DMA Form 1

DEFENSE MINERALS ADMINISTRATION
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DMA Docket No. 4059

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Exploration

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cys. GS

Routing Slip — Hasler Report Attached

To:	700	Date	11/15/55
To:	Mr. Crawford	Date	11-15-55
To:	Operating Com.	Date	11-28-55
To:		Date	[illegible]
To:		Date	[illegible]
To:	Operating Com.	Date	4-27-56
To:	Mr Mettendorf	Date	4-30-56
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

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Surname copy

700

Murphy
Ellis
Nelson
Yager
Selfridge

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

Mr. John I. Schumacher, Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket No. DMEA-4059 (Uranium)
Greasy Spoon group
Montrose County, Colorado

Dear Mr. Schumacher:

Reference is made to your application for Government aid in an exploration project on the above-named group of claims.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantitites 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 significant ore reserves is not sufficiently promising to justify Government participation in an exploration program. 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,

C. O. Mittendorf

Administrator

FMMurphy/gla
4-27-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)

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

DOCKET COPY

Murphy
Ellis

April 27, 1956

Summary of Proposed Project

Object: Denial of application for exploration aid.

Docket No.: DMEA-4059

Commodity: Uranium

Applicant: Strategic Minerals Exploration Co.
P. O. Box 1648
Grand Junction, Colorado

Property: Owners of 30 unpatented mining claims situated in secs. 23, 24, 25, and 26, T. 47 N., R. 20 W., NMPM, Montrose County, Colorado

Date of application: October 31, 1955

Grand Junction memorandum received: November 14, 1955

Referred for field examination: November 28, 1955

Field Examination made: February 8, 1956

Field Team report recd.: April 18, 1956

Amount of Application: $62,636.00

Work Proposed (drilling):

	Holes	Footage
Stage I	24	9,000
" II	16	6,000
" III	16	6,000
Total	56	21,000

Work Proposed (continued):

Contract drilling	$55,230.00
Bulldozer work	2,880.00
Engineering and Geology	2,700.00
Assaying and probing	1,050.00
Vehicle use	576.00
Accounting	200.00
Total	$62,636.00

Excerpts from Field Team report:

Most of the subject area is overlain by rocks of the Brushy Basin member of the Morrison formation. The Brushy Basin and the Salt Wash members of the Morrison are each about 300 feet thick in the subject claim area.

The USGS drilled 9 holes in the claim area, 6 of which were classified as having penetrated semi-favorable sandstone in the upper part of the Salt Wash. Two of the holes penetrated minor mineralization. The holes were classified as semi-favorable because they penetrated good widths (32 to 87 feet) of sandstone in the inferred ore-bearing zone. However, the aundance of red mudstone above, below, and within the sandstone unit was considered unfavorable, as it indicated that there is little chance of finding even small ore deposits on the subject property.

Considerable private and Government drilling has been done southeast and west of the subject claims, and exploration results have, in general, been of negative nature.

The field examiners and Field Team recommend the application be denied.

Commodity Members' comments (excerpts):

U. S. Geological Survey, W. P. Williams, April 20, 1956.

The examining team shows that the ore zone in the Salt Wash is unfavorable for minable ore deposits. The vicinity of the property, in addition, has a poor production history.

The Applicant's contention that more drilling is needed to evaluate definitely the property's ore potential is probably valid. Present knowledge of geologic conditions on the claims, however, indicates that the proposed work would not result in a worthwhile discovery. Consequently, I concur in the Field Team's recommendation.

Commodity Members' Comments (continued):

U. S. Bureau of Mines, John E. Crawford, April 23, 1956

Summarizes field examiners' report and concurs in denial.

Rare and Miscellaneous Metals Division,
F. M. Murphy, April 27, 1956

This Division agrees with the conclusion of the field examiners that although good widths of the potential ore-bearing zone occur in the Salt Wash, the presence of red mudstone in all the holes drilled certainly indicates that the area is unfavorable in regard to uranium deposition.

Although the wide-spaced drilling is not conclusive, there appears to be little possibility of finding significant ore deposits on the subject property. Therefore, this Division concurs in the Field Team's recommendation of denial.

Ernest Wm. Ellis

Ernest Wm.Ellis, Chief
Rare and Miscellaneous
Metals Division

4-25-56

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

RECEIVED
APR 24 1956

April 23, 1956

Memorandum:

To: Ernest William Ellis, DMEA Docket
Uranium Commodity Committee

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

Subject: Report of Examination, DMEA Docket 4059, Strategic Minerals Exploration, Greasy Spoon group, Montrose County, Colorado

I have reviewed the report of examination Docket 4059, Strategic Minerals Exploration, Greasy Spoon Group, Montrose County, Colorado, dated April 16, 1956, and received in this office April 19, 1956. I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The field examiners, upon investigation of the Greasy Spoon group of claims, recommend that the application for exploration assistance of Strategic Minerals Exploration Company be denied because there is little chance of finding even small ore deposits on the subject claims due to the abundance of unfavorable red mudstone above, below, and within the lithologic unit known to be the "ore-bearing sandstone" in the area.

We concur in the recommendation that the application for exploration assistance 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
APR 24 1956

April 23, 1956

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Uranium Commodity Committee

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John E. Crawford

UNITED STATES
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BUREAU OF MINES
WASHINGTON 25, D. C.

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We concur in the recommendation that the application for exploration assistance be denied.

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

John E. Crawford

4-24-56

IN REPLY REFER TO:

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

RECEIVED
APR 24 1956

April 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 4059 (uranium), Strategic Minerals Exploration Company, Greasy Spoon claims, Montrose County, Colorado.

The examining team directs attention to the fact that Government drilling on the property showed that the ore zone in the Salt Wash member of the Morrison is unfavorable for minable ore deposits. The vicinity of the property, in addition, has a poor production history. Government and private drilling southeast and west of the applicant's claims has not been encouraging.

The applicant's contention that more drilling is needed to evaluate definitely the property's ore potential is probably valid. Present knowledge of geologic conditions on the claims, however, indicates that the proposed work probably would not result in a worthwhile discovery. Consequently, I am in agreement with the examining team's recommendation for denial of the application.

W. P. Williams

W. P. Williams

IN REPLY REFER TO:

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

RECEIVED
APR 24 1956

April 20, 1956

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

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WPWilliams:iml
G-4/20/56

W. P. Williams

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

IN REPLY REFER TO:

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

RECEIVED
APR 24 1956

April 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 4039 (uranium), Strategic Minerals Exploration Company, Greasy Spoon claims, Montrose County, Colorado.

The examining team directs attention to the fact that Government drilling on the property showed that the ore zone in the Salt Wash member of the Morrison is unfavorable for minable ore deposits. The vicinity of the property, in addition, has a poor production history. Government and private drilling southeast and west of the applicant's claims has not been encouraging.

The applicant's contention that more drilling is needed to evaluate definitely the property's ore potential is probably valid. Present knowledge of geologic conditions on the claims, however, indicates that the proposed work probably would not result in a worthwhile discovery. Consequently, I am in agreement with the examining team's recommendation for denial of the application.

WPWilliams:iml
G-4/20/56

W. P. Williams

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

IN REPLY REFER TO:

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

RECEIVED
APR 24 1956

April 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 409 (uranium), Strategic Minerals Exploration Company, Granny Spoon claims, Montrose County, Colorado.

The examining team directs attention to the fact that Government drilling on the property showed that the ore zone in the Salt Wash member of the Morrison is unfavorable for minable ore deposits. The vicinity of the property, in addition, has a poor production history. Government and private drilling southeast and west of the applicant's claims has not been encouraging.

The applicant's contention that more drilling is needed to evaluate definitely the property's ore potential is probably valid. Present knowledge of geologic conditions on the claims, however, indicates that the proposed work probably would not result in a worthwhile discovery. Consequently, I am in agreement with the examining team's recommendation for denial of the application.

W. P. Williams

WPWilliams:iml
G-4/20/56

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

4-23-56

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

RECEIVED
APR 1 3 1956

April 16, 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 4059 (Uranium), Strategic Minerals Exploration Company (Greasy Spoon group) Montrose County, Colorado

Enclosed are the original and three copies of a joint Report of Examination on the subject property.

A study of the drilling performed on this property by the USGS and the Applicant indicates that the chances for finding a significant amount of uranium ore are not good. The field examiners recommend that the application be denied. We concur in this recommendation.

DMEA Field Team, Region III

By W. M. Traver
Executive Officer

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
4-20-56
(date)

DMEA
Date Rec'd.
APR 13 1956
BUREAU OF MINES
Denver, Colorado

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

MINERAL DEPOSITS
DMEA
RECEIVED
MAR 27 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

March 21, 1956

Memorandum

TRANSMITTED
APR 12 1956

To: Executive Officer, DMEA Field Team, Region III
Through: J. F. Shaw
E. N. Harshman

From: J. William Hasler

Subject: DMEA docket 4059 (Uranium), Strategic Minerals Exploration, Greasy Spoon group, Montrose County, Colorado

Enclosed is a geologic report of examination by C. H. Roach, for inclusion in a joint geologic and engineering report.

The Strategic Minerals Exploration Company has applied for a DMEA loan to explore for uranium on their Greasy Spoon group of claims, in the La Sal Creek area, Paradox mining district, Montrose County, Colo. The applicant proposes to explore the area, which is underlain by the Morrison formation of Jurassic age. The U. S. Geological Survey drilled nine holes on the property during the course of their exploration program and the results of their drilling classified the property as being semi-favorable to unfavorable for the occurrence of ore deposits. There are no known ore deposits on the Greasy Spoon group of claims and the nearest mine in the area of the claims is the Yellow Bird mine. The Yellow Bird mine is the only mine on the south side of La Sal Creek, where the subject claims are located, that has had a production record of any significant amount. Atomic Energy Commission records show that it has produced about 2400 tons of ore, averaging 0.20 percent U_3O_8 and 1.9 percent V_2O_5 over a period of many years.

A study of the drilling indicates that the thickness of the ore-bearing sandstone is favorable, but the mudstone above and below it is red, which indicates that the chances for finding ore bodies are not too good. It is, therefore, concluded that the chances for finding ore bodies on the applicant's claims are not good, and it is recommended that the application be denied. I concur with the conclusions and recommendations of the examining team.

Enclosed are 10 copies of map (fig. 2) for inclusion in the joint report.

The Atomic Energy Commission and the U. S. Geological Survey were consulted relative to the appraisal of this property.

Enclosed is the applicant s brochure.

William B. Gazdik
For J. William Hasler,
Geologist

JWH/mlr
Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
4-20-56
(date).

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED

APR 16 1956

DMEA 4059

Greasy Spoon Group

Strategic Minerals Exploration Company

Montrose County, Colorado

Uranium

Joint Engineering and Geological Report

by

C. H. Roach, Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

April 10, 1956

Reviewed by
DMEA OPERATING COMMITTEE
4-20-56
(date)

CONTENTS

	Page
Introduction and Summary	1
Acknowledgments	2
Location, Topography, and Climate	2
History and Production	3
Ownership and Extent	3
Present Status	5
Exploration and development	5
Mining and milling equipment and other facilities	5
Geology	5
Ore Deposits	6
Ore Reserves	9
Proposed Exploration and Costs	9
Conclusions and Recommendations	10

ILLUSTRATIONS

Figure		Follows page
1.	Location map, Greasy Spoon group, Strategic Minerals Exploration Company, Montrose County, Colorado. DMEA 4059	2
2A.	Claim map showing proposed Stage I drill holes, Greasy Spoon group, Strategic Minerals Exploration Company, Montrose County, Colorado. DMEA 4059	2
2.	Geologic map showing location of the Sick Mexican 2-6, Lost Dutchman 3, 4 and Greasy Spoon groups of claims, and existing U.S.G.S. drill holes, Strategic Minerals Exploration Company, Montrose County, Colorado. DMEA 4059	5

DMEA 4059

RECEIVED
APR 10 1956

GREASY SPOON GROUP
STRATEGIC MINERALS EXPLORATION COMPANY
MONTROSE COUNTY, COLORADO

INTRODUCTION AND SUMMARY

Strategic Minerals Exploration Company, P. O. Box 1648, Grand Junction, Colorado, on October 31, 1955 made application for aid in an exploration project on the Greasy Spoon group of 30 unpatented claims in Montrose County, Colorado. The application proposed a three-stage drilling project consisting of 21,000 feet (56 holes) of core and non-core drilling at a total estimated cost of $63,636.

A field examination was made by an examining team from the Geological Survey and the Bureau of Mines on February 8, 1956.

The property is in secs. 23, 24, 25, and 26, T. 47 N., R. 20 W., N.M.P.M., Montrose County, Colorado, at altitudes ranging from 6,800 feet to 7,150 feet.

Most of the area covered by the claims is underlain by rocks of the Brushy Basin member of the Jurassic Morrison formation. Rocks of the Cretaceous Burro Canyon and Dakota formations outcrop along the western boundary of the Greasy Spoon group of claims. The Brushy Basin or upper member of the Morrison formation is about 300 feet thick and consists of variegated mudstones interbedded with minor amounts of fine-grained sandstone and conglomerate. The lower or Salt Wash member is about 300 feet thick and is composed mainly of fluviatile sandstone with minor amounts of interbedded mudstone. The sandstone beds occur

as layers composed of a series of coalescing lenses, each lens being partially surrounded by mudstone. The upper series of coalescing lenses is termed the "ore-bearing" sandstone.

Former drilling indicates a favorable thickness of sandstone but the mudstones are red. It is concluded that the chance of finding ore bodies on the applicant's claims is not good and the application is recommended for denial.

ACKNOWLEDGMENTS

The examining team was accompanied by Robert Taylor, who represented the applicant.

The Atomic Energy Commission was consulted regarding the area before the examination was made.

Memorandums by John E. Crawford and N. E. Nelson were a help in making the examination.

LOCATION, TOPOGRAPHY, AND CLIMATE

The property submitted in the application consists of 30 unpatented claims in secs. 23, 24, 25, and 26, T. 47 N., R. 20 W., N.M.P.M., Montrose County, Colorado (figs. 1 and 2A).

The claims lie on a gentle sloping south hillside at altitudes ranging from 6,800 feet to 7,150 feet. The area is classed as semi-arid but timber, suitable for mine use, grows on and near the property.

Utah State Highway No. 46 is 5 miles by dirt road from the claims. Uravan, Colorado, is 42 miles to the east and Moab, Utah, is 53 miles to

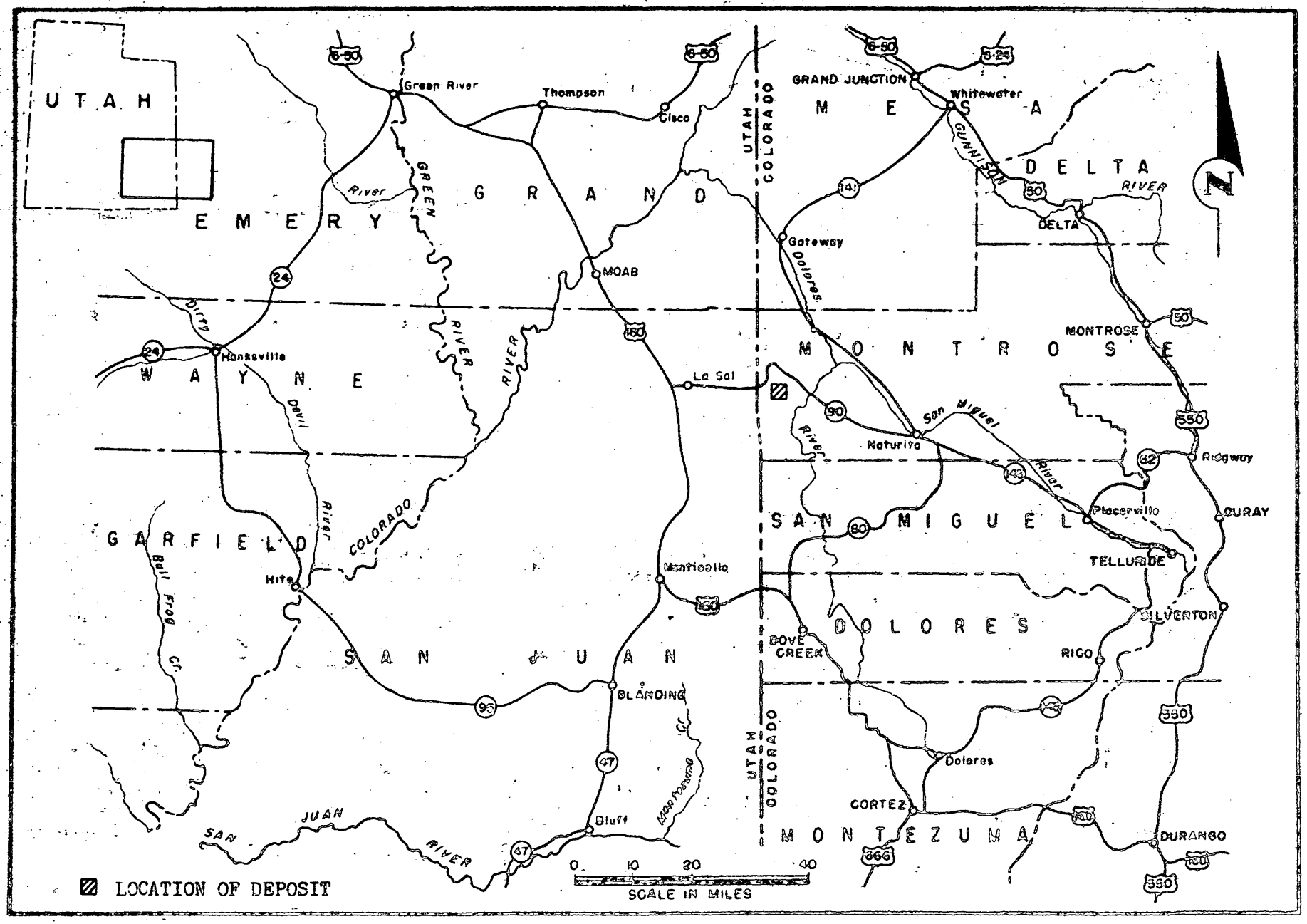

FIGURE 1 - LOCATION MAP, GREASY SPOON GROUP, STRATEGIC MINERALS EXPLORATION COMPANY, MONTROSE COUNTY, COLO.
DMEA 4059

the northwest. The nearest railroad, the Denver and Rio Grande Western, is 91 miles to the northwest at Thompson, Utah. Water for domestic and mining purposes can be obtained from a spring in La Sal Creek Canyon, 7 miles to the west.

Labor and supplies can be obtained from Moab and Uravan. The winters are somewhat severe, but outside work can generally be carried on.

HISTORY AND PRODUCTION

The claims were located in October 1954 by the applicant. In 1954 the Geological Survey drilled nine holes on the property and later the applicant drilled ~~four~~ three holes.

No ore was penetrated by this drilling and no production has been made.

Producing properties to the north are the Gray Dawn, Yellow Bird, Vanadium Queen, Firefly, Evening Star, Morning Star, and Marjory Ann. The production of these mines is shown under "Ore Deposits".

OWNERSHIP AND EXTENT

The claims have all been located by the Strategic Minerals Exploration Company and are recorded in the records of the County Clerk and Recorder of Montrose County, Colorado, as follows:

Claim	Book	Page	Location Date
Greasy Spoon No. 1	365	409	10/1/53
" " " 2	"	410	"
" " " 3	"	411	"
" " " 4	"	412	"
" " " 5	"	413	"
" " " 6	"	414	"
" " " 7	"	415	"
" " " 8	"	416	"
" " " 9	"	417	"
" " " 10	"	418	"
" " " 11	"	419	"
" " " 12	"	420	"
" " " 13	"	421	"
" " " 14	"	422	"
" " " 15	"	423	10/6/53
" " " 16	"	424	"
" " " 17	"	425	"
" " " 18	"	426	"
" " " 19	"	427	"
" " " 20	"	428	"
" " " 21	"	429	"
" " " 22	"	430	"
" " " 23	(A fraction not entered in claim book as of 2/6/56)		
Lost Dutchman No. 3	365	433	11/9/53
" " " 4	"	434	"
Sick Mexican No. 2	371	173	4/22/54
" " " 3	"	174	"
" " " 4	"	175	"
" " " 5	"	176	"
" " " 6	"	177	"

Amended locations, maps, and affidavits of labor have been filed.

The claims appear in good order.

PRESENT STATUS

Exploration and development

Twelve holes have been drilled on the property. Of these, three penetrated uranium mineralization, and eight showed sandstone thicknesses of from 50 to 87 feet.

Mining and milling equipment and other facilities

There is no mining or milling equipment on the property. Facilities consist of a number of access roads.

GEOLOGY

The Greasy Spoon group of claims are located on the south side of La Sal Creek, Paradox Mining district, Montrose County, Colorado. The area is located on the southern flank of the La Sal mountains, a laccolithic type of igneous intrusion in southeastern Utah. As a result of the nearby intrusions, the rocks near the Greasy Spoon group of claims dip about 2 to 5 degrees southerly (see fig. 2).

Most of the area of the subject property is underlain by rocks of the Brushy Basin member of the Jurassic Morrison formation. Rocks of the Cretaceous Burro Canyon and Dakota formations crop out along the western boundary of the Greasy Spoon group of claims (see fig. 2).

The Jurassic Morrison formation is divided into two members in the La Sal Creek area. The upper member is designated the Brushy Basin member and the lower member is called the Salt Wash member. The Brushy Basin member is about 300 feet thick in the La Sal Creek

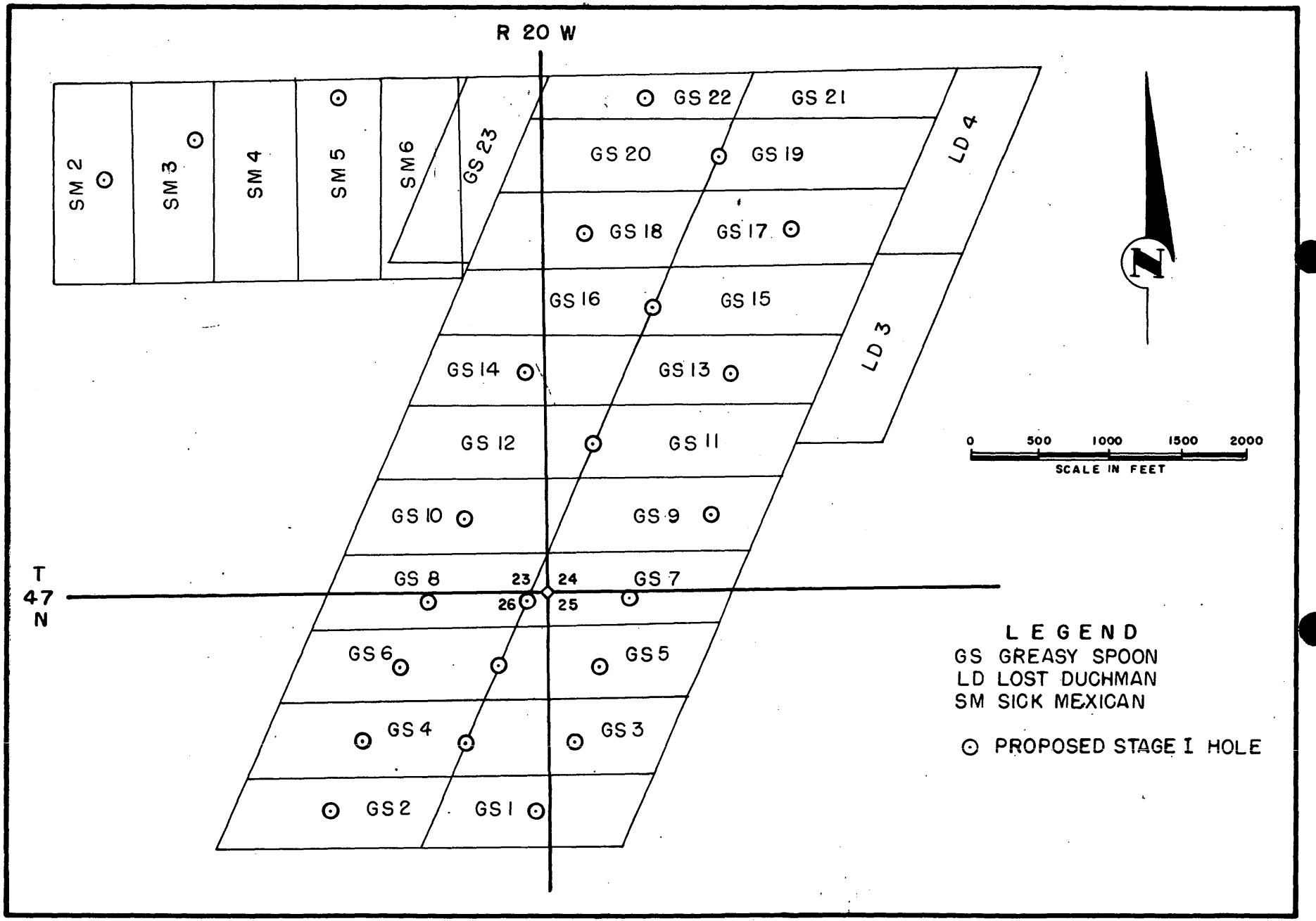

FIGURE 2A-CLAIM MAP SHOWING PROPOSED STAGE I DRILL HOLES, GREASY SPOON GROUP, STRATEGIC MINERALS EXPLORATION COMPANY, MONTROSE COUNTY, COLO. DMEA 4059

area. It consists primarily of variegated mudstones interbedded with minor amounts of fine-grained sandstone and conglomerate.

The Salt Wash member in the La Sal Creek area is about 300 feet thick. It is composed mainly of fluviatile sandstone with minor amounts of interbedded mudstone. The sandstone beds occur as layers composed of a series of coalescing lenses; each lens being partially surrounded by mudstone. Much of the sandstone is highly cross-bedded, the "festoon trough" type being especially abundant. Carbonaceous material of various types is abundant locally in some of the paleostream channels.

The upper series of coalescing sandstone lenses is termed the "ore-bearing" sandstone because all of the known ore deposits in the area are restricted to that stratigraphic interval.

ORE DEPOSITS

No ore deposits are known to occur on the subject property. Most of the known ore deposits in the La Sal Creek area are restricted to the north side of La Sal Creek.

The following is a tabulation of the production and grade of ore from several mines on the north side of La Sal Creek:

Mine Name	Production (tons)	Percent U_3O_8	Percent V_2O_5
Vanadium Queen	8,673	0.30	2.43
Firefly	11,564	0.36	2.05
Gray Dawn	3,563	0.38	1.74
Marjory Ann	4,718	0.29	1.35
Evening Star	5,120	0.22	1.93
Morning Star	935	0.23	1.62

The Yellow Bird mine is the only one on the south side of La Sal Creek which is known to have produced. A. E. C. records, show that it has produced 2,414 tons of ore averaging about 0.20 percent U_3O_8 and 1.59 percent V_2O_5.

The U. S. Geological Survey has drilled nine holes on the applicant's property; as a result of this drilling the property was rated as semi-favorable to unfavorable for the occurrence of ore deposits. The applicant states that no further drilling appears to be justified in the area rated as unfavorable by the Geological Survey. However, he believes that the ground rated as semi-favorable has not been drilled enough, and more drilling is needed to test the potential. This is contrary to the conclusions reached by the field examination team. Table 1 summarizes the criteria used in evaluating the favorability of each hole drilled on the subject property by the U. S. Geological Survey.

Table 1. Summary of U.S.G.S. drill hole data - Greasy Spoon Group, Montrose County, Colorado

Hole No.	Thickness "Ore - SS"	Color of "Ore - SS"	Color of Assoc. MS	Thickness of basal Gn. MS	Cbn.	Favorability	Remarks
LC-428	50'	Wh	R	0	VS	SF	A R MS
LC-430	65'	Br, wh	R	0	N	SF	A R MS
LC-437	87'	Br, R, Gy	R	0	N	SF	A R MS
LC-441	67'	Wh	R	0	N	SF	A R MS
LC-442	8'	Br	R	0	N	UF	A R MS - Thin SS
LC-443	36'	Wh	R	0	N	UF	A R MS
LC-447	29'	Wh	R, Gy	0	N	UF	A R MS - Thin SS
	32'	R, Wh, Br	R	0	N	SF	R SS & A R MS
LC-448	51'	Br	R	0	N	SF	A R MS
LC-449	53'	Wh	R, Gn	0	N	SF	A R MS
	12'	Wh	R	0	N	UF	A R MS - Thin SS

SS - Sandstone
Wh- White
Br - Brown
Gy - Gray
R - Red
Gn - Green
MS - Mudstone
VS - Very sparce
N - None

SF- Semifavorable
UF - Unfavorable
Cbn- Carbonaceous material
A - Abundant

ORE RESERVES

There are no known ore reserves on the property.

PROPOSED EXPLORATION AND COSTS

The applicant proposed a three-stage program consisting of 21,000 feet (56 holes) of core and non-core drilling. The applicant's estimates follow:

Independent contracts		
21,000 feet of core and non-core drilling at $2.63/ft.	$55,230.00	
Bulldozing 240 hours at $12/hr.	2,880.00	
Total independent contracts		$58,110.00
Labor and supervision		
Engineer-geologist 4 months at $600/mo.	$ 2,400.00	
Subsistance 100 days at $3/day	300.00	
Total labor and supervision		$ 2,700.00
Operating materials and supplies		
50 samples at $5 each	$ 250.00	
100 core boxes at $4 each	400.00	
Total operating materials and supplies		$ 650.00
Operating equipment (rental)		
Counter and probe 4 months at $100/month	$ 400.00	
Pick-up 7,200 miles at $0.08/mile	576.00	
Total operating equipment		$ 976.00

Rehabilitation and repairs

None

New buildings, improvements, installations

None

Miscellaneous

Accounting 4 months at $50/month	$ 200.00	
Total miscellaneous	$ 200.00	
Total estimated cost for 21,000 feet of drilling		$63,636.00 *($62,636.00)
Estimated cost per foor		$ 2.98
Government participation 75 percent, or		$47,727.00 *($46,977.00)
Estimated time for completion		4 months

*These figures correct, arithmetical error in application

CONCLUSIONS AND RECOMMENDATIONS

After studying the individual drill logs, the examining team believes that the semi-favorable to unfavorable rating given to the subject property by the Geological Survey geologists in the La Sal Creek area is correct. The thickness of the "ore-bearing sandstone" in many of the holes is favorable, but the abundance of red mudstone above, below, and within the unit is certainly unfavorable, and indicates that there is very little chance of finding even small ore deposits on the subject property.

Considerable private and Government drilling has been done southeast and west of the subject group of claims, and exploration results have, in general, been of a negative nature.

W. D. Carter, Paradox district geologist, U.S.G.S., was consulted during the evaluation of the subject property. He concurs with the examining geologists recommendations.

For the reasons discussed previously, it is recommended that DMEA assistance in the applicant's proposed exploration project be denied.

4-18-56

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

April 16, 1956

224 New Customhouse
Denver 2, Colorado

RECEIVED
APR 18 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Joint Report of Examination, Docket DMEA 4059 (Uranium), Strategic Minerals Exploration Company (Greasy Spoon group) Montrose County, Colorado

Enclosed are the original and three copies of a joint Report of Examination on the subject property.

A study of the drilling performed on this property by the USGS and the Applicant indicates that the chances for finding a significant amount of uranium ore are not good. The field examiners recommend that the application be denied. We concur in this recommendation.

DMEA Field Team, Region III

W. M. Travers

By W. M. Travers
Executive Officer

Enclosures

Held for discussion with Exec Team in Washington. [illegible]

discussed with Harshaw + Hassler 4/24/56

Reviewed by
DMEA OPERATING COMMITTEE
4-20-56
(date)

MINERAL DEPOSITS
DMEA
RECEIVED
MAR 27 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

DMEA
Date Rec'd.
APR 13 1956

March 21, 1956

Memorandum

BUREAU OF MINES
Denver, Colorado

TRANSMITTED
APR 16 1956

To: Executive Officer, DMEA Field Team, Region III
Through: J. F. Shaw
E. N. Harshman

From: J. William Hasler

Subject: DMEA docket 4059 (Uranium), Strategic Minerals Exploration, Greasy Spoon group, Montrose County, Colorado

Enclosed is a geologic report of examination by C. H. Roach, for inclusion in a joint geologic and engineering report.

The Strategic Minerals Exploration Company has applied for a DMEA loan to explore for uranium on their Greasy Spoon group of claims, in the La Sal Creek area, Paradox mining district, Montrose County, Colo. The applicant proposes to explore the area, which is underlain by the Morrison formation of Jurassic age. The U. S. Geological Survey drilled nine holes on the property during the course of their exploration program and the results of their drilling classified the property as being semi-favorable to unfavorable for the occurrence of ore deposits. There are no known ore deposits on the Greasy Spoon group of claims and the nearest mine in the area of the claims is the Yellow Bird mine. The Yellow Bird mine is the only mine on the south side of La Sal Creek, where the subject claims are located, that has had a production record of any significant amount. Atomic Energy Commission records show that it has produced about 2400 tons of ore, averaging 0.20 percent U_3O_8 and 1.9 percent V_2O_5 over a period of many years.

A study of the drilling indicates that the thickness of the ore-bearing sandstone is favorable, but the mudstone above and below it is red, which indicates that the chances for finding ore bodies are not too good. It is, therefore, concluded that the chances for finding ore bodies on the applicant's claims are not good, and it is recommended that the application be denied. I concur with the conclusions and recommendations of the examining team.

Enclosed are 10 copies of map (fig. 2) for inclusion in the joint report.

The Atomic Energy Commission and the U. S. Geological Survey were consulted relative to the appraisal of this property.

Enclosed is the applicant s brochure.

William B. Gazdik
For J. William Hasler,
Geologist

JWH/mlr
Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
4-20-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED
APR 16 1956

DMEA 4059

Greasy Spoon Group

Strategic Minerals Exploration Company

Montrose County, Colorado

Uranium

Joint Engineering and Geological Report

by

C. H. Roach, Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

April 10, 1956

Reviewed by
DMEA OPERATING COMMITTEE
4-20-56
(date)

CONTENTS

	Page
Introduction and Summary	1
Acknowledgments	2
Location, Topography, and Climate	2
History and Production	3
Ownership and Extent	3
Present Status	5
Exploration and development	5
Mining and milling equipment and other facilities	5
Geology	5
Ore Deposits	6
Ore Reserves	9
Proposed Exploration and Costs	9
Conclusions and Recommendations	10

ILLUSTRATIONS

Figure	Follows page
1. Location map, Greasy Spoon group, Strategic Minerals Exploration Company, Montrose County, Colorado. DMEA 4059	2
2A. Claim map showing proposed Stage I drill holes, Greasy Spoon group, Strategic Minerals Exploration Company, Montrose County, Colorado. DMEA 4059	2
2. Geologic map showing location of the Sick Mexican 2-6, Lost Dutchman 3, 4 and Greasy Spoon groups of claims, and existing U.S.G.S. drill holes, Strategic Minerals Exploration Company, Montrose County, Colorado. DMEA 4059	5

DMEA 4059

GREASY SPOON GROUP
STRATEGIC MINERALS EXPLORATION COMPANY
MONTROSE COUNTY, COLORADO

INTRODUCTION AND SUMMARY

Strategic Minerals Exploration Company, P. O. Box 1648, Grand Junction, Colorado, on October 31, 1955 made application for aid in an exploration project on the Greasy Spoon group of 30 unpatented claims in Montrose County, Colorado. The application proposed a three-stage drilling project consisting of 21,000 feet (56 holes) of core and non-core drilling at a total estimated cost of $63,636.

A field examination was made by an examining team from the Geological Survey and the Bureau of Mines on February 8, 1956.

The property is in secs. 23, 24, 25, and 26, T. 47 N., R. 20 W., N.M.P.M., Montrose County, Colorado, at altitudes ranging from 6,800 feet to 7,150 feet.

Most of the area covered by the claims is underlain by rocks of the Brushy Basin member of the Jurassic Morrison formation. Rocks of the Cretaceous Burro Canyon and Dakota formations outcrop along the western boundary of the Greasy Spoon group of claims. The Brushy Basin or upper member of the Morrison formation is about 300 feet thick and consists of variegated mudstones interbedded with minor amounts of fine-grained sandstone and conglomerate. The lower or Salt Wash member is about 300 feet thick and is composed mainly of fluviatile sandstone with minor amounts of interbedded mudstone. The sandstone beds occur

as layers composed of a series of coalescing lenses, each lens being partially surrounded by mudstone. The upper series of coalescing lenses is termed the "ore-bearing" sandstone.

Former drilling indicates a favorable thickness of sandstone but the mudstones are red. It is concluded that the chance of finding ore bodies on the applicant's claims is not good and the application is recommended for denial.

ACKNOWLEDGMENTS

The examining team was accompanied by Robert Taylor, who represented the applicant.

The Atomic Energy Commission was consulted regarding the area before the examination was made.

Memorandums by John E. Crawford and N. E. Nelson were a help in making the examination.

LOCATION, TOPOGRAPHY, AND CLIMATE

The property submitted in the application consists of 30 unpatented claims in secs. 23, 24, 25, and 26, T. 47 N., R. 20 W., N.M.P.M., Montrose County, Colorado (figs. 1 and 2A).

The claims lie on a gentle sloping south hillside at altitudes ranging from 6,800 feet to 7,150 feet. The area is classed as semi-arid but timber, suitable for mine use, grows on and near the property.

Utah State Highway No. 46 is 5 miles by dirt road from the claims. Uravan, Colorado, is 42 miles to the east and Moab, Utah, is 53 miles to

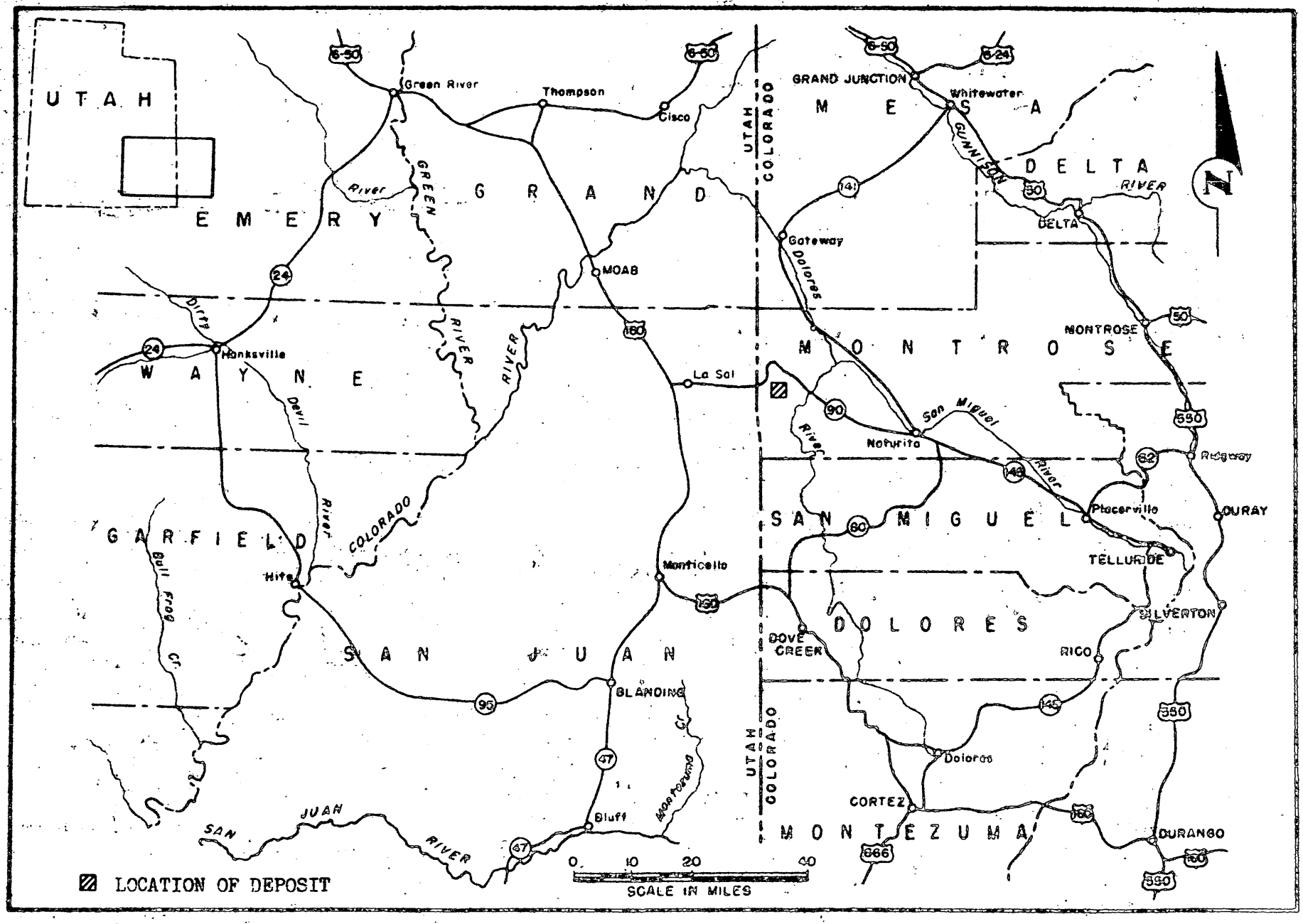

FIGURE 1 - LOCATION MAP, GREASY SPOON GROUP, STRATEGIC MINERALS EXPLORATION COMPANY, MONTROSE COUNTY, COLO.
DMEA 4059

the northwest. The nearest railroad, the Denver and Rio Grande Western, is 91 miles to the northwest at Thompson, Utah. Water for domestic and mining purposes can be obtained from a spring in La Sal Creek Canyon, 7 miles to the west.

Labor and supplies can be obtained from Moab and Uravan. The winters are somewhat severe, but outside work can generally be carried on.

HISTORY AND PRODUCTION

The claims were located in October 1954 by the applicant. In 1954 the Geological Survey drilled nine holes on the property and later the applicant drilled ~~four~~ three holes.

No ore was penetrated by this drilling and no production has been made.

Producing properties to the north are the Gray Dawn, Yellow Bird, Vanadium Queen, Firefly, Evening Star, Morning Star, and Marjory Ann. The production of these mines is shown under "Ore Deposits".

OWNERSHIP AND EXTENT

The claims have all been located by the Strategic Minerals Exploration Company and are recorded in the records of the County Clerk and Recorder of Montrose County, Colorado, as follows:

Claim	Book	Page	Location Date
Greasy Spoon No. 1	365	409	10/1/53
" " " 2	"	410	"
" " " 3	"	411	"
" " " 4	"	412	"
" " " 5	"	413	"
" " " 6	"	414	"
" " " 7	"	415	"
" " " 8	"	416	"
" " " 9	"	417	"
" " " 10	"	418	"
" " " 11	"	419	"
" " " 12	"	420	"
" " " 13	"	421	"
" " " 14	"	422	"
" " " 15	"	423	10/6/53
" " " 16	"	424	"
" " " 17	"	425	"
" " " 18	"	426	"
" " " 19	"	427	"
" " " 20	"	428	"
" " " 21	"	429	"
" " " 22	"	430	"
" " " 23	(A fraction not entered in claim book as of 2/6/56)		
Lost Dutchman No. 3	365	433	11/9/53
" " " 4	"	434	"
Sick Mexican No. 2	371	173	4/22/54
" " " 3	"	174	"
" " " 4	"	175	"
" " " 5	"	176	"
" " " 6	"	177	"

Amended locations, maps, and affidavits of labor have been filed.

The claims appear in good order.

PRESENT STATUS

Exploration and development

Twelve holes have been drilled on the property. Of these, three penetrated uranium mineralization, and eight showed sandstone thicknesses of from 50 to 87 feet.

Mining and milling equipment and other facilities

There is no mining or milling equipment on the property. Facilities consist of a number of access roads.

GEOLOGY

The Greasy Spoon group of claims are located on the south side of La Sal Creek, Paradox Mining district, Montrose County, Colorado. The area is located on the southern flank of the La Sal mountains, a laccolithic type of igneous intrusion in southeastern Utah. As a result of the nearby intrusions, the rocks near the Greasy Spoon group of claims dip about 2 to 5 degrees southerly (see fig. 2).

Most of the area of the subject property is underlain by rocks of the Brushy Basin member of the Jurassic Morrison formation. Rocks of the Cretaceous Burro Canyon and Dakota formations crop out along the western boundary of the Greasy Spoon group of claims (see fig. 2).

The Jurassic Morrison formation is divided into two members in the La Sal Creek area. The upper member is designated the Brushy Basin member and the lower member is called the Salt Wash member. The Brushy Basin member is about 300 feet thick in the La Sal Creek

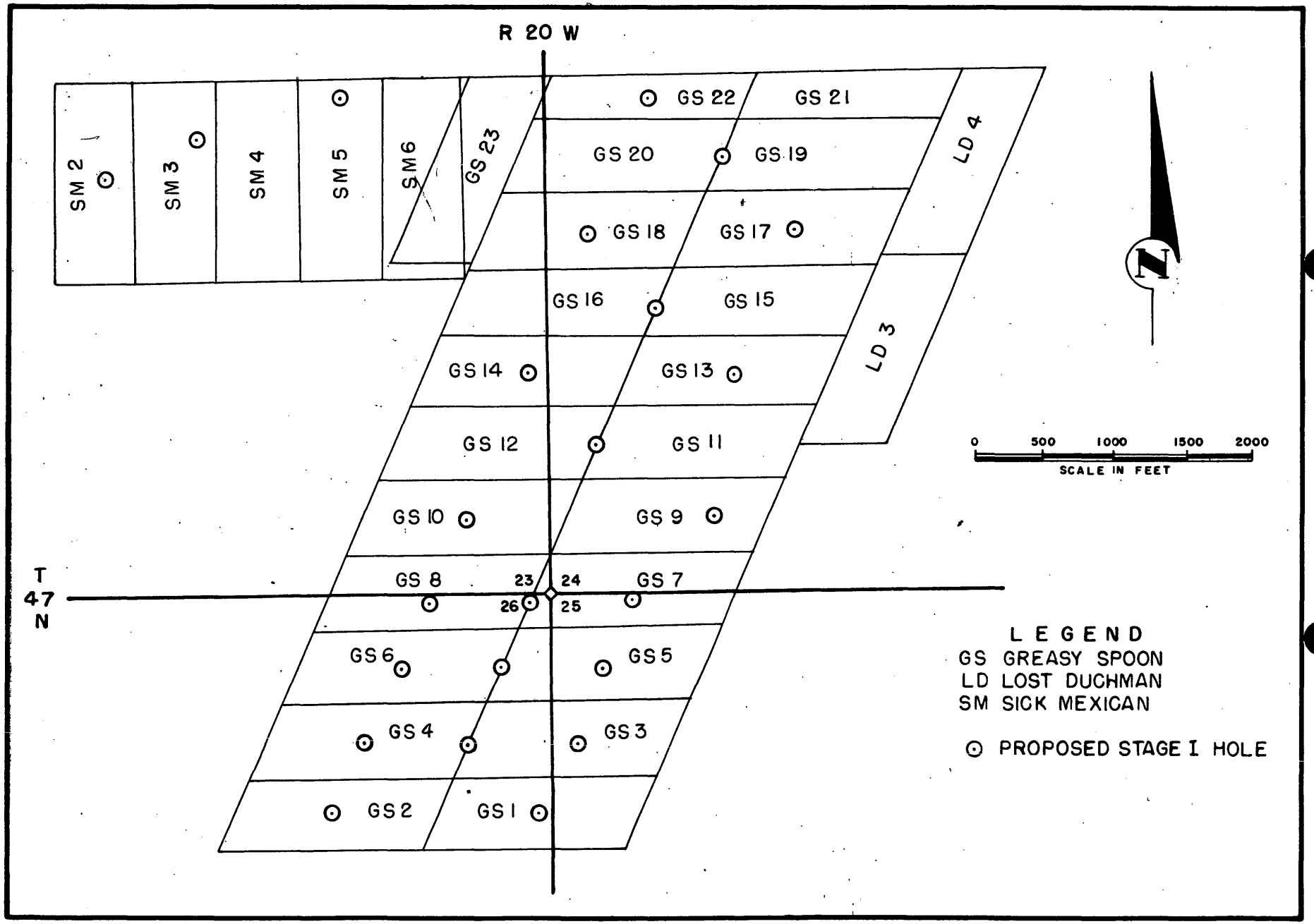

FIGURE 2A-CLAIM MAP SHOWING PROPOSED STAGE I DRILL HOLES, GREASY SPOON GROUP, STRATEGIC MINERALS EXPLORATION COMPANY, MONTROSE COUNTY, COLO. DMEA 4059

area. It consists primarily of variegated mudstones interbedded with minor amounts of fine-grained sandstone and conglomerate.

The Salt Wash member in the La Sal Creek area is about 300 feet thick. It is composed mainly of fluviatile sandstone with minor amounts of interbedded mudstone. The sandstone beds occur as layers composed of a series of coalescing lenses; each lens being partially surrounded by mudstone. Much of the sandstone is highly cross-bedded, the "festoon trough" type being especially abundant. Carbonaceous material of various types is abundant locally in some of the paleostream channels.

The upper series of coalescing sandstone lenses is termed the "ore-bearing" sandstone because all of the known ore deposits in the area are restricted to that stratigraphic interval.

ORE DEPOSITS

No ore deposits are known to occur on the subject property. Most of the known ore deposits in the La Sal Creek area are restricted to the north side of La Sal Creek.

The following is a tabulation of the production and grade of ore from several mines on the north side of La Sal Creek:

Mine Name	Production (tons)	Percent U_3O_8	Percent V_2O_5
Vanadium Queen	8,673	0.30	2.43
Firefly	11,564	0.36	2.05
Gray Dawn	3,563	0.38	1.74
Marjory Ann	4,718	0.29	1.35
Evening Star	5,120	0.22	1.93
Morning Star	935	0.23	1.62

The Yellow Bird mine is the only one on the south side of La Sal Creek which is known to have produced. A. E. C. records, show that it has produced 2,414 tons of ore averaging about 0.20 percent U_3O_8 and 1.59 percent V_2O_5.

The U. S. Geological Survey has drilled nine holes on the applicant's property; as a result of this drilling the property was rated as semi-favorable to unfavorable for the occurrence of ore deposits. The applicant states that no further drilling appears to be justified in the area rated as unfavorable by the Geological Survey. However, he believes that the ground rated as semi-favorable has not been drilled enough, and more drilling is needed to test the potential. This is contrary to the conclusions reached by the field examination team. Table 1 summarizes the criteria used in evaluating the favorability of each hole drilled on the subject property by the U. S. Geological Survey.

Table 1. Summary of U.S.G.S. drill hole data - Greasy Spoon Group, Montrose County, Colorado

Hole No.	Thickness "Ore - SS"	Color of "Ore - SS"	Color of Assoc. MS	Thickness of basal Gn. MS	Cbn.	Favorability	Remarks
LC-428	50'	Wh	R	0	VS	SF	A R MS
LC-430	65'	Br, wh	R	0	N	SF	A R MS
LC-437	87'	Br, R, Gy	R	0	N	SF	A R MS
LC-441	67'	Wh	R	0	N	SF	A R MS
LC-442	8'	Br	R	0	N	UF	A R MS - Thin SS
LC-443	36'	Wh	R	0	N	UF	A R MS
LC-447	29'	Wh	R, Gy	0	N	UF	A R MS - Thin SS
	32'	R, Wh, Br	R	0	N	SF	R SS & A R MS
LC-448	51'	Br	R	0	N	SF	A R MS
LC-449	53'	Wh	R, Gn	0	N	SF	A R MS
	12'	Wh	R	0	N	UF	A R MS - Thin SS

SS - Sandstone
Wh- White
Br - Brown
Gy - Gray
R - Red
Gn - Green
MS - Mudstone
VS - Very sparce
N - None

SF- Semifavorable
UF - Unfavorable
Cbn- Carbonaceous material
A - Abundant

ORE RESERVES

There are no known ore reserves on the property.

PROPOSED EXPLORATION AND COSTS

The applicant proposed a three-stage program consisting of 21,000 feet (56 holes) of core and non-core drilling. The applicant's estimates follow:

Independent contracts

21,000 feet of core and non-core drilling at $2.63/ft.	$55,230.00	
Bulldozing 240 hours at $12/hr.	2,880.00	
Total independent contracts		$58,110.00

Labor and supervision

Engineer-geologist 4 months at $600/mo.	$ 2,400.00	
Subsistance 100 days at $3/day	300.00	
Total labor and supervision		$ 2,700.00

Operating materials and supplies

50 samples at $5 each	$ 250.00	
100 core boxes at $4 each	400.00	
Total operating materials and supplies		$ 650.00

Operating equipment (rental)

Counter and probe 4 months at $100/month	$ 400.00	
Pick-up 7,200 miles at $0.08/mile	576.00	
Total operating equipment		$ 976.00

Rehabilitation and repairs

None

New buildings, improvements, installations

None

Miscellaneous

Accounting 4 months at $50/month	$ 200.00	
Total miscellaneous	$ 200.00	
Total estimated cost for 21,000 feet of drilling		$63,636.00 *($62,636.00)
Estimated cost per foot		$ 2.93
Government participation 75 percent, or		$47,727.00 *($46,977.00)
Estimated time for completion		4 months

*These figures correct, arithmetical error in application

CONCLUSIONS AND RECOMMENDATIONS

After studying the individual drill logs, the examining team believes that the semi-favorable to unfavorable rating given to the subject property by the Geological Survey geologists in the La Sal Creek area is correct. The thickness of the "ore-bearing sandstone" in many of the holes is favorable, but the abundance of red mudstone above, below, and within the unit is certainly unfavorable, and indicates that there is very little chance of finding even small ore deposits on the subject property.

Considerable private and Government drilling has been done southeast and west of the subject group of claims, and exploration results have, in general, been of a negative nature.

W. D. Carter, Paradox district geologist, U.S.G.S., was consulted during the evaluation of the subject property. He concurs with the examining geologists recommendations.

For the reasons discussed previously, it is recommended that DMEA assistance in the applicant's proposed exploration project be denied.

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

RECEIVED
DEC 12 1955

224 New Customhouse
Denver 2, Colorado

December 7, 1955

Memorandum

To: J. F. Shaw
J. V. Bailey

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

Subject: Docket DMEA-4059 (Uranium) Strategic Minerals Exploration
Greasy Spoon group, Montrose County, Colorado

Enclosed for your information is a copy of a letter from the Chairman of the Operating Committee and reviews of the application by J. E. Crawford, USGS, and H. R. Nelson, USBM, members of the Uranium Commodity Committee.

The brochure was forwarded to you November 9, 1955.

H. M. Harshman

Enclosures

H. M. Harshman

HMC:pw

cc: Docket DMEA-4059
Sec.Op.Comm. (2)
Harshman
Chron

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

RECEIVED
DEC 12 1955

224 New Customhouse
Denver 2, Colorado

December 7, 1955

Memorandum

To: J. P. Shaw
J. W. Butler

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

Subject: Docket DMEA-4059 (Uranium) Strategic Minerals Exploration
Greasy Spoon group, Montrose County, Colorado

Enclosed for your information is a copy of a letter from the Chairman of the Operating Committee and reviews of the application by J. R. Crawford, USGS, and R. E. Nelson, USGS, members of the Uranium Commodity Committee.

The brochure was forwarded to you November 9, 1955.

E. M. Harshman

Enclosures

E. M. Harshman

HMC:pw

cc: Docket DMEA-4059
Sec.Op.Comm. (2)
Harshman
Chron

Surname copy 700

Murphy 1608!
Ellis
Kilbourne
Selfridge
Yoza

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

NOV 28 1955

Mr. John I. Schumacher, Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1618
Grand Junction, Colorado

Re: Docket No. DMEA-4059 (Uranium)
Greasy Spoon group
Montrose County, Colorado

Dear Mr. Schumacher:

The application for assistance in exploring the subject group of claims 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 2, Colorado, will schedule a field examination of your claims 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

FMMurphy/gla
11-28-55
cc to: Admr.'s Reading File
Docket
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)

R.G.S.

Surname copy

700

Murphy (Rec)
Ellis
Selfridge
Hoffman

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

NOV 28 1955

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
22h New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4059 (Uranium)
Strategic Minerals Exploration Company
Creamy Spoon group
Montrose County, Colorado

Dear Mr. Traver:

This is to acknowledge your memorandum, dated November 9, 1955, and attached joint memorandum from J. W. Hasler, USGS, and M. H. Salsbury, USBM, recommending a field examination of the subject property.

Enclosed are copies of memoranda, dated November 17 and 23, 1955, by J. E. Crawford, USBM, and N. E. Nelson, USGS, respectively, relating to the above-docketed application.

The Applicant's proposed Stage I drill holes, on lines 750 feet apart, and the holes spaced at 1200-foot intervals on the lines, appear to be too widely spaced in relation to the inferred size of the ore bodies in the area. However, we note in the above-mentioned joint memorandum it is suggested that, if warranted, a modified drilling program might be worked out.

Sincerely yours,

George C. Selfridge
by E57
Chairman, Operating Committee

Enclosures

APPROVED:
P. F. Yopes by E57
Member, Bureau of Mines

Thor H. Kiilsgaard by E57
Member, Geological Survey

FMMurphy/gla
11-28-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Murphy

P.C.

11-25-55 [illegible]

IN REPLY REFER TO:

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

November 23, 1955

Re: DMEA 4059
Strategic Minerals Expl. Co.
Greasy Spoon Group
Montrose Co., Colorado
$62,636.00 - Uranium

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application.

An examination and suitable report have been required of the field office by the Acting Executive Officer, Region III. I concur with the opinion that such are desirable.

The applicant requests assistance in exploring, by three-stage drilling, a large group of claims located on what have been classified as unfavorable and semi-favorable zones on the Wray Mesa on the south side of La Sal creek. The classification derives from the results obtained in drilling by the U. S. Geological Survey. Nine holes were drilled, of which 2 are mineralized and two weakly mineralized. Three offset holes were drilled by the applicant. One is mineralized and one weakly mineralized. The work proposed would fill in between holes already drilled.

In support of the application are cited the following: (1) production is being obtained in south rim workings a mile north of the property; (2) the holes drilled are widely spaced and closer spaced drilling may lead to a change in classification; (3) considerable production has been obtained from mines north of La Sal Creek; (4) a theory of ore deposition which hypothesizes sub-belts in addition to the generally recognized Mineral Belt which extends laterally along Paradox Valley.

In appraising the application the evidence advanced by the applicant needs evaluation by examiners acquainted with the most recent developments in the area.

Referral to the Field Team is recommended.

RECEIVED
NOV 25 1955

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

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

November 23, 1955

Re: DMEA 4059
Strategic Minerals Expl. Co.
Greasy Spoon Group
Montrose Co., Colorado
$02,030.00 - Uranium

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application.

An examination and suitable report have been required of the field office by the Acting Executive Officer, Region III. I concur with the opinion that such are desirable.

The applicant requests assistance in exploring, by three-stage drilling, a large group of claims located on what have been classified as unfavorable and semi-favorable zones on the Wray Mesa on the south side of La Sal creek. The classification derives from the results obtained in drilling by the U. S. Geological Survey. Nine holes were drilled, of which 2 are mineralized and two weakly mineralized. Three offset holes were drilled by the applicant. One is mineralized and one weakly mineralized. The work proposed would fill in between holes already drilled.

In support of the application are cited the following: (1) production is being obtained in south rim workings a mile north of the property; (2) the holes drilled are widely spaced and closer spaced drilling may lead to a change in classification; (3) considerable production has been obtained from mines north of La Sal Creek; (4) a theory of ore deposition which hypothesizes sub-belts in addition to the generally recognized Mineral Belt which extends laterally along Paradox Valley.

In appraising the application the evidence advanced by the applicant needs evaluation by examiners acquainted with the most recent developments in the area.

RECEIVED
NOV 25 1955

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-11/23/55
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3); Docket file; J. E. Crawford, 3641; J. O. Hosted, 3210

11-17-55 [illegible]

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

RECEIVED NOV 17 1955

November 17, 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 4059, Strategic Minerals Exploration Company, Greasy Spoon group, Montrose County, Colorado

I have reviewed the attached application, DMEA Docket 4059, Strategic Minerals Exploration Company, dated October 31, 1955, and received in this office November 15. I have also discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The Greasy Spoon claims of the Strategic Minerals Exploration Company are located in the La Sal Creek area of the Paradox mining district, Montrose County, Colorado.

The Geological Survey, on behalf of the Atomic Energy Commission, drilled 9 holes through the Salt Wash member of the Morrison formation at 1,500-foot intervals on the subject claims. The Strategic Minerals Company drilled 3 off-set holes around the more favorable Government holes. Three of the 12 holes drilled were reportedly classified as favorable (mineralized), and 7 classified as semi-favorable.

The applicant proposes to conduct a drilling program in the favorable area delimited by the previous wide-spaced drilling. Drilling depths would range from 200 to 450 feet. Some 24 holes in 3 fences 750 feet apart are planned for the first stage of drilling. The holes would be spaced 1,200 feet apart, except in the vicinity of the mineralized zone where the interval would be reduced to 600 feet. In the second stage, 16 holes are planned for 300-foot off-setting of favorable Stage I holes. Drilling cost estimates as presented on the application appear reasonable. The total estimated cost of the project is $62,636.00.

Owing to the favorable nature of the prospect drilling, we recommend that the application be referred to the Field Team for review and possibly a field examination. We also suggest that the Field Team consult with Ernest R. Gordon, Atomic Energy Commission, Grand Junction, Colorado, about the geology of the prospect and the surrounding area.

John E Crawford

John E. Crawford

Attachment

November 15, 1955
Subject: DMEA-4059
Re: Exploration Assistance

Strategic Minerals Exploration Co.
P. O. Box 1648
Grand Junction, Colorado

Gentlemen:

The receipt of your application dated October 31, 1955, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4059 and referred to the Rare & Misc. 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

go along with scan

60932

November 15, 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 - 4059 Strategic Minerals Exploration Co.

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

11-17-55 [illegible]

RECEIVED
NOV 17 1955

November 10, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Acting Supt., Denver Experiment Station, Reg. III

Subject: Docket DMEA [illegible] (Uranium), Strategic Minerals Exploration Company, Greasy Spoon group, Montrose County, Colorado

The above brochure was received in this office on November 9, 1955.

An examination will be made and suitable report prepared by an engineer from the Denver or Grand Junction office.

JOHN F. SHAW

John F. Shaw

cc: 2 w/orig.
E. N. Harshman
J. W. Hasler
Sec. Op Com.(2)

RECEIVED
NOV 17 1955

November 10, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Acting Supt., Denver Experiment Station, Reg. III

Subject: Docket DMEA _____ (Uranium), Strategic Minerals Exploration Company, Greasy Spoon group, Montrose County, Colorado

The above brochure was received in this office on November 9, 1955.

An examination will be made and suitable report prepared by an engineer from the Denver or Grand Junction office.

JOHN F. SHAW
John F. Shaw

cc: 2 w/orig.
E. N. Marshman
J. W. Easler

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

November 9, 1955

224 New Customhouse
Denver 2, Colorado

RECEIVED
NOV 14 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Assistance (Uranium), Strategic Minerals Exploration Company, Greasy Spoon group, Montrose County, Colorado

Enclosed are two copies of the subject application in the amount of $62,636.00.

The application was submitted to the Grand Junction office where a review of the application was made.

Enclosed are four copies of a review of the subject application recommending that a field examination is warranted. One copy of the application is being forwarded to the engineer examiner with the request that a field examination and suitable report be made.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

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

November 9, 1955

224 New Customhouse
Denver 2, Colorado

59

Memorandum

To: J. F. Shaw (With brochure)
J. W. Haaler

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Assistance (Uranium), Strategic Minerals Exploration Company, Greasy Spoon group, Montrose County, Colorado

Enclosed is the subject application in the amount of $62,636.00. A field examination and suitable report are required.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosure

HMC:ab
cc: Sec. Op. Comm. (2)

RECEIVED
NOV 14 1955

5. *The exploration project.*—(a) State the mineral or minerals for which you (b) to explore uranium and vanadium

(*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. See attached report

(*c*) The work will start within 30 days and be completed within 6 months from the date of an exploration project contract.

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

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.). See attached report

(*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. See attached report

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

(*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. See attached report

(*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. None

(*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. See attached report

(*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. See attached report

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 October 31, 1955

STRATEGIC MINERALS EXPLORATION CO.
(Applicant)

By John I. Schumacher
JOHN I. SCHUMACHER, Managing Partner

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

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

November 4, 1955

DMEA-4059

RECEIVED
NOV 14 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: J. William Hasler and M. H. Salsbury

Subject: Strategic Minerals Exploration Company
P. O. Box 1548, Grand Junction, Colorado

We are in receipt of 4 copies of DMEA applications from the Strategic Minerals Exploration Company, who are applying for Government aid in exploring the Greasy Spoon group of claims in the La Sal Creek area, Paradox mining district, Montrose County, Colorado.

We have reviewed the information in the applicant's brochure and are of the opinion that a field examination should be made.

There may be a chance for a modified program on the Greasy Spoon claims 1 to 6, should an east-west trend be shown to extend from a mine to the east of the property.

We are enclosing three copies of the application and are retaining one in this office.

A field examination will be made as soon as possible.

J. W. Hasler P.H.
For J. William Hasler,
Geologist, USGS

M. H. Salsbury
M. H. Salsbury,
Engineer, USBM

JWH/mlr

cc: E. N. Harshman

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

November 4, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: J. William Hasler and M. H. Salsbury

Subject: Strategic Minerals Exploration Company
P. O. Box 1648, Grand Junction, Colorado

We are in receipt of 4 copies of DMEA applications from the Strategic Minerals Exploration Company, who are applying for Government aid in exploring the Greasy Spoon group of claims in the La Sal Creek area, Paradox mining district, Montrose County, Colorado.

We have reviewed the information in the applicant's brochure and are of the opinion that a field examination should be made.

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J. W. Hasler
For J. William Hasler,
Geologist, USGS

M. H. Salsbury
M. H. Salsbury,
Engineer, USBM

JWH/mlr

cc: E. N. Harshman

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Denver
NOV 8 1955
BUREAU OF MINES
Denver, Colorado

November 4, 1955

RECEIVED
NOV 14 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: J. William Hasler and M. H. Salsbury

Subject: Strategic Minerals Exploration Company
P. O. Box 1648, Grand Junction, Colorado

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We have reviewed the information in the applicant's brochure and are of the opinion that a field examination should be made.

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We are enclosing three copies of the application and are retaining one in this office.

A field examination will be made as soon as possible.

J. W. Hasler M.H.
For J. William Hasler,
Geologist, USGS

M. H. Salsbury
M. H. Salsbury,
Engineer, USBM

JWH/mlr

cc: E. N. Harshman

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DMEA
NOV 3 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. DMEA-4059
Metal or Mineral Uranium
Date Received 11-14-55
Estimated Cost $62,636.00
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: Strategic Minerals Exploration Company
P.O. Box 1648
Grand Junction, Colorado

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

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. Not applicable

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

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 30 unpatented mining claims situated in Sections 23, 24, 25, and 26, T 47 N, R 20 W, NMPM, Montrose County, Colorado. (See attached report for claim names and recordings)

(*b*) State any mine name by which the property is known. None

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

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

(*e*) If you own the land, describe any liens or encumbrances on it None

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

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. See attached report.

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

(*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. See attached report

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

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

16—66551-1

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NOV 14 1955

5. *The exploration project.*—(*a*) State the mineral or minerals for which you [illegible] to explore uranium and vanadium

(*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. See attached report

(*c*) The work will start within 30 days and be completed within 6 months from the date of an exploration project contract.

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

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.). See attached report

(*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. See attached report

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

(*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. See attached report

(*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. None

(*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. See attached report

(*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. See attached report

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 October 31, 1955

STRATEGIC MINERALS EXPLORATION CO.
(Applicant)

By John I. Schumacher
JOHN I. SCHUMACHER, Managing Partner

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

Form MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

INSTRUCTIONS

1. (a) Strategic Minerals Exploration Company
P.O. Box 1648
Grand Junction, Colorado

(b) Partnership

(c) Not applicable

(d) Below is listed the name and address of each partner in Strategic Minerals Exploration Company:

Name of each partner	Address
Mrs. Charles P. Schumacher	15 Wonderly, Dayton, Ohio
Claire C. Schumacher	15 Wonderly, Dayton, Ohio
Dr. James C. Schumacher	100 Schantz Ave., Dayton, Ohio
Paul J. Schumacher	5316 Markey Rd., Dayton, Ohio
John I. Schumacher	1251 Elm Avenue, Grand Jct., Colorado
Philip K. Schumacher	27 Knob Hill Drive, Virginia, Minn.
Dr. James Smith	1423 North 122nd St., Milwaukee, Wisconsin
John Will	7688 Normandy Lane, Dayton, Ohio

2. See attached sheets

3. (a) The following lode mining claims are located in Sections 23, 24, 25, and 26, T 47 N, R 20 W., NMPM, in Montrose County, Colorado and the location certificates are recorded in the said records of Montrose County.

Claim	Book	Page
Greasy Spoon No. 1	365	409
Greasy Spoon No. 2	365	410
Greasy Spoon No. 3	365	411
Greasy Spoon No. 4	365	412
Greasy Spoon No. 5	365	413
Greasy Spoon No. 6	365	414
Greasy Spoon No. 7	365	415
Greasy Spoon No. 8	365	416
Greasy Spoon No. 9	365	417
Greasy Spoon No. 10	365	418
Greasy Spoon No. 11	365	419
Greasy Spoon No. 12	365	420

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

(continued 3. (a))

Claim	Book	Page
Creasy Spoon No. 13	365	421
Creasy Spoon No. 14	365	422
Creasy Spoon No. 15	365	423
Creasy Spoon No. 16	365	424
Creasy Spoon No. 17	365	425
Creasy Spoon No. 18	365	426
Creasy Spoon No. 19	365	427
Creasy Spoon No. 20	365	428
Creasy Spoon No. 21	365	429
Creasy Spoon No. 22	365	430
Creasy Spoon No. 23*	(Recordings not yet returned)	
Lost Dutchman No. 3	365	433
Lost Dutchman No. 4	365	434
Sick Mexican No. 2	371	173
Sick Mexican No. 3	371	174
Sick Mexican No. 4	371	175
Sick Mexican No. 5	371	176
Sick Mexican No. 6	371	177

* Recently located to cover a fraction

(b) None

(c) Owner

(d) Not applicable

(e) None

(f) See (a) above

4. (a) See attached report

(b) See attached report

(c) See attached report

(d) See attached report

(e) See attached report

5. (a) Uranium and vanadium

(b) See attached report

(c) See Form MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

5. (d) Experience of applicant

John I. Schumacher, Managing Partner
1943 - Degree in Mining Engineering, University of Alaska
1943-1944 - U. S. Bureau of Mines, Assistant Project Engineer
Phelps Dodge Corporation - Test Engineer Morenci, Arizona
1944-1946 - U. S. Army
1946-1948 - U. S. Bureau of Mines - Project Engineer
1948-1951 - U. S. Geological Survey - Colorado Plateau Project - Chief Engineer
1951-Present- Managing Partner, Strategic Minerals Exploration Co.
Operation Ringtail Mine (Company owned) Yellow Cat Mining District
Consulting for various mining companies

I. Robert Taylor
-1948 - Degree in Mining Engineering, Colorado School of Mines
1948 -1949 - Park Utah Cons. Mines Co., Park City, Utah, Miner and Shift Boss
1949 -1951 - Idarado Mining Company, Ouray, Colorado Mine Engineer and Shift Boss
1951 -1953 - U. S. Atomic Energy Commission, Grand Junction, Colorado, Mining Engineer
1953 -Present - Strategic Minerals Exploration Co., Mine Supt., Ringtail Mine.

Harold C. Anderson
1944-1945- National Lead Co.-Metallurgist
1948-1953 Boomerang Mining Co. -Partner, Mining and Leasing
1954-Present Strategic Minerals Exploration Co. Engineer

6. <u>Estimate of Costs</u>

All costs are computed on the basis of the exploration project continuing for 4 months.(See attached report for details)

(a) Independent Contracts

	Total cost	Cost/foot of drilling
(1) Diamond Drilling 21,000 feet of core & non-core drilling	$55,230.00	$2.63
(2) Bulldozer work 240 hrs. @ $12.00/hr	$2,880.00	0.14

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 648
Grand Junction, Colorado

(b) Engineering and Geology

1 engineer-geologist, 4 mos. @ $600/mo.	$2,400.00	
Subsistance, 1 man @ $3.00/day for 4 mos.	300.00	
	2,700.00	0.13

(c) Assaying and Probing

50 samples @ $5.00 each	250.00	
Counter & probe rental, 4 mos. @ $100/mo	400.00	
Core boxes, 100 @ $4.00each	400.00	
	1,050.00	0.05

(d) Vehicle Use

Pick-up depreciation & operating expense, 7200 miles @ 8¢/mile	576.00	0.03

(e) None

(f) None

(g) Accounting

$50.00/mo for 4 mos.	200.00	0.01
Totals	$63,636.00	2.98

Government, 75% participation	$47,727.00
Owners, 25% participation	$15,909.00

7. (a) Yes

(b) Money

STRATEGIC MINERALS EXPLORATION CO.

by John I. Schumacher
JOHN I. SCHUMACHER

CRAZY SPOON GROUP

La Sal Creek Area, Paradox Mining District

Montrose County, Colorado

Strategic Minerals Exploration Company

John I. Schumacher

I. R. Taylor

October 1955

FORM AF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

Introduction

The Greasy Spoon Group consists of thirty unpatented mining claims owned by Strategic Minerals Exploration Company, P.O. Box 1648, Grand Junction, Colorado. The following claims are included in the property, which for the purpose of this report is referred to as the Greasy Spoon Group:

Greasy Spoon Nos. 1 to 23, inclusive
Lost Dutchman Nos. 3 and 4
Big Mexican Nos. 2 to 6, inclusive

An application for government assistance in conducting an exploration program is submitted. The purpose of the project is to diamond drill the property to search for uranium-vanadium bearing ore deposits in the Morrison formation. Previous wide-spaced government drilling by the U. S. Geological Survey was favorable enough to warrant further drilling.

The proposed project is in three stages totaling 21,000 feet of exploratory drilling at a total cost of $62,636.00.

Location and Physiography

The Greasy Spoon Group is situated in Sections 23, 24, 25, and 26, Township 47 North, Range 20 West, NMPM in the La Sal Creek Area of the Paradox Mining District, Montrose County, Colorado.

The claims for the most part, cover a portion of the Brushy Basin slope along the south rim of La Sal Creek. Good access to the property is possible over a series of mine and drill roads connecting with Utah State Highway 46 approximately one mile west of the Vanadium Queen Camp. The area is approximately 42 miles from Moab, Utah and 40 miles from Naturita,

Strategic Minerals Exploration Co.
P.O. Box 1[illegible]8
Grand Junction, Colorado

(continued - Location and Physiography)

Colorado. General mine supplies are available at both towns. Ores can be shipped to mills or buying stations located at Monticello or Thompson, Utah and Uravan or Naturita, Colorado.

The U. S. Geological Survey built a series of drill roads across the property while conducting wide-spaced drilling in the area. Future drill roads would branch off from the existing roads and would be of moderate cost. Water for diamond drilling is available approximately five miles from the area near the junction of the mine road with State Highway 46.

The La Sal area is typical of the "canyon and mesa" country of the Colorado Plateau. The area covered by the Creasy Spoon Claims consists of low brushy basin hills and ridges cut by occasional shallow washes with intermittent sage-brush covered flats. Topography offers no serious problems in locating drill sites.

Property and Title

The Creasy Spoon group consists of thirty unpatented claims owned by Strategic Minerals Exploration Company and recorded in the Montrose County court house as follows:

	Book	Page
Creasy Spoon No. 1	365	409
Creasy Spoon No. 2	365	410
Creasy Spoon No. 3	365	411
Creasy Spoon No. 4	365	412
Creasy Spoon No. 5	365	413
Creasy Spoon No. 6	365	414
Creasy Spoon No. 7	365	415
Creasy Spoon No. 8	365	416
Creasy Spoon No. 9	365	417
Creasy Spoon No. 10	365	418

Strategic Minerals Exploration Co.
P.O. Box [illegible]48
Grand Junction, Colorado

(continued - Property and Title)

	Book	Page
Creasy Spoon No. 11	365	419
Creasy Spoon No. 12	365	420
Creasy Spoon No. 13	365	421
Creasy Spoon No. 14	365	422
Creasy Spoon No. 15	365	423
Creasy Spoon No. 16	365	424
Creasy Spoon No. 17	365	425
Creasy Spoon No. 18	365	426
Creasy Spoon No. 19	365	427
Creasy Spoon No. 20	365	428
Creasy Spoon No. 21	365	429
Creasy Spoon No. 22	365	430
Creasy Spoon No. 23*	(Recording not yet returned)	
Lost Dutchman No. 3	365	433
Lost Dutchman No. 4	365	434
Sick Mexican No. 2	371	173
Sick Mexican No. 3	371	174
Sick Mexican No. 4	371	175
Sick Mexican No. 5	371	176
Sick Mexican No. 6	371	177

* Recently located to cover a fraction.

There are no known conflicts on the property. On the north the group joins prior U.S.V. locations, as indicated on the attached La Sal Creek Area map. To the east, El Rey Uranium Corporation owns a number of claims. Some of those overlap the east side of the property, but all are believed to be later locations. The Lost Dutchman No. 1 and No. 2 were recently sold to El Rey by Strategic Minerals. No conflict of ownership is believed probable from this source. The area to the southeast of the Creasy Spoon claims is controlled by Utex Exploration and Oil Company. The Utex locations are prior to the Creasy Spoon claims, but only minor overlaps have been noted.

There have been no withdrawals by the Atomic Energy

(continued - Property and Title)

Commission in the area south of La Sal Creek. No conflicts with the Leasing Act minerals were disclosed in the records of the Bureau of Land Management at the time of location. Amended locations and maps have been filed on the claims to take advantage of the provisions of Senate Bill No. 271, Colorado Law Sessions, 1955. Assessment work for 1954 was completed and affidavits filed in the office of the county recorder.

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P.O. Box [illegible]48
Grand Junction, Colorado

History

The Greasy Spoon, Lost Dutchman, and Dick's Mexican Claims were located by Strategic Minerals during the fall of 1952. During 1954, the area was diamond drilled on wide centers by the U. S. Geological Survey. A change in the government exploration policy precluded later stage drilling in this area. Strategic Minerals Exploration Company did limited diamond drilling on the ground during the past summer to cover assessment work requirements.

The property has shown no production although the La Sal Creek area in general has produced substantial tonnages of good grade ore since the early radium days. The older properties in the area are the Vanadium Queen, Grey Dawn, Yellow Bird and Graflich Groups. The Yellow Bird, which is owned by the Vanadium Corporation of America is located less than a mile north of the Greasy Spoon Group.

In the past few years several mines have been brought into production to the east and south of the Greasy Spoon property. On the north side of La Sal Creek, major ore bodies have been located by diamond drilling on the Stock's Firefly claim and Crotley property. The bulk of past production has come from the mines on the north side of La Sal Creek, but this area has also received the bulk of the exploratory drilling.

Producing Properties in La Sal Creek

Vanadium Queen owned by Vanadium Queen Uranium Corporation has a long record of uranium and vanadium production. It is estimated that this mine produced 15,000 tons of ore prior to

1948. Production from 1951 to 1955 amounted to 4814 tons. Reserves are estimated at 14,800 proven ore and 11,000 tons in probable ore. These reserves are in two separate ore bodies.

The original production was mainly from rim workings. It appears that the average size of ore bodies is approximately 15,000 tons and the size target is about 400 feet in length by 200 feet in width.

Stock's property - Firefly being worked by the Nov-Tah Corporation is reported to have as much as 25,000 tons of ore in one body. The author's calculation, however, indicates about 10,000 tons.

Grey Dawn has produced steadily since 1951, but no record of production is available.

Crowley Ore body - This property owned jointly by Charles Steen, Wm. McCormick and J. Crowley, is being worked through a 200 foot shaft. The group lies approximately one-half mile east of the Vanadium Queen.

Although the size of the ore body being mined is not known, the U.S.G.S. drilled approximately 12 ore holes in this area within fairly close radius of the mine. These ore holes lie on the Black Hat, Lion, Ella, Willis, May, and Blue Can Claims. It appears that an ore body of considerable size will be developed.

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Cramlich Claims - These claims, now owned by Four Corner's Uranium Corporation, have had a long record of production. It is believed that ore bodies found on the Marjory Ann, Evening Star and Morning Star Claims could each exceed 5,000 tons.

The Yellow Bird Mine - No figures are available on the production of the Yellow Bird Mine but it is believed to have produced in excess of 10,0 0 tons and it is still being operated by Vanadium Corporation of America. Drilling within the past year has developed additional reserves both on Vanadium Corporation's property and on U.S. Vanadium Corporation's property which lie directly to the south of the Yellow Bird property.

The Uranium Girl - The Uranium Girl property directly to the west of the Yellow Bird property is reported by the owners to have reserves of at least 15,000 tons. This discovery was made fairly recently. The Vanadium Queen Uranium Corporation is planning to start development work in the near future.

Other Ore Bodies - Although little work has been done on the south side of Gray Mesa, Great Western Uranium Corporation has produced approximately 2,500 tons of ore from scattered rim showings within the favorable belt. It is believed that this area could be a substantial producer with an effectively guided drilling program.

Other ore bodies reported in the area, but which have had no development work, are (1) Hunt ore body on upper Hop Creek; (2) Colorado Mines ore body on upper Lion Creek.

Geology

Formations exposed in the vicinity of the Greasy Spoon Group range from the Navajo sandstone of Jurassic Age along La Sal Creek to the Mancos shale of Cretaceous Age capping portions of Gray Mesa. Most of the production in the area has come from the upper Salt Wash sandstone lenses of the Morrison formation. Minor production is reported from the Brushy Basin member several miles to the south of the property in the Coyote Wash Area.

Drilling depths on the Greasy Spoon Group are between 100 and 500 feet, with an average of about 375 feet. The U.S.G.S. has drilled nine holes on the group at approximately 1500 foot intervals. Strategic Minerals Exploration drilled three holes off-setting the more favorable government holes. Of the twelve holes drilled, three were mineralized and eight showed sandstone thicknesses of 50 feet or more. Seven of the government holes were classified as semi-favorable. (See attached "Summary of Drill Hole Logs"). It is believed that had the U. S. Geological Survey drilling been closer-spaced, much of the ground classified now as semi-favorable would have been favorable. It is difficult to determine the favorable ground from the semi-favorable on such wide-spaced drilling.

It is not apparent that the La Sal Creek area fits into the generally accepted Mineral Belt theory advanced by W. P. Fischer of the U. S. Geological Survey. It is the belief of the authors, however, that the Mineral Belt tends to widen on the flanks of the anticlines. The major structures such

(continued - Geology)

as Paradox anticline were believed to be minor structures at the time of ore deposition and it is logical to think that some of the mineralizing solutions traveled around these minor structures rather than crossing through them.

The Mineral Belt apparently extends laterally along Paradox Valley anticline toward the northwest and includes such deposits as the Radium Cycle, Radium King, Buckhorn and Valley View Mines along the upper end of Carpenter Ridge. The apparent gap between the mines on the upper end of Carpenter Ridge and Long Park is due mainly to the erosion of the upper salt wash rim. It is believed that after the main ore trend advanced around the northwest end of Paradox Valley anticline, it again swung southeast along the flank of Paradox as far as Little Gypsum Valley. The main recognizable trend of ore bodies in La Sal Creek Area is in a zone from the Stock's Firefly through the Vanadium Queen, Crowley and Cramlich ore bodies. This mineralized zone would then be normal to the main Mineral Belt within this area. It is also believed that other mineralized zones will be found in the northwesterly and southeasterly extension of the belt in this area. It is believed from occurrences found on the southside of Gray Mesa and the southside of La Sal Creek on the east end of Gray Mesa that a parallel mineral zone will be found in this area when more drilling has been done. Another zone may be found in this area when more drilling has been done.

(continued - Geology)

Another zone may be found which will include the Yellow Bird Mine. The mineralization in this area will probably be similar to that described by Fischer and Hilbert of the U.S. Geological Survey in Bulletin No. 988-A. From past drilling done by the U.S.G.S. and private companies, it is believed that the Lost Creek area offers one of the best possibilities remaining for the Salt Wash Morrison type of deposits. Although no actual figures are available, it is believed that the rate of ore found per foot of drilling is higher than any on the plateau.

From information collected from the owners of the properties and the general knowledge of the area, it is estimated that the average size ore deposit being mined at present not including the rim workings, ranges from 10 to 15,000 tons per deposit. The average size deposit of the area as a whole including the rim workings probably ranges between 5 and 10,000 tons the average grade of uranium estimated to be 0.40.

Guides to Exploration

The U. S. G.S. drilling has covered a portion of Stage I of the common Stage-type drilling program. This work indicates a classification of semi-favorable for all of the property with the exception of the unfavorable zone in the northeast area as indicated on the attached map. No further drilling appears warranted at this time in the unfavorable zone. The remaining portions of the property, although classified as semi-favorable, would appear from the mineralization and sand-

(continued - Guides to Exploration)

stone thicknesses encountered to offer a favorable area for additional exploration.

Proposed drilling would initially be on a modified grid system. Later stage drilling would be planned utilizing favorable guides such as: sandstone thickness and color, alteration of the clay above and below the sandstone, and the abundance of carbon in the sandstone.

Exploration Plans

The proposed project consists of diamond drilling in three stages. All drilling would be from the Brushy Basin slope in the more favorable zone. Drilling depths would range from 200 to 450 feet. An average hole depth of 375 feet is assumed in calculating costs. This figure was arrived at by averaging depths of previous drilling. Time to complete the project is estimated at 4 months.

Stage I Drilling

Twenty-four holes are planned for the first stage. Twenty-one of these holes will be on the Greasy Spoon claims along three fences approximately 750 feet apart. Spacing along the fences will ordinarily be 1200 feet, but in the area of the mineralized holes LC-448 and DL-1, the interval will be reduced to 600 feet. Three holes are proposed on the Sick Mexican claims to further explore the area where drilling depths are not excessive. No additional holes are planned on the Lost Dutchman Claims in this stage. The attached map shows locations of the holes proposed for Stage I drilling.

24 holes averaging 375 feet 9,000 feet

Stage II Drilling

Sixteen holes are alloted for off-setting favorable Stage I holes at approximately 300 feet intervals.

16 holes averaging 375 feet 6,000 feet

(continued - Exploration Plans)

Stage III Drilling

Sixteen holes are allowed in Stage III for off-setting any ore and mineralized holes located in previous stages. This drilling would be on 100 to 150 foot intervals.

16 holes averaging 375 feet 6,000 ft.

Summary of Drilling Footages

	Holes	Footage
Stage I	24	9,000
Stage II	16	6,000
Stage III	16	6,000
	56	21,000

Assuming that holes would be cored for an average of 75 feet in the ore horizon, core drilling would account for 4200 feet of the total footage.

Core drilling 4,200 feet

Non-Core drilling 16,800 feet

Drilling Bids

Below are listed bids from three drilling companies for core and non-core drilling at various depths:

Depth	Johnson & Vouvon		Minerals Engineering		Sprague & Henwood	
	Core	Non-core	Core	Non-core	Core	Non-core
0-150	2.50	2.00	3.00	2.75	3.75	1.75
150-300	3.00	2.00	4.00	3.00	3.75	1.75
300-450	3.50	2.50	5.00	--	4.50	2.00

Cost of Project

All costs are calculated on the basis of an average hole depth of 375 feet and an assumed length of 4 months for the project.

(1) Contract Drilling:

Drilling costs used are an average of the three bids shown above.

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

(continued - Cost of Project)

Footage	Type	Cost of Interval	Cost per ft.
0-150	Non-core	$ 323.50	$2.17
150-300	Non-core	337.50	2.25
300-375	Core	324.75	4.33
		$ 987.75	

Average drilling cost per foot 2.63

Total cost of drilling contract:

21,000 feet @ $2.63 $ 55,230.00

(2) Road Building & Site Preparation:

240 hrs. for bulldozer at $12.00 per hour 2,880.00

(3) Engineering and Geology:

1 engineer-geologist 4 mos. @ $600/mo. 2,400.00
Subsistence $3.00/per day for 4 mos. 300.00

(4) Assaying & Probing:

50 samples @ $5.00 each 250.00
Counter & probe rental, 4 mos. at $100/mo. 400.00
Core boxes, 100 @ $4.00 each 400.00

(5) Vehicle mileage:

7200 miles @ 8¢ mile 576.00

(6) Accounting:

$50.00/mo. for 4 mos. 200.00

Summary of Costs	Total	Per foot
Contract drilling	$55,230.00	$ 2.63
Bulldozer work	2,880.00	0.14
Engineering & Geology	2,700.00	0.13
Assaying & Probing	1,050.00	0.05
Vehicle use	576.00	0.03
Accounting	200.00	0.01
Totals	$62,636.00	$ 2.98

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

Labor and Living Conditions

All drilling and bulldozer work will be on a contract basis with the contractors furnishing all living facilities for their personnel. The engineer will be furnished by Strategic Minerals Exploration Company at a wage of $600 per month with a subsistence allowance of $3.00 per day while in the field. Suitable facilities for all personnel can be arranged at one of the nearby mining camps.

Conclusions

The property is located favorably in the La Sal Creek Area which has shown substantial production of uranium-vanadium ores. To-date only limited drilling has been conducted on the property, but results have been encouraging. Favorable sandstone thicknesses were encountered in most of the drill holes with three of the twelve holes being mineralized.

The area has been classified as semi-favorable on the basis of wide-spaced drilling by the U.S.C.E. Additional drilling was forestalled by a change in the government exploration policy. Additional drilling appears warranted considering the physical location of the property with respect to ore deposits in the area, its location in an ingress trend along the south flank of the Paradox anticline, and the results of past drilling conducted on the property.

John I. Schumacher
JOHN I. SCHUMACHER
Registered Mining Engineer

Robert Taylor
ROBERT TAYLOR
Registered Mining Engineer

FORM MF-103

Strategic Minerals Exploration Co.
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Grand Junction, Colorado

SUMMARY OF DIAMOND DRILL HOLES LCCS

I. U. S. Geological Survey Diamond Drilling:

Hole	Claim	Hole Depth	Classification	Ore Sandstone Thickness	Remarks
LC-428	SM-5	470.0	Semi-favorable	50'	mineralized
LC-430	SM-4	384.7	" "	65'	Weakly mineralized
LC-437	GS-17	301.5	" "	87'	Barren
LC-441	GS-14	410.0	" "	67'	Weakly mineralized
*LC-442	LD-4	238.4	Unfavorable	8'	Barren
*LC-443	LD-3	219.7	Unfavorable	36'	Barren
LC-447	GS-7	369.7	Semi-favorable	32'	Barren
LC-448	GS-4	379.6	Semi-favorable	51'	Mineralized
LC-449	SM-2	365.0	Semi-favorable	53'	Barren

II. Strategic Minerals Exploration Company Diamond Drilling:

DT-1	GS-3	325.0		62'	Mineralized
DT-2	GS-19	278.0		26'	Barren
DT-3	SM-5	456.0		69'	Weakly mineralized by probing

*Holes not included in estimating average drilling depths.

Average Hole Depth:

Footage of 10 holes 3739.5 feet

Estimated average depth 375.0 feet/hole

Results of Assaying & Probing

Hole	Depth to Base	Thickness	U_3O_8%	V_2O_5%
LC-428	432.6	0.3'	e0.003	0.26
	432.9	0.3'	e0.003	0.21
	433.2	0.3'	e0.004	0.19
	434.0	0.8'	e0.002	0.23

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box [illegible]48
Grand Junction, Colorado

Hole	Depth to Base	Thickness	U_3O_8%	V_2O_5%
LC-448	271.4	0.9'	e0.072	0.52
	277.3	0.3'	e0.029	0.14
DP-1	308.5	1.5'	0.05	0.26

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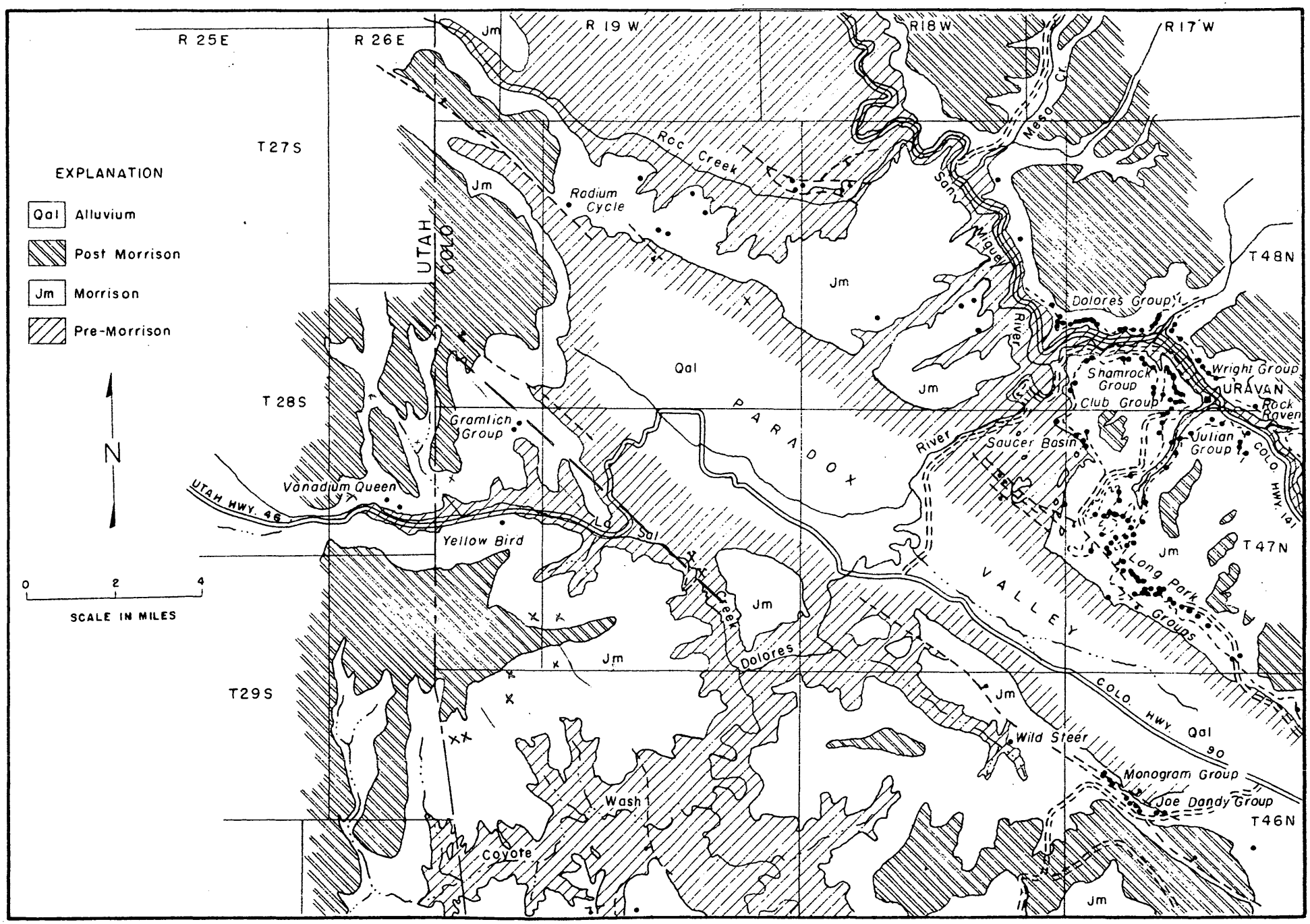
1201 N. DIVISION STR
POKANE 2, WASHINGTON

Mr. George C. Selfridge
Chairman, Operating Committee
Defense Minerals Explor. Admin.
Department of the Interior
Washington 25, D. C.


EXPLANATION
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Post Morrison
Jm Morrison
Pre-Morrison
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UTAH
COLO
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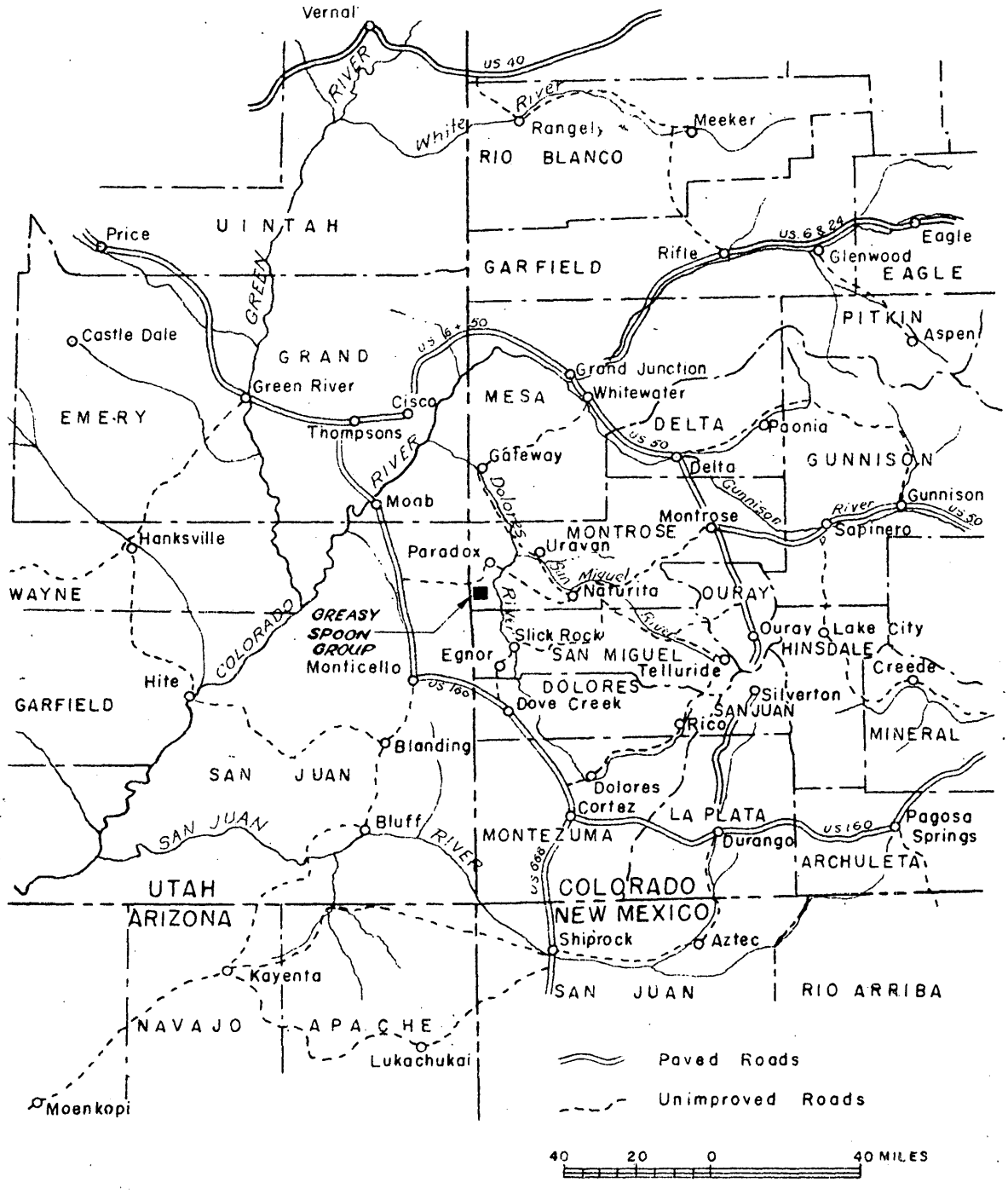
Qal
Radium Cycle
Roc Creek
Mesa Cr.
San Miguel River
Dolores Group
Shamrock Group
Wright Group
Club Group
URAVAN
Rock Raven
Julian Group
COLO. HWY. 141
Saucer Basin
Gramlich Group
PARADOX VALLEY
Vanadium Queen
UTAH HWY. 46
Yellow Bird
La Sal Creek
Dolores River
Long Park Groups
COLO. HWY. 90
Wild Steer
Monogram Group
Joe Dandy Group
Wash
Coyote



INDEX MAP OF COLORADO PLATEAU

GREASY SPOON GROUP

Strategic Minerals Expl. Co.

Montrose County, Colorado

DMEA-4059

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

November 9, 1955

224 New Customhouse
Denver 2, Colorado

RECEIVED
NOV 14 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Assistance (Uranium), Strategic Minerals Exploration Company, Greasy Spoon group, Montrose County, Colorado

Enclosed are two copies of the subject application in the amount of $62,636.00.

The application was submitted to the Grand Junction office where a review of the application was made.

Enclosed are four copies of a review of the subject application recommending that a field examination is warranted. One copy of the application is being forwarded to the engineer examiner with the request that a field examination and suitable report be made.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

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

November 9, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. F. Shaw (With brochure)
J. W. Hasler

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Assistance (Uranium), Strategic Minerals Exploration Company, Greasy Spoon group, Montrose County, Colorado

Enclosed is the subject application in the amount of $62,636.00. A field examination and suitable report are required.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosure

HMC:ab
cc: Sec. Op. Comm. (2)

RECEIVED
NOV 14 1955

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DMEA
Doc Recd
NOV 8 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. DMEA-4059
Metal or Mineral Uranium
Date Received 11-14-55
Estimated Cost $62,636.00
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: Strategic Minerals Exploration Company
P.O. Box 1648
Grand Junction, Colorado

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

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. Not applicable

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

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 20 unpatented lode claims situated in sections 23, 24, 25, and 26, T 49 N, R 20 W, NMPM, Montrose County, Colorado. (See attached report for claim names and recordings)

(*b*) State any mine name by which the property is known. None

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

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

(*e*) If you own the land, describe any liens or encumbrances on it None

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

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. See attached report.

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

(*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. See attached report

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

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

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NOV 14 1955

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

(*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. See attached report

(*c*) The work will start within 30 days and be completed within 6 months from the date of an exploration project contract.

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

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.). See attached report

(*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. See attached report

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

(*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. See attached report

(*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. None

(*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. See attached report

(*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. See attached report

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 October 31, 1955

STRATEGIC MINERALS EXPLORATION CO.
(Applicant)

By John I. Schumacher
JOHN I. SCHUMACHER, Managing Partner

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

Form MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

INSTRUCTIONS

1. (a) Strategic Minerals Exploration Company
P.O. Box 1648
Grand Junction, Colorado

(b) Partnership

(c) Not applicable

(d) Below is listed the name and address of each partner in Strategic Minerals Exploration Company:

Name of each partner	Address
Mrs. Charles P. Schumacher	15 Wonderly, Dayton, Ohio
Claire C. Schumacher	15 Wonderly, Dayton, Ohio
Dr. James C. Schumacher	100 Schantz Ave., Dayton, Ohio
Paul J. Schumacher	5316 Markey Rd., Dayton, Ohio
John I. Schumacher	1251 Elm Avenue, Grand Jct., Colorado
Philip K. Schumacher	27 Knob Hill Drive, Virginia, Minn.
Dr. James Smith	1423 North 122nd St., Milwaukee, Wisconsin
John Hill	7688 Normandy Lane, Dayton, Ohio

2. See attached sheets

3. (a) The following lode mining claims are located in Sections 23, 24, 25, and 26, T 47 N, R 20 W., NMPM, in Montrose County, Colorado and the location certificates are recorded in the said records of Montrose County.

Claim	Book	Page
Greasy Spoon No. 1	365	409
Greasy Spoon No. 2	365	410
Greasy Spoon No. 3	365	411
Greasy Spoon No. 4	365	412
Greasy Spoon No. 5	365	413
Greasy Spoon No. 6	365	414
Greasy Spoon No. 7	365	415
Greasy Spoon No. 8	365	416
Greasy Spoon No. 9	365	417
Greasy Spoon No. 10	365	418
Greasy Spoon No. 11	365	419
Greasy Spoon No. 12	365	420

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

(continued 3. (a))

Claim	Book	Page
Greasy Spoon No. 13	365	421
Greasy Spoon No. 14	365	422
Greasy Spoon No. 15	365	423
Greasy Spoon No. 16	365	424
Greasy Spoon No. 17	365	425
Greasy Spoon No. 18	365	426
Greasy Spoon No. 19	365	427
Greasy Spoon No. 20	365	428
Greasy Spoon No. 21	365	429
Greasy Spoon No. 22	365	430
Greasy Spoon No. 23*	(Recordings not yet returned)	
Lost Dutchman No. 3	365	433
Lost Dutchman No. 4	365	434
Sick Mexican No. 2	371	173
Sick Mexican No. 3	371	174
Sick Mexican No. 4	371	175
Sick Mexican No. 5	371	176
Sick Mexican No. 6	371	177

* Recently located to cover a fraction

(b) None

(c) Owner

(d) Not applicable

(e) None

(f) See (a) above

4. (a) See attached report

(b) See attached report

(c) See attached report

(d) See attached report

(e) See attached report

5. (a) Uranium and vanadium

(b) See attached report

(c) See Form MF-103

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

5. (d) Experience of applicant

John I. Schumacher, Managing Partner
1943 - Degree in Mining Engineering, University of Alaska
1943-1944 - U. S. Bureau of Mines, Assistant Project Engineer
Phelps Dodge Corporation - Test Engineer Morenci, Arizona
1944-1946 - U. S. Army
1946-1948 - U. S. Bureau of Mines - Project Engineer
1948-1951 - U. S. Geological Survey - Colorado Plateau Project - Chief Engineer
1951-Present- Managing Partner, Strategic Minerals Exploration Co.
Operation Ringtail Mine (Company owned) Yellow Cat Mining District
Consulting for various mining companies

I. Robert Taylor
-1948 - Degree in Mining Engineering, Colorado School of Mines
1948 -1949 - Park Utah Cons. Mines Co., Park City, Utah, Miner and Shift Boss
1949 -1951 - Idarado Mining Company, Ouray, Colorado Mine Engineer and Shift Boss
1951 -1953 - U. S. Atomic Energy Commission, Grand Junction, Colorado, Mining Engineer
1953 -Present - Strategic Minerals Exploration Co., Mine Supt., Ringtail Mine.

Harold C. Anderson
1944-1945- National Lead Co.-Metallurgist
1948-1953 Pomeroy Mining Co. -Partner, Miner and Lessee
1954-Present Strategic Minerals Exploration Co. Engineer

6. Estimate of Costs

All costs are computed on the basis of the exploration project continuing for 4 months. (See attached report for details)

(a) Independent Contracts

	Total cost	Cost/foot of drilling
(1) Diamond Drilling 21,000 feet of core & non-core drilling	$55,230.00	$2.63
(2) Bulldozer work 240 hrs. @ $12.00/hr	2,880.00	0.14

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 1046
Grand Junction, Colorado

(b) Engineering and Geology

1 engineer-geologist, 4 mos. $600/mo.	$2,400.00	
Subsistence, 1 man @ $3.00/day for 4 mos.	300.00	
	2,700.00	0.13

(c) Assaying and Probing

50 samples @ $5.00 each	250.00	
Counter & probe rental, 4 mos. @ $100/mo	400.00	
Core boxes, 100 @ $4.00each	400.00	
	1,050.00	0.05

(d) Vehicle Use

Pick-up depreciation & operating expense, 7200 miles @ 8¢/mile	576.00	0.03

(e) None

(f) None

(g) Accounting

$250.00/mo for 4 mos.	200.00	0.01
Totals	$20,636.00	2.98

Government, 75% participation	$47,727.00
Owners, 25% participation	$15,909.00

7. (a) Yes

(b) Money

STRATEGIC MINERALS EXPLORATION CO.

by John I. Schmacher
JOHN I. SCHMACHER

CRAZY SPOON GROUP

La Sal Creek Area, Paradox Mining District

Montrose County, Colorado

Strategic Minerals Exploration Company

John I. Schumacher

I. R. Taylor

October 1955

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

Introduction

The Greasy Spoon Group consists of thirty unpatented mining claims owned by Strategic Minerals Exploration Company, P.O. Box 1648, Grand Junction, Colorado. The following claims are included in the property, which for the purpose of this report is referred to as the Greasy Spoon Group:

Greasy Spoon Nos. 1 to 23, inclusive
Lost Dutchman Nos. 3 and 4
Sick Mexican Nos. 2 to 6, inclusive

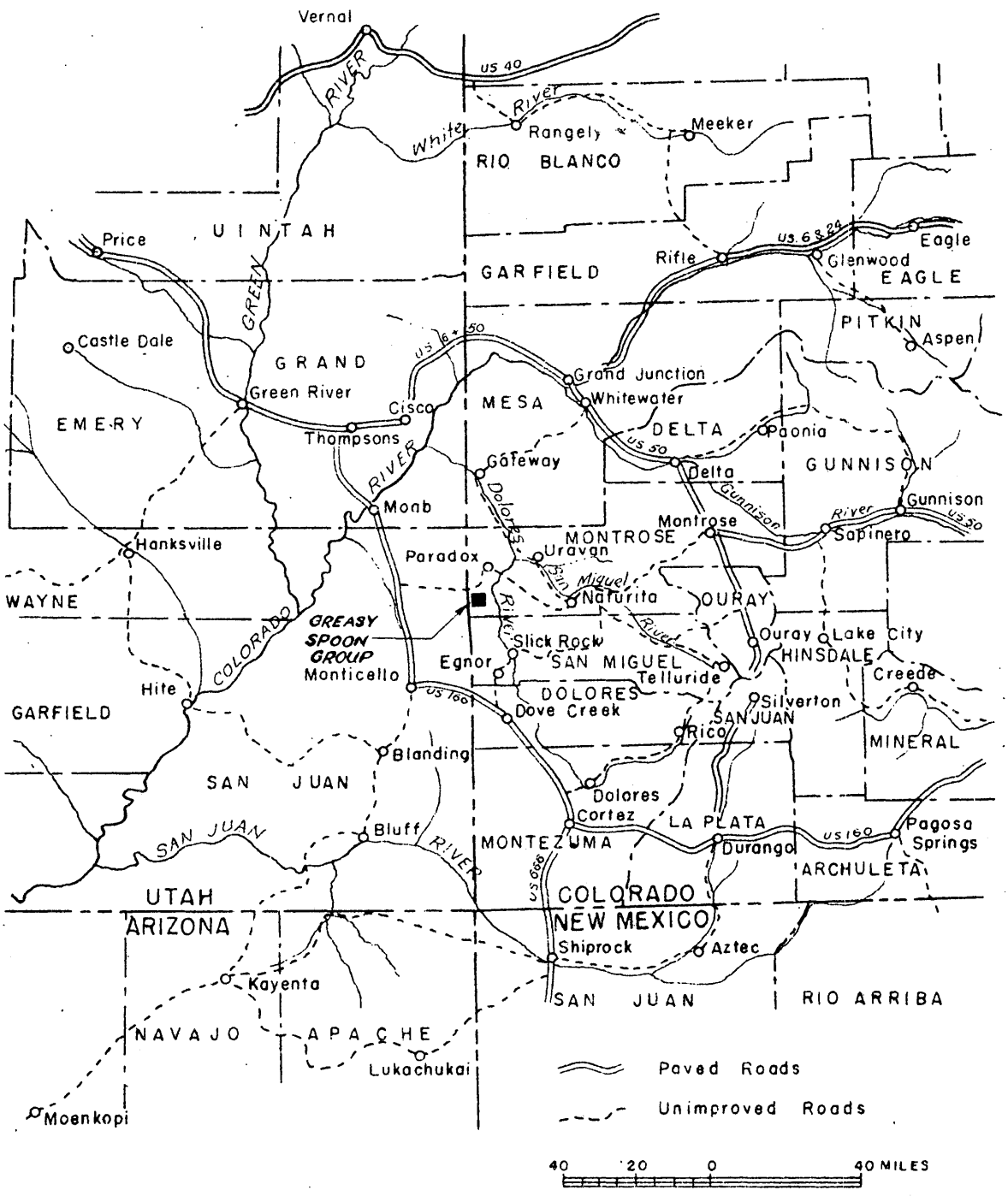
An application for government assistance in conducting an exploration program is submitted. The purpose of the project is to diamond drill the property to search for uranium-vanadium bearing ore deposits in the Morrison formation. Previous wide-spaced government drilling by the U. S. Geological Survey was favorable enough to warrant further drilling.

The proposed project is in three stages totaling 21,000 feet of exploratory drilling at a total cost of $62,636.00.

Location and Physiography

The Greasy Spoon Group is situated in Sections 23, 24, 25, and 26, Township 47 North, Range 20 West, NMPM in the La Sal Creek Area of the Paradox Mining District, Montrose County, Colorado.

The claims for the most part, cover a portion of the Brushy Basin slope along the south rim of La Sal Creek. Good access to the property is possible over a series of mine and drill roads connecting with Utah State Highway 46 approximately one mile west of the Vanadium Queen Camp. The area is approximately 42 miles from Moab, Utah and 40 miles from Naturita,



INDEX MAP OF COLORADO PLATEAU

(continued - Location and Physiography)

Colorado. General mine supplies are available at both towns. Ores can be shipped to mills or buying stations located at Monticello or Thompson, Utah and Uravan or Naturita, Colorado.

The U. S. Geological Survey built a series of drill roads across the property while conducting wide-spaced drilling in the area. Future drill roads would branch off from the existing roads and would be of moderate cost. Water for diamond drilling is available approximately five miles from the area near the junction of the mine road with State Highway 46.

The La Sal Area is typical of the "canyon and mesa" country of the Colorado Plateau. The area covered by the Greasy Spoon Claims consists of low Brushy Basin hills and ridges cut by occasional shallow washes with intermittent sage-brush covered flats. Topography offers no serious problems in locating drill sites.

Property and Title

The Greasy Spoon group consists of thirty unpatented claims owned by Strategic Minerals Exploration Company and recorded in the Montrose County court house as follows:

	Book	Page
Greasy Spoon No. 1	365	409
Greasy Spoon No. 2	365	410
Greasy Spoon No. 3	365	411
Greasy Spoon No. 4	365	412
Greasy Spoon No. 5	365	413
Greasy Spoon No. 6	365	414
Greasy Spoon No. 7	365	415
Greasy Spoon No. 8	365	416
Greasy Spoon No. 9	365	417
Greasy Spoon No. 10	365	418

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

(continued - Property and Title)

	Book	Page
Creasy Spoon No. 11	365	419
Creasy Spoon No. 12	365	420
Creasy Spoon No. 13	365	421
Creasy Spoon No. 14	365	422
Creasy Spoon No. 15	365	423
Creasy Spoon No. 16	365	424
Creasy Spoon No. 17	365	425
Creasy Spoon No. 18	365	426
Creasy Spoon No. 19	365	427
Creasy Spoon No. 20	365	428
Creasy Spoon No. 21	365	429
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Sick Mexican No. 3	371	174
Sick Mexican No. 4	371	175
Sick Mexican No. 5	371	176
Sick Mexican No. 6	371	177

* Recently located to cover a fraction.

There are no known conflicts on the property. On the north the group joins prior U.S.V. locations, as indicated on the attached La Sal Creek Area map. To the east, El Rey Uranium Corporation owns a number of claims. Some of these overlap the east side of the property, but all are believed to be later locations. The Lost Dutchman No. 1 and No. 2 were recently sold to El Rey by Strategic Minerals. No conflict of ownership is believed probable from this source. The area to the southeast of the Creasy Spoon claims is controlled by Utex Exploration and Oil Company. The Utex locations are prior to the Creasy Spoon claims, but only minor overlaps have been noted.

There have been no withdrawals by the Atomic Energy

Strategic Minerals Exploration Co.
P. Box 1648
Grand Junction, Colorado

(continued - Property and Title)

Commission in the area south of La Sal Creek. No conflicts with the Leasing Act minerals were disclosed in the records of the Bureau of Land Management at the time of location. Amended locations and maps have been filed on the claims to take advantage of the provisions of Senate Bill No. 271, Colorado Law Sessions, 1955. Assessment work for 1954 was completed and affidavits filed in the office of the county recorder.

MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

History

The Greasy Spoon, Lost Dutchman, and Sick Mexican Claims were located by Strategic Minerals during the fall of 1953. During 1954, the area was diamond drilled on wide centers by the U. S. Geological Survey. A change in the government exploration policy precluded later stage drilling in this area. Strategic Minerals Exploration Company did limited diamond drilling on the groups during the past summer to cover assessment work requirements.

The property has shown no production although the La Sal Creek Area in general has produced substantial tonnages of good grade ore since the early radium days. The older properties in the area are the Vanadium Queen, Grey Dawn, Yellow Bird and Gramlich Groups. The Yellow Bird, which is owned by the Vanadium Corporation of America is located less than a mile north of the Greasy Spoon Group.

In the past few years several mines have been brought into production to the east and south of the Greasy Spoon property. On the north side of La Sal Creek, major ore bodies have been located by diamond drilling on the Stock's Firefly claim and Crowley property. The bulk of past production has come from the mines on the north side of La Sal Creek, but this area has also received the bulk of the exploratory drilling.

Producing Properties in La Sal Creek

Vanadium Queen owned by Vanadium Queen Uranium Corporation has a long record of uranium and vanadium production. It is estimated that this mine produced 15,000 tons of ore prior to

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

1948. Production from 1951 to 1955 amounted to 4814 tons. Reserves are estimated at 14,800 proven ore and 11,000 tons in probable ore. These reserves are in two separate ore bodies.

The original production was mainly from rim workings. It appears that the average size of ore bodies is approximately 15,000 tons and the size target is about 400 feet in length by 200 feet in width.

Stock's property - Firefly being worked by the Nev-Tah Corporation is reported to have as much as 25,000 tons of ore in one body. The author's calculation, however, indicates about 10,000 tons.

Grey Dawn has produced steadily since 1951, but no record of production is available.

Crowley Ore body - This property owned jointly by Charles Stern, Wm. McCormick and J. Crowley, is being worked through a 200 foot shaft. The group lies approximately one-half mile east of the Vanadium Queen.

Although the size of the ore body being mined is not known, the U.S.G.S. drilled approximately 12 ore holes in this area within fairly close radius of the mine. These ore holes lie on the Black Hat, Lion, Ella, Willis, May, and Blue Can Claims. It appears that an ore body of considerable size will be developed.

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

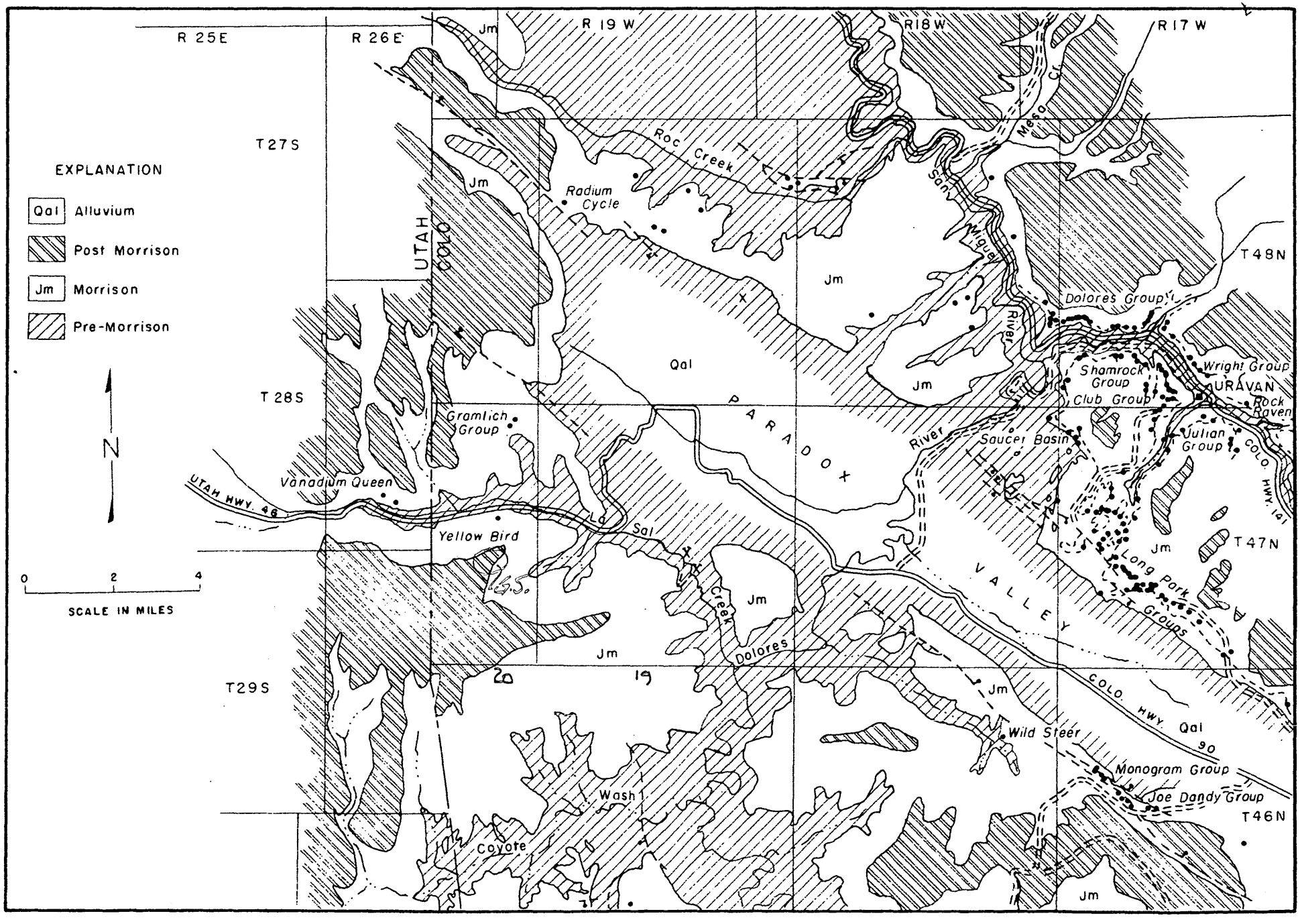
Cramlich Claims - These claims, now owned by Four Corner's Uranium Corporation, have had a long record of production. It is believed that ore bodies found on the Marjory Ann, Evening Star and Morning Star Claims would each exceed 5,000 tons.

The Yellow Bird Mine - No figures are available on the production of the Yellow Bird Mine but it is believed to have produced in excess of 10,000 tons and it is still being operated by Vanadium Corporation of America. Drilling within the past year has developed additional reserves both on Vanadium Corporation's property and on U.S. Vanadium Corporation's property which lie directly to the south of the Yellow Bird property.

The Uranium Girl - The Uranium Girl property directly to the west of the Yellow Bird property is reported by the owners to have reserves of at least 15,000 tons. This discovery was made fairly recently. The Vanadium Queen Uranium Corporation is planning to start development work in the near future.

Other Ore Bodies - Although little work has been done on the south side of Wray Mesa, Great Western Uranium Corporation has produced approximately 2,500 tons of ore from scattered rim showings within the favorable belt. It is believed that this area could be a substantial producer with an effectively guided drilling program.

Other ore bodies reported in the area, but which have had no development work, are (1) Hunt ore body on upper Hop Creek; (2) Colorado Mines ore body on upper Lion Creek.


EXPLANATION
Qal Alluvium
Post Morrison
Jm Morrison
Pre-Morrison
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0 2 4
SCALE IN MILES
R 25E
R 26E
R 19 W
R18W
R17 W
T27S
T 28S
T29S
T48N
T47N
T46N
UTAH
COLO
Jm
Qal
Roc Creek
Radium Cycle
San Miguel River
Mesa Cr.
Dolores Group
Shamrock Group
Wright Group
Club Group
URAVAN
Rock Raven
Julian Group
COLO. HWY. 141
Saucer Basin
PARADOX
VALLEY
Gramlich Group
Vanadium Queen
UTAH HWY. 46
Yellow Bird
La Sal Creek
Dolores River
Long Park Groups
COLO. HWY. 90
Wild Steer
Monogram Group
Joe Dandy Group
Coyote Wash
20
19

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

Geology

Formations exposed in the vicinity of the Greasy Spoon Group range from the Navajo sandstone of Jurassic Age along La Sal Creek to the Mancos shale of Cretaceous Age capping portions of Gray Mesa. Most of the production in the area has come from the upper Salt Wash sandstone lenses of the Morrison formation. Minor production is reported from the Brushy Basin member several miles to the south of the property in the Coyote Wash Area.

Drilling depths on the Greasy Spoon Group are between 100 and 500 feet, with an average of about 375 feet. The U.S.G.S. has drilled nine holes on the group at approximately 1500 foot intervals. Strategic Minerals Exploration drilled three holes off-setting the more favorable government holes. Of the twelve holes drilled, three were mineralized and eight showed sandstone thicknesses of 50 feet or more. Seven of the government holes were classified as semi-favorable. (See attached "Summary of Drill Hole Logs"). It is believed that had the U. S. Geological Survey drilling been closer-spaced, much of the ground classified now as semi-favorable would have been favorable. It is difficult to determine the favorable ground from the semi-favorable on such wide-spaced drilling.

It is not apparent that the La Sal Creek Area fits into the generally accepted Mineral Belt theory advanced by M. R. Fischer of the U. S. Geological Survey. It is the belief of the authors, however, that the Mineral Belt tends to widen on the flanks of the anticlines. The major structures such

(continued - Geology)

as Paradox anticline were believed to be minor structures at the time of ore deposition and it is logical to think that some of the mineralizing solutions traveled around these minor structures rather than crossing through them.

The Mineral Belt apparently extends laterally along Paradox Valley anticline toward the northwest and includes such deposits as the Radium Cycle, Radium King, Buckhorn and Valley View Mines along the upper end of Carpenter Ridge. The apparent gap between the mines on the upper end of Carpenter Ridge and Long Park is due mainly to the erosion of the upper alt Wash rim. It is believed that after the main ore trend advanced around the northwest end of Paradox Valley anticline, it again swung southeast along the flank of Paradox as far as Little Gyp Valley. The main recognizable trend of ore bodies in La Sal Creek Area is in a zone from the Stock's Firefly through the Vanadium Queen, Crowley and Gramlich ore bodies. This mineralized zone would then be normal to the main Mineral Belt within this area. It is also believed that other mineralized zones will be found in the northwesterly and southeasterly extension of the belt in this area. It is believed from occurrences found on the southside of Gray Mesa and the southside of La Sal Creek on the east end of Gray Mesa that a parallel mineral zone will be found in this area when more drilling has been done. Another zone may be found in this area when more drilling has been done.

(continued - Geology)

Another zone may be found which will include the Yellow Bird Mine. The mineralization in this area will probably be similar to that described by Fischer and Hilpert of the U.S. Geological Survey in Bulletin No. 988-A. From past drilling done by the U.S.G.S. and private companies, it is believed that the La Sal Creek area offers one of the best possibilities remaining for the Salt Wash Morrison type of deposits. Although no actual figures are available, it is believed that the rate of ore found per foot of drilling is higher than any on the plateau.

From information collected from the owners of the properties and the general knowledge of the area, it is estimated that the average size ore deposit being mined at present not including the rim workings, ranges from 10 to 15,000 tons per deposit. The average size deposit of the area as a whole including the rim workings probably ranges between 5 and 10,000 tons the average grade of uranium estimated to be 0.40.

Guides to Exploration

The U. S. G.S. drilling has covered a portion of Stage I of the common Stage-type drilling program. This work indicates a classification of semi-favorable for all of the property with the exception of the unfavorable zone in the northeast area as indicated on the attached map. No further drilling appears warranted at this time in the unfavorable zone. The remaining portions of the property, although classified as semi-favorable, would appear from the mineralization and sand-

(continued - Guides to Exploration)

stone thicknesses encountered to offer a favorable area for additional exploration.

Proposed drilling would initially be on a modified grid system. Later stage drilling would be planned utilizing favorable guides such as: sandstone thickness and color, alteration of the clay above and below the sandstone, and the abuhdance of carbon in the sandstone.

Exploration Plans

The proposed project consists of diamond drilling in three stages. All drilling would be from the Brushy Basin slope in the more favorable zone. Drilling depths would range from 200 to 450 feet. An average hole depth of 375 feet is assumed in calculating costs. This figure was arrived at by averaging depths of previous drilling. Time to complete the project is estimated at 4 months.

Stage I Drilling

Twenty-four holes are planned for the first stage. Twenty-one of these holes will be on the Greasy Spoon claims along three fences approximately 750 feet apart. Spacing along the fences will ordinarily be 1200 feet, but in the area of the mineralized holes LC-448 and DD-1, the interval will be reduced to 600 feet. Three holes are proposed on the Sick Mexican claims to further explore the area where drilling depths are not excessive. No additional holes are planned on the Lost Dutchman Claims in this stage. The attached map shows locations of the holes proposed for Stage I drilling.

24 holes averaging 375 feet 9,000 feet

Stage II Drilling

Sixteen holes are allowed for off-setting favorable Stage I holes at approximately 300 feet intervals.

16 holes averaging 375 feet 6,000 feet

(continued - Exploration Plans)

Stage III Drilling

Sixteen holes are allowed in Stage III for off-setting any ore and mineralized holes located in previous stages. This drilling would be on 100 to 150 foot intervals.

16 holes averaging 375 feet 6,000 ft.

Summary of Drilling Footages

	Holes	Footage
Stage I	24	9,000
Stage II	16	6,000
Stage III	16	6,000
	56	21,000

Assuming that holes would be cored for an average of 75 feet in the ore horizon, core drilling would account for 4200 feet of the total footage.

Core drilling 4,200 feet

Non-Core drilling 16,800 feet

Drilling Bids

Below are listed bids from three drilling companies for core and non-core drilling at various depths:

Depth	Johnson & Vouvon		Minerals Engineering		Sprague & Henwood	
	Core	Non-core	Core	Non-core	Core	Non-core
0-150	2.50	2.00	3.00	2.75	3.75	1.75
150-300	3.00	2.00	4.00	3.00	3.75	1.75
300-450	3.50	2.50	5.00	--	4.50	2.00

Cost of Project

All costs are calculated on the basis of an average hole depth of 375 feet and an assumed length of 4 months for the project.

(1) Contract Drilling:

Drilling costs used are an average of the three bids shown above.

FORM MP-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

(continued - Cost of Project)

Footage	Type	Cost of Interval	Cost per ft.
0-150	Non-core	@ 323.50	$2.17
150-300	Non-core	337.50	2.25
300-375	Core	324.75	4.33
		$ 987.75	

Average drilling cost per foot 2.63

Total cost of drilling contract:

21,000 feet @ $2.63 $ 55,230.00

(2) Road Building & Site Preparation:

240 hrs. for bulldozer at $12.00 per hour 2,880.00

(3) Engineering and Geology:

1 engineer-geologist 4 mos. @ $600/mo. 2,400.00
Subsistence @ 3.00/per day for 4 mos. 300.00

(4) Assaying & Probing:

50 samples @ $5.00 each 250.00
Counter & probe rental, 4 mos. at $100/mo. 400.00
Core boxes, 100 @ $4.00 each 400.00

(5) Vehicle mileage:

7200 miles @ 8¢ mile 576.00

(6) Accounting:

$50.00/mo. for 4 mos. 200.00

Summary of losts	Total	Per foot
Contract drilling	$55,230.00	2.63
Bulldozer work	2,880.00	0.14
Engineering & Geology	2,700.00	0.13
Assaying & Probing	1,050.00	0.05
Vehicle use	576.00	0.03
Accounting	200.00	0.01
Totals	$62,636.00	$ 2.98

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

Labor and Living Conditions

All drilling and bulldozer work will be on a contract basis with the contractors furnishing all living facilities for their personnel. The engineer will be furnished by Strategic Minerals Exploration Company at a wage of $600 per month with a subsistence allowance of $3.00 per day while in the field. Suitable facilities for all personnel can be arranged at one of the nearby mining camps.

Conclusions

The property is located favorably in the La Sal Creek Area which has shown substantial production of uranium-vanadium ores. To-date only limited drilling has been conducted on the property, but results have been encouraging. Favorable sandstone thicknesses were encountered in most of the drill holes with three of the twelve holes being mineralized.

The area has been classified as semi-favorable on the basis of wide-spaced drilling by the U.S.C.E. Additional drilling was forestalled by a change in the government exploration policy. Additional drilling appears warranted considering the physical location of the property with respect to ore deposits in the area, its location in an apparent trend along the south flank of the Paradox anticline, and the results of past drilling conducted on the property.

John J. Schumacher

JOHN J. SCHUMACHER
Registered Mining Engineer

Robert Taylor

ROBERT TAYLOR
Registered Mining Engineer

FORM DF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

SUMMARY OF DIAMOND DRILL HOLE LOGS

I. U. S. Geological Survey Diamond Drilling:

Hole	Claim	Hole Depth	Classification	Ore Sandstone Thickness	Remarks
LC-428	SM-5	470.0	Semi-favorable	50'	mineralized
LC-430	SM-4	384.7	" "	65'	Weakly mineralized
LC-437	GS-17	301.5	" "	87'	Barren
LC-441	Gs-14	410.0	" "	67'	Weakly mineralized
*LC-442	LD-4	238.4	Unfavorable	8'	Barren
*LC-443	LD-3	219.7	Unfavorable	36'	Barren
LC-447	GS-7	369.7	Semi-favorable	32'	Barren
LC-448	GS-4	379.6	Semi-favorable	51'	Mineralized
LC-449	SM-2	365.0	Semi-favorable	53'	Barren

II. Stratogic Minerals Exploration Company Diamond Drilling:

DD-1	GS-3	325.0		62'	Mineralized
DD-2	GS-19	278.0		26'	Barren
DD-3	SM-5	456.0		69'	Weakly mineralized by probing

*Holes not included in estimating average drilling depths.

Average Hole Depth:

Footage of 10 holes	3739.5 feet
Estimated average depth	375.0 feet/hole

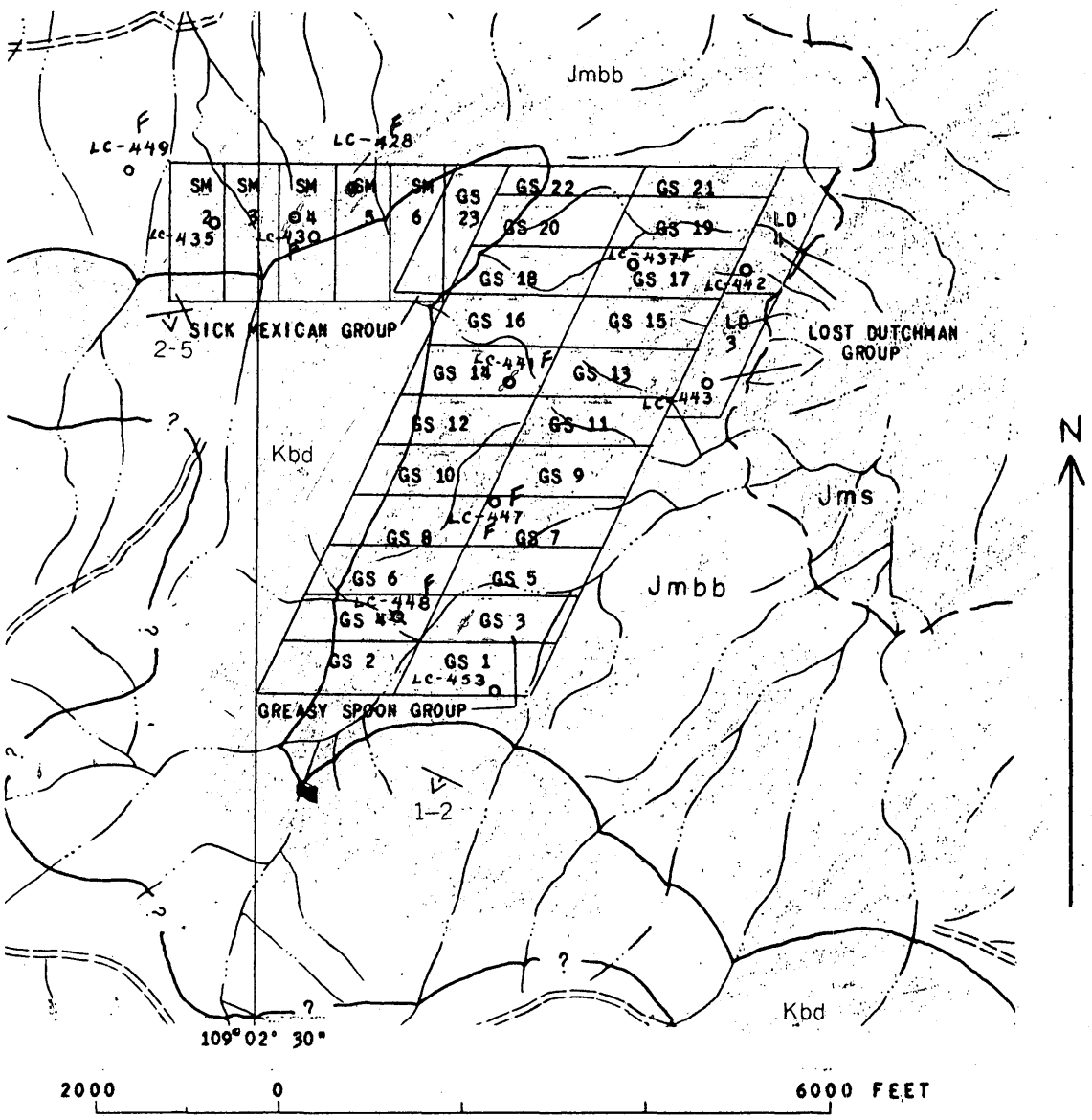
Results of Assaying & Probing

Hole	Depth to Base	Thickness	U_3O_8%	V_2O_5%
LC-428	432.6	0.3'	e0.003	0.26
	432.9	0.3'	e0.003	0.21
	433.2	0.3'	e0.004	0.19
	434.0	0.8'	e0.002	0.23

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

Hole	Depth to Base	Thickness	U_3O_8%	V_2O_5%
LC-448	271.4	0.9'	eC.072	0.52
	277.3	0.3'	e0.029	0.14
DD-1	308.5	1.5'	0.05	0.26



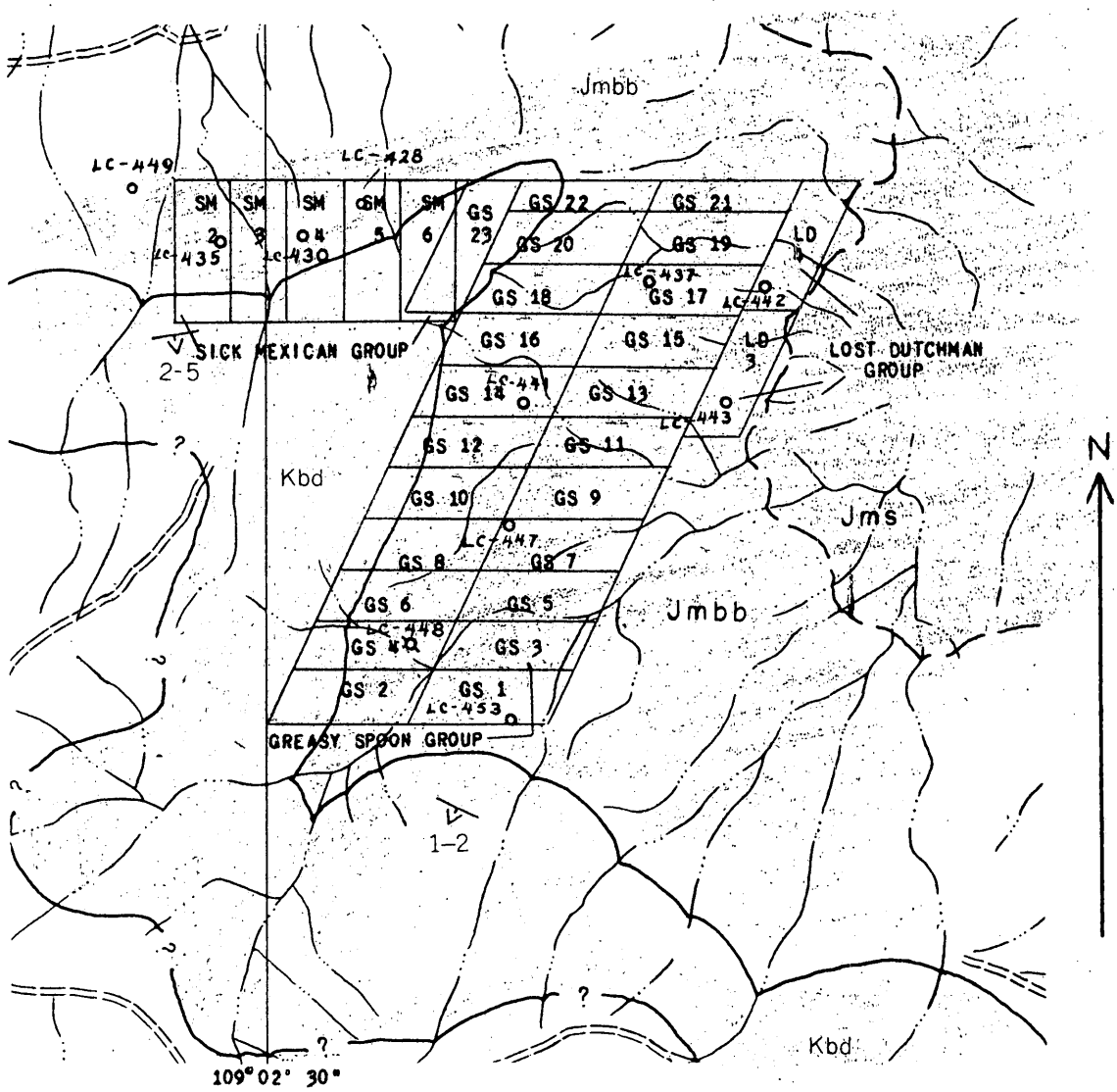
EXPLANATION

Kbd	CRETACEOUS BURRO CANYON-DAKOTA FORMATIONS
Jms	SALT WASH MEMBER OF JURASSIC MORRISON FORMATION
Jmbb	BRUSHY BASIN MEMBER OF JURASSIC MORRISON FORMATION
	GEOLOGIC CONTACT, DASHED WHERE APPROXIMATELY LOCATED
2-5	STRIKE AND DIP OF BEDS
	DRILL HOLES, U.S. GEOLOGICAL SURVEY
LC-447	BARREN
LC-448	WEAKLY MINERALIZED

o Mine
/ Neak

Note: BASE FROM U.S. GEOLOGICAL SURVEY QUADRANGLE MAP, MT. PEALE 8. CLAIM BOUNDARIES FROM APPLICANTS MAP.

FIGURE 2. GEOLOGIC MAP SHOWING LOCATION OF THE SICK MEXICAN 2-6, LOST DUTCHMAN 3,4 AND GREASY SPOON GROUPS OF CLAIMS, AND EXISTING U.S.G.S. DRILL HOLES, STRATEGIC MINERALS EXPLORATION COMPANY, MONTROSE COUNTY, COLO.



EXPLANATION

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	GEOLOGIC CONTACT, DASHED WHERE APPROXIMATELY LOCATED
2-5	STRIKE AND DIP OF BEDS
	DRILL HOLES, U.S. GEOLOGICAL SURVEY
LC-447	BARREN
LC-448	WEAKLY MINERALIZED

Note: BASE FROM U.S. GEOLOGICAL SURVEY QUADRANGLE MAP, MT. PEALE 8. CLAIM BOUNDARIES FROM APPLICANTS MAP.

FIGURE 2. GEOLOGIC MAP SHOWING LOCATION OF THE SICK MEXICAN 2-6, LOST DUTCHMAN 3,4 AND GREASY SPOON GROUPS OF CLAIMS, AND EXISTING U.S.G.S. DRILL HOLES, STRATEGIC MINERALS EXPLORATION COMPANY, MONTROSE COUNTY, COLO.

U.S.V. - HOO GROUP
U.S.V. - WATT GROUP
H-9
H-7
H-5
H-3
H-1
W-2
W-4
W-6
W-8
W-10
W-12
W-14
LC-449
EL. 7040
LC-430
EL. 7139
LC-428
EL. 7139
DD-3
SICK MEXICAN NO. 2
SICK MEXICAN NO. 3
SICK MEXICAN NO. 4
SICK MEXICAN NO. 5
SICK MEXICAN NO. 6
GREASY SPOON NO. 23
GREASY SPOON NO. 22
GREASY SPOON NO. 21
GREASY SPOON NO. 20
GREASY SPOON NO. 19
DD-2
LC-437
EL. 6870
GREASY SPOON NO. 18
GREASY SPOON NO. 17
GREASY SPOON NO. 16
GREASY SPOON NO. 15
GREASY SPOON NO. 14
LC-441
EL. 7097
GREASY SPOON NO. 13
GREASY SPOON NO. 12
GREASY SPOON NO. 11
GREASY SPOON NO. 10
GREASY SPOON NO. 9
LC-447
EL. 7078
GREASY SPOON NO. 8
GREASY SPOON NO. 7
GREASY SPOON NO. 6
GREASY SPOON NO. 5
LC-448
EL. 7102
DD-1
GREASY SPOON NO. 4
GREASY SPOON NO. 3
GREASY SPOON NO. 2
GREASY SPOON NO. 1
LOST DUTCHMAN NO. 4
LC-442
EL. 6839
LOST DUTCHMAN NO. 2
LOST DUTCHMAN NO. 3
LC-443
EL. 6845
LOST DUTCHMAN NO. 1
SEMI-FAVORABLE ZONE
UNFAVORABLE ZONE
WRAY MESA
Dakota Rim Approx.
T 47 N
R 20 W
23
24
26
25
AREA CONTROLLED BY
EL REX URAN. CORP.
(Later Locations)
KINGSLEY GROUP - UTEX OIL & EXPLORATION CO.
(Prior Locations)
N
LEGEND
Ore Hole
Mineralized Hole
Barren Hole
Proposed Hole — Stage I
Thickness of ore bearing ss.
Collar Elevation
U.S.G.S. Diamond Drill Hole
Strategic Minerals Diamond Drill Hole
NOTE: Claims staked by brunton & pace - claim locations idealized. Drill holes plotted from U.S.G.S. coordinates - tie from LC-428 to S.W. corner of U.S.V. Hoo No. 1 claim by brunton and pace.
PROPOSED DIAMOND DRILLING PROGRAM
GREASY SPOON GROUP
STRATEGIC MINERALS EXPLORATION CO.
LA SAL CREEK AREA, PARADOX MINING DISTRICT
MONTROSE COUNTY, COLORADO
0 100 200 300 400 500 600
SCALE 1" = 200'
SURVEY: BRUNTON & PACE
OCTOBER , 1955
I.R.T.