DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE — Idm-E NO. 2888 — DMEA NO. 595

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- [ ] Withdrawn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

- [ ] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] 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
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports

- [x] Analysis of Semi-Annual Inspection Reports & FT Semi-annual reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

Folders No. _____ : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

Docket copy

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

To: Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

Pursuant to the provisions of Exploration Project Contract No. Idm-E595, dated September 2, 1953, (Docket No. DMEA-2888), 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:

Exploratory drifting and crosscutting on the property described in Article 2 of the contract exposed significant deposits of good grade uranium ore in veins and shear zones.

Dated: DEC 5 - 1955

Ching
Ellis
Hoffman
Appd. Sol. Off.
Brown
Crandall
Selfridge
Johnson

MChing/gla
11-23-55
cc to: Operator
Paul R. White)
Anna Lee White) owners
Contract Adm. & Audit Division
Field Team (2)
Finance Office
Rare and Misc. Metals Division
Docket
Admr.'s Reading File
Operating Committee
Robert W. Geehan, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
F. E. Johnson
Mr. Ching

THE UNITED STATES OF AMERICA

By C. M. Mitchell
Administrator, Defense Minerals
Exploration Administration

NATIONAL NUCLEAR ENERGY COMMISSION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SUMMARY OF REVIEW

I have reviewed the Monthly Reports of:

Fred Schmertzwalder
307 Ford Street
Golden, Colorado.

pertaining to Exploration Project Contract No. [illegible], Docket No. [illegible], including Amendment No. 1, for the period of Sept. 23, 1953, to Dec. 31, 1954, inclusive, and Termination Agreement dated June 23, 1955, covering a project for the exploration of Uranium on property known as Ralston Creek Mine, located in Jefferson County, Colorado, approximately seven miles northwest of Golden.

My review included an examination of the Monthly Reports (Form NF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, conferences with the Executive Officer and the Operator, 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:

> All of the costs incurred were under a contract provision 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		$17,498.75
Exceptions		
By NUEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$17,498.75

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Fifteen thousand, seven hundred five and 67/100ths Dollars

** $15,705.67 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Donald T. Finch

November 9, 1955. Donald T. Finch, Auditor.

224 New Customhouse
Denver 2, Colorado

November 9, 1955

Memorandum

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

From: Donald T. Finch, Auditor

Subject: DMEA Royalties Paid By Fred Schwartzwalder, 287 Boyd Street, Golden, Colo. Docket No. DMEA-2388 (Uranium) Exploration Contract Idm-E595

Pursuant to your request, I have reviewed the copies of settlement sheets for sales of uranium ores during the period December 4, 1953 through July 6, 1955 by Fred Schwartzwalder to Colorado Plateau Uranium Ore project operated by American Smelting and Refining Company as agent for the United States Atomic Energy Commission. These sales consisted of 21,051.91 lbs. of U_3O_8 with a value including all premiums, allowances and bonuses of $133,022.76.

I have also confirmed the receipts of DMEA royalty payments and lump-sum final payment, as reflected on the records of the Finance Officer, DMEA

DMEA Exploration Contract Idm-E595 authorized a total exploration cost of $23,000.00 with Government participation at 90%, or $20,700.00

As shown by a Report of Review dated November 9, 1955, the total accepted cost of this contract was $17,450.75 with Government participation of $15,705.67. A termination agreement dated June 23, 1955 had an effective date of June 2, 1955.

This review has confirmed the following data:

Total Government Participation		$15,705.67
Royalty payments by the Operator for the period December 4, 1953 through July 6, 1955	$6,464.67	
Lump-sum payment by the Operator received October 4, 1955	9,241.00	
Repayment in full of Government participation in the contract (Total as above)		$15,705.67

Donald T. Finch
Donald T. Finch, Auditor.

DTF:bh
cc-J. L. Chambers (3)
Audit File E595

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

224 New Customhouse
Denver 2, Colorado

November 9, 1955

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

Re: Report of Review - Fred Schwartzwalder
Contract Idm-E595, Docket No. DMEA-2888

Dear Mr. Chambers:

In June I made an on-site examination of Fred Schwartzwalder's production. Completion of the report was deferred because collections on the June production were in process.

I was also informed at that time that termination of the Exploration Contract was imminent and that upon the completion of negotiations for the sale of the property, a lump-sum payment would be made to completely repay DMEA for all Government participation.

The final payment was received on October 4, 1955.

Enclosed are copies of the Report of Review and of a memorandum to the Executive Officer concerning royalty payments, and also closing the file.

Sincerely yours,

Donald T. Finch

Donald T. Finch, Auditor.

Encls.

RECEIVED
NOV 14 1955

Government's copy

TERMINATION AGREEMENT

It is agreed this 23d day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Fred Schwartzwalder, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E595, Docket No. DMEA-2888, dated September 2, 1953, hereinafter called the "Contract," that:

1. Effective June 2, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

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

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

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

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

THE UNITED STATES OF AMERICA

By Wm Farmer
Executive Officer, DMEA
Field Team, Region III

FRED SCHWARTZWALDER

By Fred Schwartzwalder

No. 1

AMENDMENT OF CONTRACT: No. Idm-E595

Contract Docket No. DMEA 2888, dated September 2, 1953, between the United States of America and Fred Schwartzwalder is hereby amended as follows, effective June 2, 1954:

1. Referring to "Article 3. Exploration project" of Exploration Project Contract Form MF-200(A) (February 1952) following the words "and shall bring the project to completion within a period of", delete "nine (9) months" and in lieu thereof substitute "twenty-one (21) months".

2. It is agreed between the parties concerned that the project work under the terms of the first said contract will be recessed effective June 2, 1954 to not later than December 2, 1954 to enable formulation of plans relative to the balance of work to be performed under the contract.

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 JUN 22 1954

OPERATOR

By Fred Schwartzwalder

UNITED STATES OF AMERICA

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

207 Boyd Street
Golden, Colorado
June 1, 1954

Mr. W. H. King
Executive Officer, DMEA Field Team
U. S. Bureau of Mines
Room 224, New Customhouse
Denver 2, Colorado

Re: DMEA 2888, Contract Idm-E595
(Uranium) Fred Schwartzwalder,
(Ralston Creek mine) Jefferson
County, Colorado

Dear Sir,

The expiration date on the referenced exploration project contract is June 2, 1954. Only 149 feet of the work called for in item 5 of exhibit A of the contract has been completed, and I am hereby requesting an amendment to the contract extending the time for completion twelve months from June 2, 1954, or until June 2, 1955.

At this time the Atomic Energy Commission is starting a surface diamond drilling project on my property. Underground exploration to date has not resulted in any worthwhile ore discovery, and I believe that further exploration might be more successful if it is based on the results of the drilling project.

Accordingly, I am requesting a further amendment providing for a recess of exploration work under the contract for a maximum period of six months from June 2, 1954, until December 2, 1954, or until such time as the Atomic Energy Commission drilling project is completed and results evaluated.

Yours truly,

Fred Schwartzwalder

Fred Schwartzwalder

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2888

COMMODITY Uranium

Idm-E595

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 3 1953

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 2nd day of September, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

~~and as set forth in Annex I attached hereto~~
hereinafter called the "Operator," as follows: and made a part hereof

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 Jefferson, described as follows:[3]
That part of SE¼ Sec. 25, T. 2S., R.71W. lying south of Ralston Creek, and known as the Ralston Creek Mine.

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner and possessor and entitled to possession, and the Owner's Consent to Lien is attached, only to the following claims, lease or contracts as to each of which the [illegible] agreement of the Owner is attached.~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within (60)sixty 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 (9)nine 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 Ninety (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 $20,700.00, which is Ninety (90) percent of $23,000.00, 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: See Annex I, substituted for that part of 6(a) preceding the colon.

(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

Fred Schwartzmeier
(Operator)

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

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

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
SEP 3 1953

EXHIBIT A

Description of the Work

The work consists of (1) constructing approximately one mile of low standard truck road, by a bulldozer including the necessary rock work from the Creek valley to the mine, (2) Trenching and stripping by bulldozer the radioactive shear zone to expose the bed rock for geologic and radiometric information (approximately 300 feet of trench), (3) Rehabilitate the Ralston Creek adit level, (4) Construct a rough 20-by 20-foot building to house the compressor and tools for the project, (5) Drift and crosscut a maximum of 300 feet in the adit level. The location and extent of the drifts and crosscuts are to be determined after the rehabilitation is completed, and must have the prior approval of the DMEA representative. (6) If, in the opinion of the DMEA representative, the results of "(5)" indicate that exploration in the lower level is warranted, the operator, with prior written approval of the DMEA representative, may drive 200 feet of drifts or crosscuts. The location and extent of the drifts or crosscuts must be acceptable to the DMEA representative.

The location of the work in relation to the property lines is shown on figure 1. The plan of the adit level is shown in figure 2.

Estimated Costs of the Project

1/	(1)	Approximately one mile of access road including Bulldozer, air compressor, and rock drill rental; labor and supervision	$3,000.00
1/	(2)	Trenching and stripping approximately 300 feet so as to expose the radioactive shear zone	875.00
1/	(3)	Rehabilitate the Ralston Creek adit level including widening, grading, laying track and pipe, and setting equipment	350.00
1/	(4)	Construct a 20-by 20-foot building to house the compressor and tools for the project	400.00
	(5)	300 feet of drifting and/or crosscutting at $36.75 per foot	11,025.00
	(6)	200 feet of drifting and/or crosscutting at a lower level at $36.75 per foot	7,350.00
		Total Cost	$23,000.00
		Government Participation at 90%	$20,700.00

1/ The entire work constitutes the unit of work. The above estimated costs include any and all costs accrued in the completion of the work.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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SEP 8 1953

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Colorado, County of Jefferson, described as follows:1/

That part of SE¼, Sec. 25, Township 2 South, Range 71 West, 6 P.M., lying south of Ralston Creek

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 20,700.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 4th. day of August, 195 3.

Paul R. White [Seal]

Anna Lee White [Seal]

[Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent of such net amounts.

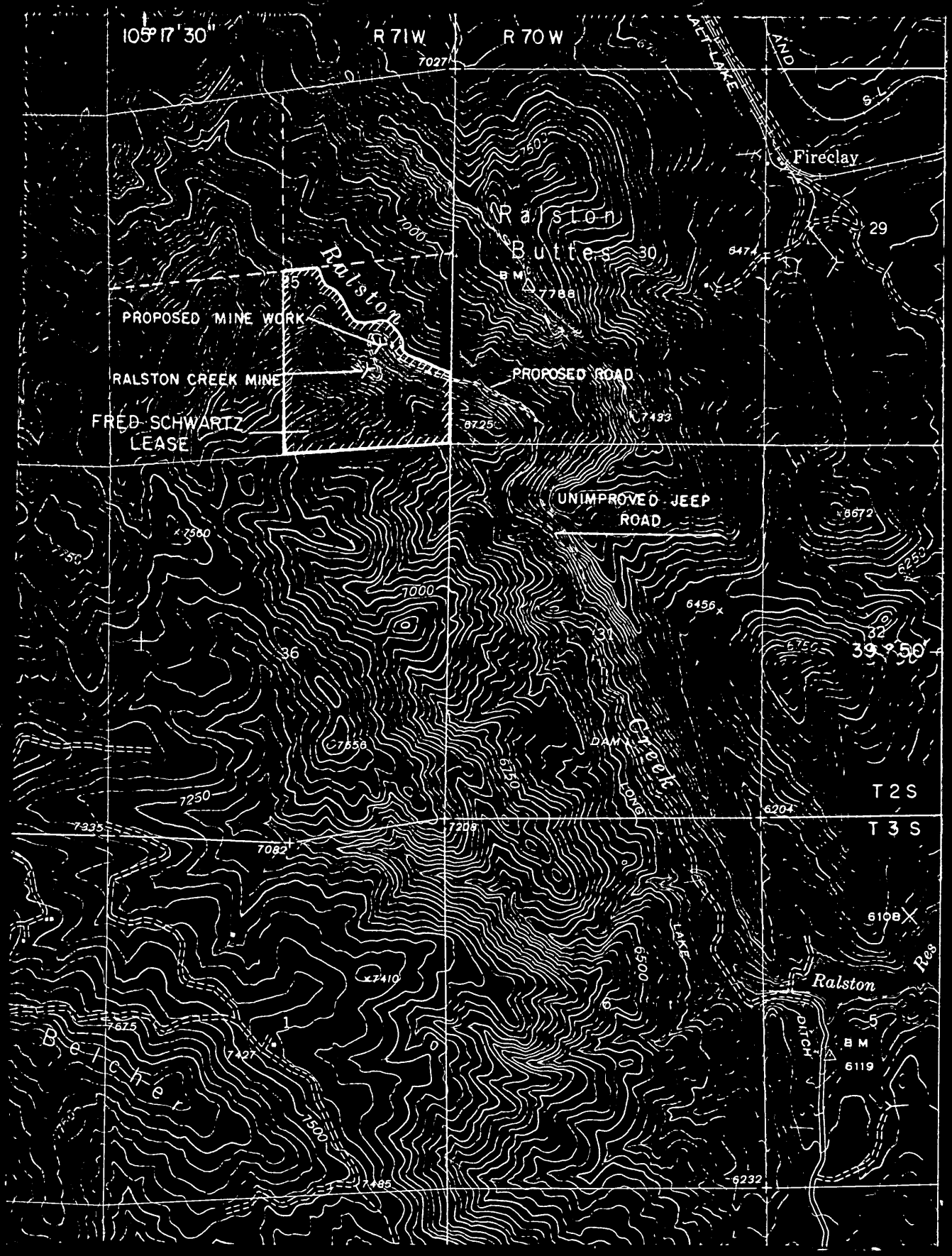
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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 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.

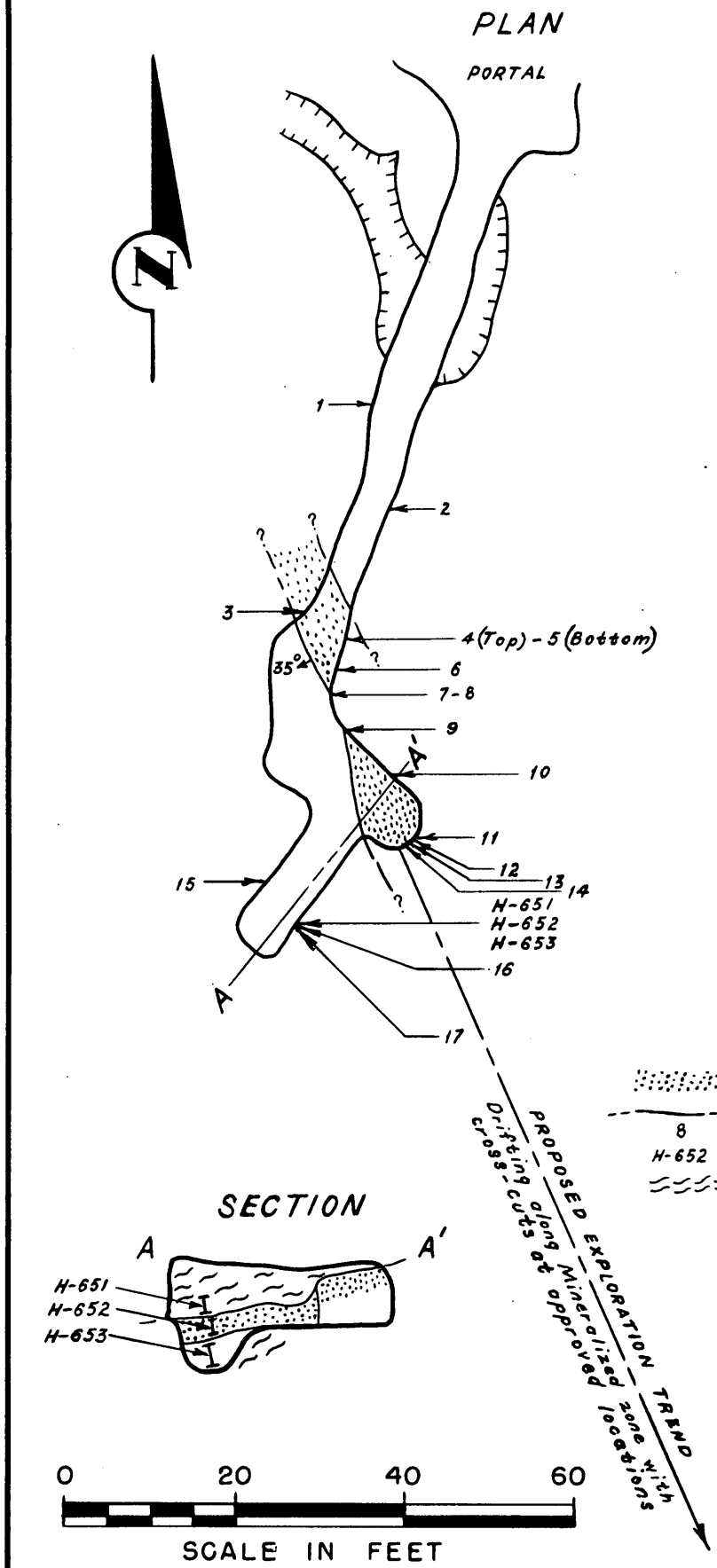
Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.



LOCATION MAP - RALSTON CREEK MINE
JEFFERSON CO., COLORADO
Scale: 1:24,000

FIGURE 1.

*Taken from Ralston Buttes Quadrangle



SAMPLE DATA

SAMPLE NO.	WIDTH (FEET)	PERCENT U_3O_8	
1	4.0	0.018	G
2	4.0	0.02	G
3	2.0	0.083	X
4	2.3	0.50	X
5	0.8	0.61	X
6	2.0	1.26	G
7	3.0	0.42	G
8	0.5	2.29	G
9	3.0	1.09	X
10	1.4	0.066	X
11	2.2	1.89	X
12	0.5	0.10	X
13	4.0	0.097	G
14	2.2	0.08	X
15	1.0	0.83	X
16	0.6	0.31	X
17	0.7	0.38	X
H-651	2.0	0.70	B
H-652	2.0	5.09	B
H-653	3.0	0.77	B

X = SAMPLES BY A.E.C.
G = SAMPLES BY U.S.G.S.
B = SAMPLES BY U.S.B.M.

LEGEND

URANIUM MINERALIZATION
FAULTS
8 / H-652 } SAMPLES
GNEISS & SCHIST (SILICIFIED & BLEACHED)

MINERAL RESOURCES BRANCH
MINING DIV. - REGION IV
BUREAU OF MINES

FIGURE 2 - ASSAY PLAN MAP AND SECTION, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO. DMEA 2888

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. dmea 2888
Metal or Mineral
Date Received 2-16-53
Estimated Cost
Participation (Government %)

DEPARTMENT OF THE INTERIOR Defense Minerals Exploration Administration FEB 16 1953

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Fred Schwartzwalder
207 Boyd St.
Goldern Colo

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract S. E. 1/4 of section 25, Township 2 S. range 71 W. lying south of Ralston Cteek.

(*b*) State any mine name by which the property is known. Ralston Creek mine

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise lessee.

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

(*e*) If you own the land, describe any liens or encumbrances on it

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

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

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

5. *The exploration project.*—(a) State the mineral or minerals for which you [illegible] to explore Uranium

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

(*c*) The work will start within 90 days and be completed within 18 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 18th February, 1959

Frank Schwartzwalder
(Applicant)

By

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

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

4. Physical decription.
This property has been opened up by a 100 ft. tunnel, and is now in ore. There is also 2 small shafts and 2 other tunnels plus open cuts

D. Accessablity. No road.

E. Availability ofmanpower, materials, supplies, equipment, water and power. Fair.

5. (a) Exploration project. Uranium.

(b) 500 ft. of work, oonsisting of 300 ft or more of new tunnel, several small cross cuts and one 100 ft. raise.

(c) Work will start within 60 to 90 days and be completed within 18 mo.

(d) Applicant is experienced miner and will act as supervisory foreman.

6. (a) Yes

(b) partly cash and partly use of present equipment on site.

6. Estimate of cost.

$250.00	air pipe
400.00	building 20 x 20
500.00	car and rails
1000.00	ventilation fan.
150.00	small tools
1800.00	equipment rental
1000.00	Gas and oil
500.00	Bits and steel
500.00	Timber planks, ore bin.
9300.00	wages
1000.00	compensation, and pay roll taxes
1100.00	power, fuse, carbide.
$17500.00	

7. Estimate of cost of access road.

$2500.00	bulldozer 25 days
1800.00	Labor
100.00	Powder
100.00	Timber, planks of bridge
150.00	Compressor
400.00	Culverts and cattle guards
950.00	Contingenceys
$6000.00	Total am't of estimate $23,500.00
$17500.00	

Docket

Project Summary Report

By: Michael Ching

Date: March 7, 1957

See USBM. Info. Cir. Mining Methods and costs of Schwartzwalder mine by Soule. out by 1960 From J. Paone

1. Docket No. DMEA-2888 (Uranium)
   Contract No. Idm-E595

   Operator - Fred Schwartzwalder
   207 Boyd Street
   Golden, Colorado

   Property - That part of the SE¼ sec. 25, T. 2 S., R. 71 W., 6th P.M., lying south of Ralston Creek, and known as the Ralston Creek Mine, Jefferson County, Colorado.

   Operator's Property Rights - Lessee. Owner's Consent to Lien, dated August 4, 1953, signed by Paul R. White and Anna Lee White.

2. Contract (Short Form) - dated September 2, 1953

   Final starting date - 60 days from date of contract - Actual September 23, 1953

   Contract completion date - 21 months from date of contract, or June 2, 1955

   Termination Agreement - dated June 23, 1955 - effective June 2, 1955

Work Authorized:

1. Construct approximately 1 mile access road from creek to mine - all costs included ... $3,000.00
2. Trench and strip by bulldozer to expose approximately 300 ft. of radioactive shear zone - all costs included 875.00
3. Rehabilitate the Ralston Creek adit, including widening, grading & preparation for drifting - all costs 350.00
4. Construct a 20x20-ft. tool & compressor house 400.00
5. 300 ft. of drifting & crosscutting from adit as approved by Gov't. @ $36.75/ft. 11,025.00
6. 200 ft. of drifting & crosscutting at a lower level as acceptable to Gov't. @ $36.75/ft. 7,350.00

Total Estimated Cost of the Project $23,000.00

Government Participation @ 90% $20,700.00

Amendments:

No. 1 - dated June 22, 1954. Extends completion date from 9 months to 21 months from date of contract, recesses work from June 2 to December 2, 1954.

Work Completed:

1.	1.7 miles access road to mine	$3,000.00
2.	300 ft. trenching & stripping to expose radioactive shear zone	875.00
3.	Rehabilitated 75 ft. of Ralston Creek adit, including 30 ft. of retimbering, enlargement, and grading	350.00
4.	Built 20x20-ft. mine building	400.00
5.	149 ft. drifting & crosscutting from Ralston Creek adit @ $36.75/ft.	5,475.75
6.	Rehabilitated 61 ft. of lower (Minnesota) adit & advanced the adit 250 ft. of which 200 ft. was allowable @ $36.75/ft.	7,350.00
	Total Actual Cost of Project	$17,450.75
	Government Participation @ 90%	$15,705.67

250
149
399

400
149
549

Final Reports:

Operator's - undated - received February 13, 1956.

Field Team's - dated October 26, 1956 - received Nov. 13, 1956.

3. Auditor's Report of Review - dated November 9, 1955

Total cost as billed by Operator	$17,450.75
Exceptions	None
Total Accepted Cost	$17,450.75
Government Participation @ 90%.....	$15,705.67

4. Certification of Discovery - dated December 5, 1955

5. Results and Comments:

Mineralization in the Schwartzwalder Mine occurs where a series of northwesterly trending faults cut a zone of garnetiferous gneiss that represents the contact zone between mica schist and amphibolite, the two major rock units of the Idaho Springs formation. Vein-type deposits of pitchblende are associated with base-metal sulfides along fault breccias that lie almost entirely within the contact zone. Near-surface deposits contain secondary torbernite and autunite.

Available information on the property cannot be attributed as resulting solely from the DMEA project since, at the same time or shortly thereafter, the Operator did considerable rehabilitating,

drifting, crosscutting, and mining; and the AEC, the Farmington Funding Corporation, and the Newmont Exploration Company, each did some drilling on the property.

The following mineralized faults were encountered: the Flat, Nebraska, Colorado, Kansas, Walder, Illinois and Washington veins. Exploration subsequent to the DMEA project has indicated that ore-grade uranium deposits occur at depths of more than 600 feet below the Minnesota adit level. During the contract period the Operator made regular shipments of ore, totaling 1,561 dry tons with an average grade of 0.70% U_3O_8. Extraction followed exploration closely.

The field-examiners estimated inferred reserves as 25,800 tons of 0.5% U_3O_8 ore. The ore-bearing potential of the property is believed to be several times this amount but can only be realized through additional exploration, especially at depth.

The work under the contract indicates that the uranium-bearing fault breccias will have a considerable dip length, but the strike length is likely to be limited chiefly to the garnetiferous gneiss that makes up the contact zone between the mica schist and the amphibolite.

Work under the subject contract was efficient and according to good mining practice.

The Denver Golden Oil and Uranium Company subsequently took over the property from Schwartzwalder and applied for an exploration project under Docket No. DMEA-4311. A contract was drawn up and forwarded for execution, but the Applicant then withdrew its application because current production was sufficiently great to cause royalty payments to nullify the Government's payments under an exploration project.

Michael Ching

Michael Ching, Mining Engineer
Rare and Miscellaneous Metals Div.

[X] Audited

[X] Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of March 8, 1957
Incl. Voucher for Dec., 1954

[ ] Actual Cost

[X] Agreed Unit Costs

Name Fred Schwartzwalder

Docket No. 2888

State Colorado

Commodity Uranium

Idm-E No. 595

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	500	$ 18,375.00	349	$ 12,825.75	$ 12,825.75
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation		875.00		875.00	875.00
Underground Excavation					
Roads and Trails		3,000.00		3,000.00	3,000.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation		350.00		350.00	350.00
New Building, Improvements, etc.		400.00		400.00	400.00
Other (Specify)					
Totals		$ 23,000.00		$ 17,450.75	$ 17,450.75

Prepared by Michael Ching

71626

[X] Audited

[x] Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 2/17/56
Incl. Voucher for Dec. 1954

[ ] Actual Cost

[X] Agreed Unit Costs

Name Fred Schwartzwalder

Docket No. 2888

State Colorado

Commodity Uranium

Idm-E No. 595

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting @ $36.75/ft.	500	$18,375.00	349	$12,825.75	
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation		875.00		875.00	
Underground Excavation					
Roads and Trails		3,000.00		3,000.00	
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation		350.00		350.00	
New Building, Improvements, etc.		400.00		400.00	
Other (Specify)					
Totals		$23,000.00		$17,450.75	

O. K. Final audit

Prepared by /s/ F. M. Murphy

71626

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 13 1961

DATE	INITIALS	CODE
7-13	gad	110
"	FH	110
		~~130~~
7-14	gad	220

Mr. George Selfridge, chief,
Division of Fuel Operations

DN 235 BUR MINES 7-12-61 10-47

GEORGE SELFRIDGE, ~~CHIEF, DIVISION OF FIE~~L OPERATIONS, OME

REURTT DMEA 2888, FRED CXXX SCHWARTZWALDER. PLEASE AIRMAIL COPY OF MEMO DATED 2-19-59, MENTIONED IN YOUR TELETYPE.

H M CONNORS

2 copies Sent 7/13/61
F H Berry

Denver, Colorado

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.
JUL 12 2 27 PM '61

MME FORM
(10-58)

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

X

X

14X0108 S&E, INTERIOR, 1961

OFFICIAL FILE COPY

Date	Surname	Code
7/11	Johnson	110
7/11	[illegible]	120
7/11	[illegible]	100
7-11	gad	220

JUL 1 1 1961

H. M. CONNORS
ACTING FIELD OFFICER
OME, REGION III
DENVER FEDERAL CENTER, BLDG. 20
DENVER 25, COLORADO

I-MME

RE DEPARTMENT OF JUSTICE REQUEST INFORMATION ON DMEA 2888, FRED SCHWARTZWALDER. COOPERATE FULLY WITH BURTON A. SCHWALB, TAX ATTORNEY, DEPARTMENT OF JUSTICE AND PERMIT HIM TO REVIEW DOCKET AND MAKE NOTES WITH UNDERSTANDING THAT INFORMATION CONTAINED THEREIN IS FOR CONFIDENTIAL USE ONLY IN ACCORDANCE WITH POLICY SET FORTH IN OPERATING COMMITTEE MEMORANDUM FEBRUARY 19, 1959 TO EXECUTIVE OFFICER.

George C. Selfridge

GEORGE C. SELFRIDGE, CHIEF
DIVISION OF FIELD OPERATIONS

FEJohnson/bih
7/11/61
cc to: Docket
Dir. reading file
Mr. Selfridge
Mr. Fred J. Newland
Chief, Trial Attorney
Department of Justice
Washington 25, D. C.

Mr. Johnson

1 1

Frank E. Johnson, Deputy Director RE 7-1820 X5369 July 11, 1961

43683

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/2/58	Ching	700
"	Murphy	700
"	Ellis	700
5/2	[illegible]	130
"	[illegible]	110
	[illegible]	100
5/2	[illegible]	220
		700

MAY 2 1958

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

Re: Semiannual Reports of Certified Projects for the period July 1 to December 31, 1957

Dear Mr. Harshman:

A review of the following uranium contract dockets reveals that we have not received reports for the period indicated above:

Docket No.	Contract No.	Operator
DMEA-2135	Idm-E381	Sunnyside Uranium Company
DMEA-2573	Idm-E422	Glenn Mining Company
DMEA-2888	Idm-E595	Fred Schwartzwalder
DMEA-4182	Idm-E963	Vitro Minerals Corp.

With reference to Docket No. DMEA-2888, Contract No. Idm-E595, Fred Schwartzwalder, since the account has been settled, it may be difficult for you to get sufficient information from the Operator to be of value in a semi-annual report. Some of the paid-up operators are willing to give us this information and through that we find out whether additional funds have been spent following a DMEA project, additional ore encountered, et cetera. If there is any difficulty in obtaining such information, you need not pursue it further. However, if the information can be obtained, we will appreciate knowing just what the Operator has done by way of additional development and the amount spent for additional equipment.

Sincerely yours,

EWEllis/gla
5-2-58
cc to: Admr.'s Reading File
Operating Committee
Mr. Ching
Mr. Murphy

George C. Selfridge
Chairman, Operating Committee

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

W. P. Williams
Member, Geological Survey

8623

cw

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

RECEIVED NOV. 20 1956 D.M.E.A.

Date November 19, 1956

DMEA Docket No. 2888
DMEA Contract No. Idm-E595
Commodity uranium
Name of applicant Fred Schwartzwalder
Name of property Ralston Creek Mine
Location of property Jefferson County, Colorado
Estimated cost of project $17,450.75

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

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

1. Date of subject document: 10/26/56. 2. Date received by reviewer: 11/15/56.

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

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

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

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

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs ☐
   h. _____ ☐

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

10. Remarks: (Use back of page if necessary) Mr. J. O. Hosted, Washington representative of the Atomic Energy Commission, assisted in the review.

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

224 New Customhouse
Denver 2, Colorado

November 7, 1956

RECEIVED NOV 13 1956 D.M.E.A.

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA-2888 (Uranium), Contract Idm-E595
Fred Schwartzwalder (Ralston Creek Mine)
Jefferson County, Colorado - FINAL REPORT

Enclosed are the original and three copies of a joint final engineering and geologic report dated October 26, 1956 by C. M. Harrer, Mining Engineer, Bureau of Mines, and R. U. King, Geologist, Geological Survey, and transmittal thereof dated October 29, 1956 from E. N. Harshman and John F. Shaw.

The original and one copy of the Operator's final report were forwarded to you by memorandum of February 10, 1956.

The contract was terminated by mutual agreement effective June 2, 1955, before completion of all the work outlined under the contract.

The exploration work completed consisted of retimbering the portal of the adit and rehabilitation of about 75 feet of tunnel, reconstruction of a 20' x 20' utility and shop building, 300 linear ft. of stripping of surface outcrop with bulldozer, construction of 1.7 mile of access road, and 349 ft. of drifting and crosscutting.

The acceptable work completed under the contract involved a cost of $17,450.75, toward which the Government contributed 90%, or an amount of $15,705.67. The entire amount of contribution by the Government was repaid October 3, 1955.

Reviewed by
DMEA OPERATING COMMITTEE
11-16-56
(date)

F.T. Final Report

The exploration work completed resulted in a discovery or development of a significant quantity of uranium ore, on which a certification was issued as a matter of form December 5, 1955.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Encls.

cc--Allen E. Jones, A.E.C.

E. E. Thurlow, A.E.C. w/copy joint engin. & geologic report & Operator's rept

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED NOV 13 1956 D.M.E.A.

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
October 29, 1956

Memorandum

DMEA
DEPARTMENT OF THE INTERIOR
NOV 5 1956
REGION III
DENVER, COLORADO

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman
John F. Shaw

Subject: Final Report, DMEA 2888 (Uranium) Contract Idm-E595, Ralston Creek Mine (Fred Schwartzwalder, Lessee) Jefferson County, Colo.

Enclosed are the original and nine copies of a Joint Final Report by C. M. Harrer, Mining Engineer and R. U. King, Geologist, covering the work performed under Contract Idm-E595.

Contract Idm-E595, between Fred Schwartzwalder and the DMEA, provided for exploration of the S.E. 1/4 sec. 25, T. 2 S., R. 71 W., lying south of Ralston Creek and known as the Ralston Creek mine.

The contract provided for approximately one mile of access road, 300 feet of bulldozer trenches, rehabilitation and enlarging of existing Ralston Creek adit level, construction of a small building, approximately 300 feet of drifting and crosscutting on the Ralston Creek adit and 200 feet at a lower level, whose location is to be determined later. The estimated cost of the exploration was $23,000.00.

The contract was terminated by mutual agreement, with 151 feet of drifting and crosscutting remaining. The total expenditure under the contract was $17,450.75, and the amount of Government participation was $15,705.67.

During 1953-55, the mine produced 1,561 tons of uranium ore having an average grade of 0.70 percent U_3O_8. The amount of the Government's contribution was repaid in full on October 3, 1955, and a certification of discovery was issued on December 5, 1955.

The inferred reserves are 25,800 tons of ore containing 0.5 percent U_3O_8. It is concluded that the inferred reserves of the Ralston Creek mine can be increased by additional exploration at lower elevations. It is recommended that further exploration be undertaken by the operator and that DMEA participate in this exploration, if requested.

E. N. Harshman
E. N. Harshman
Member Field Team

John F. Shaw
John F. Shaw
Supervising Mining Engineer

Reviewed by
DMEA OPERATING COMMITTEE
11-16-56
(date)

JFS:sh
cc: 9
ENHarshman
Idm-E595 -- Chron.

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

JOINT FINAL REPORT OF EXAMINATION BY EXAMINING TEAM
REGION III

RECEIVED
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DMEA 2888
CONTRACT Idm-E595

RALSTON CREEK MINE
FRED SCHWARTZWALDER, LESSEE
JEFFERSON COUNTY, COLORADO

Uranium

Joint Final Engineering and Geologic Report

By

C. M. Harrer
Mining Engineer
Bureau of Mines

R. U. King
Geologist
Geological Survey

October 26, 1956

Reviewed by
DMEA OPERATING COMMITTEE
11-16-56
(Date)

DMEA 2888
CONTRACT Idm-E595

RALSTON CREEK MINE
FRED SCHWARTZWALDER, LESSEE
JEFFERSON COUNTY, COLORADO

RECEIVED NOV 13 1956 D.M.E.A.

CONTENTS

Joint final engineering and geologic report — Page

Introduction and summary....1
Location and accessibility....3
History and production....4
Ownership and extent....5
Geology....6
Reserves....9
Geologic justification....11
Original exploratinn program....11
Work completed under the contract....12
Additional exploration....13
Summary of factual data....14
Conclusions and recommendations....15

Annex I -- Sampling Data (location of samples shown on figure 4)....17

ILLUSTRATIONS

Figure — Follows page

1. Location map Ralston Creek mine, Jefferson County, Colorado....18

2. Composite underground exploration map, Ralston Creek mine, Jefferson County, Colorado....18

3. Composite surface and underground exploration map, Ralston Creek mine, Jefferson County, Colorado....18

4. Underground sample location map, Ralston Creek mine, Jefferson County, Colorado....18

5. Geologic plan of the Ralston Creek adit, Ralston Creek mine, Jefferson County, Colorado....18

6. Geologic plan of the Minnesota adit level, Ralston Creek mine, Jefferson County, Colorado....18

DMEA 2888
CONTRACT Idm-E595

RALSTON CREEK MINE
FRED SCHWARTZWALDER, LESSEE
JEFFERSON COUNTY, COLORADO

INTRODUCTION AND SUMMARY

Early in 1953, Fred Schwartzwalder, of 207 Boyd Street, Golden, Colorado, applied for Defense Minerals Exploration assistance to explore for uranium on leased ground.

The property was examined on April 8, 1953, and exploration was recommended. On September 2, 1953, exploration project contract Idm-E595 was activated between Fred Schwartzwalder and the Defense Minerals Exploration Administration, to explore for uranium on that part of the S.E. 1/4 sec. 25, T. 2 S., R. 71 W., lying south of Ralston Creek and known as the Ralston Creek mine.

The contract provided for an estimated expenditure of $23,000.00 for the following items:

1. Approximately one mile of access road.
2. Approximately 300 feet of bulldozer trenches.
3. Rehabilitate and enlarge the existing Ralston Creek adit level.
4. Construct a 20 by 20 foot building.
5. Drift and crosscut about 300 feet on the Ralston Creek adit level.
6. Drift and crosscut about 200 feet at a lower level, whose location is to be determined later.

Work under the contract started on September 23, 1953, and was completed in December, 1954. The contract was terminated by mutual agreement on June 23, 1955, with 151 feet of drift or crosscut remaining uncompleted.

Total expenditure under the contract was $17,450.75, and Government participation of 90 percent was $15,705.67.

During the life of the contract, Fred Schwartzwalder regularly shipped uranium ore to the Vitro Chemical Co., of Salt Lake City, Utah, under Atomic Energy Commission Off-Plateau contracts.

During 1953-55, Mr. Schwartzwalder produced 1,561 dry tons of uranium ore having an average grade of 0.70 percent U_3O_8. The U_3O_8 content of carload shipments ranged from 0.39 percent to 1.32 percent, and calcium carbonate content was as high as 8 percent.

Defense Minerals Exploration Administration's contribution of $15,705.67 towards the cost of the program was repaid in full on October 3, 1955. A certification of discovery was issued on December 5, 1955.

During 1953-55 the property was further explored by various interested parties, as follows:

Between April 21, 1954 and March 15, 1955, the Atomic Energy Commission completed 992 hours of bulldozer trenching and stripping, and core drilled 9 holes, 93 to 600 feet deep for a total of 2,756 feet.

The Farmington Funding Corporation drilled 2 holes on the property, 800 and 1,000 feet deep before relinquishing its option.

The Newmont Exploration Company drilled 6 holes, 80 to 337 feet deep, totalling 1,157 feet.

The property was acquired by the Denver-Golden Oil and Uranium Co., of Denver, Colorado, on February 17, 1956. During the first half of 1956, it produced 1,849 dry tons of uranium ore averaging 0.66 percent U_3O_8.

The property is still in operation and is an important source of uranium.

Lenticular deposits of pitchblende, associated with base-metal sulfides, occur along carbonate-bearing breccia faults in a contact zone of garnetiferous gneiss that lies between two units of Precambrian metamorphic rocks.

No measured or indicated ore reserves are calculated for the Ralston Creek mine.

Inferred reserves are estimated to be 25,800 tons that contain 0.5 percent U_3O_8.

Subsequent exploration has indicated that ore-grade uranium deposits occur to depths of more than 600 feet below the Minnesota adit level.

It is concluded, therefore, that the inferred reserves of the Ralston Creek mine will be increased several fold by further exploration at lower elevations within the favorable host rock.

Recognizing the probability of the persistence of ore at depth, the present owners (Denver-Golden Oil and Uranium Company) are continuing exploration by driving a crosscut (Charlie tunnel) 100 feet below the Minnesota level, and have applied for DMEA exploration assistance under Docket 4311.

Further exploration of the Ralston Creek mine area for uranium is recommended.

LOCATION AND ACCESSIBILITY

The Ralston Creek mine is in the S.E. 1/4 sec. 25, T. 2 S., R. 71 W., sixth principal meridian, Jefferson County, Colorado, at an altitude of about 7,000 feet (fig. 1). The mine is southwest of Ralston Creek and

is reached by travelling 4 miles north from Golden to the R. M. Baldwin Converse Ranch; then 4 miles more over a rough access road. The terrain is rugged and altitudes within a mile of the mine range from 6,500 feet on the valley floor to 7,500 feet on the ridges. The Ralston Creek mine (figs. 2 and 3) is developed thru two adit levels which are made accessible by truck roads. The upper, or Ralston Creek adit level (fig. 2) is at an altitude of 6,893 feet; the lower or Minnesota adit level (fig. 2) is at an altitude of 6,770 feet. The nearest source of water is the mine and nearby Ralston Creek. Supplies, labor and equipment are readily obtainable at Golden and Denver.

HISTORY AND PRODUCTION

Section 23 is owned by Paul R. and Anna Lee White, of Golden, Colo. The property was leased to Fred Schwartzwalder, also of Golden. The Ralston Creek mine was located as a copper prospect, and had been worked as early as 1897. Uranium was discovered by Schwartzwalder in 1949, in surface float, on old dumps and in an old adit. The property was examined by members of the Geological Survey and Atomic Energy Commission during 1950-1953. A Defense Minerals Exploration Administration team examined the property on April 8, 1953, after Schwartzwalder had applied for Government exploration assistance. From September 2, 1953 to June 23, 1955, DMEA exploration contract Idm-E595 was in effect. This contract was terminated by mutual agreement. By October 3, 1955, Defense Minerals Exploration Administration's contribution of $15,705.67 towards the cost of exploration had been repaid in full.

No known copper or uranium ores had been mined from the property prior to the time of the DMEA contract. During the life of this DMEA

contract (1953-55) Schwartzwalder shipped 1,561 dry tons of uranium ore, containing 0.70 percent U_3O_8, to Vitro Chemical Corp., under "Off-Plateau" contracts. The uranium oxide content of carload lots ranged from 0.39 to 1.32 percent; the calcium carbonate content of the ore ranges from nearly nothing to 8 percent.

Denver-Golden Oil and Uranium Co., of Denver, Colorado, acquired Schwartzwalder's interest in the property on February 17, 1956, and shipped 1,849 dry tons of ore, containing 0.66 percent U_3O_8, during the first half of 1956.

Denver-Golden Oil and Uranium Co., estimates, on the basis of mine-car tally, that the total production of the mine to July 1, 1956 was 4,915 tons of crude ore. Of the crude ore mined, 2,020 tons came from the stope on the Flat Vein below the Ralston Creek adit; 1,665 tons came from stopes on the Nebraska vein; 1,225 tons came from the Colorado vein; 3 tons came from the Kansas vein and 2 tons came from the Walder vein.

OWNERSHIP AND EXTENT

Fred Schwartzwalder of 207 Boyd St., Golden, Colorado, held a mineral lease on the S.E. 1/4 sec. 25, T. 2 S., R. 71 W., sixth principal meridian. This land is southwest of Ralston Creek. The lease was effective from February 9, 1953 to February 9, 1955, with the right of renewal. The lease stipulates that a 15 percent of the net proceeds from all ores mined, shipped, or sold, was to be paid as royalty to the lessors. The property is owned by Paul R. and Anna Lee White, of Route 2, Golden, Colo. Schwartzwalder's rights to the property were taken over by the Denver-Golden Oil and Uranium Company of Denver, Colo., on February 17, 1956.

The Government's share of all expenditures for exploration was paid by October 3, 1955, and the property is therefore free of the Government's lien.

GEOLOGY

The Schwartzwalder (Ralston Creek) mine, originally a copper prospect, is in the Ralston Creek district, Jefferson County, Colorado. It exploits vein-type deposits of pitchblende associated with base-metal sulfides in Precambrian metamorphic rocks of the Idaho Springs formation that lie along the eastern flank of the Colorado Front Range. The area is about half a mile west of the contact between the Precambrian crystalline rocks and the steeply dipping sedimentary rocks of the Great Plains.

The Idaho Springs formation in the Ralston Creek district consists of mica schists, lime-silicate gneiss, amphibolite, and pegmatites. The pegmatites occur as small elongate bodies irregularly scattered in the Precambrian rocks. A zone of garnetiferous rock marks the gradational contact between the two major rock units--the unit of schist, and the unit of lime-silicate gneiss and amphibolite. The contact zone comprises several minor rock units including garnetiferous biotite gneiss, layered quartzite, lime-silicate gneiss, and some biotite and muscovite schist. The major structural features of the locality are north-trending asymmetrical folds and northwest-trending breccia faults.

Most of the significant pitchblende deposits are associated with base-metal sulfides in or near carbonate-bearing breccia faults of probable Tertiary age, and most of the known deposits occur where faults cut Precambrian rocks rich in hornblende, biotite, or lime-silicate minerals. From this evidence it appears that the location of the pitchblende deposits is controlled by structure and favorable host rocks.

The Schwartzwalder mine is located where a group of northwesterly-trending faults cut a zone of garnetiferous biotite-rich rocks. The older (upper) workings are near the crown of an asymmetrical north-trending anticline, and the newer (lower) workings are along the steeply dipping east limb of the anticline. The workings have exploited uranium-bearing fault breccias that lie almost entirely within the contact zone between schist and amphibolite. Mining activity at the mine is currently exploiting 3 major mineralized fault breccias; but two other mineralized structures, not yet developed (1955), are known in the mine area. The mineralized faults along which uranium ore has been mined, and is currently being developed, include the Flat, Nebraska, and Colorado veins (figs. 5 and 6). Other mineralized fault-breccia zones that have been discovered more recently, include the Kansas, Walder, Illinois and Washington veins.

The uranium ore consists of finely disseminated pitchblende associated with chalcopyrite, pyrite, galena and other sulfide minerals in a gangue of shattered hematitic quartz and potash feldspar. Near-surface deposits contain the secondary uranium minerals, torbernite and autunite.

The Flat vein, a 5- to 10-foot thick breccia zone that strikes N. 40° W. and dips 30° SW, was encountered in the Ralston Creek adit 50 feet from the portal (fig. 5). The vein has been stoped for over 135 feet along dip and for an average strike length of 30 feet. The Flat vein was so named because of the flattening and reversal of dip noted as the vein was followed southwestward. Although ore grade material is exposed in both walls of the stope, it is not expected that the breccia zone will make ore much beyond the contact of the garnetiferous gneiss in the schist and amphibolite.

The Walden vein (fig. 6) was intersected in the Minnesota adit 180 feet from the portal, about 100 feet below the surface. The vein, which occupies a fault breccia, strikes south-southeast and dips 65° to 85° east; it ranges from 1/2 to 2 feet in thickness. The Walden vein was followed for 15 feet in a southerly direction. North of the Minnesota adit the vein enters unfavorable biotite schist, quartzite, and amphibolite, and is barren. South of the adit the vein is in favorable garnetiferous gneiss and is ore-bearing throughout the length exposed. It is reported that some ore-grade material was obtained from the vein in a surface trench.

In the Minnesota tunnel, the Colorado vein was encountered 200 feet from the portal, and in the face of a crosscut that extends north and west from the tunnel. The mineralized breccia zone strikes north-northwest and dips from 45 to 50° east. Because of the steep dips of the Walder vein, it is likely that it will juncture with the Colorado vein a short distance below the Minnesota tunnel level.

The Kansas vein was encountered in the Minnesota tunnel at 280 feet from the portal. It is a breccia fault, 2 to 3 feet thick, that strikes northwest and dips from 70° to 75° northeast. The Kansas vein is mineralized where exposed on the Minnesota level, but when it crosses the Flat vein just below the Ralston Creek tunnel level it is a narrow barren fault.

The Nebraska vein was encountered 320 feet from the portal of the Minnesota tunnel. The vein strikes south-southeast and dips 50 to 60° east. The vein has been drifted on for 130 feet, and raised on for 120 feet. The Nebraska vein probably junctures with the Flat vein a short

distance beyond the southwest end of the workings of the Ralston Creek tunnel level. In a hole drilled by Newmont Corp., subsequent to this contract, 6 feet of ore was encountered 25 feet below the Minnesota level. This ore intersection is assumed to be the Nebraska vein.

More recently, in September 1956, the new owners have intersected the Nebraska vein in the Charlie tunnel about 400 feet from the portal.

Some 40 samples of vein material and mineralized wall rocks were collected from the mine during the progress of the exploration project. The results of analysis of these samples are included in Annex I at the end of this report.

RESERVES

Inferred reserves of the Ralston Creek mine are estimated to be 25,800 tons of uranium ore containing 0.5 percent U_3O_8. The ore-bearing potential of the district is believed to be several times this amount, the realization of which, however, can best be reached through additional exploration at depth in the favorable garnetiferous gneiss of the contact zone.

Due to the mining method practiced by the operator--combining extraction with exploration drifting--the mine lacks enough ore faces on which to base calculations of measured or indicated ore reserves, and only inferred reserves can be estimated. Inferred reserves are estimated by projecting ore beyond stope limits for 1/2 of the length of the ore face, and by projecting ore beyond drift faces for 1/4 of the length of the ore found in the drift, except where unfavorable host rock is expected at a lesser distance. The volume of one ton of ore in place is assumed

to be 12.5 cu. feet, and the grade of the unmined ore is estimated to be 0.5 percent U_3O_8. It should be noted that the past production of about 3,400 tons contained about 0.7 percent U_3O_8. This grade was attained by selective mining and sorting of ore.

The ore reserves in the individual veins are estimated to be as follows:

Flat vein -- inferred reserves: 6,000 tons

The Flat vein is stoped for a dip length of 135 feet. Ore is estimated to extend 55 feet beyond the lateral limits of the stope to the probable contact with unfavorable host rocks. The northeast end of the stope approaches the surface; the southwest end is reported to have encountered unfavorable host rocks, and the vein probably junctures with the steeper dipping Nebraska vein. The ore is estimated to average 5 feet thick. $\left(\frac{135 \times 55 \times 5 \times 2}{12.5} = 6{,}000 \pm\right)$.

Walder vein -- inferred reserves: none

Because of the small (3 tons) production from the Walder vein, and the limited exposures of the vein, no reserves are estimated.

Colorado vein -- inferred reserves: 6,500 tons

The vein is exposed for a strike length of 80 feet. The vein is estimated to average 3 feet thick. The Colorado vein was not found to be ore-bearing in the Ralston Creek tunnel, 100 feet higher. The ore is therefore assumed to extend up dip for only 70 feet, or one half the dip length between the levels. The vein has been cut in a lower tunnel (Charlie tunnel), 100 feet below, and the ore is assumed to extend to that level (170 feet), and for an additional 70 feet below the lower adit. Because the Colorado vein is in unfavorable rock on the northwest,

the ore is projected 15 feet in a southeast direction only.

$$\left(\frac{100 \times 270 \times 3}{12.5} = 6{,}500 \pm\right)$$

Kansas vein -- inferred reserves: none

Because of the small production (3 tons) and the limited exposures on the Minnesota level, and the unfavorable exposure where it crosses the Flat vein and the Ralston Creek tunnel, no reserves are inferred for the Kansas vein.

Nebraska vein -- inferred reserves: 13,300 tons

The vein is drifted on for 120 feet, and for purposes of estimating reserves a strike length of 150 feet is used. Since the vein is known to be ore bearing for a dip length of 270 feet (Ralston Creek to Charlie tunnels) the ore is projected down dip an additional 100 feet. The average width of ore is estimated to be 3 feet. $\left(\frac{150 \times 370 \times 3}{12.5} = 13{,}300\pm\right)$

GEOLOGIC JUSTIFICATION

The exploration project was justified on the basis that the limited exploration already done by the applicant had exposed a very significant occurrence of uranium in the Ralston Creek mine, although little was known at that time of the geologic factors governing the extent and origin of the deposits.

ORIGINAL EXPLORATION PROGRAM

The original exploration program consisted of : (1) constructing approximately 1 mile of low-standard truck road by bulldozer, including the necessary rock work from the creek valley to the mine; (2) trenching and stripping, by bulldozer, the radioactive shear zone to expose bedrock for geologic and radiometric information (approximately 300 feet of trench);

(3) rehabilitating the Ralston Creek tunnel level; (4) constructing a rough 20- by 20-foot building to house the compressor and tools for the project; (5) drifting and crosscutting a maximum of 300 feet on the Ralston Creek tunnel level (the location and extent of the drifts and crosscuts were to be determined after the rehabilitation was completed, and with the prior approval of the DMEA representative); (6) if, in the opinion of the DMEA representative, the results of (5) indicated that exploration at a lower level was warranted the operator, with prior written approval, could drive 200 feet of drifts or crosscuts at locations and extents acceptable to the DMEA representative.

WORK COMPLETED UNDER THE CONTRACT

Contract Idm-E595 was signed on September 2, 1953, and work was started on September 23, 1953. The work was coordinated with uranium production by the operator. Work under the contract stopped during December 1954. The contract was terminated by mutual agreement on June 23, 1955, with 151 feet of drift and, or, crosscut remaining to be completed. Work completed and approved under the contract is shown on figures 2 and 3, and is tabulated as follows:

Item No.	Item	Units Allowed	Units Completed	Time	Remarks
1	Access road	1 mile	1.7 miles	Sept. 23, 1953 thru Nov. 23, 1953	Bulldozer and rock work on access road to mine.
2	Trenching & stripping	300 feet	300 feet	Completed Nov. 30, 1953	Bulldozer work on radioactive outcrops and float
3	Rehabilitate Ralston Creek adit	about 75 ft.	about 75 ft.	Dec. 1953 and Jan. 1954	Retimbered 30 ft. of portal. Drift enlargement and grading. Laying track and pipe.

Item No.	Item	Units Allowed	Units Completed	Time	Remarks
4	20 x 20 ft.	1	1	Dec. 1953 and Jan. 1954	A 20 x 12 ft. frame bldg. for shop and change house.
5	Drifting	300 ft. of combined drifts and crosscuts	65 feet	February-May 1954	Advance in southeast drift of the Ralston Creek adit level.
6	Crosscutting	ditto	84 feet	February-May 1954	Advance in southwest crosscut of the Ralston Creek adit level.
7	Crosscutting	200 ft. of combined drifts and crosscuts	250 feet of crosscut	Sept.-Dec. 1954	Advanced the lower (Minnesota) adit level. Operator rehabilitated 61 ft. of adit portal and installed equipment at his own expense.

As shown on figure 2 and 3, Mr. Schwartzwalder explored his property in excess of DMEA requirements and at his own expense. A Certification of Discovery was issued on December 5, 1955.

ADDITIONAL EXPLORATION

During 1953-56, the property was further explored by various interested parties. Between April 21, 1954 and March 15, 1955, the Atomic Energy Commission completed 992 hours of bulldozer trenching and stripping and core drilled 9 holes 93 to 600 feet deep for a total of 2,756 feet.

Farmington Funding Corporation drilled 2 holes on the property, 800 and 1,000 feet long, before relinquishing its option to purchase.

Newmont Exploration Company drilled 6 holes, 80 to 337 feet deep, totalling 1,157 feet before relinquishing its option.

The present operator, Denver-Golden Oil and Uranium Company, has explored the property by crosscutting, drifting and raising between the Ralston Creek and Minnesota tunnel levels and are presently engaged in driving a new crosscut tunnel (Charlie tunnel) 100 feet below the lowest operating (Minnesota) level. This tunnel has already encountered good uranium ore on the extensions of the Illinois, Colorado, and Nebraska veins. Uranium ore is produced regularly from the property.

SUMMARY OF FACTUAL DATA

The total cost of the contract exploration program was $17,450.75, and Government participation at 90 percent was $15,705.67. Costs are distributed as follows:

Items	Cost	Unit Cost
1 mile of access road	$3,000.00	$3,000 per mile
300 ft. of bulldozer trenching and stripping	$875.00	$2.92 per lineal foot
Rehabilitate and enlarge Ralston Creek tunnel level	$350.00	$4.67 per lineal foot
Construct a frame 20- by 12-ft. shop and change house	$400.00	$400.00
349 feet of drifts and crosscuts on the Ralston Creek and Minnesota levels	$12,825.75	$36.75 per lineal foot

Fred Schwartzwalder repaid the Government's share in exploration costs ($15,705.67) in full by October 3, 1955. All costs were on a unit, short-form contract basis.

Work under the contract was efficient and according to good mining practice. Most of the work was in firm, hard rock requiring very little timber.

A certification of Discovery was issued on December 5, 1955.

CONCLUSIONS AND RECOMMENDATIONS

The exploration carried out by the operator under the DMEA contract Idm-E595 indicates that the uranium-bearing fault breccias will have a considerable dip length, but that the strike length is likely to be limited chiefly to the garnetiferous gneiss that makes up the contact zone between mica schist and amphibolite.

Subsequent to the completion of the contract, the property was further explored by the Atomic Energy Commission, Newmont Exploration Company, and the Farmington Funding Corporation. This exploration, consisted primarily of diamond drilling, but also included considerable trenching and detailed radiometric traversing. It resulted in the discovery of additional uranium-bearing fault breccias, namely: the Washington and Illinois veins. It also resulted in finding ore-grade uranium in drill holes as much as 600 feet below the Minnesota level. It is probable that the known mineralized fault breccias will contain significant bodies of uranium ore within the garnetiferous host rock at depths of 600 feet and more, and that still other mineralized structures occur both laterally and at depth in the favorable host rock.

Because extraction has followed exploration so closely, no measured or indicated reserves have been developed for the property as a result of the exploration under the contract. The inferred reserves are estimated to amount to 25,800 tons of uranium ore containing 0.5 percent U_3O_8.

It is concluded that the inferred reserves of the Ralston Creek mine can be increased several fold by further exploration at lower elevations within the contact zone of garnetiferous gneiss.

It is recommended that further exploration be undertaken by the operator and that DMEA participate in such exploration if requested; in order to more fully develop the ore potential of the property.

The Denver-Golden Oil and Uranium Company, the present owners, have applied for DMEA assistance under Docket 4311 to further explore for uranium in their Ralston Creek mine.

ANNEX I

SAMPLING DATA
(Location of samples shown on figure 4)

Map No.	Width Feet	eU	U	U_3O_8	V_2O_5	Cu	Mn	$CaCO_3$	Sample By
1	4.0	0.039	0.010	0.018	--	0.15	0.07	<0.1	U.S.G.S.
2	4.0	0.021	0.011	0.02	--	--	--	<0.1	U.S.G.S.
3	2.0	0.091	0.07	0.083	--	0.28	--	<0.1	A.E.C.
4	2.3	0.32	0.42	0.50	--	--	--	<0.1	A.E.C.
5	0.8	0.39	0.56	0.61	--	--	--	<0.1	A.E.C.
6	2.0	0.88	1.07	1.26	--	--	--	<0.1	U.S.G.S.
7	3.0	0.32	0.36	0.42	--	0.21	0.40	<0.1	U.S.G.S.
8	0.5	1.40	1.94	2.29	--	--	0.24	<0.1	U.S.G.S.
9	3.0	0.71	0.92	1.09	--	0.27	--	<0.1	A.E.C.
10	1.4	0.075	0.056	0.066	--	0.18	--	<0.1	A.E.C.
11	2.2	1.3	1.6	1.89	--	--	--	<0.1	A.E.C.
12	0.5	0.11	0.088	0.10	--	--	--	<0.1	A.E.C.
13	4.0	0.11	0.082	0.097	--	--	--	<0.1	U.S.G.S.
14	2.2	0.082	0.008	0.08	--	0.22	--	<0.1	A.E.C.
15	1.0	0.55	0.70	0.83	--	0.38	--	<0.1	A.E.C.
16	2.0	0.44	0.59	0.70	0.07	--	--	<0.1	D.M.E.A.
17	2.0	2.9	4.32	5.09	0.14	--	--	<0.1	D.M.E.A.
18	3.0	0.5	0.65	0.77	0.14	--	--	<0.1	D.M.E.A.
19	0.6	0.23	0.26	0.31	--	--	--	<0.1	A.E.C.
20	0.7	0.30	0.32	0.38	--	--	--	<0.1	A.E.C.
21	1.0	4.10	5.290	6.24	--	--	--	--	U.S.G.S.

Map No.	Width Feet	eU	U	U_3O_8	V_2O_5	Cu	Mn	$CaCO_3$	Sample By
22	Uranium Stope (1561 dry tons)	—	0.6	0.7 ave.	—	—	—	0-7.0	Vitro Chem. Company settlements
23	5.0	—	1.26	1.49	—	—	—	—	A.E.C.
24	1.5	—	0.3	0.35	—	—	—	—	A.E.C.
25	2.0	—	3.44	4.06	—	—	—	—	A.E.C.
26	0.8	0.746	7.6	9.0	—	—	—	—	D.M.E.A.
27	0.8	—	2.9	3.43	—	—	—	—	A.E.C.
28	0.8	—	2.9	3.43	—	—	—	—	A.E.C.
29	2.0	—	0.08	0.098	—	—	—	—	A.E.C.
30	2.0	—	0.29	0.34	—	—	—	—	A.E.C.
31	3.0	—	0.67	0.79	—	—	—	—	A.E.C.
32	4.0	—	1.91	2.53	—	—	—	—	A.E.C.
33	2.1	—	1.87	2.20	—	—	—	—	A.E.C.
34	2.0	—	1.82	2.14	—	—	—	—	A.E.C.
35	1.7	—	1.85	2.18	—	—	—	—	A.E.C.
36	3.0	—	5.15	6.07	—	—	—	—	A.E.C.
37	3.0	—	1.79	2.11	—	—	—	—	A.E.C.
38	3.0	—	1.73	2.04	—	—	—	—	A.E.C.
39	3.0	—	1.15	1.355	—	—	—	—	A.E.C.
40	6.9	—	0.77	0.90	—	—	—	—	A.E.C.

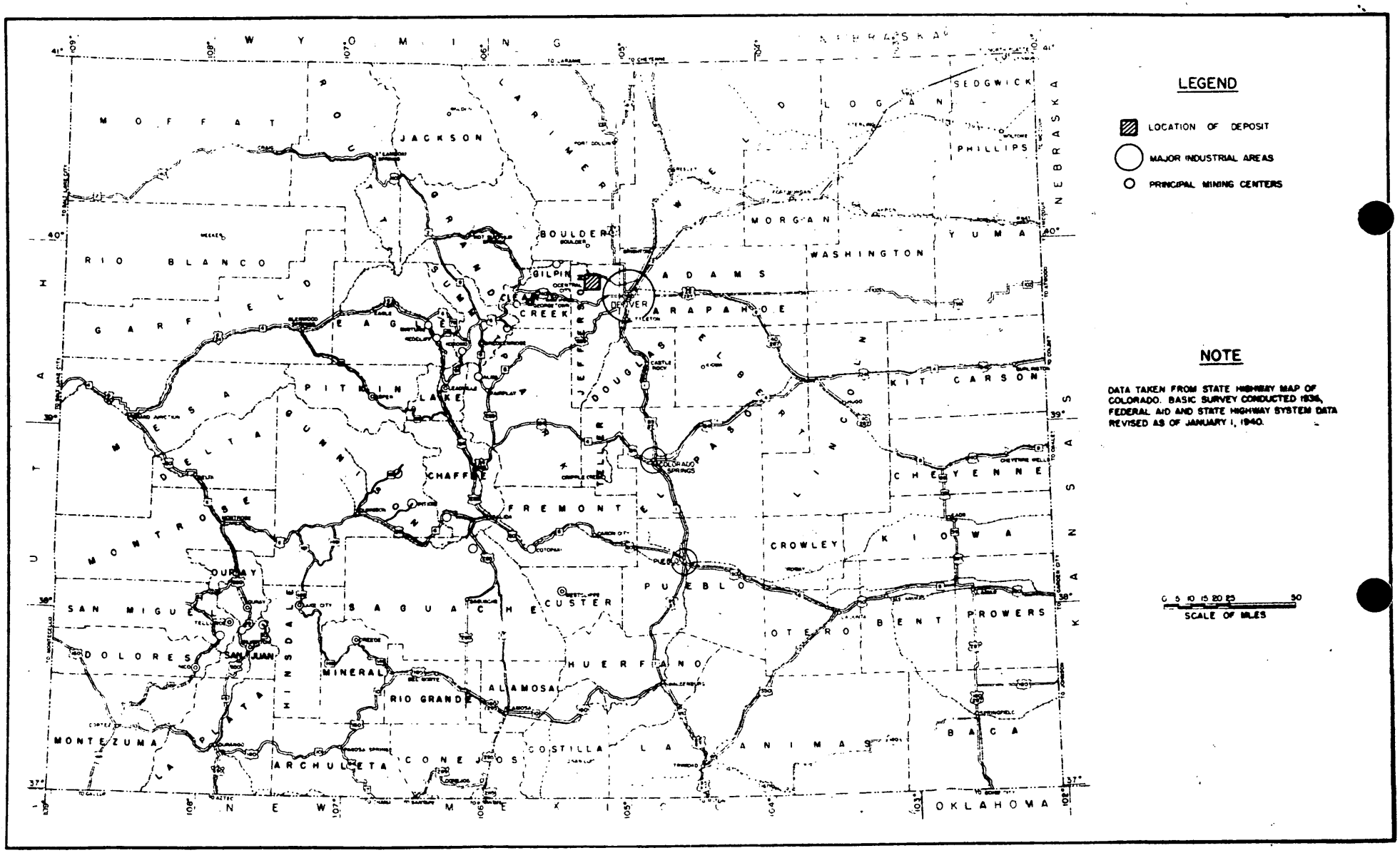


FIGURE 1. - LOCATION MAP, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO. (DMEA 2888).

CONTRACT Idπ-E595

RECEIVED
NOV 13 1956
D.M.E.A.

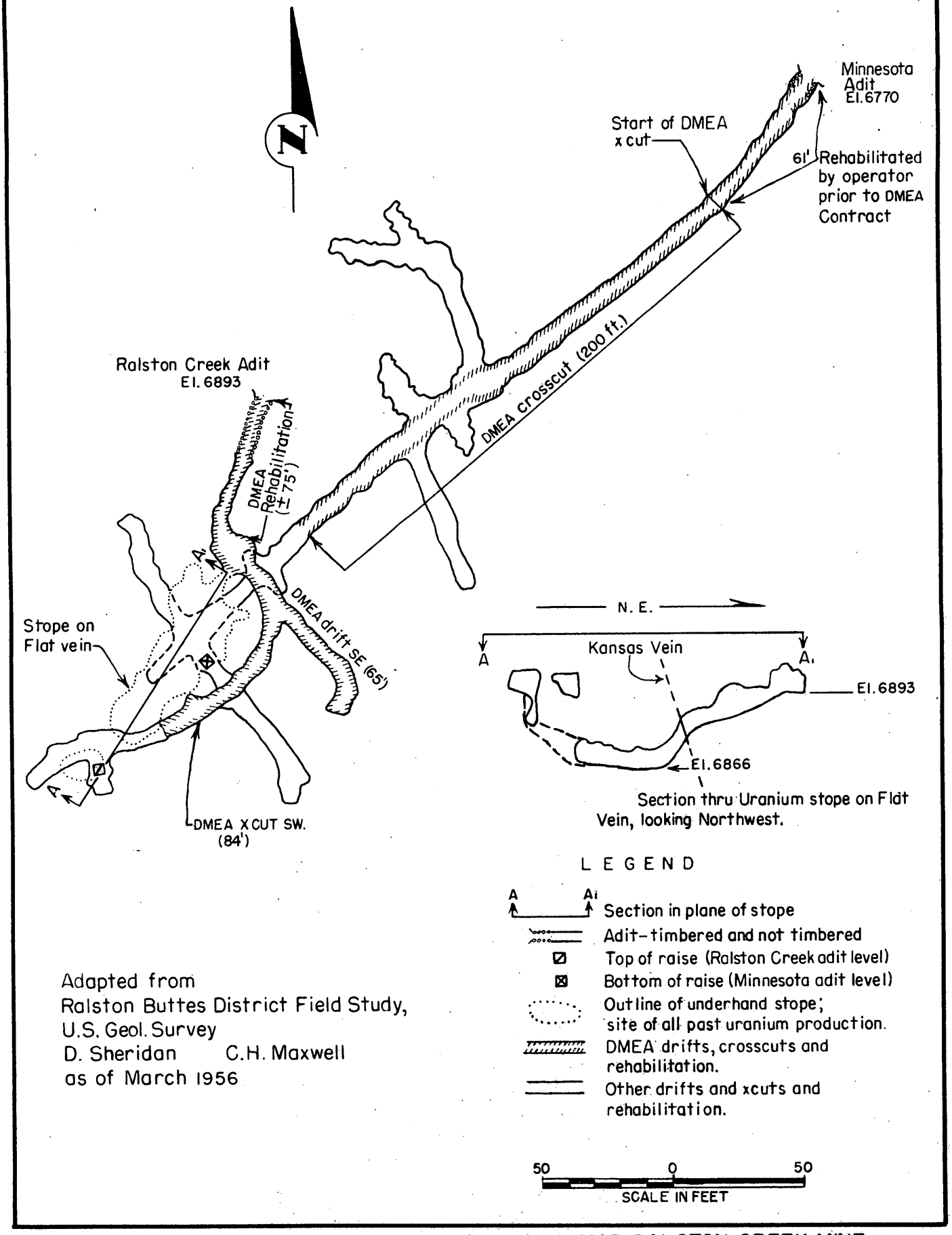


FIGURE 2 - COMPOSITE UNDERGROUND EXPLORATION MAP, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO. DMEA 2888, CONTRACT Idm-E595

RECEIVED
NOV 13 1956
D.M.E.A.

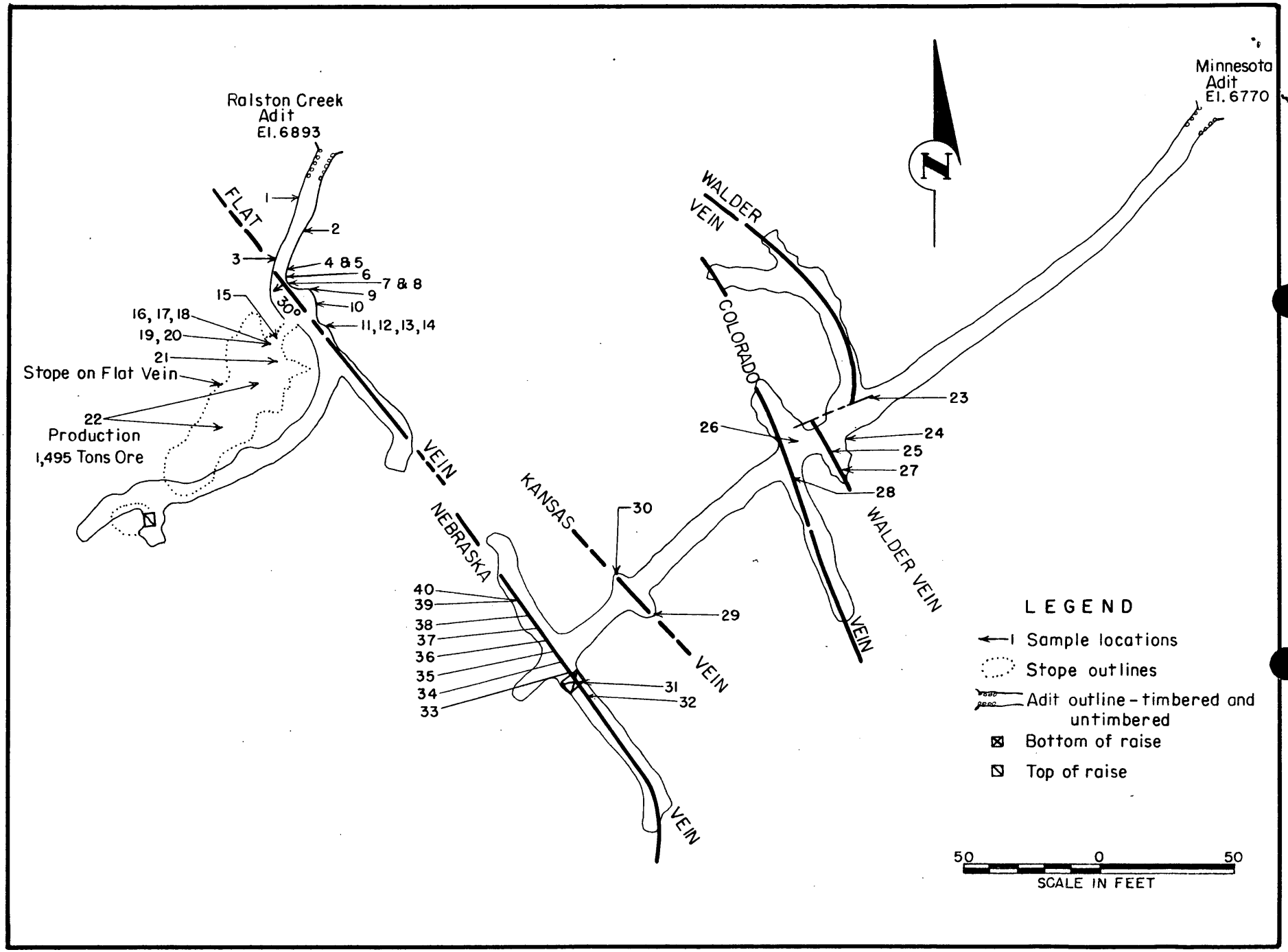


FIGURE 4 - UNDERGROUND SAMPLE LOCATION MAP, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO. DMEA 2888, CONTRACT Idm-E595

RECEIVED
NOV 13 1956
D.M.E.A.

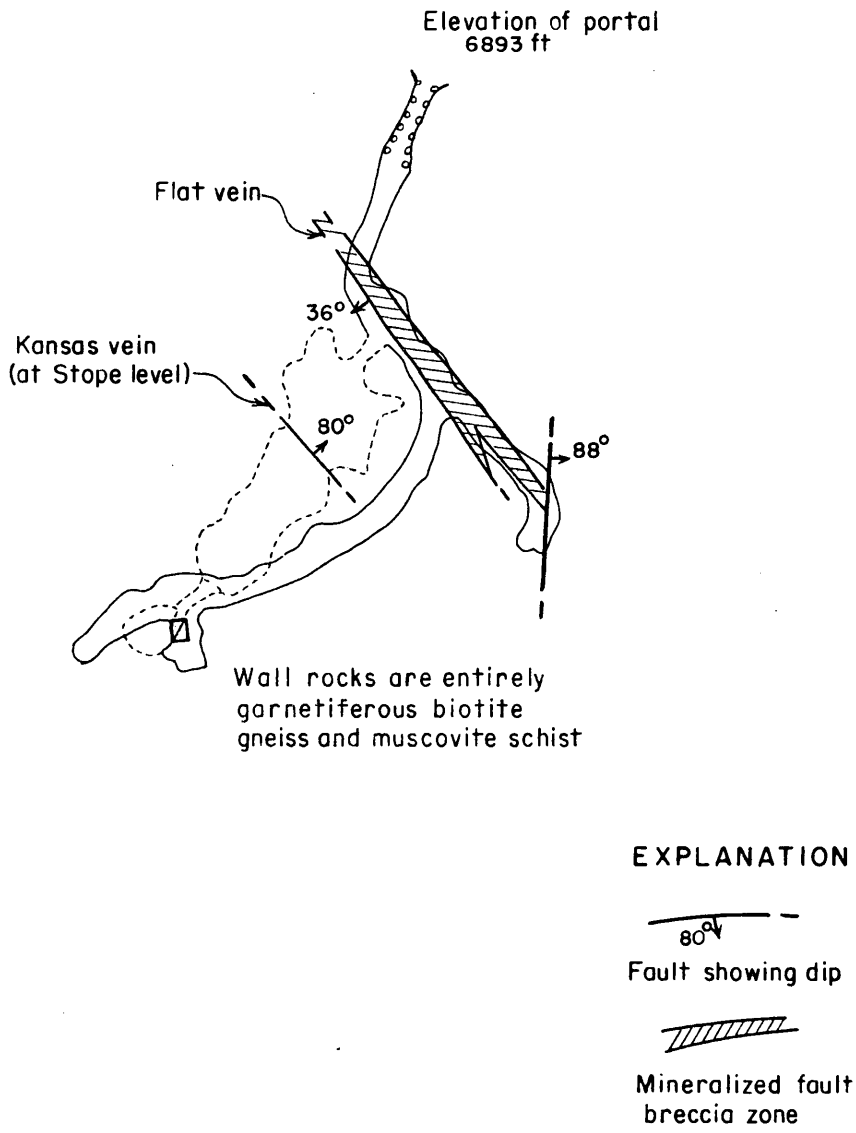


FIGURE 5 - GEOLOGIC PLAN OF THE RALSTON CREEK ADIT, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO. DMEA 2888, CONTRACT Idm-E595

RECEIVED
NOV 13 1956
D.M.E.A.

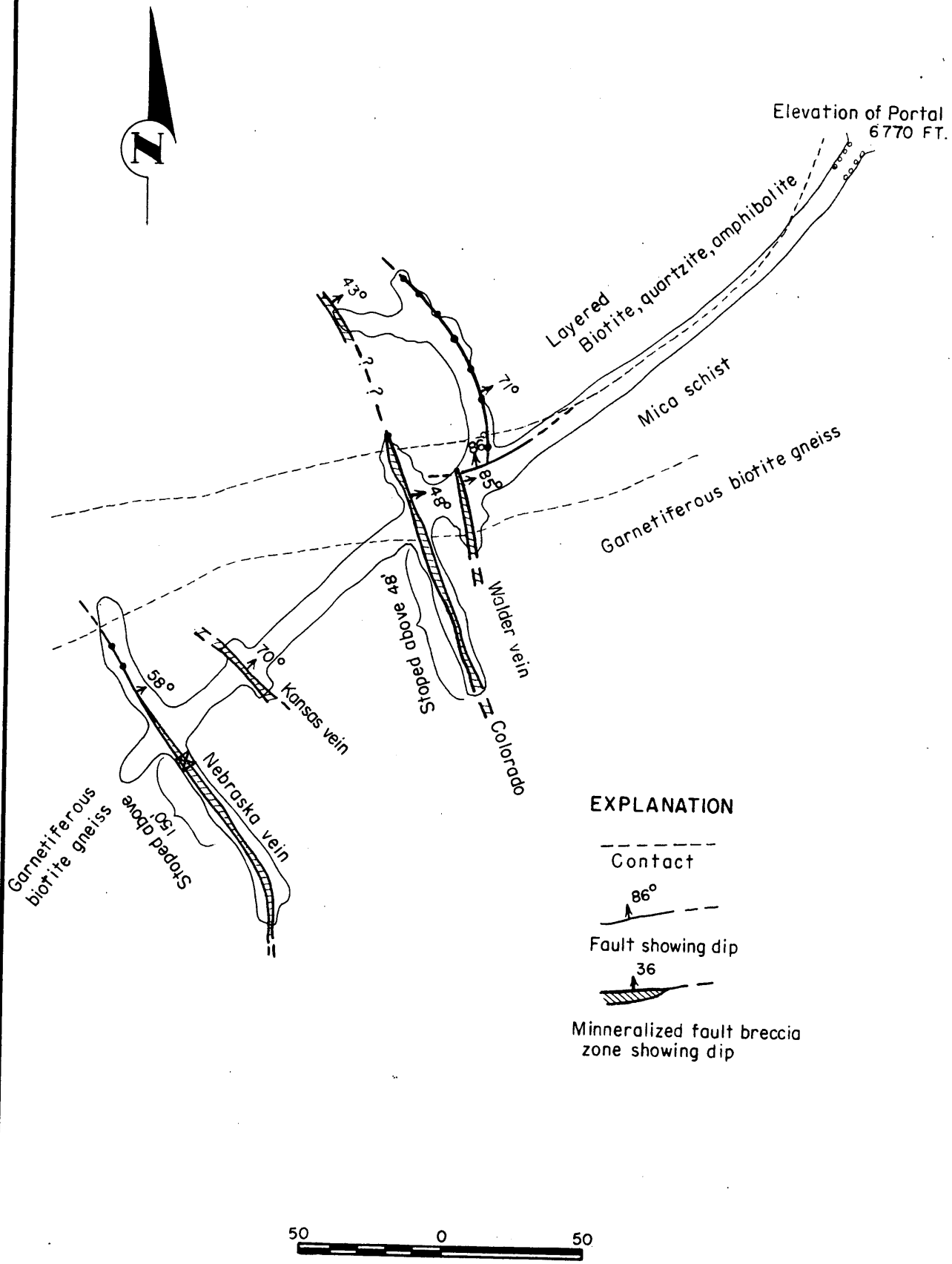


FIGURE 6 - GEOLOGIC PLAN OF THE MINNESOTA ADIT LEVEL, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO. DMEA 2888, CONTRACT Idm-E595

RECEIVED
1956
D.M.E.A.

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

RECEIVED
FEB 13 1956

224 New Customhouse
Denver 2, Colorado

February 10, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2888 (Uranium), Contract Idm-E595, Fred Swartzwalder, Jefferson County, Colorado

In compliance with the "Special Notice" instructions contained in the "Minutes, Operating Committee," No. 622, dated January 27, 1956, we are enclosing the original and one copy of the Operator's Final Report.

The Field Team's Final Report will be forwarded as soon as the engineering and geologic sections are available.

W. M. Traver

W. M. Traver

Enclosures

Golden, Colorado.
Sept. 19, 1955

Mr. H. M. Traver
Denver, Colo.
Dear Sir:

Enclosed I'm sending you a narrative final report, also a small scale map. Hope this fills the bill.

If it doesn't let me know. Let me know also how much I owe and I will settlement.

Yours Truly
Fred Schwartzwalder
207 Boyd St

DMEA
Date Rec'd.
SEP 20 1955
BUREAU OF MINES
Denver, Colo.
RECEIVED
FEB 13 1956

FINAL REPORT

CONTRACT I.D.M.-E595

CONTRACT AMOUNT $23,000.00

Work on one mile of road more or less was began Sept. 23, 1953 and finished Nov. 23, 1953. Trenching and Stripping of 300 Ft. exploring radioactive shear zone was also completed by Nov. 30 1953.

During months of Dec. 1953 and Jan. 1954 the Ralston Creek Mine adit level was rehabilitated by retimbering portal approxtmately thirty feet grading and laying the track and pipe, setting up equipment. During this time building was constructed for housing compressor and tools, also to be used for changing room and office. Drifting was started during month of Feb. 1954 on first level and 34 Ft. were completed.

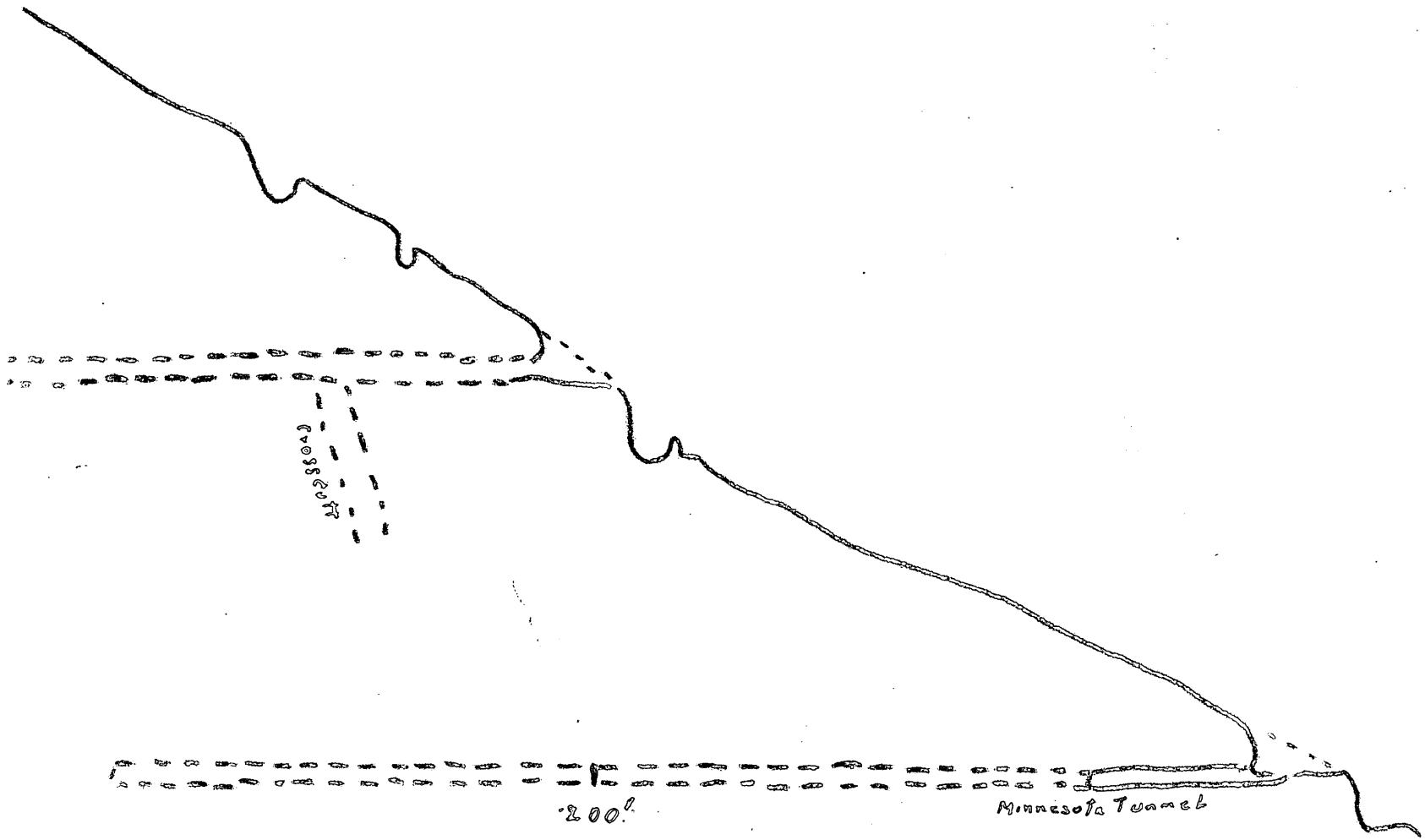
During month of March 1954 drift was advanced 43 Ft. Although not in commercial quantity, some ore showings were found. 35 Ft. of crosscutting were completed in a new crosscut in April 1954. 13 Ft. of drifting was added in the old drift. In May 1954 24 Ft. of drifting was added to the total footage in the drift. A recess was asked and granted during next three months due to A. E. C. exploration program.

Work was resumed in Sept. 1954 on a lower level in the Minnesota Tunnel and the tunnel was advanced 71 Ft. during the month. In Oct. 1954 72 Ft. of drifting were added in Minnesota tunnel. Drift in Minnesota tunnel was advanced 43 Ft. in Nov. 1954.

OP's Final Report

14 Ft. of drifitng completed authorized 200 Ft. extension of Minnesota tunnel during month of Dec. 1954. Some shipping ore was found during this operation. A termination agreement was effected June 2, 1955 and the contract terminated.

Fred Schwartzwalder



1" = 50'

Ralston Creek Mine

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

RECEIVED
DEC 16 1955

224 New Customhouse
Denver 2, Colorado

December 12, 1955

Memorandum

To: John F. Shaw

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

Subject: DMEA Docket 2888 (Uranium), Contract Lim-E595, Fred Schwartzwalder, Ralston Creek Mine, Jefferson County, Colorado

Enclosed is your copy of a Certification of Discovery or Development issued for the subject contract under date of December 5, 1955 and a copy of the Administration transmittal letter to Mr. Fred Schwartzwalder.

The entire amount of Government funds contributed to this contract have been repaid in full.

R. N. Harshman

R. N. Harshman

Enclosures

RDB/vj

cc: Royalty File E595 w/copies
Correspondence File E595 w/copies
T. A. Christensen w/copies
J. W. Townsend w/copies
Sec. Opr. Comm. (2)
Berkenkotter
Chron.

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

RECEIVED
DEC 16 1955

224 New Customhouse
Denver 2, Colorado

December 12, 1955

Paul R. White
Anna Lee White
Route 2, Box 19
Golden, Colorado

Re: DMEA Docket 2888 (Uranium), Contract Edm-E595,
Fred Schwartzwalder, Ralston Creek Mine,
Jefferson County, Colorado

Dear Sir and Madam:

Enclosed herewith are your copies of a Certification of Discovery or Development issued by the Government for the subject DMEA Contract. Also enclosed are copies of the Governments's transmittal letter to Mr. Fred Schwartzwalder.

This is a formality certification of your property only as the entire amount advanced to Mr. Schwartzwalder for work performed has been repaid in full and the contract officially terminated as of June 23, 1955.

No further action on your part is required in conjunction with the Governments' certification, and no further lien against your property exists.

Yours very truly,

E. M. Hershman

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

Enclosures

RDB/vj

cc: Royalty File E595
Correspondence File E595
Sec. Opr. Comm. (2)
J. F. Shaw (2)
J. W. Townsend
Berkenkotter
Chron.

Surname copy

700

Ching
Ellis
Selfridge
Johnson

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

DEC - 5 1955

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

Re: Docket No. DMEA-2588 (Uranium)
Contract No. Idm-2595
Fred Schwartzwalder
Ralston Creek Mine
Jefferson County, Colorado

Dear Mr. Traver:

Enclosed for your files are two copies each of a certification of discovery or development issued on the subject property and the covering letter to the Operator.

We find that the addresses of the two owners who signed the Owner's Consent to Lien, dated August 4, 1953, have not been supplied this office. We are, therefore, attaching two additional copies of the certification and of the covering letter to the Operator for transmittal to the owners.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

MChing/gla
11-23-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. Robert W. Geehan, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
F. E. Johnson
Code 700
Mr. Ching

R.C.S.

Surname copy 700

Ching
Ellis
Hoffland
Appd. Sol. Off.
Rhm
Chambers
Geehan
Kilgaard
Selfridge
Johnson

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

Mr. Fred Schwartzwalder
207 Regal Street
Golden, Colorado

DEC - 5 1955

Re: Docket No. DMEA-2088 (Uranium)
Contract No. Ldm-2595
Ralston Creek Mine
Jefferson County, Colorado

Dear Mr. Schwartzwalder:

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, 1953, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum of $35,705.67 is paid, or until September 2, 1963, whichever occurs first.

Inasmuch as the sum of $35,705.67 has been paid in full, no further action on your part is required on account of the enclosed certification.

Sincerely yours,

C. C. Mittendorf
(Ly E 57)
Administrator

Enclosure

Copies to: Paul R. White
Anna Lee White

MChing/gla
11-23-55
cc to: Admr.'s Reading File
Operating Committee
Robert W. Geehan, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Field Team, Region III (2)
Docket
F. E. Johnson

Code 700
Mr. Ching

R.S.S.

Talbert

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

NOV 16 1955

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

Re: Report of Review
Fred Schwartzwalder
Idm-2595, DMEA-2088

Dear Don:

Receipt is acknowledged of the Washington copies of your Report of Review covering the referenced contract.

In the first paragraph the period covered by the monthly reports is stated erroneously as being "for the months of February to December, 1954." We have changed the Washington copies to read "for the period of Sept. 23, 1953, to Dec. 31, 1954."

Please arrange to have all regional copies revised accordingly.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
November 15, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.S.B.

E-595

For Certificate of Deposit No. 41, dated October 5, 1955, giving royalty repayment of $9,241.00, see E-53.

224 New Customhouse
Denver 2, Colorado

October 4, 1955

RECEIVED
OCT 7 - 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2088 (Uranium), Contract Idm-5595, Fred Schwartzwalder, Ralston Creek mine, Jefferson County, Colorado

Enclosed for your disposition is a check in the amount of $9,261.00, made payable to the Defense Minerals Exploration Administration, and a copy of a letter of transmittal, dated October 3, 1955, from Fred Schwartzwalder.

The check rendered constitutes the Operator's payment in full for the balance due the Government under the royalty repayment provisions of the subject contract as the amount of Government participation in the cost of the work performed.

W. M. Traver

W. M. Traver

WLB:prl
cc: Chairman, Oper. Comm. (4)
Shaw (2)
Townsend
Hurshman
Royalty file
Curren. file
Curren.

w/enclosure

Golden Colorado
Oct 3, 1955

Defense Mineral Exploration,
Denver Colo

RECEIVED
OCT 7 - 1955

Dear Sirs

Enclosed find check for $9241.00/100. This is payment in full for unsettled gov't contribution.

Thanks for your consideration and help in this matter.

Yours Truly

Fred Schwartzwalder

DMEA
Date Rec'd
OCT 4 1955
BUREAU OF MINES
Denver, Colorado

RECEIVED

RECEIVED

RECEIVED

224 New Customhouse
Denver 2, Colorado

August 31, 1955

Mr. Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

In: Contract [illegible]-2868 (Uranium),
Contract [illegible]-2795

Dear Mr. Schwartzwalder:

We wrote you on August 1, 1955, wherein we requested you to comply with Article 9(b) of the contract and submit a final report covering work completed under Contract [illegible]-2795.

If there is any way that we can help you in preparing this report, please feel free to call either at this office or at the Denver Experiment Station, Building 20, Denver Federal Center.

Very truly yours,

W. M. TRAVER

W. M. Traver

Executive Officer, [illegible]
Field Team, Region III

WLD:prl

cc: Secretary, Operating Committee (3)
Shaw (2)
Harshman
Townsend
Corres. File
Chron.

For Certificate of Deposit No. 24, dated August 24, 1955, giving royalty repayment of $306.64, see E-4.

For Certificate of Deposit No. 15, dated August 2, 1955, giving royalty repayment of $176.47, see E-333.

UNITED STATES DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D.C.

224 New Customhouse
Denver, Colorado

August 1, 1955

Mr. Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

Re: Docket DMEA 2888 (Uranium)
Contract Idm-E595

Dear Mr. Schwartzwalder:

Your attention is directed to Article 5(b) of Contract Idm-E595 which stipulates that upon completion of project work or termination of the contract the operator is required to submit a final report that describes work completed under the contract. A termination agreement has been executed and we would appreciate your attention toward this final contract provision.

We also wish to direct your attention to your verbal statement that it was your intention to pay the Government in full for its contribution in the exploration program.

Very truly yours,

W. M. Traver

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

WLD:dja

cc: Sec.Op.Comm. (3)
Shaw (2)
Harshman
Townsend
Subject
Charon

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

224 New Customhouse
Denver 2, Colorado

June 23, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2888 (Uranium), Contract Idm-E595, Fred Schwartzwalder, Jefferson County, Colo.

Enclosed are the Government, Division and Docket copies of termination agreement which was forwarded by your letter of June 17, 1955 for execution by the operator and this office.

Copies of the termination agreement have been given to the operator, the Finance Office, Region III, and a copy has been retained for our files.

W. M. Traver

Encls.

E-595

For Certificate of Deposit No. 128A, dated June 21, 1955, giving royalty repayment of $864.24, see E-532.

Surname

700

Ching
Ellis
Talbut
Selfridge
Hefelman

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

JUN 17 1955

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

Re: Docket No. DMEA-2888 (Uranium)
Contract No. Idm-2595
Fred Schwartzwalder
Ralston Creek Mine
Jefferson County, Colorado

Dear Mr. Traver:

In accordance with your memorandum of May 25, 1955, relative to termination of the subject contract, we are enclosing the original and five copies of a proposed Termination Agreement, prepared for execution by you and the Operator.

If you find the agreement in order, please make the usual distribution after the required date and signatures have been affixed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosures

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

MChing:am
6-16-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm.3641
T. H. Kiilsgaard, Rm.5224
J. O. Hosted, Rm.3210, GSA
Code 700
Mr. Ching

R.S.J.

Surname 700

Ching
Ellis

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

June 3, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Michael Ching, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2888 (Uranium)
Contract No. Idm-L595
Fred Schwartzwalder
Ralston Creek Mine
Jefferson County, Colorado

Will you kindly prepare a Termination Agreement between the Government and Fred Schwartzwalder in accordance with W. M. Traver's memorandum of May 25, 1955.

The contract completion date is now June 2, 1955, so it may be appropriate to make that the effective date of termination.

You will note that the Owner's Consent to Lien is on the old form.

There will undoubtedly be a certification of discovery made.

Michael Ching

Attachments

MChing:am
cc to: Docket
Code 70C
Mr. Ching

E-595

For Certificate of Deposit No. 118, dated June 3, 1955, giving royalty repayment of $102.07, see E-440.

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

RECEIVED
JUN - 3 1955

224 New Customhouse
Denver 2, Colorado

May 31, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payment - Fred Schwartzwalder, Docket No. 2838, Contract No. Idm-E595 - Colorado

Enclosed is check from Fred Schwartzwalder in the amount of $102.07 which represents the balance of royalty due on Liquidation Nos. 7318, 7359, 7360 and 7389.

Settlement sheets for Liquidation Nos. 7318, 7359 and 7360 were forwarded to you on April 19, 1955, and settlement sheet for Liquidation No. 7389 was forwarded to you on May 20, 1955.

W. M. TRAVER

W. M. Traver

Enclosure

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

224 New Customhouse
Denver 2, Colorado

May 25, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2888 (Uranium), Contract Idm-E595, Fred Schwartzwalder Ralston Creek Mine, Jefferson County, Colorado

Enclosed is the following material relative to termination of the subject contract by mutual agreement:

1. Original and three copies of the operator's request of May 4, 1955.
2. Original and three copies of a memorandum dated May 16, 1955, from C.M. Harrer, Mining Engineer, U.S. Bureau of Mines.
3. Original and three copies of a memorandum dated May 23, 1955, from E.N. Harshman, U.S. Geological Survey member, DMEA Field Team, Region III.
4. One copy each of Form MF-104A, Operator's and Engineers narrative reports pertaining to work completed during the month of December 1954.
5. Two copies of a memorandum dated March 8, 1955, from C.M. Harrer, Mining Engineer, U.S. Bureau of Mines, relative to operations under the contract.

The operator requests that the contract be terminated by mutual agreement and advises that he will repay the amount of the Government's participation in full within the near future.

The examining engineer and geologist recommend that the contract be terminated by mutual agreement, in which this office concurs.

The matter is forwarded for your consideration and appropriate action or advice to us as to how we should proceed.

W. M. Traver

W. M. Traver

Encls.

DMEA
Date Rec'd
MAY 6 1955
BUREAU OF MINES
Denver, Colorado

Golden, Colorado

May 4, 1955

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

Dear Sir:

In regard to docket DMEA 2888 (Uranium) Contract IDM-E595 I wish to let you know that due to present conditions I wish by mutual agreement to discontinue balance of contract at the end of my present Ore Contract June 30th, as soon as all royalties are in from same I will repay the balance of the loan in full.

Yours Truly,

Fred Schwartzwalder

Fred Schwartzwalder

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
MAY 17 1955
BUREAU OF MINES
Denver, Colorado

Region III

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

May 16, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw

From: C. M. Harrer

Subject: DMEA 2888, Contract Idm-E595 (Uranium) Fred Schwartzwalder (Ralston Creek mine) Jefferson County, Colorado - Application to discontinue the contract by mutual agreement.

Mr. Fred Schwartzwalder requests termination of the subject contract by mutual agreement in a letter dated May 4, 1955.

The contract details are as follows:

Item 1.	Construct about one mile of access road.	$3,000.00
Item 2.	Trenching and stripping; about 300 feet of radiometric highs.	875.00
Item 3.	Rehabilitate the Ralston Creek adit level.	350.00
Item 4.	Construct a 20- x 20-foot building to house equipment.	400.00
Item 5.	300 feet of crosscutting or drifting at $36.75 per foot.	11,025.00
Item 6.	200 feet of crosscutting or drifting at a lower level (Minnesota adit) at $36.75 per foot.	7,350.00
Total cost of the exploration program		$23,000.00
Government participation of 90 percent		$20,700.00

The only work remaining to complete the contract is 149 feet of drifting or crosscutting in item 5 of the contract. Total cost of the remaining work is $5,484.75.

This work was recommended discontinued by the Geological Survey in a memorandum report dated August 20, 1954; and was recommended held in reserve in a Bureau of Mines report dated August 18, 1954.

Contract amendment 2, dated August 24, 1954, withholds authorization of the above work to complete the contract until the applicant requests the additional work.

Since the applicant has not requested this work but has asked for termination of the contract, the contract appears terminated for this reason. In addition, work accomplished to date under the terms of the contract, work by the operator at his own expense, and exploration by the Atomic Energy Commission has resulted in a "reasonable " delineation of ore bodies on the property. The Ralston Creek property is a uranium producing mine and has made regular royalty payments. The applicant has declared his intention to pay the Government's share of the exploration costs in full some time after June 30, 1955.

It is therefore recommended that this contract be terminated by mutual agreement. With certification

C. M. Harrer

C. M. Harrer
Mining Engineer

cc: 9 w/orig
Idm-E595
Chron

/mh

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
Date Rec'd
MAY 24 1955

BUREAU OF MINES
Denver, Colorado

May 23, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

MAY 31 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 2888 (Uranium), Contract Idm-E 595, Fred Schwartzwalder, Ralston Creek Mine, Jefferson County, Colo.

In a letter of May 4, 1955, Fred Schwartzwalder requests that work under contract Idm-E 595 be discontinued by mutual consent.

About 349 feet of drifts and crosscuts have been completed on two levels with DMEA assistance, and considerable work has been done at the operator's expense. Exploration at the Ralston Creek mine has led to the discovery of a significant amount of excellent grade uranium ore and regular ore shipments have been made. Royalties in the amount of $5,015.25 have been paid to DMEA and there is every reason to believe that the $15,242.62 in DMEA funds expended to date will be fully repaid.

Although the 151 feet of work remaining under the contract could be expended to advantage in drifting on the veins cut in the lower crosscut (Minnesota tunnel) it does not appear to be to the Government's disadvantage to terminate the contract at this time.

It is, therefore, recommended that the operator's request to terminate the contract by mutual consent be approved.

E. N. Harshman

E. N. Harshman
Member, Field Team

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
March 8, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw

From: C. M. Harrer

Subject: DMEA 2888, Contract Idm-E595 (Uranium) Fred Schwartzwalder (Ralston Creek mine) Jefferson County, Colorado - Progress report for February 1955

Progress under the above-mentioned contract for the month of February 1955 was inspected on March 3, 1955. The contractor, Fred Schwartzwalder, was contacted at the property.

Progress at the Ralston Creek mine during December 1954 completed the terms of the subject exploration contract with the exception of 151 feet of drifting or crosscutting at $36.75 per foot in the upper adit (Item 5) which remains unexpended. This amount could be applied towards additional exploration by an amendment to the contract. Mr. Schwartzwalder did not apply for an amendment to the contract during January but stated that he has applied for an amendment during February.

During February, Mr. Schwartzwalder granted a 30-day option to purchase his interest in the Ralston Creek mine to the Farmington Funding Corporation of Colorado Springs, Colorado. The option is in effect from February 14 to March 14, 1955. The company's representative is Mr. H. K. Hughes of Colorado Springs; phone MElrose 3-4671. Because of the above-mentioned option, Mr. Schwartzwalder has asked that action on his proposed amendment to the contract be deferred.

The Minnesota crosscut adit has now been advanced 350 feet in from its portal and in addition, four major radioactive shear structures have been slabbed and drifted on for an aggregate length of 72 feet. The operator has therefore advanced the Minnesota crosscut 89 feet, and has drifted on the above-mentioned radioactive fault zones 72 feet at his own expense, to date.

In the Minnesota adit, a radioactive shear zone, 176 feet in from the portal, was slabbed to the northeast and shipped for ore.

Another shear zone, 207 feet in from the portal, was drifted on for 14 feet to the southwest. A sample over 0.8-foot width, obtained by M. H. Salsbury, assayed 0.8 percent U_3O_8.

A radioactive shear zone about 286 feet in from the portal was drifted on for 5 feet in each direction (NE-SW). This was sampled by the Atomic Energy Commission but analyses were not available.

Another highly radioactive fault zone was cut 328 feet in from the portal, which is 67 feet beyond the limit of crosscutting allowed under the contract. The operator accomplished this at his own expense. Sampling by the Atomic Energy Commission gave the following results:

A.E.C. No.	Description	Percent U_3O_8
F-32020	Across 1.7 feet of vein at west wall of Minnesota crosscut adit	2.159
F-32021	Across 2.0 feet of vein at east wall of Minnesota crosscut adit	2.136
F-32022	Across 2.1 feet of vein in drift east, and 5 feet east of Minnesota adit wall	1.83
F-32023	Across 4.0 feet of vein in drift west, and 4 feet west of Minnesota adit wall	4.3

In addition, Fred Schwartzwalder continues the mining and shipping of uranium ore and exploration from below the upper adit level.

C. M. Harrer

C. M. Harrer
Mining Engineer

cc 6
E595
DMEA Chron.

CMH/pah

E-595

For Certificate of Deposit No. 114, dated May 24, 1955, giving royalty repayment of $196.64, see E-370.

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

224 New Customhouse
Denver 2, Colorado

May 23, 1955

Mr. Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

Re: Royalty payments, DMEA Docket 2888 (Uranium), Contract I&M-E595, Fred Schwartzwalder, Jefferson County, Colorado

Dear Mr. Schwartzwalder:

Reference is made to our previous letter to you dated April 20, 1955 in which we stated that royalty payment in the amount of $75.17 was due on Liquidation Nos. 7318, 7359 and 7360. Subsequent to this date we have received settlement sheet and partial royalty payment in the amount of $196.64 for Liquidation No. 7309 dated March 31, 1955. Correct royalty for this shipment should have been $223.54 leaving a balance due of $26.90.

Please send your check in the amount of $102.07 to the Executive Officer, DMEA Region III, Room 224 ,New Customhouse, Denver 2, Colorado. Checks should be made payable to the Defense Minerals Exploration Administration.

Yours very truly,

W. M. Traver

W. M. Traver

4/27/55 gk

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

APR 25 1955

224 New Customhouse
Denver 2, Colorado

April 21, 1955

Mr. Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

Re: Docket DMEA 2888 (Uranium)
Contract Idm-E595

Dear Mr. Schwartzwalder:

Reference is made to your letter of March 18, 1955 wherein you advise that the option to purchase the Ralston Creek mine is in effect until April 15, 1955, and that you will be unable to complete the exploration contract until after that time.

Inasmuch as the date of April 15, 1955 has passed we will appreciate advice at your earliest convenience as to the status of your plans relative to future work under the contract.

Very truly yours,

W. M. TRAVER

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

JWT: jp
cc Subject
Chron
Marshman) w/copy opr's
Shaw) letters 2/28
Chairman, Op. Comm. (2)) and 3/18/55

RECEIVED
MAR 1955
Denver, Colorado

Golden, Colorado

March 16, 1955

E 595

Mr. W. M. Traver
Denver, Colorado

Dear Sir:

Due to the fact that the option on the Ralston Creek Mine is still in effect until the 15th of April 1955, I will be unable to complete the exploration contract IDM-E-[illegible] until that time.

I will advise you at the earliest possible time on any further action in regard to the contract.

Yours Truly,

Fred Schwartzwalder

Golden, Colo.
Feb 28 1955

Date Rec'd
MAR 1 1955
BUREAU OF MINES
Denver, Colorado

Mr. H. M. Traver:
Denver, Colo.
Dear Sir.

In reference to your letter of Feb 25, 1955, I wish to assure you that if and when any deal is made on the lease of the Ralston Creek Mine, the D.M.E.A. loan will be taken care of.

Right now I dont know how we will use the balance of the loan, but will let you know as quickly as I can. At present I have one car load of ore in transit, and two more to go. All ore out and broken goes to me, so I will settle up when everything is in.

Yours Truly

Fred Hartzvalder

For Certificate of Deposit No. 97, dated April 20, 1955, giving royalty repayment of $545.10, see E-4.

3/2/55 gla

FEB 28 1955

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

224 New Customhouse
Denver 2, Colorado

February 25, 1955

Mr. Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

Re: Docket DMEA 2388 (Uranium)
Contract Idm-E595

Dear Mr. Schwartzwalder:

By article in the Denver Post of February 24, 1955, we are informed that you have given an option to purchase the Ralston Creek uranium mine which is involved in the referenced contract.

In regard to disposal of your interests in the land described under Article 2 of the contract, your attention is directed to the provisions of Article 7 "Assignment, transfer, or loss of Operator's interest". We will appreciate advice from you at your earliest convenience as to what steps have been taken to protect the Government's interest as stipulated in the aforesaid Article 7.

We will also appreciate advice as to what effect the proposed sale of your interest in the property would have on your request of February 16, 1954 for authorization of additional work under the contract.

Action on your request of February 16 will be held in deferment pending receipt of advice as requested above.

Very truly yours,

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

JWT:jp
cc Subject
Chron
Chairman, Op. Comm.
Harshman
Shaw
Townsend

QUADRUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
14-23-040-71

Deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo 2-15-55
(Name and location of depositary) (Date sent)

$ 469.82

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

SYMBOL NO.
413

C. E. EVANS, MDO, Denver, Colo.
(Name and address of officer to be credited)

On account of—
14X401

E-CMC

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

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colorado

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

(Authorized signature)

FEB 15 1955
(Date of credit in Treasurer's account)

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

Idm E-595 Schwartzwalder 469.82

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

224 New Customhouse
Denver 2, Colorado

February 10, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payment - Fred Schwartzwalder, Docket DMEA 2888, Contract Idn-E595 - Colorado

Enclosed is check in the amount of $469.82 from Fred Schwartzwalder in payment of A.E.C. production bonus royalty, which constitutes payment in full of bonus royalty due.

W. M. TRAVER

W. M. Traver

Enclosure

1a

Copy to: Sec. Opr. Comm. (8)
J. F. Shaw
Royalty File E595
Chron

E-595

For Certificate of Deposit No. 64, dated January 19, 1955, giving royalty repayment of $97.00, see E-4.

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

224 New Customhouse
Denver 2, Colorado

January 17, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payment - Fred Schwartzwalder, Docket No. 2888, Contract No. Idm-E595 - Colorado

Enclosed is check No. 20 from Ralston Creek Mine in the amount of $97.00 which represents the balance of royalty due on Liquidation Nos. 6635, 6636, 6753 and 6841.

Settlement sheets for Liquidation Nos. 6635 and 6636 were forwarded to you on December 21, 1954, and settlement sheets for Liquidation Nos. 6753 and 6841 were forwarded to you on January 10, 1955.

W. M. Traver

W. M. Traver

Enclosure

ld

Copy to: Sec. Opr. Comm. (2)
J. F. Shaw
File E595
Chron

E-595

For Certificate of Deposit No. 61, dated January 14, 1955, giving royalty repayment of $345.44, see E-4.

For Certificate of Deposit No. 55, dated December 23, 1954, giving royalty repayments of $171.68 and $182.47, see E-4.

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

224 New Customhouse
Denver 2, Colorado

December 3, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2888 (Uranium), Contract Idm-E595, Fred Schwartzwalder, Jefferson County, Colorado

Enclosed are two copies of the Administrative Audit Difference Statement pertaining to work under the subject contract for the month of September 1954.

W. H. King

Encl.

For Certificate of Deposit No. 49, dated November 19, 1954, giving royalty repayment of $481.97, see E-4.

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

224 New Customhouse
Denver 2, Colorado

November 17, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty - Fred Schwartzwalder
Docket No. 2888, Contract No. E595, Colorado

Enclosed is Ralston Creek Mines' check, No. 17, in the amount of $481.97 which represents A.E.C. Production Bonus on Liquidation Numbers 5907 and 6166 as follows:

Liquidation No. 5907	$199.60
Liquidation No. 6166	282.37
	$481.97

Settlement sheets have been forwarded to you.

John F. Shaw
For W. E. King

mn

cc: Royalty File E595
Sec. to the Oper. Comm. (2) ✓
Traver
Chron.

For Certificate of Deposit No. 46, dated November 5, 1954, giving royalty repayment of $43.34, see E-4.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 1954

224 New Customhouse
Denver 2, Colorado

November 3, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty - Fred Schwartzwalder
Docket No. 2888, Contract No. E595, Colorado

Enclosed is Ralston Creek Mines' check, No. 13, in the amount of $43.34 which represents the balance of royalty due on Liquidation No. 6166.

Settlement sheet was forwarded to you October 15, 1954.

W. H. King

W. H. King

mn

cc: Royalty File E595
Sec. to the Oper. Comm. (2)
Traver
Chron.

For Certificate of Deposit No. 39, dated October 19, 1954, giving royalty repayment of $342.69, see E-4.

For Certificate of Deposit No. 32, dated September 24, 1954, giving royalty repayment of $239.01, see E-4.

For Certificate of Deposit No. 28, dated September 15, 1954, giving royalty repayment of $338.14, see E-4.

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

224 New Customhouse
Denver 2, Colorado

September 14, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty - Fred Schwartzwalder
Docket No. 2888, Contract No. E595, Colo.

Enclosed is check in the amount of $338.14 in payment of the following:

Haulage and Development Allowance, Liq. No. 5705	$ 26.99
A.E.C. Production Bonus, Liq. No. 5492	109.09
A.E.C. Production Bonus, Liq. No. 5705	170.99
Haulage and Development Allowance, Liq. No. 5707	31.07
	$338.14

To date settlement sheet covering Liquidation Number 5907 has not been received but will be transmitted to you when received in this office.

John F. Shaw
For W. H. King

Enclosure

RDB:mn

cc; Royalty File E595
Sec. to the Oper. Comm. (2)
Traver
Chron.

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

224 New Customhouse
Denver 2, Colorado

August 24, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2888 (Uranium), Contract Idm-E595, Fred Schwartzwalder, Jefferson County, Colorado

Enclosed for your records are three copies of authorization to perform certain work under Contract Idm-E595. Also enclosed are three sets of data relevant to the work authority.

W. H. King

W. H. King

Enclosure

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

224 New Customhouse
Denver 2, Colorado

August 24, 1954

Mr. Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

Re: Docket DMEA 2888 (Uranium)
Contract Idm-E595

Dear Mr. Schwartzwalder:

Reference is made to your request of July 26, 1954 for authorization of certain work under Contract Idm-E595.

Whereas the results of work performed to date indicate the desirability of performing the work described in EXHIBIT "A", item (6), of Exploration Project Contract Form MF-200(A), Contract No. Idm-E595, before the remaining work under item (5) is performed, you are hereby authorized to proceed as follows:

> "Extend the Minnesota tunnel in a direction S. 50° west a distance of 200 feet from the present face, or to a maximum distance of 261 feet from the portal of the tunnel."

Upon completion of the above drifting please advise this office so that the results of the work can be reviewed by the Defense Minerals Exploration Administration. Authorization for the performance of the unexpended 151 feet of drifting remaining under item (5) of said EXHIBIT "A" will be considered upon request from you and when the results of the work in the Minnesota tunnel are known.

Nothing in this work authority shall 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".

JWT:jp
cc Subject
Amendment
Chron
WMTraver
AHKoschmann
TAChristensen
Chairman, Oper. Comm. (3)
JWTownsend

Very truly yours,

W. H. King

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

August 20, 1954

Memorandum

To: A. N. Kaschmann E.N.H. for A.N.K

From: E. N. Harshman

Subject: DMEA Docket 2888 (uranium), Contract 16n-4393, Fred Schwartzwalder, Jefferson County, Colorado

By letter of July 26, 1954, Fred Schwartzwalder requested consideration of the following exploration program at the Ralston Creek mine:

1. Discontinue work on the present mine level authorized in item 5 of Exhibit A of the contract.

2. Rehabilitate and enlarge at his expense the Minnesota tunnel (61 feet in length) the portal of which is 250 feet northeast of the present mine portal and 125 feet lower in altitude.

3. Extend the Minnesota tunnel 300 feet from the present face on a line S. 50° W.

4. Use the remaining footage of drifting and crosscutting allotted under item 5 and item 6 of the contract to explore from the Minnesota tunnel.

The property was examined on July 17, 1954, in company with N. H. Salsbury, U. S. Bureau of Mines.

An Atomic Energy Commission program of exploration has recently been completed in the vicinity of the Ralston Creek mine. Several uranium bearing veins have been exposed by open cut excavations and material of ore grade has been cut in 2 diamond drill holes in the immediate vicinity of the present mine workings.

The Waider vein is exposed in an open cut 30 feet northeast of the mine portal and about 20 feet vertically below it. The A.E.C. reports

that it contains about 0.3% U_3O_8 across a width of 3 feet. Vein material of ore grade has been cut in the vicinity of the proposed crosscut in 2 diamond drill holes completed by the A.E.C.

Vein material of ore grade has been exposed in an open cut about 30 feet northeast of the portal of the Minnesota tunnel and slightly below it. Exploration of this potential ore body is not requested by the applicant.

The following exploration program, based on the results of BMEA exploration in the Ralston Creek mine and the results of A.E.C. exploration in the mine area, is recommended for approval by the Field Team, Region IV.

1. Discontinue work on the southeast drift of the Ralston Creek mine

2. Extend the Minnesota tunnel on a line S. 30° W., a distance of 200 feet beyond the present face. Two hundred feet of drifts or crosscuts on a level below the Ralston Creek mine are tentatively authorized under item 6, Exhibit A of the contract.

The 200-foot extension of the Minnesota tunnel should be sufficient to expose the downward extension of the Haider vein and the Ralston Creek fault, shown on the maps and sections attached to the applicant's request, and the ore cut in one of the A.E.C. drill holes.

One hundred fifty-one feet of work remains to be completed under item 5 Exhibit A of the contract. Approval of the location or extent of this work should be withheld until the Minnesota tunnel extension is completed and the entire program is reappraised.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
August 19, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 2888, Contract Idm-2595 (Uranium) Fred Schwartzwalder (Ralston Creek mine), Jefferson County, Colorado

Enclosed are the original and ten copies of a memorandum by M. E. Salsbury, recommending resumption of operations on the subject contract, work to consist of extension of the Minnesota crosscut tunnel an additional 200 feet on a course about S. 50° W. under item (6) of the contract.

The recommendation has my approval.

W. M. Traver

WMT/kp

enclosures

cc/10
2595
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
August 18, 1954

Memorandum

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

From: M. E. Salsbury

Subject: DMEA 2888, Contract Idm-5595 (Uranium) Fred Schwartzwalder (Ralston Creek mine), Jefferson County, Colorado. Recommendations on contractors request for resumption of operations dated July 29, 1954.

In May 1954, the contractor requested a recess of operations under the subject contract pending the results of core drilling exploration planned by the Atomic Energy Commission. A recess and extension of the contract to June 2, 1955, was provided for by Amendment No. 1, dated June 22, 1954.

Based on the results of A.E.C. work, the contractor now proposes 300 feet of crosscutting and any remaining footage for drifting, by continuing the old Minnesota tunnel at an elevation 125 feet below the present workings in the Ralston Creek tunnel.

A DMEA examining team visited the property on August 16, 1954. Personnel of the Atomic Energy Commission had been previously consulted in a conference on July 16, 1954.

The A.E.C. exploration program has included bulldozer trenching along the hillside both above and below the original workings and diamond drilling from surface above the workings. Two radioactive outcrops, one designated the Welder vein, immediately below the Ralston Creek tunnel dump, and the Illinois vein, about 130 feet below the Ralston Creek tunnel, have been uncovered by stripping. The Illinois outcrop is reported by the A.E.C. to show count indicating 0.1 to 0.5 percent U_3O_8 and the Welder vein at surface shows 0.3 percent U_3O_8 over a width of 3 feet. Three diamond drill holes have been drilled in the area around the Ralston Creek tunnel by the A.E.C. One flat shallow hole (R.C. 2) was blank. The other two holes, R.C. 1 and R.C. 3, described in table I, showed excellent uranium content in several zones of substantial width.

TABLE I

Tabulation of A.E.C. drilling results, to date, on 2 holes drilled near Ralston Creek tunnel.

Hole No.	Length (feet)	Vertical Angle	Bearing	Location from Portal Ralston Creek Tunnel
R.C. 1	269	-45°	S. 85° E.	100 feet N. 80° W.
R.C. 3	341.4	-75°	N. 85° E.	130 feet S. 30° W.

Partial hole logs, listing mineralized sections and chemical analyses on hole R.C. 1. Chemical analyses on hole R.C. 3 are not available at present, but radiometric results are good, particularly in the section from 196 to 218 feet.

Hole R.C. 1

Distance from collar in feet	Length of core sampled (feet)	Chemical U_3O_8 percent
192.4 to 200.0	1.0	0.22
	0.8	0.61
	0.9	0.956
	0.4	0.94
	0.4	0.68
	0.8	1.32
	0.4	0.53
	0.3	0.14
	0.2	0.43
	0.4	0.62
	0.4	0.99
	0.4	0.45
	0.3	0.88
	0.4	0.35
203.0 - 210.0	0.9	0.068
	0.9	No sample
	1.0	1.65
	0.5	No sample
	0.4	0.086 (Ra)
	1.0	0.14
	0.4	0.24
	0.4	0.38
	0.4	0.28
	0.2	0.18

TABLE I (Continued)

Hole R.C. 1 (Continued)

Distance from collar in feet	Length of core sampled (feet)	Chemical U_3O_8 percent
218.0-219.0	0.7	0.05
	0.3	0.05
231.0	0.15	1.05
232.0	0.1	9.85
245.0-245.7	0.3	1.26
	0.4	1.83

Hole R.C. 3

Distance from collar in feet of radioactive core	Length of core sampled (feet)
152.0-163.0	--
167.5-168.5	--
180.0	0.4
189.0	0.4
*196.0-218.0	10.0

*Of the 10 feet of mineralized core in this section, 3.5 feet was exceptionally good, showing a high content of sulfides and pitchblende.

Further exploration of the Illinois vein is not being considered at this time. The proposed crosscut, to be driven from the end of the old tunnel, would cut the probable downward extensions of the Walder vein and also the Ralston Creek fault, presently exposed in the upper workings, as well as the general formation which the favorable drill holes have penetrated.

The contractor is currently cleaning out and enlarging the Minnesota tunnel, 61 feet in length, and building a portal shed. No request for Government assistance on this preliminary work has been made.

There appears to be an excellent chance of finding ore-grade uranium mineralization in the proposed work. A.E.C. personnel concur in this opinion. Some of this work could be carried on economically from the upper workings.

The contractor has also continued mining operations on the original ore sheet, installing a skidway and bucket in the flat dipping winze. The ore, which had pinched considerably, has widened out in the bottom and further sinking is planned. The downward extension of this ore, if it continues to the level of the Minnesota tunnel on its present dip, would be at least 200 feet beyond the end of the proposed new crosscut.

It is recommended that item (6) of Exhibit "A" of the contract be authorized, and described as follows:

> "Crosscutting 300 feet on a bearing S. 50° W. from the present face of the Minnesota tunnel, at $36.75 per foot."

This is 100 feet less than the contractor requests, but, on the basis of the dip of the Walder vein and the Ralston Creek fault as exposed, should be ample to cut both of them.

An unexpended footage of 151 feet under item (5) of Exhibit "A" is being reserved pending the results of the Minnesota tunnel cross-cutting.

It is believed that the wording of the contract is sufficiently broad to cover authorization of item (6) before completion of item (5) without an amendment, because the results of DMEA exploration under item (5), as well as A.E.C. work, indicate that exploration under item (6) is warranted.

M. W. Salsbury
M. W. Salsbury
Mining Engineer

MWS/kp

cc / 10
2595
Chron

July 26, 195[illegible]

Mr. William H. King, Chief
Mining Division, Region IV
U. S. Bureau of Mines
New Customhouse Building

Dear Sir:

With reference to DMEM docket 2888, Ralston Creek Mine, Jefferson County, Colorado, I feel that it is time to enter into the second phase of the exploration program. This phase calls for drifting and crosscutting to be done at a lower elevation upon the favorable results of trenching and work on the present adit. Following is my proposed program for your consideration and approval:

(1) I will rehabilitate and enlarge the indicated Minnesota Tunnel on the enclosed map. The portal of this tunnel is 450 feet northeast of the present mine and is 125 feet below the mine. The tunnel which bears S. 35° E. is now 57 feet in length.

(2) I propose that the Minnesota Tunnel be advanced 300 feet beyond the present face S. 50° W.

(3) I propose the remaining footage be used for exploration drifting on structures intersected in the crosscutting.

(4) Discontinue drifting and crosscutting on the present level pending results of exploration crosscutting.

The objectives of the Minnesota Tunnel crosscutting are the lower projections of several uranium bearing veins and faults opened by the A.E.C. bulldozing program and to explore the mineralized horizon indicated in the A.E.C. diamond drilling.

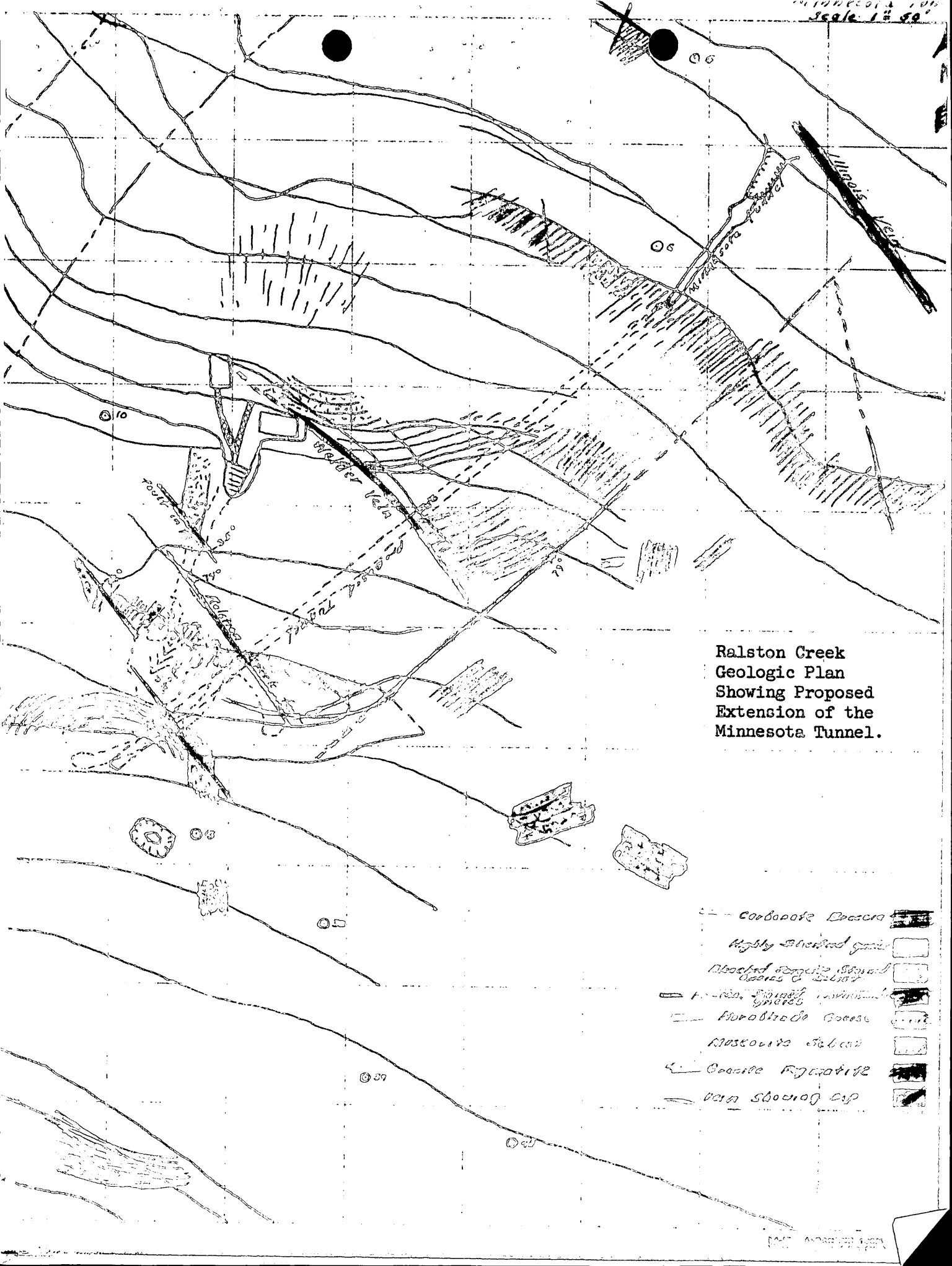
The mine and the mine area have been mapped, sampled, and studied by A.E.C. geologists and engineers since the beginning of mining operations; and it is their recommendation that this lower tunnel be considered for your approval.

Very truly yours,

Fred Schwartzwalder

Mr. Fred Schwartzwalder

Enclosures:
Plan map Ralston Creek mine area. ✓
Longitudinal section of proposed crosscut.

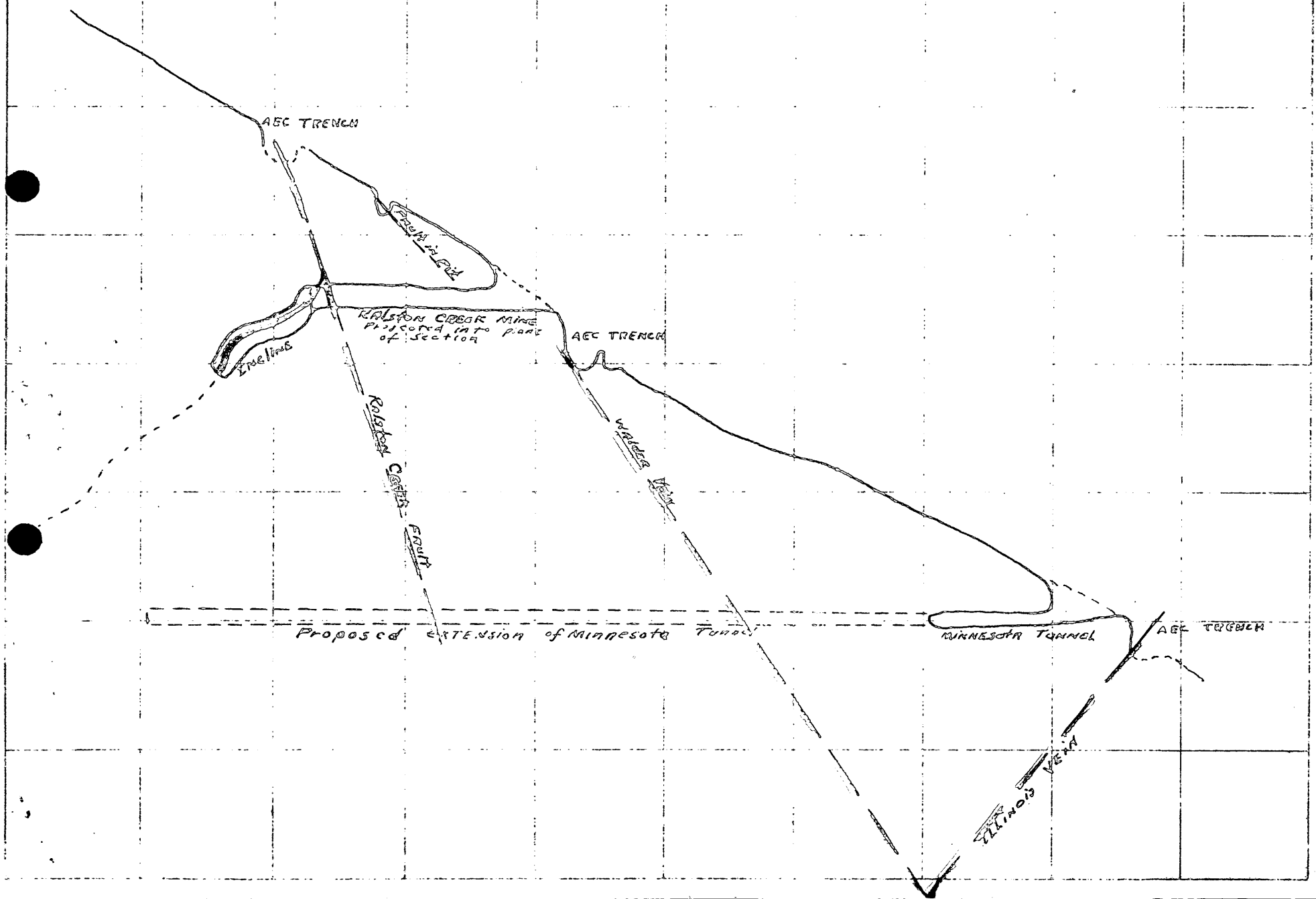


Ralston Creek
Geologic Plan
Showing Proposed
Extension of the
Minnesota Tunnel.

Cross-Section in Plane of Proposed Extension of the Minnesota Tunnel

RALSTON CREEK

Scale 1" = 50'



E-595

For Certificate of Deposit No. 17, dated August 18, 1954, giving royalty repayment of $202.40, see E-4.

E-492

For Certificate of Deposit No. 5, dated July 19, 1954, giving royalty repayment of $123.78, see E-317.

E-595

For Certificate of Deposit No. 5, dated July 19, 1954, giving royalty repayment of $299.17, see E-317.

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

224 New Customhouse
Denver 2, Colorado

July 16, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-Fred Schwartzwalder, Docket No. 2888, Contract No. E595, Colorado

Enclosed is check in the amount of $299.17 from Fred Schwartzwalder in payment of the balance of royalty due on the following liquidation numbers:

Bonus Royalty Payment	
Liq. No. 5201	$107.93
No. 5338	173.21
Balance of Royalty due on Liq. No. 5492	18.03
	$299.17

W. H. King

Enclosures

es

cc: Royalty File E595
Sec. to the Oper. Comm. (2)
Traver
Chron.

June 30, 1954

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Amendment to Contract

Mr. Ching has reviewed and approved Amendment No. 1, dated June 22, 1954, to Contract No. Idm-E595, Docket DMEA-2688, Fred Schwartzwalder (Uranium).

/s/ Grace L. Ault

Grace L. Ault

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

224 New Customhouse
Denver 2, Colorado

June 22, 1954

INTERIOR DEPT.
JUL 7 - 1954
SOLICITOR

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2888 (Uranium), Contract Idm-E595, Fred Schwartzwalder, Ralston Creek Mine, Jefferson County, Colorado

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E595 which has been executed in conformance with authorization in a teletype from George C. Selfridge of June 11, 1954, to extend the period for completion of the project work from 9 months to 21 months and authorize a recess of operations from June 2, 1954 to not later than December 2, 1954. Also enclosed are three copies of a letter from the operator requesting authorization contained in the amendment.

Copies of the amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

Enclosure

[redacted]

[redacted]

AEC - Department of the [redacted]
[redacted](G) Investigation [redacted]
Production Act, [redacted]
(Allocated testing [redacted]
[redacted] Office of the [redacted].)

Ching
[redacted]
Butin
[redacted]
[redacted]
Selfridge
[redacted]
Mattenty

[redacted] KING, [redacted]
GSA FIELD [redacted], REGION IV
[redacted]
DENVER 2, COLORADO

[redacted] JUNE 8, [redacted] FOR [redacted] YOU [redacted]

[redacted] ATTACHED AS REQUESTED.

George C. Selfridge

George C. Selfridge, Chairman
Operating Committee

(26)

WChing/gla
6-10-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. A.F.Butler, Jr., Rm. 3212, GSA
H.D.Keiser, Rm. 3641
Code 700
M.Ching
Confirmation to Region IV

GEOLOGICAL SURVEY
TEFCO
RECEIVED
JUN 18 1954
Denver

SENT
JUN 11 1954
Clerical Service Section

R.C.H.

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

Ching
J L Anderson

June 10, 1954

Memorandum

To: Administrator

From: Michael Ching, Rare and Miscellaneous Metals Division

Subject: Authorization for recess of operations.
Docket No. DMEA-2888 (Uranium)
Contract No. Idm-E595
Fred Schwartzwalder
Ralston Creek Mine
Jefferson County, Colorado

The subject Operator has requested a recess of operations from June 2, 1954, to not later than December 2, 1954, and an extension of the completion date from June 2, 1954, to June 2, 1955. The object is to wait for results of A.E.C. drilling, now in progress on the property, before continuing the work authorized under the subject contract. The Field Team has requested authority to prepare the necessary amendment since the extended contract period will be less than two years.

The contract provides for the following work on a unit cost basis:

(1)	Approximately 1 mile of access road	$3,000.00
(2)	Approximately 300 feet of trenching and stripping	875.00
(3)	Rehabilitate the Ralston Creek adit level	350.00
(4)	Construct a 20 ft. x 20 ft. compressor and tool house	400.00
(5)	300 feet of drifting and crosscutting on the adit level @ $36.75/ft.	11,025.00
(6)	200 feet of drifting and crosscutting on a lower level @ $36.75/ft.	7,350.00
	Total estimated cost	$23,000.00

Exploration work prior to the subject project had exposed pitchblende within a flatly dipping breccia zone two to four feet thick, and secondary torbernite, metatorbernite, and autunite in the surrounding bleached and altered schist. Channel samples cut

across the breccia zone indicated a U_3O_8 content of as much as 5 percent across a 2-foot width.

Work done through April 30, 1954, consisted of all of above items (1), (2), (3) and (4), and 125 feet of item (5), with an over-all cost of $9,218.75. Unexpended funds as of that date amounted to approximately $13,800.00. The progress report for May is not yet available.

Early underground work under the contract was very encouraging and resulted in the shipment of 174 tons of ore valued at approximately $14,000 before any bonus payments. Subsequent drifting and crosscutting in March and April, 1954, did not encounter commercial ore, and the work to date has failed to give any indications as to the trend or habit of ore occurrences.

Since the results of drilling by the A.E.C. may have an important bearing on the remainder of the work to be done under the subject contract, and will, no doubt, enable the Operator to make more effective use of the remaining funds, it is recommended that the request for a recess and extension of the contract period be authorized.

/s/ Michael Ching

Michael Ching

MChing/gla
cc to: Docket ✓
Division contract file
Mr. Ching

Mr. C. O. Mittendorf
June 8, 1954
(unattended service after 4:15 PM)

DEPARTMENT OF THE
Defense Minerals Administration
RECEIVED
JUN - 9 1954

BUR MINES DN 235 6-8-54 1-31 PM

C O MITTENDORF

REFERNCXXXXX
REFERENCE DOCKET DMEA 2888, CONTRACT IDM-E595, FRED SCHWARTZWALDER. OPERATOR REQUESTS EXTENSION OF COMPLETION PERIOD TO JUNE 2,1955 AND AUTHORIZATION OF RECESS OF OPERATIONS FROM JUNE 2,1954 TO NOT LATER THAN DECEMBER 2,1954 IN ORDER TO OBTAIN RESULTS OF A E C DRILLING NOW IN PROGRESS WHICH WILL HAVEAN IMPORTANT BEARING ON THE BALANCE OF WORK TO BE PERFORMED UNDER THE CONTRACT. PLEASE TELETYPE AUTHORIZATION FOR OUR PREPARATION OF NECESSARY AMENDMENT.

W H KING

Denver, Colo.

JUN 9 8 38 AM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

224 New Customhouse
Denver 2, Colorado

May 18, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-Fred Schwartzwalder, Docket No. 2888, Contract No. E594, Colorado

Enclosed is check in the amount of $45.11 from Fred Schwartzwalder, which represents the balance due on royalty on Liquidation Nos. 5201 and 5336.

W. H. King
W. H. King

Enclosure

es

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

C
O
P
Y

224 New Customhouse
Denver 2, Colorado

May 12, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-Docket No. 2135, Contract No. 381, Sunnyside Uranium Co., Utah; Docket No. 1957, Contract No. 397, Ellihill Mining Co., Utah; Docket No. 2515, Contract No. E440, Moreno Uranium Corp., Utah; Docket No. 2888, Contract No. E595, Fred Schwartzwalder, Colo.; Docket No. 3093, Contract No. E641, Red Canyon Mines, Utah.

Enclosed are the following settlement sheets covering ore shipped by the above-mentioned Operators to Colorado Plateau Uranium Ore Project:

Liquidation No. 5266, 5251, 5252, 5182, 5201, 5338, 5259.

Also enclosed is check in the amount of $891.03 in payment of royalty on these shipments as follows:

Liq. No. 5266-Sunnyside Uranium Company	-	$257.53
5251-Ellihill Mining Company	-	94.92
5252-Ellihill Mining Company	-	114.47
5182-Moreno Cripple Creek (Moreno Uranium Corp.)	-	40.32
5201-Fred Schwartzwalder	-	123.89
5338-Fred Schwartzwalder	-	203.80
5259-Red Canyon Mines	-	56.10
		$891.03

← Su E-36 for C.P. #4

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

Enclosures

E-595

For Schedule of Collections No. DMA-C-107, dated March 9, 1954, giving royalty repayment of $236.97, see E-397.

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

224 New Customhouse
Denver 2, Colorado

March 3, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty on A.E.C. Production Bonus, Liquidation No. 4650, Fred Schwartzwalder, Docket No. 2888, Contract No. E595, Colorado

Enclosed is check in the amount of $236.97 from Fred Schwartzwalder. This payment represents royalty on A.E.C. Production Bonus, Liquidation No. 4650.

W. H. King

W. H. King

Enclosure

es

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

700

DOCKET
SURNAME

Ching
Files
Chamberlin
Rubin
Hotlund
Selfridge
Kessler
Attorney

FEB 1 5 1954

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

Re: Royalty Deductions on AEC
Development and Haulage
Allowances

Dear Mr. King:

Reference is made to your memorandum of February 1, 1954, with enclosures, regarding Docket No. DMEA-2088, Fred Schwartzwalder, in particular, and royalty deductions on development and haulage allowances in general.

In connection with the last paragraph of your memorandum we have again informally discussed the matter of royalty deductions on development and haulage allowances with the Washington office of the Atomic Energy Commission and find that the AEC remains firm on its policy of not making such deductions. The purpose, apparently, is to discourage deductions from incentive payments to individual producers. Under these circumstances there is no alternative but to look directly to the Operator for the payment of such royalties.

Sincerely yours,

George C. Selfridge (JHB)
Chairman, Operating Committee

APPROVED:

J. H. Hedges (JHB)
Director, Bureau of Mines

Philip W. Guild (JHB)
Director, Geological Survey

MChing/fcc 2-10-54
cc to: Adm. Reading File
Operating Comm.
Docket
Messrs. H. D. Kesler, Rm. 3641
A. P. Butler, Rm. 3212 - GSA
Code 700
Mr. Ching
DMEA Field Team, Region IV

R.C.B. 2-16-54

Attachments
with copy-to dw.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1954

224 New Customhouse
Denver 2, Colorado

February 1, 1954

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2888 (Uranium), Contract Idm-E595, Fred Schwartzwalder, Jefferson County, Colorado

Reference is made to your memorandum dated January 20, 1954, regarding royalty payments under Contract Idm-E595.

We received a check in the amount of $290.57 in payment of royalty on ore shipped to the Colorado Plateau Uranium Ore Project. The development allowance and haulage allowance were not included when the royalty was calculated. The Colorado Plateau Uranium Ore Project has repeatedly refused to pay the DMEA royalty on these allowances. We have since received a check in the amount of $36.26 from Fred Schwartzwalder in payment of this royalty.

We are enclosing copies of the following correspondence:

Teletype from the Executive Officer, Region IV, to the Administrator, DMEA, dated May 7, 1953, which advises that the Atomic Energy Commission has instructed the Colorado Plateau Uranium Ore Project not to pay royalty on development or haulage allowances.

Letter dated May 15, 1953, from the Acting Chairman of the Operating Committee to the Executive Officer, Region IV, which states that we must look directly to the operator for payment of royalty due.

Letter dated November 13, 1953 from the Acting Manager, Grand Junction Operations Office, Atomic Energy Commission, to the Executive Officer, Region IV, which misquotes a telephone conversation of November 12, 1953 between the Executive Officer, Region IV, and the Atomic Energy Commission in Grand Junction.

Letter dated November 27, 1953 from the Executive Officer, Region IV, to the Acting Manager, Grand Junction Operations Office, in reply to his letter.

Letter dated December 11, 1953 from the Manager, Grand Junction Operations Office, AEC, to the Executive Officer, Region IV, in which he states that the AEC has a firm policy of not making royalty deductions on haulage allowances, development allowances, and bonus payments.

Letter dated January 14, 1954 from the Executive Officer, Region IV, to Fred Schwartzwalder requesting payment of the balance of royalty due on Liquidation No. 4650.

Letter dated January 16, 1954 from the Sunnyside Uranium Company to the American Smelting and Refining Company requesting them to include royalty on development and haulage allowances.

Letter dated January 21, 1954 from the Office Manager, Colorado Plateau Uranium Ore Project, to the Sunnyside Uranium Company, stating that they have been specifically instructed by the AEC that under no circumstances shall royalty be considered on payments resulting from development allowances and haulage allowances.

Every other ore buyer pays the DMEA royalty on development and haulage allowances. The Colorado Plateau Uranium Ore Project is operated by the American Smelting and Refining Company as agents for the Atomic Energy Commission. The American Smelting and Refining Company has told us that they have placed some of their key men in the plant but the policies are made by the Atomic Energy Commission.

As long as the Atomic Energy Commission refuses to allow the Colorado Plateau Uranium Ore Project to pay us these royalties it makes our work considerably more difficult. We would appreciate it very much if you would discuss this matter with the Washington office of the Atomic Energy Commission and have them authorize the Grand Junction office to allow the ore buyer to pay all the DMEA royalty.

W. H. King

W. H. King

Enclosures

Mineral's Administration
RECEIVED
FEB 1 1954

COPY

DN 235 BUREAU MINES 5-7-53 2-54 PM

C O MITTENDORF

REURTT MARCH 17, 1953, REGARDING ROYALTIES ON AEC HAULAGE AND DEVELOPMENT ALLOWANCES, WE HAVE RECEIVED THE FOLLOWING LETTER FROM THE COLORADO PLATEAU URANIUM ORE PROJECT, AMERICAN SMELTING AND REFINING COMPANY--

"THIS WILL ACKNOWLEDGE RECEIPT OF YOUR LETTER OF MAY 1ST IN WHICH YOU TAKE EXCEPTION TO THE FACT THAT WE HAVE EXCLUDED HAULAGE AND DEVELOPMENT ALLOWANCE PRIOR TO DETERMINATION OF SETTLEMENT VALUES. UPON WHICH ROYALTY PAYMENT IS MADE TO YOU ON BEHALF OF THE MORENO-CRIPPLE CREEK CORPORATION.

"THIS IS TO ADVISE THAT WE HAVE NO OPTION IN THE MATTER AS THE U.S. ATOMIC ENERGY COMMISSION HAS DEFINITELY INSTRUCTED US THAT NO DEDUCTION IS TO BE MADE FROM THE DEVELOPMENT OR HAULAGE ALLOWANCE IN DETERMINING VALUE FOR BASIS OF ROYALTY DEDUCTION.

"IN VIEW OF THE ABOVE AND YOUR REQUIREMENT THAT ROYALTY IS TO BE PAID TO YOU ON VALUES INCLUDING DEVELOPMENT AND/OR HAULAGE ALLOWANCE IT WOULD SEEM TO SUGGEST THAT ROYALTY PAYMENTS BE MADE TO YOU ON THE BASIS YOU REQUIRE BY THE MORENO CRIPPLE CREEK CORPORATION AND NOT FROM THIS OFFICE ON ORE SETTLEMENTS MADE TO SUCH COMPANY."

IT IS SUGGESTED THAT THE WASHINGTON OFFICE OF THE AEC INSTRUCT THEIR FIELD PERSONNEL REGARDING THE PAYMENT OF DMEA ROYALTIES

W H KING

Defense Minerals Administration
RECEIVED
MAY 24 1953

COPY

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

May 15, 1953

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

Re: Docket No. DMEA-2515 (Uranium)
Moreno Cripple Creek Corporation
Snowflake and Sunflower Claims
San Juan County, Utah
Contract No. Idm-E440

Dear Mr. King:

Reference is made to your teletype regarding the above-mentioned contract, dated May 7, to Mr. C. O. Mittendorf, in which you quote a letter of the American Smelting and Refining Company to the effect that the Atomic Energy Commission has instructed that company not to deduct royalties due from the Operator to the Government on haulage and development allowances. In these circumstances, you must look directly to the Operator for the payment of royalties due on any moneys received by the Operator as an allowance or bonus.

Sincerely yours,

/s/ W.S. Martin

Acting Chairman, Operating Committee

Approved:

/s/ J. H. Hedges
Member, Bureau of Mines

/s/ T. P. Thayer
Member, Geological Survey

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
DEC 14 1953

COPY

UNITED STATES
ATOMIC ENERGY COMMISSION

Address Reply To:
Grand Junction Operations Office
Division of Raw Materials
U.S. Atomic Energy Commission
P.O. Box 270
Grand Junction, Colorado

November 13, 1953

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

Dear Mr. King:

This letter is to confirm the understanding reached between you and Mr. E. A. Youngberg in your telephone conversation of November 12, 1953 concerning royalties deducted by the American Smelting & Refining Company on behalf of DMEA. Our understanding is that the royalty deductions will be handled as follows:

> The American Smelting and Refining Company will deduct royalties according to the DMEA graduated schedule from ore settlements as authorized by your contractors. Royalty deduction will be based on our payments under Circular 5, Revised excluding development and haulage allowances. Any further royalties due DMEA will be arranged between DMEA and the shipper.

The above arrangement was agreed upon as it is the policy of the Commission to make only royalty deductions on ore payments. This arrangement is also the only practical method of handling the matter since the bonus payments are not made by AS&R Company but by AEC at a later date which makes it impossible for either AEC or AS&R to make proper royalty deductions as called for by the DMEA graduated royalty schedule.

We believe the above arrangement will accomplish the objectives of both agencies without changing present AEC policies in regard to royalties. Your cooperation in arranging to handle this matter in this way has been appreciated.

Yours very truly,
/s/ W. Spencer Hutchinson, Jr.
W. Spencer Hutchinson, Jr.
Acting Manager

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 14 1953

COPY

UNITED STATES
ATOMIC ENERGY COMMISSION
Grand Junction, Colorado

Address Reply to:
Grand Junction Operations Office
Division of Raw Materials
U.S. Atomic Energy Commission
P.O. Box 270
Grand Junction, Colorado

December 11, 1953

Mr. W. H. King, Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Subject: CONDITIONS UNDER WHICH THE AEC GRANTS BONUS PAYMENTS AND THE EFFECT ON ROYALTY PAYMENTS DUE DMEA

Dear Mr. King:

This letter is in response to your letter of November 27, requesting the subject information.

The bonus for initial production of uranium ores from new domestic mines is paid under the conditions and amounts specified in the Atomic Energy Commission Domestic Uranium Program Circular 6, copy of which is attached.

The administrative procedures established for the payment of the bonus are as follows:

1. The producer makes application to the Finance Division of the Grand Junction Operations Office that he has shipped a specified number of pounds from a certified property and requests bonus payments on these pounds.

2. The Finance Division audits settlement sheet statements for shipments under consideration against mills or government buying stations (American Smelting and Refining Company and Anaconda Copper Mining Company) records.

3. Finance Division makes payment of bonus to the party who sold the ore.

Since bonus payments are made at the request of the shipper there is no definite time at which the bonus is paid. The payment of the bonus may vary from a few weeks to a number of months from the date of buyer's settlement for shipments. Because of this delay in payment of bonus and as the DMEA considers the bonus as part of the ore price the actual amount of royalty due DMEA cannot be calculated at the time settlement is made by the buyer, particularly since the DMEA schedule is a graduated one which calls for various royalty percentages for different gross values.

The AEC has a firm policy of not making royalty deductions on haulage allowances, development allowances and bonus payments as these are not considered as part of the ore price by the Commission. This does not preclude, however, the DMEA making an administrative decision to include these payments in determining the gross value of the ore as a basis for collecting royalties provided royalties on these payments are agreed upon and made directly to DMEA by the shipper when such ores are sold at government buying stations.

The arrangements which DMEA might make with buyers (Climax Uranium Company, Vanadium Corporation of America, U. S. Vanadium and Vitro Chemical Company) other than the AEC (American Smelting & Refining and Anaconda Copper) for royalty deductions from settlements is strictly between DMEA and those organizations. These companies, however, have no control over bonus payments and are not advised of such payments and for this reason cannot give any consideration to this factor in payment of royalties to DMEA.

The AEC is very happy to make royalty deductions on behalf of DMEA from ore settlements on ores shipped to government buying stations as it is now doing on the basis of gross values of ores excluding haulage and development allowances. It should be pointed out that probably a large part of the ores which your DMEA contractors will ship will be sold to one of the private mills and for these ores arrangements for royalty deductions must be made through these organizations. This will require that any royalty which may be due DMEA from bonus payments made by the Commission at some later date must be paid to DMEA by the shipper. Such royalty and adjustments would be based on a calculated gross value which reflects bonus payments and the royalty rate for the calculated gross value under DMEA's graduated schedule.

Very truly yours,

/s/ Sheldon P. Wimpfen

Sheldon P. Wimpfen
Manager

Enclosure
Circular 6

Atomic Energy Commission
RECEIVED
DEC 4 1953

Copy

224 New Customhouse
Denver 2, Colorado

November 27, 1953

Mr. W. Spencer Hutchinson, Jr.
Acting Manager
Grand Junction Operations Office
Division of Raw Materials
U.S. Atomic Energy Commission
P.O. Box 270
Grand Junction, Colorado

Dear Mr. Hutchinson:

Your letter of November 13 regarding DMEA royalty deductions came during the time a part of our staff were on a field trip.

This office does not make decisions in regard to policy, and as I recall the telephone conversation with Mr. Youngberg, we would be given a memorandum outlining conditions under which AEC grants bonus payments. They would also explain any time lag and conditions that might influence a divergence from indicated amounts as shown on settlement sheets. In case the matter of policy would be involved, the AEC information will be submitted to our Washington Office for consideration and appropriate action.

This office is charged with the collection of royalties accruing to the Government as a result of DMEA exploration contracts. We are interested in collecting (recovering) for the Government all sums due as shown on settlement sheets furnished by the purchaser of ore or concentrate on which DMEA royalties are due. Any assistance you can give us in this connection will be appreciated.

Further, in recalling the details of the telephone conversation referred to in your letter, I agreed to accept any sums remitted by your organization as applying on royalties, until AEC information was avilable and the matter of policy resolved.

Very truly yours,

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

WHK:jp
cc Subject
Chron

Copy

Welfare's Administration
RECEIVED
JAN 14 1954

224 New Customhouse
Denver 2, Colorado

January 14, 1954

Mr. Fred Schwartzwalder
207 Boyd St.
Golden, Colorado

Re: Contract Idm-E595

Dear Mr. Schwartzwalder:

We have received settlement sheet on Liquidation No. 4650 and payment in the amount of $290.57 from the Colorado Plateau Uranium Ore Project for ore shipped under DMEA Contract Idm-E595 by Fred Schwartzwalder.

Development allowance and Haulage allowance were not included in the net value of the ore when the royalty was calculated. The correct royalty due on Liquidation No. 4650 is $326.83, leaving a balance due of $36.26. Please make your check payable to the Treasurer of the United States and send to W. H. King, Executive Officer, DMEA, Region IV, Room 224 New Customhouse, Denver 2, Colorado.

Also, if you are eligible to receive the AEC Production Bonus for production of uranium ore from your property, royalty must also be paid on any amounts received as bonus. In all cases this AEC bonus is equal to the amount paid by the smelter for the payment of the uranium content only. On Liquidation Number 4650 this payment amounts to $4739.32 and royalty at 5 percent would amount to $236.97.

Very truly yours,

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

RDB:es

cc: Royalty File
Chron
Traver
Berk.

DEPARTMENT OF THE INTERIOR
Defense Materials Administration
RECEIVED
JAN 1954

Copy

January 16, 1954

American Smelting & Refining Co.
P.O. Box 986
Grand Junction, Colo.

Gentlemen:

When calculating the royalty to the Government on our DMEA contract, will you include royalty on the development and haulage allowances?

Yours very truly,

Sunnyside Uranium Co.

Lane J. Bertelsen

cc: W.H.King

COLORADO PLATEAU URANIUM ORE PROJECT
American Smelting and Refining Company
Ore Purchasing Agent For
United States Atomic Energy Commission
P.O. Box 986
Grand Junction, Colorado

January 21, 1954

Mr. Lane J. Bertelsen
Marysvale, Utah

Dear Mr. Bertelsen:

I have your letter of January 16th in which you request that we include development and haulage allowances in the value of your ores when determining the 5% DMEA Royalty payable by you. We regret very much that we are unable to consider development and haulage allowance as subject to royalty payments, inasmuch as we have been specifically instructed by the U. S. Atomic Energy Commission that under no circumstances shall royalty be considered on payments resulting from development allowance and/or haulage.

Copy of this letter to Mr. W. H. King of the DMEA will acquaint him with the situation.

Yours very truly,

H. C. Jackson
Office Manager

HCJ/mit
cc: WHKing
FHMacPherson

For Schedule of Collections No. DMA-C-83, dated January 21, 1954, giving royalty repayment of $36.26, see E-4.

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

224 New Customhouse
Denver 2, Colorado

January 28, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Balance on Royalty-Fred Schwartzwalder, Contract Idm-E595, Docket No. DMEA 2888, Colorado.

Enclosed is check in the amount of $36.28. This amount is the balance due for royalty on Liquidation No. 4650.

W. H. King

Enclosure

es

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

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

Surname
DOCKET COPY

Ching
Ellis
Chamberlin
Selfridge
Johnson
Wittendorp

JAN 20 1954

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

Re: Docket No. DMEA-2808 (Uranium)
Contract No. Idm-3595
Fred Schwartzwalder
Ralston Creek Mine
Jefferson County, Colorado

Dear Mr. King:

Reference is made to your memorandum, dated January 12, 1954, to T. A. Christensen regarding a royalty payment and settlement sheet covering Liquidation No. 4650 for ore shipped by the captioned Operator.

We note that the royalty deduction of $290.57 is equivalent to 5 percent of $5,811.32. Since the net return (gross revenue from sales) amounted to $6,536.56 it appears that the development allowance, amounting to $677.05, and the haulage allowance, amounting to $48.19, were deducted prior to application of the royalty percentage. As you know, these are not allowable deductions.

Please advise the Operator and the Colorado Plateau Uranium Ore Project that royalties should be based on total net returns ($6,536.56 in this instance) and request them to make the necessary adjustments.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

MChing/gla
1/18/54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. HDKeiser, Rm. 3641
APButler, Jr., Rm. 3212, GSA
Ellis
Ching

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHB)

T. P. Thayer

Member, Geological Survey (JHB)

R.C.S. 1-20-54

E-595

For Schedule of Collections No. DMA-C-80, dated January 13, 1954, giving royalty repayment of $290.57, see E-345.

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

DOCKET COPY

MC
Eds

Mr. Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

NOV 3 1953

Re: Docket No. DMEA-2888 (Uranium)
Contract No. Idm-E595
Ralston Creek mine
Jefferson County, Colorado

Dear Mr. Schwartzwalder:

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. A. Mittendorf

Administrator

MChing/gla
10-30-53
cc to: Docket file
Region IV (2)
Division contract file

50811

9/24/53 glr

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

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

DATE: September 22, 1953

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

SUBJECT: Field Team report of examination. DMEA Docket 2888 (uranium). Contract Idm-E599, Fred Schwartzwalder, 207 Boyd St., Golden, Colo., applicant and contractor; Ralston Creek mine, SE$\frac{1}{4}$ Sec. 25, T. 2 S., R. 71 W., Jefferson Co., Colo.

The Field Team report concerning the property identified in the subject above presents recommendations for exploration of that property. A contract has been prepared in Region IV (Denver) and is in effect.

The report has been reviewed and discussed with H. D. Keiser, Bureau of Mines member, Uranium Commodity Committee, and J. O. Hosted, U. S. Atomic Energy Commission.

Exploration Planned

Work is recommended by the Field Team examiners to explore a uranium-bearing carbonate breccia zone associated with a persistent silicified breccia reef. Exploration will consist of preparing an access road, about 300 feet of surface trenching, rehabilitation of present adit and cross cuts, a maximum of 300 feet of drifting and crosscutting at the present adit level, and, if results of the foregoing work warrant, 200 feet of drifting and crosscutting at a lower level whose position will be determined on the basis of those results. The examiners point out that relations of the uranium-bearing structures to the enclosing rocks is not entirely clear. As a result the details of exploration may have to be changed as work progresses and information is obtained. They recommend that DMEA maintain close supervision of the work so that the details of exploration may be adjusted as new geologic information is developed. Total estimated cost is $22,394.94.

Comment

The Ralston Creek mine is one of the more promising showings of uranium-bearing rock discovered in recent years near the extreme eastern side of the Front Range. The uranium is characteristically associated with steeply dipping carbonate-breccia zones that cut pre-Cambrian schist. Some f the zones are associated with presistent fractures.

The results of preliminary work of the applicant in exposing a anium-bearing zone of good grade, but undetermined extent, and mining refrom 8 tons of ore, now stockpiled at the mine, suggest that further k is justified to define better the spatial relations of the uranium- ing zone, and to determine its extent and continuity. The plan of oration recommended by the Field Team, and the provisions for making tments therein appear reasonable.

The Field Team had access to information about the property obtained by the Denver Exploration Branch, Atomic Energy Commission, and by geologists of the Geological Survey engaged in uranium investigations, and discussed the plan of exploration with representatives of the Atomic Energy Commission.

Recommendations

I concur with the Field Team recommendation that Government assistance be granted to carry out exploration as more fully set forth in the Field Team report.

Arthur P. Butler, Jr.

Copy to: E. Wm. Ellis (2)

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

September 21, 1953

Memorandum

To: Mrs. Birmingham, Statistics and Control Div., DMEA

From: Hazel Berry, Operating Committee, DMEA

Subject: Region IV Contract

Attached is the docket copy of Region IV contract which has been reviewed and cleared by the Commodity Division, Contract Administration and Audit Division, and the Legal Division:

Fred Schwartzwalder, DMEA-2888, Idm-E595.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

September 16, 1953

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member
Uranium Commodity Committee

Subject: Final Report, Docket No. DMEA 2888, Fred Schwartzwalder, Ralston Creek Mine, Jefferson County, Colorado

I have reviewed the subject report and discussed it with Arthur P. Butler, Geological Survey Member.

I concur with the Field Team in the issuance of Contract Idm-E599.

The report has been forwarded to the Chief, Minerals Division.

H. D. Keiser

H. D. Keiser

700

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

September 11, 1953

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Contract finalized by Region IV

Mr. Ching has reviewed Contract No. Idm-E595, Docket DMEA-2888, Fred Schwartzwalder, dated September 2, 1953, and it is approved.

Grace L. Ault
Grace L. Ault

RECEIVED
SEP 17 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP - 3 1953

224 New Customhouse
Denver 2, Colorado

September 3, 1953

REGISTERED

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2888 (Uranium), Contract Idm-E595, Fred Schwartzwalder, Ralston Creek Mine, Jefferson County, Colorado

Enclosed are the original and two copies of Contract Idm-E595. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

RECEIVED
SEP 17 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cc
9-8-53

RECEIVED
SEP 17 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
SEP 8 - 1953

224 New Customhouse
Denver 2, Colorado

September 3, 1953

ON-SITE EXPM

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Final Report, Docket No. DMEA 2888 (Uranium), Contract Idm-E599, Fred Schwartzwalder, Ralston Creek Mine, Jefferson County, Colorado

Enclosed are four copies of the final report on Docket No. DMEA 2888. A contract has been prepared and is in effect.

W. H. King
W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

May 26, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2888 (Uranium), Fred Schwartzwalder, Ralston Creek Mine, Jefferson County, Colorado.

Enclosed are ten copies of the final engineering report on the subject docket.

The engineer examiner concludes that the uranium values exposed in this property make it one of the best prospects along the Front Range. He recommends exploration of the radioactive slear zone by trenching and drifting at an estimated cost of $23,000.00, Government participation $20,700.00.

We concur in this recommendation.

W. H. King
W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE

9-11-53
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
May 18, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2888,(Uranium), Fred Schwartzwalder, lessee (Ralston Creek mine); Jefferson County, Colorado

Please find enclosed the original and ten copies of the "Summary, Conclusions, and Recommendations", by C. M. Harrer and E. N. Harshman, and of Harrer's engineering report on the above docket.

Harrer concludes the uranium occurrence in a breccia zone in the Ralston Creek mine is one of the best in the Colorado Front Range and recommends a project requiring seven months to complete and costing $22,394.94. The project comprises construction of an access road, stripping and trenching the surface below the present adit, rehabilitation of the adit, constructing a small building, a 300-foot extension of the adit, and, if results of trenching and stripping and extension of the adit are encouraging, 200 feet of drifting on the best of lower exposures. The program is to be closely supervised and subject to termination or revision at any time if the Region IV Field Team from recommendations of field representatives considers such action desirable and in the best interests of the Government.

It would seem advantageous to prepare a contract on the short form with probably slightly higher allowances than estimated for some items, such as the access road, in case more rock work than expected is encountered, and trenching and stripping, where it would appear supervision should be included for five days instead of one day and possibly the services of one laborer for five days for hand work to expose bedrock adequately in the bulldozer trenches.

A contract should not be considered until the applicant obtains right-of-way for his access road.

W. M. Traver

W. M. Traver

Reviewed by
DMEA OPERATING COMMITTEE
9-11-53
(date)

enclosures
WMT/amh
cc: 10
DMEA 2888
DMEA Chron.

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

200 New Customhouse
Denver 2, Colorado

May 13, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2888, Ralston Creek Mine, Jefferson County, Colorado.

Attached are 10 copies of the geologic report by E. N. Harshman covering DMEA Docket 2888, Ralston Creek Mine, Jefferson County, Colorado.

The applicant proposes to explore a known pitchblende occurrence by 300 feet of tunnel, several short crosscuts, and a 100-foot raise. The project will also require about a mile of new access road. The total estimated cost of the project is $23,500.

Uranium minerals are associated with a silicified breccia reef that can be traced for several thousand feet. Limited exploration on the property has exposed a very significant pitchblende occurrence but little is known regarding its extent. The project merits some exploration, and Harshman outlines a program modified from that of the applicant.

I concur in Harshman's recommendation.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (10)

Reviewed by
DMEA OPERATING COMMITTEE

9-11-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2888, Fred Schwartzwalder, Lessee

Ralston Creek Mine

Jefferson County, Colorado

Uranium

C. M. Harrer, Mining Engineer
Bureau of Mines

E. N. Harshman, Geologist
Geological Survey

May 18, 1953

Reviewed by
DMEA OPERATING COMMITTEE

9-11-53
(date)

DMEA 2888

FRED SCHWARTZWALDER, LESSEE
RALSTON CREEK MINE
JEFFERSON COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By C. M. Harrer
Mining Engineer
Bureau of Mines

and

E. N. Harshman
Geologist
Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
9-11-53
(date)

DMEA 2888

FRED SCHWARTZWALDER, LESSEE
RALSTON CREEK MINE
JEFFERSON COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By C. M. Harrer and E. N. Harshman

Fred Schwartzwalder, of 207 Boyd Street, Golden, Colo., has applied for a Defense Minerals Exploration Administration loan of $23,500.00 to explore a zone of uranium mineralization at the Ralston Creek mine on which he has a lease.

The property was examined by various members of the Geological Survey and the Atomic Energy Commission during 1950-53 and by a Defense Minerals Exploration Administration examining team on April 8, 1953.

The property is in the SE 1/4 of sec. 25, T. 2 S., R 71 W., sixth principal meridian, Jefferson County, Colo., in rugged terrain at an altitude of about 7,000 feet above sea level.

Pitchblende, torbernite, metatorbernite, and autunite are associated with a silicified breccia reef which cuts schists and gneisses of the Idaho Springs formation. Pitchblende appears to be limited in occurrence to a 2- to 4-foot flat-dipping carbonate breccia zone that cuts diagonally across the reef; secondary uranium minerals are found in the surrounding bleached and altered schist.

Channel samples cut across the carbonate breccia zone indicate a U_3O_8 content of as much as 5 percent across a 2-foot width.

A two-phase exploration program is recommended.

First Phase:

The first phase would consist of completion of an access road, stripping and trenching of a covered zone exhibiting radioactivity, installation of equipment, rehabilitation of the adit level, and completion of a presently indeterminate amount of drifting and crosscutting on the existing adit level, not to exceed 300 feet. The final amount of drift and crosscuts should be determined on the evidence secured during exploration and frequent Defense Minerals Exploration Administration field investigations.

Second Phase:

Should the results of trenching and work on the existing adit level prove encouraging, additional exploration, not to exceed 200 feet of drift and crosscuts, is recommended at a lower horizon, to be authorized by the Region IV Field Team on field relationships. The final amounts of exploration in this phase should also be determined on the basis of the results of frequent Defense Minerals Exploration Administration field investigations.

The total project is estimated to cost $22,394.94. Government participation of 90 percent would be $20,155.45. It is estimated that it will require 7 months to complete the project.

The applicant should secure legal right-of-way across all private property crossed by the access road before a contract is considered.

The program has the approval of local representatives of the Atomic Energy Commission.

RALSTON CREEK MINE

JEFFERSON COUNTY, COLORADO

DMEA DOCKET 2888

Geologic Report

By E. N. Harshman
U. S. Geological Survey

RALSTON CREEK MINE
JEFFERSON COUNTY, COLORADO

INTRODUCTION

Fred Schwartzwalder, 207 Boyde Street, Golden, Colorado, applied for Government assistance, DMEA Docket 2888, to explore for uranium at the Ralston Creek mine, Jefferson County, Colorado. The property, leased by the applicant from Anna Lee White and Paul R. White, is that portion of the SE¼ sec. 25, T. 2 S., R. 71 W., lying west of Ralston Creek.

The property was examined on April 8, 1953, in company with C. M. Harrer of the U. S. Bureau of Mines, John W. Adams and E. P. Beroni of the U. S. Geological Survey, and Fred Schwartzwalder.

The applicant proposes to explore a known pitchblende occurrence by 300 feet or more of new tunnel (about 250 feet below the present workings), several short crosscuts, and a 100-foot raise. About one mile of new access road will be required. The applicant estimates the cost, including road construction, to be $23,500.

Preliminary investigations indicate that the area may contain significant pitchblende deposits, but the program submitted by the applicant is not believed to be warranted at this time and is not recommended. However, the prospect is one that merits some exploration and a modified program, discussed with the applicant and with representatives of the U. S. Atomic Energy Commission, is proposed.

GEOLOGY

The property is underlain by schist and gneiss of the pre-Cambrian Idaho Springs formation. Regional foliation strikes northeasterly and is steeply dipping. Pegmatite dikes, ranging from a few inches to several feet in thickness are present in the area.

The most conspicuous regional feature is a number of northeasterly trending silicified breccia reefs, believed to be related to Laramide faulting. Some of these reefs are resistant to erosion and form prominant ridges.

At the Ralston Creek mine, uranium minerals are associated with a silicified breccia reef that can be traced for several thousand feet southwestward from Ralston Creek. Anomalous radioactivity can be detected in a number of outcrops on the northern end of the reef.

Figure 3 is a geologic plan map showing the uranium occurrence and the extent of mine workings. Pitchblende, torbernite, metatorbernite, and autunite are found in a well defined carbonate-breccia zone which strikes northwesterly and dips 20° to 40° SW. The zone is sheared, altered, and iron stained. It ranges from 2 to 4 feet in width. In addition to uranium minerals, the ore zone contains quartz, ankerite, barite, galena, chalcopyrite, and fragments of altered schist. The sulfides are present in very minor amounts. Pitchblende is restricted in occurrence to the carbonate breccia zone, but secondary uranium minerals are found in the adjacent schist.

The carbonate zone is overlain by either massive quartz or by bleached schist, and is underlain by altered schist.

From the limited underground and surface exposures, it is impossible to ascertain the relation of the carbonate breccia zone or the overlying massive quartz to the silicified breccia reef. Present evidence indicates that the carbonate breccia and the massive quartz cut diagonally across the breccia reef but additional exploration will be required to check this relation.

ORE RESERVES AND ORE GRADE

Exploration work at the Ralston Creek mine is very limited and no ore reserve calculations can be made. About 8 tons of hand sorted torbernite-schist ore are stockpiled at the portal. According to U. S. Atomic Energy Commission data, this ore contains 0.31% U_3O_8.

Figure 3 of the engineering report is an assay plan on which all sample data are summarized. Samples taken by the U. S. Geological Survey, U. S. Atomic Energy Commission, and the DMEA are included. Assays range from a low of 0.01% U_3O_8 in the altered schist to a high of 5.09% U_3O_8 in the carbonate-breccia zone.

Three samples taken by the examining team were assayed in the laboratories of the U. S. Geological Survey. The results follow:

Sample No.	description	% eU	% U	% U_3O_8	% V_2O_5
H 651	2' bleached schist	0.44	0.59	0.70	0.07
H 652	2' carbonate breccia	2.90	4.32	5.09	0.14
H 653	3' silicified schist	0.50	0.65	0.77	0.14

CONCLUSIONS AND RECOMMENDATIONS

Limited exploration on the Ralston Creek property has exposed a very significant pitchblende occurrence but little is known regarding the

geologic factors governing its possible extent and origin. Exploration at a depth of 200 feet or more below the present workings, as proposed by the applicant, cannot be recommended until additional data are obtained by exploration from the present tunnel level. The following program proposes exploration along the outcrop and in the vicinity of the known pitchblende ore in order to obtain pertinent geologic data upon which to judge the possible extension of the ore body and upon which to base additional exploration:

A. Construct about one mile of access road to enable equipment, supplies, and men to be transported to the property. The best road location is along Ralston Creek but right-of-way problems may govern the road location.

B. Excavate several trenches across the radioactive portions of the silicified reef in an attempt to ascertain the relation of the pitchblende deposit to the reef, and to expose other possible ore shoots. Total length of trenches estimated at about 300 feet.

C. Rehabilitate the present crosscut and drift, to establish a normal grade and to permit the use of mine cars in prospecting operations.

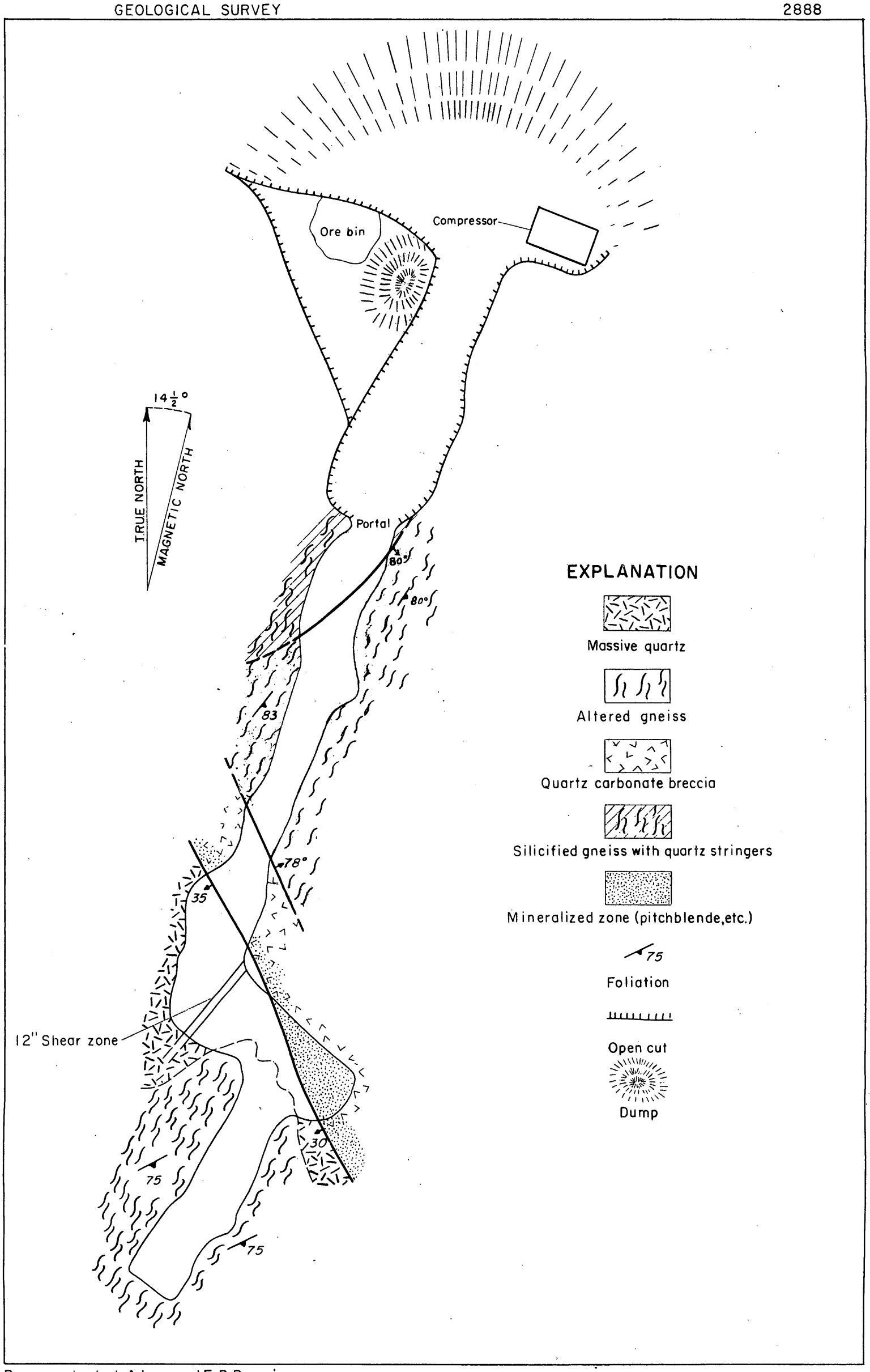
D. Drift southeasterly on the carbonate breccia zone and crosscut into both walls to explore for parallel ore horizons. The total of this work not to exceed 300 feet.

E. If the results of the trenching and exploration from the present workings prove the need of exploration at greater depth, allow 200 feet of drift and crosscut from a lower level.

Because of the very general character of the suggested exploration program, it will be necessary for DMEA representatives to closely supervise

all stages of the work and to amend the program as pertinent geologic data are obtained by exploration.

Government assistance in exploring the known pitchblende occurrence at the Ralston Creek mine appears warranted. It is recommended that the program of exploration suggested above, estimated by the U. S. Bureau of Mines to cost $22,394.94, be approved.



Base map by Jack Adams and E. P. Beroni

Geology by E.P. Beroni, Jack Adams, and E.N. Harshman of the United States Geological Survey K. E. Baker of the United States Atomic Energy Commission.

FIG. 3 - GEOLOGIC PLAN OF RALSTON CREEK MINE JEFFERSON COUNTY, COLORADO

10 0 10 20 Feet

DMEA 2888

FRED SCHWARTZWALDER, LESSEE
RALSTON CREEK MINE
JEFFERSON COUNTY, COLORADO

Engineering Report

By C. M. Harrer
Mining Engineer
Bureau of Mines

DMEA 2888

FRED SCHWARTZWALDER, LESSEE
RALSTON CREEK MINE
JEFFERSON COUNTY, COLORADO

CONTENTS

Engineering Report	Page
Introduction	1
Acknowledgments	2
Location, topography, and physical features	2
History and production	3
Ownership and extent	3
History of ownership	4
Description of the deposit	5
Ore reserves	7
Present status	7
Exploration and development	7
Mining and milling equipment	7
Applicant's project proposals, with costs	8
Examining team's project proposal, with costs	9
Conclusions	14
Recommendations	15

ILLUSTRATIONS

Figure		Follows Page
1.	Location map, Ralston Creek mine, Jefferson County, Colo.	2
2.	Assay plan map and section, Ralston Creek mine, Jefferson County, Colo.	6
3.	Geologic plan of Ralston Creek mine, Jefferson County, Colo.	*

*See figure following Geologic Report.

DMEA 2888

FRED SCHWARTZWALDER, LESSEE
RALSTON CREEK MINE
JEFFERSON COUNTY, COLORADO

ENGINEERING REPORT

By

C. M. Harrer

INTRODUCTION

Fred Schwartzwalder, of 207 Boyd Street, Golden, Colo., has applied for a Defense Minerals Exploration Administration loan of $23,500.00 to explore a zone of uranium mineralization at the Ralston Creek mine on which he has a lease.

The property was examined by K. E. Baker, of the Atomic Energy Commission[1/] during February 1953 and by the Geological Survey[2/ 3/] during 1950-53.

The property was examined for the Defense Minerals Exploration Administration by C. M. Harrer, Bureau of Mines, and E. N. Harshman, Geological Survey, accompanied by Fred Schwartzwalder, on April 8, 1953.

1/ Baker, Kenneth E., Preliminary Report on uranium occurrence at the Ralston Creek Mine, Jefferson County, Colo., February 9, 1953.

2/ Anderson, Tom, Reconnaissance Report No. 35 on the Schwartz property, June 30, 1950.

3/ Adams, J., Gude, A. J., Beroni, E. P., Trace Elements Memorandum Report 154, in preparation.

ACKNOWLEDGMENTS

Jack W. Adams, geologist for the Geological Survey, and K. E. Baker, of the Atomic Energy Commission, made the results of prior investigations and their own work available to the examining team. Fred Schwartzwalder, loan applicant, accompanied the examining team and co-operated fully with all information at his disposal.

Mr. Schwartzwalder was furnished with Defense Minerals Exploration Administration application forms by K. E. Baker, of the Atomic Energy Commission.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Ralston Creek mine, formerly known as the Schwartz property, is in the SE 1/4 sec. 25, T. 2 S., R. 71 W., sixth principal meridian, Jefferson County, Colo. (fig. 1), at an altitude of about 7,000 feet. The property under lease is southwest of Ralston Creek. It is reached by traveling 4 miles north of Golden to the Ralston Creek reservoir, then 2 miles west along a jeep trail in the creek valley to the end of the road, and then 3/4 mile west on foot.

Relief within a mile of the mine is about 1,000 feet, extending from 6,500 feet altitude in the valley floor to 7,500 feet altitude along the ridges. The terrain is steep and rugged. Nearest water is from Ralston Creek. Supplies are readily obtainable at Golden and Denver. Three-quarters to 1 mile of exploration road will be required to bring supplies to the mine.

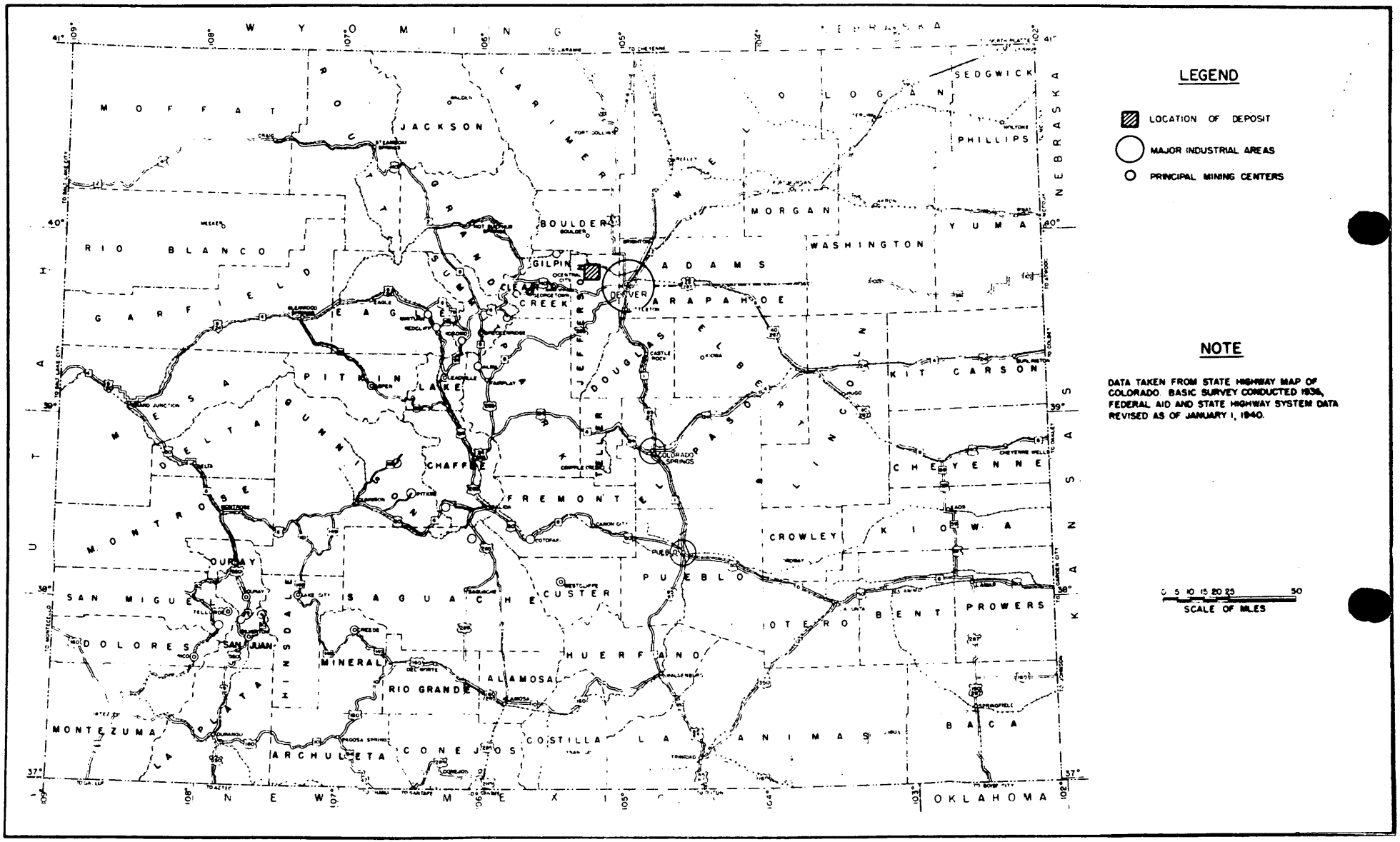


FIGURE 1. - LOCATION MAP, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO. (DMEA 2888).

HISTORY AND PRODUCTION

Section 25 is owned by Paul R. and Anna Lee White, of Golden, Colo., who have given Fred Schwartzwalder a three-year lease on the land which includes the Ralston Creek mine. About 8 tons of hand-sorted pitchblende-torbernite-schist ore piled near the portal were sampled by the Atomic Energy Commission and results indicate a uranium oxide content of 0.31 percent. No production is reported from the property.

OWNERSHIP AND EXTENT

Fred Schwartzwalder, of 207 Boyd Street, Golden, Colo., holds a mineral lease on the SE 1/4 sec. 25, T. 2 S., R. 71 W., to the southwest of Ralston Creek, which is a boundary. The lease also includes the rights of ingress and egress to the property over and across lands owned by the lessors to and down Ralston Creek for mining purposes. Timber on the property can be used on roads and in the mine at prevailing stumpage prices. The lessee agrees to pay the lessor 15 percent royalty on the net proceeds from all ores mined, shipped, or sold. The lease is given by Paul R. and Anna Lee White, Route 2, Golden, Colo., and is effective from February 9, 1953, to February 9, 1955.

Mr. Schwartzwalder has intimated that he can secure right-of-way over the Bonvue ranch in adjacent section 30 to the county road; right-of-way and subordination agreements, however, should be legally guaranteed before a contract is prepared.

HISTORY OF OWNERSHIP

During 1898 the Union Pacific Railroad received all of sec. 25, T. 2 S., R. 71 W., sixth principal meridian, from the Government as a land grant patent. In 1907, the entire section was sold to the Golden Mining Company, of Golden, Colo., with the reservation that "any coal that may be underneath the surface of the land shall be the exclusive property of the Union Pacific Railroad, its successors, assigns or lessees who shall have such rights-of-way and grounds free of all costs as shall be necessary for proper working of any coal mines that may be developed and for transportation of the coal."

Supreme Court decisions gave the Union Pacific Railroad all mineral rights to the section. This was verified by the Bureau of Land Management. Consequently, in subsequent transfers all mineral rights other than coal, which was reserved to the Union Pacific Railroad, are the property of the recorded owners. This was checked by an investigation of records at the Jefferson County courthouse, Golden, Colo. There were no other mineral rights exceptions to this section.

References - Jefferson County courthouse, Golden, Colo.

Sale				
From	To	Book	Page	Mineral Rights
Union Pacific Railroad Co.	Golden Mining Co.	136	18	Coal to Union Pacific Railroad Co.
Golden Mining Co.	W. W. McVay	155	344	Except coal
W. W. McVay	W. F. Reynolds	177	21	Except coal
Sheriff's sale	W. W. McVay, et al	173	364	Except coal
Sheriff's sale	Morrison State Bank	173	364	Except coal
Morrison State Bank	T. White, Jr.	202	462	Except coal
T. White, Jr.	Paul R. White	260	214	Except coal
Paul R. White	Paul R. and Anna Lee White	425	393	Except coal

DESCRIPTION OF THE DEPOSIT

The Ralston Creek uranium occurrence is within an area of pre-Cambrian gneisses and schists, about a mile west of the upturned sediments along the flanks of the Front Range. Uranium occurs as the minerals pitchblende and torbernite, with minor amounts of autunite and metatorbernite. The torbernite is evident as coatings and flakes along the schistosity and fracture surfaces in oxidized exposures of schist and as a secondary product of pitchblende. Spectrographic and chemical analyses show the presence of gold, silver, copper, manganese, cobalt, chromium, molybdenite, nickel, antimony, vanadium, lead, and zinc.

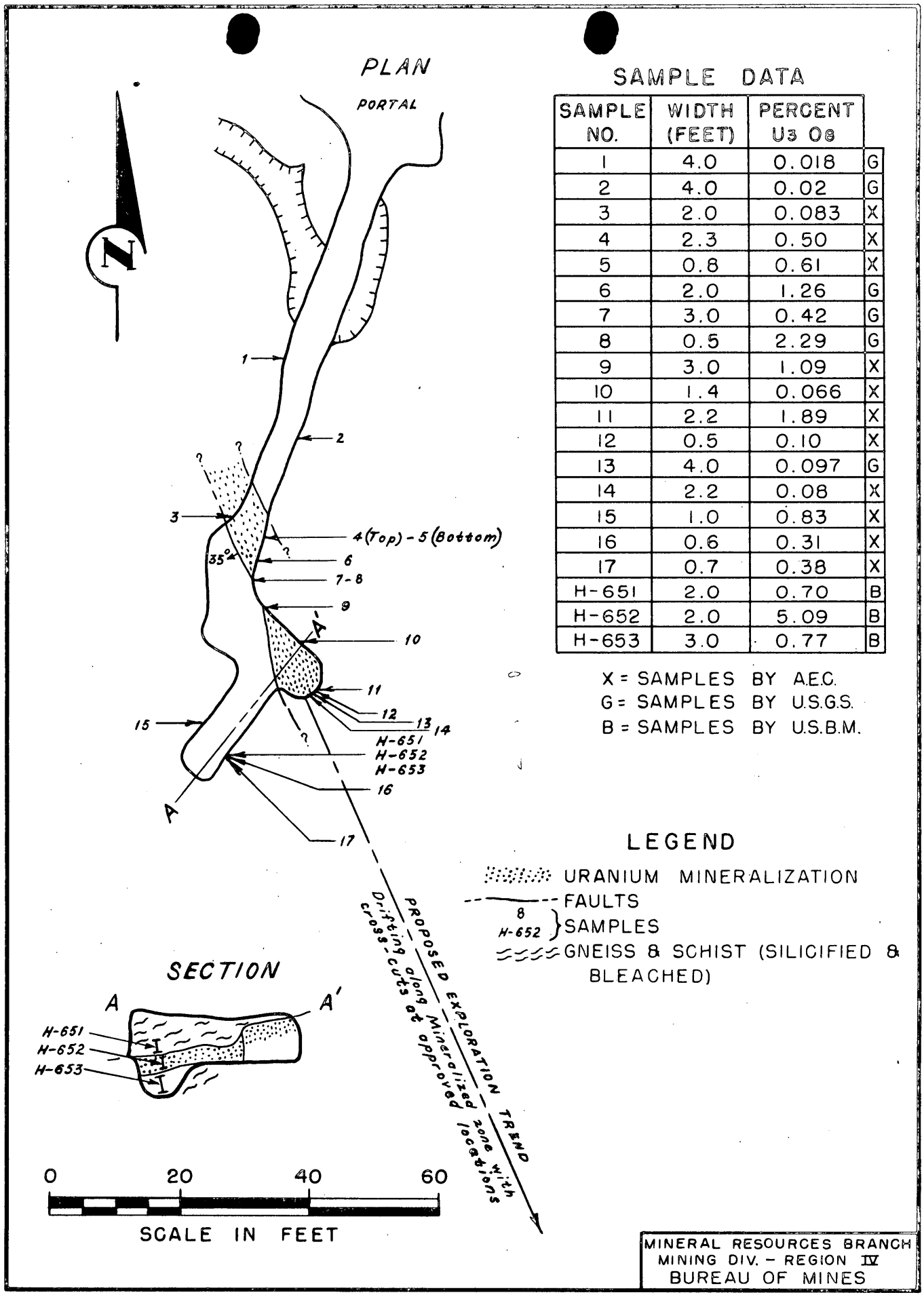
Exploration to date has exposed pitchblende within a flatly dipping breccia zone, 1 to 4 feet thick, exposed near the end of the adit (fig. 2, and fig. 3 with the geological report).

Sampling by interested Governmental agencies served as the basis for preparation of the following table showing the source of samples, width sampled, and analyses. These data with U_3O_8 assays only are also shown in a table on figure 2.

Sample Data (U_3O_8 = U x 1.1792)

Sample number	Width feet	U^e	U	U_3O_8	V_2O_5	Cu	Mn	Sampled by	
1	4.0	0.039	0.010	0.018	-	0.15	0.07	D-74502	USGS
2	4.0	0.021	0.011	0.02	-	-	-	D-74498	USGS
3	2.0	0.091	0.07	0.083	-	0.28	-	F-13286	AEC
4	2.3	0.32	0.42	0.50	-	-	-	F-11061	AEC
5	0.8	0.39	0.56	0.61	-	-	-	F-11062	AEC
6	2.0	0.88	1.07	1.26	-	-	-	D-74499	USGS
7	3.0	0.32	0.36	0.42	-	0.21	0.40	D-74500	USGS
8	0.5	1.40	1.94	2.29	-	-	0.24	D-74537	USGS
9	3.0	0.71	0.92	1.09	-	0.27	-	F-11076	AEC
10	1.4	0.075	0.056	0.066	-	0.18	-	F-13287	AEC
11	2.2	1.3	1.6	1.89	-	-	-	F-13280	AEC
12	0.5	0.11	0.088	0.10	-	-	-	F-13281	AEC
13	4.0	0.11	0.082	0.097	-	-	-	D-74501	USGS
14	2.2	0.082	0.068	0.08	-	0.22	-	F-13288	AEC
15	1.0	0.55	0.70	0.83	-	0.38	-	F-13289	AEC
16	0.6	0.23	0.26	0.31	-	-	-	F-13282	AEC
17	0.7	0.30	0.32	0.38	-	-	-	F-13283	AEC
H-561	2.0	0.44	0.59	0.70	0.07	-	-	D-86648	DMEA
H-562	2.0	2.9	4.32	5.09	0.14	-	-	D-86649	DMEA
H-563	3.0	0.5	0.65	0.77	0.14	-	-	D-86650	DMEA

$CaCO_3$ content averages less than 0.1 percent for all samples.



SAMPLE DATA

SAMPLE NO.	WIDTH (FEET)	PERCENT U_3O_8	
1	4.0	0.018	G
2	4.0	0.02	G
3	2.0	0.083	X
4	2.3	0.50	X
5	0.8	0.61	X
6	2.0	1.26	G
7	3.0	0.42	G
8	0.5	2.29	G
9	3.0	1.09	X
10	1.4	0.066	X
11	2.2	1.89	X
12	0.5	0.10	X
13	4.0	0.097	G
14	2.2	0.08	X
15	1.0	0.83	X
16	0.6	0.31	X
17	0.7	0.38	X
H-651	2.0	0.70	B
H-652	2.0	5.09	B
H-653	3.0	0.77	B

X = SAMPLES BY A.E.C.
G = SAMPLES BY U.S.G.S.
B = SAMPLES BY U.S.B.M.

MINERAL RESOURCES BRANCH
MINING DIV. - REGION IV
BUREAU OF MINES

FIGURE 2 - ASSAY PLAN MAP AND SECTION, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO. DMEA 2888

Sampling results indicate very encouraging assays over unusual widths, making the Ralston Creek mine one of the best prospects along the Colorado Front Range.

Numerous caved cuts and pits dug while prospecting for copper are within the mine area and are more or less radioactive. The absence of outcrop requires trenching to expose field relationships.

ORE RESERVES

There are insufficient data available as a basis for estimates of reserves of uranium ore of strategic value on the property.

PRESENT STATUS

Exploration and Development

The mine has been explored by about 111 feet of mine workings comprising a 70-foot adit, 23 feet of drift, and 18 feet of crosscut (fig. 2). The adit was driven along the schistosity S. 21° W. The drift driven southeasterly follows the uranium-bearing breccia zone, and the crosscut southwest follows the breccia zone down dip. Several shallow caved cuts, pits, and early copper prospects, which are more or less radioactive, are located near the mine. The property has been developed with a homemade compressor, a jackhammer, and a wheelbarrow.

Mining and Milling Equipment

There is no mining equipment on the property that can be used in an exploration program. No milling equipment is available or contemplated.

APPLICANT'S PROJECT PROPOSALS, WITH COSTS

The applicant, Fred Schwartzwalder, of Golden, Colo., proposes to explore further the uranium occurrence at the Ralston Creek (Schwartz) mine. The mine is presently accessible by rough dirt road to within about three-quarters of a mile, from which point access is by foot trail only.

He plans first to make the mine accessible with a pioneer road suitable to truck in equipment, supplies, and men to carry on the exploration program. About one mile of bulldozer road construction, with some rock work, is necessary and he estimates the cost of the road at $6,000.00.

Secondly, upon completion of the road, he proposes to drive a new adit level on a radioactive shear zone, which he believes to be the dip extension of that exposed in the present adit level (fig. 2), about 250 feet below this level. He has requested $17,500.00 to complete 500 feet of work on this new level. The work would consist of about 300 feet of drift, miscellaneous crosscuts, and 100 feet of raise.

Total funds requested are $23,500.00 and he estimates it will require 18 months to complete the project.

Exploration at this depth below known uranium occurrence is not considered advisable at this time, and, consequently, the following program is recommended by the examining team, with the reminder that the exploration proposal must be flexible and adaptable to such changes as field evidence suggests during the course of the project.

EXAMINING TEAM'S PROJECT PROPOSAL, WITH COSTS

1. Make the mine accessible with about 1 mile of pioneer road suitable to truck in equipment, supplies, and crew. The road would be cut by bulldozer, using fords wherever Ralston Creek is crossed.

Estimated Cost of Pioneer Road

Bulldozer rental, complete with operator and including fuel, transportation to and from job, and delays. 12 days--8 hours per day--$18.00 per hour (Based on information from Paul Warren, Bureau of Public Roads)	$1,728.00
Rental of 105-150 c.f.m. air compressor for 1 week at $38.00	38.00
Fuel for compressor	40.00
Rental of Copco Pacific rock drill for 1 week	25.00
Labor and supervision	
Fred Schwartzwalder at $2.00 per hour--2 weeks, with overtime	208.00
1 laborer at $1.50 per hour--2 weeks, with overtime	156.00
F.I.C.A. at 1.5 percent	5.46
Colorado compensation insurance at $2.95 per $100.00	10.74
Explosives, drill steel, et cetera	150.00
Bookkeeping--2 weeks at $25.00 per month	12.00
Truck or jeep rental and fuel	158.80
Total estimated cost - 1 mile of road	$2,532.00

Estimated completion time - 12 days

2. Upon completion of the road, the bulldozer will be used to trench and strip the radioactive shear zone extending from Ralston Creek upward to and above the mine adit level for geologic and radiometric information on which to base the advisability of any further exploration at a lower horizon somewhere between the creek level and the present adit level.

Should the results of trenching and work on the existing adit level prove encouraging to the Defense Minerals Exploration Administration representatives, 200 feet of exploratory drift and crosscuts at a determined lower horizon are recommended at a cost of $36.75 per foot or a total cost of $7,350.00. It will increase the required time by 2-1/2 months.

Estimated Cost of Stripping and Trenching

Bulldozer rental, not to exceed 5 days, at $18.00 per hour (about 300 feet of trench)	$720.00
Supervision, Fred Schwartzwalder, a total of 1 day	16.00
Taxes	
F.I.C.A. ($16.00 x 1.5 percent)	.24
Colorado compensation insurance ($16.00 x $2.95 per $100.00)	.47
Bookkeeping	2.50
Total estimated cost	$739.21

Time: Not to exceed 5 days

3. Upon completion of the road, the Ralston Creek adit level (fig. 2) will be rehabilitated. This will include widening, grading, track and pipe laying, setting equipment, and so forth.

Estimated Cost of Rehabilitation

Labor - 3 men, $1.75 per hour plus overtime, 1 week	$286.00
F.I.C.A. - 1.5 percent	4.29
Colorado compensation insurance ($2.95 per $100.00)	8.44
Explosives	25.00
Miscellaneous	25.00
Total estimated cost	$348.73

Estimated completion time - 6 days

In addition, a rough 20- by 20-foot building to house the compressor and tools for the project is considered necessary at an estimated cost not to exceed $400.00.

4. Upon completion of the foregoing work, the Ralston Creek uranium occurrence exposed in the adit level (fig. 2) will be explored with a maximum of 300 feet of drifting and crosscutting. The actual amount of drifting and crosscutting or changes in exploration will necessarily be determined from information gained as exploration progresses. The project should be subject to termination at any time by the Region IV Field Team upon recommendation of field representatives if evidence indicates such action is warranted.

Estimated Cost of Drifting and Crosscutting

(Including a 20- by 20-foot building and rehabilitation, assuming 18 feet of advance per week)

	Per week	Cost per foot	
Labor and Supervision			
1 foreman-miner at $2.00 per hour, plus overtime	$104.00	$ 5.78	
2 miners at $1.75 per hour, plus overtime	182.00	10.11	
Labor cost per foot - 18 feet per week			$15.89
Operating Materials and Supplies			
Timber (stulls, lagging, wedges, et cetera, where required)--total for project, $125.00		$ 0.42	
Explosives (dynamite, caps, fuses, et cetera)		3.20	
Pipe (air, water, ventilation)		2.10	
Track (ties, rail, plates, bolts, spikes)		1.10	
Other (fuel, lubricants, freight, bits, steel, small tools, carbide)		3.60	10.42

		Cost per foot	
Operating Equipment			
Purchase		none	
Depreciation		none	
Rental			
1 - 105-150 c.f.m. portable air compressor--5 months at $150.00 per month, total $750.00		$ 2.50	
1 - Copco Pacific, Ltd., jackleg rock drill, complete with air and water hoses, pressure tank, and small air grinder for drill bits--5 months at $100.00 per month		1.67	
1 - 500-1000 c.f.m. centrifugal blower, gasoline or air driven--4 months at $70.00 (To reduce radon gas to limitations allowed by the Colorado State Mine Commissioner)		.93	
2 - 24-cubic foot mine cars--$40.00 per month for 5 months		.67	
1 - 1-1/2-ton truck or jeep for 4 months at $150.00 per month (transportation of men and supplies)		2.00	$ 7.77
Initial Rehabilitation and Repairs	$348.73		1.16
New Buildings, Improvements, et cetera			
1 - 20- by 20-foot building to house compressor and tools	$400.00		1.33
Miscellaneous			
Repairs to equipment		$ 1.00	
Sampling and analyses (By Geological Survey and Atomic Energy Commission)		-	
Payroll taxes			
F.I.C.A. ($15.89 x 1.5 percent)		.24	
Colorado compensation insurance ($15.89 x $2.95 per $100.00)		.47	
Bookkeeping--5 months at $25.00		.42	2.13
Contingencies			
Auxiliary truck or jeep rental			.54
Total cost per foot of drift, including rehabilitation and new building			$39.24
Total cost per foot of drift and crosscut only			$36.75

Recapitulation of Costs for Recommended Project

Item	Maximum time	Cost
About one mile of pioneer road to portal of Ralston Creek mine adit	12 days	$ 2,532.00
Trenching and stripping	5 days	739.21
Rehabilitation of present adit	6 days	348.73
New buildings (1 20- by 20-foot building to house compressor and tools)		400.00
A maximum of 300 feet of drifting and crosscutting at $36.75 per foot	3-1/2 months	11,025.00
Possible exploration at a lower level, to be determined by the results of stripping and work on the existing adit level--200 feet of drift and crosscuts at $36.75 per foot	2-1/4 months	7,350.00
Cost of the total project.		$22,394.94
Government participation--90 percent		$20,155.45
Estimated time to complete the project (6-1/2 months plus 2 weeks contingencies)		7 months

CONCLUSIONS

Pitchblende occurs in a breccia zone near the end of the Ralston Creek mine adit, with uranium values that make it one of the best prospects along the Colorado Front Range. There are insufficient structural data on which to project a rigid exploration program, and, consequently, the program recommended by the examining team is an approximation of requirements which should be subject to drastic revision and termination at any time, as further evidence warrants. Exploration at a lower horizon must of necessity depend on information exposed in stripping and trenching and mapping by the Geological Survey and the Atomic Energy Commission.

The probability of discovering an important uranium ore body is uncertain. Because of the strategic importance of uranium and the lack of positive information on its occurrence and distribution in this area, a limited amount of exploration work is justified.

Evidence available to the examining team does not justify the applicant's proposal to start a new adit, about 250 feet below, and exploration at any determined horizon below the existing adit level must be contingent on the results obtained from stripping and work on the existing adit level.

The recommended program was discussed with members of the Atomic Energy Commission and has their approval.

RECOMMENDATIONS

A contract is recommended to include: (1) construction of an access road, for about $2,532.00, (2) stripping and trenching, for about $739.21, (3) rehabilitation of the present adit level, for about $348.73, (4) erecting a 20- by 20-foot building, for about $400.00, to house equipment and supplies, (5) a maximum of 300 feet of drift and crosscuts on the existing adit level, for $11,025.00, and (6) possible exploration at a level below the existing adit, to be determined by the Region IV Field Team, on the recommendation of field representatives from the results of surface stripping and work to be performed on the existing adit level—possible exploration recommended, 200 feet of drift and crosscuts, at $36.75 per foot, totaling $7,350.00.

Total cost of the project is $22,394.94, Government participation, 90 percent or $20,155.45.

Estimated time to complete the project is 7 months.

It is further recommended that the project be temporarily recessed after completion of all of items 1 to 4 and 50 feet of item 5 for a re-evaluation by the Region IV Field Team representatives to determine the desirability of changing exploration methods or terminating the contract.

Mr. Schwartzwalder should secure legal right-of-way across all private property crossed by the access road before a contract is considered.

cb

SURNAME COPY

Defense Minerals Exploration Administration
Robert E. Adams

2517

14X3923.970, Working Fund, Interior, DMEA
September 3, 1953
3:45 p.m.

W.H.King, Executive Officer, Region IV, 224 New Customhouse Bldg., Denver 2, Colo.

Assignment of Contract Number

REURTEL 9-2-53, DOCKET NO. DMEA 2888, FRED SCHWARTZWALDER, COMMODITY URANIUM, PROPERTY LOCATED IN JEFFERSON COUNTY, COLORADO. CONTRACT NUMBER IDM-E595 ASSIGNED THIS CONTRACT.

C. O. Mittendorf

ADMINISTRATOR

REAdams/meb
9-2-53
cc to: Adm.Reading File
Mails & Files Br.
Bu.of Mines Audits Div. Rm. 2509
Miss Curtin

SENT
SEP 3 1953
Clerical Service Section

R.C.G. 9-3-53

Mr. C. O. Mittendorf
Sept. 2, 1953
12:02 p.m.
95

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 - 1953

DN 235 BUREAU MINES 9-2-53 9-27 AM

C O MITTENDORF

PLEASE ASSIGN A NUMBER TO CONTRACT COVERING DOCKET NO. DMEA 2888, FRED SCHWARTZWALDER, 207 BOYD STREET, GOLDEN, COLORADO. COMMODITY URANGUMXXX URANIUM. PROPERTY IN JEFFERSON COUNTY, COLORADO. CONTRACT DATED SEPTEMBER 2,1953. TOTAL AMOUNT OF CONTRACT $23,000.00, GOVERNMENT,S PARTICIPATION 20,700.00.

W H KING

Denver, Colo.

9040

IDME 595

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

224 New Customhouse
Denver 2, Colorado

August 18, 1953

Mr. Fred Schwartzwalder
207 Boyd Street
Golden, Colorado

Re: Docket No. DMEA 2888

Dear Mr. Schwartzwalder:

We have had no reply to our letter of May 21, 1953 requesting that you obtain an Owner's Consent to Lien and a right of way for a road to your property.

We presume that you are no longer interested in an exploration program on your property, so we are placing your application in our inactive file.

Very truly yours,

W. H. King

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

HMC:es

cc: Docket
Mittendorf
Chron.
Traver
Koschmann (2)

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

224 New Customhouse
Denver 2, Colorado

May 26, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2888 (Uranium), Fred Schwartzwalder, Ralston Creek Mine, Jefferson County, Colorado.

Exploration aid in the amount of $23,000.00 has been approved and the contract will be prepared by this office.

Four copies of the report will be forwarded you when the contract is executed.

The original and one copy of Form 3b is attached.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

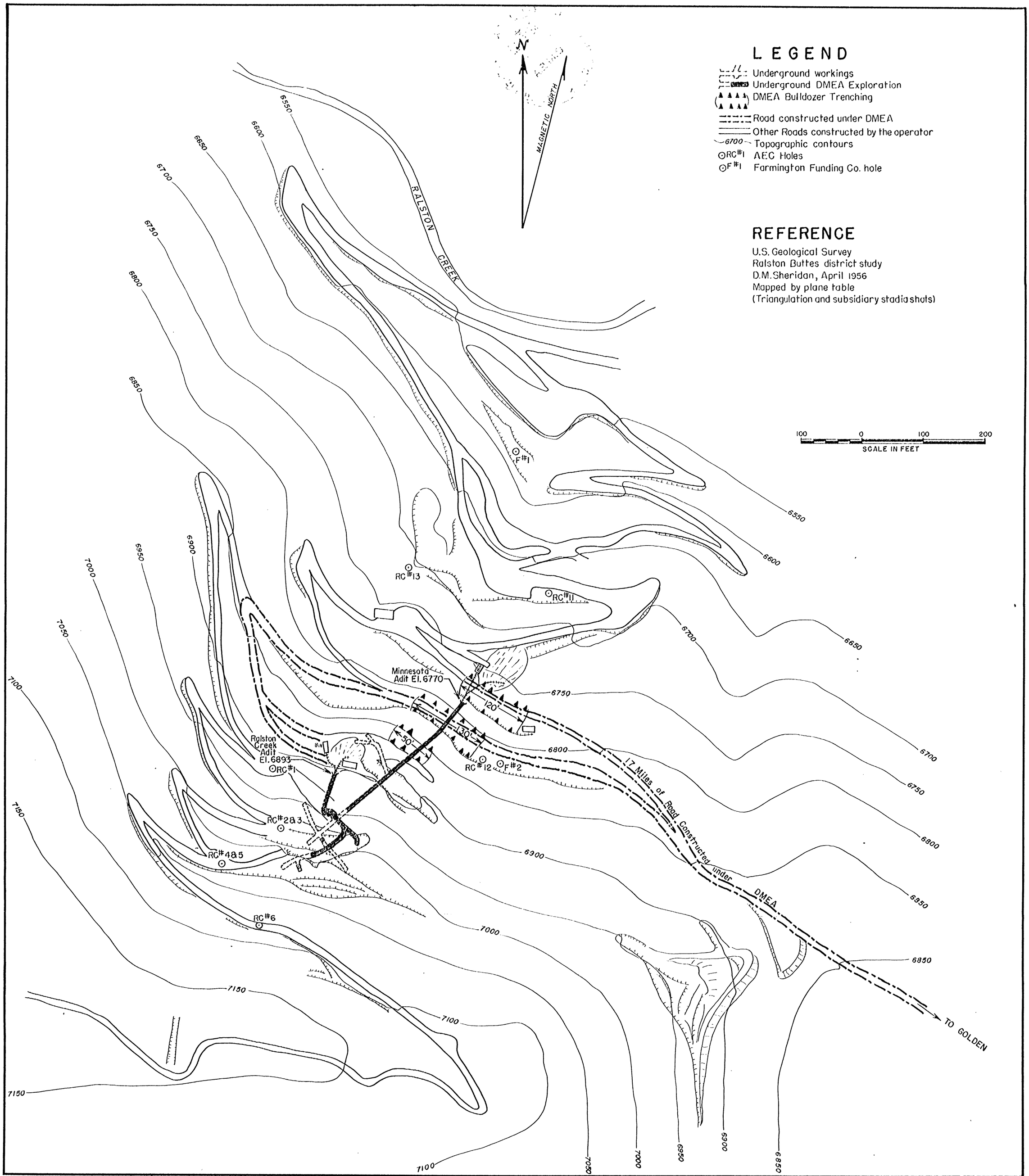


FIGURE 3 - COMPOSITE SURFACE AND UNDERGROUND EXPLORATION MAP, RALSTON CREEK MINE, JEFFERSON COUNTY, COLO.
DMEA 2888, CONTRACT Idm-E595