E-1207

For royalty payment of $1,981.95, dated March 28, 1961, see transmittal letter file.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED MAR 30 19
DATE
600

March 28, 1961

AIR MAIL

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA 4721 (Uranium)
Contract Idm E1207
LaSalle Mining Company
(Fair Day et al claims)
Boulder County, Colorado

This is to advise that we have received a check for $1,981.95 which, according to our records, pays in full the subject account.

Will you please release the lien on the subject property in accordance with the Operator's letter to me of January 31, 1961 copies of which were forwarded you.

Original signed by

Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

March 28, 1961

Mr. M. P. Rowe
LaSalle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract Idn E1207
LaSalle Mining Company
(Fair Day et al claims)
Boulder County, Colorado

Dear Mr. Rowe:

Thank you for your check for $1,981.95 on liquidation No. 61/2-10.

According to our records, which are subject to audit, this account is now paid in full and I am requesting our Washington Office, by Air Mail letter, to release all the liens on your property.

I hope that we can be of service to you again on another mining property as good as the captioned property has been.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres. E1207
Chron

E-1207

For royalty payment of $1,918.90, dated February 23, 1961, see transmittal letter file.

AIR MAIL

FEB 8 1961

LaSalle Mining Company
First National Bank Building
P. O. Box 217
Grand Junction, Colorado

Re: EMEA-4721 (Uranium)
LaSalle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract Ida-81207

Gentlemen:

Your letter of January 31, 1961, requesting confirmation of the balance payable to the Government and information relative to release of the lien under the referenced contract, has been referred to this office for reply.

Our records confirm that the balance payable is $3,900.85 as stated in your letter.

Promptly upon receipt of your check in the amount of $3,900.85 a release of the lien will be issued by this office. In the meantime, however, it would appear that this letter, together with a receipt for your check, signed by Mr. Connors upon delivery thereof by your Mr. Rumsel, should suffice as evidence for your purpose.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

EDTalbert/ama
February 8, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region III (2)

800

Building 20 - Federal Center
Denver 25, Colorado

February 6, 1961

AIR MAIL

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket DMEA-4721 (Uranium)
Contract Idm-E1207
LaSalle Mining Company
(Fair Day et al., claims)
Boulder County, Colorado

Enclosed are the original and one copy of a letter from M. P. Rowe dated January 31, 1961 requesting a release from the liens involved in the subject contract upon payment of $3,900.85 before February 15, 1961.

Will you please advise by return mail what action can be taken by this office when the balance due the Government is paid.

Hugh M. Connors
Acting Field Officer, OME
Region III

Attachments

Building 20 - Federal Center
Denver 25, Colorado

February 6, 1961

AIR MAIL

Mr. M. P. Rowe
LaSalle Mining Company
First National Bank Building
P. O. Box 217
Grand Junction, Colorado

Re: Docket DMEA-4721 (Uranium)
Contract Idm-E1207
LaSalle Mining Company
(Fair Day, et al., claims)
Boulder County, Colorado

Dear Mr. Rowe:

Thank you for your letter of January 31, 1961. Our records and the Washington Office records show the balance due on the subject DMEA loan to be $3,900.85.

I am forwarding copies of your letter to our Washington Office by air mail requesting that they make arrangements for releases on the Baltimore Bell Claims and all other liens as soon as the balance due the Government has been paid.

Yours very truly,

[Original Signed By]

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres. E1207
Chron

LA SALLE MINING CO.
FIRST NATIONAL BANK BUILDING
P. O. Box 217 . . PHONE CH 2-5609
GRAND JUNCTION, COLORADO

January 31, 1961

Hugh M. Connors
Acting Field Officer
OME, Region III
Building 20 - Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
REGION III
DENVER COLORADO

Re: Docket No. DMEA-4721 (Uranium)
Contract No. Idm-E1207
LaSalle Mining Company
(Fair Day, etal., claims)
Boulder County, Colorado

Dear Mr. Connors:

According to our records we show a balance due to your office, on the above subject DMEA loan, of $3,900.85. We would like to have either your corroboration of this amount as we have it or your corrected amount if you show the balance other than what we have indicated.

We would also like to know whether or not your office has the authority to release all properties covered by this contract, from any liens which are the result of this agreement, and, if your office has the authority, then can we get the release of lien immediately upon making final payment? We have a February 15 deadline on a financial commitment if a lien is still existing on the property after that date, consequently, we expect to be able to pay you the final amount prior to that day and would like, if possible, to get an immediate release of lien or at least some instrument which will serve this purpose on a temporary basis.

Rather than send the check through the mail as we have been doing Mr. Rummel will probably bring the check to your office in person sometime shortly before the 15th of February.

We have certainly appreciated your patience with us when we were unable to make payments promptly as they became due, however, we do expect now to make the final payment even before it is due so we hope that you will feel at least somewhat rewarded for your consideration and your patience.

Very truly yours,

M. P. Rovo
(bw)

M. P. Rovo
La Salle Mining Company

MPR:bw

EXTRA COPY
O. M. E
RECEIVED JAN 30 1961
DATE | | CODE
800

Building 20 - Federal Center
Denver 25, Colorado

January 27, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket DMEA-4721 (Uranium)
Contract Idm-E1207
LaSalle Mining Company
(Fair Day, et al., Claims)
Boulder County, Colorado

This responds to your memorandum dated January 24, 1961 on the subject contract. Our records check yours and show the remaining balance to be $3,900.85.

The Operator has not been in this office for several months and AEC production figures for the fourth quarter 1961 will not be available for three weeks. When the AEC records for the year 1960 are checked against our Royalty cards on this project, I will advise you.

Original signed by

Hugh M. Connors

JAN 2 4 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: RMKA-4721 (Uranium)
LaSalle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract IAm-21207

This is with reference to your memorandum of January 17, 1961, transmitting royalty collections.

The payment of $4,979.96 credited to the subject Operator is supported only by one settlement sheet showing lots 31 to 42, inclusive, indicating a royalty of $2,260.13. It appears that either there are other settlement sheets for November or December 1960, or the Operator desires to repay the balance of the Government's contribution as soon as possible. If the latter is the case, the remaining balance is now $3,900.85.

Kindly advise this office your findings in this matter.

In the event the Operator continues to make such substantial royalty payments, the question of releasing the Baltimore Belle claim from the terms of the contract will require no special action.

George O. Selfridge

FMMurphy/gla
1-24-61
cc to: Director's Reading File
Review Committee
CA&A Division
Docket
Code 500
Chron

E-1207

For royalty payment of $4,979.96, dated January 17, 1961, see transmittal letter file.

E-1207

For royalty payment of $1,887.80, dated November 15, 1960, see transmittal letter file.

E-1207

For royalty payment of $1,461.78, dated October 18, 1960, see transmittal letter file.

E-1207

For royalty payment of $2,358.49, dated October 5, 1960, see transmittal letter file.

Building 20 - Federal Center
Denver 25, Colorado

RECEIVED
800

October 4, 1960

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4721 (Uranium)
Contract No. Idm-E1207
LaSalle Mining Company
(Fair Day, etal., claims)
Boulder County, Colorado

Enclosed are the original and one copy of a letter from the subject Operator dated October 2, 1960 and two copies of my reply.

Will you please forward this office a copy of your reply to Mr. Rowe.

Original signed by

Hugh M. Connors

Attachments

SALLE MINING CO.
FIRST NATIONAL BANK BUILDING
P. O. Box 217 . . PHONE CH 2-5609
GRAND JUNCTION, COLORADO

October 2, 1960

OME
DEPARTMENT OF THE INTERIOR

EXTRA COPY IN
DENVER COLORADO
RECEIVED 6 1960
DATE | CODE

Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4721 (Uranium)
Contract No. Idm-E1207
La Salle Mining Company
Fair Day, etal., claims
Boulder County, Colorado

Gentlemen:

At the time that we applied for a D.M.E.A. loan, covered by the agreement referred to above, we included all likely property in the area which we could acquire through leases from the various parties. In the group of claims covered by this agreement was one claim designated as the Baltimore Belle and owned by a group of four people, not in any way connected with the rest of the claims which are covered by our agreement with your office.

In our exploration work we spent the designated part of the combined funds, furnished by you and by us, on the exploration of this particular claim and, in addition, we spent a great deal more of our own private funds in attempting to locate a commercial ore body on this claim. We were unsuccessful in doing so and feel that, as far as we are concerned, this claim has no further interest.

In our lease agreement with the owners of this claim, we agreed to return the claim to them, if we deemed it of no economic interest, without any liens or encumberances of any kind. If any liens were applied to the claim we would be required to forfeit a substantial sum of money. The initial lease was to cover only an exploratory period at the end of which time we were to return the claim to them, entirely clear, or pay to them the amount agreed upon. We, of course, had a provision for extending the lease but the extension calls for a rather large, monthly, minimum royalty. The time of the initial contract has just about expired and the payment of either the lump sum settlement or the monthly royalty payments will work an extreme and unjust hardship on us. We would, therefore, like to have your permission to exclude the Baltimore Belle claim from the area which is covered by our agreement with you, and thereby, release all liens against this particular claim, which are the results of our agreement with your organization.

The Fair Day claims, on which we have located ore and from which we are now producing ore, are roughly, one mile from the Baltimore Belle claim, with no indication, whatsoever, of any trend of mineralization heading toward the Baltimore Belle. We have absolutely no plans for any future exploration in that area and we would very much like to return the claim unto its' owners, without any lien against it by reason of our D.M.E.A. loan from your organization. We feel that this is an entirely fair and reasonable request and will certainly appreciate your earliest and utmost consideration of it. The financial hardship which we will suffer if we can not succeed in having the Baltimore Belle claim excluded from the property to which the lien applies

OME
DEPARTMENT OF THE INTERIOR
DENVER, COLORADO

Re: Docket No. DMEA- 4721 (Uranium)
Contract No. Idm-E1207
La Salle Mining Company
(Fair Day, etal., claims)
Boulder County, Colorado

will be one which we can not afford to assume, and which we feel is not justified, by reason of the fact that we did everything possible to locate ore on the claim, and because the claim is so far from the known ore that it is practically impossible for any mineralogical connection between the two areas.

Very truly yours,

M. P. Rowe

M. P. Rowe
La Salle Mining Company

cc: G. T. Rummel

MPR;bw

Building 20 - Federal Center
Denver 25, Colorado

October 4, 1960

M. P. Rowe
LaSalle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA-4721 (Uranium)
Contract No. Idm-E1207
LaSalle Mining Company
(Fair Day, etal., claims)
Boulder County, Colorado

Dear Mr. Rowe:

This will acknowledge receipt of your letter dated October 2, 1960 requesting that the Government's lien on the Baltimore Bell be relinquished.

It is not within the delegated authority of this office to grant this request and your letter is being referred to the Washington Office OME. They will advise you of their decision and final action.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc: Chief, Division of Field Operations (2)
Contract Corres E1207
Chron

E-1207

For royalty payment of $1,726.13, dated August 18, 1960, see transmittal letter file.

EXTRA COPY
O. M. E
RECEIVED AUG 22 1960

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

August 18, 1960

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Hugh N. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. [illegible]-4721 (Uranium)
Contract No. Idm-E1207
LaSalle Mining Company
(Fair Day, etal., claims)
Boulder County, Colorado

Attached for your information are two copies of a letter from the subject Operator.

Another copy will be forwarded you in lieu of a settlement sheet at the time the check is sent to the Fiscal Section.

Original signed by

Hugh N. Connors

Attachments
HNC/lm
cc: Royalty Corres E1207
Settlement Sheets E1207
Chron

LA SALLE MINING CO.
FIRST NATIONAL BANK BUILDING
P. O. BOX 217 . . PHONE CH 2-5609
GRAND JUNCTION, COLORADO

OME
DEPARTMENT OF THE INTERIOR
AUG 17 1960
REGION III
DENVER, COLORADO

August 16, 1960

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

Attention: Hugh M. Connors

Re: Docket No. DMEA-4721 (Uranium)
Contract No. Idm-E1207
LaSalle Mining Company
(Fair Day, etal., claims)
Boulder County, Colorado

Gentlemen:

Enclosed is a check for $1726.13 which is in full payment of all royalties due you on all past production by the La Salle Mining Company for the D.M.E.A. loan.

Very truly yours,

M. P. Rowe

M. P. Rowe
La Salle Mining Company

EXTRA COPY
O. M. E
RECEIVED AUG 22 1960

DATE	INITIALS	CODE

MPR/bw

Enclosure

EXTRA COPY O. M. E RECEIVED JUL 5 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

June 29, 1960

Vitro Chemical Company
P. O. Box 67
South Salt Lake City, Utah

Re: BMEA 4721 (Uranium)
Contract No. IAm E1207
LaSalle Mining Company
(Fair Day etal claims)
Boulder, Colorado

Gentlemen:

The Operator of the captioned property forwarded this office a check for Royalty due the Government on Vitro Uranium Company Lot No. 1432 which he stated was shipped during the month of May 1960.

Regulations require us to have two copies of each settlement sheet on ore sold from subordinated land.

Will you please forward this office two copies of the settlement sheet for your Lot No. 1432.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

cc: LaSalle Mining Company
P. O. Box 217
Grand Junction, Colorado

HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres E1207
Settlement Sheet File
Chron

E-1207

For royalty payment of $608.34, dated June 27, 1960, see transmittal letter file.

E-1207

For royalty payment of $2,226.13, dated May 16, 1960, see transmittal letter file.

MAY 23 1960

Mr. M. P. Rowe
La Salle Mining Company
P. O. Box XXX
Grand Junction, Colorado

Re: [illegible]-4721 (Terminated)
La Salle Mining Company
Sale Map, et al., claims
Boulder County, Colorado
Contract No. [illegible]

Dear Mr. Rowe:

The Acting Field Officer, OGE, Region XII, has forwarded your letter of May 12, 1960, on this office for reply.

In view of La Salle Mining Company's payment of $[illegible].13 and your statement that the remainder of the delinquent royalties will be paid within sixty days, we will withhold further action in this matter until the end of that period of time.

Royalty payments should now be made to the Acting Field Officer, OGE, Region XII, Building 20, Denver Federal Center, Denver 25, Colorado, with checks drawn payable to the Bureau of Mines Exploration.

Royalty payments on future production should be made by the purchaser of the ore. Such check should be accompanied by substantiating evidence, such as copies of settlement sheets showing the name of the purchaser, the quantity and grade of the product sold, and the price and amount, established to be received by the purchaser.

Sincerely yours,

George C. Selfridge

Acting Director

Fehrlphy/sla
5-23-60

cc to: Director's R. Rlm
Region XII (2)
Chief Geologist
Denver
Code 300

800

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

May 16, 1960

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME

From: Acting Field Officer, Region III

Subject: DMEA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract No. Idm-K1207

Enclosed are two copies of a letter from the La Salle Mining Company dated May 12, 1960, and two copies of our reply.

Will you please advise the Operator if his proposal is satisfactory to you for the payment of the balance of past due royalty, and forward this office a copy of your letter for our files.

Original signed by

Hugh M. Connors

LA SALLE MINING CO.
FIRST NATIONAL BANK BUILDING
P. O. BOX 217 . . PHONE CH 2-5609
GRAND JUNCTION, COLORADO

May 12, 1960

OME
DEPARTMENT OF THE INTERIOR
MAY 1 . 1960
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer, OME
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Idm-E1207
La Salle Mining Company
(Fair Day et al. Claims
Boulder County, Colorado

Dear Mr. Townsend:

We are sending you a check in the amount of $2226.13 which is one-half of the amount claimed as royalty due you in your recent letter. I am sorry that we cannot send you the full amount, but we hope to be able to send you the balance within about sixty days.

We are sorry that we have been unable to make this payment sooner, but we have spent all available cash in the development of the property at Jamestown, Colorado. We are uncertain as to the exact designation of the payee or the exact address to which the payment should be sent. We trust that you will send the check to its proper destination and supply us with the information as to the proper wording to be used as the payee.

May we assure you that the balance of the money due you will be paid just as quickly as we possibly can.

Very truly yours,

LA SALLE MINING CO.

M. P. Rowe

M. P. Rowe

MPR:ljh

Enc: 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

May 16, 1960

Mr. C. T. Rummel
President
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: DMEA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract No. Idm-E1207

Dear Mr. Rummel:

Thank you for your check in the amount of $2,226.13 representing a portion of the royalty due on the sale of ore from the captioned property.

You will be advised by our Washington office if your arrangement for payment of the balance of the royalty due is satisfactory to them.

Please make future royalty checks payable to the Office of Minerals Exploration, which is the successor agency to DMEA.

Very truly yours,

Original signed by

Hugh M. Connors

cc: Chief, Division of Field Operations (2)

IEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Acting Field Officer, OME Region III, Denver, Colorado, pertaining to Contract No. Idm-E1207, Docket No. DMEA-4721 (Uranium), dated June 16, 1958, with

La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Fair Day, et al., claims located in Boulder County, Colorado, during the period June 16, 1958, through May 4, 1960.

In accordance with Article 4(e) of Amendment No. 3 of the contract royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated February 29, 1960, indicated accepted costs under the exploration contract amounting to $26,199.30 with the Government's contribution, on a 75 percent basis, being $19,649.48.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established the total sales of uranium ore for the period to be $89,045.17. Royalty due the Government at rates specified in the contract is $4,452.26. The royalty paid and the balance due are as follows:

Total Royalty Due	$4,452.26
Total Royalty Paid	500.00
Balance of Royalty Due	$3,952.26

C. E. Fisher
C. E. Fisher, OME Auditor

May 6, 1960

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Production from the subordinated land was continuous from the date of the contract until May 1959 when operations were changed to exploration and development at a different level in the mine.

My review included a tabulation and recomputation of copies of liquidation statements received by the OME Region III office from Vitro Uranium Company and Gunnison Mining Company, purchasers of the Operator's production. A summary of sales together with computation of royalty due is shown on the attached Schedule "A".

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) Review of correspondence files of OME Region III and discussion with the Acting Field Officer, OME Region III, indicates that all production from the property to date on which royalty is payable to the Government has been accounted for; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name The LaSalle Mining Company

Address P. O. Box 217

Grand Junction, Colorado

Exploration Contract No. Idm-E1207 Docket No. DMEA-4721

		Check One Yes	No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

The Operator has not paid royalty due to the Government on production. Matter referred to Washington office for appropriate action by Memorandum dated February 12, 1960.

[Original signed by]

May 4, 1960
Date

High M. Connors
~~Mining Engineer~~
Acting Field Officer, OME, Region III

53362

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED JUN 22 1960		
DATE	INITIALS	CODE
		800

June 20, 1960

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, GME, Region III

Subject: Docket No. DMEA-4721 (Uranium)
Contract No. Idm-E1207
LaSalle Mining Company
(Fair Day, etal., claims)
Boulder County, Colorado

Enclosed is the original of the Report of Royalty Review on the subject contract covering the period June 16, 1958 through May 4, 1960.

Original signed by

Hugh M. Connors

Attachment

HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres. E1207
Chron

Extra
OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 22 1960

DATE	INITIALS	
6-22	gad	rvo
		800
		~~500~~

Building 20 - Federal Center
Denver 25, Colorado

June 20, 1960

Mr. G. T. Rummel
LaSalle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA-4721 (Uranium)
Contract No. Idm-E1207
LaSalle Mining Company
(Fair Day, etal., claims)
Boulder County, Colorado

Dear Mr. Rummel:

Enclosed is your copy of the Report of Royalty Review covering the period June 16, 1958 through May 4, 1960.

You will note that this Review was made prior to receipt of your remittance of $2,226.13 received with your letter dated May 12, 1960.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

Enclosure
cc: Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1207
Chron
HMC/lm

~~MAY 20 1960~~

JUN 16 1960

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMSA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., claims
Boulder County, Colorado
Contract No. Idu-E1207

Attached are the original and two copies of a Report of Royalty Review dated May 6, 1960, pertaining to the subject contract.

If you concur in the facts stated in this report, distribution should be made as follows:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy to the Operator; and
(c) One copy for your file.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished to this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

This review was made prior to receipt of the remittance of $2,226.13 received with the Operator's letter dated May 12, 1960. The report, however, does include application to royalties of the $500.00 withheld from final settlement of the project's exploration costs. Thus, $1,726.13 is the balance of royalty due on sales of production through May 4, 1960.

Attachments

CEFisher/ama
May 20, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock, Room 7354, Interior

E 1207

Dal,

$500.00 due in final settlement of exploration costs was to be applied to the royalty account.

There is no record out here as to whether this has been done. The Fiscal Section has not replied to Townsend's memo. 3/3/60 requesting that such application be made.

Will you please investigate and make any needed corrections in the draft of Report of Royalty Review.

Have we followed-up on our letter to the Operator dated 2/19/60?

Clarence

AIR MAIL

APR 26 1960

Memorandum

To: C. E. Fisher, GME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-2768 (Uranium)
Mining Research Corporation
Cull Lease, Lion group of claims, et al.
Fall River County, South Dakota
Contract No. Idm-8528
and

Docket No. DMEA-4721 (Uranium)
La Salle Mining Company
Fair Day et al. claims
Boulder County, Colorado
Contract No. Idm-E1207

Because of the delinquent royalty situation on both of these accounts it is suggested that either royalty reviews or audits, as may be necessary, be performed while you are in Region III.

You probably have them on your list but in view of the amount involved, particularly on Idm-E1207, I thought it best to call your attention to these accounts.

EDTalbert/ama
April 26, 1960

Copy to: Docket
Director's Reading File
CA & A Division - E1207

EXTRA COPY O. M. E RECEIVED APR 14 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

April 12, 1960

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4721 (Uranium)
Contract No. Idm-K1207
La Salle Mining Company
(Fair Day et al. claims)
Boulder County, Colorado

We have had no reply in this office to the Acting Director's letter dated February 19, 1960, to Mr. G. T. Hammel, President of the La Salle Mining Company. Please advise as to what arrangements have been made for the payment of this account.

Original signed by

J. W. Townsend

E-1207

For royalty payment of $500.00, dated March 3, 1960*, see transmittal letter file.

*April transaction.

Building 20 - Federal Center
Denver 25, Colorado

March 3, 1960

Memorandum

TO: Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.

From: Executive Officer, OMM Field Team, Region III

Subject: Docket No. DMEA-4721 (Uranium), Contract No. Mm-21207, La Salle Mining Co. (Fair Day etal claims), Boulder County, Colorado -- FINAL PAYMENT

Reference is made to the memorandum from this office to T. A. Christensen dated April 16, 1959 whereby the operator's Forms MP-104 and 104A, accounting report for the period of September, October and November 1958, were forwarded for processing, and wherein it was requested that the sum of $300.00 be withheld from reimbursement to the Operator pending resumption of work or resolution of all matters prerequisite to closing the account.

Work was not resumed, and the contract expired effective November 1, 1959 under the provisions of Amendment No. 3. The Operator has rendered a final report and final accounting as required by the contract; therefore, it is recommended that final settlement of the account be made in conformance with the attached original of the Report of Review of reported project costs by the Contract Administration and Audit Division, OMM dated February 29, 1960, except as follows: In lieu of making final payment to the Operator in the amount of $300., it is requested that the check be drawn in favor of the Office of Minerals Exploration and deposited as a credit to the contract account as a part-payment of delinquent royalty on production.

When the matter is accomplished, please forward this office an appropriate advice as to that effect.

J. V. Townsend

cc: Director, OMM (2)

This thermofax made on 5/5/60 from original on file in Fiscal Section

FEB 19 1960

Mr. G. T. Hummel, President
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. [illegible]-4721 (Section)
La Salle Mining Company
Fair Ray, et al., Claims
Boulder County, Colorado
Contract No. [illegible]

Dear Mr. Hummel:

Your letter of February 5, 1960, addressed to Mr. J. F. Townsend, Executive Officer, OME Field Team, Region III, has been referred to this office for reply.

Mr. Townsend, in a letter dated November 2, 1959, advised your company that royalty in the amount of $4,452.26 (subject to audit) was due the Government on sales of ore from the above-referenced property for the period June 16, 1958, the date of the subject contract, to May 12, 1959, when production reportedly ceased. Your letter to Mr. Townsend requests that payment of this royalty be deferred until production of ore is resumed in about sixty days.

We are not in a position to further defer payment of the royalty due the Government. However, we will postpone taking action in this matter if you promptly submit a definite proposal for our consideration, stating the time and manner in which you will pay the amount mentioned above.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FMMurphy/gla 2-17-60
cc to: Director's Reading File
Operating Committee
Harold Kirkham, WSCS
CAAA Division
OME Field Team, Region III (2)
Docket
Chron

EXTRA COPY. O. M. E RECEIVED FEB 15 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
February 12, 1960

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. [illegible] 4721 (Uranium) Contract No. [illegible]
In Hills Mining Company (Hair Bay et al claims)
Boulder County, Colorado

Enclosed are the original and two copies of a letter from the Operator of the subject contract dated February 5, 1960, wherein it is requested that the Government grant approval for deferment of delinquent royalty payments.

It is not considered within the authority delegated to this office to grant deferment of royalty payments to the Government which are provided for in the contract; therefore, the matter is forwarded for your reply to the Operator with a recommendation that the Operator be given the consideration of a period not to exceed 90 days within which to bring royalty payments up-to-date, or otherwise make arrangements satisfactory to the Government regarding the delinquent payments.

Original signed by

J. W. [illegible]

Enclosures

JWT:ltm

cc: Exy. Corres.)w/cpy encl.
Susp.
Chron.

EXTRA COPY
O. M. E
RECEIVED FEB 15 1960
DATE | INITIAL | CODE
OME
DEPARTMENT OF THE INTERIOR
FEB 12 1960
REGION III
DENVER, COLORADO

February 5, 1960

Mr. J. W. Townsend
Executive Officer, OME
Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract Idm-E 1207
La Salle Mining Company
(Fair Day et al. Claims
Boulder County, Colorado

Dear Mr. Townsend:

As requested in your letters of November 2 and December 2, 1959, and in our verbal conversations on the second and third week in January 1960, we would like to inform your office that our records show our final "Initial Production Bonus" was paid in full from the ore shipped May 23, 1958, in our Lot No. 14 shipped to Vitro Uranium Company. Also, our last ore shipped from the subject property was in Lot No. 68 on May 12, 1959, to Vitro Uranium Company.

Also requested in your letter of December 2, 1959, and confirming our verbal conversations of last month on the subject of royalty payments, we would like to state that after our last shipments were made from this property in May 1959 we immediately moved our equipment from the upper working to the tunnel site, and have continued consistently with an extensive exploration and haulage drift. We have at this time put considerable more money in the development of this property on our present level than we received from shipments from the upper level. We realize this has no bearing on the amount due the government from past shipments, however, if this phase of the project had not been carried on, there would not have been sufficient ore for the government to collect the total amount due.

We were a little surprised in the dates picked to start the five per cent payments, since most of the ore was broken prior to that date; however, we know the total amount has to be paid, so we hardly think it is worth the trouble to go back and try to pick up tonnages that were broken and mined prior to the date of the contract.

Since we have continually invested development and exploration money into this property, and we are now less than thirty days from our target area with our hauling tunnel, we would like to wait until this mine is producing again before making this royalty payment that has accumulated on past

production. As stated before, we should be in ore in less than thirty days, and back in production in not over sixty days. At that time we will pick up this back payment, as well as keeping future payments up to date.

Please consider this request and let us know at an early date.

Yours very truly,

LA SALLE MINING CO.

G. T. Rummel
President

GTR:ljh

EXTRA COPY
O. M. E
RECEIVED DEC 31 1959

DATE	INITIALS	CODE
		800

LA SALLE MINING CO.
FIRST NATIONAL BANK BUILDING
P.O. BOX 277 . . PHONE CH 2-5000
GRAND JUNCTION, COLORADO

December 26, 1959

RECEIVED OME
DEPARTMENT OF THE INTERIOR
DEC 28 1959
REGION II
DENVER, COLORADO

J. V. Townsend
Executive Officer, OME
United States
Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: Letter of December 15, 1959
Docket No. DMM 4721 (Drawing)
La Salle Mining Company
(Fair Day et al claims)
Boulder County, Colorado
Contract Idr-EL207

Dear Mr. Townsend:

I have your letter of December 15, 1959. Your letters of November 2, and December 2, have been forwarded to the Jamestown office where I intended them to be answered. I failed to keep copies of these letters but I do recall at least one of them gave actual figures of the amount that we owed your office. I have not heard from the Jamestown office whether those figures are correct but I assume they are.

I assume you know that we have been driving a drift approximately 400 feet under our upper workings. The total length of this drift will be 1760 feet. We had intended to have this completed January first and be shipping ore again at a very early date, however, we hit very bad ground at about 600 feet and continued to 800 feet. About ten days ago we again hit bad ground at about 1300 feet. I was in the drift last Wednesday and it appears that the tunnel is crossing the fault causing this bad ground at a very small angle but we feel sure that we will be across this fault in the next twenty to thirty feet and will be back in good ground again. If the above is true we expect to be in ore in thirty days or less. If the bad ground continues it will take us approximately sixty days from this date.

It is now my plan to be in Jamestown Monday, December 28 through December 31 and I will plan to be in your office either the 29th of 30th and we will go into this more thoroughly at that time.

Very truly yours,

LA SALLE MINING CO.

G. T. Russel
President

12/28/59
Reply sent to
Chairman
Holder (2)

GTR:lgh

EXTRA COPY O. M. E RECEIVED DEC 18 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
December 15, 1959

CERTIFIED MAIL

Mr. G. T. Rummel, Partner
and Agent
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract Km-K1807
La Salle Mining Company
(Fair Day et al claims)
Boulder County, Colorado

Dear Mr. Rummel:

We have received no reply to our letters of November 2 and December 2, 1959 regarding the royalty due the Government on the captioned project.

If we do not receive the royalty due or a satisfactory arrangement for the payment of the money due the Government by January 15, 1960, we will have no recourse but to refer the matter to the Washington Office for such action as they deem necessary.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, CMF
Field Team, Region III

EMC:ltm

cc: Chem. Op. Comm. (2)
Roy. Corres. K1807
Chron.

EXTRA COPY O. M. E. RECEIVED DEC 7 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
December 2, 1959

Mr. G. T. Russel, Partner
and Agent
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract IAm-E1207
La Salle Mining Company
(Fair Day et al claims)
Boulder County, Colorado

Dear Mr. Russel:

In reference to my letter of December 2, 1959, regarding royalty payments to the Government on production from the land described under Article 2 of the contract, enclosed is a photo-copy of a letter dated November 2, 1959 to Mr. W. J. Chandler, to which we have not received a reply.

We will appreciate advice by return mail as to when we can expect receipt of payment of royalties due the Government as outlined in the letter to Mr. Chandler, and payment of royalty on any production subsequent to that covered by the liquidation numbers listed in the letter.

Very truly yours,

Original signed by

J. V. Townsend
Executive Officer, OME
Field Team, Region III

JVT:ltm

cc: Chem. Op. Comm. (2)
Roy. Corres. E1207
Mailer
Susp.
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
November 3, 1959

EXTRA COPY
O. M. E.
RECEIVED NOV 10 1959

DATE	INITIALS	CODE
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Mr. V. S. Mitchinson, Chief
Source Minerals Procurement Division
Atomic Energy Commission
Grand Junction, Colorado

Re: Contract No. [illegible] 4711 (Terminal)
Contract No. [illegible]
La Salle Mining Company
(Fair Day [illegible])
Boulder County, Colorado

Dear Mr. Mitchinson:

In order to establish the amount of royalty due the Government on production from the referenced property, we will appreciate advice as to the last shippers lot number on which bonus payment was made to complete payment of bonus on the first 10,000 pounds of U_3O_8 produced from the property.

Please advise as to whether or not this letter is properly addressed to obtain similar information regarding production of uranium from property in Lawsing, South Dakota, Colorado, New Mexico, Arizona and Utah.

Very truly yours,

J. W. Brannock
Executive Officer, OME
Field Div., Region III

November 5, 1959

Gentlemen:

Bonus payments were completed by using the first 1,086.38 pounds U_3O_8 covered by shippers lot numbers 12 thru 14. Future inquiries should be directed to attention of Director, Finance Division.

Richard C. Sherman, Acting Chief
Accounting Branch, Finance Division

Copies sent to:
Camm. (2)
Roy. Comm.
Hasler
Sub P.

Building 20 - Federal Center
Denver 25, Colorado
November 3, 1959

Mr. W. S. Hutchinson, Chief
Source Minerals Procurement Division
Atomic Energy Commission
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Lbm-R1207
La Salle Mining Company
(Fair Day et al claims)
Boulder County, Colorado

Dear Mr. Hutchinson:

In order to establish the amount of royalty due the Government on production from the referenced property, we will appreciate advice as to the last shippers lot number on which bonus payment was made to complete payment of bonus on the first 10,000 pounds of U_3O_8 produced from the property.

Please advise as to whether or not this letter is properly addressed to obtain similar information regarding production of uranium from property in Wyoming, South Dakota, Colorado, New Mexico, Arizona and Utah.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. R1207
Hasler
Susp.
Chron.

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RECEIVED NOV 5 1959
DATE | INITIALS | CODE
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EXTRA COPY O. M. E. RECEIVED NOV 4 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
November 2, 1959

Mr. W. J. Chandler
Project Supervisor
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Idm-K1207
La Salle Mining Company
(Fair Day et al claims)
Boulder County, Colorado

Dear Mr. Chandler:

Records which follow show that a total of 3276.755 dry tons of ore was shipped from the Fair Day mine during the period June 16, 1958, date of Contract Idm-K1207, to May 12, 1959 when production reportedly ceased. The records, subject to audit by the Contract Administration and Audit Division, OME, also show that royalty due the Government on this ore totals $4,452.26.

Except for Liquidation No. 58/6-20, the royalty due has been calculated from tonnages and net proceeds recorded on the settlement sheets. Liquidation No. 58/6-20, as recorded on the settlement sheet, is for the 402.447 dry tons of ore in your shipping lots Nos. 15 to 20, inclusive. The net proceeds from the 402.447 tons of ore is $9,967.24. Since your records show that 206.338 tons of ore in lots Nos. 18, 16 and 17 was either shipped or loaded for shipment prior to June 16, 1958, only the remaining 196.109 tons is subject to royalty payment. Royalty due on the 196.109 tons of ore, as shown in our calculations, is based on an average net value of approximately $24.77 per ton.

Liquidation No.	Date	Tons (dry)	Net Proceeds	Value/Ton	Royalty Rate (%)	Royalty Due
58/6-20	6/30/58	196.109	$ 4,858.95	$24.77	5.0	$ 242.85
58/7-29	7/31/58	492.140	17,944.31	39.69	5.0	897.22
58/8-33	8/31/58	190.459	4,685.25	24.60	5.0	234.26
58/9-17	9/30/58	335.716	8,553.41	25.48	5.0	427.67
58/10-25	10/31/58	389.842	8,884.67	26.94	5.0	444.23
58/11-26	11/30/58	60.805	1,341.71	22.07	5.0	67.09
58/12-31	12/31/58	178.377	5,170.94	28.99	5.0	258.55
? - 19	1/31/59	586.240	14,957.07	38.72	5.0	747.85
? - 26	2/28/59	267.804	8,347.09	31.17	5.0	417.35
59/3-31	3/31/59	171.630	2,518.69	14.68	5.0	125.93
489	4/1/59	42.550	1,851.18	43.50	5.0	92.56
? - 30	4/30/59	155.832	4,061.09	26.90	5.0	203.06
?/5-25	5/31/59	322.911	5,872.81	18.19	5.0	293.64
		3276.755	$89,645.17			$4,452.26
		3070.415	✓			✓

In addition to the above tabulated royalty due, the Government is also to be paid 5 percent of any bonus payments received beginning with shippers lot No. 18.

Settlement of the account at an early date will be appreciated. The check for $4,452.26 is payable to the Office of Minerals Exploration and should be sent to:

Executive Officer, Region III
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Data to support the settlement and to be forwarded with the check shall include 3 copies of each of the settlement sheets and 3 copies of weight and moisture certificates for each lot of ore shipped. Certificates for shipping lots Nos. 15 through 20 should be accompanied by appropriate data showing the dates the lots were shipped or loaded out.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: W. J. Chandler
Jamestown, Colorado

TMR:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E1207
Hasler
Chron.

EXTRA COPY O. M. E. RECEIVED OCT 9 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

October 6, 1959

Vitro Uranium Company
600 West 33rd South Street
Salt Lake City 4, Utah

Re: Docket No. [illegible] 4721 (Uranium)
Contract No. [illegible]
La Salle Mining Company
(Fair Bay mine)
Boulder County, Colorado

Gentlemen:

An Exploration Contract between the Government and the La Salle Mining Company, P. O. Box 217, Grand Junction, Colorado, dated June 16, 1958, specifies that the company shall pay royalties to the Government on the sale of all ore produced from a defined area of the Fair Bay mine in Boulder County, Colorado.

Production records obtained from the La Salle Mining Company show that the following lots of ore from the Fair Bay mine were sampled and weighed for purchase by your company on or after June 16, 1958. Since settlement sheets were not available, we are obliged to ask you for a single copy of the sheet for each of the listed lots and for any additional lots of Fair Bay ore that your company may have purchased since June 16, 1958.

Lot Nos.		Lot Nos.		Lot Nos.		Lot Nos.		Lot Nos.	
Shipment	Buyer	Shipment	Buyer	Shipment	Buyer	Shipment	Buyer	Shipment	Buyer
15	7681	25	7954	37	8090	48	9448	58	9661
16	7685	26	*	38	8091	49	9464	59	9669
17	7686	27	*	39A40	9088	50	9465	60	9674
18	7685	28	7933	41	9804	51	9486	61	9813
19	7684	29	7942	42	9805	52	9456	62	9880
20	7687	30	7970	43	*	53	9488	63	9845
21	7700	31A32	7984	44	9874	54	9508	64	9863
22	7701	33A34	8015	45	9584	55	9499	65	9885
23	7714	35	8035	46	9591	56	9538	66	9897
24	7729	36	8078	47	9607	57	9635	67	9905
								68	9937

* Not available.

WHH:lts
cc: Chem. Op. Comm.
Roy. Corres.
Corres.
Susp.
Chron.

Very truly yours,

Original signed by

J. W. Thomson
Executive Officer, OME
Field Team, Region III

EXTRA COPY O. M. E. RECEIVED OCT 9 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

October 5, 1959

Mr. Duffy Salinger
Office Manager
Gunnison Mining Co.
P. O. Box 539
Gunnison, Colorado

RE: Docket No. RMEA 4721 (Uranium)
Contract Em-E 1207
La Salle Mining Company
(Fair Day Mine)
Boulder County, Colorado

Dear Mr. Salinger:

An Exploration Contract between the Government and the La Salle Mining Co., P.O. Box 217, Grand Junction, Colo., dated June 16, 1958, specifies that the company shall pay royalties to the Government on the sale of all ore produced from a defined zone of the Fair Day mine in Boulder County, Colo.

Production records obtained from the La Salle Mining Co. show that approximately 45 dry tons of ore from the Fair Day mine was purchased by your company. The 45 tons of ore reportedly was shipped in 2 loads by the mining company's truck on April 25 and 26, 1959. Mines settlement sheets were not available, we are obliged to ask you for a single copy of the sheets for each the ore in question and for any additional lots of Fair Day ore that your company may have purchased since June 16, 1958.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chmn. Op. Comm.
Roy. Corres.
Corres.
Suspense
Chron.

Building 20 - Federal Center
Denver 25, Colorado
August 19, 1959

EXTRA COPY
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RECEIVED AUG 24 1959
DATE | INITIALS | CODE
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Mr. W. J. Chandler
Project Supervisor
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Remedial)
Contract No. 14-8 1287
La Salle Mining Company
(Hair Bay et al claims)
Boulder County, Colorado

Dear Mr. Chandler:

We have been informed that uranium production has been reported from the Hair Bay mine. We will appreciate receiving advice from you in the matter.

If the production has come from the land subcontracted under Article 2 of contract 14s-01207, the Government is entitled to royalty on such production in conformance with Article 6 (a), to (h) inclusive.

If production has been made from land subcontracted under the contract since the date of the contract, please forward your company's check for the amount of royalty due the Government. In addition, please forward three copies of each settlement sheet or liquidation lot involved.

Very truly yours,

Original signed by

J. H. Tennant
Executive Officer, OME
Field Team, Region III

JHT/og

cc: Chem. Op. Comm. (2)
Reg. Curres. file, 14s-01207
Corres. file
Samp. file
Chron.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

LaFalla Mining Company
P. O. Box 217
Grand Junction, Colorado

pertaining to Exploration Project Contract Idm-81207, DMMA No. 4721, including Amendments Nos. 1, 2, and 3, for July 1956 to November 1956, inclusive, covering a uranium project on the Fair Day et al. claims, Boulder County, Colorado.

My review included an examination of the Monthly Reports (Forms MV-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given in the attached schedule.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$26,199.30
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$26,199.30

The contract calls for a 75 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$19,649.48
Paid to date	19,149.48
Balance due Operator	$ 500.00

E. D. Talbert, OME Auditor

February 29, 1960

Reasons for Report of Review in lieu of a final audit:

(a) a considerable portion ($15,666.78) of the acceptable costs was under a contract provision for contribution by the Government on the basis of fixed unit costs for work performed;
(b) an additional large portion ($12,867.10) of the acceptable costs covered work performed at unit rates under independent contract;
(c) the Monthly Reports were supported by documentary evidence of the acceptable independent contract and other actual costs under the contract; and
(d) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible exceptions.

Acceptable Costs:

Stage I

Independent Contracts -			
Surface drilling,	744' NX @ $6.90/ft.	$5,133.60	
Underground drilling,	546' NX @ $5.60/ft.	3,057.60	
" "	104' NX @ $5.10/ft.	530.40	
" "	50' NX @ $5.70/ft.	285.00	
Standby time,	13 hrs. @ $11.00/hr.	143.00	
Mobilization		400.00	$ 9,549.60
Other Actual Costs -			
Core boxes,	17 @ $4.00/ea.	$ 68.00	
" "	66 @ $4.50/ea.	297.00	
Sample Analyses,	3 @ $5.00/sample	15.00	380.00
Fixed Unit Costs -			
Self-potential stations	900 @ $2.00/ea.	$1,800.00	
Drill stations,	630 cu.ft. @ $.85/cu.ft.	598.50	
Drifting & crosscutting,	288' @ $33.00/ft.	9,504.00	
Incidental allowance,	744' @ $.55/ft.	409.20	
" "	700' @ $1.70/ft.	1,190.00	13,501.70
Total, Stage I			$23,431.30

Stage II

Independent Contracts -		
Bulldozing, 34 hrs. @ $12.00/hr.	$ 408.00	
Surface drilling, 250' NX @ $6.90/ft.	1,725.00	
" " 50' NX @ $7.25/ft.	362.50	
Standby time, 2 hrs. @ $11.00/hr.	22.00	$ 2,517.50

Other Actual Costs -	
Core boxes, 19 @ $4.50/ea.	$ 85.50
Fixed Unit Costs -	
Incidental allowance, 300' @ $.55/ft.	165.00
Total, Stage II	$ 2,768.00
Total acceptable costs	$26,199.30

EXTRA COPY
O. M. E
RECEIVED MAR 7 196
DATE | | COPY
9 00

Building 20 - Federal Center
Denver 25, Colorado

March 3, 1960

Mr. G. T. Russel, President
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. [illegible]-4721 (Uranium)
Contract No. [illegible]
LaSalle Mining Co. (Fair Ray etal claims)
Boulder County, Colorado

Dear Mr. Russel:

Enclosed for your records is a copy of Report of Review of reported project costs by the Contract Administration and Audit Division, OME dated February 29, 1960 pertaining to costs of work performed under referenced contract.

In lieu of making payment to you of the balance due of $500., this amount will be credited to the account as a partial payment of royalty now due the Government on production from the property. In rendering your check in payment of the balance of royalty presently due the Government, you may take the $500. deduction into account.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enclosure

cc: W J Chandler,
Jamestown, Colorado

JWT/ms

cc: Chmn. Op. Comm. (1)
Contr. Admin. & Audit Div OME
Royalty E1207, Reg III (3)
Corres
Suspense
Chron

FEB 29 1960

Memorandum

To: Executive Officer, OME Field Team, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. OMEA-4721 (Uranium)
La Salle Mining Company
Fair Day et al. claims
Boulder County, Colorado
Contract No. LBR-K1297

The Report of Review on the subject project, as requested by your February 16 memorandum, has been completed. The original and two copies are attached.

If you concur with the facts stated in the report, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

Correspondence dating back to your November 2, 1959, letter to this Operator indicated that royalty aggregating $4,432.20 is due the Government. Accordingly, it is suggested that the balance of $906.00 shown by the Report of Review as due the Operator be used as a partial offset of the Operator's royalty indebtedness. This may be accomplished by requesting the check to be issued with OME, rather than the Operator, being indicated as payee and having the check deposited as a royalty receipt.

The finance officer's files, which were forwarded to this Division with Mr. Christensen's February 25 memorandum, are being returned to him by certified mail with a copy of this memorandum.

Attachments

EDTalbert/aua
February 29, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Talbert
Mr. Christensen
Fiscal Section, Room 7354, Interior

OFFICE FILE COPY
RECEIVED FEB 26 1960
DATE | INITIALS | CODE
V-V6 gad VVO
800

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

224 New Customhouse
Denver 2, Colorado

February 23, 1960

Certified Mail

Memorandum

To: Contract Administration and Audit Division, OME

From: Certifying Officer, Region III

Subject: Docket No. DMEA 4721 (Uranium) Contract No. Idm-E1207, La Salle Mining Company (Fair Day et al claims), Boulder County, Colorado

In accordance with instructions attached to Memorandum No. 6, Office of Minerals Exploration, Washington, D. C., dated September 23, 1959, we are forwarding a memorandum addressed to your Division from Executive Officer, OME Field Team, Region III, dated February 16, 1960, on the above subject.

The following vouchers, consisting of MF-104 and MF-104A, narrative, and other supporting documents are enclosed for your use in preparing a Report of Review as requested by the Executive Officer:

Voucher No.	Amount Paid
DMEA-59-31	3,157.88
DMEA-59-79	4,142.25
DMEA-59-101	11,549.35
DMEA-59-109	300.00
Total	19,149.48

Please return the vouchers as soon as they have served your needs.

for Randell R. Cooper
T. A. Christensen

Enclosures

cc: J. W. Townsend
OME File
R. R. Cooper
General File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
February 16, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 26 1960

DATE	INITIALS	CODE
2-26	gad	220
		800

Memorandum

TO: Contract Administration and Audit Division, OME

From: Executive Officer, OME Field Team, Region ~~III~~

Subject: Docket No. DMEA 4721 (Uranium) Contract No. Idm-E1207
La Salle Mining Company (Fair Day et al claims) Boulder County, Colorado

Under the provisions of Amendment No. 3, the date for completion of the work expired December 1, 1959 and the Operator was advised of termination of the contract under those provisions by letter dated December 2, 1959.

The Operator has rendered an acceptable final report and final accounting as required by the contract.

The work was performed partly on an actual costs basis and partly on a "Fixed Unit Costs" basis. The number of units of work completed by the Operator and accepted by the Field Team as conforming to the contract requirements were as follows:

Stage I

Operation	Units
Drifting and Crosscutting	288 ft.
Self Potential Survey	900 sta.
Diamond Drilling (Surface)	744 ft.
Diamond Drilling (Underground	700 Ft.
Stand by Time	13 hours
Incidental Allowance (Surface)	744 ft.
Incidental Allowance (Underground)	700 ft.
Drill Station "R"	420 cu. ft.
Drill Station "S"	210
Core Boxes	83 Boxes
Sample Analysis	3 samples
Mobilization	1 Job

Stage II

Operation	Units
Bulldozing	34 hours
Diamond Drilling (Surface)	300 ft.
Standby Time	2 hours
Core Boxes	19 boxes
Incidental Allowance (Surface)	300 ft.

A total amount of $19,149.48 has been paid to the Operator to date, $500 being withheld in processing the Operator's report for the period of September, October, November 1958, pending receipt of the Operator's final report and pending final audit or review of reported costs.

A Report of Review appears to be in order in lieu of final audit and is therefore requested.

J. W. Townsend

EXTRA COPY O. M. E RECEIVED FEB 18 1960		
DATE	INITIALS	CODE
		900

Building 20 - Federal Center
Denver 25, Colorado
February 16, 1960

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4721 (Uranium) Contract No. Km-E1207
La Salle Mining Company (Fair Day et al claims) Boulder County, Colorado

In conformance with instructions which are attached to Memorandum No. 6 from the Office of Minerals Exploration, Washington, D. C., dated September 23, 1959, enclosed for your handling is a request to the Contract Administration and Audit Division for review and report of the costs reported by the subject Operator.

Original signed by

J. W. Townsend

Enclosure

JWT:ltm

cc: Chmn. Op. Comm.
Hasler
Corres.
Susp.
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 26 1959

DATE	INITIALS	CODE
10-26	gad	220
		800

October 23, 1959

Memorandum

TO: E. D. Talbert, Acting Chief, Contract Administration and Audit Division, Office of Minerals Exploration, Department of the Interior, Washington 25, D. C.

From: Donald T. Finch, OME Auditor

Subject: Docket No. DMEA 4721 (Uranium) The La Salle Mining Company P. O. Box 217, Grand Junction Colorado, Fair Day Group of claims, Boulder County, Colorado, Contract Idm-E1207

Enclosed is the work in process file for a report of review on the subject contract.

It is my understanding there is an application pending for an amendment. If such amendment is not approved it would appear the pencil copy of Report of Review is complete.

This material is forwarded to your office in the hopes it will be of some value.

Donald T. Finch
Donald T. Finch

Enclosures filed with work papers.

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

Budget Bureau No. 42-R1036.5

MAY 25 1959 O.M.E.

SUPPLEMENTARY FORM

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

Month of September, October November, 1958 Docket No. DMEA 4721 Contract No. E1207

Operator's Name La Salle Mining Company Minerals Uranium

Address P. O. Box 217, Grand Junction, Colorado

Contract Amount, $ 54,234.00 Government Participation: 75 % Amount, $ 40,675.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	0.00	11,094.10	11,094.10			
Bulldozing	0.00	408.00	408.00			
Crosscutting & Drifting	0.00	9,504.00	9,504.00			
Standby time	0.00	165.00	165.00			
Self Potential Sta.	0.00	1,800.00	1,800.00			
(2)						
Mobilization	400.00	0.00	400.00			
Incid.Allow.	0.00	1,764.20	1,764.20			
Drill Sta.	0.00	598.50	598.50			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	0.00	15.00	15.00			
Payroll Taxes						
Liability Insurance						
Core boxes	0.00	450.50	450.50			
(8) Contingencies (specify):						
TOTALS	400.00	25,799.30	26,199.30			

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

Date May 15, 1959 *Payee La Salle Mining Company

Per W J Chandler Title Project Supervisor

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

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

(Instructions on reverse)

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

$ 300.00

Signature RRO
(Authorized Certifying Officer)

Date 5/21/59 Vou. No. OME-59-109
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tan-E1207 in accordance with the terms of the contract.

Signature [signature] Title Executive Officer Date MAY 20 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [signature] Title Executive Officer Date MAY 20 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

MAY 25 1959 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

SUPPLEMENTARY FORM

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September, October, November 1958 Docket No. DMEA 4721 Contract No. E1207

Operator's Name La Salle Mining Company Minerals Uranium

Address P. O. Box 217, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
STAGE I								
Drifting & Crosscutting	Ft.	0.00	0	9,504.00	288	33.00	290	33.00
Self Poten.Sur.Sta.		0.00	0	1,800.00	900	2.00	900	2.00
D. Drill. Surf.	Ft.	0.00	0	5,133.60	744	6.90	750	1/
D. Drill.U.ground	Ft.	0.00	0	3,873.00	700	5.53	700	2/
Standby time	Hr.	0.00	0	143.00	13	11.00	30	11.00
Incid.Allow.Surf.		0.00	0	409.20	744	0.55	750	0.55
Incid.Allow.U.ground		0.00	0	1,190.00	700	1.70	700	1.70
Drill Sta. "R"	Cu.Ft.	0.00	0	399.00	420	0.95	420	0.95
Drill St. "S"	Cu.Ft.	0.00	0	199.50	210	0.95	210	0.95
Core boxes	Box	0.00	0	365.00	83	4.40	55	5.00
Analyses	Spl.	0.00	0	15.00	3	5.00	55	5.00
Mobilization		400.00	1	400.00	1	400.00	Job	400.00
TOTAL DISTRIBUTED COSTS		400.00		23,431.30				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		400.00		23,431.30				54,234.00

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

Date May 15, 1959 Operator La Salle Mining Company

Per W J Chandler Title Project Supervisor

REMARKS: 1/ NX @ $6.90
BX @ 6.40
AX @ 6.05

2/ 0-250' int.: NX @ $5.60
BX @ 5.10
250-500' int.: BX @ 5.70
AX @ 5.35

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

RECEIVED
MAY 21 1959
AUDITS
BUREAU OF MINES
REGION III
DENVER, COLO.

GPO 872894

Form DF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

SUPPLEMENTARY FORM

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

MAY 25 1959 O.M.E.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September, October, November 8

Operator's Name La Salle Mining Company

Address P. O. Box 217, Grand Junction, Colorado

DMEA No. 4721

Contract No. E1207

Minerals Uranium

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Bulldozing	Hr.			408.00	34	12.00	125	12.00
Core Drill 0-250 Ft.	Ft.			1,725.00	250	6.90	2500	6.90
Core Drill 250-500 Ft.	Ft.			362.50	50	7.25	500	1/
Standby Time	Hr.			22.00	2	11.00	50	11.00
Core boxes	Box			85.50	19	4.50	110	5.00
Incid.Allow.	Ft.			165.00	300	0.55	3900	0.55
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
				2,768.00				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								54,234.00
Total Costs		0.00		2,768.00				

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

Date May 15, 1959 Operator La Salle Mining Company

Per W. J. Chandler Title Project Supervisor

Remarks: 1/ BX @ $7.25/ft. or AX @ $6.90/ft.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

RECEIVED
MAY 21 1959
AUDITS
BUREAU OF MINES
REGION III
DENVER, COLO.

GPO 872894

224 New Customhouse
Denver 2, Colorado

May 20, 1959

FINAL DISTRIBUTION
MADE MAY 22 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, GSE Field Team, Region III

Subject: Docket DMEA 4721 (Uranium) Contract Idm-K1207, La Salle Mining Company (Fair Bay, et al. claims) Boulder County, Colorado

Enclosed are the original and four copies each of "Supplementary Form," Forms MF-104 and MF-104A, for the period of September-October-November, 1958.

Documentation pertaining to the supplementary claim of $400.00 for mobilization is included with documentation attached to the prior Form MF-104 report for the above period, forwarded to you by memorandum dated April 16, 1959.

It is recommended that reimbursement be made to the Operator on the following basis:

Gross amount of supplementary claim ----------	$400.00
Government participation at 75 percent ----------	$300.00
Amount due Operator ----------	$300.00

Please continue to withhold the sum of $500.00 which was withheld from reimbursement to the Operator in processing the prior Form MF-104, Operator's Monthly Report and Voucher, for the period of September-October-November, 1958.

Original signed by
J. W. TOWNSEND
J. W. Townsend

ORIGINAL FILE COPY
O. M. E.
RECEIVED MAY 25 1959

DATE	INITIALS	CODE
5/25	a	220
		800

Enclosures

JWT:jy
cc: Chm. Op. Comm. (2)
Balser, GSE/RFC
MF-104 File, Reg. III
Harriman
Burgesse file, Reg. III
Chron.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, October, November, 1958 Docket No. DMEA 4721 Contract No. Idm-R1207

Operator's Name La Salle Mining Company Minerals Uranium

Address P. O. Box 217 - Grand Junction, Colorado

Contract Amount, $ 54,234.00 Government Participation: 75 % Amount, $ 40,675.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Stage I Geophysical Survey	$ 0.00	$ 1800.00	$ 1800.00			
Underground Drill Sta. "H"	0.00	199.50	199.50			
Underground Drill Sta "R"	0.00	399.00	399.00			
Drifting and Crosscutting	3300.00	6204.00	9504.00			
Underground Drilling	3760.30	840.00	4600.30			
Surface Drilling	5401.85	0.00	5401.85			
(2) Labor and Supervision:						
Standby Time	243.00	0.00	243.00			
Under. Incidental Allow.	1154.30	255.00	1409.30			
Surface Incidental Allow.	429.55	0.00	429.55			
(3) Operating Materials and Supplies:						
Timber						
Explosives						
Pipe						
Tools						
Stage II Surface Drilling	2457.25	0.00	2457.25			
Standby Time	22.00	0.00	22.00			
(4) Operating Equipment:						
Surface Incidental Allowance	193.05	0.00	193.05			
Purchase Bulldozing	408.00	0.00	408.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Stage I Core Boxes	363.50	36.00	399.50			
Repairs to Equipment						
Chemical Sample Analysis	15.00	0.00	15.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Stage II Core Boxes	99.00	0.00	99.00			
(8) Contingencies (specify):						
TOTALS	17,846.80	9733.50	27,580.30	16066.80	9733.50	25,799.30

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

Date April 1, 1959 Payee La Salle Mining Company

Per M. Chandler Title Project Supervisor

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

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

(Instructions on reverse)

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

$ 11,549.35

Signature
(Authorized Certifying Officer)

Date 4/17/59 Vou. No. DME 59-101

(See other side)

DEPARTMENT OF THE INTERIOR
APR 3 - 1959
REGION III
DENVER, COLORADO

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm-E1207 in accordance with the terms of the contract.

Signature Carl Bilen (12,043.35) Title Mining Engineer Date 4/10/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date APR 16 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-194A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September October November 1953 Docket No. DMEA 4721 Contract No. 14-R1207

Operator's Name La Salle Mining Company Minerals Uranium

Address P. O. Box 217 - Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Stage I Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting + Crosscutting	foot	$3,300.00	100	$9,504.00	288	$33.00	290	$33.00
Geophysical Survey	Station	0.00	0	1,800.00	900	2.00	900	2.00
~~Drifting~~ U. Drill Sta. 0-100'	Cu. ft.	0.00	0	199.50	210	0.95	210	0.95
U. Drill Sta. 100-250'	Cu. ft.	0.00	0	394.00	420	0.95	420	0.95
~~Crosscutting~~ U. Drilling NX 0-250'	ft.	2128.00	380	2968.00	530	5.60	650	5.60
U. Drilling BX 0-250'	ft.	612.00	120	612.00	120	5.10		
~~Raising~~ U. Drilling BX 250-500'	ft.	1020.30	179	1020.30	179	5.70	179	5.70
~~Shafts~~ S. Drilling NX 0-250'	ft.	5133.60	744	5133.60	744	6.90	750	6.90
~~Winzes~~ S. Drilling BX 250-500'	ft.	268.25	37	268.25	37	7.25	37	7.25
~~Surveying~~ Standby Time	hr.	100.00	10	100.00	10	10.00		
~~Drilling~~: ~~Core~~ Standby Time	hr.	143.00	13	143.00	13	11.00	20,027	11.00
Core Holes	Col	[illegible]	11	[illegible]	20	4.00	20	4.00
~~Chem.~~ Core Boxes	Box	318.50	71	319.50	71	4.50	71	4.50
Chem. Sample Analysis	Sample	112.00	7	112.00	7	5.00	30.1	5.00
~~Surface~~ U. Inc. Allow.	ft.	1154.30	679	1509.30	889	1.70	889	1.70
Surface Inc. Footw. Allowance	ft.	427.55	781	427.55	781	0.55	781	0.55
~~Stoping~~ S. Dr. H NX 0-250'	ft.	1725.00	250	1725.00	250	6.90	2,500	6.90
~~Trenching~~ S. Drill BX 250-500'	ft.	732.25	101	732.25	101	7.25	500	7.25
Standby Time	hr.	22.00	2	22.00	2	11.00	150	11.00
~~Test Pits~~ Core Boxes	Box	99.00	22	99.00	22	4.50	110	5.00
S. Inc. Allow.	ft.	193.05	351	193.05	351	0.55	3000	0.55
~~Roads and Trails~~ Bulldozing	hr.	408.00	34	408.00	34	12.00	125	12.00
Total Distributed Costs		17846.80		27,580.30				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		17846.80		27,580.30				$54,234.00

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

Date April 1, 1959 Operator La Salle Mining Company

Per W J Chandler Title Project Supervisor

Remarks: Work performed on Stage I and Stage II.

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

(Instructions on reverse)

(For Government use only)

Earl Bilson

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE APR 20 1959

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 23 1959

DATE	INITIALS	CODE
4/23	a	220
		800

Administrative Audit Difference Statement

La Salle Mining co.
P. O. Box 217
Grand Junction, Colorado

Date: April 17, 1959
Payee's Reference: November 1958

Gentlemen:

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

Amount Claimed $ 17,846.80

Difference $ 1,781.00

Amount Approved $ 16,065.80

The reason for the difference was due to:

The O;erator has exceeded the maximum allowable depths of four of the six holes drilled during the reporting period, as indicated below:

Hole No.	Max. Allow. Depth	Depth Drilled	Excess
2 (Underground)	250 Ft.	317 Ft.	67 Ft.
3 (Underground)	300 "	362 "	62 "
4 (Surface)	250 "	287 "	37
5 (Surface)	250 "	250 "	0 "
6 (Surface)	250 "	244 "	0 "
7 (Surface)	300 "	351 "	51 "

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

The reported cost incident to 129 feet of excess underground drilling, and 88 feet of surface drilling is disallowed, as follows:

Disallowance, Underground Drilling

Reported cost, 679 feet at total cost of	$3,760.30	
Acceptable (invoice) cost for 550 feet:		
NX, 0-250 ft. interval, 396 ft. at $5.60	$2,217.60	
BX, 0-250 ft. interval, 104 ft. at $5.10	530.40	
BX, 250-500 Ft. interval, 50 ft. at $5.70	285.00	
Acceptable cost, holes 2 and 3	$3,033.00	
Amount disallowed		$ 727.30

Disallowance, Surface Drilling

Reported cost, 1,129 feet at total cost of	$7,859.10	
Acceptable (invoice) cost:		
NX, 0-250 ft. interval, 994 ft. at $6.90/ft.	$6,858.60	
BX, 250-500 Ft. interval, 50 ft. at $7.25/ft.	362.50	
Acceptable cost, holes 4 and 7	$7,221.10	
Amount to be disallowed		$ 638.00

Disallowance, Incidental Allowance

Disallow:

Incidental Allowance, Underground Drilling, 129 ft. at $1.70/ft.	$ 219.30	
Incidental Allowance, Surface Drilling, 88 ft. at $0.55/ft.	48.40	
Amount disallowed		$ 267.70

Disallowance, Core Boxes

The examining engineer has determined that a total of 11 core boxes were used in conjunction with excess drilling. The cost of excess core boxes is disallowed, as follows:

Disallowed:
Reported cost for 8 core boxes at $4.50 ea.-- $ 36.00
Reported cost for 3 core boxes at $4.00 ea.-- 12.00--
Amount disallowed----------$ 48.00

Disallowance, Drill Hole Survey

Hole No. 3 was surveyed for deviations in direction and dip. The contract does not provide for this work; therefore, the reported cost for drill hole surveying is disallowed, as follows:

Disallowed, reported cost for drill hole survey, 10 hours at $10.00 per hour----------$ 100.00

Total amount to be disallowed----------$1,781.00

Withheld an amount of $500.00 from reimbursement to the Operator pending resumption of work under the contract. If additional work is not approved by the Government, and performed by the Operator, the amount of $500.00 will continue to be withheld pending resolution of matters prerequisite to closing the account.

Note As indicated by the examining engineer, the actual (invoice) cost of drilling differs slightly with the costs reported by the Operator on Form MF-104. The invoice cost was used by this office in determining the allowable cost, which differs from the engineer's recommendation by the amount of $8.00.

22½ New Customhouse
Denver 2, Colorado
April 16, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, CME Field Team, Region III

Subject: Docket No. DMEA 4721 (Uranium) Contract Idm-E1207, La Salle Mining Company, (Fair Day et al. claims) Boulder County, Colorado - Operator's Monthly Progress Report for September-October-November, 1958

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

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

The Operator has exceeded the maximum allowable depths of four of the six holes drilled during the reporting period, as indicated below:

Hole No.	Max. Allow. Depth	Depth Drilled	Excess
2 (Underground)	250 Ft.	317 Ft.	67 Ft.
3 (Underground)	300 "	362 "	62 "
4 (Surface)	250 "	287 "	37 "
5 (Surface)	250 "	250 "	0 "
6 (Surface)	250 "	244 "	0 "
7 (Surface)	300 "	351 "	51 "

The reported cost incident to 129 feet of excess underground drilling, and 88 feet of surface drilling is to be disallowed, as follows:

Disallowance, Underground Drilling

Reported cost, 679 feet at total cost of		$3,760.30	
Acceptable (invoice) cost for 550 feet:			
NX, 0-250 ft. interval, 396 ft. at $5.60	$2,217.60		
NX, 0-250 ft. interval, 104 ft. at $5.10	530.40		
NX, 250-500 ft. interval, 50 ft. at $5.70	285.00		
Acceptable cost, holes 2 and 3		$3,033.00	
Amount to be disallowed			$ 727.30

Disallowance, Surface Drilling

Reported cost, 1,129 feet at total cost of		$7,859.10	
Acceptable (invoice) cost:			
NX, 0-250 ft. interval, 994 ft. at $6.90/ft.	$6,858.60		
NX, 250-500 ft. interval, 50 ft. at $7.25/ft.	362.50		
Acceptable cost, holes 4 and 7		$7,221.10	
Amount to be disallowed			$ 638.00

Disallowance, Incidental Allowance

Disallow:		
Incidental Allowance, Underground Drilling, 129 ft. at $1.70/ft.	$ 219.30	
Incidental Allowance, Surface Drilling, 88 ft. at $0.55/ft.	48.40	
Amount to be disallowed		$ 267.70

Disallowance, Core Boxes

The examining engineer has determined that a total of 11 core boxes were used in conjunction with excess drilling. The cost of excess core boxes is to be disallowed, as follows:

Disallow:
Reported cost for 8 core boxes at $4.50 ea.-- $ 36.00
Reported cost for 3 core boxes at $4.00 ea.-- 12.00
Amount to be disallowed---------- $ 48.00

Disallowance, Drill Hole Survey

Hole No. 3 was surveyed for deviations in direction and dip. The contract does not provide for this work; therefore, the reported cost of drill hole surveying is to be disallowed, as follows:

Disallow, reported cost for drill hole survey, 10 hours at $10.00 per hour---------- $ 100.00

Total amount to be disallowed---------- $1,781.00

Withhold an amount of $500.00 from reimbursement to the Operator pending resumption of work under the contract. If additional work is not approved by the Government, and performed by the Operator, continue to withhold the amount of $500.00, pending resolution of matters prerequisite to closing the account.

Reconciliation With Amount Reported by the Operator on Form MF-104 for the period, September-October-November, 1958

Amount reported on Form MF-104 for September-October-November, 1958---------- $17,846.80
Amount to be disallowed---------- 1,781.00
Acceptable cost for September-October-November, 1958---------- $16,065.80

Government participation at 75 percent---------- $12,049.35
Amount to be withheld---------- 500.00
Balance due the Operator---------- $11,549.35

Note: As indicated by the examining engineer, the actual (invoice) cost of drilling differs slightly with the costs reported by the Operator on Form MF-104. The invoice cost was used by this office in determining the allowable cost, which differs from the engineer's recommendation by the amount of $8.00.

Remarks:
Date of Report----------April 1, 1959
Date Received in Field Office----------April 6, 1959
Date Received in Region Office----------April 14, 1959

Enclosures
JDC:bmh
cc: Comm. Op. Comm. (2)
Balsar, CMS/DPC
MF-104 file, Reg. III
Harshman } w/copy Engr's
Cooper } Report
Chron

Original signed by
J. W. TOWNSEND
J. W. Townsend

OME
DEPARTMENT OF THE INTERIOR
APR 14 1959
REGION III
DENVER, COLORADO

April 14, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Carl Belser

Subject: Docket No. DMEA 4721 (Uranium) Contract No. Idm-R1207, La Salle Mining Company (Fair Day et al claims) Boulder County, Colorado -- Progress report for September, October, and November 1958

Operations under the subject contract were inspected on October 7, November 4, and December 9, 1958. On December 9, 1958 all DMEA work specified, had been completed.

Stage I - Work Completed

Hole 2 was an underground hole drilled to a depth of 317 feet. On page 4 of Exhibit A only 250 feet is allowed. Sixty seven feet of Hole 2 is disallowed.

Hole 3 was an underground hole drilled to a depth of 362 feet. On page 4, Exhibit A, this hole is limited to 300 feet. Therefore, 62 feet is disallowed. A total of 122 feet of underground drilling is disallowed.

Holes 4, 5, and 6 are surface holes. By page 3, Exhibit A, these holes are limited to a maximum depth of 250 feet.

Hole 4 is 287 feet deep of which 37 feet is disallowed.
Hole 5 was drilled to a depth of 250 feet.
Hole 6 was drilled to a depth of 244 feet.
Thirty seven feet of surface drilling is disallowed.

Crosscut V-X claimed to be 100 feet long measured 106.3 feet from V. The start was 3 feet from V or the crosscut was actually 103.3 feet long.

Stage II

Hole 7 was a surface hole drilled after the surface of the geophysical anomaly had been bulldozed off. The hole was drilled to a depth of 351 feet. On page 4, Exhibit A, the maximum length is 300 feet. Not allowed - 51 feet.

Stage I - Category (7) provides for 55 core boxes. However 83 were used but the sum stipulated by Category (7) is not exceeded.

Allowable contract work follows:

Stage I		
Drifting and crosscutting 100 feet at $33.00/ft.	$3,300.00	
Underground		
Hole 2 130 ft. at $5.60/ft. 120 feet at $5.10/ft.	1,340.00	
Hole 3 250 ft. at $5.60/ft. 50 feet at $5.70/ft.	1,685.00	
6 hrs. standby at $11/hr.	66.00	
Incidental allowance 550 ft. at $1.70/ft.	935.00	
Surface		
Hole 4 250 feet at $6.90/ft.	1,725.00	
Hole 5 250 feet at $6.90/ft.	1,725.00	
Hole 6 244 feet at $6.90/ft.	1,683.60	
7 hours standby at $11/hr.	77.00	
Incidental allowance 744 feet at $0.55/ft.	409.20	
8 core boxes at $4.00 each	32.00	
66 core boxes at $4.50 each	297.00	
3 chemical assays at $5.00 each	15.00	
	$13,289.80	

For Holes 2 and 3, the 104's give (0'-250') NX 380 ft. BX 120 ft.
Driller invoices give NX 396 ft. BX 104 ft.

Stage II		
250 ft. surface core drilling at $6.90/ft.	1,725.00	
50 feet surface core drilling at $7.25/ft.	362.50	
2 hrs. standby time at $11/hr.	22.00	
34 hrs. bulldozing at $12/hr.	408.00	
300 ft. incidental allowance at $0.55/hr.	165.00	
19 core boxes at $4.50/each	85.50	
Total allowable Stage II costs		$2,768.00
Total allowable Stage I costs		$13,289.80
Total allowable costs for period		$16,057.80

Not allowable Stage I costs:	
Hole 2 67 ft. core drilling at $5.70/ft.	381.90
3 core boxes at $4.00 each	12.00
67 ft. incidental expenses at $1.70/ft.	113.90
Hole 3 62 ft. core drilling at $5.70/ft.	353.40
62 feet incidental expenses at $1.70/ft.	105.40
3 core boxes at $4.50/each	13.50
Hole 4 37 feet core drilling at $7.25/ft.	268.25
37 feet incidental expenses at $0.55/ft.	20.35
2 core boxes at $4.50/each	9.00
10 hours surveyors standby time at $10.00/hr.	100.00
Not allowable Stage I Total	$1,377.70

Not allowable Stage II costs:	
51 ft. of core drilling at $7.25/ft.	$369.75
3 core boxes at $4.50/ea.	13.50
51 ft. incidental allowance at $0.55/ft.	28.05
Total Stage II not allowable costs:	$411.30
Total Stage I unallowable costs	1,377.70
Total not allowable costs	$1,789.00
Allowable costs	$16,057.80
Total claimed by 104's	$17,846.80

Recapitulation of Allowable Costs	
Drifting and crosscutting 100 feet at $33.00/ft.	$3,300.00
120 ft. underground core drilling at $5.10/ft.	612.00
380 ft. underground core drilling at $5.60/ft.	2,128.00
50 ft. underground core drilling at $5.70/ft.	285.00
994 ft. surface core drilling at $6.90/ft.	6,858.60
50 ft. surface core drilling at $7.25/ft.	362.50
15 hours standby time at $11.00/hr.	165.00
34 hours bulldozing at $12.00/hr.	408.00
8 core boxes at $4.00/each	32.00
85 core boxes at $4.50/each	382.50
550 feet incidental allowance at $1.70/ft.	935.00
1044 ft. incidental allowance at $0.55/ft.	574.20
3 chemical assays at $5.00 each	15.00
	$16,057.80

Payment of 75 percent of the above amount or $12,043.35 is recommended.

Carl Belser

Carl Belser
Mining Engineer

CB/mw
cc: 6
I&m-E1207
ehren

NARRATIVE REPORT

Docket No. DMEA 4721 (Uranium)
Contract No. Idm-81207
La Salle Mining Company
Fair Bay et. al. Claims
Boulder County, Colorado

Period of Report: September, October, November, 1958

No work was completed during the month of September.

The following work was completed during the months of October and November, 1958, as outlined in Exhibit "A" under Stage "I" of the Exploration Project Contract.

1. The underground diamond drill hole DDH-3.
2. The underground diamond drill hole DDH-2.
3. One hundred feet of crosscutting.
4. The surface diamond drill hole DDH-4.
5. The surface diamond drill hole DDH-5.
6. The surface diamond drill hole DDH-6.

The following work was completed during the months of October and November, 1958, as outlined in Exhibit "A" under Stage "II" of the Exploration Project Contract.

1. 34 hours of bulldozing.
2. The surface diamond drill hole DDH-7.

Included with the report is a base map (Figure 4) showing aspects of the underground program, a base map (Figure 7) showing aspects of the surface Baltimore Belle area, a base map (Figure 6) showing aspects of the surface Sassafras area, the radiometric probe and geologic logs (table Nos. 2 - 7) and the drill hole areas sections (Cross Section Nos. 2 - 7).

The diamond drill hole DDH-3 was completed to a depth of 362 feet by October 1, 1958. The hole is described in Table No. 2, Cross Section No. 2 and Figure 4. The hole was surveyed with a Tro-pari hole survey instrument and found at 20 feet to bear N 31° W and dip -50°; at 150 feet the dip was -47°; at 250 feet the bearing was N 20° W and the dip was -45°; at 350 feet the bearing was N 27° W and the dip was -44°. Around 116 feet the hole cut ore in or near the North-South fault that passes through point "V" (now called the "B" fault). This zone is described in Table No. 2. The main target (103-1 stope vein) was supposedly cut in a granite zone and was not favorably mineralized.

The diamond drill hole DDH-2 was completed to a depth of 317 feet by October 23, 1958. The hole is described in Table No. 5, cross section No. 5 and Figure 4.

The crosscut from point "Y" towards point "X" was completed by November 30, 1958. The crosscut was at least 100 feet long. See Figure 4 for a description.

The diamond drill hole DDH-4 was completed to a depth of 287 feet by October 8, 1958. The hole is described in Table No. 3, Cross Section No. 3 and Figure 7.

The diamond drill hole DDH-5 was completed to a depth of 250 feet by October 18, 1958. The hole is described in Table No. 4, Cross Section No. 4 and Figure 7.

The diamond drill hole DDH-6 was completed to a depth of 244 feet by October 30, 1958. The hole is described in Table No. 6, Cross Section No. 6 and Figure 7.

The bulldozing was in the form of surface stripping on the Samson claim to expose the surface outcrop in the area of the geophysical anomaly around station R-9. The work required 34 hours and was completed by October 24, 1958. No significant radioactivity was found. See Figure 6.

The diamond drill hole DDH-7 was completed to a depth of 351 feet by November 9, 1958. The hole is described in Table No. 7, Cross Section No. 7 and Figure 6.

Respectfully submitted,

W J Chandler

W. J. Chandler
Project Supervisor
La Salle Mining Company

OME
DEPARTMENT OF THE INTERIOR
DEC 30 1958
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

JAN 12 1959
O.M.E.

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

Month of August, 195[illegible] Docket No. DMEA 4723 Contract No. [illegible]-21207
Operator's Name La Salle Mining Company Minerals [illegible]
Address P. O. Box 287 - Grand Junction, Colorado
Contract Amount, $ 5[illegible],234.00 Government Participation: 75% Amount, $ 40,675.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors: Short Form						
Contract Survey	None	1,000.00	1,000.00			
Underground Drill Moving	None	120.50	120.50			
Bulldozing						
Underground Drill Operation	220.00	None	220.00			
Crosscutting						
Drifting & Crosscutting	2,973.00	2,211.00	5,184.00			
Drilling Underground	860.00	None	860.00			
(2) Labor and Supervision:						
Underground Incidental Labor						
Supervision Allowance	275.00	None	275.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Hooden Corp. Bond	35.00	None	35.00			
(8) Contingencies (specify):						
TOTALS	3,523.00	3,210.50	6,733.50	3,523.00	3,210.50	6,733.50

OME
DEPARTMENT OF THE INTERIOR
DEC 22 1958
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 30, 1958 *Payee La Salle Mining Company
Per M. A. Chandler Title Project Supervisor

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

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

(Instructions on reverse)

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

$ 442.25

Signature [illegible]
(Authorized Certifying Officer)
Date 1/7/59 Vou. No. DMEA 59-79
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tha-E1207 in accordance with the terms of the contract.

Signature Earl Bolu ($4,142.25) Title Mining Engineer Date 12/24/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date JAN 6 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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

JAN 12 1959
O.M.E.

Month of August 195 9 Docket No. DMEA 8721 Contract No. [illegible]
Operator's Name [illegible] Mining Company Minerals Uranium
Address P. O. Box 237 - Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shafts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Drilling: Core								
Churn								
Auger								
Stripping	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trenching								
Test Pits								
Roads and Trails								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Distributed Costs		[illegible]		[illegible]				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		[illegible]		[illegible]				[illegible]

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

Date Sept. 30, 1958 Operator [illegible] Mining Company

Per W. J. Chandler Title Project Engineer

Remarks: Cost performed on Step 1 only.

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

(Instructions on reverse)

(For Government use only) Carl Belser

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

EXTRA COPY MADE JAN 8 1959

O. M. E.
RECEIVED JAN 12 1959

DATE	INITIALS	CODE
		880

824 New Customhouse
Denver 2, Colorado
January 6, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. ERDA 4721 (Uranium) Contract Idm-81207, Lodal Mining Company, (Fair Day et al. claims) Boulder County, Colorado, - Operator's Monthly Progress Report for the month of August, 1958

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for August, 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report----------September 29, 1958
Date Received in Field Office----------December 23, 1958
Date Received in Region Office----------December 30, 1958

Original sig.
J. W. TOWNSEND

J. W. Townsend

JWC:bmh

cc: Chem. Op. Comm. (2)
Reiser, OME/WFC
MF-104 file, Reg. III
Berthman, w/copy of Engr's Report
Chron

OME, Reg. III
JAN 4 1959
2

Dec. 31, 1958

Memorandum

To: Executive Officer, OME

From: Carl Belser

Subject: Docket No. DMEA 4721 (Uranium) Contract Idm-E1207,
La Sal Mining Company (Fair Bay et al claims)
Boulder County, Colorado -- Progress report for August 1958

Operations under the subject contract were inspected September 4, 1958 in company with W. J. Chandler, supervisor for the operator. No surface work was done during the month. W-R crosscut was driven 70 feet and V-Z crosscut 118 feet. At R a drill station excavation amounted to 520 cubic feet.

DDH-1 at S had been terminated at 150 feet with no ore cut. Nine core boxes were used. DDH-3 at R was down 156 feet. Two feet of ore were cut between 114 and 116 feet. All drilling was NX size and drilled according to the contract.

Contract work approved for August follows:

Stage I	
Hole No. 1 - 150 feet ~~BX~~ NX at $5.60/ft.	$840.00
150 feet incidental allowance at $1.70/ft.	255.00
9 core boxes at $4.00 each	36.00
420 cubic feet, Hole #3 station, at $0.95/cu. ft.	399.00
V-Z drift 101 feet drifting at $33.00/ft.	3,333.00
W-R X-cut 20 feet at $33.00/ft.	660.00
	$5,523.00

Payment of 75 percent of the above amount or $4,142.25 is recommended.

Carl Belser

Carl Belser
Mining Engineer

CB/mw
cc: 6
Idm-E1207
chron

NARRATIVE REPORT

Docket No. DMEA 4721 (Uranium)
Contract No. Idm-E1207
La Salle Mining Company
Fair Day et. al. Claims
Boulder County, Colorado

Period of Report: August, 1958

The following work was completed during the month of August, 1958, as outlined in Exhibit "A" under Stage "I" of the Exploration Project Contract.

1. The underground diamond drill hole "DDH-1".
2. One hundred and twenty-one (121) feet of drifting and crosscutting.
3. The underground diamond drill station at point "R".

Included with this report is a base map (Figure 4) showing aspects of the underground program, a radiometric probe and geologic log (Table No. 1) and a drill hole cross section (Cross Section No. 1).

The diamond drill hole "DDH-1" was completed to a depth of one hundred and fifty (150) feet by August 15, 1958. The hole was drilled from point "S" and inclined -45° in a N 15° W direction (See Figure 4). No significant radioactivity was encountered in the hole or core. (See Table No. 1). The geology is described on Cross Section No. 1 and Table No. 1. The information obtained from "DDH-1" indicates little change in geology or mineralization between the area cut by the drift heading North-North East from point "S" and the section cut by "DDH-1".

By August 31, 1958, one hundred and twenty-one (121) feet of drifting and crosscutting had been completed.

On line from point "W" to point "R" twenty (20) feet of crosscut drift was driven to complete the seventy (70) feet to point "R". The mining conditions have been good and no timber necessary. The material encountered was zones of unaltered biotite hornblende schist and pegmatitic granite (see Figure 4). The schist shows little to no granite penetration. No significant radioactivity was encountered in the crosscut drift.

On line from point "V" to point "Z" one hundred and one (101) feet of drift has been driven to make a total of one hundred and eighteen (118) feet towards point "Z". The mining conditions have been good and no timber necessary. The complete drift from point "V" towards point "Z" is described as follows.

The drift that leaves point "V" and trends Northeast to point "Z" was driven for the first fifty three (53) feet in an altered granite biotite gneiss whose linear elements near paralleled the drift. The gneiss had been invaded to a varying degree by pegmatitic granite. From fifty three (53) to ninety one (91) feet the drift cut a pegmatitic granite zone which contained a heavy concentration of gneiss inclusions near the contact. The granite exhibits a strong flow structure. From ninety one (91) to one hundred and seven (107) feet is a zone of weakly altered biotite schist lightly involved by pegmatitic granite. The linear elements of the schist are near parallel with the drift. From one hundred and seven (107) feet to the breast the drift cut a zone of altered biotite schist heavily invaded by pegmatitic granite in which the linear elements are changed from the usual Northeast-Southwest strike to a Northwest-Southeast strike. (See Figure 4).

The main structural feature observed in the drift is a mineralized shear zone that leaves the main North-South fault at point "V" to "Z". The shear stays in the right rib for about the first twenty (20) feet of the drift, then swings across the drift and splits. One feature, weakly mineralized, disappears into the left rib about thirty four (34) feet from the starting point of the drift. The other feature, non-mineralized, continued up the drift and was lost in the granitic zone. The shear zone was rather weakly mineralized for the first five (5) feet after leaving the point "V" North-South fault but it then widens into a vein that for the next twenty (20) feet should average six (6) inches of 0.20% U_3O_8 by radiometric check. In the breast of the drift in the area where the linear elements of the schist strike Northwest-Southeast there appears to be a rather prominent Northwest-Southeast shear zone in the making. This area will be kept in mind when planning future exploration (See Figure 4, Page 2 of the July, 1958 Narrative Report).

By August 31, 1958 at least four hundred and twenty (420) cubic feet had been excavated at point "R" for an underground diamond drill station. The geology is the same as that described in the crosscut drift from point "W" to point "R" (See Figure 4).

Respectfully submitted

W. J. Chandler

W. J. Chandler
Project Supervisor
La Salle Mining Company

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

Budget Bureau No. 42-R1036.5

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

Month of July, 1958 Docket No. DMEA 4721 Contract No. Idm-E 1207
Operator's Name La Salle Mining Company Minerals Uranium
Address P. O. Box 217, Grand Junction, Colorado
Contract Amount, $ 54,234.00 Government Participation: 75 % Amount, $ 40,675.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Geophysical Survey	$1,800.00	None	$1,800.00			
Underground Drill Station at "S"	199.50	None	199.50			
Drifting & Crosscutting	2,211.00	None	2,211.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,210.50	None	4,210.50	4,210.50		4,210.50

DMEA
DEPARTMENT OF THE INTERIOR
AUG 21 1958
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-14-58 *Payee La Salle Mining Company
Per W. J. Chandler Title Project Supervisor

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 3157.88
Signature [illegible] (Authorized Certifying Officer)
Date 9/3/58 Vou. No. DMA 59-31
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1207 in accordance with the terms of the contract.

Signature M. R. Falsbury 3157.88 Title Mining Engineer Date 8-26-58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Acc

Checked for Engineering Accuracy

Signature J. W. Kimmel Title Alternate Acting Executive Officer Date AUG 29 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED SEP 8 1958 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1958 Docket No. DMEA 4721 Contract No. Idm-E 1207
Operator's Name La Salle Mining Company Minerals Uranium
Address P. O. Box 217, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH Stage I	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting & Crosscutting	Foot	$2,211.00	67	$2,211.00	67	$33.00	290	$33.00
Geophysical Survey	Sta.	1,800.00	900	1,800.00	900	2.00	900	2.00
Underground Drill Station at "S"	Cubic Foot	199.50	210	199.50	210	0.95	210	0.95
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4,210.50		4,210.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,210.50		4,210.50				54,234.00

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

REMARKS: Work performed on Stage I only.

Date 8-14-58 Operator La Salle Mining Company

Per W. J. Chandler Title Project Supervisor

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE SEP 5 1958

224 New Customhouse
Denver 2, Colorado
August 29, 1958

Memorandum

9/4 Com 100 800

To: T. A. Christensen

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

Subject: Docket No. DMEA 4721 (Uranium) Contract No. [illegible]
La Salle Mining Company (Fair Day et al. claims) Boulder County, Colorado - Operator's Monthly Progress Report for the month of July 1958

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

The work is being performed partly under independent subcontract, partly by the Operator on the basis of actual incurred costs, and partly at fixed unit costs. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable. The costs reported for work performed by the Operator have been reviewed by this office and are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended at 75 percent of the amount reported on Form MF-104 for July 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of the computations.

Remarks

Date of report ---------- August 14, 1958
Date received in Field Office -------- August 22, 1958
Date received in Regional Office ----- August 26, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

HMC:ds
cc: Chem. Op. Comm. (2)
MF-104 File, Reg. III
Salsbury
Harshman)w/cy of Engineer's report
Chron

REGION III

DMEA
DEPARTMENT OF THE INTERIOR
AUG 26 1958
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
August 26, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

From: M. H. Salsbury

Subject: Docket No. DMEA 4721 (Uranium) Contract Ida-R1277,
La Salle Mining Company (Fair Day et al claims)
Boulder County, Colorado -- Progress report for July 1958

Operations under the subject contract were inspected on August 6, 1958, in company with W. J. Chandler, supervisor for the operator, and Franklin A. Seward, Jr., who performed the geophysical survey of the property. At the time of inspection the geophysical survey and 1 underground drill station had been completed, and 2 headings and 1 diamond drill hole were in progress underground.

Work under the contract was started on July 7, 1958. Reimbursement for the following fixed cost items under Stage I of the contract is claimed in July 1958:

Geophysical survey, 900 stations at	$1,800.00
Drifting and crosscutting 67 feet at $33/ft.	2,211.00
Underground drill station at 8-210 cu. feet $0.95/ft.	199.50
Total claimed in July 1958	$4,210.50

All claims are in accordance with contract terms.

Submitted with the claim in quintuplicate were MF-104 and MF-104A forms, a narrative report with maps, and an interpretive geophysical report, including an equipotential map. No further documentation is required.

A random check of stations occupied during the geophysical survey was made and the positions of stations were verified as being located properly in fences (profiles) 100 feet apart, with stations in each fence 20 feet apart. A total of 918 stations were established in accordance with contract specifications and 44 additional intermediate stations. Payment for only 900 stations is claimed. Stations at even 100 feet intervals were plotted on the map submitted. Intermediate stations were omitted for clarity.

The measured distance to the face of the "W-R" crosscut from survey station R14 was 63 feet on August 6, 1958 compared to 50 feet claimed. In the "V-S" drift, the measured distance to the face from the start was 39 feet compared to 17 feet claimed. The initial point for each heading was 3 feet from the survey plugs used as a reference point.

A drill station 10 feet by 14 feet by 10 feet requiring approximately 1400 cubic feet of excavation was constructed at point "S".

Diamond Drill Hole No. 1 on a bearing of N. 15° W., 45° below the horizontal had been drilled 68 feet.

No significant mineralization was found in the first 63 feet of Drill Hole No. 1. Slight mineralization was found in slabbing to start drift "V-S".

Totals on the accounting forms are correctly entered. The narrative report and accounting forms are signed by W. J. Chandler as project supervisor for the operator.

Payment of $3,157.88 or 75 percent of $4,210.50, the amount claimed in July 1958, is recommended for approval.

N. H. Salsbury
N. H. Salsbury
Mining Engineer

NHS/nw
cc: 6
Idm-X1207
ekron

NARRATIVE REPORT

Docket No. DMEA 4721 (Uranium)
Contract No. Idm-81207
La Salle Mining Company
Fair Day et. al. Claims
Boulder County, Colorado

Period of Report: July, 1958

On July 7, 1958 work began on the Fair Day et. al. Claims Exploration Project Contract. During the report period the following work was completed as outlined in Exhibit "A" of the subject Contract under Stage "I".

1. The geophysical (self-potential) survey.
2. Sixty seven (67) feet of drifting and cross cutting.
3. The underground diamond drilling station at point "S".

Included with this report are the following:

A complete interpretive report and equipotential map of the geophysical (self-potential) survey.

A base map (fig. 3) showing aspects of the surface program.

A base map (fig. 4) showing aspects of the underground program.

The geophysical (self-potential) survey requirements were met by July 31, 1958. The work performed, conditions encountered and results of the survey are best described in the accompanying report and map submitted by Franklin A. Seward Jr., Geophysical Engineer. Figure 3 shows the survey in relation to the claim group. Mr. Seward's work, report and map are completely satisfactory in all aspects to the Author and to the La Salle Mining Company.

By July 31, 1958, sixty seven (67) feet of drifting and cross-cutting had been completed.

On line from point "W" to point "R" (see fig. 4) fifty (50) feet of crosscut drift has actually been driven or fifty three (53) feet as measured from the measuring point in center of take-off drift. The mining conditions have been good and no timber necessary as yet. The material encountered has been one (1) to ten (10) foot zones of vertical or near vertical bands and wedges of alternating pegmatitic granite, schist and gneiss (see fig. 4)

The granite is light gray to white in color, coarse to pegmatitic in texture with sparse to thick concentrations of biotite. In places the granite exhibits a strong flow structure giving it a gneissic appearance.

The metamorphic zones are composed of material ranging from hornblende biotite schist to biotite gneiss to granite gneiss. All have been invaded to a varying degree by the pegmatitic granite.

A weak non-mineralized shear zone cuts the crosscut drift at about fourteen feet (14) from point "W" (see fig. 4). The strike is N 48° E and dip is 70° to the NW. The strike and dip of all the linear elements observed in the drift approximate that of the shear.

No significant radioactivity has been encountered in the crosscut drift.

On line from point "V" to point "Z" seventeen (17) feet of drift has actually been driven or twenty (20) feet as measured from the measuring point at tri-wall center of take off drift (see fig. 4). The mining conditions have been fair and no timber necessary as yet. The material encountered was a granite biotite gneiss with injected granite. Several shear zones leave the prominent fault which cuts northerly through point "V" and curve to strike in the general direction of the drift (N 30° W) towards point "Z". The dip of the shears changes from vertical to 70° NW. The strike and dip of all the linear elements observed in the drift approximate that of the shear zones (see fig. 4). The only significant mineralization uncovered so far in work outlined by the Government was found in a minor shear zone that leaves the northerly trending fault fifteen (15) feet south of measuring point "V". The shear makes into a vein about five (5) feet after leaving the fault in granite near the granite-gneiss contact. The vein was uncovered while slabing the right rib at point "V" in preparation for the drift on line "V" to "Z". The vein assumed a N 30° E strike with dip near vertical and was kept in the right rib of the drift (see fig. 4). The average width of the vein material is about six (6) inches with the bulk of the mineralization concentrated in a one (1) inch average pitchblende stringer within the vein. A radiometric check of the vein indicated the vein should run an average of six (6) inches of 0.20 U_3O_8. The Author feels that the mineralization is not sufficient to warrant a chemical analysis of the Uranium content at this time. The area will be kept in mind, however, when planning future exploration.

By July 18, 1958, the two hundred and ten (210) cubic feet allowed by the Government had been excavated at point "S" for an underground diamond drill station. In addition it was necessary to excavate approximately one thousand two hundred and thirty (1,230) cubic feet so that all the drilling machinery and accessories could be moved out of the drift where point "S" is located. This drift is used in the normal operation

of the mine (see fig. 4). The drill station at point "S" was excavated a long the contact between a coarse-textured granite and a hornblende biotite schist. In the extreme southeast corner of the drill station in the part excavated at the expense of the La Salle Mining Company, another mineralized zone was discovered. The zone was not sufficiently exposed to allow proper study at this time though it appears to be on another northeast trending shear zone (see fig. 4). This area will also be kept in mind when planning future exploration.

On July 28, 1958, the Boyles Bros. Drilling Company moved equipment onto the property to begin the underground diamond drilling. As of July 31, 1958 no diamond drill holes were completed.

Respectfully submitted

W. J. Chandler

W. J. Chandler, Geologist
Project Supervisor
La Salle Mining Company

ABSTRACT

A self potential survey over the Fairday Mine orebody and adjoining areas has produced significant results. The Fairday orebody showed a negative anomaly of some 200 millivolts with respect to a distant point, or from 15 to 20 times background.

Several lesser anomalies or negative centers have been located and definite structural trends have been delineated as a result of this survey.

The significance of the minor trends can only be evaluated pending future surface and subsurface examination.

INTRODUCTION

This report concerns a self potential or potentiometer survey conducted over portions of the Overland Mountain Claim Group near Jamestown, Colorado, for the LaSalle Mining Co.

The method was originally employed on this property by J. D. Schlottmann of the Atomic Energy Commission, who observed a pronounced anomaly in profiles over the Fairday orebody. The results of that investigation prompted further exploration by this method.

During the course of this survey every effort was made to hold controls to the highest possible degree of accuracy.

Final interpretation of all the data is dependent upon future surface and subsurface examination. An interpretation of the more obvious anomalies and trends is offered.

PROCEDURE

The procedures and methods used in conducting this survey are standard and in currently accepted use.

Plane Survey. A Skyline, 6 inch, 20 second, transit was used for this survey.

The survey was begun from the northeast corner (No. 1.) of the Fairday A. M. claim. In backsighting on other claim corners in the vicinity a horizontal angular discrepancy of 6° in one case and 11° in another was observed and this was not considered sufficiently accurate for the purposes of this survey. For this reason the initial bearing was set by transit compass from true north with a probable accuracy approaching 30 minutes of angle.. A traverse line parallel to the side lines of the Fairday A.M. claim (N 37°E) was established extending from about 50 feet north of the south end line of this claim to about 50 feet south of the north sideline of the Baltimore Bell claim. The survey was tied to previously surveyed workings on the Fairday A. M. claim and to the southeast corner (No. 2) of the Baltimore Bell patented claim. Grid stakes at 100 foot intervals were surveyed from the travers line by stadia methods. Locations were kept 50 feet within property boundary lines as observed from fences and in all other areas to the best knowledge of this writer.

Horizontal accuracy of the transit - chain traverse exceeds 1.0 feet and that of the stadia survey 5.0 feet; vertical control is to the nearest foot.

Potentiometer Survey. A Gray, Queen model, two range potentiometer having a sensitivity of 0.00005 volts (.05 millivolts) per scale division was used in the self potential survey. In general no attempt was made to read closer than 0.5 millivolts and this was rounded in the data sheets to the nearest millivolt.

A potentiometer traverse was run from the -A- profile line on the south to the northern-most -FF- profile line. Each traverse station was double tied to the preceding station and the differences averaged. Profile stations were located at 20 foot intervals by chaining between stakes and the potential differences were read at each location relative to the base stations on the traverse line. A 6-inch hole was made at each station location and ''wet down'' with a dilute copper sulfate solution to insure good contact between the copper sulfate - porous pot electrodes and the subsoil.

Mapping and Interpretation. The self potential method is limited by a number of variable conditions that can cause minor potential differences or fluctuations between the base and field electrodes. These conditions provide a background or ''noise'' level occasionally approaching ± 15 or 20 millivolts. Some of these factors include: Variation, with location, of the moisture content of overburden, which may tend to increase or decrease the average resistivity of the soil; variation, with location, of the metallic salt content in the soil solutions which may cause differential contact potentials; variation in the thickness of overburden to bedrock and fluctuations in water table elevation; variation, with time and location, of soil and air temperatures; electrical storms; and a number of other more or less minor variables.

The large, rather massive, orebody observed and reported below shows potential relief on the order of 10 to 15 times the background ''noise'' level and it can be stated with little question that any existing orebody in this general area with characteristics of size and mineral composition similar to those of the Fairday Mine orebody can be found with this method. While there is some question as to the

significance of the lineation of trends and to the smaller negative centers below described, they may not be ignored, as the tight sulfide filled shears may contain uranium in commercial quantities.

The mining history of the area indicates that most of the known commercial mineral deposits have been found to contain a high percentage of sulfide mineralization, primarily as pyrite (FeS_2), but there is insufficient information available to know whether all the major uranium deposits that may exist in this area can be expected to have this high sulfide association.

In mapping the data all values were used. No attempt was made to ''smooth''either the equipotential contour or the profile maps as further surface and subsurface investigation may give added significance to trends presently indistinguishable from the noise level. Certain anomalous areas were field checked and rerun for continuity and repeatability.

As all potential data is relative, a value of 0.0 millivolts was arbitrarily assigned to station M - 16.

INTERPRETATION

The key feature on the accompanying maps is obvious. A large potential anomaly with its negative center at I - 16.2 is indicated, and supported by observation of the known orebody in the underground workings. The 100 foot spacing of the profile lines does not present sufficient data for accurately outling the orebody in detail but definite structural trends are delineated by the potential survey extending to the north, northeast, and southwest.

The second feature of note is the anomaly approximately centered at E - 14.6. There is some question as to the actual size and relief of this anomaly due to the fact that it is centered over fill from the mine workings and to the presence of a dump of ore grade material in the vicinity.. The potentiometer readings in this area along the -E- profile line tended to be somewhat erratic probably due to the oxidation of dump ore at the surface and to the movement of ground water through the unconsolidated fill. However, it is the opinion of this writer that a sulfide body of unknown size exists in this vicinity. The areal extent and apparent relief of the anomaly indicates a body somewhat smaller than that known to exist at I - 16.2 but probably

an extension of that body along structure. Another smaller anomaly and trend exist in this area centered in the vicinity of G - 14.

A definite lineation can be observed trending to the north and a small negative center located at L - 13.6. This immediate area was checked in detail and the potential results were repeated. No surface cause for the existence of the anomaly could be observed other than an apparent alteration of the granite. The shear if such it is, could not be traced on the surface but stations surrounding the negative center at 20 foot intervals were found to form a lineation somewhat in line with that observed trending from the large anomaly centered at I - 16.2.

There is insufficient data to interpret the small, one station, anomaly located at AA - 12.2 and the original results have not been checked at this writing but general characteristics indicate a contact resistance anomaly.

The rather broad anomalous trend of low relief in the vicinity of CC and DD - 13 and 14 is over the workings on the Baltimore Bell claim. There is definite evidence of sulfide mineralization in the area. It is the opinion of this writer that this mineralization occurs along a number of tight shears in the granite. The potential survey gave no evidence of the existence of a massive sulfide body. Work in this area was repeated and detail stations were added confirming the original mapping.

An anomaly between CC - 18 and CC - 19, best observed on the profile map, was checked without significant change other than a slight reduction in overall relief.

No general relationship was observed between topography and potential data, however there is a definite positive trend to the north which is interpreted as being regional in nature.

CONCLUSIONS AND RECOMMENDATIONS

1. The results of the survey over the known orebody were excellent and conclusive

2. It is the opinion of this writer that a somewhat smaller body or one containing a lesser concentration of sulfides exists in the vicinity of station E - 14.6

3. The anomaly in the vicinity of L - 13.6 is worthy of subsurface investigation the results of which can be used as a basis for interpretation of the other small anomalies.

4. Surface examination by trenching or other means of the various ''low'' trends observed throughout the area should be made and these drilled as warranted.

5. This area in general appears to lend itself to the self potential method of exploration and it is recommended for the study of other potential mineral properties in the district.

Respectfully Submitted,

Franklin A. Seward Jr.

Franklin A. Seward, Jr.
Geophysical Engineer

July 31, 1958

APR 4 1961

La Salle Mining Company
P. O. Box 317
Grand Junction, Colorado

Re: DMEA-4721 (Uranium)
La Salle Mining Company
Blair Bay, et al., Claims
Boulder County, Colorado
Contract I4n-81207

Gentlemen:

As a result of the repayment in full of the Government's participation of $19,649.48 in the subject contract, the Government retains no lien against the property or on any future production therefrom.

We appreciate your interest and participation in the DMEA exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FEMurphy/gla
4-3-61
cc to: Director's Reading File
CAAA Division
Docket
Code 500, Mr. Murphy
Region III (2)

Colleen Uranium Corporation, 9635 West Colfax, Denver, Colorado
Charles R. Green, 3070 Upham Street, Aurora, Colorado
Thomas B. Green, 1272 Quari Street, Aurora, Colorado
Miss Margaret C. Schnackenberg, 18406 Harvhfield Ave., Homewood, Ill.
R. L. Busby, P. O. Box 447, Nederland, Colorado
Robert Mills, Jamestown, Colorado
Carl A. Peterson, Jamestown, Colorado
Earl W. Ballis, 1131 Hays Avenue, Schenectady, New York

EXTRA COPY O. M. E. RECEIVED DEC 7 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
December 2, 1959

CERTIFIED MAIL

Mr. G. T. Bennal, Partner and Agent
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA 4781 (Uranium)
Contract No-[illegible]
La Salle Mining Company
(Fair Day et al claims)
Boulder County, Colorado

Dear Mr. Bennal:

The date of December 1, 1959, fixed in Amendment No. 3 to Contract No-[illegible], as the date for completion of the work, has expired without the work being completed; therefore, the provisions of Amendment No. 3 dated April 6, 1959, item 4, sub-items (a) to (f) inclusive, become effective.

Attention is specifically directed to the requirements under item 4(e) of Amendment No. 3 regarding the rendering of 3 copies of a final report in compliance with Article 7(a) of the contract.

By the terms of the Exploration Project Contract and as provided by Amendment No. 3 to the contract, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract from June 16, 1958, the date of the contract, are subject to the Government's percentage royalty as setforth in the contract until the entire amount of Government contribution to the costs of the work is repaid, or until June 16, 1969, whichever occurs first.

Royalty payments should be made to the Executive Officer, OME Field Team, Region III, Building 20 - Federal Center, Denver 25, Colorado. Checks should be made payable to the Office of Minerals Exploration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check direct to the Executive Officer accompanied by three copies of the purchasers settlement sheets used in the regular course of business. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies.

You are requested to notify the Executive Officer, GMX Field Team, Region III of any change in ownership or production rights that might have any effect on the Government's rights to its percentage royalty. Also, if production ceases at any time for an extended period, please notify this office at six month intervals regarding the status of operations on the property described under Article 2 of the contract.

Very truly yours,

Original signed by

J. V. Townsend
Executive Officer, GMX
Field Team, Region III

JVT:lbm

cc: Chem. Op. Comm. (2)
Mueller
GMX/BPC
Roy. Commn. X1207
Contract file
Commn. file
Hamp.
Chrom.

EXTRA COPY. O. M. E. RECEIVED AUG 5 1959		
DATE	INITIALS	CODE
8/6		800

Building 20 - Federal Center
Denver 25, Colorado
July 29, 1959

Mr. W. J. Chandler
Project Supervisor
La Salle Mining Company
P. O. Box 227
Grand Junction, Colorado

Re: Contract No. [illegible] (Cancelled)
Contract No. [illegible]
La Salle Mining Company
(Fair Bay et al claims)
Boulder County, Colorado

Dear Mr. Chandler:

Reference is made to your letter of July 20, 1959, returning the proposed Termination Agreement unsigned with your comments thereon.

I am sorry that I failed to adequately explain the Government's position in the matter when the proposed Termination Agreement was originally forwarded to you for signature.

The amount of work remaining under the contract is relatively small and would have to be applied to extending new targets to be of significant value, and these targets must be within the scope of the contract as presently written in order for the work to be approved by the Government.

It appeared very unlikely that additional work if proposed would conform to the present intent and scope of the contract, and since it is the Government's desire to close out all existing DMEA contracts as soon as the contract objectives have been met, it is therefore the Government's desire to terminate the contract in its present status. The proposed Termination Agreement is made effective the date work under the contract was suspended as authorized by Amendment No. 3.

The original and three copies of the proposed Termination Agreement are enclosed for your consideration to terminate the contract in its present status.

Very truly yours,

Original signed by
J. W. TOWNSEND
J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chan. Op. Comm. (2) w/cpy
Baker } Oper's ltr.
OME/DFC } 7/20/59
Corres. file }
copy. file
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 5 1959

DATE	INITIALS	

LA SALLE MINING CO.
FIRST NATIONAL BANK BUILDING
P. O. Box 217 . . PHONE CH 2-5609
GRAND JUNCTION, COLORADO

OME
DEPARTMENT OF THE INTERIOR
JUL 28 1959
REGION III
DENVER COLORADO

July 20, 1959

Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Idm-E 1207
La Salle Mining Co.
(FairDay et al. claims)
Boulder County, Colorado

Dear Sir:

In my letter of June 8, 1959 I requested in the next to the last paragraph that the date before which project work be resumed be extended to October 1, 1959. In the last paragraph I stated that the La Salle Mining Co. does not wish to extend the Project Completion Date past December 1, 1959. In your letter of July 2, 1959 you referred only to the last paragraph of my June 8, 1959 letter, and proposed that the contract be terminated last December 1, 1958. I have not received an answer to my request that the recess period be extended. Please advise me on this matter.

Enclosed please find the original and three copies of the termination agreement.

Yours very truly,

LA SALLE MINING CO.

W. J. Chandler

W. J. Chandler, Geologist
Project Supervisor

WJC:ljh

Audit's copy

EXPLORATION PROJECT CONTRACT
LA VAGUE MINING COMPANY
CONTRACT NO. [illegible]

AMENDMENT NO. 1

It is agreed this 6th day of April, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and the Lake Mining Company, Incorporated, acting by the Lake Mining Company, Incorporated, hereinafter called the "Contractor," that the Exploration Contract, dated May 14, 1958, as amended, hereinafter called the "Contract," is further amended, as follows:

1. (a) Work under the Contract shall be suspended during the period beginning November 30, 1958, and ending not later than May 31, 1959.

(b) The Government will not contribute to any costs incurred by the Contractor during the period of suspension or to any costs of reactivation or delay costs in its related work that have accrued if such has been the proximate cause of such.

(c) The Contractor is not and cannot, without contribution by the Government, during the period of suspension, maintain and preserve the project work and any property in which the Government has an interest.

2. The date fixed in Article 3 of the Contract for completion of the work is changed from March 31, 1959, to December 1, 1959.

3. The maximum period for repayment and the time to secure the payment thereof, as provided for in the Contract, is increased from 10 to 11 years from the date of the Contract.

4. It is the purpose of this Contract that the work be completed before the termination of the period herein fixed for completion and if it is not so completed, in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) The Contract and all obligations of the parties hereunder, except as otherwise herein provided, shall be and are hereby terminated.

(b) The Government shall not contribute to the cost of any work performed after December 1, 1959, except the cost of analysis of samples taken not later than December 1, 1959.

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

(d) All rights of the Government respecting percentage royalty and liens to secure the payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment are preserved.

(e) The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator transfers its interest in the land), shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount and for the full period provided in the Contract (as amended herein), the same as if certification of discovery or development had been made, such certification being hereby waived.

(f) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 3.

This Amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly stated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of Mineral Exploration

LA SALLE MINING COMPANY

By

Title President

EXTRA COPY
RECEIVED MAY 25 1959

Audit's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 18 1958

DATE	INITIALS	CODE
11/18	J.t.g.	225
		806

EXPLORATION PROJECT CONTRACT
LA SALLE MINING COMPANY
DOCKET NO. DMEA-4721

AMENDMENT NO. 2

It is agreed this 17th day of October, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and La Salle Mining Company, that Exploration Project Contract No. Idm-E1207, Docket No. DMEA-4721, dated June 16, 1958, as amended, is further amended, effective June 16, 1958, as follows:

In Exhibit "A", Description of the Work, under Stage II, item 1. Bulldozer stripping, is revised to read as follows:

> "Negative anomalous centers located by geophysical (self-potential) surveys conducted within the area covered by the contract shall be stripped of surface debris and overburden for geologic study of the outcrop, as approved by the Government. Not more than 125 hours of bulldozing with a D 6, TD 14, or equivalent size machine of another make shall be allowed for this purpose. The stripped areas shall be surveyed for anomalous radioactivity and the results recorded."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

LA SALLE MINING COMPANY

By [illegible]

Title Partner

EXTRA COPY
C. M. E.
RECEIVED NOV 18 1958

DATE	INITIALS	CODE

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 12, 1958

Mr. W. J. Chandler, Geologist
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract Ida-E1207
La Salle Mining Company
(Fair Day et al. claims)
Boulder County, Colorado

Dear Mr. Chandler:

In reference to your letter of October 30, 1958, this constitutes confirmation of verbal approval by the Government, for the drilling of one hole to a maximum depth of 300 feet under the provisions of Stage II of the contract, at the location, inclination, and direction indicated on the map entitled, "Figure 2, Geologic Sketch of S. P. Anomaly Trenches Showing Recommended Drill Hole 1, Fair Day Group, Boulder County, Colorado", which is attached hereto and made a part of this confirmation of work approval.

Government approval for the other two holes requested, is contingent on receipt of justification for the additional drilling, including the results of drilling in Stage II hole 1.

Nothing in the verbal approval or this confirmation thereof shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum".

Very truly yours,

OME Field Team, Region III

By E. N. Harshman
E. N. Harshman

By J. W. Townsend
J. W. Townsend

JDC:hmh

cc: Chmn. Op. Comm. (3)
Finance Office, Reg. III
Amendment File, Reg. III
Harshman
Belser, OME/DFC
Cooper
Corres. file, Reg.III
Chron

EXPL. D. M. E.
RECEIVED NOV 19 1958
DATE

OFFICE OF MINERALS EXPLORATION
254 New Customhouse
Denver 2, Colorado
November 12, 1958

Mr. W. J. Chandler, Geologist
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Contract No. [illegible] (Beryllium)
Contract [illegible]
La Salle Mining Company
(Fair Day et al. claims)
Boulder County, Colorado

Dear Mr. Chandler:

In reference to your letter of October 3, 1958, this constitutes confirmation of verbal approval by the Government, for the construction of three bulldozer trenches to bedrock under Stage II of the contract, at the locations indicated on the map entitled, "Part of Equipotential Map, Fair Day Claims, Boulder County, Colorado, Showing Recommended Stage II Trenching," which is attached hereto and made a part of this confirmation of work approval.

Nothing in the verbal approval or this confirmation thereof shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is separately designated "minimum."

Very truly yours,

OME Field Team, Region III

By E. N. Hardman
E. N. Hardman

By J. W. Kennedy
J. W. Kennedy

JWC:hmh

cc: Chem. Op. Comm. (3)
Finance Office, Reg.III
Agreement File, Reg.III
Hardman
Balser, OME/DFC
Cooper
Corres.File, Reg. III
Chron

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
NOV 3 - 1958
REGION III
DENVER, COLORADO

EXTRA COPY

October 30, 1958

RECEIVED NOV 18 1958

DATE	INITIALS	CODE

Memorandum

To: Executive Officer, OME Field Team, Region III
Through: G. N. Jarshman

From: W. H. Sharp
Carl Belser

Subject: Docket DMA 4/21 (Uranium), Contract Idm-E 1207, La Salle Mining Co. (Fair Day et al. claims), Boulder County, Colorado

On October 27, 1958, the La Salle Mining Company, operator of Contract Idm-E 1207, completed a group of trenches cut over a conspicuous negative self-potential anomaly on the Samson claim of the subordinated group. In a letter dated October 30, 1958, the operator requested approval of three holes to explore this anomaly utilizing structural data gained from a survey of the newly exposed strips across the area. An examination of the trenching was made on October 27, 1958; the examining team is in general agreement with the request for drilling.

The exposure of bed rock by trenching at negative centers is a contract stipulation and is imposed in order that structural and lithologic features of the rocks at the anomaly site can be studied for guides to drilling as well as for rock features that might explain the anomaly. The outstanding justification for exploration by drilling remains the anomaly itself.

Negative self-potential centers of significant magnitude, that are reproducible, are caused by sulfide-bearing bodies. The ore body at the Fair Day mine is sulfide-bearing and being relatively near the surface

produces a sharp deep magnetic center. It is also closely related to the area of faulting and shearing that trend northwest and northeastward. The magnetic center on the Sunset claim is a reproducible anomaly, and is close to a conspicuous shear zone that is part of the faulting and shearing that appears to have controlled the development of the Fair Bay body. The magnetic center and the related structural trends are shown on the attached equipotential map (fig. 1), and the expression of the shear zone in surface rocks is shown on the attached geologic sketch of the trenches (fig. 2). The shear zone exposed in the trenches is not strongly radioactive although some spots in the granitic zones are as much as two to three times the general radioactivity of the distributy also, sulfide mineralization is not evident in the surface outcrop. It would appear, consequently, that a blind sulfide-bearing body is present on the Sunset claim site at a somewhat greater depth than the Fair Bay ore body. It is assumed that a sulfide-bearing body on the Sunset claim probably contains uranium as does the body on the Fair Bay claim.

One drill hole is recommended for preliminary exploration of the anomaly--additional drilling will depend on the results of this hole. The first hole (No. SSH 7 in the operator's report) should be collared 125 feet W 30° W of the anomaly center. Drilling should be inclined at approximately -50° and directed approximately S 55° E in order that the hole will pass under the anomaly point at about 150 feet depth, and intersect the vertical shear zone at about 300 feet depth (fig. 2). The hole is limited to 300 feet in length by the contract. The location and

attitude of the hole are recommended because not only would such a hole pass through the anomaly and into the shear zone at a moderate depth, but also it would cut the subordinate shearing and the foliation in the schist-gneiss bodies at moderately large angles. These secondary shears seem to have a bearing on localization of ore.

W. W. Sharp

W. W. Sharp, Geologist

Carl Baker

Carl Baker, Mining Engineer

WWSharp:ark

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
OCT 10 1958
REGION III
DENVER, COLORADO

October 9, 1958

EXTRA COPY
O. M. E.
RECEIVED NOV 18 1958

DATE	INITIALS	CODE

Memorandum

To: Metals Executive Officer, OME Field Team, Region III
Through: [illegible]

From: W. N. Sharp
Carl Belser

Subject: Docket [illegible] (Grant [illegible]), Contract No. 12[illegible], La Salle Mining Co. (Fairway et al. claims), Douglas County, Colorado

The operator requested on October [illegible], 1958, permission to proceed with Stage II work at the spontaneous potential anomaly site on the Larson claim, as provided for in contract No. 12[illegible] and amendment No. 2 being prepared in the Washington office. The examining team agrees that the work is warranted, but recommends that the work be done somewhat differently from that proposed by the operator.

The operator requested 30 hours of cover time to cut five trenches, trending N 43 E and spaced [illegible] feet apart, across the anomaly site. It would appear from the trend (N 10 E) of inferred shear zone across the area that trenches should be cut in a N 80 W direction which is normal to the structural trend. Also, it would appear, with the arrangement of trenches normal to the apparent structure trend, that three trenches, approximately 300 feet long and 100 feet apart, would suffice to expose bed rock at the site adequately to determine the propriety of drilling.

The examining team recommends that this modified plan of Stage II work be approved. The work, shown on the attached figure, would include three trenches cut to bedrock, trending approximately N 80 W and spaced approximately 100 feet apart, across the -100 millivolt equipotential closure of the anomaly. The trenches should be about 300 feet long. Thirty hours should be adequate cover time for the work.

W. N. Sharp
W. N. Sharp, Geologist

Carl Belser
Carl Belser, [illegible] Engineer

Attachment

WNSharp:rh

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 12, 1958

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMMA 4721 (Uranium) Contract Ldm-41207, La Salle Mining Company, a Partnership, (Fair Bay et al. claims) Boulder County, Colorado

Enclosed are the following items pertaining to the subject contract:

1. "Government's" and "Audit" copies of Amendment No. 2.

2. Three copies of confirmation of verbal work approval for three bulldozer trenches under the provisions of Stage II; and three copies of a joint memorandum dated October 9, 1958, from W. E. Sharp, Geologist, Geological Survey, and Carl Balser, Mining Engineer, Bureau of Mines, pertaining to the matter. Two copies of the Operator's request were forwarded with copies of our memorandum of October 6, 1958, to the field examiners.

3. Three copies of confirmation of verbal work approval for the drilling of one hole under the provisions of Stage II of the contract; two copies of the Operator's request, dated October 30, 1958; and three copies of a joint memorandum dated October 30, 1958, from W. E. Sharp, Geologist, Geological Survey, and Carl Balser, Mining Engineer, Bureau of Mines, pertaining to the matter.

Copies of the amendment and confirmations of work approval have been distributed to the Operator, the Finance office, and others concerned in Region III.

Original signed
J. W. TOWNSEND

J. W. Townsend

JDC:bmh

cc: Fin.Off.,Reg.III - w/copy of Amend. and work approvals.
Harshman - w/copy Amendment, work approvals, and joint memoranda
Balser,OME/DFC } w/copy of items 1, 2 and
Corres.file,Reg. } 3 above
III }
Cooper
Chren

Audit Copy

EXPLORATION PROJECT CONTRACT
LA SALLE MINING COMPANY
DOCKET NO. DMRA 4721
CONTRACT NO. Idm-21207

AMENDMENT NO. 1

It is agreed this 3rd day of October, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and La Salle Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-21207, Docket No. DMRA 4721, dated June 16, 1958, hereinafter called the "Contract," that the Contract is amended as follows:

> Referring to Exhibit "A" attached to the Contract, page 3, item 3, third paragraph, in lieu of driving crosscuts northwest and southeast from points on the drift V-Z, as depicted on the map, "Fig. 4," attached to the Contract, a drift will be driven not to exceed 100 feet in a northerly direction from point V, generally toward point X, to explore along a mineralized fault and intersecting northwest trending shears and northeast trending planar features in the Sebistose host rocks.

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

Executed in quintuplicate the day and year first above written.

LA SALLE MINING COMPANY

By G. T. Hummell
G. T. Hummell Partner

By M. B. Gowe
M. B. Gowe Partner

By G. T. Hummell Agent
for Royal N. Eidal Partner

By G. T. Hummell Agent
for N. M. Hardin Partner

UNITED STATES OF AMERICA

By E. M. Hershman
Acting Executive Officer
OME Field Team, Region III

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
OCT 2 - 1958
REGION III
DENVER, COLORADO

October 1, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Region III
Through: E. N. Harshman EWH

From: W. N. Sharp
Carl Belser

Subject: Docket UMEA 4721 (Uranium), Contract Idm-E 1207, LaSalle Mining Co. (Fair Day et al. claims), Boulder County, Colorado

The operator on September 26, 1958, made the request to continue with an additional step of Stage I underground work subject to DMEA approval as provided for in the subject contract. The operator wishes to explore by crosscut the extension of certain structural elements and lithologic features determined from exposures in Stage I drifting now completed. The proposed crosscut will extend in a northerly direction from a point (V) where the northeasterly trending Stage I drifting began.

The examining team agrees to the operator's request because the results of this proposed work would appear to fulfill the objectives of work tentatively outlined for Stage I in the contract. The change in specific placement of the crosscut from the tentative location shown on the contract map is due to geological data gained from newly completed

drifting. The crosscut in revised location is designed to explore along a mineralized fault that transects generally east to northeast trending shears as well as northeast trending planar features in the schistose host rocks. The intersection of these elements of structure and lithology appear to be excellent places for ore bodies to have formed.

It is recommended that the operator be allowed to extend a crosscut a distance of not more than 100 feet in a northerly direction from point (Y) to approximate position of point (X) on Figure 4 of the contract.

William W. Sharp
William W. Sharp
Geologist

Earl Belser
Earl Belser
Mining Engineer

WWSharp:mp

EXTRA COPY
O. M. E.
RECEIVED OCT
DATE
200

[redacted]

OFFICE OF MINERAL RESOURCES
Sub Law Enforcement
Denver 2, Colorado
October 31, 1958

Memorandum

To: Chairman, Operating Committee, OMR

From: Acting Executive Officer, OMR Field Team, Region XII

Subject: Report No. MRA VII (Revised), Contract No. [redacted],
In Gulch Mining Company (Gulf Bay et al. claims),
Boulder County, Colorado

Enclosed are the Government's and Gulf's copies of Amendment No. 1 to Contract No. [redacted], executed by this office, which has been accepted by Gulf's during in lieu of the cross-mining originally provided for under Stage 1 of the contract.

Also enclosed are three copies of a joint memorandum, dated October 1, 1958, from V. E. Shay, Geologist, Geological Survey, and Earl Baker, Mining Engineer, Bureau of Mines, pertaining to the mining. Two copies of the Operator's letter of September 26, 1958 were forwarded to you with copies of our memorandum of September 29, 1958 to the field examiners.

Copies of the Amendment have been distributed to the Operator, the Finance Office, and others concerned in Region XII.

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

EN:jrd

cc: Finance Office,
Region XII - w/copy of Amendment No. 1.
Harshman
Balmer OGR/RPC } w/copy of Amendment No. 1 and joint memorandum.
Correnti, File
Cooper
Chrisp.

224 New Customhouse
Denver 2, Colorado
October 10, 1958

800.

Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMMA 4721 (Houston), Contract No. 14-[illegible], In Hills Mining Company (Fair Day et al. claims), Boulder County, Colorado

Enclosed are three copies of the Field Team, Region III, denial of the Operator's request to waive bulldozer stripping in the area of an anomaly and denial of approval for the drilling of three holes.

Also enclosed are two copies of a joint field memorandum, dated October 9, 1958, from W. N. Sharp, Geologist, Geological Survey, and Carl Balser, Mining Engineer, Bureau of Mines, pertaining to the matter. Two copies of the Operator's request of October 3, 1958, were forwarded to you by copies of our memorandum to the field examiners dated October 6, 1958.

Original signed
By [illegible]

JWT:prl

E. N. Harshman

cc: Harshman
Balser OME/DFC
Corres. file
Cooper
Chron.

} w/copy of enclosures.

EXTRA COPY
RECEIVED OCT 18 1958
INITIALS | CODE

25A New Customhouse
Denver 2, Colorado
October 10, 1958

Mr. W. J. Chandler, Geologist
Project Superintendent
Id Sulle Mining Company
P. O. Box 897
Grand Junction, Colorado

Re: Docket No. MMA 4721 (Uranium)
Contract No. 28m-31207
Id Sulle Mining Company
(Fair Day #4 et. al. claims)
Boulder County, Colorado

Dear Mr. Chandler:

Reference is made to your letter of October 3, 1958, wherein you request waiving of the contract provision for bulldozer stripping and request Government approval for the drilling of three diamond drill holes in the area of the E-14.6 anomaly.

The contract provides for bulldozer stripping of anomalies expressly in order to provide some positive information of the area on which to base a drilling program. A review of data presently available does not provide sufficient information as to the significance of the anomaly to warrant Government participation in the cost of the drilling you propose. Therefore, your request to waive the stripping requirement and approve three drill holes is denied.

Very truly yours,

GSS Field Team, Region III

By E. H. Hardman
E. H. Hardman

By J. W. Townsend
J. W. Townsend

JWT:yrl

cc: Chan. Op. Comm. (3)
Hardman
Bulger GSS/DFC
Corres. File
Cooper
Chron.

W.C.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
OCT 9 - 1958
REGION III
DENVER, COLORADO

October 9, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Region III
Through: E. N. Harshman ENH

From: W. N. Sharp
Carl Belser

Subject: Docket DMEA 4721 (Uranium), Contract Idm-E 1207, La Salle Mining Co. (Fair Day et al. claims), Boulder County, Colorado

The operator requested on October 3, 1958, that permission be granted to explore by drilling a "spontaneous potential" anomaly at the surface without first doing the surface trenching required by contrace Idm-E 1207. The anomaly occupies the same surface area as does the mine dump, and the S. P. stations were measured in the area after the accumulation of the dump material.

The examining team neither feels that the operator's request is based on sound reasoning, nor that drilling at the proposed site is warranted by the present data only. It is more reasonable to attribute the negative potential center to the chemical reactions going on in the sulfide-rich mine dump rock than to a buried ore body. The most practical means of modifying such a conclusion is to augment the S. P. data with a study of the surface rocks exposed by bulldozing. The purpose of clearing the surface at an anomaly is to determine the presence or absence of faulting or zones of shearing; and if present, to determine its attitude and evaluate the degree of mineralization. It should be apparent that some of this structure and rock data at the surface is necessary to effectively place drill holes on an S. P. anomaly. The true position and attitude of a possible ore body is not always determinable directly from the surface anomaly.

The field team recommends that the request for drilling under the contract without some surface investigation be denied.

W. N. Sharp

W. N. Sharp, Geologist

Carl Belser

Carl Belser, Mining Engineer

WNSharp:arh

MME Form 14
Sept. 1958

Contract No. Idm-E) 14-23) 1207

Docket No. DMEA) MME) 4721

Date of Action February 29, 1960
Terminated Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

LaSalle Mining Company
P. O. Box 217
Grand Junction, Colorado

Date of Contract	Region	State	Commodity
June 16, 1958	III	Colorado	Uranium

	Reserve	Obligation
Prior Amount	0	040,675.00
Increase	0	0
Decrease	0	21,025.52
Revised Amount	0	19,649.48

Remarks:

cc: 800
210

43244

DMEA Form 14

Contra[illegible] No. Idm-E 1207

Docket No. 4721

Executed contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
June 16, 1958	III	Colorado	Uranium

Name and Address of Operator: La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

	Reserve	Obligation
Prior Amount	40,675.00	0
Increase	0	40,675.00
Decrease	40,675.00	0
Revised Amount	0	40,675.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 5/26/58

22845

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 26 1958

DATE	INITIALS	CODE

Aud's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4721

Commodity Uranium

Contract No. Idm-E 1207

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 16 JUN 1958 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] The La Salle Mining Company, a partnership consisting of O. T. Rumel, M. P. Rowe, Royal M. Didal, and M. M. Hardin,

whose mailing address is P. O. Box 217
Grand Junction, Colorado,

hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Interests of Colloma Uranium Corporation, R. L. Busby, Robert Mills, Carl A. Peterson, Earl W. Ballis, Charles E. Green, Thomas B. Green, and Margaret O. Schnackenberg

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to lien and hypothecation agreements of the parties listed in 2(b)(2)

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before July 7, 1958 shall commence the work, and on or before August 3, 1959 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work, shall have incurred allowable costs (see Article 6) in an amount not less than the estimated total allowable cost set forth in Exhibit "A" except as otherwise provided in Exhibit "A". See Article 13.

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 54,894.00 The Government shall contribute 70 percent of the allowable costs as they are incurred in a total sum not in excess of $ 40,000.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; [redacted] See Article 13.

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

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums. See Article 13.

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) [illegible]

(b) [illegible]

(c) [illegible]

(d) [illegible]

(e) In the last sentence of Article (c), the words "Article 9" are substituted for the words "Article 8."

(f) Notwithstanding any other provisions of the contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of such drilling item incurred by the Operator: *Provided*, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of such item set forth in the contract.

Executed in sextuplicate the day and year first above written.

[redacted]

By G. T. Rummel

G. T. Rummel [redacted]

By G. T. Rummel Agent

M. P. Rowe [redacted]

By G. T. Rummel Agent

Royal M. Eidal [redacted]

By G. T. Rummel Agent

M. M. Hardin [redacted]

THE UNITED STATES OF AMERICA

By O. P. Mitteudorf

Administrator, Defense Minerals Exploration Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

35485

EXPLORATION PROJECT CONTRACT
LA SALLE MINING COMPANY
DOCKET NO. DMEA-4721

ANNEX I

The land referred to in Article 2 of the Contract consists of one patented and 7 unpatented lode mining claims situated in section 23, T. 2 N., R. 72 W., 6th P.M.&B., Boulder County, Colorado. The land is shown on the map entitled "Figure 3 Claim Map Showing Aspects of Recommended Program La Salle Mining Company, Boulder Co., Colorado DMEA-4721," attached hereto and made a part hereof.

The notices of location of the claims and the patent, to which reference is hereby made for a more complete description, are recorded in the official records of Boulder County, Colorado, as follows:

Claim	Book	Page
Maybe	971	467
Colowa	971	468
Colowa No. 1	971	469
Eureka Mine	971	470
Fair Day	972	384
Fair Day No. 3	972	385
Samson	972	386
Baltimore Belle (Patent No. 532)	79	369

The Colowa, Colowa No. 1, and Samson claims are owned by Coliowa Uranium Corporation.

The Fair Day, Fair Day No. 3, and Maybe claims are owned by R. L. Busby, who leased them to Coliowa Uranium Corporation (until June 1, 1960, renewable) by an agreement, dated June 15, 1955. The Eureka claim is owned by Robert Mills and Carl A. Peterson, who leased it to Coliowa Uranium (until June 1, 1960, renewable) by a lease, dated June 15, 1955. Earl W. Balis, owner of an undivided three-fourths interest in the Baltimore Belle claim, and Charles E. Green, Thomas B. Green, and Margaret G. Schnackenberg collective owners of an undivided one-fourth interest in said claim, leased it to Coliowa Uranium Corporation (until October 13, 1959, and so long thereafter as ore is mined profitably) by two separate leases dated June 15, 1955.

The Operator controls all the above-described land pursuant to Agreement, dated January 2, 1957 (amended the same date) between La Salle and Coliowa Uranium Corporation.

DMEA-4721

ANNEX I

Claim	Date of Discovery	Book	Page
Colowa	12-20-54	971	468
Colowa No. 1	12-22-54	971	469
Maybe	5-17-54	971	467
Fair Day	1-30-55	972	384
Fair Day No. 3	2-12-55	972	385
Eureka Mine	1-13-55	971	470
Samson	2-14-55	972	386
Baltimore Belle	Patent No. 532	79	369

MF-200
(Combines and supercedes MF-20[illegible]nd MF-203)
June 1956

For Government's Use Only
EXPLORA[illegible]ON PROJECT CONTRACT
Operator_____
Docket No. DMEA-4721
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Boulder, State of Colorado, described as follows: 2/

Certain lode mining claims located in the Central Mining District recorded in the official records of Boulder County in the Book and Page, as shown in Annex I which is attached hereto and made a part hereof.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 26 day of May, 1958.

Collowe Uranium Corporation	[Seal]	9635 West Colfax Denver Colo	[Address]
By A. A. Kreiger Pres	[Seal]	1219-21st Sioux City Iowa	[Address]
attest: Russell W Batteis Sec	[Seal]	9635 West Colfax, Denver Colo	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

Russell W Batteis

[Corporate Seal]

MF-205
(Combines and supercedes MF-20[illegible]nd MF-203)
June 1956

For Government's Use Only
EXPLORA[illegible]ON PROJECT CONTRACT
Operator_____
Docket No. DMEA-4721
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Boulder, State of Colorado, described as follows: 2/

An undivided three-fourths interest in the Baltimore Belle Lode Mining Claim, U. S. Survey 532 located in Central Mining District.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 13th day of June, 1958.

Earl W. Ballio [Seal] 1181 Keys Ave Schenectady New York [Address]

Earl W. Ballio

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- 4721
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Boulder, State of Colorado, described as follows: 2/

The Eureka Mine, also known as Eureka Lode Mining Claim, discovered January 13, 1955, and recorded in Book 971, Page 470, in the County Clerk and Recorder's Office in Boulder, Colorado

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

Robert Mills	[Seal]	James Town Colo	[Address]
Carl A. Peterson	[Seal]	James Town Colo	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-4721
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Boulder, State of Colorado, described as follows: 2/

Unpatented lode mining claims recorded in the official records of Boulder County as follows: Maybe Book 971, Page 467, Fair Day Book 972, Page 384, Fair Day No. 3 Book 972, Page 389,

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 5 day of May, 1958.

R. L. Busby [Seal] P.O. Box 447 Modesto Cal [Address]

[Seal] [Address]

[Seal] [Address]

[Seal] [Address]

[Seal] [Address]

[Seal] [Address]

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

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-20[illegible]nd MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- 4721
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Boulder, State of Colorado, described as follows: 2/

An undivided one-fourth interest in the Baltimore Belle Lode Mining Claim, U. S. Survey 532 located in Central Mining District.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

Charles E. Green Charles E. Green	[Seal]	3070 Upham St 1272 Quari Street	[Address]
Thomas E. Green Thomas E. Green	[Seal]	Aurora, Colorado	[Address]
Margaret G. Schnackenberg Margaret G. Schnackenberg	[Seal]	18404 Marshfield Ave. Homewood, Ill.	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
LA SALLE MINING COMPANY
DOCKET NO. DMEA-4721

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration for uranium in mineralized shear zones which transect pendants of gneiss and schist in granite, by a diversified program of geophysical (self-potential) surveying, bulldozer stripping, surface diamond drilling, underground diamond drilling, drifting, and crosscutting.

Certain aspects of the work are shown on the map (Figure 3), referred to in Annex I, and on the map entitled "Fig. 4 Geologic Map of Fairday Mine Showing Aspects of Recommended Program La Salle Mining Company, Boulder Co., Colorado, DMEA-4721," attached hereto and made a part hereof.

All diamond drill holes, both surface and underground, shall be drilled with an NX size bit for the first 250 feet. Depths in excess of 250 feet shall be drilled with a BX size bit. Holes shall be cased as necessary and where cased, the bit size may be reduced to not less than AX size in order to complete the hole.

The core from all diamond drill holes shall be saved, stored in wooden core boxes, checked for radioactivity, and logged geologically. Sections indicating significant mineralization shall be split; one-half shall be analyzed chemically for uranium and one-half preserved for the use of the Government. All holes shall be probed radiometrically.

All drifts and crosscuts shall be timbered as necessary and shall have a minimum cross section of 5 feet by 7 feet in the clear of timber. The openings shall be checked for radioactivity

as they are advanced, and representative channel samples shall be taken at regular intervals not exceeding 5 feet where significant mineralization is indicated. Such samples shall be split into convenient sizes, one portion analyzed chemically for uranium and one portion properly labeled and stored for the use of the Government. Stored samples may be disposed of by the Operator when approved by the Government.

The record of all logging and probing, together with certified copies of all assay certificates shall be submitted with the Operator's monthly progress reports.

The work shall be supervised by an experienced mining engineer or geologist, who shall devote full time to the project work.

Drill holes shall be planned to bottom not closer than 50 feet to the boundaries of the land described in Annex I.

The Government will not contribute to any costs of an incompleted drill hole.

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

The work is divided into two stages as hereinafter described. The Operator shall complete Stage I, and shall perform as much of Stage II as the Government approves in writing in advance.

<u>Stage I.</u>

1. Geophysical (self-potential) Survey.

The work shall be done by a qualified geophysicist (or geophysical company), who shall provide a map of the area necessary for establishing horizontal and vertical controls for the survey. Profiles of the survey shall be run along lines approximately at right angles to the northeasterly trending structure exposed on the Fair Day and Eureka Mine claims. The maximum distance between profiles shall be 100 feet. The spacing of stations along the profiles is expected to average approximately 20 feet. Not more than 900 stations shall be established. Stations shall not be established closer than 50 feet to the property lines. Upon completion of the work the Operator shall submit to the Government an equipotential map and a complete interpretive report.

2. Surface diamond drilling.

Drill three inclined diamond drill holes on the Baltimore Belle claim, as indicated on the map, Figure 3. Each hole shall be inclined approximately -55° and not exceed 250 feet in length. The holes shall bear approximately S 40° W, 1/ and S 15° E, respectively, from west to east, as seen on the map, and are expected to explore at moderate depth the radioactive shear zone exposed in this area by previous work.

3. Drifting and crosscutting. (See map, Figure 4.)

From point W, crosscut 70 feet in a southerly direction to point R, preparatory to establishing an underground drill station.

From point V, drift 120 feet in a northeasterly direction to point Z, following the northeast trending shear zone exposed in the mine workings and in pits on the surface.

From points on the drift V-Z showing significant mineralization or structural features, drive a total of not more than 100 feet of crosscuts to the northwest and southeast to explore the full width of the shear zone. Locations of these crosscuts are subject to the prior approval of the Government. (Tentative locations are shown on the map, Figure 4.) The Government will contribute to the costs of not to exceed 145 feet of timbering for this item.

4. Underground diamond drilling. (See map, Figure 4.)

At point S, excavate an underground drill station of sufficient size to permit pulling 10 foot drill rods in the direction indicated by diamond drill hole No. 1. The hole shall be 150 feet in depth, and inclined -45° in a N 15° W direction. It is designed tointercept at depth the southwest extensions of several mineralized shears exposed in the mine workings.

At point R excavate an underground drill station of sufficient size to permit pulling 10-foot drill rods in the directions indicated by diamond drill holes Nos. 2 and 3. D.D.H-2

1/ S 10° W

shall be 250 feet in depth and inclined -50° in a N 70° W direction. D.D.H.-3 shall be 300 feet in depth and inclined -50° in a N 30° W direction. These holes are designed to cut the mineralized shear zone at moderate angles about 150 feet below the drift level and at points about 80 feet apart.

Stage II

1. Bulldozer stripping.

In the area of the geophysical (self-potential) survey, negative anomalous centers located by the survey shall be stripped of surface debris and overburden for geologic study of the outcrop. Not more than 125 hours of bulldozing with a D 6, TD 14, or equivalent size machine of another make shall be allowed for this purpose. The stripped areas shall be surveyed for anomalous radioactivity and the results recorded.

2. Surface diamond drilling.

If stripping and geologic appraisal of the negative anomalous centers result in favorable indications for ore deposits in certain areas, drill not more than 10 inclined diamond drill holes, aggregating not more than 3,000 feet of drilling at these favorable centers. The holes shall be not more than 300 feet in length and inclined to cut the mineralized shear zones at depths of 150 feet or less. No hole shall be drilled closer than 75 feet to any other hole.

3. Drifting and crosscutting.

If the results of the Stage I work justify additional exploration, drift and crosscut an additional 100 feet at the location, or locations which show the most favorable indications of significant mineralization. The Government will contribute to the costs of not to exceed 50 feet of timbering for this item.

Estimated Cost of the Project

Stage I

Actual Costs

Category (1) Independent Contracts (See Article 13 (f))

750 feet surface core drilling @ $6.90/ft. for NX size, $6.40/ft. for BX size, and $6.05/ft. for AX size	$5,175.00	
650 feet underground core drilling, 0-250 feet @ $5.60/ft. for NX size, or $5.10/ft. for BX size	3,640.00	
50 feet underground core drilling, 250 feet up @ $5.70/ft. for BX size, and $5.35/ft. for AX size	285.00	
30 hours standby time @ $11/hr.	330.00	
Mobilization of men and equipment	400.00	

Category (2) through (6)

None

Category (7) Miscellaneous

None except:		
55 wooden core boxes @ $5/each	275.00	
55 chemical sample analyses @ $5/sample	275.00	$10,380.00

Fixed Unit Costs (See Article 13(d)

900 self-potential stations @ $2/station 1/	$1,800.00	
290 feet drifting and crosscutting @ $33/ft.	9,570.00	
145 feet drift timbering @ $8.50/ft.	1,232.50	
Incidental allowance 2/ for each foot of core drilling completed,		
Surface - 750 feet @ $0.55/ft.	412.50	
Underground - 700 feet @ $1.70/ft.	1,190.00	
1 drill station at R, 420 cu.ft. @ $0.95/cu. ft.	399.00	
1 drill station at S, 210 cu.ft. @ $0.95/cu.ft.	199.50	14,803.50

Estimated Total Cost of Stage I $25,183.50

Stage II

Actual Costs

Category (1) Independent Contracts (See Article 13(f))

125 hours bulldozing @ $12/hr.	$1,500.00	
2,500 feet NX surface core drilling, 0 - 250 feet depths, @ $6.90/ft.	17,250.00	
500 feet BX surface core drilling, 250 - 500 feet depths, @ $7.25/ft., or AX @ $6.90/ft.	3,625.00	
50 hours standby time @ $11/hr.	550.00	

Category (2) through (6)

None

Category (7) Miscellaneous

None except:		
110 wooden core boxes @ $5/each	550.00	
40 chemical sample analyses @ $5/sample	200.00	$23,675.00

Fixed Unit Costs (See Article 13(d))

100 feet drifting and crosscutting @ $33/ft.	$3,300.00	
50 feet drift timbering @ $8.50/ft.	425.00	
Incidental allowance 2/ for each foot of core drilling completed, Surface - 3,000 feet @ $0.55/ft.	1,650.00	5,375.00

Estimated Total Cost of Stage II $29,050.00

Summary of Costs

Estimated Total Cost of Stage I	$25,183.50	
Estimated Total Cost of Stage II	$29,050.00	
Estimated Total Cost of the Project (rounded)		$54,234.00
Government Participation @ 75 percent (rounded)		$40,675.00

1/ Includes all costs of the geophysical survey, equipotential map and interpretive report.

2/ Includes all costs that are allowable costs of the project under Categories (1) through (7) of Article 6(a), except as otherwise scheduled in Exhibit "A."

EXTRA COPY
DMEA
RECEIVED JUN 2 1958
DATE | INITIALS | CODE
800

224 New Customhouse
Denver 2, Colorado
June 24, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4781 (Uranium), Contract No. DMe-R1207, LaSalle Mining Company (Fair Day et al. claims), Boulder County, Colorado.

Enclosed are the following, pertaining to the subject matter:

1. The Government's and Audit copies of executed Contract No. DMe-R1207, which was forwarded by your letter of June 16, 1958 for signature by the Applicant, subject to inserting a suitable final starting date under Article 3, attachment of executed Consent to Lien and Subordination Agreements of the parties listed in Article 2(b), and obtaining an instrument establishing the Applicant's possession of the Colima property for a fixed term.

2. Two copies of "Supplement to Contract" supplementing the contract dated January 2, 1957, between Colima Uranium Corporation and La Salle Mining Company, establishing the minimum fixed term of three years and nine months from the date of the original contract.

3. Two sets of three each of Powers of Attorney, executed by Matthew P. Rose, Ray M. Bidal, and M. M. Martin, designating G. T. Russell as Agent of the Partnership and giving him the right to execute any documents in conjunction therewith.

4. Two copies of a letter, dated June 24, 1958, by which we forwarded the "Operator's Copy" of the contract.

The final starting date of July 7, 1958, was inserted in Article 3 of the contract, and five executed forms NF-205, Consent to Lien and Subordination Agreement, were attached to each copy of the contract.

The contract, dated June 16, 1958, provides for exploration work estimated to cost $54,254.00, toward which the Government will contribute 75 percent, or not in excess of $40,675.00.

Copies of the contract have been distributed to the Finance Office and others concerned in Region III.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:prl

cc: Regions
Finance Office,
Region III - w/copy of contract and Powers of Attorney, and letter to Operator.
1/Harshman } w/copy of enclosures 1, 2,
1/DMEA/DFC(Salsbury) } 3, and 4, and of Chairman's letter of June 16.
Corres. file - w/copy of letter to Operator and Chairman's letter of June 16.
Townsend
Chron.

1/Note to Harshman and Salsbury:
Particular attention should be given to comments in the Chairman's letter.

EXTRA COPY
DMEA
RECEIVED JUN 2 1958

DATE		CODE

224 New Customhouse
Denver 2, Colorado

JUN 24 1958

Mr. C. T. Rummel
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Idm-F1207
La Salle Mining Company
(Fair Day et al. claims)
Boulder County, Colorado

Dear Mr. Rummel:

Enclosed is the Operator's Copy of Exploration Project Contract No. Idm-F1207, Docket No. DMEA 4721.

Also enclosed are six copies of Form MF-104, "Operator's Monthly Report and Voucher," and six copies of Form MF-104A, Operator's Unit Cost and Progress Report. At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the

Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado.

The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form. Each set of the combined forms is to be accompanied by a map or sketch, showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of Forms MF-104 and MF-104A will be sent you each month on receipt of your report for the prior month.

For your information, and in reply to many questions that have been asked, after Forms MF-104 and MF-104A are received, an engineer will check progress on the project and review your accounts, after which the report forms will be forwarded to this office for

administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on this office for assistance.

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been, drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent and the required records made a part of your claim for reimbursement.

The contract is prepared on form MF-200, and under its provisions and as outlined in Exhibit "A" attached to the contract, the allowable costs are a combination of "Actual Costs" and "Fixed Unit Costs," with established maximum average unit costs for the drilling and maximum unit costs which cannot be exceeded for the other items of work under Category (1). Under the provisions of Article 6 of the contract, the work outlined in Exhibit "A" under Category (1) is to be performed by an independent contractor. The actual costs of the work completed under Category (1) are to be recorded under item (1) on Form MF-104 and must be supported and documented by a signed or certified true copy of the billing from the subcontractor. The costs of core boxes and sample analyses under Category (7) are to be recorded under item (7) on Form MF-104. In reference to core boxes, you are to report only the quantity used in each reporting period, and the charge must be documented by a copy of the original invoice for the purchase of the core boxes. The number of sample analyses reported must be documented by a copy of the assay return and a signed or certified true copy of the billing from the assayer. Amounts reported on the basis of the "Fixed Unit Costs" require no documentation, as they are otherwise verified. However, costs on a "Fixed Unit Costs" basis are to be reported on Form MF-104 under item (1). For further information relative to documentation of costs, please refer to instructions on the reverse side of Form MF-104. Also, please refer to instructions on the reverse side of Form MF-104A regarding preparation of that form.

In reference to the drilling work under Category (1) of Exhibit "A", please refer to item (f) of Annex II attached to the contract pertaining to the average unit cost. If costs incurred any month cause the average unit cost to be in excess of the maximum allowable average unit cost, such excess costs will be suspended, subject to reinstatement at a later date within the aggregate of such suspensions, should the costs incurred any subsequent month cause the average unit cost to fall below the maximum allowable average unit cost. The foregoing applies to each separate class of drilling under each work "Stage."

In the event you desire to perform the work under Category (1) on company account instead of subcontracting it, as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only. Such requests are not to be incorporated in your narrative report accompanying monthly progress report Forms MF-104 and MF-104A.

The location of the work to be performed under Stage I is indicated on the maps, "Figures 3 and 4," attached to the contract. Should conditions encountered necessitate any appreciable change in the location or direction of any of the work, approval of this office for the change must be obtained prior to performance of the work. Otherwise, the work may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provisions that the location and extent of the crosscutting under Stage I, item "3", third paragraph, and all items of work under Stage II, are subject to prior written approval by the Government.

When the work under Stage I, item "1", and Stage I, item "3" (first and second paragraphs), has been completed, you must request approval from this office for the additional work, as outlined in the contract, that you propose to perform. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising results of the work.

You should anticipate a suspension of operations between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and make recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

Enclosures

JWT:prl

cc: Chmn. Op. Comm. (2)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DFC
Corres. file
Cooper
Chron.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That I, M. M. Hardin, of the County of Bernalillo, State of New Mexico, having special confidence and trust in G. T. Rummel, of the County of Mesa and State of Colorado, do hereby constitute and appoint the said G. T. Rummel, as and for my true and lawful agent and attorney-in-fact, to act for me in my name, place and stead, in any and all transactions connected with the negotiations to secure a loan from Defense Minerals Exploration Administration, an agency of the United States of America, and in connection therewith, to execute any and all documents, mortgages, contracts and agreements, and all necessary instruments of writing required by the said Defense Minerals Exploration Administration in connection with a loan application made for and on behalf of La Salle Mining Company, a partnership consisting of myself, Roy M. Eidal, G. T. Rummel and Matthew P. Rowe, in connection with the Overland Mountain Claim Group, designated as D.M.E.A. Docket No. 4721, hereby ratifying and confirming any and all acts whatsoever done or to become done by my said agent and attorney-in-fact in the premises, and hereby ratifying unto my agent and attorney-in-fact full authority to do and perform any and all acts or things which I could do or perform myself in connection with, or related to the foregoing matters.

Dated June 11, 1958

M. M. Hardin

M. M. Hardin

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me this 12th day of June, 1958, by M. M. Hardin.
Witness my hand and official seal.
My commission expires March 31, 1959

Mary R. Day

Notary Public

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That I, Matthew P. Rowe, of the County of Mesa, State of Colorado, having special confidence and trust in G. T. Rummel, of the County of Mesa and State of Colorado, do hereby constitute and appoint the said G. T. Rummel, as and for my true and lawful agent and attorney-in-fact, to act for me in my name, place and stead, in any and all transactions connected with the negotiations to secure a loan from Defense Minerals Exploration Administration, an agency of the United States of America, and in connection therewith, to execute any and all documents, mortgages, contracts and agreements, and all necessary instruments of writing required by the said Defense Minerals Exploration Administration in connection with a loan application made for and on behalf of La Salle Mining Company, a partnership consisting of myself, M. M. Hardin, Roy M. Eidal and G. T. Rummel, in connection with the Overland Mountain Claim Group, designated as D.M.E.A. Docket No. 4721, hereby ratifying and confirming any and all acts whatsoever done or to become done by my said agent and attorney-in-fact in the premises, and hereby ratifying unto my agent and attorney-in-fact full authority to do and perform any and all acts or things which I could do or perform myself in connection with, or related to the foregoing matters.

Dated June 11, 1958.

Matthew P. Rowe
Matthew P. Rowe

STATE OF COLORADO)
COUNTY OF M E S A) ss

The foregoing instrument was acknowledged before me this 14th day of June, 1958, by Matthew P. Rowe.

Witness my hand and official seal.

My commission expires

My Commission expires May 14, 1961

Verla Jane Hayes
Notary Public

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That I, Roy M. Eidal, of the County of Bernalillo, State of New Mexico, having special confidence and trust in G. T. Rummel, of the County of Mesa and State of Colorado, do hereby constitute and appoint the said G. T. Rummel, as and for my true and lawful agent and attorney-in-fact, to act for me in my name, place and stead, in any and all transactions connected with the negotiations to secure a loan from Defense Minerals Exploration Administration, an agency of the United States of America, and in connection therewith, to execute any and all documents, mortgages, contracts and agreements, and all necessary instruments of writing required by the said Defense Minerals Exploration Administration in connection with a loan application made for and on behalf of La Salle Mining Company, a partnership consisting of myself, M. M. Hardin, G. T. Rummel and Matthew P. Rowe, in connection with the Overland Mountain Claim Group, designated as D.M.E.A. Docket No. 4721, hereby ratifying and confirming any and all acts whatsoever done or to become done by my said agent and attorney-in-fact in the premises, and hereby ratifying unto my agent and attorney-in-fact full authority to do and perform any and all acts or things which I could do or perform myself in connection with, or related to the foregoing matters.

Dated June 11, 1958.

Roy M. Eidal

Roy M. Eidal

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

This 12th The foregoing instrument was acknowledged before me day of June, 1958, by Roy M. Eidal.
Witness my hand and official seal.
My commission expires My Commission Expires Oct. 5, 1960

Chester M Rutherford

Notary Public

SUPPLEMENT TO CONTRACT

This supplemental contract and agreement is made and entered into this 17th day of June, 1958 by and between COLIOWA URANIUM CORPORATION, hereinafter referred to as "Coliowa", and LA SALLE MINING COMPANY, a partnership, hereinafter referred to as "La Salle".

WHEREAS, on the 2nd day of January, 1957 the parties hereto did enter into a certain contract whereby La Salle was placed in possession of certain mining claims in Boulder County, Colorado, which contract is duly recorded in said Boulder County, Colorado, and

WHEREAS, La Salle, with the approval and consent of Coliowa, has made application for a D.M.E.A. loan upon the properties described in said contract above referred to; and an objection having been raised by said D.M.E.A. to the provisions of said contract dealing with the term of duration of the same; and

WHEREAS, it is the intention and desire of the parties to further supplement and enlarge said contract of 2nd January 1957, between them by making additional provisions with respect to the term of duration thereof,

NOW THEREFORE, for and in consideration of the sum of TEN DOLLARS, ($10.00) to Coliowa in hand paid by LaSalle and in consideration of the mutual covenants contained in this supplement and the original contract enlarged and supplemented thereby and the continued exploration of the properties referred to therein by La Salle, it is mutually covenanted and agreed as follows:

1) Paragraph XV of said original contract of 2nd January, 1957 entitled "Duration and Termination" shall be supplemented and amended by adding to the second paragraph thereof the following provision, towit:

> "La Salle shall have a primary term of three years and nine months, during which to make initial exploration and institute mining operations or proceedures thereon and shall continue in possession of the premises thereafter as long as profitable production is encountered."

2) Except for the addition provided for in the paragraph next above the aforesaid contract and agreement shall remain in full force and effect, as written.

Executed this 17th day of June, 1958, by authority of the Board of Directors.

COLIOWA URANIUM CORPORATION

By Charles O. Parker
Vice President

Attest: Ruth W. Barnes
Secretary

LA SALLE MINING COMPANY

By [illegible]

DMEA Form 14

Contract No. Idm-E 1207

Docket No. 4721

Approved Contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
June 16, 1958	III	Colorado	Uranium

Name and Address of Operator:

LaSalle Mining Company
P. O. Box 217
Grand Junction, Colorado

	Reserve	Obligation
Prior Amount	0	0
Increase	40,675.00	0
Decrease	~~0~~	~~0~~
Revised Amount	40,675.00	0

Remarks:

(Name)

Allen S. Dakan, Chief Operations Control and Statistics Division

(Title)

Date delivered to Bureau of Mines, Washington 6/16/58

22845

Nov 27 1959

Memorandum

To: Administrative Officer, GSA Field Team, Region III

From: National Operations Committee, GSA

Subject: Contract No. [illegible] (Granted)
Lucky Lady Mining Company
Yule Bay, et al., Claims
Gunnison County, Colorado
Contract No. [illegible]

Your memorandum of November [illegible], 1959, and enclosures have been reviewed.

The Operator refused to execute the proposed Termination Agreement forwarded to it by the Field Team on July 2, 1959. If the contract had been terminated by mutual agreement, this office would have issued a certification of discovery or development based on the results of DDH drilling and the Operator's use of MMA underground operations to further explore the subject property.

Under these circumstances, we will consider the subject contract as terminating on December 1, 1959, under the terms of Items 2 and 4 of Amendment No. 3. The royalty agreement (pseudo-certification) in Amendment No. 3 will then become effective and serve in lieu of a certification of discovery or development.

The Operator should be advised of its royalty obligations under Amendment No. 3, and requested to submit its final report.

George C. Selfridge

APPROVED:

P. F. Yopes
Member, Bureau of Mines

Harold Kirkemo
Member, Geological Survey

Murphy/kl/gla 11-27-59
cc to: Director's Reading File
Operating Committee
Harold Kirkemo, USGS
Contract No. [illegible]
Docket
Carson

AEC Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/2		500
		500
		800
		120
		110
		220
		225

MAY 3

Mr. G. T. Rammel
President
La Salle Mining Company
P. O. Box 217
Grand Junction, Colorado

Re: DMEA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract No. Idm-21207

Dear Mr. Rammel:

Since we have not received a reply to our letter of February 19, 1960, concerning payment of royalties in the amount of $6,452.26 (subject to audit) due the Government on production from the subject property, we can no longer postpone action regarding their collection.

Consequently, unless payment is received by May 16, 1960, or satisfactory arrangements for payment of these delinquent royalties are made with us by that date, we will have no alternative but to institute legal action for their collection.

Copies of this letter are being sent to the owners of the property involved since they are signers of the Consents to Lien and Subordination Agreements granting liens to the Government on the land described in the exploration contract and any production therefrom.

Your prompt attention to this matter is requested.

Sincerely yours,

Acting Director

FEJohnson:bih:kb - May 2, 1960
cc to: Director's reading file
Region III (2)
Docket
Chron
Code 500

cc to: Collowa Uranium Corp., Sioux City, IOwa
Robert Mills and Carl A. Peterson, Jamestown, Colo.
R. L. Busby, PO Box 447, Nederland, Colo.

Note to Field Officer: (Region III) This clarifies the question contained in Mr. Townsend's memorandum of April 12, 1960.

NMB Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		500
		500
		800
		120
		110
		220
		225

MAY 3

Colicon Uranium Corporation
5635 West Colfax
Denver, Colorado

NMBA-4721 (Uranium)
La Salle Mining Company
Fair Bay, et al., Claims
Boulder County, Colorado
Contract No. Idm-81207

Gentlemen:

This is to inform you that the La Salle Mining Company has failed to pay royalties in the amount of $4,452.86 (subject to audit) due the Government on production from the land described in the subject contract.

Under the terms of the Consent to Lien and Subordination Agreement dated May 26, 1958, you are liable for payment of royalties on production from the land covered by this agreement if they are not paid by the La Salle Mining Company. Unless prompt payment is made by May 16, 1960, or satisfactory arrangements made with us for payment by that date, the Government will institute legal action for collection of royalties due.

Please give this matter your prompt attention.

Sincerely yours,

Acting Director

Enclosure
Cy of ltr to: Mr. G. T. Russel

Cy to: Director's reading file
Region III (2)
Docket
Chron
Code 500

63683

MGE Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		500
		500
		800
		180
		110
		220
		225

Messrs. Robert Mills and Carl A. Peterson
Jamestown
Colorado

Re: DMRA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract No. Lam-81207

Gentlemen:

This is to inform you that the La Salle Mining Company, has failed to pay royalties in the amount of $4,452.26 (subject to audit) due the Government on production from the land described in the subject contract.

Under the terms of the undated Consent to Lien and Subordination Agreement, you are liable for payment of royalties on production from the land covered by this agreement if they are not paid by the La Salle Mining Company. Unless prompt payment is made by May 16, 1960, or satisfactory arrangements made with us for payment by that date, the Government will institute legal action for collection of royalties due.

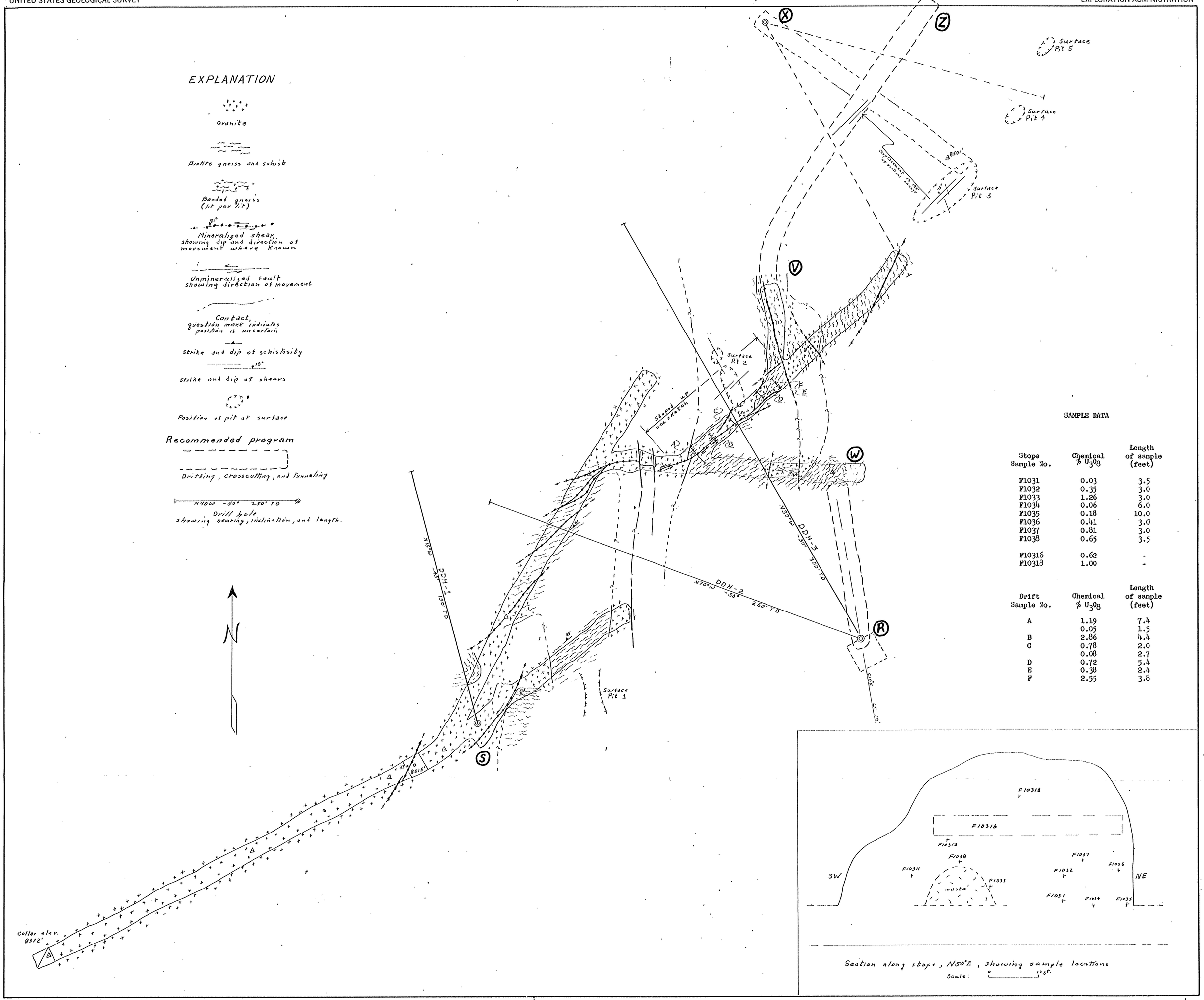
Please give this matter your prompt attention.

Sincerely yours,

Acting Director

Enclosure - Copy of letter to -
Mr. G. T. Hummel

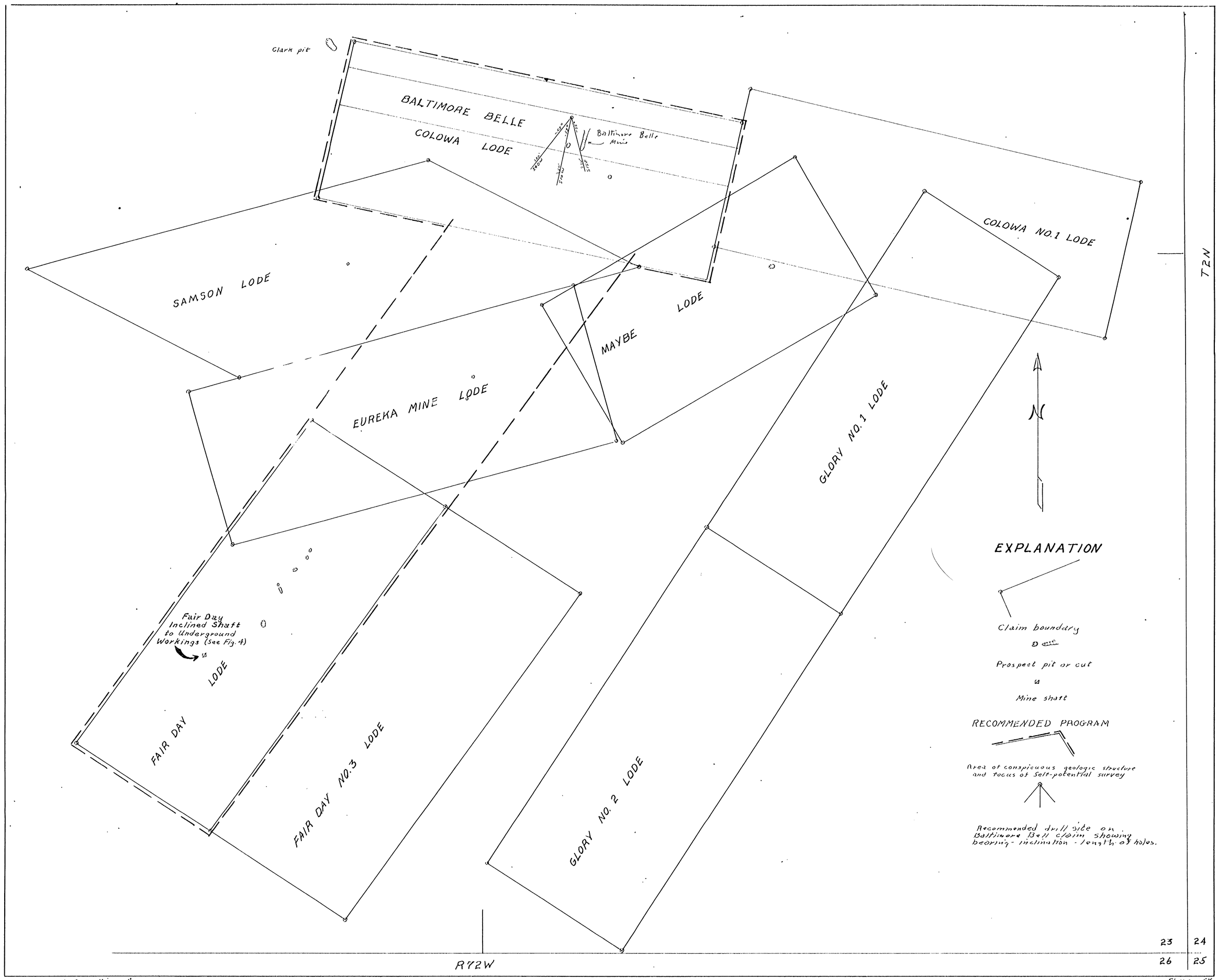
Cy to: Director's reading file
Region III (2)
Docket
Chron
Code 500



Taken from map of J. Schlottman - A.E.C.

Fig. 4 GEOLOGIC MAP OF FAIRDAY MINE SHOWING ASPECTS OF RECOMMENDED PROGRAM LA SALLE MINING COMPANY, BOULDER CO., COLORADO, DMEA-4721

Sharp '58



Taken from La Salle Mining Co. Claim map

Sharp - 58

Figure 3 CLAIM MAP SHOWING ASPECTS OF RECOMMENDED PROGRAM
LA SALLE MINING COMPANY, BOULDER CO., COLORADO DMEA-4721