800

Building 20 - Federal Center
Denver, Colorado 80225

January 30, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: DMEA-3117 (Uranium)
Contract Edm-E633
Clarence Louis Neilson
(Joe Dandy, et al., Claims)
San Miguel County, Colorado
EXPIRATION OF DMEA CONTRACT PAYING ROYALTY

The AEC records on this property have been checked and there has been no production since August 19, 1957.

It is noted that as of January 1, 1960, there was approximately fourteen tons of .12% U_3O_8 rock in the loading chute at the mine. This was not, and is not at the present time, of ore grade. The last DME Form 63, dated April 30, 1962, shows no production.

If Mr. Neilson will complete a DME Form 63 as of October 30, 1963, that is similar to his report of April 30, 1962, I will recommend that we close our books on this contract.

In view of the double check of the AEC records which we have made, I question the advisability of making a trip to this property. Since October 30, 1963, we have not made a trip, the route of which, came close to this property.

Original signed by

Hugh M. Connors

EXTRA COPY
O. M. E
RECEIVED AUG 11 1961

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

August 8, 1961

Mr. Clarence Louis Neilson
P. O. Box 875
Uravan, Colorado

Re: Docket No. DMEA-5117 (Uranium)
Contract No. Ida E633
Clarence Louis Neilson
(Joe Dandy, et al., claims)
San Miguel County, Colorado

Dear Mr. Neilson:

This will acknowledge receipt of your letter dated August 2, 1961 requesting a refund of $10.95, the amount of overpayment of royalty on the captioned contract.

I have requested the Fiscal Section to reimburse you. Returned herewith is your copy of the Report of Royalty Review which was attached to your letter.

Yours very truly,

Original signed

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure

HMC/lm
cc Chief, Division of Field Operations, OME
E633 Royalty Corres
Chron

Talbert

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED AUG 11 1961

DATE	INITIALS	GRADE

August 8, 1961

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D.C.

From: Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-3117 (Uranium)
Contract No. Ldm E633
Clarence Louis Neilson
(Joe Dandy, et al., claims)
San Miguel County, Colorado

We received a letter from Clarence Louis Neilson, P. O. Box 875, Uravan, Colorado, the Operator under the subject contract, requesting a refund of $10.95 which is the amount of overpayment of royalty shown on the Report of Royalty Review dated March 27, 1961 and forwarded your office April 3, 1961.

Will you please reimburse the Operator $10.95.

Original signed by

Hugh M. Commors

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres E633
Chron

Talbert

APR 6 1961

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-3117 (Uranium)
Clarence Louis Neilson
Joe Dundy et al., claims
San Miguel County, Colorado
Contract Idm-8633

The comments in your April 3 memorandum regarding the recent Report of Royalty Review on the subject contract are appreciated. I agree that the period properly should have been stated as ending December 31, 1960, rather than March 23, 1961.

On the other hand, insertion on the certified first page of future reports of a statement as to the last liquidation included is not deemed necessary. The more or less standardized third paragraph states that the scope of the review, among other matters, is stated on page 2. The last settlement involved is clearly stated on page 2 of this report. I regret, however, that on some past reports we have failed to identify the last liquidation involved.

EDTalbert/ama
April 5, 1961

Copy to: Docket
Director's Reading File
CA & A Division

Extra

~~OFFICIAL FILE~~ COPY
O. M. E
RECEIVED APR 5 1961

DATE	INITIALS	CODE
		200

Building 20 - Federal Center
Denver 25, Colorado

April 3, 1961

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMRA 3117 (Uranium)
Contract No. Idm E633
Clarence Louis Neilson
(Joe Dandy et al., claims)
San Miguel County, Colorado

This has further reference to the Report of Royalty Review on the subject property.

The settlement sheets you list on page 2 show production ending August 19, 1957 and I have checked the AEC records through December 31, 1960. It is entirely possible that shipments could have been made during the first quarter of 1961.

The statement on page 1 gives the date of your Review only; "At March 23, 1961, the royalty account of this project was found to be:" Would it not be well in all future Royalty Reviews to also insert in this statement the last liquidation number or settlement sheet date included in the Review?

Original signed by

Hugh M. Connors

HMC/lm
cc: Chief, Division of Field Operations, OME (2)
Royalty Corres. E633
Chron

EXTRA COPY
O. M. E.
RECEIVED APR 5 1961
DATE | INIT | CODE
800

Building 20 - Federal Center
Denver 25, Colorado

April 3, 1961

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA 3117 (Uranium)
Contract No. Idm E633
Clarence Louis Neilson
(Joe Dandy et al., claims)
San Miguel County, Colorado

Attached is the original Report of Royalty Review on the subject property dated March 27, 1961 covering the period September 22, 1954, through March 23, 1961. The last settlement sheet included in this Report of Royalty Review is for the period July 15, 1957 to August 15, 1957.

Original signed by

Hugh M. Connors

Attachments

HMC/lm
cc: Chief, Division of Field Operations OME (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E633
Chron

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED APR 5 1961		
DATE	IN	CODE
		800

April 3, 1961

Mr. Clarence Louis Neilson
P. O. Box 875
Uravan, Colorado

Re: Docket No. DMEA 3117 (Uranium)
Contract No. Idm E633
Clarence Louis Neilson
(Joe Dandy, et al., claims)
San Miguel County, Colorado

Dear Mr. Neilson:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated March 27, 1961 covering the period September 22, 1954 through March 23, 1961. The last settlement sheet included in this Report of Royalty Review is for the period July 15, 1957 to August 15, 1957.

You will note that $10.95 is the amount of overpayment of royalty. If you submit a claim to us for that amount the overpayment in royalty will be refunded to you.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
HMC/lm
cc: Chief, Division of Field Operations, (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres E633
Chron

REPORT OF
ROYALTY REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract No. Idm-E633, Docket No. DMEA-3117 (Uranium), dated October 30, 1953, with

Clarence Louis Neilson
Box 875
Uravan, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Joe Dandy, et al., claims located in San Miguel County, Colorado, during the period September 22, 1954, through March 23, 1961.

A certification of discovery or development was issued on April 29, 1955, and, in accordance with Annex I and Article 6 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 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. A Report of Review dated December 15, 1954, indicated accepted costs under the exploration contract amounting to $12,500.00 with the Government's contribution, on a 90 percent basis, being $11,250.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established the total sales of ores for the period to be $1,124.99. Royalty due the Government at rates specified in the contract is $43.09.

A prior Report of Royalty Review found the sales subject to Government royalty through September 21, 1954, to be $2,385.92 which added to the sales for this subsequent period make a total of $3,510.91. The royalty account as of September 21, 1954, was:

Total Royalty Due	$119.31
Total Royalty Paid	133.32
Overpayment of Royalty	$ 14.01

At March 23, 1961, the royalty account of this project was found to be:

Total Royalty Due	$162.40
Total Royalty Paid	173.35
Overpayment of Royalty	$ 10.95

March 27, 1961

E. D. Talbert, OME Auditor

Idm-8633 Clarence Louis Neilson DMEA-5117

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Except for annual assessment work, this project has been inactive since 1957. On January 1, 1960, the loading chute at the mine reportedly contained between 12 and 14 tons of low grade (about .12% U_3O_8) ore produced during the assessment work.

My review included a recomputation of the five periodical settlement sheets covering sales of an aggregate of 15 lots to the Vanadium Corporation of America, as follows:

Settlement	5-16-54 to 12-31-54	3-28-55 to 5-27-55	4-28-56 to 5-27-56	6-28-57 to 7-15-57	7-16-57 to 8-19-57
No. of Lots	4	3	2	1	1
Dry Wt. Lbs.	83030	43454	41744	28290	18393
V_2O_5:					
Percent	1.71	1.93	1.58	1.36	1.79
Lbs.	1421	837	658	384	329
Value	$440.51	$259.47	$203.98	$119.04	$101.99
U_3O_8:					
Percent	.07	.02	.03	.02	.02
Lbs.	59.86	6.94	14.59	5.91	3.68
Value	-0-	-0-	-0-	-0-	-0-
Total Value	$440.51	$259.47	$203.98	$119.04	$101.99
Value per Tn.	$ 10.61	$ 11.94	$ 9.77	$ 8.36	$ 11.09
Royalty Rate	4%	5%	3%	1½%	4½%
Royalty Due	$ 17.62	$ 12.97	$ 6.12	$ 1.79	$ 4.59
Royalty Paid	$ 19.82	$ 12.97	$ 10.20	$ 5.95	$ 5.10

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The records indicate that all sales of production from the property since the date of the contract has been accounted for and proper royalty, except as indicated, has been paid; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Clarence Louis Neilson

P. O. Box 875

Uravan, Colorado

Contract No.	Docket No.
Idm E633	DMEA 3117

Prepared by (Signature)	Date
Hugh M. Connors	March 23, 1961

Hugh M. Connors

Yes	No		
x		1. (a)	Does the Operator stockpile ore subject to royalty repayment?
x		(b)	If so, is segregation and identification procedure adequate?
	x	2. (a)	Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
		(b)	If so, is the allocation of the commingled production equitable?
x		3. (a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?
x		(b)	If so, are adequate records maintained on such material to protect the Government's interest?
x		4.	Are the assay controls in effect adequate?
x		5.	Does the manner of disposing of production give the Government its fair royalty returns?
x		6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?
	x	7.	Does the Operator buy from or sell to other Operators?
		8.	Current status of property. (Check one).
			Operating.
		x	Inactive.
			Abandoned.
		8-15-57	Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

The 1960 AEC production records have been searched and no production was shown from the Joe Dandy mine, so it is presumed that the 12 to 14 tons of low grade ore reported by the Operator on 2-1-60 is still in the loading chute at the mine.

84861-60

MAR 27 1961

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMRA-3117 (Uranium)
Clarence Louis Neilson
Joe Dandy, et al., claims
San Miguel County, Colorado
Contract Idm-8833

The original and two copies of a Report of Royalty Review covering the subject contract are attached. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy to the Operator; and
(c) One copy for your files.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Attachments

EDTalbert/ama
March 27, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED MAR
DATE
8 00

March 24, 1961

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: DMEA-3117 (Uranium)
Contract Idm E633
Clarence L. Neilson
(Joe Dandy Mine)
San Miguel County, Colorado

In response to your memorandum of March 20, 1961 on the subject contract, I am attaching the original and one copy of a Check Sheet of Examining Engineer.

Original signed by

Hugh M. Connors

Attachments
cc: Chief, Division of Field Operations, OME (2)

MAR 2 0 1961

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-5117 (Uranium)
Clarence L. Neilson
Joe Dandy Mine
San Miguel County, Colorado
Contract Idm-5633

This Division is in the process of making a royalty review of the subject contract. Your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, is requested.

Semi-annual reports of certified projects and statements in lieu thereof indicate that this project has been inactive, except for assessment work, from sometime during 1957 until January 1, 1960. No subsequent report is in the files, but it is assumed that the project is still inactive. If this is correct, please confirm by an appropriate statement and indicate the inventory (stated as 12 to 14 tons of .12% U_3O_8 ore, as of January 1, 1960) under item 8 of MME Form 22.

EDTalbert/ama
March 20, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Talbert

E-633

For Certificate of Deposit No. 33, dated September 13, 1957, giving royalty payment of $5.10, see E-597.

For Certificate of Deposit No. 11, dated July 30, 1957, giving royalty payment of $5.95, see E-509.

For Certificate of Deposit No. 139, dated June 12, 1956, giving royalty repayment of $10.20, see E-54.

C
O
P
Y

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

February 28, 1956

Mr. Clarence Louis Neilson
P. O. Box 875
Uravan, Colorado

Re: Royalty payments, DMEA Docket 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson, Joe Dandy Mine, San Miguel County, Colorado.

Dear Mr. Neilson:

Royalty payments made to date under the subject DMEA contract have been reviewed by an auditor from the Contract Administration and Audit Division. It was determined by this audit that you have overpaid the royalty due by an amount of $14.01 which confirms the credit due you as specified in our letter of October 25, 1954.

Enclosed is Government check No. 20,284,759 for $14.01 to refund you for this overpayment. Also enclosed is a photocopy of the Royalty Review dated January 7, 1955 in order that you may verify the amount of the overpayment.

Please acknowledge receipt of this check.

Yours very truly,

/s/ W. M. Traver

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

Enclosure

E-633

For Certificate of Deposit No. 125, dated June 15, 1955, giving royalty repayment of $12.97, see E-4.

E-633

For Certificate of Deposit No. 64, dated January 19, 1955, giving royalty repayment of $19.82, see E-4.

REPORT OF
ROYALTY REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
FEB - 9 1956

REPORT OF FIRST ROYALTY REVIEW

I have reviewed all copies of sales documents on file with the Executive Officer, DMEA Field Team, Region IV, applicable to the sale of uranium and vanadium during the period February 28 to September 21, 1954 by:

Clarence Louis Neilson
Box 875
Uravan, Colorado

produced from property referred to as the Joe Dandy group, commonly known as the Saw Pit mine, located in San Miguel County, Colorado, under the terms of Contract Idm-E635, Docket No. DMEA 3117.

My review included a tabulation and recomputation of all ore sale settlement sheets, a summary of which is attached and made a part of this report. It also included a conference with the Supervising Engineer who had made monthly inspections of the exploration project.

This review was made in lieu of an on-site audit of the operator's accounts and records for the following reasons:

1. The production involved was incidental to the exploration operations.

2. The Supervising Engineer is of the opinion that all sales of ore produced during the period February 28 to September 21, 1954, for which settlement sheets have been released, have been properly accounted for.

3. The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

The review established the total net sales of uranium and vanadium ores for the period to be $2,385.92. Royalty on these sales is due the United States Government at the contract rate of 5%. Royalty received on these sales is $14.01 in excess of the amount due. The royalty paid and balance of overpayment follows:

Total Royalties Paid	$133.32
Total Royalties Due	119.31
Balance (Overpayment)	$ 14.01

Donald T. Finch

January 7, 1955

Donald T. Finch, Auditor

Defense Minerals Exploration Administration
Contract Administration and Audit Division

JAN 13 1955

Report of First Royalty Review

I have reviewed all copies of sales documents on file with the Executive Officer, DMEA Field Team, Region IV, applicable to the sale of uranium and vanadium during the period February 28 to September 21, 1954 by:

Clarence Louis Neilson,
Box 875,
Uravan, Colorado,

produced from property referred to as the Joe Dandy group, commonly known as the Saw Pit mine, located in San Miguel County, Colorado, under the terms of Contract Idm-E633, Docket No. DMEA 3117.

My review included a tabulation and recomputation of all ore sale settlement sheets, copy attached and made a part of this report. It also included a conference with the Supervising Engineer who had made monthly inspections of the exploration project.

This review was made in lieu of an on-site audit of the operator's accounts and records for the following reasons:

1. The production involved was incidental to the exploration operations.

2. The Supervising Engineer is of the opinion that all sales of ore produced during the period February 28 to September 21, 1954, for which settlement sheets have been released, has been properly accounted for.

3. The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

The review established the total net sales of uranium and vanadium ores for the period to be $2352.41. Royalty on these sales is due the U. S. Government at the contract rate of 5%. Royalty received on these sales is $14.01 in excess of the amount due. The royalty paid and balance of overpayment follows:

Total Royalties Paid	$133.32
Total Royalties Due	119.31
Balance (Overpayment)	$ 14.01

Dated: January 7, 1955

Reviewed

Donald T. Finch
Donald T. Finch
Auditor

Summary of Ore Settlement Statements
Clarence Louis Neilson
Contract Idm-E633, Docket DMEA 3117

	2-28-54 to 4-15-54	6-17-54	7-23-54	8-20-54	9-21-54	Totals
Purchaser	V.C.A.	A.S.& R.	A.S.& R.	A.S.& R.	A.S.& R.	
Settlement No.	1	5566	5759	5935	6128	
Net Dry Weight Lbs.	80456	17867	30711	63663	17923	210620
Net Dry Tons	40.2280	8.9335	15.3555	31.8315	8.9615	105310
% V_2O_5	1.20	1.21	1.32	1.45	1.36	
Pounds V_2O_5	968	216.19	405.39	923.11	243.75	2756.44
Per Lb. V_2O_5	31¢	31¢	31¢	31¢	31¢	
Value V_2O_5	$300.08	$67.02	$125.67	$286.17	$75.56	$854.50
% U_3O_8	.10431	.12	.10	.14	.14	
Pounds U_3O_8	83.92	21.44	30.71	89.13	25.09	250.29
Per Lb. U_3O_8	$1.5862	$1.90	$1.50	$2.30	$2.30	
Value U_3O_8	$133.11	$40.74	$46.06	$205.00	$57.71	$482.62
Mine Development Allow. at 50¢ per lb.	$41.96	$10.72	$15.36	$44.56	$12.55	$125.15
Mileage Allowance		$55.95	$86.02	$199.02	$54.81	$395.80
Mileage Adjustment		$13.72				$13.72
Sub Total	$475.15	$188.15	$273.11	$734.75	$200.63	$1871.79
Initial Production Bonus Per Lb.	$1.5862	$1.90	$1.50	$2.30	$2.30	
Amount of Initial Production Bonus	* $166.62	$40.74	$46.06	$205.00	$57.71	$516.13
Sub Total	$641.77	$228.89	$319.17	$939.75	$258.34	$2387.92
Sampling Charge		$1.00			$1.00	$2.00
Value of Shipment	$641.77	$227.89	$319.17	$939.75	$257.34	$2385.92
Value Per Ton	$15.95	$25.51	$20.79	$29.52	$28.72	
Percent DMEA Royalty	5%	5%	5%	5%	5%	5%
DMEA Royalty Due	$32.09	$11.40	$15.96	$46.99	$12.87	$119.31
DMEA Royalty Received	$32.09	$9.36	$13.66	$71.55	$6.66	$133.32
Balance DMEA Royalty Due	-o-	$2.04	$2.30	($24.56)	$6.21	($14.01)

* Computed Bonus for Lot 1 V.C.A. is $133.11. Letters dated 8-13-54 and 9-8-54 from accountant for operator report receipt of $166.62 and royalty payment received on the larger amount.

Note: V.C.A. denotes Vanadium Corporation of America; A.S.& R. denotes American Smelting & Refining Co.

( ) denotes red figure.

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

RECEIVED
FEB - 9 1956

224 New Customhouse
Denver 2, Colorado

February 7, 1956

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Clarence Louis Neilson
Contract Idm-E633, Docket DMEA-3117

Dear Mr. Talbert:

Please refer to your letter February 1, 1956 concerning the variation between sales shown in Royalty Report of Review of $2,352.41 and production total of $2,385.92 shown on summary attached.

At the time this report was released it was considered that the footnote concerning A.E.C. bonus for Lot 1 V.C.A. shown on the summary was sufficient. In other words, the difference between the amounts shown in the Report of Royalty Review and Summary of $33.51 is due to the Operator's reporting A.E.C. bonus of $166.62, whereas the computed A.E.C. bonus amounted to $133.11.

Upon the receipt of your letter it is now realized the footnote was not entirely clear, and the Report of Royalty Review has been revised in the attached copies.

Very truly yours,

Donald T. Finch

Donald T. Finch, Auditor.

Enc.

JAN 13 1955

224 New Customhouse
Denver 2, Colorado

January 11, 1955

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

Re: Clarence Louis Neilson
Contract Idm-E633
Docket DMEA 3117

Dear Mr. Chambers:

Enclosed are three copies of a report of Royalty Review for the above contract.

You will note this is in the form of a condensed report along the lines discussed in my letter of December 16 and your reply of December 27, 1954.

It is submitted as a suggestion for your consideration.

Sincerely,

Donald T. Finch

Donald T. Finch

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

FEB - 1 1956

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

Re: Idm-F633, DMEA-3117
Clarence L. Neilson

Dear Don:

On the Report of First Royalty Review covering the referenced project total net sales are indicated as $2,352.41. On a summary attached to the report sales are shown as $2,385.92, which appears to be the correct amount.

Please advise, and correct either report or summary of all field copies. We will correct Washington copies.

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/wb
February 1, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

JAN 28 1955

AIR MAIL

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

Re: Clarence Louis Neilson
Contract Idm-F633
Docket DMEA-3117

Dear Mr. Finch:

Reference is made to your letter of January 11, 1955, transmitting three copies of a Report of First Royalty Review for the subject contract.

This Report is acceptable and distribution may be effected. In future reports of this type, however, it is suggested that the words "copy attached" in the second line of the second paragraph be changed to "a summary of which is attached."

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
January 27, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

File in Director's folder. 1/27/55

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 13 1955

224 New Customhouse
Denver 2, Colorado

January 11, 1955

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

Re: Clarence Louis Neilson
Contract Idm-E633
Docket DMEA 3117

Dear Mr. Chambers:

Enclosed are three copies of a report of Royalty Review for the above contract.

You will note this is in the form of a condensed report along the lines discussed in my letter of December 16 and your reply of December 27, 1954.

It is submitted as a suggestion for your consideration.

Sincerely,

Donald T. Finch

Donald T. Finch

For Certificate of Deposit No. 39, dated October 19, 1954, giving royalty repayment of $6.66, see E-4.

For Certificate of Deposit No. 37, dated October 14, 1954, giving royalty repayment of $46.99, see E-445.

E-633

For Certificate of Deposit No. 32, dated September 24, 1954, giving royalty repayment of $24.56, see E-4.

For Certificate of Deposit No. 30, dated September 17, 1954, giving royalty repayment of $8.33, see E-4.

For Certificate of Deposit No. 27, dated September 14, 1954, giving royalty repayment of $9.04, see E-4.

For Certificate of Deposit No. 17, dated August 18, 1954, giving royalty repayment of $8.59, see E-4.

E-566

For Certificate of Deposit No. 5, dated July 19, 1954, giving royalty repayment of $5.39, see E-317.

E-633

For Certificate of Deposit No. 19A, dated June 23, 1954, giving royalty repayment of $4.27, see E-4.

C
O
P
Y

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

December 27, 1954

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

Dear Mr. Finch:

Reference is made to your letter of December 16, 1954, in regard to making royalty audits for projects whose productions result in small royalty payments. You propose to issue a condensed memorandum report instead of an on site audit report. I think the suggestion is all right in this instance and in others similar where an engineer has visited the project and reports that evidence indicates the Government is getting royalty on all production.

I note that Mr. Knox has sent you a copy of a letter to the Operating Committee in regard to the Amerimex contract. I shall be glad to have any comments you may wish to make on this letter.

I wish for you and your family a very Merry Christmas and a Happy New Year. It has been a pleasure to work with you during the past year.

Sincerely yours,

/s/ Jay L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/ama
December 23, 1954

Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

May 12, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-Clarence Louis Neilson, Docket No. 3117, Contract No. E633, Colorado

Enclosed is copy of settlement sheet covering ore shipped during 2-23/4-15-54 by Clarence Louis Neilson to the Vanadium Corporation of America.

Also enclosed is check in the amount of $19.49 in payment of royalty on this settlement sheet.

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

Enclosures

See E-36 for C.A. #4

REPORT
OF REVIEW

01-Jll

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Department of [illegible]
Defense Minerals [illegible]
RECEIVED
DEC 21 1954

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Clarence Louis Neilson
Box 875
Uravan, Colorado

pertaining to Exploration Project Contract No. Idm-E633, Docket No. DMEA 3117, including Amendment Nos. one through six, for the months of January, 1954 to October, 1954, inclusive, covering a project for the exploration of Uranium, on property known as Joe Dandy Group, located in San Miguel County, Colorado, 1/3 mile northeast of Sawpit.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, conference with the Executive Officer, DMEA Field Team, Region IV, 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 reasons:

All costs claimed are under a Contract provision for contribution 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:		$12,500.00
Exceptions:		
By DMEA Finance Officer	None	
Herewith	None	None
Total accepted cost		$12,500.00

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 Eleven Thousand Two Hundred Fifty and No/100ths Dollars

- $11,250.00 -

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.

Date: December 15, 1954

Donald T. Finch

Donald T. Finch, Auditor

DEC 23 1954

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

Re: Idn-F633, DMFA-3117
Clarence Louis Neilson

Dear Mr. Finch:

Receipt is acknowledged of the copies of your Report of Review covering the above-cited contract.

The Report is acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

AMAlley/ama
December 23, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1954

224 New Customhouse
Denver 2, Colorado

December 16, 1954

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

Re: Clarence Louis Neilson
Contract No. Idm-E633
Docket No. DMEA 3117

Dear Mr. Chambers:

Enclosed is a Report of Review for the subject contract.

Examination of the Executive Officer's files discloses the receipt of royalties on ore sold during the exploration period totaling $133.32. Copies of settlement sheets covering five shipments are in the Executive Officer's files. It is believed that the monthly reports of the Supervising Engineers and the settlement sheets are sufficient to determine that produced ore has been accounted for.

Would your office approve of a condensed memorandum report on royalties in lieu of a royalty audit report in cases of this kind? This report would, of course, include a schedule of all settlement sheets received which the reviewer would confirm as to computations. It would also set out any under or over receipt of royalties received.

Small production of this type does not appear to justify the expense of an on-site audit.

It is presupposed that the memorandum type of royalty report would not be used in any instance where there is any question as to whether the operator is reporting his production.

Ans. 12-27-54
see Finch's file

Sincerely,

Donald T. Finch

Donald T. Finch
Auditor

Enclosures

224 New Customhouse
Denver 2, Colorado

March 15, 1955

Memorandum

To: T.A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson, San Miguel County, Colorado - FINAL PAYMENT

Reference is made to our memorandum of November 15, 1954, whereby we transmitted the final Form MF-104 Operator's Progress Report and Voucher for the month of October 1954 and instructed you to withhold the amount of $100.00 from reimbursement to the operator pending receipt of the operator's final report and release of a report of review by the Contract Administration and Audit Division.

The operator's final report was received in this office March 14, 1955, therefore we now recommend that final payment to the operator be made on the following basis, which is in conformance with the report of review by the Contract Administration and Audit Division dated December 15, 1954:

Basis for Final Payment

Total accepted cost.....	$12,500.00
Government participation at 90%.....	11,250.00
Total prior payments.....	11,150.00
Balance due the operator.....	$ 100.00

W. M. TRAVER

W. M. Traver

JWT:jp
cc Subject
Chron
Sec. to Op. Comm. (2)
Shaw
Townsend

Paid $100.00
Randel R. Cooper
Authorized Certifying Officer
3-18-55 DMA-55-13

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

224 New Customhouse
Denver 2, Colorado

March 21, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson, San Miguel County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the Final Payment.

W. M. Traver

W. M. Traver

Enclosures

Nothing when attached when rec'd from region only the one memo.

Form M[illegible]04 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~November~~ OCT., 1954 Docket No. DMEA3117 Contract No IDM-E633

Operator's Name Clarence Louis Neilson Minerals Uranium

Address Box 875, Uravan, Colorado

Contract Amount, $12,625.00 Government Participation: 90 % Amount, $ 11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	575.00	11,925.00	12,500.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	575.00	11,925.00	12,500.00	575.00	11,925.00	12,500.00

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

Date 11/3/54 *Payee Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

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

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

(Instructions on reverse)

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

$ 419.50

Signature Randell R. Cooper (Authorized Certifying Officer)

Date 11-22-54 Vou. No. DMA-55-36

(See other side)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 8 1954

Administrative Audit Difference Statement

Date: December 02, 1954
Payee's
Reference: October, 1954

Clarence Louis Kollom
Box 675
Craig, Colorado

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

Amount Claimed $ 575.00

Difference $

Amount Approved $ 292.50

Deduct 200.00
217.50

The reason for the difference was due to:

$200.00 withhold pending receipt of Real estate

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

Very sincerely yours,

N.E.Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

November 15, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3117 (Uranium) Contract Idm-E633, Clarence L. Neilson (Joe Dandy mine) San Miguel County, Colorado. Operator's Monthly Progress Report for the period October 1954.

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

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

An amount of $100.00 is to be withheld from the payment due the operator pending receipt of the final narrative report from the operator and release of the Report of Review by the Contract Administration and Audit Division.

Remarks:

Date of Report	November 3, 1954
Date Received in Field Office	November 8, 1954
Date Received in Region Office	November 12, 1954

W H King
W. H. King

Enclosures

RDB:dm
cc: Subject
Sec. to Oper. Comm. (2)
WMTraver
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 10, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, contract Idm-E633 (Uranium) Clarence L. Neilson (Joe Dandy mine) San Miguel County, Colorado - Progress report for October 1954

Enclosed are the original and four copies of the above progress report--forms MF 104 and MF-104A, with narrative and progress sketch map--and the original and six copies of Glen Walker's memorandum covering his inspection of the underground progress and checking of the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

Walker inspected the project November 3, 1954, and verified the progress reported in the narrative and entered on the MF-104A forms of 23 feet of advance of the southwest drift as authorized by contract Amendment No. 4. This completes the contract. Entries and extensions are correct on the reporting forms and work was in conformance with the terms of the contract or amendments thereto. The operator's narrative, while sketchy is acceptable and the inspecting engineer's memorandum satisfactorily describes the conditions encountered during the period.

Payment is approved and certified on the MF-104 forms of $517.50 or 90 percent of the total $575.00 claimed by the contractor.

Final reports by all concerned are in order on the contract and sufficient funds from this last voucher should be withheld to assure his compliance. The final engineering report will be prepared recommending a Certification of Discovery or Development.

F. U. Everett, for
W. M. Traver

enclosures

cc 4
E633
DMEA Chron.

WMT/pah

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 9, 1954

Memorandum

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

From: Glen Walker

Subject: DMEA 3117, contract Idm-E633 (Uranium) Clarence L. Neilson (Joe Dandy mine) San Miguel County, Colorado - Progress report for October 1954

Measurements made on November 3, 1954, indicated an advance of 23 feet had been made in the southwest drift during the period. The total length of the drift is 109-1/2 feet which is the distance authorized by the contract and its amendments.

This drift has the largest showing of uranium ore of all those driven under the contract. The thickness of the deposit here has varied from a few inches to as much as 8 feet but the grade has been rather discouraging. Samples taken on monthly inspection visits have averaged less than .03 percent U_3O_8 and 2 percent V_2O_5. The shipments, amounting to about 25 tons, have shown similar content. The sample cut on the September inspection trip assayed .031 percent U_3O_8 and 2.09 percent V_2O_5. The present face, containing a 6-inch streak of mineral, was also sampled.

Payment to the contractor in the amount of $517.50, which is 90 percent of that claimed, is recommended.

Glen Walker

Glen Walker
Mining Engineer

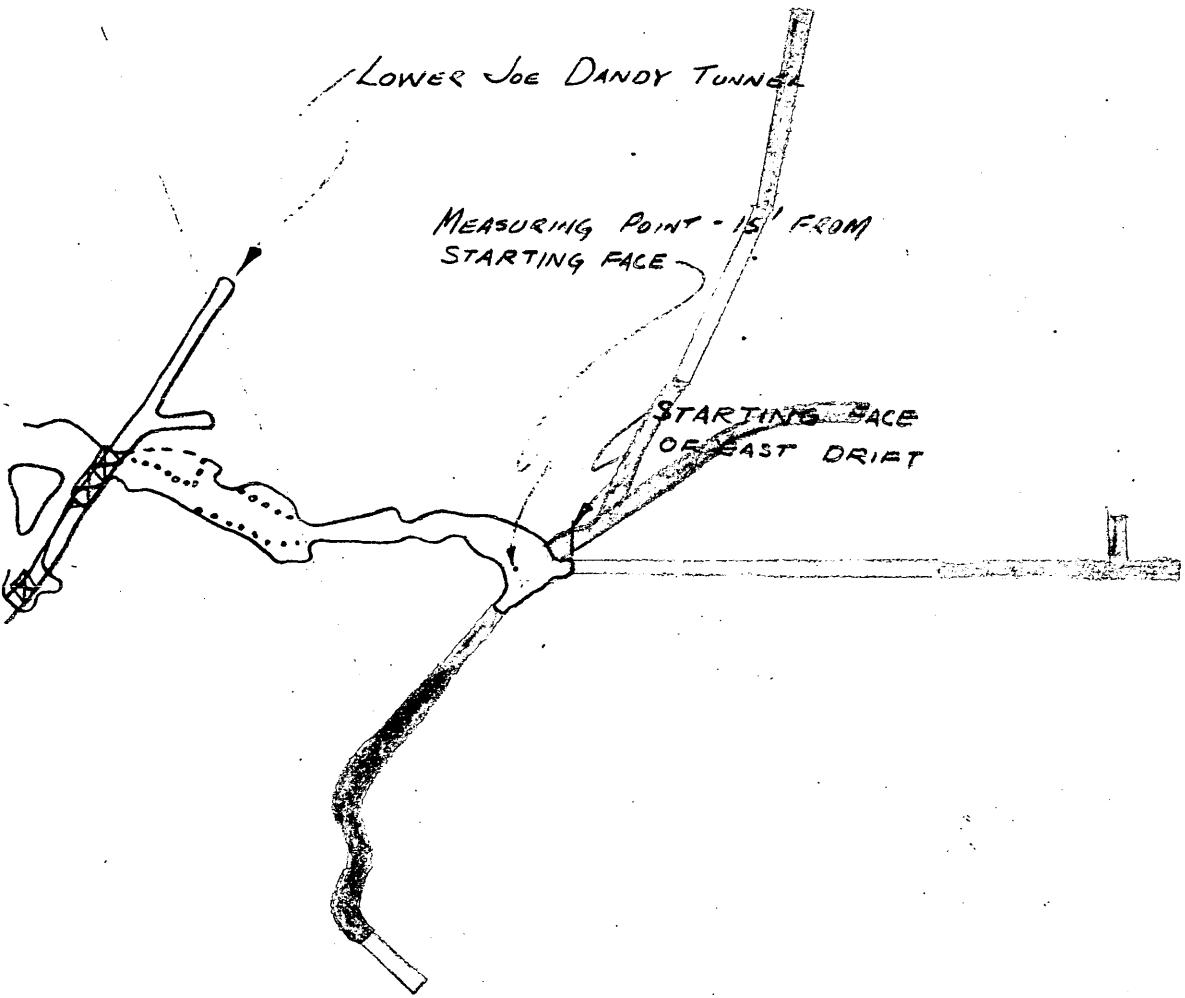
cc 6
E633
DMEA Chron.

GW/pah

November 3,1954

In The last 23 feet of the drift the ore Pinched down to about 6 inches thick and at the end of the drift had not changed any.

Clarence Louis Neilson



SCALE - 1" = 50'

PROGRESS MAP — JOE DANDY MINE — DMEA 3117, CONTRACT Idm-E633

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
OCT 28 1954

Month of ~~October~~ SEPT., 1954 Docket No. DMEA 3117 Contract No. IDM-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado
Contract Amount, $ 12,625.00 Government Participation: 90 % Amount, $ 11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Regular~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,675.0	10,250.00	11,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,675.0	10,250.0	11,925.00	1675.00	10,250.00	11,925.00

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

Date 10/6/54 *Payee Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

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

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

(Instructions on reverse)

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

$ 1507.50

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 10/22/54 Vou. No. DMA-55-27
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. dmE 633 in accordance with the terms of the contract.

Signature G. Walker 1507 52 DMT Title Engineer Date 10/12/54

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

Signature W. S. King Title Executive Officer Date OCT 15 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Defense Minerals Administration
OCT 28 1954

Month of October 1954 Docket No. DMEA 3117 Contract No. IDM-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	1,675.0	67	11,925.00	477	25.00	500	25.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sampling							25	5.00
TOTAL DISTRIBUTED COSTS		1,675.0	67	11,925.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,675.0		11,925.00				

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

Date 10/6/54 Operator Clarence Louis Neilson
Per Clarence Louis Neilson Title Owner

REMARKS: Actual drifting on contract started January 25, 1954

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

224 New Customhouse
Denver 2, Colorado

October 15, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson (Joe Dandy Mine), San Miguel County, Colorado - Operator's Monthly Progress Report for the period September 1954

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

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

Remarks:

Date of Report..... October 6, 1954
Date Received in Field Office.... October 11, 1954
Date Received in Region Office... October 14, 1954

W. H. King
W. H. King

Encls.

RDB:jp
cc Subject
Chron
Sec. to Op. Comm. (2)
WMTraver

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
October 13, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colo.--Progress report for September 1954

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative and progress sketch map--and the original and six copies of Glen Walker's memorandum covering his inspection of the underground progress and checking of the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

On October 6, 1954, Walker visited the project and verified the progress for the period, consisting of advance of the southwest drift as authorized by contract Amendment No. 4. This is correctly entered on the MF-104A forms and shown on the progress sketch, but is not noted in the operator's narrative. Otherwise, the entries and extensionsare correct on the reporting forms and the narrative describes adequately the period's operation, as does the inspecting engineer's covering memorandum. From this, it is apparent that a Certification of Discovery or Development can be made.

Payment is approved and certified on the MF-104 forms of $1,507.50, or 90 percent of the total $1,675.00 claimed by the contractor.

W. M. Traver

Enclosures

WMT/ici

cc: 4
E633
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
October 12, 1954

Memorandum

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

From: Glen Walker

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colo.--Progress report for September 1954

Measurements made on October 6, 1954, indicated an advance of 67 feet had been made in the southwest drift during the period.

This drift was started in ore and has continued to show some for its full length of 87-1/2 feet. At one point about 65 feet from the measure point, and just before the fault was encountered, the deposit thickened to approximately 8 feet. Farther along in the ground broken by the fault, the ore thinned to 8 inches. A sample was taken within 5 feet of the face at a place where a local roll made the ore thickness a reported 3 feet; only the top foot was sampled. Where the ore is thinner than the height of the drift, it is carried in the bottom in such a manner that it is difficult to examine. Samples taken on the August inspection assayed as follows: northeast drift, 0.005 U_3O_8 and 0.18 V_2O_5; southwest drift, 0.026 U_3O_8 and 1.17 V_2O_5. No ore shipments were reported for this period.

From the northeast drift, finished in August 1954, a raise was driven about 10 feet into the old Lizzie G workings. The face of the raise is about half in the solid and half in the old gob; in the solid a heavily pyritized, flat-lying vein ranging from 10 inches-16 inches thick was cut. A certificate of assay was seen that showed it to carry 2.42 ounces Au, 21.65 ounces Ag per ton, and 1.20 percent Cu. Plans are being made to work this deposit when the Government contract is completed.

It is recommended that payment in the amount of $1,507.50 be made, which is 90 percent of $1,675.00 the amount claimed by the contractor.

Glen Walker
Glen Walker
Mining Engineer

GW/ici

cc: 6
DMEA 3117
DMEA Chron.

October 6, 1954

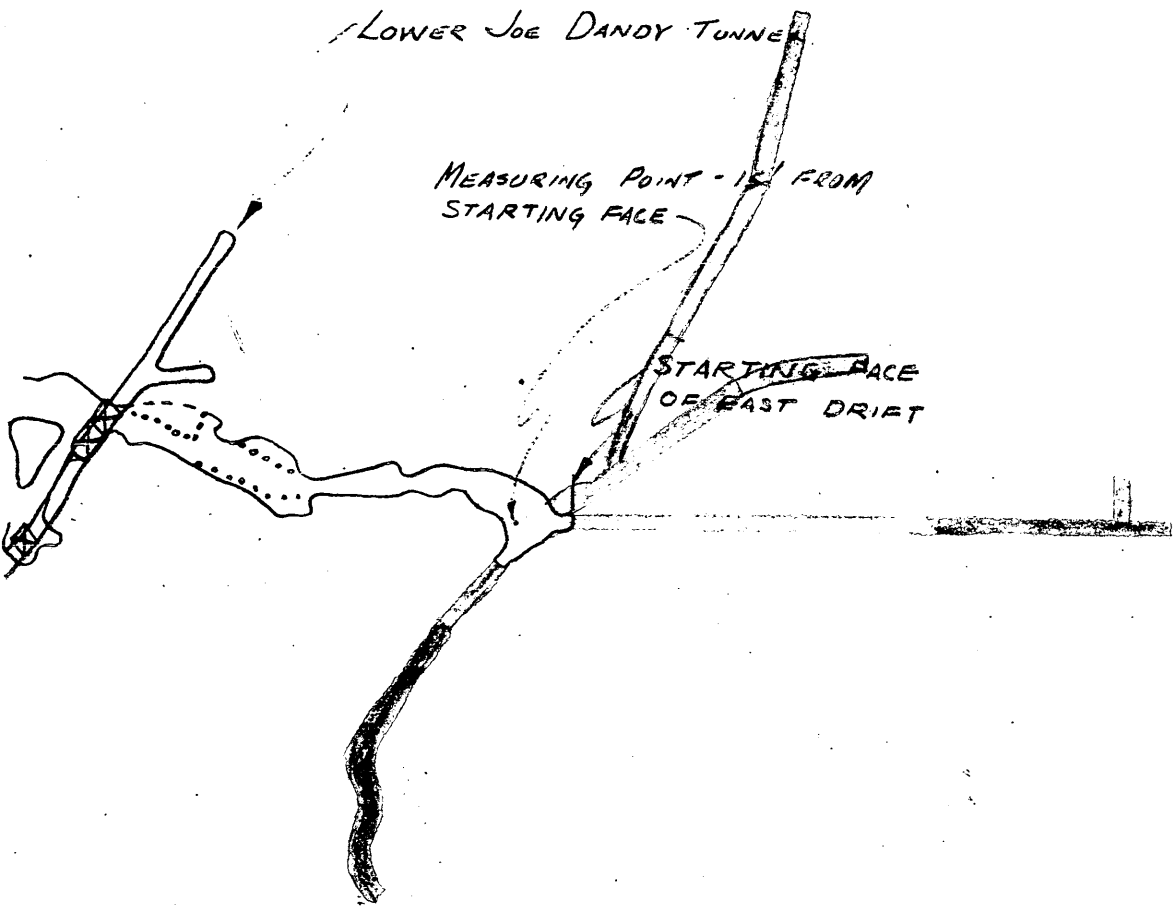
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

In our drifting in September we drifted through a channel of Vanadium ore that will average 5 feet thick and 12 feet through. An assay was sent to the V.C. on this ore which run 2.67 V2O5 and .03 U3O8, up to this point we have had ore that averages 1 to 2 feet thick on past this channel.

Hence over to the fault we were driving toward we drifted over in a south westerly direction to try and get into better ground as the fault is broken up quite bad, but we are now in the act of turning the drift back to run parallel with the fault.

In the North drift we raised up to the old workings for ventilation and broke into a vein of sulphide ore which ~~xxxx~~ assays Gold- 2.42 Silver- 21.65 Lead-0.10 Zinc-0.10 Copper- 1.20, this vein is 12 inches thick, it is ore left on the edge of a vein that was mined out years ago.

Clarence Louis Neilson



SCALE – 1" = 50'

PROGRESS MAP — JOE DANDY MINE — DMEA 3117, CONTRACT Idm-E633

Form MF-161 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Mines — Date Rec'd SEP 13 1954 — BUREAU OF MINES — Denver, Colorado

Defense Minerals Administration
DIST. ENGR. — EXAMINATION — DIST. CLERK — PERSONNEL — FILES
SEP 27 1954
E633

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~September~~ AUGUST, 1954 Docket No. DMEA 3117 Contract No. TDM-E633
Operator's Name Clarence Louis Nielson Minerals Uranium
Address Box 875, Uravan, Colorado
Contract Amount, $2,625.00 Government Participation: 90 % Amount, $11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independently~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,875.0	8,375.0	10,250.0			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,875.0	8,375.0	10,250.0	187500	8375.00	10,250.00

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

Date 9/8/54 *Payee Clarence Louis Nielson

Per Clarence Louis Nielson Title Owner

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

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

(Instructions on reverse)

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

$1687.50

Signature Randell R Cooper
(Authorized Certifying Officer)

Date 9-17-54 Vou. No. DMA-55-22
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E633 in accordance with the terms of the contract.

Signature G. Walker 1687 58 Title mining eng. Date 9/14/54

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

Signature [illegible] for W.H. King Title Executive Officer Date SEP 16 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Mineral Resources Branch
Date Rec'd
SEP 1 3 1954
BUREAU OF MINES
Denver, Colorado

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

RECEIVED
SEP 27 1954

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

Month of September 1954 Docket No. DMEA 3117 Contract No. IDM-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Foot	1,875.0	75	10,250.0	410	25.00	500	25.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sampling							25	5.00
Total Distributed Costs		1,875.0	75	10,250.0				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1,875.0		10,250.0				

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

Date September 8/54 Operator Clarence Louis Neilson
Per Clarence Louis Neilson Title Owner

Remarks: Actual drifting on Contract started January 25, 1954

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Department of the Interior
Defense Minerals Administration
RECEIVED
SEP 27 1954

224 New Customhouse
Denver 2, Colorado

September 16, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson (Joe Dandy Mine), San Miguel County, Colorado. Operator's Monthly Progress Report for the period August, 1954.

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

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

Remarks:

Date of Report	Sept. 8, 1954
Date Received in Field Office	Sept. 13, 1954
Date Received in Region Office	Sept. 16, 1954.

John F. Shaw
For W. H. King

Enclosures

RDB/mb
cc: Secretary, Oper. Comm (2)
Contract
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
September 15, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colo.--Progress report for August 1954

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative and progress sketch map--and the original and six copies of Glen Walker's memorandum covering his inspection of the underground progress and checking of the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

Walker verified the advance for August 1954 on September 7. Of the total 75 feet claimed, 55.5 feet was in the northeast heading as allowed by Amendment No. 2 and 19.5 feet in the new drift authorized by Amendment No. 4. The operator's narrative fails to report the advance, but it is shown in both drifts in purple crayon on the attached sketch. The total is correctly entered on the MF-104A forms. The northeast drift has apparently been a complete blank except at the start for its entire length but will serve the operator for developing the probable reserve above the present workings which, however, is not uranium ore. The inspecting engineer adequately describes operations for the month and states that work was in accordance with contract amendments.

The extended period for completion of the project expires September 30, 1954.

Payment is approved and certified on the MF-104 forms of $1,687.50 or 90 percent of the total $1,875.00 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc/4
E633
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
September 14, 1954

Memorandum

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

From: Glen Walker

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colo.--Progress report for August 1954

According to measurements made September 7, 1954, 55.5 feet of advance was made on a trend of N. 5° E. and from a point 25.5 feet from the measure point a new drift was started. In it 19.5 feet were driven S. 57° W. in accordance with Amendment No. 4, making a total advance for August of 75 feet.

The northeast face was apparently barren of uranium minerals, but a sample was taken across 8 inches of greenish stained rock about 5 feet back of the face. In the southwest drift the muck pile made it impossible to sample the full face, but a 4-foot sample was taken.

The sample taken last month on the west rib at the northeast intersection gave the following assay: 0.11 percent U_3O_8 and 1.84 percent V_2O_5 per ton.

It is recommended that payment in the amount of $1,687.50 be made which is 90 percent of $1,875.00, the amount claimed by the contractor.

Glen Walker
Glen Walker
Mining Engineer

GW/kp

cc 6
E633
Caron

Mineral Resources Branch
Date Rec'd
SEP 1 ? 1954
BUREAU OF MINES
Denver, Colorado

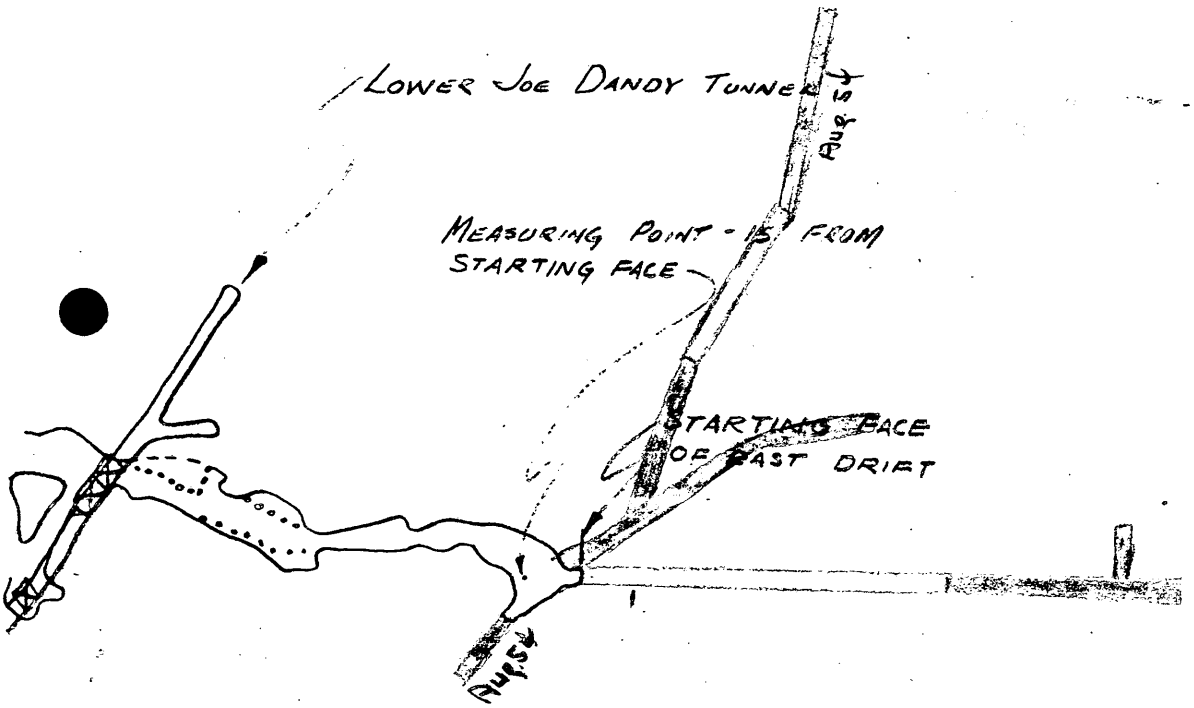
DIST. ENGR.
EXAMINATION
DIST. CLERK
FILES
G.M.
E633

[illegible]

We did not discover [illegible] ore in the [illegible] face of the north [illegible] drift.

The north [illegible] drift is showing [illegible] cover feet of [illegible] in the face.

Clarence Louis Neilson



SCALE - 1" = 50'.

PROGRESS MAP. — JOE DANDY MINE — DMEA 3117, CONTRACT Idm-E633

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~August~~ July, 1954 Docket No. DMEA 3117 Contract No. DM-L633
Operator's Name Clarence Louis Nielson Minerals Uranium
Address Box 875, Uravan, Colorado
Contract Amount, $12,625.00 Government Participation: 90% Amount, $11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,062.50	7,312.50	8,375.00			
		7303.50	8366.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
		7303.50	8366.00			
TOTALS	1,062.50	7,312.50	8,375.00			

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

Date August 8/54 *Payee Clarence Louis Nielson

Per Clarence Louis Nielson Title Owner.

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

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

(Instructions on reverse)

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

$ 956.25

Signature Randell R. Cooper (Authorized Certifying Officer)

Date 8-18-54 Vou. No. DMA-55-13

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E633 in accordance with the terms of the contract.

Signature [illegible] $956.25 Title Manager Date 8/12/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H King Title Executive Officer Date AUG 17 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 3117 Contract No. IDM-E633

Operator's Name Clarence Louis Nielson Minerals Uranium

Address Box 875, Uravan, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	1,062.50	42.5	~~8,375.00~~ 8366.00	335	25.00	500	25.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
~~Sampling~~							25	5.00
TOTAL DISTRIBUTED COSTS		1,062.50	42.5	8,375.00 8366.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				8366.00				
TOTAL COSTS		1,062.50		8,375.00				

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

Date August 3/54 Operator Clarence Louis Nielson

Per Clarence Louis Nielson Title Owner

REMARKS: Actual drifting on contract started January 25, 1954

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

August 17, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson, San Miguel County, Colorado - Operator's Monthly Progress Report for the month of July 1954

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

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

Remarks:

Date of the Operator's report.....August 3, 1954
Date report received in B.O.M. Branch Office..August 11, 1954
Date report received in Regional Office..... August 17, 1954

W H King
W. H. King

Enclosures

JWT: jp
cc Contract
Chron
WMTraver
Sec. to Oper. Comm. (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
August 13, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colo.--Progress report for July 1954

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative and progress sketch map--and the original and six copies of Glen Walker's memorandum covering his inspection of the underground progress and checking of the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

The operator continued the new drift allowed by Amendment No. 2 on a course about N. 16° E., advancing it 42.5 feet as verified by Walker on an inspection made August 4, 1954. The operator again fails to record the advance in his narrative, but has entered it correctly on the MF-104A form and shown it on the progress sketch. Entries on the reporting forms are in order, except for an error of $9.00 in the accumulative totals referred to in the engineer's memorandum. The work was performed in accordance with the terms of the contract and Amendment No. 2. The engineering memorandum adequately describes the physical conditions encountered in the period work.

Payment is approved and certified on the MF-104 forms of $956.25, or 90 percent of the total $1,062.50 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosure

WMT/kp

cc 4
E633
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

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

Memorandum

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

From: Glen Walker

Subject: DMEA 3117, Contract Idm-2633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colo.--Progress report for July 1954

According to measurements made on August 4, 1954, an advance of 42.5 feet was made on a course of N. 16° W. on the subject project. All of this work was done in the new drift started in June, 32 feet from the original measuring point.

During the period there were three loads, about 30 tons, of ore shipped to the A.E.C. depot in Monticello, Utah. At the time of the inspection no knowledge of its value was available. This production came principally from the roll previously encountered in drifting northerly about 35 feet from the old east workings. This deposit is reported to have had a maximum thickness of 4 feet; on the left rib an exposure 2 feet thick was sampled, results are not presently available.

The face, which was about 75 feet beyond the productive roll on the measuring day, contained only a very meager indication of ore and little or none has been encountered in this interval. A specimen sample taken last month about 18 feet from the point of last production assayed 0.05 percent U_3O_8 and 4.77 percent V_2O_5. At this point the ore was 6 inches thick.

With reference to the MF-104 and MF-104A forms submitted by the contractor for the month of July, it is noted that the "Totals Previously Report" and the "Totals to Date" are incorrectly reported in the amount of $9.00.

It is recommended that payment to the contractor be made in the amount of $956.25 which is 90 percent of $1,062.50, the amount spent.

L. D. Everett, for
Glen Walker
Mining Engineer

GW/kp
cc 6
2633
Chron

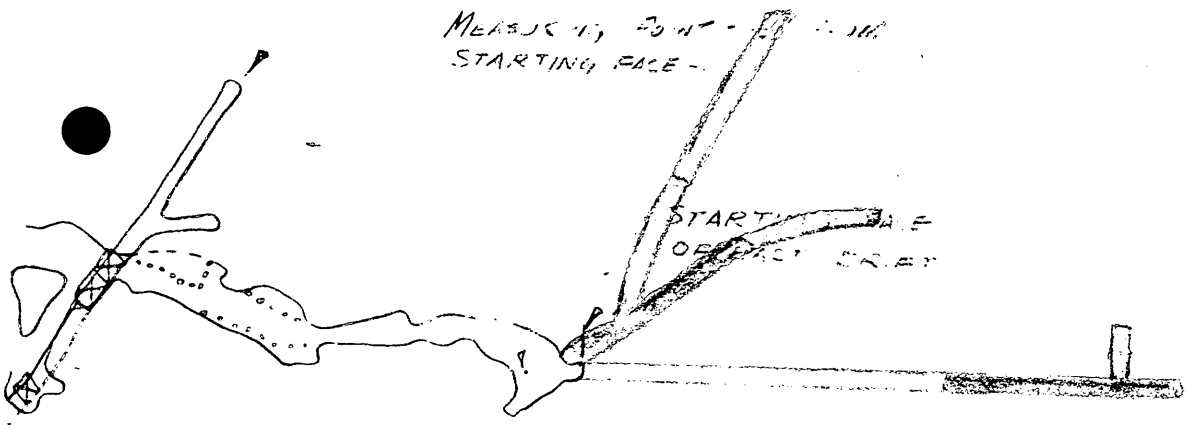
August 3,1954

The drift has proven little change from last month.

We will continue on in hopes of picking up the edge of the ore body.

Clarence Louis Neilson, Owner.

LOWER JOE DANDY TUNNEL



SCALE – 1" = 50'

PROGRESS MAP — JOE DANDY MINE — DMEA 3117, CONTRACT I Jm-E6[illegible]

Form MF-104 (Rev.)
(April [illegible])

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~July~~ June, 1954 Docket No. DMEA 3117 Contract No. IDM-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado
Contract Amount, $12,625.00 Government Participation: 90% Amount, $11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,837.50	5,466.0	7,303.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,837.50	5,466.0	7,303.50	1,837.50	5,466.00? * - 8.10	7,303.50? - 8.10

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

Date July 9/54 *Payee Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

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

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

(Instructions on reverse)

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

5,457.90?, 7,295.40?
$1653.75

Signature Randel R. Cooper
(Authorized Certifying Officer)

Date 7-22-54 Vou. No. DMA-55-7
(See other side)

*Previous adjustment

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E633 in accordance with the terms of the contract.

Signature [illegible] 81653 75 Title Mng. engr. Date 7/14/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H Ring Title Executive Officer Date JUL 20 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ~~July~~ June 1954 Docket No. DMEA 3117 Contract No. IDM-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	1,837.50	73.5	7,303.50	292.5	25.00	500	25.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,837.50	73.5	7,303.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,837.50		7,303.50				

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

Date July 9/54 Operator Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

REMARKS: Actual drifting started on Contract January 25, 1954

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

July 20, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson, San Miguel County, Colorado. Operator's Monthly Progress Report for the month of June 1954.

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

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

Date of Operator's Report	July 9, 1954.
Date Report received in Bureau of Mines Branch Office	July 13, 1954.
Date Report received in Regional Office	July 19, 1954.

W. H. King

W. H. King

Enclosures

JWT:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
July 16, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for June 1954

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative and progress sketch map--and the original and six copies of Glen Walker's memorandum covering his inspection of the underground progress and checking of the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

The contractor has started the new drifting authorized by Amendment No. 2 to the contract and this month (June 1954) Walker verified 36.5 feet in a direction about N. 73° E. and 37.0 feet about N. 20° E., a total of 73.5 feet as entered on the MF-104A forms. The progress is not reported in the operator's narrative but is explained adequately in the engineering memorandum, giving the reasons for the change of direction suggested by the geologist. Entries and extensions on the reporting forms are correct and work performance is interpreted as being in accordance with the terms of the contract and Amendment No. 2.

Payment is approved and certified on the MF-104 forms of $1,653.75, or 90 percent of the total $1,837.50 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosure

WMT/kp

cc 4
E633
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
July 14, 1954

Memorandum

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

From: G. Walker

Subject: DMEA 3117, Contract Idm-2633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for June 1954

On July 9, 1954, the drifting completed in this period totaled 73.5 feet. Of this, 36.5 feet was in the drift bearing about 73° northeast, and 37.0 feet in a new drift that bears approximately 20° northeast. The new drift was started at a point in the older one 32.5 feet from the original measuring point.

The change in direction of drifting was at the suggestion of Mr. Al Bush of the Geological Survey. Mr. Bush's desire to hold the drift along the edge of the mineralized zone appears to have been followed.

Although there was muck in the drift at the time of inspection, a hole was dug in the floor 18 feet back of the face from which a sample was obtained from about 6 inches of mineralized material. Mr. Clingingsmith states the vein is about 2 inches thick in the present face. No shipments have been made during the period.

Payment to the contractor in the amount of $1,653.75, which is 90 percent of $1,837.50, is recommended.

for R. L. Bolmer
G. Walker
Mining Engineer

GW/kp

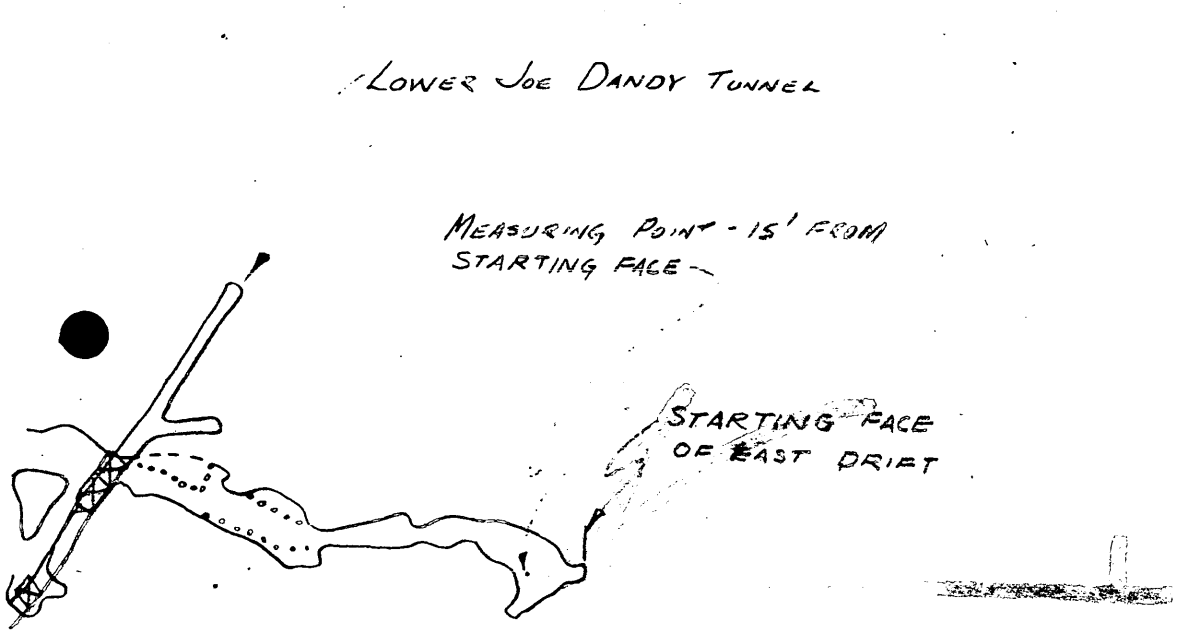
cc 6
2633
Chron

July 3, [illegible]

We ran out of ore in the North County drift. The engineers started us on a new drift, this drift is running 200 feet [illegible] of North.

At the starting of this drift we went through a roll of ore which lasted for about 4 feet and we are now following a seam of ore on the right hand side 2 to 4 inches wide.

Clarence Louis Neilson.



PROGRESS MAP — JOE DANDY MINE — DMEA 3117, CONTRACT Idm-E633

ORE SHIPMENT AND ROYALTY DATA -- MONTH OF (2-28/4-15-54) June 1954

Contract No.	Name	Has ore been mined or developed as a result of the exploration work	Is ore being stockpiled	Are shipments being made	Destination of ore being shipped	Are royalty payments being made
R633	Clarence Louis Neilson (Joe Dandy mine)	Yes	No	Yes	Vanadium Corporation of America	Yes

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~June~~ May, 1954 Docket No. DMEA 3117 Contract No. IDM-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado
Contract Amount, $12,625.00 Government Participation: 90 % Amount, $ 11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,275.0	3,891.00	5,166.00	1,275.00	3,900.00	5,175.00
~~Raising~~	300.00		300.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
~~Sampling~~						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,575.0	3,891.00	5,466.00	1,575.00	3,900.00	5,475.00

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

Date June 3/54 *Payee Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

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

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

(Instructions on reverse)

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

$1417.50

Signature
(Authorized Certifying Officer)

Date 6/14/54 Voucher No. DMEA 54-134

(See other side)

*Totals erroneously carried forward by operator

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 633 in accordance with the terms of the contract.

Signature W. L. Dare #1,417.50 Title Mining Engineer Date 6-8-54

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

Signature W. H. King Title Executive Officer Date JUN 11 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

JUN 21 1954

Month of ~~June~~ May 1954 Docket No. DMEA 3117 Contract No. IDM-E633

Operator's Name Clarence Louis Neilson Minerals Uranium

Address Box 875, Uravan, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Foot	1,275.00	51	5,166.00	207	25.00	500	25.00
Crosscutting								
Raising	Foot	300.00	12	300.00	12	25.00	18	25.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sampling							25	5.00
TOTAL DISTRIBUTED COSTS		1,575.0	63	5,466.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,575.0		5,466.00				

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

Date June 3, 1954 Operator Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

REMARKS: Actual drifting on contract started January 25, 1954

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

June 11, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado. Operator's Monthly Progress Report for the month of May 1954.

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

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

Remarks:

Date of Report	June 3, 1954.
Date Received in Field Office	June 7, 1954.
Date Received in Region Office	June 10, 1954.

W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 9, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for May 1954

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative and progress sketch map--and the original and six copies of W. L. Dare's memorandum covering his inspection of the underground progress and checking of the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

Dare confirms the 123 feet of advance in the newly started northeast drift authorized by Amendment No. 2 to the contract, and 12 feet of raising authorized by the same amendment, near the breast of the former drift. The advance is not reported in the narrative, but is entered correctly on the MF-104A forms. All other entries on the reporting forms and extensions are correct. Work performance was in accordance with the terms of the contract and amendments. Results in raising were negative, but the inspecting engineer reports that mineralization exposed in the northeast drift are encouraging, and resulted in 3 shipments averaging 0.12 percent U_3O_8. Returns have not been received on other shipment made.

Payment is approved and certified on the MF-104 form of $1,417.50 or 90 percent of the total $1,575.00 claimed by the contractors.

Dare has not encountered Neilson on the property in recent inspections to advise him that the contract expires June 30, 1954. Will you, therefore, please notify him to request an extension if he desires to do so.

W M Traver

W. M. Traver

Enclosures

cc: 4
E633
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 8, 1954

Memorandum

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

From: W. L. Dare

Subject: DMEA 3117, contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for May 1954

Phil Clingingsmith, in charge at the Joe Dandy mine, and Al Bush, Geological Survey, were contacted at the mine on June 3, 1954. Underground progress was checked and verified as reported. Clingingsmith drove the authorized raise a total of 12 feet. The raise is 14 feet west of the face of the east drift. The first 8 feet of raise was in the Entrada formation and the remaining 4 feet in the overlying Pony Express limestone. The Entrada exposed proved barren.

Drifting to the northeast totaled 51 feet in May. This drifting encountered ore-grade mineralization. Neilson reports in his narrative that 5 ore shipments resulted from this work, however, at the mine 1 shipment was reported to have come from the old workings to the southwest. The known assay results of 3 shipments average 0.12 percent U_3O_8 and approximately 1.36 percent V_2O_5. Thus far, drifting to the northeast has been encouraging.

Amendment No. 2 authorizes drifting to the northeast and provides Government participation in raising costs at the same estimated unit cost agreed for drifting. Payment to the operator is recommended as $1,417.50, which is 90 percent of the $1,575.00 claimed.

W. L. Dare
W. L. Dare
Mining Engineer

cc: 6
E633
DMEA Chron.

WLD/ici

JUN 21 1954

[illegible]

[illegible]

[illegible]

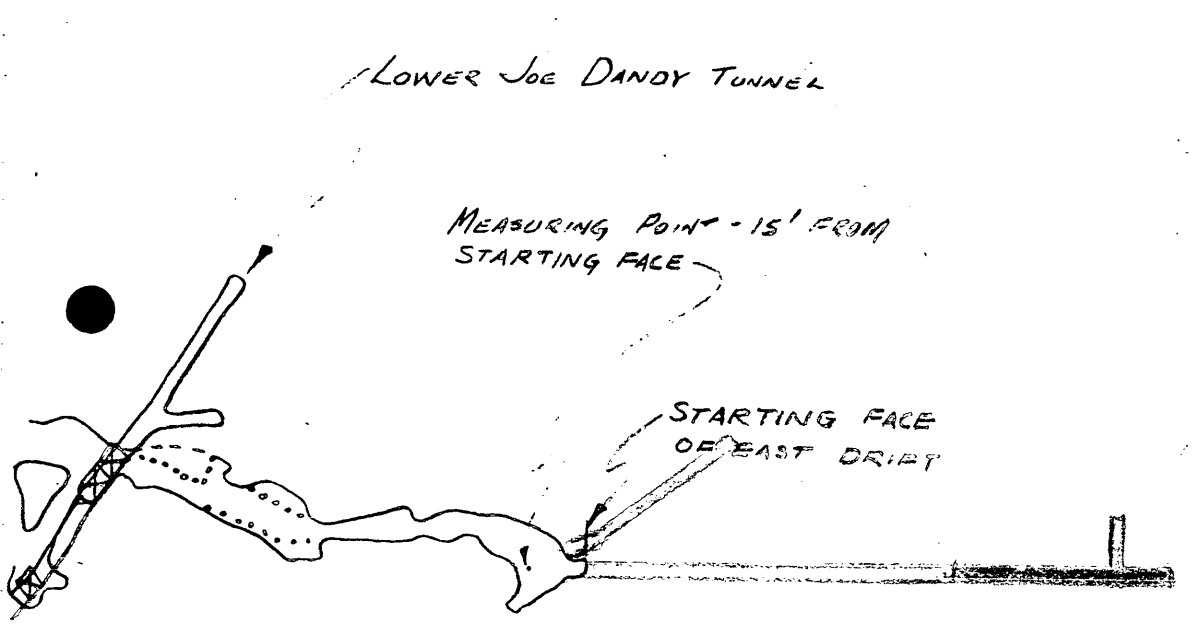
[illegible]

[illegible]

[illegible]

[illegible]

Clarence Louis Neilson



SCALE - 1" = 50'

PROGRESS MAP — JOE DANDY MINE — DMEA 3117, CONTRACT Idm-E633

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
MAY 17 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1954 Docket No. DMEA 3117 Contract No. IDM-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, 1954
Contract Amount, $12,625.00 Government Participation: 90 % Amount, $11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,500.00	2,391.00	3,891.00			
Sampling						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
					2,400.00	3,900.00 ama
TOTALS	1,500.00		3,891.00	1,500.00	2,391.00	3,891.00

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

Date May 4/54 *Payee Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

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

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

(Instructions on reverse)

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

$1350.00

Signature [signature]
(Authorized Certifying Officer)

Date 5/13/54 Vou. No. DMA 54-123

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Jm-5633 in accordance with the terms of the contract.

Signature W. Dare $1,350.00 WMT Title Mining Engineer Date 5-11-54

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

Signature John F. Shaw for W. H. KING Title Executive Officer Date MAY 12 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
MAY 17 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1954 Docket No. DMEA 3117 Contract No. IDM-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Foot	1,500.00	60	3,891.00	156	25.00	500	25.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sampling							25	5.00
TOTAL DISTRIBUTED COSTS		1,500.00	60	3,891.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,500.00		3,891.00				

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

Date May 4, 1954 Operator Clarence Louis Neilson
Per Clarence Louis Neilson Title Owner

REMARKS: Actual drifting on contract started January 25, 1954

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

224 New Customhouse
Denver 2, Colorado

May 12, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket No. 3117 (Uranium), Contract Idm-1633, Clarence Louis Neilson (Joe Dandy Mine), San Miguel County, Colorado. Operator's Monthly Progress Report for the period April 1954.

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

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

Remarks:

Date of Report	May 4, 1954
Date Received in Field Office	May 10, 1954
Date Received in Region Office	May 12, 1954

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

Enclosures

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
May 11, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado - Progress report for April 1954

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative and progress sketch map--and the original and six copies of W. L. Dare's memorandum covering his inspection of the underground progress and checking of the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

Dare on an inspection May 4 verified the 60 feet of advance of the east drift as entered on the MF-104A forms and shown on the sketch but not mentioned in the narrative. The engineer has prepared a map of the drift to accompany his memorandum showing the results of his sampling and other features including the operator's proposal for work under an amendment he intends to request. Dare calls attention to an error in "Unit Costs to Date" on both reporting forms. Work performance was in accordance with the terms of the contract.

Payment is approved and certified on the MF-104 form of $1,350.00, or 90 percent of the total $1,500.00 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

cc 4, E633, DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
May 11, 1954

Memorandum

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

From: W. L. Dare

Subject: DMEA 3117, contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado - Progress report for April 1954

Underground progress at the Joe Dandy mine was inspected on May 4, 1954, with Phil Clingingsmith, in charge at the property. Progress was found to be as reported on form MF-104A. Completed April advance in the east exploration drift amounted to 60 feet, all in a fractured, blocky, iron-stained sandstone. No uranium-vanadium mineralization was visible nor detected by use of a Geiger counter. Sampling was not considered warranted.

Sampling completed to date is shown on the attached sketch (fig. 1). The only exposure of ore-grade material was in the first 10 feet of advance, the remaining 146 feet has been in only slightly mineralized or barren ground. Because of negative results in drifting east it was reported that the operator will request approval to discontinue work in this heading and permission to begin drifting northeast on fair mineralization exposed in the old drift directly west of the original face of the contract drifting. The approval is pending submission of the request in writing.

The ventilation incline has been completed to intersect a number of large open fractures, believed to be a cave in the upper Lizzy G workings, capable of supplying the new work with the necessary air.

The operator has incorrectly shown the totals previously reported on form MF-104 and totals to date on both reporting forms. Monthly and total unit accomplishments are correctly shown.

Payment to the operator, on the basis of the estimated and agreed unit cost of $25.00 per foot of advance, is recommended as $1,350.00, which is 90 percent of the total $1,500.00 claimed.

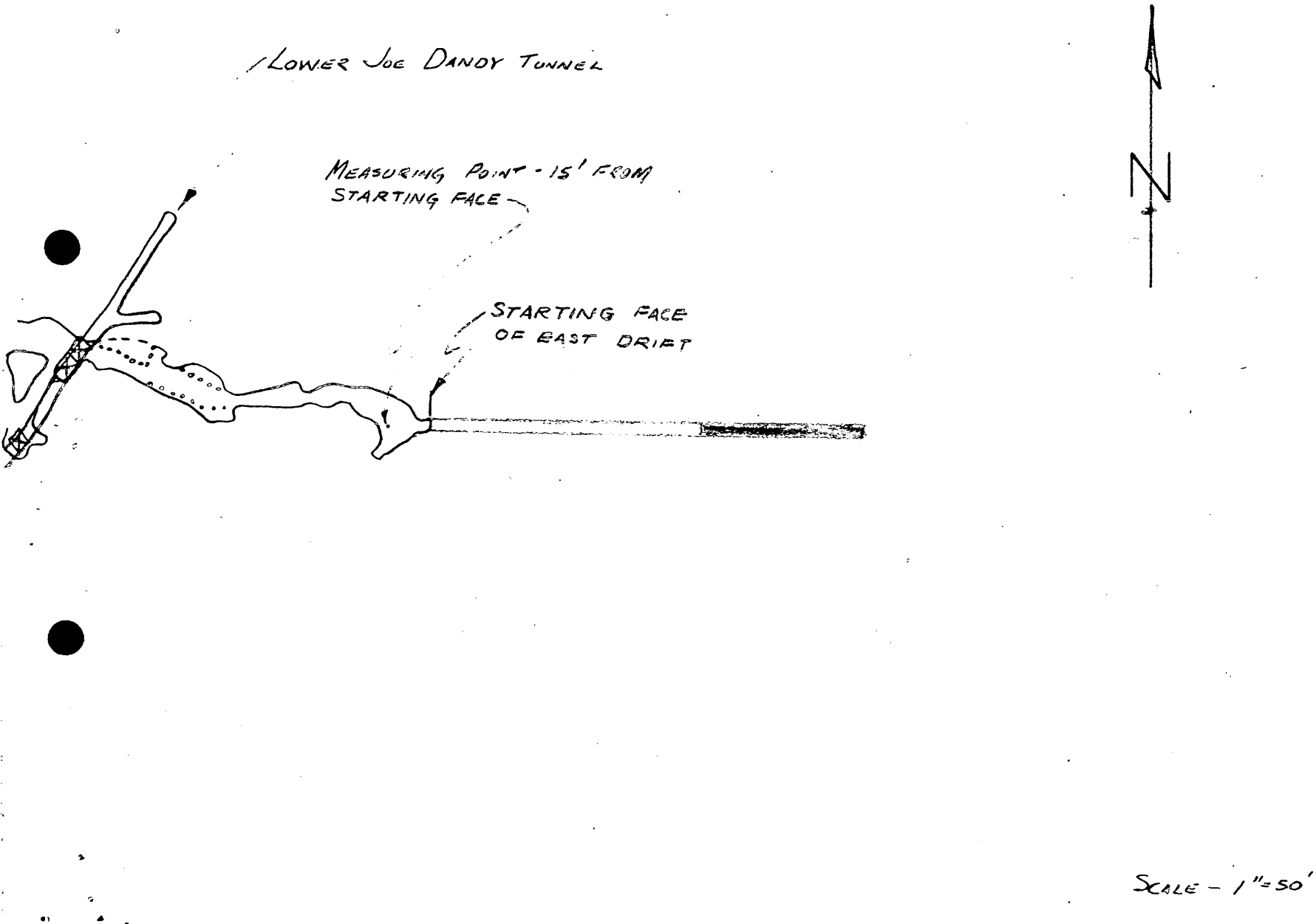
W. L. Dare
W. L. Dare
Mining Engineer

cc 6, E633, DMEA Chron.

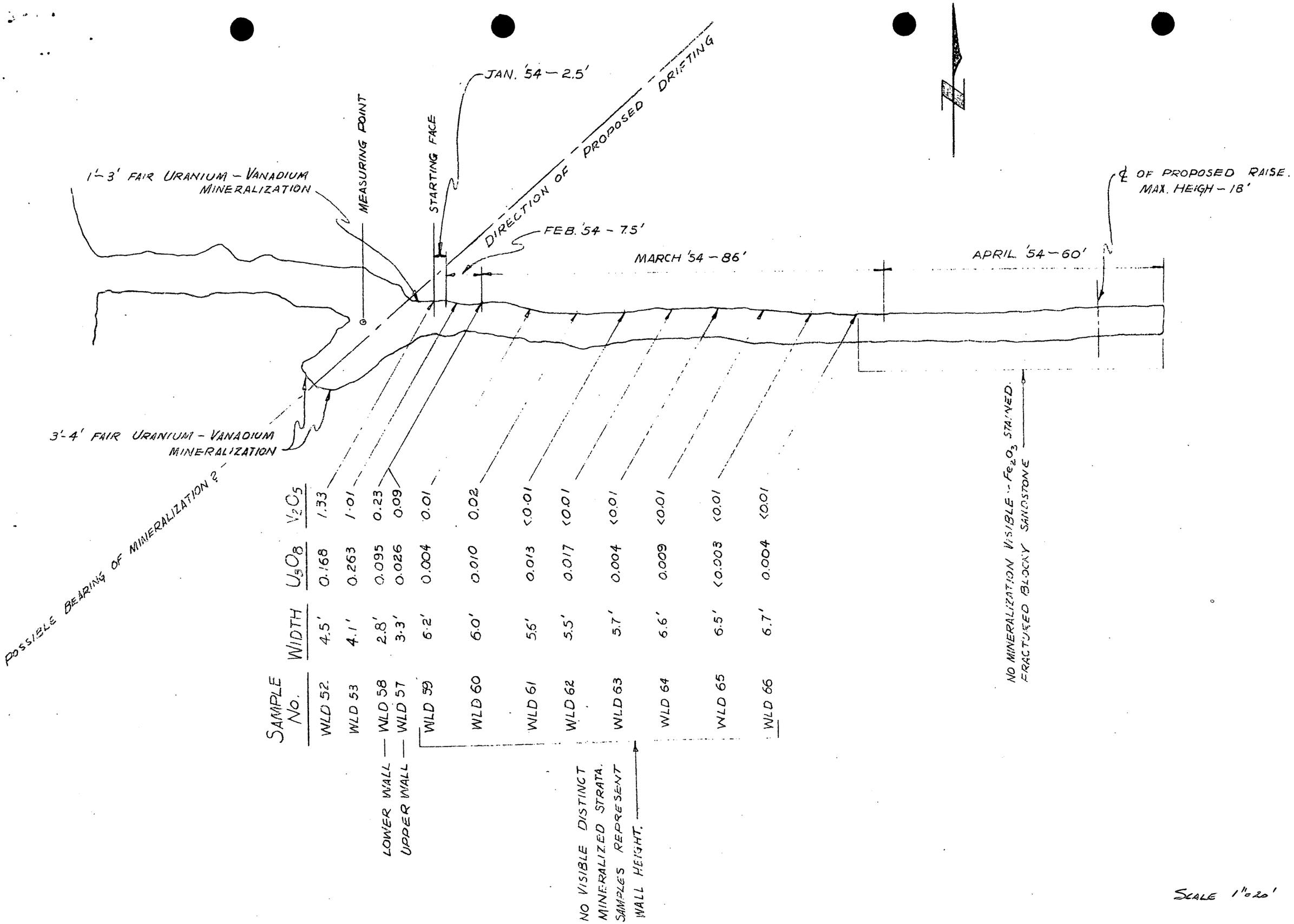
May 4, 1 54

We have not found any ore values in the drift to date. The engineers suggested that we drive a few feet to be sure that we have not gone on under the ore. They then suggested that we back up to where we cut through the ore when we started the contract and follow the ore channel.

Clarence Louis Neilson.



PROGRESS MAP — JOE DANDY MINE — DMEA 3117, CONTRACT Idm-E633



SAMPLE No.	WIDTH	U_3O_8	V_2O_5
WLD 52	4.5'	0.168	1.33
WLD 53	4.1'	0.263	1.01
WLD 58	2.8'	0.095	0.23
WLD 57	3.3'	0.026	0.09
WLD 59	6.2'	0.004	0.01
WLD 60	6.0'	0.010	0.02
WLD 61	5.6'	0.013	<0.01
WLD 62	5.5'	0.017	<0.01
WLD 63	5.7'	0.004	<0.01
WLD 64	6.6'	0.009	<0.01
WLD 65	6.5'	<0.003	<0.01
WLD 66	6.7'	0.004	<0.01

FIGURE 1 — COMPLETED CONTRACT DRIFTING SHOWING SAMPLE LOCATIONS, AND LOCATION OF PROPOSED RAISE AND REVISED DRIFTING (CONTRACT Idm-E633)

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~April~~ March, 1954 Docket No. DMEA 3117 Contract No. [illegible]-2633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Craven, Colorado
Contract Amount, $12,325.00 Government Participation: 90 % Amount, $ 11,362.0

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	2,150.00	241.00	2,391.00	2150.00	250.00	2400.00
Sampling						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,150.00	241.00	2,391.00	2150.00	250.00	2400.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 7-54 *Payee Clarence Louis Neilson
Per Clarence Louis Neilson Title Owner.

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

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

(Instructions on reverse)

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

$ 1935.00

Signature [illegible] (Authorized Certifying Officer)

Date 4/19/54 Voucher No. DMA 54-110
(See other side)

*Totals erroneously brought forward by operator

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E633 in accordance with the terms of the contract.

Signature W. Dare $1,935.00 Title Mining Engineer Date 4-12-54

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

Signature W. H. King Title ~~Executive Officer~~ Date APR 16 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1954 Docket No. DMEA 3117 Contract No. IDI-633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 675, Uravan, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	foot	2,150.00	86	2,391.00	96	25.00	100	25.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sampling						25	5.00	
TOTAL DISTRIBUTED COSTS		2,150.00	86	2,391.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,150.00		2,391.00				

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

Date April 7, 54 Operator Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner.

REMARKS: Actual drifting on contract started January 25, 1954

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

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

224 New Customhouse
Denver 2, Colorado

April 16, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado. Operator's Monthly Progress Report for the period March 1954.

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

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

Remarks:

Date of Report	April 7, 1954.
Date Received in Field Office	April 9, 1954.
Date Received in Region Office	April 15, 1954.

John F. Shaw
For W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 13, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Reg. IV

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado—Progress report for March 1954.

Enclosed are the original and four copies of the above progress report—forms MF-104 and MF-104A, with narrative and sketch map—and the original and six copies of W. L. Dare's memorandum covering his inspection of the underground progress and checking of the reporting forms. The contract is unit cost on short form MF-200(A) and documentation is not required.

Dare confirms the 86.0 feet advance of the east drift as entered on the MF-104A form. The advance is not mentioned in the narrative. The engineer took 10 samples during his inspection and reports the results of 2 previous samples in his memorandum report. He also mentions an error in costs to date that is reflected in both reporting forms. Operations are adequately described and are being conducted in conformance with the terms of the contract.

Payment is approved and certified on the MF-104 forms of $1,935.00 or 90 percent of the total $2,150.00 claimed by the contractor.

W. M. Traver

W. M. Traver

Enclosures

WMT/ici

cc: 4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 13, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Reg. IV

From: W. L. Dare

Subject: DMEA 3117, Contract Idm-E633, (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for March 1954

Phil Clingingsmith, in charge of operations, was contacted at the Joe Dandy mine on April 7, 1954. Underground progress completed in March in the east heading was checked and verified as 86 feet. Only one other miner is employed at the mine, and for two men on a one-shift basis, March advance is considered good.

The east heading was in ore for a distance of only 10 feet in the footage completed in January and February 1954. All advance in March has been in sub-marginal material. The results of 2 samples taken on March 2, 1954 are as follows:

Location and Width	Percent U_3O_8	Percent V_2O_5
WLD #52 - Vertical channel sample of lower 4.5 feet of north wall of east drift at point of starting face.	0.168	1.33
WLD #53 - Vertical channel sample of lower 4.1 feet of north wall of east drift, 5 feet east of WLD #52	0.263	1.01

Ten samples were taken during the time of this inspection made April 7.

On instructions from both the Geological Survey and Bureau of Mines representatives, and agreement by the operator, he will drive the next few rounds on a downward incline and then continue drifting at this slightly lower elevation, on the assumption that they may now be a little above the ore horizon. This intended incline can be negotiated without difficulty by the shuttle car.

The operator shipped two truck loads of ore resulting from about the first 10 feet of contract drifting. He made two additional shipments from the area immediately southwest of the starting point of the drift. He was informed of royalty obligations.

It is noted that the amount shown in the totals previously reported column on form MF-104 is in error, consequently, his total costs to date on both reporting forms are also in error. Monthly and total unit accomplishments are correctly shown.

Payment to the operator, based on the estimated agreed unit cost of $25.00 per foot of advance, is recommended as $1,935.00, which is 90 percent of the $2,150.00 claimed.

W. L. Dare
W. L. Dare
Mining Engineer

WLD/ici

cc: ✓6

April 7, 1934

Two loads of ore were shipped out of the first 1[illegible] feet of the contract drift. It was shipped to the Vanadium Corporation of America at Patrita, Colorado.

The first load run .67 U_3O_8 and .87 V_2O_5.

The second load run .13 U_3O_8 and 1.34 V_2O_5

Out of the next 20 feet there were 2 samples taken, the first sample run .04 U_3O_8 and the second one run.02 U_3O_8, both samples being nil in V_2O_5.

These samples were run at the Vanadium Corporation of America at Patrita, Colorado.

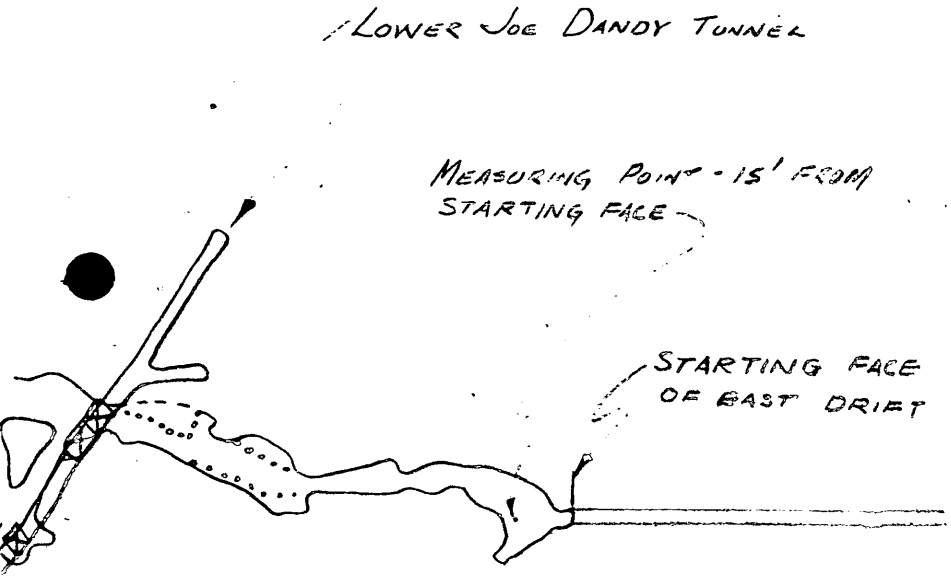
It seems as if we have completely run out of this roll of ore. You will receive the settlement sheets on these samples and the ore shipped just as soon as we receive a settlement from the Vanadium Corporation of America.

There were two loads of ore shipped about 15 feet south of where the contract drift started.

The first one March 24, run.1 1 U_3O_8 and 1.40 V_2O_5

The second one April 1, run.11 U_3O_8 and 1.27 V_2O_5

Clarence Louis Neilson.



SCALE - 1" = 50'

PROGRESS MAP — JOE DANDY MINE — DMEA 3117, CONTRACT Idm-E633

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

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

MAR 29 1954

Month of February, 1954 Docket No. DMEA 3117 Contract No. Idm-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado
Contract Amount, $ 12,625.00 Government Participation: 90 % Amount, $ 11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	187.50	62.50	250.00			
Sampling						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	187.50	62.50	250.00	187.50	62.50	250.00

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

Date March 3, 1954 *Payee Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

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

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

(Instructions on reverse)

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

$ 168.75

Signature [illegible]
(Authorized Certifying Officer)

Date 3/23/54 Vou. No. DMA 54-92

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idx-E633 in accordance with the terms of the contract.

Signature W. Dare #16875 Title Mining Engineer Date 3-17-54

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

Signature W. H. King Title Executive Officer Date MAR 19 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1954 Docket No. DMEA 3117 Contract No. Idu-2633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	187.50	7.5	250.00	10	25.00	500	25.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sampling							25	5.00
TOTAL DISTRIBUTED COSTS		187.50	7.5	250.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		187.50		250.00				

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

Date March 3, 1954 Operator Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

March 18, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson (Joe Dandy Mine), San Miguel County, Colorado. Operator's Monthly Progress Report for the period February 1954.

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

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

Remarks:

Date of Report	March 3, 1954.
Date Received in Field Office	March 17, 1954.
Date Received in Region Office	March 18, 1954.

W H King
W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 18, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for February 1954

Enclosed are the original and four copies of the above progress report, the second one--forms MF-104 and MF-104A, with narrative--and the original and six copies of W. L. Dare's memorandum covering his inspection of the underground progress and checking the reporting forms. The contract is unit cost on short form MF-200(A) and documentation is not required.

Dare confirms the 75 feet advance of the east drift shown on the MF-104A forms and otherwise explains adequately the physical conditions experienced in the month's operations. The operator fails to mention the progress accomplished in his narrative, but does explain the reason for the small advance made. Entries and extensions are correct on the reporting forms.

Payment is approved and certified on the MF-104 form of $168.75, or 90 percent of the total $187.50 claimed by the operator.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc - 4
E633
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 17, 1954

Memorandum

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

From: W. L. Dare

Subject: DMMA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for February 1954

The Joe Dandy mine was visited on March 2, 1954. Underground exploration progress was inspected with Phil Clingingsmith, in charge at the property, and found to be as reported. Advance claimed and verified was 7.5 feet, completed in the east heading.

The ventilation raise was not completed during the period. The operator had to cease work temporarily in the raise until the raise muck, slushed into the Joe Dandy lower tunnel, could be removed. To remove the muck, it was first necessary to slush approximately 300 feet of the tunnel to permit access by the shuttle car. Additional preparatory work consisted of taking up approximately 6 feet of bottom of the old workings near the junction with the tunnel level to establish an incline between the two levels that could be negotiated by the shuttle car. New air and water lines were also installed.

The necessity of this preparatory work has resulted in little monthly accomplishments in the exploratory program to date, but the crew has worked steadily to ready the operation for greater efficiency when full time can be spent in the exploration headings.

The operator is now using a Worthington, Blue Brute, 105 c.f.m., mobile compressor, equipped with gasoline drive. They are using an Ingersoll-Rand JR-38 Jackdrill, and have been experimenting with various type rock bits in the sandstone.

Monthly totals and extensions on both reporting forms are correctly entered. Payment to the operator, based on the estimated agreed unit cost of $25.00 per foot of advance, is recommended as $168.75, which is 90 percent of the allowable $187.50 claimed.

W. L. Dare
W. L. Dare
Mining Engineer

WLD/kp
cc 6, E633, Chron

NARRATIVE REPORT

Contract Idm-E633

The reason for the small progress this month is:

The delay last month in trying to get the ventilation raise through, by this delay, we filled the main cross-cut with the muck from this raise and have spent most of the time this month getting it cleaned out so we could get back to the drift to work on the contract.

Clarence L. Neilson

Clarence Louis Neilson

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Jauary, 1954 Docket No. DMEA 3117 Contract No. Idm-E633

Operator's Name Clarence Louis Neilson Minerals Uranium

Address Box 875 Uravan, Colorado

Contract Amount, $12,625.00 Government Participation: 90% Amount, $ 11,362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	62.50		62.50			
sampling						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	62.50		62.50	62.50		62.50

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

Date February 3/54 *Payee Clarence Louis Neilson

Per Clarence Louis Neilson Title Owner.

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

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

(Instructions on reverse)

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

$56.25

Signature [illegible]
(Authorized Certifying Officer)

Date 2/26/54 Voucher No. DMA 54-85

(See other side)

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

Mineral Resources Branch
Date Rec'd
FEB 5 1954
BUREAU OF MINES
Denver, Colorado

DIST. ENGR.
EXAMINATION
DIST. CLERK
PERSONNEL
FILES

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

Month of January 1954 Docket No. DMEA 3119 Contract No. Idm-E633
Operator's Name Clarence Louis Neilson Minerals Uranium
Address Box 875, Uravan, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	62.50	2.5	62.50	2.5	25.00	500	25.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sampling							25	5.00
TOTAL DISTRIBUTED COSTS		62.50	2.5	62.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		62.50		62.50				

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

Date February 3/54 Operator ~~Clarence Louis Neilson~~

Per Clarence Louis Neilson Title Owner

REMARKS: ~~Actual drifting under the contract started January 25, 1954~~

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

(Instructions on reverse)

(For Government use only)

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

224 New Customhouse
Denver 2, Colorado

February 23, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3117 (Uranium), Contract Idm-E633, Clarence Louis Neilson (Joe Dandy Mine), San Miguel County, Colorado. Operator's Monthly Progress Report for the period January 1954.

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

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

Remarks:

Date of Report	February 3, 1954.
Date Received in Field Office	February 5, 1954.
Date Received in Region Office	February 10, 1954.

W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 9, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for January 1954

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and review of the reporting forms. This is the initial report on the project. The contract is unit cost on Short Form MF-200A with drifting allowed at $25.00 a foot; documentation is not required.

Dare verifies the 2.5 feet of progress entered on the MF-104A forms. Both the contractor and engineer explain the reason for the small amount of progress accomplished and the necessity for completing the connection for ventilation to permit use of a shuttle car.

Payment is approved and certified on the MF-104 forms of $56.25, or 90 percent of the total $62.50 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc: 4
E633
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 8, 1954

Memorandum

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

From: W. L. Dare

Subject: DMEA 3117, Contract Idm-R633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado--Progress report for January 1954

The Joe Dandy mine was visited on February 2, 1954. Clarence Neilson, owner, and Al Bush, Geological Survey, were contacted at the property; and underground progress was checked and verified correct as reported. The 2.5 feet of reported drifting was completed in the east heading.

The operator has spent a major portion of the last 2 months driving an incline from the breast of the lower Joe Dandy tunnel attempting to intersect the old workings of the Lizzy G mine for the purpose of providing necessary ventilation for use of a diesel-powered shuttle car. Before full time can be spent on the contract drifting, it will be necessary for the operator to complete the ventilation raise and slab portions of the tunnel walls to permit easy access by the shuttle car.

The exploration contract is a short-form, unit-cost type, providing Government participation on the basis of the agreed estimated unit cost of $25.00 per foot of completed advance. Payment to the operator is recommended as $56.25, which is 90 percent of the $62.50 claimed.

W. L. Dare
Mining Engineer

WLD/kp

cc: 6
R633
Chron

Mineral Resources
Date Rec'd
FEB 5 1954
BUREAU OF MINES
Denver, Colorado

DIST. ENGR.
EXAMINATION
DIST. CLERK
PERSONNEL

February 3, 1953

The reason for the slow progress on this contract: We had to drive a ventilation raise to comply with the State Mine Inspection, and the survey we had made previous to starting the contract was in error about 75 feet. We tried to get this through before starting the contract, but as we had to go so much farther than we expected, it delayed us.

Clarence Louis Neilson

Mr. Clarence Louis Neilson
P. O. Box 875
Dawson, Colorado

FEB 18 1964

Re: DMEA-3117 (Uranium)
Clarence Louis Neilson
Joe Dandy et al., Claims
San Miguel County, Colorado
Contract Idm-8633

Dear Mr. Neilson:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated April 29, 1953, all minerals mined or produced from October 30, 1953, to October 30, 1963, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Acting Director

Mherrithew/mm (2/17/64)
cc: Director's Reading File
✓CA&A Division
Docket
Code 500
Minton B. Donegan, 4950½ Maywood Ave., Los Angeles 41, Calif.
Region III w/cy of Form 63 dated 1/31/63

Contract Adm. & Audit Div.

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

To: Clarence Louis Neilson
Box 875
Uravan, Colorado

Pursuant to the provisions of Exploration Project Contract No. Idm-E633, dated October 30, 1953, (Docket No. DMEA-3117), 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 raising on the property described in Article 2 of the contract exposed a uranium-vanadium ore body in the upper sandstone member of the Jurassic Entrada formation. The work was also instrumental in exposing significant gold, silver, and copper mineralization on the property.

Dated: APR 2 9 1955

MChing/gla
4/19/55
Copies: Operator (original)
Minton S. Donegan (owner)
Clarence A. Fredell, Acting Director,
Minerals Division, EPS
Contract Adm. and Audit Division
Finance Office
Field Team, Region III (2)
Rare and Misc. Metals Division
Docket
Admr.'s Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Kiilsgaard, Rm. 5224
Mr. F. E. Johnson
Mr. Ching

THE UNITED STATES OF AMERICA

By C. P. Mathews
Administrator, Defense Minerals
Exploration Administration

E-633

For refund of overpayment of royalty of $10.95 dated August 23, 1961, see transmittal letter file.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 - 1954

No. 6

AMENDMENT OF CONTRACT: No. Idm-E633

Contract Docket No. DMEA 3117, dated October 30, 1953, between the United States of America and Clarence Louis Neilson is hereby amended as follows, effective October 7, 1954:

> Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A) (February 1952) as amended by Amendment No. 2, dated May 26, 1954, to the paragraph ending with the words "shall not exceed 400 feet" add the following: "Any footage within the allowable maximum of 400 feet, which is not used, as heretofore described under items (1) and (2), may be expended elsewhere at a location and to the extent mutually agreed upon between the operator and the Government."

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 NOV 4 1954

UNITED STATES OF AMERICA

Clarence Louis Neilson
Clarence Louis Neilson

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 - 1954

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
October 15, 1954

Memorandum

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

From: Glen Walker

Subject: DMEA 3117, Contract Idm-B633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colo.--Operator's request to transfer unused footage from one drift to another

Amendment No. 2 allowed a total of 400 feet for drifting and raising in northerly and easterly directions from the starting point; of this amount, 390.5 feet have been consumed. Amendment No. 4 authorized a 100-foot drift in a southerly direction from the point of beginning. On October 6, 1954, this drift had been advanced 86.5 feet which leaves 13.5 feet to be driven.

It is recommended that the 9.5 feet remaining from Amendment No. 2 be used in completing the project by allowing use of it under Amendment No. 4.

Glen Walker
Glen Walker
Mining Engineer

GW/kp

cc WHKing (orig. & 8)
B633
Chron

COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 - 1954

October 7, 1954

W. H. King
224 New Customhouse Bldg.,
Denver, Colorado

Dear Mr. King:

I hereby request to have the remaining feet that wasn't used on the 400 foot of drifting to be transferred to the drift that we are now driving.

According to our figures we have 23 feet left to drive on the contract. Is this correct?

Yours truly,

/S/ Clarence Louis Neilson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

No. 5

AMENDMENT OF CONTRACT: No. Idm-E633

Contract Docket No. DMEA 3117, dated October 30, 1953, between the United States of America and Clarence Louis Neilson is hereby amended as follows, effective as of the date of contract:

> 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 "eleven (11) months" as provided by Amendment No. 3, and in lieu thereof substitute "twelve (12) months."

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

Dated OCT 15 1954

UNITED STATES OF AMERICA

Clarence Louis Neilson
Clarence Louis Neilson

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

September 29, 1954

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

Dear Mr. King:

I received your letter advising me to send in for an extension on Docket DMEA 3117 (Uranium) Contract Idm-E633.

I will need an extension of thirty (30) days to complete this work.

Very sincerely yours,

Clarence Louis Neilson

Mr. Clarence Louis Neilson
Box 875
Uravan, Colorado

CLN:mfg

No. 4

AMENDMENT OF CONTRACT: No. Idm-E633

Contract Docket No. DMEA 3117, dated October 30, 1953, between the United States of America and Clarence Louis Neilson is hereby amended as follows, effective August 16, 1954:

> Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A) (February 1952) caption "Description of the Work", first paragraph, that portion referring to the 100 foot drift, the starting point of said 100 foot drift is hereby changed from the location shown on Figure 2, which is attached to and made a part of said EXHIBIT "A" and instead will be started from a point approximately 50 feet farther to the east. The drift will be driven as shown on the map titled "Sketch of Proposed Drifts, Clarence Louis Neilson, Joe Dandy Mine, San Miguel County, Colo. (DMEA 3117, Contract Idm-E633)" which is attached hereto and made a part of this amendment.

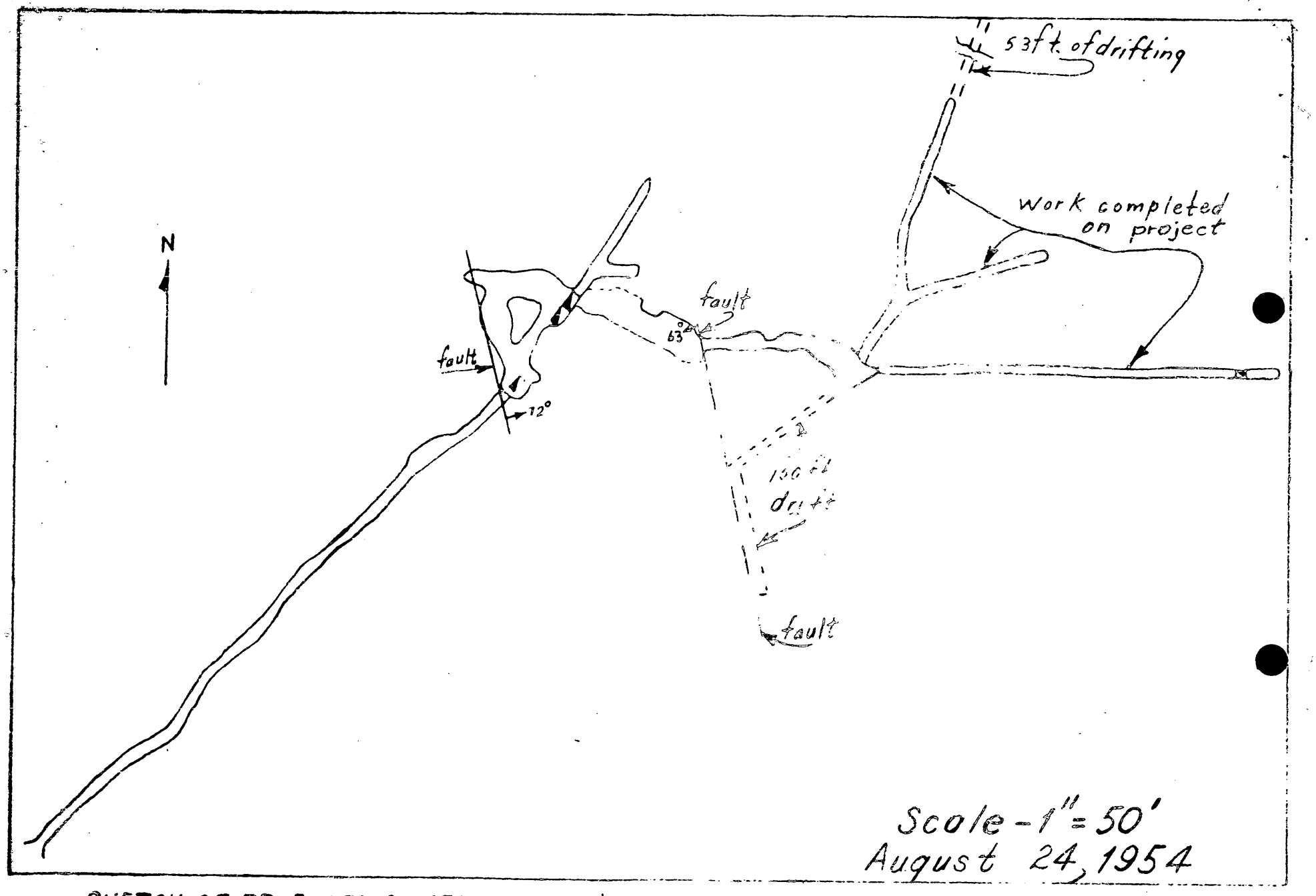
This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated SEP 7 1954

UNITED STATES OF AMERICA

Clarence Louis Neilson
Clarence Louis Neilson

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



SKETCH OF PROPOSED DRIFTS, CLARANCE L. NEILSON, JOE DANDY MINE, SAN MIGUEL COUNTY, COLO. (DMEA 3117, CONTR. Idm E633)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
August 25, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, Contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine) San Miguel County, Colo.

Enclosed please find the original and seven copies of a memorandum by Glen Walker recommending, after consultation with the operator and Geological Survey representative, continuation for 53 feet of the present northeast drift and a change in the 100 feet of allowed drifting southeast on the subject contract.

It is presumed the change of the southeast drifting will require an amendment or possibly only written authority. The engineer's memorandum will serve as the Bureau of Mines field representative's approval of the operator's request of August 21, 1954, to do the southeast drifting. He should be instructed to complete the drift 53 feet northeast, however, before authority is given for the 100-foot drift.

The recommendation has my approval.

The copy of the Bush memorandum forwarded with your memorandum of August 23, 1954, is also enclosed.

W. M. Traver
W. M. Traver

enclosure

WMT/kp

cc 7
E633
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
August 25, 1954

Memorandum

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

From: Glen Walker

Subject: DMEA 3117, Contract Idm-E633 (Uranium) Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colo.

During the monthly inspection, attention was directed to the fact that only 53 feet of drift remained to be driven under Amendment No. 2 which states, "The aggregate footage of the east drift, the raise and the drift in a northerly direction shall not exceed 400 feet." The original contract also specified 100 feet drifting, "on a bearing of S. 15° E. starting at a point in the east drift approximately 50 feet from the crosscut."

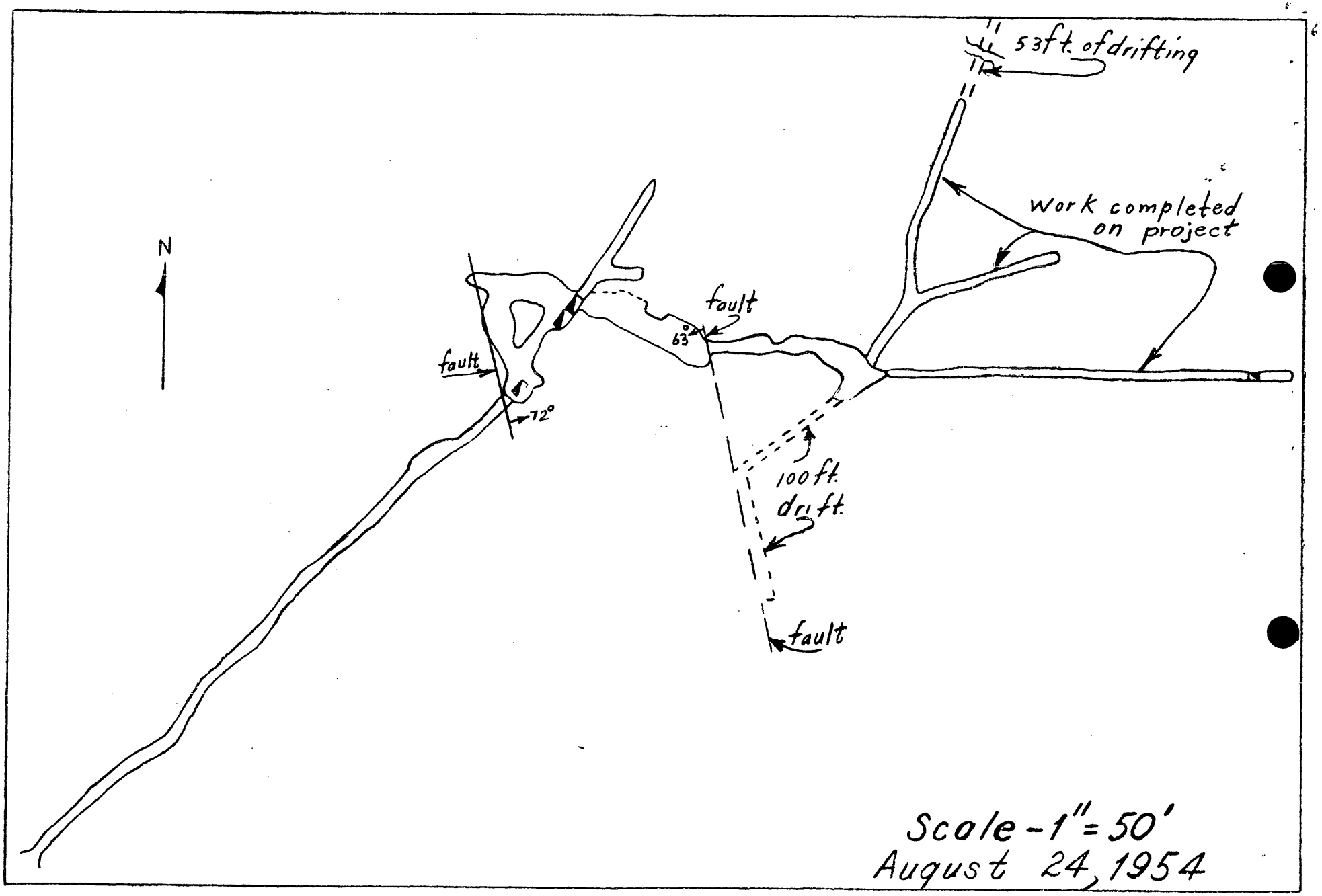
After consultation by 'phone with A. L. Bush of the Geological Survey, it was agreed by all concerned, including Klingingsmith, the mine superintendent, that the 53 feet be consumed in driving in a generally northeast direction from the present working face. It is also recommended that the 100 feet be driven southwesterly from the easternmost stope room to an intersection with a southeasterly striking fault thence southerly along the fault. The approximate locations and directions of both proposed drifts are shown on the accompanying sketch.

Lloyd V. Everett, for
Glen Walker
Mining Engineer

enclosure

GW/kp

cc 7
E633
Chron



SKETCH OF PROPOSED DRIFTS, CLARANCE L. NEILSON, JOE DANDY MINE, SAN MIGUEL COUNTY, COLO. (DMEA 3117, CONTR. Idm E633)

August 21, 1954

COPY

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

Dear Mr. King:

As you have authorized me to move the starting point of the southwest drift to a point 50 feet east of the proposed beginning point, we wish to drive the 100 feet thus:

> Starting from a point approximately 50 feet east of proposed starting point, we want the 100 foot drift to go in a southwesterly direction to the fault, and then in a southerly direction along the fault.

Thank you very much.

Very sincerely yours,

Clarence Louis Neilson

/s/ Clarence Louis Neilson

CLN:mfg

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box 360
GRAND JUNCTION, COLO.

August 11, 1954

Memorandum

To: A. H. Koschmann, Field Team, Region IV

From: A. L. Bush ALB per WPW

Subject: Amendment to exploration plan on DMEA Docket 3117, C. L. Neilson, Joe Dandy group, San Miguel County, Colo.

The exploration plan presently in effect at the Joe Dandy group calls for 400 feet of drifting in an easterly and northerly direction from the east end of the main stope in the lower Joe Dandy workings, and for an additional 100 feet of drifting in a general southerly direction along a minor fault cut in these same workings. This amendment covers the latter (100-foot) drift plan.

The attached map shows the location of the starting point for the originally proposed drift ("A") and the trend of the drift by arrows. The boundaries of the ore layer and the trend of the axis of the thickest part of the ore layer (identified as axis of "roll") are also shown.

Exploration conducted to date suggests that the highest uranium concentrations may be near the edge of the ore layer. It is, therefore, proposed that the starting point of the 100-foot drift be changed from point "A" to point "B", and that drifting be conducted in a general southwesterly direction to the minor fault, and thence along this fault in a general southerly direction. This plan involves about 40 to 50 feet of drifting in the southwesterly direction, generally near the edge of the layer, and the remainder of the footage to be expended along the fault to investigate possible uranium concentrations along this minor structure.

No. 3

AMENDMENT OF CONTRACT: No. Idm-E633

Contract Docket No. DMEA 3117, dated October 30, 1953, between the United States of America and Clarence Louis Neilson is hereby amended as follows, effective as of the date of the contract:

> 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 "eight (8) months" and in lieu thereof substitute "eleven (11) months".

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

Dated JUN 22 1954

OPERATOR

By Clarence Louis Neilson
Clarence Louis Neilson

UNITED STATES OF AMERICA

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

COPY

Uravan, Colorado

JUN 14 1954

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

Dear Mr. King:

I wish to obtain an extension of ninety days on my Docket DMEA 3117 (Uranium), Contract Idm-E633, which would expire June 30, 1954. I was unable to get started on this contract on time as we had to drive a drift for air before we could start it.

Very truly yours,

/s/ Clarence Louis Neilson

P.O. Box 875

Uravan, Colorado

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 311

SKETCH MAP OF THE LOWER JOE DANDY WORKINGS, SAN MIGUEL COUNTY, COLORADO,
SHOWING THE LOCATION OF PROPOSED CHANGE IN DRIFT PLAN

No. 2

AMENDMENT OF CONTRACT: No. Idm-E633

Contract Docket No. DMEA 3117, dated October 30, 1953, between the United States of America and Clarence Louis Neilson is hereby amended as follows, effective May 6, 1954:

Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A) (February 1952) heading "Description of the Work", second paragraph, the work described in the last three lines is hereby modified as follows: Whereas the conditions encountered in performing about 156 feet of the cited 400 feet of drift in a due east direction indicate that further extension of the drift is not desirable it is now therefore agreed that in lieu of performing the balance of drifting in an east direction the following work will be performed: (1) a raise, not to exceed 18 feet in height from the back of the exploration drift, will be driven to explore overlying strata from a point near the present face of the east drift; (2) a drift will be driven in a northerly direction to further explore the ore zone encountered near the beginning of the east exploration drift. The exact direction and extent of drifting in a northerly direction will depend on conditions encountered as the work progresses, but must be acceptable to the Government. The raise and general location of the northerly drifting are shown on the map "Figure 1" which is attached hereto and made a part of this amendment. The aggregate footage of the east drift, the raise and the drift in a northerly direction shall not exceed 400 feet.

Further referring to said EXHIBIT "A", heading "Estimated Costs of the Project", delete the heading and all matter thereunder and in lieu thereof substitute the following:

Estimated Costs of the Project

500 feet of drifting, crosscutting and raising at $25.00 per foot.....	$12,500.00
Sampling and analysis of 25 samples at $5.00 per sample.....	125.00
Estimated total cost	$12,625.00
Government participation at 90%	$11,362.50

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 MAY 26 1954

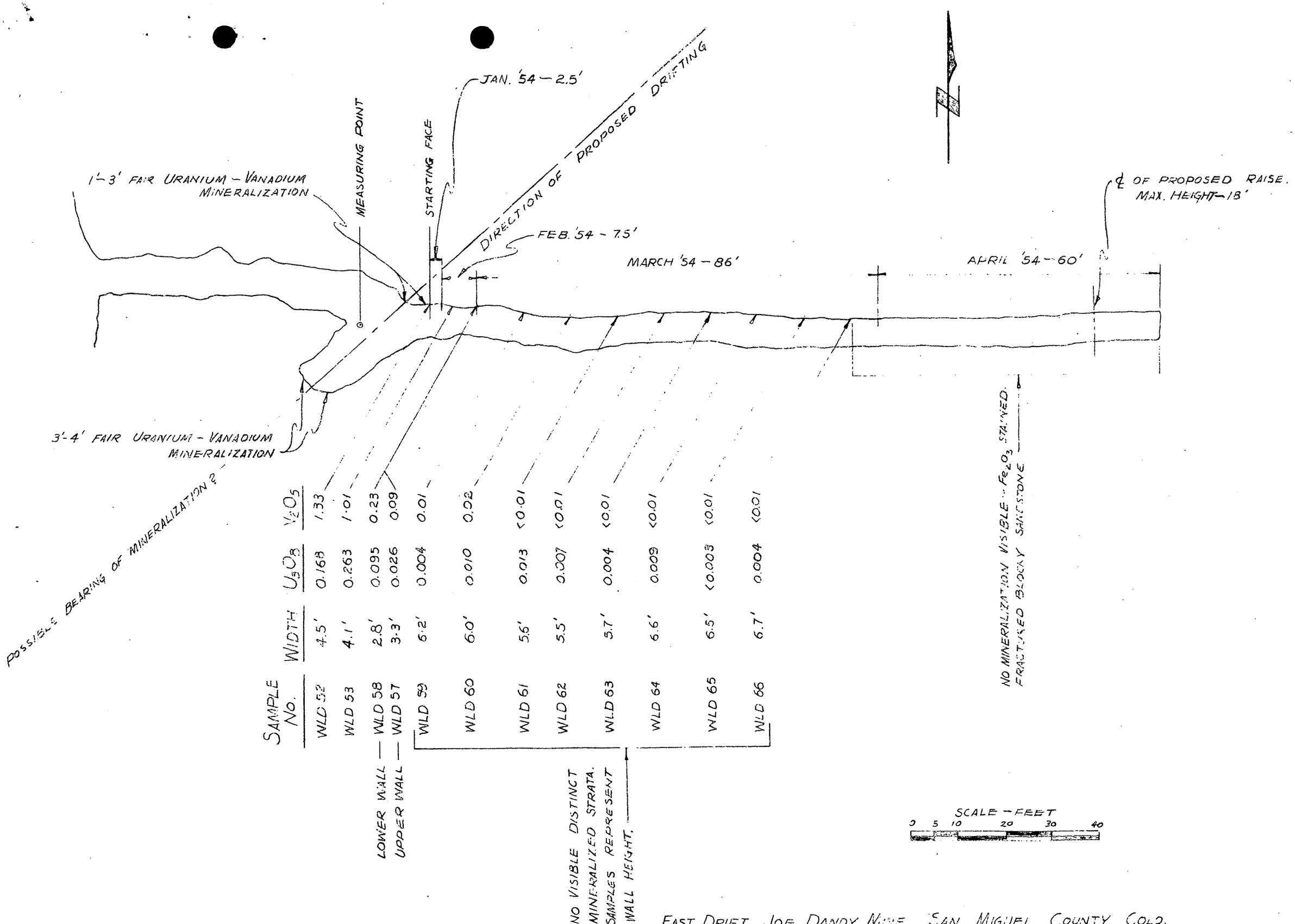
UNITED STATES OF AMERICA

Clarence Louis Neilson

Clarence Louis Neilson, Operator

By W H King

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



SAMPLE No.	WIDTH	U_3O_8	V_2O_5
WLD 52	4.5'	0.168	1.33
WLD 53	4.1'	0.263	1.01
WLD 58	2.8'	0.095	0.23
WLD 57	3.3'	0.026	0.09
WLD 59	6.2'	0.004	0.01
WLD 60	6.0'	0.010	0.02
WLD 61	5.6'	0.013	<0.01
WLD 62	5.5'	0.007	<0.01
WLD 63	5.7'	0.004	<0.01
WLD 64	6.6'	0.009	<0.01
WLD 65	6.5'	<0.003	<0.01
WLD 66	6.7'	0.004	<0.01

EAST DRIFT, JOE DANDY MINE, SAN MIGUEL COUNTY, COLO.

FIGURE 1.— COMPLETED CONTRACT DRIFTING SHOWING SAMPLE LOCATIONS, AND LOCATION OF PROPOSED RAISE AND REVISED DRIFTING (CONTRACT Idm-E633)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
May 12, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3117, contract Idm-E633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado - Request for amendment

Submitted herewith are the original and five copies of W. L. Dare's memorandum on the above subject.

The applicant, in a letter to this office, has requested an amendment to his contract whereby 18 feet of raising would be substituted for drifting. Also, any further drifting should be in a "northeasterly direction" rather than due east as specified in the contract.

According to the applicant's letter, the examining engineer and geologist approve this request of which I also concur.

The effective date of the amendment is recommended as May 6, 1954.

F. D. Everett
F. D. Everett, for
W. M. Traver

enclosures

cc 5
E633
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
May 12, 1954

Memorandum

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

From: W. L. Dare

Subject: DMEA 3117, contract Idm-8633 (Uranium), Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado - Request for amendment

In a letter dated May 6, 1954, Clarence L. Neilson, owner of the Joe Dandy mine, requested approval of a change in the original work program as outlined in contract Idm-8633. This request came as a result of a discussion at the mine on May 6, 1954, with Al Bush, Geological Survey, and Phil Clingingsmith, Neilson's representative in charge at the mine.

As shown on the attached sketch, figure 1, the drifting completed to the east as of the end of April totaled 156 feet. The first 10 feet of drifting encountered uranium-vanadium mineralization of ore grade. The remaining 146 feet exposed only slight mineralization or was in essentially barren ground. No mineralized strata or seam exists along this latter distance that might be considered as encouraging enough to follow.

The existence of a mineralized bed lying between the back of the drift and the overlying limestone, a maximum distance of 18 feet, though considered doubtful is recognized. It is recommended that a dog-hole type raise be driven to the contact. One raise should be enough. This type raise will cost the operator slightly more than the $25.00 per foot allowed for drifting, but he has expressed his willingness to drive it at the same unit cost. It is recommended that 18 feet of drifting footage be converted to raising.

Ore-grade material does exist in the old drift directly west of the starting face of the contract drift (fig. 1). The operator shipped two truck loads of ore from this area, estimated to contain from 10 to 14 tons, that assayed an average of 0.11 percent U_3O_8, with an arithmetical average assay of 1.33 percent V_2O_5. The trend of the mineralization appears to strike northeast. This area warrants exploration, and the requested revision in drifting from due east to northeast, as shown on the sketch, is recommended for authorization. The ore deposits in the area for the most part are very irregular in direction; consequently, to give flexibility to the revised drifting, it is recommended that no

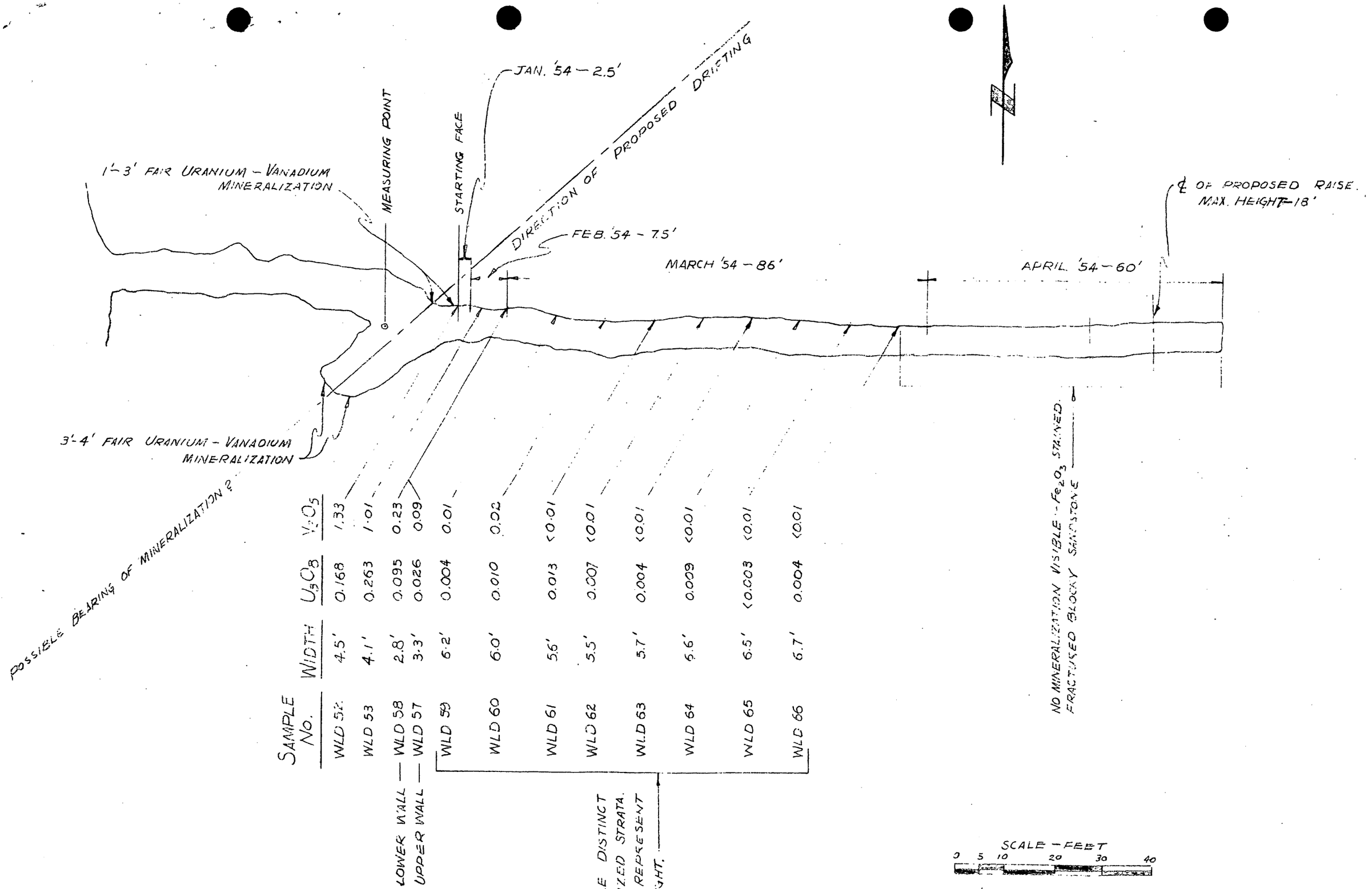
specified bearing be designated but that drifting in a general northeast direction be approved.

Because the need of a change from the original work program was recognized on May 6, 1954, by the field representatives and the operator's representative, it is recommended that the effective date of the amendment be made the same.

W. L. Dare
Mining Engineer

cc 5
E633
DMEA Chron.

WLD/pam



SAMPLE No.	WIDTH	U_3O_8	V_2O_5
WLD 52	4.5'	0.168	1.33
WLD 53	4.1'	0.263	1.01
LOWER WALL — WLD 58	2.8'	0.095	0.23
UPPER WALL — WLD 57	3.3'	0.026	0.09
WLD 59	6.2'	0.004	0.01
WLD 60	6.0'	0.010	0.02
WLD 61	5.6'	0.013	<0.01
WLD 62	5.5'	0.007	<0.01
WLD 63	5.7'	0.004	<0.01
WLD 64	5.6'	0.009	<0.01
WLD 65	6.5'	<0.003	<0.01
WLD 66	6.7'	0.004	<0.01

EAST DRIFT, JOE DANDY MINE, SAN MIGUEL COUNTY, COLO.

FIGURE 1.— COMPLETED CONTRACT DRIFTING SHOWING SAMPLE LOCATIONS, AND LOCATION OF PROPOSED RAISE AND REVISED DRIFTING (CONTRACT Idm-E633)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 250
Grand Junction, Colorado

May 10, 1954

Memorandum

To: A. H. Koschmann AHK

From: A. L. Bush ALB

Subject: Amendments to exploration plan on DMEA Docket 3117, Joe Dandy Group, Sawpit, Colorado (C. L. Nelson)

The present exploration plan on DMEA Docket 3117 calls for about 400 feet of drifting in an easterly direction from the east end of the main stope in the lower Joe Dandy workings, and for an additional 100 feet of drifting in a generally southerly direction along a minor fault cut in these same workings. The respective starting points are shown as "A" and "B" on the accompanying sketch map.

About 156 feet of drift have been driven east from point "A" under the DMEA contract (as of May 4, 1954). The edge of the vanadium layer was reached in the first few feet of drifting, and the remainder of the drift (about 145 feet) has been in barren rock. Efforts have been made to explore above and below drift level by jack hammer holes. Such procedure is no more than ~~pretty~~ pretty successful in locating thin layers of mineralized rock. To date these efforts have been both inconclusive and unsuccessful. In general, lithologic characteristics of the rock suggest that the vanadium layer is not present below drift level. It is recommended that provision be made for payment for driving finger raises to the limestone that overlies the ore-bearing horizon, in order

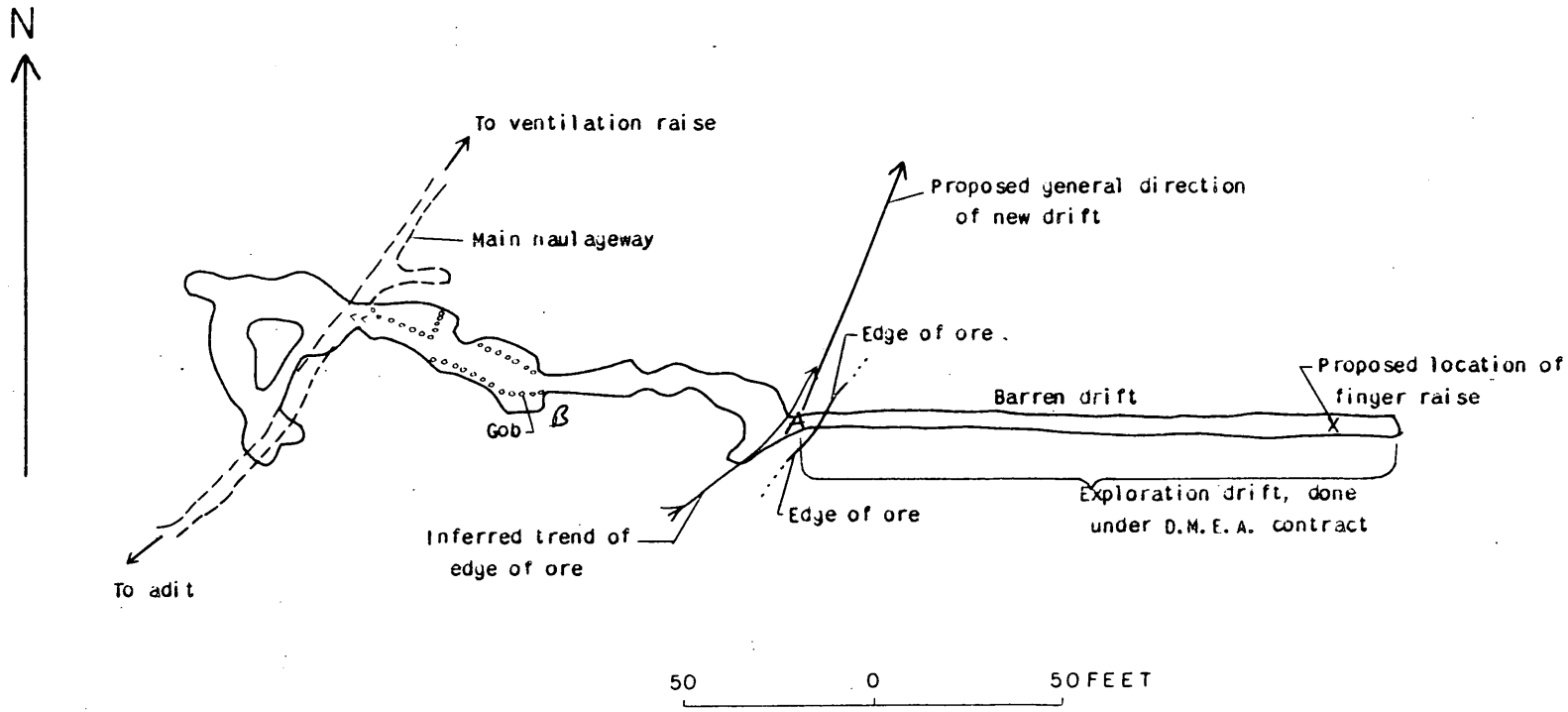
to prospect for the presence of the vanadium layer above the drift level. These raises generally will not exceed 15 feet in height and probably will not involve more than 60 feet of raise in total. It is proposed that the cost times footage for the raises be deducted from the cost times footage provided for the 100 feet of drifting (mentioned above) from point "B" of the sketch map.

Generally speaking, the highest uranium content in the vanadium layer was found very close to the edge of the layer (west of the line marked "Edge of ore" on sketch map). It is proposed that the contract be amended to provide for as much as 250 feet of drifting along the edge of the ore layer, to investigate the apparent concentration of uranium in this part of the layer, and to follow the trend of this layer. The general direction of this drifting, shown on the accompanying sketch map, is to the north-northeast. Drifting to the south-southwest is not proposed, as a fault with displacement of about 130 feet lies about 100 feet from point "A." It is believed that little significant information could be developed from a drift in this direction. The basic objective of this DMEA contract is to explore for uranium ore (above 0.1 percent U_3O_8) in the vanadium layer, and this drift will implement this objective directly.

Verbal concurrence in this plan has been obtained from Will Dare, U. S. Bureau of Mines field representative.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3117



SKETCH MAP OF THE LOWER JOE DANDY WORKINGS, SAN MIGUEL COUNTY, COLORADO, SHOWING THE LOCATION OF THE PROPOSED NEW DRIFT AND RAISE

Mr. and Mrs. Clarence L. Neilson
Neilson Mining Contract
Uravan, Colorado

C
O
P
Y

May 6, 1954

Mr. W. N. Traver
Bldg. 20, Room 137
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

Mr. Bush and Mr. Dare are in favor of quitting the drifting due east and running a raise up to the line to see that we are not under any ore.

Then if no ore is found, going back to the ore we went through.

Then drifting northeasterly direction tracing the ore body out.

I am in favor of this or any procedure that develops the known ore body.

Very truly yours,

/s/ Clarence Louis Neilson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
REGIONAL
JAN 22 1954

No. 1

AMENDMENT OF CONTRACT: No. Idm-E633

Contract Docket No. DMEA 3117, dated October 30, 1953, between the United States of America and Clarence Louis Neilson is hereby amended as follows, effective as of the date of the contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200(A) (February 1952), following the words "The Operator, within", delete "sixty (60)" and in lieu thereof substitute "ninety (90)".

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 JAN 19 1954

UNITED STATES OF AMERICA

Clarence Louis Neilson
Clarence Louis Neilson, Operator

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

COPY

Mr. and Mrs. Clarence E. Nielson
Neilson Mining Company
Uravan, Colorado

January 6, 1954

Mr. W. H. King, Executive Officer
224 New Customhouse Bldg.
Denver 2, Colo.

Dear Mr. King:

Due to a break down in the compressor we bought and not finding the upper tunnel with a raise and drift where the survey I had made last summer showed it should be, we have been unable to get started on the Government contract yet.

Therefore, I am forced to ask for a thirty day extension in the time I need to get started.

We need the raise and drift to catch the drift above for ventilation to use the Diesel shuttle car.

/s/ Clarence Nielson

Uravan, Colorado

Docket No. DMEA - 3117

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E ~~633~~

Date of Contract ~~or Amendment:~~ Oct. 30, 1953

Name and Address of Operator:

Clarence L. Neilson
Box 675, Uravan, Colo.

Amount of Government participation ____ $ 11,368.50

Percent of Government participation ~~90~~ %

Region: IV State: Colo.

Note: Please refunds $ 112.50

(Name)

J.L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 12/29/54

54458

Dock[illegible] No. [illegible]

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 499

Date of Contract ~~or Amendment~~: October 20, 1953

Name and Address of Operator:
Clarence L. Neilson
Box 675, Uravan, Colorado

Amount of Government participation $11,362.50

Percent of Government participation 90 %

Region: IV State: Colorado

(Name)

for J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington: 10/2/53

13808

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1953

DOCKET NO. D[illegible]A 3117

COMMODITY Uranium

Idm-E633

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 30th day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Clarence Louis Neilson
Box 875
Uravan, Colorado

hereinafter called the "Operator," as follows, **and as set forth in Annex I attached hereto 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 San Miguel, described as follows:[3]

Claim	Date Recorded	Book	Page
Joe Dandy	1-28-20	119	281
Edward	3-2-20	119	284
Wesley	2-2-20	119	281
Lone Wolf	10-1-25	119	454

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following claims, liens, encumbrances, etc., a copy of which the subordination agreement of the holder 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 sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of eight (8) 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 $11,362.50, which is ninety (90) percent of $12,625.00, 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

Clarence Louis Neilson
(Operator)

By W. H. King
Executive Officer, Field Team
Region IV
Defense Minerals Exploration
Administration

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

DMEA 3117

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

NOV - 6 1953

EXHIBIT "A"

Description of the Work

The work consists of driving two exploration drifts, one 400 feet in length and one 100 feet in length. Both drifts will be started from the east drift of the lower workings as shown on Figure 2, which is attached and made a part of Exhibit "A".

The 100 foot drift will parallel the major fault on a bearing of S. 15° E. and will determine the extent of mineralization across the apparent axis of the deposit. The 400 foot drift will be driven on a bearing due east to explore the favorable ground ahead of the existing drift which appears to be roughly parallel to the axis of the deposit.

Estimated Costs of the Project

Drift 100 feet on a bearing of S. 15° E. starting at a point in the east drift approximately 50 feet from the crosscut - 100 feet at $25.00 per foot --	$2,500.00
Drift 400 feet due east starting at the present breast of the east drift - 400 feet at $25.00 per foot --	10,000.00
Sampling and analysis of 25 samples at $5.00 per assay --	125.00
Estimated Total Cost --	$12,625.00
Government's Participation at 90% --	$11,362.50

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
NOV - 6 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
(Revised July 1, 1953)

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 San Miguel, described as follows:1/

Claim	Date Recorded	Book	Page
Joe Dandy	1-28-20	119	281
Edward	3-2-20	119	284
Wesley	2-2-20	119	281
Lone Wolf	10-1-25	119	454

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/ Clarence Louis Neilson
Box 875
Uravan, Colorado

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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.

4. Changes and added provisions _____

Dated this 5 day of October, 1953.

Milton S. Donegan [Seal]

_____ [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.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time 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 the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--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,--(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 (or other period fixed by the contract) 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, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) 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.)

c. Definitions.--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 gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

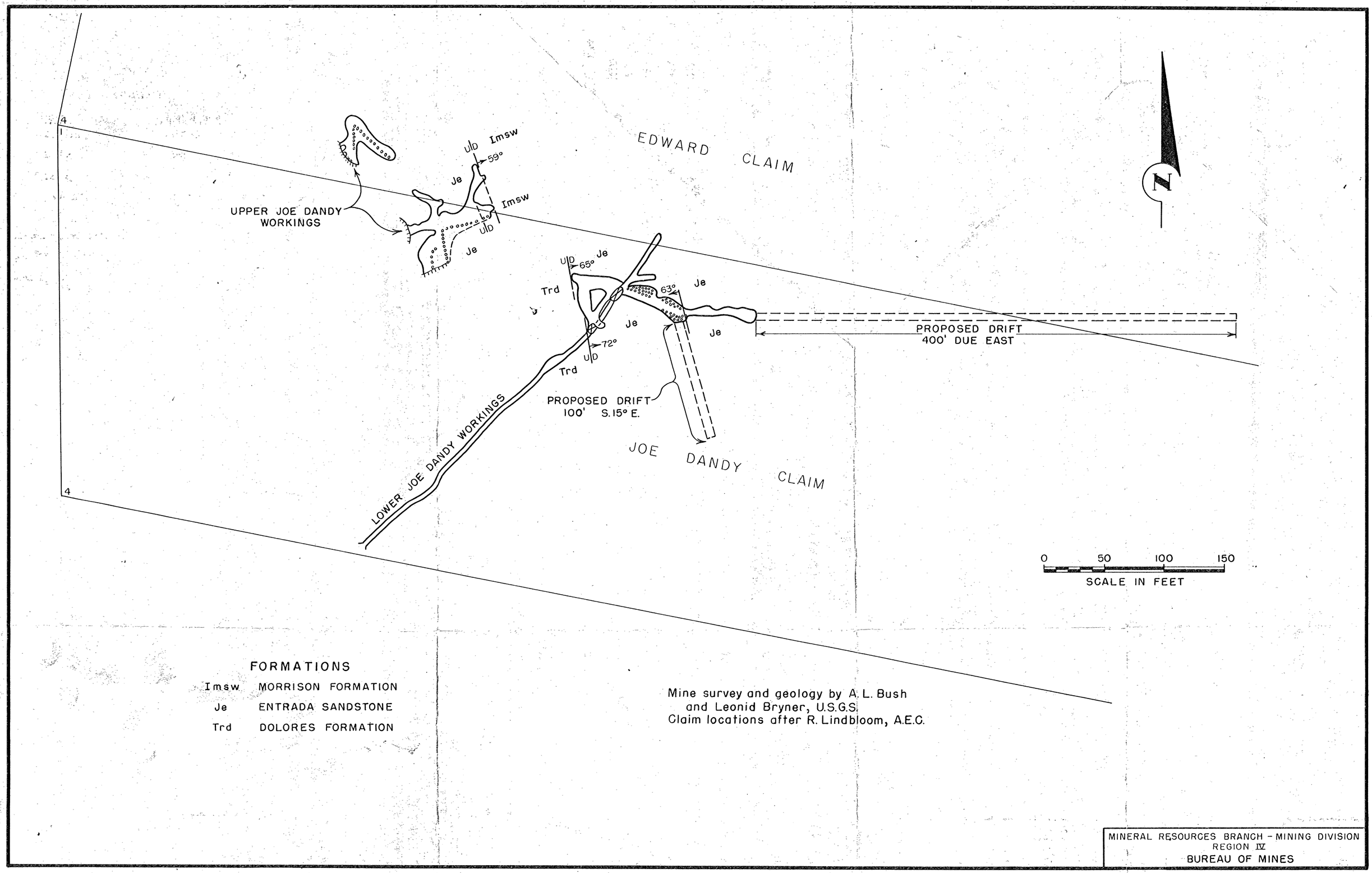


FIGURE 2 - PLAN MAP, JOE DANDY MINE, SHOWING PROPOSED EXPLORATION, SAN MIGUEL COUNTY, COLO. (DMEA 3117)