OTHER INFORMATION AND MAPS IN
OTHER CABINET

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 1836A

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

_____

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To: Tom Lyon Date 10-9-51

To: Reports and Records Date OCT 9 1951

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

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To: _____ Date _____

To: _____ Date _____

DO NOT DETACH

CONTROLLED DOCUMENT

Memorandum November 5, 1951

TO: Mr. Robert R. Rose, Jr.
Assistant Secretary

FROM: Frank E. Johnson
Acting Administrator
Defense Minerals Administration

SUBJECT: Docket No. DMA-1836
National Farmers Union Service Corp.
Application for an Exploration Project

Under date of July 13, 1951, National Farmers Union Service Corporation filed applications for an Exploration Project in the amount of $225,000 and a Government Loan in the amount of $250,000. It was proposed to use the loan funds as an initial payment on the purchase price of phosphate land.

The exploration project was to be conducted on land leased from the Government in exploration for potash.

Both applications were incomplete and hence could not be processed without additional information. The application for an exploration project specifically lacked information on proposed drilling locations and depths of holes to be drilled, as well as a breakdown of requirements and costs of the project.

In general, the commodity specialist believes that exploration for highly soluble potash minerals as proposed in the areas covered by applicant's leases may, but probably will not result in the discovery of significant deposits.

Under date of October 9, 1951, the application for an exploration project was denied. No action was taken on the application for a Government loan inasmuch as the purpose of loan was stated to be for exploration-land acquisition.

The basis of the denial of the exploration project application was that it is not eligible for favorable consideration in view of the fact that potash is not included in the list of mineral commodities for which the Government will participate in exploration.

Potash is not included in the list of minerals in MG-5 for exploration in which the Government will participate because Industry has done such a good job in exploring for potash that we have an adequate domestic reserve for many decades.

The procedure followed in having a mineral listed as being eligible for an exploration project is to first determine through our Supply Division if reserves are inadequate and obtain their recommendation. The request for such determination would be made by the Administrator of DMA. However, under present procedures, to have a mineral placed on this list, it would be necessary to request Mr. Jess Larson to approve such addition to the list and furnish him with a justification for making the recommendation.

(signed) FRANK E. JOHNSON

Frank E. Johnson
Acting Administrator

FEJohnson/fw

cc: Reports & Records
Admr. Reading File
F. E. Johnson
PED
Docket
Thos. H. Miller

National Farmers Union Service
Corporation
3501 East 46th Avenue
Denver 16, Colorado

Subject: DMA-1836X - Potash

Gentlemen:

Your application for aid for an exploration project on potash deposit located in Artesia, New Mexico, and docketed as DMA-1836X, has been reviewed by this office.

Exploration projects under MO-5, Regulations Governing Government Aid in Defense Exploration Projects, are restricted to minerals listed in Sec. 8, MO-5. The basis for inclusion of minerals in this list is the adequacy of known reserves to meet requirements of the present emergency. Potash is not included in Sec. 8, MO-5 for the reason that known domestic reserves are considered adequate to supply the requirements of this mineral for the present emergency and for a substantial period thereafter.

Under these circumstances, your application for exploration aid to the extent of 90% of $225,000 is denied. Should additional information become available, we would be glad to have you resubmit your proposal for consideration.

Unless we receive a request within 30 days, we will consider the case closed.

Sincerely yours,

Tom Lyon, Director
Supply Division

RWASKEY:mp
10-5-51
cc: Field Team, Region IV (2)
DMA Docket File
Mr. Barr

Form 1-95

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

DATE 11-5-51

REFERRED TO:

1. Mr. Johnson
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to .....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS: Mr. Miller informed Secretary Rose that this is a DMA case and Sec. Rose wants you to prepare a background memo on the case, which he needs in his office this afternoon.

Check (X) before the items needing attention.

T.H.Miller
Initials of sender.

GPO 16—51162-1

4604

OFFICE OF THE

ASSISTANT SECRETARY OF THE INTERIOR

WASHINGTON

Tom Fuller

Please provide the complete memo analysis of this case as soon as possible —

Secretary's Request

RCC

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
OCT 15 10 55 AM '51

October 11, 1951

Brownell - Manager - Denver

Re: National Farmers Union Service Corporation
3501 East 46th Avenue
Denver 16, Colorado (DMA 1836 $250,000)

Enclosed you will find one copy of an application that has been filed by the above concern with the Department of the Interior (Defense Minerals Administration).

It is requested that you process this application according to existing instruction, except that copies of the application do not have to be sent to the Washington Office, as we have retained a copy for our files.

A copy of this letter is being sent to the Department of the Interior (Defense Minerals Administration).

Stuart A. Bingham
Executive Assistant
Office of Loans

SAB:rc
cc: Mr. Griffin
Mr. Bingham
Mr. Barr (DMA)
Files

FILE COPY
SURNAME:

Barr

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

370

OCT 8 1951

Mr. Frank T. Ronan, Director
Office of Loans
Reconstruction Finance Corporation
811 Vermont Avenue, N. W.
Washington 25, D. C.

Subject: DMA-1836 - Phosphate
National Farmers Union Service
Corporation

Dear Mr. Ronan:

Please find herewith two copies of loan application DMA-1836 (National Farmers Union Service Corporation) together with pertinent papers in accordance with directive of September 14, 1951, from the Director, Division of Defense Expansion, DPA.

Sincerely yours,

SIGNED

James A. Barr, Sr., Chief
Industrial Minerals Branch

Enclosures

RWASKEY:mp
10-8-51
cc: DMA Docket File
Reports and Records, code 210
Mr. Barr

370

OCT 8 1951

G.E.C.

Mr. Frank T. Ronan, Director
Office of Loans
Reconstruction Finance Corporation
811 Vermont Avenue, N. W.
Washington 25, D. C.

Subject: DMA-1836 - Phosphate
National Farmers Union Service
Corporation

Dear Mr. Ronan:

Please find herewith two copies of loan application DMA-1836 (National Farmers Union Service Corporation) together with pertinent papers in accordance with directive of September 14, 1951, from the Director, Division of Defense Expansion, DPA.

Sincerely yours,

SIGNED

James A. Barr, Sr., Chief
Industrial Minerals Branch

Enclosures

RWASKEY:mp
10-8-51
cc: DMA Docket File
Reports and Records, code 210
Mr. Barr

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

370

Wyly Barr

OCT 9 1951

a. E.C.

National Farmers Union Service
Corporation
3501 East 46th Avenue
Denver 16, Colorado

Subject: DMA-1836X - Potash

Gentlemen:

Your application for aid for an exploration project on potash deposit located in Artesia, New Mexico, and docketed as DMA-1836X, has been reviewed by this office.

Exploration projects under DO-5, Regulations Governing Government Aid in Defense Exploration Projects, are restricted to minerals listed in Sec. 8, DO-5. The basis for inclusion of minerals in this list is the adequacy of known reserves to meet requirements of the present emergency. Potash is not included in Sec. 8, DO-5 for the reason that known domestic reserves are considered adequate to supply the requirements of this mineral for the present emergency and for a substantial period thereafter.

Under these circumstances, your application for exploration aid to the extent of 90% of $225,000 is denied. Should additional information become available, we would be glad to have you resubmit your proposal for consideration.

Unless we receive a request within 30 days, we will consider the case closed.

Sincerely yours,

SIGNED

Tom Lyon, Director
Supply Division

B.F.
10-9

RWASHNY:mp
10-5-51
cc: Field Team, Region IV (2)
DMA Docket File
Mr. Barr

FILE COPY
SURNAME:

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

370

W. Arthur Barr

Memorandum

OCT 9 1951

To: Reports and Records Unit, DMA

a, EC -

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1036X, National Farmers Union Service Corporation
Property: Artesia, New Mexico
Commodity: Potash
Amount: $25,000 - (90% of this amount)

Rental recommended because:

1. Potash is not included in MO-5 at this time nor is it contemplated that it will be included in the near future.

Attached:

1. One copy of form ME-193 with Landlord's Subordination Agreement in quadruplicate.
2. Letters from applicant dated July 20 and Aug. 9.
3. Memo dated 7/23 from Asst to the Secretary
4. Memos from A. P. Bryson, 7/19 and 10/2/51
5. Copy of letter to Mr. C. E. Huff dated 8/20/51.

James A. Barr, Jr.

Approved: SIGNED A B Parsons for Director
Director, Supply Division

not stripped R+R

JWASKEY:mp
10-5-51
cc: Field Team, Region IV (2)
DMA Docket File
Mr. Barr

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

370

October 5, 1951

Memorandum

To: Reports and Records Unit, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1836X, National Farmers Union Service Corporation
Property: Artesia, New Mexico
Commodity: Potash
Amount: $225,000 - (90% of this amount)

Denial recommended because:

1. Potash is not included in MO-5 at this time nor is it contemplated that it will be included in the near future.

Attached:

1. One copy of form MF-103 with Landlord's Subordination Agreement in quadruplicate.
2. Letters from applicant dated July 20 and Aug. 9.
3. Memo dated 7/23 from Ass't to the Secretary
4. Memos from R. P. Bryson, 7/19 and 10/2/51
5. Copy of letter to Mr. C. E. Huff dated 8/20/51.

James A. Barr, Sr.

Approved:

Acting Director, Supply Division

IN REPLY REFER TO:

G-4D-RPB

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

Oct. 2, 1951

Memorandum

To: James A. Barr, Sr., Chairman, Nonmetallics Commodity Committee

From: Robert P. Bryson, Nonmetallics Commodity Committee

Subject: DMA-1836X - Nat'l Farmers Union Ser. Corp. ($225,000-Expl.)

Reference is made to the subject application, and to my memorandum of July 19, for government participation in a program of exploration for potash in an area north of Carlsbad, New Mexico.

The subject application is not eligible for favorable consideration in view of the fact that potash is not included in the list of mineral commodities for which the government will participate in exploration. Furthermore, the commodity program for potash, approved September 10 by the Defense Production Administration, states, "As domestic reserves of potash already known are adequate to supply requirements of potash for the present emergency and for many decades thereafter, government participation in exploration for potash is not justified."

Robert P. Bryson

Robert P. Bryson

IN REPLY REFER TO:
G-MD-RPB

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

July 19, 1951

Memorandum

To: James A. Barr, Sr., Chairman, Nonmetallics Commodity Committee

From: Robert P. Bryson, Nonmetallics Commodity Committee

Subject: DMA-1836X - National Farmers Union Service Corp. ($225,000-Exploration)

Reference is made to the subject application for government participation (75%) in a proposed exploration project estimated to cost $225,000 for possible potash deposits in the vicinity of Artesia, New Mexico.

As domestic reserves of potash already known are adequate to supply requirements of potash for the present emergency and for many decades thereafter, government participation in exploration for potash is not justified.

Specific evaluation of the likelihood of success in exploration for potash, on properties covered by the applicant's leases, cannot be made because specific information on proposed drilling locations and drilling depths are not given in the application. In general, it is believed that exploration for highly soluble potash minerals proposed in the areas covered by the applicant's leases may but probably will not result in the discovery of significant deposits.

It should be noted that drilling depths to 1,000 and to 1,200 feet are specified in copies of drilling contracts that accompany the application, although the only potash samples analyzed, from drill holes in NFU 1 and NFU 2, were taken from depths below 1,400 feet.

Robert P. Bryson

Robert P. Bryson

370

AUG 20 1951

a.E.C.

Mr. C. E. Huff, General Manager
National Farmers Union Service Corp.
3501 East 46th Avenue
Denver 16, Colorado

Re: DMA-1836X
Potash

Dear Mr. Huff:

We have your letter of August 9, 1951, in regard to application DMA-1836X.

We agree that the matter of subordination is not an issue at this time.

The latter can be handled, should potash be included in MO-5.

Sincerely yours,

SIGNED

James A. Barr, Sr., Chief
Industrial Minerals Branch

JABARR:mp
8/17/51
cc: 210
Mr. Barr
DMA Files

FILE COPY
SURNAME:

Barr

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

July 27, 1951
Code 370

National Farmers Union Service Corp.
Attn: C. E. Huff, General Manager
3501 East 46th Avenue
Denver 16, Colorado

Gentlemen:

Subject: DMA-1836X - Potash

Receipt is acknowledged of plan of prospecting to go with exploration application DMA-1836X.

The application will be processed as rapidly as possible, however, it will be necessary that Potash become included in M.O.-5 Regulations governing Government aid in Defense Exploration Projects, before final approval is possible. At this time Potash exploration does not come within the scope of D.M.A. activities.

Subordination Agreements submitted are being returned herewith, together with additional blank Forms MR-202. It is necessary that Subordination Agreements be signed by the owner of the land in question. It is not necessary that the contract date be stipulated in these since that will be added here when and if contracts are approved by the Government.

Sincerely yours,

James Barr
M. P.

James A. Barr, Sr., Chief
Industrial Minerals Branch

Enclosures

KNASKEY:mp
cc: Reports and Records
Mr. Barr
DMA Files
Mr. J. D. Wolfsohn, Assistant to the Secretary of the Interior

IN REPLY REFER TO:
G-MD-RPB

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

July 19, 1951

Memorandum

To: James A. Barr, Sr., Chairman, Nonmetallics Commodity Committee

From: Robert P. Bryson, Nonmetallics Commodity Committee

Subject: DMA-1836X - National Farmers Union Service Corp.
($225,000-Exploration)

Reference is made to the subject application for government participation (75%) in a proposed exploration project estimated to cost $225,000 for possible potash deposits in the vicinity of Artesia, New Mexico.

As domestic reserves of potash already known are adequate to supply requirements of potash for the present emergency and for many decades thereafter, government participation in exploration for potash is not justified.

Specific evaluation of the likelihood of success in exploration for potash, on properties covered by the applicant's leases, cannot be made because specific information on proposed drilling locations and drilling depths are not given in the application. In general, it is believed that exploration for highly soluble potash minerals proposed in the areas covered by the applicant's leases may but probably will not result in the discovery of significant deposits.

It should be noted that drilling depths to 1,000 and to 1,200 feet are specified in copies of drilling contracts that accompany the application, although the only potash samples analyzed, from drill holes in NFU 1 and NFU 2, were taken from depths below 1,400 feet.

Robert P. Bryson

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 1836 X

Date received 7-13-51

Participation

National Farmers Union Service Corporation
3501 East 16th Avenue
Denver 16, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date July 10, 1951
(See documents June 26, 1951)

FILL IN THIS BLOCK

Date of application 7-10-51 (See letter and application June 26, 1951)

Estimated cost $225,000.

Mineral or metal Potash

Percentage of Government participation 75%

Location of mine Artesia, New Mexico

Date of filing MF-100 July 10, 1951 (See documents June 26, 1951)

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining	Not applicable			
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

National Farmers Union Service Corporation
(Name of company)

By [signature]
(Signature of authorized official)

July 10, 1951
(Date)

President
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA

FOR USE UNDER THE

DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma/1836

Date received 7-13-51

National Farmers Union Service Corporation
3501 East 46th Avenue
Denver 16, Colorado

Name and address of applicant

Date July 10, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).
   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☒ Lessee.
   - ☐ Contractor.
5. Number of years in production Beginning
   If not in production or operation, estimated date when production will begin March, 1953
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
James G. Patton, 1555 Sherman St.,Denver, Colo.	Pres. - D	7000	Not Applicable	None	None	None	None
Glenn J. Talbott Jamestown, No. Dak.	V-Pres. - D	None	"	"	"	"	"
H. R. Solberg, 1555 Sherman St.,Denver, Colo.	- D	"	"	"	"	"	"
Homer Duffy, 18 No. Klein St.,Oklahoma City, Okla.	- D	"	"	"	"	"	"
D. W. Chapman, Great Falls, Mont.	- D	"	"	"	"	"	"
H. D. Rolph, 1555 Sherman St., Denver, Colo.	- D	"	"	"	"	"	"
Ronald E. Jones Brooks, Oregon	- D	"	"	"	"	"	"
C. E. Huff, 3501 E. 46th Ave., Denver, Colo.	Secretary-Treasurer	4,500					
	Total	11,500	x x x x x	None	None	x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$1,000	$ 500.	$ 1.00	500	None
Preferred stock	$45,000	$ None	$ 100.00	None	None

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Beginning operation -- not applicable				
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. Not applicable

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	See 12 (a) on separate sheet.				
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, even or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

National Farmers Union Service Corporation
(Name of company)

By [signature]
(Signature of authorized official)

July 10, 1951
(Date)

President
(Title)

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—63792-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1951
LANDON F. STROBEL
Executive Secretary

SUPPLEMENT TO FORM MF 100

1. Chief products to be produced are potash and treble superphosphate for agricultural uses. By-product, if any, uranium from phosphate rock.

2. Proposed operations are new. No serious flooding or pumping problems are anticipated.

3. Potash: Map marked "Exhibit A" shows distance and direction from nearest town and shipping point, the mining district and location of lease lands.

   Phosphate: Two survey maps by Stewart Williams covering Chaney property; a map of Jeffs and Bradley properties and a road map showing location, roads and distances, are attached and marked "Exhibit AA".

4. (a) Properties are not now in operation.

   (b) We shall operate as lessee on potash and as lessee in part and owner in part of phosphate rock properties.

5. It is estimated that actual plant operations will begin about March, 1953.

6. See application form filed June 26, 1951, No. 4, page 1.

7. History:

   (a) Not applicable.

   (b) A very high percentage of all potash produced in United States of America is mined in the area of proposed potash operations.

   No substantial commercial operations in phosphate are near Crawford Mountain deposits.

   (c) See application of June 26, 1951, No. 9, pages 1 and 2.

(Form numbers 8 and 9 are answered in full on second page of MF 100.)

10. Production: Plant capacities will be determined in light of facts available when exploration is completed. In general terms it is expected that 250 tons of phosphate rock will be processed daily, and that a proportionate amount of potash for mixed fertilizers will be produced.

11. (Answered)

12. Ore or mineral reserves:

   (a) - (b) Potash deposits are believed extensive in exploration area. Laboratory reports, Colorado School of Mines, covering 4 cores, with logs on 2 drillings, are attached and marked "Exhibit B".

   A report dated June 27, 1951, from Dr. J. Stewart Williams of Logan, Utah, covering estimated quantities and quality of phosphate rock on Chaney lease is attached marked "Exhibit BB".

Photostat of United States permits on potash lands in New Mexico to Farmers Educational and Cooperative Union of America with attached assignment; option agreement from Olen F. Featherstone to applicant, with copies of underlying leases, options and certificates; and copy of two core drilling agreements, potash, are attached and marked "Exhibit C".

Copy of Chaney lease on one part of the Crawford Mountain phosphate lands and a letter from Bradley Estates, Inc., New York City, with copy of a 1944 report by Louis W. Cramer, Salt Lake City, on another portion is attached marked "Exhibit CC".

13. Access Roads: Potash roads are indicated on the attached map. In the area of present coring operations the soil is firm and road construction relatively inexpensive. Farther south the soil is loose sand and road building costs are higher. The road problem is not serious. Distance to rails is shown on the map.

The Crawford Mountain phosphate deposits are 12 miles from rails and of easy access by roads. Some road construction will be required. A railroad spur can be built without engineering difficulty but will probably not be required.

14. Water Supply: Stream beds are shown on the New Mexico map. Abundant supplies of water are obtainable by drilling.

The Crawford Mountain deposits are about 1½ miles from the Bear River in Utah. Underground water supply appears to be readily available and abundant.

15. Power: Power lines are close by in both New Mexico and Utah. There are at present no special industrial rates to our knowledge, except that Utah Power and Light Company has established a rate of 4½ cents to Monsanto Chemical Company for a new plant in the Soda Springs, Idaho, area. It is to be assumed that a similar rate will be available to applicant if extensive use of electricity is indicated.

16. Labor: There are no cities close to either the potash or the phosphate operations, but an adequate supply of competent labor at fair wages is indicated in both areas.

17. Equipment and Facilities: There is no present equipment on either property. Building designs and equipment have been discussed and studied. See application of June 26, 1951, No. 14, page 3.

18. There are no special or particular conditions affecting proposed operations, not herein described.

NATIONAL FARMERS UNION SERVICE CORPORATION

ATTEST:

By James G. Patton
President

Secretary

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 1836X

Date received 7-13-51

Participation

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1951
LANDON F. STROBEL
Executive Secretary

National Farmers Union Service Corporation
3501 East 46th Avenue
Denver 16, Colorado

Name and address of applicant

Date July 10, 1951
(See documents June 26, 1951)

FILL IN THIS BLOCK

Date of application 7-10-51 (See letter and application June 26, 1951)

Estimated cost $225,000.

Mineral or metal Potash

Percentage of Government participation 75%

Location of mine Artesia, New Mexico

Date of filing MF-100 July 10, 1951 (See documents June 26, 1951)

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining	Not applicable			
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: *(If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

National Farmers Union Service Corporation
(Name of company)

By James G. Patton
(Signature of authorized official)

July 10, 1951
(Date)

President
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Eddy, Lea and Chaves, State of New Mexico, described in a certain Exploration Project Contract dated July 10, 1951, between National Farmers Union Service Corporation, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 5 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195____

_____

U. S. GOVERNMENT PRINTING OFFICE 940768

Five Agreement and Options, Farmers Educational and Cooperative Union of America, covering 9,786.83 acres, more or less.
Fourteen Agreement and Options, Olen F. Featherstone, covering 34.440 acres, more or less.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Eddy, Lea and Chaves, State of New Mexico, described in a certain Exploration Project Contract dated July 10, 1951, between National Farmers Union Service Corporation, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 5 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195____

_____

U. S. GOVERNMENT PRINTING OFFICE 940768

Five Agreement and Options, Farmers Educational and Cooperative Union of America, covering 9,786.83 acres, more or less.
Fourteen Agreement and Options, Olen F. Featherstone, covering 34.440 acres, more or less.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Riley, Ion and Craven, State of New Mexico, described in a certain Exploration Project Contract dated July 10, 1951, between National Farmers Union Service Corporation, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 5 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this ..... day of ....., 195....

.....

U. S. GOVERNMENT PRINTING OFFICE 940768

Five Agreement and Options, Farmers Educational and Cooperative Union of America, covering 9,706.29 acres, more or less.
Fourteen Agreement and Options, Glen F. Southerland, covering 34,440 acres, more or less.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of [illegible], State of [illegible], described in a certain Exploration Project Contract dated [illegible], 195[illegible], between [illegible],

the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated [illegible], does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195____

_____

U. S. GOVERNMENT PRINTING OFFICE 940768

[illegible]
[illegible]

NATIONAL Farmers Union SERVICE CORPORATION

3501 EAST 46th AVE., DENVER 16, COLORADO

July 20, 1951

Mr. Joel D. Wolfsohn, Executive
Assistant to Secretary of Interior
Department of Interior Building
Washington, D. C.

Dear Mr. Wolfsohn:

In connection with the filing by National Farmers Union Service Corporation of Form MF 100 and the application for an exploration loan, you may recall that we were requested to furnish a map or maps showing the location of each of the cores already drilled or staked on the New Mexico lands. filed with loan application

We were also requested to furnish four copies of Landlord's Subordination Agreement, Form MF 202, covering the federal leases and the New Mexico state leases.

I am enclosing a set of township maps to show core locations, this being the only map form on hand. I hope they will be adequate.

Also enclosed is Form 202 for execution by U.S.A. and for filing. — loan appls.

The Subordination Agreement Forms to be executed by the State of New Mexico have been forwarded to Santa Fe with request for execution and they will be forwarded to you as soon as they are received.

Sincerely,

C. E. Huff, General Manager

CEH:el

Encls.

Loan 1836X

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

July 23, 1951

Memorandum

To: Administrator, Defense Minerals Administration

From: Assistant to the Secretary

Subject: National Farmers Union Service Corporation

I attach a communication which I have received from C. E. Huff, General Manager, dated July 20 with attachments in connection with the application of the National Farmers Union Service Corporation for an exploration loan.

Although I have acknowledged receipt of this communication, perhaps it would be appropriate for Defense Minerals Administration to make a formal acknowledgment thus indicating that the papers have been received and necessary steps are under way to process them.

Wolfsohn

Assistant to the Secretary

Attachment

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 24 1951
LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

Barr

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

370

AUG 20 1951

Mr. C. E. Huff, General Manager
National Farmers Union Service Corp.
3501 East 46th Avenue
Denver 16, Colorado

Re: DMA-1836X
Potash

Dear Mr. Huff:

We have your letter of August 9, 1951, in regard to application DMA-1836X.

We agree that the matter of subordination is not an issue at this time.

The latter can be handled, should potash be included in MO-5.

Sincerely yours,

SIGNED 8/20

James A. Barr, Sr., Chief
Industrial Minerals Branch

JABARR:mp
8/17/51
cc: 210
Mr. Barr
DMA Files

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WA

Room 4633
Refer to
General Counsel
for opinion
J. G. Barr

NATIONAL Farmers Union SERVICE CORPORATION
3501 EAST 46th AVE., DENVER 16, COLORADO

August 9, 1951

Mr. James A. Barr, Sr., Chief
Industrial Minerals Branch
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Barr:

In your letter of July 27, you acknowledge receipt of our prospecting plan to attach to our exploration application DMA-1836X. You point out that final approval of the application cannot be given until potash becomes included in M.O.-5, bringing it within the scope of D.M.A. activities.

Your letter stated that the Subordination Agreements which we had submitted were being returned with the letter, together with additional blank forms MF-202. A number of the blank forms were attached but it does not appear that the forms submitted to accompany our application were returned. You say that "It is necessary that Subordination Agreements be signed by the owner of the land in question." All of the lands covered by the Subordination Agreement submitted are owned by the United States of America. We hold them under lease or permit. It was my understanding that, since the Subordination Agreement is by fee owner, the documents would be executed by the appropriate division within the Department of the Interior. Perhaps that would be the Land Management Division. If I am in error on this I shall appreciate information as to who shall execute the Subordination Agreement for an exploration loan to cover United States lands.

Sincerely,

C. E. Huff, General Manager

CEH:el

RECEIVED
AUG 14 1951
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

21. COMPENSATION SCHEDULE—Continued:

The term "compensation," as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation Paid During Previous Fiscal Year (c)	Present Compensation (d)
James G. Patton	President	$ 7,000	$ 7,000
C. E. Huff	Secretary-Treas.	4,500	5,500

22. COLLATERAL:

(*a*) The applicant offers the following-described collateral as security for repayment of the loan applied for:

Description (a)	Date Acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* Value (e)
Property now held:				
To be acquired:				

Future Production Description	Date Expected To Reach Full Production	Gross Value	Net Value

*This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)

(*b*) Describe existing liens, if any, on property listed above.

16—64203-1

23. CURRENT FINANCIAL STATEMENT, As of _____
(Date not more than 30 days prior to date of application)

ASSETS			
Current Assets	1. Cash		$
	2. Notes receivable	$	
	Less reserve for doubtful notes		
	3. Accounts receivable:		
	Current	$	
	Past due not over 4 months		
	Past due over 4 months		$
	Less reserve for doubtful accounts		
	4. Inventories:		
	Raw materials	$	
	Work in process		
	Finished goods		$
	Less reserve for inventory losses		
	5. Other current assets (describe)		
	Total Current Assets		$
Fixed and Other Assets	6. Plant used in business:		
	Land	$	
	Buildings		
	7. Machinery		
	8. Equipment, furniture, and fixtures		$
	Less reserve for depreciation		
	9. Investments—stocks and bonds		
	10. Investments in affiliated companies		
	11. Receivables due from affiliated companies		
	12. Real estate not used in business		
	13. Due from officers, directors, employees, stockholders		
	14. Deferred charges		
	15. Other assets		
	Total Assets		$
LIABILITIES			
Current Liabilities	16. Notes payable (see schedule 1, page 8):		
	Banks	$	
	Trade creditors		
	Officers, stockholders, relatives		
	Insurance companies		$
	17. Accounts payable		
	18. Other current liabilities:		
	Delinquent taxes: Real estate	$	
	Delinquent taxes: Federal		
	Wages and salaries		
	Due officers		
	Accrued interest, rent, taxes, wages, etc		
	Total Current Liabilities		$
Fixed and Other Liabilities	19. Machinery liens		
	20. Mortgage debts (see schedule 2, page 8)		
	21. Bonds or debentures (see schedule 2, page 8)		
	22. Other liabilities		
Net Worth	23. Common stock (if applicant is incorporated)	$	
	24. Preferred stock (if applicant is incorporated)		
	25. Surplus (if applicant is incorporated)		
	26. Capital and surplus account (if applicant is partnership or individual)		
	Total Liabilities		$
	27. Contingent liabilities (explain)		$

NOTE.—Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

16—64203-1

23. CURRENT FINANCIAL STATEMENT—Continued

SCHEDULE 1—NOTES PAYABLE (in detail)

NAME AND ADDRESS	MATURITY	AMOUNT	STATE AMOUNT AND CHARACTER OF COLLATERAL	NAME OF GUARANTOR(S) AND/OR ENDORSER(S)

SCHEDULE 2—MORTGAGE DEBT (real estate and/or chattels) OR BOND ISSUE

NAMES AND ADDRESSES OF HOLDERS	DATE OF MATURITY	INTEREST RATE	UNPAID PRINCIPAL AMOUNT	DATE TO WHICH INTEREST IS PAID
TOTAL	x x x x x x	x x x x x x	$	x x x x x x x x x x x x x x x x

If mortgage secures a bond issue, state whether bonds are principally held by management and/or stockholders or by others, and attach copy of mortgage indenture.

24. CONDENSED COMPARATIVE STATEMENT OF INCOME AND EXPENSES

For years ended _____
(Insert date of end of fiscal year)
(000.00 omitted)

	(FIGURES FOR 3 PRECEDING YEARS) 19	19	19	CURRENT YEAR AS OF DATE OF EXHIBIT A
1. Net sales				
2. Cost of goods sold				
3. Gross profit on sales (line 1 minus line 2)				
4. Other income (itemize)				
5. Total (line 3 plus line 4)				
6. Salaries (officers or partners)*				
7. Selling and all other expenses				
8. Total of lines 6 and 7				
9. Profit or loss before depreciation and Federal taxes (line 5 minus line 8)				
10. Depreciation				
11. Federal income and excess profits taxes				
12. Net profit or loss (line 9 minus lines 10 and 11)				
ANALYSIS OF SURPLUS				
13. Total surplus at beginning of period				
14. Net profit or loss for period				
15. Line 13 plus line 14 if profit; line 13 minus line 14 if loss				
Add:				
16. Surplus paid in during period				
17. Surplus resulting from revaluation of assets				
18. Other additions to surplus (itemize)				
19. Total of lines 15 to 18, inclusive				
Deduct:				
20. Dividends				
21. Other charges to surplus (itemize)				
22. Total of lines 20 and 21				
23. Surplus at end of period (line 19 less line 22), MUST AGREE WITH SURPLUS AS SHOWN IN BALANCE SHEETS				

*To include all payments of any kind (commissions, bonuses, withdrawals) to officers or partners.

NOTE.—If years included in the above tables are not adequately representative of applicant's financial experience, information may be submitted for additional years.

18. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION:

NAME AND ADDRESS (a)	OFFICIAL TITLE (IF OFFICER IS ALSO DIRECTOR, INDICATE BY "D") (b)	TOTAL OF ANNUAL SALARY, COMMISSIONS, BONUSES, ETC., RECEIVED FROM APPLICANT AND AFFILIATES DURING LAST FISCAL YEAR (c)	ESTIMATED NET WORTH OUTSIDE OF APPLICANT (d)	NUMBER OF SHARES HELD IN APPLICANT: Common (e)	Preferred (f)	LIFE INSURANCE CARRIED FOR BENEFIT OF APPLICANT: Amount (g)	Net cash surrender value after loans (h)
(See form MF 100)							
	TOTAL		x x x x x			x x x x x	x x x x x

19. CAPITAL STOCK ISSUES:

FOR CORPORATE APPLICANTS

ITEM	AUTHORIZED (a)	OUTSTANDING (b)	PAR VALUE (c)	NUMBER OF SHARES OUTSTANDING (d)	DIVIDEND RATE LAST PAID (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

20. PURCHASE AND SALES RELATIONS WITH OTHERS:

Does applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

No

Does any officer, director, large stockholder, or partner of applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which applicant has business dealings? If not, so state. If so, give names of such offices, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

No

21. COMPENSATION SCHEDULE:

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in applicant's business of 10 percent or more. If applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If applicant is an individual, the schedule should show the amount being withdrawn by applicant for his personal use. In each case the listed person's connection with the business should be indicated (i. e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with or controlled by, applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

15. RECENT EFFORTS TO OBTAIN CREDIT:

(*a*) Banks—List names and addresses of all banks of deposit of applicant within the last 5 years: (*Mark with an asterisk (*) bank or banks in which deposits are now kept*).

None

(*b*) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results and reasons if refused. (NOTE.—Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, applicant should show that it has applied to each bank named in (*a*) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis:

16. FEDERAL AID:

What other forms of Government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details:

Applicant plans to request assistance in plant construction for producing treble superphosphate.

17. MANAGEMENT, INSURANCE, ETC.:

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the applicant to perform in accordance with expressed purpose of the application. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether applicant, or the business or plant, has been in receivership, bankruptcy, in hands of creditors, committee, or whether applicant has effected a compromise with creditors, and if so, discuss fully. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting applicant.

25. CONDENSED COMPARATIVE STATEMENT OF CONDITION, For years ending _____ (Insert date of end of fiscal year)

(*000.00 omitted. Use figures to nearest thousand. For instance, the figure $3,489.36 should be written as 3; the figure $3,689.36 should be written as 4*).

ASSETS	(Figures for 3 Preceding Years) 19	19	19	Current Year as of Date of Exhibit A
CURRENT ASSETS:				
1. Cash				
2. Receivables (after deducting reserves)				
3. Inventories				
4. Other current assets:				
TOTAL CURRENT ASSETS				
FIXED AND OTHER ASSETS:				
5. Plant accounts (before depreciation):				
Machinery, equipment, etc				
Delivery equipment				
Real estate and buildings used in business				
6. Other assets (as investments, real estate not used in business, etc.):				
TOTAL ASSETS				
LIABILITIES				
CURRENT LIABILITIES:				
8. Notes payable				
9. Accounts payable				
10. Accrued liabilities				
11. Other current liabilities:				
TOTAL CURRENT LIABILITIES				
FIXED AND OTHER LIABILITIES:				
12. Mortgage debts				
13. Debentures				
14. Other fixed liabilities:				
RESERVES:				
15. Reserve for depreciation				
16. Other reserves:				
NET WORTH:				
17. Common stock (issued) (if applicant is incorporated)				
18. Preferred stock (issued) (if applicant is incorporated)				
19. Surplus (if applicant is incorporated)				
20. Capital and surplus account (if applicant is partnership or individual)				
TOTAL LIABILITIES				

NOTE.—If years included in the above table are not adequately representative of applicant's financial experience, condition statements may be submitted for additional years.

COMPENSATION AGREEMENT

AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to ..... (hereinafter called "Applicant") and in consideration of the making of a loan to applicant, the undersigned, having been retained by applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

NAME	DESCRIPTION OF SERVICES	AMOUNT PAID	AMOUNT TO BE PAID
None	-	$	$

To induce the making of the loan and the employment of the undersigned by applicant, the undersigned hereby further warrants, covenants, and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants, and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: .....

Address of witness:

.....

Dated ....., 19.....

NOTE.—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the applicant should sign this exhibit.

CERTIFICATION

The applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of applicant's information and belief and are submitted as a basis for credit.

Dated ....., 19.....

Witness:

(For individual applicants)

(Signature)

Witness:

(For partnership applicants)

(Full name of firm)

By ....., a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

National Farmers Union Service Corporation
(Full corporate name of applicant)

Attest:

By ..... President
(Signature) (Title)

..... Secretary
(Signature) (Title)

The United States Criminal Code, U. S. C., Sec. 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.

16—64203-1 U. S. GOVERNMENT PRINTING OFFICE

11. MILLING (answer only if applicable):

(a) If ore is to be treated in applicant's mill or in a leased mill:

(1) State capacity, percentage of extraction, ratio of concentration, and submit flow sheet of mill.
(2) Describe mill building, condition of same, etc.
(3) Give inventory of equipment in mill building. State whether in good working condition.
(4) State rental cost if leased mill.
(5) State whether there is ample room for disposal of tailings.
(6) State whether tailings pollute any streams, lakes, or other sources of water supply.
(7) Submit tables showing complete total tonnage treated, tonnage of concentrates made, and analyses of heads, concentrates, and tailings, for the last year of operation.
(8) State itemized cost of remodeling, additional equipment, repairs, and other initial expenses to start milling. State time required to start operation.
(9) Give detailed milling cost, actual (current) or estimated, per ton of ore treated and ton of concentrates produced.

(b) If ore is to be treated in (sold to) a custom mill:

(1) State name, address, and owner of custom mill.
(2) Submit complete records of past shipments, if any, including latest year's settlement sheets.
(3) If no past history of custom milling, submit open schedule or special agreement with proposed custom mill.
(4) Give distances and current rail freight rates and trucking rates involved in shipment of ore to custom mill.
(5) Estimate net mill returns per ton of ore, and per day, month, or year.

(c) If applicant proposes to build a mill:

(1) Describe proposed milling operation.
(2) Submit a flow sheet of the proposed mill, and state capacity.
(3) Submit copies of all metallurgical or other tests.
(4) Describe mill site, showing location of mill with respect to mine.
(5) State whether there is ample room for disposal of tailings.
(6) State whether tailings may pollute any streams, lakes, or other sources of water supply.
(7) Submit detailed cost of proposed mill.
(8) Submit, if available, plans and specifications of proposed mill.
(9) Submit estimated milling cost per ton of ore, percentage recovery, ratio of concentration, grade of concentrate, and cost per ton of concentration. Include all operating costs.
(10) Estimate time required to complete construction.

12. SMELTING (answer only if applicable):

(a) If ore or concentrates are to be sold to a custom smelter:

(1) Give name and location of smelter.
(2) Submit complete record of past shipments and returns, so far as available, including settlement sheets for latest year of operation.
(3) If no current smelting contract is in effect, submit open schedule of smelter or special agreement from smelting company.
(4) Give distances and current rail freight and trucking rates involved in shipment of ore or concentrates to smelter.
(5) Estimate smelter returns of the project, per ton of ore or concentrates and per day, month, or year.

13. TIMING:

(a) On what date(s) are the requested funds needed? Sept. 1, 1951

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output. Use at once. Output about May, 1953.

14. CERTIFICATE OF NECESSITY:

Have you filed or do you intend to file applications for necessity certificates for tax amortization (under section 124A of the Internal Revenue Code)? If so, indicate below:

DATE OF APPLICATION (a)	GOVERNMENT FILE NO. (b)	(ESTIMATED) TOTAL OF FACILITIES IN DOLLARS ON EACH APPLICATION (c)	IF FINAL ACTION HAS BEEN TAKEN, GIVE DATE OF— (d)	
			Issuance	Denial

16—64203-1

3. ALTERNATIVE METHODS OF FACILITIES:

Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple-shift operations, idle facilities, readily convertible equipment, subcontracting.) If answer is yes, explain why alternatives are not used.

No

4. OWNERSHIP OF PROPERTY:

(*a*) Attach copy of the deeds, leases, or other documents conveying to applicant the present interest of the applicant in the mining property.
(*b*) If applicant has assignment of a lease or other document, attach also a copy of such lease or other document. If any such documents are executed under a power of attorney or a trust agreement, attach copy of such power of agreement.
(*c*) Include all recording data if available, giving page, book number, and where recorded.
(*d*) If property is held under lease, state whether lessor will subordinate royalties to Government interest under terms of assistance now applied for.
(*e*) Outline briefly any agreement or close affiliation of applicant with other individuals or concerns (whether through stock ownership, partnership, interlocking directorates, mutuality of management, or otherwise) that may have a bearing on this project.
(*f*) Give names and addresses, so far as known, of former owners and lessees of property.
(*g*) State in detail all expenditures made on property by applicant; also state amount expended by owner (if other than the applicant) or by any other person who has a remaining interest in the property.
(*h*) State nature and amount of existing liens against property or against future production (e. g., unliquidated RFC development loans, etc.).

5. LEGAL DESCRIPTION OF PROPERTY:

(*a*) Give name and mineral survey number of patented claims, if any, and a map.
(*b*) Give names, dates of location, and place, date book, and page record of all unpatented locations, and a map.
(*c*) If property is other than mining claims, give description by lot numbers, metes and bounds, or according to accepted legal practice.
(*d*) If mineral rights are separated from surface rights, or if any conflicting or overlapping rights exist in the property give full explanation.

6. SAMPLING AND ASSAYING:

Describe how and by whom sampling was done, whether by grab, channel, drill, or otherwise, and state by whom analyses were made. Furnish assay certificates or copies thereof and assay maps, if available.

7. CLIMATE:

Describe climate insofar as it affects project (rainfall, snowfall, temperature range).

8. NEEDED FACILITIES AND LABOR:

(*a*) Describe in detail and give estimated cost (power, housing, etc.). List equipment needed and give estimated cost.
(*b*) State total number and classes (miners, muckers, milling, etc.) of men that will be employed during a representative payroll period when maximum production is reached.
(*c*) State number of shifts now being operated and number to be operated under maximum production.

9. EXPLORATION AND/OR DEVELOPMENT (answer only if applicable):

(*a*) Destribe in detil what work is to be done, using maps to show location and extent and explain purposes thereof. Include description of any necessary rehabilitation work, clean-up, unwatering, etc.
(*b*) Give detailed costs (per foot, and total for each phase of project) of the foregoing.
(*c*) State time required to complete.
(*d*) State expected tonnage and grade of ore that will be developed.
(*e*) Describe probable mining method briefly and estimate cost per ton to mine and mill. State grade of ore mined and mining costs (if known), in operations on this property and in neighboring operations, past or current.

10. MINING (answer only if applicable):

(*a*) Describe mining methods briefly, whether proposed or already in use.
(*b*) Itemize rehabilitation and other initial expenses, including equipment, buildings, roads, etc.
(*c*) Give actual (current) or estimated mining costs, suitably detailed, per ton of ore. Include all operating expenses.
(*d*) State time required to reach given rate of production.

16—64203-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1951
LANDON F. STROBEL
Executive Secretary

Form MF-101
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1027.

(MF-101 Should Be Filed With General Technical Data Form MF-100)

APPLICATION FOR GOVERNMENT LOAN

In Excess of $50,000

Under the Defense Production Act of 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dmal 1836
Date received 7-13-51

Name and address of applicant

National Farmers Union Service Corporation
3501 East 46th Avenue
Denver 16, Colorado

Date of application

Amount of loan requested

Terms of loan requested

If you have already filed MF-100, give dates filed July 10, 1951, type of assistance requested Exploration - Land Acquisition, DMA docket number (if available)

INSTRUCTIONS

Application should be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. Submit four copies of this application with four copies of General Technical Data Form MF-100. If the latter form has been filed previously with an application for Government assistance, it is not necessary to file it again. However, the applicant should indicate in space provided above the type of assistance previously applied for (loans, procurement contract, etc.) and DMA docket number, if available.

Name and address of applicant should be stamped or typed on each sheet of the application and all accompanying papers.

When a question is inapplicable, it should be so stated on the form. Additional sheets may be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE. If a question is answered elsewhere in the application, indicate where answered. It is not necessary to answer it again.

1. PURPOSE OF LOAN:

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement. Applicant holds lease on one phosphate rock property in Crawford Mountain area, Rich County, Utah. It proposes to purchase for $1,000,000 an adjoining property to provide adequate rock for long time operation.

NATURE OF EXPENDITURE	AMOUNT
Initial payment on purchase price, Jeff's Estate holdings.	$250,000
TOTAL AMOUNT APPLIED FOR	$250,000

2. PROPOSED METHOD FOR REPAYMENT OF LOAN:

An operating charge of 25 cents per ton on all ore removed, paid quarterly from beginning of plant operations.

16—64203-1

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma 1836

Date received 7-13-51

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1951
LINDON F. STROBEL
Executive Secretary

National Farmers Union Service Corporation
3501 East 46th Avenue
Denver 16, Colorado

Name and address of applicant

Date July 10, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☒ Lessee.
   - ☐ Contractor.
5. Number of years in production Beginning
   If not in production or operation, estimated date when production will begin March, 1953
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
James G. Patton, 1555 Sherman St.,Denver, Colo.	Pres. - D	7000	Not Applicable	None	None	None	None
Glenn J. Talbott Jamestown, No. Dak.	V-Pres. - D	None	"	"	"	"	"
H. R. Solberg, 1555 Sherman St.,Denver, Colo.	- D	"	"	"	"	"	"
Homer Duffy, 18 No. Klein St.,Oklahoma City, Okla.	- D	"	"	"	"	"	"
D. W. Chapman, Great Falls, Mont.	- D	"	"	"	"	"	"
H. D. Rolph, 1555 Sherman St., Denver, Colo.	- D	"	"	"	"	"	"
Ronald E. Jones Brooks, Oregon	- D	"	"	"	"	"	"
C. E. Huff, 3501 E. 46th Ave., Denver, Colo.	Secretary-Treasurer	4,500					
	TOTAL	11,500	x x x x x	None	None	x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$1,000	$ 500.	$ 1.00	500	None
Preferred stock	$45,000	$ None	$100.00	None	None

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Beginning operation -- not applicable				
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. Not applicable

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved) See 12 (a) on separate sheet.					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, even or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

National Farmers Union Service Corporation
(Name of company)

By [signature]
(Signature of authorized official)

July 10, 1951
(Date)

President
(Title)

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—63792-1

SUPPLEMENT TO FORM MF 100

1. Chief products to be produced are potash and treble superphosphate for agricultural uses. By-product, if any, uranium from phosphate rock.

2. Proposed operations are new. No serious flooding or pumping problems are anticipated.

3. Potash: Map marked "Exhibit A" shows distance and direction from nearest town and shipping point, the mining district and location of lease lands.

   Phosphate: Two survey maps by Stewart Williams covering Chaney property; a map of Jeffs and Bradley properties and a road map showing location, roads and distances, are attached and marked "Exhibit AA".

4. (a) Properties are not now in operation.

   (b) We shall operate as lessee on potash and as lessee in part and owner in part of phosphate rock properties.

5. It is estimated that actual plant operations will begin about March, 1953.

6. See application form filed June 26, 1951, No. 4, page 1.

7. History:

   (a) Not applicable.

   (b) A very high percentage of all potash produced in United States of America is mined in the area of proposed potash operations.

   No substantial commercial operations in phosphate are near Crawford Mountain deposits.

   (c) See application of June 26, 1951, No. 9, pages 1 and 2.

(Form numbers 8 and 9 are answered in full on second page of MF 100.)

10. Production: Plant capacities will be determined in light of facts available when exploration is completed. In general terms it is expected that 250 tons of phosphate rock will be processed daily, and that a proportionate amount of potash for mixed fertilizers will be produced.

11. (Answered)

12. Ore or mineral reserves:

   (a) - (b) Potash deposits are believed extensive in exploration area. Laboratory reports, Colorado School of Mines, covering 4 cores, with logs on 2 drillings, are attached and marked "Exhibit B".

   A report dated June 27, 1951, from Dr. J. Stewart Williams of Logan, Utah, covering estimated quantities and quality of phosphate rock on Chaney lease is attached marked "Exhibit BB".

Photostat of United States permits on potash lands in New Mexico to Farmers Educational and Cooperative Union of America with attached assignment; option agreement from Olen F. Featherstone to applicant, with copies of underlying leases, options and certificates; and copy of two core drilling agreements, potash, are attached and marked "Exhibit C".

Copy of Chaney lease on one part of the Crawford Mountain phosphate lands and a letter from Bradley Estates, Inc., New York City, with copy of a 1944 report by Louis W. Cramer, Salt Lake City, on another portion is attached marked "Exhibit CC".

13. Access Roads: Potash roads are indicated on the attached map. In the area of present coring operations the soil is firm and road construction relatively inexpensive. Farther south the soil is loose sand and road building costs are higher. The road problem is not serious. Distance to rails is shown on the map.

The Crawford Mountain phosphate deposits are 12 miles from rails and of easy access by roads. Some road construction will be required. A railroad spur can be built without engineering difficulty but will probably not be required.

14. Water Supply: Stream beds are shown on the New Mexico map. Abundant supplies of water are obtainable by drilling.

The Crawford Mountain deposits are about 1½ miles from the Bear River in Utah. Underground water supply appears to be readily available and abundant.

15. Power: Power lines are close by in both New Mexico and Utah. There are at present no special industrial rates to our knowledge, except that Utah Power and Light Company has established a rate of 4½ cents to Monsanto Chemical Company for a new plant in the Soda Springs, Idaho, area. It is to be assumed that a similar rate will be available to applicant if extensive use of electricity is indicated.

16. Labor: There are no cities close to either the potash or the phosphate operations, but an adequate supply of competent labor at fair wages is indicated in both areas.

17. Equipment and Facilities: There is no present equipment on either property. Building designs and equipment have been discussed and studied. See application of June 26, 1951, No. 14, page 3.

18. There are no special or particular conditions affecting proposed operations, not herein described.

NATIONAL FARMERS UNION SERVICE CORPORATION

ATTEST:

By [signature]
President

[signature]
Secretary

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 1836X

Date received 7-13-51

Participation

National Farmers Union Service Corporation
3501 East 46th Avenue
Denver 16, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date July 10, 1951
(See documents June 26, 1951)

FILL IN THIS BLOCK

Date of application 7-10-51 (See letter and application June 26, 1951)

Estimated cost $225,000.

Mineral or metal Potash

Percentage of Government participation 75%

Location of mine Artesia, New Mexico

Date of filing MF-100 July 10, 1951 (See documents June 26, 1951)

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining	Not applicable			
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: *(If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

National Farmers Union Service Corporation
(Name of company)

By [signature]
(Signature of authorized official)

July 10, 1951
(Date)

President
(Title)

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*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

C
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P
Y

OLEN F. FEATHERSTONE
Oil Operator
P.O. Box 671
Roswell, New Mexico

June 20, 1951

Mr. Bedford W. Bird
3101 E. 46th Street
Denver, Colorado

Dear Bedford:

In telephone conversation with Mr. C. D. Jones, he advised me they were holding the phosphate property in Northeast Utah (Jeffs) at one million dollars and might consider the two hundred thousand cash, the balance to be paid at the rate of six and one-half cents per ton as and when taken from the mines and suggested that they would have a directors meeting one day next week and if you saw fit to submit a tentative offer they would consider it.

Mr. Jones says that he has a conservative estimate of a competent geologist of twenty million tons of high grade phosphate. It appears that they still have their price a bit out of line and no takers to day. Mr. Cheney was in the office talking to Mr. Jones and apparently indicated that you were well satisfied with the results of your exploration work on the Cheney property.

If you think of anything more that I can do to help, please advise.

Yours very truly,

/s/ Olen F. Featherstone

OFF:tr
cc: Denver Office

C
O
P
Y

C. D. JONES
1001 Petroleum Building
Los Angeles 15, Calidornia

July 3, 1951

Mr. Bedford W. Bird
National Farmers Union Service Corporation
3501 East 46th Avenue
Denver 16, California

Dear Mr. Bird:

Thank you for your letter of June 28, 1951 with respect to the Utah Phosphate holdings.

I regret to advise that I am not in a position to make you any firm proposal with respect to that property. I suggest, however, if you are interested in pursuing the matter further, that you make your own examination and appraisal of the property and then request a meeting with me to discuss the possibility of your making a firm proposal to us, subject to your examination of our title. I believe with the information you already have, you are in a position to familiarize yourself fully with our holdings and their value.

For your information, I am satisfied that the minimum price, which would be considered if you cared to make an offer, would be $250,000 cash plus appropriate royalty per ton with some minimum obligation as to annual tonnage to be produced. You understand, of course, that we are making no commitments of any kind to you and that the property is subject to prior sale, or other disposition, or removal from the market entirely.

Thanking you for your inquiry, I am with kind regards,

Yours very truly,

/s/ C. D. Jones

C. D. JONES

CDJ:s