DMEA 3660

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION — DATE RECEIVED 2-2-55

2. CONTRACT — DATE 8-1-55

3. TERMINATION AGREEMENT: — DATE 8-27-56

   a. Mutual (with/without repayment provision).
   b. Unilateral.
   c. Amendment with automatic termination clause and with/without repayment provision.

4. CERTIFICATION — DATE

5. AUDIT REPORT — DATE

6. AMENDMENTS - NUMBERS 1 — DATE 2/10/56

Docket Copy

TERMINATION AGREEMENT

It is agreed this 27th day of August, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mid-Continent Uranium Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E850, Docket No. DMEA-3660, dated August 1, 1955, as amended, hereinafter called the "Contract," that:

1. Effective as of July 13, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

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

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

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

THE UNITED STATES OF AMERICA

Inf. Ctg 8/7/56
Dlemyer
"Appr. Sol. Off."

By W. M. Davis
Executive Officer
DMEA Field Team, Region III

Ching
Ellis
Chambers
Martin
Johnson
Mittenthal

MID-CONTINENT URANIUM CORPORATION

By Norman Lobley

Title Vice-President

B Porter 2/20/56 Dunger

RECEIVED
FEB 13 1956

EXPLORATION PROJECT CONTRACT
MID-CONTINENT URANIUM CORPORATION
DOCKET NO. DMEA 3660
CONTRACT NO. IDM-2850

AMENDMENT NO. 1

It is agreed this 10th day of February, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mid-Continent Uranium Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-2850, Docket No. DMEA 3660, dated August 1, 1955, hereinafter called the "Contract," that:

1. (a) Work under the contract shall be suspended during the period beginning January 1, 1956, and ending not later than May 1, 1956.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for completion of the work is extended from March 31, 1956, to August 31, 1956.

3. The maximum period for royalty payments and lien for the payment thereof provided for in the Contract is increased to eleven years.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplet the day and year first above written.

MID-CONTINENT URANIUM CORPORATION

By Norman E. Kelly

Title Vice Pres & General Manager

UNITED STATES OF AMERICA

By W. M. Traver

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

MID-CONTINENT URANIUM CORP.
Uranium Center Building
Suite 201-202
Grand Junction, Colorado

RECEIVED
FEB 13 1956

Excerpt from the Operator's letter to W. M. Traver dated January 30, 1956 requesting the Government's approval for Stage II drilling

Because of weather conditions the drilling of Stage II should be recessed until May 1, 1956. The completion date should be changed from March 31, 1956 to August 31, 1956. Mid-Continent Uranium Corp. requests that the contract be amended to cover the above two items.

Very truly yours,

MID-CONTINENT URANIUM CORP.

/S/ Norman E. Ebbley
General Manager

MID-CONTINENT URANIUM CORP.
Uranium Center Building
Suite 201-202
Grand Junction, Colorado

RECEIVED
FEB 13 1956

Excerpt from the Operator's letter to W. M. Trever dated January 30, 1956 requesting the Government's approval for Stage II drilling

Because of weather conditions the drilling of Stage II should be recessed until May 1, 1956. The completion date should be changed from March 31, 1956 to August 31, 1956. Mid-Continent Uranium Corp. requests that the contract be amended to cover the above two items.

Very truly yours,

MID-CONTINENT URANIUM CORP.

/S/ Norman E. Ebblay
General Manager

Docket copy

RECEIVED

SEP - 2 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 3660

Commodity Uranium

Contract No. Idm-E 850

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this AUG 1 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Mid-Continent Uranium Corporation, a Colorado corporation,

whose mailing address is Uranium Center Building
Grand Junction, Colorado,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and 3 maps.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Grand, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] deed, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: None

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70619-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before September 15, 1955 shall commence the work, and on or before March 31, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $48,420.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $36,315.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) 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.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, 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, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within 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.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

MID-CONTINENT URANIUM CORPORATION

(Operator)

By D. L. Williams

President

THE UNITED STATES OF AMERICA

By C. Mittenzwei

Administrator, Defense Minerals Exploration Administration

Hoffman

Ching

Ellis

Talbot

Martin

Dunn

I, Mark D. Dunn, certify that I am the secretary of the corporation named as Operator herein that D. L. Williams who signed this contract on behalf of the Operator, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Mark D. Dunn

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
MID-CONTINENT URANIUM CORPORATION
DOCKET NO. DMEA-3660

RECEIVED

ANNEX I

The land referred to in Article 2 of the contract consists of 19 unpatented mining claims situated in Sections 4, 5, 7, and 8, T. 25 S., R. 26 E., S.L.M.&B., Grand County, Utah. The claims are shown on the attached map entitled "Figure 4 - Map of claims . . .," and are recorded in the Office of the County Recorder as follows:

Claims	Book	Page
S & P	9 J	479
C & O	9 J	479
Crosby	9 J	478
The Point	9-1	382
Doctor Jr.	9 J	466
Doctor	9-1	382
Beaver	9-1	382
Quandry	9 J	482
Rainbow	9-1	382
Cimarron	9-1	381
Sapinero	9-1	381
Curecanti	9 J	239
Shupen	9 J	479
McCurdy	9 J	200
Canyon No. 4	9 J	478
Canyon No. 3	9 J	477
Canyon No. 1	9 J	477
Canyon No. 2	9 J	477
C & H	9 J	482

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SEP - 2 1955

EXPLORATION PROJECT CONTRACT
MID-CONTINENT URANIUM CORPORATION
DOCKET NO. DMEA-3660

EXHIBIT "A"

Description of the Work

The work consists of exploration by noncore and core drilling.

The drill holes shall test the favorable, uppermost sandstone lens of the Salt Wash member of the Morrison formation, commonly known in this area as the "ore-bearing sandstone." Drilling depths are expected to average approximately 275 feet. The holes shall be collared in either the Salt Wash member or the Brushy Basin member of the Morrison formation. Holes shall be drilled with noncore plug bits to a point approximately 10 feet above the ore-bearing sandstone and cored from that point to a position approximately 10 feet below the base of the ore-bearing horizon. It is estimated that, on an average, the last 100 feet of each hole will be cored. The minimum size of core shall be AX.

All core and cuttings from the cored section of drill holes shall be split and one-half properly stored for the use of the Government. The Operator's portion shall be checked radiometrically for uranium, and samples indicating significant mineralization shall be analyzed chemically for uranium and vanadium.

All drill holes shall be logged geologically and probed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports. The probing and other project work shall be done under the supervision of a competent geologist.

All holes shall be reamed and cased as necessary.

The work shall be done in two stages. If, in the opinion of the Government, the results of the first stage warrant further work the Operator shall perform as much of the second stage as the Government approves in writing in advance.

The location, direction, and extent of all project work are subject to the approval of the Government.

Stage I

The work under this stage consists of the preparation of access roads and drill sites by a D-7 bulldozer or equivalent unit, and the drilling of 21 holes aggregating 5,775 feet, more or less. The positions of these holes are indicated on the attached map entitled "Fig. 4 - Map of Claims . . ." There are roughly two rows of holes 500 feet apart, paralleling the Salt Wash rim. The holes in each row are approximately 400 feet apart, but there are variations at the two extremities. If the 21 holes require more than 5,775 feet to reach the desired horizon the deficient footage may be transferred and deducted from Stage II footage.

Stage II

Stage II work consists of the preparation of access roads and drill sites by a D-7 bulldozer or equivalent unit, and the drilling of a maximum of 42 holes aggregating not more than 11,550 feet as offsets to Stage I and previously drilled Stage II holes which show mineralization or strongly favorable geological criteria. The offset holes shall not be drilled closer than 100 feet from any previously drilled hole.

Estimated Cost of the Project

Fixed Unit Costs

Stage I

2,100 feet core drilling @ $3.22/ft.	$ 6,762.00	
3,675 feet noncore drilling @ $2.17/ft	7,974.75	
118 hours bulldozing @ $12.50/hr.	1,475.00	
21 hours drill crew stand-by time @ $10.00/hr.	210.00	
42 chemical sample analyses @ $5.00/sample	210.00	$16,631.75

Stage II

4,200 feet core drilling @ $3.22/ft.	$13,524.00	
7,350 feet noncore drilling @ $2.17/Ft.	15,949.50	
118 hours bulldozing @ $12.50/hr.	1,475.00	
42 hours drill crew stand-by time @ $10.00/hr.	420.00	
84 chemical sample analyses @ $5.00/sample	420.00	$31,788.50
Estimated Total Cost of Project rounded to		$48,420.00
Government Participation @ 75%		$36,315.00

RECEIVED
SEP 2 1955

R E L E A S E

KNOW ALL MEN BY THESE PRESENTS, that I, LEE HETZEL, of Clifton, Colorado, in consideration of the sum of Ten and no/100 ($10.00) Dollars, and other good and valuable consideration to me in hand paid by Mid-Continent Uranium Corp., receipt of which is hereby acknowledged, do hereby remise, release and forever quit-claim all my right, title and interest in and to a certain lease agreement made and entered into on or about October 4, 1954, by and between myself and Mid-Continent Uranium Corp., to Mid-Continent Uranium Corp.

IN WITNESS WHEREOF, I have executed this instrument this 26th day of July, 1955.

Lee Hetzel

Lee Hetzel

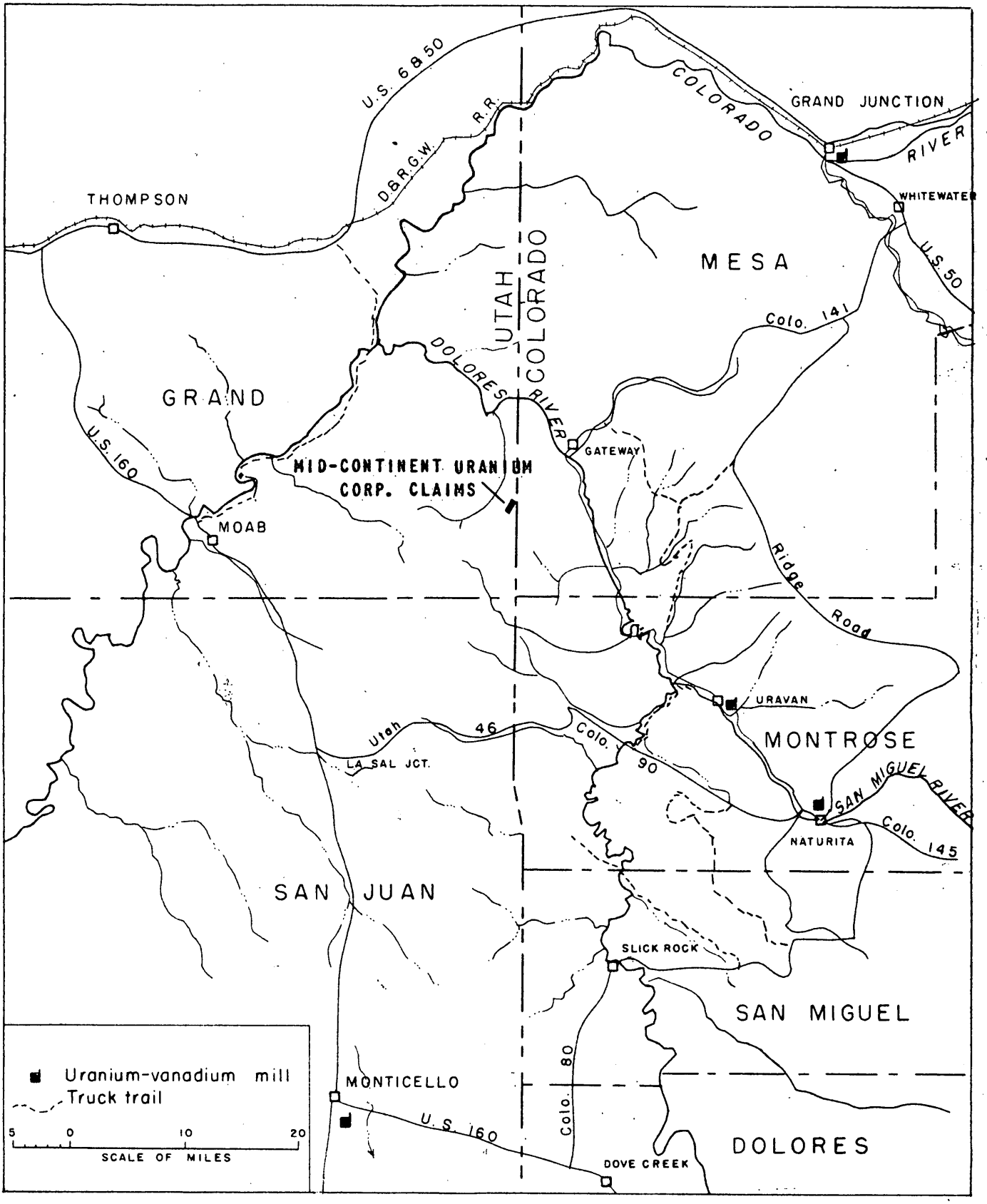

Figure 1. INDEX MAP OF PART OF COLORADO PLATEAU SHOWING LOCATION OF MID-CONTINENT URANIUM CORP. CLAIMS, BEAVER MESA AREA, GRAND COUNTY, UTAH

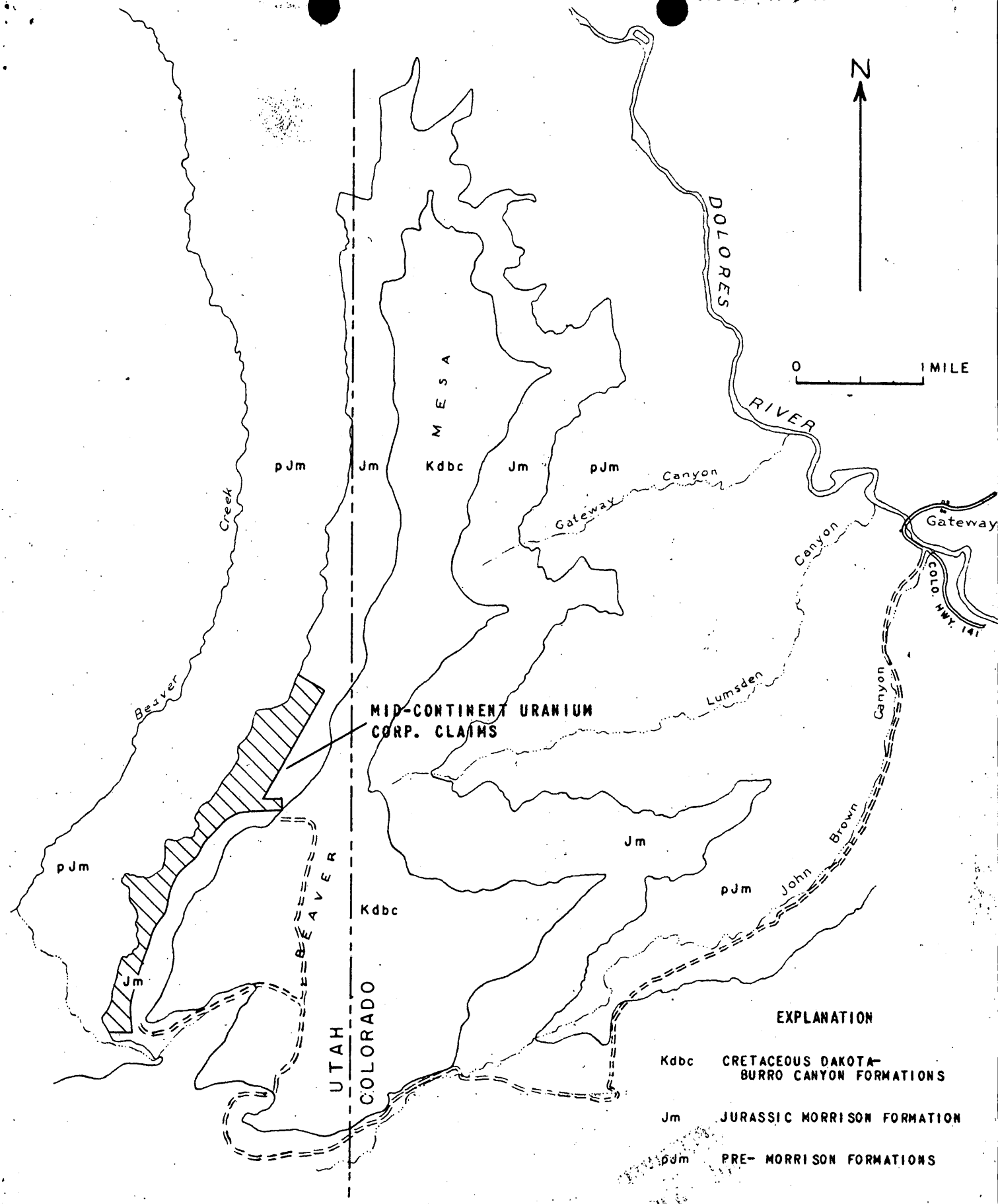

Figure 2. MAP SHOWING LOCATION OF MID-CONTINENT URANIUM CORP. CLAIMS ON BEAVER MESA, GRAND COUNTY, UTAH

RECEIVED
JUL - 5 1955

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
3/6	Ching	700
3-7	Ellis	700
3-7	Chambers	800
3/12	Selfridge	120
"	Jenkins	110
"	Mittendorf	220

MAR 12 1957

Mr. D. L. Williams, President
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: Docket No. DMEA-3660 (Uranium)
Contract No. Idm-E850
Pond and Shubert Groups
Grand County, Utah

Dear Mr. Williams:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government 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 project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/gla
3-6-57
cc to: Admr.'s Reading File
Contract Adm.& Audit Division
DMEA Field Team, Region III (2)
Code 700
Mr. Ching

8623

Project Summary Report

By: Michael Ching March 6, 1957

1. Docket No. DMEA-3660 (Uranium)
Contract No. Idm-E850

Operator - Mid-Continent Uranium Corporation, a Colorado corporation
Uranium Center Building
Grand Junction, Colorado

Property - 19 unpatented mining claims, known as the Pond and Shubert Groups, situated in secs. 4, 5, 7, and 8, T. 25 S., R. 26 E., S.L.M.& B., Grand County, Utah.

Operator's Property Rights- Owner

2. Contract (Short Form) dated August 1, 1955.

Final starting date - September 15, 1955; Actual - September 7, 1955.
Contract completion date - August 31, 1956.
Termination Agreement, dated August 27, 1956, effective July 13, 1956.

Work Authorized -

Stage I - 21 core and non-core holes.

2,100 feet core drilling @ $3.22/ft.	$6,762.00	
3,675 feet non-core drilling @ $2.17/ft.	7,974.75	
21 hrs. drill crew stand-by time @ $10.00/hr.	210.00	
118 hrs. bulldozing roads and drill sites @ $12.50/hr.	1,475.00	
42 chemical sample analyses @ $5.00/sample	210.00	$16,631.75

Stage II - 42 core and non-core holes.

4,200 feet core drilling @ $3.22/ft.	$13,524.00	
7,350 feet non-core drilling @ $2.17/ft.	15,949.50	
42 hrs. drill crew stand-by time @ $10.00/hr.	420.00	
118 hrs. bulldozing roads and drill sites @ $12.50/hr.	1,475.00	
84 chemical sample analyses @ $5.00/sample	420.00	$31,788.50

Estimated Total Cost of Project (rounded)	$48,420.00
Government participation @ 75 percent	$36,315.00

Amendments -

No. 1 - dated February 10, 1956. Suspends work from January 1 to May 1, 1956, extends completion date from March 31 to August 31, 1956, and extends royalty payment period from 10 to 11 years.

Work Completed -

Stage I (21 holes

2,600.4 ft. core drilling @ $3.22/ft.	$8,373.29	
2,430.0 ft. non-core drilling @ $2.17/ft.	5,273.10	
9.5 hrs. stand-by time @ $10.00/hr.	95.00	
78.5 hrs. bulldozing @ $12.50/hr.	981.25	
3.0 chemical assays @ $5.00 each	15.00	$14,737.64

Stage II (30 holes)

2,591.8 ft. core drilling @ $3.22/ft.	$8,345.59	
3,508.0 ft. non-core drilling @ $2.17/ft.	7,612.36	
14.75 hrs. stand-by time @ $10.00/hr.	147.50	
80.5 hrs. bulldozing @ $12.50/hr.	1,006.25	
7.0 chemical assays @ $5.00 each	35.00	$17,146.70

Total Actual Cost of Project	$31,884.34
Government Participation at 75 percent	$23,913.26

Final Reports Received -

Operator - dated August 23, 1956, received August 31, 1956.
Field Team - dated January, 1957, received February 20, 1957.

3. Auditor's Report of Review - dated September 14, 1956

Total cost as billed by Operator		$31,884.34
Exceptions	None	-
Total accepted cost		$31,884.34
Government participation at 75 percent		$23,913.26

4. Certification of Discovery - None.

5. Results and Comments -

The uppermost sandstone lens of the Salt Wash member of the Morrison formation is the principal ore-bearing sandstone in the Beaver Mesa area. Of the 21 holes drilled in Stage I, only one

contained ore-grade material. The ore was at a depth of 219.5 feet, was 1.00 foot thick, and assayed 0.13 percent U_3O_8 and 0.62 percent V_2O_5. Two of the holes were mineralized, one in a thin sandstone below the main ore-bearing sandstone. Favorable thickness of sandstone was encountered.

Seven of the 30 Stage II holes were mineralized, of which one was in ore. The ore was at a depth of 182 feet, was 1.00 foot thick, andassayed 0.36 percent U_3O_8 and 0.08 percent V_2O_5. Five of the holes were mineralized in the thin lower lens, not in the main upper lens. The favorable ground was adequately explored. Mineralized areas appear to be quite limited in size. No ore reserves can be estimated from the results of the program and certification of discovery is not warranted. Further exploration by the Government is not justified.

Performance by the Operator was satisfactory. Experienced drill crews were used and core recovery was good. Delays were caused by adverse weather conditions.

Michael Ching

Michael Ching

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DATE	INITIALS	CODE
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		225

February 26, 1957

3660
Idm-E850
Uranium
Mid-Continent Uranium Cor
Pond and Schubert Groups
Grand County, Utah
$31,884.34

Ernest William Ellis, DMEA Member
Uranium Commodity Committee
John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Final Report

1. Date of [illegible]: 1/57 2. Date received by reviewer: 2/25/57

3. [illegible] on the property been to reviewer: Yes [ ] No [ ]

4. [illegible] on entry requirements been to reviewer: Yes [ ] No [ ]

5. [illegible] complete on part practice: Yes [ ] No [ ]

6. [illegible] been to reviewer: Yes [ ] No [ ]

7. [illegible] you [illegible]:

8. Action [illegible] special conditions:
   a. Location [ ]
   b. Over [illegible] [ ]
   c. [illegible] of [illegible] [ ]
   d. [illegible] [ ]
   e. Proposed exploration [illegible] [ ]
   f. Alternate exploration [illegible] [ ]
   g. Costs [ ]
   h. [illegible] [ ]

9. Action taken:
   a. Obtain information from [illegible] [ ]
   b. Refer to [illegible] [ ]
   c. Retain [ ]
   d. Agree with [illegible] [x]
      e. Consult with Mr. _____ of _____ [illegible].
   f. Discuss with [illegible] [ ]
   g. Present [illegible] [ ]
   h. Report [illegible] [ ]
   i. Approval [ ]

10. Remarks (use back of page if necessary)

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

224 New Customhouse
Denver 2, Colorado

February 13, 1957

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"	Fej	138
2/26	C	220
"	CBM	100

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 3660 (Uranium), Contract No. Idm-E850, Mid-Continent Uranium Corporation (Pond and Schubert Groups), Grand County, Utah - FINAL REPORT

Enclosed are the original and three copies of a joint final engineering and geologic report, dated January 1957, by H. F. Albee, Geologist, Geological Survey, and H. F. Robertson, Mining Engineer, Bureau of Mines, and transmittal thereof, dated January 17, 1957, from J. William Hasler, Geologist, Geological Survey, pertaining to the work completed under the subject Contract.

The Contract was terminated before completion of all the work provided for, by an Agreement dated August 27, 1956, which was made effective July 13, 1956.

The exploration work completed consisted of drilling fifty-one (51) holes, aggregating 5,192.2 feet of core drilling and 5,938.0 feet of noncore drilling, 24½ hours of stand-by time, 159 hours of bulldozer work in preparing access roads and drill sites, and the assaying of 10 samples; all at a total accepted cost of $31,884.34, toward which the Government contributed 75%, or an amount of $23,913.26.

Final payment to the Operator was processed by this office September 17, 1956, in conformance with the Report of Review of reported project costs, dated September 14, 1956.

The exploration work did not result in the discovery or development of a significant quantity of uranium ore. Therefore,

Reviewed by
DMEA OPERATING COMMITTEE
2-25-57

certification of the project as such is not recommended.

DMEA Field Team, Region III

W. M. Traver

E. N. Harshman

Enclosures

DMEA
DEPARTMENT OF THE INTERIOR
JAN 21 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
RECEIVED
JAN 18 1957
U. S.
GEOLOGICAL SURVEY,
DENVER, COLORADO

January 17, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
J. F. Shaw

From: J. William Hasler

Subject: Transmittal of joint final engineering-geologic report DMEA 3660 (Uranium), Mid-Continent Uranium Corporation, (contract Idm-E 850) Pond and Schubert group of claims, Grand County, Utah.

Enclosed are 12 copies complete with two illustrations of a joint final engineering-geologic report by Howard F. Albee, U. S. Geological Survey, and H. F. Robertson, U. S. Bureau of Mines.

Also enclosed is a copy of a letter from the applicant, dated July 19, with an accompanying map which was loaned to us from your office.

F. M. Byers, Jr.
For J. William Hasler,
Geologist

FMB/mlr

Enclosures

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Reviewed by
DMEA OPERATING COMMITTEE
2-25-57
(date)

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

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DMEA 3660

CONTRACT Idm-E 850

MID-CONTINENT URANIUM CORP.

GRAND COUNTY, UTAH

Uranium

Joint Final Engineering and Geological Report

by

H. F. Albee, Geologist
Geological Survey

H. F. Robertson, Mining Engineer
Bureau of Mines

January 1957

Reviewed by
DMEA OPERATING COMMITTEE
2-25-57
(date)

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DMEA 3660

Mid-Continent Uranium Corp.
Grand County, Utah

Final Report

INTRODUCTION AND SUMMARY

Mid-Continent Uranium Corporation, Uranium Center Building, Grand Junction, Colorado, applied in February 1955 to the Defense Minerals Exploration Administration for assistance to explore for uranium ore on the Pond and Shubert group of claims on Beaver Mesa, Gateway mining district, Grand County, Utah. The work proposed in the application consisted of 131 diamond core drill holes with a total footage of 42,575 feet at an estimated overall cost of $164,858.48.

A field examination of the property was made on March 29, 1955, by a Region III examining team consisting of Lee Eicher and T. E. Mullens of the U. S. Geological Survey and C. M. Harrer and Glen Walker of the U. S. Bureau of Mines, accompanied by N. E. Ebbley and Robert Walker of Mid-Continent Uranium Corporation.

The exposed rocks in the area are the Jurassic Morrison formation and the overlying Cretaceous Burro Canyon and Dakota formations. All significant uranium-bearing deposits occur in the uppermost sandstone rim of the Salt Wash member of the Morrison formation.

A modification of the applicant's proposal was agreed upon by the Company's representatives and the members of the examining team. The program consisted of 21 stage I core holes and 42 stage II holes totaling 17,325 feet at an estimated overall cost of $49,260.00.

A two-stage drilling contract, Idm-E 850, signed on August 1,1955, provided for a maximum of 17,325 feet (63 holes) of non-core and core drilling at a total cost of $48,420.00. Government participation at 75 percent would be $36,315.00.

Work under the contract started on September 7, 1955 and continued through December 30, 1955. Stage I, consisting of 21 holes was completed during this period. Operations were suspended until April 30, 1956, because of adverse weather conditions. Drilling was resumed on May 1, 1956 and the work under the contract completed on July 12, 1956. On July 19, 1956, the operator requested termination of the project as the results of the 51 holes drilled did not indicate sufficient ore to justify commencing a mining operation. The DMEA examining team concurred and recommended termination of the contract. A termination agreement was signed by the operator on August 27, 1956, and contract Idm-E 850 was officially terminated as of July 13, 1956.

Results of the fifty-one holes drilled under stages I and II were unfavorable and no indicated or inferred uranium ore reserves are estimated from the DMEA drilling. The total cost of the project was $31,884.34 of which the Government's share was $23,913.26 (75 percent of the total cost).

RECOMMENDATIONS

Because exploration drilling under the contract did not discover any mineable ore bodies, certification of discovery is not recommended. No further exploration with Government funds is warranted.

LOCATION AND ACCESSABILITY

The Pond and Shubert group of 19 unpatented lode mining claims extend for about two miles along the west side of Beaver Mesa in secs. 4, 5, 7, and 8, T. 25 S., R. 26 E., S.L.M., Grand County, Utah(fig. 1). The claim area can be reached from Gateway, Colorado, the nearest village, by traveling about 15 miles on improved gravel and dirt access roads up John Brown Canyon to Beaver Mesa, thence northerly across the mesa. Gateway is 37 miles northwest of Uravan, Colorado, the nearest market for uranium ore. Most mining supplies for the Beaver Mesa area are obtained in Grand Junction, Colo., which is 56 miles northeast of Gateway, via State Highway 141.

The claims extend from the top of the mesa to approximately one-third of the distance down the west side. The average altitude of the area is about 7,000 feet. The region is typical Colorado Plateau mesa land, with terraced benches forming a high table land cut by deep, steep-walled canyons. The surface is covered by a thick growth of small cedar and pinon which is used to some extent for mine support.

The climate of the area is typical of the high Plateau region with large variations in temperature and precipitation in both summer and winter. Occasional summer rains of cloud burst proportions probably account for the major portion of the annual 20 inches of precipitation, although normally, several feet of snow falls during the winter months. Surface work from December to May is usually hampered by adverse weather.

PROPERTY

The Pond and Shubert group of claims was originally located in 1941 by C. B. Pond and Otis Shubert, and their locations were amended in 1950. The Woodard brothers, operators of the Corvusite mine about 3 miles south, became the owners of the claims and in July 1954 deeded them to the Mid-Continent Uranium Corp., of Grand Junction, Colorado. From a search of Grand County, Utah records, it appeared that the present owner had a valid claim to the land.

There is some conflict with claims owned by Climax Uranium Company but Climax, in a written statement to Mid-Continent, recognizes Mid-Continent's prior rights to the conflicting portions.

The 19 claims subordinated under the contract are recorded in Grand County, Utah as follows:

Claim	Book	Page
S and P	9 J	479
C and O	9 J	479
Crosby	9 J	478
The Point	9 I	382
Doctor, Jr.	9 J	466
Doctor	9 I	382
Beaver	9 I	382
Quandry	9 J	482
Rainbow	9 I	382
Cimarron	9 I	381
Sapinero	9 I	381
Curecanti	9 J	239
Shupon	9 J	479
McCrudy	9 J	200
Canyon No. 4	9 J	478
Canyon No. 3	9 J	477
Canyon No. 1	9 J	477
Canyon No. 2	9 J	477
C and H	9 J	482

There are no known liens or encumbrances against the property.

HISTORY AND PRODUCTION

Mining operations on Beaver Mesa were carried on before World War I, but work prior to the introduction of the uranium-buying schedules in 1948 was for the production of vanadium.

The Pond and Shubert group was located in 1941 and the locations were amended in 1950. Mid-Continent Uranium Corporation became owners of the property in July 1954.

Mining on the claim now known as the Canyon No. 4 probably began in the early 1920's but, after brief activity, was abandoned until about 1948. AEC records indicate a total production of about 235 tons (averaging 0.36 percent U_3O_8 and 1.72 percent V_2O_5) from two mines (Canyon No. 4 and Doctor, Jr.) on the property concerned by this contract. There has been no production from the subject property since August 1955. At the time of the field examination, all previously known ore reserves appeared to be exhausted.

GEOLOGY

The Beaver Mesa area includes parts of Mesa County, Colorado, and Grand County, Utah that lie between the LaSal mountains and the northwest trending Uncompahgre uplift. The canyon of the Dolores River has been cut in Paleozoic and Mesozoic rocks that lie between

these two mountains, and Beaver Mesa is a high escarpment on the southwest rim of the canyon. The top of the mesa presents a rolling surface that rises to the southwest and merges with the La Sal mountains. To the northeast the mesa ends abruptly and the topography drops off in a series of vertical cliffs, steep slopes, and benches into the canyon of the Dolores River. The mesa is bounded on the northwest by Beaver Creek canyon and on the southeast by John Brown canyon and lies on the southwest limb of the Dolores syncline. The syncline trends northwest and plunges southeast at a low angle. The Mesozoic beds underlying the mesa dip about 2° to the northeast.

The rocks in the immediate vicinity of Beaver Mesa are comprised of the Jurassic Morrison formation, and the Cretaceous Burro Canyon and Dakota formations. The Morrison formation is made up of two members; the lower Salt Wash sandstone member and the upper Brushy Basin shale member. The Salt Wash member ranges from 280 to 360 feet in thickness. The Burro Canyon formation caps most of the area, however, in small areas remnants of the Dakota sandstone are present. The aggregate thickness of the Burro Canyon and Dakota is as much as 210 feet.

The Salt Wash sandstone is composed dominantly of sandstone interbedded with shale and mudstone. The sandstone commonly occurs as strata traceable as ledges or rims along the outcrop, but within each stratum individual beds are lenticular and discontinuous. The lenses are separated in places by mudstone and contain mudstone seams and lenses. Most of the sandstone is medium to medium-fine grained. The sandstone is commonly cross-bedded and consists largely of subangular to subrounded quartz grains.

The Brushy Basin shale member of the Morrison formation consists predominantly of varicolored bentonitic shale and mudstone, with intercalated beds and lenses of sandstone and conglomeratic sandstone. The shale and mudstone ranges in color from white to pastel tints of red and green. The Brushy Basin forms smooth slopes covered with blocks and boulders weathered from the more resistant layers of the member and from the overlying formations.

The Burro Canyon formation and the Dakota sandstone are composed predominantly of sandstone and conglomeratic sandstone interbedded with thin lenses of gray and green shale. The Burro Canyon and Dakota characteristically crop out as cliffs or a series of thick resistant ledges.

ORE DEPOSITS

All of the significant uranium-bearing deposits found in the Beaver Mesa area are in the uppermost sandstone rim of the Salt Wash member of the Morrison formation. This rim is commonly referred to as the "ore-bearing sandstone" and ranges from 15 to 80 feet in thickness. The "ore-bearing sandstone" is commonly lenticular and irregularly bedded. The sandstone lenses contain thin discontinuous mudstone lenses, thin zones of mudstone-pebble conglomerate, and abundant fragments and masses of carbonaceous material.

The sandstones are light red, light gray, or light brown and are medium-fine to medium-grained. In the vicinity of uranium deposits, the sandstones are light brown or light gray and contain spots of disseminated pyrite.

The mudstone in contact with the ore-bearing sandstones is generally red. However, in the vicinity of uranium deposits the mudstone in contact with the ore-bearing sandstones is gray-green. Although the reason for the difference in color is not fully understood, the gray-green mudstone in contact with the sandstones is a useful guide for exploration because it generally extends some distance beyond the limits of the uranium deposits.

The ore-bearing sandstone in the Beaver Mesa area contains carbonaceous material of various types, and this material is commonly the site of rich concentrations of uranium and vanadium.

The "Uravan mineral belt" is an elongate belt in which the uranium deposits are larger and of higher grade than in other areas of south western Colorado. This "Mineral belt", described by Fischer and Hilpert (1952), extends westward across Beaver Mesa, and all of the significant uranium-vanadium deposits presently known on the mesa are within its boundaries.

The uranium deposits are tabular or lens-shaped masses that are generally parallel to the bedding in the sandstone but in detail may cross-cut bedding. The uranium deposits usually consist of several ore bodies connected by thin seams of mineralized material. The ore bodies are the thicker parts of the "blanket-like" deposits. No persistent trends are apparent in the deposits, however several of them exhibit a roughly northeast elongation. Also, mineralized fossil logs within the deposits usually have a northeast orientation.

The significant uranium-bearing deposits in the Beaver Mesa area are the unoxidized (or only partially oxidized) uranium-vanadium type commonly called "black ores". The principal ore minerals in these deposits are the uranium-bearing minerals uraninite and coffinite and the vanadium-bearing minerals montrosite, lumsdenite, and doloresite.

THE PROJECT

The purpose of the project was to explore the upper or ore-bearing sandstone unit of the Salt Wash member of the Jurassic Morrison formation in a region where sizable ore deposits had been found. From the data available, the ore horizon was considered favorable for the occurrence of significant uranium-bearing deposits and the project was recommended for approval.

ORIGINAL PROGRAM AND MODIFICATION

The program originally submitted to DMEA by the operator was a two-stage core drilling project providing for 42,575 feet of drilling in 131 holes at an estimated overall cost of $164,868.48.

The final results of U. S. Geological Survey drilling and geologic work in and around the subject claims indicated that exploration on the southern part of the property did not appear justified and a revised drilling program was agreed upon between the Government representatives and the representatives of Mid-Continent Uranium Corp. The program recommended by the examining team was a two-stage project consisting of a maximum of 17,325 feet of non-core and core drilling at an estimated overall cost of $49,260.00. The recommended program was incorporated in the contract signed on August 1, 1955.

The contract authorized a two-stage exploration project consisting of the same maximum drilling footage as recommended but at a smaller estimated overall cost of $48,420.00.

DESCRIPTION OF THE WORK COMPLETED

Work under contract Idm-E 850 commenced on September 7, 1955 with the construction of access roads and drill sites. B. H. Mott and Sons, Inc. began drilling on September 14, 1955 and continued without major delays until December 30, 1955. The 21 holes authorized under Stage I were completed during this period and are numbered PS-1 through PS-21 (fig. 2). The ore-bearing sandstone appeared to be thickening from drill holes PS-21 and PS-17 toward drill holes PS-16 and BV-172. Drill hole PS-16 was mineralized and lay about 200 to 300 feet east of a mineralized outcrop within a thick, favorable sand underlain by green mudstone. PS-3 was an ore hole and PS-7 was weakly mineralized. Stage II drilling was warranted by these favorable indications.

The project was in authorized recess from December 30, 1955 to May 1, 1956 because of adverse weather.

Between May 1, 1956 and July 12, 1956, thirty holes under Stage II were completed. These holes are numbered PS-22 through PS-51 and are located as shown on figure 2. Results from the stage II holes

were negative and the operator, on July 19, 1956, requested termination of the contract without further exploration because a significant discovery had not been made. DMEA representatives concurred and recommended that the contract be terminated. The termination agreement was signed by the Executive Officer, DMEA Field team, Region III and the Vice-President of Mid-Continent Uranium Corporation effective as of July 13, 1956.

Of the 51 holes completed, 2 were in thin ore and 8 were mineralized. A thick, favorable, mineralized sandstone is present between holes PS-4 and PS-32 and holes PS-2 and BV-172. Two ore holes (PS-3 and PS-29) and two mineralized holes (PS-7 and PS-22) were found in this ore-bearing sandstone. A thin sandstone below the main ore-bearing sandstone was mineralized in 6 holes (PS-16, 28, 35,37,42, and 44). Apparently, the ore deposits on the Pond and Shubert group are small and would require closer spaced drilling to outline them than is economically feasible.

No indicated or inferred reserves are estimated from the DMEA drilling and certification of discovery is not recommended.

SUMMARY OF FACTUAL DATA

The contract provided for a maximum of 17,325 feet of drilling in 63 holes under the following stipulated costs:

Stage I

2,100 feet core drilling at $3.22 per foot	$6,762.00	
3,675 feet non-core drilling at $2.17 per foot	7,974.75	
118 hours bulldozing at $12.50 per hour	1,475.00	
21 hours drill crew standby time at $10.00 per hour	210.00	
42 chemical analyses at $5.00 each	210.00	
Total allowable cost for Stage I drilling		$16,631.75

Stage II

4,200 feet core drilling at $3.22 per foot	$13,524.00	
7,350 feet non-core drilling at $2.17 per foot	15,959.50	
118 hours bulldozing at $12.50 per hour	1,475.00	
42 hours drill crew stand-by time at $10.00 per hour	420.00	
84 chemical analyses at $5.00 each	420.00	
Total allowable cost for Stage II drilling		$31,788.50
Total allowable cost for project (rounded)		48,420.00
Government participation or 75 percent		36,315.00

DISCUSSION OF CONCLUSIONS

Performance of the operator under the subject contract was satisfactory. Experienced drill crews were used, and good core recovery and drilling performance resulted. Progress during the month of December was poor due to adverse weather conditions. Difficulty with engine starting, frozen grease and water, and failure of machinery parts were experienced under low-temperature conditions. Work on the project was in authorized recess from December 30, 1955 to April 30, 1956. Performance after resumption of work on May 1, 1956 was good and the drilling progressed smoothly to the date of contract termination on July 13, 1956.

Work completed under Contract Idm-E 850 did not develop any significant ore deposits on the subordinated property. The results of the 51 holes drilled were unfavorable and adequately explored the ground with the best chance for the occurrence of uranium ore deposits.

The operator has done no further drilling on the property since termination of the contract. DMEA personnel consider the property unfavorable and recommend that no further exploration thereon be done with Government funds.

Certification of discovery is not recommended.

ACTUAL COSTS

The actual cost of the completed project under contract Idm-E 850 is shown below. The total amount is in conformance with the Report of Review by the Contract Administration and Audit Division dated September 14, 1956.

Stage I (21 holes)	
2,600.4 feet core drilling at $3.22 per foot	$8,373.29
2,430.0 feet non-core drilling at $2.17 per ft.	5,273.10
78.5 hours bulldozing at $12.50 per hour	981.25
9.5 hours standby time at $10.00 per hour	95.00
3 chemical assays at $5.00 each	15.00
Total cost of Stage I	$14,737.64
Stage II (30 holes)	
2,591.8 feet core drilling at $3.22 per foot	8,345.59
3,508.0 feet non-core drilling at $2.17 per ft.	7,612.36
80.5 hours bulldozing at $12.50 per hour	1,006.25
14.75 hours stand-by time at $10.00 per hour	147.50
7 chemical assays at $5.00 each	35.00
Total cost of Stage II	$17,146.70
Total actual cost of project	31,884.34
Government participation at 75 percent	$23,913.26

APPENDIX I

Summary of holes drilled under contract Idm-E 850

Stage I

Hole No.	Non-cored feet	Cored feet	Total feet	Sampled Base	Sampled Thickness	Mineralization: Chemical Assay %U_3O_8	Chemical Assay %V_2O_5	Radiometric %eU_3O_8
PS-1	170.0	120.0	290.0	--	--	--	--	Barren
PS-2	170.0	108.5	278.5	--	--	--	--	Barren
PS-3	150.0	105.4	255.4	219.5	1.0	0.13	0.62	--
PS-4	135.0	97.0	232.0	--	--	--	--	Barren
PS-5A	120.0	110.0	230.0	--	--	--	--	Barren
PS-6	110.0	114.0	224.0	--	--	--	--	Barren
PS-7	110.0	105.0	215.0	193.0	0.5	0.02	0.25	--
				193.5	0.5	0.01	0.00	--
PS-8	220.0	107.0	327.0	--	--	--	--	Barren
PS-9	230.0	143.0	373.0	--	--	--	--	Barren
PS-10	150.0	123.9	273.9	--	--	--	--	Barren
PS-11	150.0	100.0	250.0	--	--	--	--	Barren
PS-12	100.0	105.0	205.0	--	--	--	--	Barren
PS-13	90.0	123.0	213.0	--	--	--	--	Barren
PS-14	55.0	115.0	170.0	--	--	--	--	Barren
PS-15	125.0	136.0	261.0	--	--	--	--	Barren
PS-16	45.0	237.5	282.5	108.4	1.0	--	--	0.03
PS-17	100.0	151.4	251.4	--	--	--	--	Barren
PS-18	45.0	115.0	160.0	--	--	--	--	Barren
PS-19	95.0	139.0	234.0	--	--	--	--	Barren
PS-20	30.0	104.0	134.0	--	--	--	--	Barren
PS-21	30.0	140.7	170.7	--	--	--	--	Barren

Total Stage I (21 holes)
2,430.0 2,600.4-5,030.4

Stage II

Hole No.	Non-cored feet	Cored feet	Total feet	Sampled Base	Sampled Thickness	Chemical Assay %U_3O_8	Chemical Assay %V_2O_5	Radiometric %eU_3O_8
PS-22	155.0	75.0	230.0	216.0	0.8	trace	0.00	--
				128.0	2.5	--	--	0.05
				215.5	2.0	--	--	0.06
PS-23	170.0	59.0	229.0	--	--	--	--	Barren
PS-24	170.0	71.0	241.0	--	--	--	--	Barren
PS-25	155.0	77.5	232.5	--	--	--	--	Barren
PS-26	143.0	72.0	215.0	--	--	--	--	Barren
PS-27	155.0	63.2	218.2	--	--	--	--	Barren
PS-28	55.0	125.0	180.0	125.9	0.5	--	--	0.02
				170.2	0.5	--	--	0.02
PS-29	125.0	66.0	191.0	179.8	1.0	0.09	1.25	--
				182.3	1.0	0.36	0.08	--
PS-30	120.0	75.0	195.0	--	--	--	--	Barren
PS-31	160.0	77.0	237.0	--	--	--	--	Barren
PS-32	65.0	112.0	177.0	--	--	--	--	Barren
PS-33	125.0	103.0	228.0	--	--	--	--	Barren
PS-34	95.0	108.0	203.0	--	--	--	--	Barren
PS-35	60.0	85.0	145.0	132.0	2.5	--	--	0.04
PS-36	30.0	94.0	124.0	--	--	--	--	Barren
PS-37	150.0	105.0	255.0	238.3	2.8	0.02	0.70	--
PS-38	140.0	100.0	240.0	--	--	--	--	Barren
PS-39	50.0	95.0	145.0	--	--	--	--	Barren
PS-40	75.0	88.0	163.0	--	--	--	--	Barren
PS-41	120.0	67.0	187.0	--	--	--	--	Barren
PS-42	75.0	115.0	190.0	138.7	1.2	0.02	0.05	--
				147.7	0.4	0.03	0.26	--
				168.6	0.8	0.03	0.28	--
PS-43	120.0	56.5	176.5	--	--	--	--	Barren
PS-44	50.0	101.6	151.6	148.0	0.5	--	--	0.03
PS-45	70.0	110.0	180.0	--	--	--	--	Barren
PS-46	150.0	65.0	215.0	--	--	--	--	Barren
PS-47	150.0	80.0	230.0	--	--	--	--	Barren
PS-48	65.0	102.0	167.0	--	--	--	--	Barren
PS-49	155.0	75.0	230.0	--	--	--	--	Barren
PS-50	180.0	86.0	266.0	--	--	--	--	Barren
PS-51	175.0	83.0	258.0	--	--	--	--	Barren

Total Stage II (30 holes)
3,508.0 2,591.8 6,099.8

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
JANUARY 1957 CONTRACT Idm-E850 DOCKET 3660

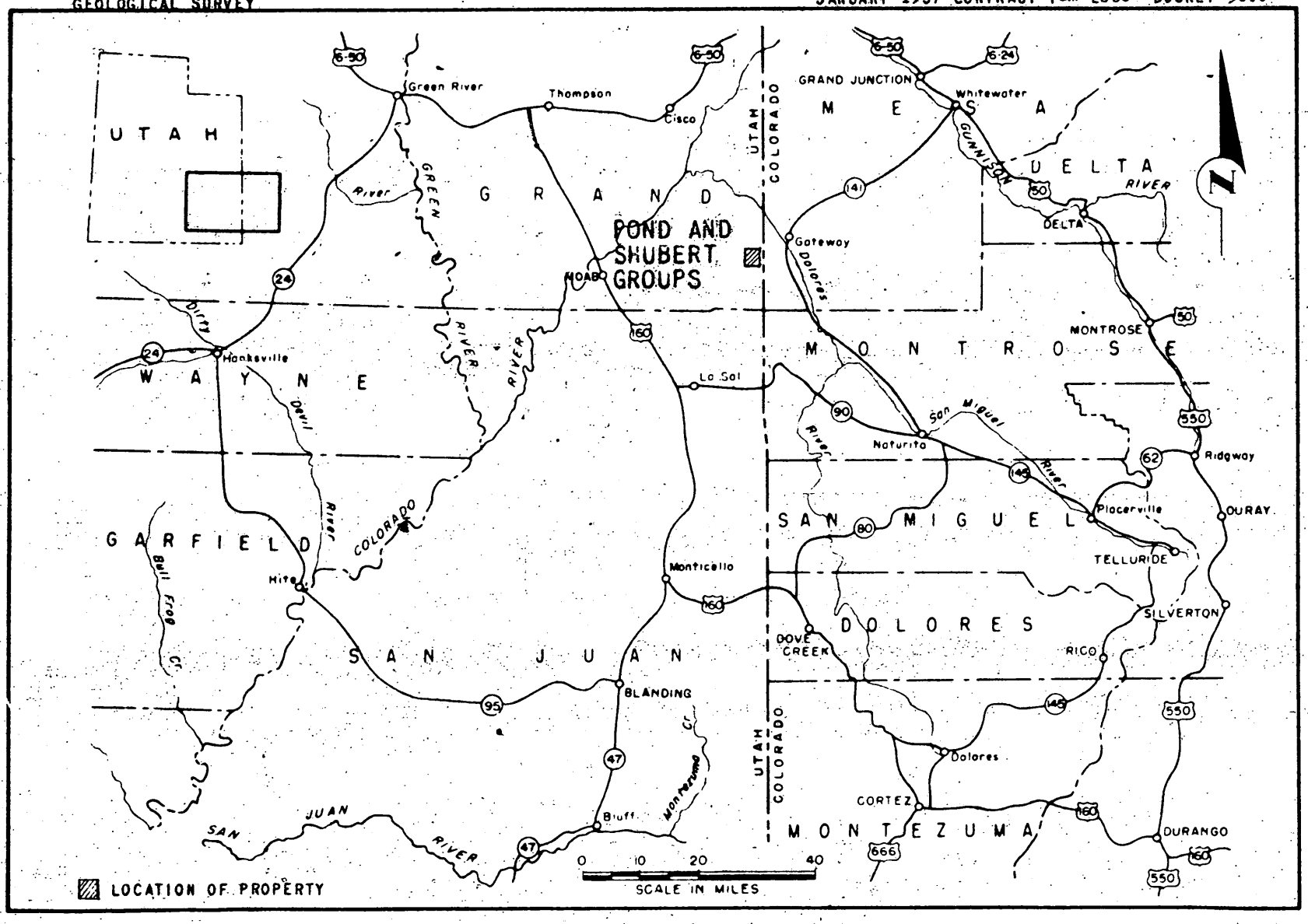

FIGURE 1.--LOCATION MAP, MID-CONTINENT URANIUM COMPANY, POND AND SHUBERT GROUPS, GRAND COUNTY, UTAH.

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

224 New Customhouse
Denver 2, Colorado

August 27, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3660 (Uranium), Contract Idm-E850, Mid-Continent Uranium Corporation (Pond and Shubert groups), Grand County, Colorado

Enclosed are the original and one copy of the Operator's final report pertaining to work completed under the subject contract.

The engineering and geologic section and the Field Team's final report will be forwarded at a later date.

W. M. Traver

W. M. Traver

Enclosures

FIFTH & ROOD

PHONE 3904

MID-CONTINENT URANIUM CORP.
URANIUM CENTER BUILDING
SUITE 201-202
GRAND JUNCTION, COLORADO

August 23, 1956

DMEA
Date Rec'd.
AUG 27 1956
BUREAU OF MINES
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
AUG 29 1956
REGION III
DENVER, COLORADO

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

Re: Final Report
Docket No. DMEA-3660 (Uranium)
Contract No. Idm-E850
Grand County, Utah

Dear Mr. Traver:

Enclosed please find the original and four copies of the final report of Defense Minerals Exploration Administration's drilling on part of the Pond and Shubert group, Beaver Mesa area, Gateway district, Grand County, Utah.

It is understood that DMEA cannot close out their books and records on this project until the final report has been submitted, in accordance with Article 6 (c) of the contract. Also, it is understood that Mid-Continent will receive notice relative to a discovery or a non-discovery.

Sincerely yours,

MID-CONTINENT URANIUM CORP.

Coy M. Mobley

Coy M. Mobley
Geologist

CMM/lg

Enc.

DMEA
Date Rec'd.
AUG 27 1956
BUREAU OF MINES
Denver, Colorado

MID-CONTINENT URANIUM CORP.
201-202 URANIUM CENTER BUILDING
GRAND JUNCTION, COLORADO

DMEA DOCKET NO. 3660 (URANIUM)
CONTRACT NO. Idm-E850

FINAL REPORT

OF

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DRILLING ON PART OF THE POND AND SHUBERT GROUP

BEAVER MESA AREA, GATEWAY DISTRICT,

GRAND COUNTY, UTAH

By

COY M. MOBLEY
GEOLOGIST

August 23, 1956

DMEA Docket No. 3660 (Uranium)

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Proposed Exploration	5
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ILLUSTRATIONS

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Figure 3	Drill Hole Map	In Envelope
Figure 4	Geologic Cross-Sections A-A', B-B', C-C'	In Envelope
Figure 5	Geologic Cross-Sections A'-A", B'-B", D-D'	In Envelope

DMEA Docket No. 3660 (Uranium)

INTRODUCTION

On January 30, 1955, Mid-Continent Uranium Corp. filed an application with the Defense Minerals Exploration Administration for exploratory assistance on the Pond and Shubert group of 32 claims, Beaver Mesa area, Gateway district, Grand County Utah (Fig. 1). The original application was for $164,868.00, Mid-Continent contributing 25 percent of this amount.

On March 29, 1955, Mid-Continent's representive met with the combined field teams of the U. S. Bureau of Mines and the U. S. Geological Survey on the Pond and Shubert claims to evaluate the outlined drilling program. A subsequent meeting was held with the combined field teams in Grand Junction, Colorado on April 1, 1955, and a revised drilling program was set up and submitted to DMEA on April 2, 1955. The revised drilling program was set up to explore the northern 19 claims of the group situated in Sections 4, 5, 7, and 8, T. 25 S., R. 26 E., S. L. M. and consisted of 21 holes under Stage I and 42 holes under Stage II at a total cost of $77,630.00. Mid-Continent received the approved contract on August 10, 1955. The plan of drilling was the same as submitted in the revised drilling program, but the total cost of the project was reduced to $48,420.00.

Drilling began on September 14, 1955, by B. H. Mott & Sons, Inc. and continued through December 30, 1955. The 21 holes under Stage I were completed during this period. Drilling was recessed until April 30, 1956, because

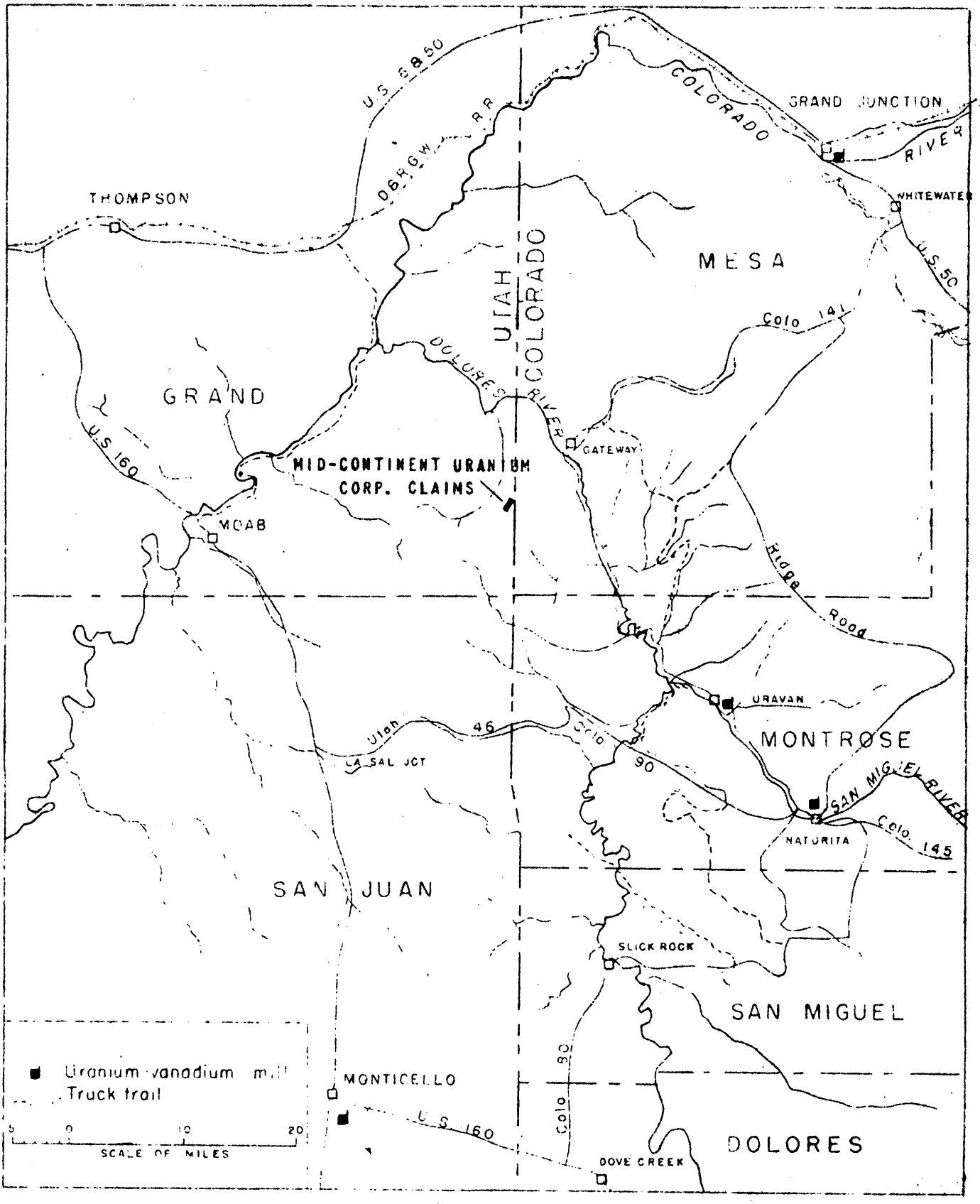

Figure 1. INDEX MAP OF PART OF COLORADO PLATEAU SHOWING LOCATION OF MID-CONTINENT URANIUM CORP. CLAIMS, BEAVER MESA AREA, GRAND COUNTY, UTAH

of adverse weather. Between April 30, 1956, and July 12, 1956, 30 holes under Stage II were completed. On July 19, 1956, Mid-Continent requested the drilling contract be terminated because the results of the 51 holes completed did not indicate sufficient ore to warrant a profitable mining operation and it was Mid-Continent's opinion that a significant discovery could not be made if the remaining 12 holes were drilled.

Of the 51 holes completed, 2 were in ore and 8 were mineralized. The total cost of the project was $31,884.34 of which the Government's share was $23,913.26 (75 percent of the total cost). No indicated or inferred reserves are estimated from the DMEA drilling.

GEOLOGY

The rocks exposed on the Pond and Shubert group of claims consist of the Salt Wash sandstone and Brushy Basin shale members of the Jurassic Morrison formation (Fig. 2).

The Brushy Basin shale member, is predominately a mudstone of varying colored tints with many calcareous nodules and lenses of siltstone, coarse grey sandstone and conglomerate. In the Beaver Mesa area, the Brushy Basin member attains a thickness of over 300 feet and forms a steep slope covered with brush, pinon and juniper.

The lower part of the Morrison formation, the Salt Wash sandstone member,

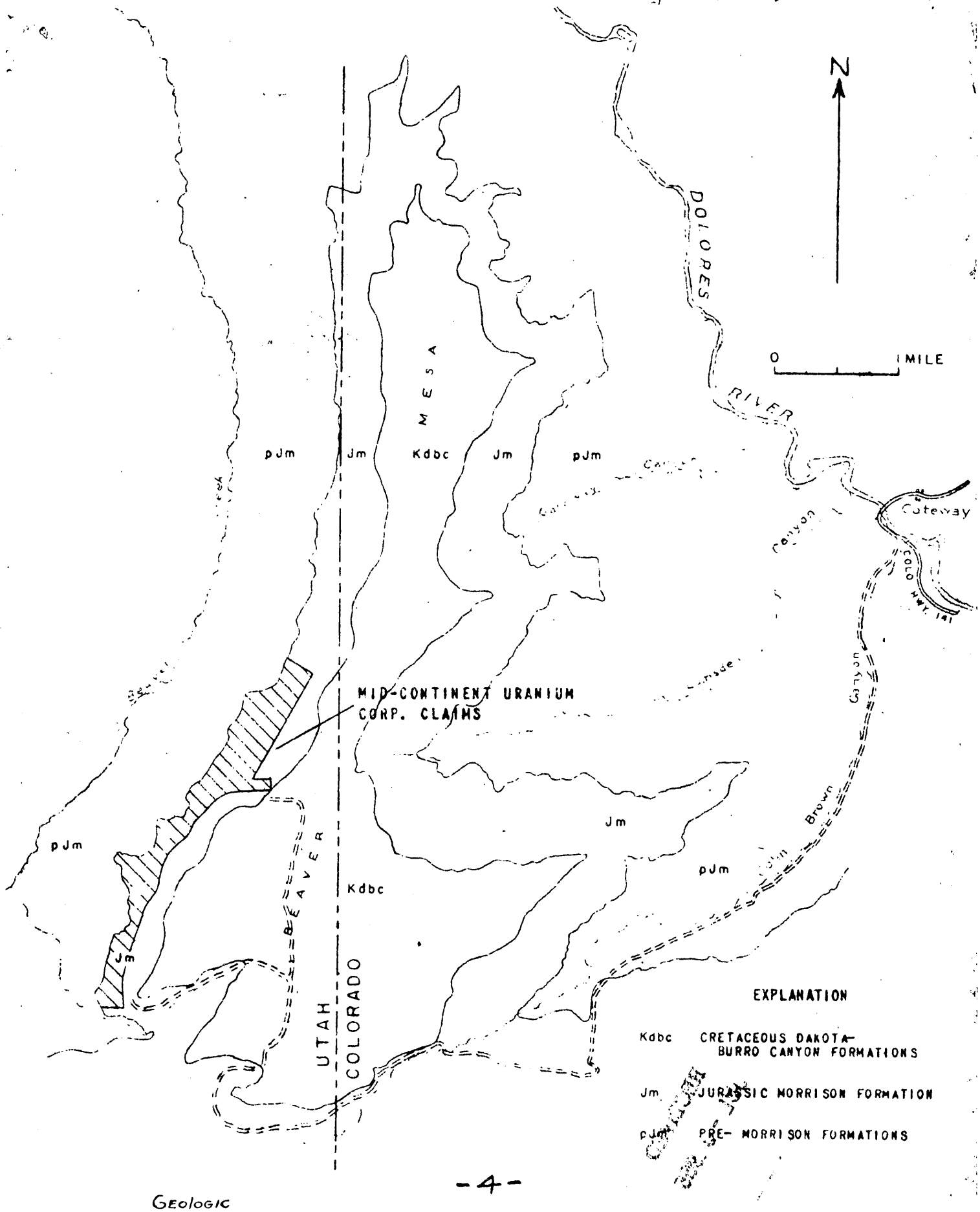

Figure 2. GEOLOGIC MAP SHOWING LOCATION OF MID-CONTINENT URANIUM CORP. CLAIMS ON BEAVER MESA, GRAND COUNTY, UTAH

has a thickness of over 250 feet in the Beaver Mesa area. The Salt Wash sandstone usually forms benches, dip slopes, or shallow ravines, and is amenable to surface and sub-surface prospecting at moderate depths. The Salt Wash member consists of light-red, brown to light-grey, medium to medium-fine grained sandstone lenses separated by red-brown mudstone.

In general, the ore bodies in the Beaver Mesa area are elongate in a northeasterly-southwesterly direction. The orientation of fossil logs and ore rolls as well as the general trend of favorable sandstone thicknesses, vary from N. 45° E. to N. 70° E., averaging about N. 65° E. The sandstone lenses containing the ore deposits are lenticular in shape and, in places, are 50 feet or more thick near the center of the lenses. The sandstones acting as host rock are usually pale to light-yellow or brown in color and contain thin lenses of grey-green mudstone and carbonaceous material. The color of the mudstone immediately beneath the ore-bearing sandstone is usually red-brown away from the deposits and grey-green in the vicinity of the ore deposits.

On the Pond and Shubert group of claims, ore deposits have been found in three separate sandstone lenses of the Salt Wash member. The larger deposits are found in the upper sandstone lens.

PROPOSED EXPLORATION

The exploration drilling program, as set up by DMEA, was scheduled

in two stages. The results of the first stage were to be evaluated before the Company was authorized to proceed to the next stage. The plan of drilling for each stage was as follows:

Stage I: The work under this stage consisted of the preparation of access roads and drill sites by a D-7 bulldozer or equivalent unit, and the drilling of 21 holes aggregating 5,775 feet, more or less. Drill two rows of holes about 500 feet apart, paralleling the Salt Wash rim. The holes in each row to be about 400 feet apart.

Stage II: Stage II work consisted of the preparation of access roads and drill sites by a D-7 bulldozer or equivalent unit, and the drilling of a maximum of 42 holes aggregating not more than 11,550 feet as offsets to Stage I and previously drilled Stage II holes which show mineralization or strongly favorable geological criteria. The offset holes shall not be drilled closer than 100 feet from any previously drilled hole.

It was estimated that, on an average, the last 100 feet of each hole would be cored. The estimated total cost of the project was $48,420.00. The Government's share at 75 percent was $36,315.00.

COMPLETED EXPLORATION

Drilling began on September 14, 1955, by B. H. Mott & Sons, Inc. and continued until December 30, 1955. The 21 holes under Stage I were completed during this period. Drilling was recessed until April 30, 1956, because of adverse weather. Between April 30, 1956, and July 12, 1956, 30 holes under

Stage II were completed. After evaluating the results of the 51 holes completed, Mid-Continent, on July 19, 1956, requested the DMEA contract be terminated because a significant discovery had not been made and probably could not be made with the 12 remaining holes. Mid-Continent received the notice of termination on August 17, 1956.

Of the 51 holes completed, 2 were in ore and 8 were mineralized (Fig. 3). As shown on the geologic cross-sections (Figs. 4 and 5), a thick, favorable, mineralized sandstone is present between holes PS-4 and PS-32 and holes PS-2 and BV-172. Two ore holes (PS-3 and PS-29) and two mineralized holes (PS-7 and PS-22) were found in this ore-bearing sandstone. A thin sandstone below the main ore-bearing sandstone was mineralized in 6 holes (Nos. PS-16, 28, 35, 37, 42, and 44). Apparently the ore deposits on the Pond and Shubert group are small and would require closer spaced drilling to outline them than the 100-foot minimum allowed in the contract.

No indicated or inferred reserves are estimated from the DMEA drilling.

SUMMARY OF MINERALIZED HOLES

Hole No.	Base	Thickness	Chemical Assay %U_3O_8	Chemical Assay %V_2O_5	Radiometric %eU_3O_8
PS-3	219.5	1.0	0.13	0.62	-
PS-7	193.0	0.5	0.02	0.25	-
	193.5	0.5	0.01	0.00	-
PS-16	108.4	1.0	-	-	0.03
PS-22	216.0	0.8	Trace	0.00	-
	128.0	2.5	-	-	0.05
	215.5	2.0	-	-	0.06
PS-28	125.9	0.5	-	-	0.02
	170.2	0.5	-	-	0.02
PS-29	179.8	1.0	0.09	1.25	-
	182.3	1.0	0.36	0.08	-
PS-35	132.0	2.5	-	-	0.04
PS-37	238.3	2.8	0.02	0.70	-
PS-42	138.7	1.2	0.02	0.05	-
	147.7	0.4	0.03	0.26	-
	168.6	0.8	0.03	0.28	-
PS-44	148.0	0.5	-	-	0.03

SUMMARY OF EXPENSES (51 HOLES)

	Units	Unit Costs	Total Cost
Drilling			
Core	5,192.2 ft.	$ 3.22/ft.	$16,718.88
Non-Core	5,938.0 ft.	2.17/ft.	12,885.46
Standby Time	24.25 hrs.	10.00/hr.	242.50
Bulldozer D-7	159.0 hrs.	12.50/hr.	1,987.50
Chemical Assays	10.0	5.00 each	50.00
		Total	$31,884.34
Government's share @ 75% of total			$23,913.26

CONCLUSIONS

Between September 14, 1955, and July 12, 1956, 51 holes totaling 11,130.2 feet were completed at a total cost of $31,884.34. Of the 51 holes drilled under the DMEA contract, 2 were in ore and 8 were mineralized. Mid-Continent requested the contract be terminated because a significant discovery had not been made and probably could not be made if the 12 remaining holes were drilled. No indicated or inferred reserves were found by the DMEA drilling.

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

224 New Customhouse
Denver 2, Colorado

August 16, 1956

Mr. Norman E. Ebbley, General Manager
Mid-Continent Uranium Corporation
201 Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA 3660 (Uranium)
Contract Idm-E850
Mid-Continent Uranium Corporation
Pond and Shubert groups
Grand County, Utah

Dear Mr. Ebbley:

Enclosed are the Government's, Division, Docket, Operator, Finance Office, and Field Team copies of a proposed TERMINATION AGREEMENT which has been prepared pursuant to a request by Coy M. Mobley, Geologist, Mid-Continent Uranium Corporation, to terminate Contract Idm-E850.

If the TERMINATION AGREEMENT is satisfactory, all copies are to be signed by an official of Mid-Continent Uranium Corporation authorized to sign such instruments, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office.

Upon receipt of the properly executed copies of the TERMINATION AGREEMENT and after dating and being signed by the Executive Officer, DMEA Field Team, Region III, for the Government, the Operator's copy will be returned to you.

RECEIVED
AUG 20 1956

Very truly yours,

W. M. TRAVER

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

Enclosures
JWT:jy
cc: Chair. Op. Comm. (2)
Harshman
Hasler
Shaw (2)
Townsend
Corresp. E850
Chron.

Surname copy

Ching
Ellis
Chambers
Martin
Kjorsvik
Whitesides

700

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

AUG 13 1956

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

Re: Docket No. DMEA-3660 (Uranium)
Contract No. Idm-8850
Mid-Continent Uranium Corporation
Fond and Shubert Groups
Grand County, Utah

Dear Mr. Traver:

In accordance with your memorandum of July 27, 1956, we are enclosing the original and five copies of a proposed Termination Agreement, prepared for your signature in behalf of the Government.

If you and the Operator find the agreement satisfactory, please have it executed as indicated and make the usual distribution thereafter.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (WB)

Enclosures

MChing/ai 8-9-56
cc to: Docket
Admr.'s Reading File
Operating Committee
Code 700
Mr. Ching
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

APPROVED:

FRANK D. LAMB (WB)
Member, Bureau of Mines

N. E. Nelson (WB)
Member, Geological Survey

R.C.B.

DOCKET
700

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

August 9, 1956

Memorandum

To: The Files

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

Subject: Termination Agreement
Docket No. DMEA-3660 (Uranium)
Contract No. Idm-E850
Mid-Continent Uranium Corporation
Pond and Shubert Groups
Grand County, Utah

The subject contract provided for 6,300 feet of core drilling and 11,025 feet of non-core drilling, in two stages, to test the uppermost sandstone lens of the Salt Wash member of the Morrison formation. A maximum of 63 drill holes were contemplated for the two stages.

The Operator completed 21 holes in Stage I and 30 holes in Stage II without penetrating an economic ore body and, by letter of July 19, 1956, requested that the contract be terminated without completing the authorized footage.

Three of the 21 Stage I holes were mineralized. Only one of the three contained ore-grade material. The ore was at a depth of 219.5 feet, was 1.0 foot thick and assayed 0.13% U_3O_8 and 0.62% V_2O_5.

Seven of the 30 Stage II holes were mineralized, of which one was in ore. The ore was in two layers of 1.0 foot each at depths of approximately 180 feet and 182 feet, and assayed respectively, 0.09% U_3O_8 and 1.25% V_2O_5, and 0.36% U_3O_8 and 0.08% V_2O_5.

Of 12 holes drilled around the two ore holes described above, 10 were barren, one showed a trace, and one was slightly mineralized.

The ore-grade material encountered was at such great depths and was so thin that mining operations would not be economically feasible. The mineralized areas appear to be quite limited in size.

In view of the results to date further drilling is not warranted and termination of the contract by mutual agreement is in order. Certification of discovery is not recommended.

Michael Ching

Michael Ching

Surname copy

700

Ching
Ellis

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

August 2, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

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

Subject: Termination Agreement
Docket No. DMEA-3660 (Uranium)
Contract No. Idm-850
Mid-Continent Uranium Corporation
Pond and Shubert Groups
Grand County, Utah

Will you kindly prepare a Termination Agreement between the Government and Mid-Continent Uranium Corporation in accordance with the attached draft. It should be prepared for the signature of the Executive Officer, DMEA Field Team, Region III.

No certification of discovery will be made on this project.

Ernest Wm. Ellis

MChing/ai
8-2-56
cc to: Docket
Code 700
Mr. Ching

DRAFT
MChing/ai
8-2-56

TERMINATION AGREEMENT

~~[A-1 Contract Forms - MF-200, MF-200A]~~

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mid-Continent Uranium Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E850, Docket No. DMEA-3660, dated August 1, 1955, hereinafter called the "Contract," that:

1. Effective as of the date of this agreement, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

3. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government.

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

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

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

THE UNITED STATES OF AMERICA

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

_____
(Operator)

By _____

_____

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

RECEIVED
JUL 30 1956

224 New Customhouse
Denver 2, Colorado

July 27, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3660 (Uranium), Contract Idm-E850, Mid-Continent Uranium Corporation, Grand County, Utah

Enclosed is the following material pertaining to termination of the subject contract:

1. Original and one copy of the Operator's request, dated July 19, 1956, with attached map.

2. Original and three copies of a joint memorandum, dated July 24, 1956, from Howard F. Albee, Geologist, Geological Survey, and H. F. Robertson, Mining Engineer, Bureau of Mines.

Results of the fifty-one (51) holes drilled under Stages I and II were unfavorable, and therefore termination of the contract by mutual agreement is recommended without issuing a certification of discovery or development.

W. M. Traver

Enclosures

IN REPLY REFER TO:

DMEA
Date Rec'd. 7/26

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JUL 30 1956

GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

JUL 26 1956
BUREAU OF MINES
Denver, Colorado

July 24, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
John F. Shaw
J. William Hasler

From: Howard F. Albee
H. F. Robertson

Subject: Termination of contract, DMEA docket 3660 (Uranium), contract IdmE-850, Pond and Shubert claims, Mid-Continent Uranium Corporation, Grand County, Utah.

The operator has requested, by letter of July 19, termination of the contract without further drilling.

The operator has drilled 51 holes of which 21 were stage I and 30 were stage II holes. Three of the stage I holes penetrated mineralized material of which one (PS-3) was in ore. The base of the ore was at 219.5 feet, was 1.0 foot thick and assayed 0.13 percent U_3O_8 and 0.62 percent V_2O_5. Seven of the stage II holes penetrated mineralized material of which one (PS-29) was in ore. The base of the ore was at 179.8 feet and 182.3 feet and assayed, respectively, through a thickness of 1.0 foot each, 0.09 percent U_3O_8 and 1.25 percent V_2O_5 and 0.36 percent U_3O_8 and 0.08 percent V_2O_5. Of 12 holes drilled around the two ore holes, 10 were barren, one showed a trace, and one was slightly mineralized.

In view of such negative results the examining team recommends that the contract be terminated.

The ore-grade material was penetrated at such excessive depths for the narrow thicknesses that mining operations are not economically feasible. Certification of a discovery is not recommended.

Howard F. Albee
Howard F. Albee
U. S. Geological Survey

Harry F. Robertson
Harry F. Robertson
U. S. Bureau of Mines

HFA/mlr

FIFTH & ROOD

PHONE 3904

MID-CONTINENT URANIUM CORP.
URANIUM CENTER BUILDING
SUITE 201-202
GRAND JUNCTION, COLORADO

DMEA
Date Rec'd
JUL 20 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
JUL 30 1956

July 19, 1956

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

Re: DMEA Docket No. 3660 (Uranium)
Contract Idm - E850
Mid-Continent Uranium Corp.
Grand County, Utah

Dear Mr. Traver:

The last Stage II hole authorized under the above subject contract was completed on July 12, 1956. (See Fig. 1)

Since the results of the 51 holes drilled do not indicate sufficient ore to warrant a profitable mining operation, it is Mid-Continent's opinion that a significant discovery cannot be made if the remaining 12 holes were drilled.

Mid-Continent is desirious of terminating the drilling under the above contract. If in DMEA's opinion more drilling is justified, Mid-Continent will continue the drilling under their suggested program.

Yours very truly,

MID-CONTINENT URANIUM CORP.

Coy M. Mobley

Coy M. Mobley
Geologist

CMM/lg

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

RECEIVED
JUL 27 1956

224 New Customhouse
Denver 2, Colorado

July 24, 1956

Mr. Norman E. Ebbley, General Manager
Mid-Continent Uranium Corporation
201 Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA 3660 (Uranium)
Contract Idm-E850
Mid-Continent Uranium Corporation
Pond and Shubert groups
Grand County, Utah

Dear Mr. Ebbley:

Your Monthly Progress Report and Voucher for the month of June, 1956 is being processed for payment with the following deduction.

An amount of $10.85, the cost of 5 feet of non-core drilling at $2.17 a foot, has been disallowed. Actual non-core footage drilled in June was 955 feet, whereas you reported the cost of 960 feet on Form MF-104.

We note that 772.1 feet of core drilling was performed during June, but only the cost of 767.1 feet was reported on Form MF-104. You may include the cost for the additional 5 feet in conjunction with your next Monthly Report and Voucher. Please make note under "Remarks" to the effect that 5 feet of the core drilling reported for the period was actually drilled during June, 1956.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E850
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Chron.

cw

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

RECEIVED
JUN 25 1956

224 New Customhouse
Denver 2, Colorado

June 21, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3660 (Uranium) Contract Idm-E850, Mid-Continent Uranium Corporation, Grand County, Utah

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III. Also enclosed are four sets of data relative to the work approval.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

June 21, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3660 (Uranium) Contract Idm-E850, Mid-Continent Uranium Corporation, Grand County, Utah

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III. Also enclosed are four sets of data relative to the work approval.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

June 1[illegible]

RECEIVED
JUN 25 1956

Mid-Continent Uranium Corporation
Uranium Center Building
215 North Fifth Street
Grand Junction, Colorado

Re: Docket DMEA 3660 (Uranium), Contract Idm-E850
Mid-Continent Uranium Corp., Grand County, Utah

Att'n: Mr. Guy M. Mobley, Geologist

Gentlemen:

In reference to your letter of June 5, 1956, this constitutes confirmation of verbal approval by the DMEA Field Team, Region III, of June 8, 1956, for you to perform the following drilling under Stage II of the contract:

(1) Drill 4 offset holes on 100 foot centers around mineralized hole MS-26

(2) Drill 4 offset holes on 100 foot centers around mineralized hole MS-37

(3) Drill 3 offset holes on 100 foot centers around mineralized hole MS-29

The locations of the above-described eleven offset drill holes are shown by the symbol "X" on the map entitled: "Figure 2. Map Showing U.S.G.S., D.M.E.A. Stage I, Completed Stage II, and Location of Proposed Stage II Drill Holes, Pond and Slumbert Group of Claims, Mid-Continent Uranium Corporation, Grand County, Utah" which is attached hereto and made a part of this work approval.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

E. F. Harshman

E. F. Harshman

JWT:bh
cc-Chairman, Op. Comm. (4)
Finance Office, Region III
Amendment File
Harshman
Shaw (2)
Hasler
Townsend
Corres. File E-850 Chron.

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

[redacted]
Denver 2, Colorado

June 19, 1956

RECEIVED
JUN 25 1956

Mid-Continent Uranium Corporation
Uranium Center Building
215 North Fifth Street
Grand Junction, Colorado

Re: Contract DMEA 3460 (Uranium), Contract [redacted]
Mid-Continent Uranium Corp., Grand County, Utah

Att'n: Mr. Guy N. Ridley, Geologist

Gentlemen:

In reference to your letter of June 5, 1956, this constitutes confirmation of verbal approval by the DMEA Field Team, Region III, of June 6, 1956, for you to perform the following drilling under Stage II of the contract.

(1) Drill 4 offset holes on 100 foot centers around mineralized hole [redacted]

(2) Drill 4 offset holes on 100 foot centers around mineralized hole [redacted]

(3) Drill 3 offset holes on 100 foot centers around mineralized hole [redacted]

The locations of the above-described eleven offset drill holes are shown by the symbol "X" on the map entitled: "Figure 2. Map Showing E.S.A.S., D.M.E.A. Stage I, Completed Stage II, and Location of Proposed Stage II Drill Holes, Pond and Student Group of Claims, Mid-Continent Uranium Corporation, Grand County, Utah" which is attached hereto and made a part of this work approval.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

W. M. Sawyer
W. M. Sawyer

E. E. Hardman
E. E. Hardman

JWT:bh
co-Chairman, Op. Comm. (4)
Finance Office, Region III
Amendment File
Harshman
Shaw (2)
Masler
Townsend
Corres. File B-850 Chron.

DMEA
Date Rec'd JUN 19 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colorado

BUREAU OF MINES
Denver, Colorado

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
RECEIVED
JUN 15 1956

RECEIVED
JUN 25 1956

U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

June 13, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. H. Marshman
John F. Shaw
J. William Hauler

From: Howard F. Albee

Subject: DMEA docket 3600 (Uranium), contract Idm-s 890, Pond and Shubert claims, Mid-Continent Uranium Corporation, Grand County, Utah.

The Operator has requested, by letter of June 5, approval for further drilling under stage II of the contract. Nineteen stage II holes were previously approved and have been drilled.

In a memorandum of February 23, 1956, I stated that the ore was thickening northerly from drill holes PS-21 and PS-17. Subsequent drilling to the north proved this to be incorrect. Instead, the sandstone became thinner. Drill logs, however, showed a second sandstone below the upper sandstone and separated from it by some 20 to 30 feet of mudstone. This deeper sand contains the only mineralization found northerly from drill hole PS-29.

Stage I drill hole PS-16 was offset by four stage II holes because PS-16 was slightly mineralized and it lies east of a mineralized outcrop. Three offset holes were barren and one, PS-35, was slightly mineralized as indicated by hand probing. Six holes are requested in this vicinity, three around PS-39 and three around PS-35. It is believed that this part of the area has been adequately tested and further drilling is not recommended around these two holes.

Four holes were requested to offset PU-34. The core log shows two sands, the upper one of which is classified as unfavorable and the lower one as favorable. The hole is barren. Offsets around this hole are not recommended.

Two offsets were requested around PS-22. PS-22 is an offset of ore hole PS-3, which contains 1.0 foot of 0.13 percent U_3O_8 and 0.62 percent V_2O_5. PS-22 is mineralized according to hand probing methods. That part of the core split for an assay showed only a trace of uranium. The two offsets around PS-22 are not recommended.

DMEA 3660 6/13/56

Three offsets are requested around ore hole PS-29, which is an offset around mineralized hole PS-7. Inasmuch as PS-29 is an ore hole with 1.0 foot of 0.09 percent U_3O_8 and 1.25 percent V_2O_5 and 1.0 foot of 0.36 percent U_3O_8 and 0.08 percent V_2O_5 three offsets are recommended.

Four offsets each were requested for drill holes PS-28 and PS-37. These drill holes are in thick ore-bearing sandstones and each is mineralized. Each drill hole contains two sandstones. They are, from upper to lower, 47 feet and 44 feet thick in PS-28 and 51 feet and 16 feet thick in PS-37. PS-28 shows 0.02 percent equivalent U_3O_8 at two places in the lower sandstone by hand probe and PS-37 shows 2.8 feet of 0.02 percent U_3O_8 and 0.70 percent V_2O_5 in the lower sandstone by assay. Four offsets around each hole is recommended.

Eleven stage II drill holes, comprised of three offsets around PS-29, four offsets around PS-28, and four offsets around PS-37, are recommended. Because of the depths of approximately 110 to 245 feet, and the indicated small size of ore bodies in the vicinity, further stage II drilling beyond these eleven holes is not recommended unless the results indicate much better targets than have been previously shown.

Howard F. Albee by JHH
Howard F. Albee,
Geologist

HFA/mlr

Enclosures (maps)

DMEA
Data Center

JUN [illegible]

Mr. [illegible]
Director of Offices
DMEA [illegible] Region [illegible]
22[illegible] New [illegible] Building
Denver 2, Colorado

Re: DMEA [illegible]
Cont[illegible]
([illegible]

RECEIVED
JUN 25 1956

Dear Mr. Traver:

Stage I drilling under the [illegible] 1955, and was completed on Dec[illegible] were completed, totaling 5,[illegible] (BX) 2,600.4 feet. Of the [illegible] 10, 12 through [illegible]0, 20 and [illegible] was considered [illegible] Three holes (PS-3, 7, and [illegible] (PS-3) was in ore (S[illegible]

SUMMARY OF [illegible] STAGE [illegible]

HOLE NO.	DATE	[illegible]	CHEMICAL ASSAY Dry Gr.	Dry Gr.
PS - 3	219.7	1.0	0.15	0.[illegible]
PS - 7	1[illegible]1.0	0.5	0.02	0.[illegible]
	1[illegible].5	0.5	0.01	0.[illegible]
PS - 16	108.4	1.0	0.03 (U. S. G. S. [illegible])	

Drilling of Stage II holes was authorized to be resumed until May 1, 1956, and the completion date extended until August 31, 1956, due to adverse weather conditions.

Stage II drilling on the 19 holes authorized under the above subject contract started on April 30, 1956, and was completed on May 31, 1956. During this period, 19 holes were completed, totaling 3,846.7 feet - non-coring 2,196.0 feet and coring (BX) 1,650.7 feet. All 19 holes penetrated [illegible] sandstone. Of the nine offset holes drilled around PS-3 one PS-7, [illegible] (PS-22) was mineralized and one hole (PS-29) was in ore. Of the [illegible] holes drilled around PS-16, one hole (PS-36) was [illegible]

wide-spaced holes drilled on the Doctor and Beaver claims, two holes (PS-28 and 37) were mineralized. A total of four mineralized holes and one ore hole were found during the month (See Fig. 1).

SUMMARY OF MINERALIZED HOLES (STAGE II)

HOLE NO.	BASE	THICKNESS	CHEMICAL ASSAY $\%U_3O_8$	CHEMICAL ASSAY $\%V_2O_5$	HAND PROBE $\%U_3O_8$
PS - 22	216.0	0.8	Tr	0.00	
	128.0	2.5	-	-	0.08
	215.5	2.0	-	-	0.06
PS - 28	125.9	0.5	-	-	0.02
	170.2	0.5	-	-	0.02
PS - 29	179.8	1.0	0.09	1.25	-
	182.3	1.0	0.36	0.08	-
PS - 35	132.0	2.5	-	-	0.04
PS - 37	238.3	2.8	0.02	0.70	-

Mid-Continent is desirous of proceeding with additional Stage II holes under the following suggested program of drilling (See Figs. 1, 2, and 3).

1. Drill four holes on 100-foot centers around mineralized hole PS - 28.
2. Drill three holes on 100-foot centers around mineralized hole PS - 35.
3. Drill four holes on 100-foot centers around mineralized hole PS - 37.
4. Drill Three holes on 100- foot centers around ore hole PS - 29.
5. Drill two holes on 100-foot centers around mineralized hole PS _ 22.
6. Drill four holes on 100-foot centers around strongly favorable hole PS-34.
7. Drill three holes on 100-foot centers around strongly favorable hole PS-39.

All the above drilling will require the preparation of short access roads and drill sites. The total footage required to complete the remaining 23 holes will be about 4,450 feet, costing about $12,400.00. The Government's cost at 75 per cent will be about $9,300.00.

SUMMARY OF STAGE I EXPENSES (21 HOLES)

OPERATION	UNITS	UNIT COSTS	TOTAL COSTS
Drilling: Non-Core	2,430.0 feet	$ 2.17	$ 5,273.10
Drilling: Core	2,600.4 feet	3.22	8,373.29
Standby Time	9.5 hours	10.00	95.00
Roads and Drill Sites	78.5 hours	12.50	981.25
Chemical Assays	3	5.00	15.00
		TOTAL	$14,737.64

Government's share @ 75 percent of total $11,053.23

SUMMARY OF STAGE II EXPENSES (19 HOLES)

OPERATION	UNITS	UNIT COSTS	TOTAL COSTS
Drilling: Non-Core	2,198.0 feet	$ 2.17	$ 4,769.66
Drilling: Core	1,650.7 feet	3.22	5,315.25
Standby Time	9.5 hours	10.00	95.00
Roads and Drill Sites	60.5 hours	12.50	756.25
Chemical Assays	4	5.00	20.00
		TOTAL.	$10,956.16

Government's share @ 75 percent of total . . . . . $ 8,217.12

TOTAL COST TO JUNE 1, 1956 (40 HOLES)

Stage I. . . . . $ 14,737.64
State II. 10,956.16

Total. . . $25,693.80

Government's share @ 75 percent of total $19,270.35

On the basis of the cost for the above 40 holes and the expected cost for the remaining 23 holes the total cost of the project will be about $38,100.00 or about $10,300.00 less than the approved contract total.

Very truly yours,

MID-CONTINENT URANIUM CORP.

Coy M. Mobley

Coy M. Mobley
Geologist

CMM/lg

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
RECEIVED
JUN 15 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

DMEA
Date Rec'd.
JUN 19 1956
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 225
Grand Junction, Colorado

June 13, 1956

RECEIVED
JUN 25 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: S. N. Harshman
John F. Shaw
J. William Butler

From: Howard F. Albee

Subject: DMEA docket 3000 (Uranium), contract Ium-[illegible] 855, Ford and Joubert claims, Mid-Continent Uranium Corporation, Grand County, Utah.

The Operator has requested, by letter of June 5, approval for further drilling under stage II of the contract. Nineteen stage II holes were previously approved and have been drilled.

In a memorandum of February 23, 1956, I stated that the OBS was thickening northerly from drill holes PS-21 and PS-17. Subsequent drilling to the north proved this to be incorrect. Instead, the sandstone became thinner. Drill logs, however, showed a second sandstone below the upper sandstone and separated from it by some 20 to 30 feet of mudstone. This deeper sand contains the only mineralization found northerly from drill hole PS-29.

Stage I drill hole PS-15 was offset by four stage II holes because PS-15 was slightly mineralized and it lies east of a mineralized outcrop. Three offset holes were barren and one, PS-35, was slightly mineralized as indicated by hand probing. Six holes are requested in this vicinity, three around PS-39 and three around PS-35. It is believed that this part of the area has been adequately tested and further drilling is not recommended around these two holes.

Four holes were requested to offset PO-34. The core log shows two sands, the upper one of which is classified as unfavorable and the lower one as favorable. The hole is barren. Offsets around this hole are not recommended.

Two offsets were requested around PS-22. PS-22 is an offset of ore hole PS-3, which contains 1.0 foot of 0.13 percent U_3O_8 and 0.52 percent V_2O_5. PS-22 is mineralized according to hand probing methods. That part of the core split for an assay showed only a trace of uranium. The two offsets around PS-22 are not recommended.

DMEA 3660 6/13/56

Three offsets are requested around ore hole PS-29, which is an offset around mineralized hole PS-7. Inasmuch as PS-29 is an ore hole with 1.0 foot of 0.09 percent U_3O_8 and 1.25 percent V_2O_5 and 1.0 foot of 0.36 percent U_3O_8 and 0.08 percent V_2O_5 three offsets are recommended.

Four offsets each were requested for drill holes PS-28 and PS-37. These drill holes are in thick ore-bearing sandstones and each is mineralized. Each drill hole contains two sandstones. They are, from upper to lower, 47 feet and 44 feet thick in PS-28 and 51 feet and 16 feet thick in PS-37. PS-28 shows 0.02 percent equivalent U_3O_8 at two places in the lower sandstone by hand probe and PS-37 shows 2.8 feet of 0.02 percent U_3O_8 and 0.70 percent V_2O_5 in the lower sandstone by assay. Four offsets around each hole is recommended.

Eleven stage II drill holes, comprised of three offsets around PS-29, four offsets around PS-28, and four offsets around PS-37, are recommended. Because of the depths of approximately 110 to 245 feet, and the indicated small size of ore bodies in the vicinity, further stage II drilling beyond these eleven holes is not recommended unless the results indicate much better targets than have been previously shown.

Howard F. Albee by JWH
Howard F. Albee,
Geologist

HFA/mlr

Enclosures (maps)

JUNE 5, 1956

DMEA
Date Rec'd.

JUN 6 1956

RECEIVED
BUREAU OF MINES
Denver, Colorado JUN 25 1956

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

Re: DMEA Docket No. 3660 (Uranium)
Contract Idm - E650
Grand County, Utah

Dear Mr. Traver:

Stage I drilling under the above subject contract started on September 14, 1955, and was completed on December 30, 1955. During this period 21 holes were completed, totaling 5,030.4 feet - non-coring 2,430.0 feet and coring (BX) 2,600.4 feet. Of the 21 holes completed, nineteen holes (PS-1 through 10, 12 through 18, 20 and 21) penetrated favorable sandstone, one hole (PS-19) was considered semifavorable and one hole (PS-11) was considered unfavorable. Three holes (PS-3, 7, and 16) penetrated mineralized material of which one (PS-3) was in ore (See Fig. 1).

SUMMARY OF MINERALIZED HOLES (STAGE I)

HOLE NO.	BASE	THICKNESS	CHEMICAL ASSAY U_3O_8	CHEMICAL ASSAY V_2O_5
PS - 3	219.[illegible]	1.0	0.[illegible]	0.[illegible]
PS - 7	193.0	0.5	0.02	0.2[illegible]
	193.[illegible]	0.5	0.07	0.[illegible]
PS - [illegible]	100.4	1.0	0.02 (U. S. G. S. Denver)	

Drilling of Stage II holes was authorized [illegible] of the complete [illegible] date extended until August 31, 1956, [illegible] holes.

Stage II drilling on the 19 holes authorized under [illegible] started on April 26, 1956, and was completed on [illegible] 19 holes were completed, totaling 9,[illegible] feet [illegible] 8,190.0 feet and coring (BX) 1,650.7 feet. All holes penetrated [illegible] sandstone. Of the nine [illegible] holes [illegible] (PS-24) was unmineralized and two holes (PS-30) [illegible] [illegible]

wide-spaced holes drilled on the Doctor and Beaver claims, two holes (PS-28 and 37) were mineralized. A total of four mineralized holes and one ore hole were found during the month (See Fig. 1).

SUMMARY OF MINERALIZED HOLES (STAGE II)

HOLE NO.	BASE	THICKNESS	CHEMICAL ASSAY $\%U_3O_8$	CHEMICAL ASSAY $\%V_2O_5$	HAND PROBE $\%U_3O_8$
PS - 22	216.0	0.8	Tr	0.00	-
	128.0	2.5	-	-	0.05
	215.5	2.0	-	-	0.06
PS - 28	125.9	0.5	-	-	0.02
	170.2	0.5	-	-	0.02
PS - 29	179.8	1.0	0.09	1.25	-
	182.3	1.0	0.36	0.08	-
PS - 35	132.0	2.5	-	-	0.04
PS - 37	238.3	2.8	0.02	0.70	-

Mid-Continent is desirous of proceeding with additional Stage II holes under the following suggested program of drilling (See Figs. 1, 2, and 3).

1. Drill four holes on 100-foot centers around mineralized hole PS - 28.
2. Drill three holes on 100-foot centers around mineralized hole PS - 35.
3. Drill four holes on 100-foot centers around mineralized hole PS - 37.
4. Drill Three holes on 100- foot centers around ore hole PS - 29.
5. Drill two holes on 100-foot centers around mineralized hole PS _ 22.
6. Drill four holes on 100-foot centers around strongly favorable hole PS-34.
7. Drill three holes on 100-foot centers around strongly favorable hole PS-39.

All the above drilling will require the preparation of short access roads and drill sites. The total footage required to complete the remaining 23 holes will be about 4,450 feet, costing about $12,400.00. The Government's cost at 75 per cent will be about $9,300.00.

SUMMARY OF STAGE I EXPENSES (21 HOLES)

OPERATION	UNITS	UNIT COSTS	TOTAL COSTS
Drilling: Non-Core	2,430.0 feet	$ 2.17	$ 5,273.10
Drilling: Core	2,600.4 feet	3.22	8,373.29
Standby Time	9.5 hours	10.00	95.00
Roads and Drill Sites	78.5 hours	12.50	981.25
Chemical Assays	3	5.00	15.00
		TOTAL	$14,737.64

Government's share @ 75 percent of total $11,053.23

SUMMARY OF STAGE II EXPENSES (19 HOLES)

OPERATION	UNITS	UNIT COSTS	TOTAL COSTS
Drilling: Non-Core	2,198.0 feet	$ 2.17	$ 4,769.66
Drilling: Core	1,650.7 feet	3.22	5,315.25
Standby Time	9.5 hours	10.00	95.00
Roads and Drill Sites	60.5 hours	12.50	756.25
Chemical Assays	4	5.00	20.00
		TOTAL.	$10,956.16

Government's share @ 75 percent of total . . . . . $ 8,217.12

TOTAL COST TO JUNE 1, 1956 (40 HOLES)

Stage I . . . . . $ 14,737.64
State II. 10,956.16

Total . . . $25,693.80

Government's share @ 75 percent of total $19,270.35

On the basis of the cost for the above 40 holes and the expected cost for the remaining 23 holes the total cost of the project will be about $38,100.00 or about $10,300.00 less than the approved contract total.

Very truly yours,

MID-CONTINENT URANIUM CORP.

Coy M. Mobley

Coy M. Mobley
Geologist

CMM/lg

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

224 New Customhouse
Denver 2, Colorado

RECEIVED
MAR 12 1956

March 7, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3660 (Uranium), Contract Idm-E850, Mid-Continent Uranium Corporation, Grand County, Utah

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III.

Also enclosed are four sets of data relevant to the matter.

W. M. Traver

Enclosures

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

RECEIVED
MAR 12 1956

224 New Customhouse
Denver 2, Colorado

March 2, 1956

Mr. Norman E. Ebbley
Vice President and General Manager
Mid-Continent Uranium Corporation
Suite 201-202 Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA 3660 (Uranium)
Contract Idm-R850
Mid-Continent Uranium Corporation
Grand County, Utah

Dear Mr. Ebbley:

In reference to your letter of January 30, 1956, and consistent with the stipulations in the contract pertaining to Stage II work, this constitutes the Government's approval for drilling under Stage II of the contract as follows:

1. Drill three holes on about 400 foot centers between holes PS-21 and PS-16.

2. Drill three holes on about 400 foot centers between holes PS-17 and BV-172.

3. Drill four offset holes on 100 foot centers around mineralized hole PS-16.

4. Drill nine offset holes on 100 foot centers around ore hole PS-3 and mineralized hole PS-7.

All drilling shall be performed in conformance with stipulations in the contract pertaining thereto. The locations of the holes are shown on the map entitled, "Figure 2. Map Showing Completed Stage I Drill Holes and Proposed Stage II Drill Holes, Pond and Shubert Group of Claims, Mid-Continent Uranium Corporation, Grand County, Utah," which is attached hereto and made a part of this work approval.

The Government's approval for the balance of drilling to be performed under Stage II, or as referred to under Sections (B) and (C) of your letter of January 20, 1956, will be held in deferment

pending an analysis of the results of the drilling performed under this authority, as outlined under items 1 to 4, inclusive, above.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMWA Field Team, Region III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosure

JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file
Harshman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. BOX 360
Grand Junction, Colorado

DMEA
Date Rec'd.
MAR 2 1956

BUREAU OF MINES
Denver, Colorado
RECEIVED
MAR 12 1956

February 28, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
John F. Shaw
J. W. Hasler

From: Howard F. Albee

Subject: DMEA docket 3660 (Uranium), contract Idm-E 850, Mid-Continent Uranium Corporation, Grand County, Utah

The Operator requested, by letter of January 30, approval for drilling under stage II of the contract. The Operator's letter and attached maps constituted his analysis of the work performed under Stage one.

The Operator's suggested drilling of Stage II, under section A of his letter, appears well founded. The ore-bearing sandstone is thickening from drill holes PS-21 and PS-17 toward drill holes PS-16 and BV-172. Drill hole PS-16 is mineralized and lies about 200 to 300 feet east of a mineralized outcrop within a thick, favorable sand which is underlain by green mudstone. Because of the thickening and of the ore-bearing sandstone and of the occurrences of mineralized material, the area between holes PS-21, PS-17, PS-16, and BV-172 should be drilled. PS-3 is an ore hole and PS-7 is weakly mineralized. These holes should be offset. The proposed hole between offsets on PS-3 and PS-7 should be drilled only if the results of the offset holes justify further drilling.

Under section B, the Operator requests that the remainder of the holes under stage II be used as 100-foot offsets around ore and mineralized holes found by previously drilled stage II holes. Such offsets should be drilled only if evaluation by Government representatives of previous drilling under stage II shows that they are warranted.

Under section C the Operator suggest that any remaining footage be used to drill on 200-foot centers between previously drilled holes that show strongly favorable geological criteria. Suggested drilling under section C is not recommended.

Howard F. Albee
Howard F. Albee,
Geologist

HFA/mlr

RECEIVED
MAR 13 1956

January 30, 1956

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

Re: DMEA Docket No. 3660 (Uranium)
Contract Idm-2880
Grand County, Utah

Dear Mr. Traver:

Stage I drilling under the above subject contract started on September 14, 1955 and was completed on December 30, 1955. During this period 21 holes were completed, totaling 5,030.4 feet - non-coring 2,430.0 feet and coring 2,600.4 feet. Of the 21 holes completed, nineteen holes (PS - 1 thru 10, 12 thru 18, 20 and 21) penetrated favorable sandstone, one hole, (PS-19) was considered semifavorable and one hold (PS-11) was considered unfavorable; three holes (PS-3,7, and 16) penetrated mineralized material of which one (PS-3) was in ore (See Fig. 1).

SUMMARY OF MINERALIZED HOLES

HOLE NO.	BASE	THICKNESS	CHEMICAL ASSAY % U_3O_8	% V_2O_5
PS-3	219.5	1.0	0.18	0.62
PS-7	193.0	0.5	0.02	0.25
	193.5	0.5	0.01	0.00
PS-16	108.4	1.0	0.030 (U.S.G.S.Barnaby)	

The holes drilled north of PS-5A and PS-8 penetrated thick favorable sandstone so Stage II drilling should be confined to this area in the search for ore deposits (See Fig. 2).

Mid-Continent is desirous of proceeding with Stage II under the following suggested program of drilling (See Fig. 1).

(A) 1. Drill three holes on about 400 feet centers between PS-21 and PS-16

2. Drill three holes on about 400-foot centers between PS-17 and MV-172.

These six holes are proposed to test the northward extension of the thick favorable sandstone found in PS-21 and PS-17 (See Fig. 2).

3. Drill four offset holes on 100-foot centers around mineralized hole PS-16.

4. Drill nine offset holes on 100-foot centers around ore hole PS-2 and mineralized hole PS-7.

(B) Remainder of the holes permitted under Stage II(25 holes) will be used as 100-foot offsets around ore and mineralized holes found by the drilling under (A) above to sample the ore and to determine a reasonable delineation of the ore-bodies.

(C) In the event any holes remain undrilled under Stage II, after (A) and (B) above have been completed, the remainder of holes will be drilled on about 200-foot centers between previously drilled holes which show strongly favorable geological criteria.

All Stage II drilling will require the preparation of access roads and drill sites by a D-7 bulldozer.

SUMMARY OF STAGE I EXPENSES (23 HOLES)

Operation	Units	Unit Costs	Total Costs
Drilling: Non-Core	2,480.0 feet	$ 2.17	$ 5,372.10
Drilling: Core	2,600.4 feet	3.22	8,372.29
Standby Time	2.5 hours	30.00	75.00
Roads and drill sites	72.5 hours	12.50	906.25
Chemical Assays	$	5.00	11.00
		TOTAL	$14,737.64

Government's share @ 75% of total $11,053.23

Because of weather conditions the drilling of Stage II should be postponed until May 1, 1958. The completion date should be changed from March 31, 1958 to August 31, 1958. Mid-Continent Uranium Corp. requests that the contract be amended to cover the above two items.

Very truly yours,

MID-CONTINENT URANIUM CORP.

Norman M. Abbley

Norman M. Abbley
General Manager

NMA:gr

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

RECEIVED
MAR 12 1956

[illegible] New Customhouse
Denver 2, Colorado

March 2, 1956

Mr. Herman E. Ebbley
Vice President and General Manager
Mid-Continent Uranium Corporation
Suite 201-202 Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA 3640 (Uranium)
Contract IAm-2890
Mid-Continent Uranium Corporation
Grand County, Utah

Dear Mr. Ebbley:

In reference to your letter of January 30, 1956, and consistent with the stipulations in the contract pertaining to Stage II work, this constitutes the Government's approval for drilling under Stage II of the contract as follows:

1. Drill three holes on about 400 feet centers between holes PS-21 and PS-16.

2. Drill three holes on about 400 feet centers between holes PS-17 and DF-172.

3. Drill four offset holes on 100 feet centers around mineralized hole PS-16.

4. Drill nine offset holes on 100 feet centers around ore hole PS-3 and mineralized hole PS-7.

All drilling shall be performed in conformance with stipulations in the contract pertaining thereto. The locations of the holes are shown on the map entitled, "Figure 2. Map Showing Completed Stage I Drill Holes and Proposed Stage II Drill Holes, Pond and Hunkert Group of Claims, Mid-Continent Uranium Corporation, Grand County, Utah," which is attached hereto and made a part of this work approval.

The Government's approval for the balance of drilling to be performed under Stage II, or as referred to under Sections (B) and (C) of your letter of January 30, 1956, will be held in deferment

pending an analysis of the results of the drilling performed under this authority, as outlined under items 1 to 4, inclusive, above.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

IBRA Field Team, Region XII

W. M. Trever

E. N. Harshman

Enclosure

JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file
Harshman
Shaw (2)
Beasler
Townsend
Corres. file
Chron.

IN REPLY REFER TO:

DMEA
Date Rec'd.

MAR 2 1956

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. BOX 360
Grand Junction, Colorado

February 28, 1956

RECEIVED
MAR 12 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
John F. Shaw
J. W. Hasler

From: Howard F. Albee

Subject: DMEA docket 3660 (Uranium), contract Idm-E 650, Mid-Continent Uranium Corporation, Grand County, Utah

The Operator requested, by letter of January 30, approval for drilling under stage II of the contract. The Operator's letter and attached maps constituted his analysis of the work performed under Stage one.

The Operator s suggested drilling of Stage II, under section A of his letter, appears well founded. The ore-bearing sandstone is thickening from drill holes PS-21 and PS-17 toward drill holes PS-16 and BV-172. Drill hole PS-16 is mineralized and lies about 200 to 300 feet east of a mineralized outcrop within a thick, favorable sand which is underlain by green mudstone. Because of the thickening ~~and~~ of the ore-bearing sandstone and of the occurrences of mineralized material, the area between holes PS-21, PS-17, PS-16, and BV-172 should be drilled. PS-3 is an ore hole and PS-7 is weakly mineralized. These holes should be offset. The proposed hole between offsets on PS-3 and PS-7 should be drilled only if the results of the offset holes justify further drilling.

Under section B, the Operator requests that the remainder of the holes under stage II be used as 100-foot offsets around ore and mineralized holes found by previously drilled stage II holes. Such offsets should be drilled only if evaluation by Government representatives of previous drilling under stage II shows that they are warranted.

Under section C the Operator suggest that any remaining footage be used to drill on 200-foot centers between previously drilled holes that show strongly favorable geological criteria. Suggested drilling under section C is not recommended.

Howard F. Albee
Howard F. Albee,
Geologist

HFA/mlr

DMEA
Date Rec'd.
FEB 1 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
MAR 12 1956

January 30, 1956

DMEA
Date Rec'd.
MAR 2 1956
BUREAU OF MINES
Denver, Colorado

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

Re: DMEA Docket No. 3040 (Uranium)
Contract Idm-3320
Grand County, Utah

Dear Mr. Traver:

Stage I drilling under the above subject contract started on September 14, 1955 and was completed on December 30, 1955. During this period 21 holes were completed, totaling 5,020.4 feet - non-coring 2,420.0 feet and coring (NX) 2,600.4 feet. Of the 21 holes completed, nineteen holes (FS - 1 thru 10, 12 thru 15, 20 and 21) penetrated favorable sandstone, one hole, (FS-16) was considered semi-favorable and one hole (FS-11) was considered unfavorable; three holes (FS-3,7, and 18) penetrated mineralized material of which one (FS-3) was in ore (See Fig. 1).

SUMMARY OF MINERALIZED HOLES

HOLE NO.	BASE	THICKNESS	CHEMICAL ASSAY % U_3O_8	% V_2O_5
FS-3	219.5	1.0	0.12	0.62
FS-7	198.0	0.5	0.02	0.25
	193.5	0.5	0.01	0.00
FS-16	108.4	1.0	0.030 (U.S.G.S. Barnaby)	

The holes drilled north of FS-3A and FS-8 penetrated thick favorable sandstone so Stage II drilling should be confined to this area in the search for ore deposits (See Fig. 2).

Mid-Continent is desirous of proceeding with Stage II under the following suggested program of drilling (See Fig. 1).

(A) 1. Drill three holes on about 400 feet centers between FS-21 and FS-20

2. Drill three holes on about 400-foot centers between FS-17 and BV-172.

These six holes are proposed to test the northward extension of the thick favorable sandstone found in PS-21 and PS-17 (See Fig. 2).

3. Drill four offset holes on 100-foot centers around mineralized hole PS-18.

4. Drill nine offset holes on 100-foot centers around ore hole PS-3 and mineralized hole PS-7.

(B) Remainder of the holes permitted under Stage II(23 holes) will be used as 100-foot offsets around ore and mineralized holes found by the drilling under (A) above to sample the ore and to determine a reasonable delineation of the ore-bodies.

(C) In the event any holes remain undrilled under Stage II, after (A) and (B) above have been completed, the remainder of holes will be drilled on about 200-foot centers between previously drilled holes which show strongly favorable geological criteria.

All Stage II drilling will require the preparation of access roads and drill sites by a D-7 bulldozer.

SUMMARY OF STAGE I EXPENSES (21 HOLES)

Operation	Units	Unit Costs	Total Costs
Drilling: Non-Core	2,430.0 feet	$ 2.17	$ 5,273.10
Drilling: Core	2,600.4 feet	3.22	8,373.29
Standby Time	9.5 hours	10.00	95.00
Roads and drill sites	78.5 hours	12.50	981.25
Chemical Assays	3	5.00	15.00
		TOTAL	$14,737.64

Government's share @ 75% of total $11,053.23

Because of weather conditions the drilling of Stage II should be recessed until May 1, 1956. The completion date should be changed from March 31, 1956 to August 31, 1956. Mid-Continent Uranium Corp. requests that the contract be amended to cover the above two items.

Very truly yours,

MID-CONTINENT URANIUM CORP.

Norman E. Ebbley

Norman E. Ebbley
General Manager

NEE:gw

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

RECEIVED
FEB 13 1956

224 New Customhouse
Denver 2, Colorado

February 10, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3660 (Uranium), Contract Idm-E850, Mid-Continent Uranium Corporation, Grand County, Utah

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E850, which has been executed under authority delegated to this office, to authorize a recess of operations from January 1, 1956, to not later than May 1, 1956, extend the period for completion of the project work from March 31, 1956, to August 31, 1956, and increase the maximum period for royalty payments to eleven years.

Also enclosed are four copies of an excerpt from the Operator's letter of January 30, 1956, relative to the Amendment.

Copies of the Amendment have been distributed to the Operator, the Finance Office, Region III, and other offices concerned.

W. M. Traver

W. M. Traver

Enclosures

7

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

RECEIVED
JAN 27 1956

January 25, 1956

224 New Customhouse
Denver 2, Colorado

Mr. Norman E. Ebbley, General Manager
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: DMEA Docket No. 3660 (Uranium),
Contract Idm-E850, Pond and
Shubert groups, Grand County,
Utah

Dear Mr. Ebbley:

We have received and are processing for payment your voucher for work performed under Contract Idm-E850 during December, 1955. An amount of $500.00 is withheld pending resumption of work. In the event no further work is undertaken the amount will remain in abeyance pending resolution of matters relative to closing the account, which includes rendering a final report by your company as stipulated in Article 6 (e) of the contract and release of an audit or Report of Review of contract expenditures by the Contract Administration and Audit Division, DMEA.

In preparing your request for Stage II drilling, please note that the completion date of the contract work is March 31, 1956. In the event additional time will be required you should include a request for a specified extension of the completion date.

It is the responsibility of Mid-Continent Uranium Corporation to submit the above request for Stage II drilling within a reasonable time in order that the project shall not be in an extended and possibly unauthorized recess.

Yours very truly,

W. M. TRAVER,

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

JDC:jy
cc: Corresp. E850
Sec. Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Townsend
Chron.

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

RECEIVED
SEP - 2 1955

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

August 30, 1955

Memorandum

To: Chairman of the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3660 (Uranium), Contract Idm-E850, Mid-Continent Uranium Corporation (Pond and Shubert groups) Grand County, Utah.

Enclosed are the Government Division and Docket copies of Contract Idm-E850 which has been properly executed by the Contractor. The contract was received in this Office August 1, transmitted to the contractor for signature August 9 and received back signed on August 26.

Attached to each copy of the contract is evidence of cancellation of lease agreement between Mid-Continent Uranium Corporation and Lee Hetzel as instructed by your letter of July 29.

Copies of the contract have been given to the Operator, the Region III Finance Office, distributed to the concerned field offices, and a copy has been retained for our files.

W. M. Traver

W. M. Traver

8/30/55 gla

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

RECEIVED
AUG 29 1955

224 New Customhouse
Denver, Colorado

August 25, 1955

Mr. Norman E. Ebbley
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: DMEA 3660 (Uranium), Proposed Contract Idm-E850, Mid-Continent Uranium Corp., (Pond and Shubert Groups) Grand County, Utah

Dear Mr. Ebbley:

On August 9, 1955 we transmitted to you by certified mail for execution the Government, Division, Docket, Finance Office and Field Team copies of the captioned contract.

As of today, the executed copies of the contract have not been received. Please expedite their return, signed and sealed correctly; or if you are no longer interested or find the contract unsatisfactory, return all copies unsigned in order that we may return them to the Washington DMEA Administrator for cancellation.

Very truly yours,

W. M. Traver

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

WMT:dja

cc: Harshman
Shaw (2)
Hasler
Sec.Op.Comm.(2)
Corresp. E850
Townsend
Chron

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

RECEIVED
AUG 29 1955

224 New Customhouse
Denver, Colorado

August 25, 1955

Mr. Norman E. Ebbley
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: DMEA 3660 (Uranium), Proposed Contract
Idm-E850, Mid-Continent Uranium Corp.,
(Pond and Shubert Groups) Grand County,
Utah

Dear Mr. Ebbley:

On August 9, 1955 we transmitted to you by certified mail for execution the Government, Division, Docket, Finance Office and Field Team copies of the captioned contract.

As of today, the executed copies of the contract have not been received. Please expedite their return, signed and sealed correctly; or if you are no longer interested or find the contract unsatisfactory, return all copies unsigned in order that we may return them to the Washington DMEA Administrator for cancellation.

Very truly yours,

W. M. Traver

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

WMT:dja

cc: Harshman
Shaw (2)
Hasler
Sec.Op.Comm.(2)
Corresp. E850
Townsend
Chron

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

224 New Customhouse
Denver, Colorado

August 9, 1955

Certified Mail

Mr. Norman E. Ebbley
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: DMEA 3660 (Uranium)
Mid-Continent Uranium Corporation
(Pond and Shubert Groups)
Grand County, Utah

Dear Mr. Ebbley:

Enclosed are the Government, Division, Docket, Finance Office and Field Team copies of proposed Short-Form Exploration Project Contract Idm-E850 which have been prepared pursuant to your application.

If the contract is satisfactory to you, the five copies must be signed by an official of the corporation authorized to sign such documents, attested by the secretary, and the corporate seal affixed.

When all copies of the contract have been returned to this office properly executed, the "Operator's" copy will be forwarded to you together with instructions relative to reporting on work performed under the contract. Irrespective of the date of the contract, it is imperative that no work be undertaken under the contract until you receive your copy and the instructions.

In accordance with the letter signed by Mr. Danielson of August 5, 1955 we are inserting the date under Article 3 of all copies of the contract form on or before which work is to be started as September 15, 1955.

Very truly yours,

W. M. Traver

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

Enclosures

RECEIVED
AUG 11 1955

WMT:dja
cc: Harshman
Shaw (2)
Hasler
Subject
Sec.Op.Comm.(2)
Townsend
Chron

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

224 New Customhouse
Denver, Colorado

August 9, 1955

Certified Mail

Mr. Norman E. Ebbley
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: DMEA 3660 (Uranium)
Mid-Continent Uranium Corporation
(Pond and Shubert Groups)
Grand County, Utah

Dear Mr. Ebbley:

Enclosed are the Government, Division, Docket, Finance Office and Field Team copies of proposed Short-Form Exploration Project Contract Idm-E850 which have been prepared pursuant to your application.

If the contract is satisfactory to you, the five copies must be signed by an official of the corporation authorized to sign such documents, attested by the secretary, and the corporate seal affixed.

When all copies of the contract have been returned to this office properly executed, the "Operator's" copy will be forwarded to you together with instructions relative to reporting on work performed under the contract. Irrespective of the date of the contract, it is imperative that no work be undertaken under the contract until you receive your copy and the instructions.

In accordance with the letter signed by Mr. Danielson of August 5, 1955 we are inserting the date under Article 3 of all copies of the contract form on or before which work is to be started as September 15, 1955.

Very truly yours,

W. M. Traver

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

Enclosures

WMT:dja
cc: Harshman
Shaw (2)
Hasler
Subject
Sec.Op.Comm.(2)
Townsend
Chron

RECEIVED
AUG 11 1955

JUL 2 9 1955

Mr. W. H. Tanner
Executive Officer
DMEA Field Team, Region III
[illegible] New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible]-3600 (Domestic)
Mid-Continent Uranium Corporation
Pond and Fishback Group
Grand County, Utah

Dear Mr. Tanner:

Enclosed are the original and five copies of a proposed short-form contract between the Government and Mid-Continent Uranium Corporation, signed by the Administrator.

If you find the contract in order, it is ready for forwarding to the Operator for signature, subject to the following requirements:

1. Insertion of a suitable final starting date under Article 3.

2. Assurance that a lease agreement between the Operator and Lee Petzel, covering the subject claims and running to October 1, 1955, has been executed.

The contract has been made short form in accordance with the Field Team's recommendations, since the proposed unit costs are quite reasonable.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Enclosures

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WChing/gla 7-22-55

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JRCrawford, Rm. 3641
THKiilsgaard, Rm. 5[illegible]
JCHorton, Rm. 3230, GSA
Code 700
Mr. Ching

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

RECEIVED
AUG - 5 1955

224 New Customhouse
Denver 2, Colorado

August 3, 1955

Mr. Norman E. Ebbley, General Manager
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA-3660

Dear Mr. Ebbley:

We are holding all copies of the proposed contract on the Pond and Shubert group, which we will forward you for signature when we receive the following:

1. Your estimate of the date work on the contract will commence.

2. Evidence that a lease agreement between the Mid-Continent Uranium Corporation and Lee Hetzel, covering the Pond and Shubert group of claims and running to October 4, 1955, has been canceled.

When we receive the above information, we will forward copies of the contract for your signature.

Very truly yours,

W. M. Traver

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

HMC:sr

cc Subject
Chairman Op. Comm. (2)
Harshman
Chron

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

RECEIVED
AUG - 5 1955

224 New Customhouse
Denver 2, Colorado

August 3, 1955

Mr. Norman E. Ebbley, General Manager
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA-3660

Dear Mr. Ebbley:

We are holding all copies of the proposed contract on the Pond and Shubert group, which we will forward you for signature when we receive the following:

1. Your estimate of the date work on the contract will commence.

2. Evidence that a lease agreement between the Mid-Continent Uranium Corporation and Lee Hetzel, covering the Pond and Shubert group of claims and running to October 4, 1955, has been canceled.

When we receive the above information, we will forward copies of the contract for your signature.

Very truly yours,

W. M. Traver

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

HMC:sr

cc Subject
Chairman Op. Comm. (2)
Harshman
Chron

700

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

Ching
Ellis
Talbot
Martin
Fjelman

JUL 29 1955

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

Re: Docket No. DMEA-3660 (Uranium)
Mid-Continent Uranium Corporation
Pond and Shubert Group
Grand County, Utah

Dear Mr. Traver:

Enclosed are the original and five copies of a proposed short-form contract between the Government and Mid-Continent Uranium Corporation, signed by the Administrator.

If you find the contract in order, it is ready for forwarding to the Operator for signature, subject to the following requirements:

1. Insertion of a suitable final starting date under Article 3.

2. Assurance that a lease agreement between the Operator and Lee Hetzel, covering the subject claims and running to October 4, 1955, has been cancelled.

The contract has been made short form in accordance with the Field Team's recommendations, since the proposed unit costs are quite reasonable.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (WB)

Enclosures

APPROVED:

/s/ Robert W. Geehan (WB)
Director, Bureau of Mines

Thor H. Kiilsgaard (WB)
Director, Geological Survey

MChing/gla 7-22-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Ching

R.E.S.

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

July 22, 1955

Memorandum

To: The Administrator

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

Subject: Docket No. DMEA-3660 (Uranium)
Mid-Continent Uranium Corporation
Pond and Shubert Group
Grand County, Utah

Reference is made to Mr. Hofflund's memorandum to you dated July 21, 1955, on the subject contract.

I have no objections to any change as such, but fail to see the validity of Mr. Hofflund's reasoning.

Under his Item 1, the very purpose of placing the stand-by time on a unit-cost basis was so the Government could benefit in the event less than the specified time was required. If, for instance, Stage I is completed and the $210.00 allowed for stand-by time had been included in the fixed unit cost per foot of drilling, but no stand-by time was actually required, the Government would nevertheless be required to pay its share of the $210.00. On the other hand, as the contract is now written the Government would not pay anything for stand-by time under those circumstances. As far as the Operator is concerned, it is to his benefit to permit as little stand-by time as possible under either arrangement as he will undoubtedly subcontract the drilling. In the first case, stand-by time payments to the subcontractor would come out of the drilling prices received and in the second case such payments would come out of the stand-by price received of which the Operator is responsible for 25 per cent.

Under Item 2, it is evident that Mr. Hofflund does not consider the units and corresponding funds under various stages of a short-form contract as allowable maximums unless specifically stated as such. I believe, however, that the Field Teams have considered such items as allowable maximums even when not so stated; witness the first Mid-Continent contract, Docket No. DMEA-3360 when Amendment No. 3,

dated March 10, 1955, was thought necessary in order to transfer footage and funds from Stage IV to Stages I and II.

Assuming that the stand-by times specified in the subject contract are not allowable maximums, it is still difficult to see what advantage the Operator would derive from charging an unreasonable number of hours. Since the drilling will be subcontracted, he would have to pay his share of the stand-by charges. His primary purpose in entering into the contract is to attain certain objectives through drilling and he undoubtedly is as anxious as the Government to get the full footage down. In this respect I can see no difference between allowance for stand-by time and allowance for bulldozing time, of which Mr. Hofflund makes no mention. Both are units of work for which payment is made when actually done. Payment is not made unless our field examiners are satisfied that the work was done. Furthermore, the contract specifically states that the extent of all project work is subject to the approval of the Government. Under these conditions, the Operator is not likely to exceed any specified units of work without consulting with our field men. In practice, I know of no case where this has been done.

Ernest Wm. Ellis

Ernest Wm. Ellis

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

July 22, 1955

Memorandum

To: The Administrator

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

Subject: Docket No. DMEA-3660 (Uranium)
Mid-Continent Uranium Corporation
Pond and Shubert Group
Grand County, Utah

Reference is made to Mr. Hofflund's memorandum to you dated July 21, 1955, on the subject contract.

I have no objections to any change as such, but fail to see the validity of Mr. Hofflund's reasoning.

Under his Item 1, the very purpose of placing the stand-by time on a unit-cost basis was so the Government could benefit in the event less than the specified time was required. If, for instance, Stage I is completed and the $210.00 allowed for stand-by time had been included in the fixed unit cost per foot of drilling, but no stand-by time was actually required, the Government would nevertheless be required to pay its share of the $210.00. On the other hand, as the contract is now written the Government would not pay anything for stand-by time under those circumstances. As far as the Operator is concerned, it is to his benefit to permit as little stand-by time as possible under either arrangement as he will undoubtedly subcontract the drilling. In the first case, stand-by time payments to the subcontractor would come out of the drilling prices received and in the second case such payments would come out of the stand-by price received of which the Operator is responsible for 25 per cent.

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Assuming that the stand-by times specified in the subject contract are not allowable maximums, it is still difficult to see what advantage the Operator would derive from charging an unreasonable number of hours. Since the drilling will be subcontracted, he would have to pay his share of the stand-by charges. His primary purpose in entering into the contract is to attain certain objectives through drilling and he undoubtedly is as anxious as the Government to get the full footage down. In this respect I can see no difference between allowance for stand-by time and allowance for bulldozing time, of which Mr. Hofflund makes no mention. Both are units of work for which payment is made when actually done. Payment is not made unless our field examiners are satisfied that the work was done. Furthermore, the contract specifically states that the extent of all project work is subject to the approval of the Government. Under these conditions, the Operator is not likely to exceed any specified units of work without consulting with our field men. In practice, I know of no case where this has been done.

Ernest Wm. Ellis

Ernest Wm. Ellis

7800

Surname copy

Ching
Ellis

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

July 22, 1955

Memorandum

To: The Administrator

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

Subject: Docket No. DMEA-3650 (Uranium)
Mid-Continent Uranium Corporation
Pond and Shubert Group
Grand County, Utah

Reference is made to Mr. Hofflund's memorandum to you dated July 21, 1955, on the subject contract.

I have no objections to any change as such, but fail to see the validity of Mr. Hofflund's reasoning.

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Ernest Wm. Ellis

Ernest Wm. Ellis

MChing/gla
cc to: Admr.'s Reading File
Operating Committee
Docket
Code 700
Mr. Ching

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

July 22, 1955

Memorandum

To: The Administrator

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

Subject: Docket No. DMEA-3660 (Uranium)
Mid-Continent Uranium Corporation
Pond and Shubert Group
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MChing/gla
cc to: Admr.'s Reading File ✓
Operating Committee
Docket
Code 700
Mr. Ching

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

JUL 21 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3660, Mid-Continent Uranium Corporation (Uranium)

The attached contract has been drafted for your signature from a draft submitted to this office on a routing slip dated July 12 and received here July 13. Although I approve of this contract from a legal standpoint I will point out here an objection from a practical standpoint which I have discussed with Mr. Ching (who prepared the draft and who does not desire it to be changed).

The contract is on a fixed-unit-cost basis, the work being described and estimated in two stages. The estimated amount of the first stage is $16,631.75 and the second stage is $31,788.50. One item in the first stage is "21 hrs. drill crew stand-by time @ $10.00/hr. $210.00"; and a similar item in the second stage is "42 hrs. drill crew stand-by time @ $10.00/hr. $420.00."

1. In my opinion, such relatively small items for stand-by time should not be set up on a unit-cost basis of $10.00 per hour, but should be included in the fixed unit cost per foot of drilling. The advantage of this is that it is to the benefit of the operator to permit as little stand-by time as possible.

2. If in spite of the foregoing it is desired to retain the element of stand-by time on a basis of unit costs, it seems to me that the hours allowed should be stated as maximums. As the contract now stands, there is no limitation on the number of hours that the operator can charge for as stand-by time except the total estimated cost of the work. In other words, the more stand-by time the Operator charges the less money there will be available for drilling.

J. L. Hofflund
J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

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

JUL 2[illegible] 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

7/18/55 gla

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

RECEIVED
JUL 1 5 1955

July 14, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: Report of Examination, DMEA Docket 3660, Mid-Continent Uranium Company, Pond and Shubert groups, Grand County, Utah

I have reviewed the Field Team report of examination, Mid-Continent Uranium Company, DMEA Docket 3660; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We concur with the Field Team that a short-form contract to provide for a two stage drilling program be approved.

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

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

RECEIVED
JUL 1 5 1955

July 14, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: Bureau of Mines Member
Uranium Commodity Committee

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

July 14, 1955

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Uranium Commodity Committee, Room 4445

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John E. Crawford

7/15/55 gla

Docket

IN REPLY REFER TO:

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

RECEIVED
JUL 14 1955

July 13, 1955

[redacted]

Memorandum

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

From: Thor H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team report, Mid-Continent Uranium Co., DMEA Docket 3660.

I recommend approval of the exploration project proposed by the Field Team. As presented, the project would consist of a short form contract, the work to be in two stages, and the total cost to be $49,260.00.

Thor H. Kiilsgaard

Thor H. Kiilsgaard

IN REPLY REFER TO:

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

RECEIVED
JUL 14 1955

July 13, 1955

Memorandum

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

From: Thor N. Killsgaard, U. S. Geological Survey

Subject: Review of Field Team report, Mid-Continent Uranium Co., DMEA Docket 3668.

I recommend approval of the exploration project proposed by the Field Team. As presented, the project would consist of a short form contract, the work to be in two stages, and the total cost to be $49,860.00.

Thor N. Killsgaard

TNKillsgaard:iml
G-7/13/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641
J. O. Hosted, 3210

IN REPLY REFER TO:

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

RECEIVED
JUL 14 1955

July 13, 1955

Memorandum

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

From: Thor N. Kilsgaard, U. S. Geological Survey

Subject: Review of Field Team report, Mid-Continent Uranium Co., DMEA Docket 3660.

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Thor N. Kilsgaard

TNKilsgaard:iml
G-7/13/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641
J. O. Hosted, 3210

IN REPLY REFER TO:

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

RECEIVED
JUL 14 1955

July 13, 1955

Memorandum

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

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G-7/13/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641
J. O. Nosted, 3210

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

JUL 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3660, Mid-Continent Uranium Corporation (Uranium)

The attached contract has been drafted for your signature from a draft submitted to this office on a routing slip dated July 12 and received here July 13. Although I approve of this contract from a legal standpoint I will point out here an objection from a practical standpoint which I have discussed with Mr. Ching (who prepared the draft and who does not desire it to be changed).

The contract is on a fixed-unit-cost basis, the work being described and estimated in two stages. The estimated amount of the first stage is $16,631.75 and the second stage is $31,788.50. One item in the first stage is "21 hrs. drill crew stand-by time @ $10.00/hr. $210.00"; and a similar item in the second stage is "42 hrs. drill crew stand-by time @ $10.00/hr. $420.00."

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

JLHofflund/emd
Copy to: DMEA Docket
Solicitor's Docket
E. W. Ellis (20)
Attachments

J. L. Hofflund chron

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Ching

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

July 12, 1955

INTERIOR DEPT.
JUL 13 1955
SOLICITOR

Memorandum

To: Acting Assistant Solicitor, DMEA

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

Subject: Docket No. DMEA-3660 (Uranium)
Mid-Continent Uranium Corporation
Pond and Shubert Groups
Grand County, Utah

Will you kindly prepare a short-form contract between the Government and Mid-Continent Uranium Corporation in accordance with the attached draft.

The Applicant's property rights appear to be in order; however, there is a lease agreement with Lee Hetzel running to October 4, 1955, but cancellable upon 30-days' notice. A copy of this agreement is not in the files but excerpts are contained in the report by Norman E. Ebbley.

/s/ Michael Ching

Michael Ching

MChing/gla
cc to: Docket
Code 700
Mr. Ching

DRAFT
7/12/55
MChing/gla

Docket

MF-200A
(Revised June 1954)

Docket No. DMEA 3660

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Mid-Continent Uranium Corporation, a Colorado corporation, whose mailing address is Uranium Center Building, Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and 3 maps - Figures 1, 2 and 4

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Grand, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] ..... in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] deed, [7] ..... recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: None

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 31, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $48,420.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $36,315.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) 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.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, 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, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within 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.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

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—70618-1

DRAFT
7/12/55
MChing/gla
DMEA-3660
Mid-Continent Uranium Corporation

ANNEX I

The land referred to in Article 2 of the contract consists of 19 unpatented mining claims situated in Sections 4, 5, 7 and 8, T. 25 S., R. 26 E., S.L.M. & B., Grand County, Utah. The claims are shown on the attached map entitled "Figure 4 - May of claims - - -", and are recorded in the Office of the County Recorder as follows:

Claims	Book	Page
S & P	9 J	479
C & O	9 J	479
Crosby	9 J	478
The Point	9-1	382
Doctor Jr.	9 J	466
Doctor	9-1	382
Beaver	9-1	382
Quandry	9 J	482
Rainbow	9-1	382
Cimarron	9-1	381
Sapinero	9-1	381
Curecanti	9 J	239
Shupon	9 J	479
McCurdy	9 J	200
Canyon No. 4	9 J	478
" " 3	9 J	477
" " 1	9 J	477
" " 2	9 J	477
C & H	9 J	482

EXHIBIT "A"

Description of the Work

The work consists of exploration by non-core and core drilling.

The drill holes shall test the favorable, uppermost sandstone lens of the Salt Wash member of the Morrison formation, commonly known in this area as the "ore-bearing sandstone." Drilling depths are expected to average approximately 275 feet. The holes shall be collared in either the Salt Wash member or the Brushy Basin member of the Morrison formation. Holes shall be drilled with non-core plug bits to a point approximately 10 feet above the ore-bearing sandstone and cored from that point to a position approximately 10 feet below the base of the ore-bearing horizon. It is estimated that, on an average, the last 100 feet of each hole will be cored. The minimum size of core shall be AX.

All core and cuttings from the cored section of drill holes shall be split and one-half properly stored for the use of the Government. The Operator's portion shall be checked radiometrically for uranium, and samples indicating significant mineralization shall be analyzed chemically for uranium and vanadium.

All drill holes shall be logged geologically and probed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports. The probing and other project work shall be done under the supervision of a competent geologist.

All holes shall be reamed and cased as necessary.

The work shall be done in two stages. The Operator shall perform all of the work designated as Stage I first. If, in the opinion of the Government, the results of the first stage warrant further work the Operator shall perform as much of the ~~second~~ Stage II stage as the Government approves in writing in advance.

The location, direction, and extent of all project work are subject to the approval of the Government.

STAGE I

The work under this stage consists of the preparation of access roads and drill sites by a D-7 bulldozer or equivalent unit, and the drilling of 21 holes aggregating 5,775 feet, more or less. The positions of these holes are indicated on the attached map entitled, "Fig. 4 - Map of Claims - - - -". There are roughly two rows of holes 500 feet apart, paralleling the Salt Wash rim. The holes in each row are approximately 400 feet apart, but there are variations at the two extremities. If the 21 holes require more than 5,775 feet to reach the desired horizon, the deficient footage may be transferred and deducted from Stage II footage.

STAGE II

Stage II work consists of the preparation of access roads and drill sites by a D-7 bulldozer or equivalent unit, and the drilling of a maximum of 42 holes aggregating not more than 11,550 feet as offsets to Stage I and previously drilled Stage II holes which show mineralization or strongly favorable geological criteria. The offset holes shall not be drilled closer than 100 feet from any previously drilled hole.

Estimated Cost of the Project

Fixed Unit Costs

Stage I

2,100 ft. core drilling : $3.22/ft.	$ 6,762.00	
3,675 ft. non-core drilling @ $2.17/ft.	7,974.75	
118 hrs. bulldozing @ $12.50/hr.	1,475.00	
21 hrs. drill crew stand-by time @ $10.00/hr.	210.00	
42 chemical sample analyses @ $5.00/sample	210.00	
		$16,631.75

Stage II

4,200 ft. core drilling @ $3.22/ft.	$13,524.00	
7,350 ft. non-core drilling @ $2.17/ft.	15,949.50	
118 hrs. bulldozing @ $12.50/hr.	1,475.00	
42 hrs. drill crew stand-by time @ $10.00/hr.	420.00	
84 chemical sample analyses @ $5.00/sample	420.00	
		31,788.50

Estimated total cost of the project - rounded to $48,420.00

Government participation @ 75 % $36,315.00

7/11/55 gh

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

RECEIVED
JUL - 5 1955

224 New Customhouse
Denver 2, Colorado

June 29, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Report of Examination, DMEA Docket 3660 (Uranium), Mid-Continent Uranium Company, Pond and Shubert groups, Grand County, Utah

Enclosed are the original and three copies of the report pertaining to the above application.

We recommend a short-form contract to provide for a two stage drilling program as outlined in the report. We also recommend the subordination of the 19 most northerly claims as shown on the attached copies of Figure 4 which are included in with Figures 1, 2 and 3 for possible use in the contract.

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(Date)

DMEA
Date Rec'd
JUN 27 1955

RECEIVED
JUL - 5 1955
BUREAU OF MINES
Building 20, Room 137
Denver Federal Center
Denver 2, Colorado

Region III

TRANSMITTED
JUN 29 1955

June 24, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw

Subject: DMEA 3660 (Uranium), Pond and Shubert Groups, Mid-Continent Uranium Co., Grand County, Utah.

Enclosed are the original and eleven copies of a "Summary, Conclusions and Recommendations" by Lee Eicher, geologist, and Glen Walker, mining engineer, and the original and eleven copies of an engineering report by Glen Walker covering docket DMEA 3660.

The Mid-Continent Uranium Co. requested Government assistance in the amount of $164,863.43, to explore the Pond and Shubert groups by drilling 131 diamond core holes. A field examination was made on March 29, 1955, by an examining team from the Geological Survey and the Bureau of Mines. The examining team concluded that a portion of the ground merited exploration and agreed on a modified program with the applicant's representative.

It is recommended that a short-form contract be prepared consisting of a maximum of 63 plug-bit and core holes to be drilled on 19 claims at a total cost of $49,260.00. The amount of Government participation at 75 percent would be $36,945.00. The contract should be prepared in two stages. The first stage would consist of 21 holes averaging 275 feet deep. The holes would be about 400 feet apart. The second stage would consist of 42 holes offsetting phase 1 mineralized holes. The drilling of Stage 2 holes would require prior written approval of the DMEA field team. The contract should also provide that funds be made available from one stage for use in the other stage if deemed advisable by the DMEA field team.

John F. Shaw
John F. Shaw
Supervising Mining Engineer

Enclosures

cc 11
DMEA 3660
Chron

JFS/cm

Reviewed by
DMEA Operations Officer
7-8-55
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

RECEIVED
JUL - 5 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3660, Pond and Shubert Groups

Mid-Continent Uranium Co.

Grand County, Utah

Uranium

Lee Eicher, Geologist
Geological Survey

Glen Walker, Mining Engineer
Bureau of Mines

June 20, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

DMEA 3660

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POND AND SHUBERT GROUPS
MID-CONTINENT URANIUM CO.
GRAND COUNTY, UTAH

Summary, Conclusions, and Recommendations

By Lee Eicher
Geologist
Geological Survey

Glen Walker
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

TRANSMITTED
JUN 29 1955

DMEA 3660

RECEIVED
JUL - 5 1955

POND AND SHUBERT GROUPS
MID-CONTINENT URANIUM CO.
GRAND COUNTY, UTAH

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Lee Eicher and Glen Walker

The Mid-Continent Uranium Co. requested Government assistance in the exploration of 32 claims for uranium. They proposed drilling 131 core holes at a cost of $164,868.48.

A DMEA field examination was made on March 29, 1955, by Lee Eicher and Tom Mullens of the U. S. Geological Survey and C. M. Harrer and Glen Walker of the U. S. Bureau of Mines, guided by N. E. Ebbley and Robt. Walker for the company.

It was concluded that a portion of the ground merits exploration on the basis of it being in an area designated as "favorable" by U. S. Geological Survey drilling. A modified program was proposed and accepted by the applicant's representative.

It is recommended that a maximum of 63 core holes be drilled on 19 claims at a total cost of $49,260.00, Government participation 75 percent or $36,945.00.

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

DMEA 3660

POND AND SHUBERT GROUPS
MID-CONTINENT URANIUM CO.
GRAND COUNTY, UTAH

Engineering Report

By Glen Walker
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

DMEA 3660

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POND AND SHUBERT GROUPS
MID-CONTINENT URANIUM CO.
GRAND COUNTY, UTAH

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DMEA 3660

POND AND SHUBERT GROUPS
MID-CONTINENT URANIUM CO.
GRAND COUNTY, UTAH

ENGINEERING REPORT

By Glen Walker

INTRODUCTION

The Mid-Continent Uranium Co. of Grand Junction, Colo., made application to the DMEA for assistance in the exploration for uranium ore on 32 claims in sections 4, 5, 7, 8, 17, 18 and 19, T. 25 S., R. 26 E., Salt Lake meridian in Grand County, Utah. The work outlined in the application consisted of 131 diamond core drill holes with a footage of 42,575 feet and estimated to cost $164,868.48.

An examination of the property by a Region III DMEA examining team was made on March 29, 1955, in company with N. E. Ebbley and Robt. Walker, applicant's representatives.

A modification of the applicant's proposal was agreed upon by the Company's representatives and the members of the examining team. The acceptable program consists of 21 Phase I AX core holes and 42 Phase II holes totaling 17,325 feet and estimated to cost $49,260.00, Government participation 75 percent or $36,945.00.

ACKNOWLEDGEMENTS

N. E. Ebbley, vice-president in charge of exploration and Robt. Walker, engineering geologist for Mid-Continent Uranium Co., guided the examining team and furnished pertinent information on this

and adjoining properties. The application has been discussed with the Exploration Division of the U. S. Atomic Energy Commission in Grand Junction and their assistance requested in evaluating the property under consideration.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Pond and Shubert group of 32 unpatented mining claims extend for about 3 miles along the west side of Beaver Mesa in secs. 4, 5, 7, 8, 17, 18, and 19, T. 25 S., R. 26 E., Salt Lake meridian in Grand County, Utah. The property can be reached from Gateway, Colo., the nearest village, by about 12 miles of mountain trails. Gateway is 37 miles from Uravan, Colo., the nearest market for uranium ore. Most mining supplies for Beaver Mesa area are obtained in Grand Junction, Colo., which is about 56 miles from Gateway. It is also the nearest rail point. (Fig. 1).

The claims extend from the top of the mesa approximately 1/3 the distance down the west side with a maximum difference in elevation of about 600 feet. Abrupt cliffs are formed where upper Salt Wash rims crop out with more gentle slope intervening. The land is covered by a thick growth of small cedar and pinon which is used to some extent locally for mine support.

The climate of the area is typical of the Plateau region with large variations in temperature and precipitation in both summer and winter. Occasional summer rains of cloud burst proportions probably account for the major portion of the annual 20 inches of precipitation, although normally several feet of snow falls. Outside winter work is usually hampered temporarily by weather conditions.

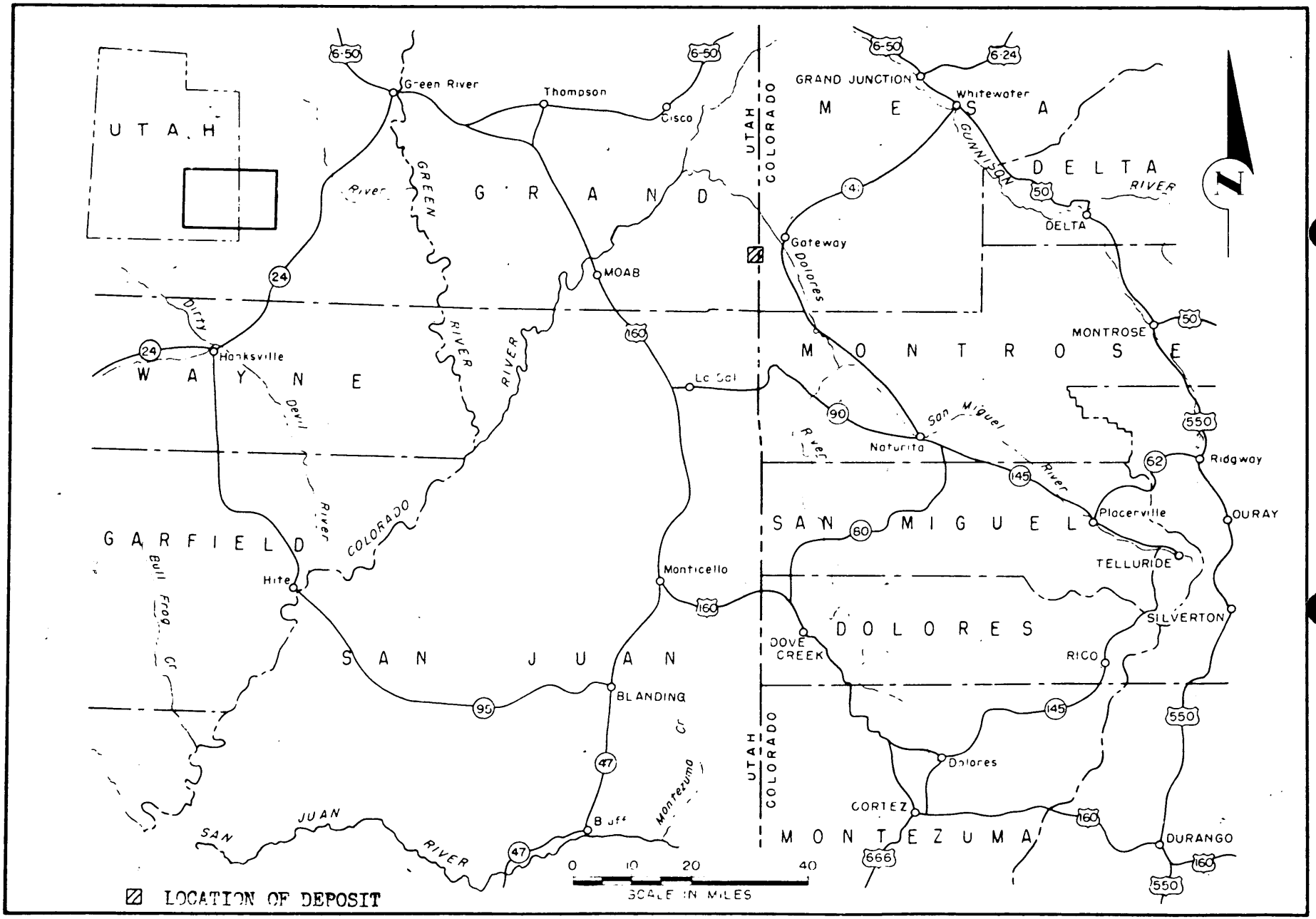

FIGURE 1 - LOCATION MAP OF MID-CONTINENT URANIUM COMPANY, GRAND COUNTY, UTAH. DMEA 3660

Power for all types of operations must be supplied by internal combustion engines as electric power is not available.

Water for both mining and domestic purposes is available at a distance of about 3 miles, from a drill hole in which artesian water was found.

The labor situation in the general area is rather unfavorable in that skilled workmen are at a premium; there is an adequate supply of common labor.

HISTORY AND PRODUCTION

Most of the claims were located in 1941 by C. B. Pond and Otis Shubert and the locations were amended in 1950. The Woodard brothers et al, operators of the well-known Corvusite mine, obtained possession of the property and in July 1954 sold it to the Mid-Continent Uranium Co. Currently there exists a working agreement or lease between the Mid-Continent Company and Lee Hetzel. At the time of the examination Hetzel appeared to have mined out all the known ore bodies and was engaged in sorting ore from an old dump.

Mining on what is now called the Canyon No. 4 claim probably began in the early 1920's but continued only a short time to be revived in the last few years. A.E.C. records indicate a total production of about 2,000 tons valued at $75,400.00 from at least 8 mines. These figures include only 203 tons as the ore mined from the Canyon No. 4 mine, but an examination indicates that production was several times this amount, from the size of open stopes. Recent production has

varied over wide limits with the Prospect No. 2 credited with nearly 1,700 tons while Prospect No. 7 has produced only about 7 tons. The grade likewise has been quite variable, running from 0.15 percent U_3O_8 and 1.4 percent V_2O_5 to 0.32 percent U_3O_8 and 2.4 percent V_2O_5. From the available figures it appears rather doubtful that a substantial profit has been realized from mining. The average known production per deposit from the 8 workings is about 250 tons.

OWNERSHIP AND EXTENT

This group of claims was located in 1941 by C. B. Pond and Otis Shubert and their locations amended in 1950. The Woodard brothers, operators of the Corvusite mine about 3 miles south, obtained an interest in the claims and in July 1954 deeded them to the Mid-Continent Uranium Co. of Grand Junction, Colo. From a search of Grand County, Utah, records it appears the claims are in good standing and the present owner has a valid claim to the land. There is some overlap of claims owned by the Climax Uranium Co. on to the property but Climax, in a written statement to Mid-Continent, recognizes Mid-Continent's prior rights.

DESCRIPTION OF THE DEPOSITS

The rocks exposed on the claims from the top are the Cretaceous Dakota of the Jurassic Morrison. The Morrison is made up of two members, the Brushy Basin above and the Salt Wash.

All the ore found on the property has been in the Salt Wash member of the Jurassic Morrison formation. The Salt Wash is a little over 250 feet thick and contains at least four sandstone "rims" or potential ore horizons. These "rims" are rather lenticular and range in thickness

from 12 to about 50 feet. The remainder of the Salt Wash here is composed principally of red and grey mudstones with the reds predominating.

The Prospect No. 2 (fig. 2) ore body appears to have been in a "roll" at the base of the first "rim" from the top, which is about 35 feet thick and is underlain by 4 feet of gray-green mudstone. This mudstone appears to have been altered by the uranium mineralization as it reverts to a red color a few tens of feet on either side of the ore deposit. The sedimentary feature or "roll" in which the ore occurred strikes about N. 60 E. and dips 4 - 5 degrees NE. It has been followed by underground workings about 500 feet down the dip. The maximum width of commercial ore appears to have been about 30 feet. The thickness of ore is now impossible to ascertain but probably did not exceed 1-1/2 feet.

The Canyon No. 4 deposit (fig. 3) which was probably comparable in tonnage to the Prospect No. 2 deposit was also in the first "rim". Here the ore horizon sandstone is about 30 feet thick but increases to 50 feet a short distance north of the deposit. The green mudstone underlying the ore deposit quickly changes to red here as at the Prospect No. 2 mine. The underground excavations, likewise the ore body, strikes about N. 50° E. and dips slightly NE. The extent of the workings are about 60 feet wide by 120 feet long, with the long dimension parallel to the dip of the formation. Here again the thickness is unknown but is reported to have been about 3 feet. The last 20 to 30 feet of the most northeasterly drift is barren of

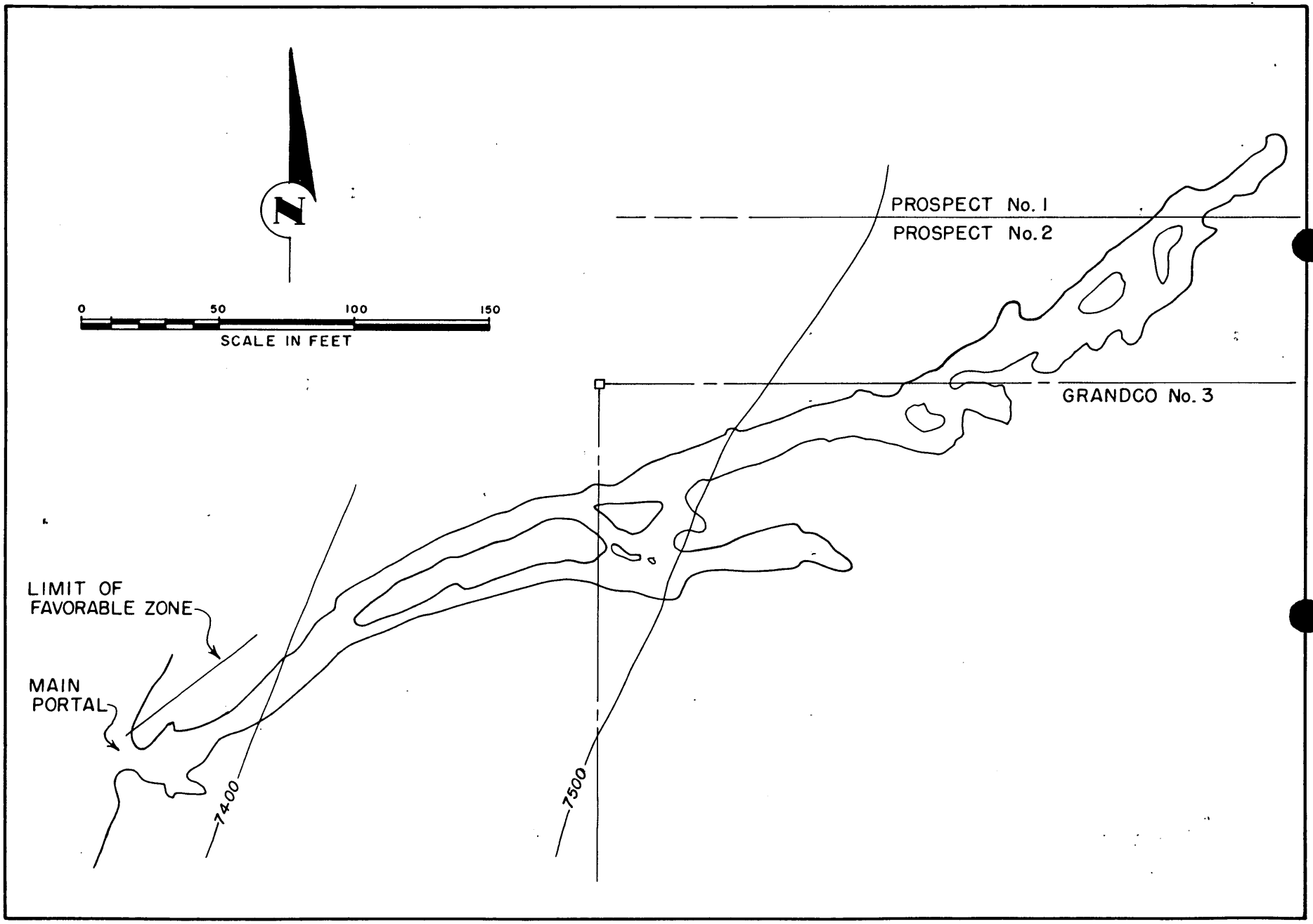

FIGURE 2-PLAN MAP OF UNDERGROUND WORKINGS, PROSPECT No. 2 MINE, MID-CONTINENT URANIUM COMPANY, GRAND COUNTY, UTAH. DMEA 3660

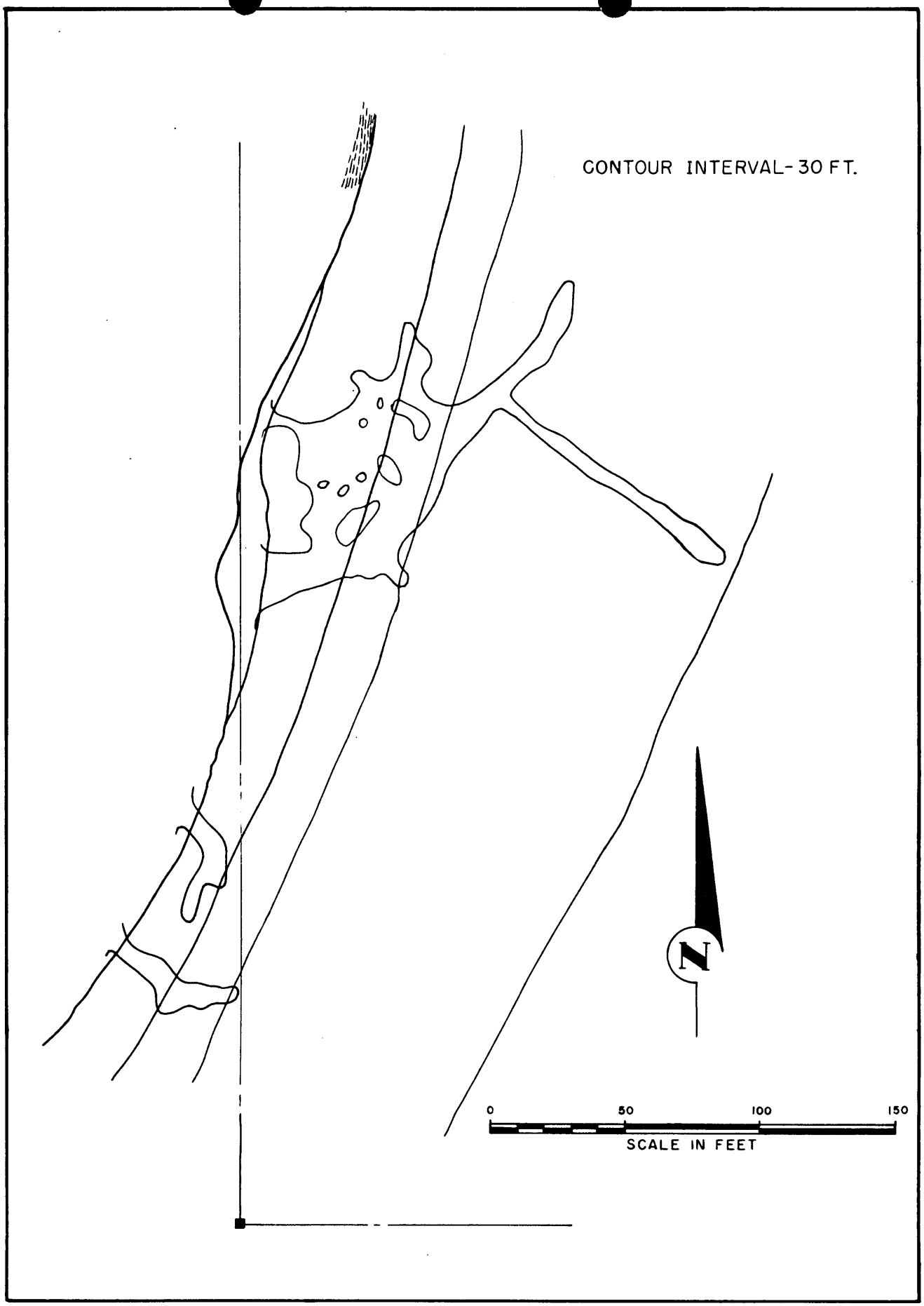

FIGURE 3 - PLAN MAP OF CANYON No. 4 MINE, MID-CONTINENT URANIUM COMPANY, GRAND COUNTY, UTAH. DMEA 3660

mineralized rock, therefore, it is assumed the deposit has been entirely extracted. A NE trending fault is exposed about 700 feet southeast of the portal of this mine, however, there is no evidence of it in the mine.

The remaining ore occurrences on the property are very similar to those described except they are much smaller. The lateral extent rarely exceeds 60 feet along the dip in a northeasterly direction and the widths apparently extend but slightly beyond the sides of the drifts driven on the deposits. Because the commercial ore has been removed the average thickness of these bodies is unknown; but it probably was not over 1-1/2 feet.

The ore bodies are in general widely scattered along the 3 miles of property with the two closest about 1,500 feet apart and the two largest have about 8,000 feet between them.

MINABLE ORE RESERVES

As indicated in the application there are no known minable reserves of ore on the property. A number of small deposits have been discovered on the outcrop and have been exhausted. With only one exception the excavations indicate the deposits were very narrow and thin with some apparent discontinuity. The exception is the Canyon No. 4 where the openings show the deposit to have been about 60 feet by 120 feet in horizontal extent and from 0.5 feet to 3 feet in thickness. This is the oldest working on the property and appears to have been adequately prospected by underground work.

PRESENT STATUS

There are eight underground workings of variable extent on the property. The largest is on the Prospect No. 2 claim where an adit extends about 500 feet along the bottom of a Salt Wash sandstone strata in a direction about N 60 E. Because the ore has been mined all that can be seen of the deposit is a few inches to slightly over 1 foot of discontinuous mineralized sandstone along the ribs of the adit and in small adjoining rooms. The maximum width of the ore deposit could have hardly exceeded 30 feet and the last 30 feet of the adit are barren of ore. It is reported that 1,700 tons of ore containing 0.32 percent U_3O_8 was mined from the claim.

The Canyon No. 4, briefly described above, has a production recorded by the A.E.C. of only 203 tons of 0.32 percent U_3O_8 but the extent of the workings indicate a much larger amount of material has been removed. The early production figures are not available. The workings also extend in a general northeasterly direction. The distance between the Canyon No. 4 and Prospect No. 2, the principal producers, is about 8,000 feet. About 1,400 feet northeast of the Canyon No. 4 mine the U. S. Geological Survey drilled a hole which encountered about 2 feet of ore; but four subsequent offset holes drilled by a private concern failed to find similar favorable indications. This is the only prospect drilling conducted on the property.

The remaining excavations are rather superficial, extending 60 feet or less in from the outcrop and show only a few inches of mineralized rock.

Mining and Milling Equipment and Other Facilities

There is no milling equipment on the property and the only mining machinery consists of two small portable air compressors and the necessary drilling equipment belongs to the lessees.

The other facilities include several miles of rather recently built trails to the different prospects and a couple of lean to shacks of small area.

PROJECT PROPOSALS WITH COSTS

The applicant proposed a core drilling program in two phases comprised of 42,575 feet in 131 holes. This work was estimated to cost $164,868.48.

The examining team, by agreement with the company's representatives, proposes a core drilling project composed of 21 Phase I holes and 42 Phase II holes averaging 275 feet deep, a total of 17,325 feet at an estimated cost of $49,267.25. This work, shown on figure 4, is to be confined to the nineteen most northerly claims. It is estimated the project can be completed in 6 months.

Phase I consisting of 21 AX core holes 275 feet deep or 5,755 feet; 2,100 feet or 100 feet per hole will be cored. The holes are to be about 400 feet apart in the area designated as "favorable" by the U. S. Geological Survey as a result of their drilling. However, two holes are to be on the Crosby and the Point claims some 1,800 feet north of the "favorable" area, the reason being that this area appears particularly favorable for small deposits.

Phase II consists of 42 AX core holes 275 feet deep or 11,550 feet of which the bottom 100 feet will be cored. These holes are designed to offset Phase I mineralized holes at a distance of 100 feet. The number of holes for this phase was determined by assuming one-half the Phase I holes would be mineralized, each of which would require four offset holes.

During the course of the drilling sufficient supervision should be given to assure the maximum core recovery. All core should be boxed correctly immediately on removal from the barrel and the boxes so designated that the contents can be readily placed in the proper stratigraphic sequence. There should also be a driller's petrographic log kept on each hole and all holes should be probed radiometrically as soon as practical after they are finished. Core should be split in mineralized sections, one-half to be retained for the Government's use; the other half to be used for a chemical sample if warranted. The operator should prepare a map on which the monthly progress will be recorded showing the exact location of the holes along with collar elevations and depths to top and bottom of the ore horizon. Certified copies of all radiometric, driller's logs and chemical anaylsis should be submitted monthly as substantiating evidence of the MF-104 forms. Phase II should not be started without written approval of DMEA field team.

Phase I

Independent contracts:

AX core drilling 2,100 feet at $2.80 per foot and non-coring 3,675 feet at $1.75 per foot	$12,311.25	
118 hours of bull-dozing at $12.50 per hour	1,475.00	
1 hour per hole stand-by time at $12.00 per hour	252.00	
Total contracts		$14,038.25

Labor, supervision and technical services:

Labor - 1 sampler at $350.00 per month for 2 months	700.00	
Supervision - 1 geologist at $500.00 per month for 2 months	1,000.00	
Total labor, supervision and technical services		1,700.00

Operating materials and supplies:

150 paper core boxes at $1.00	150.00	
Fuel and oil for pickup and jeep at $75.00 per month for 2 months	150.00	
Total operating materials and supplies		300.00

Operating equipment:

Rental - 1 house trailer at $50.00 per month for 2 months	100.00	
Purchase - none		
Depreciation		
Pickup and jeep at $60.00 per month for 2 months	120.00	
Counter and probe at $7.50 per month for 2 months	15.00	
Total operating equipment		235.00

Initial rehabilitation or repairs:

None

New buildings and improvements:

None

Miscellaneous:

Accounting at $50.00 per month for 2 months	$100.00	
Compensation insurance, payroll taxes, etc. on geologist's and sampler's salaries at 5 percent of $1,700.00	85.00	
Assaying 42 samples at $5.00 each	210.00	
Total miscellaneous		$ 395.00
Total cost of Phase I		$16,668.25

Overall cost per foot - $16,668.25 ÷ 5775 = $2.89
Cost per foot for non-coring - $8,500.83 ÷ 3675 = $2.31
Cost per foot for coring - $7,807.42 ÷ 2100 = $3.72
Cost per foot for analysis - $360.00 ÷ 5775 = $0.06

Phase II

Independent contracts:

AX core drilling 4,200 feet at $2.80 per foot	$11,760.00	
Non-coring 7,350 feet at $1.75 per foot	12,862.00	
177 hours of bulldozing at $12.50 per hour	2,212.50	
1 hour per hole stand-by time at $12.00	504.00	
Total independent contracts		$27,339.00

Labor, supervision and technical services

Labor - 1 sampler at $350.00 per month for 4 months	1,400.00	
Supervision - 1 geologist at $500.00 per month for 4 months	2,000.00	
Total labor, supervision and technical services		$ 3,400.00

Operating materials and supplies:

300 paper core boxes at $1.00	300.00	
Fuel and oil for pickup and jeep at $75.00 per month for 4 months	300.00	
Total operating materials and supplies		$ 600.00

Operating equipment:

Purchase - none		
Rental - 1 trailer house at $50.00 per month for 4 months	200.00	
Depreciation		
Pickup and jeep at $60.00 per month for 4 months	240.00	
Counter and probe at $7.50 per month for 4 months	30.00	
Total operating equipment		470.00

Initial rehabilitation and repairs:

None

New buildings and improvements:

None

Miscellaneous:

Accounting at $50.00 per month for 4 months	$200.00	
Compensation insurance, payroll taxes, etc. on geologist's and sampler's salaries at 5 percent of $3,400.00	170.00	
Assaying 84 samples at $5.00 each	420.00	
Total miscellaneous		$ 790.00
Total cost for Phase II		$32,599.00

Overall cost per foot - $32,599.00 ÷ 11,550 = $2.82
Cost per foot for non-coring - $16,264.17 ÷ 7350 = $2.21
Cost per foot for coring - $15,614.84 ÷ 4200 = $3.72
Cost per foot for analysis - $720.00 ÷ 11,550 = $0.06

SUMMARY OF PROPOSED PROJECT COSTS

Phase	Footage	Duration (month)	Estimated cost per foot	Total cost
I	5775	2	$2.89	$16,689.75
II	11,550	4	2.82	32,571.00
Totals	17,325	6	$2.85	$49,260.75

CONCLUSIONS

Concurrence in the recommendation for Government assisted exploration of the Pond and Shubert group held by Mid-Continent Uranium Co. is based upon the reasoning set forth by the geologist member of the examining team.

Geologically, the property has some rather favorable aspects; as for example, the comparatively large thicknesses of the sandstone ore horizon and the underlying gray-green mudstone, although this last

feature is not as persistent laterally as might be. There has also been at least eight ore deposits found along the "rim" which had an aggregate production of slightly over $75,000.00. It has now become fairly well established that the major Morrison formation producers have been developed from outcrop discoveries. This observation tends to lead to the conclusion that on this property an excessive expenditure would be necessary to discover hidden deposits comparable in size to those previously found along the outcrop. However, because the proposed drilling is to be confined to the area considered most favorable by U. S. Geological Survey drilling, it is anticipated the deposits here will be much larger than those mined to date.

RECOMMENDATIONS

It is recommended the core drilling project described above, totaling a maximum of 63 holes and 17,325 feet and costing $49,260.00, Government's share 75 percent or $36,945.00, be approved by the DMEA. A short-form unit contract is suggested.

/cm

IN REPLY REFER TO:

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

May 10, 1955

TRANSMITTED
JUN 29 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3660 (Uranium), Mid-Continent Uranium Corporation, Pond and Shubert claims, Grand County, Utah

Enclosed are 10 copies of a geologic report by L. J. Eicher, U. S. Geological Survey, covering his examination of the subject property.

The claims are located on Beaver Mesa and in part adjoin the western boundary of the Climax Uranium Company property (DMEA Docket 3514). Uranium deposits occur in the upper rim of the Salt Wash member of the Morrison formation.

Recently completed exploration and geological investigations by the U. S. Geological Survey in the area indicate that part of the claim group may be underlain by Lumsden type deposits (10,000 to 21,000 tons of 0.30 percent to .40 percent U_3O_8) and part of the group probably contains deposits of much smaller size.

Based on the results of the Survey investigations, Eicher has greatly modified the applicant's proposal, recommending exploration in the northern part of the group as shown on figure 3 accompanying his report. The proposed program would consist of 21 first stage holes on 400-foot centers and 42 second stage holes as 100-foot offsets around favorable first stage holes. Both first and second stage holes will average about 275 feet in depth. The revised program is satisfactory to the applicant.

Figure 3 accompanying the geologic report indicates that the two holes proposed on the Point and Crosby claims are in unfavorable ground. I am informed by Williams and Mullens that the term unfavorable as used on the map applies only to ore bodies of the Lumsden type (10,000 to 21,000 tons) and that the two holes are proposed to explore an area shown on the outcrop to be favorable for 1,000 to 2,000 ton ore bodies.

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

I concur with the program proposed by Eicher. However, the number of proposed second stage holes might be reduced to about 20 without seriously affecting the outcome of the exploration program. Should additional second stage holes be warranted, they could be authorized after a review of the data from first stage drilling.

Nine extra copies of the figures accompanying Eicher's report are enclosed also.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (37)

ENHarshman:arh

MINERAL DEPOSITS
DMEA
RECEIVED
APR 25 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

April 18, 1955

Memorandum

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

From: T. E. Mullens
For W. P. Williams

Subject: DMEA 3660, Mid-Continent Uranium Corp., Pond and Shubert claims, Grand County, Utah

Enclosed are 11 copies of a geologic report by L. J. Eicher covering the Pond and Shubert claims, 9 extra copies of the map, and the brochure.

Eicher recommends that DMEA grant assistance to explore the Pond and Shubert claims as geologic conditions are favorable for significant uranium ore deposits. Eicher recommends that DMEA exploration be limited to the north end of the claims, and, as exploration on the north end of the claims will not benefit the south end, he recommends that the applicant be allowed to withdraw the south end from subordination.

I concur with Eicher's recommendations. I will point out that the area Eicher would explore possibly contains Lumsden type deposits (10,000 to 21,000 tons) whereas the remainder of the Pond and Shubert claims probably contain deposits of less than 2,000 tons. Thus, DMEA is exploring only the best place. The smaller ore deposits in the south end of the claims are narrow and elongate northeast. Not only would these deposits be difficult to find, but, due to the geography of Mid-Continent's claims, any deposits found here would be more likely to benefit the adjacent ground to the east than Mid-Continent's ground. This is the main reason DMEA assistance is not warranted on the south end of the claims.

The Exploration Division of the Grand Junction Operations Office was asked for it's aid in evaluating the application.

T. E. Mullens
T. E. Mullens
Geologist

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

Enclosures

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

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

DMEA 3660, Mid-Continent Uranium Corp., Pond and Schubert claims, Grand County, Utah

Uranium

Geologic Report

by

Lee J. Eicher
U. S. Geological Survey

April 18, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

DMEA 3660

INTRODUCTION AND SUMMARY

The Mid-Continent Uranium Corporation, Uranium Center Building, Grand Junction, Colorado, has applied (DMEA Docket No. 3660) to the Defense Minerals Exploration Administration for aid to conduct exploration for uranium ore on the Pond and Schubert group of claims in secs. 4, 5, 7, 8, 17, 18, and 19, T. 25 S., R. 26 E., Salt Lake meridian, Grand County, Utah (figs. 1 and 2). The applicant proposed to do 42,575 feet of drilling at an estimated cost of $164,868.48.

The property was examined March 29, 1955 by Glen Walker and C. M. Harrer, U. S. Bureau of Mines; T. E. Mullens, L. J. Eicher, and N. W. Bivens, U. S. Geological Survey; and N. E. Ebbley and R. G. Walker, representatives for the applicant.

The subject claims are located on the western part of Beaver Mesa in the western part of the Gateway mining district (figs. 1 and 2). The claims are accessible by about 15 miles of improved road that connects with Colorado Highway 141 half a mile south of Gateway, Colorado.

The drilling operations will be supervised by the above named representatives of the Mid-Continent Uranium Corp. They appear capable to perform the supervisory duties.

GEOLOGY AND ORE DEPOSITS

The rocks exposed in the Beaver Mesa area consist, from oldest to youngest, of the Upper Jurassic Morrison formation (600-690 feet thick), the Lower Cretaceous Burro Canyon formation (210 feet thick), and the Lower and Upper Cretaceous Dakota sandstone (absent to 100 feet thick). The Morrison formation is divided into the Salt Wash member (280-340 feet thick), composed dominantly of interstratified units of sandstone and mudstone, and the overlying Brushy Basin member (340-360 feet thick) composed primarily of variegated red and gray shales and clays and occasional interbedded conglomeratic sandstone lenses. Overlying the Morrison formation is the Burro Canyon formation, a conglomeratic sandstone that contains lenses of gray and green shales. The Dakota sandstone, which overlies the Burro Canyon formation, is a resistant conglomeratic sandstone containing thin lenses of gray shale. These formations dip at low angles (5° maximum) in a northeasterly direction.

All of the significant uranium-bearing deposits found in the Beaver Mesa area are in the uppermost sandstone lens of the Salt Wash member of the Morrison formation. This lens is commonly referred to as the "ore-bearing sandstone" and ranges in thickness from 15 to 80 feet. The ore-bearing sandstone is commonly lenticular and irregularly bedded. The sandstone lenses contain thin, discontinuous mudstone lenses, thin zones of mudstone-pebble conglomerate,

and abundant fragments and masses of carbonaceous material. Uranium-bearing deposits are commonly localized in or near these "trash pockets". In the vicinity of the deposits the mudstone in contact with the sandstone is a gray-green color.

The significant uranium-bearing deposits in the Beaver Mesa area are the unoxidized (or only partially oxidized) uranium-vanadium type commonly called "black ores". The principal ore minerals in these deposits are the uranium-bearing minerals uraninite and coffinite and the vanadium-bearing minerals montroseite, doloresite, and lumsdenite.

Known ore bodies in the Beaver Mesa area vary in size from 50 tons to 20,000 or more tons. The subject claims contain only one known deposit over 1,000 tons (Table 1). The size of the deposits on the subject claims ranges in width from 20-40 feet and in length from 50-500 feet. The favorable areas surrounding these deposits range in width from 100-200 feet and in length from 200-600 feet.

Table 1.--Production data for mines and prospects on
Mid-Continent Uranium Corp. claims
Period 1948 through 1954

Mine	Tons	% U_3O_8	% V_2O_5
Prospect #2	1,698.19	0.32	2.41
Prospect #4	17.25	0.33	2.28
Prospect #7	7.70	0.15	1.42
Prospect #9	68.14	0.21	1.57
Canyon #4	205.49	0.32	1.96
Doctor Jr.	82.03	0.42	1.95
Total	2,078.80	0.32	2.31

PROPOSED EXPLORATION

The applicant proposed to do 42,575 feet of drilling at an estimated cost of $164,868.48. The drilling was planned in two stages. The first stage (81 holes, 26,325 feet) was to be drilled on a 300 to 600 foot spacing along two lines 500 feet apart, and extending the length of the claims. (DMEA Docket No. 3660). The second stage drilling was to be offset drilling (spacing of holes not specified) around favorable stage one holes.

During the field examination, the applicant and Government representatives were advised of the final results of the U. S. Geological Survey drilling and geologic work in and around the subject claims. Also, since the applicant did not delineate the uppermost Salt Wash sandstone rim on the docket map, an effort was made to locate the rim with reference to the claims. When the rim had been plotted on the claim map (fig. 3), it became apparent that only about one-half of each of the claims south of the Canyon No. 1 working was underlain by the ore-bearing sandstone. Considering the above information, the Government representatives agreed (1) that south of the Canyon No. 1 working the ground underlain by the ore-bearing sandstone is not of sufficient width to justify exploration type drilling and (2) that a revised drilling program limited to the claims north of the Canyon No. 1 working appeared necessary. The revised program is presented below.

Stage I drill holes will be located about 400 feet apart as shown in Figure 3. These 21 holes totaling 5,775 feet are planned to fully explore the projected favorable trend (fig. 3). The second stage of drilling should consist of 42 holes totaling 11,550 feet. These holes should be 100 feet or more from existing holes and are planned to explore for uranium-bearing deposits in all favorable ground found by the first stage drilling.

CONCLUSIONS AND RECOMMENDATIONS

Field examinations of the applicant's property show that geologic conditions are favorable for the occurrence of significant uranium-bearing deposits. Also, drilling and outcrop study by the U. S. Geological Survey has shown the presence of uranium-bearing material on the property. Since exploration on the southern part of the property did not appear justified, a revised drilling program was proposed by the Government representatives and accepted by the applicant. It is recommended that the revised drilling program be approved. Also, since the claims south of the Canyon No. 1 working will not be benefited by the revised program of drilling, it is recommended that the applicant be allowed to withdraw these claims from the application.

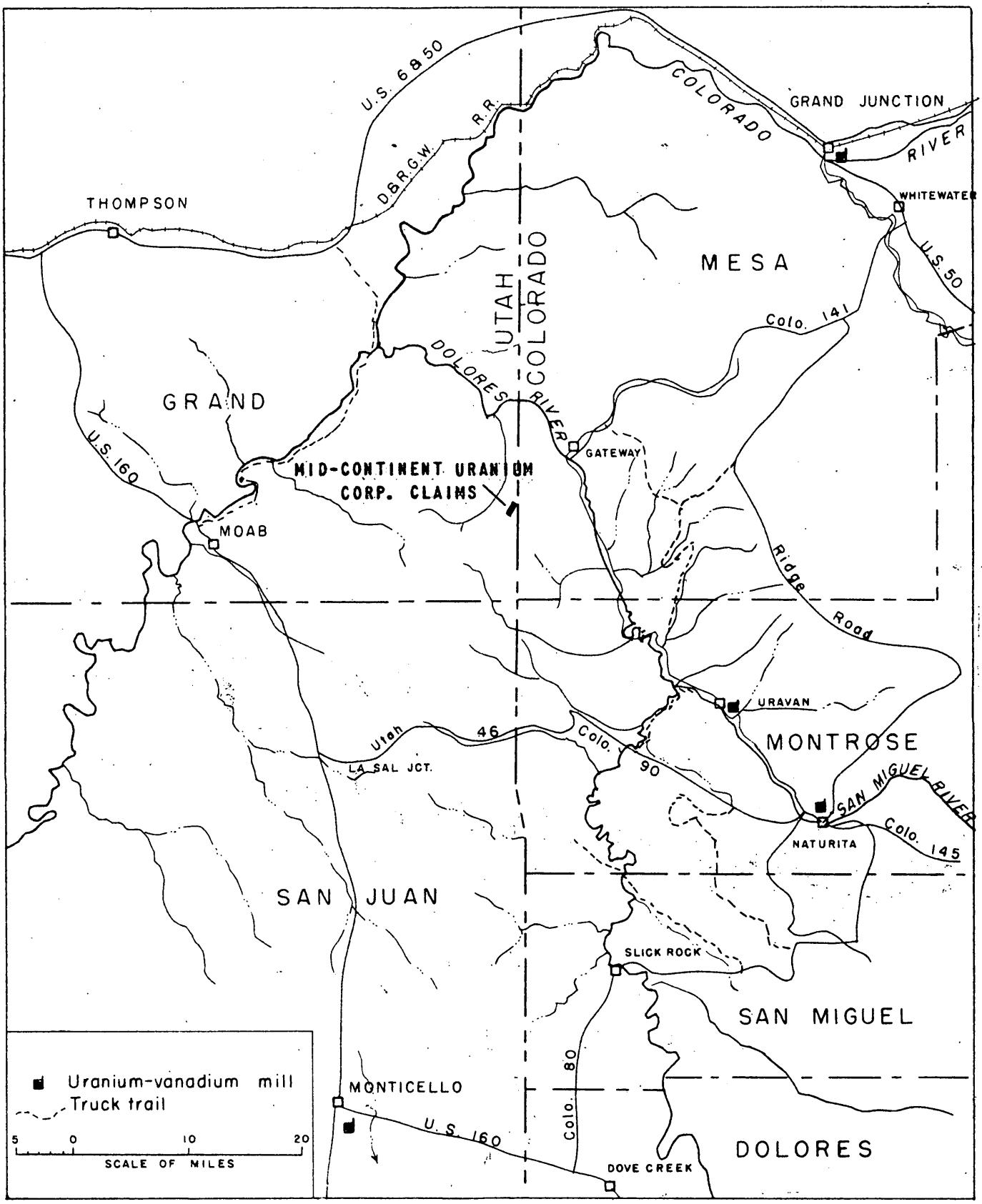

Figure 1. INDEX MAP OF PART OF COLORADO PLATEAU SHOWING LOCATION OF MID-CONTINENT URANIUM CORP. CLAIMS, BEAVER MESA AREA, GRAND COUNTY, UTAH

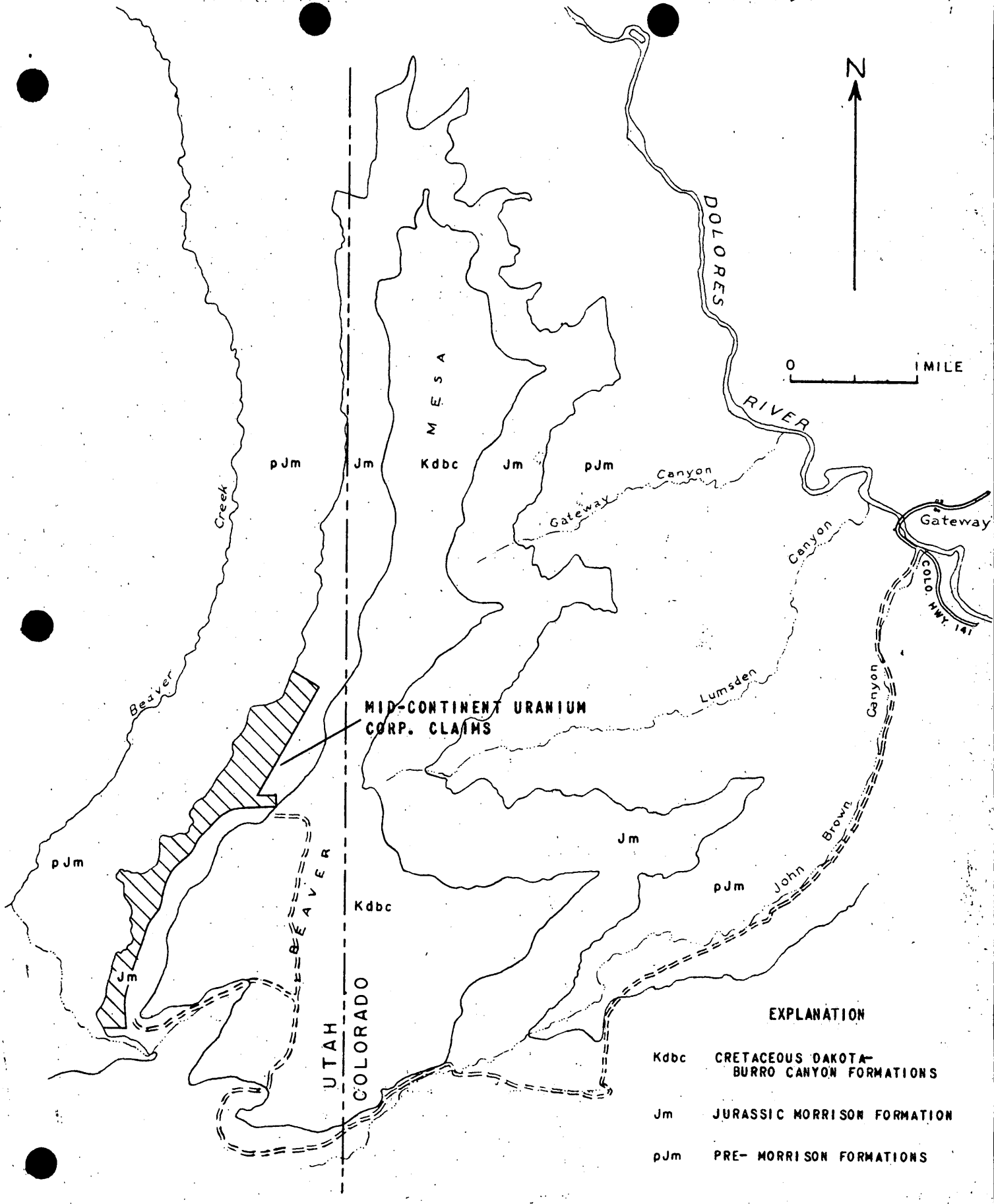

Figure 2. MAP SHOWING LOCATION OF MID-CONTINENT URANIUM CORP. CLAIMS ON BEAVER MESA, GRAND COUNTY, UTAH

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3660

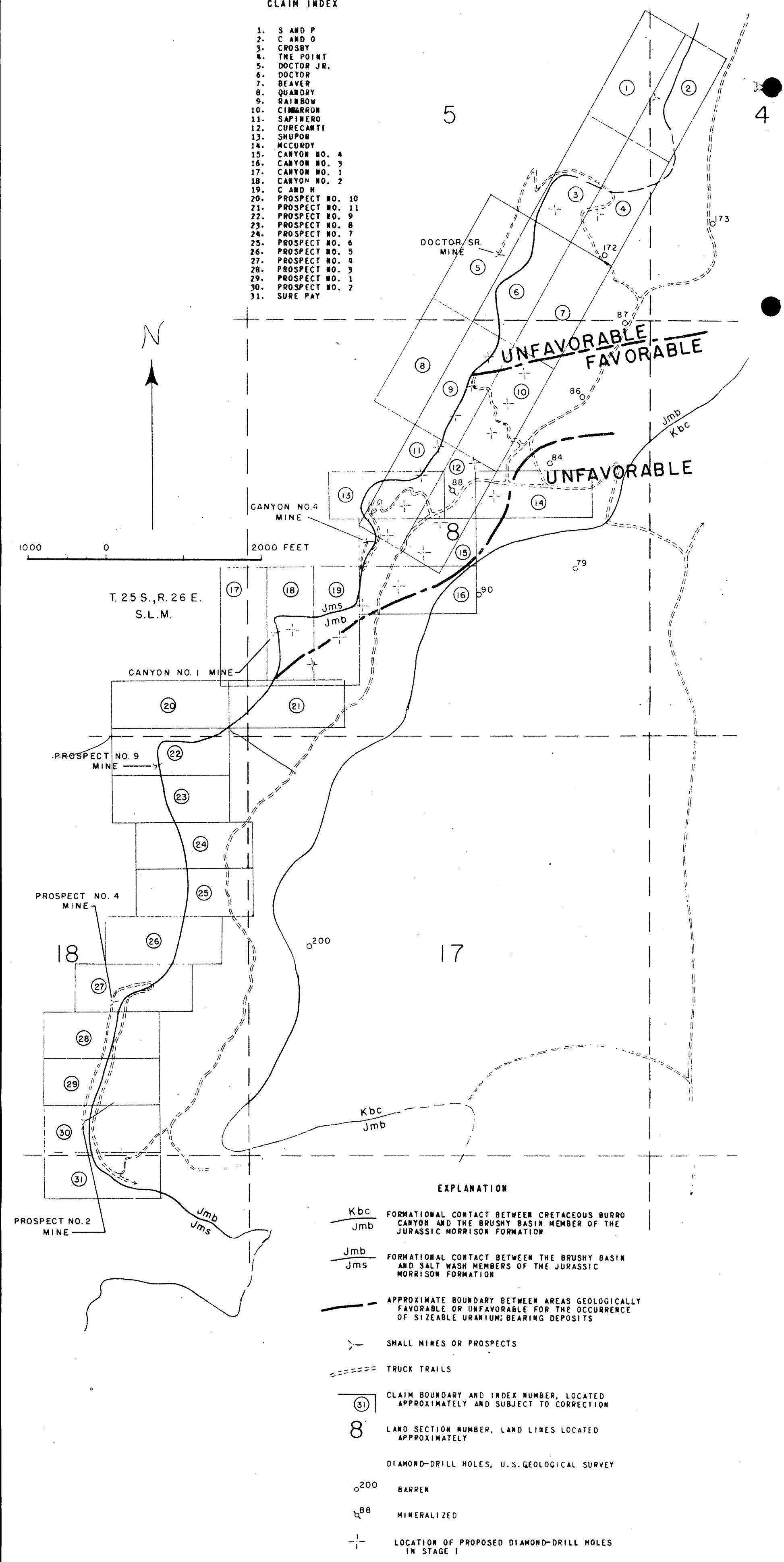

Figure 3. MAP SHOWING GEOLOGY AND PROPOSED DRILLING ON MID-CONTINENT URANIUM CORP. CLAIMS, WEST CENTRAL BEAVER MESA, GRAND COUNTY, UTAH

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

RECEIVED
JUL - 1 1955

224 New Customhouse
Denver, Colorado

June 28, 1955

Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Attention: Mr. Norman E. Ebbley

Re: DMEA 3660 (Uranium)
Mid-Continent Uranium Corp.
(Pond andShubert Group)
Grand County, Utah

Dear Mr. Ebbley:

This confirms my telephone authorization of today to exclude from subordination all claims included in the captioned loan application south of and including Prospect No. 10 and Prospect No. 11 Claims and also the Sure Pay Claim.

Very truly yours,

W. M. TRAVER

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

WMT:dja

cc: Sec. Op. Comm. (2) ✓
Subject
Chron

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

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Executive Officer, DMEA
Field Team, Region III

WMT:dja

cc: Sec. Op. Comm. (2)
Subject
Chron

5/9/55 ghe

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

224 New Customhouse
Denver 2, Colorado

May 5, 1955

Mr. Norman Ebbley
Vice-President
Mid-Continent Uranium Corp.
Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA-3660

Dear Mr. Ebbley:

On April 20, 1955, Mr. Shaw requested from you a corrected map of your property showing the location of the rim and roads and when you would be available to point out the claim corners to our engineer so that we could continue to process your application.

If we do not receive this information within thirty days, we will presume that you are no longer interested in the proposed exploration project and we will close the docket.

Very truly yours,

W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

DMEA Field Team

HMC:pw

cc: Subject
Chron
Harshman
Shaw
Williams
Sec.Op.Comm. (2)

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

224 New Customhouse
Denver 2, Colorado

May 5, 1955

Mr. Norman Ebbley
Vice-President
Mid-Continent Uranium Corp.
Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA-3660

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W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman
DMEA Field Team

HMC:pw

cc: Subject
Chron
Harshman
Shaw
Williams
Sec.Op.Comm. (2)✓

Surname 700

Ching
F. Krause
Kilsgaard
Hedges
Jeffrey
F. Johnson

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

FEB 23 1955

Mr. Norman Ebbley, Vice-President
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Re: Docket No. DMEA-3660 (Uranium)
Pond & Shubert Group
Grand County, Utah

Dear Mr. Ebbley:

The application for assistance in exploring your property in Grand County, Utah, under the above-captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred to the Executive Officer of Region III at the following address:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf
By ESY
Administrator

MChing:am
2-18-55
cc to: Admr. Reading File
Docket
Code 700
Mr. Ching
DMEA Field Team, Region III(2)

R.C.L.

Surname 700

Ching
Z I Kuome
Selfridge
F E Johnson

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

FEB 23 1955

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

Re: Docket No. DMEA-3660 (Uranium)
Mid-Continent Uranium Corporation
Pond & Shubert Group
Grand County, Utah

Dear Mr. Traver:

The subject application is being referred to you for investigation, a field examination if warranted, and a report and recommendation. A copy of the application has already been forwarded to you.

Enclosed are two copies each of comments and recommendations by R. D. Trace and John E. Crawford of the Uranium Commodity Committee, dated February 7 and February 16, 1955, respectively.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (THK)
Member, Geological Survey

MChing:am
2-18-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Ching

R.G.H.

2/17/55 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1955

February 16, 1955

Memorandum

To: Ernest W. Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3660, Mid-Continent Uranium Corp.,
Uranium Center Building, Grand Junction, Colorado

I have reviewed the attached application of the Mid-Continent Uranium Corporation, DMEA Docket 3660, and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The claims of the Mid-Continent Uranium Corporation are in an area from which commercial grade uranium ore is being recovered. Some mining has already been conducted on the subject property in favorable ground and care should be taken that assistance, if allowed, not be of development nature.

Because the U. S. Geological Survey has made investigations of this area which have not been published, but which we understand show a favorably mineralized area running across one corner of Mid-Continent's claims, we suggest that the application be referred to the Field Team for examination and report. The Field Team should consult with Ernest Gordon, Atomic Energy Commission, Grand Junction, Colorado, to benefit from any investigations which the Commission may have made of the area in which the subject claims are located.

John E. Crawford

John E. Crawford

Attachment

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

2/9/55 gla

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 9 1955

February 7, 1955

DMEA-3660
Mid-Continent Uran. Corp.
Pond & Shubert group
Beaver Mesa district
Grand County, Utah
$164,868.48 - Uranium

Memorandum

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

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

Subject: Review of application

The Beaver Mesa district was explored by the U.S.G.S. in 1953 and 1954 by over 200 diamond drill holes. According to TEM-711, several small ore bodies were found, some of which show promise of producing a substantial tonnage of ore.

The ore found was dominantly the uraninite-coffinite type, and occurs in the uppermost sandstone lense of the Salt Wash member of the Morrison formation.

According to TEM-711, two holes were drilled on claims of the Mid-Continent Uranium Corporation. No. 88, on the Curecanti, contained mineralization of less than ore grade, and No. 172, on The Point, was blank. Also, four holes were drilled in the eastern half of sec. 8, just east of the applicant's claims. All were barren.

As a result of the drilling, the entire Beaver Mesa district was evaluated for its "favorability." In the area of the applicant's claims, a narrow east and northeast trending belt of favorable ground is indicated, beginning between and including the Canyon 2 and Rainbow claims, and extending mainly eastward.

Much private drilling has been done on Beaver Mesa, the results of which are not available here; however, I understand that the Survey geologist in the area, Lee Eicher, is making a study of this private drilling.

In view of the favorable ground on part of the applicant's claims, and also to obtain further data from Grand Junction, I recommend that the application be referred to the Field Team. A modified program may be justified.

Bob Trace

R. D. Trace

IN REPLY REFER TO:

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

DEPARTMENT OF
Defense Minerals
RECEIVED
FEB 9 1955

February 7, 1955

DMEA-3660
Mid-Continent Uran. Corp.
Pond & Shubert group
Beaver Mesa district
Grand County, Utah
$164,868.48 - Uranium

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In view of the favorable ground on part of the applicant's claims, and also to obtain further data from Grand Junction, I recommend that the application be referred to the Field Team. A modified program may be justified.

R. D. Trace

Copy to: DMEA (3)

February 4, 1955
Subject: DMEA 3660
Re: Exploration Assistance
Pond & Shubert Group

Mid-Continent Uranium Corp.
Uranium Center Building
Grand Junction, Colorado

Gentlemen:

The receipt of your application dated February 1, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3660 and referred to the Rare and Miscellaneous Metals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

REGISTERED PROFESSIONAL ENGINEER
STATE OF COLORADO

P. O. BOX 883
GRAND JUNCTION, COLO.

NORMAN E. EBBLEY
MINING GEOLOGIST

January 30, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1955

Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA Application for Exploration Assistance on the Pond & Shubert Group, Beaver Mesa, Utah.

Dear Mr. Mittendorf:

Attached is an application in quadruplicate for financial assistance for an exploration project to determine the uranium potential of the Pond & Shubert group of 32 claims on Beaver Mesa, Gateway area, Utah.

As part of the Application there is attached four copies of a Report on the Pond & Shubert Group of 32 Claims, owned by Mid-Continent Uranium Corp. Also attached are four copies of a claim map of the claims showing conflicts with claims belonging to Climax Uranium Company. A letter from Climax is included indicating the prior rights of the claims belonging to Mid-Continent.

The application is for $164,868.48 to be expended on an exploration project — the applicant contributing 25 per cent of this amount.

If any additional information is required to make the application complete please advise me accordingly.

Yours very truly,

Norman E. Ebbley

Norman Ebbley, Director
Mid-Continent Uranium Corp.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 2 1955

January 30, 1955

Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

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If any additional information is required to make the application complete please advise me accordingly.

Yours very truly,

Norman Ebbley

Norman Ebbley, Director
Mid-Continent Uranium Corp.

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
FEB - 2 1955

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. 3660
Metal or Mineral Uranium
Date Received 2-2-55
Estimated Cost $164,868.48
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: Mid-Continent Uranium Corp.
Uranium Center Building,
Grand Junction, Colorado. (Incorporated in 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. Refer to attached sheet Page 1.

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

2. *General.*—Read DMEA Order 1, "[illegible] 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

Refer to attached Report on Pond & Shubert Claims
Page 12

(*b*) State any mine name by which the property is known (Pond & Shubert Group of 32 claims Refer Report, Pages 19-22 for Mine Names.

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

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

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Refer Report, Pages 12 and 13.

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. Refer Report, p. 18-22 also attached sheet, p. 1

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. Refer Report p. 23-25

(*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. Refer Report, p. 13-17

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Refer Report, p. 5

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. Refer Report, p. 6

16—66551-1

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

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. Refer Report, p. 25

(*c*) The work will start within 30 days and be completed within 6 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. Attached sheets, p. 2-8

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. Report p. 30-33

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

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

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

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

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

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

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

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

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

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

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

[X] Money [ ] 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 Feb. 1, 1955, 195

Mid-Continent Uranium Corp.
(Applicant)

By Norman Ebbley
Norman Ebbley, Vice-president
Uranium Center Building

Grand Junction, Colorado

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

MF-103 DMEA Additional Information

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1. (c) Lew D. Williams, President, Norwood, Colorado.

Norman E. Ebbley, Vice-Pres., Box 883, Grand Junction, Colorado.

Mark D. Dunn, Sec.-Treas., 728 Symes Bldg. Denver, Colorado.

4. (a) All mine workings are accessible for examination purposes.

Property now under lease, (Appendix 2, of Report). All production under this lease is shown on reproductions of Settlement Sheets, (Appendix 1, Pages 24 and 25.

COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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FEB 2 1955

5. The exploration project:

(d)
Directly following are resumes of the operating experiences and background of the applicants. The applicants who will be in charge of the exploration project as well as supervise the development and mining operations are:

R. [illegible] Williams, Director of Mid-Continent Uranium Corp.
Norman Ebbley, Vice-President and Director of Mid-Continent Uranium Corp.

Other Directors of Mid-Continent and their capacities are:

S. L. M. McNichols, Legal Council
Lew D. Williams, Consultant on exploration and mining
Philip Sheiman, Financial Advisor

COPY

[illegible]
Box 883
Grand Junction, Colo.

January, 1955

[illegible]

January 1954 to the present time:

Vice-President of Mid-Continent Uranium Corp. In joint charge of exploration, development, and mining operations with Robert Williams, a director of the corporation. This work consists of property examination and evaluation, exploratory drilling, sub-leasing supervision, report writing, development and mining of uranium ores.

January 1953 to January, 1954:

Consulting Engineer for the Uranium Ore Producers Association, an organization of the independent operators in the uranium-vanadium fields in Colorado, Arizona, Utah, New Mexico, and South Dakota. This work consisted mainly of examination and mining consulting.

October 1951 to January 1953:

General Manager of the Skimore Mining Company. This organization mined uranium-vanadium ore in the Colorado Plateau Area. During this period the production rate was increased from an average of 200 tons to an excess of 1,000 tons per month. The General Manager was directly responsible for all phases of the operation and had from 30 to 35 men working under him. In addition he was responsible for all examination and exploration work on properties under lease or option to purchase by the Skimore Mining Company.

March 1949 to October 1951:

General Manager of the Cheap Bird Mine (for King Lease, Inc.) at Ouray, Colorado. The operation consisted of breaking between 250 and 300 tons per day in mining lead, zinc, copper, silver, and gold ore. The mining method installed was a combination of shrinkage stopes and mechanical loading from draw points. The mine operated a 150-ton per day concentrator. The manager was directly responsible for all phases of the underground and milling operations. Both phases of the operation employed from 60 to 100 men.

November 1947 to March 1949:

Mining Engineer for the U. S. Geological Survey in charge of exploration on the Colorado Plateau Project. Responsible for all physical phases of the diamond drilling exploration and prepared estimates of ore reserves based on drilling and sampling data and prepared technical reports covering the

project. Supervised subordinate professional, clerical and sub-professional personnel and worked without assistance in certain assignments of specialized scientific and technical difficulty. Rating P-5

March 1942 to July 1947:

Various duties of a Bureau of Mines project engineer. Sampling of old properties, investigation of old mine shafts in the Leadville, Colorado, area, supervision of diamond and churn drilling operation, retimbering and maintenance of Leadville Drainage Tunnel, report writing and mapping. Four years in Alaska and two and one-half in Colorado. P-4 rating

November 1938 to March 1942:

Geologist, mining engineer, and construction foreman for the various properties owned and operated by the Day Mines Inc., Wallace, Idaho. In charge of general outside construction work, road construction, sewer line construction, building construction, etc. In charge of diamond drill procedure, underground mapping and geology.

June 1937 to November 1938 (Overlay job)

Acquired leases on various mining properties and subleasing to other operators in Shoshone County, Idaho. In full charge of all operations.

Sept. 1936 to November 1937: (Overlap job)

Had mining drift contract for 3,000 feet of tunnel and drift from the Callahan Lead Zinc Company on their Vulcan Tunnel job at Wallace, Idaho.

June 1936 to Sept. 1936: (Overlay job)

Engineer in charge of drilling and estimating on placer gold prospects at Wallace, Idaho for the Day Mines, Inc.

1936 to 1938: (Overlay job)

Shoshone County Engineer (elective job).

March 1934 to June 1936:

Mining Engineer and geologist for the Nabesna Gold Mining Company in Alaska. Also did the diamond drill work at the mine as well as part time mine shifter.

NORMAN BRILEY
Box 883
Grand Junction, Colo.

November 1933 to March 1934:

Flood control engineer surveying and estimating flood damage in Shoshone County, Idaho.

1930 to 1933:

During the summers of this period worked in the placer field in Alaska. Work consisted of churn-drilling, estimating and common laborer. Finished college spring of 1933. During these years I served at times as a qualified blacksmith, electric-arc and acetylene welder, explosive engineer, bulldozer and shovel operator.

COPY

ROBERT [illegible] WILLIAMS
Norwood, Colorado
Born March 12, 1913

January, 1955

EXPERIENCE RECORD

November 1953 to the present time:

General manager for the Four Corners Uranium Corporation, in charge of the McKee properties in the Bull Canyon area. This operation is at present producing approximately 1,000 tons of uranium ore per month. A drilling exploration program is being carried out; the first contract being for 130,000 feet.

January 1951 to November 1953:

Manager in charge of the McKee uranium mines under a leasing program.

1948 through 1950:

Operated a sawmill in the Norwood area for self.

1947 to first of 1948:

Operated the Columbus Mine in Silverton, Colorado under lease. Lead, zinc, silver, gold, copper property.

1945 through 1946:

Operated sawmill in the Norwood area for self.

1937 through 1944:

Worked for the Telluride Mines Company as shift boss.

Year 1936:

Leased from the Golden Cycle Corporation at Cripple Creek, Colo.

Year 1935:

Leased at the Smuggler-Union Mine at Telluride, Colorado.

Year 1934:

Contract mining at the Pride of the West Mine at Silverton, Colo.

1932 and 1933:

Leased from the Telluride Mines Company, at Telluride, Colo.

COPY

LEO L. WILLIAMS
Norwood, Colorado

January, 1955

EXPERIENCE RECORD

1919 to 1932:

First staked and mined uranium-vanadium claims in 1919. Mined intermittently along with ranching and sawmill work until 1932.

1932 to 1936:

Elected County Commissioner in 1932, Montrose County. Was in charge of road construction in western Montrose County. Built State Highway 141 from Uravan north to Mesa County line, as well as many of the ~~mine roads~~ in Montrose County.

1936 to present:

Staked and purchased uranium mining claims in the Bull Canyon area in 1936 and have operated those properties until the present time.

Elected to State Senate in 1938, and have held this post until the present.

President of the Farmers Water Development Company 1933 to 1953.

Director of the National Farm Loan Association, 1928 to 1954.

Director of the Southwestern Water Conservation Board, 1942 to present.

At the present son Roger Williams operates the applicant's ranching interests, while the applicant is confining his activities entirely to uranium mining.

Copy

STEPHEN L. R. McNICHOLS
728 Symes Building
Denver 2, Colorado

January, 1955

PROMOTIONAL RECORD

This applicant has been actively engaged in uranium mining for the past several years in the Bull Canyon Mining District in San Miguel and Montrose Counties, Colorado.

The applicant has also been representing, as legal counsel, in excess of 350 uranium producers for a period of three years and is entirely familiar with mining production and the economic problems connected with the uranium industry.

COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 2 1955

January 28, 1955

Mr. Norman Ebbley, Director
Mid-Continent Uranium Corp.
Uranium Center Building
Grand Junction, Colorado

Dear Mr. Ebbley:

It is our understanding that Mid-Continent Uranium Corp. is submitting an application for DMEA assistance to drill their Pond & Shubert group of 32 claims on Beaver Mesa, West Gateway area.

We have examined our claim map of that area and find that some of our claims overlap some of the Pond & Shubert claims. The conflicting claims in question are as follows:

Climax Claims	Mid-Continent Claims
P-11	Prospect No. 5
P-9	" No. 6
P-8	" No. 7
P-20	" No. 11
LS-19	Canyon No. 2
LS-17	" No. 3
LS-39	" No. 4
LS-28	C & H
LS-27	Curecanti
LS-34	McCurdy
	Cimmaron

This letter will confirm our position that Climax Uranium Company recognizes the prior rights of the above claims of Mid-Continent's over the above listed claims of Climax Uranium Company.

Yours very truly,

M. Kay

Marvin Kay, Vice-Pres. & General Manager
Climax Uranium Company

Approved: J. W. Lewis
J. W. Lewis

Dated: January 28, 1955

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1955

Not to be filled in by applicant

Docket No. 3660
Metal or Mineral Uranium
Date Received 2-2-55
Estimated Cost $164,868.48
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:
Mid-Continent Uranium Corp.
Uranium Center Building,
Grand Junction, Colorado. (Incorporated in 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. Refer to attached sheet

(*d*) If a partnership, add to the above statement the names and addresses of all partners. Page 1.

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
Refer to attached Report on Pond & Shubert Claims
Page 12 (~~Pond & Shubert Group of 32 claims~~

(*b*) State any mine name by which the property is known. (Refer Report, Pages 19-22 for Mine Names.

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

(*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.

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(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Refer Report, Pages 12 and 13.

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. Refer Report, p. 18-22 also attached sheet, p. 1

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. Refer Report p. 23-25

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(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Refer Report, p. 5

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.
Refer Report, p. 6

16—66551-1

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

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. Refer Report, p. 25

(*c*) The work will start within 30 days and be completed within 6 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. Attached sheets, p. 2-8

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. Report p. 30-33

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

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

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

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

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

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

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

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

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

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

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

[X] Money [ ] 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 Feb. 1, 1955, 1955

Mid-Continent Uranium Corp.
(Applicant)

By Norman Ebbley
Norman Ebbley, Vice-president
Uranium Center Building

Grand Junction, Colorado

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

MF-103 DMEA Additional Information

DEPARTMENT OF THE INTERIOR
Bureau Minerals Administration
RECEIVED
FEB - 2 1955

1. (c) Lew D. Williams, President, Norwood, Colorado.

Norman E. Ebbley, Vice-Pres., Box 883, Grand Junction, Colorado.

Mark D. Dunn, Sec.-Treas., 728 Symes Bldg. Denver, Colorado.

4. (a) All mine workings are accessible for examination purposes.

Property now under lease, (Appendix 2, of Report). All production under this lease is shown on reproductions of Settlement Sheets, (Appendix 1, Pages 24 and 25.

5. The exploration project:

(d)
Directly following are resumes of the operating experiences and background of the applicants. The applicants who will be in charge of the exploration project as well as supervise the development and mining operations are:

R. E. Williams, Director of Mid-Continent Uranium Corp.
Norman Ebbley, Vice-President and Director of Mid-Continent Uranium Corp.

Other Directors of Mid-Continent and their capacities are:

S. L. R. McNichols, Legal Council
Lew D. Williams, Consultant on exploration and mining
Philip Shaiman, Financial Advisor

NORMAN EBBLEY
Box 883
Grand Junction, Colo.

January, 1955

EXPERIENCE RECORD

January 1954 to the present time:

Vice-President of Mid-Continent Uranium Corp. in joint charge of exploration, development, and mining operations with Robert Williams, a director of the corporation. This work consists of property examination and evaluation, exploratory drilling, sub-leasing supervision, report writing, development and mining of uranium ores.

January 1953 to January, 1954:

Consulting Engineer for the Uranium Ore Producers Association, an organization of the independent operators in the uranium-vanadium fields in Colorado, Arizona, Utah, New Mexico, and South Dakota. This work consisted mainly of examination and mining consulting.

October 1951 to January 1953:

General Manager of the Skidmore Mining Company. This organization mined uranium-vanadium ore in the Colorado Plateau area. During this period the production rate was increased from an average of 200 tons to an excess of 1,000 tons per month. The General Manager was directly responsible for all phases of the operation and had from 30 to 35 men working under him. In addition he was responsible for all examination and exploration work on properties under lease or option to purchase by the Skidmore Mining Company.

March 1949 to October 1951:

General Manager of the Camp Bird Mine (for King Lease, Inc.) at Ouray, Colorado. The operation consisted of breaking between 250 and 300 tons per day in mining lead, zinc, copper, silver, and gold ore. The mining method installed was a combination of shrinkage stopes and mechanical loading from draw points. The mine operated a 150-ton per day concentrator. The manager was directly responsible for all phases of the underground and milling operations. Both phases of the operation employed from 60 to 100 men.

November 1947 to March 1949:

Mining Engineer for the U. S. Geological Survey in charge of exploration on the Colorado Plateau Project. Responsible for all physical phases of the diamond drilling exploration and prepared estimates of ore reserves based on drilling and sampling data and prepared technical reports covering the

project. Supervised subordinate professional, clerical and sub-professional personnel and worked without assistance in certain assignments of specialized scientific and technical difficulty. Rating P-5

March 1942 to July 1947:

Various duties of a Bureau of Mines project engineer. Sampling of old properties, investigation of old mine shafts in the Leadville, Colorado, area, supervision of diamond and churn drilling operation, retimbering and maintenance of Leadville Drainage Tunnel, report writing and mapping. Four years in Alaska and two and one-half in Colorado. P-4 rating

November 1938 to March 1942:

Geologist, mining engineer, and construction foreman for the various properties owned and operated by the Day Mines Inc., Wallace, Idaho. In charge of general outside construction work, road construction, sewer line construction, building construction, etc. In charge of diamond drill procedure, underground mapping and geology.

June 1937 to November 1938 (Overlap job)

Acquired leases on various mining properties and subleting to other operators in Shoshone County, Idaho. In full charge of all operations.

Sept. 1936 to November 1937: (Overlap job)

Had mining drift contract for 3,000 feet of tunnel and drift from the Callahan Lead Zinc Company on their Vulcan Tunnel job at Wallace, Idaho.

June 1936 to Sept. 1936: (Overlap job)

Engineer in charge of drilling and estimating on placer gold prospects at Wallace, Idaho for the Day Mines, Inc.

1936 to 1938: (Overlap job)

Shoshone County Engineer (elective job).

March 1934 to June 1936:

Mining Engineer and geologist for the Nabesna Gold Mining Company in Alaska. Also did the diamond drill work at the mine as well as part time mine shifter.

NORMAN EBBLEY
Box 883
Grand Junction, Colo.

November 1933 to March 1934:

Flood control engineer surveying and estimating flood damage in Shoshone County, Idaho.

1930 to 1933:

During the summers of this period worked in the placer field in Alaska. Work consisted of churn-drilling, estimating and common laborer. Finished college spring of 1933. During these years I served at times as a qualified blacksmith, electric-arc and acetylene welder, explosive engineer, bulldozer and shovel operator.

ROBERT E. WILLIAMS
Norwood, Colorado
Born March 12, 1913

January, 1955

EXPERIENCE RECORD

November 1953 to the present time:

General manager for the Four Corners Uranium Corporation, in charge of the McKee properties in the Bull Canyon area. This operation is at present producing approximately 1,000 tons of uranium ore per month. A drilling exploration program is being carried out; the first contract being for 130,000 feet.

January 1951 to November 1953:

Manager in charge of the McKee uranium mines under a leasing program.

1948 through 1950:

Operated a sawmill in the Norwood area for self.

1947 to first of 1948:

Operated the Columbus Mine in Silverton, Colorado under lease. Lead, zinc, silver, gold, copper property.

1945 through 1946:

Operated sawmill in the Norwood area for self.

1937 through 1944:

Worked for the Telluride Mines Company as shift boss.

Year 1936:

Leased from the Golden Cycle Corporation at Cripple Creek, Colo.

Year 1935:

Leased at the Smuggler-Union Mine at Telluride, Colorado.

Year 1934:

Contract mining at the Pride of the West Mine at Silverton, Colo.

1932 and 1933:

Leased from the Telluride Mines Company, at Telluride, Colo.

LEW D. WILLIAMS
Norwood, Colorado

January, 1955

EXPERIENCE RECORD

1919 to 1932:

First staked and mined uranium-vanadium claims in 1919. Mined intermittently along with ranching and sawmill work until 1932.

1932 to 1936:

Elected County Commissioner in 1932, Montrose County. Was in charge of road construction in western Montrose County. Built State Highway 141 from Uravan north to Mesa County line, as well as many of the mine roads in Montrose County.

1936 to present:

Staked and purchased uranium mining claims in the Bull Canyon area in 1936 and have operated these properties until the present time.

Elected to State Senate in 1938, and have held this post until the present.

President of the Farmers Water Development Company 1933 to 1953.

Director of the National Farm Loan Association, 1928 to 1954.

Director of the Southwestern Water Conservation Board, 1942 to present.

At the present son Roger Williams operates the applicant's ranching interests, while the applicant is confining his activities entirely to uranium mining.

STEPHEN L. R. McNICHOLS
728 Symes Building
Denver 2, Colorado

January, 1955

EXPERIENCE RECORD

This applicant has been actively engaged in uranium mining for the past several years in the Bull Canyon Mining District in San Miquel and Montrose Counties, Colorado.

The applicant has also been representing, as legal counsel, in excess of 350 uranium producers for a period of three years and is entirely familiar with mining production and the economic problems connected with the uranium industry.

January 28, 1955

Mr. Norman Ebbley, Director
Mid-Continent Uranium Corp.
Uranium Center Building
Grand Junction, Colorado

Dear Mr. Ebbley:

It is our understanding that Mid-Continent Uranium Corp. is submitting an application for DMEA assistance to drill their Pond & Shubert group of 32 claims on Beaver Mesa, West Gateway area.

We have examined our claim map of that area and find that some of our claims overlap some of the Pond & Shubert claims. The conflicting claims in question are as follows:

Climax Claims	Mid-Continent Claims
P-11	Prospect No. 5
P-9	" No. 6
P-8	" No. 7
P-20	" No. 11
LS-19	Canyon No. 2
LS-17	" No. 3
LS-39	" No. 4
LS-28	C & H
LS-27	Curecanti
LS-34	McCurdy
	Cimmaron

This letter will confirm our position that Climax Uranium Company recognizes the prior rights of the above claims of Mid-Continent's over the above listed claims of Climax Uranium Company.

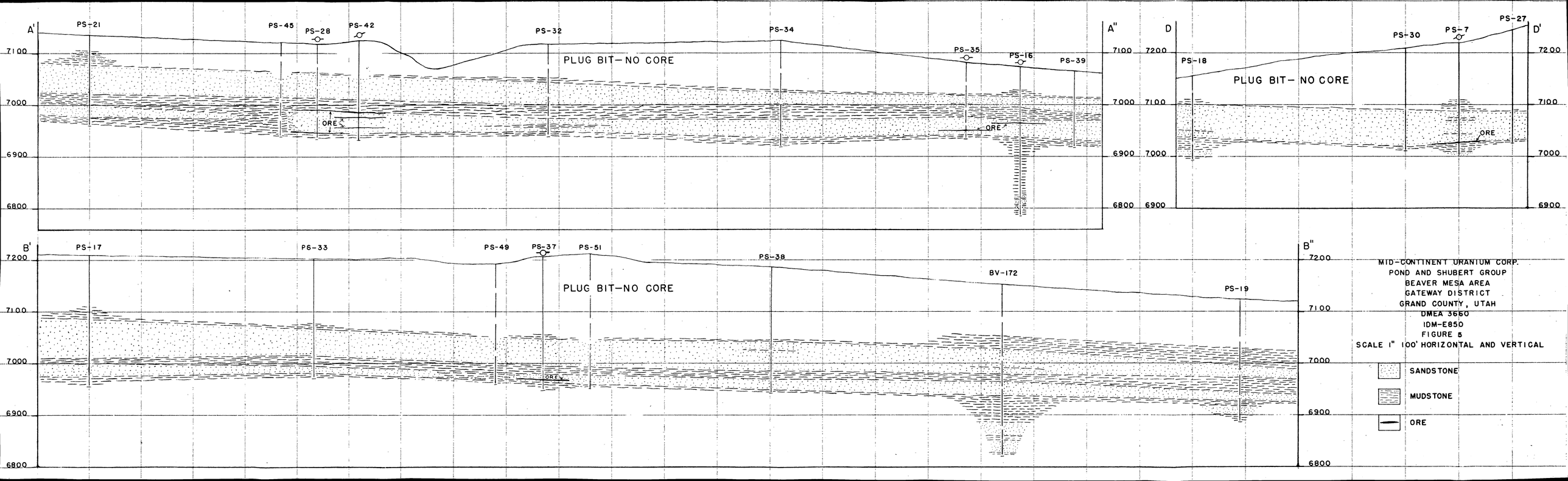
Yours very truly,

M. L. Kay

Marvin Kay, Vice-Pres. & General Manager
Climax Uranium Company

Approved: J. W. Lewis
J. W. Lewis

Dated: January 28, 1955


A'
PS-21
PS-45
PS-28
PS-42
PS-32
PS-34
PS-35
PS-16
PS-39
A"
PLUG BIT—NO CORE
ORE
7100
7000
6900
6800
D
PS-18
PS-30
PS-7
PS-27
D'
7200
B'
PS-17
PS-33
PS-49
PS-37
PS-51
PS-38
BV-172
PS-19
B"
MID-CONTINENT URANIUM CORP.
POND AND SHUBERT GROUP
BEAVER MESA AREA
GATEWAY DISTRICT
GRAND COUNTY, UTAH
DMEA 3660
IDM-E850
FIGURE 5
SCALE 1" 100' HORIZONTAL AND VERTICAL
SANDSTONE
MUDSTONE
ORE

EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

U. S. GEOLOGICAL SURVEY
SOUTH 157
WASHINGTON

SPOKANE, WASH.
SE 30 6 30PM
1953

Map

Mr. George C. Selfridge, Chairman
Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

HOLES COMPLETED

(STAGE I)

SEPT. 1955 PS-1

OCT. 1955 PS-2 THRU 4, 6 AND 7

NOV. 1955 PS-5A, 8, 9, AND 11

DEC. 1955 PS-10, 12 THRU 21

(STAGE II)

FIG. I DRILL HOLE MAP POND AND SHUBERT GROUP

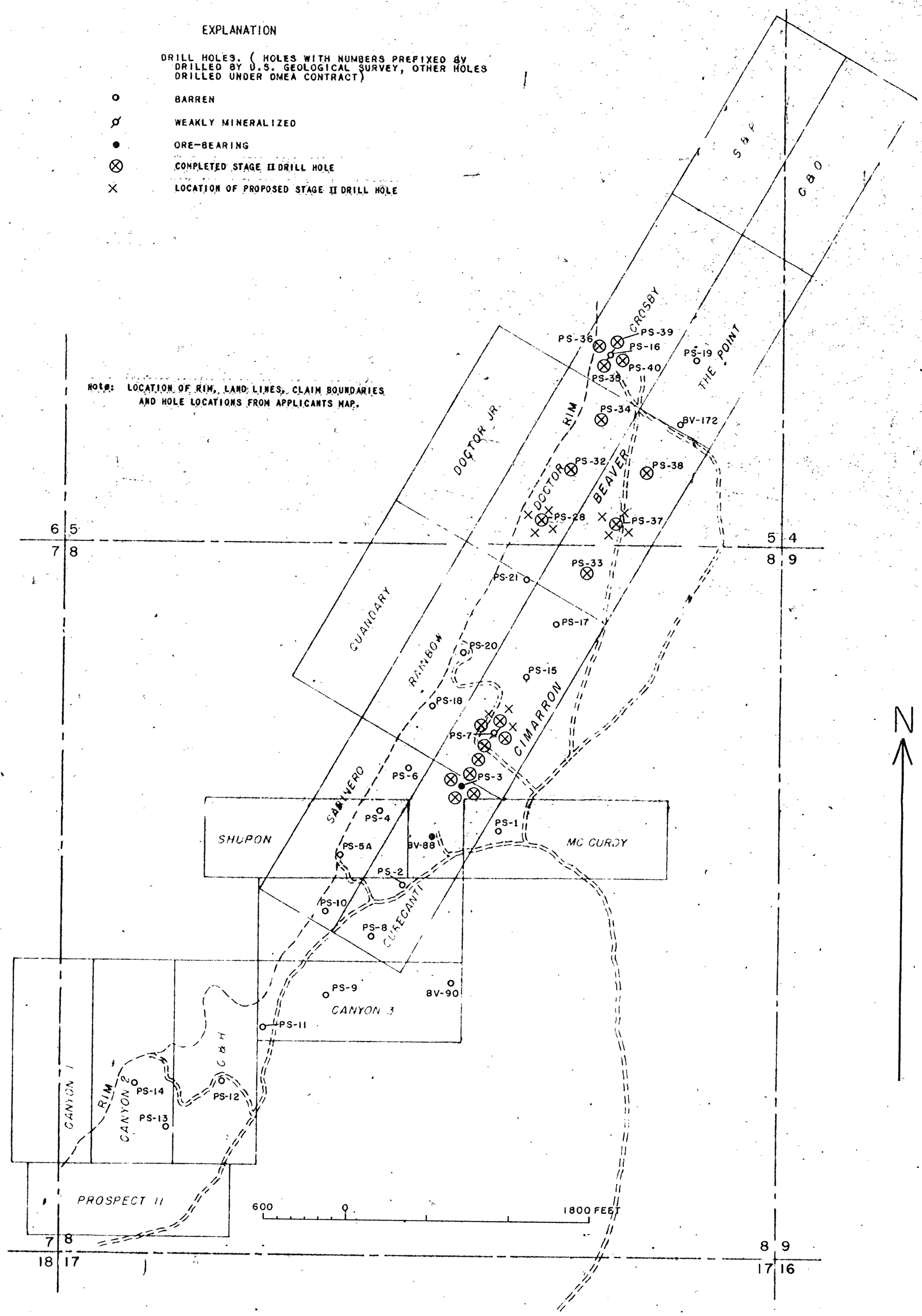
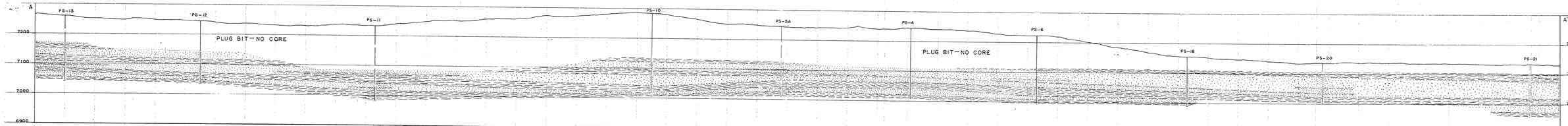
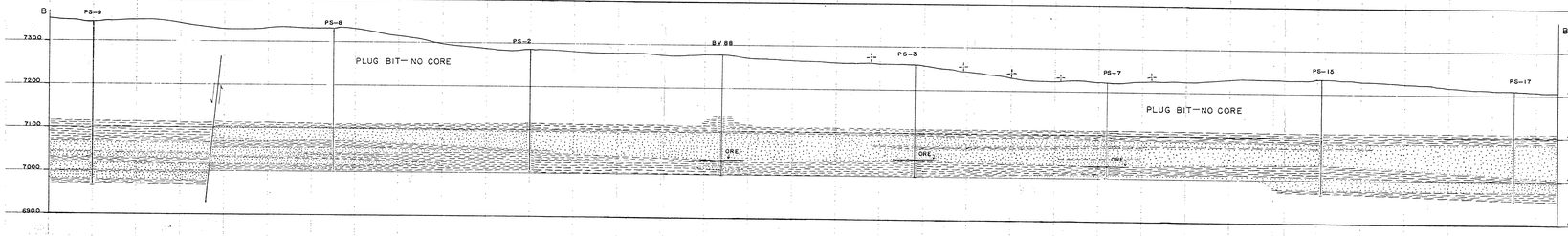


FIGURE 2. MAP SHOWING U.S.G.S., D.M.E.A. STAGE I, COMPLETED STAGE II, AND LOCATION OF PROPOSED STAGE II DRILL HOLES, POND AND SHUBERT GROUP OF CLAIMS, MID-CONTINENT URANIUM CORPORATION, GRAND COUNTY, UTAH.





MID-CONTINENT URANIUM CORP.
POND AND SHUBERT GROUP
BEAVER MESA AREA
GATEWAY DISTRICT
GRAND COUNTY, UTAH
DMEA 3660
IDM-E850
FIGURE 2
SCALE 1" = 100' HORIZONTAL AND VERTICAL

SANDSTONE

MUDSTONE

ORE

PROPOSED HOLES

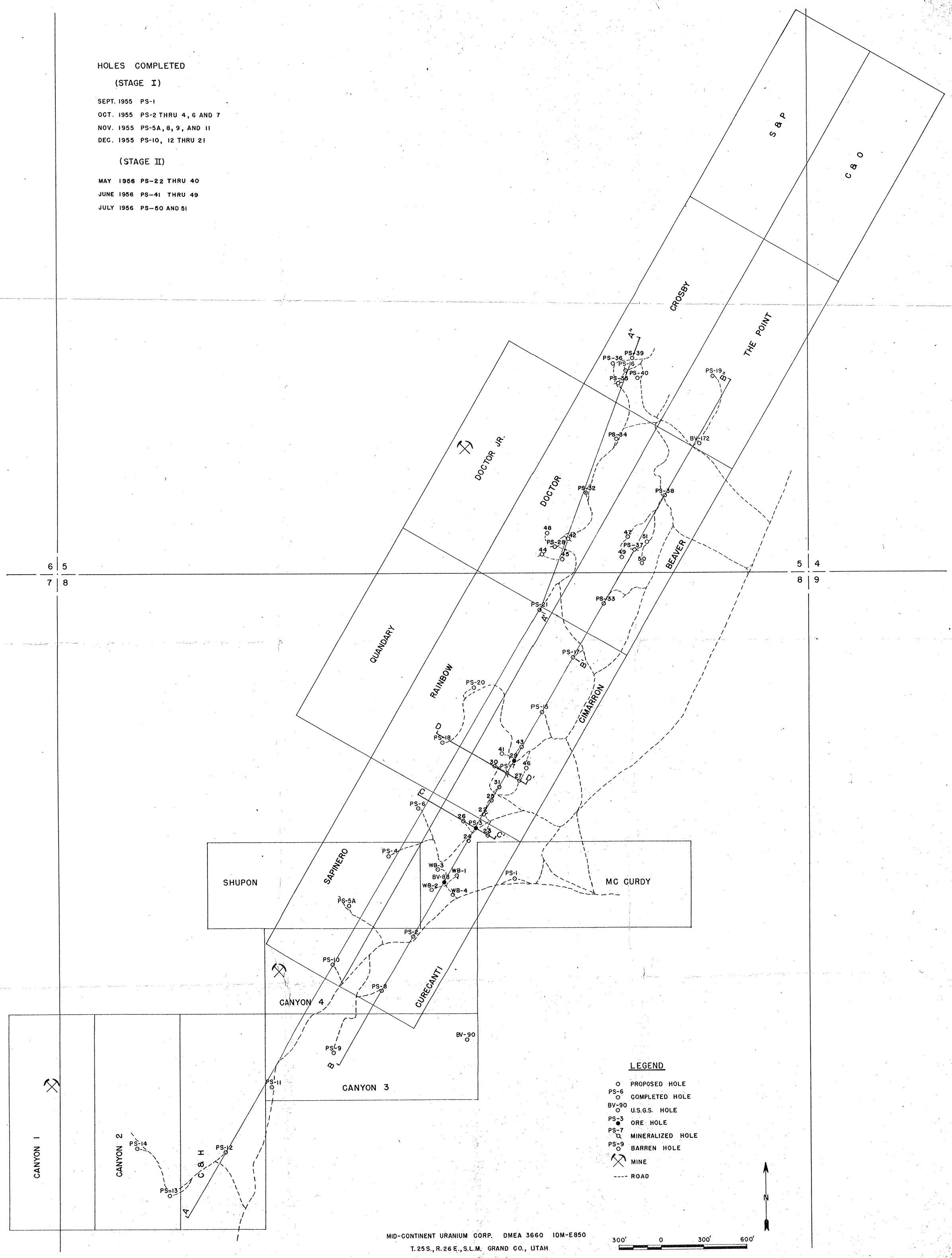


FIG. 3 DRILL HOLE MAP POND AND SHUBERT GROUP

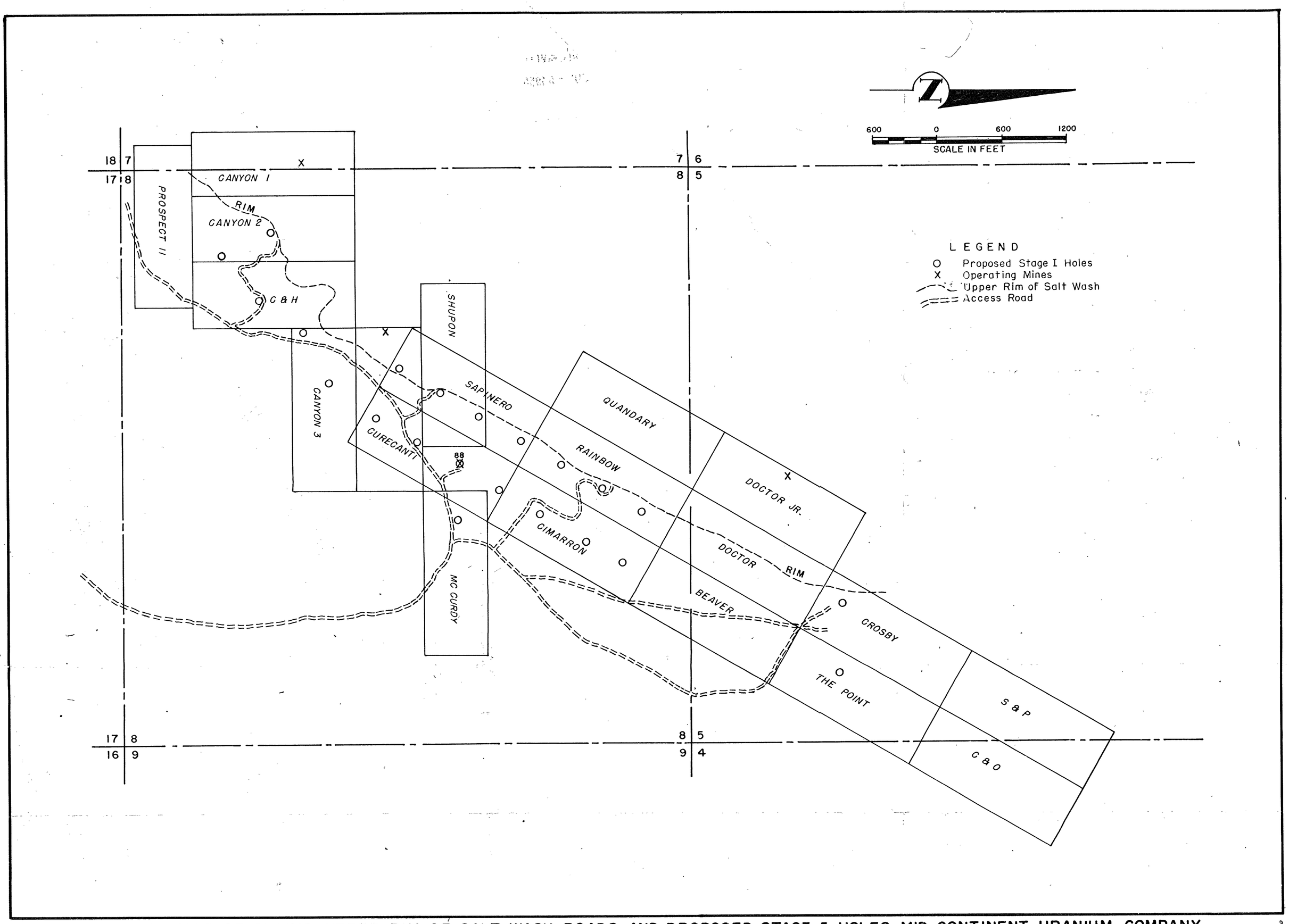
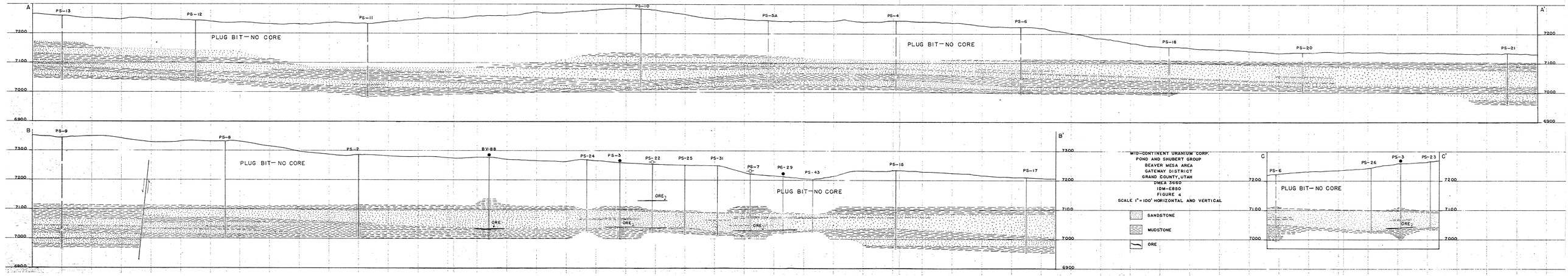


FIGURE 4 - MAP OF CLAIMS, UPPER RIM OF SALT WASH, ROADS, AND PROPOSED STAGE I HOLES, MID-CONTINENT URANIUM COMPANY, GRAND COUNTY, UTAH. DMEA 3660


A
A'
PS-13
PS-12
PS-11
PS-10
PS-5A
PS-4
PS-6
PS-18
PS-20
PS-21
PLUG BIT—NO CORE
PLUG BIT—NO CORE
7200
7100
7000
6900
B
B'
PS-9
PS-8
BV-88
PS-2
PS-24
PS-3
PS-22
PS-25
PS-31
PS-7
PG-29
PS-43
PS-15
PS-17
PLUG BIT—NO CORE
PLUG BIT—NO CORE
ORE
ORE
ORE
ORE
7300
7200
7100
7000
6900
MID-CONTINENT URANIUM CORP.
POND AND SHUBERT GROUP
BEAVER MESA AREA
GATEWAY DISTRICT
GRAND COUNTY, UTAH
DMEA 3560
IDM-E850
FIGURE 4
SCALE 1" = 100' HORIZONTAL AND VERTICAL
SANDSTONE
MUDSTONE
ORE
C
C'
PS-6
PS-26
PS-3
PS-23
PLUG BIT—NO CORE
ORE
7200
7100
7000

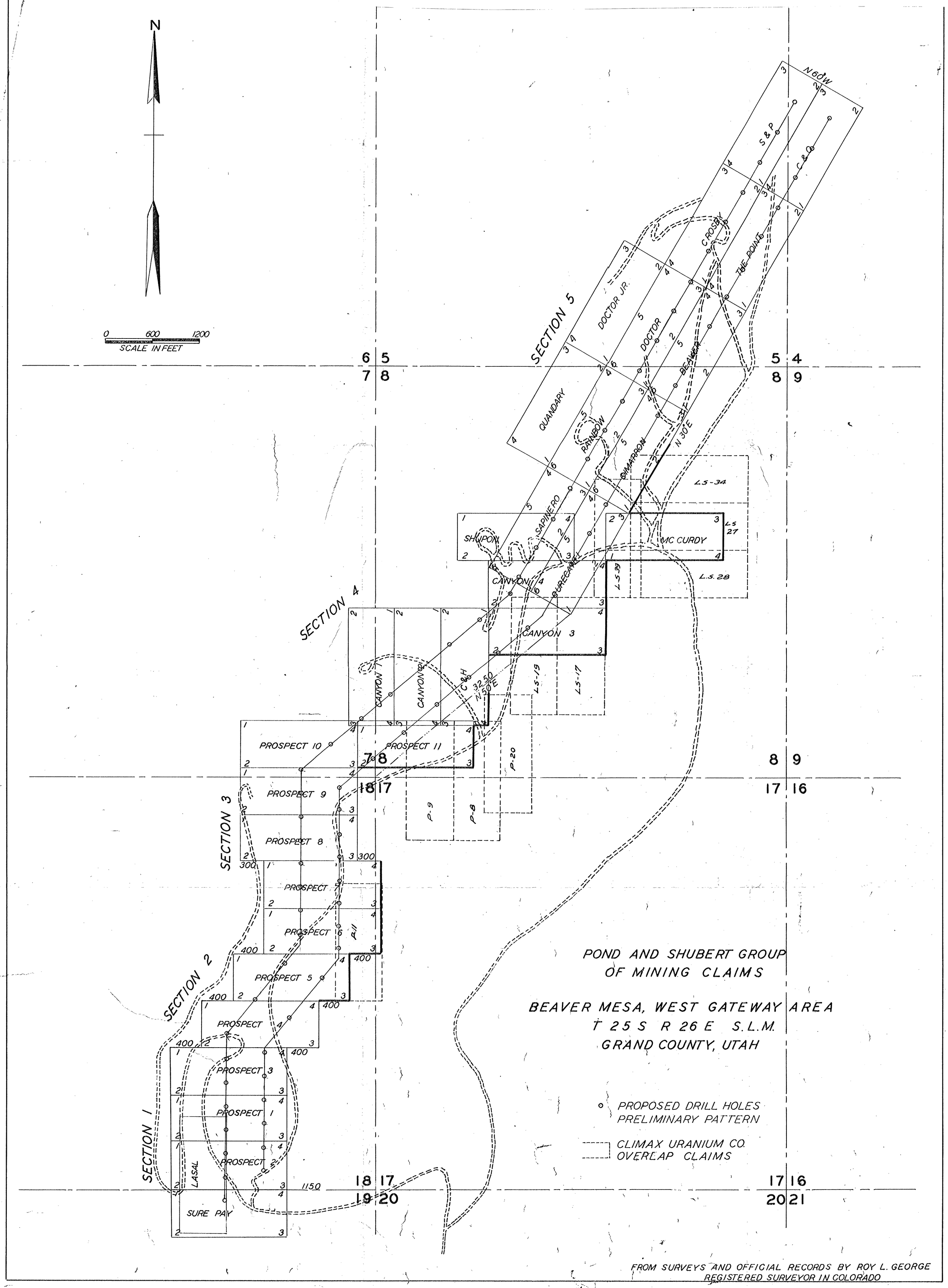


FIG. 5 CLAIM MAP, POND & SHUBERT GROUP MID-CONTINENT URANIUM CORP.

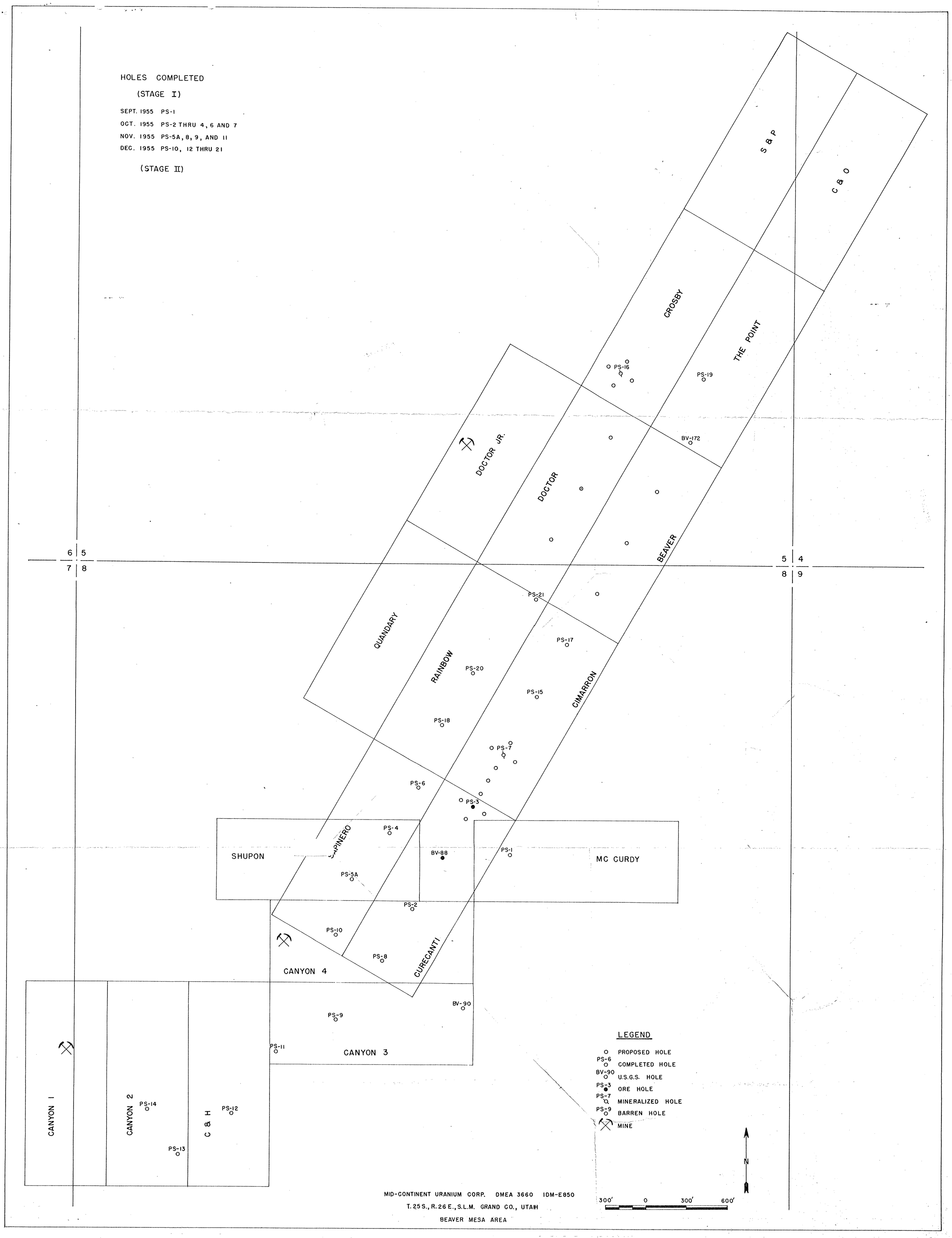
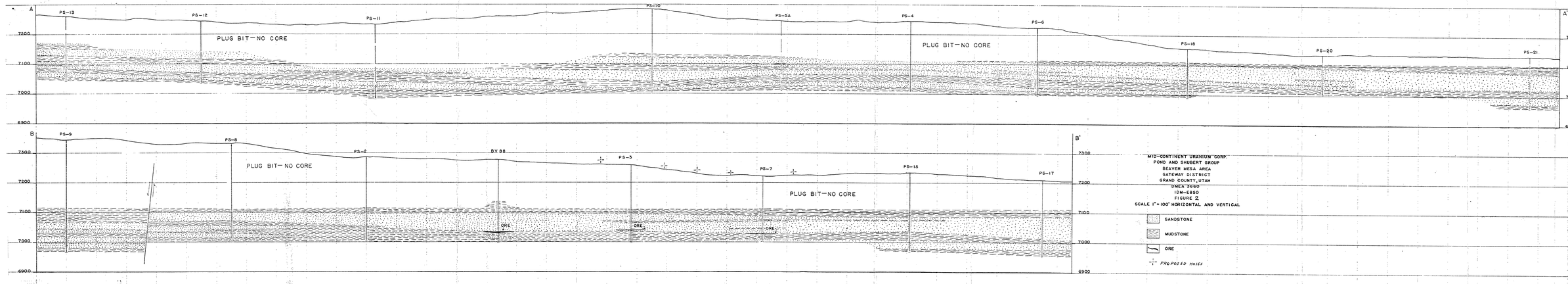


FIG. I DRILL HOLE MAP POND AND SHUBERT GROUP



MID-CONTINENT URANIUM CORP.
POND AND SHUBERT GROUP
BEAVER MESA AREA
GATEWAY DISTRICT
GRAND COUNTY, UTAH
DNEX 3660
IDM-E850
FIGURE 2
SCALE 1" = 100' HORIZONTAL AND VERTICAL

SANDSTONE

MUDSTONE

ORE

PROPOSED HOLES

EXPLANATION

DRILL HOLES. (HOLES WITH NUMBERS PREFIXED BV DRILLED BY U.S. GEOLOGICAL SURVEY, OTHER HOLES DRILLED UNDER DMEA CONTRACT)

o BARREN

ø WEAKLY MINERALIZED

● ORE-BEARING

X LOCATION OF PROPOSED STAGE II DRILL HOLE

NOTE: LOCATION OF RIM, LAND LINES, CLAIM BOUNDARIES AND HOLE LOCATIONS FROM APPLICANTS MAP.

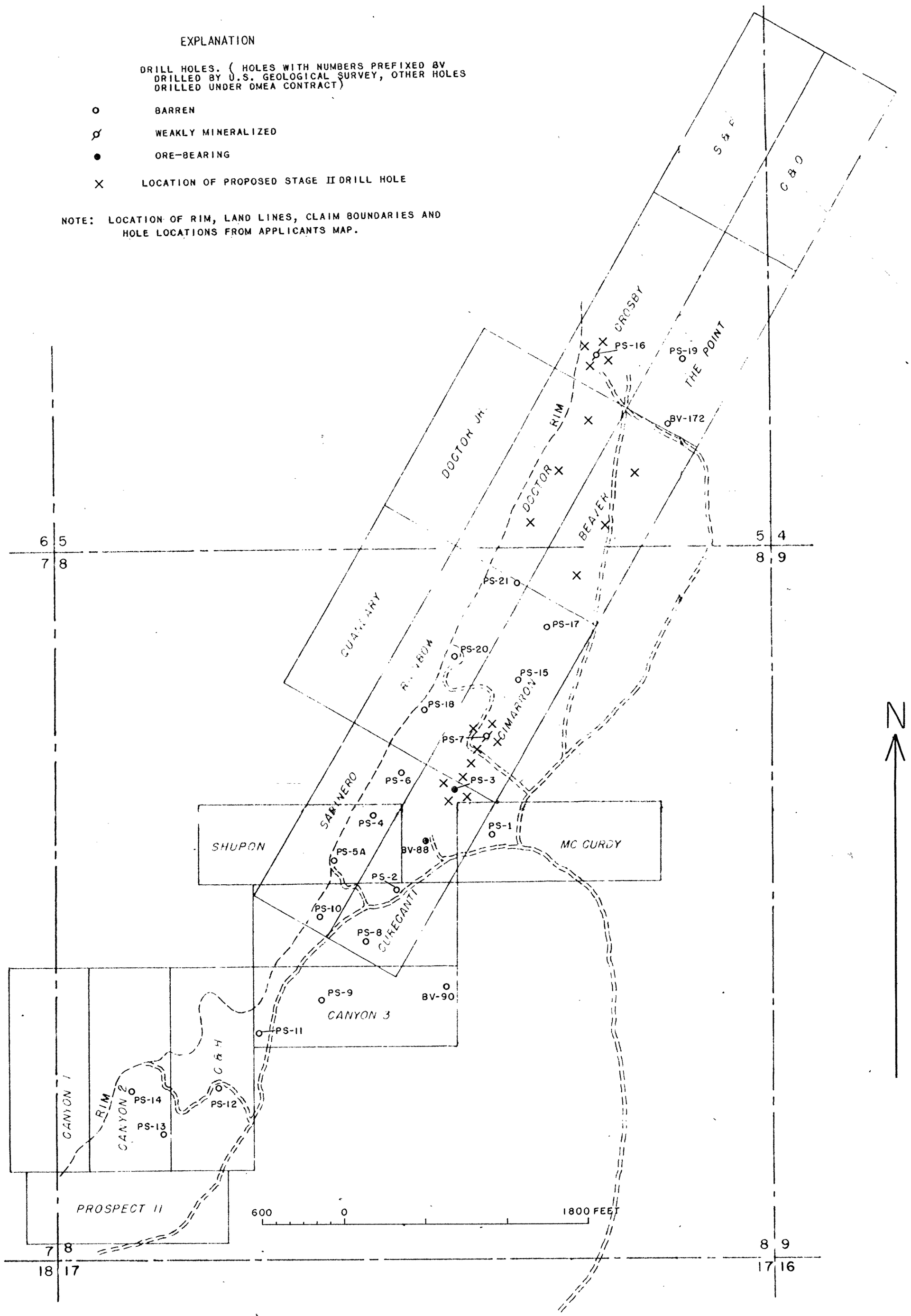


FIGURE 2. MAP SHOWING COMPLETED STAGE I DRILL HOLES AND PROPOSED STAGE II DRILL HOLES, POND AND SHUBERT GROUP OF CLAIMS, MID-CONTINENT URANIUM CORPORATION, GRAND COUNTY, UTAH.

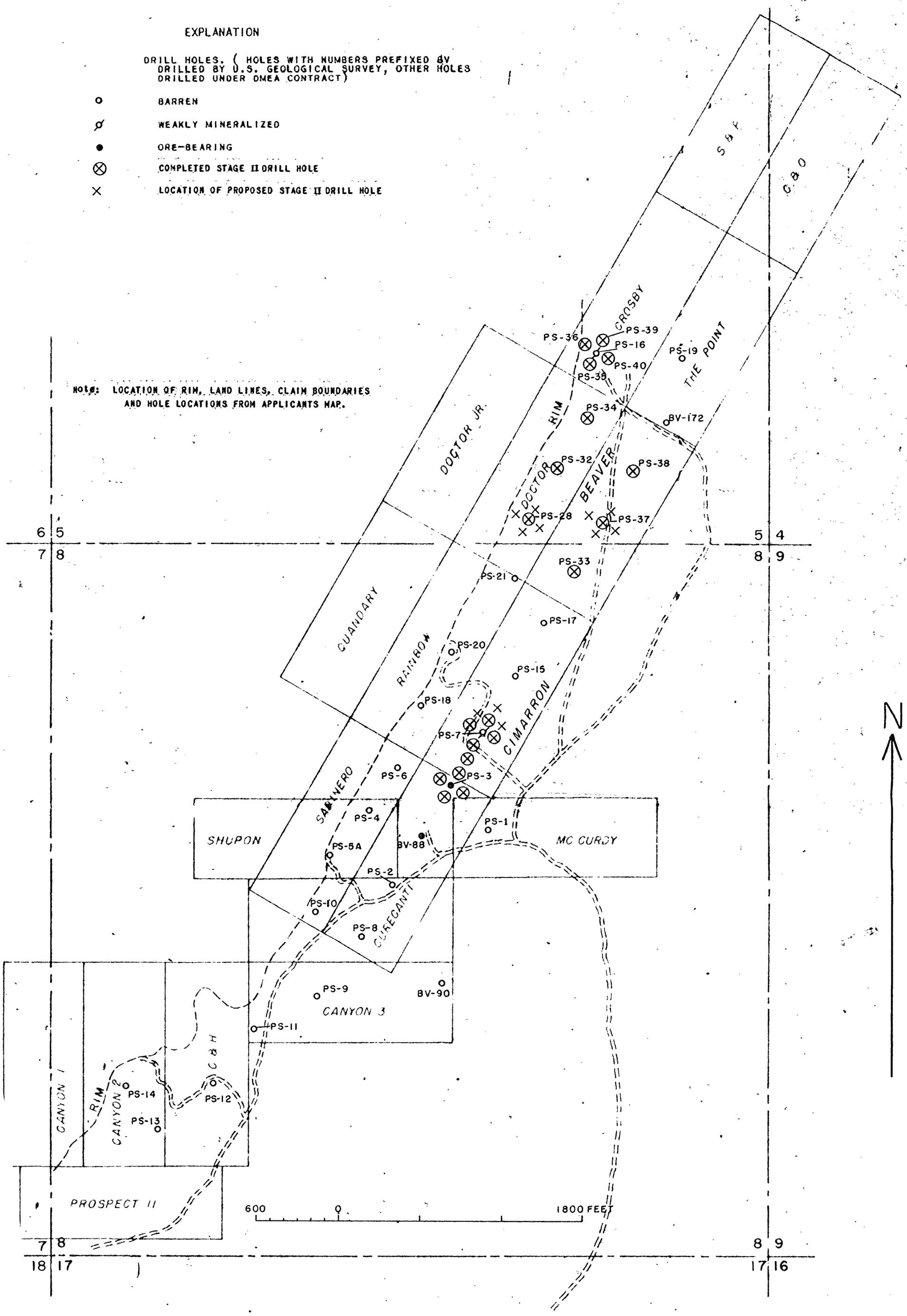


FIGURE 2. MAP SHOWING U.S.G.S., D.M.E.A. STAGE I, COMPLETED STAGE II, AND LOCATION OF PROPOSED STAGE II DRILL HOLES, POND AND SHUBERT GROUP OF CLAIMS, MID-CONTINENT URANIUM CORPORATION, GRAND COUNTY, UTAH.

HOLES COMPLETED

(STAGE I)

SEPT. 1955 PS-1

OCT. 1955 PS-2 THRU 4, 6 AND 7

NOV. 1955 PS-5A, 8, 9, AND 11

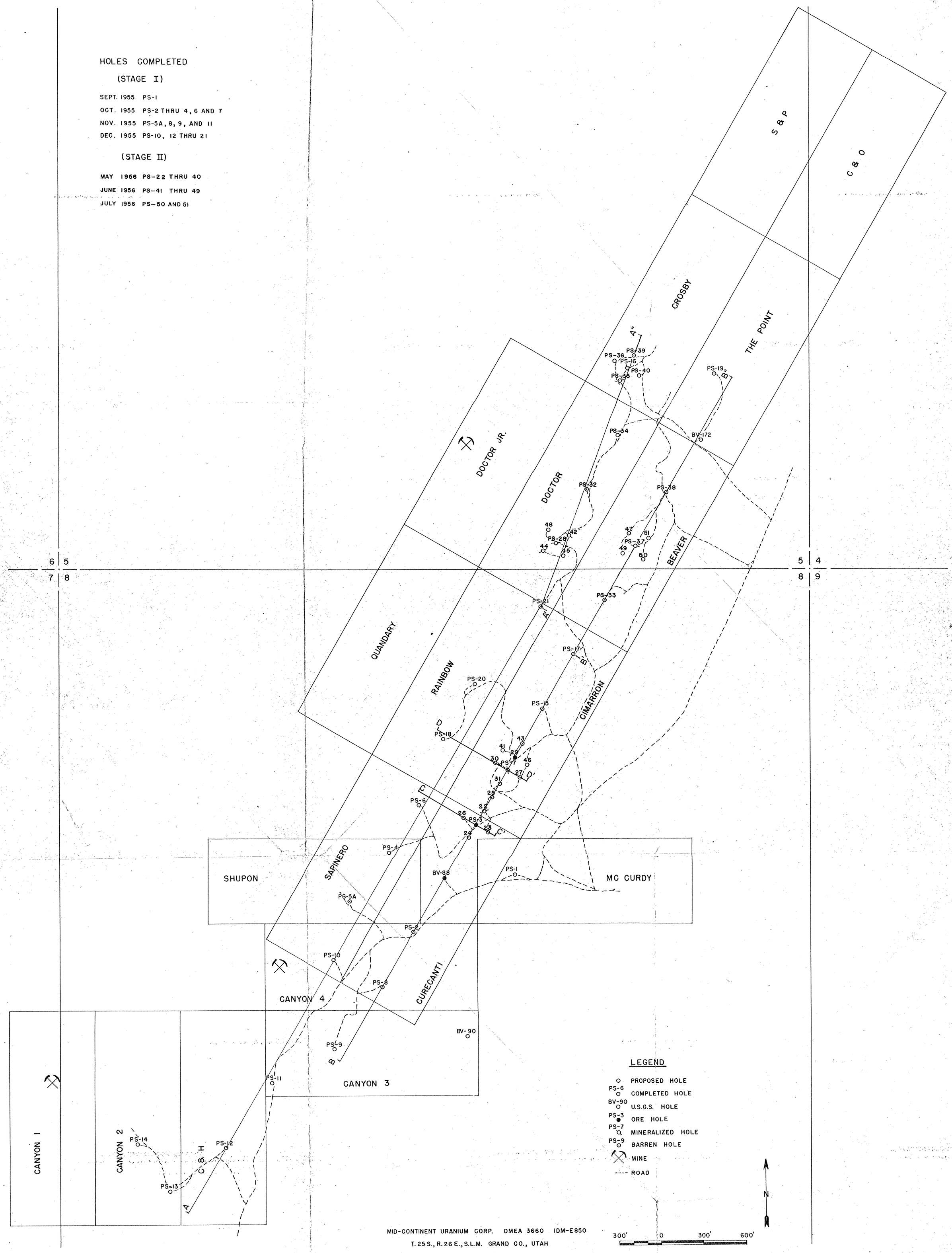
DEC. 1955 PS-10, 12 THRU 21

(STAGE II)

MAY 1956 PS-22 THRU 40

JUNE 1956 PS-41 THRU 49

JULY 1956 PS-50 AND 51



MID-CONTINENT URANIUM CORP. DMEA 3660 IDM-E850

T. 25 S., R. 26 E., S.L.M. GRAND CO., UTAH

BEAVER MESA AREA

FIG. 1 DRILL HOLE MAP POND AND SHUBERT GROUP

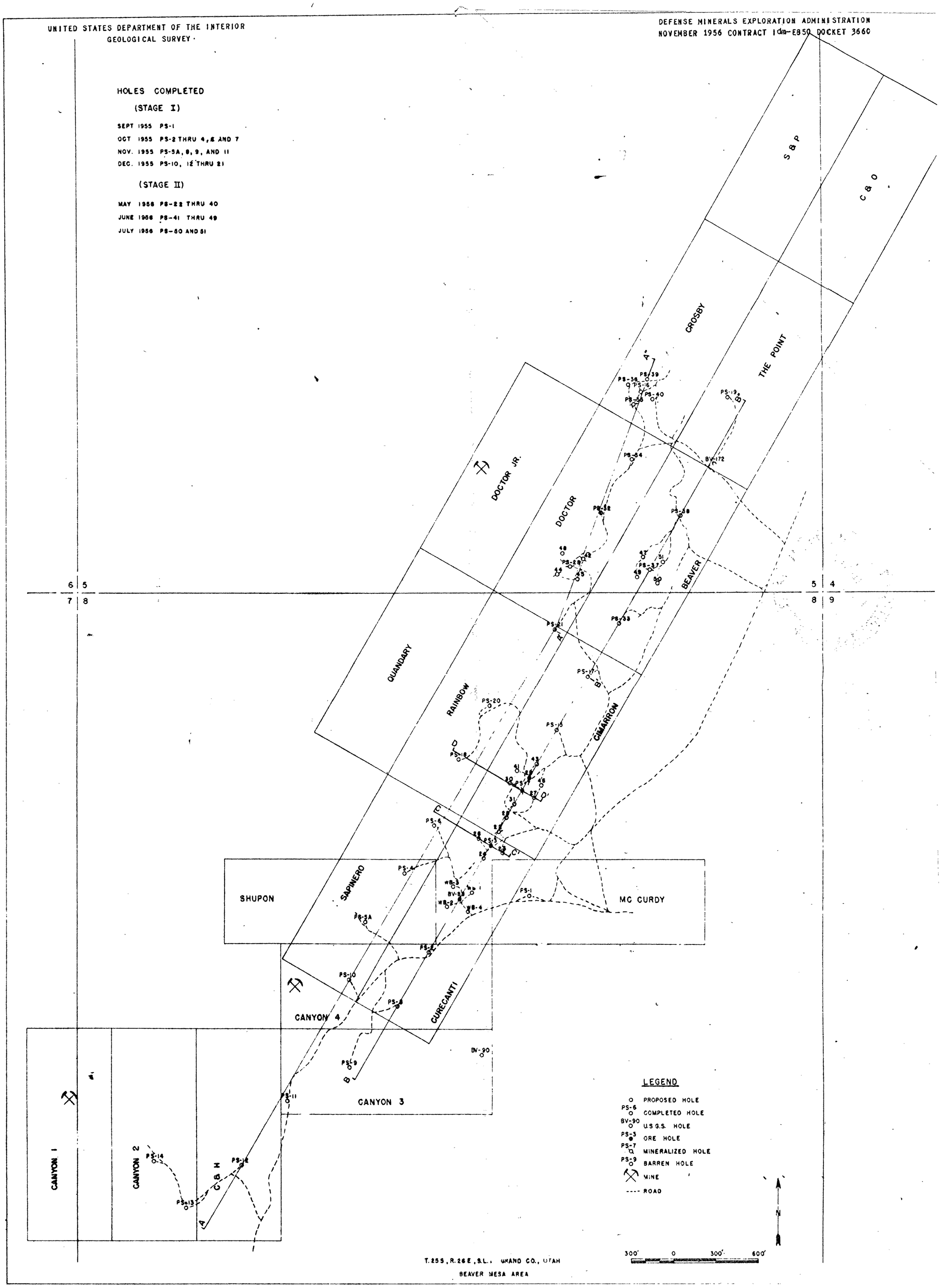


FIGURE 2.--DRILL HOLE MAP SHOWING LOCATION OF STAGE I AND STAGE II HOLES DRILLED UNDER DMEA CONTRACT 1DM-E850, POND AND SHUBERT GROUP, MID-CONTINENT URANIUM CORP., GRAND COUNTY, UTAH.

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

RECEIVED
SEP 12 1956

224 New Customhouse
Denver 2, Colorado

September 10, 1956

Mr. Norman E. Ebbley, General Manager
Mid-Continent Uranium Corporation
201 Uranium Center Building
Grand Junction, Colorado

Re: Docket DMEA 3660 (Uranium)
Contract Idm-E850
Mid-Continent Uranium Corp.
Pond and Shubert groups
Grand County, Utah

Dear Mr. Ebbley:

Form MF-104, Operator's Monthly Report and Voucher, for July, 1956 has been received in this office and is being processed for payment.

An amount of $200.00 is withheld from reimbursement to you pending release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division, DMEA.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E850
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Chron.

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

224 New Customhouse
Denver 2, Colorado

August 27, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3660 (Uranium), Contract Idm-E850, Mid-Continent Uranium Corporation (Pond and Shubert groups), Grand County, Colorado

Enclosed are the Government's, Division, and Docket copies of the "TERMINATION AGREEMENT" which was forwarded by your letter of August 13, 1956, for signature by the Operator and this office.

Copies of the "TERMINATION AGREEMENT" have been distributed to the Operator, the Finance Office, Region III, and others concerned.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
AUG 2 [illegible]

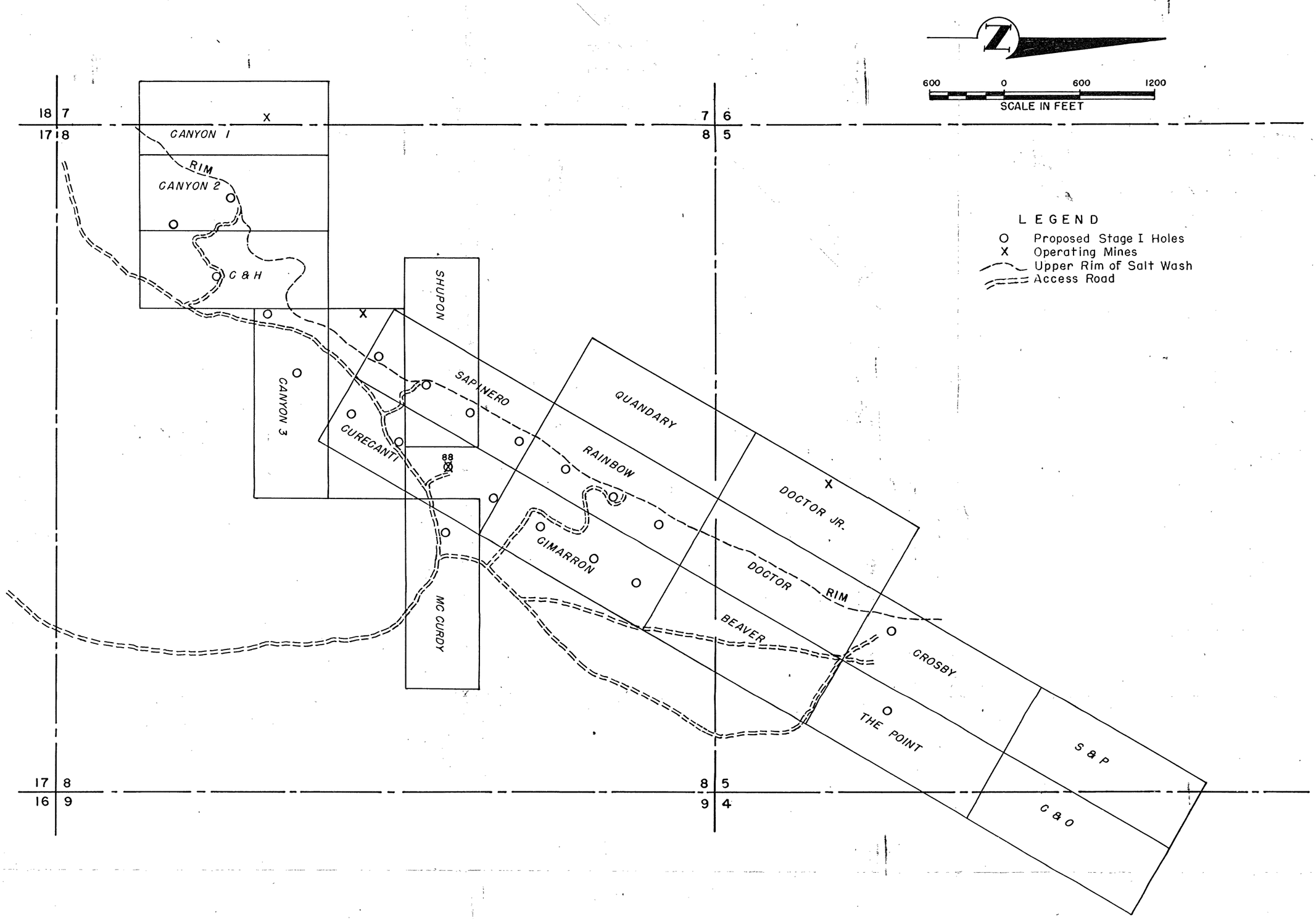


FIGURE 4 - MAP OF CLAIMS, UPPER RIM OF SALT WASH, ROADS, AND PROPOSED STAGE I HOLES, MID-CONTINENT URANIUM CORPORATION, GRAND COUNTY, UTAH. DMEA 3660