DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED DEC 31 1956 D.M.E.A.

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Jack S. Josey and Frank C. Roper, Partners,
Marmik Oil Company, an Arkansas Corporation, and Amurex
Oil Company, a Delaware Corporation, a Joint Venture.
1706-17 C. and I. Life Building
Houston, Texas

pertaining to Exploration Project Contract No. Idm-E907, Docket No. DMEA-3786, and Termination Agreement dated December 11, 1956, for the months of May, 1956, to September, 1956, inclusive, covering a project for the exploration of Uranium on property known as Big Bear, et al claims located in Fremont County, Colorado.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer, DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;

(b) the Monthly Reports were supported by documentary proof of the costs claimed under the contract provisions for contribution by the Government on the basis of actual costs incurred;

(c) a major portion ($10,545.50) of the costs incurred covered work performed at unit rates under independent contract; and

(d) the balance ($2,688.92) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs for work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$13,424.42
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$ .00	
Herewith	190.00	190.00
Total Accepted Cost		$13,234.42

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Nine thousand, nine hundred twenty-five and 81/100ths Dollars

** $9,925.81 **

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

December 27, 1956

T. H. Brading, Auditor

SCHEDULE OF EXCEPTIONS

JOSEY AND ROPER, ET AL

CONTRACT IDM-E907 DOCKET DMEA-3786

Moving Dozer

May, 1956	3 hours at $10.00 per hour	$ 30.00
June, 1956	10 " " " " "	100.00
August, 1956	6 " " " " "	60.00
Total Disallowed		$190.00

No provision in the contract for moving dozer; therefore amount shown above is disallowed.

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

DEC 31 1956

Mr. Thomas H. Breding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Report of Review
Idm-E907, DMEA-3786
Jack S. Josey & Frank C. Roper

Dear Mr. Breding:

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

The report is acceptable and normal distribution may be effected.

Sincerely yours,

C. E. Fisher
for Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
December 31, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE
January 7, 1957		

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-3786 (Uranium), Contract Idm-E907
Josey and Roper, et al (Big Bear, et al claims)
Fremont County, Colorado

Reference is made to our memorandum to you dated December 10, 1956, whereby we transmitted the final Form MF-104, Operator's Monthly Report and Voucher for September, 1956, and requested that you withhold the amount of $500.00 from reimbursement to the Operator pending resolution of matters relative to closing the account.

The Operator's final report has been received; therefore, we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated December 27, 1956, which was released to this office January 3, 1957: -

Basis for Final Payment

Total cost as billed by Contractor - - - - -	$13,424.42
Disallowance by Contract Administration and Audit Division -	190.00
Total Accepted Cost - - - - - - -	$13,234.42
Government participation at 75 percent - - - -	$ 9,925.81
Total prior payments - - - - - - -	9,568.31
Balance due the Operator - - - - - -	$ 357.50

$ 357.50

Original signed by
E. N. HARSHMAN

JDC:bh
cc-Chairman, Op. Comm. (2)
Harshman
Shaw (2)
Townsend
Corres. File E-907
MF-104 File E-907
Chron.

1/10/57 Lma 57-74

E. N. Harshman

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE
1-14	C	220
1-14	CDM	100
		800

224 New Customhouse
Denver 2, Colorado

January 11, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA 3786 (Uranium) Contract Idm-E907, Josey and Roper, et al (Big Bear, et al claims) Fremont County, Colorado

Enclosed are two copies of a memorandum to T. A. Christensen, dated January 7, 1957, relative to final payment under terms of the subject contract.

E. N. Harshman

E. N. Harshman

Enclosures

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1956 Docket No. DMEA 3786 Contract No. Idn-E 907
Operator's Name Jack B. Josey & Frank C. Weber, Partners; Gateway Oil Co. & Amurex Oil Co., Joint Venture Minerals Uranium
Address 1706-7 C & I Life Building, Houston 2, Texas
Contract Amount, $ 2,238.00 Government Participation: 75 % Amount, $ 1,678.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Contracts:						
Short Form (Core) 635'	1,587.50	6,117.50	7,705.00			
Drilling	-0-	1,522.00	1,522.00			
Bulldozing						
Crosscutting Incidental						
Drifting Allowance 725'	493.00	2,139.92	2,631.92			
Non-Core Drilling 90'	157.50	1,351.00	1,508.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	-0-	7.00	7.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,238.00	11,186.42	13,424.42	2,238.00	11,186.42	13,424.42

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

Date Nov. 22, 1956 *Payee JACK B. JOSEY

Per [signature] Title AGENT

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

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

(Instructions on reverse)

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

$ 1178.50

Signature [signature]
(Authorized Certifying Officer)

Date 12/11/56 Vou. No. DMA 57-65

(See other side)

Note: Withheld 500.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Executive Officer Date DEC 10 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1956 Docket No. DMEA 3786 Contract No. Ion-3 907
Operator's Name Jack O. Josey & Frank O. Loper, Partners; Harmik Oil Co. & Isurox Oil Co., Joint Venture Minerals Uranium
Address 1700-7 C.N.I. Life Building, Houston 2, Texas

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising Bulldozing	Hours	-0-	-0-	1,522.00	130 hrs	11.703	216 hrs	2,700.00
Shafts								
Winzes								
Drilling: Core	Foot	1,587.50	635'	7,705.00	3,022'	2.50	6075'	21,047.00
Churn-Core	Foot	157.50	90'	1,508.50	862'	1.75	3965'	6,939.75
Auger								
Stripping Incidental								
Trenching Costs	Foot	493.00	725'	2,681.92	3,944'	.68	12060'	8,200.00
Test Pits								
Roads and Trails								
Sampling & Analysis	Each	-0-	-0-	7.00	2	3.50	200	700.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,238.00		13,424.42				39,586.55

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

Date Nov. 22, 1956 Operator JACK O. JOSEY

Per Robert W. Park Title MGR

REMARKS:

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

(Instructions on reverse)

(For Government use only)

A A Roseliman for
W P A McHan

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE DEC 13 1956

RECEIVED DEC 17 1956 D.M.E.A.

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

Administrative Audit Difference Statement

Jack S. Josey & Frank C. Roper
1706 - 17 C & I Life Building
Houston, Texas

Date: December 12, 1956
Payee's Reference: September 1956

Gentlemen:

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

Amount Claimed $ 2,238.00

Difference $

Amount Approved $ 2,238.00

The reason for the difference was due to:

Withhold - $500.00 pending resolution of matters relative to closing the account.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

December 10, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket No. 3786 (Uranium), Contract No. Idm-E907, Josey and Roper et al. (Big Hole - Big Bear claim group), Fremont County, Colorado - Operator's Monthly Progress Report for the month of September, 1956 (FINAL)

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for September, 1956, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deduction:

Withhold an amount of $500.00 pending resolution of matters relative to closing the account. Except for one hole which could not be drilled because of difficult topographic conditions, all approved work has been completed. Termination of the contract is in process.

The Operator's narrative report, map, lithologic logs, and radiometric logs for September, 1956, are incorporated in the

Operator's final engineering and geologic report, which has been received in this office. The Final Report is adequate and has been retained for separate distribution as required.

REMARKS

Date of Report - - - - - - - - - - - - - - - - November 22, 1956
Date Received in Field Office - - - - - - - - November 23, 1956
Date Received in Region Office - - - - - - - November 29, 1956

Original signed by
W. M. TRAVER

W. M. Traver

JDC:ewa
cc: MF-104 File E907
Sec. Op. Comm. (2)
Shaw (2)
Harshman - w/copy of engineer's report
Townsend
Chron.

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

REGION III

Memorandum

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

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw JFSjack
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 3786 (Uranium) Contract Idm-8907, Josey-Roper Big Hole-Big Bear Claim Group, Fremont County, Colorado. --Progress report for September 1956.

An inspection of progress was made on September 13, 1956, accompanied by Jack Q. Frizzell, geologist project engineer. Five stage II drill holes were completed by September 13, 1956, completeing the project. One stage II drill hole, No. 30, was not drilled because of being located on a basic dike. The pertinent data from the operator's graphic logs and Marine Exploration Company's gamma-ray logs for work performed in September are given below:

Hole	Footage Nonecore	Footage Core	Footage Total	% Core Recovery	Radiometric Logs Interval (feet)	% Eu
35A	28	72	100	10.2	49-50	0.075
					52-53	0.065
					68-70	0.200
41	25	175	200	10.0	52-53	0.160
					178-179	0.075
43	17	258	275	21.0	81-82	0.050
					130-132	0.085
					141-142	0.055
42	20	130	150	13.5	None	
	90	635	725	16.1		

Incidental expense 725 feet at $0.68/ft.	$493.00
635 feet of core drilling at $2.50/ft.	1,587.50
90 feet of nonecore drilling at $1.75/ft.	157.50
	$2,238.00

The above costs are recommended as allowable, and 75 percent, or $1,678.50, as the Government's part of the costs.

No further work will be done on the project. The operator's final report, which also covers progress for September 1956, has been received and all data to support operator's claims are in order.

A. H. Cornelius for
W. D. McMillan
Mining Engineer

WDM:sh
Enc.
cc: 6
Idm-2907
Chron

JOSEY - ROPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION EXPENSES

DOCKET NO. DMEA - 3786
CONTRACT NO. Idm-E 907
SUPPORTING SCHEDULE FILED WITH DMEA

PERIOD COVERED
SEPTEMBER 1 TO SEPTEMBER 15, 1956

RECEIVED DEC 17 1956 DMEA

	100% COST INCURRED
CODE ACCOUNTS I	
Non-Core Drilling	$ 157.50
Core Drilling	1,587.50
Sub-Total	$ 1,745.00
CODE ACCOUNTS II TO VII	
Supervision Fee	$ 750.00
Rental - Graphic Recorder	250.00
Accounting Services	50.00
Sub-Total:-Code II TO VII	$ 1,050.00
GRAND TOTAL	$ 2,795.00

EXPECTED BUDGETARY DMEA EXPENSE CONTRIBUTION		CONTRACT AMOUNT (ALLOWABLE COSTS)	DMEA PORTION 75 %
Non-Core Drilling	90 feet @ $1.75/foot or	$ 157.50	$ 118.13
Core Drilling	635 feet @ $2.50/foot or	1,587.50	1,190.62
APPLIED FIXED UNIT COST			
Actual footage drilled for period of September 1 to September 15 was:	725 feet @ $0.68 per foot or	493.00	369.75
		$ 2,238.00	* $ 1,678.50

* EXPECTED EXPENSE CONTRIBUTION FROM DMEA

JOSEY- ROPER - MAXMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION PROJECT
COMPUTATION OF ALL OPERATORS' PORTION OF
REMAINING COSTS

PERIOD COVERED
SEPTEMBER 1 TO SEPTEMBER 15, 1956

	COST INCURRED		LESS: DMEA PORTION 75%	OPERATORS' PORTION OF REMAINING COSTS
CODE ACCOUNTS I				
Non-Core Drilling	$ 157.50		$ 118.13	$ 39.37
Core Drilling	1,587.50		1,190.62	396.88
Sub-Total	$ 1,745.00		$ 1,308.75	$ 436.25
CODE ACCOUNTS II TO VII FALLING UNDER FIXED UNIT COST		* APPLIED DECIMAL TO DERIVE DMEA PORTION	LESS: DMEA PORTION 75% OF APPLIED	OPERATORS' NON-REIMBURSEABLE COSTS
ACTUAL COSTS INCURRED				
Supervision Fee	$ 750.00	$ 352.14	$ 264.10	$ 485.90
Rental-Graphic Recorder	250.00	117.38	88.04	161.96
Accounting Services	50.00	23.48	17.61	32.39
Sub-Total:- Code II to VII	$ 1,050.00	$ 493.00	$ 369.75	$ 680.25
GRAND TOTAL	$ 2,795.00			$ 1,116.50

EXPECTED EXPENSE CONTRIBUTION FROM DMEA . . . . . $ 1,678.50

$$* \frac{\$\ 493.00}{\$\ 1,050.00} = .46952$$

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

Budget Bureau No. 42-R1036.5

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

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Short Form						
Drilling	[illegible]	[illegible]	[illegible]			
Bulldozing	[illegible]	[illegible]	[illegible]			
Crosscutting	[illegible]	[illegible]	[illegible]			
Drifting	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	[illegible]	[illegible]	[illegible]			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]	2,673.45	8,512.97	11,186.42

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

Date [illegible] *Payee [illegible]

Per [illegible] Title [illegible]

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

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

(Instructions on reverse)

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

$2005.09

Signature [illegible]
(Authorized Certifying Officer)

Date 12/11/56 Vou. No. DMA 57-64

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

SIGNATURE W. M. Palmer Title Executive Officer Date DEC 10 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MS-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
DEC 17 1956
D.M.E.A.

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

Month of August 1956 Docket No. DMEA 3705 Contract No. [illegible]
Operator's Name [illegible] Minerals Uranium
Address [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Bulldozing Raising	Hours	23.00	23 Hrs.	1,522.00	130 Hrs	11.700	240 Hrs	2,700.00
Shafts								
Winzes								
Drilling: Core	Foot	1,032.50	653'	6,127.50	2,047'	2.50	5000'	21,047.00
Churn-Core	Foot	237.75	237'	1,351.00	772'	1.75	3065'	6,050.75
Auger								
Stripping								
Incidental Costs	Foot	557.00	730'	2,100.92	3,237'	.58	12000'	6,000.00
Trenching								
Test Pits								
Roads and Trails								
Drilling & Maintain	Foot	-0-	-0-	7.00	2	3.50	200	700.00
Total Distributed Costs		2,072.45		11,136.42				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,072.45		11,136.42				39,496.55

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

Date Nov. 22, 1956 Operator [illegible]

Per [signature] Title [illegible]

Remarks: 1. Unit Costs to Date column reflects average unit costs to date.
2. Costs to Date Column reflects adjustments due to additional and unusual bulldozing cost, one foot run-core drilling and Misc. Incidental Costs.

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

(Instructions on reverse)

(For Government use only)

A H Consolman for Carl Nelson

INSTRUCTIONS

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

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

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

GPO 872894

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

224 New Customhouse
Denver 2, Colorado

FINAL DISTRIBUTION
DEC 1 6 1956
MADE

December 10, 1956

RECEIVED
DEC 17 1956
D.M.E.A.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket No. 3786 (Uranium), Contract No. Idm-E907, Josey and Roper et al. (Big Hole - Big Bear claim group), Fremont County, Colorado - Operator's Monthly Progress Report for the month of August, 1956.

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for August, 1956, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

The Operator submitted a separate Final Report (summary) of Stage I drilling results. The Stage I Final Report is attached to this Monthly Report and Voucher.

REMARKS

Date of Report ----------	November 22, 1956
Date Received in Field Office	November 23, 1956
Date Received in Region Office	November 29, 1956

Original signed by
W. M. TRAVER

W. M. Traver

JDC:ewa

cc: MF-104 File E
Chairman Op. Comm. (2)
Shaw (2)
Harshman - w/copy of engineer's report.
Chron.

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
November 28, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

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

From: Carl Belser

Through: John F. Shaw
Supervising Mining Engineer

Subject: DMEA Docket 3786 (Uranium) Contract Idm-B907, Kemp-Roper Big Hole-Big Bear Claim Group, Fremont County, Colorado. —Progress report for August 1956.

An inspection of progress was made on September 13, 1956, accompanied by Jack Q. Frizzell, geologist project supervisor. Three stage I holes and two stage II holes were completed during the period. The pertinent data from the operator's graphic logs and Marine Exploration Company's gamma-ray logs are given below:

Hole No.	Location	Nonscore Feet	Core Feet	Total Feet	Core Recovery %	Gamma Ray Logs-U_3O_8e
15	West Center Big Bear #1	60	290	350	21	< 0.065
18	West Center Big Bear #2	20	130	150	38	
19	West Center Big Bear #1	20	70	90	41	
	Stage II					
37	So. Center Big Hole #1	20	55	75	31	1 ft. 0.14
40	So. Center Big Hole #3	17	108	125	22	No significant anomoly
	Total for August	137	653	790	30.6	

137 feet nonscore drilling at $1.75/ft.	$239.75
653 feet core drilling at $2.50/ft.	1,632.50
Incidental expense 790 feet at $0.68/ft.	537.20
Bulldozing 23 hours at $11.48/ft.	264.00
	$2,673.45

Payment of 75 percent of the amount claimed or $2,005.09 is recommended.

Carl Belser
Mining Engineer

cc: 6
Idm-B907
Chron.

PROGRESS REPORT

JOSEY-ROPER CORE DRILLING PROJECT
Big Hole Area, Fremont County, Colorado

Month ending August 31, 1956

DMEA
DEPARTMENT OF THE INTERIOR
OCT 10 1956
REGION III
DENVER, COLORADO

Docket DMEA 3786 (Uranium)
Contract Idm-E907

A total of five core holes were completed during the month of August, 1956, of which three were Stage I core holes and two Stage II core holes. Stage I drilling was completed on August 12, 1956, and Stage II drilling commenced on August 24, 1956.

The schedule of holes drilled during the month of August is as follows:

Hole No.	Date Commenced	Date Completed	Total Depth	Footage Non-core	Footage Cored	Core Rec.
15	7-27-56	8-4-56	350'	60'	290'	21%
18	8-8-56	8-11-56	150'	20'	130'	38%
19	8-11-56	8-12-56	90'	20'	70'	41%
Stage II						
37	8-24-56	8-25-56	75'	20'	55'	31%
40	8-28-56	8-31-56	125'	17'	108'	22%

Core hole #35 was abandoned August 28, 1956 at 55' with a core barrel bit adapter and diamond core head left in the hole. Exceptionally thick boulder beds were encountered in the hole, so a decision was made to attempt to complete C. H. #40 for the calendar month and then return to C. H. #35A, located 20 ' south of C. H. #35. Core hole #35A was drilling at 34' at 5:00 pm, August 31, 1956. Data on this hole will be included in the progress report for September.

Anomalous radioactivity encountered by drilling during the month of August was recorded as follows:

C. H. #15	92-93'	0.065%Ue
	114-116'	0.06%Ue
	147-149'	0.045%Ue
C. H. #18	None	
C. H. #19	None	
C. H. #37	23-24'	0.14%Ue
C. H. #40	None	

Dozer work for Stage II roads and drill site locations was performed during the period from August 17 to August 23, 1956. A total of 32 hours dozer work at $12.00 per hour and 6 hours moving time at $10.00 per hour was required to complete the work.

Core recoveries continue to be very low due to penetrating boulder and pebble beds interbedded with the soft mudstones and shaley sandstones, the latter not being competent enough to enter the core barrel following recovery of granite boulder fragments. Various combinations of diamond and saw-tooth core heads and soft and hard core catchers have been utilized in an attempt to increase core recovery with no apparent increase in efficiency.

Respectfully submitted,

Jack Q. Frizzell

Jack Q. Frizzell, Geol.

JOSEY - ROPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION EXPENSES
MONTH OF AUGUST, 1956

DOCKET NO. DMEA - 3786
CONTRACT NO. Idm-E 907
SUPPORTING SCHEDULE FILED WITH DMEA

	100% COST INCURRED
CODE ACCOUNTS I	
Non-Core Drilling	$ 239.75
Core Drilling	1,632.50
Bulldozer	264.00
Sub-Total	$ 2,136.25
CODE ACCOUNTS II TO VII	
Supervision Fee	$ 1,500.00
Rental - Graphic Recorder	500.00
Accounting Services	100.00
Stenographic Services	6.54
Stationery and Postage	71.13
Telephone and Telegraph	17.75
Drilling Mud	16.79
Sub-Total:-Code II TO VII	$ 2,212.21
GRAND TOTAL	$ 4,348.46

DEC 17 1956

EXPECTED BUDGETARY DMEA EXPENSE CONTRIBUTION		CONTRACT AMOUNT (ALLOWABLE COSTS)	DMEA PORTION 75 %
Non-Core Drilling	137 feet @ $ 1.75 Foot or	$ 239.75	$ 179.81
Core Drilling	653 feet @ $ 2.50 Foot or	1,632.50	1,224.38
Bulldozer	17 hours @ $12.00 an Hour or	204.00	153.00
Bulldozer	6 hours @ $10.00 an Hour or	60.00	45.00
APPLIED FIXED UNIT COST			
Actual footage drilled for month of August was:	790 feet @ $ 0.68 per foot or	537.20	402.90
		$ 2,673.45	* $ 2,005.09

* EXPECTED EXPENSE CONTRIBUTION FROM DMEA

JOSEY - ROPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION PROJECT
COMPUTATION OF ALL OPERATORS' PORTION OF
REMAINING COSTS

MONTH OF AUGUST, 1956

CODE ACCOUNTS I	100 % COST INCURRED	LESS: DMKA PORTION 75%	OPERATORS' PORTION OF REMAINING COSTS
Non-Core Drilling	$ 239.75	$ 179.81	$ 59.94
Core Drilling	1,632.50	1,224.38	408.12
Bulldozer	204.00	153.00	51.00
Bulldozer	60.00	45.00	15.00
Sub-Total	$ 2,136.25	$ 1,602.19	$ 534.06

CODE ACCOUNTS II TO VII FALLING UNDER FIXED UNIT COST ACTUAL COSTS INCURRED		* APPLIED DECIMAL TO DERIVE DMKA PORTION	LESS: DMKA PORTION 75% OF APPLIED	OPERATORS' NON-REIMBURSEABLE COSTS
Supervision Fee	$ 1,500.00	$ 364.25	$ 273.19	$ 1,226.81
Rental-graphic Recorder	500.00	121.42	91.07	408.93
Accounting Services	100.00	24.28	18.21	81.79
Stenographic Services	6.54	1.59	1.19	5.35
Stationery and Postage	71.13	17.27	12.95	58.18
Telephone and Telegraph	17.75	4.31	3.23	14.52
Drilling Mud	16.79	4.08	3.06	13.73
Sub-Total:-Code II to VII	$ 2,212.21	$ 537.20	$ 402.90	$ 1,809.31
GRAND TOTAL	$ 4,348.46			$ 2,343.37

EXPECTED EXPENSE CONTRIBUTION FROM DMKA . . . . . $ 2,005.09

$$* \frac{\$\ 537.20}{\$\ 2,212.21} = .24283$$

SEP 17 1956

FINAL REPORT
STAGE I DRILLING PROGRAM

Josey-Roper Core Drilling Project
Big Hole Area, Fremont County, Colorado

Period Ending August 12, 1956

Docket DMEA 3786 (Uranium)
Contract Idm E-907

Stage I drilling on the Josey-Roper Project was completed at 1:00 pm., August 12, 1956. Core hole Nos. 15, 18, and 19 were completed during the period from July 27 to August 12, 1956. The schedule of holes drilled is as follows:

Hole No.	Date Commenced	Date Completed	Total Depth	Footage Non-core	Footage Cored	Core Rec.
15	7-27-56	8-4-56	350'	60'	290'	21%
18	8-8-56	8-11-56	150'	20'	130'	38%
19	8-11-56	8-12-56	90'	20'	70'	41%

Anomalous radioactivity was recorded by gamma-ray log on C. H. #15 at 92-93' (0.065%Ue), 114-116' (0.06%Ue), and 147-149' (0.045%Ue). No radioactivity was recorded on core hole Nos. 18 or 19.

Total footage drilled and cored during Stage I is as follows:

Calendar Month	Total Footage	Footage Drilled	Footage Cored	Percent Cored
May	692	455	237	34.2%
June	1,086	91	995	91.6%
July	652	90	562	86.2%
August (12)	590	100	490	83.0%
	3,020	736	2,284	75.6%

Drilling during Stage I established the presence of an elongate, northwest-trending sedimentary basin underlying the northern portion of the Josey-Roper project, flanked by relatively shallow areas of deposition on the south, east, and west. Deposits in the deeper basin are composed of fine-grained sandstone and arkosics, shaley and argillaceous sandstones, shale, and medium-to-coarse arkosic conglomerates and boulder beds. Coarse-grained arkosic conglomerates, medium-to-coarse sandstones, and heavy boulder beds characterize deposits in the shallow portion of the basin.

Uranium mineralization within the area occurs in several outcrop deposits of small mudstone channels and lenses. Subsurface mineralization, as recorded in samples and by gamma-ray log, occurs both in thin mudstone lenses and in fine-grained shaley-sandstones impregnated with disseminated, granular carbon trash. Low-grade mineralization was recorded by gamma-ray log in 12 of 16 holes drilled during Stage I. Concentration above 0.2% Ue was logged only in C. H. #39.

Positive correlation of radioactive zones or stratigraphic sections between core holes has not been established on any of the holes drilled during Stage I. It is evident that the sedimentary formations within the basin were deposited under highly varied and erratic conditions of climate, topograhy,

and tectonic movement, resulting in extreme stratigraphic variation within geographically small areas of the basin. Geologic conditions conducive to deposition of small mudstone channels or carbonaceous sandstone lenses were repeated many times in numerous restricted localities throughout the depositional history of the basin. Thus, the numerous occurrences of uranium mineralization found by drilling during Stage I are direct evidence of the highly varied geologic conditions present within the Project area.

Conclusions:

Information gained from drilling during Stage I of the Josey-Roper Project gives evidence that deposits of uranium present within the project area are low in grade and small in areal extent. In the event that the additional drilling approved for Stage II does not locate any deposits of commercial grade ore, it is recommended that further exploration not be carried out.

Respectfully submitted

Jack Q. Frizzell

Jack Q. Frizzell, Geologist
Project Supervisor

Form MF-194 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
OCT - 1 1956

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

Month of July 1956 Docket No. DMEA 3706 Contract No. Idr-2 907
Operator's Name Jack S. Josey & Frank C. Lopor, Partners; Marathon Oil Co. & Murex Oil Co., Joint Venture Minerals Uranium
Address 1700-7 G.C.I Life Building, Houston 2, Tex.
Contract Amount, $ 2,005.86 Government Participation: 75 % Amount, $ 1,504.40

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:						
Short Form (Core) 560'	1,405.00	3,000.00	4,405.00			
Drilling	None	1,604.00	1,604.00			
Bulldozing						
Crosscutting						
Drifting						
Drilling (Core) 90'	157.50	955.50	1,113.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	None	7.00	7.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
652' @ 0.63 Foot	443.36	1,209.04	1,652.40			
(8) Contingencies (specify):						
TOTALS	2,005.86	6,935.54	8,941.40	2,005.86	6,935.54	8,941.40
				—	428.43	428.43
					6,507.11	8,512.97

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

Date September 5, 1956 *Payee JACK S. JOSEY

Per Robert H. Park Title AGENT

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

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

(Instructions on reverse)

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

$ 1,504.39

Signature RRa
(Authorized Certifying Officer)

Date 9-26-56 Vou. No. DMA-57-39
(See other side)

1 Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E9B7 in accordance with the terms of the contract.

Signature [illegible] ($1504.39) Off Title Mgr. Engr Date 9/12/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lamey Title Executive Officer Date SEP 25 1956

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

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

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

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

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

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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OCT - 1 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 3786 Contract No. Ida-8 907
Operator's Name Jack O. Josey & Frank C. Roper, Partners; Marsh Oil Co. & Wynne Oil Co., Joint Venture
Address 1706-7 C.&I. Life Bldg., Houston 2, Texas
Minerals Uranium

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising Bulldozer	Hours	None	None	1,634.00	1.00	1634.00	216	2,700.00
Shafts								
Winzes								
Drilling: Core	Feet	1,405.00	562'	4,485.00	1,994'	4485.00	8,095'	21,037.00
Blast Hardcore	Feet	157.50	90'	1,113.00	636'	1113.00	3,965'	6,930.75
Auger								
Stripping [illegible]								
Trenching [illegible]								
Test Pits [illegible])	Feet	443.90	652'	1,652.40	2,430'	1652.40	12060'	8,205.00
Roads and Trails								
Surveying & Analysis	Each	None	None	7.00	2	7.00	200	700.00
Total Distributed Costs		2,005.00		8,941.40				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,005.00		8,941.40				39,536.65

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

Date September 5, 1956 Operator JACK O. JOSEY

Per Robert H. Funk Title AGENT

Remarks:

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

(Instructions on reverse)

(For Government use only)

Walter Mullen

INSTRUCTIONS

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

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

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

GPO 872894

Dma 57-39

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

224 New Customhouse
Denver 2, Colorado

FINAL DISTRIBUTION
MADE SEP 27 1956

September 25, 1956

RECEIVED
OCT - 1 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3786 (Uranium) Contract Idm-E907, Josey and Roper, et al. (Big Hole - Big Bear claim group) Fremont County, Colorado - Operator's Monthly Progress Report for the month of July, 1956

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks

Date of Report - - - - - - - - - - - - - - September 5, 1956
Date Received in Field Office- - - - - September 6, 1956
Date Received in Region Office- - - - September 14, 1956
Held pending return of signed narrative report by Operator

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E907
Sec. Op. Comm. (2)
Shaw (2)
Harshman w/copy engr's report
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
SEP 14 1956
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
September 13, 1956

Memorandum

RECEIVED
OCT - 1 1956

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA 3786 (Uranium) Contract Idm-2907, Jonsey-Roper, Big Hole, Big Bear Claim Group, Hohe Canyon, Fremont County, Colorado -- Progress report for July 1956

An inspection of progress was made on August 8, 1956 accompanied by Jack Q. Frizzell, geologist-project supervisor. Due to equipment troubles, only two holes were completed during July. The pertinent data from the operator's graphic logs and Marine Exploration Company's Gamma-Ray logs are given below:

Hole No.	Location	Non-core feet	Core Feet	Core Rec. %	Gamma-Ray Logs U_3O_8
25	Center Big Hole #4	30	270	42	138-153 - 0.072
					219-220 - 0.045
12	Center Big Bear #3	60	292	24	90-93 - 0.082
					271-272 - 0.068
					289-291 - 0.110
		90	562	Total feet	652

Approved costs are as follows:

90 feet of non-core drilling at $1.75/ft.	$157.50
562 feet of core drilling at $2.50/ft.	1405.00
Contingencies, 652 feet at $0.68/ft.	443.36
Total approved	$2005.86

It is recommended that 75 percent of the approved costs amounting to $1504.39 be approved for payment. The narrative report is adequate, with maps, geologic and Gamma-Ray logs and receipts for payment.

W. D. McMillan
Mining Engineer

WDM/mr
cc: 6 Idm-2907
Chron

ROBERT H. PARK - AGENT

September 5, 1956

RECEIVED
OCT - 1 1956

Mr. John F. Shaw
U. S. Bureau of Mines
Room 137, Building 20
Denver Federal Center
Denver 2, Colorado

COPY

RE: FORM MF-104 & FORM MF-104A -
DOCKET DMEA 3786 (URANIUM) - CONTRACT Idm - E907
LETTER DATED AUGUST 31, 1956, FROM MR. W. M. TRAVER,
EXECUTIVE OFFICER, DMEA FIELD TEAM, REGION III

Dear Sir:

Enclosed are five (5) copies of each of the above-numbered Forms. They are the reports due for the month of July, 1956 from the Jossy-Roper, et al, Project in the Big Bear claim group situated in Fremont County, Colorado.

In Mr. Traver's letter dated August 31, 1956 to Mr. Robert H. Park, Agent, please refer to the disallowance made for the cost of one foot of non-core drilling and the "incidental allowance" (we have termed this as "Fixed Unit Cost") for one foot of drilling in hole No. 38. Under the circumstances existing at the time of filing the reports to your office, we have to rely on the Invoices received from Marine Exploration Company and upon our Colorado Geologist, Mr. Frizzell. Because of the above reasons cited, that is also why the first May report contained erroneous figures for footage drilled and cored. We are sorry that such things have occurred and grateful that your office have brought the errors to our attention.

In regards to placing the "incidental allowance" in the wrong space on Form MF-104A please refer to the June report. We also placed the "incidental allowance" in the wrong space for the month of June. For the month of July, we have placed the "incidental allowance" charge in accordance with Mr. Traver's instructions.

Please note that we have not taken into consideration on this July report the value, or the units, that Mr. Traver said were disallowed for the month of May. If it is in order, we would appreciate your letting us show this adjustment in the monthly report filed as soon after we receive the government's 75% allowance for the month of May.

Very truly yours,

JOSSY-ROPER ET AL

Robert H. Park

Robert H. Park - Agent

RHP:jd
Encls.

DMEA
DEPARTMENT OF THE INTERIOR
SEP 25 1956
REGION III
DENVER, COLORADO

PROGRESS REPORT

Josey-Roper Core Drilling Project
Big Hole Area, Fremont County, Colorado

RECEIVED
OCT - 1 1956

Month Ending July 31, 1956

Docket DMEA 3786 (Uranium)
Contract Idm-E907

Two holes were completed during the month of July on the Josey-Roper drilling project. The schedule of holes drilled during this third calendar month of operations is as follows:

Hole No.	Date Commenced	Date Completed	Total Depth	Footage Non-core	Footage Cored	Core Rec.
25	7-7-56	7-17-56	300'	30'	270'	42%
12	7-17-56	7-27-56	352'	60'	292'	24%

Anomalous radioactivity was recorded by gamma-ray log on both core holes as follows:

C.H. #25 152-152', 0.072%Ue; 219-220', 0.045%Ue

C.H. #12 90-93', 0.082%Ue; 271-272', 0.068%Ue; 289½-291, 0.11%Ue

Positive correlation of stratigraphic or radiometric logs on the two holes is not evident.

Approximately 8 days drilling time was lost during July due to rig repairs following an accident in which the rig was overturned, and waiting on equipment deliveries.

On July 31, 1956, C. H. #15 was coring at 170'. Stage I drilling should be completed by August 15, 1956, with the completion of core holes #15, #18, and #19.

Total footage drilled and cored to July 27, 1956 is as follows:

Calendar Month	Total Footage	Footage Drilled	Footage Cored	Percent Cored
May	692	455	237	34.2
June	1,086	91	995	91.6
July	652	90	562	86.2
Total	2,430	636	1,794	74%

The accompanying map was prepared for the report requesting approval of Stage II drilling; however, the information thereon has been brought up to date and it is forthwith made a part of this progress report.

Respectfully submitted,

Jack Q. Frizzell

Jack Q. Frizzell, Geologist
Project Supervisor

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JOSEY - ROPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION EXPENSES
MONTH OF JULY, 1956

DOCKET NO. DMEA - 3786
CONTRACT NO. Idm-E 907
SUPPORTING SCHEDULE FILED WITH DMEA

JOINT OPERATORS BILLING
YOUR EXPENSES FOR THE MONTH OF JULY, 1956 - BEFORE DMEA EXPENSE CONTRIBUTION

CODE ACCOUNTS I & VII-B	100% COST INCURRED	JACK S. JOSEY .4375	FRANK C. ROPER .0625	MARMIK OIL COMPANY .25	AMUREX OIL COMPANY .25
Non-Core Drilling	$ 157.50	$ 68.91	$ 9.84	$ 39.38	$ 39.38
Core Drilling	1,405.00	614.69	87.81	351.25	351.25
Bulldozer	0	0	0	0	0
Chemical Sampling and Analysis	0	0	0	0	0
Sub-Total:	$ 1,562.50	$ 683.60	$ 97.65	$ 390.63	$ 390.62
CODE ACCOUNTS II TO VII					
Supervision Fee	$ 1,500.00	$ 656.25	$ 93.75	$ 375.00	$ 375.00
Rental	500.00	218.75	31.25	125.00	125.00
Accounting Services	100.00	43.75	6.25	25.00	25.00
Stenographic Services	2.57	1.12	.16	.64	.65
Stationery & Postage	30.77	13.47	1.92	7.69	7.69
Supervisor's Transportation Expense	12.80	5.60	.80	3.20	3.20
Telephone and Telegraph	60.71	26.56	3.79	15.18	15.18
Drilling Mud	5.41	2.37	.34	1.35	1.35
Sub-Total: - Code II TO VII	$ 2,212.26	$ 967.87	$ 138.26	$ 553.06	$ 553.07
GRAND TOTAL:	$ 3,774.76	$ 1,651.47	$ 235.91	$ 943.69	$ 943.69

EXPECTED BUDGETARY DMEA EXPENSE CONTRIBUTION		CONTRACT AMOUNT (ALLOWABLE COSTS)	DMEA PORTION 75 %
Non-Core Drilling	90 Ft. @ $1.75 Ft. or	$ 157.50	$ 118.13
Core Drilling	562 Ft. @ $2.50 Ft. or	1,405.00	1,053.75

APPLIED FIXED UNIT COST		
Actual Footage Drilled for Month of July was: 652 Feet @ $ 0.68 per foot or -	$ 443.36	332.52
Total:	$ 2,005.86	$ 1,504.40

FR/

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JOSEY - ROPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION PROJECTS
COMPUTATION OF EACH OPERATOR'S PORTION OF
DMEA EXPECTED EXPENSE CONTRIBUTION FOR THE
MONTH OF JULY, 1956

	100% COST INCURRED		LESS DMEA PORTION 75%	OPERATOR'S REMAINING PORTION OF COSTS	IF DMEA APPROVES CHARGES FOR JULY AND MAKES A REFUND THESE WOULD BE ACTUAL CHARGES TO EACH OPERATOR'S ACCOUNT: JACK S. JOSEY .4375	FRANK C. ROPER .0625	MARMIK OIL CO. .25	AMUREX OIL CO. .25
CODE ACCOUNTS I & VII-B								
Non-Core Drilling	$ 157.50		$ 118.13	$ 39.37	$ 17.23	$ 2.46	$ 9.84	$ 9.84
Core Drilling	1,405.00		1,053.75	153.25	153.67	21.95	87.81	87.82
Bulldozer	0		0	0				
Chemical Sampling & Analysis	0		0	0				
Sub-Total:	$ 1,562.50		$ 1,171.88	$ 390.62	$ 170.90	$ 24.41	$ 97.65	$ 97.66
CODE ACCOUNTS II TO VII (FALLING UNDER FIXED UNIT COSTS								
ACTUAL COSTS INCURRED		*APPLIED DECIMAL TO DERIVE DMEA PORTION	LESS: DMEA PORTION 75% OF APPLIED	OPERATOR'S NON-REIMBURSABLE COSTS				
Supervision Fee	$ 1,500.00	$ 300.61	$ 225.45	$ 1,274.55	$ 557.61	$ 79.66	$ 318.64	$ 318.64
Rental	500.00	100.20	75.15	424.85	185.87	26.55	106.21	106.22
Accounting Services	100.00	20.04	15.03	84.97	37.18	5.31	21.24	21.24
Stenographic Services	2.57	.52	.39	2.18	.95	.14	.55	.54
Stationery & Postage	30.77	6.17	4.63	26.14	11.44	1.63	6.54	6.53
Supervisor's Trans. Exp.	12.80	2.57	1.93	10.87	4.76	.68	2.71	2.72
Telephone & Telegraph	60.71	12.17	9.13	51.58	22.57	3.22	12.90	12.89
Drilling Mud	5.41	1.08	.81	4.60	2.01	.29	1.15	1.15
		$ 443.36						
Sub-Total: CODE II TO VII	$ 2,212.26		$ 332.52	$ 1,879.74	$ 822.39	$ 117.48	$ 469.94	$ 469.93
GRAND TOTAL:	$ 3,774.76		$ 1,504.40	$ 2,270.36	$ 993.29	$ 141.89	$ 567.59	$ 567.59
ACTUAL JULY BILLING:					$ 1,651.47	$ 235.91	$ 943.69	$ 943.69
EXPECTED EXPENSE CONTRIBUTION FROM DMEA:				$ 1,504.40	$ 658.18	$ 94.02	$ 376.10	$ 376.10
				$ 3,774.76				
PROBABLE NET COST TO OPERATORS:					$ 993.29	$ 141.89	$ 567.59	$ 567.59

$$* \frac{\$\ 443.36}{\$\ 2,212.26} = .20041$$

FR/

JOSEY - ROPER - MARMIK - AMUREX
SCHEDULE OF ACTUAL COSTS FOR CODE ACCOUNTS II TO VII
TO ARRIVE AT OPERATOR'S NON-REIMBURSEABLE COSTS

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MONTH OF JULY, 1956

		ACTUAL COST AMOUNT
II-B	Supervision Fee	$ 1,500.00
IV-A	Rental	500.00
VII-E	Accounting Services	100.00
VII-F	Stenographic Services	2.57
VII-G	Stationery & Postage	30.77
VII-I	Supervisor's Transportation Expense	12.30
VII-L	Telephone & Telegraph	60.71
VII-M	Drilling Mud	5.41

Total Amount of Actual Cost Incurred for Code Accounts II to VII $ 2,212.26

Applied Fixed Unit Cost
652 Feet @ $ 0.68 per foot $ 443.36

Expected Applied Fixed Unit Cost from IMEA (75% of $ 443.36) $ 332.52

Operator's Remaining Non-Reimburseable Costs* $ 1,879.74

* See Page 2 - Column 4

FR/

MARINE EXPLORATION COMPANY

5115 WESTHEIMER ROAD
HOUSTON 19, TEXAS

A. B. HAMIL, PRESIDENT
G. E. MAI[illegible], JR., VICE PRESIDENT
G. L. BARNSDALE, VICE PRESIDENT
[illegible] MYERS, VICE PRESIDENT
S. H. PENA, VICE PRESIDENT
R. F. BUTLER, VICE PRESIDENT
JOE NORMAN, JR., TREASURER

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OCT - 1 1956

July 31, 1956

INVOICE NO. : LMJ-CD2-5

TO : JOSEY-ROPER ET AL
[redacted]
1706-7 C & I Life Building
Houston 2, Texas

Attention: Mr. Robert H. Parks

FOR : Services rendered July 1, 1956
through July 27, 1956
Marine Exploration Company
Contract Drill No. 2, Canon City, Colorado

CHARGES :

	DRILLED	CORED
July 1-16	30'	270'
July 17-27	60	292
Total	90'	562'

90' drilled @ $1.75/ft.	$ 157.50
562' cored @ $2.50/ft.	1,405.00
Esterline-Angus A. W. Graphic recorder for month of July, 1956	500.00
S. W. Pressey & Son Inv. dated 7-20-56	4.69
L. R. Short Lumber Company	.72
	$2,067.91

Payment of the above invoice should be made to Marine Exploration Company, 5115 Westheimer Road, Houston 19, Texas.

APPROVED:

Marine Exploration Company

By [illegible]

APPROVED:

JOSEY-ROPER ET AL
[redacted]
CERTIFIED TRUE COPY
By [illegible]

A-336

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

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 17 1956

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

Month of June 195 6 Docket No. DMEA 3736 Contract No. [illegible] 007
Operator's Name [illegible] Minerals Uranium
Address 170-7 [illegible], [illegible], Texas
Contract Amount, $ 4,119.75 Government Participation: 75 % Amount, $ 3,037.05

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Short Form						
Drilling (Core) 775'	2,407.50	592.50	3,000.00			
Bulldozing	730.00	954.00	2,684.00			
Crosscutting						
Drifting (Non-Core) 91'	159.25	796.25	955.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment (1)	3.50	3.50	7.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
1,006' 0.65 a foot	739.49	470.56	1,209.04			
(8) Contingencies (specify):						
Totals	4,119.75	2,816.81	6,935.56	3697.73	2816.81 * 2,443	6509.54 2,443

I certify that the above bill is correct and just and that payment therefor has not been received. [illegible] 22, 1956 [illegible]

Date _____ *Payee _____

Per [signature] Title [illegible]

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

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

(Instructions on reverse)

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

2814.38 6507.11
$2,769.55

Signature [signature]
(Authorized Certifying Officer)

Date 9-13-56 Vou. No. DMA-57-31

(See other side)

* Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tolver-E 967 in accordance with the terms of the contract.

Signature [illegible] 307987 Title Min. Engr Date 8/28/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date SEP 7 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 17 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 3786 Contract No. Idm-E 907

Operator's Name Jack S. Josey & Frank C. Roper, Partners; Harwik Oil Co. & Amurex Oil Co., Joint Venture Minerals Uranium

Address 1706-7 C & I Life Bldg., Houston 2, Texas

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising Bulldozer	Hours	730.00	62½	1,684.00	142½	1,684.00	216	2,700.00
Shafts								
Winzes								
Drilling: Core	Feet	2,487.50	995	3,080.00	1,232	3,080.00	8,095	21,047.00
Churn Non-Core	Feet	159.25	91	955.50	546	955.50	3,965	6,930.75
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sampling & Analysis	Each	3.50	1	7.00	2	7.00	200	700.00
TOTAL DISTRIBUTED COSTS		3,380.25		5,726.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
FIXED UNIT COST		738.48		1,209.04				8,200.80
TOTAL COSTS		4,118.73		6,935.54				39,586.55

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

Date August 21, 1956 Operator Jack S. Josey

Per Robert H. Park Title Agent

REMARKS:

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

(Instructions on reverse)

(For Government use only) Wm. McMillan

INSTRUCTIONS

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

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

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

GPO 872894

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SEP 17 1956

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

Administrative Audit Difference Statement

Jack L. Josey & Frank C. Boyer
1706 - 17 Cit Life Building
Houston, Texas

Date: September 10, 1956
Payee's Reference: June 1956

FINAL DISTRIBUTION
MADE SEP 14 1956

Gentlemen:

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

Amount Claimed	$ 4,220.73
Difference	$ 120.00
Amount Approved	$ 4,072.73

The reason for the difference was due to:

Suspended:

13 hours toll - charging at $12.00 per hour subject to reclaim to the extent that the sales involved are subsequently approved by the Government. $156.00

Disallowed:

22 1/2 hours toll - charging time at $12.00 per hour. 270.00

$426.00

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

Very sincerely yours,

N. E. Stokes
Audit Section

Randal R. Cooper
Fiscal Officer, Region III

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

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

RECEIVED
SEP 17 1956

224 New Customhouse
Denver 2, Colorado

September 7, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3786 (Uranium) Contract Idm-E907, Jack S. Josey and Frank C. Roper, et al. (Big Bear et al. claims) Fremont County, Colorado - Operator's Monthly Progress Report for the month of June, 1956

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

Except as otherwise noted, it is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

A total of 52 1/2 hours of bulldozing time was consumed in the preparation of access roads and drill hole sites. Sites were prepared for

1. Proposed Stage II holes which have been denied.
2. Tenative Stage II holes which have not been requested by the Operator for drilling.
3. Stage I and Stage II holes which have been approved by the Government for drilling.

Costs for the above bulldozing is recommended for approval, suspension and disallowance as follows

Date	Hours	Drill Sites Prepared For: Holes Approved	Holes Not Yet Requested	Holes Denied	Prorated Bulldozing Time: Hours Approved	Hours Suspended	Hours Denied
6-5-56	8	2	0	0	8	0	0
6-6-56	7	0	3	3	0	3 1/2	3 1/2
6-7-56	8	1	3	0	2	6	0
6-8-56	8	0	0	3	0	0	8
6-9-56	7 1/2	0	0	2	0	0	7 1/2
6-10-56	7	7	0	0	7	0	0
6-12-56	7	0	1	1	0	3 1/2	3 1/2
Totals	52 1/2	--	--	--	17*	13	22 1/2

* 10 hours moving time at $10.00 per hour is also approved.

Suspend 13 hours bulldozing time at $12.00 per hour, which will be subject to reclaim to the extent that the holes involved are subsequently approved by the Government- - - - - - - - - - - - - - $ 156.00

Disallow 22 1/2 hours bulldozing time at $12.00 per hour- 270.00

Total amount to be suspended and disallowed $426.00

Reconciliation with Amount Reported by the Operator on Form MF-104 For June, 1956

Total amount reported by Operator on Form MF-104 for June, 1956- $4,118.73
Total amount to be suspended and disallowed- - - - - - - - 426.00
Total accepted cost - - - - - - - - - - - - - - - - $3,692.73

Government participation at 75 percent- - - - - - - - - - - $2,769.55

Remarks

Date of Report- - - - - - - - - - - - - - - August 21, 1956
Date Received in Field Office- - - - - - August 28, 1956
Date Received in Region Office- - - - - August 30, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 E907
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report Chron.

REGION III

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

Memorandum

To: Executive Officer, DMEA Field Team, Region III

RECEIVED
SEP 17 1956

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 3786 (Uranium) Contract Idm-2907, Jack S. Josey and Frank C. Roper, Big Hole - Big Bear Claim Group, Fremont County, Colorado -- progress report for June 1956

Progress was checked on July 5, 1956, accompanied by Jack Q. Frissell, geologist project supervisor. Four holes were completed during June, 1956, and the pertinent data from the operator's graphic logs and Marine Exploration Company's Gamma-ray logs are given below:

Hole No.	Location	Feet Drilled Non-core	Core	Total	% Core Recovery	Gamma-ray logs Interval	U_3O_8
9	Center Big Bear #5	25	271	296	35	267-269	0.070
28	Center Big Hole #3	6	262	268	27	48-50	0.067
						58-62	0.095
						108-111	0.098
31	Center Big Hole #7	50	202	252	10	136-137	0.055
						158-159	0.075
						208-209.5	0.065
24	N. Center Big Hole #4	10	260	270	34	5-7.5	0.050
						89-90	0.085
Totals		91	995	1086			

Approved costs are as follows:

91 feet of non-core drilling at $1.75/ft.	$159.25
995 feet of core drilling at $2.50/ft.	487.50
Bulldozing - 62 ½ hours at $11.68/hr.	730.00
1 chemical analysis at $3.50	3.50
Incidental allowance 1086 feet at $0.68/ft.	738.48
Total	$4118.73

This is the same amount claimed by the applicant. It is recommended that 75 percent of the approved costs, or $3089.05 be approved for payment. The narrative report is adequate, with maps, geologic and Gamma-ray logs and receipts for payments.

WDM/mw cc: 6 Idm-2907 Chron

W. D. McMillan
Mining Engineer

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SEP 17 1956

PROGRESS REPORT

Josey-Roper Core Drilling Project
Big Hole Area, Fremont County, Colorado

Month Ending June 30, 1956

Docket DMEA 3786 (Uranium)
Contract Idm 3907

Four core holes were completed during the month of June on the Josey-Roper drilling project. The schedule of holes drilled during this second calendar month of operations is as follows:

Hole No.	Date Commenced	Date Completed	Total Depth	Footage Non-core	Footage Cored	Core Rec.
9	5-31-56	6-7-56	296'	25'	271'	35%
28	6-8-56	6-13-56	268'	6'	262'	23%
31	6-14-56	6-19-56	252'	50'	202'	10%
24	6-20-56	6-30-56	270'	10'	260'	34%

Anomalous radioactivity was recorded on all of the holes although no commercial uranium mineralization was detected by gamma ray logging. A single radioactive zone recording 0.07%Ue was logged in C. H. #9 from 267' to 269'. Four zones were logged in C. H. #28 from 48' to 50' (0.067%Ue), 58' to 62' (0.095%Ue), 108' to 111' (0.098%Ue), and 250' to 251' (0.06%Ue). Three radioactive zones occurred in C. H. #31 from 136' to 137' (0.055%Ue), 158' to 159' (0.075%Ue), and 208' to 209½' (0.065%Ue). C. H. #24 had a shallow zone from 5' to 7½' which was logged as 0.05%Ue, and a zone from 89' to 90' which was logged as 0.085%Ue.

A possible correlation of radioactive zones exists between C. H. #28 and C. H. #31, although the stratigraphic logs are dissimilar. Gamma ray

and stratigraphic cross-sections are being prepared where applicable and will be used in the final evaluation of Stage I drilling.

The sedimentary formations penetrated in holes 9, 28, 31, and 24 exhibit a marked increase in sand, shale, and arkosic material in contrast to the boulder beds and heavy conglomerates drilled in the fences to the south. It appears evident that the northern part of the project area is located in a more negative sedimentary basin within which the occurrence of mudstone lentils and stream-channel deposits should increase.

Total footage drilled and cored to June 30, 1956 is as follows:

Calendar Month	Total Footage	Footage Drilled	Footage Cored	Percent Cored
May	692	455	237	34.2
June	1,086	91	995	91.6
Total	1,778	546	1,232	69.2%

Contract footage Stage I	3,120'
Footage to June 30, 1956	- 1,778'
Footage undrilled Stage I	1,342'

$$\frac{\text{Footage undrilled Stage I } 1{,}342'}{\text{Holes undrilled Stage I } 5} = 268.4' \text{ av. depth per hole}$$

Approximately five days drilling time was lost during June due to mechanical breakdowns. We will attempt to complete Stage I drilling the calendar month of July.

Respectfully submitted,

Jack Q. Frizzell

Jack Q. Frizzell, Geologist
Project Supervisor

MARINE EXPLORATION COMPANY

5115 WESTHEIMER ROAD
HOUSTON 19, TEXAS

A. B. HAMIL, PRESIDENT
G. M. MACE, JR., VICE PRESIDENT
C. L. DARNSDALE, VICE PRESIDENT
C. E. MYERS, VICE PRESIDENT
S. M. PENA, VICE PRESIDENT
R. E. BUTLER, VICE PRESIDENT
JOE NORMAN, JR., TREASURER

RECEIVED
SEP 17 1956

June 30, 1956

INVOICE NO. : LMJ-CD2-4
JOSLY-ROPER ET AL

TO : [redacted]
1706-7 C. & I. Life Building
Houston 2, Texas

Attention: Mr. Robert H. Parks

FOR : Services rendered May 31, 1956 through June 30, 1956
Marine Exploration Company
Contract Drill No. 2, Canon City, Colorado

CHARGES :

	DRILLED	CORED
5-31-56 thru 6-7-56	25'	271'
6-8-56 thru 6-13-56	6'	262'
6-14-56 thru 6-19-56	50'	202'
6-20-56 thru 6-30-56	10'	260'
Totals	91'	995'

91' drilled @ $1.75/ft.	159.25
995' cored @ $2.50/ft.	2,487.50
Esterling - Angus A.W. Graphic recorder for month of June, 1956	500.00
S. W. Pressey & Son	
Invoice dated 5-8-56	246.02
Invoice dated 6-12-56	141.17
	3,533.94

Payment of the above invoice should be made to Marine Exploration Company, 5115 Westheimer Road, Houston 19, Texas.

APPROVED:

Marine Exploration Company

By A. R. Planco

APPROVED:

JOSLY-ROPER ET AL
[redacted]

By [signature]

VIRGIL [illegible] CONSTRUCTION COMPANY

Dozer Contract
Josey-Roper Project
Big Hole Area, Fremont County, Colorado

RECEIVED
SEP 17 1956

Docket DMEA 3786
Contract Idm-E907

Stage II

Date	Rate	Hours	Work Performed
6-5-56	$12.00	8	Building roads and making locations #35 & #37.
6-6-56	"	7	Building roads and making locations, Nos. 5, 7, 8, 20, 21, & 23.
6-7-56	"	8	Building roads and making locations, Nos. 13, 14, 15, & 17.
6-8-56	"	8	Building roads and making locations, Nos. 10, 11, & 26.
6-9-56	"	7½	Building roads and making locations, Nos. 27, & 33.
6-10-56	"	7	Building road and making location to #30.
6-12-56	"	7	Building roads and making locations, Nos. 29 & 32.
6-15-56	$10.00	10	Moving tractor from Big Hole over mountain to Florence, Colorado.

52½ hrs. @ $12.00 $630.00
10 hrs. @ $10.00 100.00
$730.00 Total

Approved June 27, 1956

Jack G. Frizzell, Geol.
Project Supervisor

CERTIFIED TRUE COPY

ROBERT H. PARK-AGENT

F-89A

CHEMISTS ● ASSAYERS ○ ENGINEERS

DENVER 5, COLORADO

Folio [illegible]

Date [illegible] 20, 1956

[illegible]

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SEP 17 1956

We hereby Certify, that the samples assayed for you gave the following results.

DESCRIPTION	URANIUM OXIDE U_3O_8	VANADIUM PENTOXIDE V_2O_5	LIME CaO	RADIOMETRIC EQUIVALENT eU	THORIUM OXIDE ThO_2	TOTAL RARE EARTHS	COMBINED COLUMBIUM TANTALUM OXIDES
[illegible]	[illegible]	[illegible]		[illegible]			

Chg: $7.00 to DMEA contract
7.00 to A/R-Marine Expl. Comp.

PLEASE PAY FROM THIS INVOICE AS NO OTHER STATEMENT WILL BE MAILED. THANK YOU.

Charge $ [illegible]

CHARLES O. PARKER & CO.
CHEMISTS, ASSAYERS and ENGINEERS

JOSEY - KOPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION EXPENSES
MONTH OF JUNE, 1956

DOCKET NO. DMEA - 3786
CONTRACT NO. Idm-E 907
SUPPORTING SCHEDULE FILED WITH DMEA

RECEIVED
SEP 17 1956

JOINT OPERATORS BILLING
YOUR EXPENSES FOR THE MONTH OF JUNE, 1956-BEFORE DMEA EXPENSE CONTRIBUTION

CODE ACCOUNTS I & VII - B	100% COST INCURRED	JACK S. JOSEY .4375	FRANK C. KOPER .0625	MARMIK OIL COMPANY .25	AMUREX OIL COMPANY .25
Non-Core Drilling	$ 159.25	$ 69.68	$ 9.95	$ 39.81	$ 39.81
Core Drilling	2,487.50	1,088.28	155.47	621.88	621.87
Bulldozer	730.00	319.37	45.63	182.50	182.50
Chemical Sampling and Analysis	7.00	3.06	.44	1.75	1.75
	$ 3,383.75	$ 1,480.39	$ 211.49	$ 845.94	$ 845.93
CODE ACCOUNTS II to VII					
Supervision Fee	$ 1,500.00	$ 656.25	$ 93.75	$ 375.00	$ 375.00
Technical Services (39A/39B Holes)	116.25	50.86	7.27	29.06	29.06
Pipe	387.19	169.39	24.20	96.80	96.80
Rental - Graphic Recorder	500.00	218.75	31.25	125.00	125.00
Accounting Services	100.00	43.75	6.25	25.00	25.00
Stenographic Services	4.00	1.75	.25	1.00	1.00
Stationery and Postage	27.40	11.99	1.71	6.85	6.85
Supervisor's Transportation Expense	12.80	5.60	.80	3.20	3.20
Core Boxes Expense	57.50	25.16	3.59	14.37	14.38
Telephone and Telegraph	31.00	13.56	1.94	7.75	7.75
Sub-Total:-Code II to VII	$ 2,736.14	$ 1,197.06	$ 171.01	$ 684.03	$ 684.04
GRAND TOTAL	$ 6,119.89	$ 2,677.45	$ 382.50	$ 1,529.97	$ 1,529.97

EXPECTED BUDGETARY DMEA EXPENSE CONTRIBUTION		CONTRACT AMOUNT (ALLOWABLE COSTS)	DMEA PORTION 75%
Non-Core Drilling	91 Ft. @ $ 1.75 Ft. or	$ 159.25	$ 119.43
Core Drilling	995 Ft. @ $ 2.50 Ft. or	2,487.50	1,865.63
Bulldozer	52-1/2 Hr. @ $12.00 Hr. or	630.00	472.50
Bulldozer	10 Hr. @ $10.00 Hr. or	100.00	75.00
Chemical Sampling & Analysis	1 Chemical Sampling & Analysis @ 7.00		
	Less: Unallowed Cost 3.50	3.50	2.63
APPLIED FIXED UNIT COST			
Actual Footage Drilled for Month of June was: 1,080 Feet @ $0.68 per foot or		738.48	553.86
		$ 4,118.73	$ 3,089.05

* EXPECTED EXPENSE CONTRIBUTION FROM DMEA

JOSEY - ROPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION PROJECT
COMPUTATION OF EACH OPERATOR'S PORTION OF
DMEA EXPECTED EXPENSE CONTRIBUTION FOR THE
MONTH OF JUNE, 1956

IF DMEA APPROVES CHARGES FOR JUNE AND MAKES A REFUND
THESE WOULD BE ACTUAL CHARGES TO EACH OPERATOR'S ACCOUNTS

CODE ACCOUNT I & VII-B	100 % COST INCURRED	LESS: DMEA PORTION 75%	OPERATORS REMAINING PORTION OF COST	JACK S. JOSEY .4375	FRANK C. ROPER .0625	MARMIK OIL COMPANY .25	AMUREX OIL COMPANY .25
Non-Core Drilling	$ 159.25	$ 119.43	$ 39.82	$ 17.42	$ 2.49	$ 9.95	$ 9.96
Core Drilling	2,487.50	1,865.63	621.87	272.07	38.87	155.47	155.46
Bulldozer	630.00	472.50	157.50	68.91	9.84	39.38	39.37
Bulldozer	100.00	75.00	25.00	10.94	1.56	6.25	6.25
Allowed Budget Cost of Chem. Samp. & Analysis	3.50	2.63	.87	.38	.05	.22	.22
Unallowed Cost of Chem. Samp. & Analysis	3.50	-0-	3.50	1.53	.22	.87	.88
Sub-Total	$ 3,383.75	$ 2,535.19	$ 848.56	$ 371.25	$ 53.03	$ 212.14	$ 212.14

CODE ACCOUNTS II TO VII (FALLING UNDER FIXED UNIT COSTS)		* APPLIED DECIMAL TO DERIVE DMEA PORTION	LESS: DMEA PORTION 75% OF APPLIED	OPERATOR'S NON-REIMBURSEABLE COSTS				
ACTUAL COSTS INCURRED								
Supervision Fee	$ 1,500.00	$ 404.84	$ 303.63	$ 1,196.37	$ 523.41	$ 74.77	$ 299.09	$ 299.10
Technical Services (39A/39B Holes)	116.25	31.38	23.53	92.72	40.57	5.79	23.18	23.18
Pipe	387.19	104.50	78.38	308.81	135.10	19.30	77.21	77.20
Rental - Graphic Recorder	500.00	134.95	101.21	398.79	174.47	24.92	99.70	99.70
Accounting Services	100.00	26.99	20.24	79.76	34.89	4.99	19.94	19.94
Stenographic Services	4.00	1.08	.81	3.19	1.40	.20	.80	.79
Stationery and Postage	27.40	7.40	5.55	21.85	9.56	1.37	5.46	5.46
Supervisor's Transportation Expense	12.80	3.45	2.59	10.21	4.47	.64	2.55	2.55
Core Boxes Expense	57.50	15.52	11.64	45.86	20.06	2.87	11.46	11.47
Telephone and Telegraph	31.00	8.37	6.28	24.72	10.82	1.54	6.18	6.18
Sub-Total	$ 2,736.14	$ 738.48	$ 553.86	$ 2,182.28	$ 954.75	$ 136.39	$ 545.57	$ 545.57
GRAND TOTAL	$ 6,119.89		$ 3,089.05	$ 3,030.84	$ 1,326.00	$ 189.42	$ 757.71	$ 757.71
				ACTUAL JUNE BILLING	$ 2,677.45	$ 382.50	$ 1,529.97	$ 1,529.97
		EXPECTED EXPENSE CONTRIBUTION FROM DMEA		3,089.05	1,351.45	193.08	772.26	772.26
				$ 6,119.89				
		PROBABLE NET COST TO OPERATORS		$ 3,030.84	$ 1,326.00	$ 189.42	$ 757.71	$ 757.71

* $ 738.48 / $ 2,736.14 = .269893

JOSEY - ROPER - MARNIK - AMUREX
SCHEDULE OF ACTUAL COSTS FOR CODE ACCOUNTS II TO VII
TO ARRIVE AT OPERATORS NON-REIMBURSABLE COSTS

MONTH OF JUNE, 1956

		ACTUAL COST AMOUNT	
II-B	Supervision Fee	$ 1,500.00	
II-C	Technical Services	116.25	
III-C	Pipe	387.19	
IV-A	Rental	500.00	
VII-E	Accounting Services	100.00	
VII-F	Stenographic Services	4.00	
VII-G	Stationery and Postage	27.40	
VII-I	Supervisor's Transportation Expense	12.80	
VII-J	Core Boxes Expense	37.50	
VII-L	Telephone and Telegraph	31.00	
	Total Amount of Actual Cost Incurred for Code Accounts II to VII		$ 2,736.14

Applied Fixed Unit Cost
1,886 Feet @ $0.48 per foot $ 738.48

Expected Applied Fixed Unit Cost from DMEA (75% of $738.48) 553.86

Operator's Remaining Non-Reimbursable Costs * $ 2,182.28

* See Page 2 - Column 4

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

CORRECTED CORRECTED CORRECTED

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

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 10 1956

Month of May 1956 Docket No. DMEA 3786 Contract No. Idm-E 907
Operator's Name Jack S. Josey & Frank C. Roper, Partners; Marmik Oil Co. & Amurex Oil Co. -Joint Venture Minerals Uranium
Address 1706-7 C & I Life Bldg., Houston 2, Texas
Contract Amount, $ 2,816.81 Government Participation: 75 % Amount, $ 2,112.62

CORRECTED ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts:						
Short Form (Core) 237'	592.50	-0-	592.50			
Drilling 80 Hours	954.00	-0-	954.00			
Bulldozing						
Crosscutting						
Drifting						
Drilling (Non-Core) 455'	796.25	-0-	796.25			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
** Sampling and Analysis (1)	3.50	-0-	3.50			
Payroll Taxes						
Liability Insurance						
Fixed Unit Cost: 692' @ $0.68 Foot: See	470.56	-0-	470.56			
(8) ~~Contingencies (specify)~~ Page 3 for Actual Exp.	Incurred					
TOTALS	2,816.81	-0-	2,816.81			
TOTALS 75% of Above	2,112.62	-0-	2,112.62	2814.38 —		2,814.38

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 16, 1956 *Payee Jack S. Josey
Per [signature] Title Agent

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 2110 98
Signature [signature]
(Authorized Certifying Officer)
Date 9/6/56 Voucher DMA 57-28
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E94L in accordance with the terms of the contract.

Signature Wm. C. Mullan (821 10.78) Title Min. Engr. Date 8/21/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Inaney Title Executive Officer Date AUG 31 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 10 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3786 Contract No. Idm-E 907

Operator's Name Jack S. Josey & Frank C. Roper, Partners; Marmik Oil Co. & Amurex Oil Co., Joint Venture

Address 1706-7 C & I Life Building, Houston 2, Texas

Minerals Uranium

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
~~Raising~~ Bulldozer	Hours	954.00	80	954.00	80	954.00	216	2,700.00
Shafts								
Winzes								
Drilling: Core	Feet	592.50	237	592.50	237	592.50	8,095	21,047.00
Churn								
Non-Core ~~Xxxx~~	Feet	796.25	455	796.25	455	796.25	3,965	6,938.75
Stripping								
Trenching								
Test Pits								
Roads and Trails								
SAMPLING & ANALYSIS	Each	3.50	1	3.50	1	3.50	200	700.00
TOTAL DISTRIBUTED COSTS		2,346.25		2,346.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
FIXED UNIT COST		470.56		470.56				8,200.80
TOTAL COSTS		2,816.81		2,816.81				39,586.55

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

Date July 16, 1956 Operator Jack S. Josey

Per [signature] Title Agent

REMARKS:

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

(Instructions on reverse)

(For Government use only)

[signature]

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 1 1956

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

Administrative Audit Difference Statement

Jack O. Seely & Frank C. Leger
1705 C & S Life Building,
Houston 2, Texas

September 6, 1956

Date: May 1956
Payee's Reference:

Gentlemen:

FINAL DISTRIBUTION
MADE SEP 7 1956

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

Amount Claimed $ 2,013.01

Difference $ 2,004.38

Amount Approved $

The reason for the difference was due to:

Disallow:

(1) Non Core Drilling

One foot non-core drilling in hole #30 at the invoice cost of $1.75 per ft. $1.75

(Drilling logs indicate only 84 ft. were drilled whereas 85 ft. was claimed on 10b)

(2) Incidental Allowance

1 ft. @ $0.63 per ft. .63

$2.38

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

August 31, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3786 (Uranium) Contract Idm-E907, Jack S. Josey and Frank C. Roper, partners; Marmik Oil Company; and Amurex Oil Company - a joint venture (Big Bear claim group) Fremont County, Colorado - Operator's Monthly Progress Report for the month of May, 1956

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Disallowances

1) Non-core drilling

Disallow one foot of non-core drilling in hole No. 38 at the invoice cost of $1.75 per foot- - - -$ 1.75
(The Supervising Geologist's log and the radiometric log for hole No. 38 indicate that only 84 feet was drilled. The cost of 85 feet of drilling in this hole was reported by the Operator on Forms MF-104 and MF-104A.)

2) Incidental allowance

Disallow the incidental allowance for one foot of drilling at $0.68 per foot- - - - - - - - - 0.68
Total amount to be disallowed $ 2.43

Reconciliation with Amount Reported by the Operator on Form MF-104 for May, 1956

Total amount reported on Form MF-104 for May, 1956- - -	$2,816.81
Amount to be disallowed- -	2.43
	$2,814.38

Government participation at 75 percent- - - - - - - - - - - - $2,110.78

Remarks

Date of Report- - - - - - - - - - - - - - - - - July 16, 1956
Date Received in Field Office- - - - - - August 17, 1956
Date Received in Region Office- - - - - August 24, 1956
Report was returned to Operator for correction of documentation

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E907
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report
Chron.

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 23, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. MacMillan

Subject: DMEA Docket 3766 (Uranium) Contract Idm-6907, Jack S. Josey and Frank C. Roper, Big Hole, Big Bear claim group, Fremont County, Colorado -- Progress report for May, 1956

Progress was checked on June 7, 1956, accompanied by Jack Q. Frizzell, geologist project supervisor for the applicant. The pertinent data from the operator's graphic geologic logs and Marine Exploration Company's Gamma Ray logs of the seven holes completed in May 1956 are given below:

Hole No.	Location	Non-core feet	Core feet	Total feet	Remarks
1	West Center Cactus	20	60	80	
4	North " "	62	-	62	
6	Center Big Bear #6	30	40	70	
34	" " Hole #2	20	130	150	
36	North Center Big Hole #1	120	-	120	
38	Central Cactus	84	-	84	
39	East Center Cactus	118	7	125	
		454	237	691	

Approved costs for May, 1956 are for 454 feet of non-core drilling at $1.75 a foot, or $794.50; 237 feet of core drilling at $2.50 a foot, or $592.50; 77 hours of bulldozing at $12.00 an hour and 3 hours trucking charge at $10.00 an hour, or a total of $954.00; and 691 feet for incidentals at $0.68 a foot, or $469.88; one chemical analysis at $3.50, or $3.50; a grand total of $2814.38.

It is recommended that 75 percent of the approved costs, or $2110.78 be approved for payment.

The difference between the approved total costs and the total costs claimed by the applicant of $2.43 is due to 1 foot less of non-core drilling and 1 foot less for incidentals, in accordance with the supervising geologist's logs.

The narrative report is adequate, with maps, geologic, and Gamma Ray logs, and receipts for payments.

W. D. McMillan
Mining Engineer

WDM/mw
cc: 6
I&a-3907
Chron

August 16, 1956

Mr. John F. Shaw,
U. S. Bureau of Mines,
Room 137, Building 20,
Denver Federal Center,
Denver 2, Colorado

RE: FORM 104 & FORM 104A - DOCKET DMEA 3786 (Uranium)
Contract Idm -E907 - STAGE 1 COST

COPY

Dear Sir:

Enclosed are five (5) copies of each of the above-numbered Forms. When we first filed the Forms for the month of May Expenses on July 2, 1956, (received in your office July 5, 1956) they were returned to us because of the discrepancy existing between the amount of footage drilled and cased as reported by Mr. Jack Q. Frizzell in his monthly reports to your office and that amount as was billed to the operators by Marine Exploration Company.

We have corrected Forms 104 and Forms 104A to reflect amounts arising from this adjustment. Also corrected are supporting schedules.

Your attention is directed to the fact that under Category I, entitled Independent Contracts we were to be allowed (if Work-In-Progress was satisfactory as per Contract requirements with DMEA) a 75 percent Expense Contribution from DMEA. We have attached in support of Category I certified true copies of Invoices applicable to said Category.

Actual Expenses incurred falling under Categories II to VII were, as reflected by my schedule attached (See page 3 of Accounting Schedules), $2,548.25. I have certified this schedule as a true copy as reflected by Vouchers and Checks issued in payment of billing information attached to our said Vouchers. Also attached are certified true copies of some of the Invoices pertaining to Categories II to VII (under Contract Idm E 907, Categories II to VII superceded by "Fixed Unit Cost"). According to our interpretation of Instructions on the back of Form 104, it is not a requirement to attach copies of Invoices pertaining to FIXED UNIT COSTS as this falls under fixed price contract. Please reply as to the correctness of this matter.

If this does not meet with your approval for payment under Fixed Unit Cost, please advise immediately if you have to have copies of all Invoices and Billing information.

If any part of the information furnished for this report is not in conformity with your requirements, please advise steps necessary to correct same in order for us to receive DMEA Expense Contribution under our DMEA Contract Idm-E 907.

Very truly yours,

Robert H. Park

ROBT. H. PARK, AGENT
for
JACK S. JOSEY, OPERATOR

Encls.

JOSEY - HOPER - MARRIK - ARURLX
POCKET NO. DMEA 3786
CONTRACT NO. Idm-E 907 1

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SEP 10 1956

INDEX TO SCHEDULES

SCHEDULE	PAGE NO.
FORM MF-104	
FORM MF-104A	
MONTH OF MAY URANIUM EXPLORATION EXPENSES AND JOINT OPERATIONS BILLINGS TO OPERATORS AS PER ACCOUNTING STATEMENTS	1
EXPECTED BUDGETARY EXPENSE CONTRIBUTION FROM DMEA	1
SCHEDULE OF OPERATORS COSTS IF EXPECTED EXPENSE CONTRIBUTION FROM DMEA IS REALIZED	2
CATEGORY II TO VII (SUPERSEDED BY FIXED UNIT COSTS) ACTUAL COSTS INCURRED	3
CERTIFIED TRUE COPIES OF VARIOUS INVOICES IN SUPPORT OF CATEGORY I AND CATEGORIES II TO VII	
ADJUSTMENT OF ACCOUNTS AFFECTED BY MARINE EXPLORATION COMPANY OVERCHARGE ON DRILLING - MAY BILLING	4

RECEIVED
SEP 10 1956

JOSEY - ROPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION EXPENSES
MONTH OF MAY, 1956

DOCKET NO. DMEA - 3786
CONTRACT NO. Idm-E 907
SUPPORTING SCHEDULE FILED WITH DMEA

CODE ACCOUNTS I & VII - B	100% COST INCURRED	JOINT OPERATORS BILLING — YOUR EXPENSES FOR THE MONTH OF MAY, 1956 - BEFORE DMEA EXPENSE CONTRIBUTION: JACK S. JOSEY .4375	FRANK C. ROPER .0625	MARMIK OIL COMPANY .25	AMUREX OIL COMPANY .25
Non-Core Drilling	$ 796.25	$ 348.36	$ 49.77	$ 199.06	$ 199.06
Core Drilling	592.50	259.22	37.03	148.13	148.12
Bulldozer	954.00	417.37	59.63	238.50	238.50
Chemical Sampling and Analysis	7.00	3.06	.44	1.75	1.75
Sub-Total	$ 2,349.75	$ 1,028.01	$ 146.87	$ 587.44	$ 587.43
CODE ACCOUNTS II TO VII					
Supervision Fee	$ 1,500.00	$ 656.25	$ 93.75	$ 375.00	$ 375.00
Explosives	8.00	3.50	.50	2.00	2.00
Pipe	105.00	45.94	6.56	26.25	26.25
Rental	505.00	220.94	31.56	126.25	126.25
Accounting Services	100.00	43.75	6.25	25.00	25.00
Stenographic Services	23.00	10.06	1.44	5.75	5.75
Stationery, Supplies and Postage	50.59	22.13	3.16	12.65	12.65
Prospecting and Shooting Outcrops	16.50	7.22	1.03	4.12	4.13
Supervisor's Transportation Expense	39.69	17.36	2.48	9.92	9.93
Core Boxes Expense	76.61	33.52	4.79	19.15	19.15
Miscellaneous Business Expense	15.64	6.84	.98	3.91	3.91
Telephone and Telegraph	22.55	9.87	1.41	5.64	5.63
Drilling Mud	19.75	8.64	1.23	4.94	4.94
Freight-In	65.92	28.84	4.12	16.48	16.48
Sub-Total: Code II to VII	$ 2,548.25	$ 1,114.86	$ 159.26	$ 637.06	$ 637.07
GRAND TOTAL	$ 4,898.00	CORRECTED BILLING (1) $ 2,142.87	$ 306.13	$ 1,224.50	$ 1,224.50

EXPECTED BUDGETARY DMEA EXPENSE CONTRIBUTION		CONTRACT AMOUNT (ALLOWABLE COSTS)	DMEA PORTION 75 %
Non-Core Drilling	455 Feet @ $ 1.75 Foot or	$ 796.25	$ 597.19
Core Drilling	237 Feet @ $ 2.50 Foot or	592.50	444.38
Bulldozer	77 Hours @ $12.00 an hour or	924.00	693.00
Bulldozer	3 Hours @ $10.00 an hour or	30.00	22.50
Chemical Sampling & Analy.	1 Chem. Samp. Analy. @ $7.00	3.50	2.63
	Less: Unallowed Cost $3.50		
APPLIED FIXED UNIT COST			
Actual Footage Drilled for Month of May was: 692 feet @ $0.68 per foot or		470.56	352.92
		$ 2,816.81	* $ 2,112.62

* EXPECTED EXPENSE CONTRIBUTION FROM DMEA
(1) IF MARINE ISSUES A CREDIT MEMO ok
Proof - Page 4

JOSEY - ROPER - MARMIK - AMUREX
JOINT VENTURE URANIUM EXPLORATION PROJECT
COMPUTATION OF EACH OPERATOR'S PORTION OF DMEA EXPECTED EXPENSE CONTRIBUTION FOR THE MONTH OF MAY, 1956

CODE ACCOUNT I & VII-B	100 % COST INCURRED	LESS: D.M.E.A. PORTION 75%	OPERATORS REMAINING PORTION OF COSTS	IF DMEA APPROVES CHARGES FOR MAY AND MAKES A REFUND THESE WOULD BE ACTUAL CHARGES TO EACH OPERATOR'S ACCOUNTS: JACK S. JOSEY .4375	FRANK C. ROPER .0625	MARMIK OIL COMPANY .25	AMUREX OIL COMPANY .25
Non-Core Drilling	$ 796.25	$ 597.19	$ 199.06	$ 87.09	$ 12.44	$ 49.77	$ 49.76
Core Drilling	592.50	444.38	148.12	64.80	9.26	37.03	37.03
Bulldozer	924.00	693.00	231.00	101.06	14.44	57.75	57.75
Bulldozer	30.00	22.50	7.50	3.28	.47	1.87	1.88
Allowed Budget Cost of Chem. Samp. & Analysis	3.50	2.63	.87	.39	.05	.22	.21
Unallowed Cost of Chem. Samp. & Analysis	3.50	See Contract	3.50	1.53	.22	.87	.88
Sub-Total	$ 2,349.75	$ 1,759.70	$ 590.05	$ 258.15	$ 36.88	$ 147.51	$ 147.51

CODE ACCOUNTS II TO VII (FALLING UNDER FIXED UNIT COSTS)		* APPLIED DECIMAL TO DERIVE @ DMEA PORTION	LESS: D.A.E.A. PORTION 75% OF APPLIED	OPERATOR'S REMAINING NON-REIMBURSEABLE COSTS (2)				
ACTUAL COSTS INCURRED								
Supervision Fee	$ 1,500.00	$ 276.99	$ 207.74	$ 1,292.26		$ 565.36	$ 80.77	$ 323.06	$ 323.07
Explosives	8.00	1.47	1.10	6.90		3.02	.43	1.73	1.72
Pipe	105.00	19.39	14.54	90.46		39.58	5.65	22.61	22.62
Rental	505.00	93.25	69.93	435.07		190.34	27.19	108.77	108.77
Accounting Services	100.00	18.47	13.85	86.15		37.70	5.38	21.54	21.53
Stenographic Services	23.00	4.25	3.19	19.81		8.67	1.24	4.95	4.95
Stationery, Supplies and Postage	50.59	9.34	7.01	43.58		19.07	2.72	10.89	10.90
Prospecting and Shooting Outcrops	16.50	3.05	2.29	14.21		6.22	.89	3.55	3.55
Supervisor's Transportation Expense	39.69	7.33	5.50	34.19		14.96	2.14	8.55	8.54
Core Boxes Expense	76.61	14.15	10.61	66.00		28.87	4.13	16.50	16.50
Miscellaneous Business Expense	15.64	2.89	2.17	13.47		5.89	.84	3.37	3.37
Telephone and Telegraph	22.55	4.16	3.12	19.43		8.50	1.21	4.86	4.86
Drilling Mud	19.75	3.65	2.74	17.01		7.44	1.07	4.25	4.25
Freight-In	65.92	12.17	9.13	56.79		24.84	3.55	14.20	14.20
		$ 470.56							
Sub-Total	$ 2,548.25		$ 352.92	$ 2,195.33 (2)		$ 960.46	$ 137.21	$ 548.83	$ 548.83
GRAND TOTAL	$ 4,898.00		$ 2,112.62	$ 2,785.38		$ 1,218.61	$ 174.09	$ 696.34	$ 696.34
CORRECTED BILLING						$ 2,142.87	$ 306.13	$ 1,224.50	$ 1,224.50
EXPECTED EXPENSE CONTRIBUTION FROM DMEA				$ 2,112.62	(1)	$ 924.27	(1) $ 132.04	(1) $ 528.16	(1) $ 528.15
				$ 4,898.00					
PROBABLE NET COST TO OPERATORS					$2,785.38	$ 1,218.60	$ 174.09	$ 696.34	$ 696.35

* $\frac{\$470.56}{\$2,548.25} = .18466$

(1) These Amounts (IF EXPECTED EXPENSE CONTRIBUTION FROM DMEA / $2,112.62/ IS REALIZED) Will BeRefunded or Credited to Each Operator's Account.

(2) See Page 3.

JOSEY - ROPER - MARMIK - AMUREX
SCHEDULE OF ACTUAL COSTS FOR CODE AACOUNTS II TO VII
TO ARRIVE AT OPERATORS NON-REIMBURSEABLE COSTS

		ACTUAL COST AMOUNT
II-B	Supervision Fee	$ 1,500.00
III-B	Explosives	8.00
III-C	Pipe	105.00
IV-A	Rental	505.00
VII-E	Accounting Services	100.00
VII-F	Stenographic Services	23.00
VII-G	Stationery, Supplies and Postage	50.59
VII-H	Prospecting and Shooting Outcrops	16.50
VII-I	Supervisor's Transportation Expense	39.69
VII-J	Core Boxes Expense	76.61
VII-K	Miscellaneous Business Expense	15.64
VII-L	Telephone and Telegraph	22.55
VII-M	Drilling Mud	19.75
VII-N	Freight-In	65.92

Total Amount of Actual Cost Incurred for Code Accounts II to VII $ 2,548.25

Applied Fixed Unit Cost
692 feet @ $0.68 per foot $ 470.56

Expected Applied Fixed Unit Cost from DMEA (75% of $470.56) 352.92

Operators Remaining Non-Reimbursable Costs* $ 2,195.33

* See Page 2 - Column 4

Certified True Copy of Actual Expenses
Incurred under Category II to VII

Robert H Park

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JOSEY - ROPER - MARMIK - AMUREX

JOINT VENTURE URANIUM EXPLORATION PROJECT
COMPUTATION OF EACH OPERATOR'S PORTION OF
CREDIT ARISING FROM OVERCHARGE ON DRILLING
BY MARINE EXPLORATION COMPANY - MAY BILLING

	TOTAL AMOUNT	JACK S. JOSEY .4375	FRANK C. ROPER .0625	MARMIK OIL COMPANY .25	AMUREX OIL COMPANY .25
Amount Previously Billed - May Billing	$ 5,781.75	$ 2,529.51	$ 361.36	$ 1,445.44	$ 1,445.44
Corrected May Billing	4,898.00	2,142.87	306.13	1,224.50	1,224.50
Amount of Credit Due	$ 883.75	$ 386.64	$ 55.23	$ 220.94	$ 220.94

ACCOUNTS AFFECTED

CREDIT

Non-Core Drilling 615 Feet @ $1.75 Ft.

DEBIT:

Core Drilling 77 Feet @ $2.50 Ft.	$ 192.50	84.22	12.04	48.12	48.12
Net Amount of Credit Due					

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PROGRESS REPORT

Josey-Roper Core Drilling Project
Big Hole Area, Fremont County, Colorado

Month Ending May 31, 1956

Docket DMEA 3786 (Uranium)
Contract I4m-2907

Location: The Josey-Roper Core Drilling Project is located in Fremont County, Colorado in sections 22 and 27, T18S, R73W. It is being drilled on a group of thirteen lode mining claims owned by Jack S. Josey, Frank C. Roper, et al of Houston, Texas. The claims are situated in a small intermontane basin, known as the Big Hole or Big Devil's Hole, which is surrounded by mountains of granitic and volcanic rocks. The project is 20 miles west of Canon City, Colorado, and lies 1½ miles north of the Arkansas River, U. S. Highway 50, and the Denver and Rio Grande Railroad. Echo Canyon, through which meanders Echo Creek, traverses the west side of the claims and forms a natural access-way into the area north of the river.

Geology: The Big Hole is a typical intermontane valley in which late Tertiary sedimentaries were deposited in a closed basin under fluviatile and lacustrine conditions, with the nearby mountains affording local sedimentary source materials. Regional dip of the sedimentary deposits is to the north while topographic slope of the present land surface is to the south, thus giving evidence that the northern part of the basin

has undergone relatively recent uplift, reversing stream drainage and causing breaching of the south end of the basin with the Arkansas River Canyon. Recent valley fill, composed of boulders, gravel, and alluvium forms a cover for the truncated Tertiary sediments.

The sedimentary deposits consist of arkosic and quartzitic sandstones, fragmental arkosics, boulder and pebble conglomerates, mudstones, shales, silty sandtones, and combinations of each. Repeated uplift and subsequent degradation of the surrounding highland area is evidenced by the sequence of massive, imbricate boulder and pebble conglomerates of torrential stream flow interbedded with the fine-grained, silty sandstones, mudstones, shales, and carbon trash concentrations deposited during relatively quiescent periods of lake and swamp conditions.

Uranium mineralization may be observed in bedded deposits at several occurences on the Josey-Roper claims. The deposits are usually found in the thin, dark-grey, brown, and maroon, lenticular mudstone beds deposited at localities of ancient stream cross-bedding and in scour-and-fill structures. Laminated and disseminated carbon trash generally is associated with the mineralized deposits. Mineralization also occurs in arkosic sandstones which are in contact with mudstone lentils, or which contain thin, silty, carbonaceous laminae.

Project History: Drilling operations on the Josey-Roper project commenced on May 5, 1956. The period from May 1 through May 4, 1956 was utilized in obtaining and repairing drilling equipment, obtaining

a dozer contract, and moving equipment to the project area. Schedule of the core holes drilled to May 31, 1956 is as follows:

Hole No.	Date Commenced	Date Completed	Total Depth	Footage Non-core	Footage Cored	Date Logged
1	5-5-56	5-8-56	80'	20'	60'	5-26-56
39	5-9-56	5-11-56	125'	118'	7'	5-25-56
38	5-13-56	5-15-56	85'	85'	0	5-26-56
36	5-17-56	5-18-56	120'	120'	0	5-25-56
4	5-19-56	5-18-56	62'	62'	0	5-25-56
34	5-20-56	5-25-56	150'	20'	130'	5-25-56
6	5-27-56	5-29-56	70'	30'	40'	5-29-56

(Note: Holes 1, 39, 38, 36, and 4 were re-logged after the logging equipment was modified by Uranium Instruments Co., Grand Junction, Colorado.)

Access Roads and Drill Site Work: The contract for the dozer work required on access roads and drill site levelling for Stage 1 was awarded to Mr. Virgil L. Beavers, Florence, Colorado. Equipment furnished by Beavers consisted of one D-7 Caterpillar Tractor and a Universal Willys Jeep for the operator's transportation. A total of 77 hours dozer work was required to complete State 1, representing approximately 31% of the 216 hours allowed by DMEA contract for the three stages of work.

Drilling Conditions: All of the core holes drilled to May 31, 1956 encountered massive boulder conglomerates ranging in depth from surface valley fill to the total depth of 150' in C. H. #34. Hawthorne hard-face drilling bits were used to drill the surface formations in holes 1 and 39, but were found to wear out after drilling a few feet of the granite boulder conglomerates. Varel, Gruner, and Williams 4¾" tri-cone rock bits were used successfully to penetrate the conglomerates.

It was found necessary to use high viscosity drilling mud to circulate the large boulder fragments and pebbles from the hole below depths of 30'.

Dance and Christensen double tube core barrels are being used for coring. An attempt was made to use saw-tooth core bits faced with carbide inserts on the earlier holes, but was largely unsuccessful due to the extreme hardness of the granite boulders encountered. Diamond core bits were used successfully to core the majority of the holes.

The percentage of core recovery on all of the holes, with the exception of Number 6, was low due to the fragmental nature of the material cored. Soft mudstone, sand, or shale encountered after coring granite boulders or gravel conglomerate was incapable of forcing the hard rock up into the barrel and subsequently was washed out by the drilling fluid. Core recovery percentage will increase on the holes located in the fences to the north since we will be drilling in more uniformly bedded sandstones and shales. (Core hole #9, being drilled at the present time but not a part of this report, has effected approximately 80% core recovery to a depth of 160'.)

<u>Project Equipment:</u> Drilling equipment consists of a Failing Model 44 Hydraulic Rig mounted on a Ford truck. The rig is rated for drilling depths ranging to 1,000'. The rig is equipped with 360' of N rod drill stem, three 2 1/8" I. D. core barrels in 2,5, and 10 foot lengths, and one 1 7/8" I. D. core barrel 10 feet in length. Drilling water is hauled in a 400 gallon tank mounted on a GMC four-wheel drive 6x6 truck.

The gamma ray logging equipment consists of a Detectron DG-9 Geiger Counter equipped with an Eberline Instrument Company deep-hole probe and 300 feet of cable coupled to an Esterline-Angus recorder. The logging equipment was remodeled by Al R. Threadgill of Uranium Instruments Company, Grand Junction after the drilling project was underway. The machine was tested and calbirated in the test chamber at the A. E. C. testing laboratory in Grand Junction before returning it to field use. The logging equipment is shock-mounted in a 1956 Universal Four-Wheel Drive Jeep.

Hand instruments for checking cuttings and cores consist of a Detectron DG7 Geiger Counter and a Detectron D290 Nucliometer.

Subsurface Discoveries: Commercial grade uramium mineralization has been encountered only in core hole #39 in which approximately 2½' of 0.2+% U308e was recorded by gamma ray. Core hole #39A was drilled to 25' at a location 5' east of #39, and core hole #39B was drilled to 28' at a location 10' north of #39. A core of the radioactive zone was recovered on #39B and has been sent to Denver for radiometric and chemical assay. Core holes #39A and #39B were experimental holes paid for by Josey-Roper, and are not considered a part of the DMEA contract. All information on the two experimental holes has been included in this report.

Below commercial grade uranium mineralization has been recorded in core holes #1, #39, #38, #36, and #34 at depths ranging from 19' to 86'. Correlation of the radioactive zones from hole to hole has been

difficult due to the non-uniform character of the sedimentary formations in the southern part of the project area. All holes showing significant radioactive mineralization have been cased with 2½" I. D. casing.

Conclusions and Recommendations: Drilling progress has been relatively slow due to encountering massive boulder and gravel conglomerates in the southern part of the project area, and percentage core recovery has been low due to the same conditions. Drilling and coring rate and recovery will increase as we move northward in the area.

I recommend that the AEC be requested to send a logging party to log the core holes to further check the calibration of our logging equipment.

I further recommend that, in the event approval is given for Stage II drilling program, the location of the core holes in the southwest part of the project area be studied in respect to their local geology in order to avoid drilling in granitic and feldspar dikes as were encountered in core holes #1, #4, and #6.

Respectfully submitted,

Jack Q. Frizzell

Jack Q. Frizzell, Geologist
Project Supervisor

MARINE EXPLORATION COMPANY

5115 WESTHEIMER ROAD
HOUSTON, TEXAS

A. B. HAMEL, President
G. M. MACE, Jr., Vice President
C. E. MYERS, Vice President
D. M. PENA, Vice President
R. E. BUTLER, Vice President
JOE NORMAN, Jr., Treasurer

RECEIVED
SEP 10 1956

May 31, 1956

INVOICE NO. : J&R-CD2-1

TO : JACK S. JOSEY
1706-7 C&I Life Building
Houston 2, Texas

Attention: Mr. Robert H. Parks

FOR : Services rendered April 30, 1956 through May 31, 1956. Marine Exploration Company Contract Drill No. 2, Canon City, Colorado.

CHARGES	455	~~1070~~ feet drilled @ $1.75/foot	796.25	$ ~~1,872.50~~	
	237	~~160~~ feet cored @ $2.50/foot	592.50	~~400.00~~	1388.75
					$ ~~2,272.50~~
		Esterline-Angus A.W. Graphic Recorder for month of May, 1956			500.00
		Attached Receipts:			
		S. W. Pressey Invoice dated 5-3-56			135.94
		Bill of Lading dated 5-4-56			65.92
					$ ~~2,974.36~~
					2,090.61

Payment of the above invoice should be made to Marine Exploration Company, 5115 Westheimer Rd., Houston 19, Texas.

APPROVED:

Marine Exploration Company

APPROVED:

CERTIFIED TRUE COPY

Robert H. Park - Agent

DME a: See Credit memo attached
also page 4

Vouch. No. E-204A/4972

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SEP 10 1958

DAILY LOG

DATE	HOLE NO.	FEET CORED	FEET DRILLED
May 5 to 8	1	60	20
9 to 11	39	7	118
13 to 15	38	0	85
17 to 18	36	0	120
19	4	0	62
20 to 24	34	130	20
25 to 30	6	40	30

Total Feet Cored 237 Feet

Total Feet Drilled 455 Feet

Total Footage 692 Feet

VIRGIL BEAVER'S CONSTRUCTION COMPANY

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SEP 10 1956

Dozer Contract
Jesey-Roper Project
Big Hole Area, Fremont County, Colorado

Docket DMEA 3786 (Uranium)
Contract Idm-E907

Date	Rate	Hours	Work Performed
5-4-56	$10.00	3	Trucking Charge, hauling D-7 to site.
[illegible]	12.00	2½	Towing drill rig and jeep across river.
5-5-56	12.00	7½	Towing water truck, jeep across river, building access roads, levelling drill site, C. H. #1.
5-6-56	12.00	8½	Building roads to C. H. nos. 38 & 39/
5-7-56	12.00	8½	same
5-8-56	12.00	2	Levelling drill site, C. H. #39.
5-9-56	12.00	1	Levelling drill site, C. H. #38.
5-10-56	12.00	9	Building roads and levelling drill sites, C. H. nos. 4 & 36.
5-11-56	12.00	7½	Building roads and levelling drill sites, C. H. nos. 6 & 34.
5-13-56	12.00	6½	Building roads and levelling drill sites, C. H. nos 9 & 22.
5-15-56	12.00	6	Building roads and levelling drill sites, C. H. nos. 12, 15, 18, & 19.
5-16-56	12.00	2½	Building road to C. H. #25.
5-17-56	12.00	8½	Building roads and levelling drill sites, C. H. nos. 24, 25, & 28.
5-18-56	12.00	7	Building roads and levelling drill sites, C. H. #31.

77 hrs. @ $12.00 $924.00
3 hrs. @ 10.00 30.00
$954.00 Total

L. J. Beavers
L. J. Beavers, Operator

Accepted:
May 28, 1956

Virgil L. Beavers
Virgil Beavers, Contractor

MARINE EXPLORATION COMPANY
5115 WESTHEIMER ROAD
HOUSTON 19, TEXAS

A. B. HAMIL, PRESIDENT
G. M. MAUL, JR., VICE PRESIDENT
G. L. BARKSDALE, VICE PRESIDENT
C. E. MYERS, VICE PRESIDENT
S. M. PENA, VICE PRESIDENT
R. E. BUTLER, VICE PRESIDENT
JOE NORMAN, JR., TREASURER

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SEP 10 1956

June 30, 1956

CHARGE TO : [illegible]

TO : [illegible]
[illegible] Building,
[illegible], Texas

Attn Mr. Robert [illegible] Parks

RE : Credit on one invoice [illegible]
Dated May 31, 1956
(Charges were through [illegible] 31, 1956 --
Would have been May 31, 1956)

COMPUTE :

Drilling:			
Charged	[illegible]'	$1.73/ft.	1,876.55
Should have charged	458'	1.75/ft.	796.25
Credit	[illegible]'	$1.73/ft.	(1,076.25)
Casing:			
Charged	160'	$2.50/ft.	400.00
Should have charged	237'	2.50/ft.	592.50
Net Charge	77'	$2.50/ft.	192.50
Credit:			(883.75)

APPROVED:

Marine Exploration Company

By [illegible]

APPROVED:

[illegible]

By Robert W Park

COPY

2114 CURTIS STREET

TELEPHONE MAin 2-1038

CHEMISTS • ASSAYERS • ENGINEERS

DENVER 5, COLORADO

230

Folio 6807

Date Sept 2, 1956.

RECEIVED
SEP 10 1956

Jack Frimel
Queen's Rest Court
Highway 115
Canon City, Colorado.

Bill: Jerry Lopez Account
Big Bold Area Project
1706 C & Life Bldg.
Houston, Texas.

We hereby Certify, that the samples assayed for you gave the following results:

DESCRIPTION	URANIUM OXIDE U_3O_8	VANADIUM PENTOXIDE V_2O_5	LIME CaO	RADIOMETRIC EQUIVALENT eU	THORIUM OXIDE ThO_2	TOTAL RARE EARTHS	COMBINED COLUMBIUM TANTALUM OXIDES
	0.075%	Trace		0.070			

CERTIFIED TRUE COPY

Robert H. Park-Agent

PLEASE PAY FROM THIS INVOICE AS NO OTHER STATEMENT WILL BE MAILED. THANK YOU.

E-203-A/4971

Charge $ 7.00

CHARLES O. PARKER & CO.
CHEMISTS, ASSAYERS and ENGINEERS

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SEP 10 1956

Josey-Roper Core Drilling Project
Big Hole Area, Fremont Co., Colo.

Expense account of Jack Q. Frizzell, Project Supervisor:

May 12, 1956	Truck rental	$5.00
May 14, 1956	Lath	1.68
June 2, 1956	Oil and filter for field jeep	4.89
June 2, 1956	Blueprinting for progress report	26.48
June 3, 1956	Stenographic work for progress report	20.00
	Mileage charge for personal car, 4 trips to Pueblo, Colo. 320 miles @.08/mile	25.60
		$83.65

Jack Q. Frizzell
Jack Q. Frizzell, Geol.

CERTIFIED TRUE COPY
ROBERT H. PARK-AGENT

E-199-A/4967 Copies of invoices in support of above items attached to our voucher

Posey-Roper Core Drilling Project
Big Hole Area, Fremont Co., Colo.

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SEP 10 1956

Expenses May 4 - May 12, 1956:

May 4, 1956	Postage and proof of labor supplies	$3.24
	Recording fees-proof of labor	4.45
May 5, 1956	10 Core boxes-Carl's Const. Co.	56.67
May 11, 1956	Stenographic Service	3.00
May 12, 1956	Mileage costs- hauling casing from Pueblo to project area. 120 mi.@ $.08	9.20
		$76.56

Max O. Jernigan

Jack Q. Frizzell

O.K. R.H. Park

CERTIFIED TRUE COPY
ROBERT H. PARK-AGENT

E-198-A/4966 Copies of invoices in support of above items attached to our voucher

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SEP 10 1956

Josey-Roper Core Drilling Project
Big Hole Area, Fremont Co., Colo.

Contract labor and supplies due:

W. C. Latham
Cotopaxi, Colorado

May 14, 1956	Hauling supplies to drill area	2 hrs.	$3.00
May 15, 1956	Prospecting and shooting outcrop	4 hrs.	6.00
May 16, 1956	Same	7 hrs.	10.50
	Furnishing fuse and powder		5.00
			$24.50

Approved Jack Q. Krizzell
Jack Q. Krizzell, Geol.
Project Supervisor

Chg: Prospecting & Shooting Outcrops 16.50
Hauling Exp. - Supplies 3.00
Fuse & Powder Exp. 5.00
24.50

CERTIFIED TRUE COPY
Robert H. Park
ROBERT H. PARK-AGENT

E-201-A/4969

420 Main Street

Canon City, Colorado

VANCE'S

"Everything for the Office"

OFFICE SUPPLIES
OFFICE MACHINES

BOOKS
STATIONERY

CERTIFIED TRUE COPY
ROBERT H. PARK-AGENT

Houston, Texas

Customer's Order No. _____ Date June 2 1956

M Jersey-Lopez Act.

Address 1701 C.T. Life Bldg

Sold by | Cash | C.O.D. | Charge | On Acct. | Mdse. Ret. | Pd. Out

QUAN.	DESCRIPTION	PRICE	AMOUNT
12	Pressboard	.65	7 80
24	7 x 10 Env.	.40	9 60
5	Env 12½ x 15	.7	3 35
	For Jersey-Lopez Case Pending Payment		9 13

E-200-A/4968

Binders & Envelopes for Reports

ALL claims and returned goods MUST be accompanied by this bill.

No. 01738 Rec'd by [illegible]

UARCO INC. OAKLAND

Stat., Supplies, & Postage

STATEMENT

CANON CITY, COLO. 5-12-1966

Mr [illegible] Trigg

Lasey Lopez Corp Drilling Pres.

CARL'S CONSTRUCTION COMPANY

"Builders of Fine Homes"

CUSTOM MADE CABINETS AND FIXTURES
NEW HOMES BUILT — OLD ONES REMODELED

1925 E. RIVER STREET PHONE 1450

5 G C Co

[illegible]

[illegible]

Oil Robert H Park

Gas on V in Colorado

C. C. C.

	5.00
	13.26
	18.26

Paid in full

CERTIFIED TRUE COPY

Robert H Park

ROBERT H. PARK-AGENT

~~Paid by Company check~~

~~[illegible] refund check Day~~

~~Exp. Co.~~

E-36A/4096

8 PERCENT INTEREST CHARGED ON ALL ACCOUNTS PAST DUE

Rio Grande Blue Print Co.

BLUE PRINTS - WHITE PRINTS - PHOTOCOPIES

ARCHITECT and ENGINEER SUPPLIES

311 Broadway S. E. Phone 2-8636

ALBUQUERQUE, N. MEX.

Customer's Order No. _____ Date 5-21 1956

M CLARK & DAY

Address _____

Sold by	Cash	C.O.D.	Charge	On Acct.	Mdse.Ret.	Pd. Out	
			✓				

QUAN.	DESCRIPTION	PRICE	AMOUNT
12	BROWNLINE PRINTS.		2 01
24	SEPIA PRINTS.		9 59
			11 40
	TAX		0 34
			11 74
	JOSEY-ROPER PROJECT.		
	LOG STRIPS		
	Jack Frizzell		

ALL claims and returned goods MUST be accompanied by this bill.

No. 00360 Rec'd by _____

BARCO INC. - OAKLAND

CARL'S CABINET SHOP
CARL STRUNK, Owner
FURNITURE and FIXTURES BUILT TO ORDER
BUILT-IN CABINETS
Phone 1318J
305 Main St.
CANON CITY, COLORADO

NO. 2[illegible]0 (B) _____ 19____

Received of Jack Frizzell

ADDRESS _____

_____ Dollars 100

FOR Core Boxes

Pd. By Check		Amt. Acct.	$	56,67
Pd. By Cash		Pay-ment	$	
Pd. By M O		Bal. Due	$	

CARL'S CABINET SHOP

By C. C. Strunk

32 2057104 DETACHABLE BA PRINTING CO., LTD. O BEST REVIVED CORD.

JUL 30 1957

Mr. Robert H. Park, Agent
Jack S. Josey and Frank C. Roper, partners;
Marmik Oil Company, and
Amurex Oil Company, a joint venture
1706 C & I Life Building
Houston, Texas

Re: Docket No. DMEA-3786 (Uranium)
Contract No. Idm-3907
Big Bear, et al., Claims
Fremont County, Colorado

Dear Mr. Park:

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
7-29-57
cc to: Admr.'s Reading File
Contract Adm. & Audit Division
Code 700, Mr. Ching
THKillsgaard, Rm. 5224
DMEA Field Team, Region III (2)

Government's Copy

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

TERMINATION AGREEMENT

It is agreed this 11th day of December, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Jack S. Josey and Frank C. Roper, partners; Marmik Oil Company, an Arkansas corporation; and Amurex Oil Company, a Delaware corporation; a Joint Venture, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E907, Docket No. DMEA-3786, dated March 29, 1956, hereinafter called the "Contract," that:

1. Effective as of September 14, 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 to allowable costs incurred prior to said effective date; and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the Contract, including the making and rendering of reports and accounts.

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. 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 overpayments, are preserved.

6. 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.

Jack S. Josey

Frank C. Roper

MARMIK OIL COMPANY

By M. C. Shaw

Title Pres.

THE UNITED STATES OF AMERICA

By W. M. Maver

Executive Officer
DMEA Field Team, Region III

AMUREX OIL COMPANY

By [illegible]

Title Vice Pres.

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

RECEIVED
AUG 13 1956

22d Floor Customhouse
Denver 2, Colorado

CERTIFIED MAIL
AIR MAIL

August 10, 1956

Mr. Frank C. Roper
Jenny & Roper et al.
1706-17 C. & I. Life Building
Houston, Texas

Re: Docket DMA 3786 (Uranium)
Contract 16s-8527
Jack S. Jenny and Frank C.
Roper, Partners; Norfolk Oil
Company and Anover Oil Company,
a Joint Venture
(Big Bear et al. claims)
Fremont County, Colorado

Dear Mr. Roper:

In reference to your request of July 9, 1956, and consistent with provisions in the contract, the Government's approval relative to drilling under Stage II of the contract is as follows:

Stage II Drill Holes Nos. 2-4, 3, 5, 7, 8, 10, 11, 26, 27, 33, and 39, as shown on the map, "Figure 2", attached to the contract, will not be drilled.

The Government approves the following holes for drilling under Stage II:

Hole No.	Recommended depth	Remarks
37	75 ft.	Depth based on information in adjacent holes.
38	100 ft.	Depth based on information in adjacent holes.
39	225 ft.	Depth based on information in adjacent holes.
40	165 ft.	Substituted for holes 33 & 39.

Hole No.	Recommended depth	Remarks
41	200 ft.	Substituted for holes 7 & 8.
42	150 ft.	Substituted for holes 27 & 28.
43	275 ft.	Substituted for holes 10 & 11.

The locations of the above approved Stage II drill holes are shown on the map entitled, "Figure 2. - Map of Jessup-Roper Claims Showing Location of Existing and Proposed Drill Holes, Fremont County, Colorado," which is attached hereto and made a part of this work approval.

The Government's approval of additional drilling under Stage II will depend upon the results of Stage I drill holes Nos. 15, 18, and 19.

Action on Stage III drilling will not be taken until all Stage I and Stage II drilling has been completed and the results thereof made available to the Government.

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, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

BSCA Field Team, Region III

W. M. Traver

W. M. Traver

E. M. Hershman

E. M. Hershman

Enclosure

cc: Mr. Jack W. Frignoli, Geologist
Project Supervisor
Room 18, Queen's Rest Court
Highway 115
Canon City, Colorado

JMFrig:1

cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Treasurer file, Reg. III

Hershman
Shaw (2)
Townsend
Corres. file Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Date Rec'd.
AUG 10 1956
BUREAU OF MINES
Denver, Colorado

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

August 6, 1956

RECEIVED
AUG 13 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: John F. Shaw
L. W. Hershman

From: W. D. McMillan
R. U. King

Subject: DMEA Docket 3/36 (Uranium), Contract Idm-[illegible]907, Jack S. Jomey and Frank C. Roper, Big Hole-Big Bear claim group, Fremont County, Colorado. Application for Stage II drilling.

An examination of the subject property was made on August 2, 1956, accompanied by Jack A. Frizell, Geological Project Supervisor for the operator.

At the time of the examination core hole 1[illegible] had reached a depth of 310 feet. This hole had found indications of uranium mineralization that possibly can be correlated with uranium-bearing beds found in hole nos. 12 and 2[illegible]. Hole no. 1[illegible] will be continued to a depth of 400 feet. The only remaining Stage I holes not completed are nos. 1[illegible] and 19.

Uranium mineralization has been recorded by gamma-ray logs in 11 of the 15 holes completed to date, with hole no. 3[illegible] showing ore-grade material.

Because of the relatively low and uniform grade of uranium mineralization encountered (0.04 - 0.11 percent eU_3O_8) in the 13 holes at depths between 5 and 291 feet, it is recommended that exploration under Stage II be modified and reduced as follows:

Recommended Stage II exploration

(1) Hole No.	Recommended depth	Remarks
37	75 ft.	Depth based on information in adjacent holes.
35	100 ft.	Depth based on information in adjacent holes.
30	225 ft.	Depth based on information in adjacent holes.
40	125 ft.	Substituted for holes 33 & 29
41	200 ft.	Substituted for holes 7 & 8
42	150 ft.	Substituted for holes 27 & 26
43	275 ft.	Substituted for holes 10 & 11

(2) It is recommended that the applicant's request to eliminate holes 2a, 3, and 5 from Stage II drilling, due to their proximity to underlying granite, be approved.

(3) The applicant's proposal to drill offset holes around existing hole no. 39 should be considered only under Stage III exploration.

(4) The applicant's request to retain one undrilled location (out of holes 2a, 3, and 5) to offset Stage II drilling should be denied and should be considered only under Stage III exploration.

The location of recommended Stage II holes are shown on the accompaning map (fig. 2 - DMEA Docket 3786).

Note: Exploration of the northwest part of the property under Stage II will have to be consequent to completion of Stage I holes 15, 18, and 19.

L. A. Everett for
W. D. McMillan
Mining Engineer

R U King
R. U. King
Geologist

Date Rec'd.

JUL 27 1956

BUREAU OF MINES
Denver, Colorado

RETURN ADDRESS
1706 C & I Life Bldg
Houston, Texas,
July 9, 1956.

MR. JOHN F. SHAW
U. S. Bureau of Mines
Room 137, Building 20
Denver Federal Center
Denver 2, Colo.

RECEIVED
AUG 1 3 1956

Re: Contract Idm E-907
Docket DMEA 3786 Uranium
Big Bear et al Claims
Fremont County, Colo.

Dear Mr. Shaw:

Application is hereby being made to subject contract for Stage No. 2 core drilling.

Proper maps, charts, logs, radiometric probing and chemical assays are enclosed as requested by Mr. W. M. Traver in his communication of April 16, 1956 directed to Jack S. Josey, Frank C. Roper et al.

I trust that the enclosed meets with your requirements and approval.

Thanking you very much for an early reply, I am

Very truly yours,

Jack S. Josey, Frank C.
Roper, Marmik Oil Company;
and Amurex Oil Company

BY: Frank C. Roper

Frank C. Roper

Encls.

JOSEY-ROPER CORE DRILLING PROJECT

BIG HOLE AREA, FREMONT COUNTY, COLORADO

Recommendation for Stage II Drilling Program

Docket DMEA 3786 (Uranium)
Contract Idm-E907

Drilling during Stage I on the Josey-Roper Project revealed the presence of a relatively deep sedimentary basin underlying the northern portion of the Project area with a shallower, less well-defined basin flanking to the south and east. Sandstone, shale, argillaceous sandstone, and arkosic conglomerates are the predominant sedimentary deposits in the deeper basin to the north, while heavy boulder beds, coarse conglomerates, and fragmental arkosics, characteristic of outwash-plain deposition, are present in the shallower structure.

Outcrop uranium mineralization is present in bedded deposits at several occurrences within the project area. The deposits are usually found in the thin, dark gray, brown, and maroon mudstone beds deposited at localities of ancient stream cross-bedding and in scour-and-fill structures. Laminated and disseminated carbon trash generally is associated with the mineralized deposits. Mineralization also occurs in arkosic sandstones which are in contact with mudstone lentils, or which contain thin, silty carbonaceous laminae.

Anomalous subsurface mineralization was recorded by

gamma-ray log in all of the holes drilled with the exception of holes #4 and #6. Mineralized zones encountered ranged from 5' to 250' in depth, 1' to 3' in thickness, and 0.03%Ue to 0.23%Ue in grade. Commercial mineralization was recorded in C. H. #39 and in experimental hole #39b, located 10' north of #39. The mineralization, which occurred from 17' to 19' in a dark gray, silty, carbonaceous mudstone, was recorded as 0.2%Ue in #39 and 0.23%Ue in #39b. Chemical analysis of a 4 inch section of core recovered from #39b assayed 0.07% U308. Core recovery through the zone was very poor and it is probable that the 4 inch section assayed represented fringe mineralization overlying or underlying the main zone. (Examine accompanying map for depth, thickness, and mineralization data for holes drilled to date).

Definite stratigraphic or gamma-ray correlations are not evident from drilling information as yet received. Additional drilling at locations between Stage I holes probably will reveal stratigraphic relationships from hole to hole, particularly in the northern part of the area.

Conclusions and recommendations

Uranium mineralization has been recorded by gamma-ray log on ten of the twelve core holes completed to date. Commercial mineralization occurs in C. H. #39, and below commercial grade deposits are present in the nine other mineralized holes. Drilling has revealed the presence of a sedimentary basin under-

lying the north part of the area in which fine-grained clastic sediments are deposited, thus being more favorable geologically for the concentration of uranium mineralization than the shallower basin on the south.

The relatively abundant occurrence of uranium-bearing zones plus the presence of favorable sedimentary conditions present sufficient cause for further drilling to be carried out in order to supplement exisiting information and to more thoroughly explore the productive potential of the project.

I recommend that the drilling program for State II be carried out as designated in Contract Idm-E907 with the following exceptions:

1. Core holes #2a, #3, and #5 not be drilled due to their being located in proximity to the granitic intrusives dipping under the valley fill on the southwest side of the project area.
2. Two of the undrilled locations be moved to positions 150' south and north on a bearing of S15°30'W of core hole #39. Since this is the only hole in which commercial mineralization has been found, an attempt should be made to ascertain the extent of the uranium-bearing horizon underlying that locality.
3. Retain one undrilled location unassigned as to location in the event that drilling now in progress

reveals any condition to which an offset core hole would be beneficial to Stage II information.

Respectfully submitted,

Jack Q. Frizzell

Jack Q. Frizzell, Geologist
Project Supervisor

JQF:mer

THE STATE OF TEXAS }
COUNTY OF HARRIS }

RECEIVED
MAY 24 1956

WE, the undersigned, members of a joint venture consisting of JACK S. JOSEY and FRANK C. ROPER, Individuals; and MARMIK OIL COMPANY, an Arkansas corporation, and AMUREX OIL COMPANY, a Delaware corporation, owners of an undivided interest in certain mining claims in Fremont County, Colorado, do hereby appoint ROBERT H. PARK, whose address is: 1706 C & I Life Building, Houston 2, Texas, to act as the Agent of said joint venture in all matters connected with the United States Department of the Interior, Defense Minerals Exploration Administration Contract Idm-E907, Docket No. DMEA 3786, and in behalf of said joint venture to submit to the Government all necessary reports and information required under said Contract; and said Agent is authorized to receive individually and to receipt for any monies that are now or may hereafter become due to said joint venture by reason of said Contract Idm-E907.

EXECUTED this the 27th day of April, 1956.

WITNESS:
1. [signature]
2. [signature]

[signature]
JACK S. JOSEY

WITNESS:
1. [signature]
2. [signature]

[signature]
FRANK C. ROPER

ATTEST:
[signature]
Secretary

MARMIK OIL COMPANY
By [signature]
President

(CORPORATE SEAL)

ATTEST:
[signature]
Secretary

AMUREX OIL COMPANY
By [signature]
Vice - President

(CORPORATE SEAL)

RHP:fr

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

[illegible] Bar Centennial
Denver 2, Colorado

May 15, 1956

Mr. Jack Q. Frizzell, Geologist
Project Supervisor
Jenny and Roper et al.
Room 18, Queen's Rest Court
Highway 115
Canon City, Colorado

RECEIVED
MAY 17 1956

Re: Docket DMEA 3786 (Uranium);
Contract [illegible],
Jack E. Jenny and Frank C. Roper,
Partners; Mesaik Oil Company and
Amerex Oil Company; a joint venture
(Big Bear et al. Claim)
Fremont County, Colorado

Dear Mr. Frizzell:

In reference to your letters of May 8 and May 12, 1956, this constitutes the Government's approval for you to move Stage I drill holes from the locations shown on the map, Figure 2, attached to the Contract, as follows:

1. Drill hole No. 30 will be moved South 74° 30' East a distance of 35 feet.

2. Drill hole No. 34 will be moved due East a distance of 45 feet.

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, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

JWF:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file
Barnhart
Shaw
Townsend
Corres. file
Chron.

DMEA Field Team, Region III

By W. M. Inman
W. M. Inman
Executive Officer

DMEA
Date Rec'd.
MAY 14 1956
BUREAU OF MINES
Denver, Colorado

May 12, 1956

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

Re: Contract Idm E907
Docket DMEA 3786

Dear Mr. Traver:

Due to Core Hole #34 being located on a steeply sloping creek bank underlain by massive boulders I request that the following relocation be made:

Move due West a distance of 45 feet. Elevation will be increased 7.5 feet, from 5678.2 to 5685.7.

Approximately 10 days time lapse is anticipated before this hole will be drilled.

Sincerely yours,

Jack Q. Frizzell

Jack Q. Frizzell, Geol.
Project Supervisor

Room 12
Queen's Rest Court
Highway 115
Canon City, Colorado

DMEA
Date Rec'd
MAY 11 1956
BUREAU OF MINES
Denver, Colorado

May 8, 1956

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

Re: Contract Idm E907
Docket DMEA 3786

Dear Mr. Traver:

Due to Core Hole #38 being located on a steeply sloping creek bank underlain by massive boulders I request that the following relocation be made:

Move easterly on a bearing of S74°30'E a distance of 35 feet. Elevation will be increased 11.2 feet, from 5561.6 feet to 5572.8 feet.

I would appreciate approval of this request as soon as possible.

Sincerely yours,

Jack Q. Frizzell

Jack Q. Frizzell, Geol.
Project Supervisor

Room 12
Queen's Rest Court
Highway 115
Canon, City, Colorado

Phone 0418-J1

Contract No. Idm-E 907

Docket No. 3786

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 15, 1955	XXI	Colorado	Uranium

Name and Address of Operator: Jack S. Josey and Frank G. Roper
210 Ne Burnett Building
P. O. Box 1285
San Angelo, Texas

	Reserve	Obligation
Prior Amount	0	029,689.91
Increase	0	0
Decrease	0	19,764.10
Revised Amount	0	0 9,925.81

Remarks:

ALBEN S. DAKAN

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Name)

(Title)

Date Delivered to Bureau of Mines, Washington 1/31/57

98963

Government's copy

RECEIVED
APR 1 0 1956

MF-200
(Revised June 1954)

Docket No. DMEA -3786

Commodity Uranium

Contract No. Idm-E 907

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this MAR 29 1956 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] Jack S. Josey and Frank C. Roper, partners; Marmik Oil Company, an Arkansas corporation; and Amurex Oil Company, a Delaware corporation -- a Joint Venture, whose mailing address is 1706-17 C & I Life Building Houston, Texas, 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-200), the attached Exhibit "A," Annex I, and map (Figure 2).

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 Colorado, County of Fremont, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I 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] ....., [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: Royalty claims.

(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

[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."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien by Leslie Taylor, Walter W. Higgins, Donald Higgins, M. N. Taylor, Alan Taylor, and M. N. Taylor, Jr. Subordination Agreements by Gordon Tolliver, C. C. Robison, and Elizabeth Zingheim.

(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 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(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 May 1, 1956 shall commence the work, and on or before November 30, 1956 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *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.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $39,586.55. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $29,689.91: *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 or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(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. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9. **See Article 13.**

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved 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 detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and 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 related costs incurred.

(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 8. *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 7) 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 therof 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 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *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: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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.

(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: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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 10 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 11. *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 12. *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 13. *Changes and added provisions.*—

To the extent that costs are set forth in Exhibit "A" as "Fixed Unit Costs" they are in lieu of the actual costs that otherwise would be allowable costs of the project under Article 6 of the contract.

Executed in sextuplicate the day and year first above written.

JACK S. JOSEY and FRANK C. ROPER

Jack S. Josey (Partner)

Frank C. Roper (Partner)

THE UNITED STATES OF AMERICA

By

Administrator, Defense Minerals Exploration Administration

MARMIK OIL COMPANY

By M. C. Hoover, Pres.

AMUREX OIL COMPANY

By Charles J. Hoke - Vice-Pres.

I, Sarah Alice Harris, certify that I am the secretary of the corporation named as Operator herein; that M. C. Hoover 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.

Sarah Alice Harris

[CORPORATE SEAL]

I, H. Y. Rowe, certify that I am the assistant secretary of the corporation named as Operator herein; that Charles J. Hoke who signed this contract on behalf of the Operator, was then Vice 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.

H. Y. Rowe

/CORPORATE/
/ SEAL /

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EXPLORATION PROJECT CONTRACT
JACK S. JOSEY and FRANK C. ROPER, et al.
DOCKET NO. DMEA-3786

ANNEX I

The land referred to in Article 2 of the contract form consists of 15 unpatented lode mining claims situated in an unsurveyed area approximately in Sections 22 and 27, T. 18 S., R. 73 W., 6th P.M., Fremont County, Colorado. The claims are shown on the attached map (Figure 2); and Notices of Location of which are recorded in the office of the County Recorder as follows:

Name	Book	Page
Big Hole No. 1	338	219
Big Hole No. 2	338	222
Big Hole No. 3	338	222
Big Hole No. 4	338	221
Big Hole No. 7	338	443
Big Bear No. 1	338	221
Big Bear No. 2	338	218
Big Bear No. 3	338	218
Big Bear No. 4	338	220
Big Bear No. 5	338	220
Big Bear No. 6	338	219
Cactus	343	177
Cactus No. 1	345	207
Zee No. 1	342	18
Libby	342	18

The Operator is the owner of the Libby claim and lessee of all the other foregoing claims.

6

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MF-203
Revised March 24, 1955

(1)

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Josey and Roper
Docket No. DMEA- 3786
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fremont, State of Colorado, described ~~as follows:~~ in the Assignment of Mining Lease and Agreement for Operation dated March 7, 1955 and recorded in book 344 page 489 official records of said county and described in the Location Certificate for the Cactus No. 1 claim filed for record April 16, 1955 in book 345 page 207, official records of said county.

~~which is the subject of a proposed exploration project contract, hereinafter called the "contract,"~~ with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

3% royalty to Gordon Tolliver and C. C. Robison

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 15th day of December, 1955.

Leslie Taylor [Seal] M. N. Taylor (Seal)
Leslie Taylor — M. N. Taylor

Walter W. Higgins [Seal] Alan Taylor (Seal)
Walter W. Higgins — Alan Taylor

Donald Higgins [Seal] M. N. Taylor, Jr. (Seal)
Donald Higgins — M. N. Taylor, Jr.

~~I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.~~

~~[Corporate Seal]~~

7

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MF-201
Revised March 24, 1955

(2)

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Josey and Roper
Docket No. DMEA- 3786
Contract No. Idm-E
Contract Date

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of Fremont, State of Colorado, described ~~XXXXXXXXXXX~~ in the Assignment of Mining Lease and Agreement for Operation dated March 7, 1955 and recorded in book 344, page 489 official records of said county and described in the Location Certificate for the Cactus No. 1 claim filed for record April 16, 1955 in book 345, page 207, official records of said county.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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

(OVER)

Dated this 15th day of December, 1955.

Gordon Tolliver [Seal]
Gordon Tolliver

C. C. Robison [Seal]
C. C. Robison

[Seal]

~~I, _____, certify that I am the _____ (Secretary or Assistant Secretary) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice President) of said corporation; that said agreement was duly signed for and on behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.~~

[Corporate Seal]

8

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APR 13 1956

MF-201
Revised March 24, 1955

(3)

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Josey and Roper
Docket No. DMEA- 3786
Contract No. Idm-E
Contract Date

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of Fremont, State of Colorado, described ~~as follows~~ 1/ in the Location Certificate for the Libby claim filed for record November 10, 1954, in book 342, page 18 official records of said county.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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

(OVER)

Dated this 15th day of December, 1955.

Elizabeth Zinghein [Seal]

[Seal]

[Seal]

~~I, _____, certify that I am the _____, (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.~~

[Corporate Seal]

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EXPLORATION PROJECT CONTRACT
JACK S. JOSEY and FRANK C. ROPER, et al.
DOCKET NO. DMEA-3786

EXHIBIT "A"

Description of the Work

The work consists of exploration by core and non-core drilling to test sedimentary beds of arkosic sandstone, shale and conglomerate, presumably of early Tertiary age. The first two stages of the work are indicated on the attached map entitled "Figure 2 - Map of Josey-Roper Claims . . .," which is attached hereto and made a part hereof.

Mineralization on the property referred to in Annex I occurs at various horizons. All holes shall be collared with a plug bit and drilled non-core to a point immediately above the estimated position of the first radioactive zone. Core drilling shall follow until the hole is bottomed. Drilling depths are estimated to range from 100 feet to 400 feet and to average 194 feet. The minimum size of core shall be AX. All holes shall be reamed and cased as necessary.

All core and cuttings from the cored section of drill holes shall be saved and properly stored for the use of the Government after being checked radiometrically for uranium. Samples indicating significant mineralization shall be analyzed chemically for uranium.

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 project shall be supervised by a competent engineer-geologist who shall devote full time to the project work.

The work shall be divided into three successive stages. The Operator shall complete Stage I and perform as much of Stage II and Stage III as the Government considers justified by the results of the preceding work and which the Government approves in writing in advance.

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

Stage I

Prepare access roads and drill sites by a D-7 bulldozer or equivalent unit, and drill 16 holes aggregating not more than 3,120

feet. The positions of these holes are indicated on the attached map (Figure 2). There are five East-West fences with two to five holes in each fence, and a separate hole in the northeast corner of the property. The fences range from 950 feet to 1500 feet apart and the holes in the fences are approximately 600 feet apart except in the most southerly fence, and in the Big Bear No. 1 Claim. Drilling shall begin with the most southerly fence and work northward. If the 16 holes require more than 3,120 feet to reach the desired horizon, such amount of footage as the Government may approve in writing may be transferred from Stage III footage for work under this Stage I, and such transferred footage shall be deducted from Stage III.

Stage II

Prepare access roads and drill sites by a D-7 bulldozer or equivalent unit and drill 23 holes aggregating not more than 4,440 feet. The positions of these holes are tentatively indicated on Figure 2. They may be revised, following completion of Stage I, upon the written approval of the Government. If the 23 holes require more than 4,440 feet to reach the desired horizon, such amount of footage as the Government may approve in writing may be transferred from Stage III footage for work under this Stage II, and such transferred footage shall be deducted from Stage III.

Stage III

Prepare access roads and drill sites by a D-7 bulldozer or equivalent unit, and drill a maximum of 30 holes aggregating not more than 4,500 feet (minus any footage transferred to Stage I and Stage II) as offsets to Stage I and Stage II holes that show significant mineralization. The offset holes shall not be drilled closer than 100 feet from any previously drilled hole.

Estimated Cost of the Project

Actual Costs

Category (1)	Independent contracts		
	3,965 feet non-core drilling @ $1.75/ft.	$ 6,938.75	
	8,095 feet core drilling @ $2.60/ft.	21,047.00	
	216 hours bulldozer work @ $12.50/hr.	2,700.00	
Categories (2) through (7)	None		
	Estimated Total Actual Costs		$30,685.75

Fixed Unit Costs

The Government will contribute to the requirements set forth below on the basis of the fixed unit costs specified therefor, as these costs accrue, in lieu of actual costs. The fixed unit costs include all costs of the project whatsoever except those actual costs scheduled above under the category Independent Contracts. No other categories of actual costs in Article 6 of the contract form are allowable costs under this contract.

200 chemical sample analyses @ $3.50/sample	$ 700.00	
Incidental allowance for each foot of core and non-core drilling completed:		
12,060 feet @ $0.68/ft.1/	8,200.80	
Estimated Total Fixed Unit Costs		$ 8,900.80

S U M M A R Y

Estimated total actual costs	$30,685.75	
Estimated total fixed unit costs	8,900.80	
Estimated total cost of the project		$39,586.55
Government participation @ 75%		$29,689.91

1/ Includes all costs of the project whatsoever that are not included under the actual-cost category, Independent Contracts, and the fixed unit cost for analyses, and is in lieu of Categories (2) through (7) of actual costs under Article 6(a) of the contract. It includes such items as supervision, engineering, equipment, supplies, accounting, etc.

Docket No. 3286

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 907

Date of Contract ~~or Amendment:~~ December 15, 1955

Name and Address of Operator:

Jack S. Josey and Frank C. Roper
210 Mc Burnett Building
P. O. Box 1185
San Angelo, Texas

Amount of Government participation $ 29,689.91

Percent of Government participation 75 %

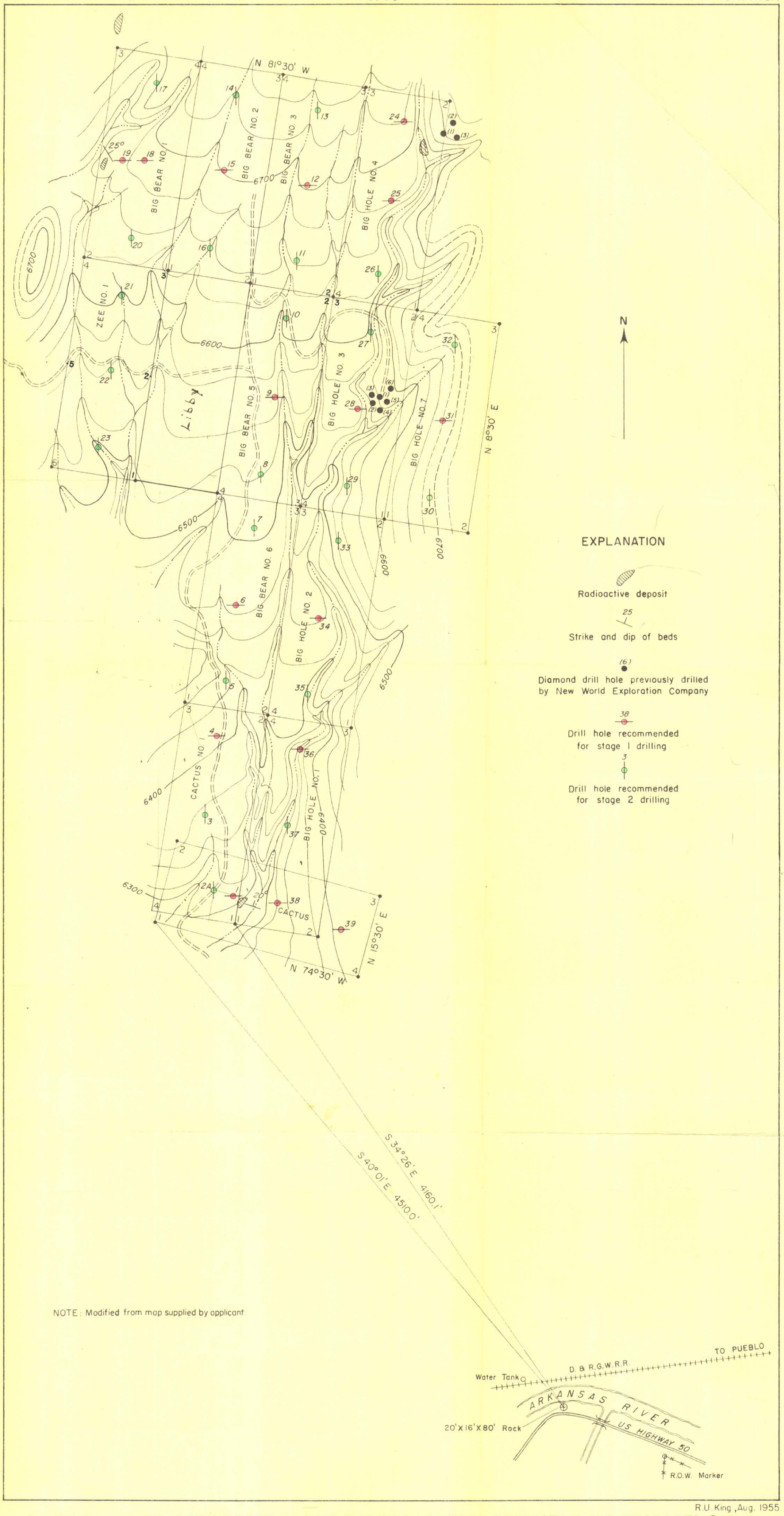
Region: III State: Colorado

C. E. Fisher
(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 12/15/55

54458

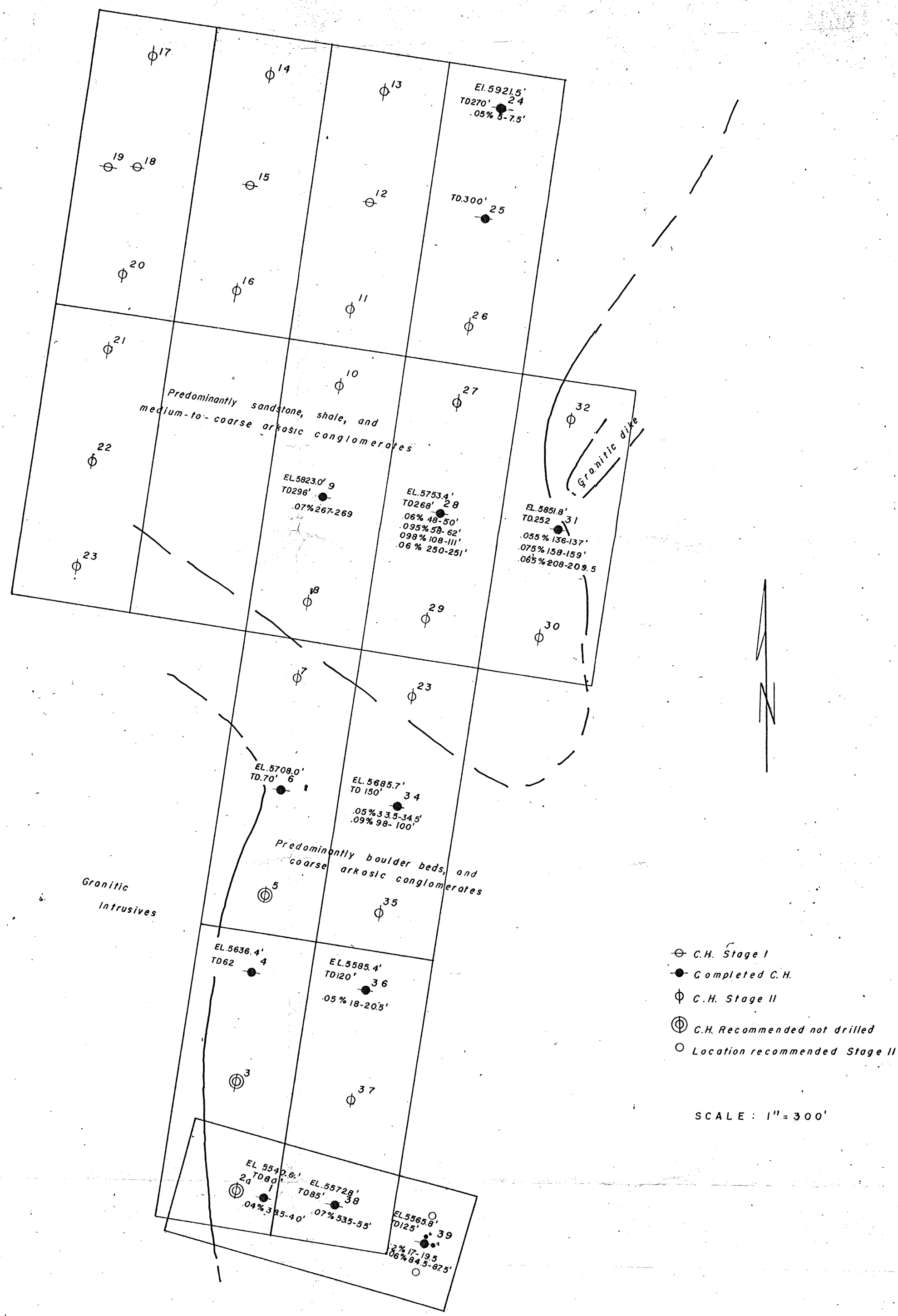


NOTE: Modified from map supplied by applicant.

R.U. King, Aug. 1955

FIGURE 2.- MAP OF JOSEY-ROPER CLAIMS SHOWING LOCATION OF EXISTING AND PROPOSED DRILL HOLES, FREMONT COUNTY, COLORADO

500 0 500 1000'



JOSEY-ROPER PROJECT

BIG HOLE AREA

FREMONT COUNTY, COLORADO

Jack Q. Frizzell
7-10-56

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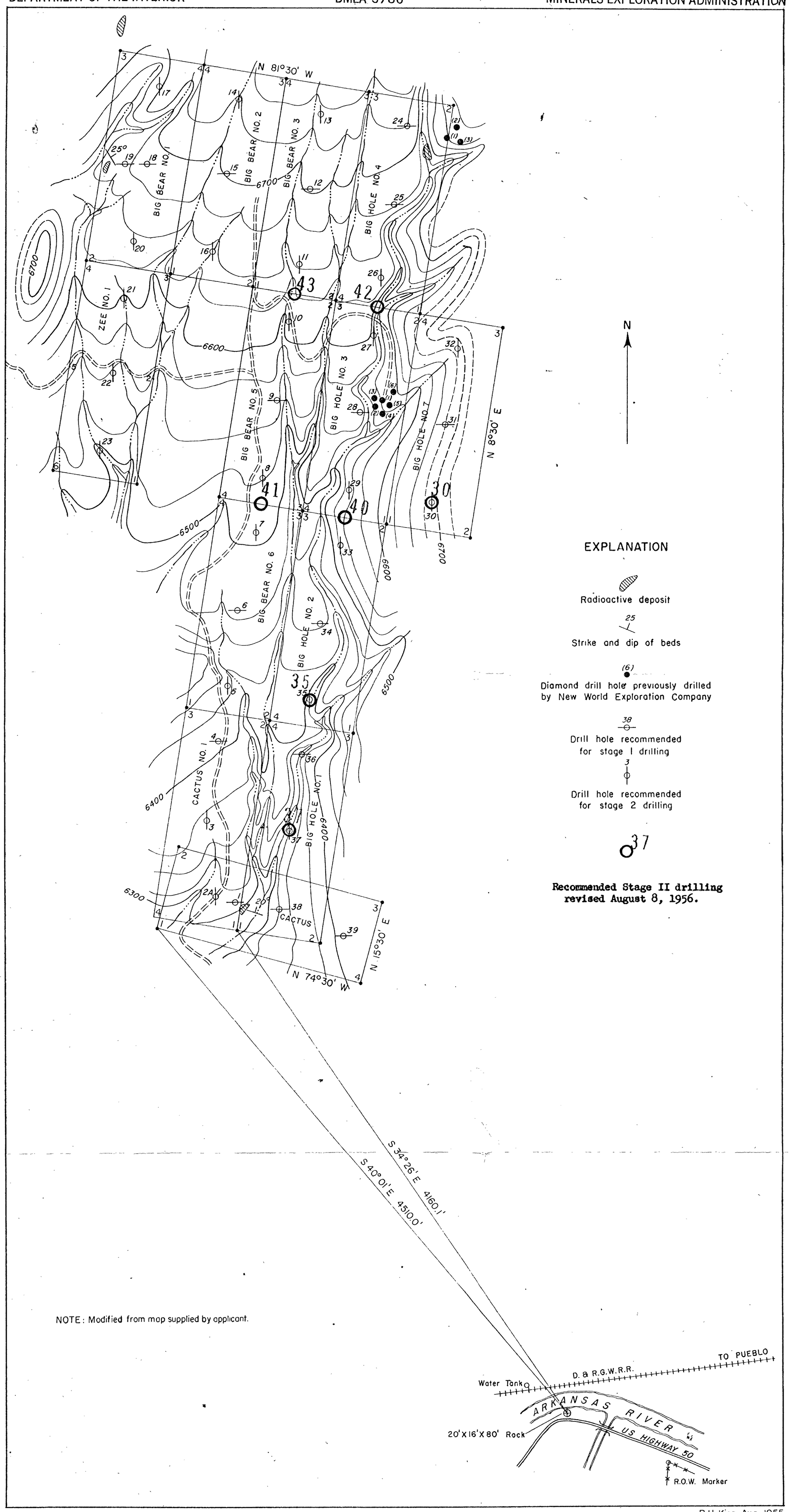
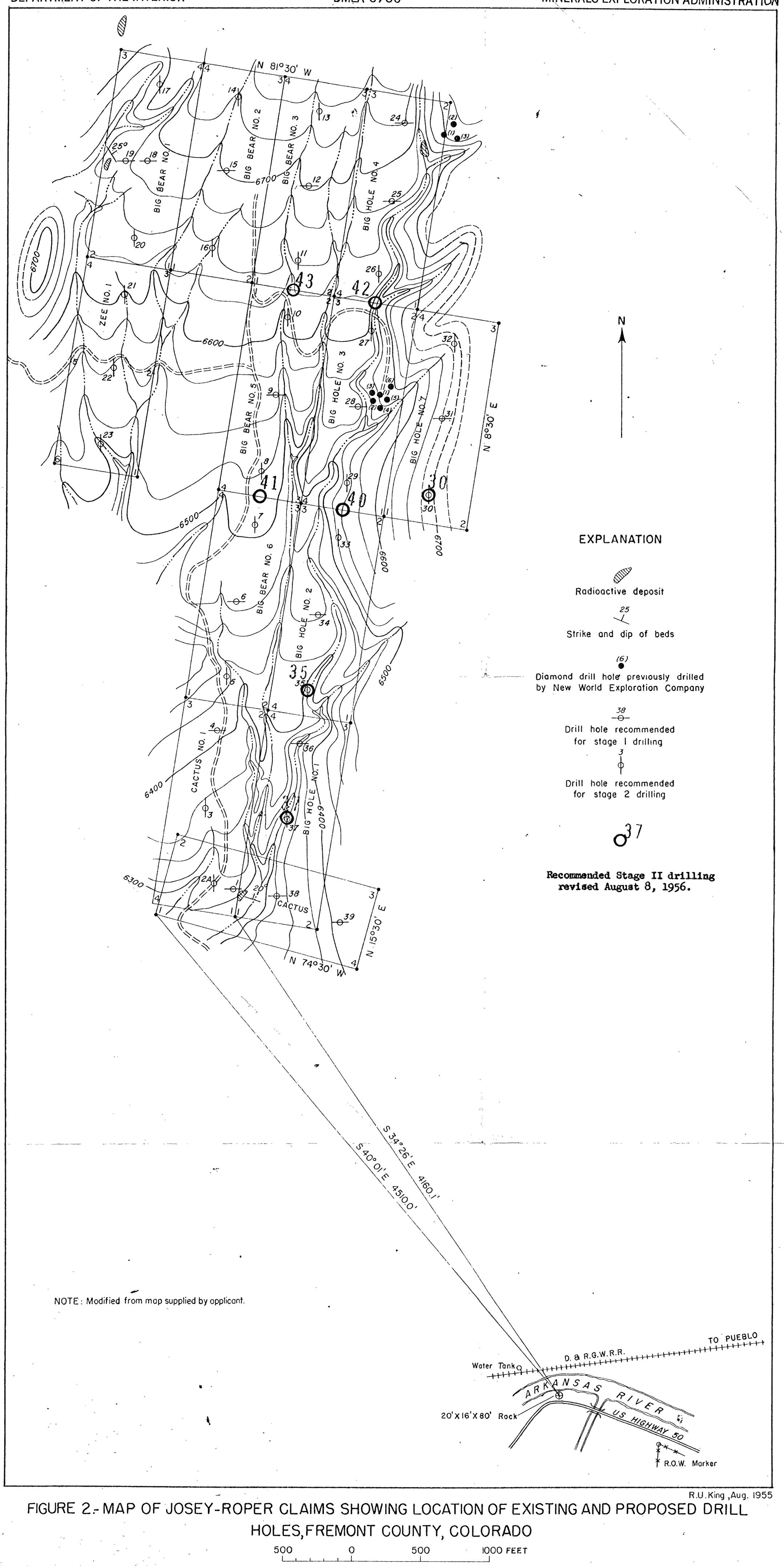


R.U. King, Aug. 1955

FIGURE 2.- MAP OF JOSEY-ROPER CLAIMS SHOWING LOCATION OF EXISTING AND PROPOSED DRILL HOLES, FREMONT COUNTY, COLORADO



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