital..... 250,000.00

Estimated total cost of entire seven projects...$1,776,802.53

B. Time required for project.

Depending upon the availibility of machinery and equipment, it is estimated that the organization of personnel necessary to supervise the entire seven projects could be completed within thirty days after the machinery is received at the exploration sites. The project would be completed in two years from the time that the organization is perfected.

IV. Map: Annexed hereto find map showing relative locations of mining claims included in the seven proposed exploration projects as well as location of existing mines in the vicinity, namely, the Stone mine, the Ukele mine, and the Gateway Mining and Development Company mine, as well as camp-site.

V. Housing facilities, buildings, etc.

A. 14 X 20 foot cook house with Butane Gas Refrigeration. Butane gas cook stove, all necessary kitchen utensils; dishes, tables, chairs, and a 1,000 gallon Butane gas heater.

B. 14 X 30 feet bunk house to accommodate twelve men equipped with Butane gas heat and necessary steel cots and mattresses.

C. 10 X 12 foot office equipped with desk, filing cabinet, chairs, drawing table, drafting equipment.

Note: All of the above buildings and equipment are in A-1 usuable condition having been erected or purchased only about a year ago.

VI. A. Dining room for fifty men 16 X 60 feet estimated cost(Bldg. only)---$3142.15

B. Equipment for dining room estimated cost---------- 674.10

C. Extra Stove (gas, cooking)---------- 503.25

D. Extra refrigerator---------- 391.00

E. Extra Deepfreeze---------- 522.00

F. Extra gas Tank---------- 536.00

G. Extra Heaters---------- 264.50

H. Bunkhouse 16' X 100', 3 rooms - est. cost of building only---------- 5917.10

I. Equipment for forty men for Bunkhouse:

1. Forty cots @ $ 9.00 each---------- 360.00

2. Forty mattresses @ $12.35 each---------- 490.00

3. Three gas heating stoves---------- 396.75

4. Forty lockers @ $18.70 each---------- 748.00

J. Wash and Bath-house 16' X 30', est. cost of building only---------- 2896.00

1. Two hot water heaters: $139.05 each---------- 278.10

2. Four shower stalls @ $92.00 each---------- 368.00

3. Wash sink with 12 faucets---------- 237.00

4. Twelve gas lights---------- 167.40

5. Floor drains and sink drains installed---------- 218.00

K. Latrines installed---------- 372.00

L. Garage and maintenance shop, Quonset Building with Equipment----------1834.00

M. 1 Explosives Magazine---------- 2800.00

TOTAL.....$39,979.50

VII. Detailed list of operating equipment.

A. Rented: Note: The total cost of projects as outlined in question III-A of this application does not include renting any equipment in view of the fact that it is anticipated that by buying the equipment, maintaining it in A-1 condition, it is estimated that a saving on the entire cost of the project of approximately $282,324.76 can be effected because the purchased equipment can be disposed of at the completion of the project. Information available to the applicant indicates that equipment prices will be continually rising over a period of the next several years and this alone will mean that used equipment in A-1 condition will bring a very good price at the expiration of the project.

B. Equipment to be purchased:

1.	Fifteen hydraulic core-drills complete with steel bits - $7,270.50 each	$109,057.50
2.	Fifteen six wheel Mack trucks for above	170,819.55
3.	Fifteen small (250 gal, water trucks for above)	5,125.00
4.	Five water wagons (6 wheel Mack Trucks) with 2000 gallon trucks and pumps	10,836.75
5.	Trucks (5)	56,939.85
6.	210' Diesel Compressor on skids	7,270.00
7.	One six wheel truck	11,387.97
8.	One wagon drill	2,870.00
9.	Twenty-five cats - D-7 and Dozers, F.O.B. Fac't	29,411.00
10.	One Diesel - Electric Generator set (200K.W.)	10,570.00
11.	One Mack truck for Generator	4,097.00
12.	One Mack truck for gas and Diesel Fnd	11,387.97
13.	One gas and Fuel tank (2100 gallons, truck mounted) and metering pump	3,245.00
14.	One Mack truck for supplies and flat bed with hoist and seats for men	13,887.97
15.	Three Dodge power wagons - one ton, $3100 each (mechanics)	9,300.00
16.	Four Jeep F.W.D. Station wagons - $2337.00 each	9,348.00
17.	Mac 6 wheel wrecker (one) and grease truck	14,087.97
18.	Five fuel tanks @ $471.50 each	2,357.50
19.	One power shovel.(1.1/2.yard.capacity)	43,000.00
	TOTAL	$ 524,690.03

C. Furnished by applicant: A catapillar, D-8 cat with angle dozer and operator, at a rental of $12.50 per hour. This catapillar cost applicant

(VII. Cont'd)

$14,500.00 and estimated depreciation is 20% per year and should be charged as a cost of the project.

2. A- Diesel HD-5 with front end loader.

   a. With operator per hour.....$7.25

   b. Purchase price.....$7300.00

   c. Depreciation.....20%

3. Compressor Le Roy 105' mounted on G.M.C. Truck with jackhammer hoses, bits, steel, dir-saw.

   a. Per hour, no operator.....$2.50

   b. Purchase price.....$5125.00

   c. Depreciation.....20%

4. Joy - Core-drill mounted on half-track with 300' steel EX - bit, with pump.

   a. Per foot drilling, average, with operators.....$2.50 per hour

   b. Purchase price.....$5800.00

   c. Depreciation.....20%

5. Water wagon, 1000 gallons mounted on G X G with pump...$4900.00

6. Welding equipment and small tools, jacklegs, jackhammer..$2642.00

7. One jeep, four wheel drive pickup - 1 ton.....$1650.00

8. One dodge 4 X 4 - 3/4 ton pickup.....$900.00

VIII. Itemized schedule of labor, etc.

A.	Fifteen core-drillers - per hour	$2.25
B.	Fifteen helpers - per hour	$1.[illegible]
C.	Five water-wagon men - per hour	$1.75
D.	Three drillers and blasters - per hour	$2.00
E.	Three cat and dozer operators - per hour	$2.25
F.	Two cooks - per hour	$300.00 each per month
G.	One helper - per month	$175.00
H.	Two mechanics per hour	$2.00
I.	One tool - gas man - per hour	$ 1.50
J.	One greaser - per hour	$ 1.50
K.	Three foremen and timekeepers - per hour	$ 2.50
L.	One engineer - per month	$850.00
M.	Two geologists - per month	$550.00
N.	One superintendant - per month	$600.00
O.	One bookkeeper - per month	$400.00

IX. Estimated cost of materials and supplies, etc. The items below listed delivered at the site of the exploration project cost as follows:

1. Gasoline.....$ .27 deliv. gal.
2. Diesel fuel.....$ .18 deliv. gal.
3. Oil.....$ .35 per quart
4. Grease.....$ .18 per pound

The cost of these items has already been included in the estimated core-drilling cost. Applicant has not included accounting and engineering charges in this item in as much as it is contemplated that the operation will require a full time engineer and full time accountant.

X. A. Applicant is prepared to invest 10% of the entire cost of project. An off-set to applicant's share of the cost should be credited to applicant for rentals or depreciations on equipment furnished by applicant and, if possible, depreciation of existing facilities should be considered a cost of the project and credited to applicant's share. Applicant intends to devote all of its existing revenue from leased mines as well as present mining operations required for the purchase price of the mining claims to the cost of its share of the proposed exploration projects and also intends to sell additional stock in the corporation if necessary. Applicant has several parties interested in procuring stock in applicant's corporation.

B. It will be.

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMEA 2128 REVISED

Date received 4-3-52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 - 1952

GATEWAY MINING AND DEVELOPMENT COMPANY
875 GLENWOOD AVENUE
GRAND JUNCTION, COLORADO

MS 2703

DMEA 2128

Revised Application

Name and address of applicant

Date March 15, 1952

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
   } Attached sheet
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).
   } Attached sheet

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
   } Attached sheet
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production One

   If not in production or operation, estimated date when production will begin Not applicable
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project. Attached sheet
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation. Attached report pages 5-14
   (*b*) State briefly the known history and production of adjoining and neighboring properties. Attached report, pages 5 & 6
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. Attached report.

NOTED
TEPCO

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
R. C. Hartman and wife	President	None	$15,000	1000	none	none	none
Del Karns and wife	Vice-President	None	$20,000	1000	none	none	none
John P. Thornton	Secretary & Treasurer	None	$ 7,500	250	none	none	none
Herman Tetzloff and wife	Director	None	$50,000	1000	none	none	none
Phillip Johnson and wife	Director	None	$30,000	500	none	none	none
J. W. Lewis	Director	None	$30,000	1000	none	none	none
Kenneth Brown and wife	Stockholder	None	$35,000	1000	none	none	none
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	50,000 shares $ no par, common	8,650 $ issued	$ none	$86,500.00 no par	none
Preferred stock	$10,000	$ none	$ none	none	5%

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Not in production until Dec. 21, 1951			7	50
2. Quantity of product processed (specify unit of measure and type of process)	(See pages 7 and 8, Attached Report)				
3. Quantity and grade of product sold or shipped (specify units of measure)				7	50

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.) Attached sheet

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application with any available report on the geology and ore reserves.) Attached report, page 19

Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

FORM MF-100

GENERAL TECHNICAL DATA

1. MATERIAL PRODUCED

a. Chief mine and mill products - uranium and vanadium.
b. By-products - None.

2. NAMES OF MINES AND PROPERTIES

Below are listed the claim names on which exploration is proposed by this application:

Gilmore Lode
LaSal No. 1
LaSal No. 2
LaSal No. 3
LaSal No. 4
LaSal No. 5
LaSal No. 6
LaSal No. 7
Tetzloff
John Thornton
John Brown No. 1
LaSalle

Mine names and description

1. Gilmore Mine - Portal on the Gilmore Lode extending into LaSal No. 2 Claim.

   a. 40 feet of shaft
   b. Approximately 700 feet of tunnel
   c. 150 feet of open cut and approximately 2000 square feet of stope

2. Ukele Mine - Portal on the Gilmore Lode, most of the workings are on the LaSal No. 2 Claim.

   a. None
   b. None
   c. 350 feet of tunnel
   d. 700 square feet of stope

3. LaSal Mine - All workings on the Gilmore Lode.

   a. None
   b. None
   c. 140 feet of tunnel
   d. None

These mines have no water and consequently no pumping problem.

Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

FORM MF-100

GENERAL TECHNICAL DATA

3. a. Nearest town - Gateway - A town of approximately 200 population is the nearest source of supplies such as groceries, gas and oil. Telephone service and R.E.A. electric power are also available. Gateway is 15 miles from the drilling area and 51 miles from Grand Junction.

   Nearest shipping point - Grand Junction - A town of 18,000 population is the nearest railhead and supply center for all supplies including mining equipment.

   b. The Beaver (Creek) Mesa sometimes called John Brown Area is an organized mining district. It is sometimes referred to in geological reports as the West Gateway Area.

   c. The area proposed for exploration lies in two sections:

   Section 36, T 51 N, R 20 W, New Mexico Principal Meredian and
   Section 31, T 51 N, R 19 W, New Mexico Principal Meredian

   d. Mesa County, Colorado.

4. a. LaSal Mine is being operated by Mark Ukele, Lessee.

   Gilmore Mine is not in operation.

   Ukele Mine was in operation until March 1, 1952; not in operation at present.

5. Number of years in production: One year.

6. Below is listed the experience of the applicant and those who will manage the project:

   a. Experience of the applicant

   Gateway Mining and Development Company - The applicant is a Colorado Corporation which was organized in 1950 to develop and mine uranium and vanadium in the Gateway Area. Since its organization it has conducted its mining continuously by its own operation and by leasing. During this one year period 811 tons of ore were produced containing 7748.32 pounds of U_3O_8 and 33510.49 pounds of V_2O_5.

Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

FORM MF-100

GENERAL TECHNICAL DATA

(6 a continued)

The general business experience of the members of the corporation is as follows:

1. R. C. Hartman - President: Mr. Hartman is associated with the Cunningham - Ortmayer Company of Milwaukee, Wisconsin. Mr. Hartman is familiar with all types of equipment operation and contracting and he has been a successful business man for many years in that field.

2. Herman Tetzloff - Vice President: Mr. Tetzloff is a partner in Brown and Tetzloff Distributors, largest in the State of Wisconsin. He has had many years experience in accounting and business management which have assisted him in his business successes over a long period of years.

3. John P. Thornton - Secretary and Treasurer: Mr. Thornton is a well recognized and successful lawyer practicing at Eua Claire, Wisconsin.

b. Experience of persons managing the project.

1. Jake Lewis - Supervisor of field operations for the Gateway Mining and Development Company: Mr. Lewis has long been recognized as one of the leading prospectors, developers and mining men in the practical field of the uranium and vanadium region of the Colorado Plateau. An outline of his experience is as follows:

DATE	COMPANY	TYPE OF WORK
1919	Radium Luminous Material Corp.	Mining and sorting radium ore from Colorado Plateau
1920-1922	Radium Company of Colorado	Exploration Drilling and sorting radium, vanadium - uranium ores
1922-1948	Self-employed	Prospecting and mine operation of properties on Calamity, Beaver Mesa and other active areas
1949	U.S. Geological Survey	Field Assistant on exploration drilling Club Mesa Area
1950-1951	Gateway Mining & Development Company	Mine Manager

Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

FORM MF-100

GENERAL TECHNICAL DATA

(6 b continued)

2. John I. Schumacher - Consultant Engineer (Registered, State of Colorado). Below is listed a brief outline of Mr. Schumacher's experience:

DATE	ORGANIZATION	TYPE OF WORK
1943	Phelps-Dodge Corporation	Test Engineer (Milling)
1943	U.S. Bureau of Mines	Mining Engineer - Development Drilling Project, Colorado Plateau
1944-1946	U.S. Army	Ordnance Officer - Heavy and light equipment maintenance
1946-1948	U.S. Bureau of Mines	Project Engineer, Development of phosphate, lead, zinc and other metallics, Colorado Field Office
1948-1950	U.S. Geological Survey	Project Chief Engineer, Exploration drilling throughout Colorado Plateau
1951	Strategic Minerals Exploration Company	Managing Partner - Exploration, consulting and diamond drilling for uranium and vanadium

7. a. Attached report, pages 5 - 14.

   b. Attached report, pages 5 and 6.

   c. Attached report.

8. Answer on Form MF-100.

9. Answer on Form MF-100.

10. Answer on MF Form-100 and attached report, pages 5, 6, 7, 8.

11. Present monthly rate of production will probably remain the same until exploration work finds additional ore.

12. a. Attached report.

    b. 1. Attached report, page 19.

       2. Proven reserves - None. Indicated reserves - None.

Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

FORM MF-100

GENERAL TECHNICAL DATA

13. Attached report, page 21.

14. Attached report, page 22.

15. No electric power used; none available.

16. During recent periods the leasers employed the following men:

Mark Ukele Lease - 1 miner, 1 mucker, 1 helper

Lee Hetzel Lease - 1 miner, 1 mucker, 1 helper

The Gateway Mining and Development Company employed 1 cook and 1 supervisor (part time).

Total 8 men.

17. Equipment and Facilities

Equipment

1 Each - D8 Caterpillar, Model 1947 Needs $2000.00 (Est.) repairs	$12,000.00
1 Each - HD6 International Tractor Loader	6,000.00
1 Each - GMC 1½ ton with 105 Leroi Compressor	2,500.00
1 Each - Sullivan 12 Drill, Screw feed, EX Head bean water pump, 300 feet rod bits. Drill mounted on half track with tripod (Value including half track)	4,300.00
1 Each - Army 6 x 6 truck with 1000 gals. water tank mounted	750.00
1 Each - Jeep 1 ton pickup, Model 1951	1,200.00
Total value of equipment	$26,750.00

Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

FORM MF-100

GENERAL TECHNICAL DATA

(17 continued)

Facilities

1 Each - 14 x 20 cook house including butane gas refrigerator, butane space heater, cooking utensils, chairs, table, dishes. (This cook house will accomodate approximately 8 men).	$2,100.00
1 Each - 14 x 30 bunk house with butane space heater and eight cots and mattresses.	850.00
1 Each - 10 x 12 office including file and drafting equipment	550.00

All the above buildings are constructed of native lumber and sealed with celotex. These buildings are in good usable condition and good repair and are satisfactory for use in summer and winter.

Total value of facilities	$3,500.00
Total value of facilities and equipment	$30,250.00

18. There are no particular conditions or circumstances that affect this operation. The attached report describes the operation in complete detail.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	None				
Indicated (probable)	None				

(*c*) If placer: Not applicable

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

Attached report, page 21

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

Attached report, page 22

15. Power:

State amount of power used, rate per hour, and source thereof.

Attached Sheet

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

Attached Sheet

17. Equipment and Facilities:

Attached Sheet

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

None

CERTIFICATION

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

GATEWAY MINING AND DEVELOPMENT COMPANY
(Name of company)

By R. C. Hartman
(Signature of authorized official)

April 1, 1952
(Date)

R. C. Hartman, President
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA FOR USE UNDER THE DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma 21128

Date received 10-4-51

GATEWAY MINING AND DEVELOPMENT CO.
GRAND JUNCTION
COLORADO

Name and address of applicant

Date _____

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or [illegible]al deposit briefly. Accompany the applicat[illegible] any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, even or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

Getaway Mining + Development Co. Inc.
(Name of company)

By Herman Fehlhoff
(Signature of authorized official)

Sept. 29 1951
(Date)

President
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

I. Materials produced:

A. Uranium

B. Vanadium

II. Names: Gilmore Mine; tunnel-type, core-drilling, and wagon-drilling;

Ukele Mine; tunnel-type, core-drilling, and wagon-drilling;

La Sal Mine; tunnel-type, core-drilling, and wagon-drilling;

Note: This Gilmore Mine is also referred to throughout the application as the Lumsden Mine which is being operated by Gateway Mining and Development Company itself.

Note: For answers to A, B, C, and D, for each of the respective mines for each of the above named, see Exhibits 1 and 2 attached hereto which same are drawn to scale.

The above mantioned mines are not flooded and therefore no pumping operations are necessary.

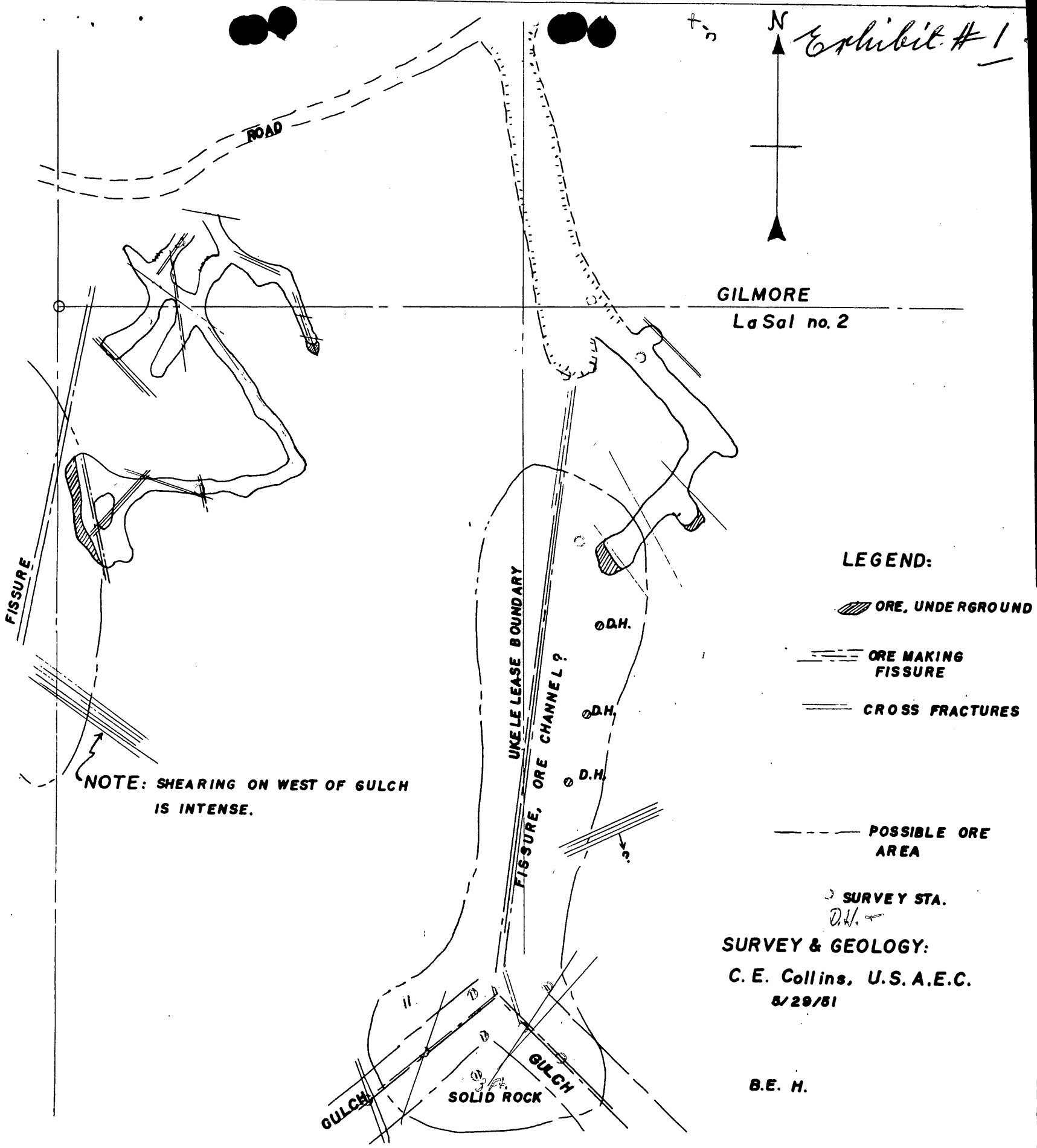
III. A. Sixty-one miles SW of Grand Junction.

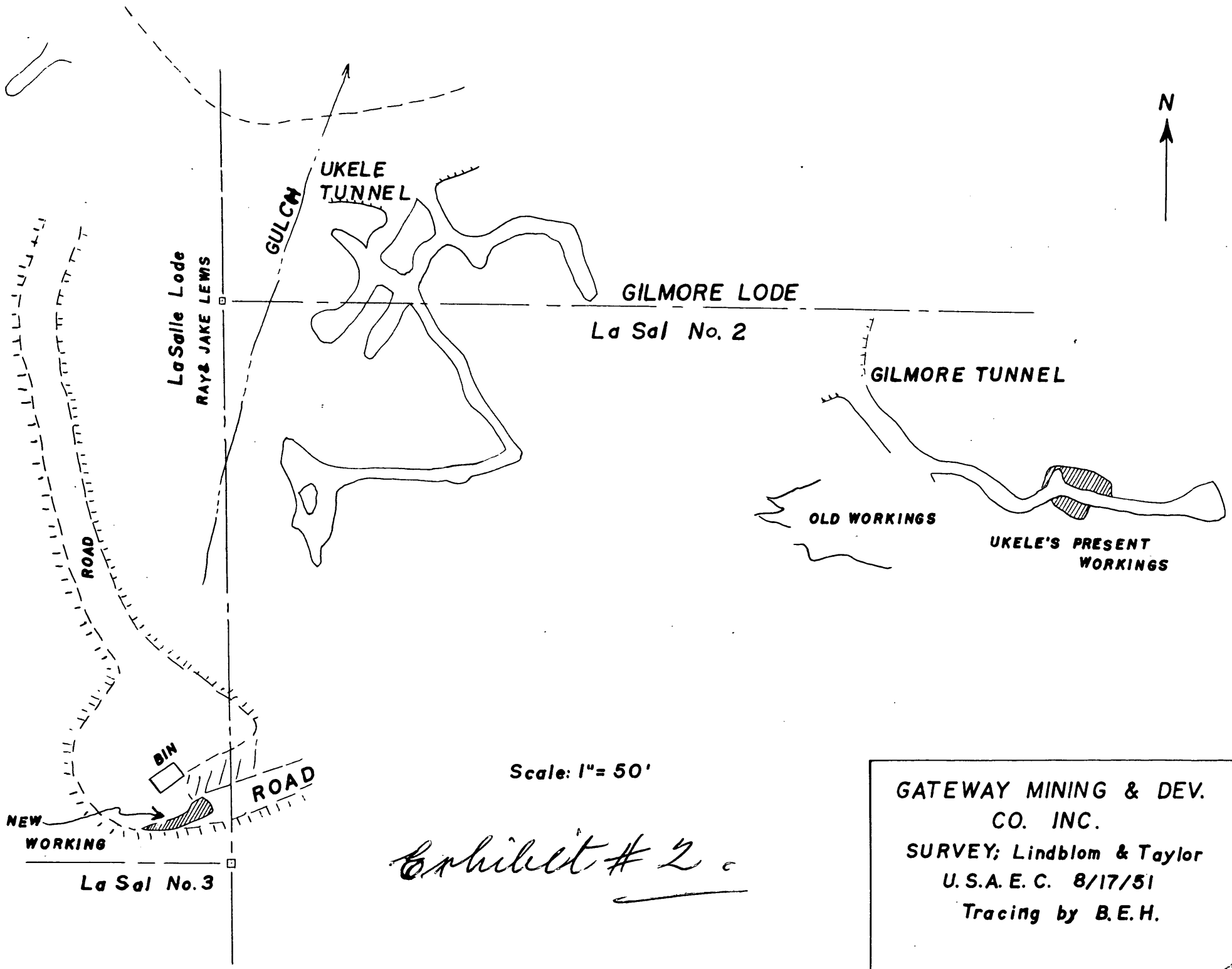
B. Gateway

C. See map marked Exhibit 3, attached hereto.

D. Mesa County, Colorado; Grand County, Utah.

Exhibit #1


N
ROAD
GILMORE
La Sal no. 2
FISSURE
UKE LE LEASE BOUNDARY
FISSURE, ORE CHANNEL?
D.H.
D.H.
D.H.
NOTE: SHEARING ON WEST OF GULCH IS INTENSE.
GULCH
GULCH
SOLID ROCK
LEGEND:
ORE, UNDERGROUND
ORE MAKING FISSURE
CROSS FRACTURES
POSSIBLE ORE AREA
SURVEY STA.
D.H.
SURVEY & GEOLOGY:
C. E. Collins, U.S.A.E.C.
8/29/51
B.E. H.


N
UKELE TUNNEL
GULCH
LaSalle Lode
RAY & JAKE LEWS
GILMORE LODE
La Sal No. 2
GILMORE TUNNEL
OLD WORKINGS
UKELE'S PRESENT WORKINGS
ROAD
BIN
ROAD
NEW WORKING
La Sal No. 3
Scale: 1" = 50'
Exhibit # 2.
GATEWAY MINING & DEV. CO. INC.
SURVEY; Lindblom & Taylor
U.S.A.E.C. 8/17/51
Tracing by B.E.H.

IV. A. At the present time the only mine in operation is the Ukele Mine being operated by John Ukele and his partner Rover Williams.

B. Gateway Mining and Development Company has leased this mine to John Ukele on a royalty basis.

V. One Year.

From 1919 to 1924 I worked in the carnotite fields for the Radium Company of Colorado, Standard Chemical Company and Radium Luminous Corporation, and have been in business continuously for myself since 1924 in mining and exploration of carnotite ores; produced all ore from the Calamity District from 1924 to 1926 for the U. S. Radium Corporation of New York; operated the Corvusite Mines off and on from 1924 up to 1951. At the present time I am general field manager for Gateway Mining and Development Company.

Jake W. Lewis

Jake W. Lewis

VI. Experience of Operators:

A. Gateway Mining and Development Company, the applicant, is a uniformed Colorado Corporation having been organized in January, 1951. It has conducted its own mine for several months in the Lumsden area and has since named this mine the Gilmore Mine. It has shipped ore in commercial bodies from this mine and the settlement sheets are attached hereto.

B. The persons who managed the property:

1. J. T. Lewis, is personally in charge of the supervision of operations in the fields for Gateway Mining and Development Company. His mining experience extends over a period of thirty-two years of mining and exploration work and attached hereto is a brief history of his experience.

2. The president of the corporation at the present time is Herman Tetzloff of Menomonie, Wisconsin. Mr. Tetzloff is a partner in Brown and Tetzloff, beer distributors for Leinenkugel and Miller Breweries and is well versed in accounting and business management. After fifteen years with O & M Lumber Company, Mr. Tetzloff and Mr. Brown, his associate, worked and took over the before mentioned distributorship and borrowed heavily to do so. Today they are one of the biggest distributors, so far as volume is concerned, in the state of Wisconsin in their particular brand as well as one of the most efficient set ups for distribution of their product. The above mentioned indebtedness has long since been repaid and today Mr. Tetzloff is in very comfortable financial condition. For further reference as to Mr. Tetzloff's integrity and ability, you may contact the Banks at Menomonie, Wisconsin. This brief upon Mr. Tetzloff was dictated by John Thornton, one of the stock-holders in Gateway Mining and Development Company.

3. The vice-president of the company is R. C. Hartman, a heavy equipment salesman of many years experience who is personally associated with Cunningham-Ortmayer Company, of Milwaukee, Wisconsin.

4. The secretary of the Company is John F. Thornton, an attorney, practicing law at Eau Claire, Wisconsin

VII. A. In the brief period of its existance the applicant has done approximately 16,020 feet of core-drilling and, incidentally, has also built 22 miles of road in order to facilitate future exploration work. It has opened up its own mine and shipped ore in commercial quantities.

As a result of the exploration work performed it has also leased a portion of the claim to John Whole and Rover Williams. It has fortunately produced eight tons a day.

By August 30, 1951, in a period of less than a year, there has been produced from the Gateway Mining and Development Company claims, 9,230 pounds of uranium ore and approximately 32,768 pounds ~~xxxx~~ of vanadium ore.

B. The Corvusite mine(now the Stone Mine)has been producing intermittently since 1924, and there has been probably in access of 5,000 tons of ore shipped from this one claim.

The U. S. Vanadium Company has in years gone past produced large quantities of vanadium ore adjacent to the Lumsden area and these records are no doubt available to the government. For other mining data, see geological map of the Gateway area marked Exhibit #3 in this application.

C. See Geological sketch of Lumsden area contained in this application. Further data as to applicant's properties may be obtained from Dr. Razor of the Atomic Energy Commission of Grand Junction. He and other atomic energy geologists have been on applicant's holdings and have also inspected it's mining operations.

VIII. A. Herman Tetzloff, Menomonie, Wisconsin

1. President, Treasurer, and Director.

2. None

3. $50,000

4. $1,000

5. None

6. None

7. None

B. R. C. Hartman, Menomonie, Wisconsin.

1. Vice-president

2. None

3. $15,000

4. 1000 common

5. None

6. None

7. None

C. John Thornton, 11½ S. Barstow Street, Eau Claire, Wisconsin.

1. Secretary

2. None

3. $5,000

4. 250

5. None

6. None

7. None

D. J. L. Lewis, Grand Junction, Colorado

1. Director

2. None

3. $50,000

4. 1000

5. None

6. None

7. None

E. Delbert D. Harris, Menomonie, Wisconsin

1. Director

2. None

3. $20,000

4. 1000

5. None

6. None

7. None

F. Kenneth Brown, Menomonie, Wisconsin

1. None

2. None

3. $30,000

4. 1000

5. None

6. None

7. None

G. Ed Gillmore, Durand, Wisconsin

1. Director

2. $1500

3. $50,000

4. 750

5. None

6. None

7. None

IX. A. Common Stock

1. $500,000.00

2. $72,500.00

3. No

4. 50,000 shares

5. None

B. Preferred stock

1. $100,000.00

2. None

3. No

4. None

5. None

X. A. Mined or quarried.

1. Uranium:

2. 1951 total through August 31, - 9,230 pounds.

3. Whole lease production 75 tons per month.

4. Vanadium:

5. 1951 total through August 31, - 32,708 pounds.

6. Whole lease production 75 tons per month.

B. Same as X-A.

C. See settlement sheets.

XI. Yes. If exploration is successful, the Gateway Mining and Development Company, whose production has been in the past and in many instances, ten tons of ore a day, has increased its production to 1500 to 1700 tons of ore per month by leasing out various of its claims as well as producing itself.

XII. A. See Geological Report of Lumsden Area contained in application as well as Exhibit 3, a Geological map, annexed to question III C of this form.

B. Lode

1 & 2. Note: The answers to XII B 1 and XII B 2 can not be answered at this time because the exploration and development in this area is too new.

C. Not placer.

XIII. 61 miles to processing mill of Grand Junction, Colorado, a city of 15,000 people. There is a fair road to Gateway, Colorado, which is about 8 miles from the mine and then the truckers take State Highway #141 to Grand Junction. Highway #141 is partly black-top and is partly gravel and shale and is maintained in good condition throughout the year.

XIV. There are three springs located on the applicant's property which are capable of furnishing sufficient water for core-drilling operations on a year round basis of the magnitude outlined in this application.

XV. There is no electric power available as yet and, therefore, will have to use diesel and gas motor power.

XVI. Two miners, 1 mucker, 2 core-drillers, 1 cat and dozer man, 1 superintendant, 1 general manager, 1 cook, and 1 bookkeeper.

XVII. See question 5 and 7 C of Form NF-105 in this application for the answers to this question.

XVIII. Because of the vast area which the applicant has contracted to buy as to the terms of the enclosed agreements, it will require a great deal of capital in order to adequately explore the potentials of applicant's holdings. The consenses of opinion of competitors and mining men is that the applicant has some of the best mining property located in the best geological section of the Colorado plateau.

Herman Tetzloff (President)

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

DOCKET FILE

April 22, 1954

PROJECT SUMMARY REVIEW

By: F.L. Knouse

1. Docket No. DMEA-2128 (Uranium)
Contract No. Idm-E408
Property - The property consists of claims (enumerated below) in sec. 36, T. 51 N., R. 20 W., and sec. 31, T. 51 N., R. 19 W., New Mexico principal meridian, Mesa County, Colorado.

Operator - Gateway Mining and Development Company, Inc.
875 Glenwood Avenue
Grand Junction, Colorado

Operator's property rights -

Claim	Status of Ownership
Gilmore	Owned by Gateway Mining and Development Company, Inc.
Tetzlöff	" " " " " " " "
John Thornton	" " " " " " " "
LaSal No. 1	Purchase agreement from Corvusite Mining and Exploration Company
LaSal No. 2	" " " " "
LaSal No. 3	" " " " "
LaSal No. 4	" " " " "
LaSal No. 5	" " " " "
LaSal No. 6	" " " " "
LaSal No. 7	" " " " "
John Brown	" " " " "
LaSalle	Lease agreement from J. W. Lewis and Ray Lewis (Subordination Agreements dated February 25, 1952, and March 24, 1952)

2. Contract dated September 26, 1952

Work authorized -

The contract authorized the following:

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/ See page 2

1/ An additional 900 feet of wagon drilling and 4,890 feet of diamond drilling were allowed for offset drilling in the event favorable mineralization was encountered in the original holes.

Amendments -

No. 1, March 5, 1953

Extended completion date of contract an additional two months.

Work completed -

Both phases of the drilling provided for under the contract were completed satisfactorily, with minor alterations of the original hole pattern required because of local topographical conditions. In all, 42 wagon drill holes and 98 diamond drill holes, totaling 17,370.00 feet, were completed.

All road building and drill site clearing were accomplished by the company as a part of the specified unit cost per foot of drilling. Core was boxed and stored until examined by geologists of the Geological Survey.

Unit costs for work performed:

42 wagon drill holes, 2700 feet - $1.345/ft.
98 diamond drill holes, 14,670 feet - $3.295/ft.

Drilling commenced on November 17, 1952, and was completed on March 25, 1953.

3. Audit Report of Review - dated May 7, 1953

Total cost	$51,969.15
Exceptions:	
Excess of gross contract amount	.15
Total Accepted Cost	$51,969.00
Government participation at 90%	$46,772.10

There was no jointly-owned property purchased under this contract.

4. Certification date - July 3, 1954

Mailed to Operator and DMPA on July 6, 1953.

The work resulted in the delineation of an estimated 1285 tons of indicated ore averaging 0.41 percent of U_3O_8 and 1.119 percent V_2O_5, and 684 tons of inferred ore averaging 0.31 percent U_3O_8 and 0.59 percent V_2O_5, in nine small tabular ore bodies.

4. Certification (continued) -

Production -

	Tons	Av. Percent U_3O_8	Av. Percent V_2O_5
Dec. 1950 - March 1952	811	0.48	2.03
June 1953 - Feb. 24, 1954	562*		

*Produced under terms of contract until March 24, 1954

Royalties -

A report prepared by the Contract Administration and Audit Division shows that $1,194.10 royalties had been repaid to the Government under this contract as of March 24, 1954.

5. Comments -

The work was completed satisfactorily under the terms of the contract, and the company engineer submitted a final report, with maps, assay information, and reserve estimates.

The project was established to explore the Salt Wash member of the Morrison Formation, Jurassic Age, underlying the above described property, for uranium-bearing ore by means of wagon and diamond core drilling from the surface. The ore occurs in sandstone as small, thin, and tabular bodies, rarely exceeding 70 feet in length, 50 feet in width, and 3 feet in thickness. The bodies are generally separate masses, sometimes connected by thin stringers of mineralized material.

The Field Team engineering report dated June 8, 1953, recommended that some additional drilling privately financed and some financed by the Government be considered and that the ore reserves discovered as a result of the project work be considered subject to Government royalty.

The geologists's report dated April 2, 1954, states: "It is believed that several small deposits may be found by drilling closely spaced holes within the thicker channel-like portion of the ore-bearing sandstone to the east of the Gilmore mine. This drilling should probably be financed privately. Additional exploratory drilling southwest of the Gilmore mine and within the thicker channel-like portion of the ore-bearing sandstone might result in the discovery of ore bodies of commercial size and grade. This drilling, if it cannot be supported by private capital, would probably merit Government participation."

The underground mining of the discovered ore bodies will likely expose mineralized stringers that, if followed, will lead to other ore bodies as well as geological information that will aid in planning additional exploration for uranium.

F. L. Knouse.

F. L. Knouse

☑ Audited

☑ Certified

[illegible]RK ANALYSIS SHEET - DMEA PROJEC[illegible]

Analysis as of 12-7-54
Incl. Voucher for March 1953

☐ Actual Cost

☒ Agreed Unit Costs

Name Gateway Mining & Development Co., Inc.,

Docket No. 2128

State Colorado

Commodity Uranium

Idm-E No. 408

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Wagon	2700'	3631.50	2700'	3631.50	3631.50
Drilling (Specify) Diamond	14670'	48337.50	14670'	48337.50	48337.50
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		51969.00		51969.00	$51969.00

Prepared by F L Kuron

71626

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Period: July 1, 1953 through December 31, 1953

Docket No.: DMEA 2128 Contract Idm-E408 (Uranium)

Operator: Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

Name of Mine: LaSal No. 2

County: Mesa County, Colorado

Date Certified: July 3, 1953

Contract Amount: $51,969.00 Amount spent: $51,969.00

Government Participation: 90 percent, or $46,772.10

Reserves: 1,285 tons indicated ore averaging 0.41 percent U_3O_8 and 1.12 percent V_2O_5. 684 tons inferred ore averaging 0.31 percent U_3O_8 and 0.59 percent V_2O_5.

Ore shipments to date: Settlement sheets have been received covering the following shipments:

Liquidation No.	Date Shipped	Dry Wt. (tons)	Content (pounds) U_3O_8	V_2O_5	Total Value	Royalty Paid
4643	5/27/53	17.23	51.70	454.97	$ 405.10	$ 20.25
743	6/1-6/15/53	20.17	72.53	502.61	504.60	25.23
764	6/16-6/30/53	5.38	45.18	103.26	253.62	12.68
785	6/15-7/17/53	20.61	82.09	620.52	498.80*	24.94
4877	7/27/53	12.86	110.63	506.86	766.58	38.33
797	7/15-7/31/53	11.54	66.92	429.23	416.31*	20.82
4944	8/1-8/15/53	27.16	139.35	804.50	1,000.42	50.02
826	8/1-8/15/53	8.26	42.94	247.74	255.99*	12.86
5001	8/16-8/31/53	53.22	502.23	1,392.84	3,239.14	161.96
5062	9/1-9/15/53	36.10	872.49	1,640.86	5,097.61	254.88
5107	9/16-9/30/53	19.03	102.90	588.63	733.63	36.68
874	9/16-9/30/53	17.34	104.07	492.58	595.02*	29.75

*Less haulage charge

Liquidation No.	Date Shipped	Dry Wt. (tons)	Content (pounds) U_3O_8	V_2O_5	Total Value	Royalty Paid
5188	10/6/53	18.15	72.58	580.64	584.56	$ 29.23
938	11/1-11/15/53	10.06	76.43	355.98	424.41*	21.22
5308	11/25/53	8.70	38.30	163.63	264.52	13.23
5381	12/1-12/15	37.37	133.95	524.79	877.13	44.36
Totals		323.18	2,514.29	9,409.64	$15,917.44	$796.44

*Less haulage charge

Settlement sheets for ore shipments made during the last half of December 1953 had not been received on the examination date.

Remarks: The mine was visited by a Bureau engineer on January 7, 1954, at which time work was in progress by the Geranium Mining Company, lessee from the Gateway Mining and Development Company. Approximately 500 feet of development drifts have been driven by the company since operations commenced during May 1953. The objective of the drifting is to develop a group of 4 ore deposits located by diamond drilling during the DMEA drilling project which was completed on March 25, 1953. More or less continuous mineralization was encountered as drifting progressed from the old workings towards the indicated ore deposits; consequently, shipments of ore were made regularly. On the examination date the drift appeared to be encountering a lens of good grade ore probably between ore holes WD-34 and DD-26.

Shipments to date for which settlement sheets have been inspected show a total production of 285.81 tons of ore which contained an average of 0.41 percent U_3O_8 and 1.55 percent V_2O_5 comparing favorably with the grades originally estimated for the ore reserves. Production is expected to continue with little interruption during the coming year.

RRM/kp
E408

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 4 1959

DATE	INITIALS	CODE
11-4	gad	2 V0
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"	TEJ	110
		1V0

Building 20 - Federal Center
Denver 25, Colorado
November 2, 1959

Haskins & Sells
Kearns Building
Salt Lake City, Utah

Gentlemen:

At the request of the Lisbon Uranium Corporation the following information is submitted:

1. Docket DMEA 2128, Contract Idm-B408. This contract on which the Government expended $46,772.10 has been repaid in full prior to September 30, 1959. The actual reported cost of the exploration work was $51,969.00 which was the amount estimated in the contract. No interest applies to any DMEA loans.

2. Docket DMEA 4363, Contract Idm-E1065. The estimated total allowable cost of the project set forth in Exhibit "A" of the contract was $45,572.00 of which the Government agreed to pay allowable costs incurred in a total sum not in excess of $34,179.00. The total reported cost was $29,018.10, toward which the Government contributed $21,763.57. A Certification of Discovery or Development was issued January 6, 1958. All minerals mined or produced from this property until March 6, 1968 are subject to the Government's percentage royalty as set forth in the contract until $21,763.57 is repaid.

3. Docket DMEA 4842, Contract Idm-E1183. This project work has been completed but was not certified. Therefore, Lisbon Uranium Corporation is not obligated to reimburse the Government. The total amount of this contract was $103,400.00. The reported actual costs were $96,886.18 and the amount of Government participation was $63,293.91

HMC:ltm

Very truly yours,

Original signed by

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

cc: Roy. Corres. E1065
Sec. Op. Comm. (2)
Chron.

cc: Glen L. Davis, Treasurer
Lisbon Uranium Corp.
First Security Bldg.
Salt Lake City, Utah

Building 20 - Federal Center
Denver 25, Colorado
November 2, 1959

EXTRA COPY O. M. E. RECEIVED NOV 4 1959		
DATE	INITIALS	CODE

Hankins & Sells
Eberne Building
Salt Lake City, Utah

Gentlemen:

At the request of the Lisbon Uranium Corporation the following information is submitted:

1. Docket DMEA 2188, Contract Dm-3408. This contract on which the Government expended $46,772.10 has been repaid in full prior to September 30, 1959. The actual reported cost of the exploration work was $51,969.00 which was the amount estimated in the contract. No interest applies to any DMEA loans.

2. Docket DMEA 4363, Contract Dm-X1065. The estimated total allowable cost of the project set forth in Exhibit "A" of the contract was $45,572.00 of which the Government agreed to pay allowable costs incurred in a total sum not in excess of $34,179.00. The total reported cost was $29,018.10, toward which the Government contributed $21,763.57. A Certification of Discovery or Development was issued January 6, 1958. All minerals mined or produced from this property until March 6, 1968 are subject to the Government's percentage royalty as set forth in the contract until $21,763.57 is repaid.

3. Docket DMEA 4042, Contract Dm-X1183. This project work has been completed but was not certified. Therefore, Lisbon Uranium Corporation is not obligated to reimburse the Government. The total amount of this contract was $105,400.00. The reported actual costs were $96,886.18 and the amount of Government participation was $63,295.91

DMC:ltm

Very truly yours,

Original signed by

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

cc: Roy. Corres. X1065
Sec. Op. Comm. (2)
Chron.

cc: Glen L. Davis, Treasurer
Lisbon Uranium Corp.
First Security Bldg.
Salt Lake City, Utah

224 New Customhouse
Denver 2, Colorado
March 4, 1958

3/6 C 220
3/7 ~~800~~ 700
FLR

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

Re: Docket No. DMEA #128 (Uranium)
Contract Idm-E408, Flanders
Mining Company and Utarado 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 Utarado Mining Company, Inc. has not been reported to this office.

Lic. No.	Date	Claim	Dry Tons
3503	7/57	LaSalle	66.41
3557	7/57	"	39.89
3588	8/57	"	49.60
3686	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 Utarado and Geranium 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.

Decision Reached In Mining Lawsuit

A district court jury today awarded to Utarado Mining Co. the full amount of $20,569 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 Lucallo mine.

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

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-2408, 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, for
W. H. King

Enclosure

JFS:fwo

cc Sec.Oper.Comm.
WMTraver
Contract
Chron

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

NOV 3 1953

Mr. [illegible], President
Gateway Mining and Development Company, Inc.
[illegible]
Grand Junction, Colorado

Re: Docket No. [illegible]-2100 (Uranium)
Contract No. [illegible]
Mesa County, Colorado

Dear Mr. Barton:

Reference is made to your above-named Exploration Project Contract for uranium. You are probably aware that in some similar cases it has been found that some part or all of the land which is the subject of the exploration project contract consists of claims located on land which was subject to prior Federal oil and gas leases. The validity of such claims is doubtful, and in some cases the Atomic Energy Commission has issued a lease to the land for whatever benefit that may afford in curing the invalidity as far as uranium is concerned.

By the recent act of Congress approved August 12, 1953 (Public Law 250, 83d Cong.), mining claims located between July 31, 1939, and January 1, 1953, on United States Lands which were then subject to oil and gas leases, may be validated by the owners of such claims, if, not later than December 10, 1953, they

> ".... post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location of such claim, stating that such notice is filed pursuant to the provisions of this Act and for the purpose of obtaining the benefits thereof."

If any of the land which is the subject of your Exploration Project Contract includes a located claim or claims, the validity of which might be questioned on account of a previous oil and gas lease, the statute cited is called to your attention so that you may validate your rights as above indicated, if you consider this to be in your interest. This Agency deems such validation to be desirable even though the land in question may be covered by a lease from the Atomic Energy Commission.

Sincerely yours,

C. D. Mittendorf

Administrator

F-Thouse/Cla
10-30-53
cc to: Docket
Field Team Reg. IV (2)
Div. contract file

50811

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

224 New Customhouse
Denver 2, Colorado

September 28, 1953

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

Re: DMEA Docket 2128 (Uranium)
Contract Idm-1408, Gateway Mining Company - Royalty Payments

Dear Mr. Haynie:

Receipt is acknowledge of checks number 1155 for the amount of $30.86 and number 1161 for $186.90 and also four copies of settlement sheets pertaining to ore shipped to the United States Vanadium Company during the periods 7/27/53, 8/1/53 thru 8/15/53, and 8/16/53 thru 8/31/53.

Royalty payments to the U. S. Government for repayment of DMEA loans must be based on the total net value which includes development allowances, premiums for higher than average grade ore, and haulage allowances.

Freight, hauling, sampling, and other smelter charges when paid directly by the smelter are allowable deductions and may be subtracted from the gross smelter value of the ore before the royalty rate and royalty due is calculated.

Based on the three sets of settlement sheets submitted we calculate the gross smelter value at $5,006.14. With no deductions allowable on these ore shipments, royalty due the U. S. Government would amount to $250.31 calculated at 5.0 percent. The sum of the two checks submitted is $217.76, this leaves a balance due of $32.55 on these three shipments. Please make your check in this amount payable to the Treasurer of the United States, and send it to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse, Denver 2, Colorado.

Also we have not received settlement sheets for ore on which a royalty payment of $65.86 was received August 14, 1953. Please send four copies of settlement sheets pertaining to this royalty payment.

Very truly yours,

W. H. King

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

RDB:fwo

cc SecOperComm, Traver, Koschmann, Contract, Chron, TAChristensen

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

224 New Customhouse
Denver 2, Colorado

September 18, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

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

Reference is made to your teletype dated September 17, 1953.

We have located our copies of the Certification of Discovery covering Contract No. Idm-E408.

W. H. King

W. H. King

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

224 New Customhouse
Denver 2, Colorado

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

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: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty Check - Docket No. DMEA-2128, Contract No. Idm-2408 (Uranium), Gateway Mining and Development Company, Inc.

Enclosed is a check in the amount of $65.86 in payment of royalty on ore shipped by the Gateway Mining and Development Company, Inc.

Your copy of the settlement sheet will be forwarded when it is received.

W. H. King

W. H. King

Enclosure

JFS:cwm

cc: Contract
Administrator, DMEA
SRWilson
AHKoschmann (2)
Chron.

FILE COPY
SURNAME 850

Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS 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-2408
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

R.C.S.
8-11-53

709
FILE COPY
SURNAME:

Ellis

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

July 17, 1953

Memorandum

To: Administrator

From: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Subject: Comments on Mr. George C. Selfridge's memorandum dated July 15, 1953, re: Docket No. DMEA-2128 (Uranium) Gateway Mining & Development Company, Inc. La Sale, et al., Claims Mesa County, Colorado Contract No. Idm-E408

Before making any comments, as requested, on the above-mentioned memorandum, it would seem fitting to make a few general remarks. First of all, exploration of possible uranium-bearing areas is quite tricky, at best, far more so than any other commodity on our list, with the possible exception of mercury. The ore bodies are generally lense shaped and are relatively small and scattered. However, due to the urgency for uranium, this Division has taken the attitude, as a result of many discussions with the Commodity Members of the Uranium Commodity Committee and representatives of the Atomic Energy Commission, that we should consider the question of production before the question of economics. By that I mean, if the formation under consideration is conducive to the possible production of uranium ores of such a grade that the Operator may carry on a sustained operation but will not necessarily repay the loan, that we should give the project serious consideration. This we did in the case of the subject contract.

I will not go into the question of the Shattuck Denn Mining Corporation (DMEA-2765) proposed project because what the company wants and what we will even consider are two entirely different things, as is revealed by recent correspondence.

In Mr. Selfridge's memorandum the following is noted:

"It would appear necessary, when considering future applications for the exploration of uranium, that DMEA should know something concerning the

expectable thickness of the sand lenses and the average size of mined-out ore bodies on the property to intelligently limit the spacing of holes to a minimum exploration distance."

Hours are spent in conference with the Commodity Members and the Atomic Energy Commission's representative in practically all uranium application cases. In the case of this contract, because of the amount applied for, a great deal of time was spent. The Applicant originally applied for $1,776,669.51. This was revised to $129,836.00. The contract, as drawn, is in the total amount of $51,969.00. In arriving at this figure a number of factors were taken into consideration such as:

1. The ore occurs in a series of bench-forming sandstone lenses, ranging from 15 to 60 feet in thickness, at the top of the Salt Wash member which ranges in thickness from 280 to 325 feet.

2. The ore bodies are irregular in shape and size and range from lenses a few feet across to large tabular bodies several hundred feet across.

3. Previous shipments amounted to 811 tons of ore which yielded 33,510.45 pounds of V_2O_5 and 7,748.32 pounds of U_3O_8.

4. The records show settlement sheets for 704.7 tons of ore shipped, from which was realized a net return of $38,295.79, or $54.34 per ton. Assuming that the remaining tonnage out of the 811 tons mentioned above, realized the same net return, then it would seem to follow that the shipper realized $44,069.74.

In addition to the thickness and kind of formation, past production, and possible grade of ore which might be encountered under a uranium contract, the question of spacing has been given a great deal of thought. As a matter of fact, Mr. Murphy has been trying to work up a hole-spacing formula that, with a certain amount of elasticity, might be employed in any of these uranium projects. When the proposed pattern is finalized, it will be submitted to Regions IV and V Field Teams for their remarks and recommendations.

Upon receipt of the Field Team's report in the subject case, a number of conferences were held on the proposed project, including informal discussions with Mr. R. P. Fischer, Chief of the Geological Survey's Colorado Plateau Exploration Project, and C. S. Robinson, the examining geologist. Based on these discussions and a report by Mr. A. P. Butler, Jr., the Geological Survey Member of the

Commodity Committee, and endorsed by Mr. H. D. Keiser, Bureau of Mines Member, Uranium Commodity Committee, both under date of August 6, 1952, a pattern of drilling, reducing both the program requested by the Operator and the one recommended by the Field Team, was decided upon. This drilling pattern was quite thoroughly set forth in the Commodity Members' memorandum of August 6. A copy of this memorandum was forwarded with the contract when it was transmitted to the Field Team for execution and it was pointed out that the basis for this reduction was outlined in the memorandum. The specified spacing of the holes ranged from a minimum of 50 feet up to 100 feet. However, it did seem advisable, because of the nature of the occurrence of uranium ores, that a few offset holes should be permitted. The offset holes were to be spaced not less than 50 feet from any holes that had been drilled. However, the Field Team permitted some holes to be drilled at intervals of 25 to 40 feet.

As a result of all the conferences and final decisions reached, a contract was entered into which did reveal additional ore bodies. It was not the intent to block out or develop the deposit and it would be presumptive at this writing to assume that no more ore exists than that found.

In closing, it is our firm belief that if we take into consideration as a first requisite the probability of the return of capital, I doubt very seriously if any contracts for uranium would be finalized. In conferring with a representative of the Atomic Energy Commission it was brought out that the question of uranium production was most vital and should be of primary interest in deciding favorably on any uranium application.

At the present time we have 27 active uranium contracts. We have certified to two projects, and, at the present time, there are indications of four more projects which will result in certifications. There are five projects presently shipping ore.

Ernest Wm. Ellis

Ernest Wm. Ellis

EWEllis/gla

cc to: Docket
Adm. Reading File
Mr. Ellis
Chron

FILE COPY
SURNAME:

Selfridge

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

July 15, 1953

Memorandum

To: Administrator

From: George C. Selfridge
Special Assistant to the Administrator

Subject: Docket No. DMRA-2128 - Uranium
Gateway Mining & Development Company, Inc.
La Sal, et al., Claims
Mesa County, Colorado
Contract No. Idm-E408

Recently the subject contract was certified. During the review of the docket, data were noted that suggested possible problems which might require certain policy decisions with regard to future contracts for the exploration of the Colorado type of uranium deposits.

The contract, which was signed September 26, 1952, provided for 45 wagon drill holes, aggregating 2,700 feet, and 121 diamond drill holes, aggregating 14,670 feet, at an estimated cost of $51,969. The estimated cost of the wagon drill holes was $1.345 a foot and of the diamond drill holes $3.295 a foot. The first 30 wagon drill holes and the first 81 diamond drill holes were to be drilled on a predetermined pattern. The locations of the remaining holes, offset holes, were to be determined by the results of the prior drilling.

Forty-two wagon drill holes, aggregating 2,700 feet, and 98 diamond drill holes, aggregating 14,670 feet (the Operator's final report shows a slightly greater footage), were drilled at an over-all cost of $51,969, Government participation $46,772.10. The total cost included an unknown amount of road work and the necessary engineering. The drilling suggested reserves of 1,285 tons of indicated ore and 684 tons of inferred ore, averaging 0.41% and 0.31% U_3O_8, and 1.119% and 0.590% V_2O_5, respectively. This reserve, which was indicated by 12 holes in ore, is distributed among nine more-or-less separated, small tabular ore bodies. The Field Team recommended further drilling within the area already drilled, this to be financed privately. It also recommended further drilling with Government participation to the southwest of the presently indicated ore bodies.

The map accompanying the field report shows the positions of the holes drilled and the ore bodies indicated by the drilling. A number of the diamond drill holes, some of which were drilled to depths exceeding 177 feet, were spaced on 25 to 30-foot centers. Others were drilled on from 40 to 50-foot centers. Probably some of these holes should not have been considered as exploration holes.

To learn what royalty the Government might expect as a result of the contract drilling, the writer prepared the ore reserve table below which shows gross content and expected royalty:

Ore Reserves

Indicated Ore		Value/ton	
Tons - - - - - - - - -	1,285	8.2 lbs. U_3O_8 x $3.50 - - - - -	= $28.70
U_3O_8, % - - - - - - -	0.410	10.0 lbs. V_2O_5 max. x $0.31 - -	= 3.10
V_2O_5, % - - - - - - -	1.119	Premium - 4.2 lbs. U_3O_8 x $0.75	= 3.15
		Development - 8.2 lbs. U_3O_8 x $0.50	= 4.10
		Haulage - 66 miles x $0.06 - - -	= 3.96
		Total - -	$43.01

Inferred Ore		Value/ton	
Tons - - - - - - - - -	684	6.2 lbs. U_3O_8 x $3.50 - - - - -	= $21.70
U_3O_8, % - - - - - - -	0.31	10.0 lbs. V_2O_5 max. x $0.31 - -	= 3.10
V_2O_5, % - - - - - - -	0.59	Premium - 2.2 lbs. U_3O_8 x $0.75	= 1.65
		Development 6.2 lbs. U_3O_8 x $0.50	= 3.10
		Haulage - 66 miles x $0.06 - - -	= 3.96
		Total - -	$33.51

1,285 tons x $43.01	=	$55,267.85
684 tons x $33.51	=	22,920.84
Bonus 2,251.68 lbs. U_3O_8 x $ 3.50	=	7,880.88
Total - -		$86,069.57

Royalty - $86,069.57 x .05	=	$ 4,303.48 maximum
Government Participation		$46,772.10

The ton-value for each type of ore was calculated using all factors except the bonus one applying to the first 10,000 pounds of U_3O_8. This was not included because the property produced 7,748.32 pounds of U_3O_8 between December 1950 and March 1952. Thus, at most a

bonus could be paid on only 2,251.68 pounds of U_3O_8, as shown separately in the above calculations.

Because of the wide variance in expenditures and returns to the Operator and to the Government, it may be necessary to limit the spacing of holes, especially the offset holes, if the Government is to receive a more equitable return for its participation. It may be advisable in some cases not to allow any offset holes. These holes, which should be considered as development holes, could be drilled at the Operator's expense. A more important question arises when one considers the possibility of additional underground drifting. In this particular case, had the contract provided for drifting, the Government would have had a greater dollar participation with no more return. Just today, the writer reviewed a uranium application submitted by the Shattuck Denn Mining Corporation. The program includes approximately 14,000 feet of drilling. Thus, it is comparable to the Gateway project. In addition, a company official has stated that the company would not be interested in the contract unless some underground drifting and crosscutting were allowed. The company has requested 3,400 feet of underground work. This would add approximately $100,000 to the sum required for drilling.

A study of an isopach map included in the Operator's final report on the subject property shows that the maximum thickness of the sandstone lense containing the indicated ore bodies is 45 feet. Experience gained during exploration done in former years showed that this was the minimum thickness of sand lenses in which large bodies of carnotite ore could be expected. In the particular area under discussion, drilling has indicated and mining has shown that the ore bodies do not exceed 50 feet in width and 70 feet in length. It would appear necessary, when considering future applications for the exploration of uranium, that DMEA should know something concerning the expectable thickness of the sand lenses and the average size of mined-out ore bodies on the property to intelligently limit the spacing of holes to a minimum exploration distance.

George C. Selfridge

GCSelfridge/esf - 7/15/53
cc to: Docket
Admr. Read. File
Chron.

FILE COPY
SURNAME:

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

JUL 6

Mr. [illegible] Hartman, President
Gateway Mining and Development Company, Inc.
875 Glenwood Avenue
Grand Junction, Colorado

Re: Account No. [illegible] (Gateway)
Contract No. 10[illegible]
Mesa County, Colorado

Dear Mr. Hartman:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the above described contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract, from September 2[illegible], 1952, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum of [illegible]6,772.10 is paid, or until September 2[illegible], 1962.

Payments should be made to Mr. [illegible], Executive Officer, DMA Field Team, Room 1[illegible], 22[illegible] New Customhouse Building, Denver [illegible], Colorado. Checks should be payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. [illegible] of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. [illegible] at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

MDS
7-6-53

Enclosure
FLKnouse/gla
6-29-53
cc to: Adm. Reading File
Operating Committee
Field Team, Region IV (2)
Docket
Messrs. A. Butler, Jr., Rm. 3206 GSA
H.K.Keiser, Rm. 3041
Ellis
Chambers
Knouse
T. Johnson

FILE COPY
SURNAME:

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

Mr. Edward P. Ransmire, Administrator
Defense Materials Procurement Agency
General Services Administration Building
Washington 25, D. C.

Re: Docket No. [illegible] A-2125 (Uranium)
Contract No. [illegible]
Gateway Mining and Development
Company, Inc.
Mesa County, Colorado

Dear Mr. Ransmire:

Enclosed is a copy of a certification of discovery or development of the captioned project, together with a copy of the Field Team's final report.

The project contract was dated September [illegible], 1952, with Government participation to the extent of 50 percent, in an exploration project estimated to cost $[illegible], [illegible]. Government share $[illegible],772.10. Project work under the contract was completed on March 2[illegible], 1953. A final audit of the expenditures made during the life of the contract showed that the total amount of Government participation, or $[illegible],772.10, was expended.

The contract authorized 1,[illegible] feet of [illegible] drilling and 9,970 feet of diamond drilling, or a [illegible] pattern of holes. An additional 900 feet of [illegible] drilling and 1,000 feet of diamond drilling were allowed for offset drilling in the event favorable mineralization was encountered in the original holes. Both phases of drilling were completed satisfactorily, with minor alterations in the original hole pattern required because of local topographical conditions. In all, 12 [illegible] drill holes and 98 diamond drill holes were completed.

The work resulted in the delineation of an estimated 1285 tons of indicated ore averaging 0.[illegible] percent of U_3O_8 and 1.119 per cent V_2O_5, and 624 tons of inferred ore averaging 0.31 percent U_3O_8 and 0.99 percent V_2O_5, in nine small ore bodies.

Sincerely yours,

C. O. Mittendorf

Administrator

FLKnouse/ln 6-29-53
cc to: Chron. Reading file
Operating Committee
Messrs. [illegible] Chandler, Jr., Rm. 3[illegible]
R. [illegible] Helser, Rm. 3611
[illegible]
Docket
Knouse
F. [illegible] Johnson
DMA Field Team, Region IV (2)

Enclosures 2

MDL
7-6-53

6/25/53 gla

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. W. Ellis, DMM Member
Uranium Commodity Committee

DATE: June 19, 1953

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

SUBJECT: Engineering Final Report DMM Docket 2128 (uranium), Contract Idm-12408, Gateway Mining and Development Co. Inc. contractor; Gilmore, La Salle, La Sal No 1, and La Sal No. 2 claims, Sec. 36, T. 51 N., R. 20 W., and Sec. 31, T. 51 N., R. 19 W.

The engineering report on the results of exploration at the property identified in the subject above has been reviewed and discussed with K. D. Keiser, Bureau of Mines member, Uranium Commodity Committee.

The present report furnishes detailed information in support of the interpretation that the exploration resulted in a certifiable discovery of uranium ore, about which recommendation has been made in my memorandum of June 8.

In addition, the report recommends Government assistance to explore an apparent trend of mineralized ground and ore bodies southwesterly from the southwestern group of bodies found by exploration under this contract. Decision on this matter should be held in abeyance until the geologic report and recommendations by the geologists have been received.

Arthur P. Butler Jr

Copy to: E. W. Ellis (2)

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

224 New Customhouse
Denver 2, Colorado

June 12, 1953

Memorandum

To: Frederick L. Knouse

From: Executive Officer, DMEA Field Team, Region IV

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

Reference is made to your telephone call of June 12, 1953, regarding the status of final reports on the Gateway Mining and Development Company, Contract Idm-E408, Docket DMEA-2128.

The final MF-104 was mailed to the Secretary to the Operating Committee on June 8, 1953. Copies of the operator's final report and the engineer's final report will be mailed to the Secretary to the Operating Committee today.

W.H. King

W.H. King

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 15 1953

224 New Customhouse
Denver 2, Colorado

June 12, 1953.

pe

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, DMEA, Region IV

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

Enclosed are the following final reports pertaining to work performed under the subject contract.

1. Original and one copy of the Operator's final report.

2. Original and three copies of the final engineering report by the Bureau of Mines.

The final geologic report by the Geological Survey will be forwarded when received.

Work under the contract was completed March 25, 1953 and final payment has been made to the Operator in conformance with the Report of Review by the Contract Administration and Audit Division, dated May 7, 1953.

Data pertaining to a certification of discovery was forwarded to Washington by memorandum dated May 11, 1953.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colo.
June 8, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 15 1953
7/2/53
Mining Division
Date Recd
JUN 8 - 1953
BUREAU OF MINES
Denver, Colorado

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, Colo. - Final engineering report

Submitted herewith are the original and ten copies of the subject final engineering report by Russell R. McLellan.

The engineer, who has been active in inspections of the operation of the contract since its inception, concludes the project--started November 8, 1952, and completed March 25, 1953, and including 2,700 feet of wagon drilling and 14,670 feet of diamond drilling at a total cost of $51,969.15 (Government participation, $46,772.24)--has resulted in the delineation of an estimated 1,285 tons of indicated ore averaging 0.41 percent U_3O_8 and 1.119 percent V_2O_5 and 684 tons of inferred ore averaging 0.31 percent U_3O_8 and 0.59 percent V_2O_5. This confirms estimates submitted by the contractor's consultant. It is recommended that some additional drilling privately financed and some financed by the Government be considered and that the ore reserves discovered as a result of the project work be considered subject to Government royalty when and if mining operations are undertaken.

I concur with his conclusion and recommendations.

A memorandum recommending certification of discovery and outlining the area involved was submitted May 7, 1953.

The contractor's final report, forwarded to me April 7, 1953, with your instructions to prepare a final engineering report, is also enclosed.

Scottie Hagen
for W. M. Traver

enclosures
WMT/amh
cc: 10
E408
DMEA Chron.

Reviewed by
DMEA OPERATING COMMITTEE
6-19-53
(date)

FINAL F.E. Rep.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

FINAL ENGINEERING REPORT

DMEA 2128, Exploration Project Contract Idm-E408

Gateway Mining and Development Company, Inc.

Mesa County, Colo.

Uranium

Russell R. McLellan, Mining Engineer
Bureau of Mines

June 8, 1953

Reviewed by
DMEA OPERATING COMMITTEE
6-19-53
(date)

DMEA 2128
Contract Idm-E408

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.
MESA COUNTY, COLO.

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ILLUSTRATIONS

Figure — Follows Page

1. Location map of wagon drill holes, diamond drill holes, and ore deposits, Gateway Mining and Development Company 11

DMEA 2128
Contract Idm-E408

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.
MESA COUNTY, COLO.

FINAL ENGINEERING REPORT

By

Russell R. McLellan

SUMMARY AND INTRODUCTION

The Gateway Mining and Development Company, Inc., of Grand Junction, Colo., applied to the Defense Minerals Exploration Administration for assistance to explore for uranium on a group of claims on North Beaver Mesa, Mesa County, Colo. After considerable revision of the original application, a short-form contract was signed on September 26, 1952, which authorized 2,700 feet of wagon drilling and 14,670 feet of diamond drilling at a total estimated cost of $51,969.15, Government participation--$46,772.24. The drilling program commenced on November 8, 1952, and was completed on March 25, 1953, with a minimum of trouble or delays. One wagon drill hole and 11 diamond drill holes encountered ore in what is believed to be nine separate but small deposits of uranium ore. The indicated reserve is estimated to be 1,285 tons of ore containing an average of 0.41 percent U_3O_8 and 1.119 percent V_2O_5. The inferred reserve is estimated to be 684 tons of ore containing an average of 0.31 percent U_3O_8 and 0.59 percent V_2O_5. On the basis of these discoveries, certification is recommended.

LOCATION AND OWNERSHIP

All mining claims included in the Defense Minerals Exploration Administration contract are on North Beaver Mesa in the West Gateway or Beaver Creek Mining District, sec. 36, T. 51 N., R. 20 W., and sec. 31, T. 51 N., R. 19 W., New Mexico principal meridian, Mesa County, Colo. The claims are approximately 15 miles southwest of Gateway, Colo., over the John Brown Canyon access road, and are 75 miles southwest of Grand Junction, Colo.

The contract includes the following claims which are owned and leased by the company:

Claim	Date of location	Status of ownership
Gilmore	1950	Owned by Gateway Mining and Development Company, Inc.
Tetzloff	1950	" " " " " " " "
John Thornton	1952	" " " " " " " "
LaSal No. 1	1942	Purchase agreement from Corvusite Mining and Exploration Company
LaSal No. 2	1942	" " " " " "
LaSal No. 3	1942	" " " " " "
LaSal No. 4	1942	" " " " " "
LaSal No. 5	1942	" " " " " "
LaSal No. 6	1942	" " " " " "
LaSal No. 7	1942	" " " " " "
John Brown	1950	" " " " " "
LaSalle	1939	Lease agreement from J. W. Lewis and Ray Lewis

Of the above claims only the Gilmore, LaSalle, LaSal No. 1, and LaSal No. 2 were drilled under the exploration program. It should be noted that the claim map that was submitted with the company engineer's final report shows a transposition of the LaSal No. 1 and LaSal No. 2 claims. Actually, the LaSal No. 1 as shown in the engineer's report is the LaSal No. 2 and vice versa. The maps submitted with the original application and with this report show the correct numbering of the claims.

HISTORY AND PRODUCTION

Although uranium and vanadium ore is reported to have been packed off Beaver Mesa during 1916 and 1917, no production is recorded from the Gateway Mining and Development Company's claims until 1950. From December 1950 to March 1952, ore was produced from the following mines:

Mine	Claim	Tons of ore	Pounds U_3O_8	Pounds V_2O_5
Ukele	Gilmore and LaSal No. 2	260	3,422.38	13,849.59
Gilmore	Gilmore and LaSal No. 2	534	4,230.60	19,308.99
LaSal	Gilmore and LaSal No. 1	17	95.34	351.91
Total		811	7,748.32	33,510.49

DESCRIPTION OF DEPOSIT

Prior to the Defense Minerals Exploration Administration exploration program, most of the exploration and development was confined to the Gilmore and LaSal No. 2 claims. Twenty-seven wagon drill holes and 21 diamond drill holes had been completed for a total footage of 2,541.6 feet. Underground development consisted of approximately 1,200 feet of drifts and crosscuts from three adits and approximately 2,800 square feet of flat stoping. The combined information obtained from mining and drilling indicated that the ore deposits apparently are small tabular bodies which, on mining, have not exceeded 70 feet in length or 50 feet in width. The thickness may range from a few inches to as much as 3 feet. The grade has been fairly high, averaging 0.48

percent U_3O_8 and 2.03 percent V_2O_5 for all recorded past production. Mining has shown that the rolls or lenses of ore are more or less isolated, although, in some instances, the deposits may be connected by thin stringers of vanadium-uranium ore.

WORK COMPLETED UNDER CONTRACT

The contract authorized 1,800 feet of wagon drilling and 9,780 feet of diamond drilling on a predetermined pattern of holes. An additional 900 feet of wagon drilling and 4,890 feet of diamond drilling were allowed for offset drilling in the event favorable mineralization was encountered in the original holes. Both phases of drilling were completed satisfactorily, with minor alterations of the original hole pattern required by local topography. Drilling commenced on November 17, 1952, and was completed on March 25, 1953. Forty-two wagon drill holes and 98 diamond drill holes were completed.

All road building and drill site clearing were accomplished by the company as a part of the specified unit cost per foot of drilling. Core was boxed and stored until examined by geologists of the Geological Survey. All mineralized sections were split by the company and saved for the Government core library. Progress maps, assay data, and complete logs were submitted with each monthly report.

Following is a résumé of progress per month employing two and sometimes three diamond drills and one wagon drill:

Month	Footage of wagon drilling	Footage of diamond drilling	Mineralized holes	Ore holes
November 1952	2,700.0	1,464.0	17	3
December 1952	-	3,351.0	6	2
January 1953	-	4,808.0	5	4
February 1953	-	2,974.0	5	2
March 1953	-	2,073.0	2	1
Totals	2,700.0	14,670.0	35	12

DESCRIPTION OF DISCOVERY

Wagon and diamond drilling disclosed nine possible ore bodies (fig. 1), all of which appear to be small. The offset drilling in the vicinity of ore holes indicated that the ore undoubtedly is in small tabular bodies similar to those previously mined. The largest of the deposits probably does not exceed 80 feet in length, 50 feet in width, and 3 feet in thickness. Four of the deposits on the LaSal No. 2 claim may be connected by stringers of low-grade ore, as indicated by traces of uranium-vanadium mineralization in the core from some of the offset holes. Also, there is a possibility that two deposits on the LaSal No. 1 claim may be connected by stringers of low-grade ore. The remaining three ore bodies apparently are isolated completely from the others. A structure contour map of the ore-bearing sandstone indicates that ore deposition took place along the edges of a thicker channel-like portion of the ore sand that trends north to northeast across the claims.

Since each of the ore deposits has been determined as such on the basis of one or two ore holes, it is obvious that any estimation of ore reserves may be extremely inaccurate. However, sufficient offset holes were drilled around the ore holes to limit roughly the area that can be

utilized in calculating indicated and inferred ore. No measured ore exists on the claims at this time.

The following estimate of ore reserves was prepared by the company's consulting engineer, John I. Schumacher, and, after being checked by the writer, is believed to be reasonable and acceptable:

Indicated Ore (fig. 1)

Block number	Hole number	Thickness feet	Percent U_3O_8	Percent V_2O_5	Area square feet	Total tons
A	DD 72	0.8	0.25	1.97		
	DD 65	1.5	0.93	1.05		
Weighted average grade			0.70	1.37		
Average thickness		1.15				
Area					3,000	
Total tons						265
B	DD 39	2.0	0.14	0.95		
	DD 81	3.1	0.41	1.33		
Weighted average grade			0.30	1.18		
Average thickness		2.55				
Area					4,150	
Total tons						814
C	DD 42	1.0	0.95	1.59		
	DD 92	1.0	0.21	0.88		
Weighted average grade			0.58	1.23		
Average thickness		1.0				
Area					1,950	
Total tons						150
D	DD 1 (Wall of drift near hole shows ore of same grade and thickness)	1.0	0.21	0.43		
Weighted average grade			0.21	0.43		
Average thickness		1.0				
Area					725	
Total tons						56
Total indicated ore						1,285
Average grade - U_3O_8			0.41			
- V_2O_5				1.119		

Inferred Ore (fig. 1)

Block number	Hole number	Thickness feet	Percent U_3O_8	Percent V_2O_5	Area square feet	Total tons
E	WD 14	2.0	0.20	-	3,400	261
F	DD 26	0.5	0.36	0.05	1,500	58
G	DD 25	0.5	0.67	0.20	2,125	82
H	DD 38	1.1	0.37	2.04	2,050	173
I	DD 9	1.0	0.12	0.26	1,425	110
Total inferred ore						684
Average grade - U_3O_8			0.31			
- V_2O_5				0.59		

Following is a résumé of assay data as submitted by the company engineer:

Hole number	From	To	Feet	Percent U_3O_8*	Percent V_2O_5*
WD 14	72.0	73.5	1.6	0.01	0.43
WD 14	73.5	77.5	4.0	0.01	0.12
WD 14	77.5	79.5	2.0	0.09	0.05
WD 14	79.5	82.5	3.0	0.09	0.05
Probe shows 2.0 feet of plus 0.20 percent U_3O_8 in WD 14 between 77.5 and 82.5					
WD 15	73.0	74.0	1.0	0.02	0.13
WD 15	74.0	75.7	1.7	0.01	0.02
WD 15	75.7	77.0	1.3	0.01	0.02
WD 16	54.5	57.0	2.4	0.04	trace
WD 16	57.0	58.5	1.5	0.03	trace

*Weighted averages

Hole number	From	To	Feet	Percent U_3O_8*	Percent V_2O_5*
WD 32	58.0	59.0	1.0	0.03	0.01
WD 33	82.0	84.0	2.0	0.05	0.03
WD 34	72.4	73.2	0.8	0.02	0.02
DD 1	77.7	79.7	2.0	0.01	0.32
DD 1	79.7	80.7	1.0	0.21	0.43
DD 2	76.5	77.6	0.6	0.01	0.62
DD 4	89.0	89.4	0.4	0.02	0.73
DD 4	92.0	92.5	0.5	0.01	0.61
DD 5	90.5	91.0	0.5	0.03	0.10
DD 9	72.0	73.0	1.0	0.12	0.26
DD 13	114.0	115.0	1.0	0.08	0.37
DD 21	114.5	115.0	0.5	0.03	0.07
DD 25	123.5	124.0	0.5	0.67	0.20
DD 26	111.5	112.0	0.5	0.36	0.05
DD 35	79.5	79.8	0.3	0.06	1.12
DD 35	79.8	82.5	2.7	0.02	0.32
DD 38	156.0	157.1	1.1	0.37	2.04
DD 39	167.5	169.5	2.0	0.14	0.95
DD 42	170.5	171.5	1.0	0.95	1.59
DD 63	88.0	88.5	0.5	0.05	1.63
DD 65	129.5	130.0	0.5	0.12	1.34
DD 65	132.5	133.5	1.0	1.34	0.90
DD 69	130.5	131.0	0.5	0.08	0.03
DD 70	134.5	135.5	1.0	0.02	0.03

*Weighted averages

Hole number	From	To	Feet	Percent U_3O_8*	Percent V_2O_5*
DD 70	135.5	137.0	1.5	0.07	0.05
DD 72	143.0	143.8	0.8	0.25	1.97
DD 73	129.5	130.5	1.0	0.01	0.02
DD 81	169.9	170.8	0.9	0.09	0.15
DD 81	170.8	172.3	1.5	0.29	0.71
DD 81	172.3	172.7	0.4	1.80	5.32
DD 81	172.7	173.0	0.3	0.14	0.56
DD 92	177.0	178.0	1.0	0.21	0.88

*Weighted averages

Mining was not in progress during the exploration program, and none is believed to have been undertaken since its completion. Future development probably will consist of driving southward from the Gilmore mine to pick up the four deposits on the LaSal No. 2 claim. Block D, figure 1, also can be mined from the Gilmore adit.

EXPENDITURES

The program was set up on a short-form contract by which the over-all unit cost of 2,700 feet of wagon drilling was authorized at $1.345 per foot, or a total cost of $3,631.50, and the over-all unit cost of 14,670 feet of diamond drilling at $3.295 per foot, or a total cost of $48,337.65. The above footage was completed at the allowable maximum of $51,969.15, Government participation--90 percent or $46,772.24.

As no ore was mined from the property while the exploration project was in progress and as none has been mined since the project was completed, no royalty payments are due the Government.

The Government has no equity in equipment or materials used on the project. All costs of boxing, splitting, and sampling of the core were included in the unit cost per foot. The boxing and sampling of the core were done satisfactorily by the operator, and sections of all mineralized zones were saved for the Government core library as requested.

CONCLUSIONS AND RECOMMENDATIONS

The work was completed satisfactorily under the terms of the contract and resulted in the discovery of several small ore deposits. Additional diamond drilling to the southwest along the thicker portion of the ore sand may encounter similar or larger ore bodies. Several small deposits may be located by drilling closely spaced holes along the thicker channel of the ore sand within the area explored under the Defense Minerals Exploration Administration contract. Additional drilling within this area probably should be financed privately; additional drilling to the southwest, however, probably merits Government financing.

The discovery should be certified and recommendations for such have been submitted in a separate report.

The reserve tonnage appears to be small, but it is believed that a limited production is economically feasible, particularly from the LaSal No. 2 claim. The small size and more or less isolated occurrence of the ore bodies do not encourage large-scale mining, but a small efficient operation undoubtedly could mine five of the nine known deposits at a profit.

The company engineer has submitted a final report, with maps, assay information, and reserve estimates. Since the Government has no equity in equipment or materials and is entitled to no royalty until actual mining operations start, it is recommended that final payment be made to the operator and the project be officially closed.

amh

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

224 New Customhouse
Denver 2, Colorado

April 6, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

In conjunction with material forwarded by memorandum from the DMEA Field Team, Region IV, of January 12, 1953, we are enclosing the original and three copies of the final geologic report by the U.S. Geological Survey.

With the submittal of this report we consider the project account closed.

W H King
W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
4-12-54
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 8 1954

April 2, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2128, Contract Idm-E408, Gateway Mining and Development Company, Mesa County, Colorado

Enclosed are 11 copies of the final geologic report by Lee J. Eicher of the U. S. Geological Survey covering the above docket.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

Reviewed by
DMEA OPERATING COMMITTEE
4-12-54
(date)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
GRAND JUNCTION, COLORADO

March 29, 1954

Memorandum

To: A. H. Koschmann, DMEA Field Team, Region IV

From: R. P. Fischer, Supervisor, Colorado Plateau District

Subject: Final geologic report, DMEA 2128, Idm-E408, Gateway Mining and Development Company, Mesa County, Colorado

Transmitted herewith are eleven copies of the final geologic report on the subject project.

L. J. Eicher, who prepared this report, concludes that the project resulted in the discovery of several small ore deposits, which have a total of several hundred tons of indicated and inferred reserves. He also concludes that additional drilling in parts of the area will yield other small ore bodies. He recommends that some of this drilling be done by the property owner, but suggests that some might justify government assistance.

R. P. Fischer

Enclosures 11

RPF/mlr

Reviewed by
DMEA OPERATING COMMITTEE
4-12-54
(date)

APR 1954
RECEIVED
U.S. Geological Survey
Branch
Denver

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY FIELD TEAM

REGION IV

DMEA 2128, Gateway Mining and Development Company

Mesa County, Colorado

Uranium

Final geologic report

By
Lee J. Eicher, Geologist
U. S. Geological Survey

March 29, 1954

Reviewed by
DMEA OPERATING COMMITTEE

4-12-54
(date)

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LOCATION AND ACCESSIBILITY

The property consists of 11 claims in sec. 36, T. 51 N., R. 20 W., and sec. 31, T. 51 N., R. 19 W., New Mexico principal meridian, Mesa County, Colo. These claims are about 10 miles southwest of Gateway, Colo., via the John Brown Canyon access road. Gateway is 53 miles from Grand Junction, Colo., the central supply source for this region.

HISTORY AND PRODUCTION

Some high-grade uranium ore reportedly was packed out of the Beaver Mesa area on mules during 1916-1917. A road was built to the area by way of Sinbad Valley in 1939. This opened the area to more detailed prospecting, and, when the Government access road was built by way of John Brown Canyon in 1943, production increased considerably.

Production from the claims considered in this report was begun in the latter part of 1950 in the Ukele mine. Between December 1950 and March 1952, 811 short tons of ore, averaging 0.48 percent U_3O_8 and 2.03 percent V_2O_5, was produced from the Ukele, Gilmore, and La Sal No. 1 mines. The Gilmore mine is not in production at the present time. The Ukele and La Sal No. 1 mines resumed production in June 1953.

GEOLOGY AND ORE DEPOSITS

The rocks exposed in the Beaver Mesa area are Mesozoic sediments that consist, from oldest to youngest, of the Upper Jurassic Morrison formation, Lower Cretaceous Burro Canyon formation, and the Lower and Upper Cretaceous Dakota formation. The Morrison formation is subdivided into the Salt Wash member, which consists of sandstone and interbedded mudstone lenses, and the overlying Brushy Basin member, which consists mainly of variegated red and gray shales and clays and interbedded conglomeratic sandstone lenses. Overlying the Brushy Basin is the Burro Canyon formation, predominantly a conglomeratic sandstone with lenses of shale. The Dakota formation, which overlies the Burro Canyon, is the caprock of most of the area. It is predominantly a resistant conglomeratic sandstone. These rocks all dip at low angles in a northeasterly direction.

All of the uranium-bearing deposits mined in the vicinity of the claims held by the Gateway Mining and Development Company are confined to the uppermost sandstone lense of the Salt Wash member of the Morrison formation. The sandstone lense ranges from 10 to 40 feet in thickness and is commonly referred to as the ore-bearing sandstone. On fresh exposures the ore-bearing sandstone r anges in color from white to gray or light red. Near deposits the sandstone is commonly speckled with limonite stain. The sandstone is composed dominantly of fine to medium-sized quartz grains with minor amounts of interstitial clay and grains of pink and white chert and feldspar. Carbonized plant remains, consisting of logs, leaves, and fragments of woody material, are present in places. Calcite is the principal cementing agent.

The ore-bearing sandstone is commonly lenticular and irregularly bedded. Scour and fill bedding is present in many places, particularly where the lenticularity of the sandstone is very pronounced. The scour and fill bedding forms thick, narrow lenses that are composed of sandstone containing thin, discontinuous lenses of mudstone, thin zones of mudstone-pebble conglomerate, and abundant fragments and masses of carbonaceous material. Mineral deposits are commonly localized in or near these "trash pockets". In the vicinity of mineral deposits, the red mudstone in contact with the ore-bearing sandstone is altered to a gray-green color.

The ore bodies in this area are small, thin, and tabular and usually do not exceed 70 feet in length, 50 feet in width, or 3 feet in thickness. The bodies are generally separate masses, although in places two or more may be connected by very thin stringers of mineralized material.

EXPLORATORY WORK

The contract specified that the drilling was to be done in two phases. Phase 1 authorized 1,800 feet of wagon drilling and 9,780 feet of diamond drilling on a predetermined pattern and specified that the drilling would be initiated near the mines and progress outward. Phase 2 authorized 900 feet of wagon drilling and 4,890 feet of diamond drilling for offset drilling around holes that penetrated mineralized material. Both phases of drilling were completed satisfactorily, with minor alterations of the original hole pattern required by topography.

Drilling commenced on November 17, 1952, and was completed on March 25, 1953. Forty two wagon drill holes, three of which are not on the map, and 98 diamond drill holes, totaling 17,370.0 feet, were completed during this period.

RESULTS OF EXPLORATORY WORK

Of the 140 holes drilled, 12 holes penetrated material classed as ore-grade (0.1% or more U_3O_8 and 0.5 feet or more thick) by J. I. Schumacher, engineer for the operator. In addition, 27 holes penetrated mineralized material too thin or too low in grade to be classed as ore (less than 0.1% U_3O_8 or less than 0.5 feet thick, regardless of grade).

The accompanying map (fig. 1) shows nine small ore masses. Sufficient offset drilling in the vicinity of the ore holes was done to indicate that the ore masses are similar to the small, tabular bodies previously mined in the Ukele, Gilmore, and La Sal No. 1 workings. The largest of the ore masses (Block B) probably does not exceed 90 feet in length, 50 feet in width, and 3 feet in thickness. Mineralized material penetrated in some of the offset holes suggests that four deposits (Blocks A, E, F, and G) on the La Sal No. 2 claim and two deposits (Blocks B and H) on La Sal No. 1 claim may be connected by thin stringers of mineralized material. The three remaining deposits (Blocks C, D, and I) are apparently completely isolated. Structure contour maps and an isopach map of the ore-bearing sandstone suggest that the deposition of mineralized material took place along the edges of the thicker channel-like portions of the ore-bearing sandstone. This channel (fig. 1) exhibits considerable scour and fill bedding and contains many "trash pockets".

The ore reserves can be only roughly estimated, because only one or two holes were drilled in each ore mass. However, sufficient offset holes were drilled to locate, within limits, the boundaries of each ore mass. The following estimate of ore reserves (table 1) was prepared by the company's consulting engineer, John I. Schumacher, and, after being checked by the writer, appear to be reasonable and acceptable. However, additional reserve calculations were made using U. S. Geological Survey cutoffs (table 2). These indicated and inferred reserve estimates are based on geological interpretation and do not necessarily agree with the assay data.

Table 1. Company reserve calculations
(Ore cutoffs used: 0.1 percent or more U_3O_8 and 0.5 feet or more thick)

INDICATE ORE CALCULATIONS

Block A

Hole	Thickness	U_3O_8	V_2O_5
DD 72	0.8 Ft.	0.25	1.97
DD 65	1.5 Ft.	0.93	1.05

Weighted Average Grade - 0.70 U_3O_8 1.37 V_2O_5
Average thickness - 1.15 ft.
Area - 3000 sq. ft.
Total tons - 265 tons

Block B

DD 39	2.0 Ft.	0.14	0.95
DD 81	3.1 Ft.	0.41	1.33

Weighted average grade - 0.30 U_3O_8 1.18 V_2O_5
Average thickness - 2.55 ft.
Area - 4150 sq. ft.
Total tons - 814 tons

Block C

DD 42	1.0 Ft.	0.95	1.59
DD 92	1.0 Ft.	0.21	0.88

Weighted average grade - 0.58 U_3O_8 1.23 V_2O_5
Average thickness - 1.0 ft.
Area - 1950 sq. ft.
Total tons - 150 tons

Block D

DD 1	1.0 Ft.	0.21	0.43

Wall of drift shows ore of same grade and thickness
Average grade - 0.21 U_3O_8 0.43 V_2O_5
Average thickness - 1.0 ft.
Area - 725 sq. ft
Total tons - 56 tons

Total indicated ore - 1285.0 tons

Average grade - 0.41 U_3O_8, 1.119 V_2O_5

Table 1. (Continued)

INFERRED ORE CALCULATIONS

Block E

WD 14	2.0 ft.	0.20 U_3O_8	
Area	- 3400 sq. ft.		
Total tons	- 261 tons		

Block F

DD 26	0.5 ft.	0.36 U_3O_8	0.05 V_2O_5
Area	- 1500 sq. ft		
Total tons	- 58 tons		

Block G

DD 25	0.5 ft.	0.67 U_3O_8	0.20 V_2O_5
Area	- 2125 sq. ft.		
Total tons	- 82 tons		

Block H

DD 38	1.1 ft.	0.37 U_3O_8	2.04 V_2O_5
Area	- 2050 sq. ft.		
Total tons	- 173 tons		

Block I

DD 9	1.0 ft.	0.12 U_3O_8	0.26 V_2O_5
Area	- 1425 sq. ft.		
Total tons	- 110 tons		

Total tons of inferred ore - 684 tons

Average grade 0.31 U_3O_8, 0.59 V_2O_5

Table 2

Summary of indicated and inferred reserves 1 foot or more thick with a grade cutoff of 0.1 percent U_3O_8 or 1.0 percent V_2O_5

Block	Indicated			Inferred		
	Short tons	Percent		Short tons	Percent	
		U_3O_8	V_2O_5		U_3O_8	V_2O_5
A	150	0.50	1.20			
B	200	0.40	1.00			
C	100	0.50	1.20			
D	50	0.30	1.00			
H				50	0.40	1.20
I				50	0.10	0.50

Assay data used in Table 2

Hole No.	Depth in feet From	To	Thickness (feet)	U_3O_8	V_2O_5
1	79.7	80.7	1.0	0.21	0.43
9	72.0	73.0	1.0	0.12	0.26
38	156.0	157.1	1.1	0.37	2.04
39	167.5	169.5	2.0	0.14	0.95
42	170.5	171.5	1.0	0.95	1.59
65	129.5	130.0	0.5	0.12	1.34
	130.0	132.5	2.5	-	-
	132.5	133.5	1.0	1.34	0.90
81	170.8	172.3	1.5	0.29	0.71
	172.3	172.7	0.4	1.80	5.32
	172.7	173.0	0.3	0.14	0.56
92	177.0	178.0	1.0	0.21	0.88

STANDARD FORM NO. 64

6/12/53 - dlb.

Office Memorandum • UNITED STATES GOVERNMENT

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

DATE: June 8, 1953

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

SUBJECT: Certification of discovery DMEA Docket 2128 (uranium) Contract Idm-E408 Gateway Mining and Development Co., LaSalle, LaSalle No. 1, and No. 2, and Gilmore claims, Sec. 36, T. 51 N., R. 20 N., and Sec. 31, T. 51 N., R. 19 N., Mesa Co., Colorado.

I have reviewed the memorandum of May 6 by R. R. McLellan concerning the results of exploration under DMEA contract on the property identified above. I concur with his recommendation that a discovery be certified as the result of the exploration ~~exp.~~

No maps accompany the memorandum, and I assume that a more complete report and maps will be forth coming which will show the position of the ore bodies discovered during the course of exploration under this contract.

Arthur P. Butler, Jr.

Copy to: E.Wm. Ellis
H. D. Keiser

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

224 New Customhouse
Denver 2, Colorado

May 11, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 14 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Certification of Discovery, Contract Idm-E408, Docket DMEA 2128, Gateway Mining and Development Company (Uranium)

Enclosed are three copies of a certification of discovery and three copies of a memorandum from a Bureau of Mines engineer recommending that Contract Idm-E408 be certified for discovery.

W. H. King
W.H. King

Enclosures

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Gateway Mining and Development Company, Inc.,
a Colorado corporation
875 Glenwood Avenue
Grand Junction, Colorado

Pursuant to the provisions of Exploration Project Contract No. Idm-E408, dated September 26, 1952, Docket No. DMEA-2128 (Uranium), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made, has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Ore shown in eleven diamond drill and one wagon drill holes drilled on the La Salle, La Salle No. 1, La Salle No. 2, and Gilmore claims, located in sec. 36, T. 51 N., R. 20 W., and sec. 31, T. 51 N., R. 19 W., New Mexico principal meridian, Mesa County, Colorado. Reserves, reported to be in small, widely distributed, tabular bodies, are estimated as approximately 1,285 tons of indicated ore assaying about 0.41 U_3O_8 and 1.119 V_2O_5 and 684 tons of inferred ore assaying about 0.31 U_3O_8 and 0.59 V_2O_5.

Dated: _____

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
May 7, 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 - Certification of discovery

Please find enclosed the original and ten copies of Russell R. McLellan's memorandum report covering the subject certification of discovery, with suggested "Form B" for your use in submitting a recommendation to Washington.

W. M. Traver

W. M. Traver

enclosures

WMT/dd

cc 10
E408
DMEA Chron.

224 New Customhouse
Denver 2, Colorado

May 6, 1953.

Memorandum

To: Chief, Minerals Resources Branch, Mining Division

From: Russell R. McLellan

Subject: Docket DMEA-2128, Contract Idm-E408, (Uranium) Gateway Mining and Development Company, Inc. - Certification of Discovery.

Exploration under the subject contract between November 8, 1952, and March 25, 1953, resulted in the discovery of uranium ore on the following claims owned or leased by the Gateway Mining and Development Company in West Gateway and Beaver Mining Districts, Section 36, T51N, R20W, and Section 31, T51N, R19W, N.M.P.M., Mesa County, Colorado:

La Salle	Held by Operator under lease
La Salle No. 1	" " " " purchase agreement
La Salle No. 2	" " " " " "
Gilmore	Owned by Operator

Exploration was conducted only upon the claims listed above although the following additional claims are included under Exhibit "B" and Annex I of Article 2 of the subject contract:

Tetzloff	Owned by Operator
John Thornton	" " "
La Salle No. 3	Held by Operator under purchase agreement

Reviewed by
DMEA OPERATING COMMITTEE
5-29-53
(date)

La Salle No. 4	Held by Operator under purchase agreement
La Salle No. 5	" " " " " "
La Salle No. 6	" " " " " "
La Salle No. 7	" " " " " "
John Brown No. 1	" " " " " "

The exploration project consisted of wagon drilling 42 holes for a total of 2,700 feet and of diamond drilling 98 holes for a total of 14,670 feet at a cost of $51,969.15 (Government participation - $46,772.24). All holes were vertical and were drilled from the ground surface at regular intervals to explore most of the accessible area within a radius of 600 feet from the underground workings. Following is a summary of holes in which ore was encountered:

Hole No.	From	To	Feet	percent U_3O_8*	percent V_2O_5*
WD 14	77.5	87.5	5.0	0.09	0.05
Probe shows 2.0 feet of plus 0.20 U_3O_8 in WD 14					
DD 1	79.7	80.7	1.0	0.21	0.43
DD 9	72.0	73.0	1.0	0.12	0.26
DD 25	123.5	124.0	0.5	0.67	0.20
DD 26	111.5	112.0	0.5	0.36	0.05
DD 38	156.0	157.1	1.1	0.37	2.04
DD 39	167.5	169.5	2.0	0.14	0.95
DD 42	170.5	171.5	1.0	0.95	1.59
DD 65	129.5	133.5	1.5	0.93	1.05
DD 72	143.0	143.8	0.8	0.25	1.97
DD 81	169.9	173.0	3.1	0.41	1.33
DD 92	177.0	178.0	1.0	0.21	0.88

*Weighted averages

Offset drilling in the vicinity of the ore holes indicated that the ore undoubtedly is in small tabular bodies that probably do not exceed 80 feet in length or 50 feet in width. A total of 9 more or less isolated bodies of ore are believed to have been located as a result of the drilling. A group of 4 ore bodies on the La Salle No. 1 claim may be connected by stringers of low-grade ore as indicated by traces of uranium-vanadium mineralization in some of the offset holes drilled around the ore holes. Also, there is a possibility that 2 ore bodies on the La Salle No. 2 claim may be connected by low-grade ore. The remaining 3 ore bodies apparently are isolated completely from the others.

In plotting the location and thickness of the ore-bearing sand, it becomes apparent that most of the ore deposition occurred along the edges of a narrow northeast-curving channel. More closely spaced drilling along the edges of the channel probably will encounter additional ore.

Since the ore bodies have been determined as such on the basis of one or two ore holes per body, it is obvious that any estimation of ore reserves may be extremely inaccurate. However, sufficient offset holes were drilled around the ore holes to limit more or less the amount of mineralized area that can be used to calculate indicated and inferred ore.

The following estimated ore reserves were prepared by the company engineer and are believed by the writer to be acceptable and reasonable:

Indicated Ore

Block No.	Hole No.	Thickness	Percent U_3O_8	Percent V_2O_5
A	DD 72	0.8 ft.	0.25	1.97
	DD 65	1.5 ft.	0.93	1.05
	Weighted average grade -		0.70	1.37
	Average thickness -		1.15 ft.	
	Area -		3,000 sq. ft.	
	Total tons -		265	
B	DD 39	2.0 ft.	0.14	0.95
	DD 81	3.1 ft.	0.41	1.33
	Weighted average grade -		0.30	1.18
	Average thickness -		2.55 ft.	
	Area -		4,150 sq. ft.	
	Total tons -		814	
C	DD 42	1.0 ft.	0.95	1.59
	DD 92	1.0 ft.	0.21	0.88
	Weighted average grade -		0.58	1.23
	Average thickness -		1.0 ft.	
	Area		1,950 sq. ft.	
	Total tons -		150	
D	DD 1	1.0 ft.	0.21	0.43
	Wall of drift near hole shows ore of same grade and thickness. Average grade -		0.21	0.43
	Average thickness -		1.0 ft.	
	Area -		725 sq. ft.	
	Total tons -		56	

Total indicated ore - 1,285 tons

Average grade - 0.41 U_3O_8, 1.119 V_2O_5

Inferred Ore

Block No.	Hole No.	Thickness	Percent U_3O_8	Percent V_2O_5
E	WD 14	2.0 ft.	0.20	-
	Area -		3,400 sq. ft.	
	Total tons -		261	
F	DD 26	0.5 ft.	0.36	0.05
	Area -		1,500 sq. ft.	
	Total tons -		58	
G	DD 25	0.5 ft.	0.67	0.20
	Area -		2,125 sq. ft.	
	Total tons -		82	
H	DD 38	1.1 ft.	0.37	2.04
	Area -		2,050 sq. ft.	
	Total tons -		173	
I	DD 9	1.0 ft.	0.12	0.26
	Area		1,425 sq. ft.	
	Total tons		110 tons	

Total inferred ore - 684 tons

Average grade - 0.31 U_3O_8, 0.59 V_2O_5

No mining was done during the exploration period and none has been done since the completion of the drilling.

Although the ore deposits and the estimated total tonnages appear to be small, certification of discovery definitely is recommended.

Russell R. McLellan

Russell R. McLellan,
Mining Engineer

1251 Elm Avenue
Grand Junction, Colorado
April 1, 1953

Mining Division
Date Rec'd.
APR 7 - 1953
BUREAU OF MINES
Denver, Colorado

Mr. William H. King
U. S. Bureau of Mines, D.M.E.A.
224 New Customhouse Bldg.
Denver 2, Colorado

Dear Bill:

Attached is the monthly report and a final summary report with ore calculations and maps on the operation of the Gateway Mining and Development Company D.M.E.A. Loan 2128. The drilling and field work was completed on March 25, 1953.

The contract, although not a spectacular success as far as results and ore reserves, will, I feel, show up better with the later mining and development. The company and myself appreciate the excellent cooperation of your office and field personnel which have assisted in making this contract work as smooth as possible.

With the completion of the contract, I am terminating my services with the company to develop some of my own holdings. Future correspondence should be sent to Mr. Cecil Haynie, Haynie and Hotchkiss, Attys., P.O. Box 896, Grand Junction, Colorado. Mr. Haynie is Secretary and Treasurer of the company and will have the files on the contract.

Best regards,

John I. Schumacher

JOHN I. SCHUMACHER

SUMMARY REPORT

Operation of the Contract

The company was notified early in November of the approval of the contract and wagon drilling was started on November 8th; diamond drilling was started on November 17, 1953. The following footages were drilled each month:

MONTH	DIAMOND DRILLING	WAGON DRILLING
November	1464.0	2724.0
December	3351.0	0
January	4808.0	0
February	2974.0	0
March	2137.0	0
TOTAL	14734.0	2724.0

The diamond drill contractor, Johnson and Youvan Drilling Company, used truck mounted, Longyear Jr. Drill Rigs with Ax hydraulic heads. Core was excellent with the exception of two holes and throughout the project averaged over 90 percent. No holes were lost by caving or other causes.

The wagon drill contractor, Mr. Bob Williams, had a high rate of drilling per shift and lost only 108 feet in three holes due to broken formation and caving holes. He used a truck-mounted 315 compressor with dust collector. Both contractors maintained good performance records and cooperated fully to complete the contract in good workman-like manner.

Construction of roads and drilling sites was done by the company owned bulldozer. One sampler was employed during the operation of the contract to make a rough log of all cores, probe the holes with a counter, box cores, mark all holes, and other work such as assisting in the surveying of drill holes, etc. A field assistant made a final geologic log, planned drill holes, mapped drill holes and acted as general field supervisor. A mining engineer employed part time, acted as overall supervisor to prepare contracts.

reports, maps, guide broader phases of drilling and assisted in the legal and accounting aspects of the project.

Overall cost of the project, including road building, sampling, drilling, mapping, was $3.295 per foot of core drilling and 1.345 per foot of wagon drilling. The total cost was $51,969.15 of which the government participated in the amount of $46,772.10.

Calculation of ore reserves

Although it is difficult to calculate reserves on such widely scattered ore holes as shown by the drilling, an attempt to do this has been made below. These figures represent no more than a "guess estimate" which is based on drill hole assays and observations of the mined out deposits by the engineer. Considerable liberty has been taken in the method of calculation which may not meet the standards of accepted procedure, particularly in figuring indicated reserves on the basis of one drill hole. It is realized that the reserves from each ore body may be many times too high or too low but that the overall total of all the deposits is on the conservative side.

The ore already mined in this area has been in small, tabular bodies not over 70 foot in length and usually less than 50 foot in width. The grade has been high and in some places thin streaks of very low grade have connected the high grade bodies. In other cases there is no connecting low grade. It is expected that the area between holes 14, 26, 72, and 65 will produce a number of these small high grade bodies not found by drilling. This may also be true of the area around holes 13, 35, 94, 77, 38, 39 and 81. These small bodies make a difficult target to hit by drilling.

SUMMARY OF ORE HOLES, WEIGHTED AVERAGES

	FROM	TO	FEET	U_3O_8	V_2O_5
WD 14	77.5	87.5	5.0	0.09	0.05
	(Probe shows 2.0 ft. of ~~+~~-0.20 U_3O_8)				
DD 1	79.7	80.7	1.0	0.21	0.43
DD 9	72.0	73.0	1.0	0.12	0.26
DD 25	123.5	124.0	0.5	0.67	0.20
DD 26	111.5	112.0	0.5	0.36	0.05
DD 38	156.0	157.1	1.1	0.37	2.04
DD 39	167.5	169.5	2.0	0.14	0.95
DD 42	170.5	171.5	1.0	0.95	1.59
DD 65	129.5	133.5	1.5	0.93	1.05
DD 72	143.0	143.8	0.8	0.25	1.97
DD 81	169.9	173.0	3.1	0.41	1.33
DD 92	177.0	178.0	1.0	0.21	0.88

INDICATE ORE CALCULATIONS

Block A

Hole No.	Thickness	U_3O_8	V_2O_5
DD 72	0.8 Ft.	0.25	1.97
DD 65	1.5 Ft.	0.93	1.05

Weighted Average Grade - 0.70 U_3O_8 1.37 V_2O_5
Average thickness - 1.15 ft.
Area - 3000 sq. ft.
Total tons - 265 tons

Block B

DD 39	2.0 Ft.	0.14	0.95
DD 81	3.1 Ft.	0.41	1.33

Weighted average grade - 0.30 U_3O_8 1.18 V_2O_5
Average thickness - 2.55 ft.
Area - 4150 sq. ft.
Total tons - 814 tons

Block C

DD 42	1.0 Ft.	0.95	1.59
DD 92	1.0 Ft.	0.21	0.88

Weighted average grade - 0.58 U_3O_8 1.23 V_2O_5
Average thickness - 1.0 Ft.
Area - 1950 sq. ft.
Total tons - 150 tons

Block D

DD 1	1.0 Ft.	0.21	0.43

Wall of drift shows ore of same grade and thickness

Average grade - 0.21 U_3O_8 0.43 V_2O_5
Average thickness - 1.0 ft.
Area - 725 sq. ft.
Total tons - 56 tons

Total indicated ore - 1285.0 tons

Average grade- 0.41 U_3O_8, 1.119 V_2O_5

INFERRED ORE CALCULATIONS

Block E

WD 14	2.0 Ft.	0.20 U_3O_8	
Area	- 3400 sq. ft.		
Total tons	- 261 tons		

Block F

DD 26	0.5 Ft.	0.36 U_3O_8	0.05 V_2O_5
Area	- 1500 sq. ft.		
Total tons	- 58 tons		

Block G

DD 25	0.5 Ft.	0.67 U_3O_8	0.20 V_2O_5
Area	- 2125 sq. ft.		
Total tons	- 82 tons		

Block H

DD 38	1.1 Ft.	0.37 U_3O_8	2.04 V_2O_5
Area	- 2050 sq. ft.		
Total tons	- 173 tons		

Block I

DD 9	1.0 Ft.	0.12 U_3O_8	0.26 V_2O_5
Area	- 1425 sq. ft.		
Total tons	- 110 tons		

Total tons of inferred ore - 684 tons

Average grade 0.31 U_3O_8, 0.59 V_2O_5

RECOMMENDATIONS AND CONCLUSIONS

With the exception of the seemingly long delays in the approval of the contract, no definite suggestions can be made for the improvement in the contract's operation. Complete cooperation was received from the government field offices and assistance from the competent field men was appreciated.

Although it appears now that the reserves and ore found are meager, it is felt that later mining and development will show that the footage granted on this loan was justified. Future drilling to the southwest in the thickest part of the ore sand, which seems to control the deposition, may find larger and more continuous bodies.

Deposition of the ore appears to be controlled by the thickening or thinning of the main ore sand. Abrupt changes in direction or variations in the sand thickness along its edges seem to be the most favorable place for deposition. Although gray-green clay was present under the ore sand in all favorable areas, its variation as related to deposition was not noticed.

John I. Schumacher

JOHN I. SCHUMACHER
Mining Engineer

GATEWAY MINING AND DEVELOPMENT COMPANY

RECAP OF ASSAY INFORMATION

Hole No.	From	To	Feet	U_3O_8	V_2O_5
WD 15	73.0	74.0	1.0	0.02	0.13
WD 15	74.0	75.7	1.7	0.01	0.02
WD 15	75.7	77.0	1.3	0.01	0.02
WD 14	72.0	73.5	1.6	0.01	0.43
WD 14	73.5	77.5	4.0	0.01	0.12
WD 14	77.5	79.5	2.0	0.09	0.05
WD 14	79.5	82.5	3.0	0.09	0.05
WD 16	54.5	57.0	2.4	0.04	Tr.
WD 16	57.0	58.5	1.5	0.03	Tr.
WD 32	58.0	59.0	1.0	0.03	0.01
WD 33	82.0	84.0	2.0	0.05	0.03
WD 34	72.4	73.2	0.8	0.02	0.02
DD 4	89.0	89.4	0.4	0.02	0.73
	92.0	92.5	0.5	0.01	0.61
DD 2	76.5	77.6	0.6	0.01	0.62
DD 5	90.5	91.0	0.5	0.03	0.10
DD 1	77.7	79.7	2.0	0.01	0.32
	79.7	80.7	1.0	0.21	0.43
DD 9	72.0	73.0	1.0	0.12	0.26
DD 13	114.0	115.0	1.0	0.08	0.37
DD 25	123.5	124.0	0.5	0.67	0.20
DD 26	111.5	112.0	0.5	0.36	0.05
DD 35	79.5	79.8	0.3	0.06	1.12
DD 35	79.8	82.5	2.7	0.02	0.32
DD 21	114.5	115.0	0.5	0.03	0.07
DD 38	156.0	157.1	1.1	0.37	2.04
DD 39	167.5	169.5	2.0	0.14	0.95
DD 42	170.5	171.5	1.0	0.95	1.59
DD 63	88.0	88.5	0.5	0.05	1.63
DD 65	129.5	130.0	0.5	0.12	1.34
DD 65	132.5	133.5	1.0	1.34	0.90
DD 69	130.5	131.0	0.5	0.08	0.03
DD 70	134.5	135.5	1.0	0.02	0.03
DD 70	135.5	137.0	1.5	0.07	0.05
DD 72	143.0	143.8	0.8	0.25	1.97
DD 73	129.5	130.5	1.0	0.01	0.02
DD 81	169.9	170.8	0.9	0.09	0.15
DD 81	170.8	172.3	1.5	0.29	0.71
DD 81	172.3	172.7	0.4	1.80	5.32
DD 81	172.7	173.0	0.3	0.14	0.56
DD 92	177.0	178.0	1.0	0.21	0.88

3/10/53 gla

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

224 New Customhouse
Denver 2, Colorado

March 5, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 1 to Contract Idm-E408, Docket DMEA 2128, Gateway Mining and Development Co., Inc.

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E408. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment.

W. H. King
W. H. King

Enclosures

cc
3-9

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-2408

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 of 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 _____

COPY

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

224 New Customhouse
Denver 2, Colorado

March 4, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 1953

Memorandum

To: Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are two copies of the drilling progress map, which you requested in your letter of February 19, 1953.

W. H. King
W. H. King

in map folder

Enclosure

700 FILE COPY
SURNAME:

F.L. Knouse
Ellis
Selfridge

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

BLN.

FEB 19 1953

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

Re: Docket No. DMEA-2128 (Uranium)
Contract No. Idm-8108
Gateway Mining and Development Company, Inc.
Mesa County, Colorado

F.C. 2/19/53

Dear Mr. King:

Reference is made to the Operator's Monthly Progress Report MP-104 and 104A, with accompanying reports and data for the month of December, 1952, which was transmitted with Mr. Shaw's memorandum dated February 4. Specifically, the report of Russell R. McLellan, dated January 20, 1953, which was included in this report, states that a drilling progress map was attached. However, this map was not received.

Will you, therefore, kindly forward two copies of the drilling progress map referred to in order to complete our files?

Sincerely yours,

George C. Selfridge (JHB)
Chairman, Operating Committee

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

D. M. Lemmon (JHB)
Member, Geological Survey

GLAult/FLKnouse/gla 2-17-53
cc to: Adm. Reading File
Operating Committee
Docket ✓
Messrs. HDKeiser, Rm. 3647
APButler, Rm. 3206 GSA
Ellis
Knouse
DMEA Field Team, Region IV

11/6/52

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

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.

W. H. King

W. H. King

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

224 New Customhouse
Denver 2, Colorado

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.

W. H. King

W. H. King

Enclosures

case 10-24

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DENVER
OCT 24 1952

140

FILE COPY
SURNAME:

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

October 2, 1952

n.s. in R.v.R.

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

Re: Docket No.DMEA-2128 (Uranium)
Gateway Mining and Development Company, Inc.

Dear Mr. King:

I understand from Mr. Talbert that you desire to have a copy of the "Lease Agreement dated June 5, 1952, between the Gateway Mining and Development Company and Ralph Hull" referred to in my letter of September 24, to Cecil S. Haynie, Esq., a copy of which was sent to you.

Attached hereto is one of the three copies of the lease referred to in that letter.

Sincerely yours,

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Enclosure-1

JLHofflund/mef
10/2/52
cc to: Mails and Files
Adm. R. File
Mr. Ellis
Mr. Hofflund
Chron.

FILE COPY
700 SURNAME:

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

SEP 26 1952

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

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining and Development Co.
Mesa County, Colorado

Dear Mr. King:

Enclosed are the original and five copies of the captioned contract, signed by the Government, with attachments.

Execution of the contract is contingent upon the prior termination of the outstanding leases on the property which is the subject of the exploration contract. (See attached copy of letter to Cecil A. Hagnie, Esq.)

If the terms and conditions of this contract meet with the approval of the operator, the original and all copies are to be signed by the official authorized to sign the contract. Upon obtaining the signature to the contract the copies marked "Operator's Copy", "Field Team's Copy" and "Finance Officer's Copy" are to be given to the proper parties. The original and other two copies are to be returned to Washington.

If any part of this contract does not meet with the approval of the operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

The original application was for a total amount of $1,776,669.53, and the revised application for a total amount of $129,836.00. The Field Team recommended a program for a total cost of $90,000. This amount was further reduced to $51,969.00 based on recommendations of the commodity engineers here and telephone discussions with you. The basis for this reduction is outlined in the attached copy of a memorandum from Mr. A. P. Butler, Jr. dated August 6, 1952, and designed by Mr. H. D. Keiser.

Sincerely yours,

Ernest Wm. Ellis (B.H.)
ACTING
Chairman, Operating Committee

Enclosures
APPROVED:
C. H. Johnson (B.H.)
Member, Bureau of Mines
A. R. Kunkel Jr. (B.H.)
Member, Geological Survey

FIKnouse/jem 9/22/52
cc to: Adm. Reading File Docket
Messrs. H.D.Keiser- 1347
A.P.Butler-3206 GLA
Ellis Knouse
Legal Div. Opr. Committee
Field Team, Region IV

B.H.
9-26-52

FILE COPY
SURNAME:

14

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

Butler

September 24, 1952

Cecil S. Haynie, Esq.
Haynie & Hotchkiss
535 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-2128
Gateway Mining & Development Co.

My dear Mr. Haynie:

This responds to your letter dated September 16, concerning the above-described project, which was sent to this Agency, to the attention of Mr. Fred Knouse.

Your letter submitted three copies of a lease-agreement dated June 5, 1952, between the Gateway Mining and Development Company and Ralph Hull, as representative of all lease-agreements which are outstanding on the mining claims which are the subject of a proposed exploration project contract.

If we understand your letter correctly, upon the execution of a DMEA contract, all outstanding lease-agreements on the claims which are the subject of the exploration project contract will be cancelled, in order to permit Gateway to obtain possession and continue in possession of the property for as long as is necessary for the purpose of performing the work under the contract. Thereafter, new agreements with miners will be executed for the production of any minerals which may be discovered. This arrangement appears to be a proper one. However, the Executive Officer, Region IV, must be furnished with evidence that the outstanding leases have been cancelled, prior to the execution of the exploration contract.

The provisions in the lease-agreement dated June 5, 1952, generally appear to be satisfactory. However, it is necessary that a provision be added to any new agreement between Gateway and the miners to the effect that the agreement is subject in all respects to the rights of the Government under the provisions of the DMEA contract. An agreement drafted along the lines of the lease-agreement we

have reviewed and containing the added provision would be satisfactory to us and would not require our prior approval, provided that you furnish us with copies of all new agreements when drafted.

Sincerely yours,

J. L. Hofflund

J. L. Hafflund
Chief Counsel

HCRubin/em

Copy to: Mails and Files
Adm. R. File
Region IV (2)
E. W. Ellis
J. L. Hofflund
H. C. Rubin
Chron.

CECIL S. HAYNIE

HAYNIE & HOTCHKISS
ATTORNEYS AT LAW
535 MAIN STREET
GRAND JUNCTION, COLORADO

NORMAN B. HOTCHKISS

September 16, 1952

AIR MAIL
SPECIAL DELIVERY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 22 1952

United States Department of the Interior
Defense Minerals Exploration Administration
Rare & Misc. Metals Division
Washington 25, D.C.

Re: Docket No.DMEA-2128 (Uranium)
Gateway Mining & Development Co.
Gilmore, LaSal, Tetzloff, John
Thornton, John Brown and La Salle
Claims, Mesa and Grand Counties,
Colorado.

ATTENTION: Mr. Fred Knouse

Dear Sir:

You will find enclosed herewith three copies of the lease agreement which the company has entered into with Ralph Hull,and ofall other leases upon any of the property owned by Gateway Mining And Development Company included in its application for a loan.

As I explained to you by telephone today, the leases may be terminated upon 10 days notice by the company in the event their drilling and exploration program is instituted after receipt of a loan from the DMEA. It is the intention of the parties that the miners will be offered a new contract with a different royalty basis in the event their drilling and exploration program is instituted. The miners are agreeable to such an arrangement because they can well afford to pay a higher royalty if ore is discovered and blocked out by drilling for them. As it is now, the miners drift or tunnel it at their own expense in the hope of discovering ore in commercial quantities. They can well afford to pay a higher royalty to the porperty owner if they know in advance what they will encounter in the way of ore in their mine.

The miners are as anxious as the company that the drilling and exploration program of the company be started in the near future and all have assured the company that they will do everything they can to facilitate an early granting of the loan to the company. Therefore, if you have any objection to any provisions of the lease, it can be immediately cancelled and a new lease or agreement entered into between the company and the miners which would be approved by your office. We would appreciate it, therefore,

if you would contact us and advise us whether or not the lease enclosed herewith is satisfactory and if the same is not satisfactory, point out the manner in which we should have it changed.

Very truly yours,

HAYNIE & HOTCHKISS

By _____

CSH:aw
Encls.

A G R E E M E N T

THIS AGREEMENT, Made and entered into on this, the 5th day of June, A.D. 1952, by and between GATEWAY MINING AND DEVELOPMENT COMPANY, a Colorado Corporation, party of the first part, and RALPH HULL, party of the second part,

WITNESSETH:

WHEREAS the first party hereto is the owner of 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,

and

WHEREAS it is the mutual wish and desire of the parties hereto that the first party lease unto the second party the above described property on the terms and conditions hereinafter set forth;

NOW, THEREFORE, For and in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties agree as follows, to-wit:

That the first party has leased, let and demised and by these presents does lease, let and demise unto the second party the above described mining property and premises for a period beginning on this date and ending on the 5th day of June, 1953, unless sooner terminated as hereinafter provided.

Second party, in consideration of the premises, agrees as follows:

1. To enter upon said premises and to work the same in mine fashion in a manner necessary to good and economical mining so as to take out the greatest amount of ore possible with due regard to the development and preservation of said mine and premises as a workable mining property.

2. To work and mine said premises steadily and continuously during the period of this lease and in doing said work to perform at least 40 man shifts of labor per month during each and every month of the life of this lease.

3. To well and sufficiently timber said mine and mining premises at all points where proper and necessary in accordance with good and safe mining practice.

4. To allow the first party or its agent, from time to time, to enter upon said premises for the purpose of inspection, survey or taking samples therefrom.

5. To comply with all requirements of the State and Federal Mining Inspectors and to do no act or thing to cause either the Federal or State Mine Inspector to close the mine located on said premises.

6. The second party shall and hereby does, assume all responsibility in case of accident or injury to him or any of his employees or third persons who may become injured in or about said property.

7. To promptly pay all bills and expenses incurred by him and by said prompt payment to prevent the filing of any and all liens of miners, mechanics or materialmen against said leased premises.

It is mutually understood and agreed between the parties that the first party reserve the property and the right of property in and to all ores excavated from said premises during the period of this lease and the second party covenants and agrees to pay and allow the first party as royalty on all ores mined, shipped or sold from said premises during the term of this lease, twenty-nine per cent (29%) of all of said ores so mined, shipped or sold. It being understood and agreed that all shipments of ore shall be shipped in the name of the first party and this agreement shall constitute the authority for the buyer of said ores to pay to the first party twenty-nine per cent (29%) of the proceeds derived from the sale of said ores and to pay to the second party seventy-one per cent (71%) of the proceeds derives from the sale of said ores. All development allowances received for development of said premises shall be and remain the property of the second party. All bonuses received from the sale of ore produced from said premises shall be and remain the property of the first party.

It is mutually understood and agreed by and between the parties hereto that the first party has applied for a loan from the Defense Minerals Exploration Administration and that in the event said loan is granted to first party that it intends, in accordance with its application, to do certain development and ex-

ploration work upon the premises herein described and adjacent mining claims now owned by first party. The parties mutually agreed that in the event said loan is granted to the first party that this lease may thereupon be terminated by first party at its election upon giving to the second party 10 days written notice addressed to second party by registered mail at Gateway, Colorado, of its intention to so terminate, and in the event of the termination of this agreement as aforesaid, the second party agrees to surrender and deliver up all of the above described property to the first party hereto.

The second party agrees that he shall not assign this agreement or sublet any of the above described premises without the written consent of the first party first had and obtained.

The parties agree that upon the violation of any covenant or any condition herein contained by the second party, this lease shall, at the option of the first party, expire and terminate, and said premises and all improvements located thereon shall become forfeited to the first party, and the first party or its agent may thereupon, after demand in writing, have possession and enter upon said premises and dispossess all persons occupying the same, with or without force and with or without process of law, and all persons further occupying said premises or any part thereof may be proceeded against as in unlawful detainer.

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

GATEWAY MINING AND DEVELOPMENT COMPANY, INC.

By _____ (SEAL)
President
First Party

ATTEST:

_____
Secretary.

_____ (SEAL)
Second Party.

9/8/52 gla

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN

TELEPHONE 3547

September 5, 1952

Defense Minerals Exploration Administration
SEP 8 1952

United States Department of the Interior
Defense Minerals Exploration Administration
Rare & Misc. Metals Division
Washington 25, D. C.

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining & Development Co.
Gilmore, LaSal, Tetzloff, John Thornton, John Brown and La Salle Claims, Mesa and Grant Counties, Colorado.

ATTENTION: Mr. Fred Knouse

Dear Sir:

In response to your long distance call of September 5th, 1952 and on behalf of Gateway Mining & Development Company, as Secretary and Treasurer of said company, this is to advise and verify the fact that all leases on Gateway Mining & Development Company's claims included and includible in the application for a government core drilling loan are subordinate to the governments 5 per cent repayment rights. At present we have 3 leases; 1 to Hetzel, 1 to a Mr. Hall, and 1 to the Pociask brothers, all of which are located on La Salle No. 2 and the Gilmore Claims. On all of these leases there is a renegotiation clause and all of these leases are subordinate to the governments 5 per cent repayment rights. The Mark Ukele lease has now been terminated and Mr. Ukele is no longer on the property. This lease, when in force, also reserved the governments 5 per cent repayment rights.

This letter is also to advise your Division that the purpose of the renegotiation clause in all of the existing leases is two-fold;

A. To make any necessary changes in the leases required under the regulations controlling the granting of a government core drilling loan.

B. It is the intention of Gateway Mining & Development Company, in the event that ore in any commercial quantity is discovered as a result of this core drilling project, that the present leases and all other leases entered into will provide for a much greater royalty to Gateway Mining & Development Company.

In view of the fact that the government already has a subrogation agreement from Gateway Mining & Development Company, by a retention of greater royalties to the company by virtue of renegotiation, this will leave

quite a margin to the company even over and above the governments repayment share.

The purpose of this letter is to confirm the fact that Gateway Mining & Development Company has taken all precautions necessary to safeguard the governments repayment share on the La Salle No. 2 and Gilmore claims. On behalf of Gateway Mining & Development Company, as Secretary and Treasurer of the company, I am tendering this confirmation on this question, being authorized to do so.

Trusting that this letter will satisfy the government requirements and thanking you for your past cooperation in behalf of the company, I am,

Respectfully yours,

John P. Thornton

John P. Thornton

JPT/sz

CC: Haynie & Hotchkiss
Grand Junction, Colorado

FILE COPY
SURNAME:

Rubin

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

September 3, 1952

H. S. in R. & R.

Memorandum

To: Acting Administrator

Through: E. W. Ellis

From: Chief Counsel

Subject: Contract Docket No. DMEA-2128, Gateway Mining and Development Co.

There is attached, in satisfactory legal form for execution, a contract covering the subject project, subject to the identification of the unidentified part of map Exhibit "B", as Exhibit "B" (Part 2), and the attachment of both parts of the map to the contract prior to execution.

There has been prior correspondence with this Operator on the requirement of the interest in property which he must have and maintain for the purposes of the project. We recently have been informed that the Operator contemplates leasing parts of some of the claims involved in this project to miners, although no papers relevant to this problem are before us. If our information on this point is correct, we do not approve the execution of this contract without a prior legal review of the Operator's plan.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachments 7
HCRubin/ema
cc: Mails & Files
J. L. Hofflund
H. C. Rubin
E. W. Ellis
Chron.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2128

COMMODITY Uranium

RECEIVED
AUG 31 1952
COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

DRAFT

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] 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, ~~and~~ in Sec. 36, T51N, R20W, and Sec. 31, T51N, R19W, N.M.P.M., ~~as~~ is shown on the attached map of the Gateway Mining and Development Company Exhibit "B" and made a part hereof, and further described in Annex 1, and Lease Rights. (Exhibit "B" (Tab 2))

the Operator represents and undertakes:

~~(a) That the Operator is the owner and possessor entitled to possession and that the property subject to this contract is free and clear of all liens and encumbrances except as shown on the attached map.~~

(a) That the Operator is the owner and possessor entitled to possession and that the property subject to this contract is free and clear of all liens and encumbrances except as shown on the attached map. Some claims listed in Annex 1 are of a claim and lease payment to purchase some claims listed in Annex 1.

(b) That the Operator is a lessee in possession and entitled to possession, and the ~~[illegible]~~ Landlord's Subordination agreements are 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 _____ 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 ~~51,969.00~~ 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.

THE UNITED STATES OF AMERICA

Gateway Mining and Development Co., Inc.
(Operator)

By Acting Administrator, DMEA

By _____

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

Rough Draft
FLKnouse/jem
8/20/52

Exploration Project Contract
Gateway Mining and Development Co., Inc.
Docket No. DMEA-2128 (Uranium)

EXHIBIT "A"

Description of the work

The purpose of the work ~~below~~ is to explore the Salt Wash member of the Morrison ~~Formal~~ Formation, Jurassic Age underlying the described property, for uranium ore. ~~The property to be explored is shown on the attached map "Exhibit B" "Department of Interior, U. S. Geological Survey, Docket No. DMEA-2128, Gateway Mining and Development Company, Mesa County, Colorado."~~ The exploration work ~~is to~~ shall be done by drilling holes from the surface with wagon mounted and also Diamond Core drills, which are to be drilled to a maximum depth of 90 feet ~~are to~~ shall be drilled with ~~pre~~ PER cussion wagon mounted drill, and deeper holes ~~are to~~ shall be drilled with diamond core drills. The locations of the original holes to be drilled are shown on the attached maps and Exhibit "B" (Part 2) identified Exhibit "B", ~~illustrated~~ by a cross within a circle ⊗. ~~Drilling of additional off-set holes, will be drilled allowed if approved by the DMEA Field Engineers.~~ Hole diameters, depths, ~~to be drilled,~~ method of sampling, ~~the~~ recovery of drill cutting, cores, ~~and~~ and sludge, ~~and to be supplied~~ and samples to be supplied to the Government are (all subject) to ~~be have~~ the prior approved ~~of~~ of the ~~DMEA Field Engineer~~ Government. Drilling ~~to begin~~ is shall be started on the Northern part of the property and progress to the Western limits, ~~of where drill holes are indicated~~ on maps Exhibit "B" and Exhibit "B" (Part 2).

Estimated cost of the project
~~(* indicates allowable maximum)~~

~~The Government will contribute to the cost of wagon~~ PER ~~precussion and diamond core drilling on the basis of the agreed~~

estimated unit cost per foot indicated below as they accure, for units of work actually performed in lieu of actual cost. These unit costs include all cost of the work (including all approach roads, supervision, consulting, engineering, geology, mapping, sampling, ~~sample analysis, and accounting cost).~~

~~Agreed unit cost~~ Estimated Costs of Project

30	Wagon drill holes, 1800 feet @ $1.345/ft.	$2,421.00
*15	" " offset holes 900 feet @ $1.345/ft.*	$1,210.50
81	Diamond core drill holes 9780 feet @ $3.295/ft.	$32,225.10
*40	" " " offset holes 4890 feet @ $3.295 /ft.	$16,112.55
~~Total~~		~~$51,969.15~~

* Prior approval of ~~DMEA Field Engineer~~ Government before drilling is required.

Total Estimated Cost of Project	$51,969.00
Government participation at 90%	$46,772.10

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.

8/19/52 gla

1251 Elm
Grand Junction, Colorado
August 18, 1952

Mr. F.L. Knouse
Department of Interior
Rare Metals and Miscellaneous Minerals Division
Defense Minerals Administration (D.M.M.A.)
Washington, D.C.

RE: Gateway Mining & Development Company Application
MS 2703
D.M.M.A. 2128

Dear Mr. Knouse:

Attached are four (4) copies of bids on both wagon drilling and diamond drilling contracts to be attached to the exploration loan application of the Gateway Mining and Development Company. Mr. Thornton called recently and said that your department had requested these bids. I am sending one (1) copy to Mr. William H. King in the Denver office.

If there is any other information that you desire regarding this application, please notify Mr. Thornton or Mr. Hartman.

Yours very truly,

John I. Schumacher

JOHN I. SCHUMACHER
Mining Engineer
(Consulting Engineer for
Gateway Mining &
Development Company)

Norwood, Colorado
August 16, 1952

Gateway Mining and Development Co.
P. O. Box 971
Grand Junction, Colorado

Dear Sirs:

Listed below are the prices per foot of wagon drilling for various depths per your request:

0 - 50 feet	$ .65
50 - 100 feet	1.00

I understand that the requirements for this drilling will be similar to the specifications set up at the A. E. C. and U. S. Geological Survey and that the contractor will be required to have a Du-Clone or Rotoclone Dust Collector for catching the samples.

This price includes the food and living facilities for my own men.

My equipment consists of two wagon drills with 18 foot change of steel and 315 cubic-foot compressor similarto those used on Government contracts.

Very truly yours,

Robert Williams

Robert Williams

JOHNSON & YOUVAN

DIAMOND CORE DRILLING

NATURITA, COLORADO

August 16, 1952

Gateway Mining and Development Co.
P. O. Box 971
Grand Junction, Colorado

Gentlemen:

Below is listed the price per foot for various depths of drilling:

0-200 feet	$2.50	AX core
200-350 feet	3.00	AX core

We understand that this drilling will be similar to those contracts of the A. E. C. and the U. S. Geological Survey and that the standards of drilling will meet with those specifications.

It is agreed that the Gateway Mining and Development Company will prepare the drill sites and access roads. The above price includes reaming, cementing, and water hauling by the contractor.

We also understand that the contractor will provide food and living facilities for his personnel.

Our equipment consists of hydraulic type feed drills with AX heads and mounted on trucks. We are at present drilling on one contract for the U. S. Geological Survey and have had other contracts for both the U. S. Bureau of Mines and the U. S. G. S.

Very truly yours,

JOHNSON & YOUVAN

John M. Johnson

John M. Johnson

JMJ:db

8/6/52 gla

IN REPLY REFER TO:
G:R:R-CO:APB

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

August 6, 1952

Memorandum

To: Ernest Wm. Ellis, D.M.A. Member, Uranium Commodity Committee

From: A. P. Butler, Jr., USGS Member, Uranium Commodity Committee

Subject: Field Team Report D.M.A. Docket 2123 (uranium), Gateway Mining and Development Co. applicant, LaSal claim group and Gilmore claim, West Gateway area, Mesa County, Colorado

The Field Team report and recommendations on the application identified above have been reviewed and discussed informally with E. F. Fischer, Chief of the Geological Survey's Colorado Plateau Exploration Project, and C. S. Robinson, the examining geologist. As a result of this review and the discussions, it is believed that the recommended plan of exploration is too extensive with respect to area included and too intensive with respect to amount of drilling proposed in the northern part of the property. It is therefore suggested that the exploration plan be modified as follows:

1.) That exploration be confined to drilling on Gilmore, LaSal Nos. 1 and 2, and LaSalle claims within an area not more than 400 feet from known mineralized ground.

2.) That drilling within the more restricted area be by two classes of holes as further defined below.

3.) That, if results of the modified drilling project proposed herein suggest extension of mineralized rock or of ground favorable for ore outside the limits of the area proposed, the applicant be advised that a new application should be submitted if he wishes to explore ground along any favorable trend that may be found.

The drilling as proposed herein would consist of three classes of holes, without regard to the method of drilling as follows:

1.) Class A holes, spaced 50 feet from exposures of mineralized ground in mine openings or at the outcrop, or 50 feet from intersections of mineralized ground in holes previously drilled by the applicant. The suggested Class A holes are circled in red on the accompanying map.

2.) Class B holes would be drilled at a spacing of not less than 100 feet apart for a distance of not more than 400 feet from presently known mineralized ground, except that the spacing of Class B holes would be no closer than the proposed holes shown on the map accompanying the Field Team report. Proposed Class B holes are indicated by blue circles on the accompanying map.

3.) Class C holes would be drilled as offsets at intervals of 50 feet from any class A or B hole that intersected ore or visibly mineralized ground. The exact number of holes to be drilled as offsets is not predictable in advance but it is estimated that they would total about 50 percent of Class A and B holes combined. Class C holes may not be drilled to offset any barren Class A or Class B holes. The contract with the applicant should provide whatever authorization or justification of such holes as DMEA deems necessary.

It is believed that the 100-foot spacing for the proposed Class B holes is adequate for finding any worthwhile ore bodies or mineralized ground adjacent to ore bodies that may be present in favorable ground near the present workings or known mineralized ground. The provision for offsetting such holes at 50-foot intervals would provide for as intensive exploration of the most favorable ground as the Field Team's recommendation provides, and would adequately define the extent of ore or mineralized ground. It would also serve to confine intensive drilling to the most favorable parts of the ground as shown by the more widely spaced holes.

In summary, the revision proposed herein suggests the following drilling:

	Wagon Drilling		Diamond Drilling	
	No. of Holes	Feet	No. of Holes	Feet
Holes at 50-foot centers - Class A	17	1,060	19	2,180
Holes at 100-200-foot centers - Class B	13	740	62	7,600
Sub-Total	30	1,800	81	9,780
Offset Holes - 50 percent of Class A and B	15	900	40	4,890
Total	45	2,700	121	14,670

Although the proposed drilling at 400-foot intervals in the south and southwest parts of the property is a logical method of exploring such ground statistically, only 2 to 5 percent of such holes could be expected to intersect mineralized ground.

The value of such drilling, therefore, derives largely from the geologic information obtained rather than from actual finding of ore.

The value of the geologic information obtained also depends to a large extent on the skill with which it can be interpreted to define ground where concealed ore bodies may be found by more closely spaced drilling. Geologic evaluation of the ground is obtained by accurate recording of various geologic features of drill core and correlation of data by a geologist well trained in the recognition and interpretation of features pertinent to problems of exploration for deposits of this type. Such work requires continuous study of results of drilling by a geologist. Unless the applicant can provide geologic supervision of the work closely comparable to that supplied by the Geological Survey for similar work in other parts of this same region, and unless the applicant's geologic staff can maintain records of drilling results closely comparable in method and scope to those maintained by geologists of the Geological Survey's Colorado Plateau Exploration Project it is believed that worthwhile results would not be obtained by the wide spaced drilling. For these reasons it is recommended that drilling at 400-foot intervals outside the area outlined by the outer line of Class B holes be eliminated from consideration in this application.

Instead, if a trend of favorable ground or ore deposits should be found by drilling within 400 feet of the presently known deposits, I believe it would be better for the applicant to submit a new request for further work to trace out any leads developed as the result of work approved in connection with the present application.

Arthur P. Butler, Jr.

Attachment

I concur in the above memorandum
by Mr. Arthur P. Butler, Jr.

H. D. Keiser
Bureau of Mines Member, Uranium
Commodity Committee

Copy to: Ernest Wm. Ellis

FILE COPY
SURNAME:

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

JUL 28 1952

Mr. John P. Thornton
Secretary-Treasurer
Gateway Mining and Development Co.
11½ E. Barstow Street
Eau Claire, Wisconsin

Re: Docket No. DMEA-2126 (Uranium)
Gilmore, Label Group, Metaloff,
John Thornton, John Brown and
LaSalle Claims
Mesa and Grant Co., Colorado

Dear Mr. Thornton:

Reference is made to your application for Government aid on the captioned project.

It appears from the Field Team report that your company intends to grant leases to miners or others for the purpose of mining on the Label No. 2 and the Gilmore claims. As you know, from our prior correspondence, it is essential that you have and retain a sufficient interest in the land which is the subject of the exploration project, for the purposes of securing the Government's right to repayment in the event of a certification of discovery. As the above mentioned claims are a part of the exploration project which you have proposed, you would be expected to retain all your interest in those claims for the purposes of the exploration project contract. If our information on your intentions of leasing with respect to these claims is incorrect, we shall be pleased to learn this from you.

Sincerely yours,

Ernest Wm. Mills, Chief
Rare and Misc. Metals Division

FKnouse/jem
7/25/52
dc to: Adm. Reading File
Docket
Messrs. H.D.Keiser-1347
A.P.Butler-3206
Ellis Knouse
Rubin
Field Team, Region IV (2)

7/31/52

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

224 New Customhouse
Denver 2, Colorado

July 17, 1952

ON-SITE EXAM

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2128, (Uranium) Gateway Mining and Development Company, Mesa County, Colorado

Enclosed are the original and three copies of the report pertaining to the above application.

The estimated cost of the proposed exploration project is $90,000.00, and the work consists of diamond drilling and wagon drilling.

The entire property is underlain by the Salt Wash member of the Morrison formation and is geologically favorable for the discovery of significant uranium ore.

The field examiners recommend the approval of the proposed exploration and we concur in their recommendation.

W. H. King
W. H. King

Donald R. Machaven
for
A. H. Koschmann

Reviewed by
DMEA OPERATING COMMITTEE

7-30-52
(date)

Mining Division
Region IV

July 17, 1952

Memorandum

To: Field Team, Region IV

From: Acting Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2128, (Uranium) Gateway Mining & Development Company, Mesa County, Colorado

Enclosed are eleven copies of the final engineering report on DMEA-2128 by Scott W. Hazen of the Bureau of Mines.

The proposed exploration consists of diamond drilling and wagon drilling at a total cost of $90,000. The amount of Government participation would be $81,000.00.

The examining engineer recommends approval of the proposed exploration and we concur in his recommendation.

W. H. King

W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
7-30-52
(date)

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 15, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMEA 2128 (Revised) (Uranium), Gateway Mining and Development Company, Mesa County, Colorado

Please find enclosed the original and ten copies of the "Summary, Conclusions, and Recommendations", by Scott W. Hazen, Jr., Bureau of Mines, and C. S. Robinson, U. S. Geological Survey, on the above docket, and of Hazen's engineering report.

The original request of the applicant was for $1,776,699.53 which was later revised to $129,836.00 and presented as a new request. The last request was modified by the examiners, with the consent of the applicant, to include 4,800 feet of wagon drilling and 25,400 feet of diamond drilling at a total cost of $90,000.00.

Hazen concludes the application as modified is reasonable and will explore one of the most promising areas in the Colorado Plateau region that is recommended by the Atomic Energy Commission. He recommends approval of the loan for $90,000.00, Government participation--90 percent, or $81,000.00. I concur.

The brochure submitted to A. H. Koschmann, U. S. Geological Survey, with the Region IV Field Team's instruction to make the investigation is also returned.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/amh

cc 10
DMEA 2128
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
200 New Customhouse
Denver 2, Colo.

June 18, 1952

Memorandum

To : Field Team, Region IV

From : A. H. Koschmann

Subject: DMEA Docket 2128 (Revised), Gateway Mining and Development Co., Mesa County, Colorado.

Attached are 10 copies of the geological report by C. S. Robinson covering DMEA Docket 2128 (Revised), Gateway Mining and Development Company, Mesa County, Colorado. The applicant has requested a loan of $129,836 for exploration work on a group of 11 claims on the northeast side of Beaver Mesa in the Colorado Plateau Vanadium-Uranium belt.

Included within the subject property are three mines that have produced 33,510 pounds of V_2O_5 and 7748 pounds of U_3O_8. Most of the vanadium-uranium deposits in this region occur in the Salt Wash member of the Morrison formation. The entire subject property is underlain by the Salt Wash member and is considered geologically favorable for discovery of significant uranium ore. Robinson therefore recommends that the applicant be granted a loan to carry out a limited exploration program and outlines a program somewhat modified from that proposed by the applicant.

I concur in this recommendation.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (10)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2128 (Revised), Gateway Mining and Development Company

Mesa County, Colorado

Uranium

Scott W. Hazen, Jr., Mining Engineer
Bureau of Mines

C. S. Robinson, Geologist
U. S. Geological Survey

July 11, 1952

SECT II, TOS

Agency Information U.S.D.
Washington, D.C.

Author
Brown of Wmoe
Brown Shine, M.A. Hasen, Jeffrey

Destroy

Colorado, Colorado
Rocky Mountain Arsenal Demolition and Storage (Geo-Ash) BASE YEAR

DEPARTMENT OF THE ARMY
HEADQUARTERS, 1ST INFANTRY DIVISION
FORT RILEY, KANSAS 66442

ATTN: AFZN-DPT-TM-S

SUBJECT: Operational Project Stack (U)

1. (U) Reference Memorandum, Headquarters, Fifth Army, ATTN: AFOP-OT-T, Fort Sam Houston, Texas 78234, dated 15 Jan 1969, subject: Operation Plan 1-69 (U).

2. (U) Attached is the Operation Plan for Project Stack.

FOR THE COMMANDER:

JOHN C. BOLTON
Major, Infantry
Adjutant

DMEA 2128
(Revised)
GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By Scott W. Hazen, Jr.
Mining Engineer
Bureau of Mines

and

C. S. Robinson
Geologist
U. S. Geological Survey

Adrian Electrical Co. U
Geologist
C. B. Hopkinson

and

Bureau of Mines
Mining Engineer
Scott M. Jacobs, Jr.

Dr.

Summary, Conclusions, and Recommendations

KIRTLAND CONSOLIDATED GOLD MINING COMPANY
OCCIDENTAL GOLD MINING COMPANY
(Secret)
Cris Mine

DMEA 2128
(Revised)

GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Scott W. Hazen, Jr., and C. S. Robinson

The Gateway Mining and Development Company submitted an original exploration loan application, Defense Minerals Administration docket 2128, for $1,776,699.53. This application failed to present sufficient data. Subsequently, the applicant resubmitted a revised proposal for $129,836.00 which presented a concrete and detailed program of exploration by wagon drilling and diamond drilling.

The revised proposal will explore an area which is highly recommended by the Atomic Energy Commission and the U. S. Geological Survey. The applicant has produced a considerable tonnage of above-average grade uranium ore from the property. There is a good possibility of proving a mineralized zone which is indicated by surface conditions and geologic evidence.

The drilling will provide information on ore deposits immediately ahead of mining faces and will allow operators to drift directly to the most favorable ore zones. The wider spaced drilling will provide necessary geologic information concerning the existence of a major mineralized zone which is indicated on the claims as well as information necessary for mining.

The proposal as modified to include 4,800 feet of wagon drilling and 25,400 feet of diamond drilling is recommended for approval. The cost of the project is estimated at $90,000.00, with Government participation of 90 percent, or $81,000.00.

DMEA 2123
(Revised)

GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Scott W. Hazen, Jr., and C. S. Robinson

The Gateway Mining and Development Company submitted an original exploration loan application, Defense Minerals Administration docket 2123, for $1,776,699.53. This application failed to present sufficient data. Subsequently, the applicant resubmitted a revised proposal for $129,536.00 which presented a concrete and detailed program of exploration by wagon drilling and diamond drilling.

The revised proposal will explore an area which is highly recommended by the Atomic Energy Commission and the U. S. Geological Survey. The applicant has produced a considerable tonnage of above-average grade uranium ore from the property. There is a good possibility of proving a mineralized zone which is indicated by surface conditions and geologic evidence.

The drilling will provide information on ore deposits immediately ahead of mining faces and will allow operators to drift directly to the most favorable ore zones. The wider spaced drilling will provide necessary geologic information concerning the existence of a major mineralized zone which is indicated on the claims as well as information necessary for mining.

The proposal as modified to include 4,800 feet of wagon drilling and 25,400 feet of diamond drilling is recommended for approval. The cost of the project is estimated at $90,000.00, with Government participation of 90 percent, or $81,000.00.

GATEWAY MINING AND DEVELOPMENT COMPANY

MESA COUNTY, COLORADO

DMEA DOCKET 2128 (Revised)

By C. S. Robinson
U. S. Geological Survey

GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

INTRODUCTION

The Gateway Mining and Development Company under DMEA Docket 2128 (Revised) have requested a loan of $129,836 for exploration work on a group of eleven claims on Beaver Mesa, Mesa County, Colorado. This is one of the seven projects for which the company requested a loan under the original DMEA Docket 2128. In November 1951 the property of the Gateway Mining and Development Company was examined, and a report submitted recommending that the request of the company be revised to include detailed geologic and topographic maps with the locations and depths of proposed diamond drill holes indicated on the maps. In the revised docket this information, on project No. 1 of the original docket, is furnished in a report by John I. Shumacher, Consulting Engineer.

GEOLOGY

Beaver Mesa is in the area included in the Colorado Plateau Vanadium-Uranium belt. The formations of Beaver Mesa consist of continental sediments of late Paleozoic and Mesozoic age which, in general, strike northwesterly and dip gently, about 4 degrees, to the northeast. Most of the vanadium-uranium deposits occur in the Morrison formation of Jurassic age. The Morrison formation is subdivided into two members, the lower Salt Wash and upper Brushy Basin. The Salt Wash ranges in thickness from 280 to 325 feet and the Brushy Basin from 250 to 500 feet. Above the Morrison formation is the Burro Canyon formation, 100 to 150 feet in thickness, and above that the Dakota formation, about 100 feet in thickness, both of Cretaceous age.

[illegible]

[illegible]

[illegible]

[illegible] In the revised docket this information, on project No. 1 of the original docket, is furnished in a report by John I. Shumacher, Consulting Engineer.

GEOLOGY

Beaver Mesa is in the area included in the Colorado Plateau Vanadium-Uranium belt. The formations of Beaver Mesa consist of continental sediments of late Paleozoic and Mesozoic age which, in general, strike northwesterly and dip gently, about 4 degrees, to the northeast. Most of the vanadium-uranium deposits occur in the Morrison formation of Jurassic age. The Morrison

The ore on Beaver Mesa occurs in a series of bench-forming sandstone lenses, ranging from 15 to 60 feet in thickness, at the top of the Salt Wash member. Locally this series of sandstones is termed the "ore rim". The ore bodies are irregular in shape and size and range from bodies a few feet across to large tabular bodies several hundred feet across. The long dimension of the bodies are usually parallel to the bedding of the sandstone, but the ore layers do not follow the beds in detail. Interbedded with the sandstones and below them, are thin beds of reddish mudstone. In the vicinity of ore deposits the mudstones have been altered to a gray or blue-gray clay.

EXPLORATION PROPOSED BY COMPANY

Under the revised DMEA Docket 2128 the Gateway Mining and Development Company have proposed to do wagon and diamond drilling on eleven claims on the northeast side of Beaver Mesa. (See maps with brochure). Included within these claims are three mines, the Ukele, Gilmore, and Lasal, which have produced a total of 811 tons of ore which yielded 33,510.45 pounds of V_2O_5 and 7,748.32 pounds of U_3O_8. In previous exploration work the company drilled 27 wagon drill holes and 21 diamond drill holes. Of these, 7 penetrated ore. Total footage of previous drilling, 2,541.6 feet.

The Company has divided their proposed program into four phases. The initial phase is to consist of 40 wagon drill holes in an arc about 25 feet from the present mine workings, total footage about 1,600 feet. Phase 2, closely-spaced wagon drilling at 50-foot intervals, 270 holes for a total of 13,500 feet. Phase 3, moderate-spaced diamond drilling at 100-foot intervals, 174 holes for a total of 20,880 feet. Phase 4, wide-spaced diamond drilling at 400-foot intervals, 44 holes for a total of 11,440 feet. Total wagon drilling, 310 holes for 15,100 feet. Total diamond drilling, 214 holes for

32,320 feet. Total cost of project, $129.836.

The above program has been carefully planned with due consideration to geologic guides to the occurrence of ore. However, the cost of the project for the amount of drilling is high, and it is believed that more drilling has been requested than is necessary to adequately explore the claims. The following counter-proposal is submitted.

MODIFIED DRILLING PROGRAM

The accompanying map was copied from one in the brochure by John I. Shumacher. On the map has been plotted the locations of the proposed drill holes and the maximum lower limit of the "ore rim", assuming a maximum thickness of 60 feet, has been structure contoured.

Drilling should be limited to the upper sandstone beds, or "ore rim", of the Walt Wash member. The "ore rim" ranges from 15 to 60 feet in thickness and the drilling footages in this proposal are based on the maximum thickness of 60 feet. In drilling it will probably be found that the "ore rim" will average only about 30 feet in thickness. As the drilling is carried out the location of each hole should be carefully plotted on a map. The cuttings or core from each hole should be carefully logged and the thickness of the "ore rim" recorded. This information can be used in the preparation of a structure contour or isopack map of the "ore rim". Such maps are useful in the determination of possible ore trends and the location of additional drill holes.

The drilling program is divided into three phases. Each phase should be completed before the next phase is started. If a drill hole penetrates ore, offset holes around the ore hole should be drilled before the next hole of the phase is started. On the accompanying map are plotted the primary drill holes. The locations of the offset holes will depend on the result of the primary drilling.

Phase 1. -- 84 holes at 50-foot intervals around the mine workings and the previous drill holes which penetrated ore. An additional 16 holes to be drilled, if needed, as offset holes at 25-foot intervals around any hole which penetrates ore.

Phase 2. -- 60 holes at 100-foot intervals. An additional 40 holes as offset holes around drill holes which penetrate ore, or favorable mineralized zones.

Phase 3. -- 83 holes at 200- and 400-foot intervals to determine favorable areas for possible later drilling. (See accompanying map.)

Of the 227 primary holes, 62 holes would be less than 80 feet in depth and could be drilled with a wagon drill. The area of wagon drilling is outlined on the accompanying map. The remaining 165 primary holes would average 125 feet in maximum depth and would be drilled by a diamond drill. An average depth of 100 feet is estimated for the 56 offset holes. Total number of holes 283. Estimated total footage of drilling, wagon drilling 4,800 feet, diamond drilling 25,400 feet. The cost of this proposed program is covered by the accompanying engineering report submitted by the U. S. Bureau of Mines.

It would be impractical to save all cuttings and core from the drilling. It is suggested that the company be required to hire a competent geologist or engineer to log the cuttings and core, and that samples of 1 foot in 10 feet of barren ground and all samples of mineralized ground be saved. The samples should be carefully labeled and boxed.

CONCLUSIONS

The Gateway Mining and Development Company have requested, under DMEA DOCKET 2128 (Revised), assistance in exploring their property on Beaver Mesa, Mesa County, Colorado. Small deposits of vanadium-uranium have been mined from this property. It is recommended that the company be granted financial aid to carry out a limited exploration drilling program similar to the one suggested in this report.

DMEA 2128
(Revised)

GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

Engineering Report

By Scott W. Hazen, Jr.
Mining Engineer
Bureau of Mines

Bureau of Mines
Research Center
P.O. Box 1160
Denver, Colorado 80225

Incorporated Report

MINE COUNTY, COLORADO
GUNNISON DISTRICT DEPARTMENT OF MINES
DEAD CREEK
(Dated)

DMEA 2128
(Revised)
GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

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ILLUSTRATIONS

Figure	Follows Page
1. Location map, Gateway Mining and Development Company, Mesa County, Colorado	2
2. Plan of proposed drilling, Gateway Mining and Development Company, Mesa County, Colorado	*

*See figure following geologic report.

DMEA 2128
(Revised)
GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

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*See figure following geologic report.

DMEA 2128
(Revised)
GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

ENGINEERING REPORT

By

Scott W. Hazen, Jr.

INTRODUCTION

The Gateway Mining and Development Company submitted an original exploration loan application for $1,776,699.53. This application failed to present a concrete and detailed proposal for exploration and was returned to the applicant and a revised request for an exploration loan of $129,836.00 was submitted later. This revised proposal was submitted in detail and outlined a definite program of wagon drilling and diamond drilling in the most promising area on a single group of the applicant's claims.

A field examination was made by the U. S. Geological Survey member of the examining team on November 6, 1951, when the original application was being considered. A field examination by the Bureau of Mines member of the examining team was made May 13, 1952, after the revised application had been received.

ACKNOWLEDGMENTS

John I. Schumacher, consulting engineer, and Jake Lewis, supervisor of field operations for the applicant, accompanied the examining engineer and their help is appreciated.

DMEA 2128
(Revised)
GATEWAY MINING AND DEVELOPMENT COMPANY
MESA COUNTY, COLORADO

ENGINEERING REPORT

By

Scott W. Hazen, Jr.

INTRODUCTION

The Gateway Mining and Development Company submitted an original exploration loan application for $1,776,690.53. This application failed to present a concrete and detailed proposal for exploration and was returned to the applicant and a revised request for an exploration loan of $129,836.00 was submitted later. This revised proposal was submitted in detail and outlined a definite program of wagon drilling and diamond drilling in the most promising area on a single group of the applicant's claims

A field examination was made by the U. S. Geological Survey member of the examining team on November 6, 1951, when the original application was being considered. A field examination by the Bureau of Mines member of the examining team was made May 13, 1952, after the revised application had been received.

ACKNOWLEDGMENTS

John I. Schumacher, consulting engineer, and Jake Lewis, supervisor of field operations for the applicant, accompanied the examining engineer and their help is appreciated.

LOCATION, TOPOGRAPHY, AND ACCESSIBILITY

The Gateway Mining and Development Company's property is in the West Gateway or Beaver Creek Mining District and is located on Beaver Mesa. The claims are in sec. 36, T. 51 N., R. 20 W., and sec. 31, T. 51 N., R. 19 W., N. M. P. M., Mesa County, Colo., almost on the Utah-Colorado state line (fig. 1).

Beaver Mesa is typical of the vanadium-uranium plateau region of southwestern Colorado and southeastern Utah. The mesa lies on the northeastern flank of the La Sal Mountains. The La Sal uplift and a series of folds have tilted the sedimentary formations about 3 to 5 degrees to the east and north. Erosion has carved the relatively flat sediments into isolated plateaus and steep-walled canyons.

Elevations in the area range from 6,000 to 7,000 feet. Streams from the higher elevations flow all year and numerous springs furnish water for drilling and domestic purposes. Winter snowfall may accumulate to 3 feet but usually averages about 6 inches in depth. Mining operations can be maintained for most of the year with short interruptions during the more severe storms and during the spring thaws.

Piñon and juniper trees grow in abundance on the mesas and ponderosa pine grows at the higher elevations. Mining timber and some dimension lumber can be obtained at local saw mills.

The Beaver Mesa district is 15 miles from Gateway, Colo., and is serviced by the John Brown Canyon access road. Except during spring thaws, this road is usable all year. Gateway is 60 miles from Grand Junction, Colo., the central supply source for the region. Colorado State Highway 141 from Grand Junction to Gateway is a partially improved

LOCATION, ACCESSIBILITY, AND ACCESSIBILITY

The Gateway Mining and Development Company's property is in the Last Gateway or Beaver Creek Mining District and is located on Beaver Mesa. The claims are in sec. 34, T. 24 N., R. 20 W., and sec. 24, T. 21 N., R. 19 W., N. M. P. M., Mesa County, Colo., almost on the Utah-Colorado state line (fig. 1).

Beaver Mesa is typical of the vermiculite-producing plateau region of southwestern Colorado and southeastern Utah. The mesa lies on the northeastern flank of the La Sal Mountains. The La Sal uplift and a series of folds have tilted the sedimentary formations about 3 to 5 degrees to the east and north. Erosion has exposed the relatively flat sediments into isolated plateaus and steep-walled canyons.

Elevations in the area range from 6,000 to 7,000 feet. Streams from the higher elevations flow all year and numerous springs furnish water for drilling and domestic purposes. Water usually may occur into 3 feet but usually averages about 6 inches in depth. Mining operations can be maintained for most of the year with short interruptions during the more severe storms and during the spring thaw.

Pinon and Juniper trees grow in abundance on the mesa and ponderosa pine grows at the higher elevations. Mining timber and mine timber lumber can be obtained at local saw mills.

The Beaver Mesa district is 18 miles from Gateway, Colo., and is serviced by the John Brown Canyon access road. Except during spring thaw, this road is usable all year. Gateway is 60 miles from Grand Junction, Colo., the nearest supply center for the region. Colorado State Highway 141 from Grand Junction to Gateway is a partially improved

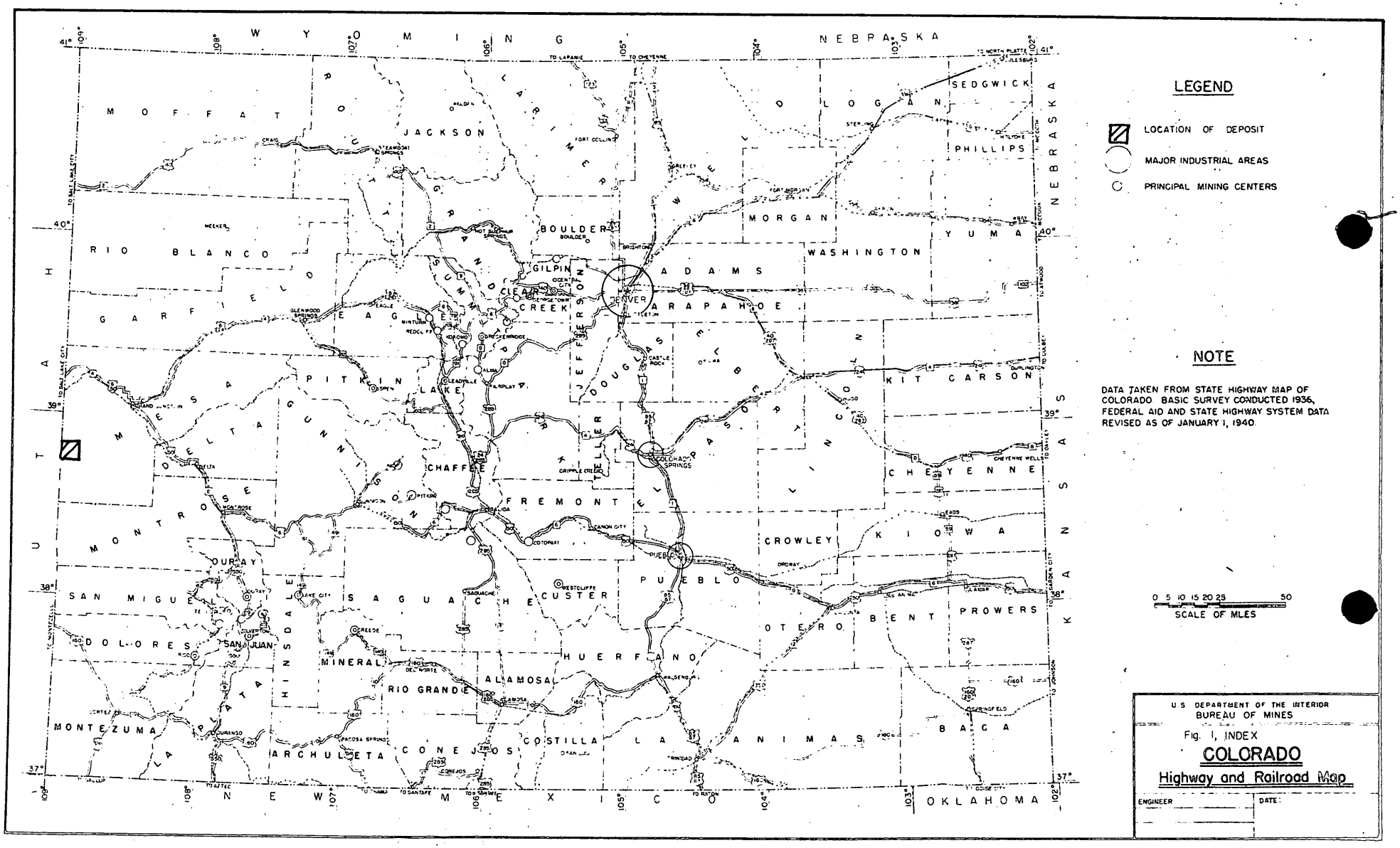

Fig. 1, Location Map, Gateway Mining and Development Company, Mesa County, Colorado, DMEA 2128 (Revised)

dirt-and-gravel-surfaced road but is scheduled for improvement under the Government access road program.

Mining companies in the district provide camp facilities for their crews. Wages are paid at two scales, one which includes board and camp facilities or a higher scale which requires the crew to pay their own board and for camp facilities. The average increase is $2.00 per day under the higher scale.

HISTORY AND PRODUCTION

During 1916 - 1917, when high-grade uranium ore was selling at premium prices, some uranium ore is reported to have been packed out on horses from the Beaver Mesa district. The first road to the area by way of Sinbad Valley was built in 1939. This opened the district to more detailed prospecting, and, when the Government access road was built by way of John Brown Canyon in 1943, production increased considerably.

Exact production figures from the various mines in the district are not released by the operating companies or the Atomic Energy Commission.

From 1941 to 1944, the Corvusite or Stone mine, which is located a few miles to the west, and the Lumsden group, which is located adjacent to the Gateway property, produced approximately 1,900 tons of ore averaging 2 percent V_2O_5 and 0.2 percent U_3O_8. Since the renewed activity starting in 1948, these two areas have produced in excess of 10,000 pounds of U_3O_8 and about ten times that amount of V_2O_5. Although exact figures are not available, the Corvusite or Stone mine and the

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HISTORY AND PRODUCTION

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Exact production figures from the various mines in the district are not released by the operating companies or the Atomic Energy Commission.

From 1941 to 1944, the Corvusite or Stone mine, which is located a few miles to the west, and the Rumsden Group, which is located adjacent to the Catenary property, produced approximately 1,900 tons of ore averaging 2 percent V_2O_5 and 0.3 percent U_3O_8. Since the renewed activity starting in 1949, these two areas have produced in excess of 10,000 pounds of U_3O_8 and about ten times that amount of V_2O_5. Although exact figures are not available, the Corvusite or Stone mine and the

Standard Form 63
Jan. 1952

U. S. GOVERNMENT

MEMORANDUM OF CALL

Date	Time
9/27	3:15

TO—

☐ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

Stanley Cam

phone:	Number or code	Extension

CALL ☐ WAITING TO SEE YO

☐ WISHES AN A

various mines in the Lumsden group are estimated to have produced at least 400 tons per month during the past year. This production has probably averaged 0.4 percent U_3O_8 and 2.2 percent V_2O_5.

Production from the Gateway Mining and Development Company is listed in table 1.

OWNERSHIP AND EXTENT

The project proposal is confined to one group of claims owned and leased by the applicant. These are shown on figure 2 with the geologic report and listed below:

Claim	Date of Location	Status of Ownership
Gilmore lode	1950	Location by applicant
LaSal No. 1	1942	Purchase agreement from Corvusite Mining and Exploration Company
LaSal No. 2	1942	" " " " " "
LaSal No. 3	1942	" " " " " "
LaSal No. 4	1942	" " " " " "
LaSal No. 5	1942	" " " " " "
LaSal No. 6	1942	" " " " " "
LaSal No. 7	1942	" " " " " "
John Brown No. 1	1950	" " " " " "
Tetzloff	1950	Location by applicant
John Thornton	1952	" " "
LaSalle	1939	Lease agreement from J. W. Lewis and Ray Lewis

The purchase agreement from the Corvusite Mining and Exploration Company includes many other mining claims in the district but these are not involved in the exploration project.

The date of location listed is based on verbal statements by Jake Lewis. The claim recordings as to book and page number in the Mesa County, Colo., records are listed in the copy of the purchase agreement attached to form MF-103 with the loan application.

A secondary agreement is also included with the application which indicates that the Corvusite Mining and Exploration Company was unable

various mines in the [illegible] Group are estimated to have produced at least 400 tons per month during the past year. This production has probably averaged 0.4 percent U_3O_8 and 2.5 percent V_2O_5.

Production from the Gateway Mining and Development Company is listed in table 1.

OWNERSHIP AND LEASES

The project proposal is confined to one group of claims owned and leased by the applicant. These are shown on figure 2 with the geologic report and listed below:

Claim	Date of Location	Status of Ownership
Gilmore Lode	1950	Location by applicant
Ideal No. 1	1949	Purchase agreement from Corvusite Mining and Ex-
Ideal No. 2	1949	ploration Company
Ideal No. 3	1949	" " " " " "
Ideal No. 4	1949	" " " " " "
Ideal No. 5	1949	" " " " " "
Ideal No. 6	1949	" " " " " "
Ideal No. 7	1949	" " " " " "
John Brown	1950	" " " " " "
Rotatory No. 1	1950	Location by applicant
John [illegible]nton	1952	" " "
Idealle	1930	Lease agreement from J. W. Lewis and Ray Lewis

The purchase agreement from the Corvusite Mining and Exploration Company includes many other mining claims in the district but these are not involved in the exploration project.

The date of location listed is based on verbal statements by John Lewis. The claim recordings as to book and page number in the Mesa County, Colo., records are listed in the copy of the purchase agreement attached to Form ME-103 with the loan application.

A secondary agreement is also included with the application which indicates that the Corvusite Mining and Exploration Company was unable

TABLE 1. - Recap of ore settlement sheets from the Ukele, Gilmore, and LaSal mine, Gateway Mining and Development Company.

Date	Name of Operator	Mine	Tons	Grade		Pounds	
				U_3O_8	V_2O_5	U_3O_8	V_2O_5
12/21/50	J. Ukele	Ukele	7	0.39	3.22	55.34	456.90
1/4/51	J. Ukele	Ukele	16	0.14	2.36	42.26	712.46
12/6/50	J. Ukele	Ukele	7	0.12	1.23	16.66	170.74
1/18/51	J. Ukele	Ukele	7	0.10	1.54	14.61	225.04
2/5/51	J. Ukele	Ukele	15	0.68	3.20	196.25	923.55
2/22/51	J. Ukele	Ukele	8	0.39	2.48	59.35	377.41
2/23/51	J. Ukele	Ukele	1	11.05		207.18	
3/6/51	J. Ukele	Ukele	7	1.01	2.36	141.42	330.45
3/19/51	J. Ukele	Ukele	7	1.26	6.57	169.50	883.80
4/6/51	J. Ukele	Ukele	23	0.95	3.81	410.80	1,647.51
4/23/51	J. Ukele	Ukele	6	0.89	2.63	1,039.80	3,072.67
4/23/51	J. Ukele	Ukele	16	0.42	1.74	126.57	524.38
5/5/51	J. Ukele	Ukele	30	0.37	1.91	209.65	1,082.27
5/9/51	J. Ukele	Ukele	9	0.56	1.97	95.36	335.47
5/22/51	J. Ukele	Ukele	19	0.62	2.43	226.36	887.18
5/22/51	J. Ukele	Ukele	10	0.37	1.79	70.46	340.89
5/22/51	J. Ukele	Ukele	20	0.17	1.28	64.88	488.25
6/6/51	J. Ukele	Ukele	20	0.84	3.74	162.11	721.76
6/6/51	Gateway Mining and Development Company	Gilmore	48	0.33	1.49	310.53	1,402.08
6/26/51	Gateway Mining and Development Company	Gilmore	40	0.23	1.34	174.60	1,017.23
6/27/51	Gateway Mining and Development Company	Gilmore	103	0.25	1.50	498.77	2,952.80
7/5/51	J. Ukele	Gilmore	8	0.86	1.09	138.20	175.16
7/5/51	J. Ukele	Gilmore	9	0.35	1.41	59.71	240.53
7/6/51	J. Ukele	Gilmore	16	0.32	1.40	101.89	439.84

TABLE 1. - Recap of ore settlement sheets from the Uncle, Gilmore, and Lucky Mine, Gateway Mining and Development Company.

Date	Name of Operator	Mine	Tons	Grade U_3O_8	Grade V_2O_5	Pounds U_3O_8	Pounds V_2O_5
12/21/70	J. Uncle	Uncle	7	0.39	3.26	55.34	456.92
1/4/71	J. Uncle	Uncle	15	0.14	2.15	42.25	322.45
12/5/70	J. Uncle	Uncle	[illegible]	0.10	1.22	16.65	170.74
1/20/71	J. Uncle	Uncle	[illegible]	0.10	1.54	14.61	225.04
2/3/71	J. Uncle	Uncle	15	0.65	2.20	196.25	662.55
2/22/71	J. Uncle	Uncle	8	0.39	2.45	59.25	377.42
2/23/71	J. Uncle	Uncle	1	12.05		207.10	
3/5/71	J. Uncle	Uncle	7	1.01	2.36	141.42	330.42
3/10/71	J. Uncle	Uncle	7	1.86	2.37	152.70	355.80
4/6/71	J. Uncle	Uncle	22	0.95	3.81	420.00	1,047.72
4/22/71	J. Uncle	Uncle	[illegible]	0.89	2.52	1,052.80	2,072.47
4/23/71	J. Uncle	Uncle	16	0.42	1.74	126.57	324.30
5/7/71	J. Uncle	Uncle	30	0.37	1.91	220.55	1,082.27
5/8/71	J. Uncle	Uncle	9	0.25	1.27	45.30	225.47
5/22/71	J. Uncle	Uncle	15	0.52	2.42	220.30	727.13
5/22/71	J. Uncle	Uncle	10	0.37	1.72	70.45	343.25
5/22/71	J. Uncle	Uncle	20	0.17	1.22	64.22	422.25
6/6/71	J. Uncle	Uncle	22	0.34	2.74	146.11	721.75
6/5/71	Gateway Mining and Development Company	Gilmore	42	0.35	1.42	320.72	1,402.02
6/25/71	Gateway Mining and Development Company	Gilmore	42	0.22	1.24	174.60	1,017.22
6/27/71	Gateway Mining and Development Company	Gilmore	102	0.2[illegible]	1.20	420.77	2,520.20
7/2/71	J. Uncle	Gilmore	8	0.06	1.22	120.20	172.15
7/5/71	J. Uncle	Gilmore	9	0.05	1.41	72.74	240.52
7/6/71	J. Uncle	Gilmore	16	0.32	1.40	101.20	422.24

TABLE 1. - (continued)

Date	Name of Operator	Mine	Tons	Grade U_3O_8	Grade V_2O_5	Pounds U_3O_8	Pounds V_2O_5
7/25/51	J. Ukele	Gilmore	31	0.37	1.40	220.54	831.42
7/6/51	J. Ukele	Gilmore	9	0.48	1.67	77.54	269.76
7/6/51	J. Ukele	Gilmore	9	0.69	2.07	114.00	342.00
7/2/51	Gateway Mining and Development Company	Gilmore	12	0.15	1.37	351.74	3,120.71
7/24/51	J. Ukele	Gilmore	5	0.32	1.10	313.43	1,077.29
8/6/51	J. Ukele	Gilmore	17	0.52	1.98	173.48	668.14
8/6/51	J. Ukele	Gilmore	25	0.31	1.24	146.66	595.73
8/6/51	J. Ukele	Gilmore	8	0.19	0.83	30.62	133.77
8/6/51	Gateway Mining and Development Company	Gilmore	55	0.20	1.18	216.02	1,261.18
10/4/51	J. Ukele	Gilmore	9	0.48	1.39	82.08	237.68
10/4/51	J. Ukele	Gilmore	8	0.19	1.12	29.88	176.13
9/24/51	J. Ukele	Gilmore	26	0.63	1.60	316.54	799.32
9/24/51	J. Ukele	Gilmore	26	0.34	1.27	171.13	650.05
10/4/51	J. Ukele	Gilmore	17	0.48	1.47	161.10	493.49
12/7/51	J. Ukele	Gilmore	16	0.15	1.14	45.82	359.64
12/21/51	J. Ukele	Gilmore	7	0.28	1.37	39.01	190.89
2/6/52	M. Ukele	LaSal	5	0.31	1.18	31.16	118.60
2/25/52	L. Hetzel	Ukele	16	0.15	1.03	44.36	305.85
2/25/52	M. Ukele	LaSal	12	0.28	1.04	64.18	233.31
2/25/52	J. Ukele	Gilmore	8	0.30	1.52	46.01	233.10
2/25/52	L. Hetzel	Ukele	16	0.23	1.18	69.46	363.01
3/3/52	J. Ukele	Gilmore	16	0.96	3.39	293.31	1,039.08
3/3/52	J. Ukele	Gilmore	15	0.42	2.12	118.09	601.97

TOTALS				
	Ukele mine	260 Tons	3,422.38 Pounds U_3O_8	13,849.59 Pounds V_2O_5
	Gilmore mine	534 Tons	4,230.60 Pounds U_3O_8	19,308.99 Pounds V_2O_5
	LaSal mine	17 Tons	95.34 Pounds U_3O_8	351.91 Pounds V_2O_5
	Total	811 Tons	7,748.32 Pounds	33,510.49 Pounds

TABLE I. - (Continued)

Date	Name of Operator	Mine	Tons	Grade U_3O_8	Grade V_2O_5	Pounds U_3O_8	Pounds V_2O_5
7/25/51	J. Uncle	Gilmore	31	0.35	1.40	220.54	821.49
7/5/51	J. Uncle	Gilmore	9	0.43	1.67	77.54	259.76
7/6/51	J. Uncle	Gilmore	9	0.69	2.07	114.00	342.00
7/6/51	Gateway Mining and Development Company	Gilmore	12	0.15	1.37	251.74	3,120.71
7/24/51	J. Uncle	Gilmore	5	0.39	1.13	315.45	1,077.29
8/6/51	J. Uncle	Gilmore	17	0.52	1.98	472.48	668.14
8/6/51	J. Uncle	Gilmore	25	0.31	1.24	145.66	595.73
8/6/51	J. Uncle	Gilmore	8	0.19	0.83	30.62	133.77
8/6/51	Gateway Mining and Development Company	Gilmore	55	0.20	1.16	216.02	1,261.16
10/4/51	J. Uncle	Gilmore	9	0.48	1.39	88.02	237.63
10/4/51	J. Uncle	Gilmore	6	0.19	1.12	22.88	175.13
9/24/51	J. Uncle	Gilmore	26	0.63	1.60	315.54	799.32
9/24/51	J. Uncle	Gilmore	26	0.34	1.27	171.13	650.05
10/4/51	J. Uncle	Gilmore	17	0.48	1.47	161.10	493.40
12/7/51	J. Uncle	Gilmore	16	0.17	1.14	45.82	335.34
12/27/51	J. Uncle	Gilmore	7	0.23	1.37	35.01	180.69
2/6/52	M. Uncle	LaSal	5	0.31	1.15	51.16	118.60
2/25/52	L. Hetzel	Uncle	15	0.17	1.03	44.36	305.69
2/25/52	M. Uncle	LaSal	12	0.08	1.04	64.10	223.31
2/25/52	J. Uncle	Gilmore	8	0.33	1.59	46.01	233.10
2/25/52	L. Hetzel	Uncle	16	0.23	1.18	69.46	363.01
3/6/52	J. Uncle	Gilmore	16	0.56	3.39	695.71	1,039.08
3/5/52	J. Uncle	Gilmore	15	0.42	2.12	110.07	301.97
TOTALS	Uncle mine		260 Tons			3,422.38 Pounds U_3O_8	13,749.57 Pounds V_2O_5
	Gilmore mine		534 Tons			4,230.60 Pounds U_3O_8	15,303.77 Pounds V_2O_5
	LaSal mine		17 Tons			95.34 Pounds U_3O_8	371.91 Pounds V_2O_5
	Total		811 Tons			7,748.32 Pounds	33,510.49 Pounds

to produce good possessory title to the LaSal No. 4, LaSal No. 5, LaSal No. 6, and LaSal No. 7 mining claims. This may be a conflict with J. B. Crowley on adjacent claims. However, this was not determinable as no one will admit a conflict, and amended filings may have cleared the titles. If this conflict is present, the Tetzloff claim may also be involved. This situation, if it still exists, may necessitate elimination of drilling 23 diamond drill holes on these five claims.

The 2-year lease on the LaSalle claim from J. W. and Ray Lewis stipulates that the lessee, Gateway Mining and Development Company, is to start a drilling program on the LaSalle claim within 6 months of the date of the lease, March 24, 1952. This must be fulfilled by September 24, 1952, or the lease is voided.

The Gateway Mining and Development Company has or intends to grant leases to miners to work on parts of the LaSal No. 2 and the Gilmore claims. This will require subordination agreements from these lessees. This may complicate granting the loan if the claims are leased without providing for the company to conduct exploration on the claim concurrently with the lessee's operation.

DESCRIPTION OF THE DEPOSITS

Sedimentary formations which are exposed in the Beaver Mesa district dip about 3 to 5 degrees to the northeast and include the series from the Chinle of Triassic age to the Dakota of Cretaceous age. The Morrison formation of Jurassic age underlies the Dakota. Igneous intrusives of late Tertiary are found in the La Sal Mountains a short distance to the west.

to produce good possessory title to the LaSal No. 4, LaSal No. 5, LaSal No. 6, and LaSal No. 7 mining claims. This may be a conflict with J. D. Crowley on adjacent claims. However, this was not determinable as no one will admit a conflict, and amended filings may have clouded the titles. If this conflict is present, the Titaloff claims may also be involved. This situation, if it still exists, may necessitate elimination of drilling 22 diamond drill holes on these five claims.

The 2-year lease on the LaSalle claim from J. W. and Roy Lewis stipulates that the lessee, Gateway Mining and Development Company, is to start a drilling program on the LaSalle claim within 6 months of the date of the lease, March 24, 1952. This must be fulfilled by September 24, 1952, or the lease is voided.

The Gateway Mining and Development Company has or intends to grant leases to miners to work on parts of the LaSal No. 2 and the Gilmore claims. This will require subordination agreements from these lessees. This may complicate granting the loan if the claims are leased without providing for the company to conduct exploration on the claim concurrently with the lessee's operation.

DESCRIPTION OF THE DEPOSITS

Sedimentary formations which are exposed in the Beaver Mesa district dip about 3 to 5 degrees to the northeast and include the series from the Chinle of Triassic age to the Dakota of Cretaceous age. The Morrison formation of Jurassic age underlies the Dakota. Igneous intrusives of late Tertiary are found in the La Sal Mountains a short distance to the west.

Beaver Mesa is on the northeast-dipping flank of the Sinbad Valley-Fischer Valley anticline. This is considered to be a favorable location as many of the larger producing areas in the plateau are on the flanks of major anticlines.

The Morrison formation is divided into two units, the upper Brushy Basin unit, composed of clays and shales and thin sandstone lenses, and the lower Salt Wash unit. This unit is composed of sandstone lenses from 10 to 50 feet thick which are interbedded with clays and shales. Uranium-vanadium ore from Beaver Mesa has come from the upper sandstone lenses of the Salt Wash unit.

Field evidence gathered in the past few years has shown that mineralized zones can be recognized by the alteration of sandstones to a light gray or white and by the alteration of the underlying red shales to a light blue-green color. A prominent zone of alteration is indicated on Beaver Mesa. This zone is thought to extend from the Corvusite area to the Lumsden area on the claims of the applicant. Uranium-vanadium ores within these mineralized zones occur as deposits in cross-bedded sandstones, in sandstone-mudstone contacts, and in rolls in the sandstones. There appears to be some relationship between the deposits and fractures and joints but this is not entirely proven at this time.

The individual ore deposits vary in size from areas covering as much as 1,000 square feet to small high-grade pods containing a few tons. The uranium-vanadium ratio is considered to be 1-10 but will vary considerably within a deposit. In some instances, the uranium content will equal the vanadium content.

Beaver Mesa is on the northeast-dipping flank of the Ribbed Valley-Thacher Valley anticline. This is considered to be a favorable location as many of the larger producing areas in the platform are on the flanks of major anticlines.

The Morrison formation is divided into two units, the upper Brushy Basin unit, composed of clays and shales and thin sandstone lenses, and the lower Salt Wash unit. This unit is composed of sandstone lenses from 10 to 50 feet thick which are interbedded with clays and shales. Uranium-vanadium ore from Beaver Mesa has come from the upper sandstone lenses of the Salt Wash unit.

Field evidence gathered in the past few years has shown that mineralized zones can be recognized by the alteration of sandstones to a light gray or white and by the alteration of the underlying red shales to a light blue-green color. A prominent zone of alteration is indicated on Beaver Mesa. This zone is thought to extend from the Gourvanite area to the Lucadeo area on the claims of the applicant. Uranium-vanadium ore within these mineralized zones occur as deposits in cross-bedded sandstones, in sandstone-mudstone contacts, and in rolls in the sandstones. There appears to be some relationship between the deposits and structure and joints but this is not entirely proven at this time.

The individual ore deposits vary in size from areas covering as much as 1,000 square feet to small high-grade pods containing a few tons. The uranium-vanadium ratio is considered to be 1-10 but will vary considerably within a deposit. In some instances the uranium content will equal the vanadium content.

MINEABLE ORE RESERVES

There is a small tonnage of ore remaining in pillars, and several thin seams of ore which might be followed remain along walls of stopes and drifts. These seams are too thin to be economical but the general mining rule is to follow them by drifting with the expectation of encountering a roll or thicker area. The deposits are too small and varied to permit assignment of any ore reserves. This is not unusual for uranium-vanadium mining as most deposits found are quickly exhausted. In the best mineralized areas, the values found in each roll are usually sufficient to sustain the dead work of locating the next roll.

The applicant's group of claims involved in the application are considered as a single group for the purposes of bonus payments for uranium ore. As soon as production from a unit or group of claims amounts to 10,000 pounds of U_3O_8, the unit or group is no longer eligible for bonus; this reduces the ore payments by about 50 percent. Thus, it is an advantage to keep a group of claims as small as possible, consistent with the type and extent of deposit and mining methods.

PRESENT STATUS

Practically no work had been done on these claims prior to their purchase by the applicant in October of 1950. Since that time, 811 tons of ore containing 7,748.32 pounds of U_3O_8 and 33,510.49 pounds of V_2O_5 have been produced during 15 months of operation by the company and by lessees. This ore averaged 0.48 percent U_3O_8 and 2.03 V_2O_5.

Three areas have been developed from the outcrop exposures on the Gilmore and LaSal No. 2 claims. The Gilmore mine, consisting of about 700 feet of tunnel, drifts, and open-cut and about 2,000 square feet of

MINEABLE ORE RESERVES

There is a small tonnage of ore remaining in pillars, and several thin seams of ore which might be followed remain along walls of stopes and drifts. These seams are too thin to be economical but the general mining rule is to follow them by drifting with the expectation of encountering a roll or thicker area. The deposits are too small and varied to permit assignment of any ore reserves. This is not unusual for uranium-vanadium mining as most deposits found are quickly exhausted. In the best mineralized areas, the values found in each roll are usually sufficient to sustain the dead work of locating the next roll.

The applicant's group of claims involved in the application are considered as a single group for the purposes of bonus payments for uranium ore. As soon as production from a unit or group of claims amounts to 10,000 pounds of U_3O_8, the unit or group is no longer eligible for bonus; this reduces the ore payments by about 50 percent. Thus, it is an advantage to keep a group of claims as small as possible, consistent with the type and extent of deposit and mining methods.

PRESENT STATUS

Practically no work had been done on these claims prior to their purchase by the applicant in October of 1950. Since that time, 811 tons of ore containing 7,743.32 pounds of U_3O_8 and 33,510.49 pounds of V_2O_5 have been produced during 15 months of operation by the company and by lessees. This ore averaged 0.48 percent U_3O_8 and 2.03 V_2O_5.

Three areas have been developed from the outcrop exposures on the Gilmore and LaSal No. 2 claims. The Gilmore mine, consisting of about 700 feet of tunnel, drifts, and open-cut and about 2,000 square feet of

flat stoping, was started on the south end of the Gilmore claim but the ore was followed onto the LaSal No. 2 claim. The Ukele mine also started on the Gilmore claim but followed ore onto the LaSal No. 2 claim. These workings consist of about 350 feet of tunnel and about 700 square feet of flat stoping. The LaSal mine, northeast of the Gilmore, is on the Gilmore claim. It consists of about 150 feet of tunnel and cross-cuts and was being operated by lessees who are drifting toward mineralization found in diamond drill holes.

The applicant has completed 1,082.3 feet of wagon drilling in 27 holes averaging 40.1 feet in depth and 1,459.3 feet of diamond drilling in 21 holes averaging 69.5 feet in depth. Core recovery in diamond drilling is reported to have been poor and inadequate records were kept on the work. Seven of the 48 holes drilled encountered ore and 18 others are reported to have found mineralization. If these holes can be recovered and cleaned, they should be probed by Geiger counter to try to obtain possible additional information. Cores, if available, should be re-examined for geologic evidence of alteration of sandstones or clays. This information can be correlated with that which will be obtained from the new drilling near these original holes. Locations of these holes are shown on figure 2 with the geologic report but hole numbers are not shown. Drill hole logs for the holes already drilled were included in the engineering report which accompanied the application and are reproduced in table 2.

flat stoping, was started on the south end of the Gilmore claim but the ore was followed onto the Lebel No. 2 claim. The Uhrle mine also started on the Gilmore claim but followed ore onto the Lebel No. 2 claim. These workings consist of about 350 feet of tunnel and about 700 square feet of flat stoping. The Lebel mine, northeast of the Gilmore, is on the Gilmore claim. It consists of about 150 feet of tunnel and cross-cuts and was being operated by lessees who are drifting toward mineralization found in diamond drill holes.

The applicant has completed 1,082.3 feet of vertical drilling in 27 holes averaging 40.1 feet in depth and 1,459.3 feet of diamond drilling in 21 holes averaging 69.5 feet in depth. Core recovery in diamond drilling is reported to have been poor and inadequate records were kept on the work. Seven of the 48 holes drilled encountered ore and 18 others are reported to have found mineralization. If these holes can be recovered and cleaned, they should be probed by Geiger counter to try to obtain possible additional information. Cores, if available, should be re-examined for geologic evidence of alteration of sandstone or clays. This information can be correlated with that which will be obtained from the new drilling near these original holes. Locations of these holes are shown on Figure 2 with the geologic report but hole numbers are not shown. Drill hole logs for the holes already drilled were included in the engineering report which accompanied the application and are reproduced in table 2.

TABLE 2. - Recap of drill hole logs.

Hole Number	Depth of hole	Depth of Mineralization	Remarks
WD 1	56.9	Blank	Bottomed in green clay
WD 2	57.5	Blank	Bottomed in green clay
WD 3	57.3	50-55	Mineralization
WD 4	55.8	Blank	Bottomed in green clay
WD 5	54.6	Blank	Bottomed in green clay
WD 6	57.2	Blank	Bottomed in green clay
WD 7	60.7	55-58	Ore - 0.30 U_3O_8
WD 8	30.0	Not recorded	2 feet mined
WD 9	25.6	Blank	Bottomed in green clay
WD 10	24.9	Blank	Bottomed in green clay
WD 11	26.8	Blank	Bottomed in green clay
WD 12	27.0	Blank	Bottomed in green clay
WD 13	28.2	Blank	Bottomed in green clay
WD 14	45.0	No footage recorded	Checked with D. D. hole Nos. 16 and 17
WD 15	48.2	45-48	Mineralized
DDH 16	46.0	44.6-49	Check wagon drill hole
DDH 17	45.2	44-50	Check wagon drill hole
DDH 18	46.0	Blank	Bottomed in green clay
DDH 19	50.7	48-50	Mineralized
DDH 20	60.5	55-60	Mineralized
DDH 21	66.0	60-65	Mineralized
DDH 22	78.5	Mineralized	No footage record
DDH 23	91.0	Mineralized	No footage record
DDH 24	98.0	70-72	Mineralized
DDH 25	104.0	75-80	Mineralized
DDH 26	84.2	Blank	Bottomed in green clay
DDH 27	82.4	65-70	Mineralized
DDH 28	83.2	65-67	Mineralized
DDH 29	96.0	Blank	Bottomed in green clay
DDH 30	90.5	80-85	Mineralized
DDH 31	91.2	80-85	Mineralized
DDH 32	89.4	80-85	Mineralized
DDH 33	91.0	80-85	Mineralized
DDH 34	101.0	97-98	Mineralized
DDH 35	103.0	97-100	Mineralized
DDH 36	104.2	98-100	Ore - 0.26 U_3O_8
WD 37	27.2	Blank	
WD 38	28.3	Blank	
WD 39	35.6	No footage recorded	Low-grade mineralization
WD 40	36.7	No footage recorded	Low-grade mineralization
WD 41	40.4	35-38	Ore - small pieces in barrel, too soft to core
WD 42	40.5	35-38	Mineralization
WD 43	40.9	35-38	Mineralization
WD 44	40.0	34-36	Ore

TABLE 2. - Recap of drill hole logs.

Hole Number	Depth of hole	Depth of Mineralization	Remarks
WD 1	56.9	Blank	Bottomed in green clay
WD 2	57.5	Blank	Bottomed in green clay
WD 3	57.3	50-55	Mineralization
WD 4	55.8	Blank	Bottomed in green clay
WD 5	54.6	Blank	Bottomed in green clay
WD 6	57.2	Blank	Bottomed in green clay
WD 7	60.7	55-58	Ore - 0.20% U_3O_8
WD 8	30.0	Not recorded	2 feet sand
WD 9	25.6	Blank	Bottomed in green clay
WD 10	24.9	Blank	Bottomed in green clay
WD 11	26.3	Blank	Bottomed in green clay
WD 12	27.0	Blank	Bottomed in green clay
WD 13	28.2	Blank	Bottomed in green clay
WD 14	45.0	No footage recorded	Checked with D. D. hole Nos. 16 and 17
WD 15	48.2	45-48	Mineralized
DDH 16	46.0	44.6-45	Check upon drill hole
DDH 17	45.2	44-50	Check upon drill hole
DDH 18	46.0	Blank	Bottomed in green clay
DDH 19	50.7	48-50	Mineralized
DDH 20	50.5	55-60	Mineralized
DDH 21	66.0	60-65	Mineralized
DDH 22	78.5	Mineralized	No footage recorded
DDH 23	91.0	Mineralized	No footage recorded
DDH 24	98.0	70-72	Mineralized
DDH 25	104.0	75-80	Mineralized
DDH 26	84.2	Blank	Bottomed in green clay
DDH 27	82.4	65-70	Mineralized
DDH 28	82.2	65-67	Mineralized
DDH 29	96.0	Blank	Bottomed in green clay
DDH 30	90.5	80-85	Mineralized
DDH 31	91.2	80-85	Mineralized
DDH 32	89.4	80-85	Mineralized
DDH 33	91.0	80-85	Mineralized
DDH 34	101.0	97-98	Mineralized
DDH 35	103.0	97-100	Mineralized
DDH 36	104.2	98-100	Ore - 0.26% U_3O_8
WD 37	27.2	Blank	
WD 38	28.3	Blank	
WD 39	35.0	No footage recorded	Low-grade mineralization
WD 40	36.7	No footage recorded	Low grade mineralization
WD 41	40.4	35-38	Ore - small pieces in barrel, too soft to core
WD 42	40.5	35-38	Mineralization
WD 43	40.9	35-38	Mineralization
WD 44	40.0	34-36	Ore

TABLE 2. - (continued)

Hole Number	Depth of hole	Depth of Mineralization	Remarks
WD 45	35.6	Blank	
WD 46	33.5	Blank	
WD 47	30.2	Blank	
WD 48	38.7	Blank	

Total wagon drilling	1,082.3 feet	27 holes
Total diamond drilling	1,459.3 feet	21 holes
Total	2,541.6 feet	48 holes
Mineralized holes	18	
Ore holes	7	

PROPOSED EXPLORATION

The applicant has proposed, in the revised application, a program of wagon drilling and diamond drilling, the wagon drilling to be limited to depths less than 80 feet and to begin near the exposed rim and around the mine workings. This drilling is designated as close drilling at intervals of 25 to 50 feet with a regular pattern of spacing of 50 feet between holes. Holes next to mine workings are usually at 25-foot intervals to follow or trace out known seams of mineralization. Provision is also made for holes to fill in at closer intervals around any regular pattern hole which encounters ore. The diamond drilling is wider spaced than the drilling wagon, with the first series of holes spaced at 100-foot intervals and the second series spaced at 400-foot intervals. This method of pattern drilling is recognized by all operating companies and Government agencies conducting work in the region. The wider spaced holes are used for

TABLE 2. - (continued)

Hole Number	Depth of hole	Depth of Mineralization	Remarks
WD 45	35.6	Blank	
WD 46	33.5	Blank	
WD 47	30.2	Blank	
WD 48	38.7	Blank	
Total wagon drilling		1,082.3 feet	27 holes
Total diamond drilling		1,452.3 feet	21 holes
Total		2,534.6 feet	48 holes
Mineralized holes		18	
Ore holes		7	

PROPOSED MITIGATION

The applicant has proposed, in the revised application, a program of wagon drilling and diamond drilling; the wagon drilling to be limited to depths less than 50 feet and to begin near the exposed rim and around the mine workings. This drilling is designated as close drilling at intervals of 25 to 50 feet with a regular pattern of spacing of 50 feet between holes. Holes work to mine workings are usually at 25-foot intervals to follow or trace out known zones of mineralization. Provision is also made for holes to fill in at closer intervals around any regular pattern hole which encounters ore. The diamond drilling is wider spaced than the drilling wagon, with the first series of holes spaced at 100-foot intervals and the second series spaced at 400-foot intervals. This method of pattern drilling is recognized by all operating companies and Government agencies conducting work in the region. The wider spaced holes are used for

determining geologic and structure guides to direct secondary drilling at closer intervals to develop the more favorable trends as indicated by geologic evidence found.

These proposals have been modified with the applicant's consent to consist of wagon drilling and diamond drilling:

Phase 1. (involves both wagon drilling and diamond drilling)

Drill 84 holes on 50-foot centers as shown on the map (fig. 2, with the geologic report), and allow 16 additional holes to be drilled at closer intervals around a selected number of the 84 holes which encounter the most favorable mineralization. The location and depth of the 16 holes must be given prior approval by the Defense Minerals Exploration Administration field representatives.

Phase 2.

Drill 60 holes on 100-foot centers as shown on the above map and allow 40 additional holes to be drilled at closer intervals around a selected number of the 60 holes which encounter the most favorable mineralization or evidence of a favorable zone. The location and depth of the 40 additional holes must also be given prior approval by the Defense Minerals Exploration Administration field representatives.

Phase 3.

Drill 39 holes on 200-foot centers as shown on the above map.

Drill 44 holes on 400-foot centers as shown on the above map.

A total of 227 of these holes are plotted on the map and the remaining 56 are to be fill-in holes allowed by prior approval of the Defense Minerals Exploration Administration field representatives.

determining geologic and structure guides to direct secondary drilling at closer intervals to develop the more favorable trends as indicated by geologic evidence found.

These proposals have been modified with the applicant's consent to consist of wagon drilling and diamond drilling:

<u>Phase 1.</u> (involves both wagon drilling and diamond drilling)

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<u>Phase 3.</u>

Drill 39 holes on 200-foot centers as shown on the above map.

Drill 44 holes on 400-foot centers as shown on the above map.

A total of 227 of these holes are plotted on the map and the remaining 56 are to be fill-in holes allowed by prior approval of the Defense Minerals Exploration Administration field representatives.

Of the holes plotted, 62 can be wagon drilled and the remaining 165 will be diamond drilled.

The estimated footage for all of the holes is 4,800 feet of wagon drill holes and 25,400 feet of diamond drill holes.

ESTIMATED COST OF PROJECT

Drilling

The applicant has signified his intention to contract the wagon drilling and the diamond drilling. Contractors provide all the necessary equipment except for access road and drill site work. The contractors furnish their own camp facilities. The project is estimated to require 6 months' time to complete.

Wagon drilling can be contracted for $0.80 per foot. Diamond drilling will average $2.75 per foot.

Wagon drilling - 4,800 feet at $0.80 per foot		$ 3,840.00	
Diamond drilling - 25,400 feet at $2.75 per foot		69,850.00	$73,690.00

Fixtures and Improvements

None ---

Operating Equipment

1) Purchased

1 Geiger Mueller counter with 100-foot cable extension	$350.00		
1 Du-Clone dust collector for wagon drill cuttings	250.00	$600.00	

2) Rented

1 Transit and related engineering equipment - $25.00 per month, for 6 months		150.00	

	for 6 months	
	equipment - $25.00 per month,	
1 Transit and Isolated equipment		150.00
S) Bonded		
	Rotary drill outfitting for	
1 Du-Clone dust collector for		
	100.00	200.00
1 Gether Heller compressor with		
100-foot cable extension		320.00
I) Transported		
Operating Equipment		
Miscellaneous and Improvements		
None		

Rotary drilling will average 35.75 per foot.

Diamond drilling - 4,000 feet at 30.00 per foot

$ 3,040.00

Diamond drilling - 52,400 feet at 35.75 per foot

$2,020.00

$3,060,000.00

Diamond drilling can be contracted for 30.00 per foot. Diamond estimated to require 6 months' time to complete.

Rotary drilling can be completed in approximately one month.

The necessary equipment and the diamond drilling. Contractors moving all rotary drilling equipment and the diamond drilling equipment over road and drill site work.

The contractors furnish their own access roads and drill site.

The projected 12 months work.

Contractors to complete

DRILLING

ESTIMATED COST OF PROJECT

Rotary drill holes and 52,400 feet of diamond drill holes for a 4,000 feet of

The estimated footage for all of the holes in a 4,000 feet of

52 drill holes diamond drilling.

Of the holes plotted, 25 can be taken during the remaining

3) Furnished by operator

1 D-8 Caterpillar tractor-dozer, Value - $12,000.00 Depreciation rate - $200.00 per month, for 6 months	$1,200.00		
1 Willys, 4-wheel-drive pickup truck Value - $1,800.00 Depreciation rate - $30.00 per month, for 6 months	180.00	$ 1,380.00	$ 2,130.00

Rehabilitation and Repairs

None. The applicant has decided to repair the tractor-dozer rather than involve it in the contract. ---

Labor

Labor rates are based on the higher scale paid in the region and will be sufficient for the employees to pay for their own camp facilities.

1 Bulldozer operator - part time $2.25 per hour, $117.00 per week, for 13 weeks	$ 1,521.00	
1 Sampler $1.75 per hour, $91.00 per week, for 26 weeks	2,366.00	
1 Helper $1.25 per hour, $65.00 per week, for 26 weeks	1,690.00	5,577.00

The hourly rate of pay is for a 40-hour week with time and one-half allowed for overtime.

Supervision

1 Engineering aide, $410.00 per month, for 6 months	$ 2,460.00	
1 Consultant, not to exceed $300.00 per month, for 6 months (includes expenses incident to travel and reports)	1,800.00	4,260.00

Bookkeeping

$30.00 per month, for 6 months	180.00

3) Furnished by operator

1 D-8 Caterpillar tractor-dozer,
Value - $12,000.00
Depreciation rate - $200.00 per
month, for 6 months $1,200.00

1 Willys, 4-wheel-drive pickup truck
Value - $1,800.00
Depreciation rate - $30.00 per
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$1.25 per hour, $65.00 per week,
for 26 weeks 1,690.00 5,577.00

The hourly rate of pay is for a 40-hour week with time and one-half allowed for overtime.

Supervision

1 Engineering aide, $410.00 per month,
for 6 months $ 2,460.00

1 Consultant, not to exceed $300.00
per month, for 6 months (includes
expenses incident to travel and reports) 1,800.00 4,260.00

Bookkeeping

$25.00 per month, for 6 months 150.00

Supplies		
Repair parts, gasoline, and oil for bulldozer and truck, estimated		
Bulldozer, $240.00 per month, for 3 months	$720.00	
Truck, $50.00 per month, for 6 months	300.00	$ 1,020.00
Compensation		300.00
Social Security		143.00
Sampling		
90 samples per month, 6 months - 540 samples, at $5.00 each		2,700.00
Total cost of project		$90,000.00

Summary of Estimated Costs

Contract work		
Wagon drilling	$ 3,840.00	
Diamond drilling	69,850.00	$73,690.00
Fixtures and improvements - none		---
Operating equipment		
Purchased	$ 600.00	
Rented	150.00	
Furnished by operator	1,380.00	2,130.00
Rehabilitation and Repairs - none		---
Labor		5,577.00
Supervision		4,260.00
Bookkeeping		180.00
Supplies		1,020.00
Compensation		300.00
Social Security		143.00
Sampling		2,700.00
Total cost of project		$90,000.00

Government participation at 90 percent would be $81,000.00.

Supplies

Repair parts, gasoline, and oil for bulldozer and truck, estimated

Bulldozer, $240.00 per month, for 3 months $720.00

Truck, $50.00 per month, for 6 months 300.00 $ 1,020.00

Compensation 300.00

Social Security 143.00

Hauling

20 samples per month, 6 months = 540 samples, at $5.00 each 2,700.00

Total cost of project $90,000.00

Summary of Estimated Costs

Contract work		
Wagon drilling	$ 3,040.00	
Diamond drilling	69,680.00	$72,720.00
Pictures and improvements - none		---
Operating equipment		
Purchased	$ 600.00	
Rented	120.00	
Furnished by operator	1,380.00	2,120.00
Rehabilitation and Repairs - none		---
Labor		5,577.00
Supervision		4,680.00
Bookkeeping		180.00
Supplies		1,020.00
Compensation		300.00
Social Security		143.00
Hauling		2,700.00
Total cost of project		$90,000.00

Government participation at 90 percent would be $81,000.00.

CONCLUSIONS

The applicant has submitted a reasonable and detailed request for exploration on a group of claims which cover one of the most promising areas in the district and one which is recommended by the Atomic Energy Commission.

The drilling will provide information on ore deposits immediately ahead of mining faces and will allow operators to drift directly to the most favorable ore zones. The wider spaced drilling will provide necessary geologic information concerning the existence of a major mineralized zone which is indicated on these claims as well as information necessary for mining operations.

RECOMMENDATIONS

The proposal of the Gateway Mining and Development Company as modified to include 4,800 feet of wagon drilling and 25,400 feet of diamond drilling is recommended for approval. The cost of the project is estimated at $90,000.00 with Government participation of 90 percent, or $81,000.00.

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CONCLUSIONS

The applicant has submitted a reasonable and detailed request for exploration on a group of claims which cover one of the most promising areas in the district and one which is recommended by the Atomic Energy Commission.

The drilling will provide information on ore deposits immediately ahead of mining faces and will allow operators to drift directly to the most favorable ore zones. The wider spaced drilling will provide necessary geologic information concerning the existence of a major mineralized zone which is indicated on these claims as well as information necessary for mining operations.

RECOMMENDATIONS

The proposal of the Gateway Mining and Development Company as modified to include 4,000 foot of wagon drilling and 25,400 feet of diamond drilling is recommended for approval. The cost of the project is estimated at $90,000.00 with Government participation of 50 percent, or $31,000.00.

amh

700 FILE COPY
SURNAME:

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

F. L. Knouse
Ellis
Mitt

JUN 25 1952

Mr. John F. Thornton
11½ S. Barstow Street
Eau Claire, Wisconsin

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining & Development Co.
Gilmore, LaSal, Tetzloff, John
Thornton, John Brown and LaSalle
Claims, Mesa and Grant Counties,
Colorado

Dear Mr. Thornton:

This will acknowledge your inquiry of June 18, 1952, relative to the present status of the above-captioned application.

It is our understanding that the examining team of the Regional Office visited the company's property during May and that their report is being prepared.

Please be assured that we will endeavor to make an early determination upon receipt of the Field Team report and will advise you as promptly as possible.

Sincerely yours,

SIGNED

cc 6/25

Ernest Am. Ellis, Chief
Rare & Misc. Metals Division

GLAult/FLKnouse/gla
6-23-52

cc to: Adm. Reading File
✓Docket
Messrs. A.J.Kauffman, Jr., Rm. 1347
A.P.Butler, Jr. Rm. 3206 GSA
Ellis
Knouse
DMEA Field Team, Reg. IV (2)

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN
TELEPHONE 3547

June 18, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 20 1952

Res
3406

Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration
Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining & Development Co.
Gilmore, LaSal, Tetzloff, John
Thornton, John Brown and LaSalle
Claims, Mesa and Grant Counties,
Colorado

Dear Mr. Ellis:

It has been some time since my last correspondence with you regarding the above captioned matter and I understand that the field team was out to check the companies properties some weeks ago.

I am writing at this time to ascertain just what the present status of our application is because if the loan is to be granted, we would like to avail ourselves of the good weather at the present time in order to carry out the project outlined.

It would be appreciated greatly if you would write to me concerning Gateway's application at your earliest convenience.

Thanking you in advance for your courtesies in behalf of Gateway Mining & Development Company, I am

Respectfully yours,

John Thornton

John P. Thornton

JPT/sz

6/6/52 gle

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN

TELEPHONE 3547

June 3, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 6 1952

U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Att: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration Admin.

Re: Docket No. DMEA - 2128 (Uranium)
Gilmore, LaSal, Tetzloff, John Thornton, John Brown and La Salle Claims
Mesa and Grant Co., Colorado

Dear Sir:

Supplementing my letter of May 22, 1952 in regard to the above captioned matter, enclosed herein please find four originals of Termination Agreement which now should complete your file for Gateway Mining and Development Company's application for a government loan. I trust that you received my letter of May 22 enclosing the other documents that you requested.

Respectfully yours,

John P. Thornton

John P. Thornton

JPT/sz
Enclosures

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN
TELEPHONE 3547

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1952

May 22, 1952

U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Att: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration Admin.

Re: Docket No. DMEA - 2128 (Uranium)
Gilmore, LaSal, Tetzloff, John Thornton, John Brown and La Salle Claims
Mesa and Grant Co., Colorado

Dear Sir:

In conformity with your letter of May 2, 1952, please be advised that we have negotiated a new lease with Ray and J. L. Lewis in regard to the LaSalle claim and are enclosing herein four copies of same to be added to the application. We are also enclosing herein the original as well as three type-written copies which we have prepared of same of the Hetzel lease upon which you will notice that Lee Hetzel has voluntarily terminated same in the presence of J. L. Lewis. We have prepared a more formal termination of the Hetzel lease, but as yet we have not been able to get these signed by Mr. Hetzel but we anticipate that these should be in the office here within a short time. In the interum I thought it would be well to have the Hetzel lease in your files together with the termination notice signed by Mr. Hetzel.

You will note that there is one change in the new lease, namely that it now gives us an option to renew this lease for an additional five years which I believe is more in line with the government regulations for repayment of the loan if same is granted.

I believe that this now corrects both of the criticisms that your office outlined and you may rest assured that, if there is anything else that needs correction or revision, we will be very happy to oblige just as soon as possible.

On behalf of Gateway Mining & Development Company I thank you very much for your prompt attention to this matter.

Respectfully yours,

John P. Thornton

John P. Thornton

JPT/ls
Enclosures

FILE COPY
700 SURNAME:

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

Buting
Rupp
Ellis

MAY 2 1952

Mr. John P. Thornton
Secretary-Treasurer
Gateway Mining and Development Co.
11½ W. Barstow Street
Eau Claire, Wisconsin

Re: Docket No. D [illegible]-2123 (Uranium)
Gilmore, Bethel, Tetzloff, John Thornton, John Brown and Mable Claims
Mesa and Grand Co., Colorado

Dear Mr. Thornton:

This will acknowledge your letter dated April 25, 1952, concerning the above captioned docket.

The evidence which you submitted concerning the Bethel claims 4 through 7 is satisfactory.

However, we are still unable to determine that Gateway Mining and Development Company has a right to work the Mable claim prior to December 19, 1952, because of the outstanding lease to Mr. Betzel covering the same property, which lease does not expire until that date. Furthermore, we are unable to understand how this defect will be cured by the applicant acquiring the Betzel lease and then releasing the same property to him, as suggested in your letter. As Gateway Mining and Development Company is the applicant for Government aid, it is that company which must have the present interest to enter upon and mine the Mable claim instead of Mr. Betzel.

We shall be pleased to hear from you further on this question.

Sincerely yours,

Signed S.N. 5-2-52

Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration Administration

Rubin/Knouse/Ellis/jem
5/1/52
cc to: Adm. Reading File
Docket
Messrs. F.J.Kauffman, Jr., Rm. 1347
F.P.Butler, Rm. 3206 GS
Rubin
Ellis Knouse
Field Team, Region IV (2)

700

FILE COPY
SURNAME:

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

APR 30 1952

Mr. R. C. Hartmann
Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

Re: Docket No. DMPA-2125 (Uranium)
Gilmore, LaSal, Metzloff, John
Thornton, John Brown and La Salle
Claims, Mesa County, Colorado

Dear Mr. Hartmann:

Your revised application for assistance in exploring your property in Mesa County, Colorado, under the above captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration and has been referred to Mr. J. H. East, Jr., Executive Officer, Region IV, DMPA Field Team, 224 New Customhouse Bld., Denver 2, Colorado, for a field examination.

The Regional office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

C. O. Mittendorf (for)
Acting Administrator
Defense Minerals Exploration
Administration

P.N.
4-30-52

cc to: John F. Thornton, Esq.
11½ S. Barstow Street
Eau Claire, Wisconsin

FLKnouse/gla 4-30-52
cc to: Adm. Reading File
✓Docket
Messrs. H.D.Keiser, Rm. 1347
A.F.Butler, Rm. 3206 GS
Ellis
Knouse
Field Team, Region IV (2)

NOTE: This replaces letter mailed to applicant April 22, 1952, which was not delivered by Post Office

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN

TELEPHONE 3547

April 25, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 28 1952

U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D.C.

Att: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration
Administration

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining & Development Co.
Gilmore, LaSal, Tetzloff, John
Thornton, John Brown and LaSalle
Claims, Mesa and Grant Counties,
Colorado

Dear Mr. Ellis:

This will acknowledge receipt of your letter dated April 18, 1952, addressed to Mr. L. C. Hartman at Grand Junction, Colorado. Mr. Hartman's address is at present Oakwood Heights, Menomonie, Wisconsin., but, if you so desire, you may address all correspondence with reference to this proposed loan to me as secretary and treasurer of Gateway Mining & Development Company.

With reference to paragraph 1 of your letter I am advised by our Colorado attorneys that the claims as shown by the maps in the amended application are based upon amended locations so far as La Salle claims number 4 thro 7 are concerned and in view of the fact that these amended locations have just been filed very recently we are unable to furnish the recorded certificates showing the book and page numbers of the locations because the County Clerk and Recorder does this by photographing and it usually takes a little time interval; however, I am enclosing herein four certified amended location certificates which I am sure will satisfy the requirements of paragraph 1 of your letter. With reference to point number 2 of your letter I am enclosing herein four copies of the existing lease between J. W. Lewis and Lee Hetzel, the lessee referred to in your letter. We perhaps can obtain a subrogation agreement from Hetzel, but, if this is not necessary, we would prefer, because of the time element, not to do so at this time; however, if your requirements are such that we need to we shall be very pleased to furnish same.

The Hetzel lease was, as you appreciate, in force before Gateway Mining & Development Company entered into its lease with J. W. Lewis and Ray Lewis. You will note that there is a differential of 5% on the royalty which is in favor of Gateway Mining & Development Company by virtue of its lease with J. W. Lewis and Ray Lewis. If it will facilitate matters, Gateway Mining & Development Company will be very happy to assign this 5% to comply with the government regulations in lieu of the Subordination Agreement.

In the interum we are going to sound out the possibility of negotiating a lease whereby Hetzel should surrender his lease and lease from Gateway Mining & Development Company instead of the present set up. If this works out, you will promptly be advised and we shall of course bear in mind the government regulations as outlined in your letter.

Trusting that the enclosed documents will satisfy the requirements of your letter dated April 18, I am,

Respectfully yours,

John P. Thornton

John P. Thornton

JPT/ls

CC: Herman Tetzloff & Cecil Haynie

Enclosures

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

APR 22 1952

Mr. Herman Tetzloff, President
Gateway Mining & Development Co.
Grand Junction, Colorado

Re: Docket No. DMEA-2128 (Uranium)
Gilmore, LaSal, Tetzloff, John
Thornton, John Brown and LaSalle Claims
Mesa County, Colorado

Dear Mr. Tetzloff:

Your application for assistance in exploring your property in Mesa County, Colorado, under the above captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration and has been referred to Mr. J. H. East, Jr., Executive Officer, Region IV, DMEA Field Team, 224 New Customhouse Building, Denver 2, Colorado, for a field examination.

The Regional office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

O O Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

unless returned

Letter rewritten 4-30-52 and mailed to
Mr.R. C. Hartmann
Gateway Mining and Development Company
875 Glenwood Avenue
Grand Junction, Colorado

with copy to
John P. Thornton, Esq.
11-1/2 S. Barstow Street
Eau Claire, Wisconsin

FILE COPY
SURNAME:

FLKnouse
Ellis

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

APR 22 1952 AIR MAIL

Mr. J. H. East, Jr.
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining & Development Co.
Gilmore, Lakal, Tetzloff, John
Thornton, John Brown and LaSalle Claims
Mesa County, Colorado

Dear Mr. East:

The captioned application is referred to your office for a field examination.

We are attaching a copy of a memorandum from Mr. Arthur P. Butler, Jr., dated April 10, 1952, outlining the important questions to be considered when the examination is made. If the proposal submitted by the applicant is modified and approved by the applicant, maps or sketches showing the proposed work in relation to the mining claim lines with detailed costs as are outlined in Form DE-103, should accompany the report. The cost and description of any equipment to be purchased or rented and fair market value and description of any equipment to be furnished by the operator should be supplied. If all or any part of a recommended program is to be done by a contractor, it should be so indicated with a detailed breakdown of the contract price. If an exploration program is recommended we will require from the applicant a list of the mining claims or property on which the work is to be done and any adjoining claims or property controlled by the applicant, where the claims or property are recorded, book number, page, and entry date.

Revised application forms DE-103 and DE-100 with Mr. John I. Schumacker's, (Mining Engineer) report were transmitted to your office under date of April 7, 1952.

When we receive your recommendation we will be able to proceed with the processing of this application.

Sincerely yours,

4/22

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosure
AP RCVD: J. H. Hodges
Member, Bureau of Mines
T. P. Thayer
Member, Geological Survey

FLKnouse/jme 4/18/52
cc to: Adm. Reading File Docket
Messrs. H.D.Keiser, Rm. 1347
A.P.Butler, Rm. 3206 GS
Ellis Knouse
Opr. Com. Field Team, Rg. IV

FILE COPY
SURNAME:

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

F. L. Kourse
Rubin
Ellis
Mitt

AIR MAIL

Mr. R. C. Hartman
Gateway Mining & Development Co.
875 Glenwood Avenue
Grand Junction, Colorado

APR 18 1957

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining & Development Co.
Gilmore, LaSal, Tetzloff, John Thornton, John Brown and LaSalle Claims, Mesa and Grant Counties, Colorado

Dear Mr. Hartman:

We refer you to the captioned application now being processed by this office. In order for us to process your application we will require additional information as follows:

1. We have made a preliminary review of the Agreement dated October 14, 1950, between Corvusite Mining and Exploration Co., and Tetzloff, Hartman and Karns, and the amendment to this agreement dated February 25, 1952, between the Corvusite Mining and Exploration Co., and Gateway Mining and Development Company, Inc., as assignee of Tetzloff, Hartman and Karns. It appears from the amendment dated February 25, 1952, that the Corvusite Mining and Exploration Co. does not have a good title to the La Sal mining claims numbered 4 through 7.

DMEA Order 1, which sets forth the current procedures and regulations of this Administration for obtaining Government aid in financing mineral exploration projects, requires, under Section 8, that an applicant must have a sufficient interest in land for the purposes of the exploration project contract.

Therefore, in order to properly qualify as an applicant, evidence must be submitted that the mining claims referred to above have been properly amended, with the page and volume of the book in which recorded, if available. If the evidence of title is not recorded, we should be furnished with a copy of the document which vests or clears the title, as the case may be, and a description of the land covered by the claims.

2. We have also reviewed the lease dated March 24, 1952, between J. W. and Roy Lewis and the Gateway Mining and Development Co., Inc. It is noted that this lease is subject to a prior lease, apparently

on the same property, issued to Lee Hetzell. It is necessary for us to have a copy of this lease in order to determine the extent of the Gateway Company's interest in the LaSalle claim. It may also be necessary to have an owner's consent to lien (subordination agreement) executed by Hetzell, depending upon the conditions in the Hetzell lease.

On receipt of the above information we will be able to continue processing your application.

Sincerely yours,

4/18

Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration
Administration

FLKnouse and HCRubin/EWEllis/gla
4-18-52
cc to: Adm. Reading File
Docket
Messrs. A. J. Kauffman, Jr. Rm. 1347
A. P. Butler, Jr. Rm. 3206 GSA
Ellis
Knouse
Rubin
Field Team, Region 4 (2)

4/16/52 gfa

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Ernest Wm. Ellis, DMEA Member, Uranium Commodity Committee, Room 4070

DATE: April 16, 1952

FROM : H. D. Keiser, Bureau of Mines Member, Uranium Commodity Committee

SUBJECT: DMEA Docket 2128 (Uranium) Gateway Mining and Development Co., Grant County, Utah

The Bureau of Mines Member, Uranium Commodity Committee, has discussed the subject application with Arthur P. Butler, Jr., Geological Survey Member, and concurs with him in his report of April 10, to the effect that the application be referred to the field team with instructions to consult with R. P. Fischer, Geological Survey, and the staff of the Atomic Energy Commission, at Grand Junction, Colorado.

H D Keiser

H. D. KEISER

Attachments

4/17/52 gla

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN

TELEPHONE 3547

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
APR 16 1952

April 14, 1952

Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration Admin.
U. S. Department of the Interior
Washington 25, D.C.

Re: Docket No. DMEA-2128 (Uranium)
Gateway Mining and Development Co.
Grant County, Utah

Dear Mr. Ellis:

This will acknowledge receipt of your letter of April 7, 1952, acknowledging receipt of Gateway Mining & Development Company's revised application.

I had assumed that you had delegated this matter to the attention of Mr. Fred Knouse and this is the reason that I wrote to Mr. Knouse.

I wish to thank you for your acknowledgement and will appreciate being advised as to all developments at your convenience.

Thanking you on behalf of Gateway Mining & Development Company, I am,

Respectfully yours,

John P. Thornton

JPT/ls

4/17/52 glm

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

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

DATE: April 10, 1952

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

SUBJECT: Application for exploration assistance, DMEA Docket 2128 Revised, Gateway Mining and Development Co., Grand Junction, Colo., La Sal and adjoining claims, Beaver Mesa, West Gateway area, Mesa Co. Colo.

Information in the Washington files of the Geological Survey is inadequate for a definitive appraisal of the merits of the application identified above, and the proposed plan appears unnecessarily intensive for finding ore and testing geologic favorability of the ground for ore deposits as compared to exploration projects of the Geological Survey that have been successful in finding ore in other parts of the Colorado Plateau.

Although claims are in a part of the Gateway area where geologic conditions are not particularly favorable for the presence of numerous or large ore bodies, the applicant's record of shipment of a small tonnage of good grade uranium ore and the results of his drilling suggest additional drilling might find other ore bodies similar in size to those now known in these and neighboring claims. Moreover, the general area is one in which the Geological Survey plans to do development drilling near producing mines in order to stimulate immediate production. Specific places have not yet been definitely selected for this drilling, but any drilling done under the auspices of the DMEA in addition or supplementary to that planned by the Geological Survey would be more advantageous to the Government.

In view of the foregoing, I recommend that the application be submitted to the field team for definitive review of its merits and reduction to a scope warranted by the size and distribution of the deposits and determination of a plan of drilling that would be most efficient for finding ore and determining the favorability for deposits of ground at present unexplored. I suggest that the field team consult R. P. Fischer, Geological Survey, and the staff of the Atomic Energy Commission, Grand Junction, Colo. to gain the benefit of knowledge and information that they may have about this property.

Arthur P. Butler, Jr.

Arthur P. Butler, Jr.

Copy to: R. P. Fischer

700
FILE COPY
SURNAME:

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

APR 7 1952

F.L. Knouse
Ellis
Cohn

Mr. John . Thornton, Attorney
Gateway Mining & Development Co.
11[illegible] . Barstow Street
Eau Claire, Wisconsin

Re: Docket No. [illegible]-2128 (Uranium)
Gateway Mining and Development Co.
Grant County, Utah

Dear Mr. Thornton:

We wish to acknowledge receipt of your revised application for exploration aid consisting of four copies of Forms MF-103 and MF-100 plus the report of Mr. John I. Schumacher.

Processing of your application is now underway and you will be advised of the progress as the processing proceeds.

Sincerely yours,

Signed S.H. 4-7-52

Ernest [illegible] Blair, Chief
Reference Misc. Metals Division
Defense Mineral Exploration
Administration

FLKnouse/jem
4/4/52
cc to: Adm. Reading File
Docket
Messrs. A.J.Kauffman,Jr. Rm. 1347
A.P.Butler,Jr., Rm. 3206 GS
Ellis
Knouse
Field Team, Region IV (2) Copies sent-
MF-100
MF-103
Report of John I. Schumacher

4/4/52 gla

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN

TELEPHONE 3547

April 2, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 - 1952

U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D.C.

Att: Mr. Fred Knouse

Re: Subject: DMEA - 2128
Gateway Mining & Development
Company, Inc.

Dear Sir:

Under separate cover I have mailed to your office four copies of application for a DMEA loan.

Pursuant to your advises while I was in Washington, I and several other company officials immediately went out to the mines in Colorado and hired a mining engineer, a Mr. John Schumacher, who came to us highly recommended by not only mining companies generally, but by the Atomic Energy Commission at Grand Junction. The project that has been outlined in the application is quite small and we feel that it is well laid out by the engineer who has had an absolutely free hand. Acting on his advises, it was necessary for us to lease one claim from Mr. Lewis and his brother, Ray Lewis, because the geology at the site of the project indicated that this should be done.

You will also find enclosed in the application Subordination Agreements signed by both Corvusite and J. W. Lewis, but this time they are on government forms as you requested.

Personally, and on behalf of the company, Gateway Mining and Development, I wish to thank you for the many recommendations you made to myself and Mr. Wiley while we were in Washington and I think that you will find that every one of these recommendations has been incorporated in the application. Incidentally, Mr. Schumacher has agreed to stay on with the company in a consulting capacity and has assured us that he will spend as much time on the project as it requires.

The estimated worth of the stockholders in the latest application is merely my own personal estimate and I think that the figures are conservative; however, I feel that the first application was more accurate in this respect. There is one slight error in the application and that is that it shows Herman Tetzloff as vice president. Actually, the vice president of the company is Del Kams.

While out in Colorado on my last trip we renegotiated the contracts involving the purchase of the claims and we are right up to date on all of our payments as of this writing. The next big payment on the claims to Corvusite does not come due until some time in April, 1953. All of the company's bills are paid with the exception of a couple of small mortgages on our equipment and we do have some money on hand.

This letter is written to explain some of the features in the application and I trust that you will acknowledge receipt of the application which was sent to your division by registered mail as soon as it is convenient for you to do so.

Respectfully yours,

John P. Thornton

John P. Thornton

JPT/ls

OFFICE OF THE ADMINISTRATOR

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

January 21, 1952

Memorandum

To: Mr. Ernest Wm.Ellis

From: F. L. Knouse F.L.K.

Subject: Docket No. DMEA-2128 (Uranium)
Gateway Mining and Development Co.
Property - Mesa County, Colorado, and
Grant County, Utah
Loan applied for: $1,776,699.53

Mr. John P. Thornton, Secretary and Treasurer, and Mr. Marshall A. Wiley, Attorney, called at the office today. They will submit an amended application at an early date.

F. L. Knouse

OFFICE OF THE ADMINISTRATOR

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

Remarks by Mined Operating Comm 1/2/52

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR RECEIVED JAN 3 1952 Defense Minerals Administration, Production Expansion Division.

DEPARTMENT OF THE INTERIOR Defense Minerals Administration RECEIVED DEC 21 1951

December 17, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 2128, Gateway Mining and Development Company

We are returning with this letter the formal application for an exploration project of the Gateway Mining and Development Company, DMA Docket 2128, estimated to cost $1,776,699.53. We have reviewed this application as submitted, and the projects shown are indefinite, unworkable, and unrealistic. It is a shotgun approach without a definite program. The only geology shown is of a very general nature and is not sufficient to warrant the proposed drilling.

A preliminary study of the projects by a Geological Survey geologist indicates that the Salt Wash member has been entirely eroded in some of the areas where the drilling is proposed. This formation is the only bed in which carnotite has been discovered in the Morrison formation.

The applicant has acquired a large acreage and seems to anticipate that the Government geologists will plan the drilling program. This is contrary to the announced method of assistance indicated at the last meeting in Washington. In our opinion, an applicant who wishes to undertake a project of $1,700,000 should be in a position to present a geologic map showing the outcropping and attitude of the favorable beds, together with a plan that is reasonable for exploration by drilling.

The equipment listed in the application is greatly in excess of that required for exploration. The costs noted are excessive. It is possible in that area to contract core drilling for something under $3.00 per foot. It does not seem reasonable to us that the applicant be permitted to purchase large quantities of heavy equipment as stated in the application.

The applicant is evidently not financed for undertaking a project of this size as shown by the answer to question 10a, which we consider evasive.

We are returning the brochure to you with the request that it be forwarded to the applicant, advising him that he will be required to furnish a more realistic program that does not have the shot gun approach. He should show where he proposes to drill the holes and the depth and sufficient geological information on which the drilling program may be considered.

Your comments regarding our views in this matter will be appreciated.

J. H. East, Jr.

J. H. East, Jr.

Enclosure

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

OFFICE
REGIONAL DIRECTOR
OCT 19 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East
224 New Customhouse Building
Denver 2, Colorado

OCT 17 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1951

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Docket No. DMA-2128

Commodity Uranium

Applicant Gateway Mining & Development Co.

Please expedite the consideration of this application with particular reference to the points noted in the attached "Review."

Very truly yours,

Tom Ryan

Tom Ryan, Chairman
Coordinating Committee

Lowell B. Moon
For Bureau of Mines

Clay T. Rowe
For Geological Survey

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 2128

Commodity Uranium

Total Amount $1,776,669.53

Govt. Participation 1,599,002.58

1. Name and Address of Applicant Gateway Mining and Development Company

Grand Junction, Colorado

2. Location of Property Gateway Mining district, Colorado

3. Mineral or metal Uranium Is it listed in Section 9 of MO-5? yes.

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know—needs field examination x

e) Is there an alternative and favorable project? Probably
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? yes

Does the lease have sufficient time to run to cover a future

productive period? yes

*question numbers are those of MF-103

7. Are subordination agreements necessary? _____

a) MF-201? _____

b) MF-202 ✓ _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower ? _____

b) Equipment and supplies ? _____
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* ✓ _____

d) Water (question 13)* ? _____

e) Power (question 13)* ✓ _____

Is a field check needed on any of these points? yes _____

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* ? _____

_____

Is a field check needed on this point? yes _____

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? no _____

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? no _____

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? yes _____

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project? _____

d) Are the cost estimates detailed? in part

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? no If so, attach a draft.

e) Are the cost estimates reasonable? Too much equipment & supervision

f) Should more information be requested from applicant? yes

g) Is a field examination necessary to complete Exhibit A? yes

11. Exhibit B (question 23-d)*

a) Is it applicable? yes

b) If so, are sufficient data furnished? _____ If so, attach a draft.

c) Is a field check needed? doubt the need for garage etc

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? yes

b) Sufficient data? _____ If so, attach a draft.

c) Are rents and charges reasonable? ?

d) Is a field check needed? yes

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? yes

b) Is the schedule adequate for the work proposed? ?

c) Is the schedule excessive for the work proposed? Seems so

d) Are the proposed wages and salaries reasonable? Too many bosses

e) Is a field check needed? yes

14. Exhibit E (question 23-c)*

a) Is it applicable? no

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time?

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? Should request Grand Junction Exploration Branch of the Atomic Energy Commission to furnish available information and field assistance. Should consult with R. P. Fischer, Project Chief, U. S. G. S., Grand Junction, Colorado. T. W. OSTEP, AEC. If geologically recommendable, have applicant work out an acceptable, reasonable program without so much equipment, etc. Are heavy diamond drill rigs necessary for short strike work?, etc.

Reviewed by: E. R. Gordon

G. D. Hosted, AEC

J. H. Kerr, U.S.G.S.

Date 10/11/51

INT.-DUP. SEC., WASH., D.C. 99009

FILE COPY
SURNAME:

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

Gordon
Bennett
Lyon
Moon

OCT 17 1951

A.E.C.

Mr. John P. Thornton, Attorney
Gateway Mining & Development Company
114 E. Barstow Street
Eau Claire, Wisconsin

Re: DMA-2128
Uranium

Dear Mr. Thornton:

Your application, docket DMA-2128, for an exploration project in the amount of $1,776,669.53, has been received by the Minor and Rare Metals Branch of the Supply Division.

Before a decision can be reached on your request we find it is necessary to obtain additional information on your property. Your application therefore is being referred to the office of the Executive Officer of DMA field team IV, Mr. J. H. East, 224 New Customhouse Building, Denver 2, Colorado, who will get in touch with you if necessary.

Yours very truly,

signed cc
10/18

Tom Lyon, Director
Supply Division

EGordon/mh 10-12-51
cc: Adm. Read. File
Lyon
Minor and Rare Metals
Field Team IV
Keiser, USGS
Hosted, USGS
DMA docket file

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN
TELEPHONE 3547

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 15 9 05 AM '51

October 12, 1951

U. S. Department of the Interior
Defense Minerals Administration
Washington 25. D. C.

Att: Mr. Schmeder

Re: DMA-2128
Exploration Loan
Salt Wash claims No. 1 to 10

Dear Sir:

Enclosed herein please find four sets of settlement sheets from U. S. Vanadium Corporation, Climax Uranium Company, and the S. W. Shattuck Chemical Company as to ore produced on Gateway Property whether produced by Gateway Mining and Development Company or John Ukele. You will recall that when we filed the above captioned application, we were unable to supply the settlements sheets at that time.

This now compleses the application. Thanking you for your attention to this matter, I am,

Respectfully yours,

John P. Thornton

JPT/ls

Enclosures

UNITED STATES VANADIUM COMPANY

A Division of Union Carbide and Carbon Corporation

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

ORE SETTLEMENT

OCT 15 9 05 AM '51

Receiving Station Uravan, Colorado Grand Junction, Colorado Dec. 6, 19 50

Liquidation No. 1437 Lot No. 20704 Shippers Lot No. 1

Bought of John C. Ukele A.E.C. License No. Applied For

Address Gateway, Colorado

Type of Ore Carnotite Date received 11-28-50

Mining Claim La Sal #2 Mining District Gateway Pile No. 9

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	14720	5.7	13880.96	0.12	1.23		16.66	170.74	

PRICED PER A.E.C. CIRCULAR NO. 5

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	16.66	.90	6.94	2.16	14.99	
Development Allowance	16.66	.50	6.94	1.20	8.33	
Total U_3O_8 Payment						23.32
V_2O_5 Payment	170.74	.31	6.94	7.63	52.93	
Total V_2O_5 Payment						52.93
Haulage Allowance 53 Miles @ .06 Wet Tons per wet ton mile 9.36 wet tons						23.40
Total U308, V205 Payment and Haulage						99.65

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Uravan, Colorado Grand Junction, Colorado Dec. 21, 1950
Liquidation No. 1492 Lot No. 19942 Shippers Lot No. 2
Bought of John C. Ukele A.E.C. License No. P - 840
Address Gateway, Colorado
Type of Ore Carnotite Date received 12/13/50
Mining Claim La Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	14660	3.2	14190.88	0.39	3.22		55.34	456.95	

PRICED PER A.E.C. CIRCULAR NO. 5

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	55.34	2.00	7.10	15.60	110.68	
Development Allowance	55.34	.50	7.10	3.90	27.67	
Excess 4 lbs. per ton 3.80 (Premium)	26.98	.25	7.10	.95	6.75	
Total U_3O_8 Payment						145.10
V_2O_5 Payment	456.95	.31	7.10	19.95	141.65	
Total V_2O_5 Payment						141.65
Haulage Allowance 53 Miles @ .06 Wet Tons per wet ton mile 7.33 wet tons						23.31
Total U308, V205/Payment and haulage						310.06

Icertify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

The amount set opposite "Total U308, V205, Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

Voucher Number 12-306	Date 12/21/50
Check Number 9240	Date 12/21/50
Approved for Payment	

Seller or Agent

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado January 4, 1951
Liquidation No. 1538 Lot No. see detail sheet Shippers Lot No. 3 & 4
Bought of John C. Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 12/16/50 - 12/31/50
Mining Claim La Sal #2 Mining District Gateway Pile No. Bin

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	31980	5.6	30189.12	0.14	2.36		42.26	712.46	

PRICED PER A.E.C. CIRCULAR NO. 5

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	42.26	1.30	15.09	3.64	54.94	
Development Allowance	42.26	.50	15.09	1.40	21.13	
Total U_3O_8 Payment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	76.07
V_2O_5 Payment	712.46	.31	15.09	14.64	220.86	
Total V_2O_5 Payment						220.86
Haulage Allowance 100 Miles @ .06 Wet Tons per wet ton mile 15.99 Wet tons						95.94
Total U308, V205/Payment and Haulage						392.87

ELECTRO METALLURGICAL DIVISION-MINING DEPARTMENT

A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Uraman, Colorado Grand Junction, Colorado January 18, 1951

Liquidation No. 1566 Lot No. 25063 Shippers Lot No. 5

Bought of John C. Ukele A.E.C. License No. P-840

Address Gateway, Colorado

Type of Ore Carnotite Date received January 6, 1951

Mining Claim La Sal #2 Mining District Gateway Pile No. 6

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	15190	3.8	14612.78	0.10	1.54		14.61	225.04	

PRICED PER A.E.C. CIRCULAR NO. 5

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U308 Payment	14.61	.50	7.31	1.00	7.31	
Development Allowance	14.61	.50	7.31	1.00	7.31	
Total U308 Payment						14.62
V205 Payment	225.04	.31	7.31	9.54	69.76	
Total V205 Payment						69.76
Haulage Allowance 53 Miles 7.60 Wet Tons @ .06 per wet ton mile						
Total U308, V205 Payment and Haulage						108.55

ELECTRO METALLURGICAL DIVISION-MINING DEPARTMENT

UNION CARBIDE AND CARBON CORPORATION

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado, February 5, 1951.

Liquidation No. 1603 Lot No. see detail sheet Shippers Lot no. 6 & 7

Bought of John Ukele A.E.C. License No. PP-840

Address Gateway, Colorado

Type of Ore Carnotite Date Received Date 1/16/51 thru 1/31/51

Mining Claim La Salle #2 Mining District Gateway Pile No. Bin

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS			CONTENTS POUNDS		
				U_3O_8	V_2O_5	$CaCO_3$	U_3O_8	V_2O_5	$CaCO_3$
	31100	7.2	28860.80	0.68	3.20		196.25	923.55	

PRICED PER A.E.C. CIRCULAR NO. 5

	Pounds	Per Lb.	Dry Short Tons	Per Ton	Value	Total Value
U_3O_8 Payment	196.25	2.00	14.43	27.20	392.50	
Development Allowance	196.25	.50	14.43	6.80	98.13	
Excess 4 lbs. per ton 9.60 (Prem)	138.53	.25	14.43	2.40	34.63	
Excess 10 lbs. per ton 3.60 (Prem)	51.95	.25	14.43	.90	12.99	
Total U_3O_8 Payment						538.25
V_2O_5 Payment	923.55	.31	14.43	19.84	286.30	
Total V_2O_5 Payment						286.30
Haulage Allowance 131 Miles 15.55 Wet Tons @ .06 per wet ton mile						122.22
Total U_3O_8 V_2O_5 and Haulage Payment						946.77

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Uravan, Colorado Grand Junction, Colorado Feb. 22, 1951
Liquidation No. 1643 Lot No. 25966 Shippers Lot No. 8
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 2/14/51
Mining Claim La Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	16470	7.6	15218.28	0.39	2.48		59.35	377.41	

PRICED PER A.E.C. CIRCULAR NO. 5

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	59.35	2.00	7.61	15.60	118.70	
Development Allowance	59.35	.50	7.61	3.00	29.68	
Excess 4 lbs. per ton 3.80 (Premium)	28.92	.25	7.61	.95	7.23	
Total U_3O_8 Payment						155.61
V_2O_5 Payment	377.41	.31	7.61	15.37	117.00	
Total V_2O_5 Payment						117.00
Haulage Allowance 53 Miles 8.24 Wet Tons @ .06 per wet ton mile						26.20
Total U308, V205 Payment and Haulage						298.81

THE S. W. SHATTUCK CHEMICAL CO.

Manufacturers of Rare Mineral Salts

Denver 10, Colorado

Radium
Molybdenum
Uranium
Vanadium
Tungsten

OFFICE and WORKS
1805 South Bannock Street
Phone PEarl 7968

February 23, 1951

SETTLEMENT ON CARNOTITE ORE - LOT NO. 88-S

PURCHASED FROM: JOHN UKELE,
GATEWAY, COLORADO

LICENSE NO. P-840

2,090 Lbs. ore, as received (10.3% Moisture)
10.3%
215.27 Lbs. water

2,090
Less 215
1,875 Lbs. ore, Net Weight, dry
11.05% U_3O_8, dry basis
207.18 Lbs. U_3O_8
@ 5.50 per lb U_3O_8
$1,139.49
Less 227.90 20% Royalty to Gateway Mining & Development Co.
$ 911.59

$1,139.49
20% Royalty
$ 227.898

Amount of Check to John Ukele.

$227.90 Amount of Check to Gateway Mining & Development Co., P.O. Box 107, Gateway, Colorado

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado March 6, 1951
Liquidation No. 1674 Lot No. 12764 Shippers Lot No. 9
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 2/26/51
Mining Claim La Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	15040	6.9	14002.24	1.01	2.36		141.42	330.45	

PRICED PER A.E.C. CIRCULAR NO. 5

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	141.42	2.00	7.00	40.40	282.84	
Development Allowance	141.42	.50	7.00	10.10	70.71	
Excess 10 lbs. per ton 10.20 (Premium)	71.40	.25	7.00	2.55	17.85	
Excess 4 lbs. per the 16.20 (Premium)	113.40	.25	7.00	4.05	28.35	
Total U_3O_8 Payment						399.75
V_2O_5 Payment	330.45	.31	7.00	14.63	102.44	
Total V_2O_5 Payment						102.44
Haulage Allowance 131 Miles 7.52 Wet Tons @ .06 per wet ton mile						59.11
Total U308, V205/Payment and Haulage						561.30

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado March 19, 1951
Liquidation No. 1708 Lot No. 13092 Shippers Lot No. 10
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 3/13/51
Mining Claim La Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	14250	5.6	13452.00	1.26	6.57	169.50	883.80		

PRICED PER A.E.C. CIRCULAR NO. 5 (Revised)

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	169.50	3.50	6.73	88.15	593.25	
Development Allowance	169.50	.50	6.73	12.60	84.75	
Excess 4 lbs. per ton 21.20 (Prem)	142.68	.75	6.73	15.90	107.01	
Excess 10 lbs. per ton 15.70 (Prem)	102.30	.25	6.73	3.80	25.58	
Total U_3O_8 Payment						810.59
V_2O_5 Payment	883.80	.31	6.73	40.71	273.98	
Total V_2O_5 Payment						273.98
Haulage Allowance 131 Miles 7.13 Wet Tons @ .06 per wet ton mile						56.04
Total U308, V205 Payment and Haulage						1140.61

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado April 6 ,1951
Liquidation No. 1727 Lot No. see detail sheet Shippers Lot No. 11,12, & 13
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 3/16/51 - 3/31/51
Mining Claim Ca Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	46100	6.2	43241.80	0.95	3.81		410.80	1647.51	

PRICED PER A.E.C. CIRCULAR NO. 5 (Revised)

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	410.80	3.50	21.62	66.50	1437.80	
Development Allowance	410.80	.50	21.62	9.50	205.40	
Excess 4 lbs. per ton 15.00 (Premium)	324.30	.75	21.62	11.25	243.23	
Excess 10 lbs. per ton 9.00 (Premium)	194.58	.25	21.62	2.25	48.65	
Total U_3O_8 Payment						1935.08
V_2O_5 Payment	1647.51	.31	21.62	23.82	510.73	
Total V_2O_5 Payment						510.73
Haulage Allowance Miles Wet Tons per wet ton mile Purchased F.O.B. Mine						
Total U308, V205 Payment						2445.81

CLIMAX URANIUM COMPANY
Grand Junction, Colo.

Receiving Station Climax Uranium Company Grand Junction, Colorado. April 11, 1951
Liquidation No. 171 Lot No. _____ Shippers Lot No. _____
Bought of John C. Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date Received 3/16/51 - 3/31/51
Mining Claim La Salle #2 Mining District Gateway Pile No. _____

Lot No.	Net Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	15,770	5.3	14,932	8.06	21.11		1,203.52	3,152.15	

U_3O_8		Per lb.	Per Ton	Short Tons	Total Value
8.06% = 1,203.52 lbs. at		$ 4.25	$ 684.73	7.47	$ 5,114.96
Development allowance 1,203.52 lbs. at		.50	80.56	7.47	601.76
Premium in excess of 4# per ton					
Total lbs. U_3O_8	1,203.52				
Less: 7.47 tons @ 10#	29.88				
PREMIUM LBS.	1,173.64 at	.75	117.84	7.47	880.23
Premium in excess of 10# per ton					
Total lbs. U_3O_8	1,203.52				
Less: 7.47 tons @ 10#	74.70				
PREMIUM LBS.	1,128.32 at	.25	37.78	7.47	282.21
Total U_3O_8 payment					$ 6,879.16
V_2O_5					
21.11% = 3,152.13 lbs. at		.31	130.81	7.47	977.16
Total Gross Price					$ 7,856.32
Deductions: Royalty - Gateway Mining and Development Co. 20% of $7,856.32					1,571.26
Net Proceeds					$ 6,285.06

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to Climax Uranium Company.

I hereby transfer to Climax Uranium Company, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, for sums due to me on account of the ore deliveries described herein.

_____
Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado April 23, 1951
Liquidation No. 1775 Lot No. see detail sheet Shippers Lot No. 16 thru 23
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 4/1/51 thru 4/15/51
Mining Claim La Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	124820	6.4	116831.52	0.89	2.63		1039.80	3072.67	

	PRICED PER A.E.C. CIRCULAR NO. 5 (Revised) POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	1039.80	3.50	58.42	62.30	3639.30	
Development Allowance	1039.80	.50	58.42	8.90	519.90	
Excess 4 lbs. per ton 13.80 (Premium)	806.20	.75	58.42	10.35	604.65	
Excess 10 lbs. per ton 7.80 (Premium)	455.68	.25	58.42	1.95	113.92	
Total U_3O_8 Payment						4877.77
V_2O_5 Payment	3072.67	.31	58.42	16.30	952.53	
Total V_2O_5 Payment						952.53
Haulage Allowance Miles Wet Tons per wet ton mile Purchased F.O.B. Mine						
Total U308, V205 Payment						5830.30

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado May 5, 1951
Liquidation No. 1802 Lot No. see detail sheet Shippers Lot No. 24,25,& 26
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 4/16/51 - 14/30/51
Mining Claim La Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	60280	6.0	56663.20	0.37	1.91		209.65	1082.27	

PRICED PER A.E.C. CIRCULAR NO. 5 Revised

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	209.65	3.50	28.33	25.90	733.78	
Development Allowance	209.65	.50	28.33	3.70	104.83	
Excess 4lbs. per ton 3.40 (Prem)	96.32	.75	28.33	2.55	72.24	
Total U_3O_8 Payment						910.85
V_2O_5 Payment	1082.27	.31	28.33	11.84	335.50	
Total V_2O_5 Payment						335.50
Haulage Allowance Miles Wet Tons per wet ton mile Purchased F.O.B. Mine						
Total U308, V205 Payment						1246.35

CLIMAX URANIUM COMPANY

Grand Junction, Colo.

Receiving Station Climax Uranium Company Grand Junction, Colorado May 9, 19 51

Liquidation No. 189 Lot No. Shippers Lot No.

Bought of John C. Ukele A.E.C. License No. P-840

Address Gateway, Colorado

Type of Ore Carnotite Date Received 4/19/51

Mining Claim La Salle #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$		CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$	
	18,370	7.3	17,029	0.56	1.97			95.36	335.47		

U_3O_8	Per lb.	Per Ton	Short Tons	Total Value
0.56% = 95.36 lbs. at	$ 3.50	$ 39.22	8.51	$333.76
Development Allowance 95.36 lbs. at	.50	5.60	8.51	47.68
Premium in excess of 4# per ton Total lbs. U_3O_8 95.36 Less: 8.51 tons @ 4# 34.04 PREMIUM LBS. 61.32 at	.75	5.40	8.51	45.99
Premium in excess of 10# per ton Total lbs. U_3O_8 95.36 Less: 8.51 tons @ 10# 85.10 PREMIUM LBS. 10.26 at	.25	.30	8.51	2.57
Total U_3O_8 payment				$430.00
V_2O_5				
1.97% = 335.47 lbs. at	.31	12.22	8.51	104.00
Total Gross Price				$534.00
Deductions:				
Royalty - Gateway Mining and Development Company 20% of $486.32		97.26		
- Development Allowance		47.68		144.94
Net Proceeds				$389.06

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to Climax Uranium Company.

I hereby transfer to Climax Uranium Company, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, for sum due to me on account of the ore deliveries described therein.

Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment. All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado May 22, 1951
Liquidation No. 1862 Lot No. see detail sheet Shippers Lot No. 28 & 29
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 5/1/51 - 5/15/51
Mining Claim La Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	38310	4.7	36509.43	0.62	2.43		226.36	887.18	

PRICED PER A.E.C. CIRCULAR NO. 5 (Revised)

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	226.36	3.50	18.25	43.41	792.26	
Development Allowance	226.36	.50	18.25	6.20	113.18	
Excess 4 lbs. per ton 8.40 (Premium)	153.30	.75	18.25	6.30	114.98	
Excess 10 lbs. per ton 2.40 (Premium)	43.80	.25	18.25	.60	10.95	
Total U_3O_8 Payment						1031.37
V_2O_5 Payment	887.18	.31	18.25	15.07	275.03	
Total V_2O_5 Payment						275.03
Haulage Allowance						
Miles Wet Tons						
per wet ton mile Purchased						
F.O.B. Mine						
Total U308, V205 Payment						1306.40

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado May 22, 1951
Liquidation No. 1864 Lot No. see detail sheet Shippers Lot No. 1 & 2
Bought of Gateway Mining & Development Company A.E.C. License No. P 878
Address Gateway, Colorado
Type of Ore Carnotite Date received 4/15/51 - 5/15/51
Mining Claim Gilmore Lode Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	39610	3.7	38144.43	0.17	1.28		64.85	488.25	

PRICED PER A.E.C. CIRCULAR NO. 5 (Revised)

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	64.85	2.90	19.07	9186	188.07	
Development Allowance	64.85	.50	17.07	1.70	32.43	
Total U_3O_8 Payment						220.50
V_2O_5 Payment	488.25	.31	19.07	7.94	151.36	
Total V_2O_5 Payment						151.36
Haulage Allowance Miles Wet Tons per wet ton mile Purchased F.O.B. Mine						
Total U308, V205 Payment						371.86

Icertify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

The amount set opposite "Total U308, V205, Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

Voucher Number 5-385	Date 5-22-51
Check Number 11874	Date 5-23-51
Approved for Payment	

Seller or Agent

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado June 6, 1951
Liquidation No. 1904 Lot No. Shippers Lot No. 30431
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 5/16/51 - 5/31/51
Mining Claim La Sall #2 Mining District Gateway Pile No. Bin & 5

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	20040	3.7	19298.52	0.84	3.74		162.11	721.76	

PRICED PER A.E.C. CIRCULAR NO. 5 Revised

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	162.11	3.50	9.65	58.90	567.39	
Development Allowance	162.11	.50	9.65	8.40	81.06	
Excess 4 lbs. per ton 12.80 (Premium)	133.52	.75	9.65	9.60	92.64	
Excess 10 lbs. per ton 6.80 (Premium)	65.62	.25	9.65	1.70	16.41	
Total U_3O_8 Payment						157.50
V_2O_5 Payment	721.76	.31	9.65	23.19	223.75	
Total V_2O_5 Payment						223.75
Haulage Allowance Miles Wet Tons per wet ton mile Purchased F.O.B. Mine						
Total U308, V205 Payment						981.25

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado June 6, 1951
Liquidation No. 1903 Lot No. see detail sheet Shippers Lot No. 3 - 7
Bought of Gateway Mining & Development Co. A.E.C. License No. P - 878
Address Gateway, Colorado
Type of Ore Carnotite Date received 5-16-51 - 5-31-51
Mining Claim Gilmore Lode Mining District Gateway Pile No. Bin

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	98430	4.4	94099.08	0.33	1.49		310.53	1402.08	

	PRICED PER A.E.C. CIRCULAR NO. 5 (Revised) POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	310.53	3.50	47.05	23.10	1086.86	
Development Allowance	310.53	.50	47.05	3.30	155.27	
Excess 4 lbs. per ton 2.60 (Pr6)	122.33	.75	47.05	1.95	91.75	
Total U_3O_8 Payment						1333.88
V_2O_5 Payment	1402.08	.81	47.05	9.24	434.64	
Total V_2O_5 Payment						434.64
Haulage Allowance Miles Wet Tons per wet ton mile purchased F.O.B. Mine						
Total U308, V205 Payment						1768.52

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

The amount set opposite "Total U308, V205, Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

Voucher Number 6-149	Date 6-6-51
Check Number 9473	Date 6-7-51
Approved for Payment	

Seller or Agent

CLIMAX URANIUM COMPANY

GRAND JUNCTION, COLO.

Receiving Station Climax Uranium Company Grand Junction, Colorado, June 26, 19 51
Liquidation No. 207 Lot No. Shippers Lot No.
Bought of Gateway Mining & Develop.Co. A.E.C. License No. P-878
Address Gateway, Colorado
Type of Ore Carnotite Date Received 6/1/51 - 6/15/51
Mining Claim La Salle #2 Mining District Gateway File No.

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	C_aCO_3	CONTENTS POUNDS U_3O_8	V_2O_5	C_aCO_3
	80,460	5.7	75,913	0.23	1.34		174.60	1,017.23	

U_3O_8		Per Lb.	Per Ton	Short Tons	Total Value
0.23% = 174.60 lbs. at		$3.50	$ 16.10	37.96	$ 611.10
Development allowance 174.60 lbs. at		.50	2.30	37.96	87.30
Premium in excess of 4# per ton					
Total lbs. U_3O_8	174.60				
Less: 37.96 tons @ 4#	151.84				
PREMIUM LBS.	22.76 at	.75	.45	37.96	17.07
Total U_3O_8 payment					$ 715.47
V_2O_5					
1.34% = 1,017.23 lbs. at		.31	8.31	37.96	315.34
Total Gross Price					$ 1,030.81
Deductions:					
Royalty - Corvusite Mining and Exploration Company 10% of $943.51					94.35
Net Proceeds					$ 936.46

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to Climax Uranium Company.

I hereby transfer to Climax Uranium Company, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, for sums due to me on account of the ore deliveries described herein.

Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado June 27, 1951
Liquidation No. 1992 Lot No. See detail sheet Shippers Lot No. 8-17
Bought of Gateway Mining & Development Co. A.E.C. License No. P - 878
Address Gateway, Colorado
Type of Ore Carnotite Date received 6/1/51 - 6/15/51
Mining Claim Gilmore Lode Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	206450	4.6	196901.77	0.25	1.50		498.77	2952.80	

PRICED PER A.E.C. CIRCULAR NO. 5 (Revised)

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	498.77	3.50	98.45	17.73	1745.70	
Development Allowance	498.77	.50	98.45	2.53	249.39	
Excess 4 lbs. per ton Premium	104.97	.75	98.45	.80	78.73	
Total U_3O_8 Payment						2073.82
V_2O_5 Payment	2952.80	.31	98.45	9.30	915.37	
Total V_2O_5 Payment						915.37
Haulage Allowance Miles per wet ton mile Wet Tons Purchased F.O.B. Mine						
Total U308, V205 Payment						2989.19

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

The amount set opposite "Total U308, V205, Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

Voucher Number 6-478	Date 6-27-51
Check Number 9814	Date 6-27-51
Approved for Payment	

Seller or Agent

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado July 5, 1951
Liquidation No. 2027 Lot No. 15277 Shippers Lot No. 32
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 6/23/51
Mining Claim La Sal #2 Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	16670	3.6	16069.88	0.86	1.09		138.20	175.16	

PRICED PER A.E.C. CIRCULAR NO. 5 (Revised)

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	138.20	3.50	8.03	60.24	483.70	
Development	138.20	.50	8.03	8.61	69.10	
Excess 4 lbs. per ton prem.	106.08	.75	8.03	9.91	79.56	
Excess 10 lbs. per ton prem.	57.90	.25	8.03	1.80	14.48	
Total U_3O_8 Payment						646.84
V_2O_5 Payment	175.16	.31	8.03	6.76	54.30	
Total V_2O_5 Payment						54.30
Haulage Allowance Miles Wet Tons per wet ton mile Purchased F.O.B. Mine						
Total U308, V205 Payment						701.14

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado July 6, 19 51
Liquidation No. 2644 Lot No. see detail sheet Shippers Lot No. 1 & 2
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 6/16/51 - 6/30/51
Mining Claim Gilmore Lode Mining District Gateway Pile No. Bin

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
				Approximate average					
	32820	4.3	31408.74	0.32	1.40		101.89	439.84	

	PRICED PER A.E.C. CIRCULAR NO. 5 Revised					
	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	101.89	3.50	15.70	22.71	356.62	
Development Allowance	101.89	.50	15.70	3.25	550.95	
Excess 4lbs. per ton (Prem)	31.09	.75	15.70	1.87	29.32	
Total U_3O_8 Payment						436.89
V_2O_5 Payment	439.84	.31	15.70	8.68	136.35	
Total V_2O_5 Payment						136.35
Haulage Allowance						
Miles Wet Tons						
per wet ton mile Purchased						
F.O.B. Mine						
Total U308, V205 Payment						573.24

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado July 25, 1951
Liquidation No. 2090 Lot No. Shippers Lot No. 3 thru 5
Bought of John Ukele A.E.C. License No. P-8402
Address Gateway, Colorado
Type of Ore Carnotite Date received 7/1/51 thru 7/15/51
Mining Claim Gilmore Lode Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	62520	4.9	59464.86	0.37	1.40		220.54	831.42	

	PRICED PER A.E.C. CIRCULAR NO. 5 Revised					
	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	220.54	3.50	29.73	25.96	771.89	
Development Allowance	220.54	.50	29.73	3.71	110.27	
Excess 4 lbs. per ton prem.	101.62	.75	29.73	2.56	76.22	
Total U_3O_8 Payment						958.382
V_2O_5 Payment	831.42	.31	29.73	8.67	257.74	
Total V_2O_5 Payment						257.74
Haulage Allowance						
Miles Wet Tons						
per wet ton mile Purchased						
F.O.B. Mine						
Total U308, V205 Payment						1216.12

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado August 2, 1951
Liquidation No. 2113 Lot No. see sheet Shippers Lot No. 18 - 29
Bought of Gateway Mining and Development Company A.E.C. License No. P-878
Address Gateway, Colorado
Type of Ore Carnotite Date received 6/1/51 - 7/31/51
Mining Claim La Sal #2 Mining District Gateway Pile No. Bin

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	235740	3.6	227241.22	Approx. 0.15	Average 1.37		351.74	3120.71	

PRICED PER A.E.C. CIRCULAR NO. 5 Revised

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	351.74	2.50	113.62	7.74	879.35	
Development Allowance	351.74	.50	113.62	1.55	175.87	
Total U_3O_8 Payment						1055.22
V_2O_5 Payment	3120.71	.31	113.62	8.51	967.42	
Total V_2O_5 Payment						967.42
Haulage Allowance Miles Wet Tons per wet ton mile Purchased F.O.D. Mine						
Total U308, V205 Payment						2022.64

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

The amount set opposite "Total U308, V205, Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

Voucher Number 8-24	Date 8-2-51
Check Number 12367	Date 8-2-51
Approved for Payment	

Seller or Agent

UNITED-STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado August 6, 1951
Liquidation No. 2135 Lot No. Shippers Lot No. 7
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Carnotite Date received 7/28/51
Mining Claim Gilmore Lode Mining District Gateway Pile No. Bin

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
	17210	4.0	16521.60	0.69	2.07		114.00	324.00	

PRICED PER A.E.C. CIRCULAR NO. 5 Revised

	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	114.00	3.50	8.26	48.30	399.00	
Development Allowance	114.00	.50	8.26	6.90	57.00	
Excess 4 lbs. per ton prem.	80.96	.75	8.26	7.35	60.72	
Excess 10 lbs. per ton prem.	31.40	.25	8.26	.95	7.85	
Total U_3O_8 Payment						524.57
V_2O_5 Payment	342.00	.31	8.26	12.83	106.02	
Total V_2O_5 Payment						106.02
Haulage Allowance						
Miles Wet Tons						
per wet ton mile Purchased						
F.O.B. Mine						
Total U308, V205 Payment						630.59

UNITED-STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado August 24, 1951
Liquidation No. 2225 Lot No. Shippers Lot No. 8 thru 13
Bought of John Ukele A.E.C. License No. P-840
Address Gateway, Colorado
Type of Ore Garnotite Date received 8/1/51 thru 8/15/51
Mining Claim Gilmore Lode Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
				Approximate Average					
	102110	3.77	98326.84	0.32	1.10		313.43	1077.29	

	PRICED PER A.E.C. CIRCULAR NO. 5 Revised					
	POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	313.43	3.50	49.16	22.32	1097.01	
Development Allowance	313.43	.50	49.16	3.19	156.72	
Excess 4 lbs. per ton prem.	116.79	.75	49.16	1.78	87.59	
Total U_3O_8 Payment						1341.32
V_2O_5 Payment	1077.29	.31	49.16	6.79	333.96	
Total V_2O_5 Payment						333.96
Haulage Allowance						
Miles Wet Tons						
per wet ton mile Purchased						
F.O.B. mine						
Total U308, V205 Payment						1675.28

UNITED STATES VANADIUM COMPANY
A Division of Union Carbide and Carbon Corporation

ORE SETTLEMENT

Receiving Station Rifle, Colorado Grand Junction, Colorado Sept. 13, 1951
Liquidation No. 2299 Lot No. See Detail Sheet Shippers Lot No.
Bought of Gateway Mining and Development Company A.E.C. License No. P-878
Address Gateway, Colorado
Type of Ore Carnotite Date received 6/16/51 - 9/15/51
Mining Claim Gilmore Lode Mining District Gateway Pile No.

Lot No.	Net Weight Pounds	% H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
				Approx. averages					
	111460	4.5	106488.15	0.20	1.18		216.02	1261.18	

	PRICED PER A.E.C. CIRCULAR NO. POUNDS	PER LB.	DRY SHORT TONS	PER TON	VALUE	TOTAL VALUE
U_3O_8 Payment	216.02	3.50	53.24	14.20	756.07	
Development Allowance	216.02	.50	53.24	2.03	108.01	
Excess 4 lbs. per ton Premium	3.06	.75	53.24	.04	2.30	
Total U_2O_5 Payment						866.38
~~Total~~ V_2O_5 Payment	1261.18	.31	53.24	7.34	390.97	
Total V_2O_5 Payment						390.97
Haulage Allowance Miles Wet Tons per wet ton mile Purchased V.O.A. Mine						
Total U308, V205 Payment						1257.35

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the United States Vanadium Company, a Division of Union Carbide and Carbon Corporation, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

The amount set opposite "Total U308, V205, Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

Voucher Number	Date
Check Number 13065	Date 9-14-51
Approved for Payment J. W. Hill	

Seller or Agent

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 3 8 59 AM '51

JOHN P. THORNTON
ATTORNEY AT LAW
11½ S. BARSTOW STREET
"OVER SAMUELSON'S"
EAU CLAIRE, WISCONSIN
TELEPHONE 3547

OFFICIAL FILE COPY

To	Init.	Date
330	hl	10-5-51

October 1, 1951

Mr. W. C. Schmder
Acting Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Re: Uranium - Gateway Mining
and Development Company

Dear Mr. Schmder:

This past week end Gateway Mining and Development Company mailed four completed forms of applications to the attention of yourself as per your letter of September 13, 1951; however, this package was erronously addressed to a W. C. Schroeder. At the time I did not have your letter and it was not available so, therefore, I guessed at yourname. No doubt you will come across this package containing the application addressed to Defense Minerals and this was meant for your attention. Will you kindly check into this matter and acknowledge the same.

This is to advise that it was impossible to enclose in the application the settlement sheets so far received by this company for the reason that they are presently being used in order to obtain a bonus payment for uranium production; as soon as our accountant in Colorado has finished with them, he is to send them back to our office and I shall imediately forward them to you for your consideration together with the other data.

Thanking you for this courtesy, I am,

Respectfully yours,

John P. Thornton

JPT/ls

Mr. John P. Thornton, Attorney
Gateway Mining & Development Company
11½ S. Barstow Street
Eau Claire, Wisconsin

Subject: DMA-2128
Re: Exploration Loan
Wash Claims 1-10

My dear Mr. Thornton:

This will acknowledge receipt of your application dated September 29, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA-2128 and referred to the Minor and Rare Metals Branch.

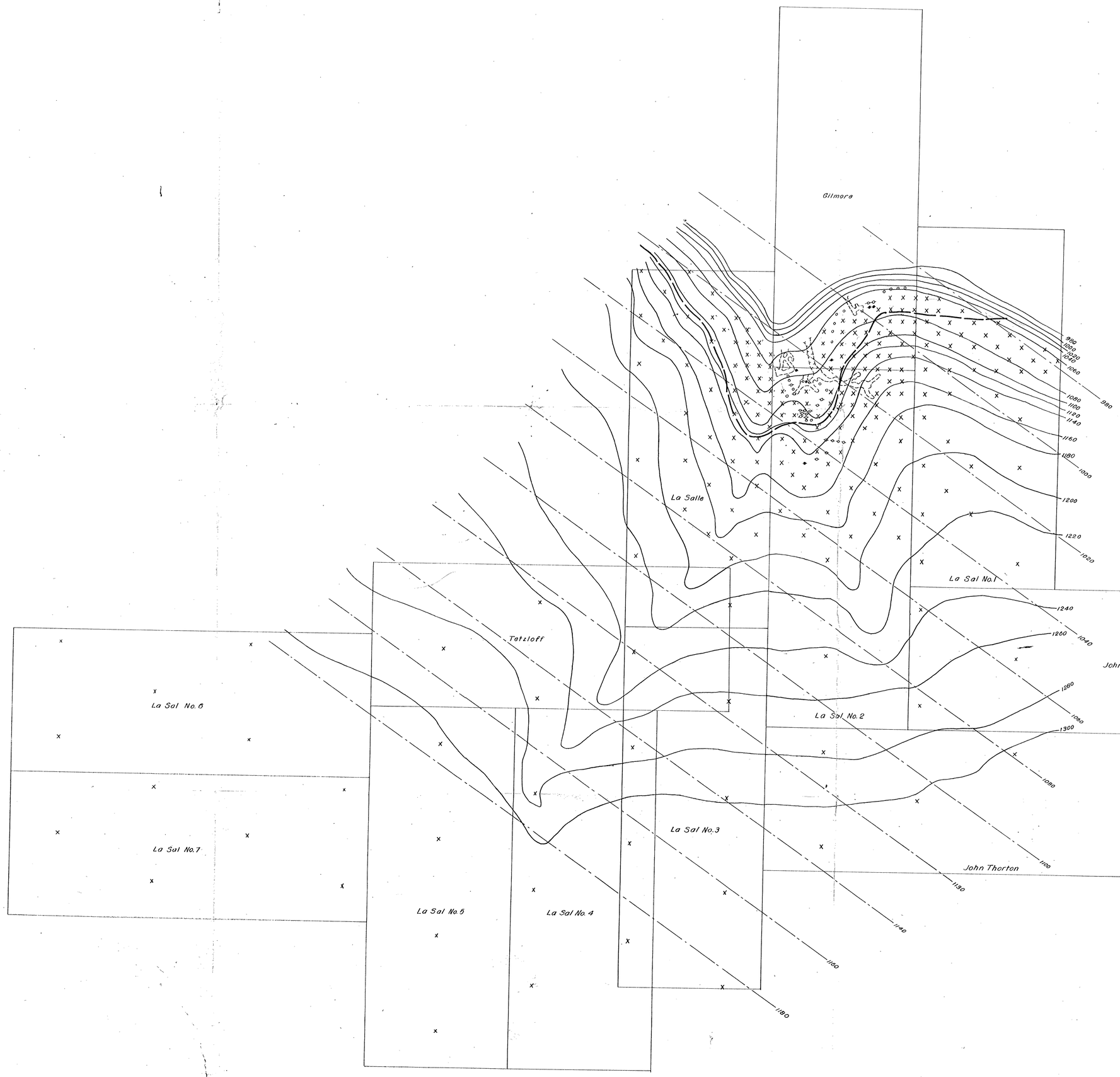
Kindly refer to DMA-2128 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

2463



N

EXPLANATION

Mine workings

Barren holes
Mineralized hole
Ore hole
} Previous drillings

Proposed hole

Structure contours at maximum base of "ore rim"

Approximate limit of wagon drilling

Map copied from John I. Schumacher. Proposed holes and structure contouring by C.S. Robinson

SCALE
100 50 0 200 400 FT

Exhibit "B"

Department of Interior
U.S. GEOLOGICAL SURVEY

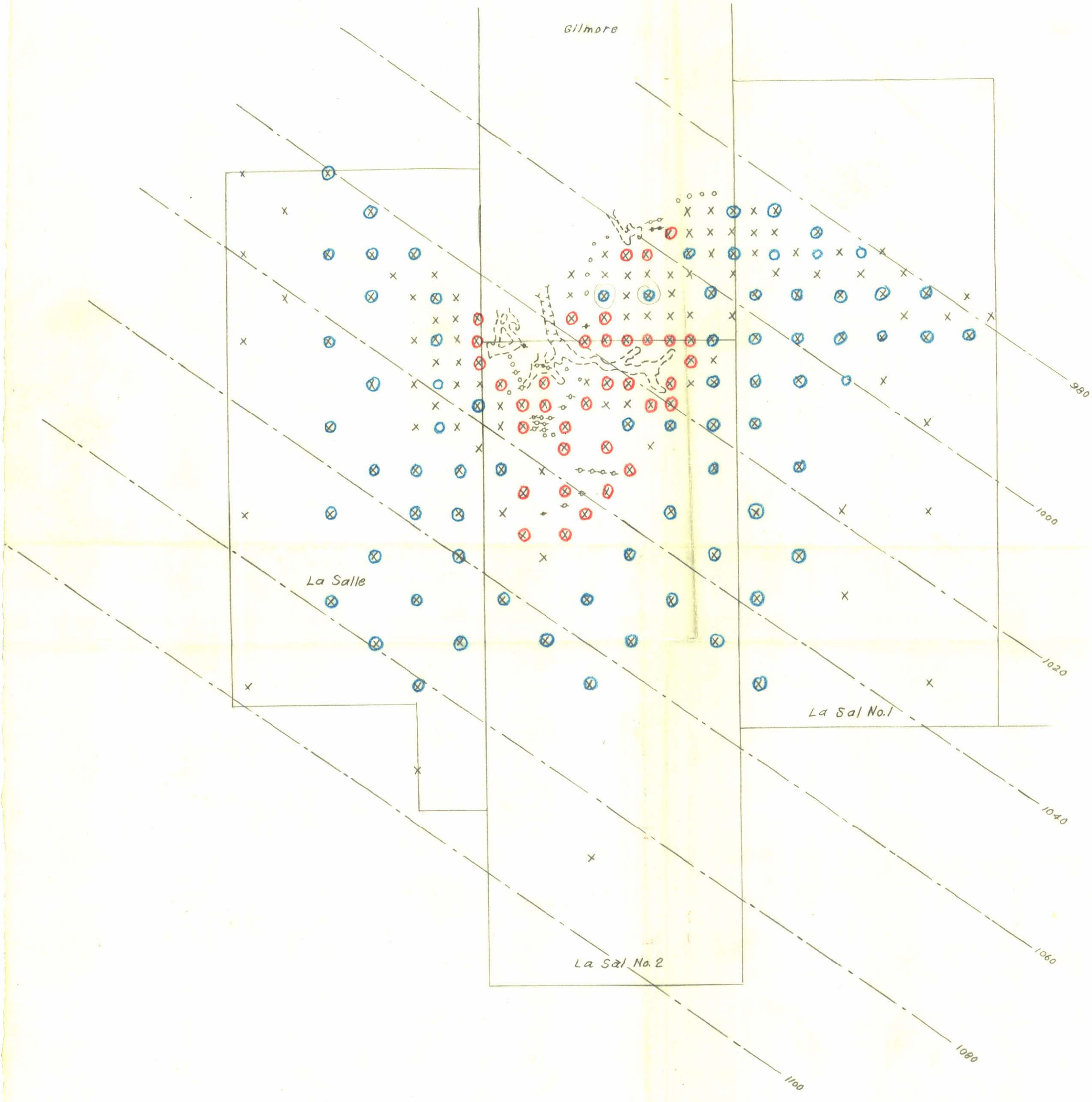
Gateway Mining and Development Co.
Mesa County, Colorado

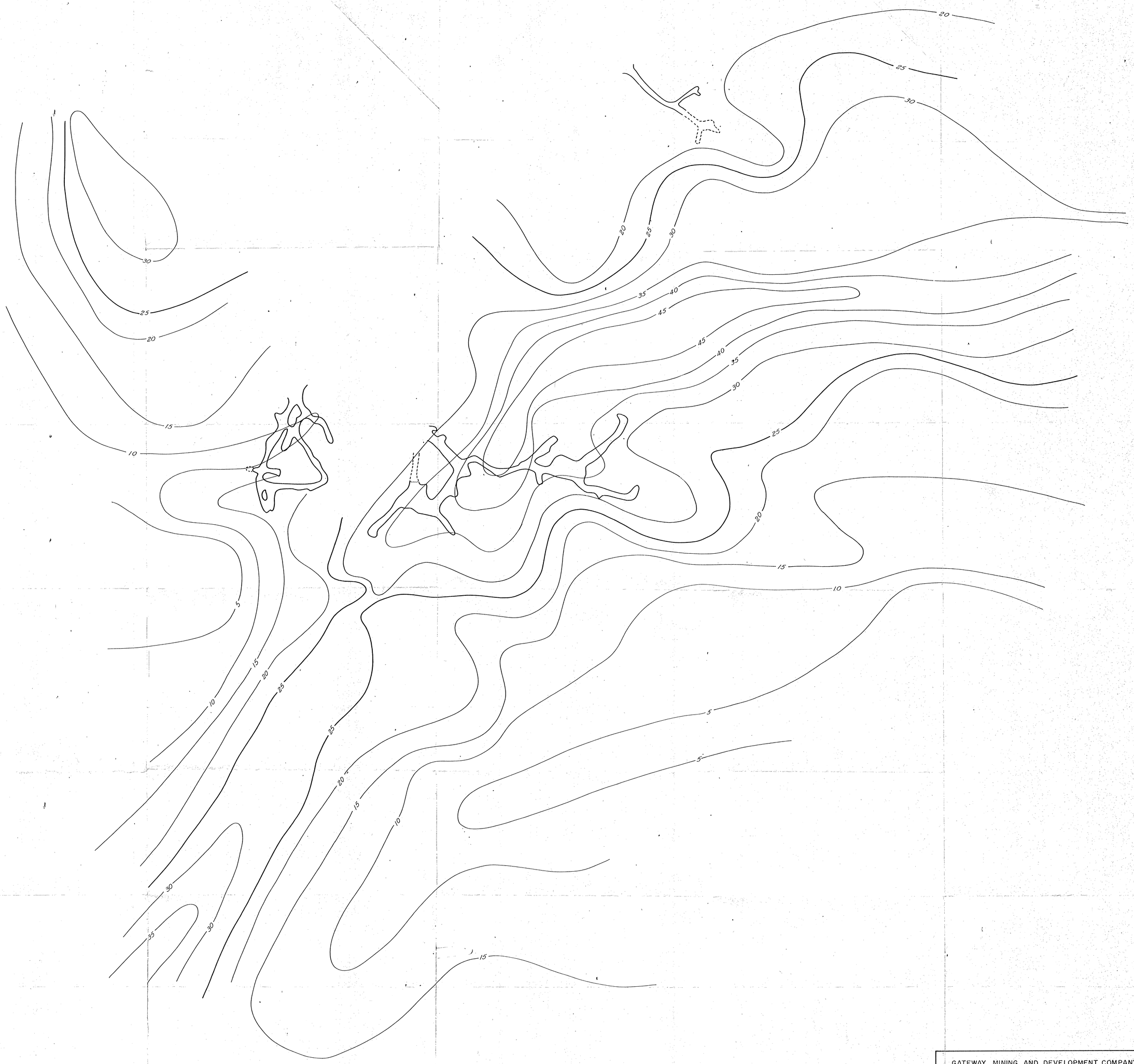
DMEA Docket 2128
(Revised)

Plan of Proposed Drilling

Fig. 2

DMEA Docket 2128 8/6/52
Proposed reversion





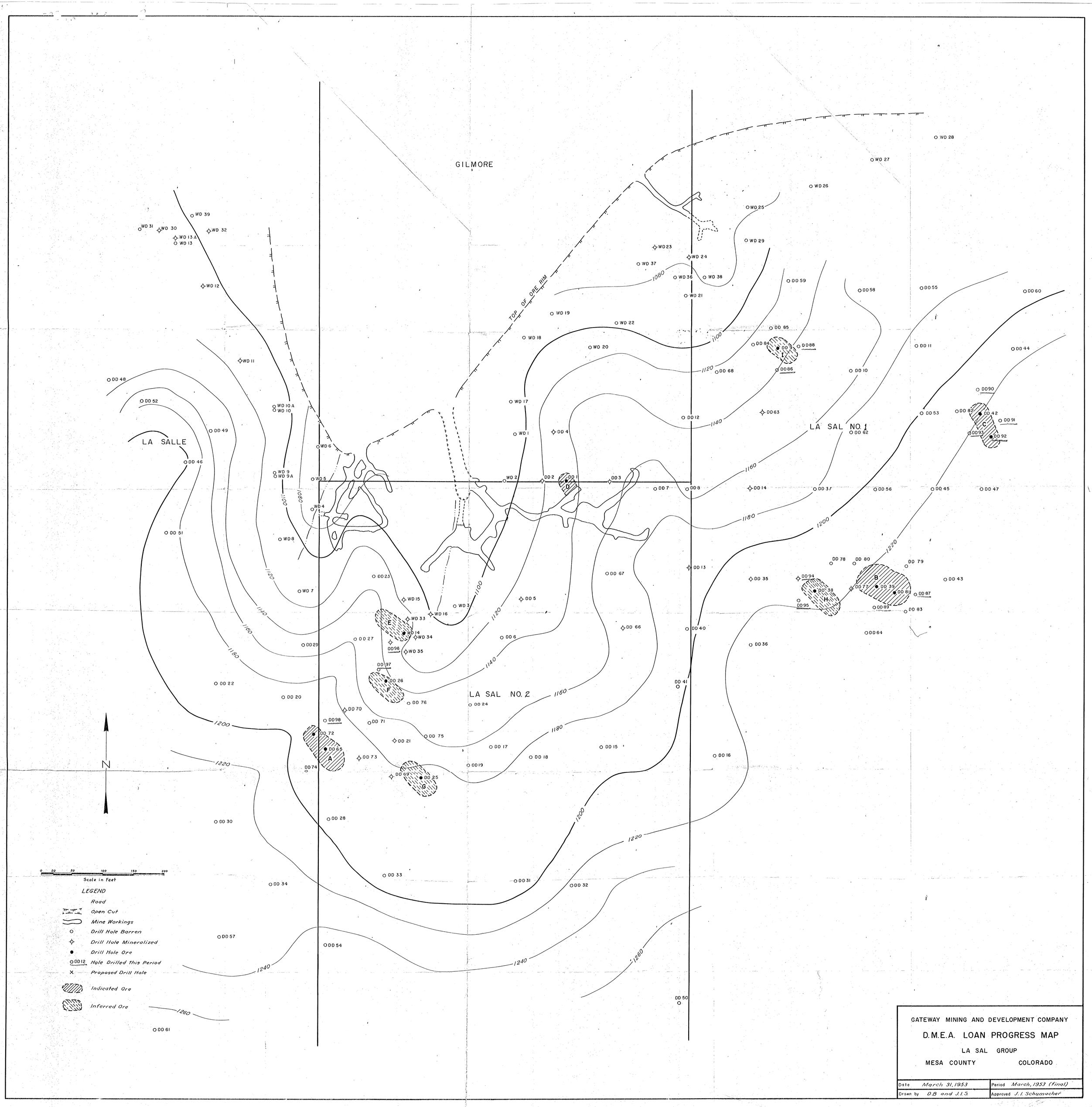
GATEWAY MINING AND DEVELOPMENT COMPANY

SANDSTONE THICKNESS CONTOUR MAP

LA SAL GROUP

MESA COUNTY COLORADO

Date	Period
Drawn by	Approved


GILMORE
LA SALLE
LA SAL NO. 1
LA SAL NO. 2
TOP OF ORE RIM
N
Scale in Feet
LEGEND
Road
Open Cut
Mine Workings
Drill Hole Barren
Drill Hole Mineralized
Drill Hole Ore
Hole Drilled this Period
Proposed Drill Hole
Indicated Ore
Inferred Ore
GATEWAY MINING AND DEVELOPMENT COMPANY
D.M.E.A. LOAN PROGRESS MAP
LA SAL GROUP
MESA COUNTY COLORADO
Date March 31, 1953
Period March, 1953 (Final)
Drawn by D.B and J.I.S
Approved J. I. Schumacher

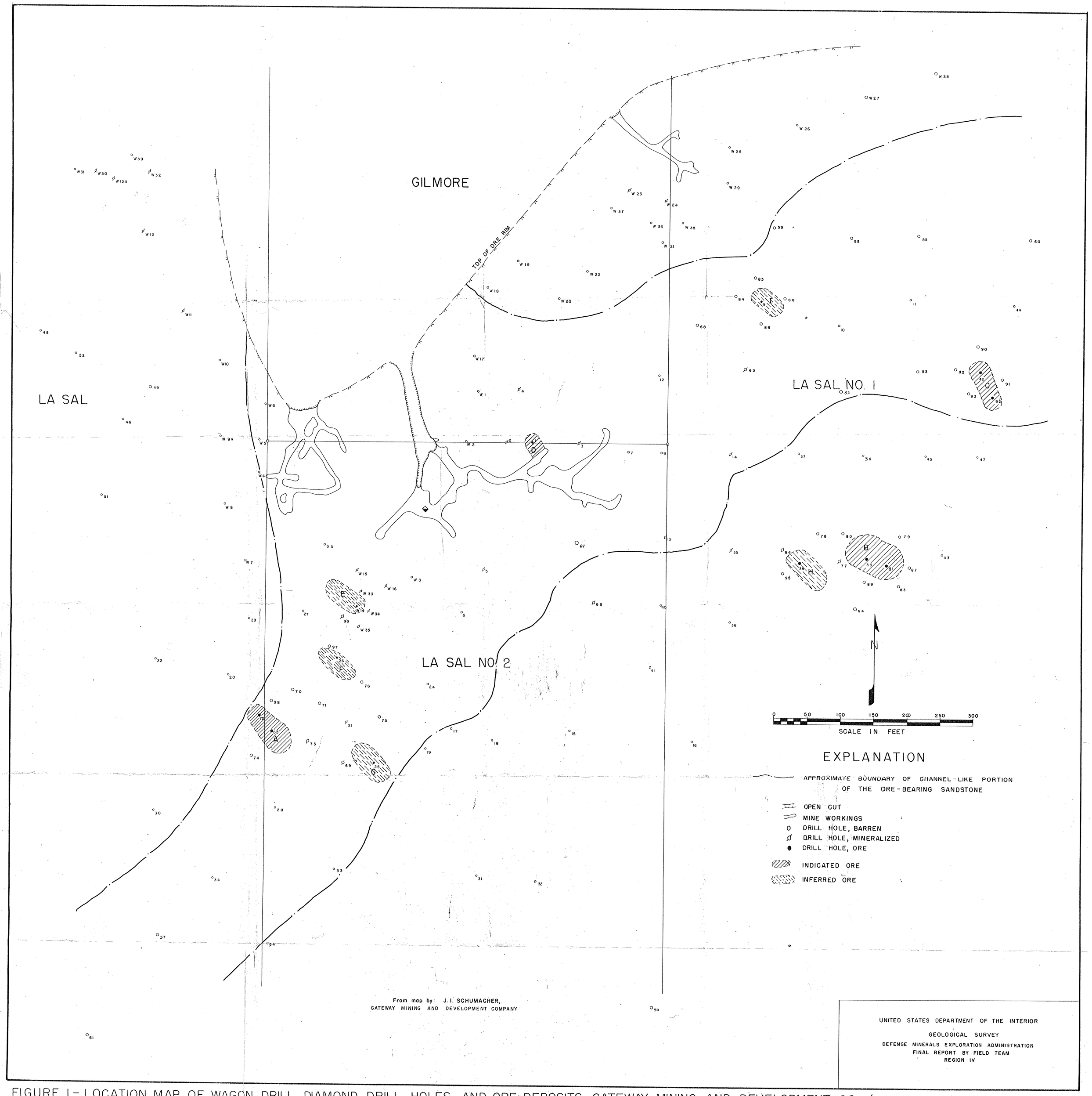


FIGURE 1 - LOCATION MAP OF WAGON DRILL, DIAMOND DRILL HOLES, AND ORE DEPOSITS, GATEWAY MINING AND DEVELOPMENT CO. (DMEA 2128, CONTRACT E 408)

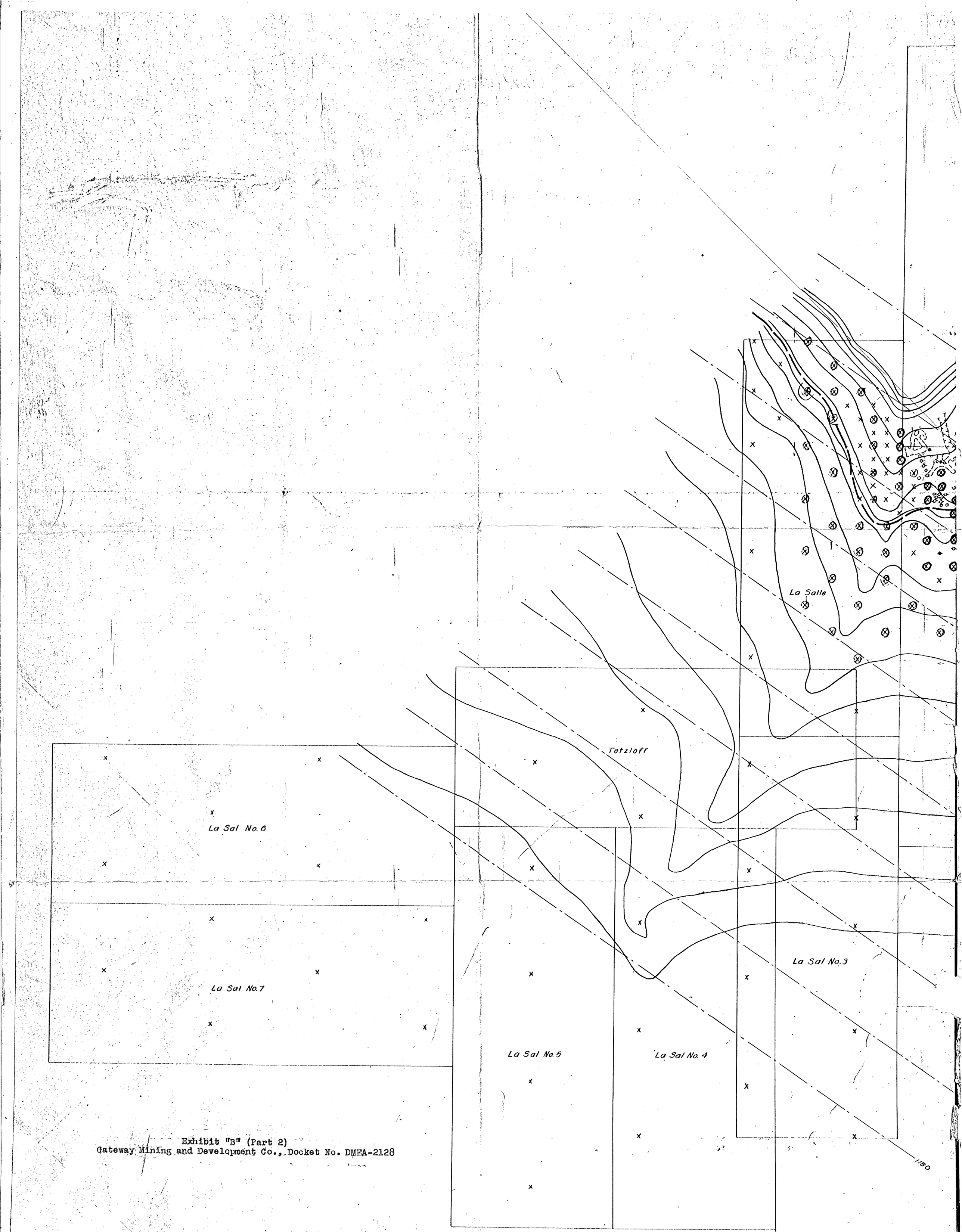
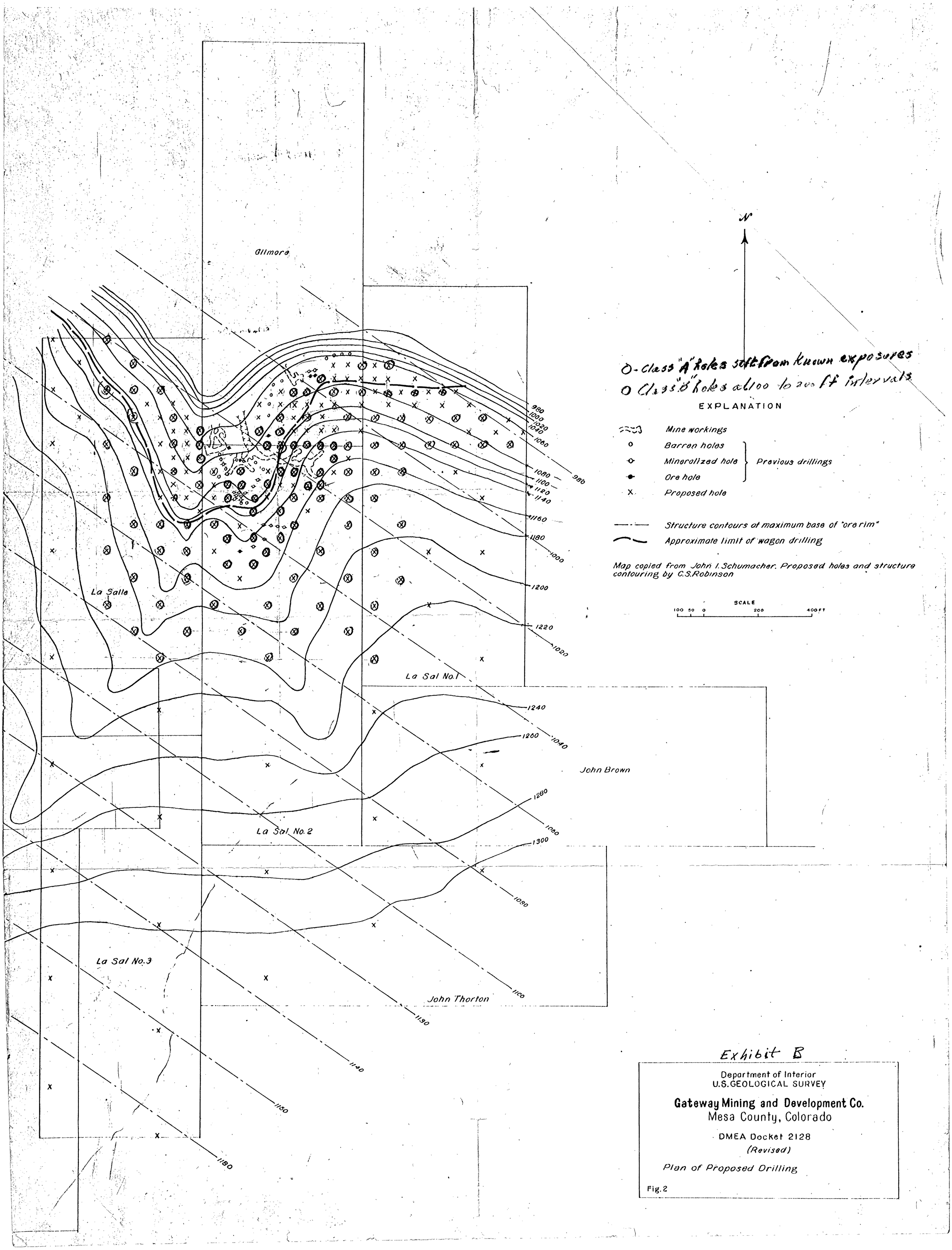


Exhibit "B" (Part 2)
Gateway Mining and Development Co., Docket No. DMEA-2128


N
O-Class "A" holes 50ft from known exposures
O Class "B" holes at 100 to 200 ft intervals
EXPLANATION
Mine workings
Barren holes
Mineralized hole
Ore hole
Previous drillings
Proposed hole
Structure contours at maximum base of "ore rim"
Approximate limit of wagon drilling
Map copied from John I. Schumacher. Proposed holes and structure contouring by C.S.Robinson
SCALE
100 50 0 200 400 FT
Gilmore
La Salle
La Sal No.1
La Sal No.2
La Sal No.3
John Brown
John Thorton
980
1000
1020
1040
1060
1080
1100
1120
1140
1160
1180
1200
1220
1240
1260
1280
1300
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