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DMA Docket No. 3956

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To:	Rare & Misc. Mtls	Date	8/25/55
To:	USGS-W.P. Williams	Date	9/2/55
To:	Open Com	Date	9-22-55
To:	Operating Com.	Date	1-30-56
To:	F.E. Johnson	Date	1-30-56
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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JAN 30 1956

Mr. Richard R. Von Hagen, President
Lloyd Corporation, Ltd.
9441 Olympic Boulevard
Beverly Hills, California

Re: Docket No. DMEA-3956 (Uranium)
Solitaire and Jack Pot Groups
Montrose County, Colorado

Dear Mr. Von Hagen:

Your application for aid in an exploration project and other information available to us in Washington concerning your above-named property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information indicates to us that the probability of disclosing minable ore reserves is not sufficiently promising to justify Government participation. We regret to advise you that, under these circumstances, your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

W. A. Mathewson

Administrator

MChing/gla
1-30-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA Field Team, Region III (2)

RCH.

DOCKET COPY

Ching
Ellis

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

January 30, 1956

Summary of Proposed Project

Object: Denial of application for an exploration project.

Docket No. DMEA-3956

Commodity: Uranium

Applicant: Lloyd Corporation, Ltd.
9441 Olympic Boulevard
Beverly Hills, California

Property: 18 lode mining claims, Solitaire Nos. 1-10 and Jack Pot Nos. 1-8, located in Sections 14, 15, 16, 21, 22, and 23, T. 46 N., R. 18 W., N.M.P.M., Montrose County, Colorado. Applicant is the Lessee.

Date of Application: August 17, 1955

Amount of Application: $57,468.75

Work Proposed: 8,125 feet of core and non-core drilling (25 holes) on the Jack Pot Group and 7,200 feet (18 holes) on the Solitaire Group to explore the Salt Wash member of the Morrison Formation.

Total cost, 15,325 Ft. @ $3.75	$57,468.75
Government participation @ 75%	$43,101.56

Field Team Report: January 5, 1956 - Carl H. Roach, USGS
M. H. Salsbury, USBM

The Salt Wash member of the Morrison formation is present over most of the property. The uppermost series of coalescing sandstone lenses in the Salt Wash is known as the ore-bearing sandstone. Probably over 95 percent of the ore deposits in the district are restricted to this horizon.

The ore-bearing sandstone in this area is marked by its abundance of red mudstone and lack of proper thickness. No mineralization was found in the outcrops. The Geological Survey has drilled south of the

Solitaire group and the results indicate that this general area is unfavorable for the occurrence of significant ore deposits.

The Applicant believes that the lower or basal Salt Wash horizon should be favorable since the Wild Steer mine, about one mile northeast of the Jack Pot group, is in this unit. The Wild Steer mine has produced considerable vanadium ore, but the uranium content is low. Furthermore, the examiner carefully inspected all available outcrops of this horizon and found no mineralization or favorable geological criteria.

No drilling or other exploration has been done on the subject property. No ore deposits are known to exist in the immediate vicinity of the property, and its position with respect to the entire district is not favorable. No samples were taken because of the total lack of even weakly mineralized material. The change of finding significant ore deposits on the property is slight. It is recommended that the application be denied.

Commodity Group comments:

Geological Survey - W. P. Williams - January 20, 1956

Concurs with the examining team's recommendation that the application be denied.

Bureau of Mines- John E. Crawford - January 25, 1956

Discussed the report of examination with the AEC representative. Concurs in the recommendation of the Field Team that the application be denied.

Rare & Miscellaneous Metals Division - Michael Ching - January 26, 1956

The field examination was made by a single member of the field group. The Applicant presented no evidence of the presence of mineralization or favorable geological criteria on the property. Since the field examiner also failed to find any such evidence, it is concluded that a DMEA exploration project is not warranted.

Conclusions and Recommendations:

The chances of making a significant discovery on this property are poor. It is recommended that the application be denied.

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

1-25-56 Lzm

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

RECEIVED
JAN 25 1956

January 25, 1956

Memorandum

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

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

Subject: Report of Examination, DMEA Docket 3956, Lloyd Corporation Limited, Jack Pot and Solitaire claims, Montrose County, Colo.

I have reviewed the report of examination of DMEA Docket 3956, dated January 9, 1956, and received in this office January 24. I have also discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

Lloyd Corporation Limited applied for DMEA assistance to explore for uranium on the Jack Pot and Solitaire claims, Montrose County, Colo. The proposed project consists of 15,325 feet of drilling at an estimated cost of $57,468.75.

An examination made of the subject property on October 3, 1955, by DMEA personnel indicated that this general area is unfavorable for the occurrence of significant ore deposits. No mineralization was observed in all the available outcrops in the ore-bearing horizon. The examining team recommend that the application for assistance be denied.

We concur in the recommendation of the field team that the application be denied.

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

John E. Crawford

John E. Crawford

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

RECEIVED
JAN 25 1956

January 25, 1956

Memorandum

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

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

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An examination made of the subject property on October 3, 1955, by DMEA personnel indicated that this general area is unfavorable for the occurrence of significant ore deposits. No mineralization was observed in all the available outcrops in the ore-bearing horizon. The examining team recommend that the application for assistance be denied.

We concur in the recommendation of the field team that the application be denied.

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

John E. Crawford

1-20-56 dgm

IN REPLY REFER TO:

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

RECEIVED
JAN 20 1956

January 20, 1956

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 3956, Lloyd Corporation, Ltd., Jack Pot and Solitaire claims, Montrose County, Colorado.

In a report of field examination the examining geologist points out that exposures of the Salt Wash member of the Morrison formation on the property are unfavorable for the occurrence of large uranium ore bodies. The examining team thus concludes that the expenditure of an estimated total of $57,469.00 for exploration drilling on the property is not warranted.

I have no additional information materially to supplement the examination report. I concur, therefore, with the examining team's recommendation that the application for DMEA assistance be denied.

W P Williams

W. P. Williams

IN REPLY REFER TO:

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

RECEIVED
JAN 30 1956

January 20, 1956

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 3956, Lloyd Corporation, Ltd., Jack Pot and Solitaire claims, Montrose County, Colorado.

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I have no additional information materially to supplement the examination report. I concur, therefore, with the examining team's recommendation that the application for DMEA assistance be denied.

W. P. Williams

WPWilliams:iml
G-1/20/56
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641
J. O. Hosted, 3210

1-17-56

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

RECEIVED
JAN 12 1956

January 9, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Joint Report of Examination, Docket DMEA 3956 (Uranium), Lloyd Corporation Limited, Jack Pot and Solitaire claims, Montrose County, Colorado

Enclosed are the original and three copies of the Joint Report of Examination pertaining to the subject property.

The field examiners conclude that none of the Salt Wash sandstone units are favorable for ore occurrences on the property. This is substantiated by the results of the Geological Survey reconnaissance drilling nearby, and by examination of the exposed rims. It is believed that significant ore reserves are not likely to be found by the proposed exploration.

The field examiners recommend that the application be denied, and we concur in this recommendation.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer, DMEA

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
1-16-56
(date)

DMEA
Date Rec'd.

JAN 6 1956

BUREAU OF MINES
Denver, Colorado

RECEIVED
JAN 12 1956

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
January 5, 1956

Memorandum

TRANSMITTED

JAN 9 1956

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman
John F. Shaw

Subject: Report of Examination, Docket DMEA 3956, Lloyd Corporation Limited, Jack Pot and Solitaire claims, Montrose County, Colo.

Enclosed are the original and 9 copies of a joint engineering and geological report by Carl N. Roach, Geologist, and M. N. Salsbury, Mining Engineer, covering docket DMEA 3956.

Lloyd Corporation Limited applied for exploration assistance on the Jack Pot and Solitaire claims, Montrose County, Colorado. The proposed project consisted of 8,125 feet of drilling on the Jack Pot group of claims and 7,200 feet on the Solitaire group at an estimated cost of $57,468.75.

Field examination was made on October 5, 1955, by the Geological Survey member of the examining team. Reconnaissance drilling by the Geological Survey to the south of the Solitaire group indicated that this general area is unfavorable for the occurrence of significant ore deposits. All available outcrops in the ore-bearing horizon were examined and no mineralization was observed.

The examining team concluded that there is little possibility of discovering any significant ore deposits on these claims. It is recommended that this application be denied.

E. N. Harshman

E. N. Harshman
Member Field Team

John F. Shaw

John F. Shaw
Supervising Mining Engineer

APPROVED BY
DMEA OPERATING COMMITTEE
1-16-56
(date)

Enclosure
JFS:ph
cc 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Colorado Plateau District
P. O. Box 360
Grand Junction, Colorado

MINERAL DEPOSITS
DMEA
RECEIVED
DEC 23 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

December 21, 1955

Memorandum

RECEIVED
JAN 12 1956

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

From: J. William Hasler

TRANSMITTED
JAN 9 1956

Subject: DMEA docket 3956 (Uranium), Lloyd Corporation, Ltd., Jack Pot and Solitaire claims, Montrose County, Colo.

Enclosed is a joint engineering and geological report on DMEA docket 3956, Lloyd Corporation, Ltd., Jackpot and Solitaire claims, Montrose County, Colorado.

The Lloyd Corporation, Ltd., applied for DMEA assistance to explore for uranium on the Jackpot and Solitaire claims in the Bull Canyon area, Montrose County, Colorado. The application was referred to the field and an examination was made by C. H. Roach of the U. S. Geological Survey, and Mr. H. K. Thurber, Jr., representing the applicant. The field examination was made by Mr. Roach while he was in the area on other business. The engineering report was prepared at a later date from information obtained from the applicant.

The rocks in the area of the subject group of claims are sandstone and shale of Jurassic age. The ore deposits in the Bull Canyon area are found to occur both in the upper and the lower portions of the Salt Wash sandstone member of the Morrison formation of Jurassic age. The main ore-bearing sandstone, however, on the Solitaire and the Jackpot group of claims is the upper sandstone of the Salt Wash member. This sandstone unit of the Salt Wash is replete with red mudstone and is also too thin to be favorable for ore. The applicant believes that the best horizon for finding ore in the area would be the lower, or basal unit of Salt Wash member, because the Wild Steer mine, which is one mile northeast of the Jackpot group, is in the basal sandstone unit. However, all available outcrops of this lowermost portion of the Salt Wash member in the vicinity of the claims show no mineralization, and also have other characteristics unfavorable for ore deposition. It is concluded that the chances for finding any significant ore deposit on the claims is not good and it is, therefore, recommended that the application be denied. I concur with the conclusions and recommendations of the examining team.

Enclosed are the necessary maps, as well as applicant's brochure.

The Atomic Energy Commission was consulted regarding the appraisal of the Jackpot and Solitaire claims.

Reviewed by
DMEA OPERATING COMMITTEE
1-16-56
(date)

J. William Hasler
J. William Hasler,
Geologist

JWH/vll
Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED

JAN 9 1956

DMEA 3956

LLOYD CORPORATION LIMITED

JACK POT AND SOLITAIRE CLAIMS

MONTROSE COUNTY, COLORADO

Uranium

Reviewed by
DMEA OPERATING COMMITTEE
1-16-56
(date)

Joint Engineering and Geologic Report

By

Carl H. Roach, Geologist
Geological Survey

M. H. Salsbury, Mining Engineer
Bureau of Mines

January 5, 1956

DMEA 3956

RECEIVED
JAN 12 1956

LLOYD CORPORATION LIMITED
JACK POT AND SOLITAIRE CLAIMS
MONTROSE COUNTY, COLORADO

CONTENTS

Joint engineering and geologic report — Page

Introduction and summary 1
Acknowledgments 2
Location, topography and climate 2
History production and property ownership 3
Present status 4
    Exploration and development 4
    Mining and milling equipment and other facilities 4
Geology and ore deposits 4
Ore reserves 6
Proposed exploration 6
Conclusions and recommendations 7

ILLUSTRATIONS

Figure — Follows page

1. Location map, Jack Pot and Solitaire claim groups, The Lloyd Corporation, Ltd., Montrose County, Colo. DMEA 3956 2
2. Geologic map showing location of the Solitaire and Jack Pot groups of claims, Lloyd Corporation, Montrose County, Colorado, DMEA 3956 2

DMEA 3956

LLOYD CORPORATION LIMITED
JACK POT AND SOLITAIRE CLAIMS
MONTROSE COUNTY, COLORADO

INTRODUCTION AND SUMMARY

On August 22, 1955, the Lloyd Corporation, Ltd., 9441 Olympic Blvd., Beverly Hills, California, applied for Government assistance to explore for uranium ore on their leased claims north of Wild Steer Mesa and Bull Canyon, Montrose County, Colorado. The proposed project called for 8,125 feet of drilling on the Jack Pot group of claims and 7,200 feet on the Solitaire group at an estimated cost of $57,468.75. Government participation at 75 percent would be $43,101.56. A detailed cost estimate was not presented. A field examination was made on October 5, 1955, by the Geological Survey member of the examining team who was in the area on other business. H. K. Thurber, Jr., representing the applicant, was present. Because of the probable recommendation for denial on geological grounds, another visit by the Bureau of Mines representative was not considered necessary.

The entire Salt Wash member of the Jurassic Morrison formation is present over most of the property which is totally unexplored. Reconnaissance drilling by the Geological Survey to the south of the Solitaire group indicates that this general area is unfavorable for the occurrence of significant ore deposits. The main "ore-bearing sandstone", which in this case would be the topmost sandstone unit in the Salt Wash member, is marked by an abundance of red mudstone and lack of sufficient thickness to be considered favorable for an ore body. The applicant's representative believes that the best horizon for finding ore would be in the lower or basal Salt Wash horizon, basing this assumption on the fact that the

Wild Steer mine, one mile northeast of the Jack Pot group is in the basal sandstone unit. All available outcrops of this horizon in the vicinity, as well as those of the upper horizon, were examined by the DMEA geologist. There is no mineralization exposed in any of the outcrops and other characteristics are also unfavorable for ore deposition.

It is concluded that the chances for finding any significant ore deposits on the claims are slight and denial of the application under DMEA 3956 is recommended.

ACKNOWLEDGMENTS

The applicant furnished data on the property including maps showing location and proposed drilling sites, but did not present data to substantiate a conclusion that conditions were favorable geologically for ore occurrences. The Atomic Energy Commission was consulted but could not furnish any information on the area other than the results of Geological Survey drilling. This data was utilized in this examination.

LOCATION, TOPOGRAPHY AND CLIMATE

The Jack Pot and Solitaire groups of eight and ten located claims respectively are in parts of sections 14, 15, 16, 21, 22 and 23, T. 46 N., R. 18 W., New Mexico Principal Meridian (figs. 1 and 2). The two groups are not contiguous. The topography is rough and several deep canyons cross the claims but access to most of the proposed drilling would not be difficult. The maximum relief except for the canyons is about 200 feet throughout most of the claims which are at an altitude of 6,500 feet.

A good access road connects the property to Naturita, Colorado, a distance of 22 miles. Naturita is 174 miles by paved highway from Grand

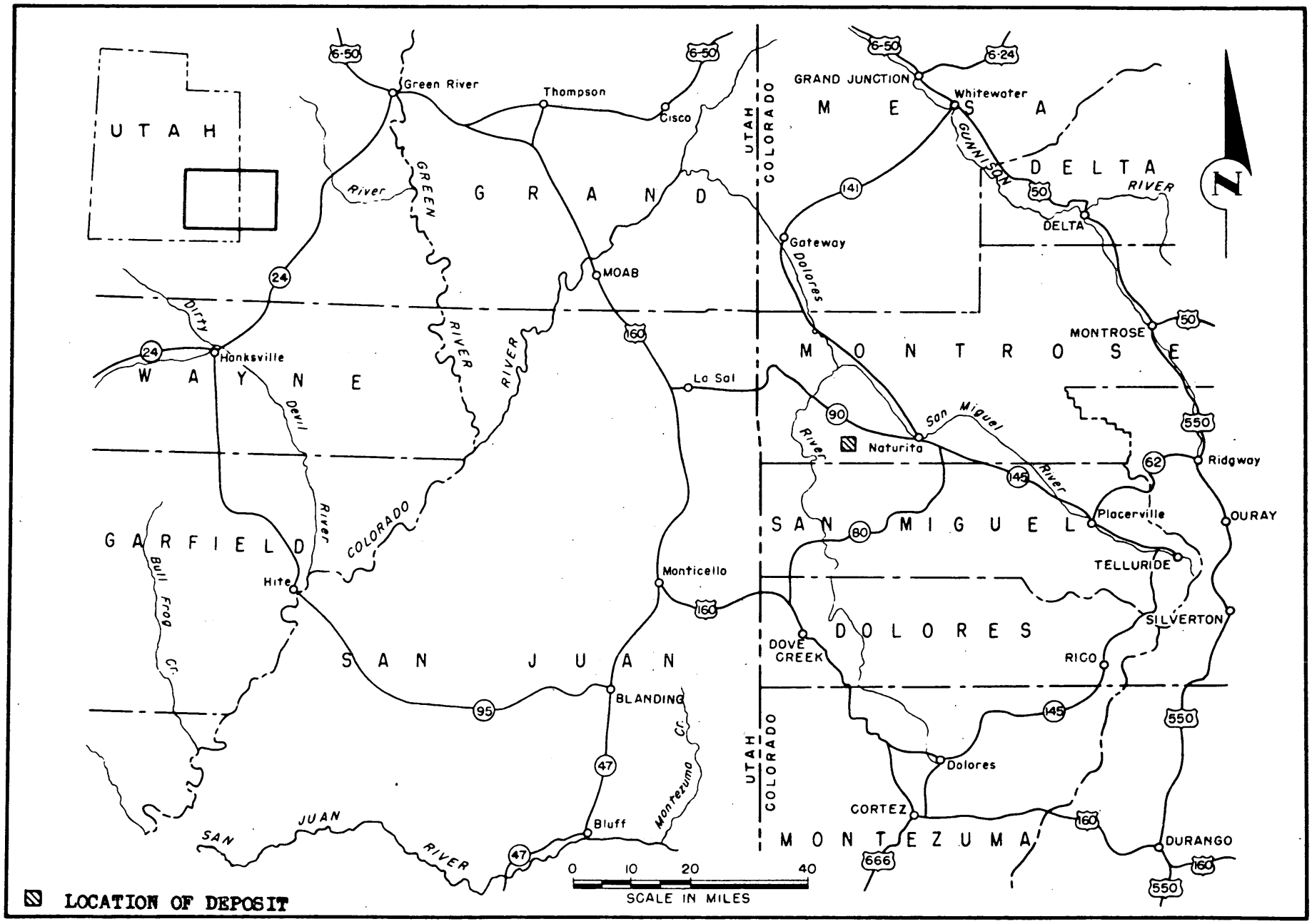
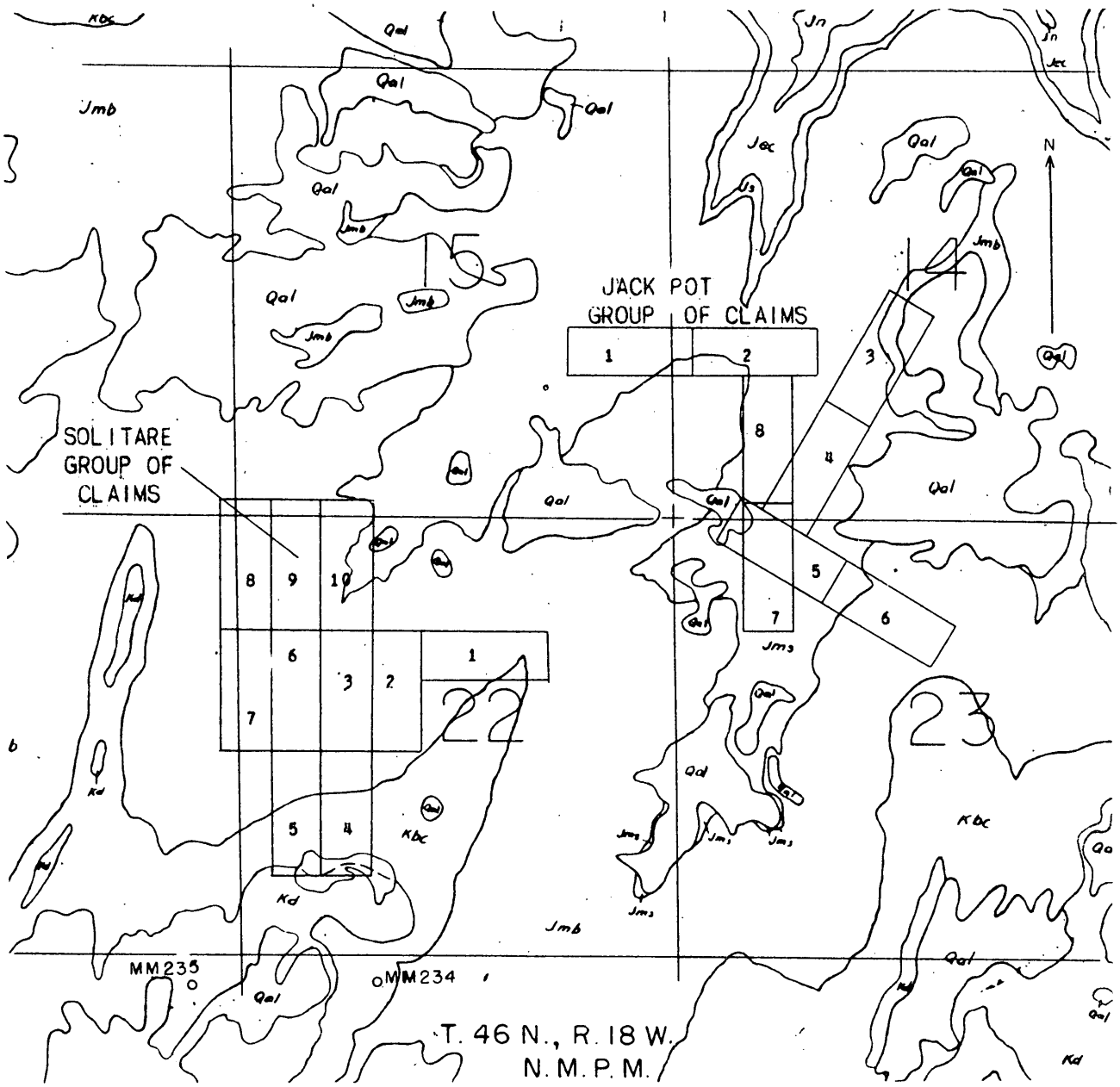


FIGURE 1 - LOCATION MAP, JACKPOT AND SOLITAIRE CLAIM GROUPS, THE LLOYD CORPORATION, LTD., MONTROSE COUNTY, COLO. DMEA 3956

RECEIVED
JAN 12 1956



Qal	QUATERNARY ALLUVIUM
Kd	CRETACEOUS DAKOTA FORMATION
Kbc	CRETACEOUS BURRO CANYON FORMATION
Jmb	BRUSHY BASIN MEMBER OF JURASSIC MORRISON FORMATION
Jms	SALT WASH MEMBER OF JURASSIC MORRISON FORMATION
Jec	JURASSIC ENTRADA SANDSTONE AND CARMEL FORMATION, UNDIVIDED
Js	JURASSIC SUMMERVILLE FORMATION
MM 235 ○ MM 234 ○	UNFAVORABLE U.S.G.S. DRILL HOLES

Note: LAND LINES AND GEOLOGY FROM U.S. GEOLOGICAL SURVEY PRELIMINARY GEOLOGIC QUADRANGLE MAP, BULL CANYON. CLAIM BOUNDARIES AND DRILL HOLES ARE APPROXIMATELY LOCATED.

2000 0 6000 FEET

FIGURE 2. GEOLOGIC MAP SHOWING LOCATION OF THE SOLITARE AND JACK POT GROUPS OF CLAIMS, LLOYD CORPORATION, MONTROSE COUNTY, COLORADO.

RECEIVED
JAN 12 1955

Junction, Colorado, the nearest major source of mining supplies. Climate, power, water, supplies, labor, transportation and marketing ore present no particular problems. The proposed exploration by drilling would be done by a contractor furnishing all labor.

HISTORY PRODUCTION AND PROPERTY OWNERSHIP

Mining operations have been carried on in the area since World War I, first for vanadium and more recently for uranium. One of the oldest mines, the Wild Steer mine, has produced considerable vanadium ore and now has substantial reserves but the uranium content is low and the mine, owned by the Vanadium Corporation of America, is not being operated. Reconnaissance drilling in the vicinity of the property, but not on it, has been carried on by the Geological Survey since 1950. However, results have been poor so far as the immediate area is concerned. Exploration of outcrops has been unproductive. The only mine of any size is the Wild Steer mine in section 13.

There have been no operations on either group of claims and consequently no production.

Both groups of claims are owned by Lowell Staats of Nucla, Colorado. The claims are recorded in book 349, pages 195-199, 251-260 and 275-276, with amended locations in book 365, pages 133-150. The application does not give the location dates, and the data in the courthouse at Montrose County has not been checked by the examining team.

The Lloyd Corporation, Ltd., has a lease from Staats running for 10 years from July 22, 1955.

PRESENT STATUS

Exploration and Development

No drilling or other exploration has been done on the property. The nearest workings of any size are at the Wild Steer mine. There are many prospect openings on rim exposures in the area but none of importance. No mineralization was observed in any outcrops on the property and the applicant reported none.

Mining and Milling Equipment and Other Facilities

There are no improvements or equipment on the property. All drilling equipment would be furnished by the contractor.

GEOLOGY AND ORE DEPOSITS

The Jack Pot and Solitaire groups of claims are located near the axis of the Dry Creek Basin Snycline, which is between the Paradox and Gypsum Valley anticlines, Montrose County, Colorado. Both groups of claims are underlain mainly by outcrops of the Jurassic Morrison formation (see fig. 2). However, small parts of the claimed area are underlain by outcrops of the Cretaceous Dakota sandstone and the Cretaceous Burro Canyon formation.

The Dakota sandstone, of early and late Cretaceous age, crops out in the vicinity of the Solitaire group of claims. It consists of fine- to coarse-grained sandstone, conglomerate, and minor amounts of gray-green mudstone. The various units are irregularly bedded, and much of the sandstone is highly cross-bedded. The true thickness of the Dakota sandstone in the Bull Canyon area is not known because the upper beds have been eroded. However, about 150 feet of Dakota sandstone remains in the area near the Solitaire group of claims.

The Burro Canyon formation of Lower Cretaceous age crops out in the vicinity of the Solitaire group of claims. It is about 150 feet thick and is composed of varying quantities of coarse-grained sandstones and green mudstones. Locally conglomerate predominates almost to the exclusion of all other lithologic types.

The Jurassic Morrison formation forms most of the outcrops on both groups of claims. The Morrison formation is composed of two members in this area: the upper Brushy Basin member and the lower Salt Wash member. The Brushy Basin member is about 400 feet thick and consists mainly of varicolored mudstones, with minor amounts of sandstone, conglomerate, and limestone.

The Salt Wash member is about 375 feet thick and consists of very irregularly bedded sandstones and mudstones. The sandstones have considerable quantities of interstitial clay, and are highly cross-bedded in places. The uppermost series of coalescing sandstone lenses in the Salt Wash member is known as the "ore-bearing sandstone" because of the great predominance of ore bodies in the district which are restricted to that horizon. Probably over 95 percent of the ore deposits in the district are restricted to this horizon.

No ore deposits are known to exist in the immediate vicinity of the Solitaire or Jack Pot groups of claims. The U. S. Geological Survey has drilled south of the Solitaire group and the results of this reconnaissance type drilling indicate that this general area is unfavorable for the occurrence of significant ore deposits. The "ore-bearing sandstone" in this area is marked by its abundance of red

mudstone and lack of proper thickness. The applicant believes his best chance of discovering ore is in the lower or basal Salt Wash horizon. This assumption is based primarily on the fact that the Wild Steer mine, about one mile northeast of the Jack Pot group, is in the basal sandstone unit. However, during the field examination of the property, all available outcrops of this horizon were examined in detail, and this horizon seems to be unfavorable for the occurrence of significant ore deposits at the depth that would have to be drilled. No outcrops could be found which showed even weak mineralization. The unfavorableness of this horizon near the claims is further indicated by the abundance of red mudstone associated with the sandstone, and the abundance of very small festoon structures which normally indicates that very small pods of ore will be found, if any.

The total lack of even weakly mineralized material on the outcrops, the unfavorable mudstones and bedding characteristics, and the general position of the two groups of claims with respect to the entire district all suggest that the chance is very slight that significant ore deposits will be discovered in the area. For these reasons, it is recommended that DMEA assistance in the proposed exploration program be denied.

ORE RESERVES

There are no ore reserves on the property. There are no mineralized outcrops on the property; no samples were taken.

PROPOSED EXPLORATION

The applicant has proposed a drilling program calling for 15,325 feet of plug-bit andcore drilling at a cost of $57,468.75. Government participation at 75 percent would be $43,101.56. A detailed plan was not presented

but a map with proposed drill sites was furnished. Twenty-five holes averaging 325 feet in depth are proposed on the Jack Pot group and 18 holes averaging 400 feet in depth on the Solitaire group. Plug-bit and core drilling footages are not segregated. The applicant proposes to drill an unspecified number of holes entirely through the Salt Wash, taking core throughout. The estimated overall cost for all types of drilling, $3.75 per foot, includes all costs and is somewhat higher than the overall cost per foot in similar executed DMEA contracts. A breakdown of costs was not presented. No cost estimate has been prepared by the examining team.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that none of the Salt Wash sandstone units are favorable for ore occurrences on the property. This is substantiated by the results of Geological Survey reconnaissance drilling nearby, and by examination of the exposed rims.

It is not believed that significant ore reserves are likely to be found by the proposed exploration.

Denial of the application for Government assisted exploration under DMEA 3956 is recommended.

1-16-56 dzm

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

RECEIVED
JAN 12 1956

January 9, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Joint Report of Examination, Docket DMEA 3956 (Uranium), Lloyd Corporation Limited, Jack Pot and Solitaire claims, Montrose County, Colorado

Enclosed are the original and three copies of the Joint Report of Examination pertaining to the subject property.

The field examiners conclude that none of the Salt Wash sandstone units are favorable for ore occurrences on the property. This is substantiated by the results of the Geological Survey reconnaissance drilling nearby, and by examination of the exposed rims. It is believed that significant ore reserves are not likely to be found by the proposed exploration.

The field examiners recommend that the application be denied, and we concur in this recommendation.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer, DMEA

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE

1-16-56
(date)

DMEA
Date Rec'd.
JAN 6 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
JAN 12 1956

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
January 5, 1956

Memorandum

TRANSMITTED
JAN 9 1956

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman
John F. Shaw

Subject: Report of Examination, Docket DMEA 3956, Lloyd Corporation Limited, Jack Pot and Solitaire claims, Montrose County, Colo.

Enclosed are the original and 9 copies of a joint engineering and geological report by Carl H. Roach, Geologist, and M. H. Salsbury, Mining Engineer, covering docket DMEA 3956.

Lloyd Corporation Limited applied for exploration assistance on the Jack Pot and Solitaire claims, Montrose County, Colorado. The proposed project consisted of 8,125 feet of drilling on the Jack Pot group of claims and 7,200 feet on the Solitaire group at an estimated cost of $57,468.75.

Field examination was made on October 5, 1955, by the Geological Survey member of the examining team. Reconnaissance drilling by the Geological Survey to the south of the Solitaire group indicated that this general area is unfavorable for the occurrence of significant ore deposits. All available outcrops in the ore-bearing horizon were examined and no mineralization was observed.

The examining team concluded that there is little possibility of discovering any significant ore deposits on these claims. It is recommended that this application be denied.

E. N. Harshman

E. N. Harshman
Member Field Team

John F. Shaw

John F. Shaw
Supervising Mining Engineer

Reviewed by
DMEA OPERATING COMMITTEE
1-16-56
(date)

Enclosure
JFS:ph
cc 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Colorado Plateau District
P. O. Box 360
Grand Junction, Colorado

MINERAL RESOURCES
RECEIVED
DEC 23 1955
U.S. GEOLOGICAL SURVEY
DENVER, COLORADO

December 21, 1955

RECEIVED
JAN 12 1956

Memorandum

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

From: J. William Hasler

TRANSMITTED
JAN 9 1956

Subject: DMEA docket 3956 (Uranium), Lloyd Corporation, Ltd., Jack Pot and Solitaire claims, Montrose County, Colo.

Enclosed is a joint engineering and geological report on DMEA docket 3956, Lloyd Corporation, Ltd., Jackpot and Solitaire claims, Montrose County, Colorado.

The Lloyd Corporation, Ltd., applied for DMEA assistance to explore for uranium on the Jackpot and Solitaire claims in the Bull Canyon area, Montrose County, Colorado. The application was referred to the field and an examination was made by C. H. Roach of the U. S. Geological Survey, and Mr. H. K. Thurber, Jr., representing the applicant. The field examination was made by Mr. Roach while he was in the area on other business. The engineering report was prepared at a later date from information obtained from the applicant.

The rocks in the area of the subject group of claims are sandstone and shale of Jurassic age. The ore deposits in the Bull Canyon area are found to occur both in the upper and the lower portions of the Salt Wash sandstone member of the Morrison formation of Jurassic age. The main ore-bearing sandstone, however, on the Solitaire and the Jackpot group of claims is the upper sandstone of the Salt Wash member. This sandstone unit of the Salt Wash is replete with red mudstone and is also too thin to be favorable for ore. The applicant believes that the best horizon for finding ore in the area would be the lower, or basal unit of Salt Wash member, because the Wild Steer mine, which is one mile northeast of the Jackpot group, is in the basal sandstone unit. However, all available outcrops of this lowermost portion of the Salt Wash member in the vicinity of the claims show no mineralization, and also have other characteristics unfavorable for ore deposition. It is concluded that the chances for finding any significant ore deposit on the claims is not good and it is, therefore, recommended that the application be denied. I concur with the conclusions and recommendations of the examining team.

Enclosed are the necessary maps, as well as applicant's brochure.

The Atomic Energy Commission was consulted regarding the appraisal of the Jackpot and Solitaire claims.

Reviewed by
DMEA OPERATING COMMITTEE
1-16-56
(date)

J. William Hasler
J. William Hasler,
Geologist

JWH/vll
Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
KROTON III

TRANSMITTED

JAN 9 1956

DMEA 3256

LLOYD CORPORATION LIMITED

JACK FOX AND SOLITAIRE CLAIMS

MONTROSE COUNTY, COLORADO

Vranium

Joint Engineering and Geologic Report

Reviewed by
DMEA OPERATING COMMITTEE
1-16-56
(date)

By

Carl H. Roach, Geologist
Geological Survey

M. K. Salsbury, Mining Engineer
Bureau of Mines

January 5, 1956

DMRA 3956

LLOYD CORPORATION LIMITED
JACK POT AND SOLITAIRE CLAIMS
MONTROSE COUNTY, COLORADO

CONTENTS

Joint engineering and geologic report — Page

Introduction and summary..... 1
Acknowledgments..... 2
Location, topography and climate..... 2
History production and property ownership..... 3
Present status..... 4
Exploration and development..... 4
Mining and milling equipment and other facilities..... 4
Geology and ore deposits..... 4
Ore reserves..... 6
Proposed exploration..... 6
Conclusions and recommendations..... 7

ILLUSTRATIONS

Figure — Follows page

1. Location map, Jack Pot and Solitaire claim groups, The Lloyd Corporation, Ltd., Montrose County, Colo. DMRA 3956..... 2
2. Geologic map showing location of the Solitaire and Jack Pot groups of claims, Lloyd Corporation, Montrose County, Colorado, DMRA 3956..... 2

DMEA 3956

LLOYD CORPORATION LIMITED
JACK POT AND SOLITAIRE CLAIMS
MONTROSE COUNTY, COLORADO

INTRODUCTION AND SUMMARY

On August 22, 1955, the Lloyd Corporation, Ltd., 9441 Olympic Blvd., Beverly Hills, California, applied for Government assistance to explore for uranium ore on their leased claims north of Wild Steer Mesa and Bull Canyon, Montrose County, Colorado. The proposed project called for 8,125 feet of drilling on the Jack Pot group of claims and 7,200 feet on the Solitaire group at an estimated cost of $57,468.75. Government participation at 75 percent would be $43,101.56. A detailed cost estimate was not presented. A field examination was made on October 5, 1955, by the Geological Survey member of the examining team who was in the area on other business. H. K. Thurber, Jr., representing the applicant, was present. Because of the probable recommendation for denial on geological grounds, another visit by the Bureau of Mines representative was not considered necessary.

The entire Salt Wash member of the Jurassic Morrison formation is present over most of the property which is totally unexplored. Reconnaissance drilling by the Geological Survey to the south of the Solitaire group indicates that this general area is unfavorable for the occurrence of significant ore deposits. The main "ore-bearing sandstone", which in this case would be the topmost sandstone unit in the Salt Wash member, is marked by an abundance of red mudstone and lack of sufficient thickness to be considered favorable for an ore body. The applicant's representative believes that the best horizon for finding ore would be in the lower or basal Salt Wash horizon, basing this assumption on the fact that the

Wild Steer mine, one mile northeast of the Jack Pot group is in the basal sandstone unit. All available outcrops of this horizon in the vicinity, as well as those of the upper horizon, were examined by the DMEA geologist. There is no mineralization exposed in any of the outcrops and other characteristics are also unfavorable for ore deposition.

It is concluded that the chances for finding any significant ore deposits on the claims are slight and denial of the application under DMEA 3996 is recommended.

ACKNOWLEDGMENTS

The applicant furnished data on the property including maps showing location and proposed drilling sites, but did not present data to substantiate a conclusion that conditions were favorable geologically for ore occurrences. The Atomic Energy Commission was consulted but could not furnish any information on the area other than the results of Geological Survey drilling. This data was utilized in this examination.

LOCATION, TOPOGRAPHY AND CLIMATE

The Jack Pot and Solitaire groups of eight and ten located claims respectively are in parts of sections 14, 15, 16, 21, 22 and 23, T. 46 N., R. 18 W., New Mexico Principal Meridian (figs. 1 and 2). The two groups are not contiguous. The topography is rough and several deep canyons cross the claims but access to most of the proposed drilling would not be difficult. The maximum relief except for the canyons is about 200 feet throughout most of the claims which are at an altitude of 6,500 feet.

A good access road connects the property to Naturita, Colorado, a distance of 22 miles. Naturita is 174 miles by paved highway from Grand

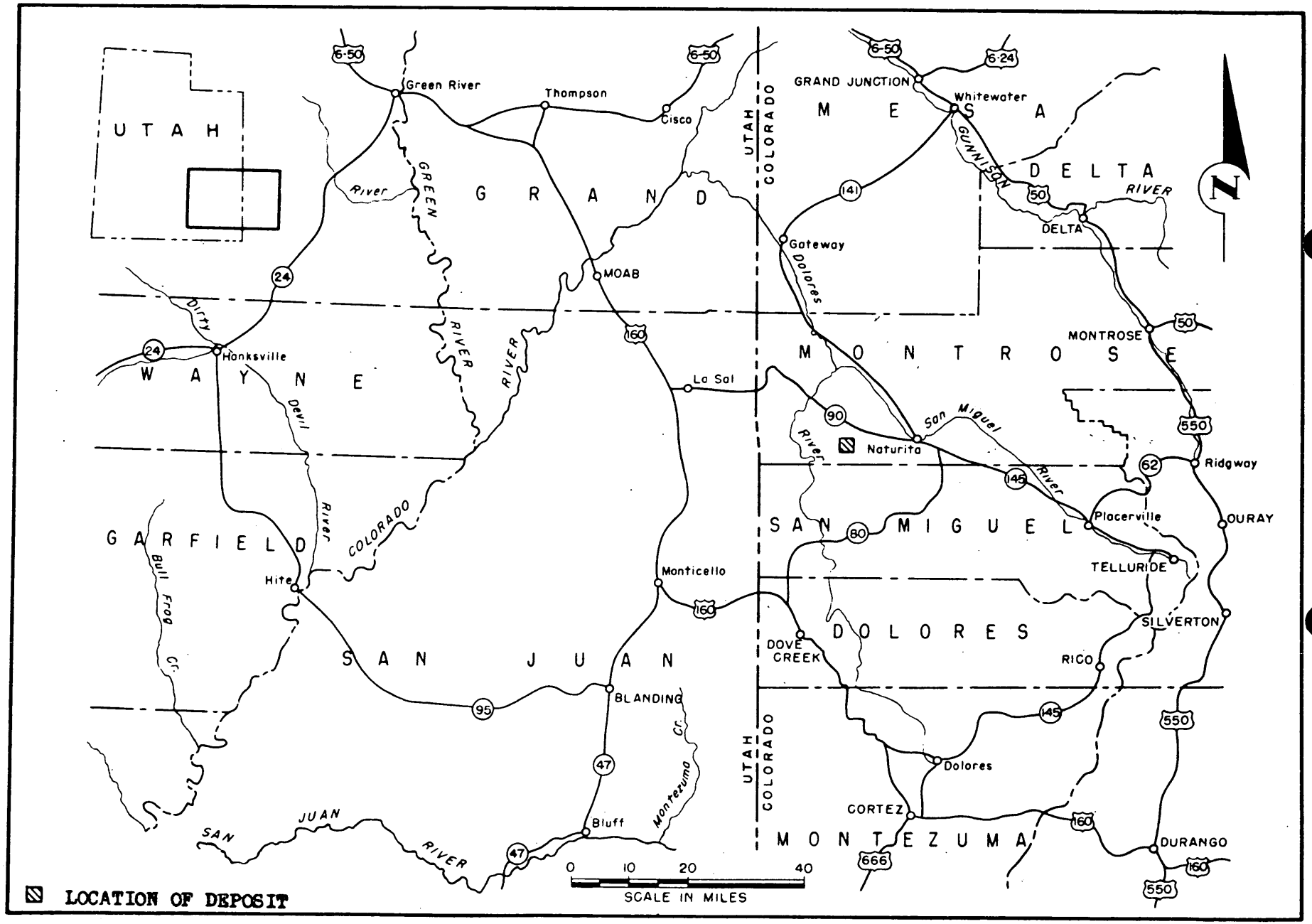
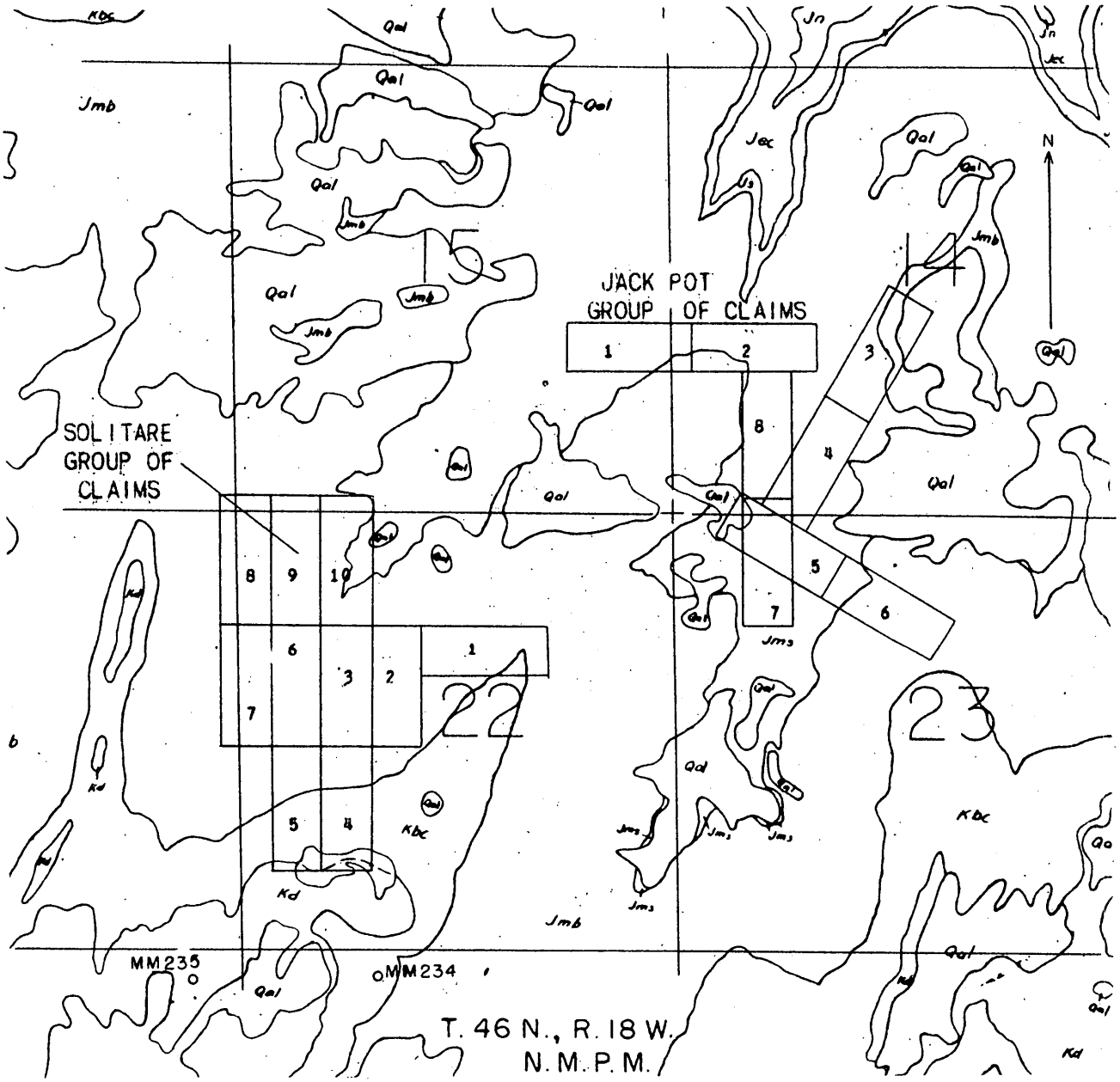


FIGURE 1 - LOCATION MAP, JACKPOT AND SOLITAIRE CLAIM GROUPS, THE LLOYD CORPORATION, LTD., MONTROSE COUNTY, COLO. DMEA 3956

RECEIVED
JAN 12 1956



Qal	QUATERNARY ALLUVIUM
Kd	CRETACEOUS DAKOTA FORMATION
Kbc	CRETACEOUS BURRO CANYON FORMATION
Jmb	BRUSHY BASIN MEMBER OF JURASSIC MORRISON FORMATION
Jms	SALT WASH MEMBER OF JURASSIC MORRISON FORMATION
Jec	JURASSIC ENTRADA SANDSTONE AND CARMEL FORMATION, UNDIVIDED
Js	JURASSIC SUMMERVILLE FORMATION
MM 235 / MM 234	UNFAVORABLE U.S.G.S. DRILL HOLES

Note: LAND LINES AND GEOLOGY FROM U.S. GEOLOGICAL SURVEY PRELIMINARY GEOLOGIC QUADRANGLE MAP, BULL CANYON. CLAIM BOUNDARIES AND DRILL HOLES ARE APPROXIMATELY LOCATED.

2000 0 6000 FEET

FIGURE 2. GEOLOGIC MAP SHOWING LOCATION OF THE SOLITARE AND JACK POT GROUPS OF CLAIMS, LLOYD CORPORATION, MONTROSE COUNTY, COLORADO.

Junction, Colorado, the nearest major source of mining supplies. Climate, power, water, supplies, labor, transportation and marketing are present no particular problems. The proposed exploration by drilling would be done by a contractor furnishing all labor.

HISTORY PRODUCTION AND PROPERTY OWNERSHIP

Mining operations have been carried on in the area since World War I, first for vanadium and more recently for uranium. One of the oldest mines, the Wild Steer mine, has produced considerable vanadium ore and now has substantial reserves but the uranium content is low and the mine, owned by the Vanadium Corporation of America, is not being operated. Reconnaissance drilling in the vicinity of the property, but not on it, has been carried on by the Geological Survey since 1950. However, results have been poor so far as the immediate area is concerned. Exploration of outcrops has been unproductive. The only mine of any size is the Wild Steer mine in section 13.

There have been no operations on either group of claims and consequently no production.

Both groups of claims are owned by Lowell Staats of Nucla, Colorado. The claims are recorded in book 349, pages 195-199, 251-260 and 275-276, with amended locations in book 365, pages 133-150. The application does not give the location dates, and the data in the courthouse at Montrose County has not been checked by the examining team.

The Lloyd Corporation, Ltd., has a lease from Staats running for 10 years from July 22, 1955.

PRESENT STATUS

Exploration and Development

No drilling or other exploration has been done on the property. The nearest workings of any size are at the Wild Steer mine. There are many prospect openings on rim exposures in the area but none of importance. No mineralization was observed in any outcrops on the property and the applicant reported none.

Mining and Milling Equipment and Other Facilities

There are no improvements or equipment on the property. All drilling equipment would be furnished by the contractor.

GEOLOGY AND ORE DEPOSITS

The Jack Pot and Solitaire groups of claims are located near the axis of the Dry Creek Basin Syncline, which is between the Paradox and Gypsum Valley anticlines, Montrose County, Colorado. Both groups of claims are underlain mainly by outcrops of the Jurassic Morrison formation (see fig. 2). However, small parts of the claimed area are underlain by outcrops of the Cretaceous Dakota sandstone and the Cretaceous Burro Canyon formation.

The Dakota sandstone, of early and late Cretaceous age, crops out in the vicinity of the Solitaire group of claims. It consists of fine- to coarse-grained sandstone, conglomerate, and minor amounts of gray-green mudstone. The various units are irregularly bedded, and much of the sandstone is highly cross-bedded. The true thickness of the Dakota sandstone in the Bull Canyon area is not known because the upper beds have been eroded. However, about 150 feet of Dakota sandstone remains in the area near the Solitaire group of claims.

The Burro Canyon formation of Lower Cretaceous age crops out in the vicinity of the Solitaire group of claims. It is about 150 feet thick and is composed of varying quantities of coarse-grained sandstones and green mudstones. Locally conglomerate predominates almost to the exclusion of all other lithologic types.

The Jurassic Morrison formation forms most of the outcrops on both groups of claims. The Morrison formation is composed of two members in this area: the upper Brushy Basin member and the lower Salt Wash member. The Brushy Basin member is about 400 feet thick and consists mainly of varicolored mudstones, with minor amounts of sandstone, conglomerate, and limestone.

The Salt Wash member is about 375 feet thick and consists of very irregularly bedded sandstones and mudstones. The sandstones have considerable quantities of interstitial clay, and are highly cross-bedded in places. The uppermost series of coalescing sandstone lenses in the Salt Wash member is known as the "ore-bearing sandstone" because of the great predominance of ore bodies in the district which are restricted to that horizon. Probably over 95 percent of the ore deposits in the district are restricted to this horizon.

No ore deposits are known to exist in the immediate vicinity of the Solitaire or Jack Pot groups of claims. The U. S. Geological Survey has drilled south of the Solitaire group and the results of this reconnaissance type drilling indicate that this general area is unfavorable for the occurrence of significant ore deposits. The "ore-bearing sandstone" in this area is marked by its abundance of red

mudstone and lack of proper thickness. The applicant believes his best chance of discovering ore is in the lower or basal Salt Wash horizon. This assumption is based primarily on the fact that the Wild Steer mine, about one mile northeast of the Jack Pot group, is in the basal sandstone unit. However, during the field examination of the property, all available outcrops of this horizon were examined in detail, and this horizon seems to be unfavorable for the occurrence of significant ore deposits at the depth that would have to be drilled. No outcrops could be found which showed even weak mineralization. The unfavorableness of this horizon near the claims is further indicated by the abundance of red mudstone associated with the sandstone, and the abundance of very small festoon structures which normally indicates that very small pods of ore will be found, if any.

The total lack of even weakly mineralized material on the outcrops, the unfavorable mudstones and bedding characteristics, and the general position of the two groups of claims with respect to the entire district all suggest that the chance is very slight that significant ore deposits will be discovered in the area. For these reasons, it is recommended that DMEA assistance in the proposed exploration program be denied.

ORE RESERVES

There are no ore reserves on the property. There are no mineralized outcrops on the property; no samples were taken.

PROPOSED EXPLORATION

The applicant has proposed a drilling program calling for 15,325 feet of plug-bit and core drilling at a cost of $57,468.75. Government participation at 75 percent would be $43,101.56. A detailed plan was not presented

but a map with proposed drill sites was furnished. Twenty-five holes averaging 325 feet in depth are proposed on the Jack Pot group and 18 holes averaging 400 feet in depth on the Solitaire group. Plug-bit and core drilling footages are not segregated. The applicant proposes to drill an unspecified number of holes entirely through the Salt Wash, taking core throughout. The estimated overall cost for all types of drilling, $3.75 per foot, includes all costs and is somewhat higher than the overall cost per foot in similar executed DMEA contracts. A breakdown of costs was not presented. No cost estimate has been prepared by the examining team.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that none of the Salt Wash sandstone units are favorable for ore occurrences on the property. This is substantiated by the results of Geological Survey reconnaissance drilling nearby, and by examination of the exposed rims.

It is not believed that significant ore reserves are likely to be found by the proposed exploration.

Denial of the application for Government assisted exploration under DMEA 3956 is recommended.

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

RECEIVED
OCT 4 1955

September 29, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. F. Shaw
J. W. Ruler

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3956 (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot claims, Montrose County, Colorado

Enclosed is a copy of the letter from the Chairman of the Operating Committee dated September 23, 1955 and enclosed memoranda from W. F. Williams and John E. Crawford concerning the subject docket.

The brochure was forwarded you August 26, 1955.

W. M. Traver

W. M. Traver

Enclosures

HMC:ab
cc: Sec. Opr. Comm. (2)
Harshman
Docket 3956
Chron.

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

RECEIVED
OCT 4 1955

September 29, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. F. Shaw
J. W. Hasler

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3956 (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot claims, Montrose County, Colorado

Enclosed is a copy of the letter from the Chairman of the Operating Committee dated September 23, 1955 and enclosed memoranda from W. P. Williams and John H. Crawford concerning the subject docket.

The brochure was forwarded you August 26, 1955.

W. M. Traver
W. M. Traver

Enclosures

HMC:ab
cc: Sec. Opr. Comm. (2)
Harshman
Docket 3956
Chron.

NORTHWEST OFFICE:
PORTLAND
OREGON

PLEASE ADDRESS
ALL COMMUNICATIONS
TO THE COMPANY

LLOYD CORPORATION, LTD.
(INCORPORATED IN CALIFORNIA)
9441 OLYMPIC BOULEVARD - CORNER BEVERLY DRIVE
BEVERLY HILLS, CALIFORNIA
TELEPHONE BRADSHAW 2-5335

September 30, 1955

RECEIVED
OCT 3 - 1955

Mr. Frank E. Johnson, Acting Administrator
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D.C.

Re: Docket No. DMEA-3956 (Uranium)
Solitare and Jack Pot Groups
Montrose County, Colorado

Dear Sir:

We are in receipt of your letter of September 23, 1955 advising us that our application for assistance by the DMEA in exploring our Solitare and Jack Pot claims, Montrose County, Colorado has been reviewed by your Rare and Miscellaneous Metals Division. We also note that the DMEA Field Team, Region III, is scheduling a field examination of our property in the near future. We are forwarding this information to our Salt Lake City office with instructions to our Mining Engineer, Mr. H. K. Thurber, Jr., to be certain to assist the members of the Field Team in any way that he can.

Yours very truly,

LLOYD CORPORATION, LTD.

Richard R. Von Hagen

Richard R. Von Hagen
President

rrvh p

Surname 700
Murphy
Ellis
Guhon
Nelson
Selfridge

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

SEP 23 1955

Lloyd Corporation, Ltd.
9441 Olympic Boulevard
Beverly Hills, California

Re: Docket No. DMEA-3956 (Uranium)
Solitaire and Jack Pot Groups
Montrose County, Colorado

Gentlemen:

The application for assistance in exploring the subject property under the captioned docket number has been reviewed by the Rare and Miscellaneous Metals Division.

The DMEA Field Team, Region III, Mr. W. M. Traver, Executive Officer, 224 New Customhouse Building, Denver, Colorado, will schedule a field examination of your property in the near future if it has not already done so.

Any assistance you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

MChing:FMurphy:am - 9-21-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5222
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA Field Team, Region III(2)

Surname 700

Murphy
Ellis
Selfridge
Johnson

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

Sep 23 1955

Mr. W. H. Traver
Executive Officer
DMEA Field Team, Region III
7th New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3956 (Uranium)
Lloyd Corporation, Ltd.
Solitaire and Jack Pot Groups
Montrose County, Colorado

Dear Mr. Traver:

This will acknowledge your memorandum dated August 26, and enclosures, relating to the subject application.

Enclosed are two copies each of memoranda from W. P. Williams, dated September 7, and John E. Crawford, dated September 16, 1955, members of the Uranium Commodity Committee.

In the event a contract is recommended a Consent to Lien by Lowell Steele will be required.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Enclosures

APPROVED:

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

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

MChing:FMurphy:am
9-21-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm.3641
T. H. Kiilsgaard, Rm.5222
J. O. Hosted, Rm.3210, GSA
Code 700
Mr. Ching

9/20/55-gla

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

RECEIVED
SEP 19 1955

September 16, 1955

Memorandum

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

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

Subject: Application for assistance, DMEA Docket 3956, Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado

I have reviewed the attached application, Lloyd Corporation, Ltd., DMEA Docket 3956; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The applicant has applied for DMEA aid to explore for uranium on two groups of claims. The program would consist of 43 holes, totaling 15,300 feet of core drilling at an estimated cost of $57,469.75.

Reasons submitted by the applicant for justification of an exploration program are the proximity of the subject claims to producing mines, and a belief that a minable uranium ore body will be found within the limits of the claims.

The Solitaire group of claims has been drilled by the U. S. Geological Survey, and the results were not too favorable with regard to discovery of uranium mineralization.

The Jack Pot group of claims lies near an area which contains small ore bodies.

This information is not very encouraging toward the expenditure of funds for exploration purposes and I am reluctant to recommend a field examination, although I note such an examination has already been requested.

James Paone
for John E. Crawford

Attachment

9/8/55 gla

IN REPLY REFER TO:

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

September 7, 1955

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of Application, DMEA Docket No. 3956, Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado.

The applicant proposes to explore for uranium in the Salt Wash member of the Morrison formation in the Bull Canyon mining district.

The application has been reviewed by USGS and USBM personnel at Grand Junction. I concur with their recommendation that the property be examined in the field. Accurate appraisal of the favorability of the Salt Wash sands in the property, the results of previous Geological Survey drilling in the vicinity, and estimation of drilling depths will best be accomplished by field examination.

WPWilliams

W. P. Williams

IN REPLY REFER TO:

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

September 7, 1955

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of Application, DMEA Docket No. 3956, Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado.

The applicant proposes to explore for uranium in the Salt Wash member of the Morrison formation in the Bull Canyon mining district.

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WPW

W. P. Williams

WPWilliams:iml
G-9/7/55
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641
J. O. Hosted, 3210

RECEIVED
SEP 2 1955

August 30, 1955

Memorandum

To: John F. Shaw

From: Superintendant, Denver Experiment Station, Reg. III

Subject: Docket DMEA 3956, (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado

The subject application in the amount of $57,468.75 is enclosed herewith. The brochure consists of:

1. Form MF-103 and accompanying answer sheets
2. Areal Geologic Map, Solitaire and Jack Pot groups
3. Claim map, Solitaire and Jack Pot claims showing the location of proposed drill holes
4. Photostat copy of Mining Lease dated July 22, 1955
5. Copy of Executive Officer's memo of transmittal to this office

A field examination and suitable report are required. The completed report should be sent directly to the Executive Officer, with a copy of the memo of transmittal to this office.

The docket number will be supplied upon receipt of notification from the Executive Officer.

W. H. KING

W. H. King

Enclosures

Copy to: E. N. Harshman
J.W. Hasler
W.M. Traver (3)

RECEIVED
SEP 1955

August 31, 1955

Memorandum

To: John F. Shaw

From: Superintendent, Denver Experiment Station, Reg. III

Subject: Docket DMEA _____, (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado

The subject application in the amount of $57,468.75 is enclosed herewith. The brochure consists of:

1. Form MF 1/3 and accompanying answer sheets
2. Areal Geologic Map, Solitaire and Jack Pot groups
3. Claim map, Solitaire and Jack Pot claims showing the location of proposed drill holes
4. Photostat copy of Mining Lease dated July 22, 1955
5. Copy of Executive Officer's memo of transmittal to this office

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The docket number will be supplied upon receipt of notification from the Executive Officer.

W. H. King

W. H. King

Enclosures

Copy to: R. W. Harshman
J.W. Hasler
W.M. Traver (3)

8/30/55 gla

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

RECEIVED
AUG 29 1955

August 26, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Field Team, Region III

Subject: DMEA Docket 3956, (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot claims, Montrose County, Colorado

Enclosed are four copies of a review of the subject application by members of the Grand Junction field office.

A field examination is recommended and the Bureau of Mines brochure is being forwarded to the engineer together with a request for a joint field examination and suitable report.

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

IN REPLY REFER TO:

DMEA,
Date Rec'd.

AUG 26 1955

BUREAU OF MINES
Denver, Colorado

August 24, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

RECEIVED
AUG 29 1955

From: D. D. Haynes, USGS
M. H. Salsbury, USBM

Through: E. N. Harshman E.N.H. Member Field Team

Subject: Application for DMEA assistance (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot claims, Montrose County, Colo.

The above-mentioned applicant has applied for a DMEA loan to explore for uranium on the subject claims in the Bull Canyon mining district, Montrose County, Colorado.

The Solitare group of claims is located in an area which has been drilled by the U. S. Geological Survey. The southernmost claims are in an area considered unfavorable for ore deposition, but the northernmost claims may have some potential.

The Jack Pot group lies within a mile of an area which contains numerous ore bodies of small tonnage but of high-grade ore. If drilling depths are not too great, a loan might be economical.

We recommend that a field examination be scheduled as soon as possible.

D. D. Haynes
D. D. Haynes,
D. D. Haynes
for M. H. Salsbury

DDH/mlr
cc: E.N. Harshman (3)

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

[illegible]

[illegible]

RECEIVED
AUG 29 1955

[illegible]

To: [illegible]

Subject: [illegible]

Enclosures: [illegible] 3956, [illegible], [illegible], [illegible], [illegible], [illegible]

[illegible] a review of the subject application of [illegible] in the [illegible] [illegible] [illegible].

[illegible] is recommended that the [illegible] be [illegible] to the [illegible] together with a request for [illegible] [illegible] [illegible].

[illegible]

W. M. [illegible]
[illegible]

E. M. [illegible]
[illegible]

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

IN REPLY REFER TO:
DMEA
Date Rec'd.
AUG 26 1955
BUREAU OF MINES
Denver, Colorado

August 24, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

RECEIVED
AUG 29 1955
E.N.H.
Member Field Team

From: D. D. Haynes, USGS
M. H. Salsbury, USBM

Through: E. N. Harshman

Subject: Application for DMEA assistance (Uranium); Lloyd Corporation, Ltd., Solitaire and Jack Pot claims, Montrose County, Colo.

The above-mentioned applicant has applied for a DMEA loan to explore for uranium on the subject claims in the Bull Canyon mining district, Montrose County, Colorado.

The Solitare group of claims is located in an area which has been drilled by the U. S. Geological Survey. The southernmost claims are in an area considered unfavorable for ore deposition, but the northernmost claims may have some potential.

The Jack Pot group lies within a mile of an area which contains numerous ore bodies of small tonnage but of high-grade ore. If drilling depths are not too great, a loan might be economical.

We recommend that a field examination be scheduled as soon as possible.

D. D. Haynes
D. D. Haynes,
D. D. Haynes
for M. H. Salsbury

DDH/mlr
cc: E.N. Harshman (8)

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

RECEIVED
AUG 29 1955

[illegible]

[illegible]
Denver 2, [illegible]

[illegible]

[illegible]

[illegible]

[illegible] 3956, [illegible]

[illegible]

[illegible]

W. M. [illegible]

HMC:ab
cc: Sec. Op. Comm. (2)
Harshman
DMEA Docket______
Chron.

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

RECEIVED
AUG 29 1955

[illegible]

[illegible]
Denver 2, Colorado

Gentlemen:

Re: [illegible]
[illegible]

Subject: [illegible]

Project: [illegible] (Uranium), [illegible] Corporation, [illegible], Solitaire and [illegible] claims, Montrose County, Colorado

[illegible] as the subject application on Document [illegible]. The [illegible] consists of:

1. [illegible] and accompanying check sheets.
2. [illegible] Geologic map, Solitaire and [illegible] Hot groups
3. [illegible], Solitaire and [illegible] Hot claims showing the location of proposed drill holes
4. [illegible] copy of mining lease dated July 26, 1955.

[illegible] examination and suitable report are requested.

W. M. Traver
[illegible]

Enclosures

HMC:ab
cc: Sec. Op. Comm. (2)
Harshman
DMEA Docket_____
Chron.

August 25, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region III.

DMEA-3956 Lloyd Corporation, Ltd.

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

cc: Hasler, Grand Junction

August 25, 1955
Subject: DMEA-3956
Re: Exploration Assistance

Lloyd Corporation, Ltd.
9441 Olympic Blvd.
Beverly Hills, California

Gentlemen:

The receipt of your application dated August 17, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3956 and referred to the Rare and Miscellaneous Metals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

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

August 23, 1955

224 New Customhouse
Denver, Colorado

Memorandum

To: J. A. Hasler

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance, (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado

Enclosed is one copy of the subject application in the amount of $57,460.75.

Please discuss this application with the Bureau of Mines representative in Grand Junction and immediately forward this office a joint memorandum of your recommendations concerning the advisability of a field examination.

You will be advised of a docket number at a later date.

W. M. Traver

Secy. Op. Com (2)

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

August 22, 1955

224 New Customhouse
Denver, Colorado

Memorandum

To: Secretary of the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance, (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado

Enclosed are two copies of the subject application.

One copy of this application has been forwarded to the Grand Junction office and a joint memorandum report has been requested concerning the advisability of a field examination.

W. M. Traver

W. M. Traver

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd.
Form Approved.
Budget Bureau No. 42-R1035.2.

AUG 22 1955

RECEIVED
AUG 25 1955
BUREAU OF MINES
Denver, Colorado

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

Not to be filled in by applicant.

Docket No. 3956
Metal or Mineral Uranium
Date Received 8-25-55
Estimated Cost $57,468.75
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Lloyd Corporation, Ltd., a Corporation, Incorporated in the state of California, and qualified to do business in the state of Colorado. 9441 Olympic Blvd., Beverly Hills, California.
(for titles, names and addresses of officers, see attached continuation sheet)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*c*) The work will start within 60 days and be completed within 20 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated Aug 17, 1956

LLOYD CORPORATION, LTD.
(Applicant)

By R. R. Von Hagen

R. R. Von Hagen, President

By David W. Yule

David W. Yule, Ass't Secretary

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

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

LLOYD CORPORATION, LTD., DMEA APPLICATION

CONTINUATION SHEET

1. Name of Applicant. --

(c) Officers of the Lloyd Corporation, Ltd. --

Richard R. Von Hagen, President
9441 Olympic Boulevard
Beverly Hills, California

David W. Yule, Treasurer and Assistant Secretary
9441 Olympic Boulevard
Beverly Hills, California

Wm. Jos. McFarland, General Counsel
9441 Olympic Boulevard
Beverly Hills, California

3. Applicant's Property Rights. --

(a) The lode claims upon which the applicant wishes to explore are the following, all located in parts of Sections 14, 15, 16, 21, 22 and 23, Township 46 North, Range 18 West, New Mexico Principal Meridian, in Montrose County, Colorado:

Claim Name	Original Location Book	Original Location Page	Amended Location Book	Amended Location Page
Solitare No. 1	349	251	365	141
Solitare No. 2	349	252	365	142
Solitare No. 3	349	253	365	143
Solitare No. 4	349	254	365	144
Solitare No. 5	349	255	365	145
Solitare No. 6	349	256	365	146
Solitare No. 7	349	257	365	147
Solitare No. 8	349	258	365	148
Solitare No. 9	349	259	365	149
Solitare No.10	349	260	365	150
Jack Pot No. 1	349	195	365	133
Jack Pot No. 2	349	196	365	134
Jack Pot No. 3	349	197	365	135
Jack Pot No. 4	349	198	365	136
Jack Pot No. 5	349	199	365	137
Jack Pot No. 6	349	275	365	138
Jack Pot No. 7	349	275	365	139
Jack Pot No. 8	349	276	365	140

The location notices for the above group of claims were amended by Lowell W. Staats under Public Law 250, 83rd Congress, Chapter 405, First Session, S1397.

(b) The groups of claims are known as the Solitare and Jack Pot Groups.

CONTINUATION SHEET

(c) The applicant controls the Solitare and Jack Pot Group of Claims under a lease with the owner, Mr. Lowell W. Staats. A copy of the lease is attached to this application.

(e) Not applicable.

(f) For the book and page numbers of the recorded location notices, see 3. (a) above.

4. Physical Description. --

(a) There are no existing mine workings on the Solitare or Jack Pot group of claims. The surface is easily accessible to passenger automobile and outcrops of the known ore horizon in the area are easily accessible on foot. The property may be examined during any season of the year inasmuch as the roads in the area are passable during any weather.

(b) There has been no production from either of the groups of claims under discussion.

(c) The area of the Solitare and Jack Pot groups of claims covers outcrops of the Salt Wash member and the Brushy Basin member of the Jurassic Morrison formation. The major production of the Bull Canyon-Monogram Mesa area has come from the various sand lenses of the Salt Wash member of the Morrison. In the Wedding Bell Mountain area of Bull Canyon which lies approximately 3½ miles directly south of the group of claims under discussion production has come from all three "rims" or individual sand lenses within the Salt Wash member. The production from the Fawn Springs Bench area is believed to come mainly from the upper horizon of the Salt Wash member, while the production of the Wild Steer Mine, which lies only 2200 feet from the northeast extremity of the Jack Pot group, has come from the bottom major sand lens of the Salt Wash member of the Morrison. Minor production has been had from discontinuous sand and conglomerate lenses in the lower part of the Brushy Basin member of the Morrison formation on a claim lying less than one mile east of the easternmost extremity of the Jack Pot No. 5 claim.

In view of the above-noted relationships of the mineralization to the various rims in the Salt Wash member and after discussion of the ore occurrence with members of the USGS working in the area, it is believed that any exploration proposed on the Solitare and Jack Pot groups of claims should attempt to find ore in all three of the major sand lenses believed to exist in the area with the main attention being paid to the topmost and bottommost rims.

The uranium mineralization observed in the Wild Steer workings and in workings on the south side of Monogram Mesa in Corral Canyon and other tributary canyons to Bull Canyon, was noted to be in more or less discontinuous lenticular masses enclosed in the sandstone lenses and generally found near the bottom of the sandstone lenses and overlying zones of alteration in the intercalated mudstones. Some of the mineralization observed in the nearby mines is associated with fossil trees and trash carbon.

CONTINUATION SHEET

The property that the applicant wishes to explore lies well within the zonal limits of the Uravan Mineral Belt, a zone statistically shown to contain more closely spaced uranium deposits than other areas. A favorable factor is believed to exist in the case of the Solitare and Jack Pot groups in the proximity of the Wild Steer Mine, a property of the Vanadium Corporation of America from which major production has come.

In view of the proximity of producing uranium mines, the apparently favorable location of the Solitare and Jack Pot groups of claims within the Uravan Mineral Belt and the existence of favorable geologic criteria within the area of the claims, the applicant wishes to explore in the belief that a minable uranium ore body willbe found within the limits of the claims.

The attached geologic map, Figure 1, shows the relationship of the claim areas to outcrops of the Salt Wash and Brushy Basin members of the Jurassic Morrison formation to the area of the claims. The topographic features are also shown on Figure 1. Figure 2, attached, is a claim map of the groups of claims properly surveyed and tied to known land survey corners by registered engineers.

The applicant has not had a geologic examination of the claims by an independent engineer but a report of such an examination exists, made by E. V. Reinhardt, consulting geologist of Grand Junction, Colorado. It is believed that some work has been done by the U. S. Geologic Survey on the area of the Wild Steer Mine and probably within the area of the claims which the applicant wishes to explore. A discussion of the geology and probable sedimentary trends within the area of the claims was had with Dr. Art Flint, in charge of the USGS work on Monogram Mesa.

(d) The Solitare and Jack Pot groups of claims are accessible during all seasons by maintained dirt roads and by unimproved roads on the property itself. The distance to Naturita, the main supply and residence point in the area, is 22 miles. The distance to the Naturita mill of the Vanadium Corporation of America, a possible market for any production of the claims, is approximately 23 miles. The distance to the Uravan mill of the United States Vanadium Corporation is approximately 32 miles.

Exploration or mining crews could be quartered in Naturita or surrounding towns. Some mining crews in the area are at present commuting each day from the Naturita-Nucla area.

(e) Any exploratory drilling done on the Solitare or Jack Pot groups of claims will be done under contract from a private drilling company. Inquiry establishes the fact that equipment and manpower for a proposed project of moderate size is available.

Water sufficient for diamond drilling on a scale proposed in this application is available from a spring on the property or may be hauled from other reservoirs and springs in the area. It is not believed that water would present a problem in any proposed program.

5. The Exploration Project. --

(b) The applicant wishes to drill approximately 8100 feet of diamond drill core hole of a minimum of AX size on the Jack Pot group of claims on a pattern approximately as shown on the attached claim map, Figure 2. The applicant further wishes to drill approximately 7200 feet of core drill hole of a minimum of AX size on the Solitare group of claims on a pattern approximating that shown on the attached claim map, Figure 2. It is proposed that some of the holes be cored their entire depth to ascertain the character of the sedimentary beds in the area and some of the holes are to be plug-bitted through those parts of the Salt Wash or Brushy Basin members of the Morrison which are not believed to be favorable. The percentage of hole to be plug-bitted and the percentage of hole to be cored can be determined after the first few holes are completed. The cores obtained from the sections of holes that are cored will be stored in cardboard or wooden core boxes and retained for geologic study and assay.

(d) The applicant, the Lloyd Corporation, Ltd., is engaged in oil production and exploration in which business the drilling of exploratory holes for geologic information and the interpretation of the results of such drilling is performed repeatedly in the normal course of business. The correct interpretation and correlation of the results of such work is of great importance. Mr. H. K. Thurber, Jr., mining engineer, a Lloyd Corporation, Ltd. employee, who is familiar with the diamond drilling projects in the Colorado Plateau area and the interpretation of the results of such drilling, will supervise the field operation. The drilling will be done by a reputable local contractor who will be instructed at the outset of the project to attempt to make the greatest core recovery practicable in those sections of the holes which are to be cored. It is believed that close supervision of the drilling contractor and the careful interpretation of the results of the drilling will lead to a successful project.

6. Estimate of Costs. --

Inasmuch as the short form contract agreement is desired by the applicant, the estimate of costs per foot are based upon the drilling contractor's bid costs plus additional costs such as sampling, handling of cores, preparation of drill sites, the salary of a sampler and necessary direct supervision and engineering, all of which are believed to be allowable project costs.

CONTINUATION SHEET

It is estimated that the average costs per foot of all the proposed holes of various depths will be $3.75 per foot. A summary of the project costs on the Solitare and Jack Pot groups of claims follows:

Jack Pot Group of Claims	
25 holes, estimated average depth 325 feet, 8125 feet total at $3.75 per foot	$30,468.75
Solitare Group of Claims	
18 holes, estimated average depth 400 feet, 7200 feet total at $3.75 per foot	27,000.00
Total cost of drilling on both groups	$57,468.75

The rest of the items under section 6 of the application are not believed applicable under the estimate of costs on short form contract.

6/WJM/gc
6/30/55

Filed for Record August 4, 1955 at 10:54 A. M.
No. 317938 Ira C. Foster, Recorder

MINING LEASE

THIS AGREEMENT OF LEASE made and entered into in duplicate as of the 22nd day of July, 1955, by and between ICEBLL [illegible] of Nucla, of the County of Montrose, State of Colorado, hereinafter called the "Lessor", and LLOYD CORPORATION, LTD., a corporation of the State of California, hereinafter called the "Lessee",

WITNESSETH:

That Lessor, in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed and by Lessee to be kept and performed, hereby grants, demises and leases to the Lessee all right, title and interest now held or hereafter acquired in and to the following described lode mining claims situated in what is commonly known as East Paradox Mining District (Unorganized) in the County of Montrose, State of Colorado. Names of said claims and the books and pages in which the location certificates and amended location certificates thereof are recorded in the office of the County Recorder of said County and State are as follows:

	Original Location Book	Original Location Page	Amended Location Book	Amended Location Page
Solitare No. 1	349	251	365	141
Solitare No. 2	349	252	365	142
Solitare No. 3	349	253	365	143
Solitare No. 4	349	254	365	144
Solitare No. 5	349	255	365	145
Solitare No. 6	349	256	365	146
Solitare No. 7	349	257	365	147
Solitare No. 8	349	258	365	148
Solitare No. 9	349	259	365	149
Solitare No. 10	349	260	365	150
Jack Pot No. 1	349	196	365	133
Jack Pot No. 2	349	196	365	134
Jack Pot No. 3	349	197	365	135
Jack Pot No. 4	349	1[illegible]	365	136
Jack Pot No. 5	349	1[illegible]	365	137
Jack Pot No. 6	349	275	365	138
Jack Pot No. 7	349	275	365	139
Jack Pot No. 8	349	276	365	140

In the event, upon surveying it appears that fractional claims have been located the same shall be relocated in the name of Lessor and shall be included in the terms and provisions of this lease.

TO HAVE AND TO HOLD unto Lessee for the term of ten (10) years from date hereof and so long thereafter as Lessee works said claims or any thereof or otherwise complies with the provisions of this lease as in this lease provided.

In consideration hereof Lessee covenants and agrees with Lessor as follows:

1. To enter upon said mining claims within thirty (30) days after date hereof and investigate the same, including the performance of engineering and geological work necessary to properly appraise and evaluate the said claims for the development of ore and the formulation of an exploration, development and mining program ~~and within sixty (60) days after entering upon said claims for the purposes aforesaid to institute exploration work upon one or more of said claims~~, and thereafter carry such work forward with due diligence in accordance with the provisions of this lease.

LGMH
Duly
LS

2. Lessee agrees that within the first fifteen month period after the commencement of exploration upon said claims as heretofore set forth, unless ore in commercial quantities is discovered prior thereto, it will drill not less than 12,000 ----------lineal feet upon one or more of said claims in an effort to discover and develop commercial uranium-vanadium ores. Lessee further agrees that for each subsequent twelve month period unless ore in commercial quantities is discovered prior thereto, it will drill not less than 12,000 lineal feet on one or more of said claims in an effort to discover and

6/WJM/ec
7/14/55

develop commercial uranium-vanadium ores unless such drilling during any of said periods is prevented by causes or conditions over which lessee has no control and which could not by reasonable diligence be prevented by it, in which event the time for performance of such drilling shall be extended until such causes and conditions shall have been overcome or removed and until the expiration of the amount of time Lessee was delayed by reason of such causes and conditions.

3. Upon the discovery of commercial uranium-vanadium ores upon said claims or any of them, to work and mine the same in accordance with approved mining methods and practices, and if such work is performed by contract, Lessee will give Lessor the first right of refusal to become the contractor.

4. To do and perform all necessary annual assessment work on all of said mining claims, and to make and file affidavits so showing, in the manner and within the time required by the statutes of the State of Colorado, and to reimburse Lessor for all his cost in performing the annual assessment work on said claims for the assessment year ending July 1, 1955, not exceeding, however, the sum of Two Thousand Dollars ($2,000.00).

5. To furnish Lessor, from time to time as compiled and prepared, copies of all maps, reports and other data resulting from the examination and investigation of said mining claims.

6. Lessee shall cause to be paid to Lessor a royalty of ten per cent (10%) of the proceeds of ores mined and sold from said mining claims, including in such percentage any ~~so-called discovery~~ initial production bonus payments paid by the Atomic Energy Commission, but less any development and haulage allowances paid by said commission. All production taxes levied and assessed against said mining claims shall

Guy
RDH
28

be paid ten per cent (10%) by Lessee and ninety per cent (90%) by Lessor.

7. Lessee shall maintain at all times from the commencement of work hereunder Workmen's Compensation Insurance covering all of its employees and shall conduct its operations so as to fully comply with the laws of the State of Colorado and all lawful regulations relating to its mining operations, and Lessee shall indemnify and save harmless Lessor from all actions and causes of action of any nature whatsoever which may arise out of its mining operations hereunder.

8. Lessee shall make available to Lessor all drilling and production records pertaining to its operations under this lease and its records of expenditures in compliance with its covenant therefor as set forth in paragraph 5, which records and accounts shall be open to the inspection of Lessor or his agent at any and all reasonable times.

9. Upon the failure of Lessee to keep and perform all of the covenants and conditions hereof, it shall be deemed to be in default hereunder, and should said default continue and not be cured for thirty (30) days after receipt from Lessor of written notice of such default specifying wherein Lessee is in default, then this lease may be terminated by Lessor, and thereupon it shall become null and void and of no further effect, and Lessee shall surrender peaceable possession of said claims and shall have no further claims against Lessor except that there shall be due and payable to Lessee any amount due it from ore mined and marketed by it which would have been payable to Lessee under the terms of this agreement had such termination not taken place provided, however, that Lessee shall have the

right to remove all of its machinery and equipment and all personal property from said mining claims for a period of sixty (60) days after such termination.

In consideration hereof, Lessor covenants and agrees with Lessee as follows:

A) That said claims are in good standing.

B) To cooperate with Lessee in the application for and the procurement of a Defense Minerals Exploration Administration loan, and to execute any papers or documents that may be necessary or appropriate in connection with the procurement of said loan.

C) That Lessee is hereby granted an option to purchase said eighteen (18) mining claims for a sum equal to thirty-three and one-third per cent (33-1/3%) of the appraised value of the ore in place on said claims. Said appraised value shall be determined by two fit and impartial appraisers, one selected by Lessor and one selected by Lessee. In the event such two appraisers are unable to agree upon the value of said ore, they shall select a third fit and impartial appraiser, and the determination of the majority of the three shall be controlling. Said option shall be exercisable at any time during the existence of the above lease by written notice thereof mailed to Lessor at Nucla, Colorado or such other address as Lessor may from time to time direct and by depositing the net amount of said purchase price in escrow with appropriate instructions in the Montrose National Bank at Montrose, Colorado.

It is understood and agreed, notwithstanding the other provisions of this lease, that Lessee may at any time release and

6/WJM/ge
7/20/55

quitclaim this lease to Lessor and thereupon Lessee shall be released from all further obligations hereunder.

Each of the terms conditions and stipulations herein contained shall inure to and be binding upon the heirs, personal representatives and assigns of Lessor and the successors and assigns of Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have caused this lease to be duly executed the day and year first above written.

/s/ Lowell Staats
Lowell Staats

LESSOR

LLOYD CORPORATION, LTD.
a California corporation

Corporate Seal

By Richard R. Von Hagen
President

By David W. Yule
Assistant Secretary

LESSEE

6/WJM/gc
6/30/55

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 22nd day of July, 1955, before me, Gladys I. Hodgkinson, a Notary Public in and for the County of Los Angeles, State of California, residing therein, duly commissioned and sworn, personally appeared LOWELL STAATS, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notarial Seal

Gladys I. Hodgkinson
Notary Public in and for
said County and State

My Commission Expires: Feb. 17, 1959

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 22nd day of July, 1955, before me, Gladys I. Hodgkinson, a Notary Public in and for said County and State, personally appeared RICHARD K. VON HAGEN, known to me to be the President, and DAVID W. YULE, known to me to be the Assistant Secretary, of LLOYD CORPORATION, LTD., the Corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.

WITNESS my hand and official seal.

Notarial Seal

Gladys I. Hodgkinson
Notary Public in and for
said County and State

My Commission Expires Feb. 17, 1959

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

August 26, 1955

204 New Customhouse
Denver 2, Colorado

Memorandum

RECEIVED
AUG 29 1955

To: Chairman of the Operating Committee

From: Field Team, Region III

Subject: DMEA Docket 3956, (Grandum), Bloyd Corporation, Ltd., Solitaire and Jack Pot claims, Montrose County, Colorado

Enclosed are four copies of a review of the subject application by members of the Grand Junction field office.

A field examination is recommended and the Bureau of Mines brochure is being forwarded to the engineer together with a request for a joint field examination and suitable report.

DMEA Field Team, Region III

W. M. Weaver
W. M. Weaver

E. M. Hendrickson
E. M. Hendrickson

Enclosures

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Date Rec'd.

AUG 26 1955

BUREAU OF MINES
Denver, Colorado

August 24, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

RECEIVED
AUG 29 1955

From: D. D. Haynes, USGS
M. H. Salsbury, USBM

Through: E. N. Harshman, E.N.H. Member Field Team

Subject: Application for DMEA assistance (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot claims, Montrose County, Colo.

The above-mentioned applicant has applied for a DMEA loan to explore for uranium on the subject claims in the Bull Canyon mining district, Montrose County, Colorado.

The Solitare group of claims is located in an area which has been drilled by the U. S. Geological Survey. The southernmost claims are in an area considered unfavorable for ore deposition, but the northernmost claims may have some potential.

The Jack Pot group lies within a mile of an area which contains numerous ore bodies of small tonnage but of high-grade ore. If drilling depths are not too great, a loan might be economical.

We recommend that a field examination be scheduled as soon as possible.

D. D. Haynes
D. D. Haynes,
D. D. Haynes
for M. H. Salsbury

DDH/mlr
cc: E.N. Harshman (3)

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

August 22, 1955

224 New Customhouse
Denver, Colorado

Memorandum

To: Secretary of the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance, (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado

Enclosed are two copies of the subject application.

One copy of this application has been forwarded to the Grand Junction office and a joint memorandum report has been requested concerning the advisability of a field examination.

W. M. Traver

W. M. Traver

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

August 23, 1955

224 New Customhouse
Denver, Colorado

Memorandum

To: J. W. Hasler

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance, (Uranium), Lloyd Corporation, Ltd., Solitaire and Jack Pot Claims, Montrose County, Colorado

Enclosed is one copy of the subject application in the amount of $57,468.75.

Please discuss this application with the Bureau of Mines representative in Grand Junction and immediately forward this office a joint memorandum of your recommendations concerning the advisability of a field examination.

You will be advised of a docket number at a later date.

W. M. Traver

W. M. Traver

Sec. Op. Com. (2)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Date Rec'd
RECEIVED AUG 23 1955
AUG 25 1955
BUREAU OF MINES, Denver, Colorado

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

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

Not to be filled in by applicant

Docket No. 3956
Metal or Mineral Uranium
Date Received 8.25.55
Estimated Cost $ 57,468.75
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Lloyd Corporation, Ltd., a Corporation, Incorporated in the state of California, and qualified to do business in the state of Colorado. 9441 Olympic Blvd., Beverly Hills, California.
(for titles, names and addresses of officers, see attached continuation sheet)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*c*) The work will start within 60 days and be completed within 20 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated Aug 17, 1955

LLOYD CORPORATION, LTD.
(Applicant)

By Roland R Von Hagen
R. R. Von Hagen, President

By David W. Yule
David W. Yule, Ass't Secretary

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

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

LLOYD CORPORATION, LTD., DMEA APPLICATION

CONTINUATION SHEET

1. Name of Applicant. --

(c) Officers of the Lloyd Corporation, Ltd. --

Richard R. Von Hagen, President
9441 Olympic Boulevard
Beverly Hills, California

David W. Yule, Treasurer and Assistant Secretary
9441 Olympic Boulevard
Beverly Hills, California

Wm. Jos. McFarland, General Counsel
9441 Olympic Boulevard
Beverly Hills, California

3. Applicant's Property Rights. --

(a) The lode claims upon which the applicant wishes to explore are the following, all located in parts of Sections 14, 15, 16, 21, 22 and 23, Township 46 North, Range 18 West, New Mexico Principal Meridian, in Montrose County, Colorado:

Claim Name	Original Location Book	Original Location Page	Amended Location Book	Amended Location Page
Solitare No. 1	349	251	365	141
Solitare No. 2	349	252	365	142
Solitare No. 3	349	253	365	143
Solitare No. 4	349	254	365	144
Solitare No. 5	349	255	365	145
Solitare No. 6	349	256	365	146
Solitare No. 7	349	257	365	147
Solitare No. 8	349	258	365	148
Solitare No. 9	349	259	365	149
Solitare No.10	349	260	365	150
Jack Pot No. 1	349	195	365	133
Jack Pot No. 2	349	196	365	134
Jack Pot No. 3	349	197	365	135
Jack Pot No. 4	349	198	365	136
Jack Pot No. 5	349	199	365	137
Jack Pot No. 6	349	275	365	138
Jack Pot No. 7	349	275	365	139
Jack Pot No. 8	349	276	365	140

The location notices for the above group of claims were amended by Lowell W. Staats under Public Law 250, 83rd Congress, Chapter 405, First Session, S1397.

(b) The groups of claims are known as the Solitare and Jack Pot Groups.

(c) The applicant controls the Solitare and Jack Pot Group of Claims under a lease with the owner, Mr. Lowell W. Staats. A copy of the lease is attached to this application.

(e) Not applicable.

(f) For the book and page numbers of the recorded location notices, see 3. (a) above.

4. Physical Description. --

(a) There are no existing mine workings on the Solitare or Jack Pot group of claims. The surface is easily accessible to passenger automobile and outcrops of the known ore horizon in the area are easily accessible on foot. The property may be examined during any season of the year inasmuch as the roads in the area are passable during any weather.

(b) There has been no production from either of the groups of claims under discussion.

(c) The area of the Solitare and Jack Pot groups of claims covers outcrops of the Salt Wash member and the Brushy Basin member of the Jurassic Morrison formation. The major production of the Bull Canyon-Monogram Mesa area has come from the various sand lenses of the Salt Wash member of the Morrison. In the Wedding Bell Mountain area of Bull Canyon which lies approximately 3½ miles directly south of the group of claims under discussion production has come from all three "rims" or individual sand lenses within the Salt Wash member. The production from the Fawn Springs Bench area is believed to come mainly from the upper horizon of the Salt Wash member, while the production of the Wild Steer Mine, which lies only 2200 feet from the northeast extremity of the Jack Pot group, has come from the bottom major sand lens of the Salt Wash member of the Morrison. Minor production has been had from discontinuous sand and conglomerate lenses in the lower part of the Brushy Basin member of the Morrison formation on a claim lying less than one mile east of the easternmost extremity of the Jack Pot No. 5 claim.

In view of the above-noted relationships of the mineralization to the various rims in the Salt Wash member and after discussion of the ore occurrence with members of the USGS working in the area, it is believed that any exploration proposed on the Solitare and Jack Pot groups of claims should attempt to find ore in all three of the major sand lenses believed to exist in the area with the main attention being paid to the topmost and bottommost rims.

The uranium mineralization observed in the Wild Steer workings and in workings on the south side of Monogram Mesa in Corral Canyon and other tributary canyons to Bull Canyon, was noted to be in more or less discontinuous lenticular masses enclosed in the sandstone lenses and generally found near the bottom of the sandstone lenses and overlying zones of alteration in the intercalated mudstones. Some of the mineralization observed in the nearby mines is associated with fossil trees and trash carbon.

CONTINUATION SHEET

The property that the applicant wishes to explore lies well within the zonal limits of the Uravan Mineral Belt, a zone statistically shown to contain more closely spaced uranium deposits than other areas. A favorable factor is believed to exist in the case of the Solitare and Jack Pot groups in the proximity of the Wild Steer Mine, a property of the Vanadium Corporation of America from which major production has come.

In view of the proximity of producing uranium mines, the apparently favorable location of the Solitare and Jack Pot groups of claims within the Uravan Mineral Belt and the existence of favorable geologic criteria within the area of the claims, the applicant wishes to explore in the belief that a minable uranium ore body willbe found within the limits of the claims.

The attached geologic map, Figure 1, shows the relationship of the claim areas to outcrops of the Salt Wash and Brushy Basin members of the Jurassic Morrison Formation to the area of the claims. The topographic features are also shown on Figure 1. Figure 2, attached, is a claim map of the groups of claims properly surveyed and tied to known land survey corners by registered engineers.

The applicant has not had a geologic examination of the claims by an independent engineer but a report of such an examination exists, made by E. F. Reinhardt, consulting geologist of Grand Junction, Colorado. It is believed that some work has been done by the U. S. Geologic Survey on the area of the Wild Steer Mine and probably within the area of the claims which the applicant wishes to explore. A discussion of the geology and probable sedimentary trends within the area of the claims was had with Dr. Art Flint, in charge of the USGS work on Monogram Mesa.

(d) The Solitare and Jack Pot groups of claims are accessible during all seasons by maintained dirt roads and by unimproved roads on the property itself. The distance to Naturita, the main supply and residence point in the area, is 22 miles. The distance to the Naturita mill of the Vanadium Corporation of America, a possible market for any production of the claims, is approximately 23 miles. The distance to the Uravan mill of the United States Vanadium Corporation is approximately 32 miles.

Exploration or mining crews could be quartered in Naturita or surrounding towns. Some mining crews in the area are at present commuting each day from the Naturita-Nucla area.

(e) Any exploratory drilling done on the Solitare or Jack Pot groups of claims will be done under contract from a private drilling company. Inquiry establishes the fact that equipment and manpower for a proposed project of moderate size is available.

Water sufficient for diamond drilling on a scale proposed in this application is available from a spring on the property or may be hauled from other reservoirs and springs in the area. It is not believed that water would present a problem in any proposed program.

5. The Exploration Project. --

(b) The applicant wishes to drill approximately 8100 feet of diamond drill core hole of a minimum of AX size on the Jack Pot group of claims on a pattern approximately as shown on the attached claim map, Figure 2. The applicant further wishes to drill approximately 7200 feet of core drill hole of a minimum of AX size on the Solitare group of claims on a pattern approximating that shown on the attached claim map, Figure 2. It is proposed that some of the holes be cored their entire depth to ascertain the character of the sedimentary beds in the area and some of the holes are to be plug-bitted through those parts of the Salt Wash or Brushy Basin members of the Morrison which are not believed to be favorable. The percentage of hole to be plug-bitted and the percentage of hole to be cored can be determined after the first few holes are completed. The cores obtained from the sections of holes that are cored will be stored in cardboard or wooden core boxes and retained for geologic study and assay.

(d) The applicant, the Lloyd Corporation, Ltd., is engaged in oil production and exploration in which business the drilling of exploratory holes for geologic information and the interpretation of the results of such drilling is performed repeatedly in the normal course of business. The correct interpretation and correlation of the results of such work is of great importance. Mr. H. K. Thurber, Jr., mining engineer, a Lloyd Corporation, Ltd. employee, who is familiar with the diamond drilling projects in the Colorado Plateau area and the interpretation of the results of such drilling, will supervise the field operation. The drilling will be done by a reputable local contractor who will be instructed at the outset of the project to attempt to make the greatest core recovery practicable in those sections of the holes which are to be cored. It is believed that close supervision of the drilling contractor and the careful interpretation of the results of the drilling will lead to a successful project.

6. Estimate of Costs. --

Inasmuch as the short form contract agreement is desired by the applicant, the estimate of costs per foot are based upon the drilling contractor's bid costs plus additional costs such as sampling, handling of cores, preparation of drill sites, the salary of a sampler and necessary direct supervision and engineering, all of which are believed to be allowable project costs.

CONTINUATION SHEET

It is estimated that the average costs per foot of all the proposed holes of various depths will be $3.75 per foot. A summary of the project costs on the Solitare and Jack Pot groups of claims follows:

Jack Pot Group of Claims	
25 holes, estimated average depth 325 feet, 8125 feet total at $3.75 per foot	$30,468.75
Solitare Group of Claims	
18 holes, estimated average depth 400 feet, 7200 feet total at $3.75 per foot	27,000.00
Total cost of drilling on both groups	$57,468.75

The rest of the items under section 6 of the application are not believed applicable under the estimate of costs on short form contract.

6/WJM/gc
6/30/55

Filed for Record August 4, 1955 at 10:54 A. M.
No. 317938 Ira C. Foster, Recorder

MINING LEASE

THIS AGREEMENT OF LEASE made and entered into in duplicate as of the 22nd day of July, 1955, by and between LOWELL [illegible] of Nucla, of the County of Montrose State of Colorado, hereinafter called the "Lessor", and LLOYD CORPORATION, LTD., a corporation of the State of California, hereinafter called the "Lessee",

WITNESSETH:

That Lessor in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed and by Lessee to be kept and performed hereby grants, demises and leases to the Lessee all right, title and interest now held or hereafter acquired by Lessor in the following described lode mining claims situated in what is commonly known as East Paradox Mining District (Unorganized) in the County of Montrose State of Colorado. Names of said claims and the book and pages in which the location certificates and amended location certificates thereof are recorded in the Office of the County Recorder of said County and State are as follows:

	Original Location Book	Original Location Page	Amended Location Book	Amended Location Page
Solitare No. 1	349	251	365	141
Solitare No. 2	349	252	365	142
Solitare No. 3	349	253	365	143
Solitare No. 4	349	254	365	144
Solitare No. 5	349	255	365	145
Solitare No. 6	349	256	365	146
Solitare No. 7	349	257	365	147
Solitare No. 8	349	258	365	148
Solitare No. 9	349	259	365	149
Solitare No. 10	349	260	365	150
Jack Pot No. 1	349	195	365	133
Jack Pot No. 2	349	196	365	134
Jack Pot No. 3	349	197	365	135
Jack Pot No. 4	349	198	365	136
Jack Pot No. 5	349	199	365	137
Jack Pot No. 6	349	275	365	138
Jack Pot No. 7	349	276	365	139
Jack Pot No. 8	349	277	365	140

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AUG 25 1956

In the event, upon surveying it appears that fractional claims have been located the same shall be relocated in the name of Lessor and shall be included in the terms and provisions of this lease.

TO HAVE AND TO HOLD unto Lessee for the term of ten (10) years from date hereof and so long thereafter as Lessee works said claims or any thereof or otherwise complies with the provisions of this lease as in this lease provided.

In consideration hereof Lessee covenants and agrees with Lessor as follows:

1. To enter upon said mining claims within thirty (30) days after date hereof and investigate the same, including the performance of engineering and geological work necessary to properly appraise and evaluate the said claims for the development of ore and the formulation of an exploration, development and mining program ~~and within sixty (60) days after entering upon said claims for the purposes aforesaid to institute exploration work upon one or more of said claims~~, and thereafter carry such work forward with due diligence in accordance with the provisions of this lease.

RPMH
Duly
LS

2. Lessee agrees that within the first fifteen month period after the commencement of exploration upon said claims as heretofore set forth, unless ore in commercial quantities is discovered prior thereto, it will drill not less than 12,000 ----------lineal feet upon one or more of said claims in an effort to discover and develop commercial uranium-vanadium ores. Lessee further agrees that for each subsequent twelve month period unless ore in commercial quantities is discovered prior thereto, it will drill not less than 12,000 lineal feet on one or more of said claims in an effort to discover and

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develop commercial uranium-vanadium ores unless such drilling during any of said periods is prevented by causes or conditions over which Lessee has no control and which could not by reasonable diligence be prevented by it, in which event the time for performance of such drilling shall be extended until such causes and conditions shall have been overcome or removed and until the expiration of the amount of time Lessee was delayed by reason of such causes and conditions.

3. Upon the discovery of commercial uranium-vanadium ores upon said claims or any of them, to work and mine the same in accordance with approved mining methods and practices, and if such work is performed by contract, Lessee will give Lessor the first right of refusal to become the contractor.

4. To do and perform all necessary annual assessment work on all of said mining claims, and to make and file affidavits so showing, in the manner and within the time required by the statutes of the State of Colorado, and to reimburse Lessor for all his cost in performing the annual assessment work on said claims for the assessment year ending July 1, 1955, not exceeding, however, the sum of Two Thousand Dollars ($2,000.00).

5. To furnish Lessor, from time to time as compiled and prepared, copies of all maps, reports and other data resulting from the examination and investigation of said mining claims.

6. Lessee shall cause to be paid to Lessor a royalty of ten per cent (10%) of the proceeds of ores mined and sold from said mining claims, including in such percentage any ~~so-called discovery~~ initial production bonus payments paid by the Atomic Energy Commission, but less any development and haulage allowances paid by said commission. All production taxes levied and assessed against said mining claims shall

Guy
Smith
LS

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be paid ten per cent (10%) by Lessee and ninety per cent (90%) by Lessor.

7. Lessee shall maintain at all times from the commencement of work hereunder Workmen's Compensation Insurance covering all of its employees and shall conduct its operations so as to fully comply with the laws of the State of Colorado and all lawful regulations relating to its mining operations, and Lessee shall indemnify and save harmless Lessor from all actions and causes of action of any nature whatsoever which may arise out of its mining operations hereunder.

8. Lessee shall make available to Lessor all drilling and [illegible] in its operations under this lease and [illegible] operations to conformance with [illegible] [illegible]

RECEIVED
AUG 25 1955

right to remove all of its machinery and equipment and all personal property from said mining claims for a period of sixty (60) days after such termination.

In consideration hereof, Lessor covenants and agrees with Lessee as follows:

A) That said claims are in good standing.

B) To cooperate with Lessee in the application for and the procurement of a Defense Minerals Exploration Administration loan, and to execute any papers or documents that may be necessary or appropriate in connection with the procurement of said loan.

C) That Lessee is hereby granted an option to purchase said eighteen (18) mining claims for a sum equal to thirty-three and one-third per cent (33-1/3%) of the appraised value of the ore in place on said claims. Said appraised value shall be determined by two fit and impartial appraisers, one selected by Lessor and one selected by Lessee. In the event such two appraisers are unable to agree upon the value of said ore, they shall select a third fit and impartial appraiser, and the determination of the majority of the three shall be controlling. Said option shall be exercisable at any time during the existence of the above lease by written notice thereof mailed to Lessor at Nucla, Colorado or such other address as Lessor may from time to time direct and by depositing the full amount of said purchase price in escrow with appropriate instructions in the Montrose National Bank at Montrose, Colorado.

It is understood and agreed, notwithstanding the other provisions of this lease, that Lessee may at any time release and

surrender this lease to Lessor and thereupon Lessee shall be released from all further obligations hereunder.

Each of the terms conditions and stipulations herein contained shall inure to and be binding upon the heirs personal representatives and assigns of Lessor and the successors and assigns of Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have caused this lease to be duly executed the day and year first above written.

/s/ Lowell Staats
Lowell Staats

LESSOR

LLOYD CORPORATION, LTD.
a California corporation

By Richard R. Von Hagen
President

Corporate Seal

By David W. Yule
Assistant Secretary

LESSEE

RECEIVED
AUG 3 0 1955

6/WJM/ec
6/30/55

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 22nd day of July, 1955, before me, Gladys I. Hodgkinson, a Notary Public in and for the County of Los Angeles, State of California, residing therein, duly commissioned and sworn, personally appeared LOWELL STAATS, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notarial Seal

Gladys I. Hodgkinson
Notary Public in and for
said County and State

My Commission Expires: Feb. 17, 1959

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 22nd day of July, 1955, before me, Gladys I. Hodgkinson, a Notary Public in and for said County and State, personally appeared RICHARD R. VON HAGEN, known to me to be the President, and DAVID A. YULE, known to me to be the Assistant Secretary, of LLOYD CORPORATION, LTD., the Corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.

WITNESS my hand and official seal.

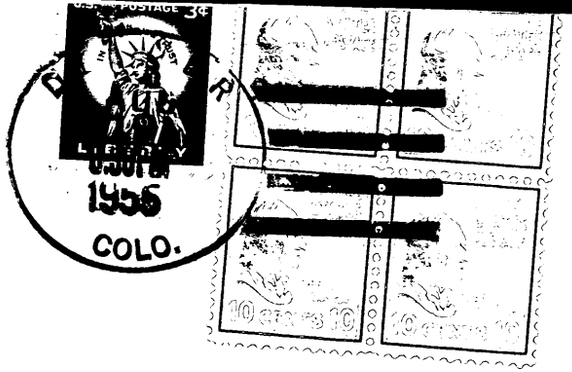
Notarial Seal

Gladys I. Hodgkinson
Notary Public in and for
said County and State

My Commission Expires Feb. 17, 1959

RECEIVED
AUG 25 1955

W. M. TRAVER
DENVER 2, COLORADO
OFFICIAL BUSINESS



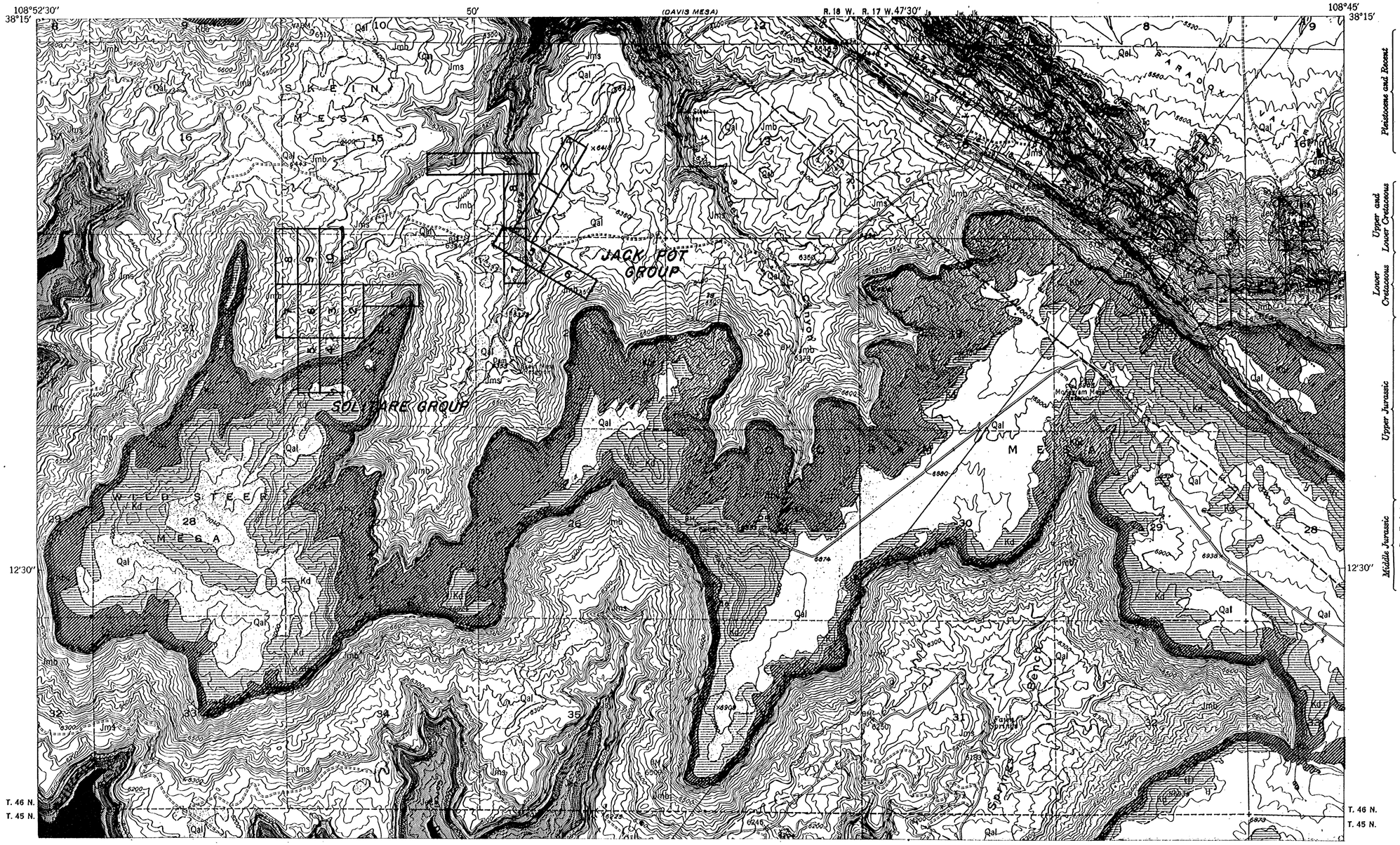
CERTIFIED MAIL

NO. C 437037

Defense Minerals Exploration Administration
U. S. Department of the Interior
Interior Building
Washington 25, D.C.

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY
W. E. WRATHER, DIRECTOR

GEOLOGY OF THE BULL CANYON QUADRANGLE
COLORADO



1 ½ 0 1 Mile

Contour interval 20 feet
Datum is mean sea level

EXPLANATION

QUATERNARY — *Pleistocene and Recent*

Qal — **Alluvium**
Light-red wind-deposited sand and silt on benches and mesa tops, reworked in part by water; Recent valley fill and stream deposits. Includes talus debris.

Qls — **Landslide deposits**

UNCONFORMITY

CRETACEOUS — *Upper and Lower Cretaceous*

Kd — **Dakota sandstone**
Mostly yellow, gray, and buff lenticular sandstone; conglomerate, interbedded carbonaceous shale and impure coal.

Lower Cretaceous

Kb — **Burro Canyon formation**
White, gray, and red sandstone and conglomerate; green mudstone and shale.

JURASSIC — *Upper Jurassic*

Jmb, Jms — **Morrison formation**
Variegated shale and mudstone; white, gray, rusty-red, and buff sandstone; rusty-red conglomerate; local thin limestone beds. Brushy Basin shale member, Jmb, at the top; mostly bentonitic shale but contains some sandstone and conglomerate lenses. Salt Wash sandstone member, Jms, at the base; mostly thick-bedded sandstone.

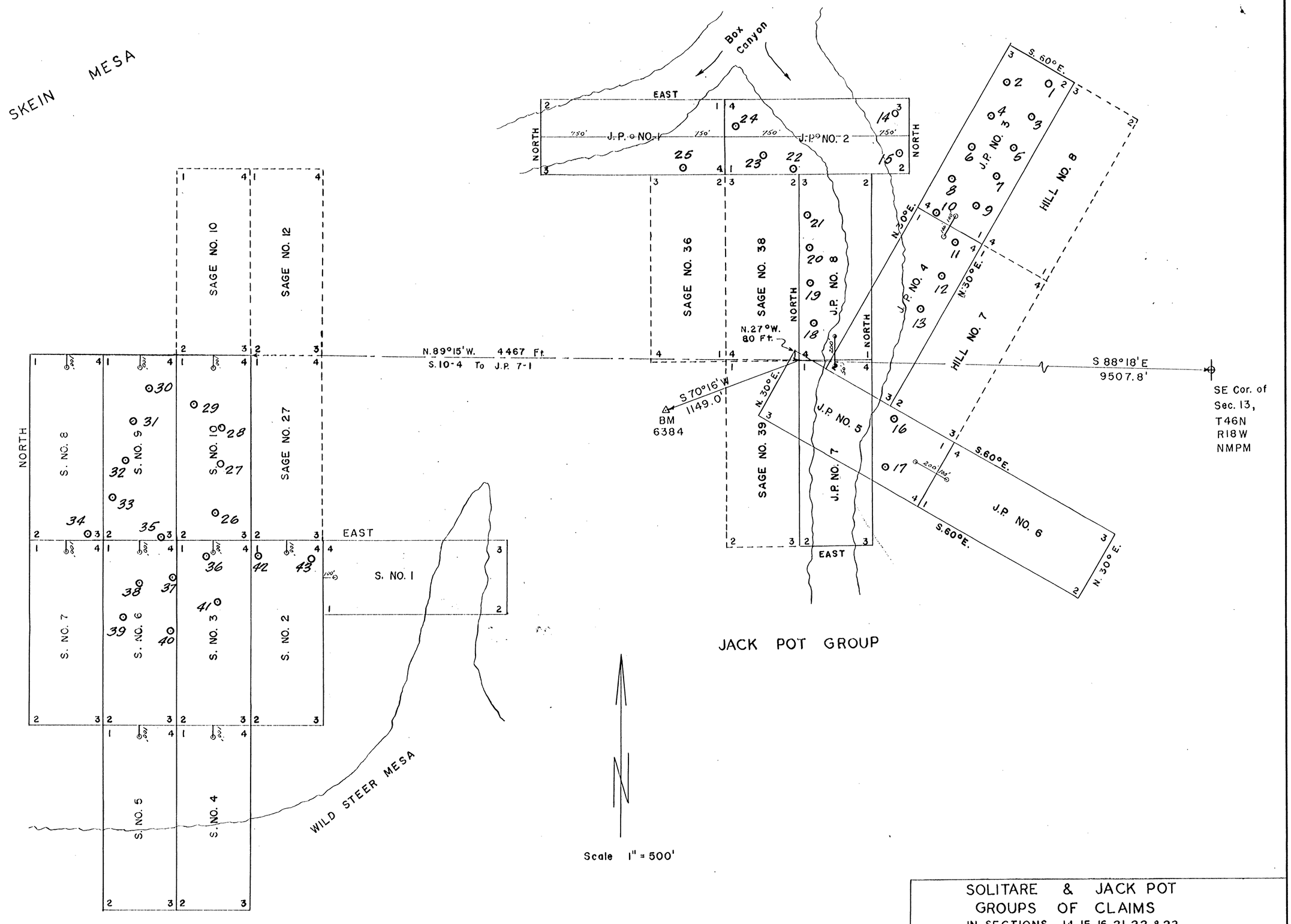
Jvs — **Summerville formation**
Thin-bedded red, green, and brown sandy shale and mudstone

Middle Jurassic — San Rafael group

Jme — **Entrada sandstone and Carmel formation, undivided**
Entrada sandstone at the top; massive and cross-bedded orange, buff, and white fine-grained sandstone. Carmel formation at the base; red to buff sandstone, siltstone, and mudstone.

AREAL GEOLOGIC MAP
SOLITARE AND JACK POT GROUPS
MONTROSE COUNTY, COLORADO

FIGURE 1.



SOLITARE & JACK POT
GROUPS OF CLAIMS
IN SECTIONS 14,15,16,21,22 & 23
T. 46 N., R. 18 W., N.M.P. MER.
MONTROSE COUNTY, COLO.

DATE	SURVEY BY
10-19-53	BUSH & GUDGELL SALT LAKE CITY, UTAH

FIGURE 2.