DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 3117

DMEA NO. 633

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [X] Project summary (final)
- [X] Work Comoleted analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [X] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [X] On-site Exam Report (Tab)
- [X] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [X] Analysis of Semi-Annual Inspection Reports & FT semi-annuals
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

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-E635, 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 $5,510.91. 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

E. D. Tulbert

March 27, 1961

E. D. Tulbert, OME Auditor

Idm-E633 Clarence Louis Neilson DMEA-3117

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

Docket co

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. Km-1633, dated October 30, 1953, (Docket No. DMA-3017), 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 briefly 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

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Reference Minerals
Exploration Administration

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. 1604
Mr. Kiilsgaard, Rm. 5224
Mr. E. E. Johnson
Mr. Ching

Ching
Ellis
Hoffland
Chapple
Selfridge

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
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REPORT OF FIRST ROYALTY REVIEW

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

Clarence Louis Wallace
Box 874
Ukemah, Colorado

produced from property referred to as the Joe Dandy group, commonly known as [illegible] Saw Pit mine, located in San Miguel County, Colorado, under the terms of Contract Ida-3635, 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

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.

12/27/54

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Clarence Louis Neilson
Box 875
Uravan, Colorado

pertaining to Exploration Project Contract No. Idm-K633, 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, Auditor

Audit Report of
Review recd. 12/27/54

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 - 1954
12-22-54 Hoffman

No. 6

AMENDMENT OF CONTRACT: No. Idm-5633

Contract Docket No. DMEA 5117, 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 20, 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

No. 5

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

Orig
11/5/54

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

September 29, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

Mr. C. 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 Idr-1633.

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

Very sincerely yours,

Clarence Louis Neilson

Mr. Clarence Louis Neilson
Box 675
Ouray, Colorado

CLN:mfg

Hoffland

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.

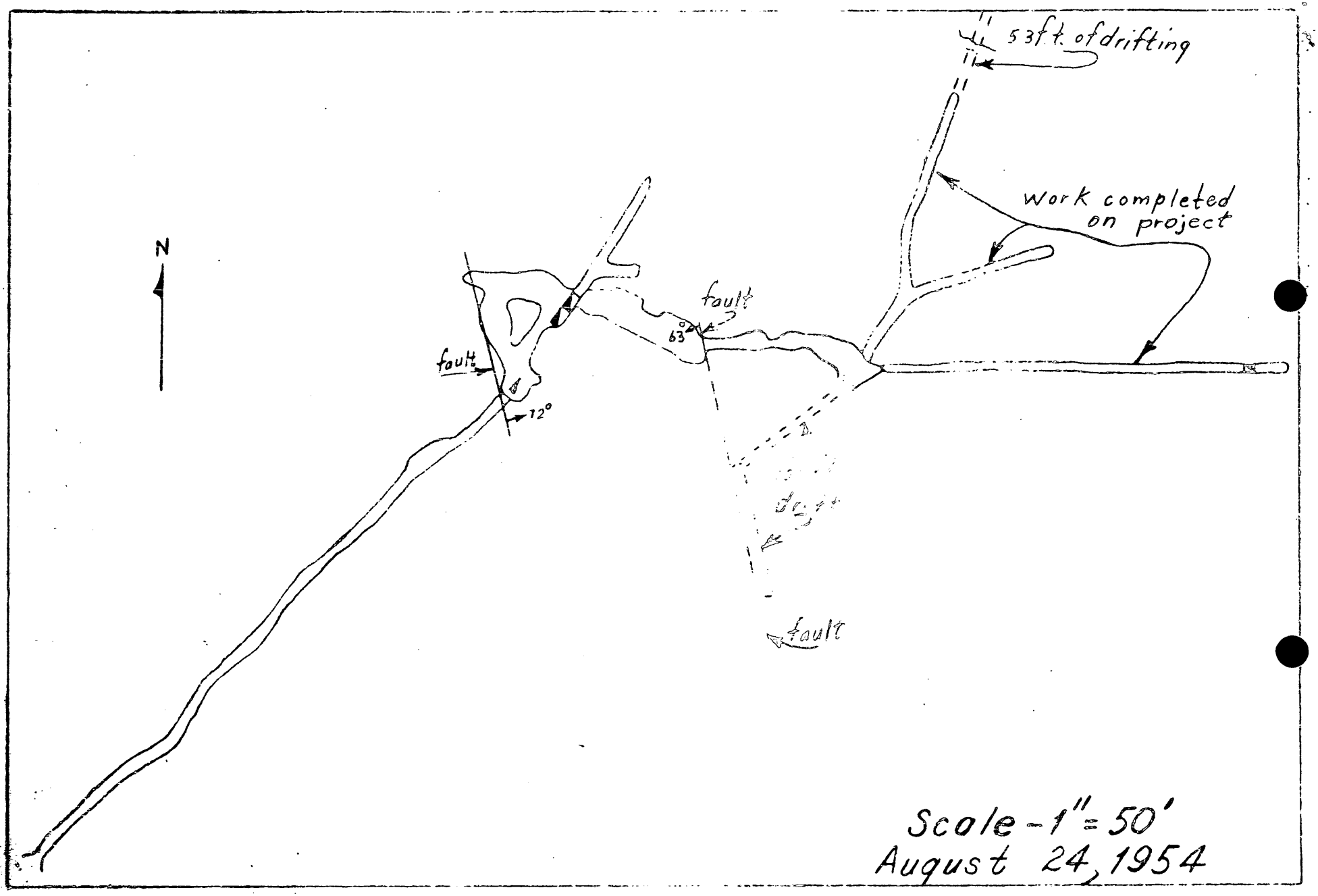
This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

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



Scale - 1" = 50'
August 24, 1954

SKETCH OF PROPOSED DRIFTS, CLARA COLO.

L. NEILSON, JOE DANDY MINE, SAN MIGUEL COUNTY, (MEA 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-8633 (Uranium), Clarence Louis Neilson (Jim 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
8633
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-2633 (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."

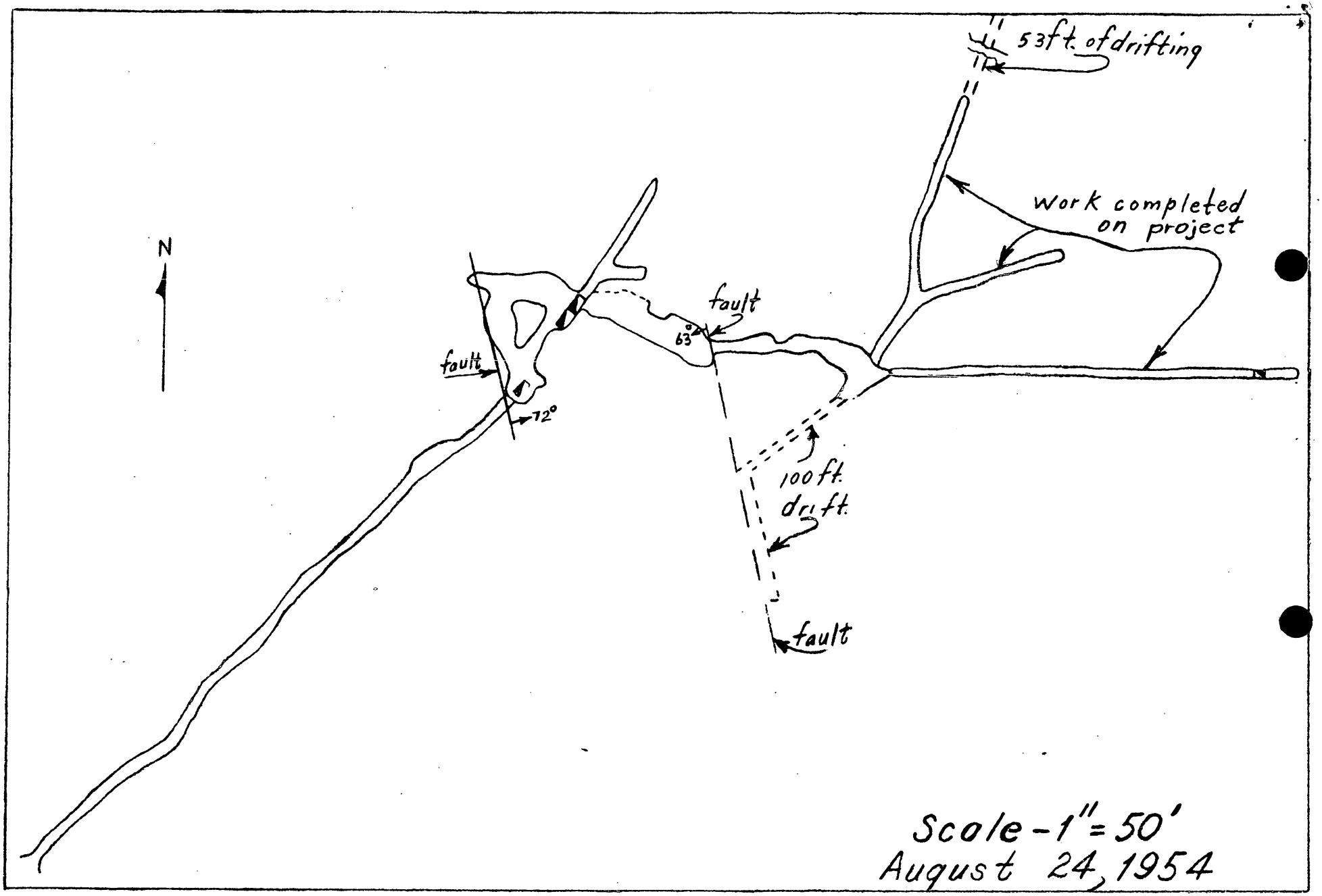
After consultation by 'phone with A. L. Bush of the Geological Survey, it was agreed by all concerned, including Klingingsmith, the mine superintendent, that the 53 feet be consumed in driving in a generally northeast direction from the present working face. It is also recommended that the 100 feet be driven southeasterly 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.

Floyd D Everett, for
Glen Walker
Mining Engineer

enclosure

GW/kp

cc 7
2633
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 E.M.H. for A.H.K.

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.

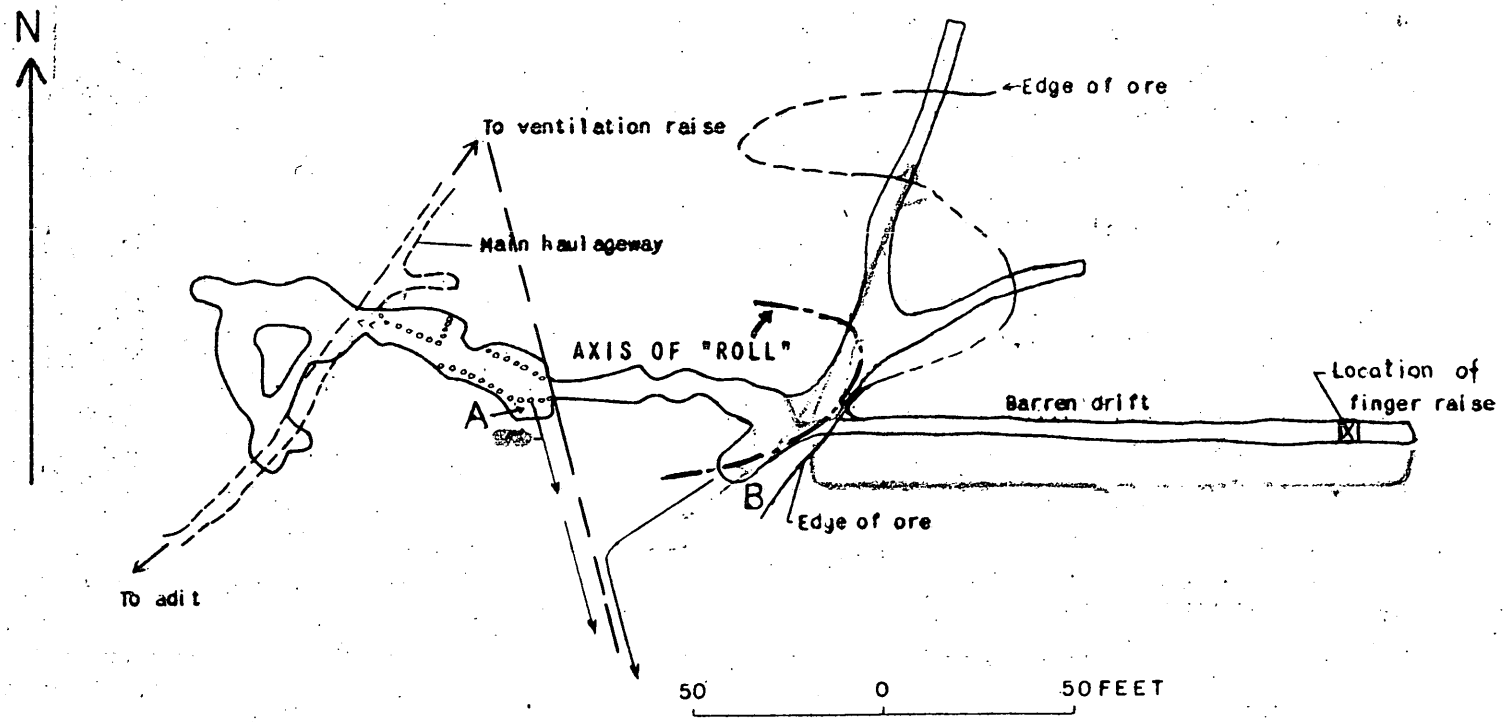
The variable trend of the edge of the ore layer, as shown in the two northerly trending drifts, suggests the possibility of similar variability to the south; as this may considerably revise the concept of the ore layer, drifting from point "B" is recommended to provided definite information.

Verbal concurrence in this plan has been obtained from Glenn Walker, U. S. Bureau of Mines representative.

ALB/mlr
Attachment

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 PROPOSED CHANGE IN DRIFT PLAN

Rubin
7/6/54

No. 3

AMENDMENT OF CONTRACT: No. Idm-E635

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

Rutkin 6/17/4

No. 2

AMENDMENT OF CONTRACT: No. Ida-5633

Contract Docket No. IDA 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 IP-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 150 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 15 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

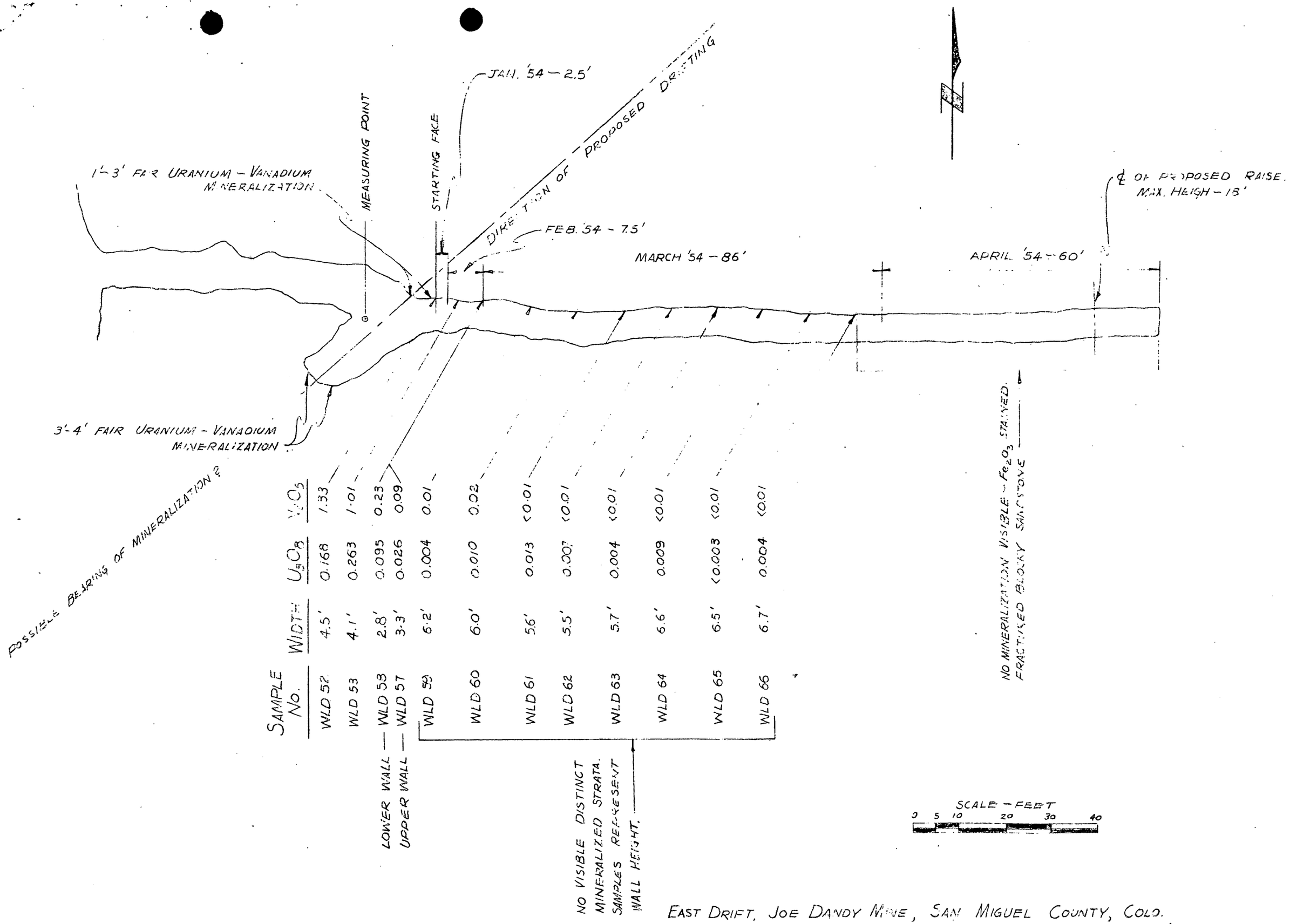
total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated MAY 26 1954

UNITED STATES OF AMERICA

Clarence Louis Nelson
Clarence Louis Nelson, Operator

By W S King
W. S. King
Executive Officer
Atomic Energy Commission
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 54	2.8'	0.095	0.23
WLD 55	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)

Putin 2/9/54

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 MP-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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Denver

NOV - 6 1953

224 New Customhouse
Denver 2, Colorado

November 4, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 3117 (Uranium), Contract No. Idm-E633, Clarence Louis Neilson, Uravan, Colorado

Enclosed are the original and two copies of Contract Idm-E633.

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

W. H. King

Enclosures

cc 11-6-53

RECEIVED
DEC - 7 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1953

DOCKET NO. DMEA 3117

COMMODITY Uranium

action 12/9/58 Rubins

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, or encumbrances, 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 S 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
Bureau of Mines Minerals Administration
RECEIVED
NOV 13 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

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	251
Edward	3-8-20	119	254
Wesley	2-2-20	119	251
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 Nelson
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 15 day of October, 1953.

Minter 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.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1953

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

Not to be filled in by applicant

Docket No. DMEA-3117
Metal or Mineral
Date Received 7/13/53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Clarence Louis Neilson
Box 875
Uravan, Colorado

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract
See attached sheet.

(*b*) State any mine name by which the property is known. Joe Dandy Group

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

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

(*e*) If you own the land, describe any liens or encumbrances on it
Not encumbered

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Recorded at Telluride, San Miguel County, Colorado

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

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

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

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Uranium, and vanadium as a by product

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

(*c*) The work will start within 30 days and be completed within 12 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated July 8, 1953

Clarence L. Nielson
(Applicant)

By

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

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

Application of Clarence L. Neilson

3a Joe Dandy, Edward, Wesley, and Lone Wolf, unpatented lode mining claims. Legal description map attached.

3f

Claim	Recorded Date	Book	Page
Joe Dandy	1-28-20	119	281
Edward	3-2-20	119	284
Wesley	2-2-20	119	281
Lone Wolf	10-125	119	454

4a Map of claims, map showing location of mine are attached. Mining was carried on last year but was stopped when AEC notified me that ore was unacceptable. I was notified this June that they would now accept ore again and I wish to start mining again. The mine workings are accessible.

4b Past production: thirty-seven thousand dollars ($37,000) produced in 1917, 1918, and 1919, in vanadium which showed considerable uranium which was not marketable at that time from upper workings shown on map of mine workings attached. 1952: seven (7) loads averaging 0.16 % uranium of a complex nature and 1.42% vanadium sold to Climax Uranium Company, Grand Junction, Colorado--Vanadium Corporation of America, Naturita, Colorado--American Smelting Company, Monticello, Utah.

c. I have no figures for reserves but there is a face of ore seven (7) foot and sixteen(16) foot wide which will probably average 0.16% U_3O_8.

d One mile from state highway a road was constructed which is capable and has in the past allowed trucks carrying twelve tons safe accessibility Distance to shipping point is one hundred thirty (130) miles to Monticello, Utah where contract for this ore is now available for three hundred (300) tons per month. All mining supplies can be obtained at Uravan, Colorado, which is 51 miles distant. Resident points are one mile.

Application of Clarence Neilson

4c (continued) This is a typical roscolite ore which occurs in bedded deposits in the entrada sandstone. I have shipped about 8.0 tons of this ore which was sold for the vanadium content. In about June of 1952 we found the ore to contain enough uranium to be salable as a uranium ore. I need capital to open the mine by drifts and crosscuts. There is a fisher maybe 100 to 200 foot ahead of my present workings, which caused mineralization of the pony express limestone. A body of ore was mined here from what is known as the Lizzie G workings. It was reported at one million two hundred thousand dollars ($1,200,000) worth of gold ore, silver ore, and lead carbonate ore, was taken out. I am very anxious to extend my workings to the area under the old carbonate working to find ~~to the area~~ if the uranium mineralization in the entrata picks up there.

5d At present and for the last three (3) years past, I have been operating a uranium lease from the U. S. Vanadium Co., and am shipping about one hundred and twenty-five (125) ton of ore a month from a three (3) man operation.

6b Foreman $400 per month
one miner at $12 per day
one mucker at $11.20 a day
Surveyor's fees--$250

Clarence L. Neilson

I estimate that a maximum of one thousand (1,000) feet of drifting and crosscutting might be necessary to explore this ore deposit. We should make one hundred (100) feet of advance per month. Labor for 10 months is nine thousand, eight hundred dollars ($9,800).

6c

Gasoline, 2500 gallons	estimated cost	$ 750.00
diesel oil, 1250 gallons		300.00
lubricating oil, 50 gallons		15.00
dynamite, 120 cases		1200.00
caps and fuse		450.00
miscellaneous		285.00
	Total	$3000.00

Application of Clarence [illegible] Neilson

6d Equipment to be purchased

geiger counter	$ 460.00	
shuttle car, deisel powered	2100.00	
compressor 210 cubic foot per minute	6000.00	$8,560.00

Equipment owned by me and available for use

2 jackhammers
1 jackleg
1 stoper
steel
hoses
receiver tanks, 2 large
400 feet airpipe
several hundred feet waterpipe
orebin
compressor house
blacksmith tools
all other tools
picks, shovels
wheelbarrows, etc.

6e Estimated cost of improvement on road--$500. No improvements needed for building.

6f Reconstruction of movable building now owned by Neilson--$250

6g. Analytical work--$400
Accounting, ten months at $50--$500
Workman's compensation at $30 a month--$300

6h Contingencies $3000

7a I am in a financial position which enables me to carry my share of the estimated costs figuring my participation will be 10%.

7b Estimated Costs

Labor	$ 9,800
Supplies and Materials	3,000
Equipment	8,560
Engineering	250
Road	500
Buildings	250
Analytical Work	400
Bookkeeping	500
Workman's Compensation	300
	$23,560
Contingencies	3,000
	$26,560
air + water pipe.	750
	$27,310.00

TELLURIDE MINES, INC.
SMUGGLER - UNION MINES
TELLURIDE, COLORADO

May 18, 1951

TO WHOM IT MAY CONCERN:

I have known Mr. Clarence L. Neilson for some thirteen years during which time he has worked for us at this property at various intervals as miner, shift boss, timberman and lessee.

Mr. Neilson has also leased at other properties both in the mines in this area and in the Uranium fields.

We have found Mr. Neilson to be capable and honest in all of his transactions. If there is any further information that you should desire about the above individual would you please contact the writer.

Yours very truly,

C. F. Parker, Jr.

C. F. Parker, Jr., Gen. Mgr.
Telluride Mines, Inc.

CFP,Jr:IFV

DMEA-3117

Form No. VW51—C1

VANADIUM CORPORATION OF AMERICA
SETTLEMENT SHEET

SHEET NO. 1 LICENSE NO. P-460 DATE 5/16 to 8/27/52, 195

SHIPPED BY CLARENCE NEILSON Lic. P-460 MINE OWNER HINTON S. DONEGAN

ADDRESS NATURITA, COLORADO NAME OF MINE OR LEASE JOE DANDY

LEASED TO Uravan, LEASED FROM

ADDRESS ADDRESS TYPE OF ORE ROSCOELITE C-1 (C.1)

Lot No.	Gross Wt.	% H_2O	Net Weight	% $CaCO_3$	% V_2O_5	Lbs. V_2O_5	Per Lb. V_2O_5	Value V_2O_5	% U_3O_8	Lbs. U_3O_8	Per Lb. U_3O_8	Value U_3O_8	Devol. Allow.	Value Total	Accts. Rec.	Balance
13637	18890	3.3	18267	4.84	1.12	205			.10	18.27						
13700	19490	4.9	18535	5.28	1.14	211			.11	20.39						
14332	19250	2.9	18692	5.06	1.70	318			.16	29.91						
14353	22650	3.3	21903	4.18	1.55	339			.21	46.00						
14613	13670	5.5	12918	3.80	1.43	185			.28	36.17						
	93950		90315		1.39	1258	.1725	217.01	.1669	150.74	2.838	427.80	75.37	720.18		
											LESS A/R CLARENCE NEILSON				504.68	
																215.30

CHECK NO. 3677 10/15/52 $ 46.97 (7½ of 720.18-93.95 hauling) TO: HINTON S. DONEGAN, 4950 MAYWOOD AVE., EAGLE ROCK, CALIFORNIA

CHECK NO. $

CHECK NO. $

CHECK NO. ~~3678~~ ~~10/15/52~~ $ ~~168.33 TO: CLARENCE NEILSON, BOX 875, URAVAN, COLORADO~~

CHECK NO. $

CHECK NO. $

I hereby certify that the ore described above and sold is from the JOE DANDY Mine, and that I have authority from its owner to remove and sell the same, that said ore is not encumbered by any liens or attachments and receipt of payment in full is hereby acknowledged.

Vendor

By

DMEA-3117

LEASE AGREEMENT AND OPTION

THIS AGREEMENT, Made and entered into December 15, 1951, by and between Minton S. Donegan of Los Angeles, California, party of the first part, Lessor, and Clarence L. Neilson of Telluride, Colorado, party of the second part, Lessee,

WITNESSETH:

That the said Lessor, for and in consideration of the royalties and covenants hereinafter reserved, and by the Lessee to be paid, Kept and performed, has granted, demised and let, unto the Lessee, the following described mining property situate in Lower San Miguel Mining District, The County of San Miguel and State of Colorado, to-wit:

The following unpatented mining claims location certificates of which appear of record in the office of the County Clerk and Recorder in San Miguel County, Colorado, to-wit:

Edward Mining Claim,
Wesley Mining Claim,
Lone Wolf Mining Claim,
Joe Dandy Mining Claim.

TO HAVE AND TO HOLD to the lessee for a term of five (5) years from the date hereof or until December 15, 1956, unless sooner forfeited or terminated through the violation of any one or more of the covenants herein set forth, to be kept by the Lessee or his sublessees or assigns.

AND IN CONSIDERATION of such demise, the Lessee does covenant and agree with the Lessor as follows:

1. All work done by the Lessee or his assigns shall be done in a manner consistent with good and economical mining with due regard for the development and preservation of the leased premises as a workable mine; it being understood, however, that Lessee or his assigns may employ any means of extracting ore common in good mining practice as well as open pit mining as he or his assigns may desire.

2. To well and sufficiently timber all underground mine workings at all points where proper, in accordance with good mining practice and to keep said timber in good repair.

3. To allow the Lessor and her agents from time to time as she may desire to enter upon and into all parts of said premises for the purpose of inspection.

4. To not allow any person not in privity with the parties hereto to take

or hold possession of said premises, or any part thereof, under any pretext whatever, except the Lessee shall have the right to assign or sublet all or any part of said premises as he may desire, the assignee or sub-lessee to take subject to the terms of this agreement, and any violation of the covenants herein shall work a forfeiture of this lease.

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

6. To carry insurance as required by the Workman's Compensation Law of Colorado on all men employed on said premises, and to keep and save harmless the Lessor from and against all claims and actions for injury to or damage suffered by any person or persons employed or otherwise in or about the leased premises.

7. It is understood that the Lessee will pay the Lessor as rental for said mining claims a net smelter and/or will return on all ore removed therefrom as follows:

Seven and one-half per cent (7½%) royalty on all ore running up to Twenty Dollars ($20) per ton value.

Ten per cent (10%) royalty on all ore running from Twenty Dollars ($20) to *Net Thirty Dollars ($30) per----------ton value.

Fifteen per cent (15%) on all ore running over Thirty Dollars ($30) per ton value.

Settlement for said rental payment shall be made by the smelter and/or mill to which said ore shall be shipped and said smelter and/or mill shall be furnished with a copy of this agreement for their guidance in connection with said settlement. It is understood that the term "net smelter" and/or mill returns, as herein employed shall mean the net amount payable by such smelter and/or mill after deduction of the mill or smelter charges hauling, freight & sampling.

8. To deliver to the Lessor the said premises with all appurtenances and improvements thereon, except machinery, in good order and condition upon the breach of any of the conditions hereof upon thirty (30) days notice in writing by Lessor of such breach and failure to correct the same within said time. Such

notice is to be given the Lessee or his assigns by mail, addressed to the Lessee or assigns at Telluride, Colorado. It is understood that Lessee or his assigns or sub-leases shall have thirty (30) days after the termination of this lease by limitation or forfeiture to remove all machinery placed on said premises by them, and shall have the right, during said period, to enter upon said premises for the purpose of such removal. After termination of said lease as aforesaid the Lessee and all persons claiming under or through him found in occupation of said premises or any part thereof, shall be guilty of unlawful detainer thereof.

9. The Lessee will perform or have performed at least the number or shifts per year to qualify for the filing of annual affidavits of labor and will seasonably file such affidavits before the first day of July of each year on behalf of the Lessor.

In event partners are taken in and actual production is carried on. Fifty (50) shifts per month will be required.

IT IS UNDERSTOOD THAT the Lessor will, under no circumstances, be liable to aid lessees or to any person or persons in and upon said premises either by permission or invitation of said Lessee, or to any other person on account of any accident or accidents, and said Lessee agrees to save harmless the said Lessor from any of said contingencies.

IT IS FURTHER UNDERSTOOD AND AGREED, as part of the consideration for this agreement, that the Lessee shall have and is hereby given the option to purchase the mining claims herein described from the Lessor at any time during the term of this agreement for the sum of $50,000 FIFTY THOUSAND and no 100 $50,000.00 and that all lease royalty payments as hereinabove specified received by the Lessor up to the time of such purchase shall be applied upon such purchase price. If and when the Lessor received payment of said purchase price she will convey said property to the Lessee or his assigns by good and sufficient quitclaim deed.

THIS LEASE AND OPTION and the terms and provisions hereof, shall inure to

the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF THE respective parties have hereunto set their signatures the day and date first above written.

/s/ _____
Minton S. Donegan,
Party of the First Part, Lessor

/s/ _____
Clarence L. Neilson
Party of the Second Part, Lessor

LEASE AGREEMENT AND OPTION

Minton S. Donegan, Party of the first part, and

Clarence L. Neilson, Party of the second part.

State of Colorado)
) ss
County of San Miguel)

Filed for record at 9:00 o'clock A. M. December 18, 1951 and duly recorded in Book 216 Page 129

Sally A. Clark
Recorder

Deputy

Fees of $2.25

EXTENSION AGREEMENT

WHEREAS, Minton S. Donegan, Party of the First Part, has heretofore entered into a lease agreement and option, dated December 15, 1951, with Clarence L. Neilson, Party of the Second Part, covering and relating to the following property situated in Lower San Miguel Mining District, San Miguel County, Colorado, to wit:

> The following unpatented mining claims, location certificates of which appear of record in the office of the County Clerk and Recorder in San Miguel County, Colorado, to wit:
>
> Edward Mining Claim,
> Wesley Mining Claim,
> Lone Wolf Mining Claim,
> Joe Dandy Mining Claim.

AND WHEREAS, according to the terms of said lease agreement and option, the rights of Second Party thereunder would expire on December 15, 1956.

AND WHEREAS, it is the desire of the parties hereto to extend the term of said lease agreement and option to July 1, 1963.

NOW THEREFORE, it is hereby covenanted and agreed between the parties hereto as follows: That the term of the lease agreement and option dated December 15, 1951, is hereby extended to July 1, 1963, and all of the provisions of said lease agreement and option shall continue in full force and effect until said date.

In Witness Whereof, the parties have hereto set their hands this 11th day of June, 1953.

Minton S. Donegan
Party of the First Part.

Clarence L. Neilson
Party of the Second Part.

EXTENSION AGREEMENT

Minton S. Donegan, Party of the first part, and

Clarence L. Neilson, Party of the second part.

STATE OF COLORADO)
) SS
COUNTY OF SAN MIGUEL)

Filed for record at 11:05 o'clock June, 24, 1953 and duly recorded in Book 216 Page 476

Charles C. Carriere
Recorder

Deputy

Fees 2.25 Paid

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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

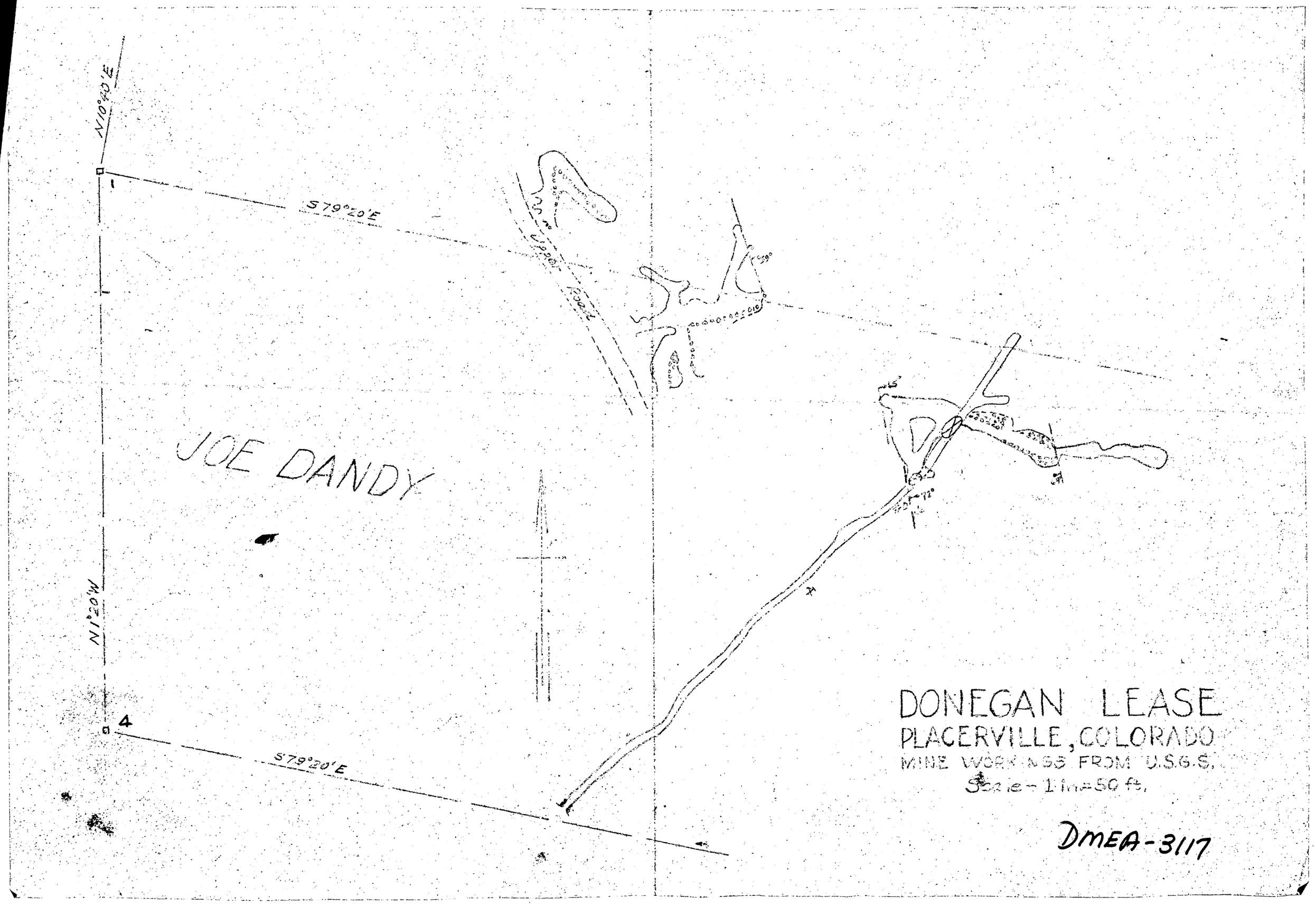
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(PMGC)

KNOXVILLE
JUL 8
5 PM
1953
TENN.

2

George C. Selfridge, Chairman
Operating Committee, DMEA.
Dept. of the Interior
Washington 25, D. C.


N10°40'E
S79°20'E
JOE DANDY
N1°20'W
4
S79°20'E
DONEGAN LEASE
PLACERVILLE, COLORADO
MINE WORKINGS FROM U.S.G.S.
Scale - 1 in = 50 ft.
DMEA-3117

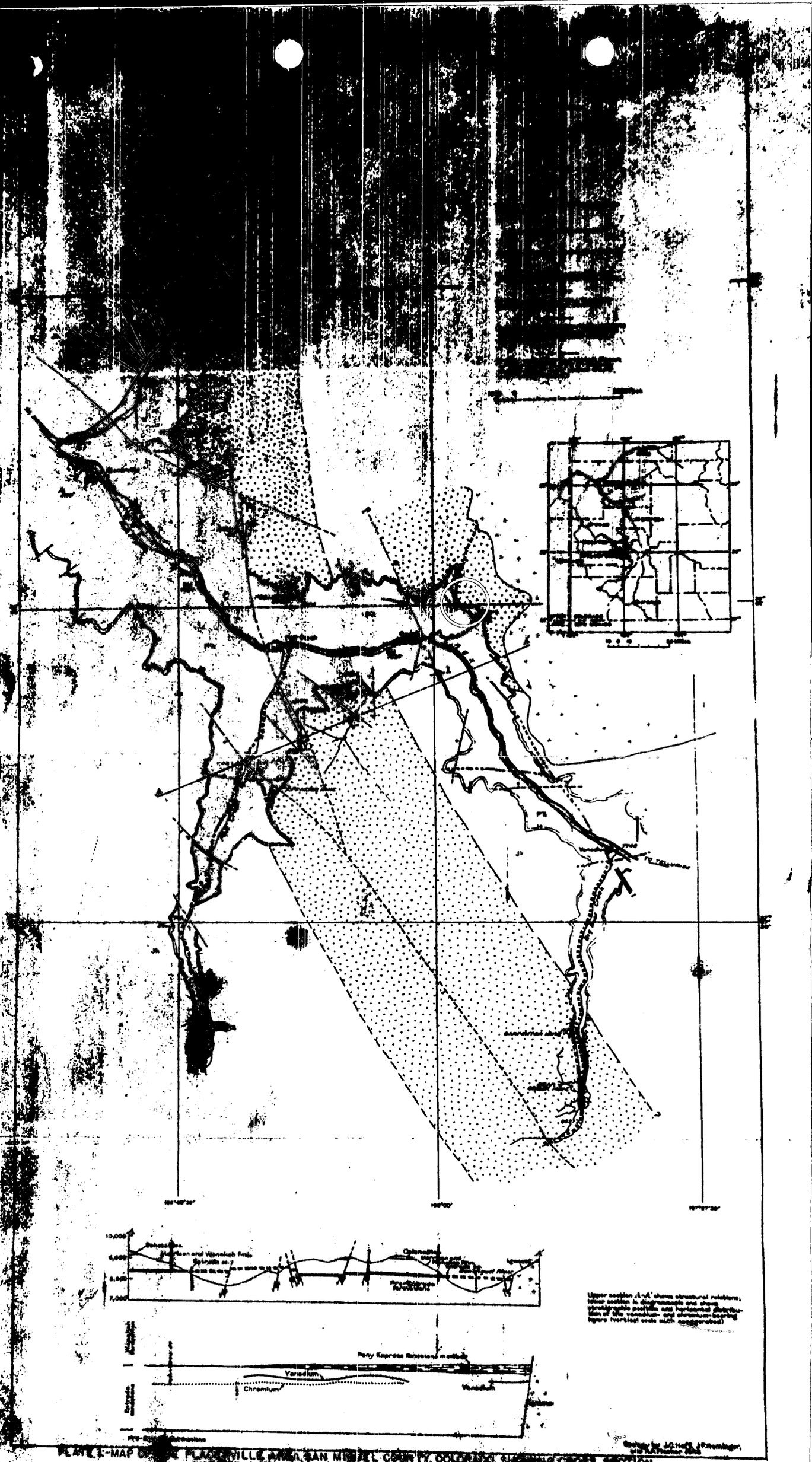


PLATE 1-MAP OF THE PLACKVILLE AREA, SAN MIGUEL COUNTY, COLORADO, SHOWING CROSS SECTION AND GEOLOGIC FEATURES RELATED TO THE VANADIUM DEPOSITS

Prepared by the United States Department of the Interior, Geological Survey, in cooperation with the State of Colorado and the Colorado Metal Mining Fund

DMEA-3117

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/17	Murphy	500
2/17	Tolbert	800
	Selfridge	120
2/17	Johnson	110
	Fumich	100
		220

FEB 18 1964

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

Re: DMEA-3117 (Uranium)
Clarence Louis Neilson
Joe Dandy et al., Claims
San Miguel County, Colorado
Contract Idm-E633

Dear Mr. Neilson:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated April 29, 1955, 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

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

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/17	Murphy	500
		800
	Selfridge	120
2/17	Johnson	110
	Fumich	100
		220

FEB 10 1964

Mr. Minton S. Donegan
4950½ Maywood Avenue
Los Angeles 41, California

Re: DMEA-3117 (Uranium)
Clarence Louis Neilson
Joe Dandy et al., Claims
San Miguel County, Colorado
Contract Idm-E633

Dear Mr. Donegan:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Owner's Consent to Lien, signed by you on October 5, 1953, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm (2/17/64)
cc: Director's Reading File
Region III
Docket
Code 500

23263

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

January 31, 1964

Re: DMEA-3117 (Uranium)
Clarence Louis Neilson
Joe Dandy, et al., Claims
San Miguel County, Colorado
Contract Idm-E633

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

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 11 1964

DATE	INITIALS	CODE
2/11		800
2-11		100
2/11		110
		500

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since From December 31, 1960, to October 30, 1963, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since From December 31, 1960, to October 30, 1963, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Clarence Louis Neilson Title Lessor

Address P.O. Box 875 Naron, Colo. Date February 10, 1964

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver, Colorado 80225

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 3 1964

DATE		
	January 30, 1964	
2/3		800
		120
		500
		320

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 Idm-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 MME Form 63, dated April 30, 1962, shows no production.

If Mr. Neilson will complete a MME 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. OK

Hugh M. Connors

Hugh M. Connors

OFFICE OF MINERALS EXPLORATION
UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS
EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.

OFFICIAL BUSINESS

☐ Moved, left no address
☐ No such number
☐ Moved, not forwardable
☒ Addressee unknown

4153

POSTAGE AND FEES PAID
DEPARTMENT OF THE INTERIOR

RETURNED TO WRITER

REASON CHECKED

Unclaimed.....Refused.....
Unknown.....
Insufficient address.....
Moved, Left no address.....
No such post office in state.....
Do not remail in this envelope

Oct 30, 1953 - Oct 30, 1963

Certif. Apr. 29, 1955

OCL dated Oct 5, 1953

Murphy

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

October 30, 1963

Re: DMEA-3117 (Uranium)
Clarence Louis Neilson
Joe Dandy, et al., Claims
San Miguel County, Colorado
Contract Idm-E633

Mr. Minton S. Donegan
4950 Maywood Avenue
~~Eagle Rock~~, California
Los Angeles, 41, Calif

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This is with reference to the Owner's Consent to Lien listing the Joe Dandy, Edward, Wesley, and Lone Wolf claims, which you executed on October 5, 1953, in connection with the subject contract.

Sincerely yours,

F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. From December 31, 1960, to October 30, 1963 ~~Since~~ , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. From December 31, 1960, to October 30, 1963 ~~Since~~ , has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name _____ Title _____

Address _____ Date _____

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 4 1962

MAR 23 1962

DATE		
5/4		~~800~~
5/4		100
5/4		~~110~~
		500
		500
		220

Re: DMEA-3117 (Uranium)
~~Clarence L. Neilson~~
~~Joe Dandy Mining Co.~~
San Miguel County, Colorado
Contract Idm-E633

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

Dear Mr. Neilson:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Field Operations

Re: DMEA-3117

Note Neilson has signed MME Form 63 as "Lessor" not as "Operator" or "Lessee" ??

Talbot
5/4/62

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 31, 1960, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since December 31, 1960, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Clarence Louis Neilson Title Leasor

Address Box 875 Nucla, Colo. Date April 30, 1962

P.S. Just assessment work has been done.

4511

Standard Form No. 1048
Form approved by Comptroller General U. S.
September 20, 1927

MEMORANDUM

PUBLIC VOUCHER FOR REFUNDS

Sch 313

Serial No. _____

D. O. Voucher No. 915

Department of the Interior - Office of the Secretary

U. S. _____
(Department or Establishment, Bureau or Office)

Location: 14X1401

Appropriation or Fund: _____

To
Address

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

EXTRA COPY PAID BY O. M. E RECEIVED AUG 23 1961		
DATE	INITIALS	CODE
8/23		780
8/23		710
		720
(FOR USE OF PAYING OFFICE)		700
		700
		720

Deposit received from the above-named depositor on _____

for _____

has been applied as herein stated and the balance indicated is returned herewith:

Amount of deposit _____ $ _____

Applied as explained in "Remarks" below _____ _____

_____ 10.95

Balance authorized to be refunded _____ $ _____

Remarks:
Refund of overpayment of royalty on E-633 per Report of Royalty Review dated March 27, 1961 and letter from Hugh M. Connors dated 8/8/61

DMEA-3117

OAS

Date _____, 19____ (Memorandum—Do not sign) _____

Title _____

Refund by
- Check No. _____, dated _____ for $ _____ on Treasurer of the U. S. in favor of payee named above.
- Cash, $ _____ on _____ (Signature of payee) _____ (Memorandum—Do not sign)
- Other method, $ _____, _____ (Describe)

16—9488

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 11 1961		
DATE	INITIALS	CODE
8/11	[illegible]	800
"	Grunwald	500
8/11	Murphy	500
		700

Building 20 - Federal Center
Denver 25, Colorado

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. Idm 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. Connors

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

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. S. E.
RECEIVED AUG 11

August 8, 1961

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

Re: Docket No. DMRA-3117 (Uranium)
Contract No. Xda 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 by

High M. Connors
Acting Field Officer, OME
Region III

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 11 1961

DATE	INITIALS	CODE

Uravan, Colorado
August 2, 1961

Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

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

Gentlemen:

This letter will act as a claim for refund for $10.95 for overpayment of royalty for the period from July 15, 1957 to August 15, 1957.

The claim is filed to conform to figures determined by the office of Minerals Exploration as shown in copy attached.

Yours truly,

Clarence Louis Neilson

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

E Form 7
10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/5	[illegible]	120
4-6	[illegible]	220

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 Dandy et al., claims
San Miguel County, Colorado
Contract Idm-E633

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

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

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

DATE	INITIALS	CODE
4-5	gad	000
4/5	[illegible]	800
4/5	[illegible]	500

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. DMEA 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?

Hugh M. Connors

Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY O. M. E. RECEIVED APR 5 1961		
DATE	INITIALS	CODE
4-5	gad	VVO
4/5	[illegible]	800
	~~Murphy~~	~~500~~
		220

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. Lim 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

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

DATE	INITIALS	CODE
4-5	gad	220
4/5	[illegible]	800
	Murphy	500
		220

Building 20 - Federal Center
Denver 25, Colorado

April 3, 1961

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

Re: Docket No. DMEA 5117 (Uranium)
Contract No. Ldm 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

High 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 27 1961

DATE	INITIALS	CODE
3/27	gad	220
3/27	[illegible]	800
~~3/27~~	~~Murphy~~	~~500~~
		220

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.

Hugh M. Connors

Hugh M. Connors

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/27	gad	220

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: DMEA-3117 (Uranium)
Clarence Louis Neilson
Joe Dandy, et al., claims
San Miguel County, Colorado
Contract Idm-E633

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/20	Selfridge	120
3/21	Ogal	220

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

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 3 of MME Form 22.

EDTalbert/ama
March 20, 1961

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

43683

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

October 7, 1957

Memorandum

To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field Team, Region III
Subject: Royalty Payments, Docket DMEA 3117 (Uranium) Contract Idm-E633 Clarence L. Neilson (Joe Dandy Mine) San Miguel County, Colorado
Period: September 1957

Enclosed are settlement sheets for which royalty payments were received for ore or concentrates shipped from the subject property during the above month:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
7/15-8/15/57		9.197	$ 4.59	$ 5.10*	Below grade No bonus due	
Totals:		9.197	$ 4.59	$5.10		

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 11 1957

10/11/57	B	220
"	~~Cherry~~ J	700

Past Due Royalties Collected None JMM

Total Dry Tons (Ore or Cons.) Shipped to Date 212.768

E. M. Hardman
Acting Executive Officer

Chron
cc: Royalty File E 633 w/settlement sheets
Monthly Royalty Payment File
hmh

orm VW 56-C1

VANADIUM CORPORATION OF AMERICA
Durango, Colorado

8 0 209

Type of Ore [redacted] **SETTLEMENT SHEET** AEC LICENSE NO. [redacted]

Deliveries to [redacted] Mill Claim Name [redacted] Period 7-15/8-15-57

Purchased from [redacted] Address [redacted]

Settlement covering various lots beginning No. [redacted] Ending No. [redacted]

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
[redacted]		[redacted]	1.79	.02	[redacted]	329	3.68	
NET WEIGHT TONS		DRY WEIGHT TONS						
9.550 [redacted]		9.1965 [redacted]						

V2O5 [redacted] % [redacted] lbs. at [redacted] Per Lb. $ [redacted]

Less High Lime Penalty ..... tons at ..... Per Ton $ .....

Total Value V2O5 ..... $ [redacted] 101.99

U3O8 [redacted] % [redacted] lbs. at [redacted] Per Lb. $ [redacted]

Content at 4 lbs. per ton ..... lbs.

Premium for lbs. in excess of 4 lbs. per ton ..... lbs. at ..... 75c ..... Per Lb. $ .....

Content at 10 lbs. per ton ..... lbs.

Premium for lbs. in excess of 10 lbs. per ton ..... lbs. at ..... 25c ..... Per Lb. $ .....

Total Value U3O8 ..... $ [redacted] 00.0

Development Allowance ..... lbs. at ..... 50c ..... Per Lb. ..... $ [redacted] 00.0

Haulage Allowance ..... at .....

..... [redacted] ..... $ .....

TOTAL GROSS VALUE ..... $ [redacted] 101.99

Less Royalty ..... %V2O5 ( ) ..... %U3O8 ( ) ..... $ .....

Less Accounts Receivable ..... $ .....

TOTAL NET PAYMENT ..... $ [redacted] 101.99

CHECK NO. 17463 ..... $ [redacted] ..... TO: [redacted]
CHECK NO. 17464 ..... [redacted] $ [redacted] ..... TO: [redacted]
CHECK NO. ..... $ ..... TO: [redacted]
CHECK NO. 17465 ..... [redacted] $ [redacted] ..... TO: [redacted]
CHECK NO. ..... $ ..... TO: [redacted]

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I certify that I hold A.E.C. Source Material License numbered above. I hereby transfer to the Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement.

E 633

.....

Sign of Agent

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

August 6, 1957

Memorandum

To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field Team, Region III
Subject: Royalty Payments, Docket DMEA 3117 (Uranium) Contract Idm-E633, Clarence L. Neilson (Joe Dandy mine) San Miguel County, Colorado
Period: July, 1957

Enclosed are settlement sheets for which royalty payments were received for ore or concentrates shipped from the subject property during the above month:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
6/28-7/15/57		14.145	$1.79	$5.95*		

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 8 1957

DATE	INITIALS	CODE
8/8	P.K.	220
"	[illegible]	700

Totals: 14.145 $1.79 $5.95

Past Due Royalties Collected None

Total Dry Tons (Ore or Cons.) Shipped to Date 203.571

[illegible]

Acting Executive Officer

cc: Chron.
Royalty File E 633 w/settlement sheets
~~Monthly Royalty Payment File~~
hmh

56-1

VANADIUM CORPORATION OF AMERICA 7 0 49
Durango, Colorado

Type of Ore C-1 Rossolite **SETTLEMENT SHEET** AEC LICENSE NO. P-460

Deliveries to Naturita Mill Claim Name Joe Dandy Period 6-28/7-15-59

Purchased from Clarence Nielson Address Box 875, Uravan, Colo

Settlement covering various lots beginning No. 83301 Ending No. 83302

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
29350		28290	1.36	.02	No LP.	384	5.91	—
NET WEIGHT TONS		DRY WEIGHT TONS						
14.675		14.145						

V2O5 1.36 % 384 lbs. at .31 Per Lb. $ 119.04

Less High Lime Penalty ..... tons at ..... Per Ton $ .....

Total Value V2O5 ..... $ 119.04

U3O8 .02 % 5.91 lbs. at N.V. Per Lb. $ 0.00

Content at 4 lbs. per ton ..... lbs.

Premium for lbs. in excess of 4 lbs. per ton ..... lbs. at 75c Per Lb. $ .....

Content at 10 lbs. per ton ..... lbs.

Premium for lbs. in excess of 10 lbs. per ton ..... lbs. at 25c Per Lb. $ .....

Total Value U3O8 ..... $ 0.00

Development Allowance ..... lbs. at 50c Per Lb. ..... $ 0.00

Haulage Allowance ..... at .....

..... $ 0.00

TOTAL GROSS VALUE ..... $ 119.04

Less Royalty ..... %V2O5 ( ) ..... %U3O8 ( ) ..... $ .....

Less Accounts Receivable ..... $ .....

TOTAL NET PAYMENT ..... $ 119.04

CHECK NO. 16604 $ 104.16 TO: Clarence Nielson, Box 875, Uravan, Colo

CHECK NO. ..... $ ..... TO: .....

CHECK NO. 16605 75% V2O5 $ 8.93 TO: Mrs M. L. Donegan, 4950 M[illegible]

CHECK NO. ..... $ ..... TO: Joe Dandy [illegible]

CHECK NO. 16606 5% V2O5 $ 5.95 TO: U.S. Dept of Interior, Bureau of Mines, [illegible]

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the ore described on this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I certify that I hold A.E.C. Source Material License numbered above. I hereby transfer to the Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement.

DMEA
DEPARTMENT OF THE INTERIOR
JUL 29 1957
REGION III
DENVER, COLORADO

Montrose Daily Press 1-57-2m

E633 C633

Seller or Agent

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

RECEIVED
SEP 17 1956

224 New Customhouse
Denver 2, Colorado

September 12, 1956

Memorandum

To: J. F. Shaw (2)

From: Executive Officer, DMEA Field Team, Region III

Subject: Reporting error in Semiannual Report of Certified Project for the period January 1, 1956 through June 30, 1956, Docket DMEA 3117 (Uranium), Contract Idm-E633, Clarence L. Neilson (Joe Dandy Mine), San Miguel County, Colorado

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

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

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

W. M. TRAVER

W. M. Traver

WMM/vj

cc: Semiannual Report File E633
Sec. Opr. Comm. (2)
E. N. Harshman
J. W. Hasler
Marshall
Chron.

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

FINAL F.T. REPORTS (2)

DMEA 3117, Contract No. Idm-E 633, C. L. Neilson, Joe Dandy group, San Miguel County, Colorado

Uranium

Final geologic report

by

A. L. Bush
U. S. Geological Survey

January 20, 1955

Reviewed by
DMEA OFFICE OF ...
3-25-55

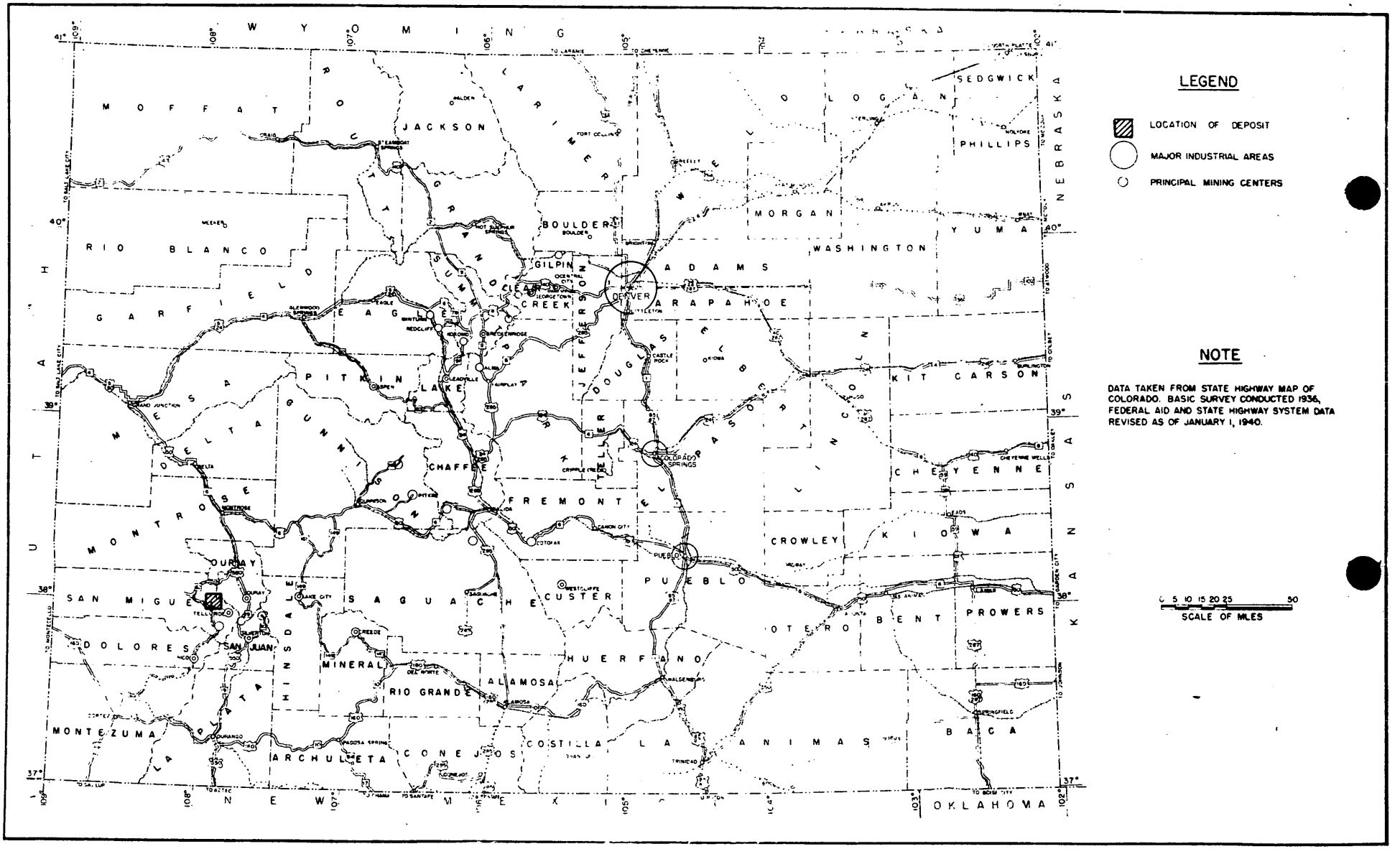


FIGURE 1. - LOCATION MAP, JOE DANDY MINE, C. L. NELSON, SAN MIGUEL COUNTY, COLO. (DMEA 3117)

SUMMARY AND CONCLUSIONS

Approximately 400 feet of exploratory drifting in the Entrada sandstone was done under this contract, exploring to the north, northeast, east, and southwest of the point of higest U_3O_8 content in the ore deposit at the Joe Dandy mine. All exposures indicated that the higher U_3O_8 content appears to be near the edge of the ore deposit; the amount of rock that contains greater than 0.10 percent U_3O_8 is small and spottily distributed, however.

RECOMMENDATIONS

(a) Additional exploration with Government aid for minable concentrations of uranium in the vanadium layer in the Entrada sandstone is not recommended on this property. Exploration for minable concentrations of vanadium stands a reasonable chance of success.

(b) It is recommended that the project be certified as one from which the Government is entitled to royalties from production, however, for the following reasons:

1. As drifting started in the uranium-vanadium layer in an accessible stope, a "discovery" was present at the beginning of operations. The drifting was undertaken to investigate the extent of a known uranium ore body, as well as to search for other ore bodies in the favorable stratigraphic horizon.

2. Production of vanadium ore from the Joe Dandy mine within the next ten years is a fair possibility. Such production will make use of three of the four drifts driven under the DMEA loan.

3. One of the drifts underlies old gold workings in the Pony Express limestone (which lies upon the Entrada sandstone). A raise was driven into the old gold workings from the end of this drift, and assays that were taken led to the present mining operation on the gold deposit. The DMEA-driven drift is of direct value to this gold operation.

4. Some vanadium-uranium ore has been produced and sold from the openings made by the drifts driven under the DMEA contract.

(c) Production of uranium ore from the Joe Dandy mine is not economically feasible, regardless of ore thickness, at the 0.10 percent U_3O_8 minimum acceptable grade established by the Atomic Energy Commission. At a 0.05 percent U_3O_8 minimum acceptable grade, the deposit could become a marginal producer.

DESCRIPTION OF WORK

A description of the physical work accomplished, and the starting and completion dates for this contract are included in the final engineering report.

GEOLOGY

The uranium-vanadium deposit is a part of the vanadium layer in the upper part of the Jurassic Entrada sandstone in the Placerville district, Colorado. The Entrada sandstone locally is conformable on the Triassic Dolores formation, and is conformably overlain by the Jurassic Pony Express limestone member of the Wanakah formation. In the Placerville district these beds are warped into gentle anticlines and synclines, displaced along numerous dominantly normal faults (with most displacements between 10 and 150 feet) and intruded by basic dikes and sills. Near the Joe Dandy mine the Pony Express limestone has been mineralized, forming replacement ore bodies of auriferous pyrite, with a little lead and copper. The uranium-bearing vanadium deposits are described by Fischer, Haff, and Rominger in "Vanadium deposits near Placerville, San Miguel County, Colorado," Colo. Sci. Soc. Proc., vol. 15, no. 3, 1947.

In the Joe Dandy mine, the vanadium layer ranges in thickness from a knife-edge to about 4-1/2 feet thick. Selected samples range from 0.23 percent to more than 3.0 percent V_2O_5, and from less than 0.03 to 0.27 percent U_3O_8 in the sandstone-type ore. The drifting done under the DMEA contract suggests that the highest U_3O_8 concentrations are near the edge of the U-V deposit, but the concentrations are restricted in both thickness and extent. Siliceous bands in the ore commonly contain the highest U_3O_8 concentrations, but they are usually very low in V_2O_5 content.

Small, dominantly normal faults offset the ore layer. The faults themselves are not mineralized, nor does there appear to be any increase in U_3O_8 content toward or at the faults.

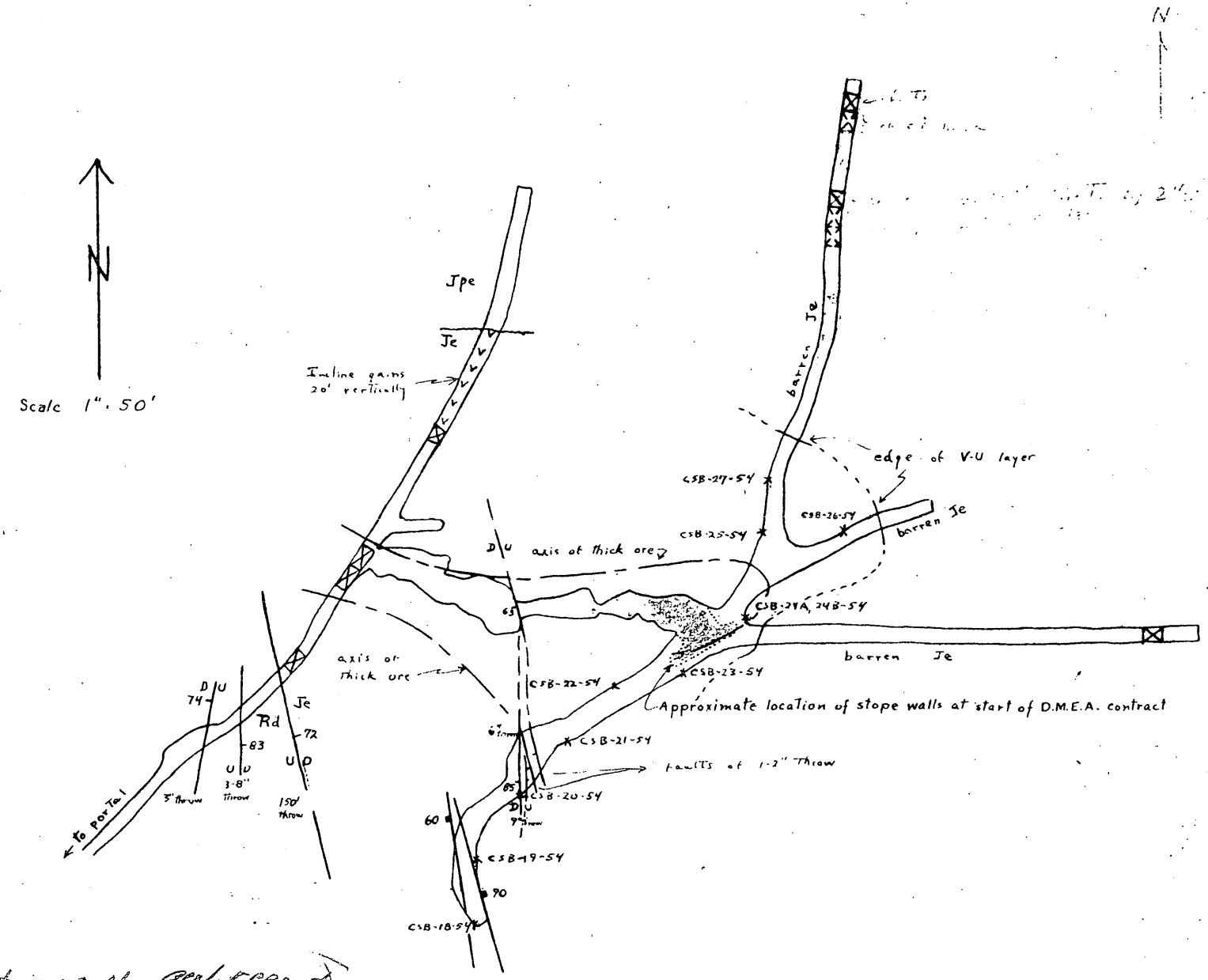
It is probable that the Joe Dandy Mine contains less than 200 tons of rock of grade 0.10 percent U_3O_8 or greater, and this rock must be classed as almost entirely a potential reserve, rather than indicated or inferred.

Assay data have not as yet been received for samples taken by the Geological Survey in the drifts driven under the DMEA contract. A few assay results are given in the engineering report.

A geologic map, showing selected lithologic and structural features, is attached.

COSTS, PRODUCTION AND EFFICIENCY OF OPERATION

Factual data on the expenditures, value of production, equipment purchased, and efficiency of the operation are given in the final engineering report.



After pg 4 - geol. report

Sketch map of lower workings, Joe Dandy claim, San Miguel County, Colorado, showing geology of area and drifts driven under contract on DMEA docket 3117.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Date Rec'd
JAN 18 1955
BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
January 17, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: W. M. Traver, Region III

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

Enclosed are the original and ten copies of a Final Engineering Report by Glen Walker on the above contract on which work was completed November 3, 1954.

Exploration comprising ~~500~~ 488.0 feet of drifting and 12.0 feet of raising at a unit cost of $25.00 per foot and totalling $12,500.00, in which the Government participated in the amount of 90 percent or $11,250.00, resulted in the delineation of an inferred reserve of about 500 tons of uranium ore with a gross value of approximately $9,500.00. In addition, the exploration made available a potential ore reserve of gold, silver, copper ore of significant proportions.

Production has been made and royalty paid during the operation of the project and will continue as the operator continues to work the property. Additional exploration or development with Government assistance is not considered necessary or is it recommended.

Certification of Discovery or Development is recommended and three copies of form "B" with suggested description of the discovery are enclosed for your approval and submission to the Administrator as a suggestion for his certification of the project. A copy of the participating geologist report furnished by E. N. Harshman of the Geological Survey is enclosed.

John F. Shaw
for
W. M. Traver

WMT/cm

enclosures

cc 10
DMEA 3117
Chron

Reviewed by
DMEA OPERATING COMMITTEE

(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

FINAL ENGINEERING REPORT

DMEA 3117, Exploration Project Contract Idm-E633

Joe Dandy Mine

Clarence Louis Neilson

San Miguel County, Colorado

Uranium

Glen Walker, Mining Engineer

December 23, 1954

Reviewed by
DMEA OPERATING COMMITTEE
3-25-55
(date)

DMEA 3117
Contract Idm-E633

JOE DANDY MINE
CLARENCE LOUIS NEILSON
SAN MIGUEL COUNTY, COLORADO

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Description of the deposit	4
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Expenditures	9
Description of the discovery	9
Conclusions	10
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ILLUSTRATIONS

Figure	Follows page
1. Location Map, Joe Dandy Mine, C. L. Neilson, San Miguel County, Colo. (DMEA 3117, Contract Idm-E633)	2
2. Completed Exploration Work under Contract, Joe Dandy Mine, Clarence L. Neilson, San Miguel County, Colo. (DMEA 3117, Contract Idm-E633)	4

Reviewed by
DMEA OPERATING COMMITTEE
3-25-55
(date)

DMEA 3117
Contract Idm-E633

JOE DANDY MINE
CLARENCE LOUIS NEILSON
SAN MIGUEL COUNTY, COLORADO

FINAL ENGINEERING REPORT

By

Glen Walker

SUMMARY AND INTRODUCTION

An exploration project for uranium at the Joe Dandy mine, San Miguel County, Colo., was finished November 3, 1954. It resulted in the discovery of approximately 500 tons of uranium-vanadium ore having a gross value of $9500.00. While the exploratory work progressed, shipments totalling 105.3 tons valued at $1869.79, were made. Royalties in the amount of $132.32 have been paid the Government on this production.

Although the discovery is considered significant certain erratic physical characteristics may make it borderline with regard to present economic feasibility.

Near the end of the project the operator drove a 12-foot raise, on his own account, at the end of the north drift. The Government participated in the cost of this drift. The raise encountered, along the south side, a heavily pyritic vein 10 inches to 16 inches thick, lying flat, that assayed 2.42 ounces gold, 21.65 ounces silver per ton and 1.2 percent copper. The north side of the raise was in gob of an old stope. Insufficient work precludes an evaluation of this discovery; it, however, appears promising.

The contract, dated October 30, 1953, between the Government and Clarence L. Neilson, Box 875, Uravan, Colo., covered 500 feet of drifting, crosscutting, raising at $25.00 per feet and the analysis of 25 samples at an estimated total cost of $12,625.00, Government's share 90 percent or $11,362.00. The exploration contract included the Joe Dandy, Edward, Wesley and Lone Wolf unpatented mining claims owned by Minton S. Donnegan, Los Angeles, Calif., and held under a 12 year lease by Neilson.

Of the $12,625.00 authorized, $12,500.00 were spent completing the underground workings. No expenditure for sample analysis was made by the operator. He preferred to extract large lots from the deposit, where its thickness permitted, and market them to get an estimation of the grade. The average gross value per ton of the five shipments to various buying stations is $17.76. This figure includes in most cases a $6.00 per ton transportation and a development bonus paid by the A. E. C.

The contract was amended on four occasions resulting from request of the operator with regard to changes in the starting date, changes in the direction of certain drifts and an extension of the period.

The conduct of the work was only tolerably efficient as evidenced by the time consumed.

LOCATION

The Joe Dandy, Edward, Wesley and Lone Wolf unpatented claims are in sec. 8, T. 43 N., R. 10 W., New Mexico principal meridian, (fig. 1) about 1/3 mile from the village of Saw Pit on the south bluff of the San Miguel River in San Miguel County, Colo. Placerville at the intersection

of Colorado highways 145 and 62 is about four miles down the river from the property and Ridgway, a railpoint, is 23 miles east of Placerville on Colorado State Highway 62.

The mine is easily accessible to trucks the year round, and because the operation is entirely underground weather conditions hamper it very little.

HISTORY AND PRODUCTION

During World War I and for a year or so after, it is reported, this property produced vanadium ore worth $37,000.00, which contained an appreciable quantity of uranium. This ore is said to have come from the "upper" workings; that is, from the same geologic horizon as the recent work but about 150 feet above, due to normal faulting. From May until September 1952, the present operator sold 45 tons of ore from the "upper" mine that averaged 0.16 percent U_3O_8 and 1.42 percent V_2O_5 per ton.

The "lower" workings are said to have produced 800 tons of vanadium-uranium ore of unknown grade. As stated previously 105.3 tons were sold from this area as a result of the Government assisted exploration.

At some places overlying the "lower" mine there are old workings in the pyritic deposit. Old Bureau of Mines records indicate an intermittent production from here of some 300 tons that had up to 0.1 ounces gold, 12 ounces silver per ton, 1.8 percent zinc, 2.6 percent lead, and 46 percent sulphur.

OWNERSHIP AND EXTENT

The group of four contiguous claims cover an area of about 60 acres; two of which are 300 feet wide, the others are 600 feet wide;

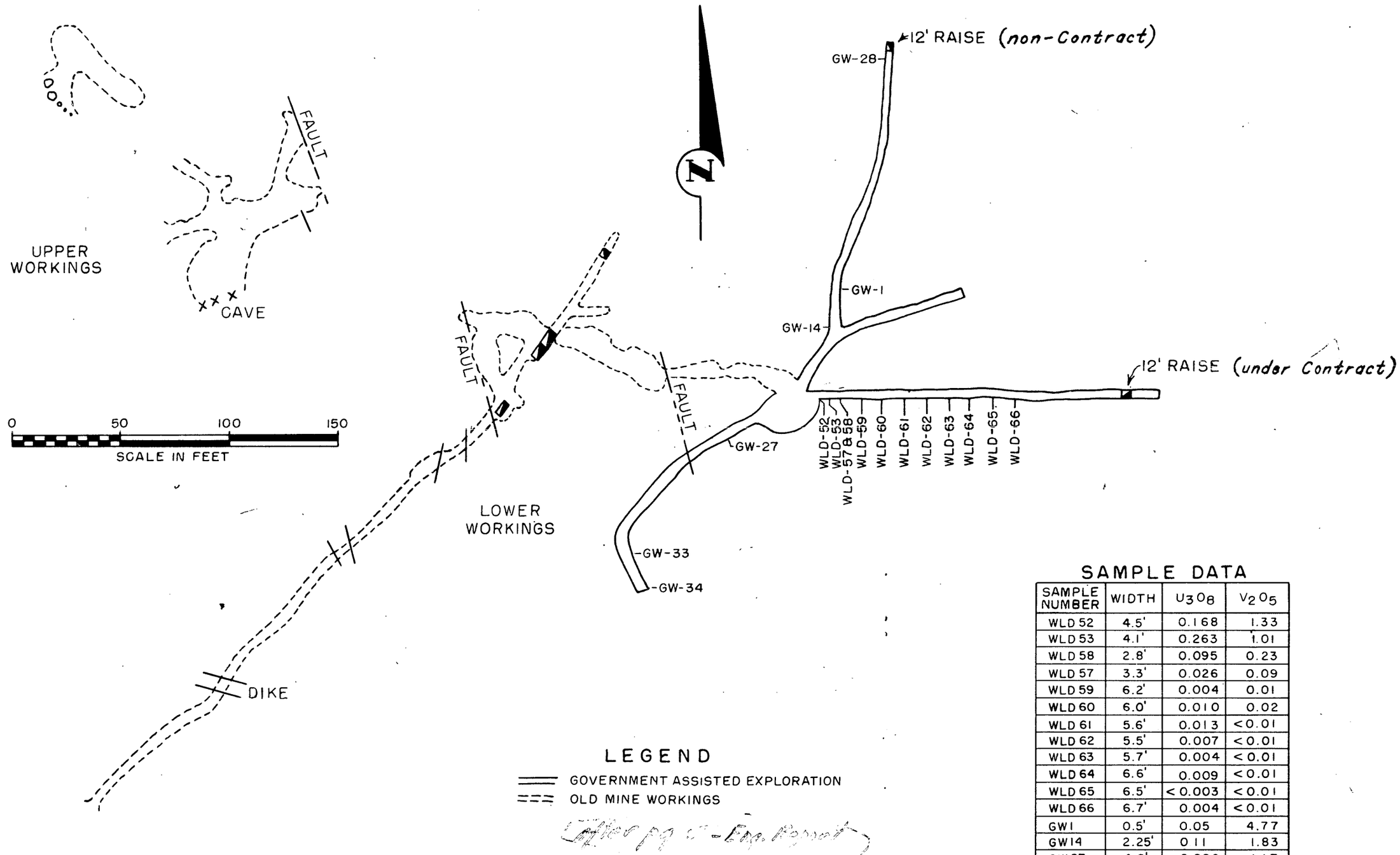
all are 1500 feet long. The long dimension trends about N. 80° W.

Of the four claims three were located by Minton S. Donnegan in 1920, the others in 1925. These dates cannot represent the time of the original staking as some production from the Wesley and Edward is mentioned in Government records of 1914. A lease from Donnegan to Neilson was agreed upon in December 1951; it expires on December 15, 1963.

DESCRIPTION OF THE DEPOSIT

The uranium-vanadium deposit is in the upper sandstone member of the Jurassic Entrada formation. These flat-lying rocks are cut by a number of generally northwest trending high angle normal faults that appear to be post mineral but for some reason seem to have a decided effect upon the concentration of ore. Figure 2 shows the relation between mined areas and some of the more pronounced faults. A major break separates the ore horizon in the "upper" workings from the "lower" by at leat 150 feet. In one of the older "upper" mines the ore shoot, in the form of a roll was cut-off across its strike by a fault. In contrast, the long dimension of the workings in the west "upper" mine and one stope in the "lower" mine is roughly parallel to the faults. The more recent exploration indicates, though not conclusively, that the economic deposits are found in the proximity of faults. Their thickness appears to increase in these areas.

About 10 or 12 feet above the Entrada sandstone containing the uranium-vanadium mineralization is the Pony Express limestone in which the pyritic gold deposits occur. It is said, by the operator, that



SAMPLE DATA

SAMPLE NUMBER	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
GW1	0.5'	0.05	4.77
GW14	2.25'	0.11	1.83
GW27	4.0'	0.026	1.17
GW28	0.6'	0.005	0.18
GW33	1.0'	0.031	2.09
GW34	0.5'	0.006	1.14

< LESS THAN

FIGURE 2 - COMPLETED EXPLORATION WORK UNDER CONTRACT, JOE DANDY MINE, CLARENCE L. NEILSON, SAN MIGUEL COUNTY, COLO. (DMEA 3117, CONTRACT Idm E633)

these deposits although blanket type replacements are derived from at least three traceable fissures. It is understood that these pyritic fissures strike northwest making an acute angle with the trend of the faults mentioned above.

WORK COMPLETED UNDER THE CONTRACT

The Government assisted exploration project began in January 1954 when 2-1/2 feet advance was made in the initial east drift. The reason for the poor showing this period was due to the fact that muck from a raise to the old Lizzie G or gold workings, purported for ventilation, completely filled the crosscut thus cutting off access to the east face. At the beginning of the month some slabbing of the crosscut was necessary to accommodate a newly acquired diesel shuttle car of about 1-1/2 ton capacity.

In February 1954, 7-1/2 feet were advanced in the east heading. Again preparatory work including taking up bottom, slabbing turns and the crosscut occupied most of the period. Some difficulty and lost time was also experienced by the rapid abrasion of rock bits. Use of tungsten carbide insert or "Swede" steel solved the problem of excessive cost for the bits. The operator reported he was able to drill 150 feet to 200 feet of hole with one bit.

During March 1954, 86 feet advance was made in the east drift. Of this distance only the first 10 feet had ore of economic value. A shipment of two truck loads, about 20 tons, were taken from the drift and marketed. This ore averaged 0.1 percent U_3O_8 and 1.1 percent V_2O_5 per ton. There were also two truck loads sold from the area immediately

southwest of the portal of the east drift. In this vicinity the ore deposits average about 4 feet thick; but rapidly thin in an easterly direction along the new drift. Figure 2 shows the extent of the exploratory work and the location and analysis of samples taken by DMEA inspecting engineers.

In April 1954, 60 feet were advanced in the east drift through barren, iron stained sandstone. Because of the disappointing results obtained in this heading the operator requested and was granted a change in the direction of the work. As may be noted on figure 2, the end of the east drift prior to the start of the Government assisted work was a small room or stope, the walls of which showed economic ore. Therefore, it was mutually agreed to start a new drift in a northeasterly direction from this stope. The initial face of this new work is within a few feet of the starting point of the east drift.

During May 1954, the new drift, bearing about N. 70 E. was advanced 51 feet and a raise was driven 12 feet from near the end of the recently completed east drift. The raise was driven to explore the possibility of ore above the drift; however, the 8 feet of Entrada sandstone and 4 feet of Pony Express limestone penetrated were barren. Along the northeast drift ore in thicknesses up to 4 feet was encountered and about 45 tons were marketed. Three loads of this shipment averaged 0.12 percent U_3O_8 and 1.36 percent V_2O_5 per ton.

In June 1954 36-1/2 feet was advanced in the drift started in May and 37 feet were driven in a new drift bearing about N. 20 E. This latter opening was started in the northeast drift about 24 feet from the small stope at the end of the old east drift. Within 20 feet of the

beginning the new drift went out of the thick ore deposit from which the May shipment was made. The Government's field geologist in the area had made repeated requests of the operator to keep the exploratory drifts along the "edge" of the ore deposit. Either because it was impractical to conform or because of a difference in opinion, this suggestion was only half-heartedly complied with. As the work progressed it became reasonably apparent that the ore deposit in the Entrada sandstone had a limited extent in east and north directions from the starting point. It appeared that the prime objective of the operator was to extend the workings to some point from which access to the old stopes of the Lizzie G pyritic gold mine could easily be made; he later succeeded.

During July 1954, an advance of 42-1/2 feet was made in the new northeast drift. No mineralized rock of sufficient thickness to be classed as ore has been found in this drift during the period. About 30 tons of ore were shipped to the A.E.C. purchasing station at Monticello, Utah. It came from the area including the intersection of the two northeast drifts and is reported to had a maximum thickness of 4 feet. A sample cut from the southwest wall of this small stope where the deposit was 2 feet thick assayed 0.11 percent U_3O_8 and 1.84 percent V_2O_5 per ton.

In August 1954, the northeast drift was advanced 55-1/2 feet and a new drift was driven 19-1/2 feet. This latter opening was started from the southwest side of the stope at the end of the old east drift and bears about 560° W. The deposit in this drift has become increasingly thicker with the advance. The northeast drift is practically barren with only a slightly greenish 6-inch streak showing in the face. This material assayed 0.005 percent U_3O_8 and 0.18 percent V_2O_5 per ton.

During September 1954, 67 feet were driven in the southwest drift. A southeast trending fault was cut about 40 feet from the start of the drift and immediately on the foot wall of this broken zone the ore thickened to 8 feet. Beyond this point along the drift the ground was rather badly broken and the amount of ore decreased rapidly to 6 inches in thickness. During this period the operator on his own account drove a 12-foot raise from the face of the recently completed norteast drift into the side of an old Lizzie G stope. A very heavy pyritic flat lying vein was cut on one side of the raise while the other side was in gob of the old stope. The vein 10 to 16 inches thick at this point assayed 2.42 ounces gold, 31.65 ounces silver per ton and 1.20 percent copper, making a gross value of over $110.00.

During October and up to November 3, 1954, 23 feet of advance was made through broken ground in the southwest drift which was turned to the southeast about 30 feet back of the present face. This advance brought the total footage driven to 500 which fulfilled the specifications of the Government contract with the operator. There was only about 6 inches of mineralized rock in the face of this drift which assayed 0.006 percent U_3O_8 and 1.14 percent V_2O_5. A shipment of ore amounting to about 25 tons was made from this drift on the foot wall side of the fault. It is reported to have contained about 2 percent V_2O_5 and a small quantity of uranium.

EXPENDITURES

The contract authorized a total expenditure, in which the Government participated for 90 percent of $12,625.00. This money was to be spent at the agreed rate of $25.00 per foot of drifts, crosscuts and raise with the analysis of 25 samples at $5.00 each.

The total units of work and their costs are summarized below:

Work performed	Units Completed	Unit Cost Per Feet	Total Approved Cost
East drift	156	$25.00	$3900.00
70° N. E. drift	87.5	25.00	2187.50
20° N. E. drift	135.0	25.00	3375.00
S. W. drift	109.5	25.00	2737.50
East raise	12.0	25.00	300.00
Totals	500		$12,500.00

The actual completion of the total units of exploratory work reported by the operator has been verified by engineering inspection and accepted by the Regional Contract Administration and Audit Division in a Report of Review dated December 16, 1954.

DESCRIPTION OF THE DISCOVERY

Because the exploratory work was misdirected in some respects and, therefore, inadequately delineated the ore deposit certain assumptions regarding quantity and quality of the ore appear necessary. It seems safe to assume the deposit to be roughly circular in plan and about 100 feet in diameter, enclosing the area from the crosscut to about 10 or 15 feet beyond the end of the old east drift and/or stope (fig. 2). In this area, as previously mentioned, it is assumed that the more profitable concentrations will be found along major faults. A thickness of one foot is assumed for the deposit; which is about the least that can be

economically extracted by diligent mining methods. From the analysis of cut samples and the value of shipments it is assumed that the newly found ore should have a gross value, including A.E.C. bonuses, of $19.00 per ton. 500

On the basis outlined above it is estimated that the Government assisted exploration resulted in the discovery of 500 tons of inferred ore having a gross value of about $9,500.00.

CONCLUSIONS

It is concluded that the exploration was carried out and completed according to the contract and that Government participation in the total accepted expense of the project, based on the units of work actually completed at the agreed unit price, is valid and proper.

The ore discovered by the project is considered inadequate to return the cost of the work but perhaps as the operator contends the potential of the property is in the pyritic gold deposit above the uranium-vanadium horizon.

RECOMMENDATIONS

It is not recommended that the Government assist further exploration on this property, although it is considered that thorough investigation of the major faults in the favorite Entrada sandstone is warranted. Certification of Discovery or Development is recommended.

7-13-56

RECEIVED
JUL 12 1956

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorado

Date: July 9, 1956

Memorandum

To: **Chairman, Operating Committee, DMEA**
From: **Executive Officer, DMEA Field Team, Region III**
Subject: **Royalty payments,** Docket DMEA 3117 (Uranium), Contract Idm-E633, Clarence L. Neilson (Joe Dandy mine), San Miguel County, Colorado

Period: June, 1956

During the above month the following royalty payments were received for ore or concentrates shipped from the subject property:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
5/16/56-5/27/56		20.872	$6.12	$10.20	Below grade-no bonus due	

Totals:	20.872	$6.12	$10.20

Past Due Royalties Collected	None
Total Dry Tons (Ore or Cons.) Shipped to Date	189.426
Expiration Date of Royalty Repayment	Oct. 30, 1963
Amount of Government Participation	$11,250.00
Total Royalty Payments to Date	162.30
Percent of Loan Repayment	1.44%

W. M. Traver
W . Traver

vj
cc **Royalty File E** 633 **w/Settlement Sheets**
Monthly Royalty Payment File
J. F. Shaw (2) w/settlement sheet
Chron.

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

The New Customhouse
Denver 2, Colorado

Date:

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments.

Gentlemen:

During the above month the following royalty payments were received for ore or concentrates shipped from the subject property:

Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.

Form No. VW51—C1

VANADIUM CORPORATION OF AMERICA
SETTLEMENT SHEET

SHEET NO. 1 LICENSE NO. _____ DATE [illegible], 195[illegible]

SHIPPED BY [illegible] MINE OWNER [illegible]

ADDRESS [illegible] NAME OF MINE OR LEASE [illegible]

LEASED TO _____ LEASED FROM _____

ADDRESS _____ ADDRESS _____ TYPE OF ORE [illegible]

Lot No.	Gross Wt.	% H_2O	Net Weight	% $CaCo_3$	% V_2O_5	Lbs. V_2O_5	Per Lb. V_2O_5	Value V_2O_5	% U_3O_8	Lbs. U_3O_8	Per Lb U_3O_8	Value U_3O_8	Devel. Allow.	Value Total	Accts. Rec.	Balance	Lbs. $CaCo_3$
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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RECEIVED JUL 12 1956

RECEIVED JUL 12 1956

[illegible] 21.5 [illegible] x 20 [illegible] = 187.5 [illegible] [illegible]

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[illegible] [illegible] [illegible]

E 6 3 M

CHECK NO. _____ $ [illegible]

CHECK NO. _____ $ [illegible]

CHECK NO. _____ $ [illegible]

CHECK NO. _____ $ [illegible]

CHECK NO. _____ $ [illegible]

CHECK NO. _____ $ [illegible]

I hereby certify that the ore described above and sold is from the [illegible] Mine, and that I have authority, from its owner to remove and sell the same, that said ore is not encumbered by any liens or attachments and receipt of payment in full is hereby acknowledged.

_____
Vendor

By _____

4-13-56

RECEIVED
APR 13 1956

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorado

Date: April 10, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, DMEA Docket 3117 (Uranium), Contract Idm-E633, Clarence L. Neilson - Colorado

Period: March, 1956

During the above month the following royalty payments were received for ore or concentrates shipped from the subject property:

Lot No.	Dry Tons	Royalty Due	Royalty Pd.
		(NONE)	

Totals:

Past Due Royalties Collected	None
Total Dry Tons (Ore or Cons.) Shipped to Date	168.554
Expiration Date of Royalty Repayment	October 30, 1963
Amount of Government Participation	$11,362.50
Total Royalty Payments to Date	$152.10
Percent of Loan Repayment	1.34%

W. M. Traver

vj

cc Royalty File E 633 w/Settlement Sheets
Monthly Royalty Payment File
~~T. A. Christenson~~
J. F. Shaw (2)
Chron.

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

RECEIVED
MAR - 1 1956

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,

W. M. TRAVER

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

Enclosure

RDB/vj
cc: Royalty File E633
Sec. Opr. Comm. (2)
J. F. Shaw (2)
T. A. Christensen
Berkenkotter
Chron.

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

RECEIVED
FEB 20 1956

224 New Customhouse
Denver 2, Colorado

February 16, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

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

In conformance with the first Report of Royalty Review - Revised - dated January 7, 1955 by the Contract Administration and Audit Division, a copy of which was furnished to you February 7, 1956, we request that you have a check for $14.01 drawn in favor of Clarence Louis Neilson to reimburse him for the royalty overpayment.

Please send check to this office. We will forward it to Mr. Neilson with appropriate explanations.

W. M. TRAVER

W. M. Traver

RDB/vj

cc: Royalty File E633
Sec. Opr. Comm. (2)
J. F. Shaw (2)
D. T. Finch
Berkenkotter
Chron.

Jachet

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-R633, 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

R.C.L.

6-95 (Revised)
(April 1955)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

RECEIVED
DEC 19 1955

Route to:	Name	Room
1.	Robert E. Adams	
2.		
3.		
4.		
5.		

For:

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

Remarks:

These four copies of the short report were transmitted to you with semiannual reports. Please consider it as a supplemental to the Clarence Neilson semiannual report and file with it

From (Name) Berk Date Dec. 15, 1955.

Division—Office—Address DMEA Reg. III Ext: Room:

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
AUG 9 1955
BUREAU OF MINES
Denver, Colorado
RECEIVED

Building 20
Denver Federal Center
Denver 2, Colorado
August 9, 1955

DEC 19 1955
DMEA
Date Rec'd.

RECEIVED
DEC 7 1955
DEC - 5 1955
BUREAU OF MINES
Denver, Colorado

Region III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 3117, Contract Idm-E633 (Uranium) Clarence Neilson (Joe Dandy mine) San Miguel County, Colorado - Status of the mine.

The Joe Dandy mine, 1.2 miles north of Sawpit, Colorado was inspected by the writer and John F. Able, engineering aide on August 4, 1955. Underground workings were entirely inaccessible since adit portals are sealed by heavy, locked doors. All equipment has been removed, including surface tracks. Local residents say the property has been shut down since March or April, 1954.

for John F. Shaw
C. M. Harrer
Mining Engineer

CMH:jw

cc: 8
ENHarshman
E633
Chron.

Do not detach.

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

RECEIVED
JUN 20 1955

224 New Customhouse
Denver 2, Colorado

June 14, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payment - Clarence L. Neilson, Docket No. DMEA 3117, Contract Idm-E633 - Colorado

Enclosed is settlement sheet dated 3/28-5/27/55 covering ore shipped by Clarence L. Neilson to Vanadium Corporation of America.

Also enclosed is Vanadium Corporation of America check No. 6635 in the amount of $12.97 in payment of royalty due on this shipment.

E633

W. M. TRAVER

W. M. Traver

Enclosures

Form No. VW51—C1

VANADIUM CORPORATION OF AMERICA
SETTLEMENT SHEET

SHEET NO. 1 LICENSE NO. P-460 DATE 3-28/5-27-55, 195__

SHIPPED BY Clarence Neilson MINE OWNER M. S. Donnegan

ADDRESS Telluride, Colorado NAME OF MINE OR LEASE Joe Dandy

LEASED TO _____ LEASED FROM _____

ADDRESS _____ ADDRESS _____

TYPE OF ORE Rosco. C-1 n

Lot No	Gross Wt.	% H_2O	Net Weight	% $CaCO_3$	% V_2O_5	Lbs. V_2O_5	Per Lb. V_2O_5	Value V_2O_5	% U_3O_8	Lbs. U_3O_8	Per Lb. U_3O_8	Value U_3O_8	Devel. Allow.	Value Total	Deducts Rec'd	Balance	L Ca
7318	10620	6.6	9919	2.45	1.90	188			.02	1.98							
7975	17130	6.3	16051	2.45	1.95	313			.02	3.21							
7996	18640	6.2	17484	2.10	1.92	336			.01	1.75							
	46390		43454		1.93	837	.31	259.47	.02	6.94	N.V.	00.00		259.47			

Hauling 5.31 tons x 35 miles = 185.85 ton miles @ .06¢ -11.15

248.32

A/R Clarence Nielson 51.51 196.81

JUN 10 1955 BUREAU OF MINES Denver, Colorado

CHECK NO. 6633 6-10-55 $ 164.38 TO: Clarence Nielson, Telluride, Colorado

CHECK NO. 6634 6-10-55 $ 19.46 TO: Mrs. M. S. Donnegan, 4950 Maywood Avenue Eagle Park, Calif. (7½% V205)

CHECK NO. _____ $ _____

CHECK NO. 6635 6-10-55 $ 12.97 TO: U. S. Department of Interior, Bureau of Mines Mineral Branch, Bldg. 10, Denver Federal Center, Denver, Colorado (5% V205)

CHECK NO. _____ $ _____

CHECK NO. _____ $ _____

I hereby certify that the ore described above and sold is from the JOE DANDY Mine, and that I have authority from its owner to remove and sell the same, that said ore is not encumbered by any liens or attachments and receipt of payment in full is hereby acknowledged.

_____ Vendor

By _____

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

224 New Customhouse
Denver 2, Colorado

June 14, 1955

RECEIVED
JUN 2 3 1955

Plant Manager
Vanadium Corporation of America
Durango, Colorado

Re: Royalty Payment - Clarence L. Neilson, Docket No. DMEA 3117, Contract Idm-E633 - Colorado

Dear Sir:

Receipt is acknowledged of settlement sheet dated 3/28-5/27/55 covering shipment of ore by Clarence L. Neilson to Vanadium Corporation of America.

Four copies of all settlement sheets are required for our use, therefore, if arrangements could be made to supply four copies to this office we would greatly appreciate it.

Very truly yours,

W. M. TRAVER

W. M. Traver

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

224 New Customhouse
Denver 2, Colorado

May 13, 1955

Mrs. Minton S. Donegan
4950½ Maywood Avenue
Los Angeles 41, California

Re: Docket DMEA 3117 (Uranium)
Contract Idm-E633
Clarence Louis Neilson
Joe Dandy et al. Claims
San Miguel County, Colorado

Dear Mrs. Donegan:

Enclosed for your information is a copy of a letter dated May 2, 1955 to Mr. Clarence Louis Neilson with attached certification by the United States of America of a discovery or development under an exploration project contract.

This certification covers all the land described in Article 2 of the above described contract on which you signed Owner's Consent to Lien.

Very truly yours,

W. M. TRAVER

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

Enclosure

JWT:jp
cc Subject
Chron
Harshman
Shaw
Williams
Chairman, Operating Committee
Townsend

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

May 6, 1955

Re: DMEA-3117
C. L. Neilson
Joe Dandy Mine
Placerville district
San Miguel Co., Colo.
$12,500 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Subject: Final Field Team report

I concur with the Field Team in their recommendation to issue a certification and that no further exploration is warranted.

R. D. Trace

R. D. Trace

Docket

700

Ching
Ellis
Gibson
Kiilsgaard
Selfridge
Johnson

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

Mr. Clarence Louis Neilson
Box 875
Uravan, Colorado

MAY - 2 1955

Re: Docket No. DMEA-3117 (Uranium)
Contract No. Tdm-1633
Joe Dandy, et al., claims
San Miguel County, Colorado

Dear Mr. Neilson:

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

By the terms of the Exploration Project Contract, as amended, and of the certification, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract, from October 30, 1953, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum of $11,250.00 is paid, or until October 30, 1963, whichever occurs first.

Payments should be made to Mr. [illegible] N. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

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

MChing/gla 4-19-55
cc to: Minton S. Donegan (owner)
Admr.'s Reading File
Operating Committee
Docket
DMEA Field Team, Region III (2)
Mr. Hedges, Rm. 4604
Mr. Kiilsgaard, Rm. 5224
Enclosure

Sincerely yours,

C. O. Mittendorf (for)
Administrator

Mr. F. E. Johnson
Code 700
Mr. Ching

F.E.J.

Surname copy

Ching
Ellis
Champer
Seehan
Kiilsgaard
Selfridge
F. Johnson

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

Mr. Clarence A. Fredell
Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
7th and D Streets, S. W.
Washington 25, D. C.

MAY - 2 1955

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

Dear Mr. Fredell:

I am enclosing one copy of a certification of discovery or development relating to the subject exploration contract.

The contract, dated October 30, 1953, covers a project estimated to cost $12,625.00, with Government participation to the extent of 90 percent, or $11,362.50. Work under the project was started in January and completed in November, 1954. The auditor's Report of Review shows total expenditures during the life of the contract were $12,500.00, with Government participation amounting to $11,250.00.

The contract, as amended, provides for 500 feet of drifting, crosscutting and raising on the lower level of the Joe Dandy Mine to explore favorable ground to the east and south of the existing workings.

All the work authorized was completed. It resulted in the discovery of several hundred tons of low-grade uranium-vanadium ore, and was instrumental in exposing a promising gold-silver-copper vein. Because of the marginal nature of the uranium-vanadium ore remaining on the property no attempt has been made to estimate reserves.

The DMEA is of the opinion that the project work was of definite benefit to the property and, therefore, we have certified that a discovery or development resulted from the work.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/gla 4-19-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. Hedges, Rm. 4604
Kiilsgaard, Rm. 5224
Enclosure
F. E. Johnson, Rm. 4460
Code 700
Mr. Ching
DMEA FT, Region III (2)

700

Surname copy

Ching
Ell
Chung
Selfridge
F E Johnson

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

MAY - 2 1955

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

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

We do not find the address of Mr. Minton S. Donegan, owner of the property, in our file. Accordingly, there are attached extra copies of the certification of discovery or development and the covering letter to the Operator for transmittal to Mr. Donegan by your office.

Sincerely yours,

George C. Selfridge by ESJ

Chairman, Operating Committee

Enclosures

MChing/gla 4-19-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. Hedges, Rm. 4604
Kiilsgaard, Rm. 5224
Ching
F. E. Johnson
Code 700

APPROVED:

/s/ Robert W. Geehan by ESJ

Member, Bureau of Mines

Thor H. Kiilsgaard by ESJ

Member, Geological Survey

R.C.S.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 6 1955

April 6, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: Field Team final report, DMEA Docket 3117,
Contract Idm-E633, Joe Dandy Mine

I have reviewed the Field Team final report on DMEA Docket 3117, Contract Idm-E633, and have discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

We agree the exploration work resulted in a discovery of uranium for which a Certification of Discovery or Development is recommended.

The report is being forwarded to the Chief, Division of Minerals, in accordance with the routing slip attached thereto.

John E. Crawford

John E. Crawford

Copy to: Division of Minerals
Branch of Rare and Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)

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

RECEIVED
MAR 21 1955

224 New Customhouse
Denver 2, Colorado

March 16, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

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

Enclosed are the following final reports pertaining to work completed under the subject contract:

1. Original and one copy of the operator's final report.

2. Original and three copies of the final geologic report by the U.S.Geological Survey.

3. Original and three copies of the final engineering report by the U.S. Bureau of Mines.

4. Original and three copies of suggested Form B pertaining to the issuance of a Certification of Discovery or Development.

Final payment to the operator was processed by this office March 15, 1955 in conformance with the final Report of Review by the Contract Administration and Audit Division dated December 15, 1954.

The exploration work consisted of 500 feet of drifting, crosscutting and raising, at a total accepted cost of $12,500.00, in which the Government participated to the extent of 90% or an amount of $11,250.00.

The exploration work resulted in a discovery of uranium ore for which a Certification of Discovery or Development is recommended.

To date the operator has paid royalties to the Government, in conformance with the terms of the contract, in the amount of $153.14.

W. M. Traver

E. N. Harshman

Final F.T. Report

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

January 27, 1955

Date Rec'd. 1
JAN 28 1955
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3117 (uranium), Contract Idm-E633,
C. L. Nielson, Joe Dandy group, San Miguel County, Colorado

Enclosed are 10 copies of a Final Geologic Report by A. L. Bush, U. S. Geological Survey, covering exploration completed under the subject contract.

Bush describes the results of the DMEA exploration project and concludes that additional exploration with Government assistance is not warranted but that a certification of discovery should be issued. His recommendations appear justified.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (10)

Reviewed by
DMEA OPERATING COMMITTEE
3-25-55
(date)

MINERAL DEPOSITS
DMEA
RECEIVED
JAN 26 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. BOX 360
COLORADO PLATEAU DISTRICT
GRAND JUNCTION, COLORADO

January 20, 1955

Memorandum

To: E. N. Harshman, ~~Project Chief~~, DMEA Field Team, Region III

From: A. L. Bush

Subject: DMEA 3117 (uranium), contract Idm-E 633, C. L. Neilson, Joe Dandy group, San Miguel County, Colorado. Final Geologic Report

Transmitted herewith are 10 copies of the final geologic report on the above-referenced docket. This has been revised according to your suggestions to W. P. Williams of January 11, 1955.

A. L. Bush

A. L. Bush, (R)
Geologist.

ALB/mlr

2-25-55

Docket 700

Ellis
Com

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

Project Summary Report

By: Michael Ching May 12, 1955

1. Docket No. DMEA-3117 (Uranium)
Contract No. Idm-E633

Operator - Clarence Louis Neilson
Box 875
Uravan, Colorado

Property - Joe Dandy Mines, consisting of four claims, the Joe Dandy, Edward, Wesley, and Lone Wolf, San Miguel County, Colorado.
Operator is the Lessee. Owner's Consent to Lien, dated October 5, 1953, executed by Minton S. Donegan.

2. Contract dated October 30, 1953 (Short Form)

Work Authorized (as amended) -

Drift and crosscut in a northerly, easterly, and southerly direction from the existing face of the East drift in the lower Joe Dandy workings. The exact direction and extent of each working will depend on conditions encountered as the work progresses and must be acceptable to the Government. Raise a maximum of 18 feet from a point approximately 140 feet from the starting point along the new East drift.

Estimated cost:

500 ft. drifting, crosscutting and raising @ $25.00/ft.	$12,500.00
Sampling and analysis - 25 samples @ $5.00 each	125.00
Estimated total cost	$12,625.00
Government participation @ 90%	$11,362.50

Amendments -

No. 1, dated January 19, 1954, extends the starting period from 60 days to 90 days from the date of the contract.

No. 2, dated May 26, 1954, substitutes drifting in a northerly direction and a maximum of 18 feet of raising for the

completed portion of 400 feet of drifting due east, originally authorized.

No. 3, dated June 22, 1954, extends the completion period from 8 months to 11 months.

No. 4, dated September 7, 1954, changes the starting point of the 100-foot South drift to a point approximately 50 feet farther to the east.

No. 5, dated October 15, 1954, extends the completion period from 11 months to 12 months.

No. 6, dated November 4, 1954, allows any unexpended footage of the 400 feet covered by Amendment No. 2 to be used at the location and to the extent mutually agreed upon between the Operator and the Government.

Work completed -

12 feet of raising off the East drift	$ 300.00
488 feet of drifting and crosscutting in a northly, easterly and southerly direction	12,200.00
Total cost	$12,500.00

Above work represents the work chargeable to the contract. Near the close of the project the Operator drove a 12-foot raise from the end of the North drift, for hisown account. The raise encountered a pyritic vein 10 to 16 inches thick, that assayed 2.42 ounces gold and 21.65 ounces silver per ton, and 1.2 percent copper.

The project work was begun in January and completed in November, 1954.

3. Auditor's Report of Review, dated December 15, 1954.

Total cost as billed by Contractor	$12,500.00
Exceptions	None
Total accepted cost	$12,500.00
Government participation @ 90%	$11,250.00

4. Certification of Discovery - dated April 29, 1955.

5. Comments -

The project work was conducted in a fairly efficient manner.

The drifting and crosscutting was started in mineralized ground in the upper part of the Jurassic Entrada sandstone. The

was designed to find extensions of the ore body to the
th, east and south. As the work progressed, modifications
direction were made as results proved negative in any one
irection. Drifts to the east, northeast, and southwest
quickly ran out of the ore and it was concluded that the
deposit was quite limited in extent, was roughly circular
in plan, and centered in the eastern part of the old workings. The project work succeeded only in outlining the eastern, northeastern and southern edges of the mineralized area. The deposit was not uniform in grade nor in thickness. It ranged in thickness from a knife-edge to 4.5 feet and in content from 0.03 to 0.27 percent U_3O_8 and from 0.23 to 3.0 percent V_2O_5. During the contract period the Operator shipped 105 tons of ore which is estimated to average approximately 0.11 percent U_3O_8 and 1.46 percent V_2O_5.

Any ore remaining in the mine at the conclusion of the exploration project would be marginal in quality and limited in amount. It might amount to as much as 400 tons, but probably would not exceed 200 tons.

It is quite possible that the best potential of the property is in the pyritic gold-silver deposit which lies above the uranium-vanadium horizon.

The project results were more in the nature of a development than of a discovery. A certification was warranted, but participation by the Government in further exploration of the property would not be justified.

Michael Ching

Michael Ching

dited

Certified - will be

e Clarence L. Neilson

State Colorado

K ANALYSIS SHEET - DMEA PROJEC

Analysis as of 12/23/54
Incl. Voucher for Nov. 1954

Commodity Uranium

☐ Actual Cost
☒ Agreed Unit Costs

Docket No. 3117

Idm-E No. 633

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	500	12,500.00	500	12,500.00	
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Analyses		125.00		—	
Totals		$ 12,625.00		$ 12,500.00	

Prepared by F M Murphy

71626

COPY

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

FORM B

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:

Exploration by drifting and raising on property described in Article 2 of the contract has exposed a significant reserve of uranium and other ores.

Dated: _____ _____ ___

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration Administration

DMEA
Date Rec'd.
MAR 14 1955
BUREAU OF MINES
Denver, Colorado

March 10,1955

Mr. W.M. Traver
224 New Customhouse
Denver 2, Colorado

Dear Mr. Traver:

I am enclosing the information that you requested in your letter dated March 7,1955. This includes the progress maps with the record of loads of ore shipped under the contract Idm-E633, DMEA Docket 3117.

Items:

1. The actual date of starting the contract was January 25, 1954 and it was finished November 3,1954.

2. The amount of work completed was 500 units at the total cost ~~xfx2~~ of $12,500.00.
Units cost $25.00 per foot

3. The only unusual conditions that was encountered in performing this work was exceptionally hard ground that was very hard to pull.

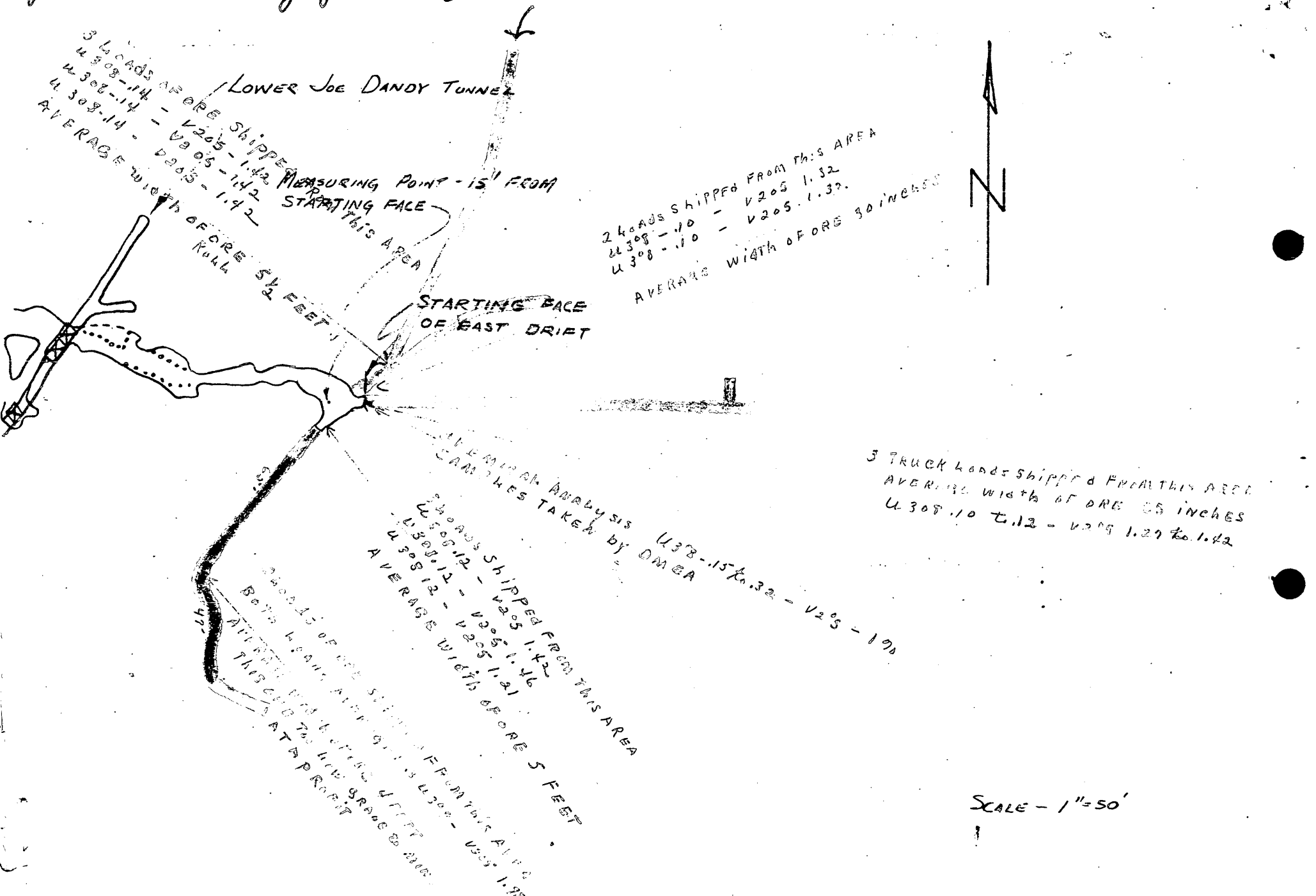
4. the complete results of the work as to what ore was shipped and what they run is described fully on the progress maps. Besides what ore that was shipped we opened up approxmately 100 tons of the same grade. too low grade to ship at the present

5. The loan granted $125.00 for samples but there was none of this used. The only samples taken were by Mr. Dare and no charge was made for this. The other samples that were taken, we had run at the Vanadium Corporation Of America previous to any loads of ore shipped.

Yours truly,
Clarence Louis Neilson

Cp's Final Report

After the contract with the DMEA was finished we explored the small Gold, Silver Vein that we found in a raise at this point and it is just a edging of ore left by previous mining years ago



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

21254-3

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

FORM B

To: 1/ **Clarence Louis Neilson, Box 875, Uravan, Colorado**

Pursuant to the provisions of Exploration Project Contract No. Idm **E-633**, 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:

Exploration by drifting and raising on property described in Article 2 of the contract has exposed a significant reserve of uranium and other ores.

Dated: _____

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

1/ Insert full name of operator as it appears in the Exploration Project Contract.

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

FORM A

To: 1/ _____

_____

Pursuant to the provisions of Exploration Project Contract No. Idm _____, dated _____ (Docket No. _____), 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 mineral deposit which is the subject of the exploration project, the Government considers and therefore certifies that a discovery or development has resulted from the work from which commercial production of ore may be made.

The Government's estimate of said discovery or development is particularly described and delimited as follows:

_____

_____

_____

_____

_____

_____

Dated: _____

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

1/ Insert full name of operator as it appears in the Exploration Project Contract.

Talbot

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-E633
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

R.C.G.

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

224 New Customhouse
Denver 2, Colorado

January 17, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payment - Clarence L. Neilson, Docket No. DMEA 3117, Contract Idm-E633 - Colorado

Enclosed is settlement sheet dated 5/16-12/31-54 covering ore shipped by Clarence L. Neilson to Vanadium Corporation of America.

Also enclosed is Vanadium Corporation of America check No. 6237 in the amount of $19.82 in payment of royalty due on this shipment.

Wm. Traver
W. M. Traver

Enclosures

ld

Copy to: Sec. Opr. Comm. (2) w/settlement sheet
J. F. Shaw w/settlement sheet
Royalty File E633
Chron

Form No. VW51—C1

VANADIUM CORPORATION OF AMERICA
SETTLEMENT SHEET

SHEET NO. 1 LICENSE NO. _____ DATE 5-16-[illegible]

SHIPPED BY Clarence Nielson MINE OWNER Mrs. M. S. Donnegan

ADDRESS Uravan, Colorado NAME OF MINE OR LEASE Joe Dandy

LEASED TO _____ LEASED FROM _____

ADDRESS _____ ADDRESS _____

TYPE OF ORE [illegible]

Lot No	Gross Wt.	% H_2O	Net Weight	% $CaCo_3$	% V_2O_5	Lbs. V_2O_5	Per Lb V_2O_5	Value V_2O_5	% U_3O_8	Lbs U_3O_8	Per Lb U_3O_8	Value U_3O_8	Devel. Allow.	Value Total	Accs Rec	Date
0838	21750	3.4	21011	4.04	1.42	298			.12	25.21						
0960	21200	4.9	20161	3.68	1.46	294			.12	24.19						
4154	22350	6.4	20920	2.30	1.94	406			.02	4.18						
4173	22370	6.4	20938	2.40	2.02	423			.03	6.28						
	87670		83030		1.71	1421	.31	440.51	.07	59.86	N.V.	00.00		440.51		

A/R Clarence Nielson 182.22 [illegible]

SETTLEMENT OKAY FOR D. W. VILES

Date Rec'd.
JAN 1955
BUREAU OF MINES
Denver, Colorado

CHECK NO. 6236 1-10-55 $ 33.04 TO: Mrs. M. S. Donnegan 4950 Maywood Avenue Eagle Rock, California
7½% V205 royalty

CHECK NO. 6237 1-10-55 $ 19.82 TO: U. S. Dept. of the Interior, Defense Minerals Administration
c/o W. H. King, Room 224 New Custom House Denver, Colorado
4¾% V205 royalty

CHECK NO. 6238 1-10-55 $ 204.73 TO: Clarence Nielson Box 875 Uravan, Colorado

I hereby certify that the ore described above and sold is from the JOE DANDY Mine, and that I have [illegible] sell the same, that said ore is not encumbered by any liens or attachments and receipt of payment [illegible] is free and clear of all liens and attachments except as [illegible]

By _____

L.C.S.S

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

DEC 23 1954

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

Re: Idn-F633, DMTA-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

R.C.J.

November 9, 1954

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 6, dated November 4, 1954, to the following contract:

IMEA-3117, Clarence Louis Neilson
Contract No. Idm-E633

/s/ Grace L. Ault

Grace L. Ault

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

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

224 New Customhouse
Denver 2, Colorado

November 4, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and two copies of Amendment No. 6 to Contract Idm-E633 which has been executed to modify the description of work to be performed.

Also enclosed are three sets of data relevant to the amendment.

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

W. H. King

W. H. King

Enclosures

RECEIVED
DEC 2 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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-2633 (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)
E633
Chron

COPY

October 7, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 - 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

October 23, 1954

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 5, dated October 15, 1954, to Contract No. Idm-E633, Docket No. DMEA-3117, Clarence Louis Neilson (Uranium).

/s/ Grace L. Ault

Grace L. Ault

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

224 New Customhouse
Denver 2, Colorado

October 15, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and two copies of Amendment No. 5 to Contract Idm-E633 which has been executed to extend the period for completion of the project work from 11 months to 12 months. Also enclosed are three copies of the operator's letter requesting the amendment.

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

W. H. King

Enclosures

RECEIVED
NOV - 5 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

3117

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

224 New Customhouse
Denver 2, Colorado

October 15, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty Payments

The attached Colorado Plateau Uranium Ore Project's check, No. 13605, in the amount of $768.01 is to be deposited in the suspense account. 1 check, in the amount of $15.59, is to be issued to Defense Minerals Exploration Administration and forwarded to the Region 11 office with the attached copies of settlement sheets for Eiselein, Nelligan & Nineminen, Liquidation No. 6158.

Balance of this check, $752.42, is to be credited to payments of royalties due as follows:

Liq. No.	Docket No.	Contract No.	State	Name	Amount
6128	3117	E633	Colo.	Clarence L. Neilson	$ 6.66
6164	2135	E381	Utah	Sunnyside Uranium Co.	242.49
6166	2888	E595	Colo.	Fred Schwartzwalder	342.69
6429	1957	E397	Utah	Ellihill Mining Co.	138.96
6107	3060	E638	Utah	Thornburg Mining Co.	17.19
6064	3060	E638	Utah	Thornburg Mining Co.	4.43
					$752.42

W. H. King

Enclosure

cc: Royalty File E633
E381
E595
E397
E638
Sec. to the Oper. Comm. (2) w/enc. settlement sheets
Traver (2) w/enc. settlement sheets
Wilson (3) w/enc. settlement sheets
Chron.

Form No. O-4 8-54.25M

COLORADO PLATEAU URANIUM ORE PROJECT

American Smelting and Refining Company, Ore Purchasing Agent For
United States Atomic Energy Commission

Receiving Station: Monticello, Utah — Grand Junction, Colorado: September 21, 1954

Liquidation No.: 6128 — Lot No.: 11742 — Shippers Lot No.:

Bought of: Clarence L. Neilson — A.E.C. License No.: F-460

Address: Box 875, Uravan, Colorado

Type of Ore: Carnotite — Contract No.: 227-V — Date Received: August Deliveries

Mining Claim: Joe Dandy — Mining District: San Miguel — Pile No.: 29

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
11742	18270	1.90	17923	.14	1.36	3.8	25.09	243.75	681.07

U_3O_8	Per lb.	Per Ton	Short Tons	Total Value
.14% = 2.8# at	$2.30	$6.44	8.9615	$ 57.71
Development allowance 2.8# at	.50	1.40	"	12.55
TOTAL U_3O_8 PAYMENT		$7.84	8.9615	$ 70.26
Haulage allowance (130) 100 miles @ 6¢ per wet ton mile			9.1350	54.81
TOTAL				$125.07
V_2O_5				
1.36% = 27.2# at	.31	8.432	8.9615	75.56
TOTAL GROSS PRICE				$200.63
Deductions:				
Sampling Charge s/c lot under 10 tons			1.00	
Royalties: Mrs. Hinton S. Donnegan 7-1/2% of (133.27) =			10.00	
DMKA No. 3117, 5% of (133.27) =			6.66	- 17.66
NET PROCEEDS				$182.97

Correct CFK — Paid September 21, 1954
Checked BFR — Vo. No. 9/132
Approved BCJ — Check No. 13325

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

Seller or Agent

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

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

224 New Customhouse
Denver 2, Colorado

OCT 18 1954

October 12, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

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

Check is enclosed in the amount of $46.99, signed by Philip Klingensmith and Lawrence S. Pinnock, which represents balance of royalty due for Clarence Louis Neilson on the following liquidation numbers:

A.E.C. Production Bonus, Liq. No. 5566	$ 2.04
A.E.C. Production Bonus, Liq. No. 5759	2.30
A.E.C. Production Bonus, Liq. No. 5935	10.25
Balance royalty due on Liq. No. 5935	12.18
Overpayment to be credited at later date	20.22
	$ 46.99

Settlement sheets have already been forwarded to you.

W H King
W. H. King

mn

cc: Royalty File E633
Sec. to the Oper. Comm. (2)
Traver
Chron.

224 New Customhouse
Denver 2, Colorado

September 23, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty Payments

Enclosed is Colorado Plateau Uranium Ore Project's check, No. 13316, in the amount of $808.35 in payment of royalties on the following contracts and liquidation numbers:

Liq. No.	Docket No.	Contract No.	State	Name	Amount
5907	2888	E595	Colo.	Fred Scwartzwalder	$239.01
5931	1957	E397	Utah	Ellihill Mining Co.	119.94
5934	1631X	E236	Utah	Excalibur Uranium	3.43
5935	3117	E633	Colo.	Clarence Neilson	24.56
5959	2135	E381	Utah	Sunnyside Uranium Co.	421.41
					$808.35

/s/ W. H.King

W. H. King

Enclosures

mm

cc: Royalty File E595
E397
E236
E633
E381

Sec. to the Oper. Comm. (2) w/enc. settlement sheets
Traver (2) w/ enc. settlement sheets
Wilson (3) w/enc. settlement sheets
Chron

copy

~~Mr. Ching~~

~~Mr. Ching~~

Division contract file

DEA - 3117

Form No. O-4 8-54 25M

COLORADO PLATEAU URANIUM ORE PROJECT

American Smelting and Refining Company, Ore Purchasing Agent For
United States Atomic Energy Commission

Receiving Station: Monticello, Utah — Grand Junction, Colorado: August 20, 1954

Liquidation No.: 5835 — Lot No.: 11580 — Shippers Lot No.:

Bought of: Clarence Rollison — A.E.C. License No.: P-460

Address: P. O. Box 475, Craven, Colorado

Type of Ore: Carnotite — Contract No.: 227-V — Date Received: July Deliveries

Mining Claim: Joe Dandy — Mining District: Naturita — Pile No.: 29

Country: Montrose — State: Colorado — Locality: Homegrown

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$		CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$	
11580	66340	4.04	63663	0.14	1.45	4.3		89.13	923.11	2737.51	

U3O8	Per Lb.	Per Ton	Short Tons	Total Value
0.14% - 2.0# at	$2.30	$6.44	31.8315	$205.00
Development allowance 2.0# at	.50	1.40	"	44.56
TOTAL U3O8 PAYMENT		$7.84	31.8315	$249.56
Haulage allowance 100 (130) miles @ 6¢ per wet ton mile			33.1700	199.02
TOTAL				$448.58
V2O5				
1.45% - 29.0# at	.31	8.99	31.8315	286.17
TOTAL GROSS PRICE				$734.75
Deductions:				
Royalties: Mrs. Minton H. Dannegan 7 1/2% of 481.16 =			$36.84	
DMEA Docket #3127 - 5% Of (481.16) =			24.56	
				61.40
NET PROCEEDS				$673.35

Correct CFK — Paid August 20, 1954
Checked DFR — Vo. No. 8/118
Approved HCJ — Check No. 13307

mkt

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

Seller or Agent

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

®

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

224 New Customhouse
Denver 2, Colorado

September 13, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

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

Check in the amount of $8.33 forwarded you on September 2, 1954, to be held in suspense is to be transferred from that account to Payments Made by Operator.

This payment represents A.E.C. Production Bonus from the Joe Dandy Mine on settlement sheet covering the dates of 2-28/4-15-1954, which was transmitted to you May 12, 1954.

John F. Shaw
For W. H. King

mn

cc: Royalty File E633
Sec. to the Oper. Comm. (2)
Traver
Chron.

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

SEP 17 1954

224 New Customhouse
Denver 2, Colorado

September 13, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed is check in the amount of $9.04 from Lawrence S. Pinnock which represents balance of royalty due for Clarence Louis Neilson, Contract E633, on the following Lot Numbers:

Lot No. 5566	$3.97
Lot No. 5759	5.07
	$9.04

John F. Shaw
For W. H. King

cc: Royalty File E633
Sec. to the Oper. Comm. (2)
Traver
Chron.

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

September 13, 1954

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 4, dated September 7, 1954, to Contract No. Idm-8633, dated September 7, 1954, Docket No. DMEA-3117, Clarence Louis Neilson.

/s/ Grace L. Ault

Grace L. Ault

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

224 New Customhouse
Denver 2, Colorado

September 7, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and two copies of Amendment No. 4 to Contract Idm-E633 which has been executed to change the location and direction of the 100 foot drift to be driven under the terms of the contract. Also enclosed are three sets of data relevant to the amendment.

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

W. H. King

W. H. King

Enclosures

RECEIVED

SEP 17 1954

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

224 New Customhouse
Denver 2, Colorado

September 2, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed is check in the amount of $8.33 in payment of royalty.

Please hold this check in the suspense account pending advice from the Operator.

W. H. King

W. H. King

Enclosure

RDB:es

cc: Royalty File E633
Sec. to the Oper. Comm. (2)
Traver
Chron.

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

224 New Customhouse
Denver 2, Colorado

August 17, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty Payments

Enclosed is check in the amount of $783.86 from Colorado Plateau Uranium Ore Project in payment of royalties on the following contracts and liquidation numbers:

Liq. No.	Docket No.	Contract No.	State	Name	Amount	
700 5759	3117	E633	Colo.	Clarence Nielson	$ 8.59	check
700 5775	2135	E381	Utah	Sunnyside Uranium Co.	455.84	KNOWNS $528.41
700 5705	2888	E595	Colo.	Fred Schwartzwalder	202.40	check
700 5769	1957	E397	Utah	Ellihill Mining Co.	39.00	"
700 5770	1957	E397	Utah	Ellihill Mining Co.	55.05	"
700 5780	1631X	E236	Utah	Excalibur Mining Co.	22.98	KNOWNS $19.06
					$783.86	

W. H. King

W. H. King

Enclosures

mn

cc: Royalty File E633
E381
E595
E397
E236
Sec. to the Oper. Comm. (2) w/enc. settlement sheets
Traver (2) w/enc. settlement sheets
Wilson (3) w/enc. settlement sheets
Chron.

Form No. 4 11-53-10M

COLORADO PLATEAU URANIUM ORE PROJECT

American Smelting and Refining Company, Ore Purchasing Agent For
United States Atomic Energy Commission

Receiving Station: Monticello, Utah — Grand Junction, Colorado: July 23, 1954

Liquidation No.: 5739 — Lot No.: 11252 — Shippers Lot No.:

Bought of: Clarence Nielsen — A.E.C. License No.: P-460

Address: Box 875, Uravan, Colorado

Type of Ore: Carnotite — Contract No.: 227-F — Date Received: June Deliveries

Mining Claim: Joe Dandy — Mining District: Gateway — Pile No.: 34

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
11252	32060	3.61	30711	.10	1.32	4.6	30.71	405.39	1412.71

U3O8	Per Lb.	Per Ton	Short Tons	Total Value
.10% - 2.0# at	$1.50	$3.00	15.3555	$ 46.06
Development allowance 2.0# at	.50	1.00	"	15.36
TOTAL U3O8 PAYMENT		$4.00	15.3555	$ 61.42
Haulage allowance 90 miles @ 6¢ per wet ton mile			15.930	86.02
TOTAL				$147.44
V2O5				
1.32% - 26.4# at	.31	8.184	15.3555	125.67
TOTAL GROSS PRICE				$273.11

Deductions:

Cash Advance as per detail attached	$200.00	
Royalties: DMEA 5% of 171.73 = 8.59		
Mrs. Dorrington 7 1/2% - 171.73 = 12.88		
	21.47	
		-221.47
NET PROCEEDS		$ 51.64

Correct WPP — Paid July 23, 1954
Checked LRJ — Vo. No. 7/163
Approved MCJ — Check No. 12725

mlt I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

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

224 New Customhouse
Denver 2, Colorado

July 16, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-Fred Schwartzwalder, Docket No. 2888, Contract No. E595, Colorado; Ellihill Mining Company, Docket No. 1957, Contract E397, Utah; C. L. Neilson, Docket No. 3117, Contract No. E633, Colorado; Sunnyside Uranium Co., Docket No. 2135, Contract No. E381, Utah

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

Liq. No.	5492-Fred Schwartzwalder, E595	$123.78
	5581-Ellihill Mining Co., E397	42.37
	5566-C. L. Neilson, E633	5.39
	5588-Sunnyside Uranium Co.E381	137.72
		$309.26

Also enclosed is check in the amount of $309.26 in payment of royalty on these shipments.

/s/ WH King
W. H. King

Enclosures

es

cc: Royalty File E595
" " E397
" " E633
" " E381
Sec. to the Oper. Comm. (2) w/enc. settlement sheets
Traver (2) w/enc. settlement sheets
Wilson (2) w/enc. settlement sheets
Chron.

C
O
P
Y

COLORADO PLATEAU URANIUM ORE PROJECT

American Smelting and Refining Company, Ore Purchasing Agent For
United States Atomic Energy Commission

Receiving Station: Monticello, Utah — Grand Junction, Colorado: June 17, 1954

Liquidation No.: 5866 — Lot No.: 11077 — Shippers Lot No.: P-460

Bought of: Clarence Louis Nielson — A.E.C. License No.:

Address: P. O. Box 875, Uravan, Colorado

Type of Ore: Carnotite — Contract No.: 227-7 — Date Received: 5/11/54

Mining Claim: Joe Dandy — Mining District: San Miguel — Pile No.: 30

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
11077	18620	4.20	17867	.12	1.21	4.7	21.44	216.19	839.75

U3O8	Per Lb.	Per Ton	Short Tons	Total Value
.12% = 3.4# at	$1.90	$4.56	8.9335	$ 40.74
Development allowance 3.4# at	.30	1.20	"	10.72
TOTAL U3O8 PAYMENT		$5.76	8.9335	$ 51.46
Haulage allowance 100 miles @ 6¢ per wet ton mile			9.3250	55.95
TOTAL				$107.41

V2O5				
1.21% = 24.2# at	.31	7.502	8.9335	67.02
TOTAL				$174.43
Mileage adjustment as per detail attached				+ 13.72
TOTAL GROSS PRICE				$188.15
Deductions:				
Sampling Charge s/c Lot under 10 tons			1.00	
Royalty: Mrs. Minton S. Pennegan, 7-1/2% of (107.76)			8.08	
SNKA Loan, 5% of (107.76) =			5.39	- 14.47
* 3/17				
NET PROCEEDS				$173.68

Correct WKC — Paid June 17, 1954
Checked LRJ — Ve. No. 6/146
Approved RJ — Check No. 12377

air

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

June 30, 1954

Memorandum

To: Hazel Perry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 3, dated June 22, 1954, to Contract No. Idm-E633, Docket No. DMEA-3117, Clarence Louis Neilson.

/s/ Grace L. Ault

Grace L. Ault

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

224 New Customhouse
Denver 2, Colorado

June 22, 1954

INTERIOR DEPT.
JUL 7 - 1954
SOLICITOR

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and two copies of Amendment No. 3 to Contract Idm-E633 which has been executed to extend the period for completion of the project work from 8 months to 11 months. Also enclosed are three copies of the operator's letter requesting the extension of completion time.

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

W H King
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

June 22, 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 check in the amount of $4.27 which represents the balance due the U. S. Government on royalty for shipment made 2-28/4-15-54.

W. H. King

Enclosure

es

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

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

June 4, 1954

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Approval of Amendment

Mr Ching has reviewed and approved Amendment No. 2, dated May 26, 1954, to Contract No. Idm-E633, Docket No. DMEA-XIX7, Clarence Louis Neilson (Uranium).

/s/ Grace L. Ault

Grace L. Ault

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

224 New Customhouse
Denver 2, Colorado

May 26, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

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

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E633 which has been executed to change the description of the work. Also enclosed are three sets of data relevant to the amendment.

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

W. H. King

W. H. King

Enclosures

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-E633 (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-E633. 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

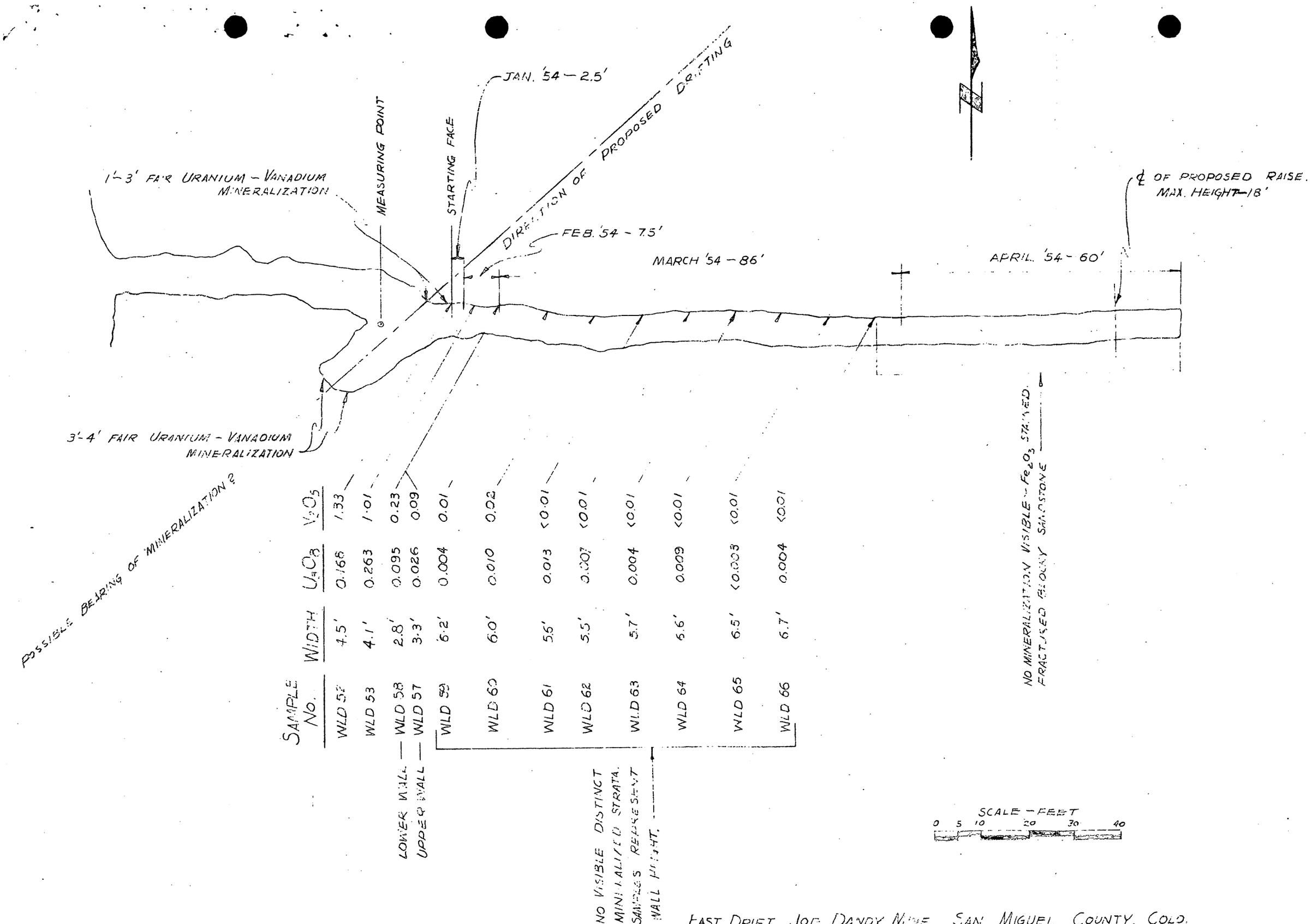
specified bearing be designated but that drifting in a general northeast direction be approved.

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
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	5.5'	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)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 350
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. Neilson)

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~~ partly 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

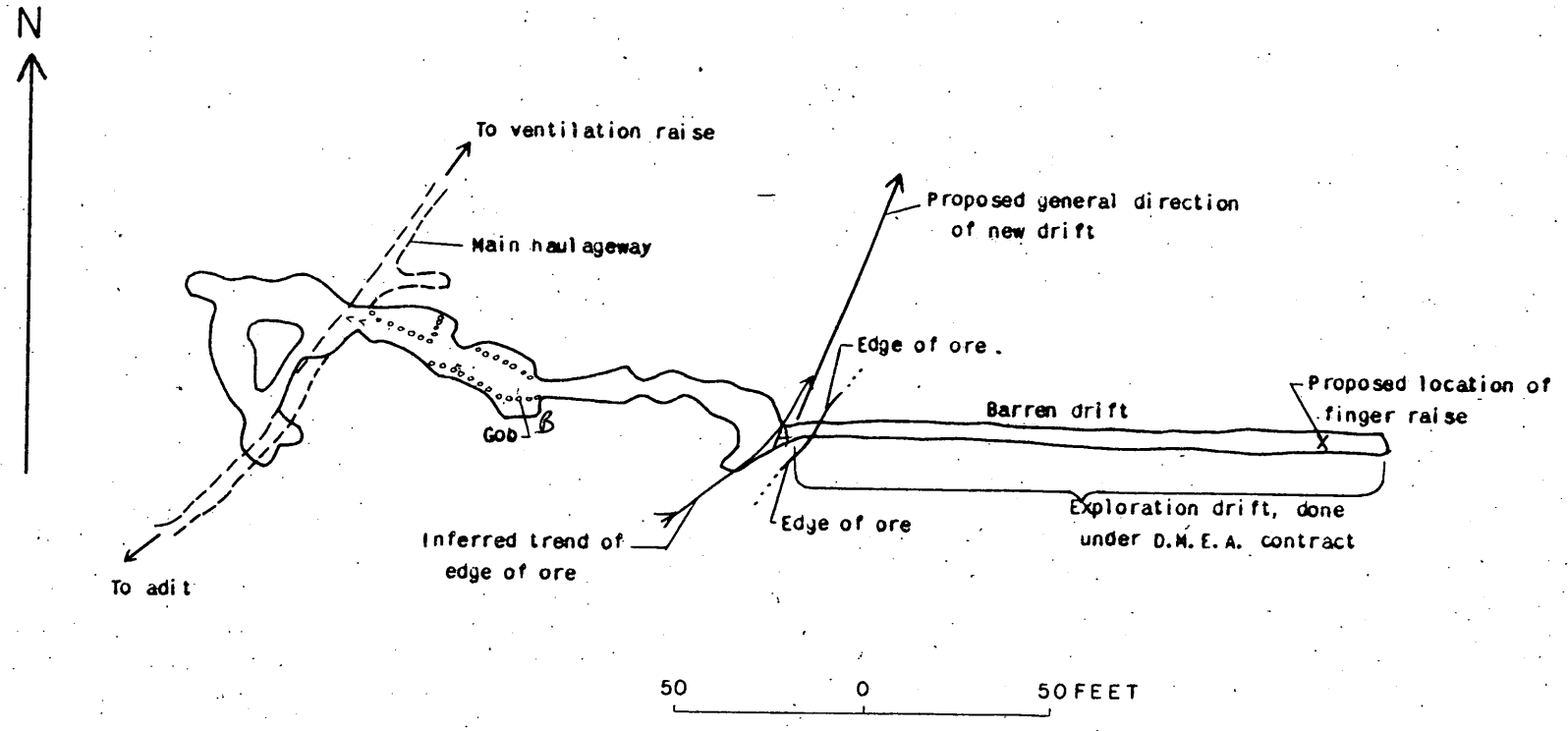
to prospect for the presence of the vanadium layer above the drift level. These raises generally will not exceed 15 feet in height and probably will not involve more than 60 feet of raise in total. It is proposed that the cost times footage for the raises be deducted from the cost times footage provided 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 BNEA 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

May 6, 1954

Mr. W. M. 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 lime 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

January 26, 1954

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 1, dated January 19, 1954, to contract No. Idm-E633, Docket No. DMEA-3117, Clarence Louis Neilson.

/s/
Grace L. Ault

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 22 1954

2/9

224 New Customhouse
Denver 2, Colorado

January 19, 1954

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E633 which has been executed to extend the starting date of work under the contract from 60 to 90 days. Also enclosed are three copies of a letter from the operator requesting the amendment.

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

W. H. King

Enclosures

COPY

Mr. and Mrs. Clarence L. Nielson
Nelson Mining Company
Uravan, Colorado

January 6, 1954

Mr. A. 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

FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

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

DATE: December 1, 1953

Defense Minerals Administration
RECEIVED
DEC 3 - 1953

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

SUBJECT: Field Team Report, DMEA Docket 3117, (Uranium), C. L. Neilson, applicant, Uravan, Colorado; Joe Dandy, Edward, Wesley, and Lone Wolf claims, Lower San Miguel Mining District, San Miguel County, Colorado

The Field Team report concerning application for Government assistance to explore the property identified above has been reviewed, A contract, Idm-E633, was approved in Region IV and is in effect.

Comment

The general Placerville Area, Colorado, as pointed out in the report, has been a large source of vanadium ore mined from the Entrada sandstone. Most of this ore is too lean in uranium to be of commercial grade for that element. The Joe Dandy mine is one of two mines, however, that has produced salable uranium ore. About 45 tons of ore averaging about 0.17 percent of U_3O_8 and 1.39 percent V_2O_5 has been produced from the lower entry level workings of the Joe Dandy mine. Most of it is believed to have come from the eastern part of the main east drift off the entry cross cut. Radioactivity and uranium content of shipments show a progressive eastward increase along the general long axis of the ore-body.

The examiners believe that further exploration by drifting may reveal additional uranium ore. They recommended 400 feet of drifting easterly along the trend and 100 feet of drifting southeasterly across the trend and parallel to a fault that strikes S 15° E and limits the ore body on the west, at a total cost of $12,625.00. The amount of work is about half that requested by the applicant.

Conclusion

I concur with the conclusions of the examiners that, "The chance of developing a reasonable tonnage of ore is sufficiently good to justify exploration, and valuable geologic information will also be obtained." The geologic information would be applicable to estimating the uranium potential of the area. I concur with the action of the Field Team in granting Government assistance in the total amount of $12,625, Government participation $11,362.50.

Arthur P. Butler, Jr.

Copies to: E. Wm. Ellis (2)

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

RECEIVED
NOV 27 1953

November 25, 1953

Memorandum

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

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

Subject: Field Team Report, DMEA Docket 3117, contract Idm-E633, C. L. Neilson, Joe Dandy Group, San Miguel County, Colorado

I have reviewed the subject report and discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

I concur with the action of the Field Team in granting Government assistance for exploration in the Government's proportionate share of a total cost of $12,625.00.

The report has been forwarded to the Chief, Minerals Division, Bureau of Mines, in accord with the routing slip attached thereto.

H. D. Keiser

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

DEPARTMENT OF THE INTERIOR
NOV 5 1953

ON-SITE EXAM

224 New Customhouse
Denver 2, Colorado

November 5, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Report of Examination - DMEA Docket 3117 (Uranium), C. L. Neilson, Joe Dandy Group, San Miguel County, Colorado.

Enclosed are the original and three copies of the report of examination on the subject docket. The contract has been signed and is in effect.

W. H. King
W. H. King

E. N. Harshman
E. N. Harshman
For A. H. Koschmann

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 1, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Report of Examination - DMEA Docket 3117 (Uranium), C. L. Neilson, Joe Dundy Group, San Miguel County, Colorado.

Enclosed are ten copies of the engineer's report of examination on the subject docket.

The applicant requested $27,310.00 to explore the property by 1,000 feet of drifting and crosscutting.

The examiners recommend 100 feet of drifting along the fault and 400 feet of drifting to explore the favorable ground to the east at a total cost of $12,625.00.

We concur in this recommendation.

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 17, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 3117, Joe Dandy mine (Uranium), C. L. Neilson, San Miguel County, Colorado

Enclosed are the original and ten copies of the "Summary, Conclusions, and Recommendations" by Alfred L. Bush, Geological Survey, and Russell R. McLellan, Bureau of Mines, and of McLellan's engineering report on the subject docket.

McLellan concludes the Joe Dandy mine has a reasonably good potential for the delineation of uranium reserves because of past production and favorable situation. He recommends a slightly modified program comprising two separate drifts from present mine workings, one of 100 feet and one of 400 feet to explore the most favorable ore-bearing strata at an estimated total over-all cost of $12,625.00, including a small amount of road repairs and maintenance. He recommends a short-form contract at a unit cost of $25.25 per foot and I approve.

This is only a slight revision of the program proposed by the applicant and serves the same purpose. Both the Geological Survey geologist and Bureau of Mines engineer attempted to contact the applicant to obtain his approval of the changes, but were unsuccessful. Inasmuch as the changes are small, of minor importance, and are less costly than the $27,310.00 requested by the applicant, it is assumed the engineer's proposal will be acceptable.

The brochure submitted with your memorandum of July 16, 1953, instructing us to prepare a suitable report, and the copy of the geologic report loaned us September 4, 1953, for use in the preparation of our engineer's report are also enclosed.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc 10
DMEA 3117
DMEA Chron

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

200 New Customhouse
Denver 2, Colorado

August 20, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 3117, Neilson, Joe Dandy group, San Miguel County, Colorado

Enclosed are 10 copies of the geologic report by A. L. Bush of the U. S. Geological Survey covering the above docket.

A reduced and revised plan of exploration is proposed and recommended for approval.

E. M. Hawkman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (10)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. BOX 360
GRAND JUNCTION, COLORADO

August 17, 1953

Memorandum

To: A. H. Koschmann
Field Team, Region IV

From: R. P. Fischer
Colorado Plateau District Office

Subject: DMEA 3117, Neilson, Joe Dandy group, San Miguel County, Colorado

Transmitted herewith are ten copies of a geologic report on the Joe Dandy group of claims, Placerville district, San Miguel County, Colo. C. L. Neilson, lessee, has applied for assistance to drive 1,000 feet of drift to explore for uranium ore. The exact location of the proposed work on the claims was not specified. The total cost was estimated to be $27,310.00

The attached report was prepared by A. L. Bush and is based on a field examination made jointly on July 22 with R. R. McLellan, Bureau of Mines, and myself.

The Placerville district has yielded a large tonnage of vanadium ore from the Entrada sandstone. Most of this ore is too low in uranium to be sold for its uranium content under the present ore-buying schedule of AEC, although a small quantity of ore containing more uranium than average has been mined from the Joe Dandy group and also from at least one other Placerville mine.

In order to test the grade, continuity, and extent of a possible uranium ore body in the Joe Dandy workings, the report recommends that the Government enter in a contract to do 500 feet of exploratory drifting and perhaps a limited amount of jack-hammer drilling from the old Lizzie G. workings. The chances of finding exploitable uranium ore are considered good.

I concur with conclusions and recommendations of the report.

R. P. Fischer

R. P. Fischer
Acting District Supervisor

Enclosures 10

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 3117, C. L. Neilson

Joe Dandy Group

San Miguel County, Colorado

Uranium

Alfred L. Bush, Geologist
Geological Survey

Russell R. McLellan, Mining Engineer
Bureau of Mines

September 16, 1953

DMEA 3117

C. L. NEILSON
JOE DANDY GROUP
SAN MIGUEL COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By Alfred L. Bush
Geologist
Geological Survey

and

Russell R. McLellan
Mining Engineer
Bureau of Mines

DMEA 3117

C. L. NEILSON
JOE DANDY GROUP
SAN MIGUEL COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Alfred L. Bush and Russell R. McLellan

C. L. Neilson of Uravan, Colo., applied to the Defense Minerals Exploration Administration for assistance to explore for uranium on the Joe Dandy group of claims in the Lower San Miguel Mining District, San Miguel County, Colo. The applicant proposed to spend $27,310.00, Government participation 90 percent or $24,579.00, to drive approximately 1,000 feet of drifts and crosscuts ahead of the present Joe Dandy mine workings. An inspection of the property by Government field representatives revealed that the deposit has sufficient uranium mineralization to justify a modified program of exploration to consist of 500 feet of drifting at a cost of $12,625.00, Government participation 90 percent or $11,362.50.

The Joe Dandy mine has developed small ore deposits in an established uranium-vanadium strata in the Entrada sandstone of the Placerville district, San Miguel County, Colo. A continuity of mineralized rock containing more than 0.10 percent U_3O_8, greater than is common in the district, is indicated by the production of 45 tons averaging about 0.17 percent U_3O_8 from one restricted stope in the mine. The production of several hundred tons of rock averaging about 0.17 percent U_3O_8 from another mine in the district indicates that a few

exploitable bodies of uranium-bearing rock are present. The chance of developing a reasonable tonnage of ore is sufficiently good to justify exploration, and valuable geologic information will also be obtained. A reduced plan of exploration, totaling about 500 feet of drifting and crosscutting, will provide sufficient information to justify serious mining or to indicate that the ore bodies containing more than 0.10 percent U_3O_8 are too small, and possibly too scattered to exploit.

The following revised program of exploration is recommended for approval:

(1) Drift 100 feet on a bearing of S. 15° E. starting at a point in the east drift of the lower Joe Dandy workings approximately 50 feet from the main crosscut.

(2) Drift 400 feet on a bearing of due east starting at the face of the east drift of the lower Joe Dandy workings.

The work can be completed in approximately 6 months at an estimated cost of $25.25 per foot or a total expenditure of $12,625.00, Government participation 90 percent or $11,362.50.

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS MCKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM

REGION IV

DMEA 3117 (Uranium)

C. L. Neilson, Joe Dandy group,

San Miguel County, Colorado

By

Alfred L. Bush, Geologist
U. S. Geological Survey

August 1953

DMEA 3117 (Uranium)

C. L. NEILSON, JOE DANDY GROUP,
SAN MIGUEL COUNTY, COLORADO

INTRODUCTION AND SUMMARY

The application (DMEA 3117) by C. L. Neilson is for assistance in exploration for exploitable concentrations of uranium in the vicinity of Sawpit, San Miguel County, Colo. Neilson is the lessee on four unpatented mining claims--Joe Dandy, Edward, Wesley and Lone Wolf. These claims lie about one-third mile northeast of Sawpit and are accessible by 1 mile of graded dirt road. The claims are amenable to year-round operation, except for short periods of exceptionally heavy rains or snow. All mine workings in the uranium-vanadium horizon are on the Joe Dandy claim (also known as the Donegan lease).

The property was visited on July 22, 1953, by R. R. McLellan, Bureau of Mines, and A. L. Bush and R. P. Fischer, Geological Survey. The applicant was not present, but was to be contacted by McLellan following the examination.

Neilson proposed 1,000 feet of drifting and crosscutting to explore the deposit, but gave no concrete plan of exploration. McLellan, Fischer, and Bush concur in a reduced and revised plan of exploration, involving 500 feet of drifting and crosscutting, and a suggestion for some jackhammer exploration. The original application is for $27,310.00; Government participation 90 percent. Revised cost data for the reduced program will be furnished by McLellan.

The work to be done is an excellent opportunity to investigate the extent of exploitable uranium ore bodies in the predominantly vanadium-bearing deposits in the Entrada sandstone, and has a reasonable chance of developing a small to moderate tonnage of ore. The reduced program of exploration is therefore recommended for approval.

GEOLOGY

The uranium concentrations sought in this exploration are in the uranium-vanadium deposits in the Jurassic Entrada sandstone. The geology of these deposits, with particular emphasis on the vanadium component, has been described by Fischer, Hoff, and Rominger, "Vanadium deposits near Placerville, San Miguel County, Colorado," Colo. Sci. Soc. Proc., vol 15, no. 3, p. 117-134, 1947. Uranium, in concentrations that usually average less than 0.10 percent U_3O_8, is intimately associated with vanadium in minerals that impregnate the sandstone, in a blanket-like, wavy layer, that forms essentially continuous deposits. The deposits conform to the bedding in general but not in detail.

In the Placerville district, these deposits form two elongate belts. The western belt, near Placerville, is traceable for a length of about 9 miles and a width of about 1½ miles. An eastern belt is exposed near Sawpit, and is traceable for a length of about 2 miles and a width of a little less than 1 mile. Within these belts the deposits range in thickness from a fraction of an inch to as much as 20 feet. Generally, the mineralized layer lies 25 feet or less below the base of the Pony Express limestone, which overlies the Entrada sandstone.

At the Joe Dandy claim, the Entrada sandstone appears to dip slightly to the northeast. The beds are displaced by a normal fault that strikes about N 15-20° W, and dips about 60-70° NE (see attached sketch map, fig.1). The fault has a throw of about 150 feet. The uranium-vanadium horizon has been mined from the outctop to the fault, on the unthrown side, and has been mined from a 350-foot drift and a 150-foot stope on the downthrown side.

A well-defined roll trending about N 70° E, is present in the upper workings. Eastward, near the fault, the roll is less well defined, and may not continue very far beyond the fault. The trend of the ore body in the stope in the lower workings changes from S 70° E, at the west end, to due east at the east end. No well-defined roll is present.

Radiometric examination of all the workings indicates that radioactivity is lowest in the upper workings and in the western part of the lower workings, and increases to the east end of the stope in the lower workings. In this end of the stope, the mineralized rock is about 4 feet thick, and the most radioactive part of the layer is the lower 18 inches. The photostat of mill receipts (attached to DMEA brochure) for about 45 tons of ore produced from May to August 1952, shows an average grade of about 0.17 percent U_3O_8, with a progressive increase in grade of the shipments from 0.10 to 0.28 percent U_3O_8. Mine mapping done in July 1952 by the author indicates that this production very probably came from the east end of the stope in the lower workings. It is possible that selective mining was done, at least in the last two shipments, in an effort to get as high-grade U_3O_8 as possible. Exposures in the stope are not sufficient to indicate definitely the trend of the greatest U_3O_8 concentration in the ore body, other than a general eastward increase.

One other mine in the Placerville district has produced an appreciable tonnage of uranium-vanadium ore that averaged about 0.17 percent U_3O_8. In all the other workings of the district, the U_3O_8 content has been quite consistently below 0.10 percent, although individual shipments (perhaps one in ten or fifteen) contain more than 0.10 percent U_3O_8.

Both east and northwest of the Joe Dandy workings, the Pony Express limestone, which overlies the Entrada sandstone, is mineralized with replacement bodies of pyrite and galena, with some gold. These deposits have not as yet been studied by the author, but they are briefly described by C. W. Purington, in the section on economic geology of the Telluride quadrangle, U. S. Geol. Inv., Geol. Atlas, Telluride folio, no. 57, p. 18, 1899. The relationship between the uranium-vanadium mineralization in the Entrada sandstone and the Au-Pb-Fe mineralization in the Pony Express limestone has not yet been investigated, and is not understood. These replacement bodies in the Pony Express have been mined in the Lizzie G. workings, whose adit is about 1,500-1,700 feet east of the Joe Dandy workings. A drift at least 1,300 feet long extends from the Lizzie G. access drift, generally west and northwest toward the lower workings of the Joe Dandy claim. The exact spatial relations of this drift and the stope in the lower Joe Dandy workings have not been determined, but they are undoubtedly within a few hundred feet of each other.

PROPOSED EXPLORATION

Neilson's application does not indicate a definite location plan for exploration by 1,000 feet of drifting and crosscutting. McLellan, Fischer, and Bush concur in a reduced plan of exploration outlined below:

1. To investigate the trend of the high-uranium part of the ore body and its possible relationship to the main fault in the workings, not over 100 feet of drifting in a direction S 10-15° E (generally parallel to the fault) from point marked "A" on figure 1.

2. To investigate the trend and extent of the high-uranium part of the ore body (as now explored), not over 400 feet of drifting and crosscutting, in a general easterly direction, mostly from the point marked "B" on figure 1. If the limits of the ore body are determined with this effort before the completion of 400 feet of exploration, the remainder may be used to explore generally eastward from the point marked "C" (fig. 1) as the uranium-vanadium layer appears to be dipping to the north or northeast in this area. Any ore body of reasonable size encountered in this exploration should be sufficient encouragement for the operator to continue exploration at his own expense.

A most effective and inexpensive way to test the mineralized rock in the Entrada sandstone would be to put down jackhammer holes and possible some winzes for a depth of as much as 25 feet from the old drifts and stopes in the Pony Express limestone, in the Lizzie G. workings on the Wesley claim (see fig. 2). In addition, this would provide considerable information on the relationship between the two types of ore mineralization in the area. No concrete plan of exploration of this type is proposed by the author, but it appears worthy of discussion with the applicant, and such discussion may already have taken place between McLellan and Neilson.

Cost data for the plan of exploration are to be supplied by McLellan.

CONCLUSIONS AND RECOMMENDATIONS

The presence of a uranium-vanadium layer in the Entrada sandstone in the Sawpit area of the Placerville district, San Miguel County, Colo., is established. A continuity of mineralized rock containing more than 0.10 percent U_3O_8, greater than is common in the district, is indicated by the production of 45 tons averaging about 0.17 percent U_3O_8 from one restricted stope in the mine. The production of several hundred tons of rock averaging about 0.17 percent U_3O_8 from another mine in the district indicates that a few exploitable bodies of uranium-bearing rock are present.

A reduced plan of exploration, totaling about 500 feet of drifting and crosscutting, will provide sufficient information to justify serious mining or to indicate that the ore bodies containing more than 0.10 percent U_3O_8 are too small, and possibly too scattered to exploit. The chance of developing a reasonable tonnage of ore is sufficiently good to justify this exploration, and valuable geologic information will also be obtained. Investigation should be made of the possibility of exploration by jackhammer drilling or winze sinking from the adjoining Lizzie G. workings in the Pony Express limestone to the east.

The reduced and revised plan of exploration proposed here is recommended for approval.

DMEA 3117

C. L. NEILSON
JOE DANDY GROUP
SAN MIGUEL COUNTY, COLORADO

Engineering Report

By Russell R. McLellan
Mining Engineer
Bureau of Mines

DMEA 3117

C. L. NEILSON
JOE DANDY GROUP
SAN MIGUEL COUNTY, COLORADO

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ILLUSTRATIONS

Figure — Follows page

1. Location map, Joe Dandy mine, C. L. Neilson, San Miguel County, Colorado, DMEA 3117..... 1
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DMEA 3117

C. L. NEILSON
JOE DANDY GROUP
SAN MIGUEL COUNTY, COLORADO

ENGINEERING REPORT

By

Russell R. McLellan

INTRODUCTION

Clarence Louis Neilson of Uravan, Colo., has applied to the Defense Minerals Exploration Administration for assistance to explore for uranium on the Joe Dandy group of claims in San Miguel County, Colo. The applicant proposed to explore a favorable area in the Joe Dandy mine by driving approximately 1,000 feet of drifts and cross-cuts estimated to cost $27,310.00, Government participation 90 percent or $24,579.00.

The mine was examined on July 22, 1953, by R. P. Fischer and A. L. Bush of the Geological Survey and R. R. McLellan of the Bureau of Mines. It was concluded that a modified program of exploration is justified for the property. Two exploratory drifts are recommended, one 100 feet in length and one 400 feet in length for a total drift footage of 500 feet. The cost is estimated as $12,625.00, Government participation 90 percent or $11,362.50.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Joe Dandy claims are 1 mile by road north from the town of Sawpit, Lower San Miguel Mining District, San Miguel County, Colo. (fig. 1). The mine is in the steep south wall of the San Miguel

River Canyon at an elevation of approximately 8,300 feet. The mine access road joins Colorado State Highway 145 at the small town of Sawpit, Colo. The mine is readily accessible for year-round operation except for temporary delays due to heavy snows or to wash-outs. Labor is plentiful in the area and accommodations are available in several nearby towns. All supplies may be obtained at Telluride, 15 miles away. Heavy equipment may be obtained at Montrose, or at Grand Junction, Colo., distances of 54 miles and 117 miles respectively. Electricity is not available at the mine and all water will have to be hauled from the San Miguel River, a distance of about 1 mile. The operator indicates that Joe Dandy ore will be accepted by the American Smelting Company, Monticello, Utah, a distance of 130 miles, and will be shipped by truck from the mine to the mill.

HISTORY AND PRODUCTION

During the years of 1917, 1918, and 1919, approximately $37,000.00 is said to have been obtained for vanadium ore mined from the upper workings. The ore is reported to have contained considerable uranium. According to the applicant, seven loads of ore mined during 1952 contained an average of 0.16 percent U_3O_8 and 1.42 percent V_2O_5. The tonnage represented by the seven loads is not known at this time. A photostat of mill receipts included with the application shows an average grade of 0.1669 percent U_3O_8 and 1.39 percent V_2O_5 for five shipments of ore totaling 45.1575 dry tons shipped from May 16, 1952, to August 27, 1952. The early history and total production from the lower or main Joe Dandy workings are unknown. However, the applicant states he has shipped about 800 tons of ore from the mine.

OWNERSHIP AND EXTENT

The Joe Dandy group of claims is owned by Minton S. Donegan of Los Angeles, Calif. The group consists of the following claims recorded at Telluride, Colo., Clerk and Recorder's office:

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

By a lease and option agreement, dated December 15, 1951, and by an extension, dated June 11, 1953, Donegan leased the above claims to Clarence L. Neilson for a period of 12 years or until December 15, 1963.

DESCRIPTION OF THE DEPOSIT

The Joe Dandy deposits are in the upper portion of the Entrada sandstone and were mined originally for the vanadium minerals. In recent years they proved to be among the few deposits in the Placerville area that contain commercial quantities of uranium minerals. The ore horizon in this area is displaced by a normal fault which has a throw of approximately 150 feet. Two small rolls were mined from the upper workings located on the upthrown side of the fault. One roll extended from the outcrop to the fault, a distance of approximately 70 feet. The second, with a less pronounced roll, was mined out with about 50 feet of drifting. In order to reach the ore horizon in the downthrown side of the fault, a crosscut was driven 250 feet through the Dolores formation to the Entrada sandstone. The crosscut was extended 100 feet into the sandstone after penetrating the fault. Apparently, ore was encountered shortly after entering the sandstone. The deposit has been

mined to the fault on the west side of the crosscut and has been mined for a distance of approximately 120 feet on the east side of the crosscut (fig. 2). A pronounced roll is not apparent, however, the ore appears to be trending almost due east from the fault. Additional exploration and development will be necessary to determine if the long axis of the deposit definitely trends away from the fault or if it more or less parallels the fault. Radioactivity is greatest near and at the breast of the east drift of the lower workings. The lower 2 feet of the face contain at least 0.25 percent U_3O_8. The upper portion, 4 to 5 feet thick, appears to contain little more than a trace of uranium. The higher grade shipments shown on the photostat of mill settlements undoubtedly were obtained by selectively mining the lower 2 feet of the deposit. The entire 6 to 7-foot face probably will average 0.14 percent U_3O_8.

MINEABLE ORE RESERVES

Exploration and development has not been advanced to the extent that mineable ore reserves can be calculated. However, it is estimated that approximately 200 tons of indicated ore averaging 0.16 percent U_3O_8 exists in the vicinity of the east drift of the lower workings.

PRESENT STATUS

Exploration and Development

Exploration and development to date is limited to two small upper workings and a lower more extensive working. Approximately 250 feet of drifts comprise the upper workings, and approximately 360 feet of crosscut, 260 feet of drifts, 15 feet of raises, and an undetermined

amount of nearly horizontal stoping comprise the lower workings.

Mining and Milling Equipment and Other Facilities

No mining or milling equipment was on the property at the inspection date. An ore bin and a compressor house are on the property. The applicant states that he owns the following mining equipment which is available for use:

2 jackhammers
1 jackleg
1 stoper
drill steel
hoses
2 large receiver tanks
400 feet air pipe
several hundred feet of water pipe
all necessary tools

A compressor, a shuttle car, and a Geiger counter will be rented.

PROJECT PROPOSALS, WITH COSTS

The applicant has not presented a definite plan of exploration in his application, however, he indicates that it would be desirable to explore ahead of his present workings with a total of about 1,000 feet of drifts and crosscuts. He hopes to encounter the fissure which apparently served as a channel for the solutions that formed the Lizzie G ore deposits above the uranium-vanadium ore horizon. He indicates that there is a possibility of locating greater concentrations of uranium near the fissure.

The Government field representatives were in agreement that 1,000 feet of drifting and crosscutting would be excessive; therefore, a modified program is recommended which consists of driving two exploration drifts, one 400 feet in length and one 100 feet in length. Both drifts will commence from the east drift of the lower workings

as shown on figure 2. The short 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.

The estimated costs for driving 500 feet of drift in 6 months are as follows:

Labor and supervision

1 miner, $12.00 per day,			
$260.00 per month, regular time, 6 months	$1,560.00		
$78.00 per month, overtime, 6 months	468.00		
1 helper, $11.20 per day,			
$242.66 per month, regular time, 6 months	1,456.00		
$72.80 per month, overtime, 6 months	437.00		
Total labor		$3,921.00	
1 superintendent-foreman,			
$400.00 per month (C. L. Neilson)	2,400.00		
1 engineer, part time	180.00		
Total supervision		2,580.00	
Total labor and supervision			$ 6,501.00

Operating materials and supplies

Timber (cut on property)	50.00	
Explosives, caps, fuse, $1.65 per foot	825.00	
Pipe	375.00	
Gasoline, 1,250 gallons at 30¢ per gallon	375.00	
Diesel fuel, 625 gallons at 24¢ per gallon	150.00	
Bits and steel, 50¢ per foot	250.00	
Other	140.00	
Total materials and supplies		2,165.00

Operating equipment

Rental:		
1, 210 C.F.M. compressor, $280.00 per month	1,680.00	
1 shuttle car diesel powered, $175.00 per month	1,050.00	
1 Geiger counter, $20.00 per month	120.00	
Depreciation:		
2 jackhammers, replacement value $600.00	60.00	
1 jackleg (pneumatic pusher), replacement value $120.00	12.00	
1 jeep or pickup truck, replacement value $900.00	90.00	
Total operating equipment		$ 3,012.00
Initial rehabilitation and repairs		
Road repairs and maintenance		400.00
Miscellaneous		
Repairs to equipment	250.00	
Sampling and analysis at $5.00 per assay	125.00	
Payroll taxes	62.00	
Compensation, $3.00 per $100.00	123.00	
Total miscellaneous		560.00
Total cost for 500 feet of drifting		$12,638.00

One additional possibility for exploration that was considered during the field examination consists of drilling a number of jackhammer holes into the ore horizon from the Lizzie G workings which are believed to be several hundred feet east of the Joe Dandy workings. The Lizzie G mine was driven in the Pony Express limestone which is directly above the Entrada sandstone. One drift is believed to extend along a fissure for a distance of at least 1,300 feet in the general direction of the Joe Dandy mine. After considering the minimum amount of preparatory work and expense that would be necessary to complete a few hundred feet of jackhammer holes from the Lizzie G workings, it is

believed advisable not to include the plan as part of the Joe Dandy exploration program at this time. Following are several of the reasons that tend to discourage the drilling from the standpoint of time and cost:

(1) An accurate survey would be necessary to connect the underground workings of the Lizzie G and Joe Dandy mines in order to determine the lateral and vertical differences of elevation.

(2) A lease and subordination agreement would have to be obtained for all claims covering the Lizzie G workings that are not controlled by the applicant.

(3) All track and pipe has been removed from the Lizzie G workings. At least 1,500 feet of pipe and track would have to be purchased and installed to gain access to the area nearest to the Joe Dandy workings.

(4) The Lizzie G workings are wet, necessitating considerable clean-up for proper drainage. Dry cuttings probably would be impossible to obtain for sampling purposes; therefore, equipment suitable for probing wet holes would be required.

Summary of Costs

Labor and supervision	$ 6,501.00
Operating materials and supplies	2,165.00
Operating equipment	3,012.00
Initial rehabilitation and repairs	400.00
Miscellaneous	560.00
Total cost	$12,638.00
Cost per foot for 500 feet of drifting	$25.28 or roughly $25.25

CONCLUSIONS

The Joe Dandy mine is in an area that is recognized as being favorable for the discovery of vanadium ores. Past production and mineralization now exposed in the workings indicate that the vanadium ore of the mine contains sufficient uranium to justify further investigation. It is believed that the applicant's proposal to drift and crosscut approximately 1,000 feet is somewhat excessive, however, a modified program of drifting is justified and recommended.

RECOMMENDATIONS

The following work is recommended in the lower workings of the Joe Dandy mine:

(1) Drift 100 feet on a bearing of S. 15° E. starting at a point in the east drift approximately 50 feet from the crosscut (fig. 2).

(2) Drift 400 feet on a bearing of due east starting at the breast of the east drift (fig. 2).

The operator should obtain prior approval from Defense Minerals Exploration Administration representatives before making any change in the drift bearings.

It is further recommended that the work be authorized on a short-form contract by which a total of 500 feet of drifting will be driven at a unit cost per foot of $25.25 for a total expenditure of $12,625.00, Government participation 90 percent or $11,362.50. The time required to complete the project is estimated as 6 months.

/kp

December 4, 1953

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Contract finalized by Region IV

Contract No. Idm-E633, Docket No. DMEA-3117 (Uranium) Clarence Louis Neilson, has been reviewed and approved by Mr. Ching.

Grace L. Ault

SURNAME COPY

Adams

Defense Minerals Exploration Administration
Robert E. Adams
Ext. 2017

14X3923.970, Working Fund, Interior, DMEA
November 2, 1953
2:25 p.m.
TO: W.E.King, Executive Officer, Region IV, 224 New Customhouse Bldg., Denver 2, Colorado

SUBJECT: Assignment of Contract Number

MESSAGE:

REFERTEL 10-30-53, DOCKET NO. DMEA 3117, CLARENCE LEWIS NELSON, BOX 875, CRAVAN, COLORADO, PROPERTY LOCATED IN SAN MIGUEL COUNTY, COLORADO, COMMODITY URANIUM. CONTRACT NUMBER IDM-16633 ASSIGNED THIS CONTRACT.

AUTHORIZED: C. O. Mittendorf (for)
ADMINISTRATOR

REAdams/meb
cc to: Adm.Reading File
Mails & Files Br.
Bu. of Mines, Audits Div., Rm. 2509
Miss Curtin

SENT
NOV 3 1953
Clerical Service Section

R.C.G.
11-3-53

Mr. C. O. Mittendorf
11/2/53
(Unattended service Friday nite)

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
RECEIVED
NOV 2 1953

IDME633
9090

DN 235 BUREAU MINES 10-30-53 4-05 PM

C O MITTENDORF

PLEASE ASSIGN A NUMBER TO CONTRACT COVERING DOCKET NO. DMEA 3117, CLARENCE LOUIS NEILSON, BOX 875, URAVAN, COLORADO. PROPERTY IN SAN MIGUEL COUNTY, COLORADO, COMMODITY URANIUM. CONTRACT DATED OCTOBER 30,1953. TOTAL AMOUNT OF CONTRACT $12,625.00, GOVERNMENT,S PARTICIPATION $11,362.50.

W H KING

Denver Colo.

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

224 New Customhouse
Denver 2, Colorado

October 1, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Report of Examination - DMEA Docket 3117 (Uranium), C. L. Neilson, Joe Dandy Group, San Miguel County, Colorado.

The application for Government assistance in exploration work estimated to cost $12,625.00 has been approved by us and a contract is being prepared.

Government participation will be 90 percent or $11,362.50.

Four copies of the Report of Examination will be forwarded when the contract is processed. Two copies of Form 3b are attached.

W. H. King

W. H. King

E. M. Hanchman

for A. H. Koschmann

Enclosures

August 25, 1953

Mr. Clarence Louis Neilson,
Box 875
Uravan, Colorado

Subject: DMEA 3117
Re: Exploration Assistance
Joe Dandy Group

My dear Mr. Neilson

The receipt of your application dated July 8, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3117 and referred to ~~the~~ Region IV.

Kindly refer to DMEA 3117 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams
Chief, Operations Control
and Statistics Division

DMEA 3117

Uravan, Colo.
Box. 875
August, I8, I953

Defence Minerals Exploration Administration
Dept. of The Interior
Washington 25, D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 24 1953

Gentlemen:

On July 8, I953, I mailed an application for a loan from Uravan, Colo. to your office.

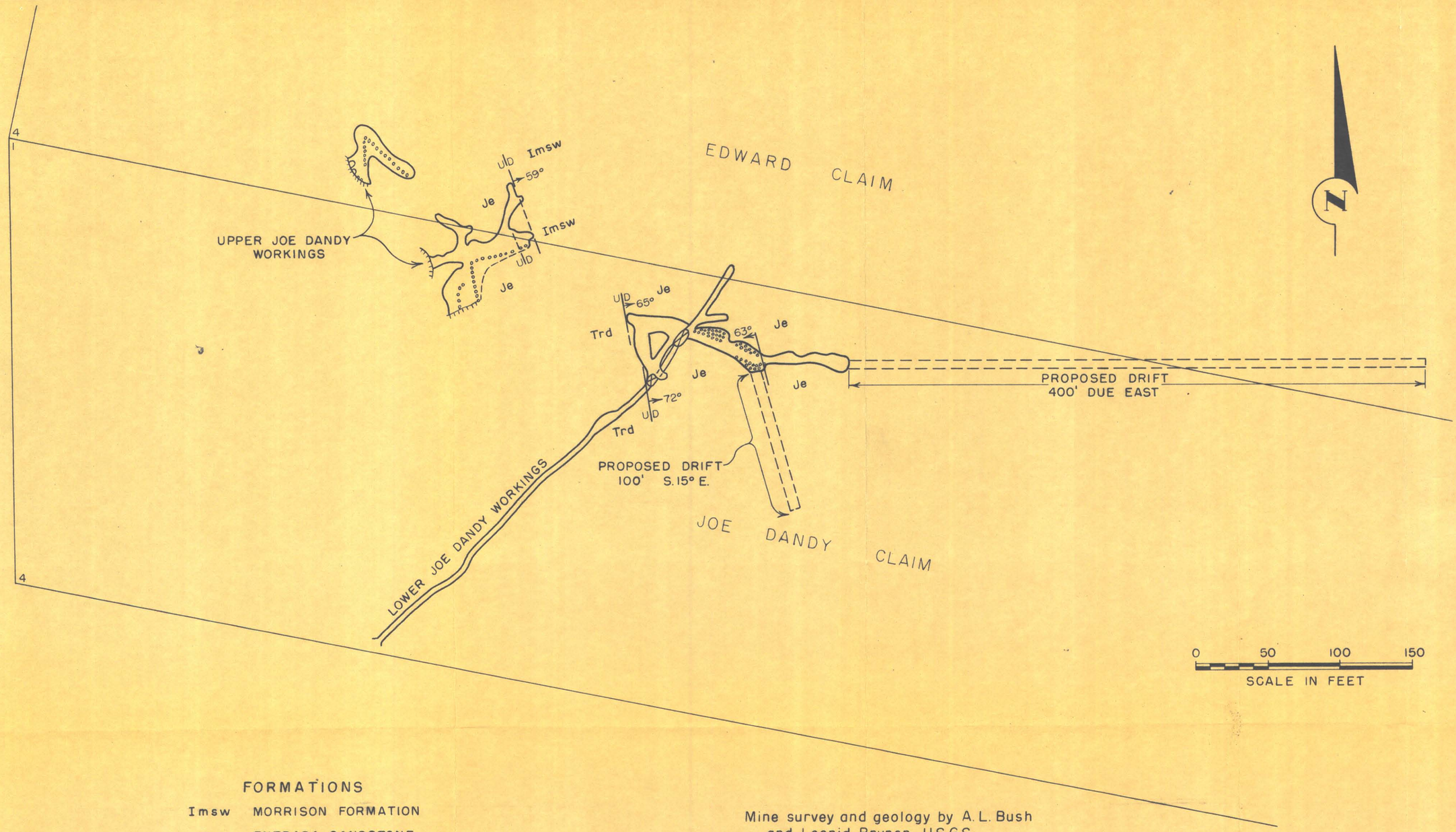
I have not heard from you up to this time, and am writing to find out if you have recieved it.

Very truly yours

Clarence L. Nielson

Clarence L. Nielson

2075



FORMATIONS

Imsw	MORRISON FORMATION
Je	ENTRADA SANDSTONE
Trd	DOLORES FORMATION

Mine survey and geology by A. L. Bush
and Leonid Bryner, U.S.G.S.
Claim locations after R. Lindbloom, A.E.C.

MINERAL RESOURCES BRANCH - MINING DIVISION
REGION IV
BUREAU OF MINES

FIGURE 2 - PLAN MAP, JOE DANDY MINE, SHOWING PROPOSED EXPLORATION, SAN MIGUEL COUNTY, COLO. (DMEA 3117)

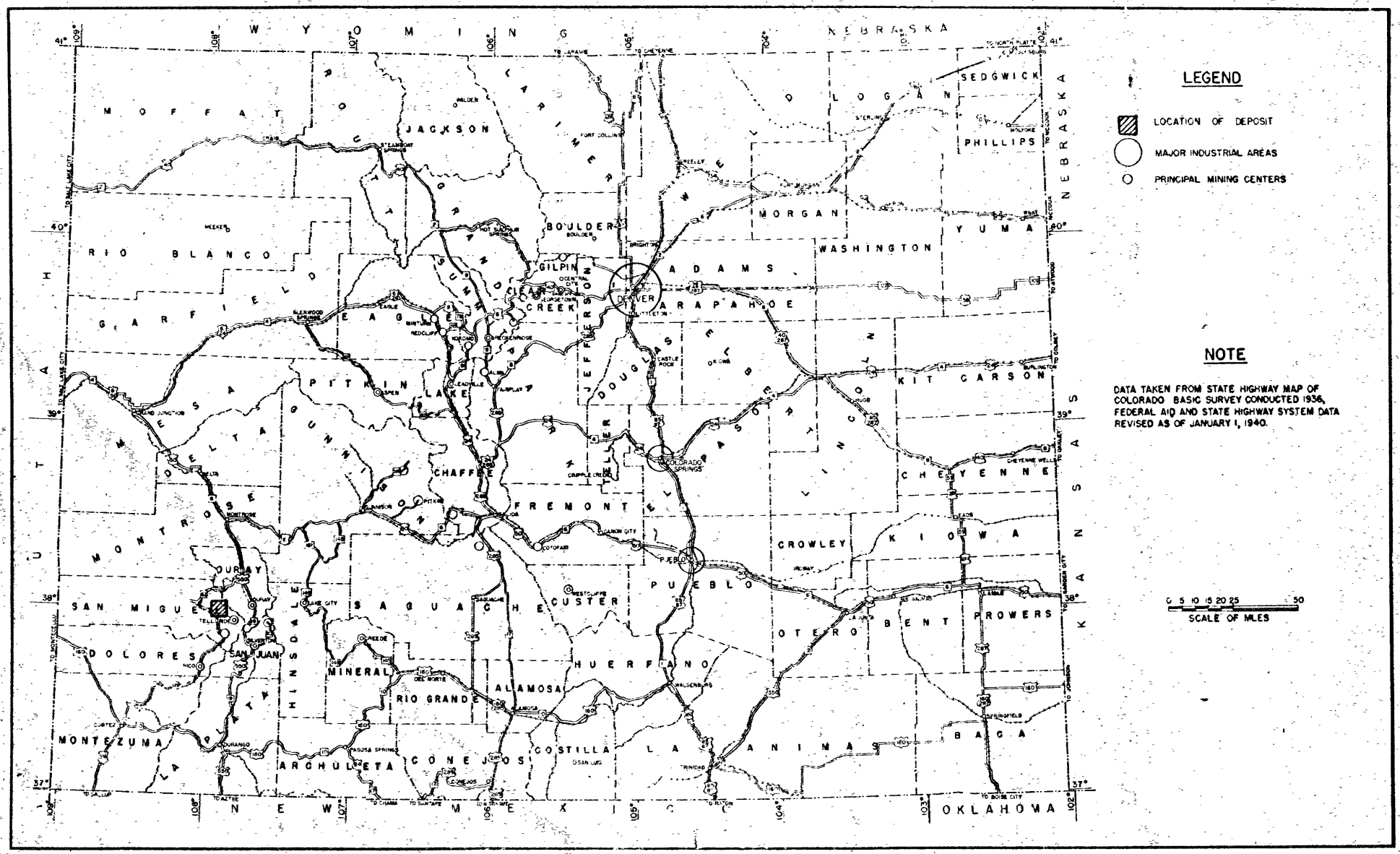


FIGURE 1. - LOCATION MAP, JOE DANDY MINE, C. L. NEILSON, SAN MIGUEL COUNTY, COLO. (DMEA 3117)

D. M. E. A. Docket 3117

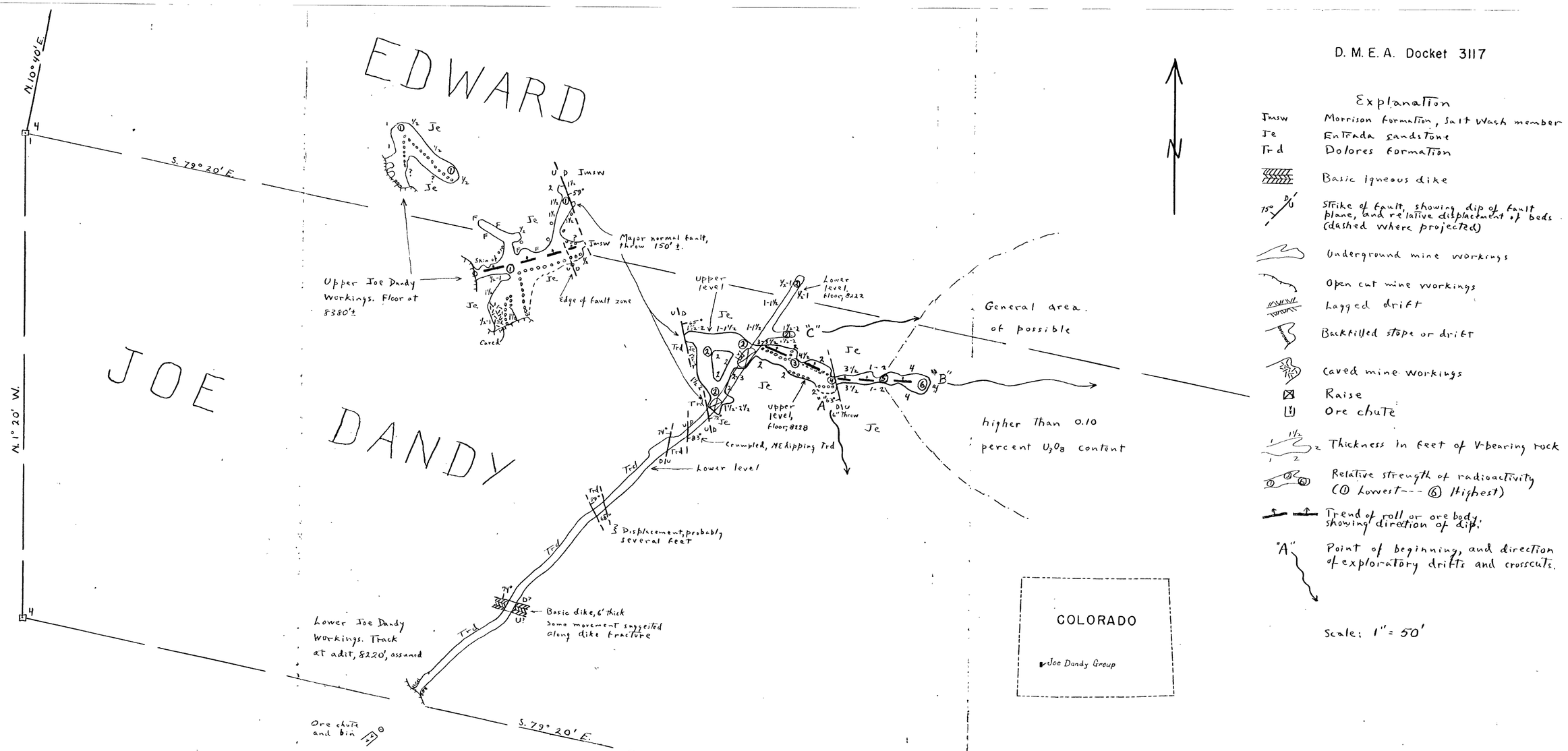


Figure 1. Sketch map of part of Joe Dandy Group, San Miguel County, Colo., showing mine geology and structure, thickness of ore, and proposed direction of exploration.

Geology by A. L. Bush, Leonid Bryner, July 1952
Claim locations after R. Lindbloom, AEC, 1952

2

6 5
7 8

T. 43 N., R. 10 W., sec. 8, N.M.P.M.

Claim locations after C.L. Neilson, DMEA brochure 3117

Upper and lower Joe Dandy workings modified after R. Lindbloom, AEC, 1952, and by A.L. Bush, USGS, 1953

Approximate location Lizzie G. adit, and unsurveyed sketch of part of Lizzie G. workings by Bush, 1953

D.M.E.A. Docket 3117

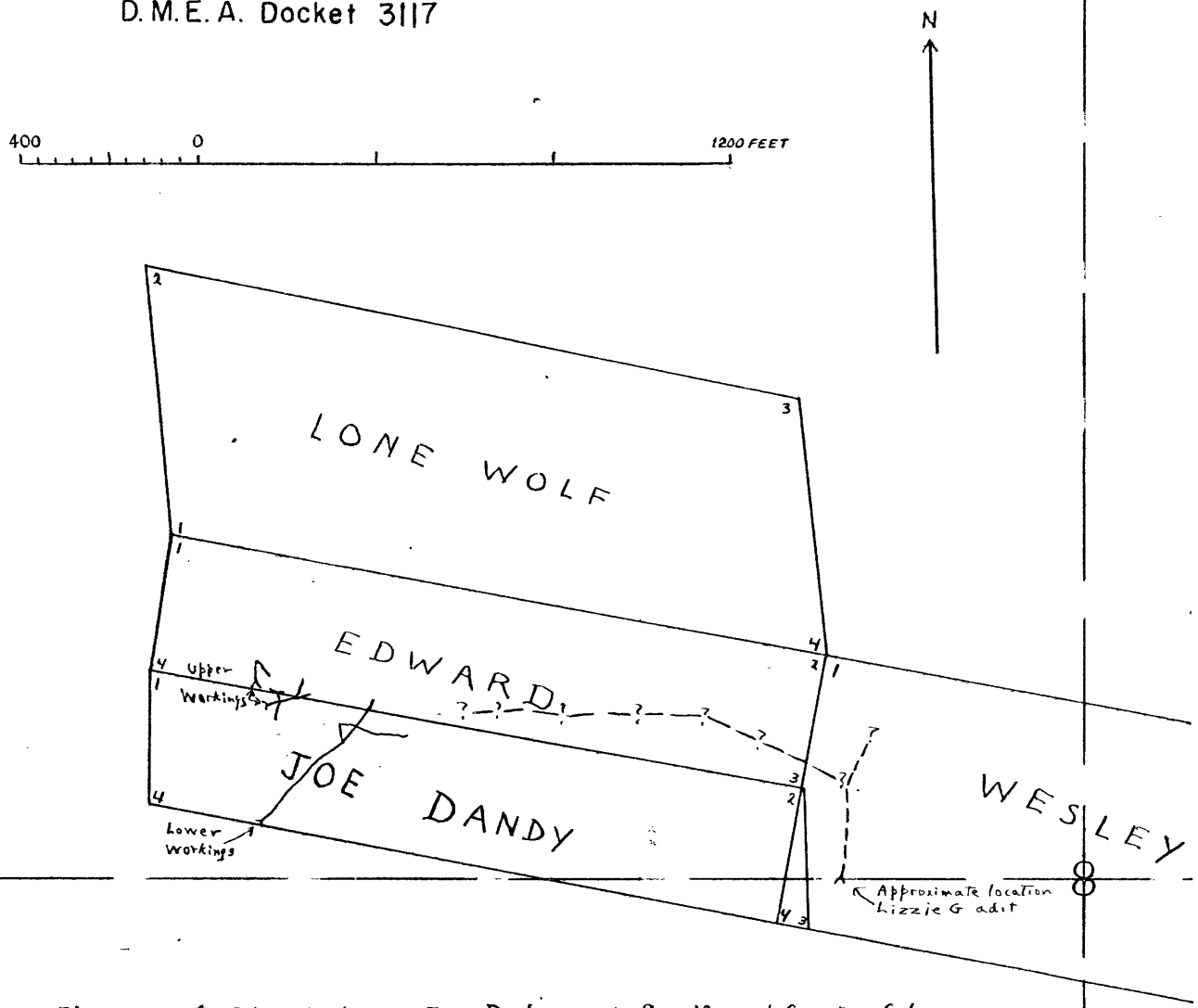


Figure 2. Sketch map showing Joe Dandy group, San Miguel County, Colo, and approximate relationship between Joe Dandy workings and unsurveyed Lizzie G. workings.

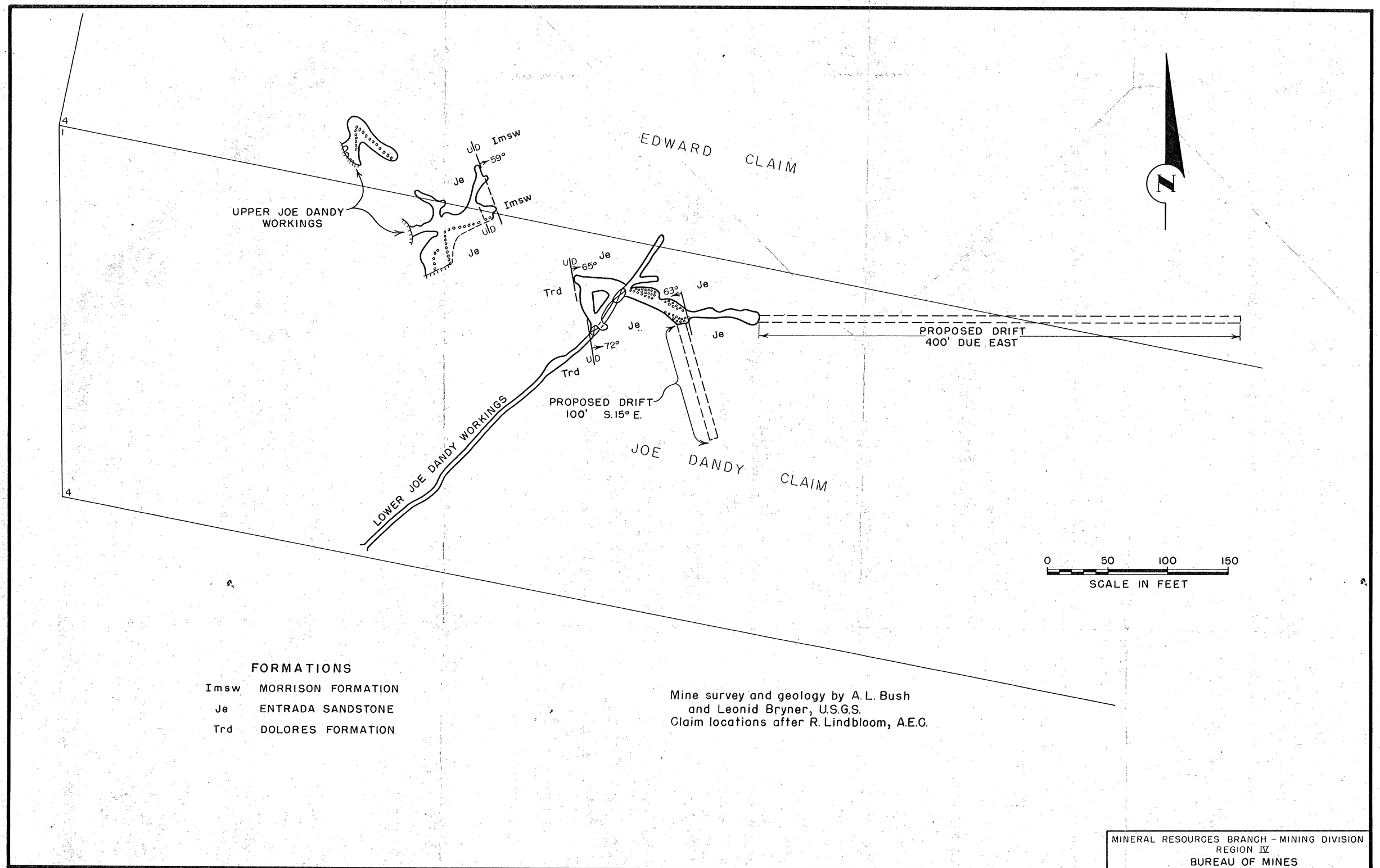


FIGURE 2 - PLAN MAP, JOE DANDY MINE, SHOWING PROPOSED EXPLORATION, SAN MIGUEL COUNTY, COLO. (DMEA 3117)