DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4721

1DM-E 1207

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

- ✓ Interim Royalty Audits
- ✓ Reports of Royalty Review
- ✓ Certification of Discovery Pseudo in Am. #3
- Certificate of Audit (Final)
- ✓ Interim Audit(s)
- ✓ Report of Review
- Termination Notice or Agreement
- Recision Notice
- Assignment of Contract
- ✓ Contract Amendments (latest on top)
- ✓ Contract with all exhibits and annexes
- ✓ Owner's Consent to Lien
- ✓ Subordination Agreement
- ✓ Leases and assignments of leases
- ✓ Application and attachments see
- (3) Envelope for maps

Right Side

- ✓ Project summary
- ✓ Work completed analysis
- All other material is filed in chronological order with correspondence including the following reports as checked:
  - ✓ Final Field Team Report (Tab) Folder 1-A
  - ✓ Operator's Final Report
  - (2R) Interim Reports
  - (2R) Operator's monthly reports and all attachments (latest on top)
  - ✓ On-site Exam Report(s) (Tab)
  - (4) ✓ Settlement Sheets Folder 1-A

Folder No. 1 - Correspondence to 12/31/58
Folder No. 1-A - " from 1/1/59 to present

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) ~~Interim Summary Reports by W. O. Engineers~~

Right Side

~~Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports,~~ Operator's 104'S Monthly Report with transmittal, narrative, maps, and Field Team review.

✓ Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

9775

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/3	Murphy	500
	Grashold	500
4/4	Falbert	800
4/4	Selfridge	120
		110
		220

APR 4 1961

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

Re: DMEA-4721 (Uranium)
La Salle Mining Company
Fair Bay, et al., Claims
Boulder County, Colorado
Contract Idm-E1207

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

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

Coliowa Uranium Corporation, 9635 West Colfax, Denver, Colorado
Charles E. Green, 3070 Upham Street, Aurora, Colorado
Thomas B. Green, 1272 Quari Street, Aurora, Colorado
Miss Margaret G. Schnackenberg, 18404 Marshfield Ave., Homewood, Ill.
R. L. Busby, P. O. Box 447, Nederland, Colorado
Robert Mills, Jamestown, Colorado
Carl A. Peterson, Jamestown, Colorado
Earl W. Balis, 1131 Keys Avenue, Schenectady, New York

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/3	Murphy	500
	Dunhoff	500
4/4	Talbut	800
4/4	Selfridge	120
		110
		220

APR 4 1961

Mr. Robert Mills

Jamestown, Colorado

Re: DMEA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract Idm-E1207

Dear Mr. Mills:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the undated Consent to Lien and Subordination Agreement signed by you under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

Identical letters to:

Carl A. Peterson, Jamestown, Colorado
Charles E. Green, 3070 Upham Street, Aurora, Colorado
Thomas B. Green, 1272 Quari Street, Aurora, Colorado
Miss Margaret G. Schnackenberg, 18404 Marshfield Ave., Homewood, Ill.

FMMurphy/gla
4-3-61
cc to: Director's Reading File
Region III (2)
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/3	Murphy	500
	Swartz	500
4/4	Talbot	800
4/4	Schwartz	120
		110
		220

APR 4 1961

Mr. Earl W. Balis
1131 Keys Avenue
Schenectady, New York

Re: DMEA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract Idm-E1207

Dear Mr. Balis:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on June 13, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON
Acting Director

Enclosure

FMMurphy/gla
4-3-61
cc to: Director's Reading File
Region III (2)
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/3	Murphy	500
		500
4/4	Jacobs	800
4/4	Selfridge	120
		110
		220

APR 4 1961

Mr. R. L. Busby
P. O. Box 447
Nederland, Colorado

Re: DMEA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract Idm-E1207

Dear Mr. Busby:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on May 5, 1958, under the D MEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

FMMurphy/gla
4-3-61
cc to: Director's Reading File
Region III (2)
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/3	Murphy	500
	Brown	500
4/4	Talbot	800
4/4	Schuyler	120
		110
		220

APR 4 1961

Coliowa Uranium Corporation
9635 West Colfax
Denver, Colorado

Re: DMEA-4721 (Uranium)
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado
Contract Idm-E1207

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by the president of your company, Mr. A. A. Kriege, on May 26, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

FMMurphy/gla
4-3-61
cc to: Director's Reading File
Region III (2)
Docket
Code 500

43683

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-81207, 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(a) 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.

Schedule "A"

Idm-51207 | La Salle Mining Company | DMEA-4721

Statement of sales and computation of royalty due

Sales

Short Wet Tons	3,254.420
Short Dry Tons	3,070.415
U_3O_8 - Pounds	24,118.78
" - Pounds in excess of 4 per SDT	11,837.43
" - " " " " 10 " "	66.17
V_2O_5 - Pounds	None

Proceeds

Base payment - U_3O_8	$ 84,415.76
Development allowance	12,059.36
Premium - Excess 4 pounds per SDT	8,878.09
" - " 10 " " "	16.54
Haulage allowance	19,526.50
Less: Trucking and freight charges	(35,851.08)
Total Receiving Station Value	$ 89,045.17
AEC Production Bonus	Not Applicable
Total value subject to royalty	$ 89,045.17
Total royalty due - 5%	$ 4,452.26
Total royalty paid	500.00
Balance of Royalty Due	$ 3,952.26

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.

Hugh M. Connors

May 4, 1960
Date

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

53362

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

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

pertaining to Exploration Project Contract Ldm-81307, DMEA No. 4721, including Amendments Nos. 1, 2, and 3, for July 1958 to November 1958, 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 MF-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		$26,199.50
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$26,199.50

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

see 3/3/60 letter Reg III to Opr. credited to partial payment on royalty

E. D. Talbert

E. D. Talbert, OME Auditor

February 29, 1960

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

(a) a considerable portion ($13,666.70) 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 ($12,067.10) of the acceptable costs covered work performed at unit rates under independent contracts;
(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,	344' NX @ $8.40/ft.	3,057.00	
" "	104' NX @ $5.10/ft.	530.40	
" "	50' NX @ $5.70/ft.	285.00	
Standby time,	13 hrs. @ $11.00/hr.	143.00	
Mobilization		400.80	$ 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,	430 cu.ft. @ $.93/cu.ft.	396.30	
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 -	
Bore 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	$[illegible],199.30

Government's copy

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

AMENDMENT NO. 3

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 La Salle Mining Company, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1207 (Docket No. DMEA-4721), dated June 16, 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 Operator during the period of suspension or to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

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

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

3. The maximum period for royalty payments and the lien 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 essence 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 thereunder, except as otherwise herein provided, shall be and are hereby terminated.

Edwards
Hoffman
Asst. Sol. O
Ching
Kunze
Talbert
Selfridge

(b) The Government shall not contribute to the cost of any work performed after December 1, 1959, except the cost of analyses 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

LA SALLE MINING COMPANY

By [signature]

Title Partner

By Frank E. Johnson

Acting Director, Office of Minerals Exploration

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

DATE	INITIALS	CODE

Kwonne

March 25, 1959

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

JUSTIFICATION FOR AMENDMENT NO. 3

Under Stage I the Operator completed the following work (see contract maps):

1. Within the most promising area of the property a geophysical survey involving the establishment of 900 stations was completed.

2. A 70-foot crosscut, W-R, was completed preparatory to establishment of an underground drill station.

3. A drift, V-2, was driven 118 feet in a northeasterly direction, following a shear zone and other structural features.

4. A crosscut, V-X, was driven approximately 100 feet in a northerly direction, following a mineralized fault, and designed to intersect northwest-trending shears and northeast-trending planar features in the schistose host rocks.

5. Two underground drill stations were completed at points S and R.

6. D.D.H. No. 1 was drilled to a depth of 150 feet from station S at an inclination of -45°. Designed to intercept at depth the southwest extensions of mineralized shear zones exposed in the old workings, the hole failed to encounter mineralization.

7. D.D.H. No. 2 and D.D.H. No. 3 were drilled from station R. Complete details and results are not available in Washington, but it is presumed that these holes were drilled according to contract specifications and that the results were not encouraging.

The results of the foregoing work completed under Stage I were generally negative. Because the area covered by the geophysical survey was limited by the contract, the Operator proceeded at his own expense to extend the survey to other areas subordinated under the contract. This supplemental geophysical work succeeded in locating a negative anomaly on the Samson claim which warranted further exploration under Stage II.

Under Stage II three buldozer trenches were cut at 100-foot intervals across the Samson claim anomaly. Each trench was about 300 feet long and 30 hours of bulldozing were required. This work exposed a strong shear zone. Surface D.D.H. No. 1 was inclined at -50°, for a distance of approximately 300 feet, into the center of the anomalous shear zone. Results are not at hand, but it is evident that they were not encouraging since no further work was authorized in this area.

All work authorized by the Government was completed by November 30, 1958. Apparently, the three surface diamond drill holes on the Baltimore Belle claim, authorized under Stage I, were cancelled by common consent as a result of the geophysical survey. Remaining unused under Stage II are about 2,700 feet of surface drilling, 95 hours of bulldozing, and 100 feet of drifting or crosscutting.

Since November 30, 1958, the Operator has continued at its own expense to do geophysical work, diamond drilling, long-hole percussion drilling, drifting, and crosscutting. The work resulted in the discovery of two new orebodies of unknown size. The Operator plans to continue this exploration in order to justify a request for additional work under Stage II of the subject contract. In a letter, dated February 24, 1959, it requested that the contract completion date be extended from August 1 to December 1, 1959, and that a recess be authorized between November 30 and June 1, 1959. The Field Team has recommended that the request be granted.

It is recommended that the contract be amended, as requested by the Operator and concurred in by the Field Team, for the following reasons:

1. At the time the present contract was recommended, about 1,000 tons of 0.6 percent U_3O_8 ore had been mined from one stope of the mine and the AEC estimated that there were 1,000 tons of measured reserves, 4,000 tons of inferred reserves, and 15,000 tons of potential reserves in the mine area.

2. The amount of exploration completed to date under the contract has been relatively small, the total cost to date amounting to less than $20,000. The original estimated cost was $54,234.00 after it had been cut down from the $107,382.00 recommended by the Field Team. In this connection, it is worth noting that 3 Stage I surface diamond drill holes, costing $5,587.00, were not drilled, although authorized by the contract.

3. The Operator has great faith in the property and has been willing to spend large sums at its own expense to uncover

favorable information. In this it has been partially successful and now asks for a further opportunity to prove the potential of the property.

4. To date, work done under the contract has failed to find ore; therefore a certification of discovery cannot be justified. By giving the Operator further opportunity to unearth favorable information, a small amount of additional work under the contract may lead to a worthwhile discovery.

Michael Ching

Michael Ching

Government's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 18 1958
DATE | INITIALS | CODE
11/18 | H. G. Ching | 225 701

Robin Stringer App'l Sol. Off.
Ching
Eugene
Selfridge

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 P. Johnson
ACTING Director, Office of Minerals Exploration

LA SALLE MINING COMPANY

By [signature]

Title Partner

October 7, 1958

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

JUSTIFICATION FOR AMENDMENT NO. 2

The contract as written limits the Stage I geophysical survey to an area outlined by dashed lines on Figure 3, attached to the contract. As a consequence, subsequent bulldozer stripping and surface diamond drilling in Stage II would also be limited to this area.

The Operator, encouraged by the results of the geophysical survey made under the contract, extended the area of the survey to the north and west at its own expense. A negative anomaly, warranting further exploration, was found on the Sampson claim, outside the area of the Stage I geophysical survey, but within the area covered by Annex I of the contract.

In a letter, dated September 15, 1958, the Operator requested that the contract be amended to allow Stage II bulldozer stripping and surface diamond drilling to be done in all favorable areas covered by the contract, regardless of whether the geophysical work was done under the contract or by the Operator for its own account.

Since it would be to the Government's advantage to grant the Operator's request, the Field Team so recommended. The writer concurs in the recommendation.

Michael Ching
Michael Ching

RECEIVED
OCT 20 1958
O.M.E.

Government's Copy

EXPLORATION PROJECT CONTRACT
LA SALLE MINING COMPANY
DOCKET NO. DMEA 4721
CONTRACT NO. Idm-E1207

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-E1207, Docket No. DMEA 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 Schistose 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. Rummell
G. T. Rummell Partner

By M. P. Rowe
M. P. Rowe Partner

By G. T. Rummell Agent
for Royal M. Eidal Partner

By G. T. Rummell Agent
for M. M. Hardin Partner

UNITED STATES OF AMERICA

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

Government's Copy

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 26 1958

DATE	INITIALS	CODE

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 G. T. Rummel, M. P. Rowe, Royal M. Eidal, and M. M. Hardin

G. T. Rummel Agent and Attorney in Fact (Power of Attorney 6/11/58)

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 Coliowa Uranium Corporation, R. L. Busby, Robert Mills, Carl A. Peterson, Earl W. Balis, Charles E. Green, Thomas B. Green, and Margaret G. 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 Subordination 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 1, 1959 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work, or shall have expended an amount equal to 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 $ 54,234.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 40,675.00: *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; ~~but except for any such necessary excesses by categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated total allowable cost of the work.~~ **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~~ 8. **See Article 13.**

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

(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)

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) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit "A" with respect to stages of work."

(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(c) Categories (2) through (6) of Article 6(a) are deleted.

(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" ~~are~~ allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.

(e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

(f) Notwithstanding any other provisionof 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 said 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 said item set forth in the contract.

Executed in sextuplicate the day and year first above written.

La Salle Mining Company

By _____
G. T. Rummel (Partner)

By _____
M. P. Rowe (Partner)

By _____
Royal M. Fidal (Partner)

By _____
M. M. Hardin (Partner)

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals Exploration Administration

S/Rubin
Attorney

App'd. Sol. Off.
Chigg (ELW)
Ellis
Chambers

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.

S

_____

[CORPORATE SEAL]

Selfridge
Johnson

U. S. GOVERNMENT PRINTING OFFICE 16—70017-1

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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.

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bines and supercedes M 01 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/

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.

Coliowa Uranium Corporation	[Seal]	9635 W. Colfax, Denver Colo	[Address]
By A. A. Kruger Pres	[Seal]	1219-31st Sioux City Iowa	[Address]
Attest Russell W Bartels Sec	[Seal]	9635 W. Colfax, Denver Colo	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Russell W. Bartels certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that A.A. Kruger 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 Bartels

[Corporate Seal]

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-206
(Combines and supercedes MF-201 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/

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. Balis [Seal] 1131 Keys Ave. Schenectady New York [Address]

Earl W. Balis

[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-201 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]	Jamestown Colo	[Address]
Carl A. Peterson	[Seal]	Jamestown 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-201 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 385,

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 Mellen, Wis. [Address]
R. L. Busby

_____ [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-201 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/

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 Quebec Street Aurora, Colorado	[Address]
Thomas B. Green Thomas B. Green	[Seal]		[Address]
Margaret G. Schnackenberg Margaret G. Schnackenberg	[Seal]	18464 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.

Stage I.

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. Complete

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. Complete

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. Complete

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. Complete

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. Complete

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. Complete

Stage II

1. Bulldozer stripping. 3 Trenches

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. 1 Hole

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. None

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."

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

Levia Josie Hagi
Notary Public

(5)

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)

The foregoing instrument was acknowledged before me this 12th day of June, 1958, by Roy M. Eidal.
Witness my hand and official seal.
My commission expires My Commission Expires Oct. 6, 1960

Chester M Rutherford

Notary Public

(4)

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

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DATE | INITIALS | CODE

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: Russell M. Battels
Secretary

LA SALLE MINING COMPANY

By [illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

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April 8, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium) LaSalle Mining Company (Overland Mountain Claim Group) Boulder County, Colorado

Enclosed are the original and two copies of the subject application. One copy of the application is being retained in our file.

The Applicant proposes to explore a uranium mineralized target area by dozer stripping and diamond core drilling at a total estimated project cost of $90,235.

Under the category of supervision of the Applicant's cost estimates, we note proposal for a full time surveyor and rodman. The program proposed does not justify these services on a full time basis.

E. N. Harshman

By E. N. Harshman
Acting Executive Officer

Enclosures

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
APR 5 - 1957
REGION III
DENVER, COLORADO

APPLICATION
for
D.M.E.A. LOAN

on
OVERLAND MOUNTAIN
CLAIM GROUP

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DATE	INITIALS	CODE

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED APR 10 1957 D.M.E.A.

DMEA
DEPARTMENT OF THE INTERIOR
APR 5 - 1957
REGION III
DENVER, COLORADO

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

Not to be filled in by applicant

Docket No. 4721
Metal or Mineral URANIUM
Date Received 4-10-57
Estimated Cost $90,235
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: The La Salle Mining Company, P. O. Box 217, Grand Junction, Colorado. A Partnership consisting of G. T. Rummel, Grand Junction, Colorado - M. P. Rowe, Grand Junction, Colorado - Roy M. Eidal, Albuquerque, New Mexico and M. M. Hardin, Albuquerque, New Mexico.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*c*) The work will start within 60 days and be completed within 6 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated March 28, 1957

La Salle Mining Company
(Applicant)

By G. T. Rummel
G. T. Rummel, Partner

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

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

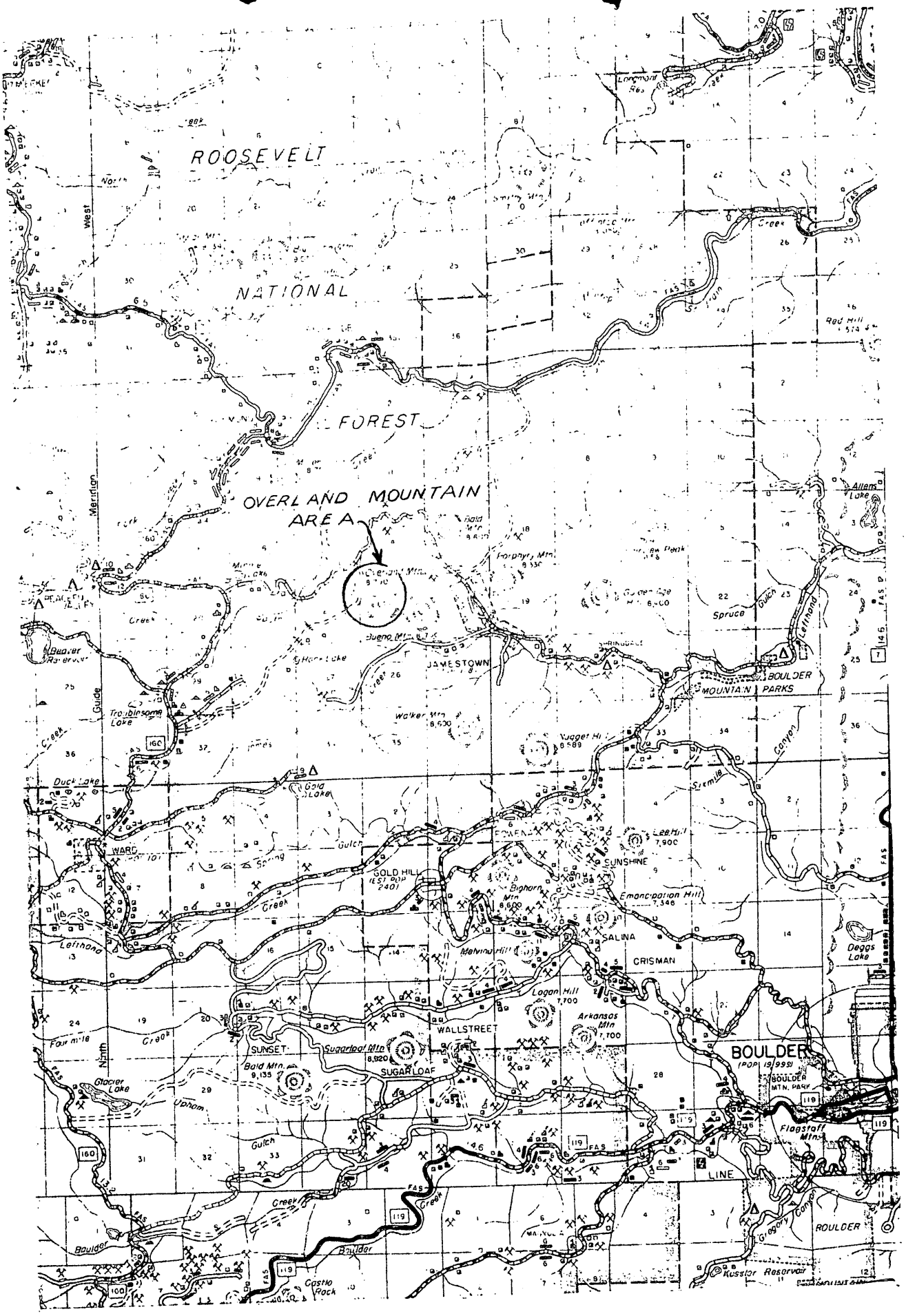
ROOSEVELT
NATIONAL
FOREST
OVERLAND MOUNTAIN
AREA
JAMESTOWN
BOULDER
MOUNTAIN PARKS
WARD
GOLD HILL
SUNSHINE
SALINA
CRISMAN
WALLSTREET
SUNSET
SUGARLOAF
BOULDER
LINE
ROULDER
Kossler Reservoir
Castle Rock
Trouble Some Lake
Duck Lake
Gold Lake
Glacier Lake
Deggs Lake
Allens Lake
Flagstaff Mtn.
Arkansas Mtn
Logan Hill
Emancipation Hill
Lee Hill
Bighorn Mtn
Sugarloaf Mtn
Bald Mtn.
Walker Mtn
Red Hill
Spruce Gulch
Left Hand Canyon
Boulder Creek
Four Mile Creek
Upham Gulch
Gregory Canyon
Guide
Merrington
West
North

FIGURE NO. 1

Figure No. 2

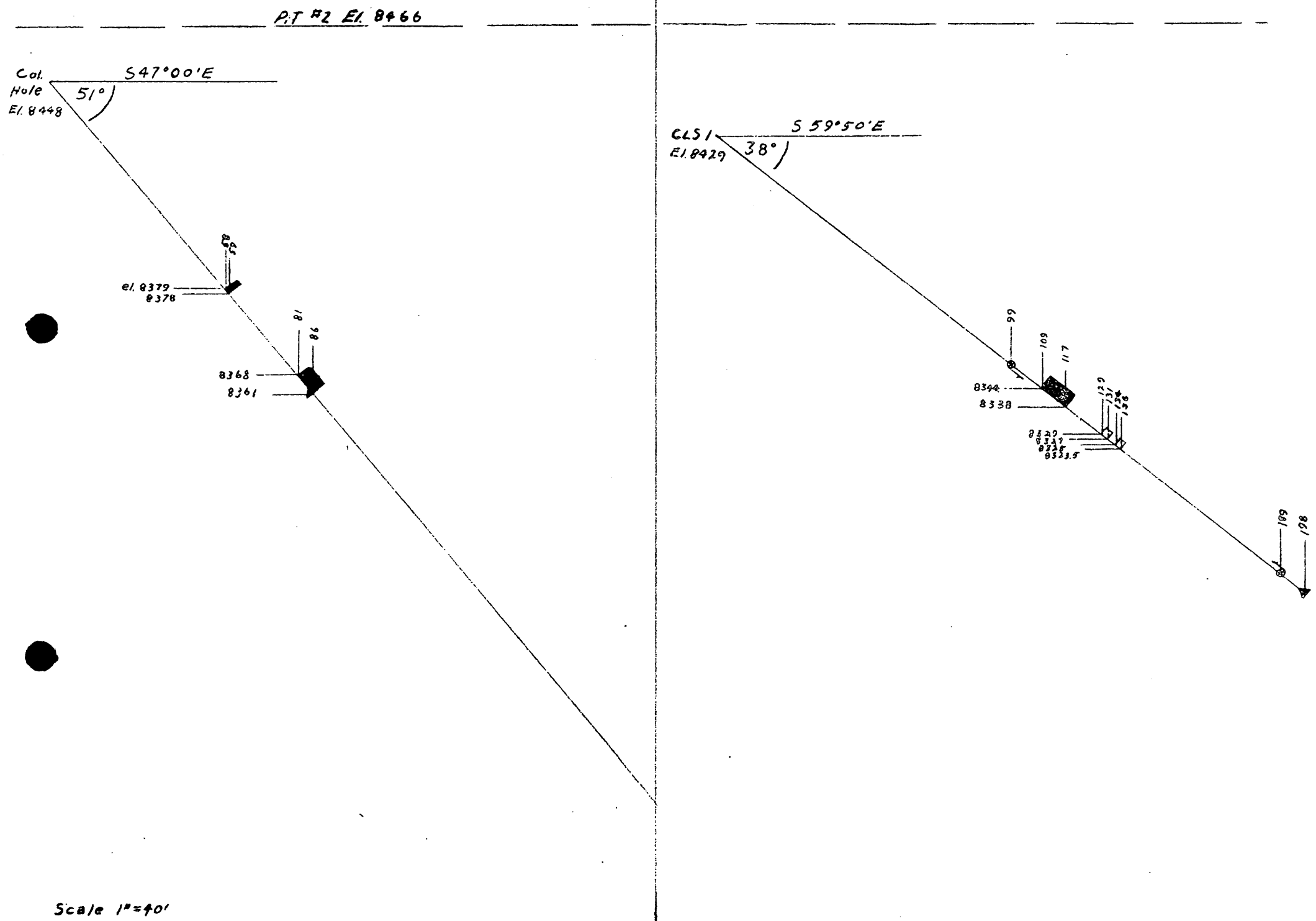

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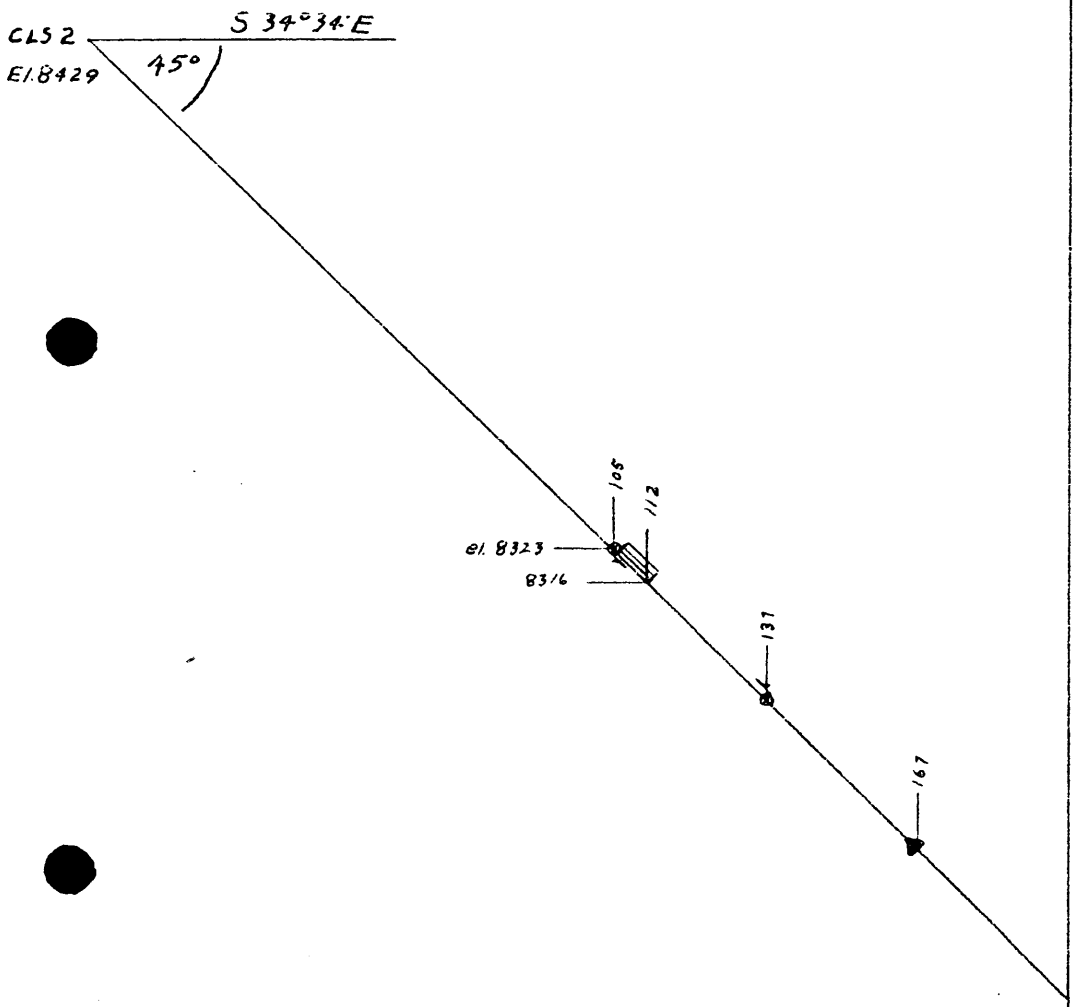
Figure NO. 3

PIT #2 El. 8466



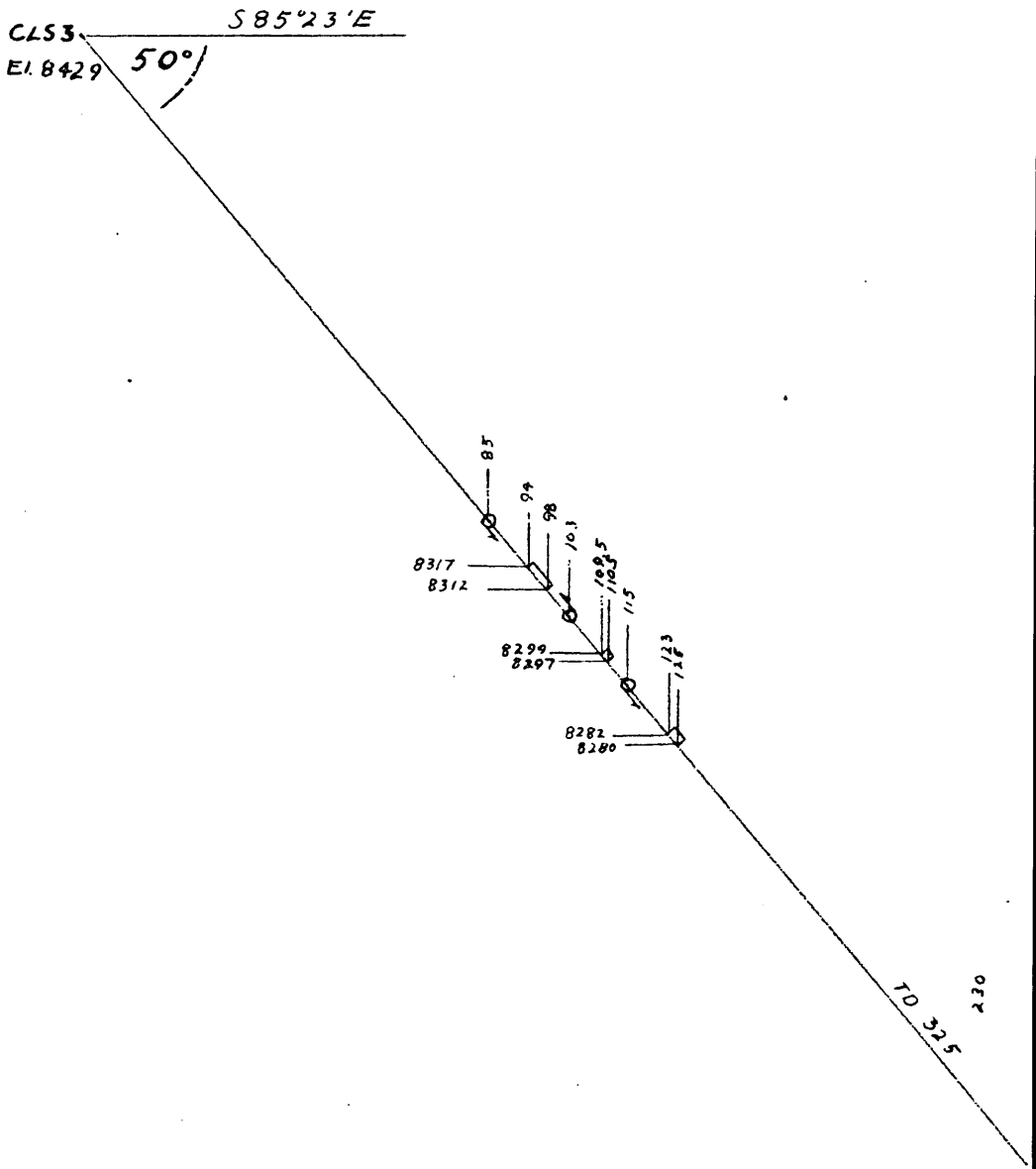


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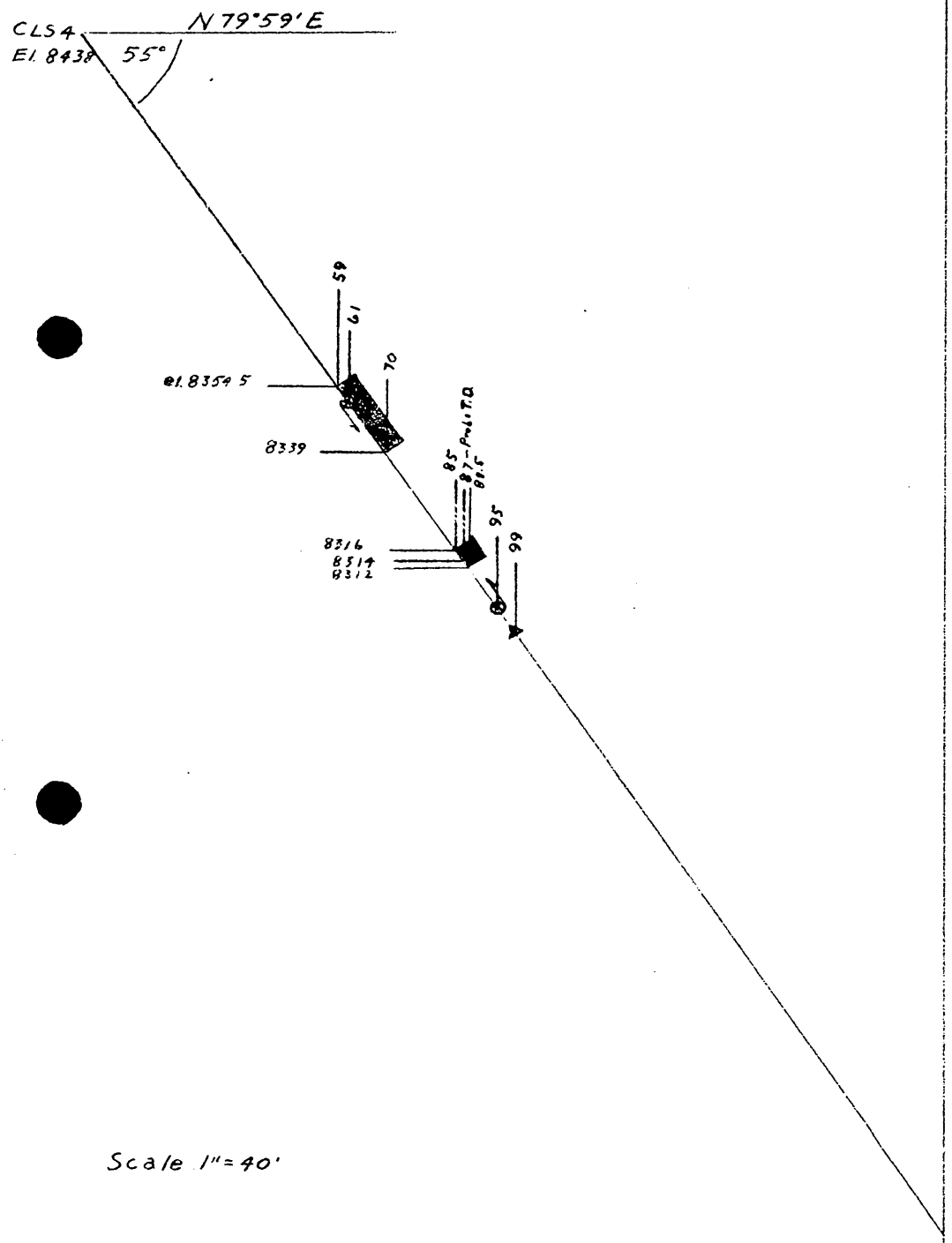
Figure No. 4

PIT #2 El. 8466



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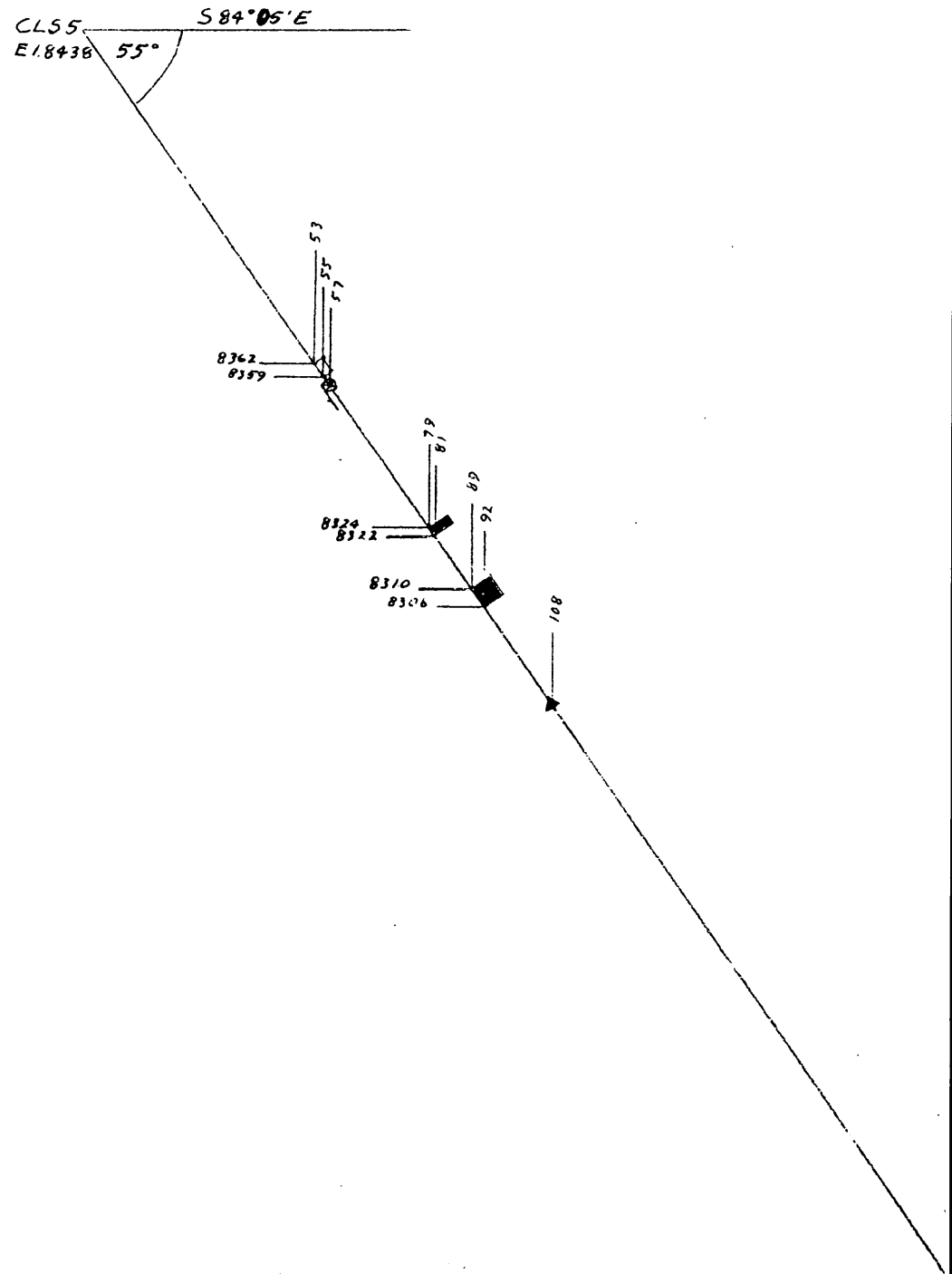

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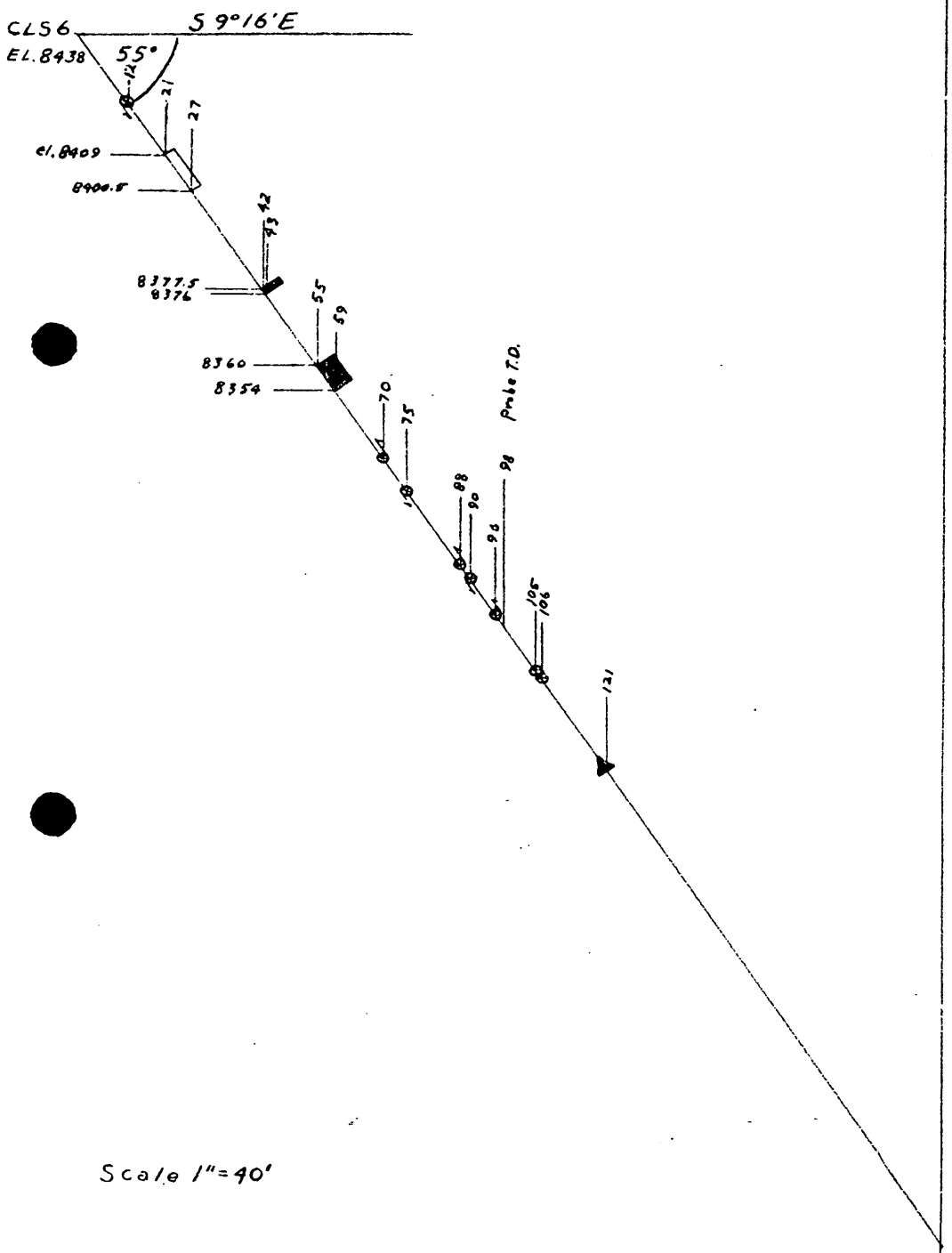
Figure NO 5

PIT #2 El. 8466



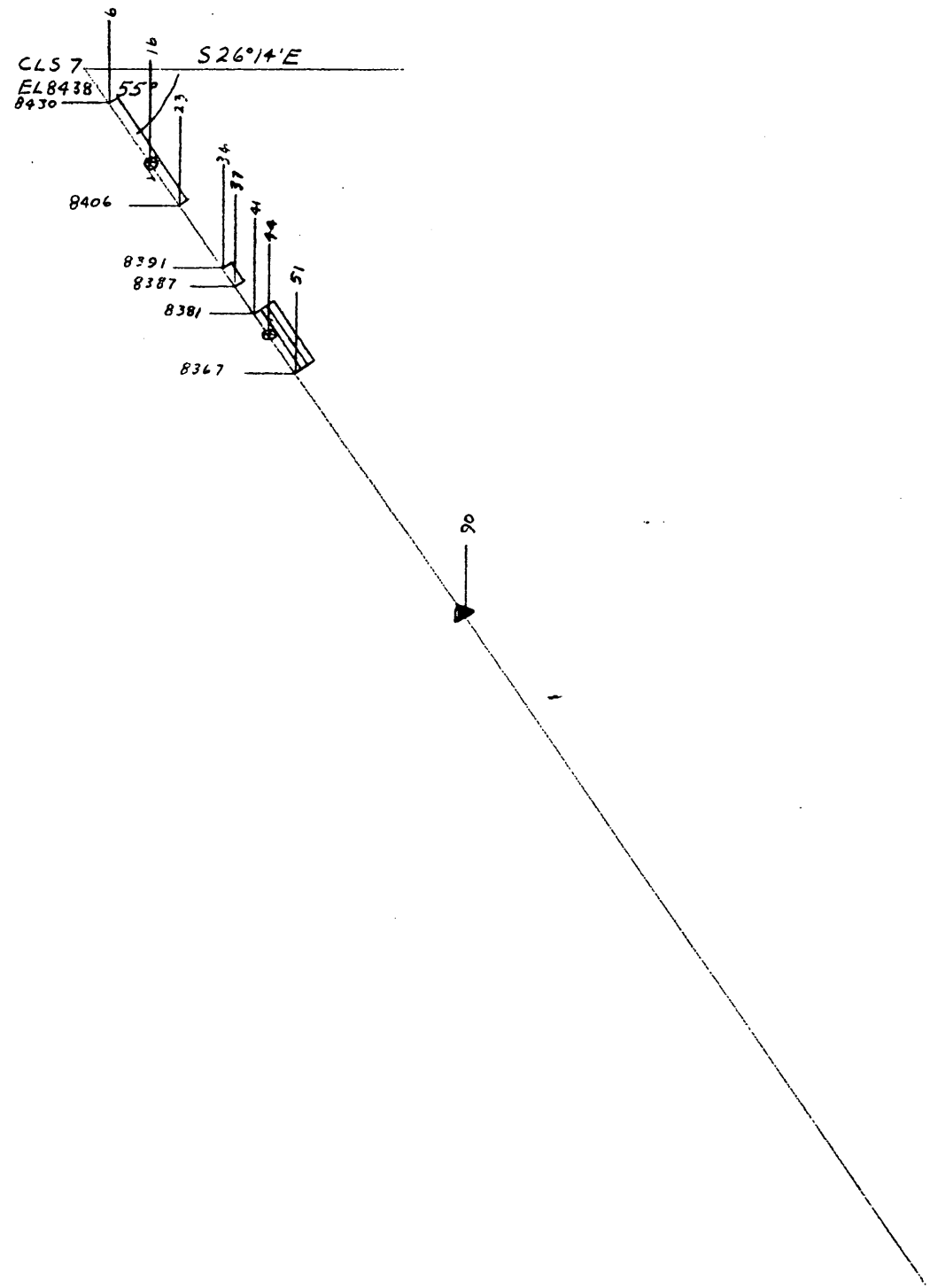


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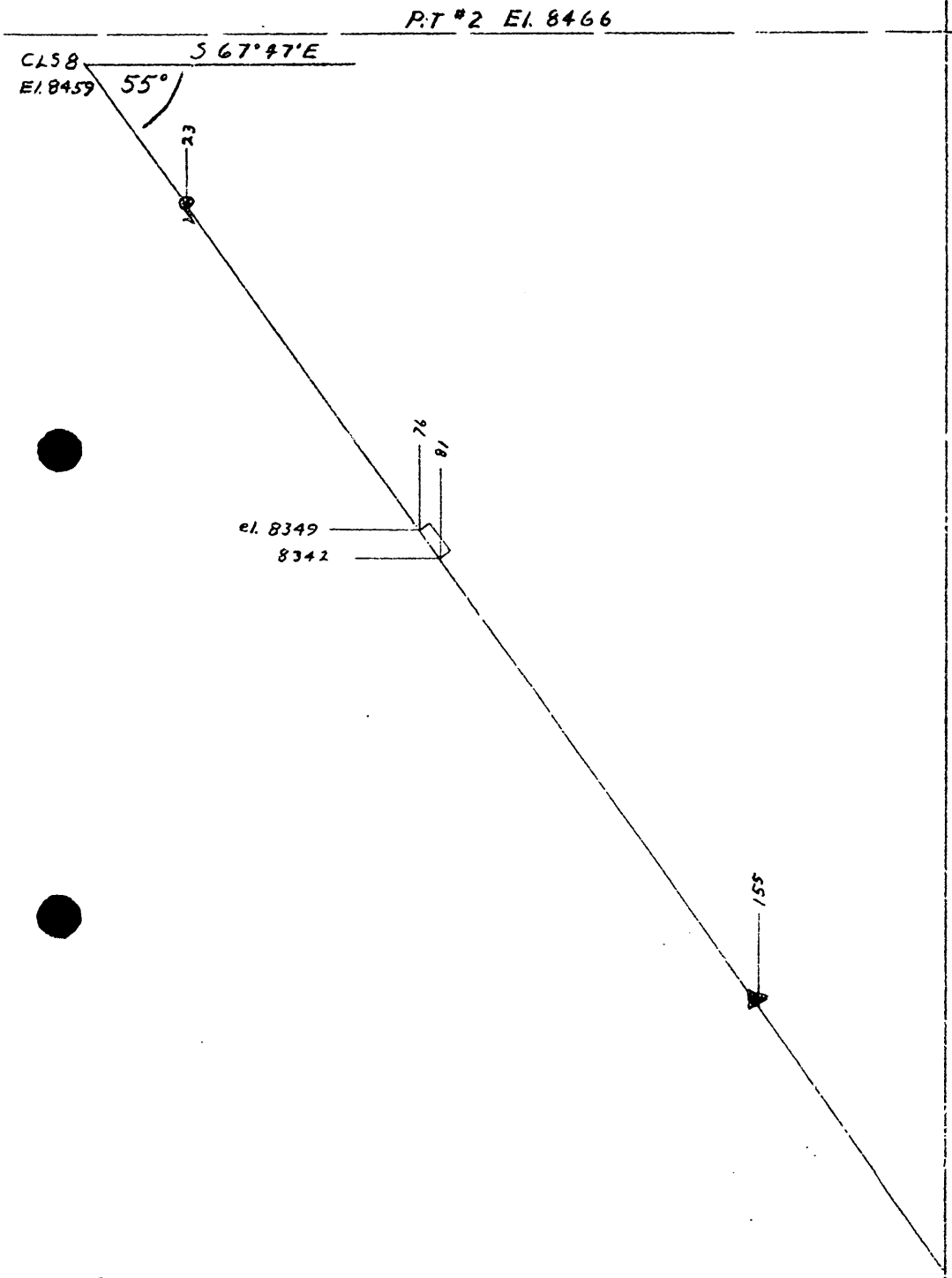
Figure No. 6



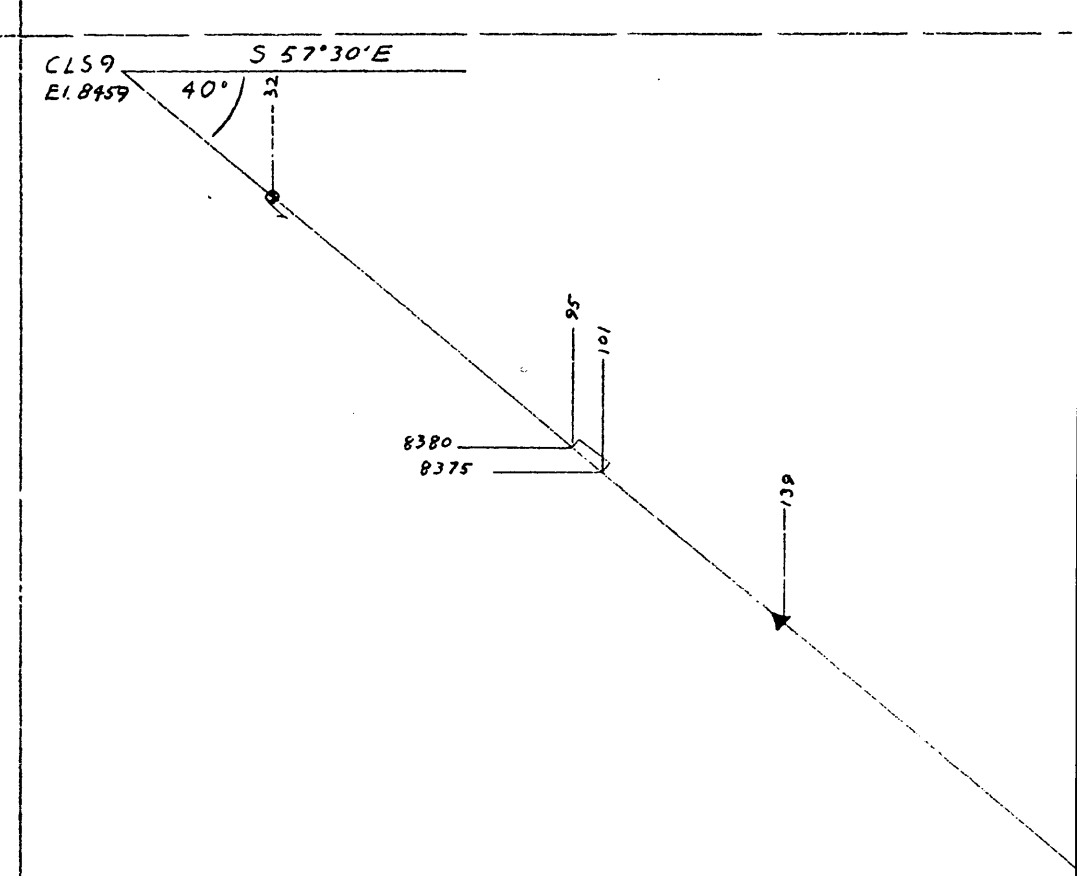


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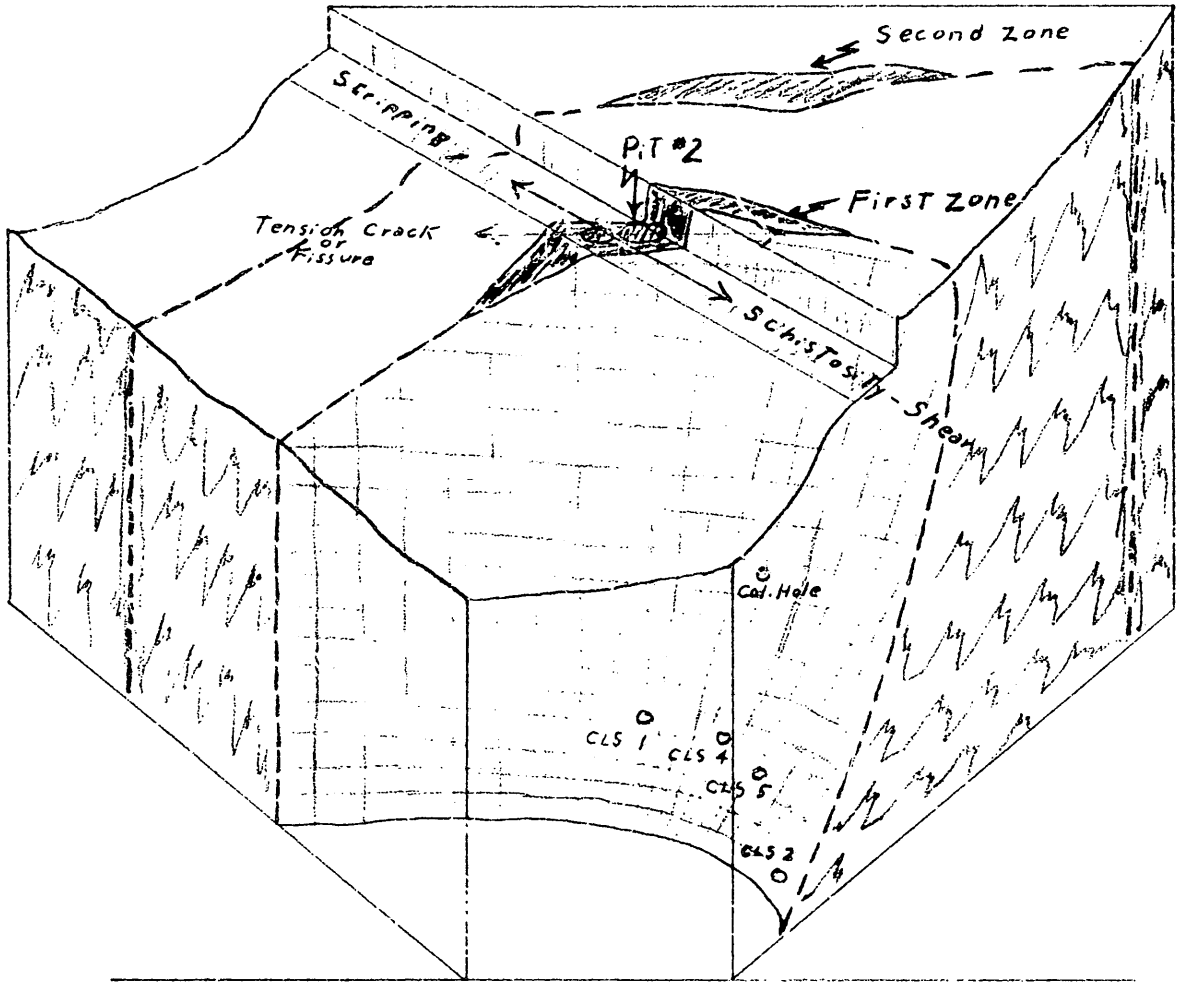
Figure No. 7



SKELETON DIAGRAM
OF
PIT NO. 2 ORE SHOOT

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LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

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PROPERTY RIGHTS

The La Salle Mining Co. has leased nine unpatented
3a. mining claims from the Coliowa Uranium Corporation, a corporation under the laws of the State of Deleware. The claims are located on Overland Mountain in the S 1/2 of S 1/2 of NE 1/4 and the SE 1/4 of Sec. 23, T.2N., R. 72W. of 6th P. M., Jamestown Mining District, Boulder County, Colorado, as shown on Plate No. 1. All nine claims are tied to cor. no. 2 U. S. Survey no. 532 of the Baltimore Bell Lode, a patented claim, also leased by the La Salle Mining Co., but not included in this application. The only known conflict that exists on the claims included in this application is in the Glory No. 2 area. A. C. Bluemel, representing the Master Corporation has staked two claims, The Mon Amie No. 1 - Book 972 - Page 39; the Sky H. No. 1 - Book 974 - Page 554, that were discovered after the Glory No. 2 but were filed before. For a legal description see Appendix A which includes duplicate copies of the Abstract of Title to the claims included in this application and to the Baltimore Bell Lode as described in the Location Certificates or Amended Location Certificates recorded in the office of the Recorder of Boulder County, Colorado. Appendix A also includes duplicate copies of the lease between the La Salle Mining Co., and the Coliowa Uranium Corporation.

PHYSICAL DESCRIPTION

The Jamestown Mining District came into being in the middle
4a. nineteenth century when prospectors found and began to mine numerous veins in the area for gold. The district was revived during World War II when

several fluorspar veins were opened up and fluorspar mining continues today. Uranium was discovered during the current boom, but production has been on a small scale and the mining history is very limited. The reported success at the Denver-Golden Mining Company's property north west of Golden, Colorado has recently caused increasing interest in Front Range areas such as Jamestown, where similar surface conditions exist.

The first uranium ore shipped from the Jamestown district came from the Clark-Busley property about one-fourth mile below Jamestown on James Creek. According to Mr. Clark, twelve carloads of ore was shipped to the Vitro Corporation and all cars paid off. The ore was removed by trenching into a near surface ore body made up of secondary uranium minerals. Mr. Clark says that more ore lies on the floor covered by debris and that the operation was stopped because of a conflict with Mountain States Uranium Incorporated. Mountain States is now conducting an underground operation on the property but the details have not been made available to the author.

A. C. Bluemel has an operation underway on Gold Hill about 2.5 miles South-Southwest from Overland Mountain. Mr. Bluemel reports some degree of success in developing a pegmatite - uranium showing on the property.

Pitchblend was reportedly discovered on the lowest dump of the Baltimore Bell Lode Claim on Overland Mountain in 1954. As a result, the nine claims included in this application were located behind and to one side of the Baltimore Bell when surface traversing with a scintillator indicated several anomalous zones of radio-activity. The Baltimore Bell, a patented claim, was originally located for gold in the 1880 era and was developed with a short drift just under the surface, and by a long crosscut adit about one hundred and fifty feet lower. Extent of stoping is not known and the lower

adit is now caved. Parts of the upper drift and adjoining area were exposed by bulldozing an area perhaps fifty feet wide and one hundred and fifty feet long by Coliowa Uranium Corporation. Continental Uranium Incorporated later excavated a trench at right angles to the drift on the vein and reportedly drilled several shallow holes about fifty feet deep. The trench reveals two zones of favorable radioactivity each from one to three feet wide, lying parallel, and bearing in a Northwest-Southeast direction. These zones are in a pegmatite cut gneiss and contain pyrite and gangue materials emplaced by hydrothermal action. Relaible data on Continental Uranium's program on Overland Mountain is not available but one drill hole on the Baltimore Bell Lode is reported to still be open for probing and reveals a zone from forty-seven to fifty-eight feet (hole depth) that should be ore grade. See Plate No. 1 for location.

On the patented land about one hundred feet Northwest of the Coliowa Lode corner No. Four, four hundred feet Northwest of the Baltimore Bell workings, Clark and Busley had a crew working on a small pit about five feet wide, six feet deep and seven feet long. They have about twenty tons of ore stockpiled that should run about .40% uranium. The La Salle Mining Co. cut two samples from this pit. One sample was from a six foot vertical cut, one foot wide, down the middle of the vein (vertical vein) to the bottom of the pit. The best count zone was found one and one-half feet from the bottom of the pit. The sample assayed .195% uranium. The second sample was a five foot horizontal cut one and one-half feet from the floor of the pit across the vein. This sample ran .198% uranium.

The La Salle Mining Co. now has an exploration project under way

on the Clark-Busley property. Bad weather caused the project to be temporarily suspended in February of 1957, before any conclusions could be drawn. See Plate No. 1 for location.

A third area partly developed on Overland Mountain is on the East end of the Maybe Claim, where a twenty foot deep shaft has been sunk adjacent to an old pit excavated in the gold-mining days. This shaft is located on a foot-wide fracture zone in Granite. This zone is not uniformly radioactive, but there are spots where the counter will register over one-half per cent uranium. The Maybe Claim is included in this application. See Plate No. 1 for location.

An anomalous zone about one thousand feet long and fifteen feet wide on the Fairday Lode was first partly developed by surface stripping and shallow pits (less than six feet deep) for about four hundred feet along its strike. In addition, Continental Uranium has drilled several shallow holes reportedly less than fifty feet deep. This work revealed a hydrothermally altered shear zone which contains pyrite, autunite, tobermite, and gangue materials. Some ore is exposed on the surface and from one pit about five tons of .30% uranium has been stockpiled.

Later Coliowa Uranium drilled a deep angle hole at right angles to the shear zone, 51° from horizontal and bearing S 47° 30' E. See Plate No. 2, hole is marked "Col. Hole" and was drilled from the closest set up to "Pit #2". This hole is plugged and has not been probed by the author. The Coliowa driller - probe log shows eighteen inches of 2.0% uranium at ninety feet hole depth, about eighty-five feet below the surface, and mineralization around one hundred and ten feet. A core from one hundred and twenty-seven to one hundred and thirty-five feet was assayed (chemically) for Coliowa by

Root & Simpson, Inc., of Denver and ran 0.45% U_3O_8. See Appendix B.

The La Salle Mining Co. started its exploration of the Fairday Lode in October of 1956. The Boyles Bros. Drilling Company was the contractor. Nine angle holes have been drilled to date from three locations, all cutting the shear zone. Four holes cut one or more ore zones as indicated by probe or chemical assay. Core recovery was generally poor in the shear zone.

The drillers had some difficulty with near surface caving and loss of drilling water, but easily corrected this by casing. The major factor which hampered the drilling program was the weather. The program was set up to be completed before the severe winter months, but the program was extended without taking the necessary precautions for a winter operation. The result was poor progress and excess expense. The program was haulted in February of 1957.

The Fairday Lode is included in this application. See Plate No. 1 for location.

4b. No production save for the few tons removed from Pit No. 2 and Pit No. 3 on the Fairday Lode has come from any of the claims. The information gained from the exploration program to date has not been sufficient to outline any ore reserves because of too few holes and the inability of the operator to extract any definite ore information from the holes that have been drilled. The latter is due to poor core recovery in the ore zones and to the variation in the Chemical-Radiometric relationship when interpreting the probe logs. See Table No. 1 and Appendix B.

4c. The Jamestown mining district lies entirely within the pre-Cambrian Complex of the Front Range. The rocks of the district can be divided into

three classes. According to the Geological Survey Professional Paper No. 223; they are: pre-Cambrian metamorphic rocks, including the Idaho Springs formation and the Swandyke Hornblende gneiss; pre-Cambrian granites, including the Boulder Creek granite, the Overland Mountain stock, and the Silver Plume granite; and intrusives of the Laramide revolution.

In the Overland Mountain area, schist and gneiss of the Idaho Springs formation were intruded by the Overland Mountain stock which is closely related to the Boulder Creek granite. The Overland granite seems to have pushed the metamorphics aside as it ascended instead of injecting them as does the Boulder Creek granite. The Silver Plume granite is intrusive into all the older rocks and cuts, both across and along the foliation of the metamorphics. Pegmatites are associated with each of the pre-Cambrian granites, but are difficult to distinguish.

In the Overland Mountain stock the foliation or platy structure dips in toward the center of the mass at angles of 60° to 80°. The linear structure pitches at about the same angle toward a point near the north end of the mass. It is inferred that this body of Boulder Creek granite magma came up steeply from a point near its north end and spread out to the south in a steeply inclined funnel-shaped mass. The presence of many dikes of Silver Plume granite in the area also suggests that the mass grows smaller with depth. The foliation or schistosity of the scattered metamorphic areas seem, from the authors observation, to be dependent on their relationship with the granite intrusives.

The influence of the Laramide revolution on Overland Mountain is not clear to the author. The Maxwell and the Hoosier Reefs have both been traced through the vicinity and most certainly influence the mineralization of the veins and shear zones. No known Laramide intrusives have been visited

by the author in the area under consideration. With only four areas properly exposed for surface study, in the Southeast part of the Overland Mountain area and nine drill holes on one claim, no serious attempt will be made at this time to determine the age of the uranium bearing veins or shear zones nor the age of uranium mineralization. It should be kept in mind however, that even though the youngest rock observed to be cut by the shear zones are the late pre-Cambrain pegmatites, thus placing the age of faulting at post pre-Cambrain, there seems to exist in the area a relationship between pegmatites and hydeothermal type uranium ores. It is possible that uranium solutions entered existing structures when the pegmatites were introduced and that later Laramide activity reopened the old veins and introduced new material.

The mineralization of the Fairday Lode can be described as follows: Three of the ore holes, CLS #1,4,5, cut what will be referred to as the "Pit #2" zone, which seems to have two ore shoots about twenty feet apart. The Coliowa hole also cut this zone. The fourth ore hole, CLS #6, cut ore under what will be referred to as the "Pit #1" zone. CLS #2 and #7 cut the shear zone between Pit #1 and #2. They each have mineralized zones. CLS #8 and #9, cut the shear zone under what will be referred to as the "Pit #3" zone, but only recorded a "kick" on the probe. A "kick" was also recorded when CLS #3 was probed. See Table No. 1, Appendix B, Figures No. 2 to No. 6, and Plate No. 2.

Using the existing information an attempt will be made to describe the ore occurances on the Fairday Lode, so we will have some basis for planning future exploration. A shear zone striking N 45 E cuts through both granite and gneiss on the Fairday Lode. In the vicinity of Pit No. 1 and No. 2, where

five drill holes cut ore, the gneiss has been pinched in by granite areas to a ten foot wide band between the two pits. It then spreads out to the Northeast and Southwest from this neck in a rough hourglass shape. See Plate No. 2. In this area as in others of the district, the most favorable conditions for the formation of open fissures necessary for an ore body to develope, is in the zones of mixed gneiss or schist and granite. In most of the pits along the Fairday shear zone a second set of fractures or fissures can be observed striking northerly tangent to the main shear. The influence of the hourglass structure of the gneiss body near Pits No. 1 and No. 2 could have resulted in more favorable fissures being formed than at Pit No. 3, which seems to be farther from a granite-gneiss contact as indicated by the drill holes CLS #8 and #9. Further exploration may change this picture, because Pit No. 5 to the Northeast of Pit No. 3 was dug in granite. Both drill holes under Pit No. 3 had a kick on the probe that lines up with the fracturing observed on the surface which is tangent to the main shear. Pit No. 3 has as high a surface count as does Pit No. 2 and more count than the Pit No. 1 area.

From surface and subsurface information, the ore bodies around Pits No. 1 and No. 2 will be assumed to take the strike indicated on Plate No. 2. From subsurface information, the linear structure of the ore bodies will be assumed to dip toward the Northwest in keeping with the funnel shape of the Overland Mountain stock. See figures No. 2 to No. 6 and the skeleton diagram of the Pit No. 2 first ore shoot which is figure No. 7.

The uranium mineral cut by the drill holes has been described by the Colorado School of Mines Research Foundation, Inc., as sooty Pitchblende. See Appendix B.

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

It is the authors opinion that there is sufficient geological evidence to indicate the possibility of locating several commercial uranium deposits or ore shoots along the vein or veins on the Overland property to put it in the class of the Swartzwald property NE of Golden, Colorado. A detailed comparison between the Swartzwald and Overland property is not possible at this time, but the general biotite, hornblende, garneiferous, metamorphic plus shear relationship is similar.

The exploration program to date has revealed the presence of ore with moderate depth at two locations along the shear zone on the Fairday Lode claim. The information is not sufficient, however, to determine the possible relationship between the ore showing the shear zone and the granite-gneiss contact. It is recommended that additional holes be drilled under the two mineralized locations and also along the shear zone on both sides in an attempt to discover an ore body and to check the possibility of other deposits occurring along the shear zone. The drilling should be accompanied by a dozer-stripping operation designed to give additional information to aid the exploration project.

Access by dirt road 4 1/2 miles NW from Jamestown, Colorado. Four 4d. miles of county road and 1/2 mile of private road. The soil cover of Overland Mountain is such that no serious difficulty is expected from wet weather. Winter conditions are not severe, but arrangements should be made to keep the road open during the months of December, January, and February.

Residence, meals, and supplies may be obtained at Jamestown or Boulder, Colorado. Boulder is twelve miles by county road SE of Jamestown. The closest ore buying station is at Rifle, Colorado, 222 miles by road West of Overland Mountain, via U. S. Highway No. 6.

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

Water can be obtained from the South St. Vrain Creek 1 1/2 miles on 4e. county road NW of property.

THE EXPLORATION PROJECT

To properly explore the Overland Mountain Claim Group a major effort 7b. must be made to determine the geologic factors which control the ore occurrences discovered by previous exploration. This effort will also reasonably delineate and sample any ore zone so that an intelligent decision can be made regarding the desirability of continued exploration in the area.

Accompanying the drilling program a stripping program should be initiated in an attempt to locate other favorable areas along the strike of the main shear zone so that they may be drilled. One such area has already been located in the area of Pits No. 3, 4, and 5 where a high surface count has been found along with a granite-gneiss contact that must be between Pits No. 3 and No. 5. Additional drilling should be approved at this time so that any new favorable areas found by the stripping operation can be included in this project.

The stripping and drilling program shall be instituted in the following manner:

Stripping -- The existing access road will be reworked from the county road into the Fairday drilling area only where difficulty may be expected from wet weather. The drilling area is about one and one-half miles from the county road. The drill roads will be constructed as indicated on Plate No. 3.

Upon completion of the above program, work will begin immediately on the stripping project. The overburden is from one to five feet deep.

The stripping will be at right angles to the main shear zone, approximately every one hundred feet along the shear. Once the shear zone has been located, stripping will be limited to one hundred feet on each side of the shear zone. Special attention will be given to any outstanding anomaly between stripped lanes by stripping only enough to expose the bed-rock along the anomaly. Any zone along the old stripped surface or drill road that needs to be exposed for study will be restripped.

Stripping will begin approximately twenty feet Northeast of survey station No. 7 and trend Northwest-Southeast. Four lanes will cross the shear zone to the Southwest.

Stripping to the Northeast along the shear zone will begin at Pit No. 5 and continue approximately every one hundred feet as long as the zone appears favorable. One lane will be stripped approximately one hundred feet Southwest of Pit No. 5 and will extend for one hundred feet over the crest of the hill crossing a known anomaly. See Plate No. 3 for stripping plan.

Drilling -- The drilling program shall be divided into two stages. Stage one will accompany the stripping program and will be disigned to add information to the Pit No. 1 and No. 2 zones, and to explore the favorable area Northeast of Pit No. 3. Stage two will first test the Pits No. 1 and No. 2 zones at the greatest depth practicable, provided these zones still appear favorable after stage one has been completed. Stage two will also set aside footage with which to explore any favorable zone or zones discovered by the stripping program. Any new zone should be drilled with at least three holes that will cut it eighty or one hundred feet below the surface outcrop. The horizontal angle between each hole should be no greater than twenty degrees.

LA SALLE MINING CO.

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GRAND JUNCTION, COLORADO

Stage One: Two holes will be drilled under the Pit No. 2 zone, three holes in the Pit No. 1 zone and three holes Northeast of Pit No. 3. The following is a description of each hole proposed. See Plate No. 3 for drilling plan.

Drill Set-Up	Hole No.	Angle	Approx. Depth Hole Will Cut Shear Zone Below Pit No. 2 Elev.	T. D.	Remarks
CLS#10	CLS#10	60°	260'	400'	
	CLS#11	60°	260'	400'	
CLS#12	CLS#12	60°	270'	360'	
	CLS#13	60°	270'	360'	
	CLS#14	60°	270'	360'	
CLS#15	CLS#15	40°	150'	400'	
	CLS#16	40°	150'	400'	
	CLS#17	40°	150'	400'	
Total	3	8		3080 feet	

Stage Two: Two holes will be drilled under the Pit No. 1 zone and two holes under the Pit No. 2 zone. The following is a description of each hole proposed and of the footage to be used on zones not yet located. See Plate No. 3.

Drill Set-Up	Hole No.	Angle	Approx. Depth Hole Will Cut Shear Zone Below Pit No. 2 Elev.	T. D.	Remarks
CLS#10	CLS#18	75°	490'	660'	
	CLS#19	75°	490'	660'	
CLS#12	CLS#20	75°	510'	660'	
	CLS#21	75°	510	660	
	15 holes that will average 300 T. D. each			4500'	This amount of footage should be set-up for drill set-ups located by the stripping operation
Total	2 plus 19			7140 feet	

PROJECT TOTAL 10220 feet

Holes will be drilled with at least two Diamond core riggs, skid type or truck mounted, capable of drilling angle holes. Holes will be started NX, changed to BX when surface casing has been set, and bottomed BX unless it is necessary to case a certain zone and bottomed AX. No hole will be bottomed smaller than AX even if some BX reaming is necessary. These holes will be logged and probed by a competent geologist who will estimate the ore zone depth and see that every effort is made on the part of the drillers to obtain the best core possible in the ore zone.

All the information realized from the proposed exploration program will be handled in the same manner as the previous work was handled in this report. This information will then be studied and a development drilling or tunneling program will be inaugurated by and at the expense of the La Salle Mining Co., to determine the ore reserves of this area. If these prove sufficient, the La Salle Mining Co. will proceed with mining operations.

Since its organization in 1949, La Salle Mining Co. has had con-
5d. siderable experience in both exploration and mining of Uranium bearing ores.

Current activities of the La Salle Mining Co. consist of the following:

1. Mining operation on the Reserve Block No. 5 of the A. E. C. located on Club Mesa near Uravan, Colorado.

2. Mining operation on the "A" Group of claims located on Mineral Point in the Inter-River Area, Utah.

3. Exploration and development drilling program completed in portions of the Circle Cliff Area, Utah.

4. Exploration and development of the Tyrano Group of claims located in Red Canyon, Utah.

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

5. Exploration of the Cottonwood School Section under Docket D. M. E. A. 3868 (Uranium) Contract Idm - E 906.

6. Drilling program in the Grants, New Mexico Area.

7. Mining contractors for Union Carbide Nuclear Company.

ESTIMATE OF COSTS

Independent Contracts:

6a. See Appendix C for bids.

Road Contractor:	
48 hours - work over old road - move in	
60 hours - build new drill roads	
200 hours - stripping	
308 hours @ $12.00 per hour	$ 3,696.00
Boyles Bros. Drilling Company:	
1. Mobilization of men and equipment	$ 300.00
2. Drilling	
Stage One:	
160 ft. core drilling 0-250' BX Size @ $6.25	$ 1,000.00
1840 ft. core drilling 0-250' BX Size @ $5.80	$10,672.00
1080 ft. core drilling 250'-500' BX Size @ $6.40	$ 6,912.00
Stage Two:	
380 ft. core drilling 0-250' BX Size @ $6.25	$ 2,375.00
4370 ft. core drilling 0-250' BX Size @ $5.80	$25,346.00
1750 ft. core drilling 250-500' BX Size @ $6.40	$11,200.00
640 ft. core drilling 500-750' BX Size @ $7.25	$ 4,640.00
3. Reaming:	
For AX Size casing (est.) 750 ft. @ $3.60	$ 2,700.00
For BX Size casing (est.) 450 ft. @ $4.20	$ 1,890.00
4. Cementing:	
Cost of cement mud and substitutes plus $12.00 per hour estimated	$ 2,500.00
5. Standby time, delays, etc. (probing 27 holes) (estimated) 120 hours @ $12.00 per hour	$ 1,440.00

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

6b. Supervision:

Geologist - 6 months @ $600.00	$ 3,600.00
Surveyor - 6 months @ $500.00	$ 3,000.00
Rodman - 6 months @ $400.00	$ 2,400.00
Expenses for above (Room & Board)	
3 men @ $9.00 per day each - 132 days @ $27.00	$ 3,564.00

6c. Operating Equipment:

6 months rental of surveying equipment @ $50.00 per month	$ 300.00
6 months rental on Jeep - gas, oil and repairs included @ $200.00	$ 1,200.00

6g. Miscellaneous:

Accounting - 6 months @ $200.00 per month	$ 1,200.00
Workmen's Compensation 3 men - 6 months @ $35.00	$ 210.00
Liability Insurance 3 men - 6 months @ $15.00	$ 90.00
TOTAL COST	$90,235.00

W. J. Chandler

W. J. Chandler
Geologist
LA SALLE MINING CO.

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

TABLE NO. 1

DRILL HOLE DATA - FAIRDAY LODE

Probed with a Minerals Eng. Co., Model 600-B - Calibrated to read .29 on 4th scale in a standard pulp of .29% U_3O_8

Hole No.	Depth from Ground	Floor	Count Reading	Scale	Core Recovery	Remarks
CLS #1	0	138	2	5	135	
	138	139	14	5		
	[illegible]	140	68	4		
		140.5	46	2		
		141	70	2		
		141.2	44	1	R=4'	Recovery poor in ore zones
		141.5	62	2		No assays
		142	24	2		Probe indicates and average of
		142.5	34	3		3.0% U_3O_8 from 140'-142'
		143	42	3		
		143.5	32	3		Ore on probe from 138 - 147.5
		144	24	3	144	(Average greater than .10% U_3O_8)
		144.5	50	4	144	
		145	10	4		
		145.5	20	4		
		146	39	4		
		146.5	44	4	R=8'	
		147	14	4		
		147.5	10	5	154	
	147.5	162	6	5	159	
		163	16	5		
		163.5	28	5		Mineralized on probe from 163-165.5
		164	16	5		
		164.5	14	5	R=6'	(Average less than .10% U_3O_8
		165	28	5		
		165.5	14	5		
		166	6	5	166	
	166	169	6	5	166	
	169	170	12	5		
		171	18	5	R=6'	Kick on probe from 169 - 171
	171	184	6	5		
	184	247	4	5	173	
Probe T.D.-247'						
Hole T.D.-250'						
CLS #2	0	150	2	5	145	
	150	155	7	5		
		156	38	5		
		156.5	79	5		
		157	64	4	R=12'	Mineralized on probe 150 - 159
		157.5	40	5		

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

TABLE No. 1

Hole No.	Depth from Ground	Floor	Count Reading	Scale	Core Recovery	Remarks
CLS #2	157.5	159	8	5	160'	
(Contd)	159	227	6 to 4	5		
Probe T.D.-227'						
Hole T.D.- 238'						
CLS #3	0	145	5	5	141	
		145.5	8	5	R=13'	Kick on probe from 145 - 146
		146	12	5		
	146	169.5	5	5	156	
		170	10	5	156	Kick on probe from 169.5 - 171
		170.5	12	5	R=10'	
		171	6	5		
	171	191	5	5	177	
					177	
	191	192	8	5		
		192.5	11	5		
		193	12	5	R-24'	Kick on probe from 191 - 194
		193.5	12	5		
		194	7	5		
	194	320	6	5	210	
Probe T.D.=320'						
Hole T.D.=325'						
CLS #4	0	102	8	4	99	
		102.5	12	4		
		103	18	4		
		103.5	34	4		
		104	40	4	R=3.5'	
		104.5	62	4		
		105	59	4		
		105.5	52	4		
		106	48	4	106	
		106.5	48	4	106	
		107	26	4		
		107.5	22	4		
		108	18	4		Ore on probe from 102' - 121'
		109	16	4		
		110	16	4		
		110.5	22	4		
		111	31	4		
		111.5	40	4	R=1'	
		112	48	4		
		112.5	54	4		
		113	36	3		
		113.5	32	2		
		114	68	2		
	114	114.5	50	2		

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

TABLE NO. 1

Hole No.	Depth from Ground	Depth from Floor	Count Reading	Count Scale	Core Recovery	Remarks
CLS #4 (Contd)		115	52	2	115	
		115.5	52	3	115	
		116	44	3	R=1'	
		116.5	72	4	116.5	
		117	58	4	116.5	
		117.5	40	4		
		180	24	4	R=25'	
		118.5	18	4		
		119	18	4	119	
	119	121	16	4	119 R=7'	
	121	148	10	4	127	
					147	
		149	16	4	R-2.0 149	
					149	
		149.5	20	4		
		150	36	4	R=2'	Ore on probe from 149' - 152'
		150.5	62	4		
		151	70	3	151	
		151.5	60	2	151	
	151.5	152	56	2	R=2'	
	Probe T.D.=152					
	Hole T.D.=172.5				154	
CLS # 5	0	93	7	4	88	
		93.5	9	4		
		94	10	4		Kick on probe from 93 - 96.5
		95	9	4		
		95.5	7	4	R=9'	
		96	9	4		
		96.5	10	4		
	96.5	139	7	4	104 127	
		139.5	10	4		
	139.5	140	25	4		
		140.5	30	4	R=19'	Ore on probe from 139 - 141
		141	13	4		
	141	156.0	8	4	146 153	
	156.0	156.5	17	4	R=3'	
		157	20	4	157	
		157.5	33	4	157	
		158	50	3	R=1'	Ore on probe from 156 - 161
		158.5	90	3		

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

TABLE NO. 1

Hole No.	Depth from Ground	Depth from Floor	Count Reading	Count Scale	Core Recovery	Remarks
CLS #5		159	90	3	159	
(Contd)		159.5	60	3	159	
		160	52	4	R=3'	
		161	20	4		
	161	189	10	4	162	
	Probe T.D.=189					
	Hole T.D.=189					
CLS #6	0	35	4	4		
		36	8	4	35	
		37	18	4		
		38	12	4		
	38	43	8	4	R=8'	
		43.5	10	4		Kick on probe from 35 - 45
		44	10	4		
		45	8	4		
	45	72	6	4	63 / 63	
		73	10	4		
		73.5	14	4	R=8'	
		74	30	4		Ore on probe from 73 - 74.5
		74.5	20	4		
		75	8	4		
	75	89	5	4	89	
	89	90	7	4	R=2'	
	90	93	5	4	92	
	93	94	6	4		
		95	12	4	R=3'	
		95.5	12	4		
		96	15	3	96	
		96.5	61	3	96	
		97	56	3		Ore on probe from 95 - 102
		97.5	84	4		
		98	60	4		
		98.5	74	4	R=3'	
		99	70	4		
		99.5	82	5		
		100	60	5		
		100.5	50	5		
		101	25	5	101	
		102	20	5	101	
					R=2'	
	102	113	14	5	106	
	113	132	10	5		

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

TABLE NO. 1

Hole No.	Depth from Ground	Depth from Floor	Count Reading	Count Scale	Core Recovery	Remarks
CLS #6 (Contd)	132	169	8	5		
Probe T.D.=169						
Hole T.D.=211						
CLS #7	0	10	5	5	0	
		11	7	5		
	11	18	5	5	R=5'	
	18	20	7	5		
	20	22	5	5		
	22	28	7	5	27/27	
		29	10	5		
		30	15	5		
		31	10	5		Kick on probe 10 - 39
		32	7	5		
	32	35	8	5		
		36	10	5		
		37	14	5		
	37	39	10	5		
	39	54	6	5		
	54	57	8	5		
		58	10	5	R=10'	
		59	15	5		Kick on probe 57 - 62
		60	17	5		
		60.5	21	5		
		61	18	5		
		62	11	5		
		63	9	5		
		64	10	5		
	64	67	11	5		
	67	69	10	5		
		70	16	5		
		71.5	17	5		
	71.5	73	16	5		
		73.5	12	5		
		74	15	5	74/74	
		75	20	5		
		76	25	5		Mineralized on probe 70 - 87
		76.5	34	5		
		77	72	5		
		78	24	5		
		79	15	5		
	79	80	11	5		

LA SALLE MINING CO.

BOX 217

GRAND JUNCTION, COLORADO

TABLE NO. 1

Hole No.	Depth from Ground	Floor	Count Reading	Scale	Core Recovery	Remarks
CLS #7 (Contd)	80	81	10	5	R=8'	
		82	11	5		
		83	14	5	83	
		84	19	5	83	
		85	20	5	R=19'	
		86	18	5		
		87	11	5		
	87	150	7	5	111	
Probe T.D.=150						
Hole T.D.=157						
CLS #8	0	132	6	5	126	
	132	134	7	5		
	134	139	9	5		
		140	10	5	R=36'	Kick on probe from 134 - 142
		141	14	5		
		142	11	5		
	142	268	6	5	166	
Probe T.D.=268						
Hole T.D.=270						
CLS #9	0	122	8	5	91	
	122	126	10	5		
	126	129	12	5	R=35'	Kick on probe 122 - 130
	129	130	10	5		
	130	178	8	5	136	
Probe T.D.=178						
Hole T.D.=179						

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
Feb. 11,1955	Feb.11,1955 at 3:12 P.M.	971	468		1

5[illegible]72

LOCATION CERTIFICATE

Coliowa Uranium Corporation
Clark H Clark Agent

Claims by right of discovery and location, 1500 feet on the

Colowa Lode
Central M.D.

Described:Beginning at cor. No. 1 the non. Cor. No.2 U.S.Sur. No. 532 Baltimore Belle Lode bears S. 13° 30' W a distance of 275 feet,and the Colowa discovery shaft bears S 62° W a distance of 545 feet;thence S 13° 30' W 600 feet to cor. No.2,thence N 76° 30' W 750 feet to South side center;and 1500 feet to cor. No.3,thence N 13° 30' E. 600 fat to cor. No.4; thence S 76° 30' E. 750 feet to North side center;and 1500 fat to cor. No.1,the point of beginning. Situate in NW¼, the NE¼, and the SW¼ of Sec 23 T. 2 N.R. 72 W.
Discovered: Dec.20,1954 Located: Feb.10,1955

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
Feb.11, 1955	Feb. 11, 1955 at 3:13 P.M.	971	469		5

[illegible]1033

LOCATION CERTIFICATE

Coliowa Uranium Corporation
Clark H. Clark,Agent

Claims by right of discovery and location, 1500 feet on

Colowa No. 1 Lode,
Central M.D.

Described: Beg. at cor. No. 1 whence cor. No. 2 U S Sur No. 532 Baltimore Belle Lode Bears S 13° 30' W a distance of 276 feet,and the Colowa No. 1 discovery shaft bears S 7° 55' W a distance of 305 feet;thence S 76° 30' E 750 feets to North Side center;and 1500 feet to cor. No. 2;thence S 13° 30' W. 600 feet to cor. No. 3;thence N 76° 30' W 750 feet tosouth side center; and 1500 feet to cor. No. 4;thence N 13° 30' E 600 feet to cor. No. 1 the point of beginning.

Discovered: Dec. 22, 1954. Located Feb. 10, 1955

Situate in SE¼&NE¼ of Sec. 23, T. 2 N, R. 72 W.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
Feb.11,1955	Feb.11,1955 at 3:11 P.M.	971	467		8

[illegible]1031

AMENDED LOCATION CERTIFICATE

R.L.Busty
By Clark H.Clark,Agent

Claims by right of discovery and/location, amended certificate, 1100 feet on the

Maybe Lode,
Central M.D.

Described: Beg. at cor. No. 1 whence Cor. No. 2 U.S. Sur. No. 532 Baltimore Belle Lode bears S 62° 05' W a distance of 253 feet,and the Maybe discovery shaft bears S 13° W a distance of 316 feet;thence S 30° E 600 feet to cor. No.2;thence S 60° W 550 feet to South side center, and 1100 feet to Cor. No.3;thence N 30° W 600 feet to cor. No 4;thence N 60° E. 550 feet to North side center;and 1100 feet to cor. No. 1,the point of beginning.
Situate in NE¼,and the SE¼ of Sec. 23,T. 2 N.R. 72 W. of the 6th P.M.,

Originally located May 17, 1954,recorded Dec.3,1954, in Book 966 page 12
Discovered: May 17, 1954 Date of Amended Location: Feb.10,1955

BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.
BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.
BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
Feb. [illegible], 1955	Feb. 2[illegible], 1955 at 12:57 P.M.	972	306		12

[illegible]2461

LOCATION CERTIFICATE

R.A. Kreiss
Clark H. Clark

Claiming right of discovery and location, 1500 feet on the

Samson Lode,
Central M.D.

described: Beginning at cor. No. 1, whence Cor. No. 2 U.S.Sur. No. 532 Baltimore Bell Lode bears N. 50° 30' E. a distance of 455 feet; and the Samson discovery shaft bears N. 68° W. a distance of 1042 feet; thence S. 75° 00' W. 750 feet to south side center, and 1500 feet to cor. No. 2; thence N. 62° 30' E. 600 feet to cor. No. 3, thence N. 75° 00' E. 750 feet to North side center; and 1500 feet to cor. No. 4; thence S. 62° 30' E. 600 feet to cor. No. 1, the point of beginning.
Situate in Sec. 23 T. 2 N.R. 72 W.
Discovered: Feb. 14, 1955. Located: Feb. 24, 1955.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
Feb. 11, 1955	Feb. 11, 1955 at 3:14 P.M.	971	470		14

[illegible]1934

LOCATION CERTIFICATE

Robert Ellis
Carl A. Peterson
By Clark H Clark
Agent

Claims by right of discovery and location, 1500 feet on the

Eureka Mine Lode
Central M.D.

described;
Beg. at cor. No. 1, whence Cor. No. 2 U S Sur No. 532 Baltimore Belle Lode bears N. 58° 45' E. a distance of 694 feet, and the Eureka Mine discovery shaft bears S 44° 15' W. a distance of 581 feet; thence S 15° E. 600 feet to cor. No. 2; thence S 75° W. 750 feet to south side center; and 1500 feet to cor. No. 3; thence N 15° W. 600 feet to cor. No. 4; thence N 75° E. 750 feet to North side center; and 1500 feet to cor. No. 1, the point of beginning
Discovered: Jan. 13, 1955. Located: Feb. 10, 1955
Situate in S½ Sec. 23, T. 2 N, R. 72 W.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
March 17, 1955	March 17, 1955 at 11:57 A.M	974	113		24

553427

LOCATION CERTIFICATE

R.L.Busby
Clark H.Clark

Claims by right of discovery and lkocation, 1500 feet on the

Glory No. 2 Lode, Centrl M.D.

described by metes and bounds as follows: Beginning at corner No. 1, identical with Cor. No. 4 of the Glory No. 1 Lode, whence Cor. No. 2 U.S. Survey No. 532 Baltimore Bell Lode bears N. 4° 15' E a distance of 1273 feet, and the discoveryshaft bears S. 42° E. a distnce of 327 feet; thence S. 56° E. 600 feet to cor. No. 2, identical with Cor. Np. 3 Glory No. 1 Lode; thence S. 34° W. 750 feet to east side center and 1500 feet to cor. No. 3; thence N. 56° W. 600 feet to cor. No. 4; thence N. 34° E. 750 feet to west side center, and 1500 feet to Cor. No. 1, the point of beginning.
Situated in the SE¼ of Sec. 23, T. 2 N.R. 72 W. of 6th P.M.
Discovered: Jan. 22, 1955. Located: Jan. 22, 1955.

All corners in place consisting of hewn posts with mounds of stone and stamped aluminum identification tags.

BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.
BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.
BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.

THE BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
Feb. 25, 1955	Feb. 25, 1955 at 12:55 P.M.	97[illegible]	384		20

552459

R.L.Busby

AMENDED LOCATION CERTIFICATE

Claims by right of discovery and this amended location certificate, 1500 feet on the
Fair Day Lode.
Central Mining District,

Described: Beginning at cor. No. 1, identical with Cor. No. 4 of the Fair Day No. 3 Lode; thence Cor. No. 2, U.S. Sur. No. 532 Baltimore Bell Lode bears N. 42° 15' E. a distance of 1595 feet, and the Fair Day discovery cut bears S. 62° 30' W. a distance of 730 feet; thence S. 37° 00' W. 750 feet to south side center, and 1500 feet to cor. No. 2; thence N. 56° 30' W. 601 feet to Cor. No. 3; thence N. 37° 00' E. 750 feet to North side center, and 1500 feet to cor. No. 4; thence S. 56° 30' E. 601 feet to cor. No. 1 the point of Beginning.
Amended to correct ties and bearings.
Located in SE¼ Sec. 23 T. 2 N. R. 72 W. of 6th P.M.
Originally located Jan. 30, 1955, recorded Jan. 31, 1955, in Book 962, page 458.
Discovered: Jan. 30, 1955.
Date of Amended Location: Feb. 24, 1955

THE BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
Feb. 25, 1955	Feb. 25, 1955 at 12:56 P.M.	972	385		21

552460

R.L.Busby

LOCATION CERTIFICATE

Claims by right of discovery and location,
1500 feet on the
Fair Day No. 3 Lode,
Central M.D.

Described: Beginning at cor. No. 1, thence Cor. No. 2 U.S. Sur. No. 532 Baltimore Bell Lode bears N. 20° 45' E. a distance of 1618 feet, and the Fair Day No. 3 discovery shaft bears S. 85° 15' W. a distance of 398 feet; thence S. 37° 00' W. 750 feet to south side center, and 1500 feet to cor. No. 2; thence N. 56° 30' W. 601 feet to cor. No. 3, identical with Cor. No. 2 Fair Day Lode; thence N. 37° 00' E. 750 feet to North side center, identical with South side center Fair Day Lode, and 1500 feet to Cor. No. 4, identical with Cor. No. 1 Fair Day Lode; thence S. 56° 30' E. 601 feet to cor. No. 1, the point of beginning.
Situate in SE¼ of SW¼ Sec. 23 T. 2 N. R. 73 W.
Discovered: Feb. 12, 1955. Located: Feb. 24, 1955

THE BOULDER COUNTY ABSTRACT OF TITLE CO., BOULDER, COLO.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
March 17, 1955	March 17, 1955 at 11:56 A.M.	974	112		23

553426

R.L.Busby
Clark H.Clark

LOCATION CERTIFICATE

Claim by right of discovery and location, 1500 feet on the

Glory No. 1 Lode, in Central M.D.

described by metes and bounds as follows: Beginning at corner No. 1, whence Cor. No. 2 U.S. Survey No. 532 Baltimore Bell Lode bears N. 88° 30' W. a distance of 736; thence S. 56° E. 600 feet to cor. No. 2; thence S. 34° W. 750 feet to east side center, and 1500 feet to cor. No. 3, identical with Cor. No. 2 Glory No. 2 Lode, whence discovery shaft bears North 32° 45' W. a distance of 334 feet; thence N. 56° W. 600 feet to cor. No. 4, identical with Cor. No. 1 Glory No. 2 Lode; thence N. 34° E. 750 feet to west side center and 1500 feet to Cor. No. 1 the point of beginning. Situated in the SE¼ of Sec. 23, T. 2 N.R. 72 W. of the 6th P.M. All corners in place consisting of hewn posts with mounds of stone and stamped aluminum identification tags.
Discovered: Jan. 22, 1955. Located: Jan. 22, 1955.

THE BOULDER COUNTY ABSTRACT OF TITLE CO. BOULDER, COLO.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
Book 79 page 369 continued, page 2				Continuation of	34

inches square, marked "3-532" from which the center of Discovery shaft bears with magnetic variation at 14° 15' East, South 83° 22' East at the distance of 729 feet, thence from said cor. No. 3 North 12° 32' East, 150 feet to cor. No. 4, a post 5 inches square marked "4-532" from which a spruce tree, 14 inches in diameter blazed, and marked "4-532" B.T. bears with magnetic variation at 13° 50' East South 53° 30' East, at the distance of 51 feet, thence, from said cor. No. 4, south 77° 28' east, 1500 feet to the place of beginning, containing five and sixteen hundredths acres of land, more or less, and embracing 1500 linear feet of the Baltimore Belle Lode, to with, 725 linear feet northwesterl and 775 linear feet south easterl, from center of discovery shaft on said lode, as represented by yellow shading in the following plat.

(Here follows plat)

Subject to all vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local laws, customs and decisions of Courts.

THE BOULDER COUNTY ABSTRACT OF TITLE CO. BOULDER, COLO.

Date of Instrument	Date of Filing, Time	Book	Page	Date of Acknowledgment	Entry
August 16, 1883	Aug. 25, 1892 at 11:25 A.M.	79	369		34

UNITED STATES OF AMERICA
By the Pres: Chester A. Arthur
By Wm. H. Crook, Secretary
S. W. Clark, Recorder of the
General Land Office
(General Land Office Seal)
TO
H. B. Benton

PATENT

GRANTS: Baltimore Belle Lode, Lot No. 532, embracing a portion of Section 23, T. 2 N. R. 72 W. of 6th P.M. in Central Mining District containing 5.16 acres more or less platted with magnetic variation as hereinafter stated: Beginning at corner No. 1 a post 5 inches square, marked "1-532" from which the North east corner of Sec. 24 T. 2 N. R. 72 W. of the 6th P.M., bears with magnetic variation at 14° 30' East, north 75° 26' East at the distance of 7066 feet; a pine tree 20 inches in diameter, blazed and marked "1.532" B.T. bears South 67° west at the distance of 17 feet, and cor. No. 2 of Lot No. 379 made for the Kismet Lode, bears North 60° 9' east, at the distance of Forty five hundred and fifty eight (5558) feet; thence, from said cor. No. 1 South 12° 32' West, 150 feet to cor. No. 2, a post 5 inches square marked "2-532" from which a pine tree, 12 inches in diameter blazed and marked "2 B.T." bears, with magnetic variation at 14° 15' East, South 77° West, at the distance of 23 feet, thence from said Cor No. 2, North 77° 28' West, 1500 feet to cor. No. 3, a post 5

(continued next page)

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DATE	INITIALS	CODE

A G R E E M E N T

THIS AGREEMENT Made and entered into by and between COLIOWA URANIUM CORPORATION, a Delaware corporation, hereinafter referred to as "Coliowa", and LA SALLE MINING COMPANY, a partnership consisting of G. T. Rummel, Roy M. Eidal, M.M. Hardin and Mathew P. Rowe, hereinafter referred to as "La Salle",

R E C I T A L S

I

A. Coliowa represents it is the owner and in possession of the following unpatented mining claims situate in the Central Mining District, County of Boulder, State of Colorado, to-wit:

> The Colowa, Colowa No. 1, Samson, Glory No. 1, and Glory No. 2,

the location certificates for which are recorded in the Boulder County records as follows:

Name	Book	Page
Colowa	971	468
Colowa No. 1	971	469
Samson (original)	971 972	386
Glory No. 1	974	112
Glory No. 2	974	113

That each of said claims were located in full compliance with all applicable laws, decisions, regulations and statutes of the United States of America and of the State of Colorado; that it, or its officers, have no knowledge of the existence of any adverse claims having been asserted against it or its predecessors in interest as to any of said claims and that no such adverse claims are now, formally or informally, being asserted, maintained or threatened; that all annual labor required to have been done by applicable statutory enactments of the United States and the State of Colorado has been seasonably done and performed.

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DATE	INITIALS	CODE

B. Coliowa represents it is the owner of certain mining leases as follows:

a. Lease dated June 15, 1955, from R. L. Busby;

b. Lease dated July 14, 1955, from Robert Mills and Carl A. Peterson;

c. Lease dated June 15, 1956, from Earl W. Balis;

d. Lease dated June 15, 1955, from Charles E. Green, Thomas B. Green, and Margaret G. Schnackenberg.

(Lease "c" covering a 3/4ths interest and "d" a 1/4th interest in the Baltimore Belle).

True copies of said leases are hereto attached as Exhibits "A", "B", "C", and "D", respectively, and by reference incorporated herein; said leases collectively covering the following mining claims in said District, County and State:

Fair Day, Fair Day No. 3, Maybe, Eureka, and Baltimore Belle.

That each of said leases is a valid, subsisting lease; that said leases and the leasehold estate of Coliowa is not burdened by any royalty of any nature or any payment out of production other than the royalty payable said lessors as provided in each of said leases; that it has secured the written consent of each of said lessors to the making of this contract and that true photostatic copies of such consents are hereto attached as Exhibits "E", "F", "G", and "H"; that all sums of money due each lessor under Exhibits "A", "B", "C", and "D", accrued, due or payable as of the effective date hereof have been paid in full; that there are no modifications or amendments of any of said leases, formal or informal, written or verbal.

C. Coliowa represents that:

a. No action or approval of its stockholders, or any portion thereof, or of any regulatory body, official, administrative agency, of the United States or of the State of Colorado is necessary to the validity of this agreement;

b. That its Board of Directors has, at a meeting held in compliance with the Corporation Laws of the State of Delaware, and at which meeting a quorum was present, duly approved this agreement and directed the officers signing the

same on its behalf to execute and deliver these presents; that a certified copy of the minute record of such meeting will be delivered to LaSalle on request.

D. Coliowa represents that there are no taxes now due and payable against said mining claims or any of them; that as to any taxes accruing against the same for the year 1956 and payable in 1957, it will pay or cause the same to be paid on or before the due date thereof.

II

La Salle, being desirous of securing from Coliowa the right to possess, occupy, explore, develop, operate and mine said claims as herein provided,

NOW, THEREFORE, In consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto covenant and agree as follows:

III

DEFINITIONS

When used herein:

A. The term "operator" shall refer to La Salle;

B. The term "nonoperator" shall refer to Coliowa;

C. The term "working interest" shall refer to the rights of La Salle hereunder and of Coliowa in the leases and to their ownership rights in the mining claims described in paragraphs IA and IB, Recitals, supra;

D. The term "mining property" shall refer to and include all of said mining claims;

E. The term "exploration" or "exploration operation" shall refer to the work of prospecting for and searching

a. as to the claims covered by leases from third parties, as to all suchores and elements covered by said leases,

b. as to claims owned by Coliowa, to any and all minerals and ores of any nature, and to the exploring of mineral deposits when found to ascertain its size, shape and value

F. The term "development" or "development operation" shall

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RECEIVED APR 10 1957

DATE	INITIALS	CODE

refer to the work of driving or excavating openings to and in a proved deposit of ores or minerals to gain access thereto for mining;

G. The term "producing" or "producing operation" shall refer to mining, extracting and handling ores or minerals found on or in said mining property and all work reasonably incident thereto;

H. The term "commercial ore" or "commercial ore body" shall refer to an ore body of sufficient size, location and grade to enable it to be mined by La Salle at an economic profit. The fact that an ore body may contain ore of .20 per cent or more of U_3O_8 shall not be conclusive of the existence of a commercial ore body; but cost, or reasonably anticipated cost, of producing ore shall be considered in determining whether an ore body is commercial.

IV

TITLES

Coliowa has furnished La Salle with an abstract of title covering the mining property. While La Salle now accepts the titles, if at a later date La Salle considers it wise or precautionary to amend the location certificates, based on legal and engineering advice, such amendments shall be made.

V

Coliowa shall at once place La Salle in the peaceful and exclusive possession of said mining properties, and so keep La Salle in such peaceful possession, at the expense of Coliowa during the period, or any extension thereof, of this agreement.

VI

INTENT OF AGREEMENT

It is the intent of this agreement, whether the same be regarded as a lease as to the properties owned by Coliowa and as a sublease of the balance of the properties, that La Salle shall have the right of occupancy, exclusive possession, and the right to explore, develop, mine, produce and sell ores

and valuable substances therefrom, subject only to the terms hereof and to the terms of the leases, Exhibits "A", "B", "C", and "D", hereto attached, and Coliowa, by the execution and delivery of this agreement, declares its intention is to vest in La Salle all rights necessary to effectuate the intent hereof and, without limitation, create and vest in La Salle the right of property in all ores produced from the property.

VII

COVENANTS OF LA SALLE

A. Upon being placed in peaceful possession of the mining property by Coliowa, La Salle agrees within a reasonable time to institute such exploration operations as it deems proper and necessary;

B. It agrees to pay Coliowa $11,000.00 as of the effective date of this agreement, the same to be an advance on sums due Coliowa hereunder;

C. To do and perform annual labor as required by law on those portions of the mining properties which are unpatented, and to do and perform the work requirements on the leasehold mining properties as provided in Exhibits "A", "B", "C", and "D";

D. If commercial ore is encountered, La Salle shall institute mining operations within a reasonable time. All ores shall be shipped and sold in the name of La Salle.

VIII

THE OPERATOR

La Salle shall be the operator of the mining properties. As such operator La Salle shall have and retain, subject to the terms and conditions of this agreement, the sole and exclusive charge of, and the right to conduct or cause to be conducted the further exploration, development, mining and all other operations on said mining property. Operator shall conduct its operations hereunder in a good and minerlike manner and with due regard to the development and preservation of said mining property as a workable mine and in keeping with the applicable Federal and State mining laws and regulations

relating to mining operations.

Coliowa may employ as its agent, Charles O. Parker of Denver, Colorado, as a consultant. Coliowa may in writing notify La Salle of Parker's conclusions and recommendations. His fees shall, so far as reasonable, be regarded and payable by La Salle as an expense of exploration or producing. While all operations shall be conducted by La Salle, as above provided, if Coliowa excepts to the methods of La Salle it shall so notify La Salle in writing. If La Salle does not desire to accept the written request of Coliowa as to operations the disagreement shall be resolved by arbitration as follows:

> Each party shall designate one arbitrator, and the in turn a third. The written objections of Coliowa shall be presented to the arbitrators, who, upon consideration of the same, and examination of the mining properties, if deemed desirable by them, return a written report to each party. The majority report of the arbitrators shall be binding upon the parties. Such report shall be made within three weeks from the appointment of the third arbitrator. Arbitration procedure may be initiated by either party and the entire expense thereof shall be paid directly and solely by the party requesting the same.

IX

DISTRIBUTION OF COSTS, EXPENSES AND REVENUES

After La Salle assumes the operations of said mining property, all further costs, expenses, liabilities and royalties on leases accruing or resulting from the exploration, development, producing and all other operations in, on or for the benefit of the aforementioned mining property pursuant to this agreement shall be shared and borne equally by the parties hereto. La Salle shall pay and discharge all costs and expenses incurred for the joint account of the parties hereto and shall charge Coliowa with its proportionate share thereof. La Salle shall at all times keep the joint interests of the parties hereto in and to the aforementioned mining property and equipment thereon free and clear of all laborers and mechanics' liens.

The parties hereto shall own all production of ores and minerals produced from said mining property, subject to the payment of the royalties payable to lessor, and all equipment and material acquired pursuant

hereto and all other benefits accruing hereunder in equal proportions, subject to the rights and obligations herein contained. It is specifically understood that should said mining leases and the leasehold estates created thereby be burdened on the date of this agreement with any additional royalties, overriding royalties or other payments out of production not herein specifically mentioned, the same shall be borne and paid entirely by Coliowa out of its proportionate part of the production from said mining property as herein provided.

The cost of La Salle's executive personnel and accounting employees, not to exceed $1,000.00 a month, as actually charged or expended, shall be recoverable in its entirety by La Salle.

The resultant net profit shall belong to the parties hereto equally, share and share alike. La Salle shall retain in its possession a fund from the net profit in an amount reasonably necessary to assure continued exploration, development and operation; the balance of net profit shall be distributed monthly between the parties. If, at the end of any calendar year, La Salle has distributed to Coliowa an amount in excess of the share due Coliowa, the same shall be charged against the net profits accruing to Coliowa from subsequent production; likewise, any deficiency shall be paid upon determination.

X

LIMITATIONS ON LA SALLE

Operator shall not conduct any exploration or development operations hereunder on the above described mining property for the joint account of the parties hereto until it shall have first secured Coliowa's consent thereto. The parties hereto shall mutually determine the extent of the exploration and development operations to be carried on by La Salle and shall mutually approve or disapprove all exploration and development programs to be performed for the joint account of the parties on the subject mining property. La Salle shall not undertake any single project in its producing operations on the mining property for the joint account of the parties hereto which would

reasonably be expected to require expenditure in excess of $25,000.00 without first securing the written approval of Coliowa.

XI

RIGHTS OF COLIOWA

Coliowa shall have the following specific rights and privileges:

A. Access to the mining property at all reasonable times to inspect work of exploration, development, producing and all other operations thereon,

B. The right at all reasonable times to inspect, copy and audit La Salle's books, records and invoices pertaining to any matter of accounting arising hereunder.

The foregoing rights specifically granted to Coliowa shall not be construed as a limitation of any other rights hereunder of Coliowa.

XII

EMPLOYEES

In the exercise of its rights as Operator hereunder, La Salle shall determine the number and type of employees to be hired and the hours of labor and compensation for services to be paid them in accordance with good field practice in the area. All such employees shall be the employees of La Salle except where an independent contractor is engaged to conduct such exploration, development and producing operations.

XIII

TAXES

La Salle shall pay, as the same become due and payable, all taxes levied or assessed against the said mining property and the production therefrom, and against all personal property acquired in operations hereunder, including but not limited to ad valorem, production, severance, sales, use and like taxes. Coliowa shall be charged with its proportionate part of the total taxes so paid and expenses incurred in connection with the payment thereof.

XIV

INSURANCE

La Salle shall at all times while conducting operations hereunder, carry and maintain the following insurance for the joint benefit of the parties hereto applicable to all operations conducted under this agreement:

A. Workmen's Compensation insurance to comply with all applicable Workmen's Compensation laws;

B. Manufacturers and Contractors Public Liability insurance with limits of $50,000.00 per person and $100,000.00 per accident;

C. Automobile Public Liability insurance with limits of $50,000.00 per person and $100,000.00 per accident for bodily injury and $50,000.00 per accident for property damage.

All losses not covered under standard form policies of insurance for hazards set out above shall be borne by the parties hereto as their interests appear at the time of any loss.

La Salle shall notify Coliowa immediately of any occurrence where loss or liability may exceed $1,000.00.

XV

DURATION AND TERMINATION

This agreement shall become effective upon execution, provided that the consents referred to in paragraph I as Exhibits "E", "F", "G", and "H", have been secured and are hereto attached at the time of execution; if this agreement is executed prior to the securing of such consents, the effective date hereof shall be the date upon which such consents ase delivered to La Salle and if the same are not so delivered within thirty days from the execution date, this agreement shall be deemed void and to have never come into effect.

If this agreement comes into effect, it shall continue as long as profitable production is encountered. La Salle may terminate this agreement either in whole or in part as to any one or more of the mining claims, by notifying Coliowa of its intention to so do.

Coliowa may terminate this agreement upon violation by La Salle of any covenant hereof, provided that before such termination shall be effective, La Salle shall be given sixty days written notice of such violation and if La Salle shall within such sixty day period institute steps and diligently to correct the same, such termination shall not come into effect.

XVI

DECLARATION RE LEGAL STATUS OF PARTIES

It is the express purpose and intention of the parties hereto that their rights and interests hereunder and to said properties shall never be construed as creating a joint venture, mining partnership or other relationship whereby any party hereto shall be held for the acts, either of omission or commission, of the other party hereto.

Insofar as applicable to the parties hereto, each of such parties agrees to and does hereby elect to be excluded from the application of Subchapter K of Chapter I of Subtitle A of the Internal Revenue Code of 1954, or such part thereof as may be permitted or authorized by the Secretary of the Treasury of the United States or his delegate.

XVII

LAWS, REGULATIONS AND FORCE MAJEURE

This agreement shall be subject to the laws of the State of Colorado and to the applicable rules and regulations of the regulatory bodies of said St ate having jurisdiction thereof, and to all other applicable State anf Federal laws, rules and regulations.

All obligations of La Salle shall be suspended while, but only so long as, it is prevented from complying with such obligations, in whole or in part, by strikes, lockouts, Acts of God, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, inadequate facilities for transportation of materials, or disposition of production, any State or Federal laws, regulations or orders or other matters beyond the reasonable control of La Salle whether similar or dissimilar to the matters

herein specifically enumerated or not, provided, however, that performance shall be resumed within a reasonable time after such cause has been removed; and provided further that the operator shall not be required, against its will, to adjust any labor dispute, or to question the validity of or to refrain from judicially testing the validity of any State or Federal order, regulation or law.

XVIII

NOTICES

All notices and communications between the parties shall be given by mail or Western Union telegram, charges prepaid, addressed as follows:

Coliowa:	4201 Jackson Street Denver 16, Colorado
La Salle:	First National Bank Building Grand Junction, Colorado

XIX

TRANSFER

Either party may transfer or assign its interest herein, provided that before any such assignment shall be effective, the party desiring to assign or transfer shall notify the other party thereof and provide a photostatic copy of such proposed transfer, which shall include all information relative thereto; the party receiving such notice shall have ten days thereafter within which it may elect to buy the other party out on the same terms and thirty days thereafter to make the required payments.

Executed this 2nd day of January, 1957.

COLIOWA URANIUM CORPORATION

By Douglas L. McGuinness
President

Attest:
Russell W. Bartels
Secretary

LA SALLE MINING COMPANY

By [illegible]

STATE OF COLORADO)
) ss
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 3d day of January, 1957, by Douglas S. McQuistan and Russell W. Bartels as President and Secretary respectively of Coliowa Uranium Corporation, a Delaware corporation.

Witness my hand and official seal.

My commission expires: Aug. 18, 1958

Notary Public

STATE OF COLORADO)
) ss
COUNTY OF ~~MESA~~ DENVER)

The foregoing instrument was acknowledged before me this 3RD day of January, 1957, by G. T. Rummel, who also having been by me first duly sworn, said that he executed the foregoing agreement for and on behalf of La Salle Mining Company, a partnership, and that he was thereunto duly authorized by all members of said partnership.

Witness my hand and official seal.

My commission expires: Aug. 18, 1958

Notary Public

COLIOWA URANIUM CORPORATION

4201 Jackson Street
Denver 16, Colorado

January 2, 1957

LaSalle Mining Company
Grand Junction, Colorado

Gentlemen:

A draft of a contract submitted for execution this 2d day of January, 1957, between Coliowa Uranium Corporation and LaSalle Mining Company is acceptable subject to the following express amendments listed below. Your acceptance of these amendments shall constitute a modification of that contract and shall be considered as being jointly executed with the contract and shall be construed and interpreted with the formal contract. Such amendments and modifications shall be as follows:

1. As to equipment purchased for and installed upon the mining properties, the property interest of Coliowa in such equipment shall be restricted to that portion of its price or cost as is represented by fifty (50) percent of the depreciation which is charged to the operation. That is to say, the equipment shall be considered as being paid by the operation to the extent only that depreciation is charged in the cost of the operation and the ownership of Coliowa shall be confined to fifty (50) percent of such portion of the property as is represented by depreciation.

2. It is expressly understood that the cost of the operation which shall be recovered by LaSalle prior to the division of any profits shall include the costs of the drilling and exploratory work which has been conducted by LaSalle commencing in October, 1956, and the $11,000.00 to be advanced under the agreement of January 2, 1957.

3. Section IX on page 6 of the contract of January 2, 1957, does not exactly describe the relationship of the parties. It is understood that all of the costs, expenses, liabilities and royalties on leases accruing or resulting from exploration, development, producing and all other operations in, on, or for the benefit of the aforementioned mining property

shall be paid by LaSalle. These costs shall be chargable to the operation and LaSalle shall recover the same out of all ore produced and profits remaining after LaSalle has recovered the same shall be divided equally between LaSalle and Coliowa. Except as LaSalle shall have the right to recover the same out of production, Coliowa shall not be chargable with such costs or expenses of exploration, development, etc. Except as the first paragraph of Section IX is amended by the foregoing statement, the remainder of said Section IX shall remain in force and effect.

4. Section XI shall include the right of Coliowa to inspect engineering and geological reports and data and all similar records and information pertaining to the operation.

5. In Section XIII taxes (except for federal and state income taxes) shall be paid from production and Coliowa shall be charged for such taxes only to the extent that there are profits or proceeds of such production to pay the same. Each party shall have to pay his own federal and state income taxes.

6. In the next to the last line of Section XV, the words "and seasonably" shall be interlined to provide that LaSalle shall, within a reasonable period, complete the correction of any violation upon which notice of termination has been given as well as instituting steps within the 60 day period provided.

7. Failure to obtain consent of assignment so far as the Baltimore Belle is concerned shall not render the contract void under Section XV.

8. After the operations provided for in the contract of January 2, 1957, have been commenced and reached a point where profits have been determined and distributed to Coliowa, it is understood that should operations thereafter agreed upon result at some future time in a loss being incurred by said operation, that to the extent that it has received profit in the year immediately preceding such loss, Coliowa shall bear fifty (50) percent of such loss.

With these amendments, Coliowa is willing to execute the contract as submitted.

Very truly yours,

Coliowa Uranium Corporation

By Douglas L. McQuistan
President

Attest Russell W. Bastels
Secretary

The above and foregoing amendments are expressly accepted and agreed to.

LaSalle Mining Company

By

Exhibit "A"

MINING LEASE
and
OPTION TO PURCHASE R. L. Busby

THIS AGREEMENT OF LEASE, Made and entered into this 15th day of June, A. D. 1955, by and between R. L. Busby of Nederland, Colorado, hereinafter called the Lessor, and Colliowa Uranium Corporation, a Delaware corporation, qualified to do business in the State of Colorado, hereinafter called Lessee;

WITNESSETH, That the said Lessor, for and in consideration of the rents, royalties, covenants and agreements hereinafter expressed to be paid, kept and performed by the said Lessee, has leased, let and demised and by these presents does lease, let and demise unto said Lessee the following described mining property and premises, situate in the Central Mining District, Boulder County, State of Colorado, to-wit:

Fair Day Lode Mining Claim, a possessory claim described in the amended location certificate recorded in the office of the County Clerk and Recorder of Boulder County, Colorado, in Book 972 at Page 384

Fair Day No. 3 Lode Mining Claim, a possessory claim described in the XXXXXXXX location certificate recorded in the office of the County Clerk and Recorder of Boulder County, Colorado, in Book 972 at Page 385

Maybe Lode Mining Claim, a possessory claim described in the amended location certificate recorded in the office of the County Clerk and Recorder of Boulder County, Colorado, in Book 971 at Page 467

TO HAVE AND TO HOLD the above described premises for the purposes of mining, for a primary term from the 15th day of June, A.D. 1955, to the first day of June, A. D. 1960, and so long thereafter as uranium or other ores may be mined therefrom at a profit, unless sooner surrendered, forfeited or terminated through the violation of any of the covenants and conditions herein contained.

The said Lessee in consideration of the premises has covenanted, contracted and agreed and by these presents does covenant, contract and agree to and with the Lessor, his executors, administrators and assigns:

1. To forthwith enter upon the property and during the first six months of the primary term to commence and continue exploratory work

thereon at such points and places as it may select. In the event such exploratory drilling or work results in the disclosure of ore and ore-bearing formation which in the sole opinion of Lessee warrants further drilling, it shall begin a comprehensive drilling program to outline the nature, value and extent thereof, carrying on such drilling program with reasonable diligence. All drill holes shall be marked and plugged, and Lessee shall furnish Lessor with copies of logs and maps with drill holes located thereon. And after said six months period, to work the same in mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of said mine or mining premises, as a workable mining property, and to the special covenants herein contained.

After the first six months of the primary terms R. L. Busby

2./ To work and mine said premises as aforesaid steadily and continuously during the primary and extended term of this lease and after said six months period to perform at least twenty (20) shifts of mining labor per month each and every month thereafter during the life of this lease. Lessee may do said mining labor upon any one of said claims.

3. Lessee shall perform annual labor on unpatented claims on or before May 15 of each calendar year and file the proper affidavits in the office of the County Clerk and Recorder of said Boulder County on or before June 1 of each year.

4. To carry on all drilling and mining operations in strict conformity with all applicable laws and regulations and good mining practice.

5. To allow the Lessor or his agent from time to time to enter upon and descend into all parts of said leased premises, for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such inspection, surveys or examination.

6. To occupy and hold as the property of the Lessor all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by the said

Lessee or any person or persons under or in privity with it, with privilege to said Lessee to work and mine the same as part and parcel of said premises.

7. The said Lessee covenants and agrees to pay and allow the Lessor as royalty upon all ores mined, shipped or sold from said leased premises in any manner during the life of this lease, as follows, to-wit:

> A sum equal to 15% of the proceeds of the sale of all ores mined or removed from the premises; Provided, however, that on all ores mined and sold as uranium ore, that is to say, on all ore sold for the U_3O_8 content, the royalty shall be as follows: (a) 5% on all ore containing less than 3/10 of 1% U_3O_8; (b) 7½% on all ore containing between 3/10 and 5/10 of 1% U_3O_8; (c) 10% on all ore containing between 5/10 of 1% and 1% U_3O_8; and (d) 15% on all ore containing over 1% U_3O_8;

All settlements on uranium ores to be made upon the smelter, mill or sampler net assay values and to include all bonus except development bonus and except haulage allowances, ~~and less proportionate share of cost of smelting and treatment~~. R. L. Busby Settlement on all other ores sold to be made upon the smelter, mill or sampler net assay values, deducting therefrom only the actual cost of transportation, smelting and treatment.

8. During the primary term of this lease only, the Lessor hereby grants an option to the Lessee, its successors and assigns, to purchase the herein described mining claims for $75,000.00, ~~or any one thereof for $38,000.00~~, R.L.B. R.N.M. all consideration paid for this lease and all royalties paid to the date of purchase to apply on the purchase price. The Lessor hereby acknowledges receipt of $2,000.00 paid to him prior to and coincidentally with the execution and delivery of this lease. In addition to the royalties provided herein, Lessee agrees to pay to Lessor the sum of $1,000.00 on or before August 1, 1955, and $1,000.00 on or before September 1, 1955, unless this lease shall be surrendered prior to the date either payment shall be made, it being understood and agreed that Lessee has the right to surrender this lease at any time and no such payment or royalties shall be due thereafter.

9. The Lessee shall and hereby does assume all responsibility in case of accident to or injury to any personwhatsoever, including any and all of its employees in or about said property.

10. All production taxes assessed against said demised premises for ores mined and shipped under this lease shall be paid by the Lessee before the same or any part thereof become delinquent.

11. All bills and expenses incurred by the Lessee or those in privity with it shall be promptly paid by the Lessee, and by said prompt payment said Lessee shall prevent the filing of any and all liens of miners, mechanics or material men, against said demised premises, and, if by reason of the failure of said Lessee to pay such bills or expenses, any lien or liens shall be filed against said premises, the said Lessor may forthwith pay off and discharge the same, and the said Lessee holds itself bound to pay to said Lessor all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, and the said Lessor may also at his election declare a forfeiture of this lease; Provided, however, the Lessor does hereby consent to the Lessee's obtaining a D.M.E.A. loan for development of said property and shall join with the Lessee in applying for and in signing all necessary papers to effectuate the same, it being understood and agreed that to obtain such a loan the United States government demands repayment only from ores produced from said mine, provided, however, any such loan shall be repaid solely out of the Lessee's share of production.

12. Lessor represents that he is the owner of the mining claims above described, that he is in possession thereof, and has complied with the mining laws of the State of Colorado and of the United States in connection with the location and maintenance of said claims, and has the right to lease the same; that the same are now free and clear of all liens and encumbrances save and except the general taxes for the year 1955, due and payable in the year 1956.

13. Lessee shall have the right on behalf of Lessor to take whatever measures may be required to protect, perfect and hold such mining claims against third parties not in privity with Lessor; and Lessor agrees to indemnify and reimburse Lessee for any funds expended by Lessee on any claims which are found to be invalid.

14. Lessee may surrender any one or more of said mining claims and may terminate this lease and said operations at any time upon giving Lessor thirty days prior written notice of its intention to surrender, whereupon this agreement shall terminate as to said claim or shall completely terminate, as the case may be, at the time so designated. Lessee shall have sixty days after termination for any cause within which to remove its equipment, provided that Lessee shall have performed the required assessment work for the mining year in which said termination occurs if such termination is to be effective prior to May 15th of the mining year. Sixty days prior to June 1, 1960, and annually thereafter, Lessee shall give written notice of its intention to continue such lease from year to year, specifying therein the claims to be retained.

15. The Lessee will take out and at all times during the term of this agreement keep in full force and effect insurance under and pursuant to the Workmen's Compensation Act of Colorado, as the same is now or as it may be from time to time if amended, as will fully insure the Lessee's and owner's liability with respect to any and all persons employed by the Lessee in or under the demised premises or in any operations of the Lessee under this lease.

16. Any notices which Lessor may desire to give to Lessee hereunder shall be considered sufficiently given if the same is directed and mailed to the Lessee at its offices in Boulder, Colorado, or to such other address in the County of Boulder as the Lessee shall hereafter designate in writing.

17. Should low grade ores be encountered and mined, it is specifically agreed that the Lessee shall have the right to stockpile the same in and about the premises; provided, however, all such ores remaining on the premises at the termination of this lease by expiration of the term or on the premises sixty days after termination by forfeiture or surrender of this lease, shall be and remain the sole property of the Lessor. Lessee shall have the right to remove and sell any such low grade ore within sixty days after surrender or termination of this lease, or forfeiture, subject,

of course, to the royalty payment herein required to be paid to Lessor on all ores mined and removed.

18. It is specifically understood and agreed that the Lessee may enter into working agreements with other persons or corporations for the mining and development of this property but shall not assign this lease or sublet the property or any part thereof without the written assent of the Lessor first had and obtained except and until such time as said property is developed as a producing mine.

19. Upon the violation of any covenant or condition herein contained, Lessor shall give written notice of default to Lessee, and if said default is not remedied within thirty days thereafter, this lease shall, at the option of the Lessor, expire and terminate, and the said premises with the appurtenances and all buildings and other improvements shall become forfeited to the Lessor, and the Lessor or his agent may thereupon, after demand in writing for possession, enter upon said premises and dispossess all persons occupying the same, with or without force, and without or with process of law, or at the option of the Lessor the said Lessee and all persons found occupying said premises or any part thereof may be proceeded against as guilty of unlawful detainer.

Time is of the essence of this agreement, and each and every clause of this indenture and all the covenants and conditions contained here expressed or implied, shall extend to the successors, heirs, executors administrators and lawful assigns of all of the parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto subscribed their names the day and year first above written.

R. L. Busby
Lessor

COLTONA URANIUM CORPORATION

By R. N. Metcalf
Vice President

ATTEST:

Frank A. Buchanan
Asst. Secretary

Exhibit "B"

MINING LEASE
and
OPTION TO PURCHASE

Robert Mills
C.A.P.

Robert Mills
C.A.P.

THIS AGREEMENT OF LEASE, Made and entered into this 18th day of June, A. D. 1955, by and between Robert Mills and Carl A. Peterson, of Boulder County, Colorado, hereinafter called the Lessors, and Colfova Uranium Corporation, a Delaware corporation, qualified to do business in the State of Colorado, hereinafter called Lessee;

WITNESSETH, That the said Lessors, for and in consideration of the rents, royalties, covenants and agreements hereinafter expressed to be paid, kept and performed by the said Lessee, have leased, let and demised and by these presents do lease, let and demise unto said Lessee the following described mining property and premises, situate in the Central Mining District, Boulder County, State of Colorado, to-wit:

> Eureka Lode Mining Claim, a possessory claim described in the Location Certificate recorded in the office of the County Clerk and Recorder of Boulder County, Colorado, in Book 971 at Page 470;

TO HAVE AND TO HOLD the above described premises for the purposes of mining, for a primary term from the 19th day of June, A. D. 1955, to the first day of June, A. D. 1960, and so long thereafter as uranium or other ores may be mined therefrom at a profit, unless sooner surrendered, forfeited or terminated through the violation of any of the covenants and conditions herein contained.

The said Lessee, in consideration of the premises, has covenanted, contracted and agreed and by these presents does covenant, contract and agree to and with the Lessors, their executors, administrators and assigns:

1. To forthwith enter upon the property and during the first six months of the primary term to commence and continue exploratory work thereon at such points and places as it may select. In the event such exploratory drilling or work results in the disclosure of ore and ore-bearing formation which in the sole opinion of Lessee warrants further drilling, it shall begin a comprehensive drilling program to outline the nature, value and extent thereof, carrying on such drilling program with reasonable

diligence. All drill holes shall be marked and plugged, and Lessee shall furnish Lessors with copies of logs and maps with drill holes located thereon. And after said six months period, to work the same in mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of said mine or mining premises, as a workable mining property, and to the special covenants herein contained.

Robert Mills
C.A.P.

After the first six months of the primary term

2. /To work and mine said premises as aforesaid steadily and continuously during the primary and extended term of this lease and after said six months period to perform at least twenty (20) shifts of mining labor per month each and every month thereafter during the life of this lease.

3. Lessee shall perform annual labor on unpatented claims on or before May 15 of each calendar year and file the proper affidavits in the office of the County Clerk and Recorder of said Boulder County on or before June 1 of each year.

4. To carry on all drilling and mining operations in strict conformity with all applicable laws and regulations and good mining practice.

5. To allow the Lessors or their agents from time to time to enter upon and descend into all parts of said leased premises, for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such inspection, surveys or examination.

6. To occupy and hold as the property of the Lessors all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by the said Lessee or any person or persons under or in privity with it, with privilege to said Lessee to work and mine the same as part and parcel of said premises.

7. The said Lessee covenants and agrees to pay and allow the Lessors as royalty upon all ores mined, shipped or sold from said leased

premises in any manner during the life of this lease, as follows, to-wit:

> A sum equal to 15% of the proceeds of the sale of all ores mined or removed from the premises; Provided, however, that on all ores mined and sold as uranium ore, that is to say, on all ore sold for the U_3O_8 content, the royalty shall be as follows: (a) 5% on all ore containing less than 3/10 of 1% U_3O_8; (b) 7½% on all ore containing between 3/10 and 5/10 of 1% U_3O_8; (c) 10% on all ore containing between 5/10 of 1% and 1% U_3O_8; and (d) 15% on all ore containing over 1% U_3O_8;

All settlements on uranium ores to be made upon the smelter, mill or sampler net assay values and to include all bonus except development bonus and except haulage allowances, ~~and less proportionate share of cost of smelting and treatment~~. Settlement on all other ores sold to be made upon the smelter, mill or sampler net assay values, deducting therefrom only the actual cost of transportation, smelting and treatment.

Robert Mills C.A.P.

8. During the primary term of this lease only, the Lessors hereby grant an option to the Lessee, its successors and assigns, to purchase the herein described mining claim for ~~$xxxxxxxxxx~~ $75,000.00, all royalties paid to the date of purchase to apply on the purchase price.

C.A.P. Robert Mills

9. The Lessee shall and hereby does assume all responsibility in case of accident or injury to any person whatsoever, including any and all of its employees, in or about said property.

10. All production taxes assessed against said demised premises for ores mined and shipped under this lease shall be paid by the Lessee before the same or any part thereof become delinquent.

11. All bills and expenses incurred by the Lessee or those in privity with it shall be promptly paid by the Lessee, and by said prompt payment said Lessee shall prevent the filing of any and all liens of miners, mechanics or material men, against said demised premises; and, if by reason of the failure of said Lessee to pay such bills or expenses, any lien or liens shall be filed against said premises, the said Lessors may forthwith pay off and discharge the same, and the said Lessee holds itself bound to pay to said Lessors all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, and the Lessors may

also at their election declare a forfeiture of this lease; Provided, however, the Lessors do hereby consent to the Lessee's obtaining a D.M.E.A. loan for development of said property and shall join with the Lessee in applying for and in signing all necessary papers to effectuate the same, it being understood and agreed that to obtain such a loan the United States government demands repayment only from ores produced from said mine, provided, however, any such loan shall be repaid solely out of the Lessee's share of production.

12. Lessors represent that they are the owners of the mining claim above described, that they are in possession thereof, and have complied with the mining laws of the State of Colorado and of the United States in connection with the location and maintenance of said claim, and have the right to lease the same; that the same is now free and clear of all liens and encumbrances save and except the general taxes for the year 1955, due and payable in the year 1956.

13. Lessee shall have the right on behalf of Lessors to take whatever measures may be required to protect, perfect and hold such mining claim against third parties not in privity with Lessors; and Lessors agree to indemnify and reimburse Lessee for any funds expended by Lessee on any claims which are found to be invalid.

14. Lessee may surrender said mining claim and may terminate this lease and said operations at any time upon giving Lessors thirty days prior written notice of its intention to surrender, whereupon this agreement shall terminate at the time so designated. Lessee shall have sixty days after termination for any cause within which to remove its equipment, provided that Lessee shall have performed the required assessment work for the mining year in which said termination occurs if such termination is to be effective prior to May 15th of the mining year. Sixty days prior to June 1, 1960, and annually thereafter, Lessee shall give written notice of its intention to continue such lease from year to year.

15. The Lessee will take out and at all times during the term of this agreement keep in full force and effect insurance under and pursuant to the Workmen's Compensation Act of Colorado, as the same is now or as it may be from time to time if amended, as will fully insure the Lessee's and owners' liability with respect to any and all persons employed by the Lessee in or under the demised premises or in any operations of the Lessee under this lease.

16. Any notices which Lessors may desire to give to Lessee hereunder shall be considered sufficiently given if the same is directed and mailed to the Lessee at its offices in Boulder, Colorado, or to such other address in the County of Boulder as the Lessee shall hereafter designate in writing.

17. Should low grade ores be encountered and mined, it is specifically agreed that the Lessee shall have the right to stockpile the same in and about the premises; provided, however, all such ores remaining on the premises at the termination of this lease by expiration of the term or on the premises sixty days after termination by forfeiture or surrender of this lease, shall be and remain the sole property of the Lessors. Lessee shall have the right to remove and sell any such low grade ore within sixty days after surrender or termination of this lease, or forfeiture, subject, of course, to the royalty payment herein required to be paid to Lessors on all ores mined and removed.

18. It is specifically understood and agreed that the Lessee may enter into working agreements with other persons or corporations for the mining and development of this property but shall not assign this lease or sublet the property or any part thereof without the written assent of the Lessors first had and obtained except and until such time as said property is developed as a producing mine.

19. Upon the violation of any covenant or condition herein contained, Lessors shall give written notice of default to Lessee, and if said default is not remedied within thirty days thereafter, this lease shall, at

the option of the Lessors, expire and terminate, and the said premises with the appurtenances and all buildings and other improvements shall become forfeited to the Lessors, and the Lessors or their agents may thereupon, after demand in writing for possession, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law, or at the option of the Lessors the said Lessee and all persons found occupying said premises or any part thereof may be proceeded against as guilty of unlawful detainer.

Time is of the essence of this agreement, and each and every clause of this indenture and all the covenants and conditions contained herein, expressed or implied, shall extend to the successors, heirs, executors, administrators and lawful assigns of all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first above written.

Robert Mills
Robert Mills

Carl A. Peterson
Carl A. Peterson

COLIOWA URANIUM CORPORATION

By Willard B. Smith

ATTEST:

Frank A. Buchanan
Asst. Secretary

Exhibit "E"

The undersigned hereby expressly consents to the above and foregoing working contract entered into between LaSalle Mining Company and Coliowa Uranium Corporation on 2 January 1957 with respect to a lease executed by the undersigned on Fairday, Fairday no. 3, and Maybe Mining Claims. The undersigned further agrees that the work requirements of said lease (Exhibit ____ above) shall be considered as complied with by the expenditure of $1,000.00 on said property during 1957 and a like amount each year thereafter. I also agree to consent to a DMEA Loan if applied for.

Dated this _____ day of January, 1957.

_____

_____

_____
Witness

Exhibit "F"

The undersigned hereby expressly consents to the above and foregoing working contract entered into between LaSalle Mining Company and Coliowa Uranium Corporation on 2 January 1957, with respect to a lease executed by the undersigned on Eureka Mining Claim. The undersigned further agrees that the work requirements of said lease (Exhibit _____ above) shall be considered as complied with by the expenditure of $ 1,000.00 on said ~~property during 1957 and a like amount each year thereafter.~~ We also agree to consent to a D.M.E.A. loan if applied for

Dated this 2nd day of January, 1957.

Carl C. Stetson

Witness

Exhibit "F2"

The undersigned hereby expressly consents to the above and foregoing working contract entered into between LaSalle Mining Company and Coliowa Uranium Corporation on 2 January 1957, with respect to a lease executed by the undersigned on Eureka Mining Claim. The undersigned further agrees that the work requirements of said lease (Exhibit _____ above) shall be considered as complied with by the expenditure of $1,000.00 on said property during 1957 and a like amount each year thereafter. We also agree to consent to a DMEA Loan if applied for.

Dated this 2nd day of January, 1957.

_____

_____

Witness

CERTIFICATE

This is certify that on the 31st day of October, 1956, at a duly convened meeting of the Board of Directors of Coliowa Uranium Corporation the following resolution was unanimously adopted:

> RESOLVED, THAT the President and Secretary constitute a committee to be known as an executive committee and that they be authorized to enter into a contract with La Salle Mining Company on such terms and conditions as to them might seem proper, providing for a working arrangement whereby La Salle Mining Company would become the operator of said properties and that after recovering the cost of exploration and mining, the profit remaining would be divided 50 percent to La Salle Mining Company and 50 percent to Coliowa Uranium Corporation.

This is to further certify that said resolution has not been amended, modified, or rescinded as shown by the minutes of the company procedings.

Dated this 2d day of January, 1957.

Fairley W Barrett

Secretary, Coliowa Uranium Corporation

OFFICIAL FILE COPY
RECEIVED APR 10 1957
D M E A
DATE INITIALS CODE

ROOT & SIMPSON, Inc.

TEL. CHERRY 4-3223 METALLURGICAL CHEMISTS AND ASSAYERS P. O. BOX 2069
DENVER 1, COLORADO

SPECIMEN ASSAY

ASSAYED FOR	MARKS
Coliowa Uranium Corp.	

GOLD OZS. PER TON	SILVER OZS. PER TON	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	U_3O_8 PER CENT	V_2O_5 PER CENT	PER CENT	PER CENT
	Faraday Lode Coliowa Hole							
	Core Sample	127' to 135			0.454			

DATE 9/12/56 CHARGES $ 5.00

Root & Simpson, Inc.

ANALYTICAL REPORT and INVOICE

COLORADO SCHOOL OF MINES RESEARCH FOUNDATION, INC.

GOLDEN, COLORADO

PHONE CRESTVIEW 9-2581

No. 1253

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

Attention: Mr. William Chandler, Geologist

ORDER DATE December 18, 1956

INVOICE DATE December 20, 1956

SPECIAL INSTRUCTIONS:

Footage data given in this report does not represent the complete section indicated but only that part of the section which was recovered. See Table No. 1 for core recovery figures.

W. J. C. La Salle Mining Co

TERMS	AUTHORIZATION	SAMPLE DISPOSITION
Payment on completion of work	Visit of W. Chandler	Returned to sponsor

LAB. NO.	SAMPLE DESCRIPTION	% Chem U_3O_8	% Rad.* U_3O_8	AMOUNT
	(No. 1 = 6" piece of 1' core recovered between 106'-115')			
29281	No. 1 CLS 4, Box 4, 113'-113'6" ?	1.49	1.025	$9.00
29282	No. 2 CLS 4, Box 4, 115'-117'	1.06	0.940	9.00
29283	No. 3 CLS 4, Box 4, 117'-119'	0.019	0.066	9.00
29284	No. 4 CLS 4, Box 8, 149'6"-154'	0.378	0.480	9.00
—	*Radiometric U_3O_8 using General Pitchblende Curve			
	Classification by rock type of approximately 100 feet of core sample (report attached)			15.00
	Sample Preparation			2.00
	TOTAL			$53.00

ORIGINAL FILE COPY
DMEA
RECEIVED APR 10 1957
DATE | INITIALS | CODE

SAMPLES WILL BE DISCARDED AFTER ONE MONTH FROM INVOICE DATE UNLESS INSTRUCTIONS ARE RECEIVED FROM THE SPONSOR WITHIN THIS PERIOD.

Carl K. Lorano

TECHNICAL SERVICES LABORATORIES

ANALYTICAL REPORT and INVOICE

COLORADO SCHOOL OF MINES RESEARCH FOUNDATION, INC.

GOLDEN, COLORADO

PHONE CRESTVIEW 9-2581

C O P Y

No. 1254

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

ORDER DATE January 9, 1957

INVOICE DATE January 11, 1957

Attention: Mr. William Chandler, Geologist

SPECIAL INSTRUCTIONS:

Footage data given in this report does not represent the complete section indicated but only that part of the section which was recovered. See Table No. 1 for core recovery figures.

W. J. C. La Salle Mining Co.

TERMS	AUTHORIZATION	SAMPLE DISPOSITION
Payment on completion of work	Visit of W. Chandler 1/4/57	To be picked up

LAB. NO.	SAMPLE DESCRIPTION	% Chem U_3O_8	% Rad. U_3O_8*	AMOUNT
	CLS 5, Box 9			
204	Composite 156'6"-159'4" and 160'6"-161'0"	0.126	0.135	$9.00
205	159'4"-160'6"	0.824	0.675	9.00
	CLS 6, Box 3			
206	96'6"-97'0" **	2.17	1.600	9.00
207	97'0"-101'0"	0.210	0.250	9.00
	*Radiometric U_3O_8 using General Pitchblende Curve			
	**Highest radioactivity section			
			Sample Preparation	3.00
	C O P Y		TOTAL	$39.00

SAMPLES WILL BE DISCARDED AFTER ONE MONTH FROM INVOICE DATE UNLESS INSTRUCTIONS ARE RECEIVED FROM THE SPONSOR WITHIN THIS PERIOD.

Carl F. Lonano

TECHNICAL SERVICES LABORATORIES

CORE SAMPLES

COLORADO SCHOOL OF MINES RESEARCH FOUNDATION, INC.

ROCK TYPE IDENTIFICATION

CLS#1

Page One

BOX 9 -

- 125 ft. - Altered biotite granite with a trace of pyrite.

125 - Biotite granite grading to altered biotite granite gneiss to biotite gneiss, with pyrite to granite with biotite.

BOX 10 -

- 135 ft. - Biotite gneiss with pyrite; altered to kaolin in places.

135 - 144 ft. - Loose sand. Biotite gneiss grading to hornblende gneiss with pyrite. At end the radioactivity goes to 4% U_3O_8 in places.

144 - ~~154~~ Altered granite gneiss with pyrite grading into a granite with epidote and veins of dark siliceous material and pyrite.

BOX 11 -

- 154 ft. - Granite gneiss with pyrite and galena grading to hornblende granite gneiss with pyrite and galena grading to altered biotite gneiss with ~~pyrite veins~~.

154 - Granite gneiss with pyrite and galena.

BOX 12 -

- 159 ft. - Granite gneiss with pyrite and galena.

159 - 166 ft. - Granite gneiss with pyrite and galena grading to altered granite grading to hornblende granite gneiss with veins of pyrite and galena.

166 - 173 ft. - Altered granite gneiss with pyrite and garnet grading to altered hornblende gneiss grading to altered granite gneiss going into a darker granite gneiss with epidote and pyrite.

173 - Altered granite gneiss with pyrite grading into granite gneiss with pyrite veins. Some jarosite as an alteration product.

BOX 13 -

- ~~17~~ 176 ft. - ~~Altered biogranite gneiss with pyrite, garnet~~ and galena grading to biotite granite gneiss with pyrite veins.

176 - Biotite hornblende gneiss with garnet. Loses garnet and goes to hornblende, biotite granite.

BOX 16 -

- 205 ft. - Biotite granite gneiss

205 - Biotite gneiss with garnet (?)

CLS #1 (Cont.)

BOX 18 -

- 223 ft. - Biotite gneiss

223 - 226 ft. - Granite (gneiss) with pyrite veins.

226 - Granite gneiss with biotite to biotite gneiss (sharp contact).

BOX 19 -

- 234 ft. - Biotite gneiss.

234 - Altered biotite gneiss grading to altered granite (gneiss).

BOX 20 -

- 243 ft. - Granite gneiss with biotite.

243 - 280 ft. - Altered granite (gneiss) with biotite.

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CORE SAMPLES Page One

CLS #4

- 58 feet - Iron and Manganese stained medium grained granite with biotite and muscovite - medium grained. This grades into a less iron and manganese stained granite with the feldspar altered to kaolin. Toward the 58 foot end of the core the granite becomes more coarse grained.

58 - 81 feet - no cores

81 - 91 feet - Iron and manganese stained granite with the feldspar altered to kaolin grading into a biotite granite with jarosite and kaolin as alteration products.

91 - 99 feet - Biotite granite with jarosite and kaolin.

99 -106 feet - Biotite granite with jarosite grading into a granite with less biotite and jarosite.

106 ~~115~~ -115 feet - Manganese stained granite gneiss with kaolin, grading into a granitic material with some kaolin. The radioactivity averages about 1.5% U_3O_8.

115-116.5 feet - Hornblende gneiss with unconsolidated quartz grains with some pyrite at the lower end. The radioactivity rises from 1.0 to 2.1 then drops to 1.0% U_3O_8 approximately. The radioactive mineral is probably sooty pitchblende.

116.5-119 feet - Hornblende gneiss with pyrite grading into hornblende granite gneiss with pyrite and galena. The radioactivity goes down from approximately 1.2 to 0.3% U_3O_8 with increasing depth.

119 - 123 feet - Altered hornblende granite gneiss with pyrite, galena and biotite which grades into a granite gneiss with more galena and pyrite.

123 - 125 feet - Hornblende granite gneiss with pyrite, galena and fairly large quartz grains. The amount of hornblende is decreasing.

125 - 127 feet - Hornblende granite gneiss with pyrite and galena. There are some wide bands of quartz and feldspar with no pyrite, galena, or hornblende. There is a small amount of jarosite. The amount of biotite is increasing.

127-129.6 feet - Biotite granite gneiss with pyrite and galena grading into a more gneissic rock.

CLS #4

129.6-132.6 feet - Biotite gneiss becoming more altered at the lower end.

132.6-137.7 feet - Altered biotite gneiss grading into a mica, sericite schistic gneiss.

137.7-142 feet - Biotite gneiss with some jarosite grading into an altered granite gneiss with some biotite.

142 - 147 feet - Hornblende gneiss with jarosite grading into a kaolinized granite gneiss then to mostly kaolin and to kaolinized granite gneiss.

147- 149 feet - Iron stained quartz grains with biotite in iron stained granite gneiss

149 - 151 feet - Iron stained quartz grains grading into an altered granite gneiss. The radioactivity varies from 0.3 to 0.8% U_3O_8. The main uranium mineral is probably sooty pitchblende with a small amount of a secondary mineral of undetermined identification.

151 - 154 feet - Altered hornblende granite gneiss with some pyrite and galena. The radioactivity decreases from 1.7 to 0.3% U_3O_8.

154 - 157 feet - Hornblende granite gneiss with galena and pyrite which grades to an altered gneiss with pyrite and galena. Altered granite gneiss with garnet, epidote, galena, pyrite grading to an altered gneiss with galena and pyrite.

157 to 159.5 feet - Hornblende granite with pyrite, galena, and garnet grading to a granite gneiss with biotite, pyrite, and garnet which grades into an altered biotite gneiss.

159.5-161 feet - Granite gneiss with pyrite, garnet and some biotite.

161 - 166 feet - Altered biotite granite gneiss grading into a hornblende granite gneiss.

166 - 172.5 feet - Altered granite gneiss with some biotite and pyrite and some hornblende at the lower end.

COLORADO SCHOOL OF MINES RESEARCH FOUNDATION, INC.

GOLDEN, COLORADO

LaSalle Mining Company

January 11, 1957

REPORT OF ROCK TYPE IDENTIFICATION OF CORE SAMPLES

CLS #5, Box 3

- 88 ft. Altered biotite granite with jarosite.

88 - 98 ft. Altered biotite granite with some jarosite and pyrite.

98 - 99 ft. Altered granite gneiss with pyrite.

99 - ft. Altered gneiss with pyrite and epidote.

CLS #5, Box 7

- 140 ft. Biotite gneiss with veins of pyrite grading into a granite.

140 - 142 ft. Gray granite with a dubious count of 0.2% eU_3O_8 on the Geiger Counter, grading into a graphite gneiss with pyrite.

142 - 144 ft. Altered gneiss with graphite.

CLS #5, Box 8

- 146 ft. Altered iron- and manganese-stained granite.

146 - 149 ft. Altered iron-stained gneiss with pyrite and graphite (?).

149 - 153 ft. Gneiss with pyrite becoming very altered toward the 153 ft. level.

153 - ft. Altered biotite gneiss grading into a gneiss with less biotite.

CLS #5, Box 9

- 157 ft. No count. Altered granite gneiss with graphite (?) and a trace of pyrite.

157 - 159 ft. Altered granite gneiss with pyrite. Counts to 0.3% eU_3O_8 on the Geiger Counter in sooty material on seam.

CLS #5, Box 9 (cont.)

159 - 162 ft. Sheared granite gneiss 0.5% eU_3O_8 on the Geiger Counter. Dark gray brecciated shear zone of graphite gneiss with pyrite and sooty pitchblende count to 2.0% eU_3O_8 on the Geiger Counter.

Sheared granite gneiss - count 0.5% eU_3O_8 on the Geiger Counter.

Altered granitic gneissic material with some sooty material on the seams. Count 0-0.2% eU_3O_8 on the Geiger Counter.

162 - 163 ft. Altered granitic material with some sooty material on seams. Count 0-0.5% eU_3O_8 on sooty material.

163 - 166 ft. Somewhat altered biotite granite gneiss with jarosite on seams.

Altered granite gneiss count 0-0.18% eU_3O_8 on Geiger Counter.

166 - ft. Light gray granite. No count.

CLS #6, Box 2

- 48 ft. Iron- and manganese-stained granite with muscovite.

48 - 59 ft. Iron-stained biotite gneiss.

59 - 63 ft. Iron-stained granite gneiss.

63 - 70 ft. Iron-stained granite gneiss with some biotite.

70 - 76 ft. Iron- and manganese-stained granite gneiss.

76 - 81 ft. Iron- and manganese-stained altered granite gneiss. Counts to 0.25% eU_3O_8 on the Geiger Counter.

81 - 86 ft. Altered granite gneiss. Counts to 0.4% eU_3O_8 on Geiger Counter at 86 ft. end.

86 - ft. Altered granite gneiss.

CLS #6, Box 3

- 89 ft. Altered gneiss with jarosite counting from 0.2-0.9% eU_3O_8 on the Geiger Counter.

89 - 92 ft. Biotite granite gneiss with pyrite.

92 - 96 ft. Biotite granite gneiss with pyrite.

96 - 101 ft. Biotite granite gneiss with pyrite grading into a dark gray gneiss with a count up to 1.9% eU_3O_8 on the Geiger Counter.

CLS #6, Box 4

101 - 106 ft. Granite gneiss.

106 - 111 ft. Granite gneiss with graphite (?).

111 - 116 ft. Altered granite with jarosite seams.

116 - ft. Biotite granite gneiss with jarosite.

CLS #6, Box 5

- 121 ft. Altered biotite gneiss.

121 - 124 ft. Granite (white) with some biotite.

124 - 127 ft. Granite (white).

127 - 131 ft. White granite with trace of pyrite and biotite.

131 - 136 ft. Altered biotite gneiss.

136 - ft. Altered biotite gneiss with some pyrite.

CLS #6, Box 10

- 178 ft. Altered biotite granite with a trace of pyrite. Some jarosite.

178 - 185 ft. Biotite granite grading into a biotite gneiss and back to granite with very little biotite. Some jarosite.

185 - 190 ft. White granite.

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving

Boyles Bros. DRILLING COMPANY

CONTRACTORS · ENGINEERS · GEOLOGISTS
General Offices
1321 South Main Street Phone HUnter 4-4401
SALT LAKE CITY 15, UTAH

Febuary9, 1957

Reply to: 1611 So. Vrain
Denver 19, Colo.

La Salle Mining Co.
P. O. Box 217
Grand Junction, Colo.

Attention Mr. W. E. Chandler

Dear Mr. Chandler;

The Following is submitted as an estimate for approximately 10,000 Ft. of Drilling to be done on your properties near Jamestown, Colo. during the summer months.

1-- Mobilization of men and equipment $300.00

2-- Drilling

		AX Size	BEX Size	NX Size
From 0 ft. to 250 ft	per Ft.	$5.10	$5.80	$6.25
2 "250 " to 500 ft	per Ft	5.70	6.40	
500 ft to 750 ft	per Ft	6.50	7.25	
750 ft to 1000 ft	per ft	7.20	8.10	

3-- Reaming;

For AX Size Casing	Per Ft	$3.60
For BX Size Casing	per Ft	4.20

4-- Cementing;

Cost of Cement, Mud, & Substitutes Plus per Hour $ 12.00

5-- Standby time, Delays, etc, per hour $ 12.00

6-- Access roads and Drill Stations to be furnished at no cost to us.

7-- Access to and the location of source water for Drilling at no cost to us.

8-- Cat work is estimated at $ 12.00 per hour plus transportation. We will furnish this item at cost plus 10 %.

We sincerely hope this estimate meets with your requirement for scheduling your operations. Should your plans materielize as expected we would appreciate as much advance notice to proceed as is possible.

Yours very truly

R. F. Durfee

R. F. Durfee
Dist. Manager

RFD/s

MINERALS ENGINEERING COMPANY
P. O. BOX 1951
GRAND JUNCTION, COLORADO

March 13, 1957

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

Attention Mr. Bill Chandler

Gentlemen:

In reply to our telephone conversation March 12, 1957, please accept the following quotations as our tentative bid for your D.M.E.A. proposal for a minimum of 10,000 total feet to a maximum depth of 1,000 feet per hole all to be angle holes, from vertical up to 50° from horizontal. The area to be drilled is west of Jamestown, Colorado. The formation to be drilled is granite and schist.

	Price per Foot	
Depth	BX Core	AX Core
0-200 feet	$ 9.50	$ 7.50
200-400 feet	11.75	9.50
400-600 feet	14.50	12.50
600-800 feet	18.75	15.50
800-1000 feet	24.50	21.50

Reaming to accommodate AX casing would be at the rate of $12.00 per foot. Cementing and drilling out cement at the rate of $15.00 per hour. Standby time would be $15.00 per hour.

It was my understanding that you would have roads and drill sites suitable for truck-mounted drills and would require two drill units.

Very truly yours,

MINERALS ENGINEERING COMPANY

Edson Foster

Edson Foster
Assistant Drill Superintendent

EF/k

MINERAL EXPLORATION - TEST BORINGS - GROUT HOLE DRILLING

GOLDEN DRILLING COMPANY

DIAMOND DRILLING CONTRACTORS

2301 EAST STREET

GOLDEN, COLORADO

PHONE CRESTVIEW 9-1371

W. E. MATTHEWS,
MANAGER

February 27, 1957

LaSalle Mining Company
Box 217
Grand Junction, Colorado

Attention: Mr. Bill Chandler;

Regarding our telephone conversation pertaining to Diamond Core Drilling the Overland Mountain Group, District in the Jamestown area, the Golden Drilling Company submits an estimate covering cost per foot, etc.

Depths of holes:

0 to	300 feet	$ 6.50 per foot
300 to	500 feet	7.50 per foot
500 to	600 feet	8.00 per foot
600 to	700 feet	8.50 per foot
700 to	800 feet	9.00 per foot
800 to	900 feet	9.50 per foot
900 to	1,000 feet	10.00 per foot

Reaming and casing will be at cost.

Cementing and stand-by time for grouting hole, etc. will be $7.50 per hour, plus the cost of cement.

These prices are quoted for EX size bit.

Roads and drill set-ups are to be provided by LaSalle Mining Company.

GOLDEN DRILLING COMPANY

W E Matthews

W. E. Matthews
WEM:pld

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PROJECT SUMMARY REPORT

By: F. M. Murphy March 4, 1960

1. Docket No. DMEA-4721 (Uranium)
   Contract No. Idm-E1207

   Operator: LaSalle Mining Company
   G. T. Rummel, Agent
   P. O. Box 217
   Grand Junction, Colorado

   Operator's Property Rights:

   Lessee of Maybe, Colowa, Colowa No. 1, Eureka Mine, Fair Day, Fair Day No. 3, Samson, and Baltimore Belle (Patent No. 532), lode mining claims situated in sec. 23, T. 2N., R. 72W., 6th P.M., Boulder County, Colorado

2. Contract dated June 16, 1958.

   Amendments -

   No. 1, dated October 3, 1958, allows drift to north from point "V" in lieu of crosscuts northwest and southeast from points "V" - "Z" in drift.

   No. 2, Dated October 17, 1958, provided 125 hours of bulldozing.

   No. 3, Dated April 6, 1959, allows recess period beginning November 30, 1958 and ending May 31, 1958, extended completion date from August 1 to December 1, 1959, increased royalty period to 11 years, and contains a pseudo-certification if the work is not completed by December 1, 1959.

   Termination Agreement, dated June 30, 1959, effective December 1, 1958, mailed to Operator, who returned it unsigned.

   Work authorized and completed:

   STAGE I

	Units Authorized	Units Completed	Unit Cost	Total Accepted Cost
Surface core drilling	750	744	$6.90/ft	$5,133.60
Underground core drilling	700	700	5.53/ft.	3,873.00
Standby time	30	13	11.00/hr.	143.00
Mobilization	Job	Job	400.00	400.00
Core boxes (wooden)	55	83	4.40/ea.	365.00
Analysis U_3O_8	55	3	5.00/sample	15.00
Self-potential survey	900	900	2.00/station	1,800.00
Drifting and crosscutting	290	288	33.00/ft.	9,504.00
Timbering	145	---	8.50/ft.	---
Incidental allowance				
Surface drilling	750	744	0.55/ft.	409.20
Underground drilling	700	700	1.70/ft.	1,190.00
Excavation drill stations	630	630	0.95/cu.ft.	598.50
Total costs (Est. $25,183.50)				23,431.30

STAGE II

Bulldozing	125	34	$12.00/hr.	$ 408.00
Surface core drilling	3,000	300	6.96/ft.	2,087.50
Standby time	50	2	11.00/hr.	22.00
Core boxes (wooden)	110	19	4.50/ea.	85.50
Analysis U_3O_8	40	---	5.00/sample	---
Drifting and Crosscutting	100	---	33.00/ft.	---
Timbering	50	---	8.50/ft.	---
Inc. allowance drilling	3,000	300	0.55/ft.	165.00
Total costs (Est. $29,050.00)				$ 2,768.00

Total estimated cost of project $54,234.00

Total accepted cost of project $26,199.30

3. Pseudo certification effective under Amendment No. 3

4. Audit report of review, dated February 29, 1960

Total cost billed by Operator $26,199.30
Exceptions, none

Total acceptable cost $26,199.30

5. Operator's Final Report received February 18, 1960.

The report is acceptable in that all maps, drill hole logs, etc., are complete. However, this office disagrees with the writer's conclusion as to ore discovered.

Field Team's Final Summary - ~~will not be submitted since the project has been certified~~ dated March 3, 1960

Excerpts from Joint Final Engineering and Geologic Report, dated July 10, 1959, by W. N. Sharp, USGS, and Carl Belser, USBM:

The claims are located at the northern end of the Front Range Mineral Belt near the Jamestown Mining District.

Regionally the rocks are mostly highly metamorphosed sediments of Precambrian age intruded by granite masses of both Precambrian and Tertiary age. The Tertiary Porphyry Mountain stock is the locus of most of the mineralization in the area. The subject property is one and one-half miles west of the stock and at the outer western edge of the mineralized district.

The property is underlain by granite containing remnant blocks or pendants of biotite and hornblende gneiss and schist. Several fault systems cut the rocks of the area. Two Tertiary fault systems, northwest-trending and northeast-trending are mineralized and contain the ore deposits. In the granite the fractures are coated with pitchblende, but it does not extend into the wall rock. Mineralization as a consequence of rock incompetence and fracture characteristics has effected almost selectively the gneiss-schist blocks to make the ore bodies.

Prior to the contract an incline at about - 20° was driven for approximately 165 feet in a northwest direction. From the incline a series of drifts and crosscuts, totaling about 575 feet, were completed.

Under the contract, from near the eastern end of these openings, a 118-foot drift was driven northeasterly to explore a shear zone; a 100-foot crosscut was driven in a northerly direction following a mineralized fault; and a 70-foot crosscut to the south for a drill station was completed. Also, a drill station was cut near the bottom of the incline. From this station hole No. 1 was drilled, holes Nos. 2 and 3 were drilled from near the face of the south crosscut. Holes 1 and 2 showed no significant radioactivity, however, hole 3, put down under the ore body on the drift level, cut 1.1 feet of material having a grade of 3.117% eU_3O_8. This work was all on the Fairday claim.

Surface work under the contract consisted of three trenches and one drill hole on the Sampson claim, and three drill holes on the Baltimore Belle claim. None of this work resulted in finding ore-grade material. The last drilling was completed in November 1958.

The field examiners, and the Field Team in its covering memorandum, dated July 14, 1959, state that the exploration work did not result in the discovery or development of a significant quantity of uranium-ore, therefore, certification of the project is not recommended.

Comments by Washington Office;

George C. Selfridge in a memorandum dated October 22, 1959, (see Folder No. 1-A) reviews the subject docket. On page 5 he cites data showing that drill holes Nos. 2 and 3 penetrated ore-grade material. In conclusion he states that based on results of DMEA drilling, it appears that certification of discovery or development is in order.

In a memorandum to the Field Team, dated November 27, 1959, the Operating Committee stated that if the mutual termination agreement had been executed, a certification of discovery or development would have been issued, and since it was not executed by the Operator, the contract is considered terminated by Amendment No. 3 and its royalty agreement (pseudo certification) would serve in lieu of such certification.

The Operator, as of February 18, 1960, was in arrears for royalty due the Government in the sum of $4,452.26.1/

F M Murphy

Fred M. Murphy

FMMurphy:kb--March 4, 1960
Copy to: Director's reading file
Mr. Murphy
Chron.
F. E. Johnson

1/ See E.D. Talbert's letter Feb. 29, 1960, transmitting Report of Review to Field Team. $500.00 withheld on final liquidation, applied as partial payment on royalty indebtedness (see Weissenborn letter March 3, 1960, to Operator).

Tonnesonds

17

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

X Pseudo-Certified

After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: LaSalle Mining Company

Actual Cost X

State: Colorado, Boulder County

Agreed Unit Cost

Final Report of Audit: 2/29/60

Commodity: Uranium

Docket No.: DMEA-4721

Final Report of Review: 7/10/59

Contract No.: Idm-E 1207

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
Drifting & Crosscutting	390'	14,527	288'	9504	9504
Raising					
Shafts					
Winzes					
Drilling (Specify) Core. NX	4450'	35,333	1744'	13,874	13,874
Surface Excavation		1,500		408	408
Underground Excavation		599		599	599
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
Self Potential Survey		1800		1800	1800
~~New Building, Improvements, etc.~~					
Other (Specify) analyses		475		15	15
Totals		$54234		$26,200	2/ $26,200

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by J M Murphy Date 3/8/60

52616

See Folder No. 1-A for Correspondence

January 1, 1959, to present

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 12, 1958

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O. M. E.
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DATE	INITIALS	CODE
11/18	J.J.G.	225
"	Chiny	700

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4721 (Uranium) Contract Idm-E1207, La Salle Mining Company, a Partnership, (Fair Day 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. N. Sharp, Geologist, Geological Survey, and Carl Belser, 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. N. Sharp, Geologist, Geological Survey, and Carl Belser, 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.

J. W. Townsend

RECEIVED NOV 18 1958

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
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 227
Grand Junction, Colorado

Re: Docket No. [illegible] 4721 (Uranium)
Contract [illegible]
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,

JBC:hmh

OME Field Team, Region III

By E. N. Harshman
E. N. Harshman

By J. W. Tewksbury
J. W. Tewksbury

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

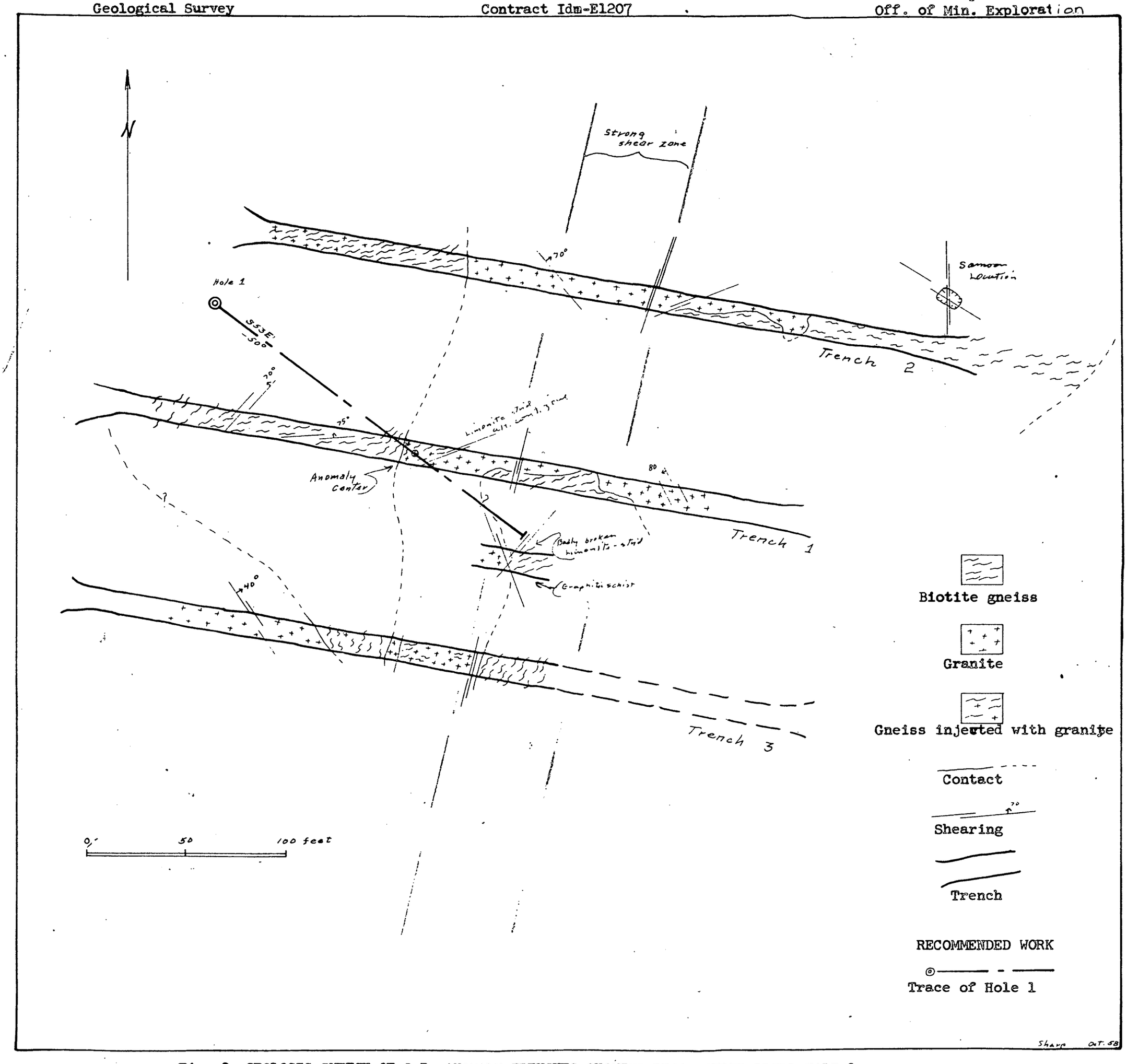

Fig. 2 GEOLOGIC SKETCH OF S.P. ANOMALY TRENCHES SHOWING RECOMMENDED DRILL HOLE 1
FAIR DAY GROUP , BOULDER COUNTY, COLORADO

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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
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O. M. E.
RECEIVED NOV 18 1958

DATE	INITIALS	CODE

October 9, 1958

Memorandum

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

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 6, 1958, permission to proceed with Stage II work at the spontaneous potential anomaly site on the Samson claim, as provided for in contract Idm-E 1207 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 dozer time to cut five trenches, trending N 43 W and spaced 75 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.

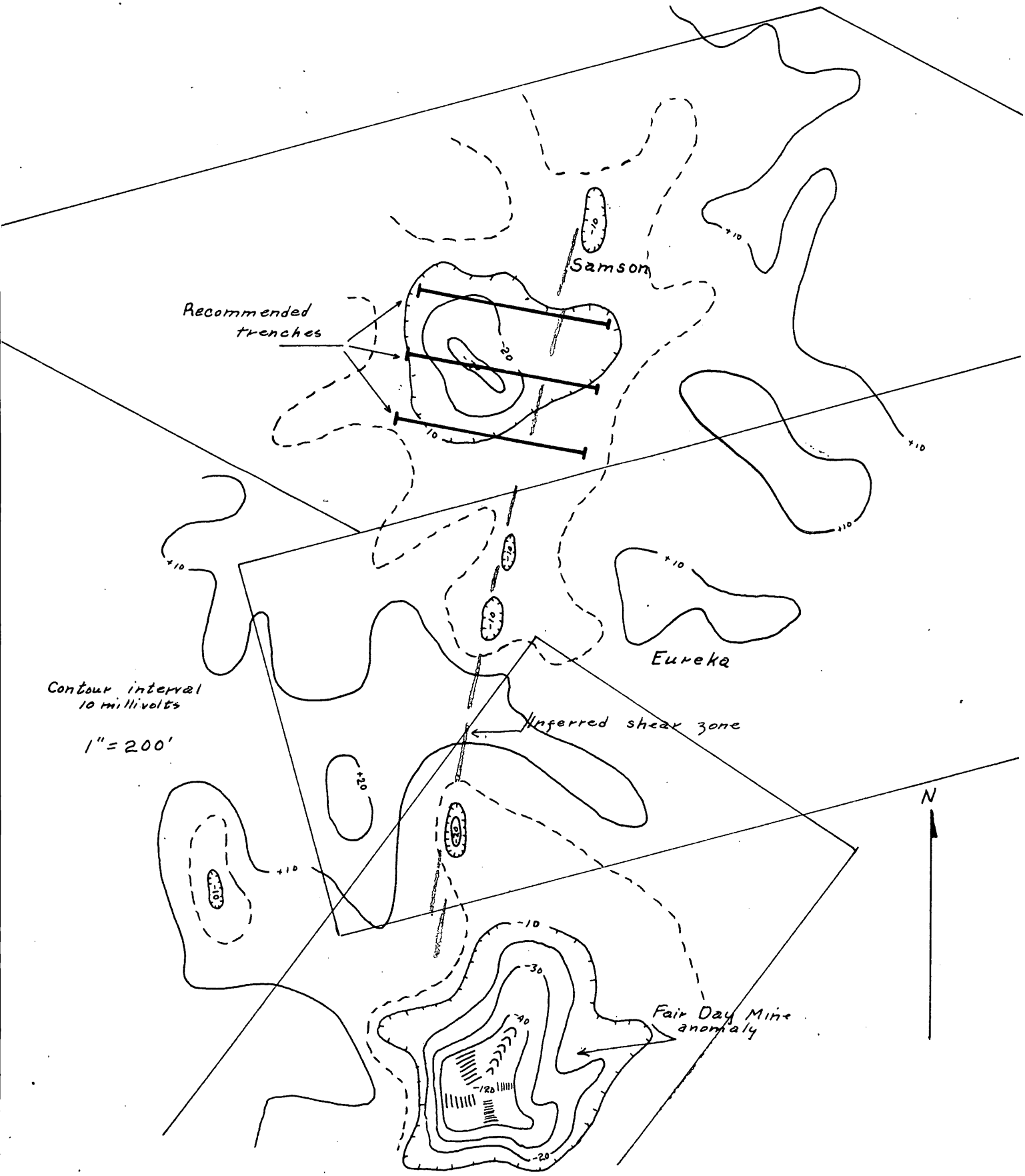
The examining team recommends that this modified plan of Stage II work be approved. The work, shown on the attached figure, should include three trenches cut to bedrock, trending approximately N.80 W. and spaced approximately 100 feet apart, across the -10 millivolt equipotential enclosure of the anomaly. The trenches should be about 300 feet long. Thirty hours should be adequate dozer time for the work.

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

Carl Belser
Carl Belser, Mining Engineer

Attachment

WNSharp:arh



PART OF EQUIPOTENTIAL MAP, FAIR DAY CLAIMS, BOULDER CO., COLORADO
SHOWING RECOMMENDED STAGE II TRENCHING

LA SALLE MINING COMPANY
BOX 217
GRAND JUNCTION, COLORADO

October 30, 1958

OME
DEPARTMENT OF THE INTERIOR
OCT 30 1958
REGION III
DENVER COLORADO

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

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Idm-R1207
LaSalle Mining Company
(Fair Day et al. Claims)
Boulder County, Colorado

Dear Sir:

The LaSalle Mining Company has completed the trenching program on the Samson Claim geophysical station R-9 anomaly as described under Stage II of the Exploration Project Contract. The trenching indicated this to be an area of intense structural activity. Several strong northerly trending shears dipping approximately 75° westerly were uncovered showing considerable high temperature specularite (hematite) mineralization. The outcropping rocks exposed by the trenching consist chiefly of biotite schist and gneiss in zones 10 to 30 feet wide separated by blocks of granite and pegmatitic granite 10 to 50 feet wide. The schistosity of the foliates is northeasterly and there is evidence of some minor shearing parallel to the schistosity.

The LaSalle Mining Company requests diamond drill holes DDH-7, DDH-8 and DDH-9 as provided under Stage II of the Contract.

DDH-7 will be collared approximately 20 feet N 53° W from the geophysical station R-8. The elevation is approximately 8620 feet. The bearing of the hole will be S 53° E and inclined - 49°. The estimated T.D. is 300 feet.

DDH-8 location and attitude is to be based on the results obtained from DDH-7 subject to approval by the Government.

The DDH-9 location and attitude is to be based on the results obtained from DDH-7 and DDH-8 subject to approval by the Government.

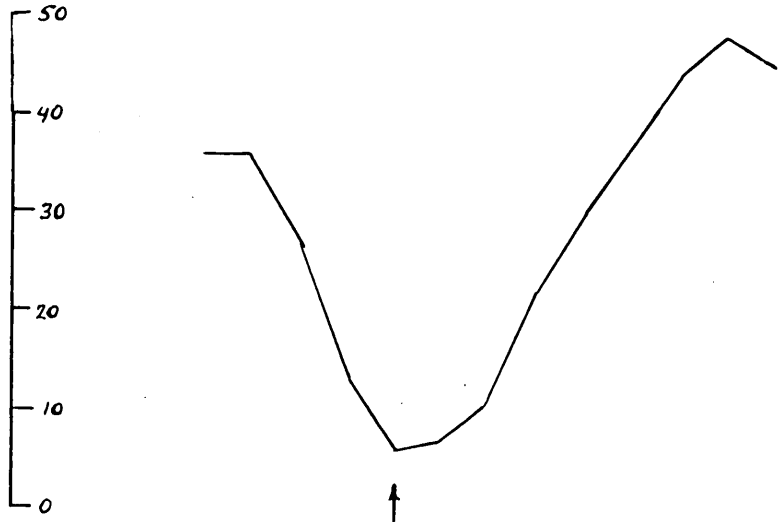
Drill hole DDH-7 is designed to intersect at a hole depth of about 150 feet, a possible mineralized body located at geophysical station R-9. The body is assumed to be trending northeast parallel to the foliates as inferred from the attitude of the ore shoots to the northerly trending faults explored in the Fair Day Mine. The hole will be continued to intersect the major northerly trending faults observed in the surface trenching.

Franklin A. Seward, Jr., Consulting Geophysicist, has repeated the survey over the R-9 anomaly on four different occasions without changing the basic outline of the anomaly. Mr. Seward has interpreted this negative center as the existence of a sulfide body with its pole between 100 to 200 feet below the surface or probably at approximately the same elevation as the known ore bodies in the Fair Day Mine. Mr. Seward has consulted with Mr. Dart Wantland, geophysicist for the U. S. Bureau of Reclamation and members of the staff of the Geophysics Department of the Colorado School of Mines in making this interpretation. Accompanying this letter is a sketch prepared by Mr. Seward to illustrate his interpretation to which has been added the proposed location and attitude of Drill Hole DDH-7.

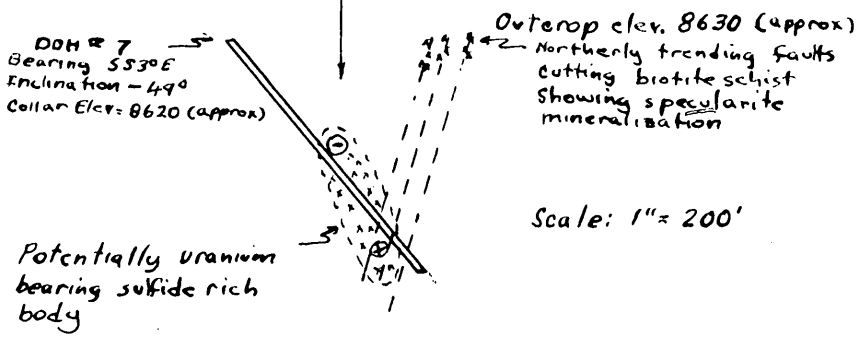
Yours very truly,

W. J. Chandler

W. J. Chandler, Geologist
Project Supervisor
LaSalle Mining Company

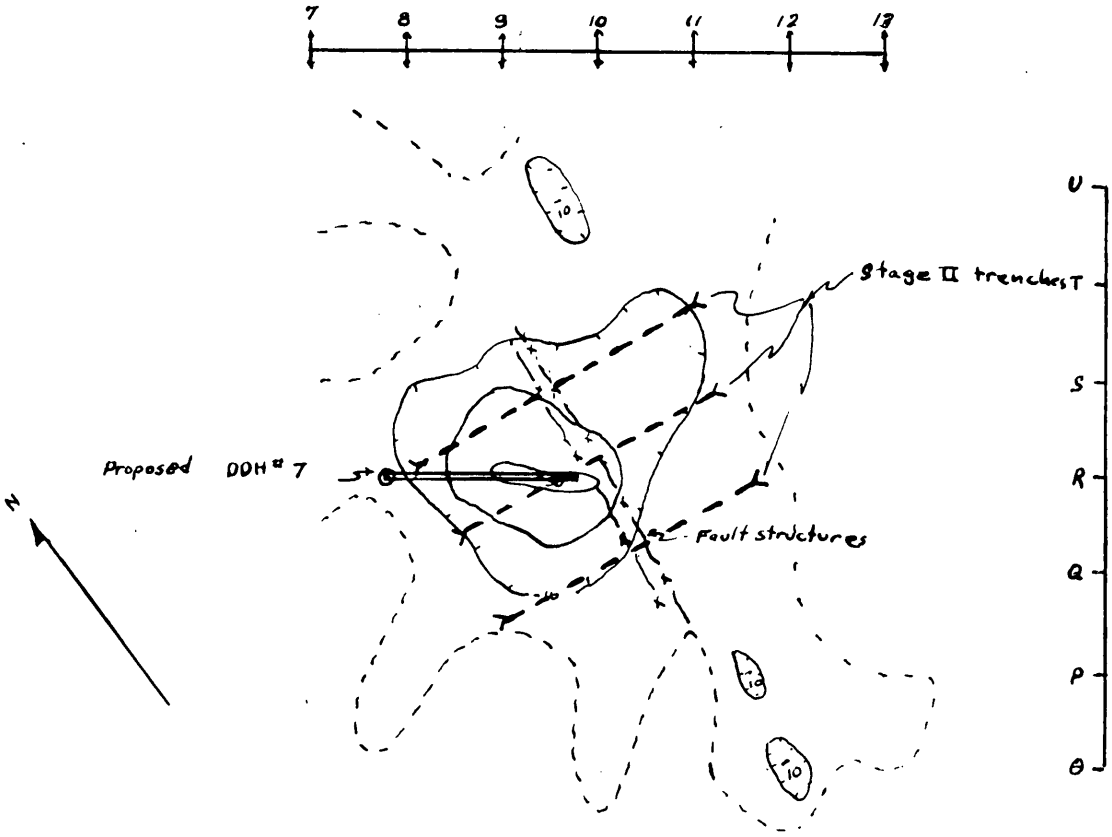


R Line - Potential Profile
original data 25/Aug/58
Last repeated 7/Oct/58
Horizontal Scale 1" = 200'
Vertical scale 1" = 20 millivolts



Section through proposed DDH # 7 on "R" Line

Scale: 1" = 200'



Plan Map of proposed DDH # 7

Scale: 1" = 200'

La Salle Mining Co.
Overland Mountain Claims

Proposed Exploration
Oct. 27, 1958

AMEA 4721
Idm-E 1207

O. M. E.
RECEIVED NOV 18 1956

DATE	INITIALS	CODE

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 27 1958

	INITIALS	CODE
10/27	C	220
10/27	[illegible]	800
	[illegible]	700

224 New Customhouse
Denver 2, Colorado

October 20, 1958

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

Enclosed are the Government's, Audit, Finance Office and Field Team copies of proposed Amendment No. 2 to Contract No. Idm-E1207, which has been prepared to provide for bulldozer trenching, subject to prior Government approval, of negative anomalous centers located by geophysical surveys anywhere on the property subordinated under the contract.

If the proposed amendment is satisfactory to you, all copies are to be signed by an official of La Salle Mining Company authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office, upon receipt of which the Operator's copy will be forwarded to you. In addition, confirming approval will then be issued for the three bulldozer trenches on the Hampson Claim.

The Amendment has been signed by the Acting Director, Office of Minerals Exploration, which is the successor agency to DMEA.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer,
OME Field Team, Region III

Encls.

JWT:bh
cc: Chmn. Op. Comm. (2)
Harsh man
Belser, OME/DFC
Corres. File - w/copy Chmn's letter 10/17/58
Cooper
Chron.

October 20, 1958

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault
Division of Rare and Miscellaneous Metals

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 1, dated October 3, 1958, to Contract IGs-R1267, Docket No. DMRA-4721, La Salle Mining Company, which was executed in Region III. The amendment does not require further approval by the Legal Division.

Grace L. Ault

Grace L. Ault

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 15, 1958

Memorandum

To: Chairman, Operating Committee, OME

From: Acting 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

Enclosed are the Government's and Audit copies of Amendment No. 1 to Contract No. Idm-E1207, prepared by this office, which has been executed to permit drifting in lieu of the cross-cutting originally provided for under Stage I of the contract.

Also enclosed are three copies of a joint memorandum, dated October 1, 1958, from W. N. Sharp, Geologist, Geological Survey, and Carl Belser, Mining Engineer, Bureau of Mines, pertaining to the matter. 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 III.

E. N. Harshman

E. N. Harshman

Enclosures

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1958

DATE	INITIALS	CODE
10/20	C	220
	esf	130
		700

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

From: W. N. Sharp
Carl Belser

Subject: Docket DMEA 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 west to northwest 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

orm 7

OFFICIAL FILE COPY

Date	Surname	Code
10/16/58	Ching	700
10/16	Knowal	700
10-16	Chamlee	800
10/17	GCS	130
		~~110~~
10/17	Johnson	100
10/20		220

700

OCT 17 1958

Mr. E. N. Harshman
Acting Executive Officer
OME Field Team, Region III
224 New Customhouse Building
Denver 2, 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. Harshman:

In accordance with our teletype of October 8, we are enclosing the original and four copies of a proposed Amendment No. 2 to the subject contract, signed by the Acting Director. Also enclosed are two extra copies of the amendment for the use of the Field Team.

If you and the Operator find the proposed amendment in order, please have the Operator execute it as indicated and make the usual distribution thereafter.

Please advise the Operator that OME is the successor agency to DMEA.

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

P. F. Yopes (GCS)
Member, Bureau of Mines

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

MChing/gla
10-16-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 10, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 13 1958

DATE	INITIALS	CODE
10/13	C	220
"	Cling	700

Memorandum

To: Chairman, Operating Committee, OME

From: Acting 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

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 Belser, 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.

E. N. Harshman

E. N. Harshman

FILE COPY
RECEIVED OCT 18 1958

224 New Customhouse
Denver 2, Colorado
October 10, 1958

Mr. W. J. Chandler, Geologist
Project Supervisor
La Salle Mining Company
P. O. Box 207
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Idm-[illegible]207
La Salle Mining Company
(Fair Day 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 more 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,

DMEA Field Team, Region III

By E. W. Harshman
E. W. Harshman

By J. W. Townsend
J. W. Townsend

JWT:prl

cc: Chmn. Op. Comm. (3)
Harshman
Belser DMEA/DFC
Corres. file
Cooper
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Atomic Energy Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
OCT 9 - 1958
REGION III
DENVER, COLORADO
OFFICE COPY
O. M. E.
RECEIVED OCT 13 1958

DATE	INITIALS	CODE

October 9, 1958

Memorandum

To: Acting Executive Officer, Oil Field Team, Region III
Through: E. A. Durham EAD

From: W. N. Sharp
Carl Belser

Subject: Docket No. 422 (Original), Contract Dm-s 1207, Belle 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 on the surface without first doing the surface trenching required by contract Dm-s 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 verifying 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, Geologist

Carl Belser, Mining Engineer

WNSharp:arh

DRAFT
10/9/58
MOhing/gls

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

AMENDMENT NO. 2

It is agreed this _____ day of _____, 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-21207, Docket No. DMRA-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, 1. Bulldozer stripping, delete the entire paragraph and substitute the following:

Negative anomalous centers located by geophysical (self-potential) surveys conducted within the area covered by the contract, either under the terms of the contract or by the Operator for its own account, 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.

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 _____
Director, Office of Minerals Exploration

LA SALLE MINING COMPANY

By _____

Title _____

224 New Customhouse
Denver 2, Colorado
October 9, 1958

10/13 C 220
10/13 EEF 800
10/14 ~~ehing~~ 700

Memorandum

To: E. N. Harshman - w/enclosure
Carl Bulaer, GSE/EEC - " "

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

Subject: Docket No. DMMA 4721 (Uranium), Contract No. 14m-E1207, La Salle Mining Company (Fair Day et al. claims), Boulder County, Colorado

Enclosed is a photo copy of a teletype from the Acting Chairman, Operating Committee, GSE, dated 10/8/58, informing this office that Amendment No. 2 will be prepared to provide for Stage II work in any area substituted under the contract.

Your recommendations regarding the Operator's request of October 3, 1958 for Government approval for five bulldozer trenches on the Sunset claim can now be submitted to this office, as indicated in our memorandum of October 6, 1958.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JEC:prl

cc: Chmn. Op. Comm. (2)
Contrac. file - w/copy of teletype
Cooper
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/7/58	Ching	700
10/7	Lucas	700
10/7	GCS	130
10/7	Johnson	110
	S Anderson	100
10/7	C	220
		700

OCT 8 1958

Department of the Interior

ONE

1490108, Salaries and Expenses, Office of Minerals Exploration, Interior, 1959

T E L E T Y P E

E. N. HARSHMAN
ACTING EXECUTIVE OFFICER
ONE FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER, COLORADO

REURMEM OCTOBER 3 LA SALLE MINING COMPANY

DOCKET 4721 WE WILL PREPARE AMENDMENT NO. 2 AS RECOMMENDED.

George C. Selfridge
ACTING CHAIRMAN, OPERATING COMMITTEE (LB)

MChing/gla
10-7-58
cc to: Director's Reading
File
Operating Committee
THKiilsgaard, 5224
Mr. Ching

Confirmation to Region III

8623

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 9 1958
DATE
10/9 C 220
10/10 CEF 800
700

224 New Customhouse
Denver 2, Colorado
October 6, 1958

Memorandum

To: E. N. Harshman - w/enclosure
Carl Balser, OME/BFC - "

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

Subject: Docket No. DMEA 4781 (Extension), Contract No. Ida-X1207, La Salle Mining Company (Fair Day et al. claims), Boulder County, Colorado

Enclosed is a copy of the Operator's letter of October 3, 1958, with a map attached, which constitutes a request for Government approval for five bulldozer trenches to further explore a negative anomaly as a result of the geophysical work on the Samson claim.

The matter of amending the contract to provide for Stage II work, outside of the area indicated for the geophysical survey under Stage I, is covered by the Operator's request of September 15, 1958 and the letter to the Chairman, Operating Committee, from this office dated October 3, 1958. Therefore, your recommendations relative to the approval for the bulldozer trenching should be deferred until a decision is received from the Washington Office in reply to our letter of October. 3.

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

JWT:prl

cc: Chmn.Op.Comm.(2) w/copy of Operator's
Corres. file) letter of October 3.
Cooper
Chrom.

OME
DEPARTMENT OF THE INTERIOR
OCT 3 - 1958
ACTION III
DENVER, COLORADO

LA SALLE MINING CO.
Box 217
Grand Junction, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 9 1958

October 3, 1958

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

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Idm-41207
La Salle Mining Company
(Fair Day et al. claims)
Boulder County, Colorado

Dear Sir:

The La Salle Mining Company feels that sufficient work has been done and results obtained with Stage I of the Exploration Project to consider a Stage II program.

Upon completion of the geophysical part of the program and after careful interpretation and study of the results obtained certain features were revealed extending out from the excellent anomaly mapped over the Fair Day Mine. An area of low potential relief was found extending northerly from the Fair Day Mine that lined up with the strong northerly striking fault that passes through Point V shown on figure 4 of the Exploration Project Contract. Encouraged by the results of the Stage I geophysical survey the La Salle Mining Company extended the area of the survey to the north at its own expense. Approximately 1,130 feet due north of the center of the Fair Day Mine anomaly, on the Samson Claim, a new anomaly was discovered that should be explored. See supplementary report and map submitted by Franklin A. Seward, Jr. accompanying the letter submitted to the Government dated September 15, 1958 from the La Salle Mining Company. The new anomaly is centered in the vicinity of the geophysical survey coordinates R-9.

The La Salle Mining Company requests that the Government approve a total of thirty (30) hours of bulldozer stripping to expose the R-9 area as provided under Stage II of the Exploration Project Contract and described in detail as follows:

Strip five (5) lanes, dozer blade wide, seventy five (75) feet apart as indicated on the map, Figure 5, accompanying this letter. Each lane shall be no more than three hundred (300) feet long and no work shall be done closer than fifty (50) feet to the property lines. The strip lanes shall remove the surface debris and overburden, believed to average about four (4) feet thick, so that a fresh rock surface will be exposed for study.

Yours very truly,

W. J. Chandler, Geologist
Project Supervisor
LaSalle Mining Company

COPY

RECEIVED 1958

DATE

10-9 C 220
10/10 EEP 800
" Ching 700

224 New Customhouse
Denver 2, Colorado
October 6, 1958

Memorandum

To: E. H. Shrahman - w/enclosure
Carl Palmer, OME/RPC - " "

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

Subject: Docket No. MMRA 4721 (Wyomin), Contract No. Ma-XX207,
La Salle Mining Company (Fair Day et al. claims),
Boulder County, Colorado

Enclosed is a copy of the Operator's letter of October 3, 1958, with attached map, which constitutes a request for the Government's approval to waive the provision for bulldozer stripping under Stage II, item 1, and approval for the drilling of three diamond drill holes under the provisions of Stage II, item 2.

Since the bulldozer stripping provided for under Stage II, item 1, requires prior written approval by the Government, the requirement for the work can be waived provided that you consider that results of the geophysical survey provide sufficient justification for the work without the prior bulldozing of trenches in the area.

Please submit a joint memorandum report containing your recommendations in the matter.

E. H. Shrahman

JWT:pri

cc: Chmn.Op.Comm.(2) w/copy of Operator's
Corres. file) letter of October 3.
Cooper
Chmn.

LA SALLE MINING CO.
Box 217
Grand Junction, Colorado

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

RECEIVED OCT 8
DATE INIT

October 3, 1958

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

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Ida-81207
La Salle Mining Company
(Fair Day et al. claims)
Boulder County, Colorado

Dear Sir:

The La Salle Mining Company feels that sufficient work has been done and results obtained with Stage I of the Exploration Project to consider a Stage II program.

Upon completion of the geophysical part of the program and after careful interpretation and study of the results obtained certain features were revealed extending out from the excellent anomaly mapped over the Fair Day Mine. An area of low potential relief was found extending South West from the Fair Day Mine that led to the discovery of a new anomaly of moderate size in the vicinity of the portal of the Fair Day Mine inclined shaft. The center or low of the anomaly is located at the geophysical survey coordinates E-14.6 as shown on Figure 5 accompanying this letter. Aspects of the anomaly are discussed by Franklin A. Seward, Jr. in his report submitted with the July "Narrative" report and the anomaly is shown in a revised form on his map submitted with the letter to the Government dated September 15, 1958, from the La Salle Mining Company.

The La Salle Mining Company feels that the new anomaly shouldbe explored but must request that the Government waive the bulldozer stripping requirement set up in Stage II. The bulk of the anomaly covers the area occupied by the surface installations of the mine. To strip the area in the vicinity of the E-14.6 anomaly would be impractical as at least an average of ten (10) feet of mine waste muck covers the area and to do so would seriously interfere with the normal operation of the mine.

The La Salle Mining Company requests that the Government approve a total of nine hundred (900) feet of surface diamond core drilling to explore the E-14.6 anomaly as provided under Stage II of the Exploration Project Contract and described in detail as follows:

> Three (3) diamond drill holes are to be drilled as indicated on the map, Figure 5, accompanying this letter. Each hole shall be inclined approximately minus fifty (-50) degrees and not exceed three hundred (300) feet in length. The holes shall bear approximately South, S 40° E and S 70° W, respectively, from West to East. The holes are expected to explore the target area at depths of one hundred and fifty (150) feet or less and not closer than seventy five (75) feet apart.

Yours very truly,

W. J. Chandler

W. J. Chandler, Geologist

224 New Customhouse
Denver 2, Colorado
October 3, 1958

10/6 C 220
10/8 EES 800
~~chrong~~ 700

Mr. W. J. Chandler, Geologist
Project Supervisor
La Salle Mining Company
P. O. Box 207
Grand Junction, Colorado

Re: Docket No. DMEA 4721 (Uranium)
Contract No. Ism-X1207
La Salle Mining Company
(Fair Day et al. claims)
Boulder County, Colorado

Dear Mr. Chandler:

Reference is made to your letter of September 26, 1958, wherein you request the Government's approval to drive a drift 100 feet northerly from point V instead of driving the two crosscuts under Stage I, item 3, as depicted on the map, "Fig. 4," attached to the contract.

It is considered that an amendment to the contract is necessary in order to change the location of the proposed work. For that purpose, enclosed are the Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Amendment No. 1, which has been prepared to effect the change when properly executed.

If the Amendment is satisfactory, all copies are to be signed by G. T. Russell for himself and signed by him for the other three partners as agent, and all copies promptly returned to this office; upon receipt of which and after signature by a representative of the Government, the "Operator's Copy" will be returned to you.

Very truly yours,

Original signed by
E. N. HARSHMAN
E. N. Harshman
Acting Executive Officer

Enclosures

JWT:pri

cc: Chan. Op. Comm. (2)
Harshman
Balser GMM/DFC
Corres. file
Cooper
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado
October 3, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 6 1958

DATE	INITIALS	CODE
10/6	C	220
		130
	Chung	700

Memorandum

To: Chairman, Operating Committee, OME

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

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

Enclosed are the original and two copies of a joint memorandum by W. N. Sharp, U. S. Geological Survey, and Carl Belser, U. S. Bureau of Mines, in which an amendment to the subject contract is recommended. Two copies of the Operator's request for the amendment, with maps, were sent you by copies of our letter of September 23, 1958 to the Federal Center office.

We concur with the recommendations made by the field examiners and believe that Stage II stripping is justified by the results of the geophysical survey. Subsequent Stage II drilling, to explore the negative anomaly, will depend upon the results of stripping.

It is possible that the negative anomaly found on the Samson claim could be explored in Stage II under the terms of the contract as now written. However, as we interpret the contract, particularly Figure 3 attached thereto, Stage II stripping and drilling are limited to the area enclosed in dashed lines on Figure 3, in which DMEA participated in the cost of the geophysical survey. The anomaly to be explored is on subordinated ground, about 400 feet west of the area explored with DMEA assistance. The anomaly was found by geophysical work done entirely at the Operator's expense.

If you concur that the negative anomaly on the Samson claim warrants exploration, as outlined in the attached memorandum, and you believe an amendment is necessary, we suggest that the paragraph on page 4 of the contract under Stage II, (1) Bulldozer stripping, be modified to allow stripping in any area on the subordinated claims that has been shown by geophysical surveys to contain significant negative anomalous centers. An amendment to this paragraph would automatically allow for drilling, if warranted, under Stage II, (2) Surface diamond drilling.

Amendment No. 1, relocating the position of Stage I cross-cutting, is being prepared in this office. The amendment suggested in this memorandum would be No. 2.

After you have reached your decision, we will appreciate advice by teletype so that we may inform the Operator.

E. N. Harshman

E. N. Harshman

Enclosures

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

IN REPLY REFER TO:

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 6 1958
DATE | INITIALS | CODE

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

September 30, 1958

Memorandum

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

From: William N. Sharp
Carl Belser

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

The operator of the subject contract requested on September 15, 1958, that an amendment be made to the contract. This amendment was requested in order that geophysical indications of buried ore bodies anywhere on the subordinated Fair Day claims could be explored further under terms of the contract. The present contract allows for further surface exploratory work only within the limited DMEA geophysical survey area. The company, at its own expense, has extended the coverage of the geophysical (self-potential) survey conducted with DMEA participation on a narrow belt of terrane crossing the claims, and has found a negative anomaly of moderate magnitude. No significant geophysical anomalies were found in the "DMEA Survey" area except at a spot directly over the producing mine stope. As a result, further surface work (bulldozing and perhaps drilling) as allowed for in the contract would not have been utilized. With the extended survey a significant anomaly is found located about 300 feet ~~northeast~~ northwest of the original restricted survey area on the

Samson claim of the Fair Day group, and the operator feels that it would be to the Government's advantage to explore all apparently favorable areas on the subordinated claims.

The examining team concurs with the operator's recommendations, but with some qualifications. New anomalies should be evaluated carefully particularly with respect to a close association with known structural trends. The newly found Samson claim anomaly appears to be related to the same structure system that controlled the emplacement of Fair Day mine ore-body. The negative anomaly shape is similar to that produced by the Fair Day body; the magnitude of the anomaly is lower, however. The difference in magnitude is difficult to evaluate with geophysical data only. The terrane is rugged and the new anomaly is 150 feet higher in altitude than the present mine. A new ore-body at the new site may be buried deeper or it may be smaller. Regardless, it would appear that the geophysical survey indicates a good probability of an ore-body at the new site and further work to prove or disprove its existence is warranted.

It is recommended that the contract Idm-E 1207 be amended to allow for Stage II exploration of the Samson claim anomaly. This work should consist of three bulldozer cuts to bedrock, made normal to the apparent northerly trending structure. The cuts should be approximately 100 feet apart and no more than 250 feet long. It is estimated that about 32 hours of bulldozer time will be required for the recommended work. Exploratory drilling on the Samson anomaly is contingent on geologic appraisal of the site after exposure by bulldozing.

William N. Sharp

William N. Sharp, Geologist

Carl Belser

Carl Belser, Mining Engineer

[illegible] New Customhouse
Denver 2, Colorado
September 29, 1958

DATE	INITIAL	CODE
10/2	C	220
10/2	[illegible]	800
10/3	[illegible]	700

Memorandum

To: E. N. Harshman - w/enclosure
Carl Heiner GSA/RPC -

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

Subject: Docket No. IMBA 4701 (Uranium), Contract No. [illegible],
Infinite Mining Company (Pete Ray et al. claims), Mesa
County, Colorado

Enclosed is a copy of a letter, dated September 26, 1958, from the subject Operator, with attached map, showing the Operator requests Government approval for 100 feet of underground under the provisions of Stage I of the contract.

Please submit to this office a joint recommendation embodying your recommendations in the matter.

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

EN:pfl

cc: Chron.-Op-Cont.-R } w/copy of Operator's
Central File } letter of Sept. 26,
1958, and attached
map.

Oregor
Chron.

LA SALLE MINING COMPANY
BOX 217
GRAND JUNCTION, COLORADO

OME
DEPARTMENT OF THE INTERIOR
SEP 26 1958
REGION III
DENVER, COLORADO

September 26, 1958

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

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

Dear Sir:

The LaSalle Mining Company has completed one hundred and eighteen (118) feet of drifting from point "V" to "Z", as described in Stage I of the Exploration Contract. The Operator is now ready to start the crosscut program, subject to approval by the Government, as described in Stage I.

The area so far explored by the Operator as pertains to the Stage I crosscut program is described geologically 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 parallelled 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 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 accompanying this letter.

The main structural feature observed in the drift is a mineralized shear zone that leaves the main North-South fault at point "V" and curves with the drift, in the right rib, as it swings on the line "V" to "Z". The shear stays in the right rib for about the first twenty 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 accompanying this letter and Page 2 of the July, 1958 Narrative Report.

After careful study of all the data available on the Fair Day mine area, the Operator is of the opinion that the prominent North-South trending faults or shears, such as the one that passes through point "V", are the structural control features of the area. The results of Mr. Franklin A. Seward Jr.'s geophysical work as described in his supplementary report submitted to the Government along with a letter from the LaSalle Mining Company dated September 15, 1958, seems to bear this out. It should be pointed out that the point "V" fault has zones or pods that are mineralized within its wide gouge areas which indicate that locally at least it could have served as the conduit for mineralizing solutions. The Operator assumes that wherever along a North-South fault (in this area) the proper host-rock exists and the proper force has been exerted so as to dilate the rock (possibly along a pre-existing zone of weakness) then with the introduction of a mineralizing solution an ore shoot will be formed. The linear elements found within most of the rock blocks in the area as well as one set of shears trend Northeast-Southwest. The North-South fault system crosscuts these elements and all ore shoots opened up to date were found to be mineralized right against or within a few feet along a vein from the fault. Therefore, it is the Operators opinion that the best way to explore the area would be to crosscut the linear elements and Northeast-Southwest shears by drifting along the North-South crosscut faults toward areas where a proper host rock is believed to exist. Both ribs of the drift would be checked with shallow horizontal test holes drilled at such an angle so as to discover any mineralization that may make up outside the area covered by the width of the drift.

The Operator requests that the Government approve a proposal to drive one hundred (100) feet of crosscut drift Northerly through point "V" following the North-South trending fault to a point "X". The tentative location is shown on the map, Figure 4, accompanying this letter.

Yours very truly,

W. J. Chandler

W. J. Chandler, Geologist
Project Supervisor
LaSalle Mining Company

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DATE
RECEIVED 3 1958
DATE CODE
9/25 C 220
9/25 800
700

224 New Customhouse
Denver 2, Colorado
September 23, 1958

Memorandum

To: E. N. Harshman - w/enclosure
Carl Malmgr, GML/DFC - "

From: Office of Minerals Exploration, Region III

Subject: Docket No. MMLA 4721 (Uranium), Contract No. Ilm-21207, LaSalle Mining Company (Fair Day et al. claims), Boulder County, Colorado

Enclosed is a copy of a letter from the subject Operator, dated September 15, 1958, with attached geographical report and the maps, whereby the Operator requests that the contract be changed to provide for bulldozer stripping and surface drilling under the provisions of Stage II on any of the property submitted under the contract. The contract presently provides that bulldozer stripping and drilling under Stage II be performed in that area covered by the geophysical survey performed under the provisions of Stage I of the contract.

Please review the Operator's request and submit to this office a joint memorandum combining your recommendations in the matter.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JEO:yel

cc: GML/Washington-2 } w/copy of Operator's
Center. File } letter of Sept. 16
Cooper
Ogden.

LA SALLE MINING CO.
Box 217
Grand Junction, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 25 1958
DATE | INITIALS | COMS

September 15, 1958

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

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

Dear Sir:

The La Salle Mining Company feels that sufficient work has been done and results obtained with Stage I of the Exploration Project to consider a Stage II program.

Upon completion of the geophysical part of the program and after careful interpretation and study of the results obtained certain features were revealed extending out from the excellent anomaly mapped over the Fair Day Mine. An area of low potential relief was found extending northerly from the Fair Day Mine that lined up with the strong northerly striking fault that passes through Point V shown on figure 4 of the Exploration Project Contract. Encouraged by the results of the Stage I geophysical survey the La Salle Mining Company extended the area of the survey to the north at its own expense. Approximately 1,130 feet due north of the center of the Fair Day Mine anomaly, on the Samson Claim, a new anomaly was discovered that should be explored. See supplementary report and map submitted by Franklin A. Seward, Jr. accompanying this letter. The new discovery falls outside the area covered by the Stage I geophysical survey but within the area subordinated under the Exploration Project Contract.

The La Salle Mining Company feels that it would be to the Governments advantage to explore all favorable areas that lie within the claim group described in Annex I of the subject contract. The La Salle Mining Company requests that the Exploration Project Contract be changed so that all favorable areas, whether they be within the area covered by Stage I of the contract or discovered at the expense of the operator within the area subordinated under the contract, be included in the area to be explored under Stage II of the Exploration Project Contract, by bulldozing and surface drilling. W.J.C.

Yours very truly,

LA SALLE MINING COMPANY

G. T. RUMMEL Partner

ljsh

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 25 1958

DATE	INITIALS	CODE

LaSALLE MINING COMPANY

SUPPLEMENT NO. 1. TO THE

REPORT ON A SELF POTENTIAL SURVEY

OF THE

OVERLAND MOUNTAIN CLAIM GROUP

JAMESTOWN MINING DISTRICT

COLORADO

Franklin A. Seward, Jr.
Geophysical Engineer

September 15, 1958
Golden, Colorado

INTRODUCTION

Following completion of the 900 station self potential survey performed under DMEA contract, the LaSalle Mining Company retained this writer to do additional self potential work in adjacent areas. In the course of this survey certain repeat work in the first area surveyed caused minor modifications to be made to the original map. These modifications did not affect the significant anomalies or trends but served to eliminate certain erratic data and reduced the general regional gradient.

PROCEDURES

The methods employed were the same as those used in the original survey with the following exceptions. The distance between profile lines was maintained at 100 feet but the distance between stations on each line was increased from 20 feet to 50 feet. It was found that this procedure produced a less erratic contour map without significant loss of detail. The profile lines were tied together as a continuous profile rathere than in 100 foot jumps. This procedure eliminated repetitive contact potentials that tended to be cumulative thereby reducing the rather sharp regional gradient.

INTERPRETATION

The first work included a check of several one station and low relief anomalies. This check work substantiated the anomaly in the vicinty of L - 13.6 but eliminated that originaly observed at AA - 12.4. The field electrode at that point had been in direct contact with a large tree (Aspen) root during the original work. Experimentation has shown that such a condition will produce a rather sharp negative anomaly.

The most apparent new feature on the supplementary map is the potential low centered in the vicinity of R - 9. This anomaly, though of lower potential relief, is of approximately the same size and general character as that observed centered at I - 16.2. The fact that it is of lesser potential relief is not considered as significant as its general size and shape. The lower relief may be due to

any of a number of reasons. The location at R - 9 is between 150 and 200 feet higher topographically than the I - 16.2 anomaly. The depth to the orebody may have increased by this amount or the depth to the water table may have correspondingly increased. The position relationship to the water table of a possible orebody at this location may be entirely different than that of the I - 16.2 orebody.

Added significance is ascribed to the anomaly at R - 9 due to the northerly trending lineation of minor lows observed at L - 13.5, P - 11.5, U - 9.5, Y - 8, and Z.5 - 6.5. The attached map Figure 1 (s) shows a possible structural interpretation based entirely on the potential data.

Observation of the surface lithology during the course of the survey has indicated a definite association between the positive potential anomalies and granite outcrops covered by little or no decomposed granite overburden. When such a place is occupied as a base station the field stations observed from this base are normally found to be negative with respect to the base. The inverse is true when the area is occupied as a field station. This fact accounts for the positive anomalies observed near H - 9.5, k - 12, T - 10, and the others shown on the map. The potential differences in such areas are quite variable and sometimes erratic particularly following a heavy rainfall. While this condition tends to make the contour map somewhat discontinuous or erratic it would not obscure the presence of a negative anomaly associated with a significant sulfide bearing orebody.

RECOMMENDATIONS

In addition to the reccomendations made in the first report it is the opinion of this writer that a thorough study of the area in the vicinty of station R -9 be made. There is surface indication of a fault zone passing through the area. Investigation should include preliminary surface bulldozing to determine the strike and dip of the structure followed by diamond core drilling if evidence warrants such.

Results of this investigation will determine the advisabilty of additional exploration work along the strike of this fault.

Respectfully submitted,

Franklin A. Seward Jr.

~~Fran~~klin A. Seward, Jr.
Geophysical Engineer

September 15, 1958

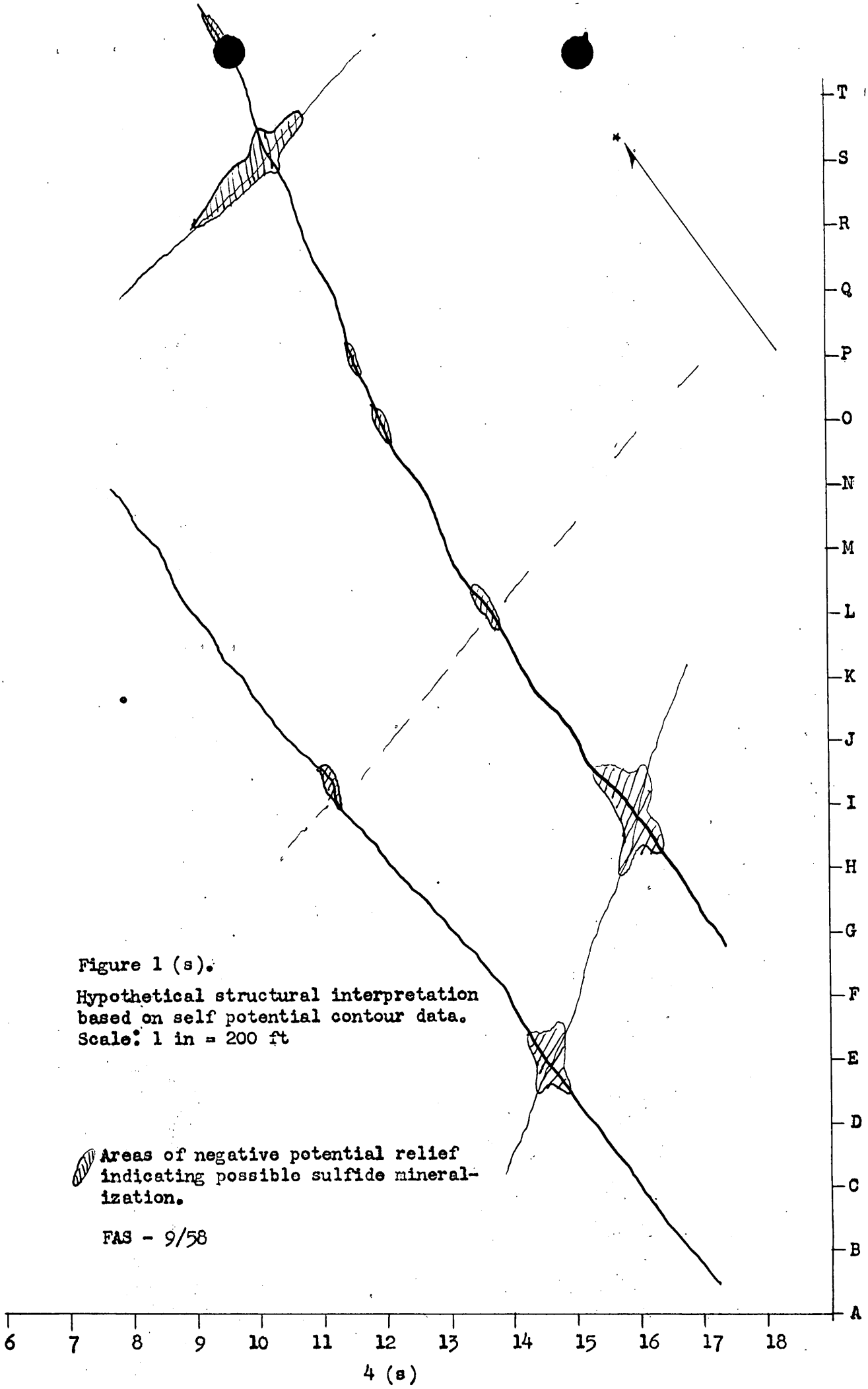

Figure 1 (s).

Hypothetical structural interpretation based on self potential contour data. Scale: 1 in = 200 ft

Areas of negative potential relief indicating possible sulfide mineralization.

FAS - 9/58

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

ORIGINAL FILE COPY
DMEA
RECEIVED JUN 26 1958

DATE	INITIALS	CODE
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6/26	B	215
6/27	Ching	700

Memorandum June 24, 1958

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4721 (Uranium), Contract No. Idm-E1207, 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. Idm-E1207, 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 Coliowa property for a fixed term.

2. Two copies of "Supplement to Contract" supplementing the contract dated January 2, 1957, between Coliowa 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. Rowe, Roy M. Eidal, and M. M. Hardin, designating G. T. Rummel 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 MF-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 $54,234.00, 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.

J. W. Townsend

Enclosures

DMEA
RECEIVED JUN 26 1958

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-E1207
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-E1207, 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 "5", 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: Chem. Op. Comm. (2)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DFC
Corres. file
Cooper
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/4/58	Murphy	700
6/6	Kusner	700
6-5	Chambers	800
6/16	[illegible]	130
"	Johnson	110
"	Hutchinson	100
6/16	C	220
		700

JUN 16 1958

C.

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

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

Dear Mr. Townsend:

Enclosed are the original and four copies of a proposed long-form contract between the Government and La Salle Mining Company, signed by the Administrator. The contract consists of Form MF-200, Annex I, Exhibit "A" and two maps (Figures 3 and 4). Also enclosed are two extra copies each of Annex I, Exhibit "A" and the maps (Figures 3 and 4), for the use of the Field Team.

The Associate Solicitor points out that the Applicant's agreement of January 2, 1957, with Coliowa, pursuant to which the Applicant holds possession of the land, is not for any fixed term, but for "as long as profitable production is encountered." Since the proposed project is for approximately 12 months' duration, we require written proof that the Applicant has the right of possession for a fixed term of at least two years.

If you and the Applicant find the proposed contract satisfactory, it is ready for the signature of the Applicant, provided that a suitable final starting date is inserted under Article 3, the Consent to Lien and Subordination Agreements of the parties listed in Article 2(b) are attached to each copy of the contract, and proof of possession is submitted.

The Applicant should be warned to expedite the signature because of a possible June 30 deadline.

867

The costs suggested by the examiners have been modified as follows, the larger changes having been made in accordance with a long distance telephone conversation between Mr. Michael Ching and Mr. Harshman on May 6, 1958:

1. The cost of mobilization of men and equipment for drilling was made the same for surface drilling as for underground drilling, $200.00.

2. The cost of the underground drill stations has been placed on the basis of cubic feet of excavation.

3. The incidental allowance per foot for drilling remains unchanged at $0.55 per foot for surface drilling; but for underground drilling the figure $2.58 was reduced to $1.70. The latter figure is based on the fact that the drill bid added only $1.10 per foot for supplying air and other incidental costs amounted to $0.60 per foot.

4. The cost for timbering was reduced from $17.78 per foot to $8.50 by increasing the rate of progress to three sets per shift, reducing the amount of timber per set, and eliminating some labor.

After considering the size of the property and its potential, the program as recommended by the Field Team appeared to be considerably broader than was warranted at this time. Although the total cost of the proposed contract has been reduced to about one-half of the Field Team's figure, we believe the project work will indicate the potential of the subject property.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

MChing/FMMurphy/gla
(6/4/58-6/11/58) 6/13/58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Murphy (Ching)

After considering the size of the property and its potential, the program as recommended by the Field Team appeared to be considerably broader than was warranted at this time. Although the total cost of the proposed contract has been reduced to about one-half of the Field Team's figure, we believe the project work will indicate the potential of the subject property.

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Enclosures

MChing/FMMurphy/gla
(6-4-58) 6-11-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Murphy (Ching)

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

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1. The cost of mobilization of men and equipment for drilling was made the same for surface drilling as for underground drilling, $200.00.

2. The cost of ~~a large~~ the underground drill station~~s~~ [redacted] reduced from $500.00 to $400.00. The cost of ~~a small station~~ remains at $200.00. has been placed on the basis of cubic feet of excavation.

3. The incidental allowance per foot for drilling remains unchanged at $0.55 per foot for surface drilling; but for underground drilling the figure $2.58 was reduced to $1.70. The latter figure is based on the fact that the drill bid added only $1.10 per foot for supplying air and other incidental costs amounted to $0.60 per foot.

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Sincerely yours,

Chairman, Operating Committee

Enclosures

MChing/FMMurphy/gla
6-4-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Murphy (Ching)

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

Government's Copy

MF-200
(Revised June 1954)

Docket No. DMEA 4721

Commodity Uranium

Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] The La Salle Mining Company, a partnership consisting of G. T. Rummel, M. P. Rowe, Roy M. Eidal, 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] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [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 Coliowa Uranium Corporation, R. L. Busby, Robert Mills, Carl A. Peterson, Earl W. Balis, Charles E. Green, Thomas B. Green, and Margaret G. 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 Subordination 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).

August 1, 1959

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before shall commence the work, and on or before ~~September 30~~, 1959 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work, ~~or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A"~~ 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 $~~102,100.00~~ 54,234.00
The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ ~~76,575.00~~ 40,675.00 : *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

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 ~~country rock~~, 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 ~~FIRE DAY~~ 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 ~~the next smaller~~ size in order to complete the hole.
not less than AX

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 ~~Fairday~~ and Eureka Mine claims, ~~and the northwesterly trending structure exposed on the Baltimore Belle claim.~~ 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 ~~1,500~~ 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, ~~and a radiometric (isorad) map of the self-potential stations~~.

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, S 10° W, and S 15° E, respectively, from ~~left~~ West to ~~right~~ 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 to intercept 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

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 ~~200~~ 123 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 ~~20~~ 18 inclined diamond drill holes, aggregating not more than ~~5,000~~ 5,360 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.

4. Underground diamond drilling.

Drill not more than 7 inclined diamond drill holes aggregating not more than 2,700 feet at locations indicated as favorable by results of Stage I work. Not more than two underground drill stations

of sufficient size to permit pulling 10-foot drill rods may be excavated preparatory to the drilling. Tentative location of two 250-foot holes are shown at point X on Figure 4. The other 5 holes are expected to range from 250 to 500 feet in length. They may be used to explore the mineralized zone at depths below those reached by Stage I underground drilling, and/or to extend laterally any significant mineralization found by the preceding work.

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, $6.00 for BX size, and $6.05 for AX size.	$5,175.00
650 feet underground core drilling @ $5.60/ft. for NX size, $5.10 for BX size	3,640.00
~~3,920.00~~	
0 - 250 feet 30 hours standby time @ $11/hr.	330.00
Mobilization of men and equipment	400.00
50 feet underground core drilling at 250 feet up @ $5.70 BX size	285.00
600 @ $5.35 AX size	

Category (2) through (6)

None

Category (7) Miscellaneous

None except:

55 wooden core boxes @ $5/each	275.00	$10,380.00
55 chemical sample analyses @ $5/sample	275.00	~~$10,375.00~~

Fixed Unit Costs (See Article 13(d))

~~1,500~~ 900 self-potential stations @ $2/station 1/	$1800.00 ~~$3,000.00~~	
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, ~~@ $400/ft~~ ~~station 3/~~ 420 cubic feet @ $0.95/cu ft.	399.00 ~~400.00~~	
1 drill station at S, ~~@ $200/ft~~ ~~station 3/~~ 210 cubic feet @ $0.95/cu ft	199.50 ~~200.00~~	14,803.50 ~~$16,005.00~~
Estimated Total Cost of Stage I		~~$26,380.00~~ 25,188.50

Stage II

Actual Costs

Category (1) Independent Contracts (See Article 13(f))

1250 ~~200~~ hours bulldozing @ $12/hr.	~~$2,400.00~~	15000.00
25000 ~~5,000~~ feet NX surface core drilling, 0 - 250 feet depths, @ $6.90/ft.	~~34,500.00~~	172500.00
500 ~~1,000~~ feet BX surface core drilling, 250 - 500 feet depths, @ $7.25/ft.	~~7,250.00~~	3625.00
~~1,750 feet NX underground core drilling, 0 - 250 foot depths, @ $5.60/ft.~~	~~9,800.00~~	
~~950 feet BX underground core drilling, 250-500 foot depths, @ $5.70/ft.~~	~~5,415.00~~	
50 ~~135~~ hours standby time @ $11/hr.	~~1,485.00~~	550.00

Category (2) through (6)

None

Category (7) Miscellaneous

None except:

110 ~~348~~ wooden core boxes @ $5/each	~~1,740.00~~	550.00
40 ~~143~~ chemical sample analyses @ $5/sample	~~715.00~~	200.00 ~~$63,305.00~~ $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

OK.

Incidental allowance 2/ for each foot of core drilling completed,		
Surface - ~~6,000~~ 3,000 feet @ $0.55/ft.	~~$3,300.00~~ $1,650.00	
Underground - 2,700 feet @ $1.70/ft.	4,590.00	$5,375.00
2 drill stations @ $400/station ~~3/~~	~~800.00~~	~~$12,435.00~~
Estimated Total Cost of Stage II		~~$75,720.00~~ $29,050.00

Summary of Costs

Estimated Total Cost of Stage I	~~$26,380.00~~	25,183.50
Estimated Total Cost of Stage II	~~$75,720.00~~	29,050.00
Estimated Total Cost of the Project (rounded)		~~$102,100.00~~ $54,234.00
Government Participation @ 75 percent (rounded)		~~$76,575.00~~ $40,675.00

1/ Includes all costs of the geophysical survey, equipotential map, ~~isorad 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."

~~3/ The completed work constitutes the unit.~~

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	46[illegible]
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.

Mr. George Selfridge

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DMEA
RECEIVED JUN 11 1958

DATE	INITIALS	CODE
6/11	C	220
"	Murphy	700

DN 235 BUR MINES 6-11-58 8-55

GEORGE SELFRIDGE, CHAIRMAN OPERATNG COMMITTEE DMEA

RE DOCKET DMEA 4721, LASALLE MINING COMPANY, INFORMATION FORWARDED THROUGH MR GRISWOLD PERTAINING TO BALTIMORE BELLE CLAIM. APPLICANT ADVISES THAT CONSENT TO LIEN FORMS WILL BE AVAILABLE THIS WEEK ON ALL CLAIMS. THEREFORE, TENTATVXXX TENTATIVE PROPOSAL TO DELETE BALTIMORE BELLE CLAIM AND TRXXXX THREE STAGE I DRILL HOLES THEREON SHOULD BE DISREGARDED.

J W TOWNSEND

Glenwood, Colo.

OFFICIAL FILE COPY

Date	Surname	Code
6/10	GCS	120
"	[illegible]	110
"	[illegible]	100
6/11	C	220
		700

June 10, 1958

MEMORANDUM

To: Administrator

From: George C. Selfridge, Special Assistant

Subject: Proposed Contract
Docket No. DMEA-4721 - Uranium
La Salle Mining Company
Fair Day, et al., Claims
Boulder County, Colorado

On June 9 the writer telephoned Mr. Townsend to discuss the subject proposed contract, pointing out that we needed better justification for the geophysical surveying and that seemingly the potential of the project did not warrant its cost of $102,100.

The writer stated that we might go along with half of the geophysical survey if justified, most of Stage I of the proposed contract, but would want to cut Stage II appreciably. Mr. Townsend, not having a background of the docket, could not answer some of the writer's questions who then suggested that he get together with Mr. Harshman concerning the matter and call back when convenient.

Later in the day Mr. Townsend, with Mr. Harshman, called back. The writer explained to Mr. Harshman that the self-potential survey would show an anomaly for any oxidizing pyritic body whether or not it contained uranium. He also pointed out that under certain conditions graphite might also indicate an anomaly. The writer mentioned that the report did not discuss radioactive anomalies and asked about soil sampling instead of self-potential survey. Mr. Harshman stated that he was afraid the entire area would indicate an anomalous condition. The writer asked if they planned to drill the self-potential anomalies even though they did not show radioactive anomalies after bulldozing. Mr. Harshman stated that they would drill at least some of the stronger structural ones. The writer then asked at what depths they would be drilled and Mr. Harshman stated that the depth of the anomaly could be determined by the self-potential survey, which was not in keeping with the writer's understanding of the method. This was later checked with Mr. Spicer, of the Geophysical Branch of the Geological Survey, and it was learned that one cannot determine the depth of an anomaly by the method.

When discussing the potential of the project, Mr. Harshman informed the writer that 2500 tons of 0.70% U_3O_8 had been mined and he thought that they were still mining. He did not know the exact height

of the back over the stope being mined. He thought that the 15,000 tons of potential ore for the mine area would pay back the Government participation. He mentioned the ore being worth approximately $60 a ton with the bonus. However, he seemingly did not realize that the applicant would no longer receive a bonus because of the tonnage mined. He admitted that the ore bodies were small and that probably Stage II drilling should be done at least on 80-foot centers. Mr. Harshman stated that the northeast trending Fair Day shear zone was stronger than the Baltimore Belle. Apparently the geophysical work was put in Stage I with the idea that if there were no self-potential anomalies Stage II might not be approved. The impression that the writer had was that Stage II was largely set up specifically to test anomalies determined by Stage I. Seemingly, the geophysical work was set up after the AEC had found a self-potential anomaly over the currently being mined ore body. Without the geophysics, apparently the Field Team was going to recommend testing of the shear zone by the surface diamond drilling regardless of radioactivity.

Mr. Townsend mentioned that the applicant was having trouble getting an Owner's Consent to Lien for one of the claims but wasn't quite sure for which one.

George C. Selfridge

George C. Selfridge

GCS/esf - 6/10/58
cc to: Docket
Admr. R. File
Code 700
Mr. Selfridge

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

MAY 29 1958

Memorandum

To: Administrator, DMEA
Attention: Director, Division of Rare and Miscellaneous Metals

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4721 (Uranium)
La Salle Mining Company

As requested in Mr. Ellis' memorandum dated May 8, 1958, we have prepared the attached contract.

Consents to Lien and Subordination Agreements are required from the parties listed in Article 2(b)(2), prior to execution of the contract.

(*) It should be pointed out that the Operator's agreement of January 2, 1957, with Coliowa, pursuant to which the Operator holds possession of the land is not for any fixed term, but for "as long as profitable production is encountered." Since the project is for approximately 16 months duration, some specific minimum term, such as two years, should be obtained by the Operator.

Robert P. Dwyer

Robert P. Dwyer

(*) See VI Intent of Agreement Page 4
& XV Duration & Termination Page 9

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DMEA
RECEIVED MAY 19 1958

DATE	INITIALS	CODE
5/9	C	220
	Chang	700

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

Date May 8, 1958

DMEA Docket No. 4721
DMEA Contract No.
Commodity Uranium
Name of Applicant La Salle Mining Co.
Name of property Fair Day et. al. claims
Location of property Boulder County, Colo.
Estimated cost of project $107,382.00

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: _____. 2. Date received by reviewer: _____

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked 'yes' above:

8. Factors meeting special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☒
   i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary)

DMEA Form 7
(12-56)

C

INTERIOR DEPT.
MAY 9 - 1958
SOLICITOR

OFFICIAL FILE COPY

Date	Surname	Code
5/8/58	Ching	700
"	Ellis	700
		140

May 8, 1958

Memorandum

To: Associate Solicitor
Division of Mineral Resources

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

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

Please prepare a long-form contract between the Government and La Salle Mining Company in accordance with the attached draft.

The application was received in April, 1957; therefore, Government participation will be 75%.

Eight copies each of maps (Figures 3 and 4) are attached for use with the contract.

Consent to Lien and Subordination Agreements of the parties listed in Article 2(b)2 have been requested, but have not yet been received in this office.

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

MChing/gla
cc to: Mr. Ching

8623

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5/8/58
MChing/gla

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MF-200
(Revised June 1954)

Docket No. DMEA 4721

Commodity Uranium

Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] The La Salle Mining Company, a partnership consisting of G. T. Rummel, M. P. Rowe, Roy M. Eidal, 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, ~~xxx~~ Annex II, and two 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] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a See Annex I,[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 Coliowa Uranium Corporation, R. L. Busby, Robert Mills, Carl A. Peterson, Earl W. Balis, Charles E. Green, Thomas B. Green, and Margaret G. 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: Consent to Lien and Subordination Agreement of the foregoing parties.

(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 ..... shall commence the work, and on or before September 30, 1959 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A." See Annex II

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 $102,100.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $76,575.00 : *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; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work. **See Annex II**

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 Annex II**

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.*—

See Annex II

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

.....
(Operator)

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

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Ching/gla

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 7 unpatented lode mining claims and one patented claim 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 - - -," attached hereto and made a part hereof.

The notices of location of the claims and the patent are recorded in the official records of Boulder County, Colorado, as follows:

Claim	Book	Page
Maybe	971	462
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 by a lease, dated June 15, 1955. The Eureka claim is owned by Robert Mills and Carl A. Peterson, who leased it to Coliowa Uranium by a lease, dated June 15, 1955.

Earl W. Balis owns an undivided three-fourths interest in the Baltimore Belle claim, and Charles E. Green, Thomas B. Green, and Margaret G. Schnackenberg collectively own an undivided one-fourth interest in the claim. They leased the claim to Coliowa Uranium Corporation by leases dated June 15, 1955. La Salle Mining Company controls all the above-described land through an Agreement, dated January 2, 1957, between La Salle and Coliowa Uranium Corporation. Consent to Lien and Subordination Agreement forms, covering their respective interests, were executed by the above-named parties.

ANNEX II

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."

(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(c) Categories (2) through (6) of Article 6(a) are deleted.

(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.

(e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

(f) Notwithstanding any other provision 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 said 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 said item set forth in the contract.

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration for uranium by a diversified program of geophysical (self-potential) surveying, bulldozer stripping, surface diamond drilling, underground diamond drilling, drifting, and crosscutting. The target consists of mineralized shear zones which transect pendants of gneiss and schist in granite country rock.

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 the Fairday Mine -----," attached hereto and made a part hereof.

All diamond drill holes, both surface and underground, shall be drilled with an NX size bit for depths up to 250 feet. Depths in excess of 250 feet shall be drilled with a BX size bit. Where casing is required in a hole, the size of bit may be reduced to the next smaller 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 drifting and crosscutting shall be timbered as necessary and have a minimum cross section of 5 feet by 7 feet in the clear of timbers. 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.

Any stored samples may be disposed of by the Operator after approval of the Government has been secured.

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 shall be 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.

Stage I

1. Geophysical (self-potential) Survey.

The work shall be done by a recognized geophysicist or geophysical company, who shall provide the necessary map of the area for establishing horizontal and vertical controls for the survey. Profiles of the survey shall be run along lines approximately normal to the northeasterly trending structure exposed on the Fairday and Eureka Mine claims and the northwesterly trending structure exposed on the Baltimore Belle claim. 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 1,500 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 an equipotential map, a complete interpretive report, and a radiometric (isorad) map of the self-potential stations.

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 have a maximum length of 250 feet. The holes shall bear approximately S 40° W, S 10° W, and S 15° E, respectively, from left to right, as seen on the map. They are expected to explore at moderate depth the radioactive shear zone exposed in this area by previous work.

3. Drifting and Crosscutting.

As indicated on the map (Figure 4); from the point W crosscut 70 feet in a southerly direction to the point R, preparatory to establishing an underground drill station.

From the point V drift 120 feet in a northeasterly direction to the point Z, following the northeast trending shear zone exposed in the mine workings and in pits on the surface.

At 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. Location of these crosscuts are subject to the prior approval of the Government. Tentative locations are shown on the map (Figure 4).

4. Underground Diamond Drilling.

At point S (Figure 4) 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 to intercept at depth the southwest extensions of several mineralized shears exposed in the mine workings.

At point R (Figure 4) 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 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 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 200 hours of bulldozing with a D-6, TD 14, or equivalent size machine of another make shall be allowed for this purpose.

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 20 inclined diamond drill holes, aggregating not more than 6,000 feet of drilling at these favorable centers. The holes shall be not more than 300 feet in length and inclined to cut the target at depths of 150 feet or less.

3. Drifting and Crosscutting.

If Stage I work justifies it drift or crosscut an additional 100 feet at the location, or locations which show the most favorable indications of significant mineralization.

4. Underground Diamond Drilling.

Drill not more than 7 inclined diamond drill holes aggregating not more than 2,700 feet at locations indicated as favorable by Stage I work. Not more than two underground drill stations of sufficient size to permit pulling 10-foot drill rods may be excavated preparatory to the drilling. Tentative location of 2 - 250 - foot holes are shown at X on Figure 4. The other 5 holes are expected to range from 250 to 500 feet in length. They may be used to explore the mineralized zone at depths below those reached by Stage I underground drilling, and/or to extend laterally any significant mineralization found by the preceding work.

Estimated Cost of the Project

Stage I

Actual Costs

Category (1) Independent Contracts			
750 ft. surface core drilling @ $6.90/ft.		$5,175.00	
700 ft. underground core drilling @ $5.60/ft.		3,920.00	
30 hrs. 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 @ $5.00/each		275.00	
55 chemical sample analyses @ $5/sample		275.00	$10,375.00

Fixed Unit Costs (See Annex II-d)

1,500 self-potential stations @ $2/station /1	$3,000.00	
290 ft. drifting and crosscutting @ $33/ft.	9,570.00	
145 ft. drift timbering @ $8.50/ft.	1,232.50	
/2 Incidental allowance for each foot of core drilling completed,		
Surface - 750 ft. @ $0.55/ft.	412.50	
Underground - 700 ft. @ $1.70/ft. /3	1,190.00	
1 drill station at R @ $400/station	400.00	
1 drill station at S @ $200/station	200.00	$16,005.00
Estimated Total Cost of Stage I		$26,380.00

Stage II

Actual Costs

Category (1) Independent Contracts		
200 hrs. bulldozing @ $12/hr.	$2,400.00	
5,000 ft. NX surface core drilling, 0 - 250 ft. depths, @ $6.90/ft.	34,500.00	
1,000 ft. BX surface core drilling, 250 - 500 ft. depths, @ $7.25/ft.	7,250.00	
1,750 ft. NX underground core drilling, 0 - 250 ft. depths, @ $5.60/ft.	9,800.00	
950 ft. BX underground core drilling, 250 - 500 ft. depths, @ $5.70/ft.	5,415.00	
135 hrs. standby time @ $11/hr.	1,485.00	
Category (2) through (6) None		
Category (7) Miscellaneous None except		
348 wooden core boxes @ $5/each	1,740.00	
143 chemical sample analyses @ $5/sample	715.00	$63,305.00

Fixed Unit Costs (See Annex II-d)

100 ft. drifting and crosscutting @ $33/ft.	$3,300.00	
50 ft. drift timbering @ $8.50/ft.	425.00	
/2 Incidental allowance for each foot of core drilling completed,		
Surface - 6,000 ft. @ $0.55/ft.	3,300.00	
Underground - 2,700 ft. @ $1.70/ft. /3	4,590.00	
2 drill stations @ $400/station	800.00	$12,415.00
Estimated Total Cost of Stage II		$75,720.00

Summary of Costs

Estimated Total Cost of Stage I	$ 26,380.00
Estimated Total Cost of Stage II	$ 75,720.00
Estimated Total Cost of the Project	$102,100.00
Government Participation @ 75%	$ 76,575.00

/1 Includes all costs of the geophysical survey, equipotential map, isorad map and interpretive report.

/2 Includes all costs that might be allowable costs of the project under Categories (1) through (7) of Article 6(a), except as otherwise scheduled in Exhibit "A."

/3 Includes the cost of supplying compressed air.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/7/58	Ching	700
5/8	Ellis	700
		225

May 7, 1958

Memorandum

To: The File

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

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

Costs are based upon those recommended by the field examiners in a report, dated April 22, 1958. The following changes have been made, some of them after discussion with Mr. E. H. Harshman by long distance telephone (see memo to file dated May 6, 1958).

1. The cost of mobilization of men and equipment for drilling was made the same for surface drilling as for underground drilling, $200.00.

2. The cost of a large underground drill station was reduced from $500.00 to $400.00. The cost of a small station remains at $200.00.

3. Incidental allowance for drilling remains unchanged at $0.55 per foot for surface drilling, but for underground drilling the figure of $2.58 was reduced to $1.70 as follows:

Stage I

Supervision, labor, technical services		
Supervision @ $600.00/mo., prorated ½ mo.	$300.00	
Payroll deductions @ 8.81%	26.43	$326.43
Equipment depreciation - eliminate compressor		15.41
Operating materials and supplies		72.00
Bid cost of supplying air @ $1.10/ft. of drilling		770.00
Total		$1,183.84
Per foot - 700 ft. @ $1.70/ft.(rounded)		$1,190.00

4. The cost per foot for drifting and crosscutting remains unchanged at $33.00 per foot, but the cost for timbering was reduced from $17.78 per foot of drift or crosscut timbered to $8.50 by increasing the rate of progress to three sets per shift, reducing the board feet per set to 150, and eliminating some labor as follows:

Stage I

Supervision, labor, technical services		
Supervision @ $600.00/mo. - 3/8 mo.	$225.00	
1 foreman-miner @ $550.00/mo. - 3/8 mo.	206.25	
2 miners @ $4.00/hr., $896.00/mo. - 3/8 mo.	336.00	
Payroll deductions @ 8.81%	67.60	$834.85
Operating equipment depreciation		
Same as examiners' except use 3/8 month		24.69
Materials and supplies		
Timber @ $13.50/set - 29 sets	$391.50	
Fuel, oil, etc. @ $0.50/shift	5.00	396.50
Total		$1,256.04
Per foot timbered 145 ft. @ $8.50/ft.(rounded)		$1,232.50

Costs determined for Stage I were applied to Stage II.

Michael Ching

Michael Ching

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224 New Customhouse
Denver 2, Colorado
May 6, 1958

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

Re: Docket No. DMEA 4721
(Uranium)
(Fair Day et. al. claims)
Boulder County, Colorado

Dear Mr. Rummel:

The "Agreement", submitted with your application, executed January 2, 1957, by Colilows Uranium Corporation, pursuant to which you are in possession of the subject property, the Samson Claim is listed as being recorded in Book 971, Page 386 of the official records of Boulder County, Colorado; whereas, in fact it is recorded in Book 972 at Page 386.

Will you please correct this agreement and have the parties initial the same and forward this office two copies of the corrected Agreement so that we may continue to process your application.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

HMC:dp
cc: Comm. Op. Comm. (2)
Harshman
DMEA/DFC
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/7/58	Ching	700
"	Ellis	700
		225

May 6, 1958

Memorandum

To: The File

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

Subject: Long Distance Telephone Conversation
with Mr. E.N. Harshman
Docket No. DMEA-4964 (Uranium)
Jen, Inc., San Juan County, Utah
Docket No. DMEA-4721 (Uranium)
La Salle Mining Co., Boulder County, Colorado

Mr. Murphy spoke to Mr. Harshman first on another project.

Mr. Harshman advised that a late drilling bid had been received from Vivian Drilling Co. in connection with the recommended contract with Jen, Inc., Docket 4964. Vivian's bid was $1.35 per foot for non-core and $4.00 per foot for core drilling. This is considerably less than the prices suggested by the field examiners.

Regarding the proposed contract with La Salle, Docket 4721, I inquired whether the proposed NX coring for all drilling up to 250 feet in depth was justified and agreeable to the Applicant. Mr. Harshman believed it was justified by the fact that NX drilling was only $0.50 per foot higher than BX drilling and a better core recovery may be expected from the NX drilling. Also, the cost of reaming was high and by drilling NX size reaming could be eliminated by a reduction to BX size where necessary. He believed that the Applicant was agreeable to the NX drilling.

I asked whether he did not think that the suggested timbering cost of nearly $18.00 per foot was excessive. He agreed that it was, but said that the engineer appeared to have backed the figure with considerable detail. He thought that the figure should not exceed $9.00 per foot.

I asked about the incidental allowance of $2.58 per foot for underground core drilling. The figure includes the cost of air. He agreed that since the drill bid added only $1.10 per foot for supplying air, the incidental allowance should consist of $1.10 plus a reasonable amount for other costs, resulting in a total that would be considerably less than $2.58.

I asked about W. H. King and he said that King did not appear to be getting any better.

Michael Ching

Michael Ching

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

May 1, 1958

OFFICIAL FILE COPY
IN REPLY REFER TO:
DMEA
RECEIVED MAY 1 1958
DATE
5/1 C 220
5/2 Ching 700

Memorandum

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

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

Subject: Review of Field Team Report, DMEA Docket 4721, (Uranium)
La Salle Mining Company, Boulder County, Colorado

In April of 1957, the applicant submitted an application to explore his Fair Day property. He later requested that his application be deferred, pending the results of exploration work he was conducting at that time. Since then he has completed considerable underground and surface exploration and has produced some high-grade uranium ore. He now has submitted a greatly expanded exploration program, the estimated cost of which is $190,000.

Field Examiners have visited his property and have concluded that it contains a significant ore potential. They have recommended a modified, two-stage exploration program, the total cost of which is $107,382. Their proposal would delete part of the program they believe is not justifiable in terms of a good target or clear objectives. It would consist of a self-potential survey of the surface area to determine the better targets that might be diamond drilled. Stage I also would include some drifting and crosscutting from present workings and some underground drilling. Stage II would be dependent upon Stage I results, but it would in effect explore any targets revealed by the self-potential survey.

The Field Examiners' program seems to be a logical way of exploring this property. A preliminary self-potential survey, completed across the present known ore body, indicated an anomaly and there is reason to believe that if there are other ore bodies in the area they could be revealed by other self-potential surveys. While the program involves considerable money, it nevertheless would explore a favorable target area and one that apparently has a considerable potential. I therefore concur with the Field Examiners and recommend that DMEA participate in the exploration contract proposed by the Field Examiners.

T. H. Kiilsgaard
T. H. Kiilsgaard

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Date	Surname	Code
4/30	Ching	700
4/30	Ellis	700
4/30	GCS	130
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"	[illegible]	900
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5/1	C	220
		700

MAY 1 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

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

Dear Mr. Harshman:

In connection with your memorandum of April 16, 1958, we are enclosing two copies of a memorandum from the Associate Solicitor, Division of Mineral Resources. Please act accordingly.

It is suggested that two corrected copies of the Agreement be requested of the Applicant and that one be forwarded to this office.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

Frank D. Lamb (FDL)
Member, Bureau of Mines

Thor H. Kiilsgaard (THK)
Member, Geological Survey

MChing/izm 4-30-58
cc: Mr. Ching
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

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

APR 29 1958

Memorandum

To: Administrator, DMEA
Attention: Director, Division of Rare & Miscellaneous Metals

From: Associate Solicitor, Division of Mineral Resources

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

We have reviewed Mr. Harshman's memorandum of April 16, 1958, calling attention to the fact that in an "Agreement" executed January 2, 1957, by Colicon Uranium Corporation, pursuant to which applicant is in possession of the subject property, the Samson claim is listed as being recorded in Book 971, page 386 of the official records of Boulder County, Colorado; whereas, in fact it is recorded in Book 972 at page 386.

Since you have been advised of the error, we suggest you instruct Mr. Harshman to request the applicant to correct the agreement and have the parties thereto initial the same.

Robert P. Dwyer

RWLong/eal - 4/29/58
Copy to: Solicitor's Docket (2)
DMEA Docket
Field Team, Region III
R. P. Dwyer
R. W. Long
chron.

224 New Customhouse
Denver 2, Colorado

April 25, 1958

4/28 c
1 Chicago 7c

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

Re: Docket No. DMEA 4721 (Uranium)
(Fair Day et al. Claims)
Boulder County, Colorado

Dear Mr. Rummel:

Enclosed are the following sets of Consent to Lien and Subordination Agreements to be signed and their addresses given by all owners of any interest, as noted on the back of each sheet. Extra copies have been provided for each signer, but the original and 4 signed copies must be returned to this office.

(1) The original and 7 copies on the undivided one-quarter interest in the Baltimore Belle, U. S. Survey 532, for the signatures and addresses of Charles E. Green, Thomas B. Green and Margaret Schmackenberg.

(2) The original and 5 copies on the undivided three-quarter interest in the Baltimore Belle, U. S. Survey 532, for the signature and address of Earl W. Ballis.

(3) The original and 6 copies on the Eureka lode mining claim for the signatures and addresses of Robert Mills and Carl A. Peterson.

(4) The original and 5 copies on the Maybe, Fair Day, and Fair Day No. 3 claims for the signature and address of R. L. Busby.

(5) The original and 5 copies on the Colowa, Colowa No. 1, Maybe, Fair Day, Fair Day No. 3, Eureka, Samson, and Baltimore Belle claims, to be executed by the proper officials of the Colowa Uranium Corporation.

The early return to this office of the original and four signed copies of all sets of the above-mentioned Consent to Lien and Subordination Agreements will expedite the processing of your application.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer,
DMEA Field Team, Region III

HMC:bh
cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Buel)
Docket
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

April 25, 1958

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RECEIVED APR 28 1958

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"	[illegible]	

Memorandum

To: Secretary to the Operating Committee

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

Subject: Docket No. DMEA 4721 (Uranium) La Salle Mining Company (Fair Day et. al. claims) Boulder County, Colorado - Joint Report of Examination

Enclosed are the original and two copies of the Joint Report of Examination on the subject property by W. N. Sharp, USGS, and E. W. Buel, USBM.

The examiners conclude that the property has a significant ore potential. They recommend a two stage diversified exploration program at a total estimated cost of $107,382.00, Government participation 75 per cent or $80,536.50.

Although the exploration proposed in this report is more extensive than the "normal" program in the Front Range, it has been staged to permit a preliminary determination of the ore potential of the area at a modest cost. The extent of Stage II exploration will be determined by the results of Stage I work. We, therefore, recommend the exploration program as outlined in the report of examination.

We also recommend that all of the claims listed by the Applicant in his application and shown on Pages 7 and 8 of the enclosed report be subordinated except the Glory No. 1 and Glory No. 2 claims. Consent to Lien and Subordination Agreements are being forwarded the Applicant for all claims except the Glory claims Nos. 1 and 2.

As noted in our memorandum to you dated April 16, 1958, an error in the book of recording of the Samson Claim is shown in the

Reviewed by
DMEA OPERATING COMMITTEE
4-30-58
(date)

ONESITE EXAM. REPORT

agreement between Coliowa Uranium Corporation and La Salle Mining Company which was executed January 2, 1957. The correct book of recording is shown on the Consent to Lien and Subordination Agreement being forwarded the Applicant for owners signature.

Eight copies each of Figure 2, 3, and 4 are attached for use in the contract.

E. N. Harshman

E. N. Harshman

FOR UNITED STATES GOVERNMENT USE ONLY

DMEA
DEPARTMENT OF THE INTERIOR
APR 24 1958
REGIONAL OFFICE
DENVER, COLORADO

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED

APR 25 1958

OFFICE FILE COPY
DMEA
RECEIVED APR 28 1958

DATE	INITIALS	CODE
4/30	JB	130
		220

DMEA 4721

La Salle Mining Company

Fair Day, et al. claims

Boulder County, Colorado

Uranium

Joint Geologic and Engineering Report

by

W. N. Sharp, Geologist
Geological Survey

E. W. Buel, Mining Engineer
Bureau of Mines

April 22, 1958

Reviewed by
DMEA OPERATING COMMITTEE
4-30-58
(date)

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ILLUSTRATIONS

Figure		Follows page
1.	Location map, Fair Day et al., claims, La Salle Mining Company, Boulder County, Colo. DMEA 4721	3
2.	Geologic map of the Overland Mountain area including La Salle Mining Co. property Boulder County, Colorado. DMEA 4721	39
3.	Claim map showing aspects of recommended program La Salle Mining Company, Boulder Co., Colorado. DMEA 4721	39
4.	Geologic map of Fair Day mine showing aspects of recommended program La Salle Mining Company, Boulder Co., Colorado. DMEA 4721	39

DMEA 4721

LA SALLE MINING COMPANY
FAIR DAY, et al. CLAIMS
BOULDER COUNTY, COLORADO

INTRODUCTION AND SUMMARY

The La Salle Mining Company, P. O. Box 217, Grand Junction, Colorado, submitted an application on April 10, 1957, to Defense Minerals Exploration Administration for aid in exploring for uranium on the Fair Day, et al. claims, Boulder County, Colorado. The applicant originally proposed a two-stage program consisting of extensive bulldozer stripping and 10,220 feet of diamond drilling. Estimated cost of this program was $90,235.00.

The property was examined on May 24, 1957, by M. H. Bergendahl, Geological Survey, and E. W. Buel, Bureau of Mines, in company with William Chandler, geologist for La Salle Mining Company. Exploratory work on the property was in progress at the time of the examination and the applicant requested that action on the application be deferred pending the results of that exploratory work.

The property was re-examined on January 6, 1958, by W. N. Sharp, Geological Survey, and E. W. Buel, Bureau of Mines, after the applicant had completed a considerable amount of exploration of the Fair Day claim. At this time and during subsequent visits to the Geological Survey office,

revisions to the exploration program were discussed with the applicant's representatives. The applicant submitted on March 20, 1958, an amended application that included a greatly revised exploration program estimated to cost about $190,000.

The La Salle Mining Company property is underlain by granite, and biotite and hornblende gneiss and biotite schist. The gneiss and schist is in the form of blocks or pendants within the widespread granite. Moderate size deposits of uranium minerals, which appear to have been controlled by shearing and lithology, are localized in strongly sheared zones in the gneiss-schist blocks on the property.

The property has been explored by a number of surface drill holes and a 168-foot incline leading to 576 feet of underground workings. One ore body has been stoped for about 40 feet above the working level and a 30-ton test shipment of ore was made. This test shipment assayed 0.90 percent U_3O_8. Two shipments of 100 tons each have been made subsequently. The assay results are not received.

The examiners conclude that the property has a significant ore potential, and a diversified exploration program in two stages is recommended. The program is estimated to cost $107,382, Government participation 75 percent or $80,536.50.

LOCATION AND ACCESS

The applicant's property lies on Overland Mountain and is in the S 1/2 S 1/2 NE 1/4 and the SE 1/4 sec. 23, T. 2 N., R. 72 W., sixth principal meridian, Jamestown (Central) mining district, Boulder County, Colorado (fig. 1).

To reach the property proceed westerly from Jamestown 4 miles along a county gravel road to a service road branching to the south. Proceed southward on the service road about 1-1/2 miles to the Fair Day claims.

PHYSICAL FEATURES

The property is in the northwest sector of the Jamestown (Central) mining district which lies on the eastern flank of the Front Range. The district lies within a wooded mountainous country of moderate relief, with altitudes that range from about 6,300 feet to 8,600 feet. The topography is characterized by somewhat rounded mountain tops and relatively flat ridges separated by narrow valleys and deep gulches.

Principal drainages of the district are South St. Vrain, James, and Little James Creeks. Water for mining needs is available from the applicant's underground workings and from nearby lakes.

The climate of the district is not severe, and the amount of snowfall would not greatly hamper exploratory work or mining operations.

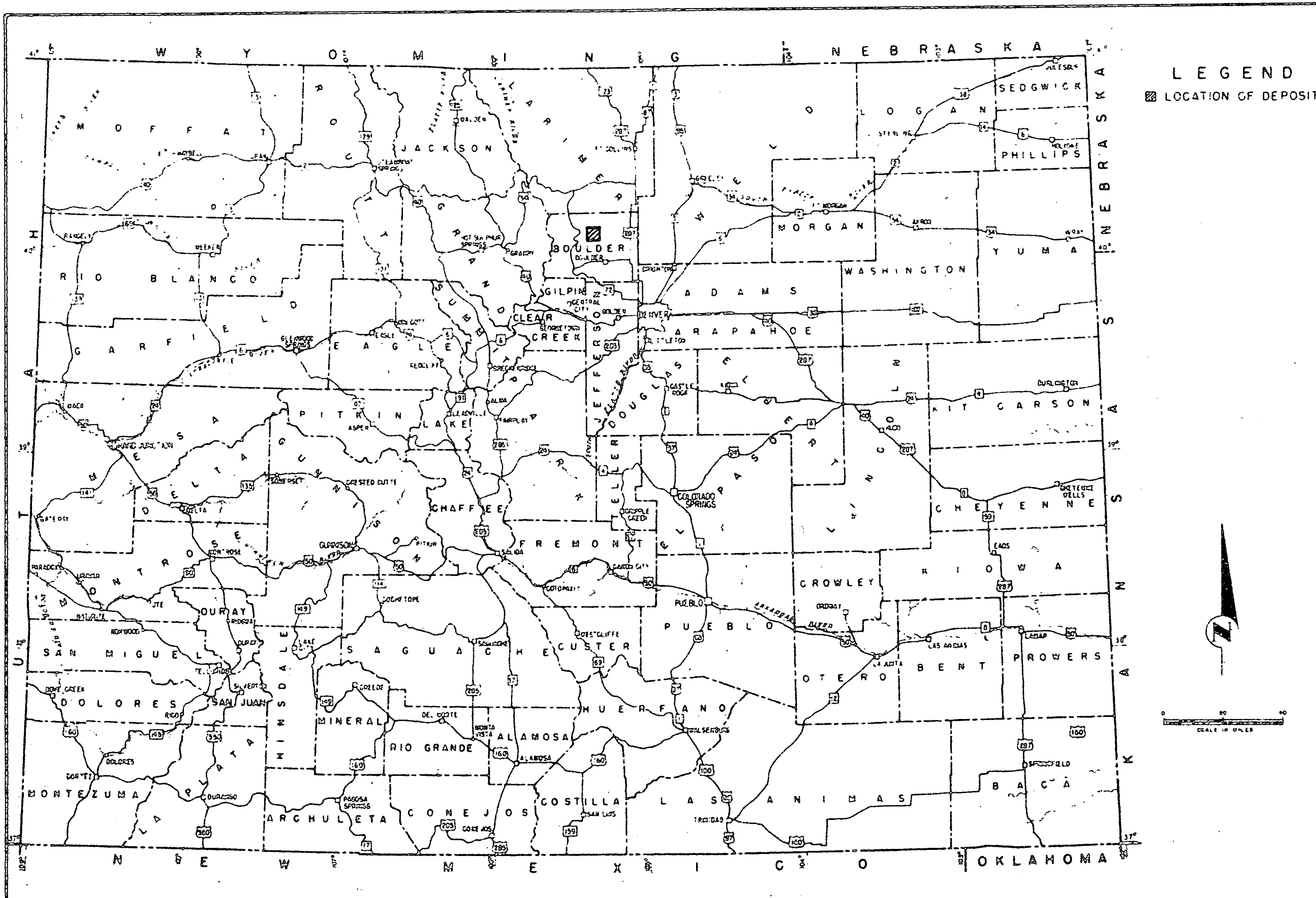

FIGURE 1 - LOCATION MAP, FAIR DAY ET AL., CLAIMS, LA SALLE MINING COMPANY, BOULDER COUNTY, COLO. DMEA 4721

Timber for most mining purposes occurs on the property. All power needs on the applicant's property are supplied currently by portable combustion engines, although power transmission lines parallel James Creek Canyon about a mile from the property. Experienced mine labor and small mining supplies are available in Jamestown (population 200 to 300) and other nearby communities. The major supply center is Denver, 40 miles southeast of the property. Living facilities also can be obtained at Jamestown and surrounding towns. Boulder, about 10 miles by road from Jamestown and served by both the Union Pacific and Colorado and Southern Railroads, is the closest shipping point. Ore shipments would undoubtedly be sent either to Rifle, Colorado (222 miles by road) or to Salt Lake City, Utah (587 miles by road).

HISTORY AND PRODUCTION

According to Burbank, et al.,[1/] gold was first discovered in the Jamestown (Central) mining district in 1865. Lead-silver was found in 1885 and fluorspar deposits were developed in 1903. Mining was intermittently carried on until the latter part of 1933, when the rise in the price of gold gave a great impetus to gold mining. Gold mining flourished until 1942 when gold mining was suspended because of World War II. The war, however, stimulated fluorspar production which continues to this day.

1/ Mineral Resources of Colorado, Part II. Summaries of Mining Districts and Mineral Deposits, pp. 323-324, 1947.

The production of metals and fluorspar for the period 1901-43 is tabulated as follows:

Gold	57,615 oz.
Silver	200,925 oz.
Lead	963,951 lbs.
Copper	144,611 lbs.
Zinc	7,000 lbs.
Fluorspar	61,116 short tons (metallurgical grade) 19,138 short tons (acid grade)

The estimated value of ores produced up to 1943 amounted to about seven million dollars of which more than half was derived from gold-telluride and pyritic-gold ores.

The presence of uranium was first recognized in the district in 1940. Not until sometime during the 1950's, however, were uranium minerals found in economic quantity and grade. On the basis of the discovery of uranium ore in June 1955 on the Victory claim group, a DMEA contract Idm-E 944 was granted the Jimtown Uranium Company. In less than a year this property produced from an open pit over 400 tons of uranium ore averaging about 0.2 percent U_3O_8. No work was actually performed under the DMEA contract because of litigation between the operator and Mountain States Uranium Incorporated.

On the Baltimore Belle claim (a patented claim located for gold in the 1880 era and included in the applicant's property) pitchblende was

reported to have been found in 1954. As a result of this discovery a number of claims were staked adjacent to and nearby the Baltimore Belle. Coliowa Uranium Corporation and Continental Uranium Incorporated conducted some bulldozer exploratory work on the Baltimore Belle but the results of this work are not known. The aforementioned companies also undertook other exploration (principally diamond drilling) on claims held by the applicant.

The applicant, La Salle Mining Co., began to explore the Fair Day, et al. claims in October 1956, and is presently engaged in development and production on the Fair Day claim.

To date, the applicant shipped one test carload of about 30 tons of ore which averaged about 0.90 percent U_3O_8 and 0.11 percent V_2O_5. Two additional shipments of about 100 tons each have been made recently; the results are pending. Some 700 tons or more of ore averaging an estimated 0.60 to 0.70 percent U_3O_8 are stockpiled on the property.

PROPERTY

The property included in the applicant's original application comprised the following claims as recorded at the Boulder County Courthouse, Colorado:

Claim	Discovered	Book	Page	Owner	Remarks
✓ Colowa	12/20/54	971	468	Coliowa Uran. Corp.	Owned by "Coliowa" 2/
✓ Colowa No. 1	12/22/54	971	469	" " "	"
Maybe 1/	5/17/54	971	467	R. L. Busby	Leased to "Coliowa" on 6/15/55
Fair Day 3/	1/30/55	972	384	" " "	Amended location. Leased to "Coliowa" on 6/15/55
Fair Day No. 3	2/12/55	972	385	" " "	Leased to "Coliowa" 6/15/55
Eureka Mine 4/	1/13/55	971	470	Robert Mills Carl A. Peterson	"
Omit { Glory No. 1	1/22/55	974	112	R. L. Busby Clark H. Clark	-
Glory No. 2	1/22/55	974	113	R. L. Busby Clark H. Clark	-
✓ Samson	2/14/55	972	386	A. A. Kreige Clark H. Clark	Quit claimed to "Coliowa" 4/21/55

1/ Shown as Maybe AM on the applicant's claim map.

2/ Coliowa Uranium Corporation referred to as "Coliowa".

3/ Shown as Fair Day AM on the applicant's claim map.

4/ Referred to as Eureka Lode Mining Claim in the mining lease.

Amended Application Information

Claim	Patent No.	Book	Page	Date Granted	To Whom
Baltimore Belle	532	79	369	Aug. 16, 1883	H. B. Banton

In his amended application, the applicant includes the Baltimore Belle (Patent No. 532) and drops the Glory No. 1 and Glory No. 2 unpatented claims from the program. The examiners are in accord with the applicant's exclusion of the Glory claims.

Coliowa represents it is the owner of some claims and lessee of others, as shown in the above recording data. The leases appear to be in order and have a life beyond that of the exploration project.

The Agreement between Coliowa Uranium Corporation and La Salle Mining Company, executed January 2, 1957, gives La Salle Mining Company the right to mine and remove ore as long as profitable production is encountered.

It is noted in the Agreement between Coliowa and La Salle that an error has been made in the book of recording of the Samson claim. A check of the recording data in the County Recorder's office shows that the Samson claim was recorded in Book 972, page 386.

PRESENT STATUS

Exploration and development

The property has been explored and developed by a 20-foot shaft, a number of shallow pits, several drill holes, and bulldozer cuts and underground workings, especially, on the Fair Day and Baltimore Belle claims.

The total extent of the underground workings on the Baltimore Belle is not known because of the caved condition of the workings. It is known, however, that a short drift just under the surface and a long crosscut adit about 150 feet lower than the short drift, exist on the Baltimore Belle claim. Bulldozer trenching exposed parts of the upper drift and adjoining area. Several shallow diamond (?) drill holes, about 50 feet in length, were drilled on the vein exposed in the upper drift. Drill hole data are not available, but it is reported that one of the holes encountered 11 feet of ore-grade material in one of the holes.

Most of the exploratory and development work has and is being conducted on the Fair Day claim. Before the initial DMEA examination in May 1957 the Fair Day claim was explored by a series of shallow pits, and bulldozer stripping extending for about 400 feet along the trend of the mineralized zone. In addition to the surface exploration, Continental Uranium drilled an undetermined number of shallow diamond (?) drill holes

of which no data are available. Coliowa Uranium Corporation and the applicant (La Salle Mining Company) drilled 9 diamond drill holes ranging in depths from 157 to 325 feet and aggregating a total of 1,991.5 feet. Four of these holes intersected ore-grade material. The drilling by La Salle Mining Company explored above the present Fair Day mine workings.

Since the initial examination by DMEA, the applicant has driven an incline at about -20°, for approximately 165 feet to gain access to the ore zone encountered by the diamond drilling. The incline measures about 5-1/2 by 5-1/2 feet in cross section. A series of drifts and crosscuts totaling about 575 feet constitute the applicant's underground exploration and development on the Fair Day claims (fig. 4). The drifts and crosscuts are roughly 6 by 7 feet in cross section and are timbered in some areas. The applicant is also carrying on mining operations and has over 700 tons of ore stockpiled near his surface installations.

Mining and milling equipment and other facilities

The applicant has been conducting underground mining operations for nearly 10 months now on the Fair Day claim. The applicant's mining equipment is considered adequate to handle most, if not all, of the recommended underground exploration work, excluding diamond drilling which will be contracted.

Some of the mining equipment owned or held by the applicant which will be available for the recommended exploration work is as follows:

1 - 250 c.f.m. Jaeger Compressor - 1950

1 - "12 B" Eimco Loader

2 - Card ore cars - "Z20"

1 - 12" Buffalo blower w/7-1/2 hp. motor

1 - 40 hp. Le Roi w/Skagit hoist

2 - Thor "361T" sump pump

1 - Mercury 7-1/2 hp. saw

Miscellaneous: 20 lb. rail, air and water lines (metal and hose), drill steel and bits, small tools, etc.

At the portal of the incline, the applicant has adequate housing for the hoist, compressor, equipment, and has change room facilities.

There are no milling facilities on the property.

GEOLOGY

The location of the Fair Day, et al. claims, about 20 miles northwest of Boulder, Colorado, places them within and at the northernmost end of the Front Range Mineral Belt of Lovering and Goddard [1/]. In this part of the Mineral Belt mining activity has centered around the town of Jamestown.

The rocks in the vicinity of Jamestown are of Precambrian and early Tertiary age. The Precambrian rocks include biotite gneiss and

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1/ Geology and ore deposits of the Front Range, Colorado; U.S.G.S. Prof. Paper 223, 1950.

schist, and hornblende gneiss of the Idaho Springs formation, and intrusive rocks of granitic composition, known as the Boulder Creek granite and the Silver Plume granite. The early Tertiary rocks are two intrusive stocks; one composed of hornblende granodiorite, the other of sodic granite and quartz monzonite.

Conspicuous structures in the district are related to the Laramide orogenic activity. Two large-scale faults with a northwest trend cross the district, and are marked by wide silica-cemented breccia zones. These two faults, called the Maxwell and the Hoosier "breccia dikes", are components of a system of northwest-trending, early Tertiary (pre-ore) faults that are conspicuous throughout the northeast part of the Mineral Belt. Later faulting in the district is divided into two systems--northwest-trending faults, and northeast-trending faults. The faults of these two systems are mineralized and contain the ore deposits that have been mined in the district. The earliest deposits occur along the northwest faults and contain lead-silver and fluorspar. The northeast faults were filled at places at a later time with pyritic gold and telluride ores. The four types of deposits exhibit a very rough zonal arrangement around the Porphyry Mountain sodic granite stock, the latest Tertiary intrusive. The fluorspar, pyritic gold and most of the lead-silver deposits are close to the stock; while the telluride and some late lead-silver deposits are generally localized around the outer edge of the district.

The Fair Day claims are on Overland Mountain about 1-1/2 miles west of the Porphyry Mountain sodic granite stock. This places the claims at the outer western edge of the mineralized district.

The area is underlain by both Boulder Creek granite and Silver Plume granite as well as by coarse-grained pegmatite related to Silver Plume granite. Included within the granite are a number of remnant blocks or pendants of Idaho Springs biotite gneiss and schist, and hornblende gneiss. Several of the pendants, one of which is 2,000 feet long and 1,000 feet wide, are exposed on the Fair Day claims (fig. 2).

With respect to regional structures the Fair Day claims are between the two early Tertiary "breccia reefs." Specifically, the Maxwell fault crosses the easternmost claim of the group. A conspicuous shear system trends northeast across the claims area, and a less prominent northwest-trending shear system breaks and offsets the rocks along the northern part of the claims area. Rocks in both of these shear systems are mineralized at places.

The underground workings on the Fair Day claim expose mineralized rocks that contain marcasite (?), pyrite, galena (?), pitchblende, and graphite. Surface pits expose rocks that are highly stained with iron oxide and contain autunite and torbernite.

Shallow pits and old near-surface workings on the Colowa and Baltimore Belle claims, are in the northwest-trending shear zone, and expose rocks that contain pyrite and secondary uranium minerals. Pitchblende is reported from the lower parts of the Baltimore Belle pits.

The incline and drift on the Fair Day claim have been mapped by geologists of the AEC, and the underground geology of this mine is shown on figure 4. The pattern of small schist-gneiss bodies enclosed in granite, as shown by surface mapping, is followed underground. Mineralization appears to be controlled by shearing and rock type. Shearing in the granitic component is expressed either as a single clean fracture or as an altered comminuted zone choked with clay. In the gneiss blocks, shearing generally involves all the rock in a wide zone and movement appears to have been taken up along multiple planes and by crumpling. As a consequence of these dilatent crumpled and minutely sheared zones in the incompetent rock, which allowed and aided the entrance of the mineralizing solutions, the ore bodies tend to be selectively localized in the gneiss-schist blocks. Although pitchblende coats fractures in the granite, the comminuted clay-choked zones in this rock type apparently did not permit the passage of ore-bearing solutions.

Other mines in the district, in particular the Buena telluride mine, which is about a mile east of the Fair Day claim, appear to have had similar features to control ore deposition. The best telluride ore bodies in the Buena mine are located along shear zones in small schist and gneiss blocks in the granite.

ORE RESERVES

Estimates of ore reserves for the La Salle Mining Company property are restricted to the Fair Day Lode claim where present development and mining work is being done.

About 1,000 tons of ore-grade material (0.6% U_3O_8) have been mined from the underground workings, in one stope above the present mine level. The AEC who have followed the progress at the Fair Day mine has mapped the mine and calculated reserves from the collected data which includes the samples and analyses shown on figure 4. Measured reserves were estimated to be 1,000 tons of 1.25 percent U_3O_8. Inferred reserves are 4,000 tons of 0.77 percent ore. Potential ore for the area of the mine was estimated to be 15,000 tons of 1 percent material.

The AEC's estimate of the ore reserves for the present mine area appears reasonable, but an estimated grade for this potential reserve probably should be more modest or about 0.5 percent U_3O_8. However, this evaluation is for only one mineralized area on the property, and the probability appears good that other areas of significant uranium mineralization may be found.

APPLICANT'S PROPOSED PROGRAM AND COST

The applicant in his initial application requested exploration assistance to conduct a two-stage program consisting of extensive

bulldozer stripping and 10,220 feet of diamond drilling. This program was estimated to cost $90,235. Upon the completion of underground exploration of the Fair Day claim 1/ the applicant submitted an amended application in which the original exploration program was modified greatly. The estimated cost of this amended program was more than $190,000.

The applicant in his amended program proposed to explore four areas which he designated as block A, B, C, and D. These blocks were to be explored by a multi-stage program. The units of work proposed by the applicant are summarized below:

Block A

Stage I

Forty hours of bulldozer time to make road improvements on 1-1/2 miles of access roadway.

Drive a 7- by 9-foot "tunnel" within the Fair Day claim (mine) underground workings for 60 feet which would provide access for the excavation of two diamond drill stations measuring 10 by 10 by 12 feet.

Stage II

Four diamond drill holes not to exceed 350 feet in length to test, at depth, the area beneath pits referred to as No. 1 and No. 2 and two diamond drill holes in an area SW of pit No. 1 "to further explore the

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1/ Also referred to by the applicant as the Fair Day mine.

block, and specifically to check the radiometric anomaly surrounding pit number 6". These two latter holes were to be drilled to lengths of 400 feet.

Stage III

Drill two holes, each not to exceed 500 feet in length to cut the structure underneath pits No. 1 and No. 2 at a depth of 350 feet below the drift level.

Stage IV

Drill one hole at an angle of -70°, or more, and not exceeding 700 feet in length, to extend beneath pit No. 2.

Block B

Stage I

Extend the Fair Day claim (mine) drift 150 feet to explore the area beneath pits Nos. 3, 4, and 5. From the extended drift drive a crosscut, not to exceed 100 feet, to explore the most favorable zone exposed in the drift.

Stage II

Drill two holes each of 300 feet in length beneath any favorable area (s) exposed by Stage I drifting and/or crosscutting.

Stage III

Tentative upon the results of Stages I and II, drill two additional holes and drift an additional 150 feet to completely explore the area under pits Nos. 3, 4, and 5. The length of the holes were estimated at 300 feet each.

Block C

Stage I

Drill three holes, each 300 feet in length, on the Baltimore Belle claim to test a "shear-schistosity feature".

Stage II

Contingent upon the results of Stage I, drill two more holes each 400 feet long to test the Baltimore Belle claim (specific target areas or location were not given) at a greater depth than Stage I drilling.

Block D

Stage I

Conduct a geophysical survey utilizing a self-potential method that would entail approximately 1,500 stations. A total of 208 hours of bulldozer stripping time is included to delineate station areas which may show favorable anomalies.

Stage II

An additional 1,500 S-P survey stations to further explore the area if Stage I results (S-P survey) prove favorable. A total of 11,500 feet of diamond drilling was also planned to explore favorable areas outlined by the S-P survey and/or stripping operation. The drilling was to consist of 30 holes having an average length of 250 feet and 10 holes having an average length of 400 feet. For the construction of drill roads and drill sites, 60 hours of bulldozing time

were estimated by the applicant. All holes were to be started NX, changed to BX when surface casing was set, and bottomed BX unless it was necessary to reduce to AX size.

The cost of this extensive exploration program was estimated by the applicant to be $190,097.02.

RECOMMENDED PROGRAM OF EXPLORATION

The amended program proposed by the applicant is sound in general. The modifications and additions made by the applicant to his original program appear justified when the large amount of additional underground exploration work now completed is considered.

Some changes in the applicant's program are recommended by the examining team. These changes, in effect, delete that part of the program not justified in terms of a good target or clear objective, and relocate a part of the program to better fit the geology. This modified program has been discussed with and agreed to, by the applicant's representative.

The recommended program is in two stages.

Stage I

Recommended Stage I work consists of: 1) a geophysical (self-potential) survey, 2) surface drilling, 3) drifting and crosscutting, and 4) underground drilling.

1) The self-potential survey should be conducted by a competent geophysical company or geophysicist who can proceed on his own volition to produce the best results within the limits as stated. Results shall be an equipotential map made from all data derived from the survey. Profiles of the survey should be run along lines normal, or as nearly normal as possible, to the northeasterly trending structure exposed on the Fairday and Eureka mine lode claims and the northwesterly trending structure exposed on the Baltimore Belle claim. The maximum distance between profiles shall be 100 feet. A total of 1,500 stations is allowed, which should adequately survey the part of the La Salle property that is approximately outlined on figure 3. However, the contractor should have reasonable latitude in extending profiles to verify or disprove any apparently anomalous trends of readings outside the outlined area. Profile stations, although not regulated as to spacing, are totaled on a basis of 20-foot separations. An adequate number of additional stations are allowed over that required to make even 20-foot spacings, in order that apparent negative-centers may be detailed by stations on 5-foot spacings. Stations should be no closer than 50 feet from the subordinated property boundary.

2) Surface drilling consists of three holes, inclined -55°, and each having a length not greater than 250 feet, to explore at moderate depth the radioactive shear zone at the old Baltimore Belle mine (fig. 3). The locations and bearings of these holes are shown on figure 3.

3) Recommended drifting and crosscutting is shown on figure 4. Drifting 120 feet northeastward (from V to Z) to a point downdip from surface pit no. 5 is recommended. In addition, 100 feet of crosscutting is proposed to explore, with prior Government approval, any significant features exposed in the drift. A tentative location of the crosscut is shown on figure 4.

Seventy feet of crosscutting is recommended to establish a drill station at R (fig. 4).

4) Underground drilling should consist of three holes, two inclined at -50°, from area R, and one hole inclined (-45°) from area S located in an unused drift. The direction, inclination, and total length of these holes are given on figure 4. These holes will explore laterally and at depth for extensions of known ore bodies.

Stage II

Stage II extends both surface and underground work of Stage I. All Stage II work is dependent on the results of Stage I work and should have prior Government approval.

On the surface in the area of the self-potential survey, negative centers located by the survey should be dozer-stripped of surface debris and overburden for geologic study. Negative centers that appear significant in terms of possible ore deposits, after geologic appraisal, should be drilled. These holes will be no more than 300 feet in length and be inclined to cut the target at no greater depth than 150 feet.

Two hundred hours of dozer work and 6,000 feet (20 holes) of drilling should be adequate to explore areas resulting from the S-P survey. These amounts are based on the assumption that 10 negative centers may be located in the S-P area. The dozer time allowed amounts to 20 hours work per negative-center.

An additional 100 feet of drifting is recommended to explore any significant mineralization found by Stage I drifting and/or cross-cutting, the location and extent to be determined by the results of Stage I drifting and/or crosscutting.

Drilling underground in Stage II should consist of three additional holes at area R, contingent on significant mineralization or evidence of mineralization being found in Stage I holes. These three holes are to be located so as to cut the mineralized shear zone at a depth no greater than 300 feet below drift level, and are to be inclined and oriented to cut the target zone no closer than 50 feet apart. Each hole will be no more than 500 feet long.

Additional Stage II drilling shall consist of not more than 5 inclined holes put down from one or more drill stations in the Stage I or Stage II drifts and/or crosscuts. It is estimated that 2 of these holes will be 250 feet long and 3 will be 350 feet long. A tentative location for 2 of the holes is shown at X on figure 4.

The underground drifting and drill core should be sampled for assay wherever significant mineralization is apparent. Generally, this quality

should be judged by radioactivity, and any sample interval that shows radioactivity equivalent to, or more than, 0.1 percent U_3O_8 should be sampled and analyzed for U_3O_8. Individual sample intervals should not exceed 5 feet.

A total of 35 samples should cover the needs for all drifting; 25 samples for Stage I drifting and crosscutting, and 10 samples for any Stage II drifting. Samples for assay from drill hole core are based on 5 samples of core per hole.

The contract should contain the usual provisions regarding supervision, drill logs, core preservation, etc.

JUSTIFICATION

The basic justification for a DMEA supported program at the Fair Day, et al. claims is the significantly mineralized shear zones that cross the claims area, one of which is exposed underground at the Fair Day mine, and the significant amount of high grade ore already produced from one deposit in the mine. Furthermore the Fair Day claims include within their boundaries several gneiss-schist pendants in the widespread granite country rock, which are transected by strong shear zones and these two features, shearing and lithology, appear to have controlled the localization of the ore deposits in the district.

The self-potential survey, recommended as a relatively quick and cheap method to develop guides for exploration on most of the property,

appeared justified after consultation by the examining team with geophysicists in the Geophysics Branch of the U.S.G.S. and a geophysicist with the Bureau of Reclamation. A test S-P profile was run by the AEC over the known ore body at the Fair Day claim, and a conspicuous negative anomaly was found. The consensus is that the technique is good for exploring quickly and cheaply large areas of essentially unknown ground, and should produce good results.

Surface drilling in general is contingent on the S-P survey and on geologic appraisal of the negative center localities after bulldozing. The drilling at the Baltimore Belle claim site is an exception. The three Stage I holes here are justified by the strong shear zone already exposed in shallow cuts. The zone is moderately mineralized and radioactive, and the locality is included in the S-P survey area, as is the Fair Day mine site, in order that the S-P work will have some known control at the two widely separated places.

That part of the program that is underground needs but little explicit justification. The work in general is to extend known zones of mineralization. The recommended drifting to area Z continues a heading along the prominent NE trending shear zone exposed in the mine workings and in pits on the surface, northeast of the underground work. Crosscutting at some point in the drift is intended to explore the full width of the shear zone.

Drill hole DDH-1 is located to explore for the southwest extensions of several mineralized shears exposed in the mine workings. The

mineralized shears transect a gneiss-schist block that apparently plunges southwestward into the plane of the hole.

Drill holes DDH-2 and 3 are located to explore under the mineralized and ore-bearing shear zones now being exploited in the mine. The drill site is located 70 feet off the present workings in order for the holes to cut the slightly inclined shear zone at moderate angles about 150 feet below the drift level, and at points about 80 feet apart. The 80-foot separation of the two Stage I holes, and possibly a 50-foot separation for the three Stage II holes to be drilled from this station, may appear unwarranted for exploration. However, if not apparent already, it should be pointed out that the ore bodies at the Fair Day property, though high-grade, are relatively small. Ore bodies could be expected to pinch out in 50 feet or less vertically as well as horizontally due to the nature of the apparent controls, and a minimum separation of 50 feet for exploratory drill holes is believed justified.

ESTIMATED COST OF RECOMMENDED PROJECT

The following estimated costs are computed, for the most part, on the basis of contract bids, wage rates, and valuation of equipment as furnished by the applicant.

The applicant in his amended application has prepared a detailed cost analysis for his proposed exploration program. Many of his costs

appear reasonable, but some of his costs are too high or are unwarranted, and are either modified or deleted.

Stage I

I. Self-Potential (S-P)

Fixed Unit Cost:

A. 1,500 - S-P stations at $2.00/station (spring rate) 1/ $ 3,000.00

Estimated completion time 1-1/2 months.

II. Diamond Drilling

Diamond drilling costs are based upon the following assumed conditions:

1. Applicant will prepare underground drill stations.
2. Applicant will provide compressed-air for underground drilling.
3. Size of core will be NX 2/; however, if required, a minimum size of AX would be permitted.
4. Three surface holes at -55° and depths not to exceed 250 ft.; three subsurface holes at -45° to -55° and ranging in depths from 150 to 300 ft.
5. Contractor will work two drill shifts per day, one surface drill and one underground.

1/ Includes interpretative report, equipotential (S-P) contour map, and topographic map.

2/ NX size is recommended to insure good core recovery. Furthermore, the difference in price between NX and BX core, only $0.50 per foot, is more than offset by the high reaming cost per foot which might be necessary in the event that BX or AX is used throughout the drilling.

6. Fifty-two shifts per month; 15-foot advance/shift per drill.

7. Completion time, estimated at about 2 months.

8. Work carried on concurrent with drifting and crosscutting and S-P survey.

Actual Unit Cost:

A. Independent Contracts

Surface Drilling - 750 ft. (3 holes)

750 ft. - NX core drilling at $6.90/ft.	$ 5,175.00	
15 hrs. - Standby time at $12/hr.	180.00	
Mobilization of men and equipment (contractor)	300.00	200.00
	$ 5,655.00	

Underground Drilling - 700 ft. (3 holes)

650 ft. - NX core drilling at $5.60/ft.	$ 3,640.00
50 ft. - BX core drilling at $5.70/ft. 1/	285.00
15 hrs. - Standby time at $10/hr.	150.00
Mobilization of man and equipment (contractor)	200.00
	$ 4,275.00

B. Miscellaneous Items

55 - core boxes (wooden) at $5.00/box	$ 275.00
30 - sample analyses (U_3O_8) at $5.00/ea.	150.00
	$ 425.00

1/ Cost per foot of BX beyond 250 ft. in DDH No. 3; contract bids list no NX cost beyond 250 ft. depths.

Fixed Unit Cost:

A. Drill Stations

a. Surface drill site preparation	None
b. Underground drill site preparation:	
1 - drill station at R (sufficient size to permit 10-foot pulls) at $500/station	$ 500.00
1 - drill station at S (tail raise and enlargement of existing drift to permit 10-foot pulls) at $200/station	200.00
	$ 700.00

B. Incidental Allowance

Surface Drilling - 750 ft. (3 holes)

a. Supervision, labor, and technical services:	
1 - company supervising engineer or geologist at $600/mo., 1/2 mo. (prorated)	$ 300.00
Colorado payroll deductions at 8.81%	26.43
	$ 326.43
b. Operating equipment depreciation:	
1 - "1955" Jeep, valued $900/at $15/mo. 1/2 mo. (prorated)	$ 7.50
c. Operating materials and supplies:	
Gasoline, oil, repairs to Jeep estimated at $1.00/shift, 50 shifts	$ 50.00
Miscellaneous supplies estimated at $25.00	25.00
	$ 75.00
Total incidental allowance for surface drilling	$ 408.93
Cost per foot	$ 0.55
Total (rounded)	$ 413.00

Underground Drilling - 700 ft. (3 holes)

a. Supervision, labor, and technical services:

1 - company supervising engineer or geologist at $600/mo., 1/2 mo. (prorated)	$ 300.00	300.00
1 - surface man at $2.00/hr., $448.00/mo. 1/ 1 mo. (prorated)	448.00	–
Colorado payroll deductions at 8.81%	65.90	24.43
	$ 813.90	324.43

b. Operating equipment depreciation and rental:

1 - "1955" Jeep, valued $900 at $15/mo. 1/2 mo. (prorated)	$ 7.50	
1 - 12" Buffalo blower w/7-1/2 hp. motor, valued $200 at $3.33/mo., 1 mo. (prorated)	3.33	
1 - Thor "361T" sump pump, valued $275 at $4.58, 1 mo. (prorated)	4.58	
1 - 250 c.f.m. compressor, diesel, rental at $345/mo., 2 mos.	690.00	–
	$ 705.41	15.41

c. Operating materials and supplies:

Fuel oil, gasoline, lubricants, etc. estimated at $5/shift, 47 shifts	$ 235.00	49.00
Miscellaneous supplies estimated at $50.00	50.00	25.00
	$ 285.00	72.00

Total incidental allowance for underground drilling	$ 1,804.31	413.00
Cost per foot	$ 2.58	.59
Total	$ 1,806.00	Air 1.00 1.69
Total Diamond Drilling Cost	$13,274.00	

1/ Includes time and a half for overtime.

III. Drifting and Crosscutting

Drifting and crosscutting costs are based upon the following assumed conditions:

(a) Drifts and crosscutting shall be 5 by 7 feet in cross section.

(b) One shift per day, 6 shifts per week, 26 shifts per month.

(c) Four-foot round per shift, 104 feet advance per month.

(d) Overtime at time and a half.

(e) Estimated completion time, about 3 months.

Fixed Unit Cost:

a. Labor, supervision, and technical services:

1 - company supervising engineer or geologist at $600/mo. 1-1/2 mos. (prorated)	$ 900.00
1 - surface man at $2.00/hr., $448.00/mo., 1/ 2 mos. (prorated)	896.00
1 - foreman-miner at $550.00/mo., 3 mos.	1,650.00
2 - miners at $4/hr., $896/mo., 1/ 3 mos.	2,688.00
Colorado payroll deductions at 8.81%	540.41
	$ 6,674.41
290 feet - Cost per foot	$ 23.015

b. Operating equipment depreciation:

1 - Jeep "1955" valued $900.00 at $15.00/mo. 2 mos., prorated	$ 30.00
1 - 12" Buffalo blower w/7-1/2 hp. motor valued $200.00 at $3.33/mo., 2 mos., prorated	6.66

1/ Includes overtime at time and a half.

1 - 250 c.f.m. Jaegar compressor "1950" valued $2,500 at $41.67/mo., 3 mos.	$	125.01
1 - "12 B" Eimco loader, valued $1,900 at $31.67/mo., 3 mos.		95.01
2 - mine cars, Card "220" valued $330 at $5.50/mo. 3 mos.		16.50
1 - 40 hp. Le Roi w/Skagit hoist, valued $2,000 at $33.33/mo., 3 mos.		99.99
1 - Thor "361T" sump pump valued $275 at $4.58/mo., 2 mos. (prorated)		9.16
1 - water tank, valued $60 at $1/mo. 3 mos.		3.00
Miscellaneous small equipment estimated at $5.00 at $8.33/mo., 3 mos.		24.99
Contingency for repairs, etc.		57.53
	$	467.85
290 feet - Cost per foot	$	1.613

c. Operating materials and supplies

40% powder, at $11/case, 73 cases	$	803.00
Caps at $2.04/box, 19 boxes		38.76
Fuse at $0.013/ft., 15,500 ft.		201.50
Drill steel and bits:		
Bits (Liddicoat) at $0.25/ea., 290 bits		72.50
Steel, Atlas Copco 6-foot, at $12.22/ea. 8 steels		97.76
Line: 1/		
2" pipe (used) air, black, w/couplings, at $0.21/ft. 150 ft.		31.50

1/ Material costs reduced by 50% to eliminate Government's equity in salvage value.

1" pipe (used) water, black, w/couplings, at $0.10 per foot, 150 ft.	$ 15.00
12" Vent line (used) w/couplings at $0.44/ft. 130 ft.	57.20
1" air hose (new) at $0.56/ft., 50 ft.	28.00
12" "Ventube" (new) w/couplings at $0.60/ft. 50 ft.	30.00
1/2" water hose (new) at $0.45/ft., 50 ft.	22.50
Track: 1/	
20 lb. rail ties, bolts, plates, spikes, etc. at $1.13/ft., 290 ft.	327.70
Fuel:	
Gasoline, lubricants, oil, etc. estimated at $6/shift, 72.5 shifts	435.00
Miscellaneous:	
Small tools, etc. $50	50.00
Contingency for price increases, shipping charges, etc. at 10%	221.04
	$ 2,431.46
290 feet - Cost per foot	$ 8.384
Total drifting and crosscutting cost	$ 9,573.72
Cost per foot	$ 33.00
Total	$ 9,570.00

1/ Material costs reduced by 50% to eliminate Government's equity in salvage value.

Actual Unit Cost:

a. Sampling

25 sample analyses (U_3O_8) at $5/ea.	$ 125.00
Total drifting and crosscutting cost	$ 9,695.00

IV. Timbering

Timbering costs are based upon the following assumed conditions:

(a) It is estimated that 50% of the drifts and crosscuts might require timbering; therefore, 145 feet of timbering is estimated.

(b) Install standard drift sets, 5 by 7 feet in the clear, lagged as necessary.

(c) Rate of progress, 2 sets per shift. 3

(d) Six shifts per week, 26 shifts per month.

(e) Overtime, at time and a half.

(f) Estimated completion time, about 5/8 month. 3/8

Fixed Unit Cost:

a. Labor, supervision and technical services

1 - company supervising engineer or geologist at $600/mo., 5/8 mo.	$ 375.00	225
1 - compressor-maintenance man at $2.00/hr. $448.00/mo., 1/ 5/8 mo.	380.00	–
1 - foreman-miner at $550.00/mo., 5/8 mo.	343.75	206.25
2 - Miners at $4.00/hr., $896.00/mo. 1/ 5/8 mo.	560.00	336
Colorado payroll deductions at 8.81%	148.34	87.60
	$ 1,707.09	834.85

1/ Includes overtime at time and a half.

145 feet - Cost per foot	$ 11.773	
b. Operating equipment depreciation:		
1 - Jeep "1955" valued $900 at $15/mo. 5/8 mo.	$ 9.38	
1 - 12" Buffalo blower w/7-1/2 hp. motor, valued $200 at $3.33/mo., 5/8 mo.	2.08	
1 - Mercury 7-1/2 hp. saw, gasoline, valued $50, $0.83/mo., 5/8 mo.	0.52	
1 - mine car, Card "220" valued $165 at $2.75/mo. 5/8 mo.	1.72	
1 - 40 hp. Le Roi w/Skagit hoist, valued $2,000 at $33.33/mo., 5/8 mo.	20.83	
1 - Thor "361T" sump pump valued $275 at $4.58/mo. 5/8 mo.	2.86	
Contingency for repairs, price increases, etc. 10%	3.74	
	$ 41.13	24.69
145 feet - Cost per foot	$ 0.283	
c. Operating materials and supplies		
1 standard drift set, 315 bd. ft., $90/m.b.m. at $28.35/5-foot set, 29 sets 13.50	$ 822.15	391.50
Fuel, oil, lubricants, etc., estimated at $0.50 per shift, 14.5 shifts	7.25	5.00
	$ 829.40	396.50
145 feet - Cost per foot	$ 5.720	
Total timbering cost	$ 2,577.62	1256.
Cost per foot	$ 17.78	8.66
Total timbering cost (rounded)	$ 2,578.00	

Summary of Stage I costs

I.	Self-Potential Survey	$ 3,000.00
II.	Diamond Drilling	13,274.00
III.	Drifting and Crosscutting	9,695.00
IV.	Timbering	2,578.00
		$28,547.00

Estimated completion time - 3 months

Stage II

I. Stripping

Actual Unit Cost:

A. Independent Contracts

200 hrs. - bulldozing stripping at S-P stations and for drill stations. Medium-size (TD 14 or D-6) bulldozer at $12/hr. $ 2,400.00

II. Diamond Drilling

Diamond drilling costs are based upon the following assumed conditions:

1. Applicant will prepare underground drill stations.

2. Applicant will provide compressed-air for underground drilling.

3. Size of core will be NX 1/; however, if required, a minimum size of AX would be permitted.

4. Twenty inclined surface holes at depths not to exceed 300 ft.; three inclined subsurface holes at depths not to exceed 500 ft.; two inclined subsurface holes at depths not to exceed 350 ft.; and two inclined subsurface holes at depths not to exceed 250 feet.

1/ See footnote on Stage I diamond drilling.

5. Contractor will work two drill shifts per day, one surface drill and one underground; upon the completion of underground drill, two drill rigs will be employed in surface drilling.

6. Fifty-two shifts per month; 15-foot advance/shift per drill.

7. Completion time, estimated at about 10-1/4 months.

8. Work carried on concurrent with drifting and crosscutting.

Actual Unit Cost:

A. Independent Contracts

Surface Drilling - 6,000 ft. (20 holes)

5,000 ft. - NX core drilling at $6.90/ft.	$34,500.00
1,000 ft. - BX core drilling at $7.25/ft. 1/	7,250.00
100 hrs. - Standby time at $12/hr.	1,200.00
	$42,950.00

Underground Drilling - 2,700 ft. (7 holes)

1,750 ft. - NX core drilling at $5.60/ft.	$ 9,800.00
950 ft. - BX core drilling at $5.70/ft. 1/	5,415.00
35 hrs. - Standby time at $10/hr. 2/	350.00
	$15,565.00

B. Miscellaneous Items

348 - core boxes (wooden) at $5.00/box	$ 1,740.00
135 - sample analyses (U_3O_8) at $5.00/ea.	675.00
	$ 2,415.00

1/ Cost per foot of BX for depths beyond 250 ft.

2/ For probing, and if required, cementing and casing.

Fixed Unit Cost:

A. Incidental Allowance

Surface Drilling - 6,000 ft. (20 holes)	
6,000 ft. - at $0.55/ft.	$ 3,300.00
Underground Drilling - 2,700 ft. (7 holes)	
2,700 ft. - at $2.58/ft.	6,966.00
	$10,266.00

B. Drill Station

a. 2 - drill stations (sufficient size to permit 10-foot pulls) at $500/station	$ 1,000.00
Total Diamond Drilling cost	$72,196.00

III. Drifting and Crosscutting

Drifting and crosscutting costs are based upon conditions as discussed under Stage I.

Fixed Unit Cost:

A. Drifting and crosscutting

100 ft. - at $33.00/ft.	$ 3,300.00

Actual Unit Cost:

A. Sampling

10 - sample analyses (U_3O_8) at $5/ea.	50.00
Total drifting and crosscutting cost	$ 3,350.00

IV. Timbering

Timbering and crosscutting costs are based upon conditions as discussed under Stage I.

Fixed Unit Cost:

A. Timbering

50 ft. - at $17.78/ft.	$ 889.00	
Total timbering cost		$ 889.00

Summary of Stage II costs

I.	Stripping	$ 2,400.00
II.	Diamond Drilling	72,196.00
III.	Drifting and Crosscutting	3,350.00
IV.	Timbering	889.00
		$78,835.00

Estimated Completion Time 10-1/4 months.

Summary of project and costs

Stage I

I.	Self-Potential Survey - 1,500 stations	$ 3,000.00
II.	Diamond Drilling - 1,450 ft.	13,274.00
III.	Drifting and Crosscutting - 290 ft.	9,695.00
IV.	Timbering - 145 ft.	2,578.00
		$28,547.00

Estimated Completion Time - 3 months

Stage II

I.	Stripping - 200 hrs.	$ 2,400.00
II.	Diamond Drilling - 8,700 ft.	72,196.00
III.	Drifting and Crosscutting - 100 ft.	3,350.00
IV.	Timbering - 50 ft.	889.00
		$ 78,835.00

Estimated Completion Time - 10-1/4 months

Grand total	$107,382.00
Government participation at 75 percent	$ 80,536.50

CONCLUSIONS AND RECOMMENDATIONS

The La Salle Mining Company property, has produced to date approximately 1,000 tons of ore containing 0.6 percent U_3O_8 and has an estimated reserve of 15,000 tons of comparable grade ore. Exploration on the property indicates that the ore deposits are localized where shear zones transect xenolithic-like blocks of gneiss and schist in the granite country rock.

A program is proposed to explore the zones of shearing in and around gneiss-schist masses by a surface self-potential survey, surface and underground drilling, and the extension of present underground work by drifting and crosscutting.

It is recommended that the application to explore for uranium ore by the methods outlined be approved.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/21	Ching	700
		140

INTERIOR DEPT.
APR 21 1958
SOLICITOR

April 21, 1958

Memorandum

To: Associate Solicitor, Division of Mineral Resources

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

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

Please refer to the memorandum, dated April 16, 1958, from E. N. Harshman and advise whether any action is required on our part.

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

MChing/izm 4-21-58
cc: Mr. Ching

RECEIVED
APR 22 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
April 16, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED APR 17
DATE | INITIALS
4/17 | C | 220
4/18 | | 700

AIR MAIL

Memorandum

To: Chairman, Operating Committee

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

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

The report of examination on the subject property is in preparation and will recommend approval.

A mistake is noted in the Agreement between Coliowa Uranium Corporation and La Salle Mining Company which was executed January 2, 1957. This Agreement states that the Samson Claim is recorded in Book 971, Page 386. The Abstract of Title shows the Samson Lode was recorded in Book 972, Page 386. A check of the records in the County Recorder's Office verifies that the book and page shown in the Abstract of Title is correct and that the book shown in the Agreement is in error.

Will you please advise what legal steps should be taken to correct the error of book recording in the Agreement.

E. N. Harshman

E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE
3/26	C	220
"	[illegible]	700

224 New Customhouse
Denver 2, Colorado
March 21, 1958

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

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

Enclosed are two copies of the following data which have been submitted by the Applicant.

1. Letter to the Executive Officer from the Applicant dated March 20, 1958.

2. Amended exploration project.

3. Mining lease labeled Exhibit "C".

4. Mining lease labeled Exhibit "D".

Folder #3 In Mapenvelope
" " "

5. Abstract of title of the Baltimore Belle Lode.

6. Abstract of title to the Colowa Lode, Colowa No. 1 Lode, Maybe Lode, Samson Lode, Eureka Mine Lode, Fair Day Lode, Fair Day No. 3 Lode, Glory No. 1 Lode and Glory No. 2 Lode.

7. Copy of a letter to the Applicant from the Western Machine Company dated March 6, 1958.

8. Copy of geophysical proposal to the Applicant from Franklin A. Seward, Jr.

9. Copy of a letter to the Applicant dated February 13, 1958 from the Colorado School of Mines Research Foundation, Inc.

10. Copy of a bid for surface drilling from Boyles Bros. Drilling Company to the Applicant dated January 24, 1958.

11. Copy of a bid for underground drilling from Boyles Bros. Drilling Company to the Applicant dated January 24, 1958.

Folder #3 In Map Envelope " " "

12. Map showing proposed drill holes.

13. Claim map.

One copy of the above data has been retained by Mr. Harshman and one copy has been retained by the engineer examiner.

for W. H. King

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

March 20, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA - ~~472~~ 4721
(uranium) Fair Day, et al.,
Claims Boulder County,
Colorado

Dear Mr. Harshman:

On June 6 1957 it was mutually agreed between the Government and the La Salle Mining Company to postpone decision on our application pending completion of our underground exploration program that was underway at that time. We now feel that this work has been completed to such an extent that we can resubmit our application withthe revisions and corrections suggested in this letter and ask for a decision.

To date we have completed 576 feet of drifting from a 168 foot inclined shaft which put us 150 feet below pit #2. See plate #5. Several mineralized seams were discovered in the course of drifting and a promising ore shoot was opened along its strike under the pit #2 area by our drift #103. This ore shoot is described undergroun as the 103 #1 stope. The ore shoot was about 5ft. x 58ft. in the drift and averaged about 1.00% U_3O_8. See plate #5 for location.

We are now at work on the 103 #1 stope about 45 ft. above track level in the Northeast half of the ore shoot and about 30 ft. above track level in the Southwest half of the ore shoot. The stope will average about 4 ft. wide and the grade of ore has dropped so that the stope average is now about 0.60 to 0.70% U_3O_8. We are also in the process of opening up the other two zones encountered by our surface drilling called the pit #2 second zone, and the pit #1 zone.

To date we have shipped 247 tons of uranium ore from the Fair Day Mine and should have about 700 tons total of ore left in the stock pile and in the stope. We have only received assay results from one car load (64.040 lbs.) that was shipped to Union Carbide Nucular at Rifle, Colorado. The results were 0.90% U_3O_8, 0.80% $CaCO_2$, 0.11% VO_2.

The La Salle Mining Company intends to continue working the 103 #1 stope and to explore the zones under pit #1 and pit #2. We will not extend our exploration efforts into any area to be covered by the exploration project outlined in revised form in this letter.

We wish to notify you that it is now our intention to include the Baltimore Belle patented claim in this application and to drop the Glory #1 and Glory #2 claims from the application because of conflict. See 3a, Property Rights, in the original application for information. This letter contains an addition for Appendix "A" that should make clear the legal status of the claims.

We are including in this letter a revision of the Exploration Project part, 5b and a revision of the Estimate of Costs part, 6a, 6b, 6c, 6d, and 6g. Also included are additional bids to be put in Appendix "C" and plates 5 and 6.

Sincerely yours,

W. J. Chandler

W. J. Chandler
Geologist
La Salle Mining Company

WJC:dp

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE

Exhibit "C"

MINING LEASE

This AGREEMENT OF LEASE, made and entered into this 15th day of June, A. D. 1955 by and between Earl W. Balis, of 131 Hayes Avenue, Schenectady, New York, hereinafter called the Lessor (it being understood and agreed that the said Earl W. Balis owns an undivided three-fourths interest and that Charles E. Green, Thomas B. Green and Margaret G. Schnackenberg collectively own an undivided one-fourth interest in and to the hereinafter described property, and that a separate and independent lease with similar terms as herein contained will be obtained by the Lessee hereinafter named from the owners of said one-fourth interest; it is further understood and agreed that the Lessee is given permission to arrange with the owners of said one-fourth interest for the deposit in some National Bank in Denver, Colorado, the particular bank to be approved in writing by the interested parties, of all of the royalties arising from the operation of this lease, the depositary bank to be paid for all of its services hereunder by the Lessee solely, without any charge at all to the Lessor, or to the owners of said one-fourth interest, with directions in writing from all of the owners of this hereinafter described property to said single depositary agent to pay out of said moneys, pursuant to this lease, and a similar lease with the parties owning said one-fourth interest, to the ones entitled to the same respectively, according to their several interests, to-wit: to the Lessee, and to the owners of said one-fourth interest, at such times and intervals as may be directed in writing to said depositary agent by them) and Coliowa Uranium Corporation, a Delaware corporation, qualified to do business in Colorado, said Coliowa Uranium Corporation being hereinbefore, hereinafter and throughout this lease called the Lessee, WITNESSETH:

That said Lessor, for and in consideration of the rents, royalties, payments, covenants and agreements hereinafter expressed to be reserved, set apart, paid, kept and performed by said Lessee, has leased, let and demised, and by these presents does lease, let and demise unto said Lessee the following described mining property and premises, situate in Central Area, Dolores County, State of Colorado:

An undivided three-fourths interest in and to the Baltimore Belle Lode Mining Claim, U. S. Survey No. 532.

TO HAVE AND TO HOLD the above described premises for the purpose of mining, and for no other purpose whatsoever, for a primary term from the first day of June, A. D. 1955 to the 13th day of October, A. D. 1959, and so long thereafter as uranium, thorium, vandium, gold or other ore may be mined therefrom at a profit, unless sooner surrendered, forfeited or terminated through the violation of any of the covenants, conditions and agreements herein contained.

The said Lessee, in consideration of the premises, has covenanted, contracted and agreed, and by these presents does covenant, contract and agree to and with the said Lessor, his executors, administrators and assigns:

1. To forthwith enter upon the property, and in furtherance of permanently evidencing a true, accurate and complete survey of the property recently made by the Lessee, forthwith erect suitable permanent markers showing the boundaries of said property as shown and determined by said recent survey, and forthwith furnish the Lessor a copy of said recent survey certified as to completeness and accuracy by the surveyor or engineer who made said survey; and, further, during the first six months of the primary term to commence and continue exploratory work thereon at such points and places as it may select, in order to accomplish and effect a full, complete and adequate exploration of the entire property for valuable minerals contained thereon or therein. Lessee covenants to furnish to the Lessor true, accurate and complete copies of each and every assay of ore or sample of ore from said premises, fully identified with respect to logs and maps showing the location and extent of each and every discovery, it being the intent of these covenants that a part of the consideration for this lease is to be obtained by the Lessee and the furnishing to the Lessor by the Lessee of complete and detailed information as to the mineralization of said premises, and [illegible] in the event [illegible] drilling or work results in the disclosure of ore or [illegible] formations, which in the sole opinion of the Lessee warrants further drilling, it shall be [illegible] a comprehensive drilling program [illegible]

than one drill hole per each 100 square feet of surface drilled to sufficient depth to test the mineralization being explored and tested) to outline the nature, value and extent thereof, carrying on such drilling program with thoroughness and with reasonable diligence. All drill holes shall be marked and plugged and Lessee shall furnish to Lessor, at no expense or cost to Lessor, copies of all logs and all maps with all drill holes marked and located thereon in such manner that from said data the drill holes may be readily found upon the premises, and such logs shall show thereon and therein the geological formations penetrated, the depth and thickness of each, the mineral character of each, especially mineral veins and strata, their elevation, their location tied to an established corner of said mining property, and everything necessary to make and supply a full, perfect and complete log of each hole throughout its entire depth, and said maps shall be on a scale of not more than 100 feet to one inch, and show the dimensions of each ore vein, a permanent hub with center point at the top of the shaft or the face of the slope, at each elevation and at each angle, at side entries, stopes, rooms or drifts, showing the elevation and latitude and departure and date established, and all of said logs, assays, maps, reports, and all other technical data and information necessary to provide the Lessor with complete technical data and information on the details of the operations of the Lessee on said premises shall be accompanied by a sworn statement of an officer of the Lessee acting for the Lessee that the same are true, perfect, complete and correct to the best of his knowledge, information, and belief and that together the same furnish to the Lessor complete technical data and information showing fully all the operations and activity of the Lessee thereon and therein for the period covered thereby, and the Lessee shall furnish the same to the Lessor at no cost or expense to the Lessor on or before January 1, 1956 and thereafter upon request but not oftener than annually so long as this lease is operative, said reports to fully and completely show the work of the Lessee on said property for the year immediately next prior to the date of furnishing said report. After said six months exploratory period, or sooner if Lessee determines so to do, the Lessee hereby covenants to work said mining property in a

fashion in manner necessary to good and economical mining, with due regard for the value of each and every bit of mineral thereon and therein of whatsoever kind and nature, so as to take out the greatest amount of ore possible (particularly uranium, thorium, gold, vanadium and any and all other minerals, rare earths or any other substance that may be obtained with profit from said mining property) with due regard for the development and preservation of said mine and mining premises as a workable mining property and to the unworked ground for future continued mining operations, and the other and special covenants contained herein, and the Lessee shall keep same securely timbered, drained and cleared of loose rock and rubbish and so certify on the oath of one of the officers of the Lessee acting in his official capacity for the Lessee at the same time said maps, assays, logs and all other technical data and information are turned over to the Lessor annually as hereinbefore provided, and each and every map shall show thereon the North point, and the scale to which the map is drawn, and all other explanatory legend and information necessary to an easy and ready understanding of the data represented by the same, together with notation showing the date or dates on which said data was obtained and the date said map was drawn, and each map shall bear thereon the certificate of the surveyor or engineer making the same as to its accuracy; and, further, if any ore has been mined and stored on the premises on which there has been no accounting theretofor made, Lessee shall at said times furnish to Lessor a full, true, complete and accurate sworn record of all ore taken from said mining property, showing the location on said premises from which taken, the disposition thereof, and the amount and nature of all receipts, if any, therefrom, and assays thereof showing and completely identified as to location from which the ore assayed was taken, all in order that the Lessor may have at no cost or expense to the Lessor a full, accurate and complete statement of the operations of the Lessee on said premises during the full period of said operations.

2. After the first six months of the primary term to work and mine said premises as aforesaid steadily and continuously during the primary and extended term of this lease and in doing said work to perform at least thirty (30) shifts of mining labor per month each and every month during the life of this lease.

3. To carry on all drilling and mining operations in strict conformity with all applicable laws and regulations and good mining practice.

4. To allow the Lessor or his agent from time to time to enter upon and descend into all parts of said leased premises, for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such inspection, surveys or examination.

5. To occupy and hold as the property of the Lessor and the other owners of said property all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by the said Lessee or any person or persons under or in privity with it, with privilege to said Lessee to work and mine the same as part and parcel of said premises.

6. The Lessee covenants and agrees to allow the licensed ore buyer, mill, smelter or sampler to set over and pay said National Bank as the agent of Lessor, and other owners of said mining property, as royalty, upon all ores produced, mined, shipped and/or sold from the demised premises (it being expressly understood and agreed that the Lessor reserves unto himself, his heirs, executors, administrators and assigns, all the property and all the right of property in and to all ores mined and extracted from the demised premises during the term of this lease, and title therein and thereto shall not in any way pass from the Lessor before and until said ores be severed from the ground and sold and purchased by a licensed ore buyer, a mill, a smelter or sampler, who or which shall pay for same to the single and sole depositary agent hereinbefore provided for), to-wit:

A sum equal to 10% of the proceeds of all ores mined and removed from the premises until October 13, 1956, and a sum equal to 15% of the proceeds of all ores mined or removed from the premises from October 13, 1956, until October 13, 1959; after October 13, 1959, should this lease be extended as provided herein, 15% royalty on all ores mined and removed from the premises, including all ore sold for the U_3O_8 content containing 2% or less U_3O_8, or 25% royalty on all ores sold for the U_3O_8 content containing over 2% U_3O_8;

All settlements on uranium ores to be made upon the smelter, mill or sampler net assay values and to include all bonus except development bonus and except haulage allowances. Settlement on all other ores sold to be made upon the smelter, mill or sampler net assay values, deducting therefrom only the actual cost of transportation, smelting and treatment. Provided further, however, that after October 13, 1959, the net royalties to be paid to the Lessor and the other owners of said mining claim shall be not less than $1,000.00 per month. If any part of said minimum royalty is paid by the Lessor from its own funds and not from the proceeds of the ores mined from these premises, such part of said payment shall be considered in the nature of advanced royalties, and may be deducted from future percentages from ore proceeds.

7. The Lessee shall and hereby does assume all responsibility in case of accident or injury to any person whomsoever, including any and all

of its employees in or about said property, and shall provide the Lessor with copies of Public Liability Insurance in respect to the demised premises of at least $25,000 minimum and $50,000 maximum protection to protect and save harmless the Lessor and similarly Lessee shall supply Lessor with certificates of insurance carried by Lessor under Workmen's Compensation Act of Colorado.

8. The Lessee hereby assumes and agrees to pay promptly and before the same shall become delinquent any and all taxes assessed upon the premises and the ores mined therefrom and arising from the severance of ores therefrom, including, by way of illustration but not by way of limitation, all production taxes, severance taxes, corporation income taxes and any and all other corporation taxes and licenses that may be required, and the tax on the mine as a producing or as non-producing mine, whatever its status be, assessed during the term and extended term of this lease and beginning with the year 1954.

9. All bills and expenses incurred by the Lessee or those in privity with it shall be promptly paid by the Lessee, and by said prompt payment said Lessee shall prevent the filing of any and all liens of miners, mechanics or materialmen against said demised premises; and, if by reason of the failure of said Lessee to pay such bills or expenses any lien or liens shall be filed against said premises, the said Lessor may forthwith pay off and discharge the same and the said Lessee holds itself bound to pay to said Lessor all sums so advanced or paid to clear the said premises from valid liens which may be filed as aforesaid, and, further, the Lessee covenants to erect and maintain and keep erected in good and legible condition on the mining property an easily seen and easily read sign stating plainly that the said mine is being operated under lease, and naming the Lessor and saying that the Lessor is not and will not be responsible for any bills, claims, acts or omissions of acts of the named Lessee or any in privity with it, and this lease shall not take effect unless and until said sign giving notice of the non-liability of the Lessor is erected by the Lessee in a conspicuous place on said premises.

12. The Lessee may surrender and terminate this lease and said operations at any time from the date hereof upon giving the Lessor thirty days prior written notice of its intention to surrender, sent by registered mail, return receipt requested, to the Lessor at 1131 Keyes Avenue, Schenectady, New York, or to such other address as the Lessor may have directed in writing.

13. The Lessee shall and will take out and at all times during the term and extended term of this agreement keep in full force and effect insurance under and pursuant to the Workmen's Compensation Act of Colorado and the Colorado Occupational Disease Disability Act as the same are now or as they may be from time to time if amended, as will fully insure the Lessee's liability as an employer with respect to any and all persons employed by the Lessee in or upon the demised premises or in any of the operations of the Lessee under this lease, and, further, it is expressly understood and agreed and contracted that this lease shall not take effect until said insurance is in effect and Lessor given notice and proof that same is in effect, and this lease shall automatically and without notice be forfeited and cease, determine, terminate and be null and void at any time when such insurance is not in full force and effect, and all persons upon the properity shall thereupon be trespassers.

14. Any notice which the Lessor desires to give to the Lessee hereunder shall be considered sufficiently given if the same is directed and mailed by registered mail, return receipt requested to the Lessee in care of Frank A. Buchanan at his office or to such other address in the County of Boulder and State of Colorado as the Lessee hereafter designate in writing.

15. Should low grade ores be encountered and mined, it is specifically agreed that the Lessee shall have the right to stockpile the same in and about the premises, and it is further hereby specifically provided the Lessor shall not in any way be charged with any expense if said low grade ores are blended, mixed, concentrated or otherwise treated or prepared for sale, such to be done, if done, solely at the expense of Lessee, and

all such ores remaining on the premises after the time of termination of this lease, by either forfeiture or surrender, shall be and remain the sole property of the Lessor and the other owners of said mining claim.

16. It is specifically understood and agreed that the Lessee may enter into working agreements with other persons or corporations for the mining and development of this property, but shall not assign this lease nor sublet the property or any part thereof without the written consent of the Lessor first had and obtained, provided, however, this lease may be assigned to Continental Uranium Inc., a Delaware corporation, provided, however, any such assignee shall assume all of Lessee's obligations.

17. The Lessor and the Lessee agree that no waiver by the Lessor of any term or condition of this lease or of the performance by the Lessee of any of their covenants hereunder shall operate as a waiver of such term or condition or covenant at any subsequent time or prevent the cancellation of this agreement of lease by the Lessor, as allowed by the terms hereof, if the Lessee shall fail to observe such covenant at any subsequent time or shall make the same or any other default under this agreement at any subsequent time; the Lessor may terminate this lease for a repetition of a prior default as to which no forfeiture was declared.

The Lessor and the Lessee agree further that if the Lessee shall fail to keep and perform seasonably any of the covenants of this lease on their part to be performed or if they shall make default in any term or condition, express or implied, of this lease, even though such covenants, terms and conditions are not repeated or set forth in this paragraph, then the Lessors have and they reserve and there is granted to them by the Lessee hereby, the privilege of cancelling and terminating this lease, and if the Lessors shall elect to cancel and end this agreement, they shall mail a notice of cancellation to the Lessee, addressing them by registered United States mail, with postage prepaid, c/o Frank A. Buchanan, Attorney at law, P. O. Box 35, Boulder, Colorado, or to any other proper address, and therein shall be set forth the nature of the Lessee's default, and it

shall be declared that the agreement evidenced by this indenture shall be cancelled, terminated and ended at noon of the thirtieth day after the day whereon said notice shall be so mailed, and at the expiration of said period of time this said agreement shall be terminated and thereupon the Lessee shall forthwith surrender peaceably to the Lessor the said demised premises, provided, however, that during the period succeeding the mailing of the notice and prior to the time fixed for the termination of this agreement in said notice and by this agreement, the Lessee may fully remedy any such default or defaults of which notice be so given and if such defaults be so remedied and the Lessor be made whole in respect thereto within said period of time, this agreement shall be and remain in force and effect the same as if no default had been declared.

Three or more violations of any one covenant or agreement herein contained within a period of any twelve months shall at the option of the Lessor be cause for absolute termination of this agreement.

Anything to the contrary herein contained notwithstanding, the Lessor agrees that if the Lessee be prevented from working the stipulated number of shifts in said demised premises in any calendar month or months because of the prolonged, insuperable severity of cold weather or because of strikes, that then such failure to work the stipulated number of shifts shall not entitle the Lessor to cancel and terminate the lease for such failure to work the mine the agreed number of shifts in such month or months.

The terms and conditions of this lease shall extend to, be binding upon and insure to the benefit of the successors and lawful assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first above written.

Earl W. Balis
Lessor

COLIOWA URANIUM CORPORATION

By Willard B. Smith

ATTEST:

Frank Buchanan
Secretary

Clark H. Clark and Coliowa Uranium Corporation hereby surrender all of their right, title and interest in and to a certain mining lease dated October 13, 1954, of the Baltimore Belle Lode Mining Claim, which lease is recorded in Book 966 at Page 15 in the office of the County Clerk and Recorder of Boulder County, Colorado.

ORIGINAL FILE COPY
OMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE

Clark H. Clark

COLIOWA URANIUM CORPORATION

By Willard B. Smith

Exhibit "D"

MINING LEASE

This AGREEMENT OF LEASE, made and entered into this 15th day of June, A. D. 1955 by and between Charles E. Green of Denver, Colorado, Thomas B. Green of Denver, Colorado, and Margaret G. Schnackenberg of Homewood, Illinois, hereinafter called the Lessors (it being understood and agreed that Earl W. Balis owns an undivided three-fourths interest and that said Charles E. Green, Thomas B. Green and Margaret G. Schnackenberg collectively own an undivided one-fourth interest in and to the hereinafter described property, and that a separate and independent lease with similar terms as herein contained will be obtained by the Lessee hereinafter named from the owner of said three-fourths interest; it is further understood and agreed that the Lessee is given permission to arrange with the owner of said three-fourths interest for the deposit in some National Bank in Denver, Colorado, the particular bank to be approved in writing by the interested parties, of all of the royalties arising from the operation of this lease, the depositary bank to be paid for all of its services hereunder by the Lessee solely, without any charge at all to the Lessors, or to the owner of said three-fourths interest, with directions in writing from all of the owners of this hereinafter described property to said single depositary agent to pay out of said moneys, pursuant to this lease, and a similar lease with the party owning said three-fourth interest, to the ones entitled to the same respectively, according to their several interests, to-wit: to the Lessee, and to the owners of said three-fourth interest, at such times and intervals as may be directed in writing to said depositary agent by them and Coliowa Uranium Corporation, a Delaware corporation, qualified to do business in Colorado, said Coliowa Uranium Corporation being hereinbefore, hereinafter and throughout this lease called the Lessee,

WITNESSETH:

That said Lessors, for and in consideration of the rents, royalties, payments, covenants and agreements hereinafter expressed to be observed, set aside, paid, kept and performed by said Lessee, have leased, let and demised, and by these presents do lease, let and demise unto said Lessee the following described mining property and premises, situate in the Central Mining District, Boulder County, State of Colorado, to-wit:

1/4

An undivided ~~three-fourths~~ interest in and to the Baltimore Belle Lode Mining Claim, U. S. Survey No. 532.

TO HAVE AND TO HOLD the above described premises for the purpose of mining, and for no other purpose whatsoever, for a primary term from the first day of June, A. D. 1955 to the 13th day of October, A. D. 1959, and so long thereafter as uranium, thorium, vandium, gold or other ore may be mined therefrom at a profit, unless sooner surrendered, forfeited or terminated through the violation of any of the covenants, conditions and agreements herein contained.

The said Lessee, in consideration of the premises, has covenanted, contracted and agreed, and by these presents does covenant, contract and agree to and with the said Lessor, his executors, administrators and assigns:

1. To forthwith enter upon the property, and in furtherance of permanently evidencing a true, accurate and complete survey of the property recently made by the Lessee, forthwith erect suitable permanent markers showing the boundaries of said property as shown and determined by said recent survey, and forthwith furnish the Lessor a copy of said recent survey certified as to completeness and accuracy by the surveyor or engineer who made said survey; and, further, during the first six months of the primary term to commence and continue exploratory work thereon at such points and places as it may select, in order to accomplish and effect a full, complete and adequate exploration of the entire property for valuable minerals contained thereon or therein. Lessee covenants to furnish to the Lessor true, accurate and complete copies of each and every assay of ore or sample of ore from said premises, fully identified with respect to logs and maps showing the location and extent of each and every discovery, it being the intent of these covenants that a part of the consideration for this lease is the obtaining by the Lessee and the furnishing to the Lessor by the Lessee of complete technical data and information as to the mineralization of his mining property, all at no cost to Lessor, and, further in the event such exploratory drilling or work results in the disclosure of ore or ore-bearing formations, which in the sole opinion of the Lessee warrants further drilling, it shall begin a comprehensive drilling program [illegible]

than one drill hole per each 100 square feet of surface drilled to sufficient depth to test the mineralization being explored and tested) to outline the nature, value and extent thereof, carrying on such drilling program with thoroughness and with reasonable diligence. All drill holes shall be marked and plugged and Lessee shall furnish to Lessor, at no expense or cost to Lessor, copies of all logs and all maps with all drill holes marked and located thereon in such manner that from said data the drill holes may be readily found upon the premises, and such logs shall show thereon and therein the geological formations penetrated, the depth and thickness of each, the mineral character of each, especially mineral veins and strata, their elevation, their location tied to an established corner of said mining property, and everything necessary to make and supply a full, perfect and complete log of each hole throughout its entire depth, and said maps shall be on a scale of not more than 100 feet to one inch, and show the dimensions of each ore vein, a permanent hub with center point at the top of the shaft or the face of the slope, at each elevation and at each angle, at side entries, stopes, rooms or drifts, showing the elevation and latitude and departure and date established, and all of said logs, assays, maps, reports, and all other technical data and information necessary to provide the Lessor with complete technical data and information on the details of the operations of the Lessee on said premises shall be accompanied by a sworn statement of an officer of the Lessee acting for the Lessee that the same are true, perfect, complete and correct to the best of his knowledge, information, and belief and that together the same furnish to the Lessor complete technical data and information showing fully all the operations and activity of the Lessee thereon and therein for the period covered thereby, and the Lessee shall furnish the same to the Lessor at no cost or expense to the Lessor on or before January 1, 1956 and thereafter upon request but not oftener than annually so long as this lease is operative, said reports to fully and completely show the work of the Lessee on said property for the year immediately next prior to the date of furnishing said report. After said six months exploratory period, or sooner if Lessee determines so to do, the Lessee hereby covenants to work said mining property in mine

fashion in manner necessary to good and economical mining, with due regard for the value of each and every bit of mineral thereon and therein of whatsoever kind and nature, so as to take out the greatest amount of ore possible (particularly uranium, thorium, gold, vanadium and any and all other minerals, rare earths or any other substance that may be obtained with profit from said mining property) with due regard for the development and preservation of said mine and mining premises as a workable mining property and to the unworked ground for future continued mining operations, and the other and special covenants contained herein, and the Lessee shall keep same securely timbered, drained and cleared of loose rock and rubbish and so certify on the oath of one of the officers of the Lessee acting in his official capacity for the Lessee at the same time said maps, assays, logs and all other technical data and information are turned over to the Lessor annually as hereinbefore provided, and each and every map shall show thereon the North point, and the scale to which the map is drawn, and all other explanatory legend and information necessary to an easy and ready understanding of the data represented by the same, together with notation showing the date or dates on which said data was obtained and the date said map was drawn, and each map shall bear thereon the certificate of the surveyor or engineer making the same as to its accuracy; and, further, if any ore has been mined and stored on the premises on which there has been no accounting theretofor made, Lessee shall at said times furnish to Lessor a full, true, complete and accurate sworn record of all ore taken from said mining property, showing the location on said premises from which taken, the disposition thereof, and the amount and nature of all receipts, if any, therefrom, and assays thereof showing and completely identified as to location from which the ore assayed was taken, all in order that the Lessor may have at no cost or expense to the Lessor a full, accurate and complete statement of the operations of the Lessee on said premises during the full period of said operations.

2. After the first six months of the primary term to work and mine said premises as aforesaid steadily and continuously during the primary and extended term of this lease and in doing said work to perform at least thirty (30) shifts of mining labor per month each and every month during the life of this lease.

3. To carry on all drilling and mining operations in strict conformity with all applicable laws and regulations and good mining practice.

4. To allow the Lessor or his agent from time to time to enter upon and descend into all parts of said leased premises, for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such inspection, surveys or examination.

5. To occupy and hold as the property of the Lessor and the other owners of said property all cross and parallel lodes, spurs and mineral deposits of every kind which may be uncovered, disclosed or discovered within said leased ground by the said Lessee or any person or persons under or in privity with it, with privilege to said Lessee to work and mine the same as part and parcel of said premises.

6. The Lessee covenants and agrees to allow the licensed ore buyer, mill, smelter or sampler to set over and pay said National Bank as the agent of Lessor, and other owners of said mining property, as royalty, upon all ores produced, mined, shipped and/or sold from the demised premises (it being expressly understood and agreed that the Lessor reserves unto himself, his heirs, executors, administrators and assigns, all the property and all the right of property in and to all ores mined and extracted from the demised premises during the term of this lease, and title therein and thereto shall not in any way pass from the Lessor before and until said ores be severed from the ground and sold and purchased by a licensed ore buyer, a mill, a smelter or sampler, who or which shall pay for same to the single and sole depositary agent hereinbefore provided for), to-wit:

A sum equal to 10% of the proceeds of all ores mined and removed from the premises until October 13, 1956, and a sum equal to 15% of the proceeds of all ores mined or removed from the premises from October 13, 1956, until October 13, 1959; after October 13, 1959, should this lease be extended as provided herein, 15% royalty on all ores mined and removed from the premises, including all ore sold for the U_3O_8 content containing 2% or less U_3O_8, or 25% royalty on all ores sold for the U_3O_8 content containing over 2% U_3O_8;

All settlements on uranium ores to be made upon the smelter, mill or sampler net assay values and to include all bonus except development bonus and except haulage allowances. Settlement on all other ores sold to be made upon the smelter, mill or sampler net assay values, deducting therefrom only the actual cost of transportation, smelting and treatment. Provided further, however, that after October 13, 1959, the net royalties to be paid to the Lessor and the other owners of said mining claim shall be not less than $1,000.00 per month. If any part of said minimum royalty is paid by the Lessor from its own funds and not from the proceeds of the ores mined from these premises, such part of said payment shall be considered in the nature of advanced royalties, and may be deducted from future percentages from ore proceeds.

7. The Lessee shall and hereby does assume all responsibility in case of accident or injury to any person whomsoever, including any and all

of its employees in or about said property, and shall provide the Lessor with copies of Public Liability Insurance in respect to the demised premises of at least $25,000 minimum and $50,000 maximum protection to protect and save harmless the Lessor and similarly Lessee shall supply Lessor with certificates of insurance carried by Lessor under Workmen's Compensation Act of Colorado.

8. The Lessee hereby assumes and agrees to pay promptly and before the same shall become delinquent any and all taxes assessed upon the premises and the ores mined therefrom and arising from the severance of ores therefrom, including, by way of illustration but not by way of limitation, all production taxes, severance taxes, corporation income taxes and any and all other corporation taxes and licenses that may be required, and the tax on the mine as a producing or as non-producing mine, whatever its status be, assessed during the term and extended term of this lease and beginning with the year 1954.

9. All bills and expenses incurred by the Lessee or those in privity with it shall be promptly paid by the Lessee, and by said prompt payment said Lessee shall prevent the filing of any and all liens of miners, mechanics or materialmen against said demised premises; and, if by reason of the failure of said Lessee to pay such bills or expenses any lien or liens shall be filed against said premises, the said Lessor may forthwith pay off and discharge the same and the said Lessee holds itself bound to pay to said Lessor all sums so advanced or paid to clear the said premises from valid liens which may be filed as aforesaid, and, further, the Lessee covenants to erect and maintain and keep erected in good and legible condition on the mining property an easily seen and easily read sign stating plainly that the said mine is being operated under lease, and naming the Lessor and saying that the Lessor is not and will not be responsible for any bills, claims, acts or omissions of acts of the named Lessee or any in privity with it, and this lease shall not take effect unless and until said sign giving notice of the non-liability of the Lessor is erected by the Lessee in a conspicuous place on said premises.

12. The Lessee may surrender and terminate this lease and said operations at any time from the date hereof upon giving the Lessor thirty days prior written notice of its intention to surrender, sent by registered mail, return receipt requested, to the Lessor at 1131 Keyes Avenue, Schenectady, New York, or to such other address as the Lessor may have directed in writing.

13. The Lessee shall and will take out and at all times during the term and extended term of this agreement keep in full force and effect insurance under and pursuant to the Workmen's Compensation Act of Colorado and the Colorado Occupational Disease Disability Act as the same are now or as they may be from time to time if amended, as will fully insure the Lessee's liability as an employer with respect to any and all persons employed by the Lessee in or upon the demised premises or in any of the operations of the Lessee under this lease, and, further, it is expressly understood and agreed and contracted that this lease shall not take effect until said insurance is in effect and Lessor given notice and proof that same is in effect, and this lease shall automatically and without notice be forfeited and cease, determine, terminate and be null and void at any time when such insurance is not in full force and effect, and all persons upon the properity shall thereupon be trespassers.

14. Any notice which the Lessor desires to give to the Lessee hereunder shall be considered sufficiently given if the same is directed and mailed by registered mail, return receipt requested to the Lessee in care of Frank A. Buchanan at his office or to such other address in the County of Boulder and State of Colorado as the Lessee hereafter designate in writing.

15. Should low grade ores be encountered and mined, it is specifically agreed that the Lessee shall have the right to stockpile the same in and about the premises, and it is further hereby specifically provided the Lessor shall not in any way be charged with any expense if said low grade ores are blended, mixed, concentrated or otherwise treated or prepared for sale, such to be done, if done, solely at the expense of Lessee, and

all such ores remaining on the premises after the time of termination of this lease, by either forfeiture or surrender, shall be and remain the sole property of the Lessor and the other owners of said mining claim.

16. It is specifically understood and agreed that the Lessee may enter into working agreements with other persons or corporations for the mining and development of this property, but shall not assign this lease nor sublet the property or any part thereof without the written consent of the Lessor first had and obtained, provided, however, this lease may be assigned to Continental Uranium Inc., a Delaware corporation, provided, however, any such assignee shall assume all of Lessee's obligations.

17. The Lessor and the Lessee agree that no waiver by the Lessor of any term or condition of this lease or of the performance by the Lessee of any of their covenants hereunder shall operate as a waiver of such term or condition or covenant at any subsequent time or prevent the cancellation of this agreement of lease by the Lessor, as allowed by the terms hereof, if the Lessee shall fail to observe such covenant at any subsequent time or shall make the same or any other default under this agreement at any subsequent time; the Lessor may terminate this lease for a repetition of a prior default as to which no forfeiture was declared.

The Lessor and the Lessee agree further that if the Lessee shall fail to keep and perform seasonably any of the covenants of this lease on their part to be performed or if they shall make default in any term or condition, express or implied, of this lease, even though such covenants, terms and conditions are not repeated or set forth in this paragraph, then the Lessors have and they reserve and there is granted to them by the Lessee hereby, the privilege of cancelling and terminating this lease, and if the Lessors shall elect to cancel and end this agreement, they shall mail a notice of cancellation to the Lessee, addressing them by registered United States mail, with postage prepaid, c/o Frank A. Buchanan, Attorney at law, P. O. Box 35, Boulder, Colorado, or to any other proper address, and therein shall be set forth the nature of the Lessee's default, and it

shall be declared that the agreement evidenced by this indenture shall be cancelled, terminated and ended at noon of the thirtieth day after the day whereon said notice shall be so mailed, and at the expiration of said period of time this said agreement shall be terminated and thereupon the Lessee shall forthwith surrender peaceably to the Lessor the said demised premises, provided, however, that during the period succeeding the mailing of the notice and prior to the time fixed for the termination of this agreement in said notice and by this agreement, the Lessee may fully remedy any such default or defaults of which notice be so given and if such defaults be so remedied and the Lessor be made whole in respect hereto within said period of time, this agreement shall be and remain in force and effect the same as if no default had been declared.

Three or more violations of any one covenant or agreement herein contained within a period of any twelve months shall at the option of the Lessor be cause for absolute termination of this agreement.

Anything to the contrary herein contained notwithstanding, the Lessor agrees that if the Lessee be prevented from working the stipulated number of shifts in said demised premises in any calendar month or months because of the prolonged, insuperable severity of cold weather or because of strikes, that then such failure to work the stipulated number of shifts shall not entide the Lessor to cancel and terminate the lease for such failure to work the mine the agreed number of shifts in such month or months.

The terms and conditions of this lease shall extend to, be binding upon and insure to the benefit of the successors and lawful assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first above written.

Charles E. Green

Thomas B. Green

Margaret G. Schnachenberg
Lessors

COLIOWA URANIUM CORPORATION

By Willard B. Smith

ATTEST:

Frank Buchanan
Secretary

Clark H. Clark and Coliowa Uranium Corporation hereby surrender all of their right, title and interest in and to a certain mining lease dated October 13, 1954, of the Baltimore Belle Lode Mining Claim, which lease is recorded in Book 966 at Page 15 in the office of the County Clerk and Recorder of Boulder County, Colorado.

Clark H. Clark

COLIOWA URANIUM CORPORATION

By Willard B. Smith

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THE EXPLORATION PROJECT

5b. To properly explore the Overland Mountain Claim Group a major effort must be made to determine the geologic factors which control the ore occurrences discovered by previous exploration. This effort will also reasonably delineate and sample any ore zone so that an intelligent decision can be made regarding the desirability of continued exploration in the area.

To simply the planning of the exploration project the claim group will be divided into work areas designated as Block A, B, etc. The work in each Block will be conducted in stages called Stages I, II, etc. See plate number 6 for location of work areas.

BLOCK A

Stage I

The existing access road will be reworked from the county road to the Fair Day Mine area only where difficulty may be expected from inclement weather and/or when moving in heavy equipment the road should be widened, have excess side tilt correctedand steep grades cut down. The mine area is about 1 1/2 miles from the county road. A D-8 cat or comparable machine equiped with an angle dozer will be used as some hard cutting may be expected. Not over 40 hours total of road work and move in time will be used in Stage I.

Tunneling will begin in the Fair Day Mine toward underground drill set ups. A total of 60ft. of 7x9 ft. tunnel will be driven and 2 drill set ups 10x10x12 ft. will be constructed. See plate number 5 for location.

Stage II

Underground drilling will begin in the Fair Day Mine to add

information below drift level to the pit number 1 and number 2. Four holes will be drilled to test these zones. Two holes will be drilled in the area immediately Southwest of pit number 1 to further explore the block and specifically to check the radiometric anomaley surrounding pit number 6. The following is a description of each holeproposed. Allowance has been made for the 80°North 37° West dip observed in the stope. See plate number 5 for drilling plan.

Hole #	Drill Set up	Angle from Horizontal	Vert. dpt. below drift level that hole will cut vein at dip of 80° NW	Hole dpt. to vein at dip of 80° NW	Horz. dist. from drill set up that hole will cut vein	T. D.
UCLS#10	UCl	-50°	150'	195'	128'	350'
" #11	"	-50°	150'	195'	128'	350'
" #12	"	-50°				350'
" #13	"	-50°				350'
" #14	"	-45°				400'
" #15	"	-45°				400'
Total 6						2,200

Stage III

Two holes willbe drilled under the pit number 1 and number 2 zones designed to test these zones at a depth of 350 ft. below drift level. If the dip of the vein stays at 80°Northwest the angle required will be about -65° from horizontal. If stage II drilling shows the dip at the vein to be other than 80°the angle of the holes will be changed so that they will cut the vein at 350 ft. The following is a description of each hole proposed. See plate number 5 for drilling plan.

UCLS#16	UCLS#10	-65°	350	385'	165'	500'
" "17	"	-65°				500'
Total 2						1,000

Stage IV

Tentative on Stages II and III one hole will be drilled to test the pit number 2 zone at the greatest depth practicable. This hole should not exceed a total depth of 700 ft. or be drilled at an angle greater than -70° from horizontal. The following is a description of the proposed hole. See plate number 5 for drilling plan.

Drill set up	Hole #	Angle from horzontal	Vert. dpt. below drift level that hole will cut vein at dip of 80° NW	Hole dpt. to vein at dip of 80° NW	Horz. dist. from drill set up that hole will cut vein	T. D.
UCLS#10	UCLS#18	-70°	535'	570'	200'	700'
Total 1						700'

BLOCK B

Stage I In order to explore the area under pits number 3, 4 and 5 the Fair Day Mine 103 drift will be extended 150 ft. North 26° East. This drift will then be cross cut in the most favorable zone or zones with additional drifting not to exceed 100 ft. The drift will be 7 x 9 ft. in size. See plate number 5 for plan.

Stage II

Tentative on the outcome of stage I two underground drill holes will be alloted to test any zone of interest in the area. The drill holes are described as follows.

	Hole #	Angle from horizontal	T. D.
	UCLS#19	-50°	300'
	" #20	-50°	300'
Totals	2		600'

Stage III Tentative on the outcome of stages I and II two additional under ground drill holes and 150 ft. of drifting will be alloted to finish exploring the area under pits number 3, 4, and 5. The drill holes are described as follows.

	Hole #	Angle from horizontal	T. D.
	UCLS #21		300'
	" #22		300'
Totals	2		600'

BLOCK C

Stage I The Baltimore Belle area as previously described in this report is another spot on the claim group that is well worth an exploration effort. Due to the complex maze of shears, faults, and joints as seen on the stripped surface and in the pits, two drill set ups will be built and the pit area cut by 3 drill holes. There is one shear-schistosity feature that stands out in the area that will be the main drill target. The drill holes are described as follows. See plate number 6 for drill plan.

	Drill set up	Hole #	Angle from horizontal	T. D.
	CLS#23	CLS#23	-45°	300'
	" "	Cls #24	-45°	300'
	CLS#25	CLS#25	-45°	300'
Totals		3		900'

Stage II Tentative on the outcome of stage I drilling two more holes will be planned for the Baltimore Belle area. These holes will probably have to be deeper and drilled at a greater angle than stage I holes. The following is a description of each hole planned.

	Hole #	Angle	T. D.
	CLS#26	-65°	400'
	" #27	-65°	400'
Totals	2		800'

BLOCK D

Stage I A combination geophysical radiometric geologic survey consisting of approximately 1500 stations will explore the surface of the Overland Mountain claim group. As outlined on plate number 6 this combination survey to be referred to hereafter as the geophysical survey. The purpose of this survey will be to explore potential ore bearing zones on the claim group, so they may be drilled and proven. An investigation made by the LaSalle Mining Company to determine the best geophysical method that will suit the needs of this project has decided in favor of a self potential survey. This decision was based on the findings of a limited investigation made by Mr. Schlottman of the Atomic Energy Commission in January 1958 and upon the opinions of several private geophysical consultants as stated in the bids in Appendix C. A competent geophysicist will be retained to work with the project geologist in conducting the geophysicist survey.

A total of 208 hours of dozer work and move in time requested to supplement the geophysical survey by stripping certain areas where additional information is desired. A D-8 cat or comparable machine equipped with an angle dozer will be used. Every effort will be made to coordinate the dozer work on the project so that only one allowance need be made for move in time. However it is foreseeable that with the major portion of dozer hours dependant on the results of a preceeding stage there may be such a time lapse between dozer jobs that a contractor cannot be expected to have his equipment idle without some compensation. It is therefore proposed that 16 of the requested 208 hours be allowed for move in or stand by time.

Stage II Tentative of stage I results an additional 1500 geophysical stations will be used to explore more of the claim group and/or to detail any worth while zone found with stage I.

A total of 11,500 ft. of surface drilling footage is requested to be used to explore any favorable areas outlined by the geophysical survey and/or the stripped operation. The drilling can best be described as follows:

30 holes -	average	250 ft.	T.D. -	Total	footage equals	7,500 ft.
10 "	"	400 ft.	"	"	" "	4,000 ft.

A total of 60 hours of dozer work is requested for the construction of drill roads and surface drill set ups as may be necessary to carry out any stage of drilling on any exploration "block" while conducting the explorationprogram. A D-8 cat or comparable machine equipted with an angle dozer will be used.

The drilling phase of the exploration project will be started with one Diamond Core rig designed for drilling angle holes underground and one Diamond Core rig designed for drilling angle holes for the surface. The contractor will be asked to be prepared to furnish one additional underground rig and two additional surface rigs on 2 weeks notice. Holes will be started NX, changed to BX when surface casing has been set, and bottomed BX unless it is necessary to case a certain zone and bottomed AX. No hole will be bottomed smaller than AX even if some BX reaming is necessary. These holes will be logged and probed by a competent geologist who will estimate the target zone depth and see that every effort is made on the part of the drillers to obtain the best core possible in the target zone. The contractor will be asked to guarantee 70% core recovery for a total of 50 ft. in each hole and to guarantee 50% core recovery average for each hole. The 70% recovery zone to be picked by the project geologist.

All drifting, tunneling and construction of underground drill set ups will be done by the La Salle Mining Company. The La Salle Mining Company will keep a hoist-surface man and a mine foreman on the job until completion of all underground work described under Block A and Block B. These men will keep the mine in such condition and oversee the work so as to expedite completion of the underground project.

All the information realized from the proposed exploration program will be handled in the same manner as the previous work was handled in this report. This information will then be studied and a development drilling or tunneling program will be inaugurated by and at the expense of the La Salle Mining Company to determine the ore reserves of this area. If these prove sufficient, the La Salle Mining Company will proceed with mining operation.

ESTIMATE OF COSTS

6a. Independent Contracts:

See Appendix C for bids.

Geophysical Survey:

Stage I

500 stations @$3.00 (winter rate)	$1 500.00
1000 stations @ $2.00 (spring rate)	$2.000.00

Stage II

1500 stations @ $1.50 (spring rate)	$2.250.00

Road Contractor:

D-8 cat or equivalent with angle dozer	
40 hours -work over old road - move in	
208 hours - stripping - move in	
60 hours - build new drill roads	
308 hours @ $15.00 hr.	$4,620.00

Drilling:

Underground drilling	
Mobilization of men and equipment	$200.00
The following rates do not include compressed air, drilling water or drill stations.	
260 ft. core drilling 0-250 ft. Nx size @$5.60	$1,456.00
2990 " " " 0-250 ft. Bx " @5.10	$15,249.00
1650 " " " 250-500 ft. " " @5.70	$9,405.00
200 " " " 500-750 ft. " " @6.40	$1,280.00

Reaming:

For Ax size casing (est.) 500 ft...@$3.00	$1,500.00
For Bx " " " 300 ft. @ 3.60	$1,080.00

Cementing:

Cost of cement, drilling, mud and cement substitutes and, per hour $10.00 (est.)	$1,700.00

Stand by time:

For probing and delays caused or ordered by La Salle (est.) 100 hours @$10.00	$1,000.00

Compressed Air:

Will be furnished at $1.10 per ft. over and above the foregoing rates 5100 ft. & 800 Ft. (est. reaming) - 5900 ft. @ $1.10	$6,490.00

Surface Drilling:

Mobilization of men and equipment The rates following do not include a water source or drill sites	$200.00
900 ft. core drilling 0-250 ft. Nx size @$6.90	$6,210.00
10,350 ft. " " " " Bx " @$6.40	$66,240.00
1 950 ft. " " 250-500 ft. Bx @$7.25	$14,137.50

Reaming:

For Ax size casing (est.) 1000 ft. @$3.00	$3,800.00
for Bx size casing (est.) 600 ft. @$4.40	$2,640.00

Cementing:

Cost of cement, drilling mud, cement substitutes and per hour $12.00 (est.)	$3,300.00

Stand by time:

For probing and delays caused or ordered by La Salle (est) 200 hours @$12.00	$2,400.00

6b. Labor, Supervision, Consultants:

Project supervisor, geologist, surveyor 6 months @$600.00	$3,600.00
Mine foreman 6 months @$550.00	$3,300.00
Hoist man 156 shifts @$17.34	$2,705.04
two miners @$17.34 per shift each 104 shifts @$34.68 (shift rate based on 48 hour week)	$3,606.72

6c. Operating Materials and Supplies:

Power Fuel-Lubricant:

Diesel fuel 5,460 gal. @$0.17	$928.20
Gasoline (not subject to highway tax) 5,460 gal. @$0.28	$1,528.80
Gasoline (subject to highway tax) 1,800 gal @$0.35	$630.00
Assorted oils - motor, compressor. etc 720 gal@$1.00	$720.00
" greases cup, track rock drill oil etc. 130lbs@$1.00	$130.00
" filters - oil, fule, etc. 250 filters @$2.00	$500.00

Powder:

5,000 pounds @$00.27	$1,350.00

Caps:

2,000 At $00.02	$40.00

Fuse:

16,000 ft. @$00.02	$320.00

Rail:

#20 rail 5 tons @$244.00	$1,220.00

Ties:

2,000 board ft. @$00.09	$180.00

Spikes:

1,000 @$00.12	$120.00

Fish Plates & Bolts

60 pair @$3.20	$192.00

Timber:

16,214 board ft. @$00.09 (50% of drift & tunnel - all of drill set up)	$1,459.26

Bits:

2,000 bits @$00.22	$440.00

Steel:

10 pieces @$12.50	$125.00

2" Black Pipe:

300 ft. @$00.90	$270.00

1" Black Pipe:

300 ft. @$00.45	$135.00

12" air vent line:

350 ft. @$2/65	$927.50

6d. Operating Equipment:

Equipment to be rented:

1 4KW light plantfor 6 months at $150.00 per month	$900.00
1 timber & equipment hauling car (converted card) 4 months @ $20.00 per month	$80.00
1 air trammer 4 months @ $225.00 per month	$900.00
1 250 cfm Compressor 4 months @$375.00per month	$1,500.00
1 1000 ft. drill hole probe RGC logger model 1000C 6 mo. @$400.00	$2,400.00

Equipment owned by La Salle (Use allowance based on monthly rate)

1 1957 Ford truck, F100 6 mo. @$100.00	$600.00
1 1955 Jeep 6 mo.@$100.00	$600.00
1 TD-14 Drott Skid-Shovel, 1954 4 mo. @$800.00	$3,200.00
1 250 cfm Jaeger Compressor 1950 model 6 mo.@$187.50	$1.125.00
1 12B Eimco Loader 1955 model 4 mo@$137.50	$550.00
2 Card Cars Z20@$165.00 4 mo. @$40.00	$160.00
1 40HP LeRoi w/24" Buffalo Fan 6 mo@$50.00	$300.00
1 40 HP LeRoi w/Skagit Hoist 6 mp.@$72.50	$435.00
1 Thor Model 75 Hammer w/64 Leg 4 mo. @$27.50	$110.00
2 Thor Model 361T Sump Pumps @ $275.00 each 6 mo. @$52.00.	$312.00

10 Wheat Lamps Electric w/Charger 6 mo. @$50.00	$300.00
250 ft. 2-1/2" Air Hose 4 mo. @$37.50	$150.00
200 ft. 1" Air Hose 4 mo. @$25.00	$100.00
250 ft. 1/2" Air Hose 4 mo. @$20.00	$80.00
200 ft. 7/8" Air Hose 4 mo. @$25.00	$100.00
2 water tanks 4 mo. @$12.50	$50.00

Miscellaneous Tools and Accessories

2 hand saws 2 cross cut saws 4 mine axes 5 picks 4 No. 2 shovels 2 RP shovels 2 Double Jacks 2 Single Jacks 1 set of hand tools (sockets & wrenches)	4 mo. @$12.50	$50.00
1 transit, 1 tripod, 1 rod, 1 scintillometer, 1 geiger counter with lead shield	6 mo. @$150.00	$900.00

6g. Miscellaneous:

Machine shop welding 40 hrs. @$5.00	$200.00
Mechanic work 40 hrs. @$5.00	$200.00
Accounting 6 mo. @$200.00	$1,200.00
Workmen"s Compensation 5 men 6 mo. @$60.00	$360.00
Liability Insurance 5 men 6 mo. @$25.00	$150.00
TOTAL COST	$190,097.02

W. J. Chandler

W. J. Chandler
Geologist
LA SALLE MINING CO.

To Whom it May Concern:

On June 5, 1957, the La Salle Mining Company had a document recorded in the records of Boulder County, Colorado--Book 1046 pages 88-140. The document contained the following items.

First, a 12-page agreement, between Coliowa and La Salle; next there is attached a 3-page letter signed by Coliowa and La Salle. This letter is dated January 2, and is amendatory of the agreement; next comes a certificate of the Secretary of Coliowa, certifying that the Board of Coliowa authorized the contract with La Salle; next, and in the following order, appear:

1. Mining lease and option to Purchase, dated June 15, 1955, from R. L. Busby,

2. Mining Lease and Option to Purchase from Robert Mills and Carl A. Peterson, dated July 4, 1955,

3. Mining Lease from Earl W. Balis, dated June 15, 1955,

4. Mining lease from Green, Green, and Schnackenberg, dated the 15th of June, 1955,

5. A consent signed by R. L. Busby,

6. A consent signed by Mills and Peterson,

7. A consent signed by Mills,

La Salle Mining Company

W. J. Chandler

W. J. Chandler

AFFADAVIT

State of Colorado)
) SS
Jefferson County)

Russell W. Bartels being first duly sworn on oath deposes and says that he is well and personally acquainted with M. P. Rowe who is a partner of La Salle Mining Company of Grand Junction, Colorado and who is referred to in the attached application and who is sometimes known as Matthew P. Rowe. Said affiant further deposes and says that the M. P. Rowe and Matthew P. Rowe referred to in the attached application are one and the same person.

Further the affiant sayeth not.

Russell W. Bartels

Subscribed and sworn to before me this 19th day of March, 1958.

My Commission expires October 16, 1961

Lenell W. Vincent Jr.
Notary Public

TAbor 5-7151
CABLE ADDRESS • WEMACHY

WESTERN MACHINERY COMPANY WEMCO

2400 W. SEVENTH AVE., DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE

March 6, 1958

LaSalle Mining Company, Inc.
Jamestown,
Colorado

Attention: Mr. Cliff Doyl

Gentlemen:

The prices listed below are estimates of value only and are not to be in any way considered as offering prices. It is our opinion that the sums listed are a fair, accurate, and conservative estimate to replace the above items.

ITEMS	VALUATION	MONTHLY RENTAL RATE
1 - 1957 Ford Truck, F100	$ 1,300.00	$
1 - 1955 Jeep	900.00	
1 - TD-14 Drott Skid-Shovel, 1954	12,000.00	1,600.00
1 - 250 cfm JAEGER Compressor - 1950 Model	2,500.00	375.00
1 - 12B Eimco Loader - 1955 Model	1,900.00	275.00
2 - Card Cars - Z20 @ $165.00 each	330.00	40.00
1 - Sullivan Air Tugger	300.00	90.00
1 - 12" Buffalo Blower w/7½ HP Wisconsin	200.00	
1 - 40 HP LeRoi w/24" Buffalo Fan	450.00	
1 - 40 HP LeRoi w/Skagit Hoist	2,000.00	145.00
2 - Thor Model 200 Stopers @ $450.00 each	900.00	
2 - Thor Model 75 Hammers w/2 - 64 Legs @ $300.00 each	600.00	75.00
1 - Thor Model 38 Hammer w/64 Leg	225.00	65.00
2 - Thor Model 361T Sump Pumps @ $275.00 each	550.00	104.00
1 - Mercury 7½ HP Saw (Gas)	50.00	
2100 - Ft. Rail - #20	2,500.00	
800-Ft. 12" Vent Line	700.00	
500-Ft. 2" Black Pipe	250.00	
400-Ft. 1" Black Pipe	80.00	
800-Liddicoat Bits	200.00	
2 - Hand Saws	8.00	
4 - Cross-Cut Saws (Mine Saws)	12.00	
45 - Atlas Copco Steel - 6' - New	550.00	
24 - Atlas Copco Steel - 6' - Used	225.00	
13 - Crusca Steel 6' - Liddicoat End	100.00	
8 - 4' Gardner-Denver Carborized Steel	50.00	
45 - Ft. 7/8" Hex Long Hole Steel	70.00	

	VALUATION	MONTHLY RENTAL RATE
[illegible] - Couplings for above steel	$ 50.00	
[illegible] - 30" Stoper Steel (Copco)	32.00	
2 - 48" Stoper Steel (Copco)	36.00	
2 - 66" Stoper Steel (Copco)	36.00	
3 - 1-7/8" Timken Carbide Bits (H Thread)	54.00	
6 - 2" Vascalloy Ramit Bits	70.00	
3 - 1-1/2" Vascalloy Ramit Chisel Bits	27.00	
1 - 1-1/2 HP Grinder	65.00	
100 - Ft. 1/2" Rope	9.00	
10 - Wheat Lamps Electric w/Charger	450.00	
2 - 6" Rope Master Blocks - New	84.00	
2 - 8" Rope Master Blocks - New	112.00	
[illegible] - 10" Rope Master Blocks - New	300.00	
1 - 12" Rope Master Blocks - New	78.00	
6 - Slusher Ring - New	45.00	
250 - Ft. 2-1/2" Air Hose (Used)	300.00	
[illegible] - [illegible] Air Hose - Wire Braid (New)	225.00	
250 - Ft. 1-1/2" Air Hose (Used)	162.00	
250 - Ft. 7/8" Air Hose (Used)	200.00	
Miscellaneous Tools and Accessories		
[illegible]	10.00	
[illegible]	5.00	
[illegible]	8.00	
[illegible] HP [illegible]	4.00	
[illegible]	6.00	
[illegible]	4.00	
[illegible] (Sockets & Wrenches)	125.00	
[illegible]	120.00	
TOTAL	$31,791.00	

Very truly yours,

[illegible] MACHINERY COMPANY

[illegible] Smith

[redacted]

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving

Boyles Bros. DRILLING COMPANY

CONTRACTORS · ENGINEERS · GEOLOGISTS
General Offices
1321 South Main Street Phone HUnter 4-4401
SALT LAKE CITY 15, UTAH

January 24, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE

Reply to:
2960 West 7th Avenue
Denver 6, Colorado

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

Attention; Mr. W. E. Chandler

Dear Mr. Chandler;

The following estimate for Drilling at your properties near Jamestown, Colorado is submitted for your DMEA application.

Mobilization of men and equipment $200.00

Surface Drilling;

					AX size	BX size	NX size
From	0 ft	to	250 ft	per ft	$5.70	$6.40	$6.90
From	250 ft	to	500 ft	per ft	6.50	7.25	
From	500 ft	to	750 ft	per ft	7.20	8.10	
From	750 ft	to	1,000 ft	per ft	7.90	8.80	

Reaming;

For AX size Casing per ft $3.80
For BX size Casing per ft $4.40

Cementing;

; Cost of Cement, Drilling Mud, and Cement substitutes and, per hour $12.00

Standby time ;

For probing and delays caused or ordered by La.Salle per hour $12.00

Access roads, drill sites, and source of water for Drilling to be supplied without cost to Boyles Bros, Drilling Company.

Non core Drilling for the above items will be done for a reduction of $1.00 less than the quotes for core Drilling.

Cat work:

For a D-6 or comparable machine per hour $12.00 plus transportation.
For a D-8 or comparable machine per hour $15.00 plus transportation.

Yours very truly
R F Durfee
R. F. Durfee
District Manager

RFD/s

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS
General Offices
1321 South Main Street Phone HUnter 4-4401
SALT LAKE CITY 15, UTAH

FILE COPY
DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE
	Reply to:	
	2960 West 7th Avenue	
	Denver 4, Colorado	

January 24, 1958

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

Attention; Mr. W. E. Chandler

Dear Mr. Chandler;

The following estimate for Drilling at your properties near Jamestown, Colorado is submitted for your DMEA application.

Mobilization of men and equipment $200.00

Underground Drilling:

				AX size	BX size	NX size
From	0 ft to	250. ft	per ft	$4.60	$5.10	$5.60
From	250 ft to	500 ft	per ft	5.10	5.70	
From	500 ft to	750 ft	per ft	5.70	6.40	
From	750 ft to	1,000 ft	per ft	6.30	7.10	

Reaming:

For AX size Casing	per ft	$3.00
For BX size Casing	per ft	$3.60

Cementing:

Cost of Cement, Drilling Mud, and Cement substitutes and, per hour $10.00

Standby time:

For probing and delays caused or ordered by La Salle per hour $10.00

Ample Compressed air,&water for Drilling and Drill stations of adequate size to be supplied without cost to Boyles Bros. Drilling Company.

Should it be neccessary for Boyles Bros. to furnish Compressed air then the charge for this item would be $1.10 per ft over and above the foregoing rates.

Non Core Drilling:

A reduction of .90¢ per ft from the foregoing rates.

Yours very truly
R F Durfee
R. F. Durfee,
District Manager

RFD/s

COLORADO SCHOOL OF MINES RESEARCH FOUNDATION, INC.

GOLDEN, COLORADO

February 13, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE

Mr. William Chandler
LaSalle Mining Company
Jamestown, Colorado

Dear Mr. Chandler:

As you recall, Mr. Don Williamson and Mr. Jack Adams, the Research Foundation's geologists, and I visited your Overland Mountain Claims in SE 1/4 Sec 23 T2N R72W near Jamestowntown, Colorado, on 11 February 1958, for the purpose of getting information which would enable us to make a proposal for work in conjunction with the DMEA exploration loan you contemplate.

As a result of this field examination, we propose that the exploration program be divided into two phases. Phase I will consist of basic geologic and geophysical work conducted with the objective of developing a logical program of diamond drilling, surface trenching, and underground exploration work which will then constitute Phase II of the program. At this time it is not possible to plan any of the work of Phase II since it obviously will depend upon results obtained during Phase I. This proposal, therefore, is concerned only with the conduct of Phase I.

The work to be conducted by the Research Foundation will consist of:

1) Reviewing all available material from the Atomic Energy Commission, United States Geological Survey, United States Bureau of Mines, and other sources. This will necessitate your giving us permission to review this material and your writing letters to the agencies concerned requesting release of the material to the Research Foundation.

2) The Research Foundation will examine your drilling results and radiometric logging results.

3) The drilling results, radiometric logging, and available mapping will be checked as closely as possible and underground mapping will be brought up to date.

4) The Research Foundation will make an isorad survey and map location of the anomalies. We do not, in the course of this isorad survey, propose any detailed land surveying work.

5) The Research Foundation will map such surface geology as is necessary, using your land surveys as control.

6) The Research Foundation will prepare such plan maps and sections as seem appropriate to best depict information gathered in the above steps.

7) The Research Foundation will check the isorad anomalies by a self-potential geophysical survey. Based on quick readings straddling the known stoping and the barren areas, we found that there is an anomalous self-potential across the known orebody. This, however, is no guarantee that a self-potential survey will be suitable for mapping the ore structure. Based on the very limited amount of work done with SP, it is impossible to assess its chances of success. The amount of SP work to be done can better be determined after radiometric anomalies have been mapped and other basic geological information has been correlated.

8) We will spot-drill holes, trenching, and underground work that will best explore claims after the basic work is completed.

We will furnish professional personnel to conduct geologic and geophysical work and assume you will furnish one laborer to assist the geologist when he is needed. We believe this program will require about 14 days of field and office work; we can start as soon as the weather is reasonably good and there is less snow on the ground. Office work, of course, would not be dependent upon the weather and could start as soon as you accept this proposal.

I estimate the cost of conducting Phase I would be about $2000. This amount would not be exceeded without your prior concurrence and you would, of course, be billed only for the amount actually expended. I believe you are familiar with our method of computing costs from your other projects at the Foundation.

I am enclosing two signed copies of our standard agreement form. If the above proposal meets with your approval, will you please execute and return one copy. If you have any questions, I will be very happy to answer them and I hope we can work with you on this interesting project.

Very truly yours,

Fred L. Smith

Fred L. Smith, Manager
Mining Division

FLS:ebh
enclosures

cc: LaSalle Mining Company
Post Office Box 217
Grand Junction, Colorado

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DMEA
RECEIVED MAR 26 1958
DATE | INITIALS | CODE

Geophysical Proposal for the LaSalle Mining Company

Jamestown Properties

Introduction:

As the result of a geophysical investigation made by the Atomic Energy Commission it has been recommended that a self potential survey be made of the LaSalle Mining Company's properties near Jamestown, Colorado. The purpose of this survey would be to delineate the structural pattern in the area contiguous to the present workings. On January 22, 1958 this writer made a prelininary examination of the surface and underground workings to determine the feasability of such a survey. Examination of the shear zone and of ore specimens indicates sufficient sulfide mineralization to show a recognizable self potential anomaly along the shear zone.

It is further theopinion of this writer that a magnetometer survey in conjuntion with the self potential survey might provide additional information as to ore localization along the shear. This opinion is based on theapparently very high temperature of uranium mineralization which may have altered the wallrock sufficiently to produce a negative magnetic anomaly.

The following proposal includes a bid for magnetometer work along with the self-potential survey. The cost of the self potential survey will not be affected by the inclusion or exclusion of the magnetometer work. However the bid for the magnetometer survey is based on it being supplemental to theself potential survey.

Proposed:

(1) That a geophysical survey be made of certain mining properties of the LaSalle Mining company near Jamestown, Colorado.

(2) That said survey shall consist of the following:
   (a) plane table survey of the area to provide necessary horizontal and vertical control for thegeophysical survey

   (b) self-potential survey of approximately 1500 stations

Time required 30-45 days
Total cost $3.00 per station unit- $4500.00
The contractor shall provide a radiometric (scintillometer) survey of the s. p. stations at no additional cost (This bid is based on winter working conditions).

(3) That the contractor shall provide such equipment, personnel and material as is necessary for the successful execution of the survey.

(4) That the contractor shall submit to theclient within 20 days following completion of the field work,

(a) complete interpretative report
(b) equipotential (s. p.) contour map and such profile maps as may be necessary to the interpretation.

(c) plane table topographic map of the survey area.
(d) radiometric (isorad) map of the self-potential stations.

The above bid is based is based on the cost of conducting a plane table and self potential survey of the desired area under winter conditions. A maximum time of 45 days has been allotted to provide for the possibilities of deep snow, inclement weather, and frozen ground. In frozen ground it would be necessary to prepare the self potential stations in advance by saturating a small hole with copper sulfate solution. Spring weather conditions can reduce this bid by $1.00 per station or to a total of $3000.00 for the survey. The time required for the work would be reduced to from 20 to 30 days.

If all stations in first and second stages are used

The contractor shall, at the client's option, conduct a magnetometer survey of approximately 1000 stations at a cost of $1.00 per station for a total of $1000.00 for the survey. This bid is based on the magnetometer work being supplemental to the self potential survey minimizing additional plane survey control.

Should the first stage survey indicate further detail work necessary, the contractor shall provide a second stage survey of a maximum of 1500 self potential stations. These stations shall be at the reduced rate of $2.50 per station under winter conditions or $1.50 under spring conditions. Any additional magnetometer work desired shall be at the rate quoted in the first stage.

Summary:

The recommended first stage survey as outlined on the previously submitted map is composed of 600 foot profiles 100 feet apart with stations on 20 foot centers laid out approximately normal to the structural trend as inferred from the known structure. The adjacent area within the claim boundaries shall be covered with parallel profiles 300 feet apart with stations on 20 foot centers to explore any complimentary structure. This survey will require a maximum of approximately 1500 stations. A second stage proposal is provided for any additional detail work indicated from the results of the first stage program.

The bids are as follows:

First Stage

Basic self potential survey of 1500 stations

winter rate:	$3.00/station	$4500.00
spring rate:	$2.00/station	$3000.00

Optional supplementary magnetic survey of 1000 stations

rate:	$1.00/station	$1000.00

Second Stage

Detail self potential survey of 1500 stations (max)

winter rate:	$2.50/station	$3750.00
spring rate:	$1.50/station	$2250.00

Respectfully submitted:

Franklin A. Seward, Jr., GpE

FAS/os

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 13 1958
DE
1/13 gb 220
700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

January 10, 1958

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4721 (Uranium) La Salle Mining Co. (Fair Day, et al. claims) Boulder County, Colorado

Attached are the original and two copies of a memorandum from W. M. Sharp, USGS, giving the present status of the subject docket.

W H King
W. H. King
Executive Officer

IN REPLY REFER TO:

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

DMEA
DEPARTMENT OF THE INTERIOR
JAN 9 - 1958
REGION III
DENVER, COLORADO

January 8, 1958

Memorandum

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

From: W. N. Sharp

Subject: DMEA Docket 4721 (Uranium), La Salle Mining Co. (Fair Day, et al. claims), Boulder County, Colorado

The La Salle Mining Company property in Boulder County, Colorado, namely, the Fair Day and adjoining claims, DMEA Docket 4721, was reexamined by the examining team on January 6, 1958.

The first examination of the property was made on May 24, 1957, at which time action was deferred pending completion of additional exploratory work in progress by the company (see memo dated May 28, 1957, to Acting Executive Officer, DMEA Field Team, Region III, from Bergendahl and Buel, the examining team).

Additional exploratory work on the property, now essentially completed, consists of a 180-foot incline and about 400 feet of drifting. A mineralized zone is cut in these workings that contains substantial ore-grade material. A revision of the original program, based on the results of recently completed underground work is necessary. A procedure for initiating this change was discussed with the company officials.

The company is presently completing the mine map and assay work. At such time that this work is completed and collated by the company and copies supplied to DMEA (two-three weeks), a program will be developed in conference with the examining team, and submitted as a modification of the original application.

Wm N. Sharp

W. N. Sharp
Geologist

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 19 1957

DATE	INITIALS	CODE
12/19	gb	220
"	~~Cthang~~	200

224 New Customhouse
Denver 2, Colorado

December 17, 1957

Mr. G. T. Rummel
La Salle Mining Company
Box 217
Grand Junction, Colorado

Re: Docket DMEA 4721 (Uranium)
(Fair Day, et al., claims)
Boulder County, Colorado

Dear Mr. Rummel:

This is to confirm our conversation of December 16, 1957, regarding the examination of the captioned property.

Our field examiners will arrive at the Fair Day claims at 10:30 a.m. January 6, 1958, to examine the property accompanied by Cliff Doyal, your engineer, and Bill Chandler, your geologist.

Very truly yours,

W. H. King
Executive Officer
DMEA Field Team, Region III

HMC:eh

cc: Sec. Op. Com. (2)
Harshman
DMEA/DFC
Docket
Chron.

224 New Customhouse
Denver 2, Colorado

DMEA
RECEIVED NOV 25 1957
DATE | CODE
11-25 | 220
11 | 700

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

Re: Docket DMEA-4721 (Uranium)
La Salle Mining Company
(Fair Day, et al., claims)
Boulder County, Colorado

Dear Mr. Chandler:

This will acknowledge receipt of your letter, dated November 19, 1957, informing us that the captioned property is now ready for examination.

In the event that you or your representative wish to accompany our field examiners, will you please advise a date early in December that would be satisfactory for you.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

HMC:jy

cc: Sec. Op. Comm. - 2)
Harshman) w/copy of ltr. dtd.
DMEA,DFC) 11/19/57
Docket 4721)
Chron.

HMC

LA SALLE MINING CO.
BOX 217
GRAND JUNCTION, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
NOV 20 1957
REGION III
DENVER, COLORADO

November 19, 1957

United States
Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Attention: Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

Dear Mr. Harshman:

Re: Docket DMEA-4721 (Uranium)
(Fair Day, et al., claims)
Boulder County, Colorado

We wish to inform you that we are now drifting into the southern end of the Pit #2, first ore shoot. See page 7 and plate #2 in our March 28, 1957 application for D.M.E.A. loan. We are drifting in a northerly direction following the vein and expect to have the ore shoot exposed by December 4, 1957, however, we will not complete our exploration of all the mineralized zones described in our application by that time. There will remain the second ore shoot under Pit #2 and the zone under Pit #1 to be explored by drifting or long-hole drilling. We do not expect to complete our present exploration program until the middle of January 1958.

We are looking forward to an inspection of our property by your men at any time you so desire.

Yours very truly,

LA SALLE MINING COMPANY

W. J. Chandler

W. J. CHANDLER

WJC:lJh

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/7	Ching	700
"	Ellis	700
		130
7	Hartenden	100
6/10	C	220
		700

JUN 10 1957

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

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

Dear Mr. Harshman:

The enclosed copies of a telegram, dated June 6, is in reply to ours of the same date, and concurs in the field examiners' recommendation to withhold a decision and report on the subject application pending completion of the current tunneling. Please proceed accordingly.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Enclosures

MChing/gla
6-7-57

APPROVED:

Frank D. Lamb (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

cc to: Admr.'s Reading File
Operating Committee
Code 700, Mr. Ching
THKiilsgaard, Rm. 5224

8623

(2)

LA SALLE MINING CO.
BOX 217
GRAND JUNCTION, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
NOV 8 - 1957
REGION III
DENVER, COLORADO

November 7, 1957

United States
Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

11/12 C 220
~~Ellis~~ 700
(Ching)

Attention: Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

Gentlemen:

Re: Docket DMEA-4721 (Uranium)
(Fair Day, et al., claims)
Boulder County, Colorado

I have your letter of November 6, 1957 referring to subject DEMA loan.

We are still interested in receiving exploration assistance on our Boulder County property, however, due to unusual weather and other circumstances we have not progressed as rapidly as we had anticipated. The incline and drift is practically completed at this time and we are now surveying and will start cross-drifting to our core hole immediately. As soon as this work is completed your office will be advised so that you can make your final investigation.

I cannot give you an exact date at this time but upon completion of our survey I will drop you another letter and give you some definte dates.

Very truly yours,

LA SALLE MINING COMPANY

G. T. Rammel

GTR:ljh

Copies to
Secretary Op. Comm. (2)
Harshman
DMEA - D.F.C.

224 New Customhouse
Denver 2, Colorado

November 6, 1957

RECEIVED NOV 18 1957

DATE	INITIALS	CODE
11/8	gb	220
11		200

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

Re: Docket DMEA-4721 (Uranium)
La Salle Mining Company
(Fair Day, et al., claims)
Boulder County, Colorado

Dear Mr. Chandler:

In your letter of June 5, 1957, you requested that action on your application for DMEA assistance be deferred pending completion of certain work then underway. You estimated that the work would be completed about July 1, 1957, and agreed to keep us informed.

On October 3, 1957, we wrote you regarding the status of your work but have not heard from you. As we cannot hold applications in abeyance indefinitely, will you please advise by return mail if you are still interested in exploration assistance and if so, the date the property will be ready for examination.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

HMC:jy

cc: Sec. Op. Comm. (2)
Harshman
DMEA/DFC
Docket 4721
Chron.

OFFICIAL FILE COPY DMEA RECEIVED OCT 7 1957		
DATE	INITIALS	CODE
10/7	C	220
"	~~[illegible]~~	700

224 New Customhouse
Denver 2, Colorado
October 3, 1957

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

Re: DMEA Docket 4721 (Uranium)
(Fair Day et al claims)
Boulder County, Colorado

Dear Mr. Chandler:

In accordance with your request of June 5, 1957, we are still holding the captioned application in abeyance pending completion of your present project, which you estimated would be completed by July 1, 1957.

Will you please advise the present status of your preliminary work so that we may anticipate a date for a field examination.

Yours very truly,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

HMC:hmh

cc: Sec. Op. Comm. (2)
Harshman
DMEA, DFC
Docket
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

June 7, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 10 1957

DATE	INITIALS	CODE
6 10	C	220
"	~~Chang~~	700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA 4721 (Uranium) La Salle Mining Co. (Fair Day, et al., Claims) Boulder County, Colorado

Enclosed is a copy of a letter dated June 5, 1957, from the Applicant which requests that the application, included under the subject docket, "be set aside pending the completion of our latest exploration efforts."

E. N. Harshman

E. N. Harshman

LA SALLE MINING CO.
BOX 217
GRAND JUNCTION, COLORADO

June 5, 1957

DMEA
DEPARTMENT OF THE INTERIOR
JUN 6 - 1957
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA - 472 (uranium)
Fair Day, et al., Claims
Boulder County, Colorado

Dear Mr. Harshman:

On May 24, 1957 a field inspection was made by Mr. Buell and Mr. Bergdall working under orders from your office on the property under consideration on Overland Mountain, Boulder County, Colorado.

Conversation, after the inspection between your men and myself seemed to reveal that the best interest of the Government and the La Salle Mining Co. would be served if our application would be set aside pending the completion of our latest exploration efforts, now in process on the Fairday A. M. Lode Claims. After careful consideration of the matter with the partners of the La Salle Mining Company, I would like to request on behalf of the La Salle Mining Company that our application be set aside for the present. I will keep you informed on the progress we make with our present project. We expect to complete our project about the 1st of July, 1957.

Sincerely yours,

W. J. Chandler
Geologist
La Salle Mining Co.

OFFICIAL FILE COPY
DMEA
RECEIVED 1957
DATE CODE

WJC:ddf

WO(2)
HONSCHMAN (2)
HARSHMAN

DOCKET

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

DD

(09).

SA263 KD210

K GJA113 PD=GRAND JUNCTION COLO 6 1206PMM=

ERNEST WM ELLIS DIRECTOR DIVISION OF RARE & MISC METALS

DMEA=WASHDC= INTERIOR DEPT

RE DOCKET DMEA 4721 RE YOUR ~~LETTER~~ TELEGRAM. OF JUNE 6 WE CONCUR LETER TO EFFECT MAILED JUNE 5 TO E N HARSHMAN ACTING EXECUTIVE OFFICER DMEA FIELD TEAM REGION III=

W E SENGLER GEOLOGIST LA SALLE MINING CO=

1957 JUN 8 PM 43

OFFICIAL FILE COPY
D M E A
RECEIVED JUN 7 1957

DATE	INITIALS	CODE
6/6		220

RECEIVED JUN 7 1957 D.M.E.A.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/6	Ching	700
"	Ellis	700
"	Mittenday	100
6/6	[illegible]	220
		700

TELEGRAM

Department of the Interior

JUN - 6 1957

DMEA

14X1A01(01), Revolving
Fund, Defense Production Act, Interior,
(Transfer to Office of Secretary)

THE LA SALLE MINING COMPANY
P. O. BOX 217
GRAND JUNCTION, COLORADO

RE REQUEST DMEA-4721. OUR FIELD CONTROLS ELIGIBLE TO MUTUAL ADVANTAGE OF LA SALLE AND DMEA COMMITTED TO UNTIMELY DECISION ON YOUR APPLICATION PENDING COMPLETION CURRENT FIELDWORK AND SUBSEQUENT RE-EVALUATION AND EVALUATION. DO YOU CONCUR?

SIGNED
ERNEST W. ELLIS, DIRECTOR
DIVISION OF RARE AND
MISCELLANEOUS METALS, DMEA

MChing/gla
6-6-57
cc to: Admr.'s Reading File
THKiilsgaard, Rm. 5224
Code 700, Mr. Ching
Confirmation to LaSalle Mining Company
DMEA Field Team, Region III (2)

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
6/5	JWW	220
"	Ching	700

June 3, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

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

Enclosed are the original and three copies of a memorandum by M. H. Bergendahl, U. S. Geological Survey, and E. W. Buel, U. S. Bureau of Mines, in which they make certain recommendations regarding the processing of the subject application.

It is estimated that the work now being undertaken by the company will be completed in about six weeks, and if the Applicant agrees, we will re-examine the property at that time. Should the Applicant wish to proceed on the basis of the sketchy evidence now available, a report will be prepared on the basis of the examination made May 24, 1957.

E. N. Harshman

E. N. Harshman

Enclosures

1 set to USGS 6/6/57

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
JUN 5 1957
INITIALS | CODE

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

DMEA
DEPARTMENT OF THE INTERIOR
MAY 31 1957
REGION III
DENVER, COLORADO

May 28, 1957

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman
A. S. Konselman

From: M. H. Bergendahl
E. W. Buel

Subject: DMEA Docket 4721 (Uranium) La Salle Mining Company (Fair Day et al. claims), Boulder County, Colorado

The writers, accompanied by William Chandler, geologist for La Salle Mining Company, examined the subject property on May 24, 1957.

At present the company is conducting additional exploration by driving an inclined tunnel to intercept the ore intervals encountered in previous drilling. Completion of this tunnel should reveal considerable information on the geology and the size, attitude, and trend of the uraniferous zones, and a more sound exploration program could be proposed. The present drilling data and surface exposures yield only fragmentary information on the width and trend of the controlling structure and the nature of the host rock.

The examiners are of the opinion that it might be advantageous for the applicant not to be bound to an exploration contract until after the tunnel is completed, at which time a more complete

evaluation might be made of the known ore occurrence and additional basic data would be available to plan further exploration, if warranted. These sentiments were expressed to Mr. Chandler, and he indicated assent, but was unable to speak for the applicant. The field examiners also suggested some revisions of the applicant's program which were acceptable to Mr. Chandler.

The field examiners will withhold their recommendations on this docket until they are notified whether the applicant prefers to postpone action, pending a re-examination after completion of the tunnel, or to proceed with recommendations on the program submitted.

M H Bergendahl

M. H. Bergendahl
Geologist

E. W. Buel

E. W. Buel
Mining Engineer

DMEA
DEPARTMENT OF THE INTERIOR

APR 25 1957
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
April 24, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Superintendent, Denver Experiment Station, Region III

Subject: Docket DMEA 4721 (Uranium) La Salle Mining Company (Fair Day, et al claims) Boulder County, Colorado

The application for La Salle Mining Company, Docket DMEA 4721, in the amount of $90,235.00 was received in this office on April 24, 1957.

A field examination will be made and a suitable report prepared by an engineer from the Denver office.

W. H. KING

W. H. King

cc: Executive Officer (2)
ENHarshman
JFShaw

OFFICIAL FILE COPY
DMEA
RECEIVED APR 29 1957

DATE	INITIALS	CODE
4/29	C	220
		700

WO(2)

OFFICIAL FILE COPY
DMEA
RECEIVED APR 25 1957

DATE	INITIALS	CODE
4/25	C	220
4/21	[illegible]	700

224 New Customhouse
Denver 2, Colorado

April 23, 1957

Memorandum

To: W. H. King) W/enclosures, Items 1-5 Below
E. N. Harshman)

From: DMEA Field Team, Region III

Subject: Docket DMEA-4721 (Uranium) La Salle Mining Company (Fair Day, et al., Claims) Boulder County, Colorado

Enclosed is the following material relating to the subject docket.

1. Copy of application for Government assistance in exploration work under the DMEA program.
2. Memorandum of Review by James Paone, USBM.
3. Memorandum of Review by N. E. Nelson, USGS.
4. Letter of transmittal of the foregoing to this office, dated April 17, 1957, from the Chairman, Operating Committee, DMEA.
5. Routing Control Sheet.

A joint report of recommendations based on available information or a joint report of findings and recommendations based on a field examination is requested.

If the field examiners view the work proposal favorably, the Applicant should be informed that we will require it to obtain Consents To Lien and Subordination Agreements from Coliowa Uranium Corporation, R. L. Busby, Robert Mills and Carl A. Peterson; likewise, inform this office at once so that the indicated forms may be prepared for signature by the persons concerned.

Twelve extra copies of each map used in the joint report which show the land to be subordinated and the location and extent of recommended work, relative to property boundaries, should be submitted if Government participation is recommended.

The Bureau of Mines' copy of the application should be returned to this office with the joint report of examination. Mr. Harshman will forward the Survey's copy of the application to the Washington office.

Original signed by
E. N. HARSHMAN

By E. N. Harshman
Acting Executive Officer

Enclosures

MBM:eh
cc: Sec. Op. Comm. (2)
King
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4-17	Ching	700
4-17	Ellis	700
4/17	Selbrede	430
"	Johnson	110
"	Whitewell	100
		220

APR 17 1957

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

Re: Docket No. DMEA-4721 (Uranium)
Fair Day, et al., Claims
Boulder County, Colorado

Dear Mr. Rummel:

The application for assistance in exploring your claims, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred to:

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/izm 4-17-57
cc to: Mr. Ching
ADMR's Reading File
DMEA FT Reg. 3 (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4-17	Ching	700
4-17	Elbin	700
4/17	Selfridge	130
"	Johnson	110
"	Blattenberger	100
		700
4/18	C	220

APR 17 1957

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

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

Dear Mr. Harshman:

The subject application is being referred to you for investigation, a field examination if warranted, and recommendations.

Enclosed for your information are memoranda, dated April 11 and 12, 1957, by James Paone, USBM, and N. E. Nelson, USGS, respectively, relating to the application. Also enclosed are two copies of the application for the use of the Field Team.

If a contract appears likely, Consents to Lien and Subordination Agreements should be obtained from Colicwa Uranium Corporation, R. L. Busby, Robert Mills, and Carl A. Peterson.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

Frank D. Lamb (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

MChing/izm 4-17-57
cc to: Mr. Ching
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

C

8623

IN REPLY REFER TO:

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

OFFICIAL RECORD COPY
DMEA
RECEIVED APR 15 1957

DATE	INITIALS	CODE
2/15	C	220
4	Ellis	700
	Comments	
	Complete	

April 12, 1957

Re: DMEA 4721
La Salle Mining Co.
Overland Mtn. Group
Boulder Co. Colo.
$90,235.00 - Uranium

Memorandum

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

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

Subject: Review of application.

In a well done document the applicant requests assistance in exploring a shear zone in Precambrian rocks by core drilling. Roadbuilding and stripping are also to be done.

Ten angle holes indicate a continuous shear zone and 5 are classed as ore holes. The ore grade mineralization is spotty the longest indicated ore shoot being perhaps something less than 80 feet long. The shear zone has been indicated to be continuous for about 300 feet.

Referral of the application to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED APR 11 1957

DATE	INITIALS	CODE
4/12	ZWE	220
4/12	Ellis	700

April 11, 1957

4721

Uranium
LaSalle Mining Co.
Overland Mountain Claim Group
Boulder County, Colo.
$90,235

ErnestWilliam Ellis, DMEA Member
Uranium Commodity Committee
James Paone, Bureau of Mines Alternate Member
Uranium Commodity Committee

Application

4/5/57 4/10/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

April 10, 1957

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

Subject: DMEA 4721
Re: Exploration Assistance

Dear Mr. Rummel:

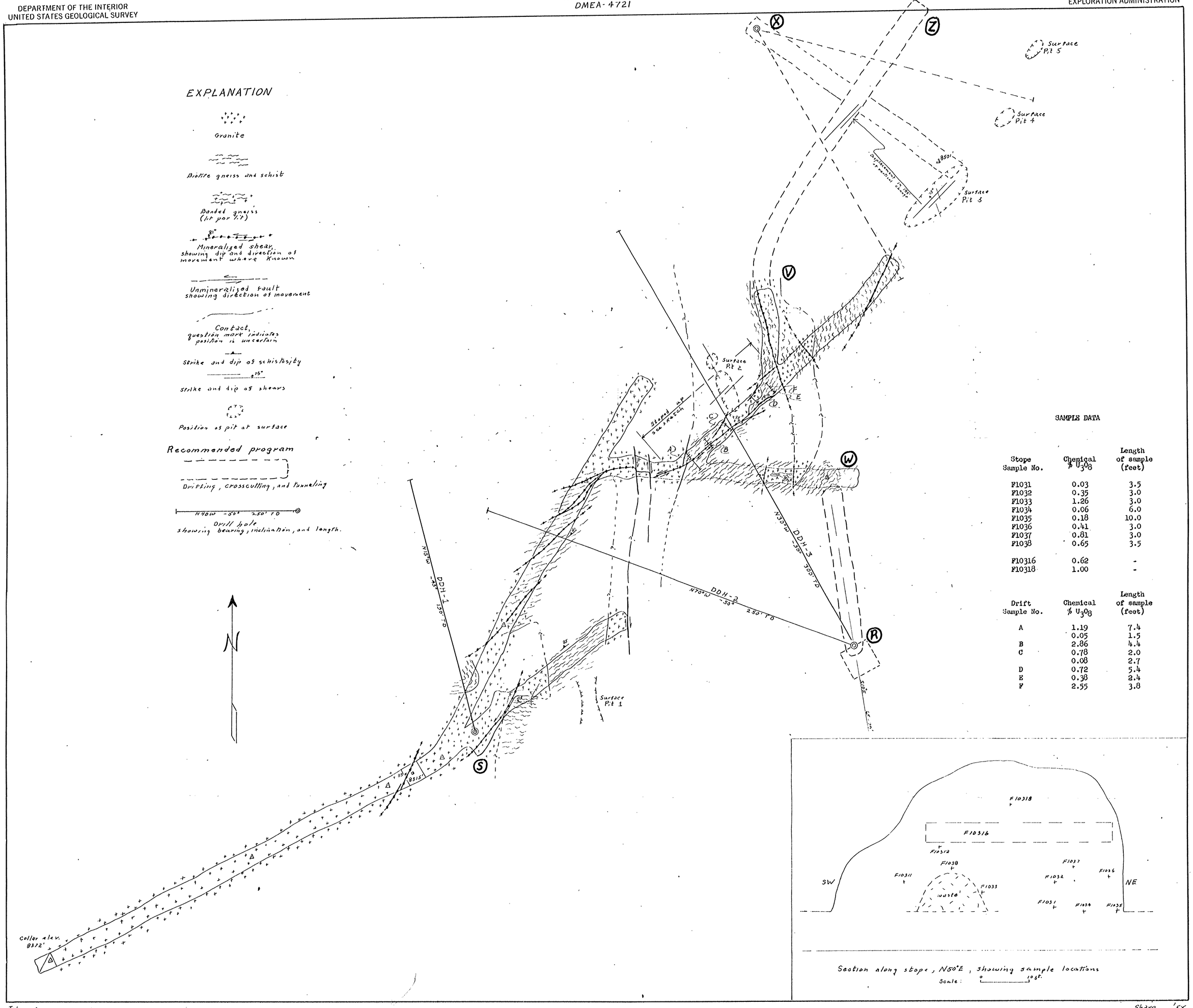
Your application for exploration assistance, dated March 28, 1957, submitted to our office at Denver, Colorado, has been assigned Docket Number DMEA 4721 and referred to the Rare & Miscellaneous Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Chief
Operations Control and
Statistics Division

Copy to: Region III.

3571



SAMPLE DATA

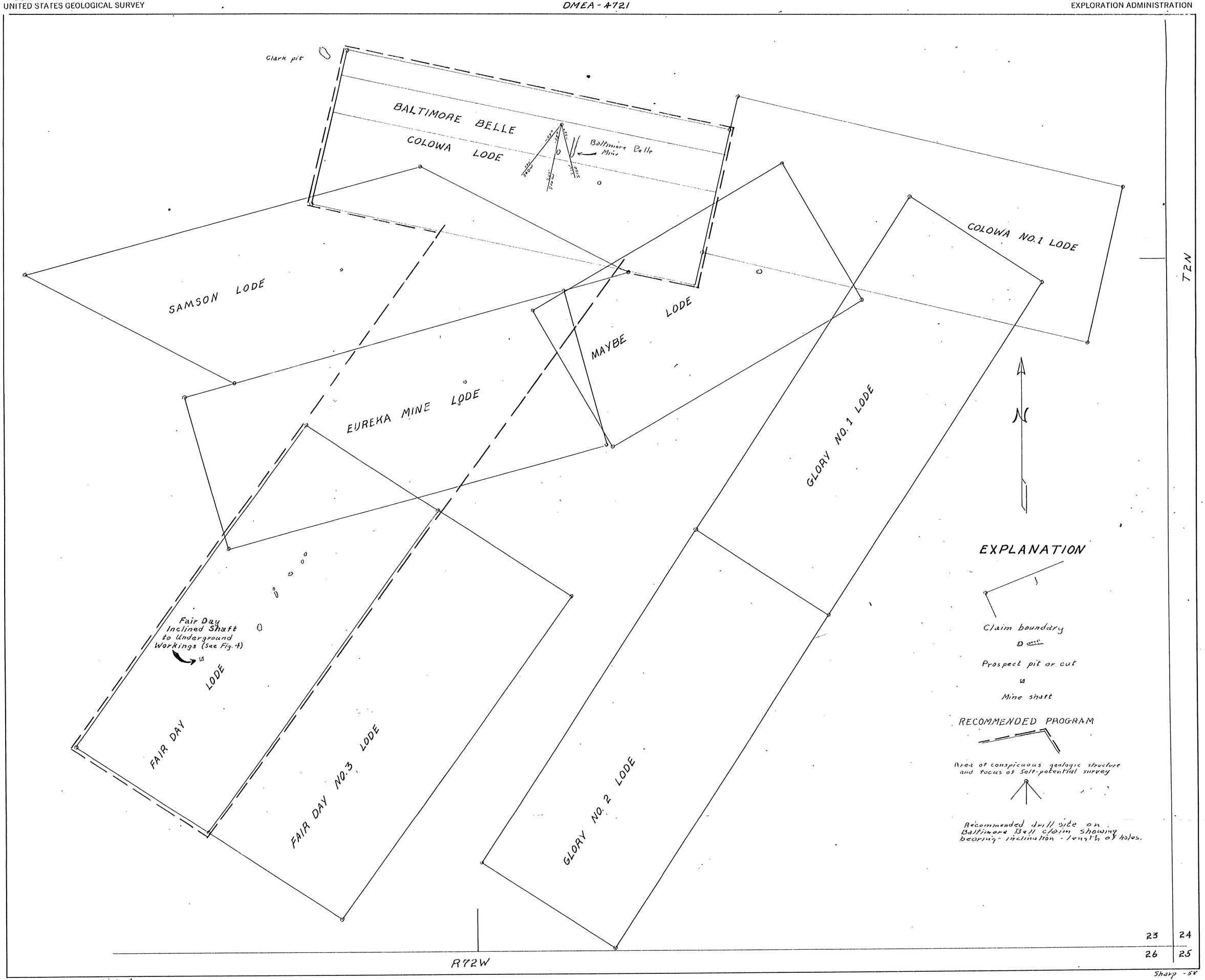
Stope Sample No.	Chemical % U_3O_8	Length of sample (feet)
F1031	0.03	3.5
F1032	0.35	3.0
F1033	1.26	3.0
F1034	0.06	6.0
F1035	0.18	10.0
F1036	0.41	3.0
F1037	0.81	3.0
F1038	0.65	3.5
F10316	0.62	-
F10318	1.00	-

Drift Sample No.	Chemical % U_3O_8	Length of sample (feet)
A	1.19	7.4
	0.05	1.5
B	2.86	4.4
C	0.78	2.0
	0.08	2.7
D	0.72	5.4
E	0.38	2.4
F	2.55	3.8

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

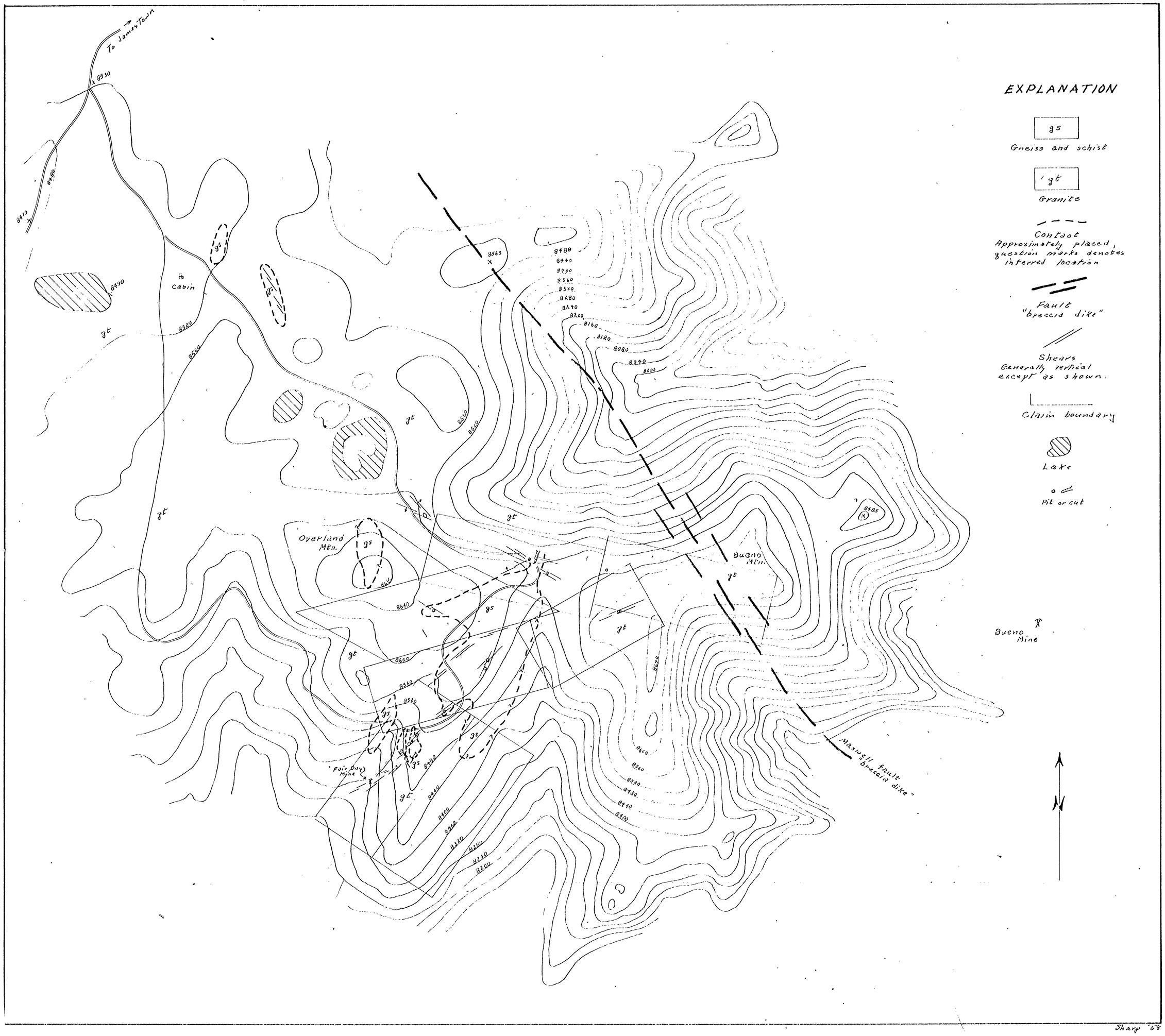
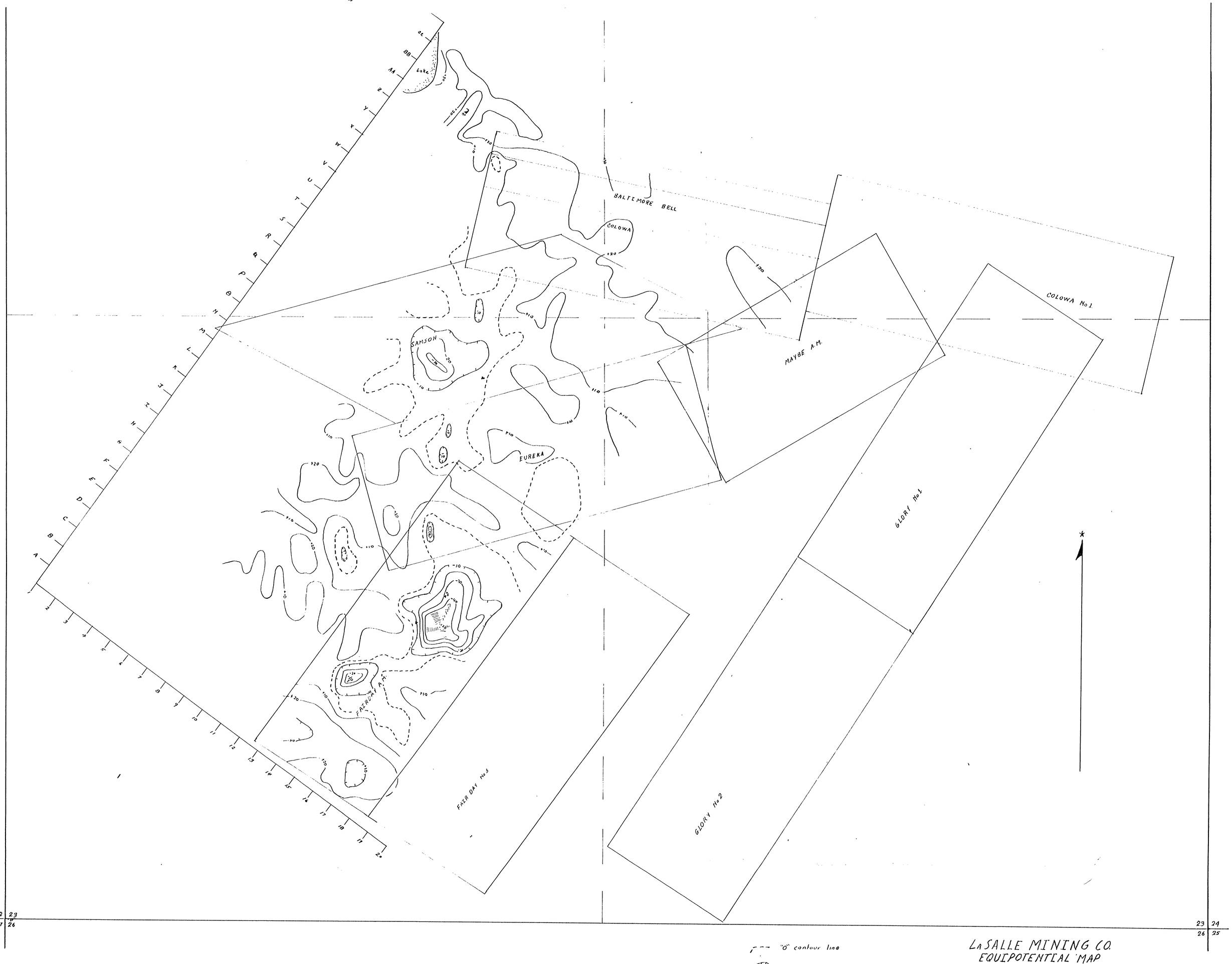


Figure 2 GEOLOGIC MAP OF THE OVERLAND MOUNTAIN AREA INCLUDING LA SALLE MINING CO. PROPERTY BOULDER COUNTY, COLORADO ; DMEA-4721

500 0 500 1000 1500 feet



"0" contour line

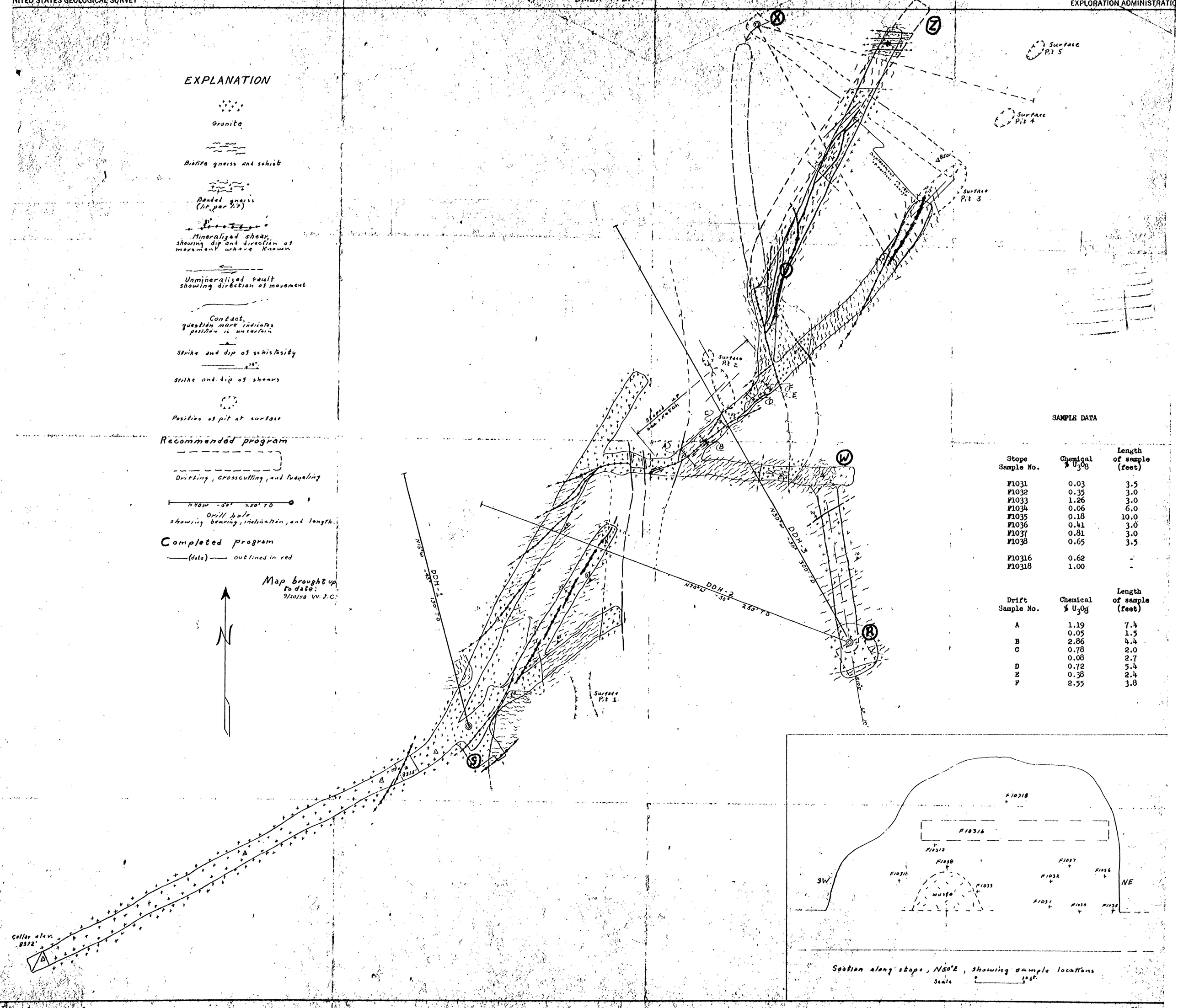
Largest closed depression contour

Claim map supplied by the LaSalle Mining Co. made by P. H. Bennett.

LaSALLE MINING CO.
EQUIPOTENTIAL MAP
OVERLAND MOUNTAIN CLAIM GROUP
BOULDER COUNTY, COLORADO

Contour Interval = 10 Millivolts
Scale: 1" = 200'
September 6, 1958

F. A. Seward, Jr.
Golden, Colo



SAMPLE DATA

Stope Sample No.	Chemical % U_3O_8	Length of sample (feet)
F1031	0.03	3.5
F1032	0.35	3.0
F1033	1.26	3.0
F1034	0.06	6.0
F1035	0.18	10.0
F1036	0.41	3.0
F1037	0.81	3.0
F1038	0.65	3.5
F10316	0.62	-
F10318	1.00	-

Drift Sample No.	Chemical % U_3O_8	Length of sample (feet)
A	1.19	7.4
	0.05	1.5
B	2.86	4.4
C	0.78	2.0
	0.08	2.7
D	0.72	5.4
E	0.38	2.4
F	2.55	3.8

Taken from map of J. Schlottmann - A&G.

Fig. 4 GEOLOGIC MAP OF FAIRDAY MINE SHOWING ASPECTS OF RECOMMENDED PROGRAM
LA SALLE MINING COMPANY, BOULDER CO., COLORADO, DMEA-4721

Sharp

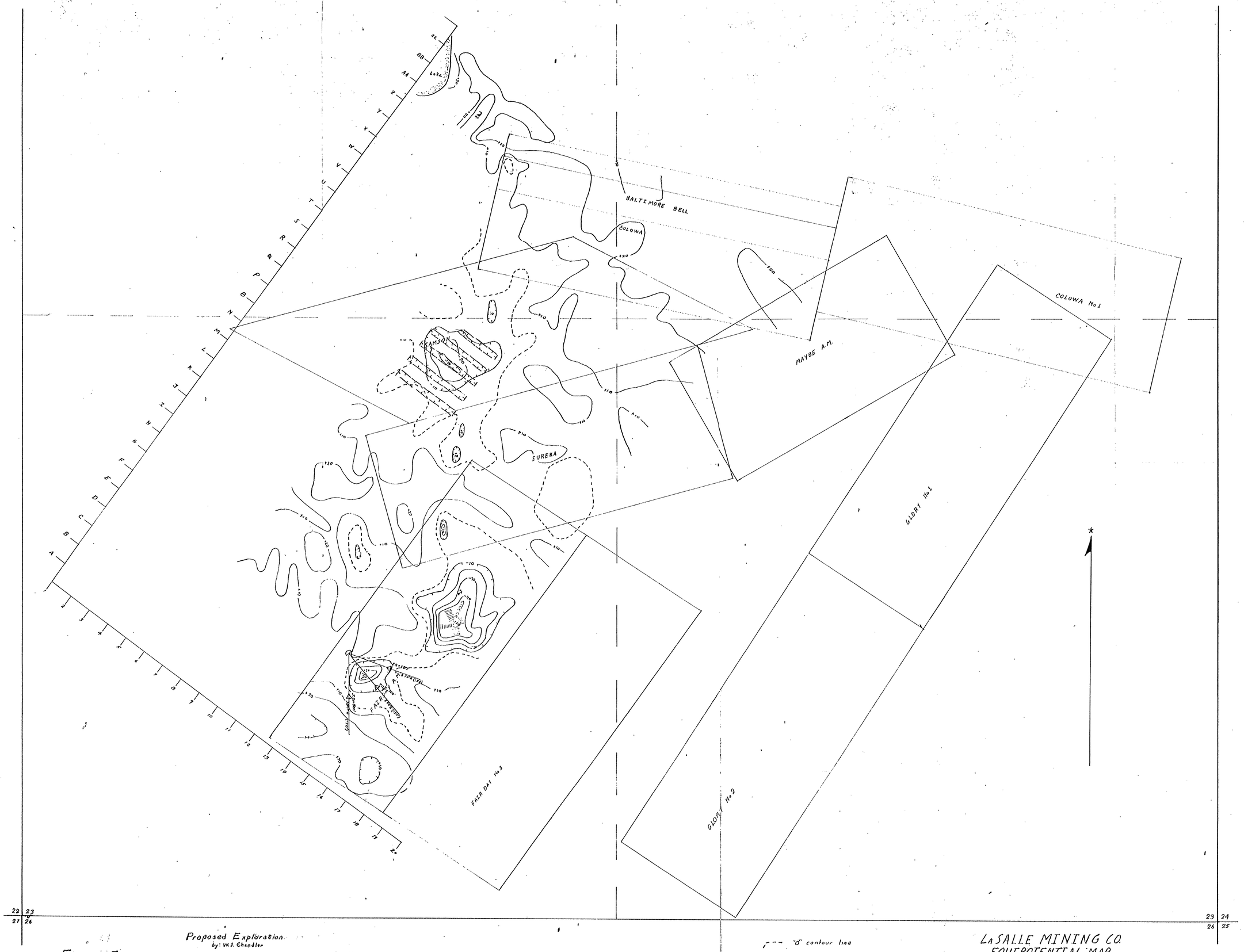


Figure 5

Proposed Exploration
by: W.J. Chandler

Surface Stripping

Diamond Drill Hole
Showing bearing, inclination, T.D. and scaled horizontal length

"0" contour line

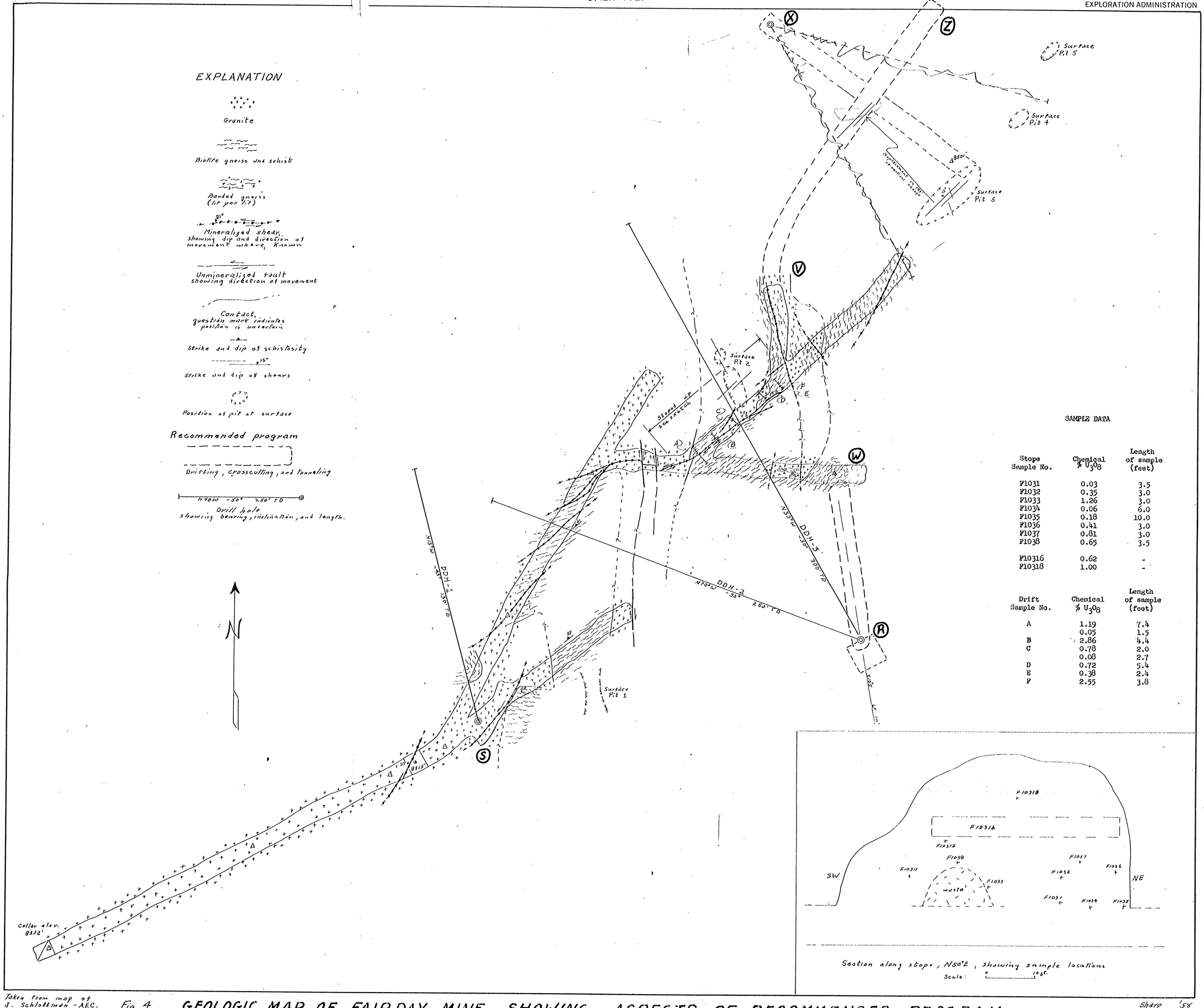
Largest closed depression contour

Claim map supplied by the LaSalle Mining Co. made by P.H. Bennett

LaSALLE MINING CO.
EQUIPOTENTIAL MAP
OVERLAND MOUNTAIN CLAIM GROUP
BOULDER COUNTY, COLORADO

Contour Interval = 10 Millivolts
Scale: 1" = 200'
September 6, 1958

F.A. Seward, Jr
Golden, Colo



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Taken from map of J. Schlottman - AEC.

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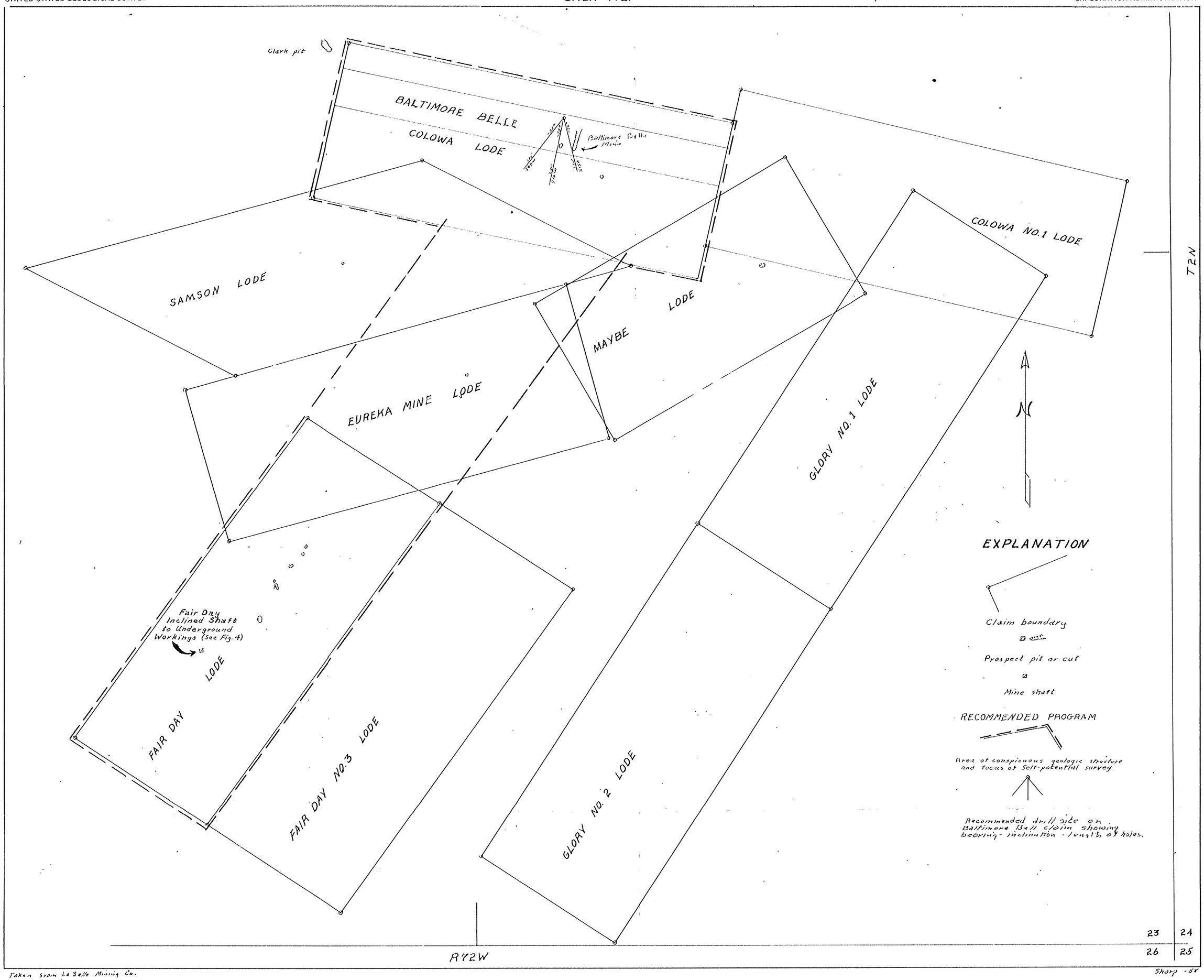
LA SALLE MINING COMPANY, BOULDER CO., COLORADO, DMEA-4721

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

200 0 200 400 600 feet