MF-103
(Revised April 1952)

DMEA
Date Rec'd.
JUN 22 1955
BUREAU OF MINES
Denver, Colorado

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

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Not to be filled in by applicant

Docket No. 3869
Metal or Mineral Uranium
Date Received 6/27/55
Estimated Cost $ 284,798.52
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Sabre Uranium Corporation
18-19 Reed Building
P.O. Box 1549
Grand Junction, Colorado

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract T. 14 N., R. 10 W., Sections 1, 2, 3, 13, 15 - McKinley County, New Mexico, Grants District.
Sec. 2 - Mining lease from State
Sec. 1,3,13,15 - Mining lease from Santa Fe Pacific Railroad Co.

(*b*) State any mine name by which the property is known. No mining has been done.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
see 3 (a)

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Sec. 2 - enclosed copy of lease & assignment to Sabre
Sec. 1, 3, 13, 15 -

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

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

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. No mining or exploration has been done.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*b*) How do you propose to furnish your share of the costs? By use of equipment, and cash to make up difference to arrive at 25% of costs of program, as indicated above.

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated June 21, 1955

SABRE URANIUM CORPORATION
(Applicant)

By Hugh M. Craigie
Hugh M. Craigie, President

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

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

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3. (d)

Application No. 239 Lease No. 60-23

GENERAL MINING LEASE

THIS AGREEMENT, dated this 23rd day of March 1955, made and entered into between the State of New Mexico, acting by and through the undersigned its Commissioner of Public Lands, hereinafter called the "lessor", and
JOE R. MARTINEZ
HEREINAFTER CALLED THE "LESSEE".

WITNESSETH:
THAT WHEREAS, the said lessee has filed in the State Land Office an application for a lease for the purpose of prospecting, mining, development, and production of all minerals, except potassion, sodium, phosphorus and other minerals of similar occurrence, and their salts and compounds, oil and gas, salt, coal, shale, clay, gravel, building stone and building materials upon the lands hereinafter described, and has tendered the sum of $32.01 which sum includes first annual rental thereof, together with the sum of $5.00 application fee, and the sum of ---nil --- representing bid bonus, evidenced by official receipt No. 88599D:

NOW, THEREFORE, in consideration of the above tender, receipt of which is acknowledged, and the covenants herein, the lessor does hereby grant, demise, lease and let to the lessee, exclusively, for the sole and only purpose of prospecting for, exploration, mining development, production, and removal of the aforesaid minerals, in, upon, from and under the following described lands situated in the State of New Mexico:

INSTITUTION	SEC.	TWP.	RGE.	SUBDIVISION	ACRES
Common Schools	2	14N	10W	All	640.16

together with the right to use so much of the surface as may be reasonably necessary to prospect for, mine and remove the minerals therefrom.

TO HAVE AND TO HOLD the said lands and privileges granted hereunder for a term of three (3) years and so long thereafter as the said minerals or any of them in paying quantities shall be produced or mined from the leased lands, subject to all the terms and conditions as hereinafter set forth.

In consideration of the premises, the parties covenant and agree as follows:

1. Lessee shall pay to the Lessor as royalty two per cent (2%) of the gross returns from the smelter, mill, reduction process or other sale, less reasonable transportation and smelting or

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reduction charges, if any, of all ores and materials mined and extracted from the land and two per cent (2%) of any and all premiums and bonuses received by lessee in connection with the discovery, production or marketin g of such ores or materials. Provided, that on deposits of rare earths, precious stones or semi-precious stones, and all uranium, thorium, plutonium, or any other material which may have been or may hereafter be determined by the Atomic Energy Commission of the United States to be peculiarly essential to the production of fissionable materials, lessee shall pay a royalty of five per cent (5%) of the gross returns from the smelter, mill, reduction process or other sale, less reasonable transportation and smelting or reduction charges, if any, of all such ores or materials mined and extracted from the land, and five per cent (5%) of any and all premiums and bonuses received by the lessee in connection with the discovery, production or marketing of such ores or materials.

2. Lessee agrees to make full settlement for all royalties on the twentieth (20th) day of the month following the month of sale or receipt of premium or bonus.

3. The consideration hereinbefore specified is a good and valid consideration, subject in all respects to support each and every covenant herein, including specifically the option granted the lessee to prevent the termination of this lease from year to year by payment or tender of further rental as hereinafter provided.

4. An annual rental at the rate of five cents (5¢) per acre shall become due and payable to the lessor by the lessee, or by any transferee or assignee of the same or any part hereof where such transferee or assignee has been recognized, and such transfer or assignment approved by the lessor as hereinafter provided, upon each acre of the land described and then claimed by such lessee, transferee or assignee hereunder, and the same shall be due and payable in advance to the lessor on the successive anniversary dates of this lease, but the annual rental on any lease or assignment shall in no event be less than ten ($10.00) dollars.

5. If lessee shall fail to discover and produce minerals in paying quantities during the primary term of this lease, the lessee may continue this lease in full force and effect for the additional and secondary term of two (2) years, and as long thereafter as any mineral or minerals in paying quantities be produced from the land, by paying each year in advance ten times the rental provided in the primary term.

Provided, further, that if for any reason beyond the control of the lessee production of minerals in paying quantities shall cease after the secondary term has expired, a producing lessee may,

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with the written permission of the commissioner, continue said lease in operation and effect from year to year for an additional period of not to exceed three (3) years by continued payment inadvance of annual rentals at the rate provided in the secondary term of the lease.

6. With the consent of the lessor and upon payment of all rentals due and a fee of ten dollars ($10.00), the lessee may surrender or relinquish this lease, in whole or in part, to the lessor; provided, however, that no relinquishment of an undivided interest herein nor less than a legal subdivision shall be approved or recognized by the lessor; provided, further that this surrender clause shall become absolutely inoperative immediately and concurrently with the filing of any suit in any court of law or equity by the lessee, lessor, or any assignee, to enforce this lease or any of its terms, express or implied.

7. The lessee, with the consent of the lessor, may assign this lease, in whole or in part; provided, however, that no assignment of any undivided interest in the lease, or any part thereof, nor any assignment of less than a legal subdivision, shall be recognized or approved by the lessor. Upon approval of an assignment in writing by the lessor, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment, and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

8. After production is once had, lessee shall use reasonable diligence in prospecting for and developing all commercial deposits of mineral or minerals upon the land, and lessee shall market all mineral or minerals so produced within a reasonable time after production is had.

9. The lessor may cancel this lease for nonpayment of rentals, nonpayment of royalties, or for violation of any of the terms, covenants or conditions thereof; provided, however, that before any such cancellation shall be made, the lessor must mail to the lessee or assignee, by registered mail, addressed to the post office address of such lessee or assignee, shown by the records, a thirty-day notice of intention to cancel said lease, specifying the default for which the lease is subject to cancellation. No proof of receipt of notice shall be necessary and thirty days after such mailing, the lessor may enter cancellation unless the lessee shall have sooner remedied the default.

10. The lessor shall have the right to inspect the records, books or accounts pertaining to the mining, extraction, transportation and returns of ores takem from the lands, and, at

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the request of the lessor, lessee shall furnish such reports, samples, logs, assays or cores within reasonable bounds, as the lessor may deem to be necessary to the proper administration of the lands.

11. Lessee may make or place such improvements and equipment upon the land as may be reasonably necessary to explore for, mine and remove the minerals, and upon termination of this lease for any reason, lessee may remove such improvements and equipment as can be removed without material injury to the premises; provided, however, that all rentals and royalties have been paid and that such removal is accomplished within two years of the termination date or before such earlier date as the lessor may set upon thirty days' written notice to the lessee. All improvements and equipment remaining upon the premises after the removal date, as set in accordance with this paragraph, shall be forfeited to the lessor without compensation.

12. Before lessee shall commence development or operations upon the lands embraced herein, he shall execute and file with the lesser a good and sufficient bond in an amount of five thousand dollars ($5,000.00) in favor the State of New Mexico, for the benefit of the lessor, its surface lessee, patentee or contract purchaser, to secure the payment of such damage to the livestock, water, crops, or other tangible improvements on the lands as may be suffered by reason or development, use and occupation of the lands by the said lessee, and the lessee shall be liable and agrees to pay for all such damages to the livestock, growing crops, or other improvements upon the land. In addition, lessor may, upon notice given to lessee, require lessee to furnish a bond in a reasonable amount to guarantee payment of royalties to become due under the lease.

13. This lease is made subject to all the provisions and requirements applicable thereto which are to be found in various acts of the legislature of New Mexico, the same as though they were fully set forth herein, and said laws, so far as applicable to this lease, are to be taken as a part hereof.

14. All of the obligations, covenants, agreements, rights and privileges of this lease shall extend to and be binding upon and inure to the benefit of the lawful and recognized assigns or successors in interest of the parties hereto.

15. Nothing herein contained shall be held or construed to prevent the lessor from leasing or letting the said lands or any portion thereof for grazing or agricultural purposes, or for leasing them for the exploration, development and production of products from deposits other than the item, including oil and gas, potash, coal, salt, or for leasing them for the operation of a business, or for selling them under a deferred

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purchase contract with minerals reserved, or for patenting them with minerals reserved, or for the issuance of rights of way, and easements over, upon or across for public highways, railroads, tramways, telephone, telegraph and power lines, irrigation works, mining, logging and for any of the purposes mentioned hereinabove in this paragraph, and for other purposes.

16. The lease herein is subject to all valid existing rights and w with special but not exclusive reference to the present existence of any of the matters mentioned in the paragraph next above.

17. All mining operations hereunder shall conform with good mining practices, shall be carried on in a workmanlike manner, and shall conform with all of the laws of the State of New Mexico and all rules and regulations of the State Land Office as may be issued from time to time under authority of law for the protection of valuable deposits of other minerals in or upon the lands but not covered by this lease.

18. Payment of all sums due the lessor by the lessee under the terms of this lease, including but not limited to payment for rentals, royalties, bonuses, and fees shall be made at the office of the Commissioner of Public Lands, State Capitol, Santa Fe, New Mexico, and, after notice given, lessor may require such payments to be made in cash or certified exchange.

IN WITNESS WHEREOF, the State of New Mexico has hereunto signed and caused its name to be signed by its Commissioner of Public Lands thereunto duly authorized, with the seal of his office affixed, and the lessee has signed this agreement to be effective the day and year above written.

STATE OF NEW MEXICO

by /s/ E.S. Walker
Commissioner of Public Lands
Lessor.

/s/ Joe R. Martinez
Lessee (SEAL)

Distributed the 9th day of April, 1955.

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } ss:

On this the 12th day of April, 1955, personally appeared before me Joe R. Martinez to me known to be the person who executed

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the foregoing instrument as lessee, and acknowledged that he executed the same as his free act and deed.

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

My commission expires:
Feb. 14, 1959

/s/ Roy Bright
Notary Public

(SEAL)

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3. (d) ASSIGNMENT OF MINERAL LEASE

KNOW ALL MEN BY THESE PRESENTS:

That Joe R. Martinez

and Stella P. Martinez, wife

Hereinafter called "Assignors", parties of the first part, for an in consideration of the sum of One Dollar, and other good and valuable consideration paid by

Sabre Uranium Corporation

whose post office address is Box 1549, Grand Junction, Colorado, hereinafter sometimes called the Assignee", party of the second part, have sold, transferred, set over and assigned, and by these presents do sell, transfer, set over and assign to the assignee, heirs, successors and assigns, all of the assignor's right, title, interest and claim in and to that certain Mineral Lease No. 60-23 Made by the State of New Mexico to JOE R. MARTINEZ under date of March 23, 1955, and more particularly described as follows:

SEC. 2 TWP. 14 N., Rge. 10 W, ALL SUBDIVISION, 640.16 ACRES

The Assignee assumes and agrees to perform all obligations to the State of New Mexico insofar as said described lands are affected, and to pay such rentals and royalties, and to do such other acts as are by said lease required as to the above described subdivisions, to the same extent and in the same manner as if the provisions of said lease were fully set out herein.

It is agreed that the Assignee shall succeed to all the rights, benefits and privileges granted the Lessee by the terms of said lease, as to the lands above described.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seals on this 23rd day of May 1955.

/s/ Joe R. Martinez

/s/ Stella P. Martinez

State of New Mexico)
) ss.
County of Bernalillo)

On this 23rd day of May 1955, before me personally appeared Joe R. Martinez and Stella P. Martinez to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free

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act and deed.

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

/s/ Roy Bright
Notary Public

My commission expires February 14, 1959

Office of Commissioner of Public Lands
Santa Fe, New Mexico

I hereby certify that the within assignment was filed in my office on the 24th day of May, 1955, and approved by me on May 25, 1955.

/s/ E.S. Walker
Commissioner of Public Lands

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SANTA FE PACIFIC R.R. Co.
LEASE No. 9450

Lease No. 9450

URANIUM MINING LEASE AND AGREEMENT

THIS INDENTURE, entered into in duplicate this tenth day of May, 1955, by and between SANTA FE PACIFIC RAILROAD COMPANY, a corporation created by Act of Congress approved March 3, 1897, with its principal offices in Albuquerque, New Mexico, first party, hereinafter called the "Lessor", and VICTOR SALAZAR, of Albuquerque, New Mexico, second party, hereinafter, whether one or more, called the "Lessee".

WITNESSETH, that the parties hereto, for the considerations hereinafter expressed, covenant and agree as follows:

1. Lessor, upon the terms and conditions and subject to the reservations hereinafter set forth, hereby grants to Lessee the exclusive right and privilege for a period of twelve (12) months, beginning with the date hereof, to search and explore for uranium-bearing ore by methods used and recognized in the industry and, thereafter for a period of five (5) years, to conduct mining operations on areas where uranium ore is discovered on the following described lands situated in the County of McKinley, State of New Mexico :

NEW MEXICO MERIDIAN, NEW MEXICO

Township fourteen North, Range ten West

Sections 1, 3, 5, 7, 21 and 23.

Township fifteen North, Range ten West

Sections 25, 27, 29, 31, 33 and 35.

Containing in the aggregate seven thousand, seven hundred sixteen and forty-eight hundredths (7,716.48) acres.

Subject to easement to Malco Pipeline Company, Inc., dated September 24, 1941, for oil pipe line across section 3, township 14 north, range 10 west, and section 27, township 15 north, range 10 west.

Subject also to oil and gas lease to J.K. Wadley, dated December 15, 1952, on lots 1, 2, 3, 4, S½N½ and SE¼ section 3, township 14 north, range 10 west.

including the right to construct and maintain thereon at the sole cost and expense of Lessee all works, buildings, plants, waterways, roads, telephone or telegraph lines or other structures necessary and desirable in the exploration, development or conduct of mining operations upon said lands.

SUBJECT to the rights of grantees, vendees and licensees of the surface of said lands under deeds, contracts of purchase or other agreements heretofore made by Lessor and to the obligations of Lessor under the provisions thereof.

SUBJECT also to all leases or agreements now outstanding for use of said lands, or any portion thereof, for agricultural, horticultural, grazing, mining or other purposes, but Lessor represents that there are no such leases or agreements valid and outstanding made by Lessor for the development and production of uranium-bearing ore and associated minerals.

SUBJECT also to the right of Lessor (which right is hereby expressly reserved) to enter into leases, permits, or other agreements with others covering said lands or any portion thereof for any purpose whatsoever not inconsistent with the rights of Lessee hereunder.

SUBJECT ALSO to all existing easements, servitudes and rights of way for canals, ditches, levees, roads, highways, telegraph, telephone and electric power lines, railroads, pipe lines and any other purposes, to any public roads heretofore laid out or established, and to rights of way for ditches and canals which may be constructed under authority of the United States.

Lessee accepts this lease subject to and agrees to comply with the provisions of that certain Purchase Agreement between Anaconda Copper Mining Company and Santa Fe Pacific Railroad Company, dated July 14, 1952, which gives Anaconda the first right to purchase any limestone gangue, low-vanadium ores produced by Santa Fe.

It is understood that the Lessee is hereby granted the right to mine only within the exterior boundaries, extended vertically downward, of the land hereby leased.

2. Lessee agrees on or before the expiration of the first twelve (12) months period above mentioned to surrender to Lessor by an appropriate instrument, in writing, all of the land described above on which uranium ore has not been discovered, retaining only such lands as appear to contain uranium-bearing ore in commercial quantities. Lessee further agrees the retained lands shall be divided into units, to be designated by Lessee, of not to exceed six hundred and forty (640) acres each, conforming as nearly as possible to legal subdivisions, and that all of the terms and covenants of this lease shall separately apply to each such unit as fully as if covered by a separate lease.

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3. Lessee agrees to enter into and upon the said premises within sixty (60) days from the date hereof and to work and operate on the leased premises steadily and continuously during the period of this lease in accordance with approved methods so as to discover, mine and remove the greatest amount of uranium-bearing ore possible in a manner proper and necessary to good and economical mining with due regard to the development and preservation of the said premises as mining ground. Lessee further agrees that all work done in and upon said premises and property shall be done in full compliance with the mining laws and regulations of the State, the United States and any other competent public authority.

4. Lessor reserves the right through its agents or representatives to enter from time to time into and upon all parts of said premises and workings thereon for the purpose of inspection, surveys, or taking samples therefrom, and Lessee agrees to render said agents or representatives proper assistance in making said inspection, surveys or examinations. Lessee shall furnish quarterly reports to the Lessor, including maps, showing all exploration data and all of the mining and exploration work done, or in progress, upon the property, together with assays of the ore encountered, during the preceding quarter.

5. On all ores mined or removed from demised premises for the purpose of milling, treatment, stockpiling, sale, or other disposition, Lessee shall pay to the Lessor a percentage royalty of the mined value per dry ton as set forth in the following schedules:

(a) Lessee shall pay Lessor on all underground ore mined from the demised premises through shaft or tunnel on the following royalty schedule:

Percentage Royalty Schedule

Mine Value per Dry Ton	Royalty Percentage of Mine Value per Dry Ton
$ 0.01 to $10.01	10%
$10.01 to $20.01	11%
$20.01 to $30.01	12%
$30.01 to $40.01	13%
$40.01 to $50.01	14%
$50.01 or more	15%

(b) Lessee shall pay Lessor on all open pit ore

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mined by surface mining methods on the following royalty schedule:

Percentage Royalty Schedule

Mine Value per Dry Ton	Royalty Percentage of Mine Value per Dry Ton
$ 0.01 to 10.01	10%
$10.01 to 20.01	14%
$20.01 to 30.01	18%
$30.01 to 40.01	22%
$40.01 to 50.01	26%
$50.01 or more	30%

"MINE VALUE PER DRY TON," wherever used herein, is hereby defined as the dollar value per dry ton of crude ores at the mine as determined by the application to the valuable metal content of such ore of the price schedules for such ores established and currently in effect by the Atomic Energy Commission or other government authorized agencies, but excluding any allowance for transportation or development, and all mine production bonuses. However, if the Government at any time hereafter does not establish or have in effect a price schedule for the purchase of such ores on a fixed or scheduled dollar value per dry ton of crude ores at the mine, or said ores contain salable minerals, some, or all, of which are disposed of to a custom treatment plant or smelter for treatment and sale, then mine value per dry ton shall be the gross value per dry ton of said crude ores paid therefor by the Atomic Energy Commission, or other Government authorized agency, or by a mill or other buyer less any allowances or reimbursements for the following specific items:

(1) Transportation of ores.

(2) Allowances paid to Lessee by the Atomic Energy Commission or other Government authorized agency for exploration for or development of ores.

Wherever minerals or other products associated with uranium-bearing ore are recovered from the ores which are not included in determining "mine value per dry ton" as heretofore defined, there shall be paid by Lessee to the Lessor for such minerals or other products, a royalty of ten per cent (10%) of the gross value of such products, less milling cost charged to Lessee thereon.

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All royalty payments to be made by Lessee to Lessor shall be made on or before the twentieth day of the month next following receipt by Lessee of payments for the products sold or disposed of.

Lessee shall keep accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed and the gross receipts derived therefrom, together with any bonus or other payments, and furnish to Lessor sworn monthly reports thereon not later than the twentieth day of the succeeding month.

6. In addition to the payments hereinabove mentioned, Lessee shall pay Lessor as rental for the leased premises upon the execution of this lease the sum of One Dollar ($1.00) per acre and thereafter One Dollar ($1.00) per acre a year for each year this lease may be in effect, to be paid annually in advance; provided, however, that beginning with the second year and each year thereafter the rental so paid for any one year shall be credited on the royalty due to Lessor for that year.

7. Lessee shall not subject Lessor or the leased premises to any liability or lien for or on account of any work done or improvements made or materials placed on or used upon said premises, and if by reason of the failure of Lessee to pay bills or expenses incurred by Lessee any lien or liens shall be filed against the leased premises, Lessor may forthwith pay and discharge the same and hold Lessee bound to repay to Lessor all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, and Lessor may also at its election declare a forfeiture of this lease. Lessee agrees to post forthwith and keep posted on said property in all places required by law, a notice of nonliability of the Lessor for labor or materials furnished the Lessee, and the Lessor agrees to furnish such notices.

8. Lessee shall file returns with the proper taxing authorities covering the mineral estate hereby leased, the uranium-bearing ore or other minerals produced from the leased premises, and all personal property which may be placed upon said premises by Lessee; and shall pay, before the same shall become delinquent, all taxes, charges, rates and assessments which may, during the term of this lease, be levied upon or assessed in any respect upon or against said mineral estate, ore, mineral products or personal property, together with all increases in such charges, rates or assessments upon the land, by reason of the discovery or production of such minerals or on account of

improvements erected upon said land, including buildings, machinery and other fixtures placed thereon by Lessee. Where any such taxes, charges, rates or assessments may be embraced in the general amount of taxes charged upon the leased premises, separately or in conjunction with other property of the Lessor or of the surface owner, and the Lessor shall pay such taxes or refund the same to the surface owner, then Lessee shall promptly repay or refund to Lessor the amount or part of the tax, charge, rate or assessment attributable under this lease to Lessee. All such payments by Lessor on account of Lessee shall bear interest at the rate of eight per cent (8%) per annum until paid.

9. Lessee shall save harmless and indemnify Lessor against all claims, demands, suits, judgments, expenses and costs of any and every kind on account of the injury to or death of persons or loss of or damage to property arising in any manner out of or in connection with the operations of Lessee hereunder and Lessee shall at Lessee's sole cost and expense defend all such claims, demands or suits; and if at any time Lessee employs any person or persons to work upon the leased premises, Lessee shall comply with the provisions of the Workmen's Compensation Act of New Mexico and all regulations and requirements of competent public authority.

10. At the expiration of this lease, or upon its earlier termination as herein provided, Lessee shall surrender the leased premises in good order and condition and remove therefrom all machinery, tools, and improvements, except such as may become the property of the Lessor under this lease by purchase or otherwise; provided, however, that no such tools, machinery, or improvements shall be removed while Lessee may be in any manner indebted to Lessor under any obligation incurred under this lease. Lessee shall not, however, remove any timbers or improvements which may be necessary or desirable to leave in the workings to protect same from subsidence or as a mining property unless requested by Lessor to do so.

11. Any notice to be given by Lessor to Lessee hereunder shall be deemed to be properly served if the same be deposited in a United States post office, registered mail postpaid, return receipt requested, addressed to Victor Salazar, 324 Simms Building, Albuquerque, New Mexico, and any notice to be given by Lessee to Lessor hereunder shall be deemed to be properly served if the same be deposited in a United States post office, registered mail postpaid, return receipt requested, addressed to Lessor at 314 First Street SW, Albuquerque, New Mexico, or at such other address as Lessor may request.

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12. Lessor does not warrant the quiet possession of said lands by the Lessee and Lessor shall in no event become liable for damage arising from any lack or failure of title in the Lessor to said lands or eviction of the Lessee therefrom by title paramount to the title of the Lessor. The Lessor covenants, however, and warrants that it has made no agreement on its part in reference to said lands, or any conveyance thereof which will give to third parties right to interfere in any way with the operations of the Lessee under this lease.

Lessor has, however, sold and conveyed all of said lands by deed, in which it has expressly reserved and excepted all oil, gas, coal and minerals whatsoever, already found or which may be found upon or under said lands, with the right to prospect for, mine and remove the same, and to use so much of the surface of said lands as shall be necessary and convenient for shafts, wells, tanks, pipe lines, rights of way, railroad tracks, storage purposes and other and different structures and purposes necessary and convenient for the digging, drilling, and working of any mines or wells which may be operated on said lands. Lessee accepts this lease and agreement subject to the terms and provisions of said deed reservation.

Lessee agrees (a) to pay all damages to the surface owner's buildings and growing crops caused by the erection or construction of facilities to be used in connection with mining operations; (b) that all pipe lines shall be buried below plow depth where such lines cross cultivated lands; and (c) that where there are fences, to construct gates or cattle guards therein where necessary for Lessee to cross the same, and to keep such gates and cattle guards in repair and the gates closed.

Lessee will also indemnify and save Lessor harmless from any and all claims or of liability to the owner or owners of the surface of the land leased by reason of the failure of Lessee to perform the requirements mentioned in clauses (a), (b) and (c) hereof.

Any amounts which Lessor shall be required to pay to any such surface owner or owners by reason of the failure of the Lessee to perform such obligations shall be refunded by Lessee to Lessor within thirty (30) days after demand therefor, and upon failure to make such payment within said time, all amounts so due shall become a lien upon all property of the Lessee upon said premises and all of the Lessee's interest in any uranium ore produced therefrom and the proceeds thereof.

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13. No termination of this lease, whether by lapse of time or otherwise, shall release Lessee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions, or events happening prior to the date of such termination.

14. Lessee shall not assign this lease or any interest therein nor sublet any portion of the leased premises except with the written consent of Lessor first had and obtained in each instance.

15. Lessor agrees that if during the term of this lease Lessee has found and is, at the expiration hereof, producing uranium-bearing ore in commercial quantities from the demised premises, Lessor will, upon written request from Lessee, made prior to the expiration date hereof, renew this lease for an additional three-year period, upon the same terms and conditions, including the right to like and successive renewals thereafter, upon the same conditions, subject always during any such extended period to termination whenever uranium-bearing ore in commercial quantities shall cease to be produced for sixty (60) consecutive days; provided, however, that in all instances in which Lessee is required to perform any particular act or to begin or to carry on any operation, except payment of rentals or other money due Lessor, any delay on account of floods, washouts, strikes, lockouts, the elements, acts of God or the public enemy, or other causes beyond Lessee's control, shall not be computed as any part of the time within which any such act shall be begun or performed. Lessor shall be under no obligation to renew this lease at any time or times if Lessee shall then be in default hereunder, or if this lease has been previously terminated by reason of any such default.

16. Lessee may, at any time, surrender any unit of the leased premises to the Lessor by an appropriate instrument, in writing, duly executed and acknowledged so as to entitle the same to be recorded, and thereupon all rights and obligations of the parties hereto, one to the other, shall cease and determine as to the premises thereby surrendered, provided, however, the Lessee shall have first paid all rentals, taxes or royalties due and shall have performed all obligations of the Lessee hereunder.

17. If Lessor at any time believes that Lessee is in default under the terms and provisions of this lease, it shall notify Lessee in writing of the particular default claimed, and if such default shall not be cured within thirty (30) days after the giving of such notice, Lessor may terminate this lease by written notice to Lessee. In

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the event Lessee shall fail to make any payment of rentals or royalties or other fixed amounts when due, Lessor may terminate this lease upon ten (10) days' written notice to Lessee and Lessee's failure to pay the full amount due within that time.

18. All of the covenants and agreements of this lease shall extend to and be binding upon and every benefit hereof shall inure to the heirs, executors, administrators, successors or assigns of the parties hereto, as the case may be.

IN WITNESS WHEREOF, this lease and agreement has been executed by the parties thereunto duly authorized the day and year first above written.

SANTA FE PACIFIC RAILROAD COMPANY

by /s/ R.G. Ryder
Vice-President

LESSOR

ATTEST:

/s/ R.D. Brown
Assistant-Secretary
(SEAL)

/s/ Victor Salazar

LESSEE

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SANTA FE PACIFIC RAILROAD Co.
LEASE No. 9451

Lease No. 9451

URANIUM MINING LEASE AND AGREEMENT

THIS INDENTURE, entered into in duplicate this tenth day of May, 1955, by and between SANTA FE RAILROAD COMPANY, a corporation created by Act of Congress approved March 3, 1897, with its principal offices in Albuquerque, New Mexico, first party, hereinafter called the "Lessor", and

RICHARD D. BOKUM, II
of Santa Fe, New Mexico,

second party, hereinafter, whether one or more, called the "Lessee".

WITNESSETH, that the parties hereto, for the considerations hereinafter expressed, covenant and agree as follows:

1. Lessor, upon the terms and conditions and subject to the reservations hereinafter set forth, hereby grants to Lessee the exclusive right and privilege for a period of twelve (12) months, beginning with the date hereof, to search and explore for uranium-bearing ore by methods used and recognized in the industry and, thereafter for a period of five (5) years, to conduct mining operations on areas where uranium ore is discovered on the following described lands situated in the County of McKinley, State of New Mexico :

NEW MEXICO MERIDIAN, NEW MEXICO

Township fourteen North, Range ten West

Sections 9, 13, 15, 17 and 25, containing three thousand two hundred and no hundredths (3,200.00) acres.

Subject to easement to Malco Pipeline Company, Inc., dated September 24, 1941, for oil pipe line across sections 9 and 17.

Subject also to oil and gas lease to J.K. Wadley, dated November 1, 1952, on N½ and SE¼ section 13 and N½ and SE¼ section 15.

Subject also to oil and gas lease to J.K. Wadley, dated December 15, 1952, on N½ and SE¼ section 9.

including the right to construct and maintain thereon at the sole cost and expense of Lessee all works, buildings, plants, waterways, roads, telegraph and telephone lines or other

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structures necessary and desirable in the exploration, development or conduct of mining operations upon said lands.

SUBJECT to the rights of grantees, vendees and licensees of the surface of said lands under deeds, contracts of purchase or other agreements heretofore made by Lessor and to the obligations of Lessor under the provisions thereof.

SUBJECT ALSO to all leases or agreements now outstanding for use of said lands, or any portion thereof, for agricultural, horticultural, grazing, mining or other purposes, but Lessor represents that there are no such leases or agreements valid and outstanding made by Lessor for the development and production of uranium-bearing ore and associated minerals.

SUBJECT ALSO to the right of Lessor (which right is hereby expressly reserved) to enter into leases, permits, or other agreements with others covering said lands or any portion thereof for any purpose whatsoever not inconsistent with the rights of Lessee hereunder.

SUBJECT ALSO to all existing easements, servitudes and rights of way for canals, ditches, levees, roads, highways, telegraph, telephone and electric power lines, railroads, pipe lines and any other purposes, to any public roads heretofore laid out or established, and to rights of way for ditches and canals which may be constructed under authority of the United States.

Lessee accepts this lease subject to and agrees to comply with the provisions of that certain purchase agreement between Anaconda Copper Mining Company and Santa Fe Pacific Railroad Company, dated July 14, 1952, which gives Anaconda the first right to purchase any limestone gangue, low-vanadium ores produced by Santa Fe.

It is understood that the Lessee is hereby granted the right to mine only within the exterior boundaries, extended vertically downward, of the land hereby leased.

2. Lessee agrees on or before the exploration of the first twelve (12) months period above mentioned to surrender to Lessor by an appropriate instrument, in writing, all of the land described above on which uranium ore has not been discovered, retaining only such lands as appear to contain uranium-bearing ore in commercial quantities. Lessee further agrees the retained lands shall be divided into units, to be designated by Lessee, of not to exceed six hundred and forty (640) acres each, conforming as nearly as possible to legal subdivisions, and that all of the terms and covenants of this lease shall separately apply to each such unit as fully as if covered by a separate lease.

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3. Lessee agrees to enter into and upon the said premises within sixty (60) days from the date hereof and to work and operate on the leased premises steadily and continuously during the period of this lease in accordance with approved methods so as to discover, mine and remove the greatest amount of uranium-bearing ore possible in a manner proper and necessary to good and economical mining with due regard to the development and preservation of the said premises as mining ground. Lessee further agrees that all work done in and upon said premises and property shall be done in full compliance with the mining laws and regulations of the State, the United States and any other competent public authority.

4. Lessor reserves the right through its agents or representatives to enter from time to time into and upon all parts of said premises and workings thereon for the purpose of inspection, surveys, or taking samples therefrom, and Lessee agrees to render said agents or representatives proper assistance in making said inspection, surveys or examinations. Lessee shall furnish quarterly reports to the Lessor, including maps, showing all exploration data and all of the mining and exploration work done, or in progress, upon the property, together with assays of the ore encountered, during the preceding quarter.

5. On all ores mined or removed from demised premises for the purpose of milling, treatment, stockpiling, sale or other disposition, Lessee shall pay to the Lessor a percentage royalty of the mined value per dry ton as set forth in the following schedules:

(a) Lessee shall pay Lessor on all underground ore mined from the demised premises through shaft or tunnel on the following royalty schedule:

Percentage Royalty Schedule

Mine Value Per Dry Ton	Royalty Percentage of Mine Value Per Dry Ton
$ 0.01 to $10.01	10%
$10.01 to $20.01	11%
$20.01 to $30.01	12%
$30.01 to $40.01	13%
$40.01 to $50.01	14%
$50.01 or more	15%

(b) Lessee shall pay Lessor on all open pit ore

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mined by surface mining methods on the following royalty schedule:

Percentage Royalty Schedule

Mine Value Per Dry Ton	Royalty Percentage of Mine Value Per Dry Ton
$ 0.01 to $10.01	10%
$10.01 to $20.01	14%
$20.01 to $30.01	18%
$30.01 to $40.01	22%
$40.01 to $50.01	26%
$50.01 ore more	30%

"MINE VALUE PER DRY TON", wherever used herein, is hereby defined as the dollar value per dry ton of crude ores at the mine as determined by the application to the valuable metal content of such ore of the price schedules for such ores established and currently in effect by the Atomic Energy Commission or other government authorized agencies, but excluding any allowance for transportation or development, and all mine production bonuses. However, if the Government at any time hereafter does not establish or have in effect a price schedule for the purchase of such ores on a fixed or scheduled dollar value per dry ton of crude ores at the mine, or said ores contain salable minerals, some, or all, of which are disposed of to a custom treatment plant or smelter for treatment and sale, then mine value per dry ton shall be the gross value per dry ton of said crude ores paid therefor by the Atomic Energy Commission, or other Government authorized agency, or by a mill or other buyer less any allowances or reimbursements for the following specific items:

(1) Transportation of ores.

(2) Allowances paid to Lessee by the Atomic Energy Commission or other Government authorized agency for exploration for or development of ores.

Wherever minerals or other products associated with uranium-bearing ore are recovered from the ores which are not included in determining "Mine value per dry ton" as heretofore defined, there shall be paid by Lessee to the Lessor for such minerals or other products, a royalty of ten per cent (10%) of the gross value of such products, less milling cost charged to Lessee thereon.

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All royalty payments to be made by Lessee to Lessor shall be made on or before the twentieth day of the month next following receipt by Lessee of payments for the products sold or disposed of.

Lessee shall keep accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed and the gross receipts derived therefrom, together with any bonus or other payments, and furnish to Lessor sworn monthly reports thereon not later than the twentieth day of the succeeding month.

6. In addition to the payments hereinabove mentioned, Lessee shall pay Lessor as rental for the leased premises upon the execution of this lease the sum of One Dollar ($1.00) per acre and thereafter One Dollar ($1.00) per acre a year for each year this lease may be in effect, to be paid annually in advance; provided, however, that beginning with the second year and each year thereafter the rental so paid for any one year shall be credited on the royalty due to Lessor for that year.

7. Lessee shall not subject Lessor or the leased premises to any liability or lien for or on account of any work done or improvements made or materials placed on or used upon said premises, and if by reason of the failure of Lessee to pay bills or expenses incurred by Lessee any lien or liens shall be filed against the leased premises, Lessor may forthwith pay and discharge the same and hold Lessee bound to repay to Lessor all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, and Lessor may also at its election declare a forfeiture of this lease. Lessee agrees to post forthwith and keep posted on said property in all places required by law, a notice of nonliability of the Lessor for Labor or materials furnished the Lessee, and the Lessor agrees to furnish such notices.

8. Lessee shall file returns with the proper taxing authorities covering the mineral estate hereby leased, the uranium-bearing ore or other minerals produced from the leased premises, and all personal property which may be placed upon said premises by Lessee; and shall pay, before the same shall become delinquent, all taxes, charges, rates, and assessments which may, during the term of this lease, be levied upon or assessed inany respect upon or against said mineral estate, ore, mineral products or personal property, together with all increases in such charges, rates or assessments upon the land, by reason of the discovery or production of such minerals or on account of

improvements erected upon said land, including buildings, machinery and other fixtures placed thereon by Lessee. Where any such taxes, charges, rates or assessments may be embraced in the general amount of taxes charged upon the leased premises, separately or in conjunction with other property of the Lessor or of the surface owner, and the Lessor shall pay such taxes or refund the same to the surface owner, then Lessee shall promptly repay or refund to Lessor the amount or part of the tax, charge, rate or assessment attributable under this lease to Lessee. All such payments by Lessor on account of Lessee shall bear interest at the rate of eight per cent (8%) per annum until paid.

9. Lessee shall save harmless and indemnify Lessor against all claims, demands, suits, judgments, expenses and costs of any and every kind on account of the injury to or death of persons or loss of or damage to property arising in any manner out of or in connection with the operations of Lessee hereunder and Lessee shall at Lessee's sole cost and expense defend all such claims, demands or suits; and if at any time Lessee employs any person or persons to work upon the leased premises, Lessee shall comply with the provisions of the Workmen's Compensation Act of New Mexico and all regulations and requirements of competent public authority.

10. At the expiration of this lease, or upon its earlier termination as herein provided, Lessee shall surrender the leased premises in good order and condition and remove therefrom all machinery, tools, and improvements, except such as may become the property of the Lessor under this lease by purchase or otherwise; provided, however, that no such tools, machinery, or improvements shall be removed while Lessee may be in any manner indebted to Lessor under any obligation incurred under this lease. Lessee shall not, however, remove any timbers or improvements which may be necessary or desirable to leave in the workings to protect same from subsidence or as a mining property unless requested by Lessor to do so.

11. Any notice to be given by Lessor to Lessee hereunder shall be deemed to be properly served if the same be deposited in a United States post office, registered mail postpaid, return receipt requested, addressed to Richard D. Bokum, II, P.O. Box 23, Santa Fe, New Mexico, and any notice to be given by Lessee to Lessor hereunder shall be deemed to be properly served if the same be deposited in a United States post office, registered mail postpaid, return receipt requested, addressed to Lessor at 314 First Street SW, Albuquerque, New Mexico, or at such other address as Lessor may request.

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12. Lessor does not warrant the quiet possession of said lands by the Lessee and Lessor shall in no event become liable for damage arising from any lack or failure of title in the Lessor to said lands or eviction of the Lessee therefrom by title paramount to the title of the Lessor. The Lessor covenants, however, and warrants that it has made no agreement on its part in reference to said lands, or any conveyance thereof which will give to third parties right to interfere in any way with the operations of the Lessee under this lease.

Lessor has, however, sold and conveyed all of said lands by deed, in which it has expressly reserved and excepted all oil, gas, coal and minerals whatsoever, already found or which may be found upon or under said lands, with the right to prospect for, mine and remove the same, and to use so much of the surface of said lands as shall be necessary and convenient for shafts, wells, tanks, pipe lines, rights of way, railroad tracks, storage purposes and other and different structures and purposes necessary and convenient for the digging, drilling, and working of any mines or wells which may be operated on said lands. Lessee accepts this lease and agreement subject to the terms of provisions of said deed reservation.

Lessee agrees (a) to pay all damages to the surface owner's buildings and growing crops caused by the erection or construction of facilities to be used in connection with mining operations; (b) that all pipe lines shall be buried below plow depth where such lines cross cultivated lands; and (c) that where there are fences, to construct gates or cattle guards therein where necessary for Lessee to cross the same, and to keep such gates and cattle guards in repair and the gates closed.

Lessee will also indemnify and save Lessor harmless from any and all claims of or liability to the owner or owners of the surface of the land leased by reason of the failure of Lessee to perform the requirements mentioned in clauses (a), (b) and (c) hereof.

Any amounts which Lessor shall be required to pay to any such surface owner or owners by reason of the failure of the Lessee to perform such obligations shall be refunded by Lessee to Lessor within thirty (30) days after demand therefor, and upon failure to make such payment within said time, all amounts so due shall become a lien upon all property of the Lessee upon said premises and all of the Lessee's interest in any uranium ore produced therefrom and the proceeds thereof.

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13. No termination of this lease, whether by lapse of time or otherwise, shall release Lessee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions, or events happening prior to the date of such termination.

14. Lessee shall not assign this lease or any interest therein nor sublet any portion of the leased premises except with the written consent of Lessor first had and obtained in each instance.

15. Lessor agrees that if during the term of this lease Lessee has found and is, at the expiration hereof, producing uranium-bearing ore in commercial quantities from the demised premises, Lessor will, upon written request from Lessee, made prior to the expiration date hereof, renew this lease for an additional three-year period, upon the same terms and conditions, including the right to like and successive renewals thereafter, upon the same conditions, subject always during any such extended period to termination whenever uranium-bearing ore in commercial quantities shall cease to be produced for sixty (60) consecutive days; provided, however, that in all instances in which Lessee is required to perform any particular act or to begin or to carry on any operation, except payment of rentals or other money due Lessor, any delay on account of floods, washouts, strikes, lockouts, the elements, acts of God or the public enemy, or other causes beyon Lessee's control, shall not be computed as any part of the time within which any such act shall be begun or performed. Lessor shall be under no obligation to renew this lease at any time or times if Lessee shall then be in default hereunder, or if this lease has been previously terminated by reason of any such default.

16. Lessee may, at any time, surrender any unit of the leased premises to the Lessor by an appropriate instrument, in writing, duly executed and acknowledged so as to entitle the same to be recorded, and thereupon all rights and obligations to the parties hereto, one to the other, shall cease and determine as to the premises thereby surrendered, provided, however, the Lessee shall have first paid all rentals, taxes or royalties due and shall have performed all obligations of the Lessee hereunder.

17. If Lessor at any time believes that Lessee is in default under the terms and provisions of this lease, it shall notify Lessee in writing of the particular default claimed, and if such default shall not be cured within thirty (30) days after the giving of such notice, Lessor may terminate this lease by written notice to Lessee. In

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the event Lessee shall fail to make any payment of rentals or royalties or other fixed amounts when due, Lessor may terminate this lease upon ten (10) days' written notice to Lessee and Lessee's failure to pay the full amount due within that time.

18. All of the covenants and agreements of this lease shall extend to and be binding upon and every benefit hereof shall inure to the heirs, executors, administrators, successors or assigns of the parties hereto, as the case may be.

IN WITNESS WHEREOF, this lease and agreement has been executed by the parties thereunto duly authorized the day and year first above written.

SANTA FE PACIFIC RAILROAD COMPANY

By /s/ R.S. Ryder
Vice-President

LESSOR

ATTEST:

/s/ H.D. Brown
Assistant Secretary

/s/ Richard D. Bokum II

LESSEE

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Grand Junction, Colo.

3. (d) AGREEMENT

THAT on the 12th day of May, 1955, Victor Salazar and C.J. Warren, both of Albuquerque, New Mexico, and Richard D. Bokum of Santa Fe, New Mexico, Assignors, in consideration of ninety-five thousand (95,000) shares of the common stock of Sabre Uranium Corporation, to be distributed as follows:

Richard D. Bokum	11,666 shares
Victor Salazar	41,667 shares
C.J. Warren	41,667 shares,

hereby let, grant, and assign to SABRE URANIUM CORPORATION, P.O. Box 1549, Grand Junction, Colorado, Assignee, all the mineral rights held by, or may hereafter be held at the assignors under any lease agreement with the Santa Fe Railroad on the following described lands, to-wit:

TOWNSHIP 14 NORTH:	RANGE 10 WEST
Section 1: all	Section 15: all
Section 3: all	Section 17: all
Section 5: all	Section 19: all
Section 7: all	Section 21: all
Section 9: all	Section 23: all
Section 13: all	Section 25: all

and

TOWNSHIP 15 NORTH:	RANGE 10 WEST
Section 25: all	Section 31: all
Section 27: all	Section 33: all
Section 29: all	Section 35: all

containing 11,520 acres more or less, located in the aforementioned townships, in the County of McKinley, State of New Mexico. Assignee agrees to assume payment of all royalties due Santa Fe Railroad under the lease from the Santa Fe Railroad. The assignors also hereby let, grant, and assign to SABRE URANIUM CORPORATION all the mineral rights held by, or may hereafter be held by the assignors on the following described lands, to-wit:

TOWNSHIP 16 NORTH: RANGE 11 EAST
72 mining claims known as the Dunes Group, Thunderbird Group, and Frontier Group, located in Sections 29, 30 and 31

and

TOWNSHIP 15 NORTH: RANGE 11 EAST
115 acres of fee land in Section 6,

containing 1,535 acres more or less, all located in Santa Fe County, New Mexico.

Assignors warrant that they now hold title to the above mencribed lands, and agree to defent such title should any person or party challenge or jeopardize the title to the aforementioned properties.

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3. (d) Continued.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO THE DAY AND THE YEAR FIRST ABOVE WRITTEN.

SABRE URANIUM CORPORATION

by /s/ Hugh M. Craigie
President

by /s/ W.R. Montgomery
Treasurer

by /s/ Hugh Bradford
a Director

/s/ Victor Salazar
Victor Salazar

/s/ C.J. Warren
C.J. Warren

/s/ Richard D. Bokum
Richard D. Bokum

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

On this 23 day of May, 1955, before me personally appeared Victor Salazar and C.J. Warren, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged they executed the same as their free act and deed. Witness my hand and seal on this 23 day of May, 1955.

/s/ Mary R. Dey
Notary Public

(SEAL)
My commission expires 3-31-59

Bernalillo County, New Mexico

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE)

On this 23rd day of May, 1955, before me personally appeared Richard D. Bokum, to me known to be the person described in and who executed the foregoing instrument, and acknowledged he executed the same as his free act and deed. Witness my hand and seal on this 23rd day of May, 1955.

/s/ Celine Cordilia Casador
Notary Public

(SEAL)
My commission expires June 20, 1958

Santa Fe County, New Mexico

STATE OF NEW MEXICO)
COUNTY OF BERNALLLLO)

On this 23rd day of May, 1955, before me personally appeared Hugh M. Craigie, W.R. Montgomery, and Hugh Bradford to me personally known who being by me duly sworn, did say that they are respectively the President, Treasurer, and a Director of SABRE URANIUM CORPORATION, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said

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Grand Junction, Colorado

3. (d) Continued

instrument was signed and sealed in behalf of said corporation, by authority of its board of directors, and said persons acknowledged said instrument to be the free act and deed of said corporation. Witness my hand and seal on this 23rd day of May, 1955.

/s/ Mary R. Dey, Notary Public

Bernalillo County, New Mexico

(SEAL)
My commission expires 3-31-59

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

The Grants district has become of increasing importance since the discovery of uranium in 1950 just to the south of Haystack Mountain (Sec. 19, T. 13 N., R. 10 W.). Ore has now been found in three different formations: the Dakota, the Morrison and the Todilto. Average size of the ore bodies is greater than that of those generally found in the Colorado-Utah area. During the months of April and May 1955, a major discovery was made in Sec. 11, T. 14 N., R. 10 W. by Ellis Dunn. An ore body of more than 200,000 tons was blocked out by the drilling of less than one hundred holes. The average grade is in the neighborhood of 0.35% U_3O_8 and the average width from six to eight feet at a depth of some 350 ft. below the surface. This ore is located on the north flank of a salt dome which is superimposed on the west flank of the Ambrosia anticline. Enclosed are two copies of report RME-3050, Fracture Pattern of the Zuni Uplift, by Arthur K. Gilkey. This gives details of the geology of the area and is of great assistance in understanding ore deposition in the Grants district.

Also enclosed is a report by Geoprofessional Services, Inc. on Sabre Uranium Corporation's New Mexico properties in the Grants area, prepared by A.J. Eardley, dated August, 1954. Further information on the geology of the area was obtained by consulting RMO-1031, Interim Report on the Ore Deposits of the Grants District, New Mexico, by Irving Rapaport, dated November 1952, and RMO-642, Jurassic Rocks of the Zuni Uplift, New Mexico, by Irving Rapaport, J.F. Hatfield and Richard H. Olson, dated March 1952. Since it is believed that you have available copies of these reports, they are not enclosed.

It is proposed to do exploration drilling in T. 14 N., R. 10 W., in the following sections which are now under lease to Sabre Uranium Corporation: 1, 2, 3, 13 and 15. These are in a favorable location for exploration due to their proximity to the ore discovered in Sec. 11 (see plates 1 and 2.) Plate No. 1 is a partial copy of Plate No. 18 in U.S.G.S. Bulletin No. 860 and shows the geology of the Ambrosia Lake area, which includes T. 14 N., R. 10 W. Plate No. 2 is a partial enlargement of the same map showing the geology of the sections on which it is proposed to explore.

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4. (c) Continued.

On approval of this loan application, Sabre proposes to start exploration by drilling on 500-ft. centers, as shown by plate No. 3.

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. J. EARDLEY
PRESIDENT 8-9448
F. W. CHRISTIANSEN
VICE-PRESIDENT 7-4980
N. C. WILLIAMS
VICE-PRESIDENT 87-1812
W. L. STOKES
VICE-PRESIDENT 6-5614
A. W. ROGERS
SEC.-TREAS. 84-1748
C. L. ASHTON
DIRECTOR 8-1115

GEOPROFESSIONAL SERVICES, INC.

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NEW MEXICO PROPERTIES, GRANTS AREA

Subject to option held by Sabre Uranium Corporation

RECEIVED
JUN 27 1955

The various state lands comprising the New Mexico properties subject to options held by Sabre Uranium Company lie between Grants and Gallup, McKinley County, New Mexico in one of the chief uranium-producing districts of the Colorado Plateau. In this district ore deposits are found in three formations, the Todilto limestone, the Morrison formation and the Dakota sandstone. Practically all the deposits which are being mined at present were discovered at the surface or were found by following surface indications. There are, however, many deposits which have been discovered by drilling and these are being opened up on an increasing scale. It may be reasonably assumed that deeper holes into covered ground will be increasingly necessary.

The Todilto limestone contains deposits of all sizes ranging in content from 10 to several thousand tons. The ore is unusual in the fact that it occurs in limestone where the minerals not only coat fractures and stratification planes but also impregnate the mass of the rock itself. A special mill is being created for the limestone ores which were formerly impossible to treat.

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The Morrison formation consists of three members which are in ascending order the Recapture shale member (100 to 250 feet thick), the Westwater member (150 to 300 feet) and the Brushy Basin shale (80 to 100 feet). In fact, ore seems to range throughout the entire thickness of the two higher members. The ore lies in distinct "channels" of coarser material and appears to be associated with carbonaceous material of several kinds. Most of the bodies are elongate in the direction of channel trend. No ore has been found in the Recapture Member.

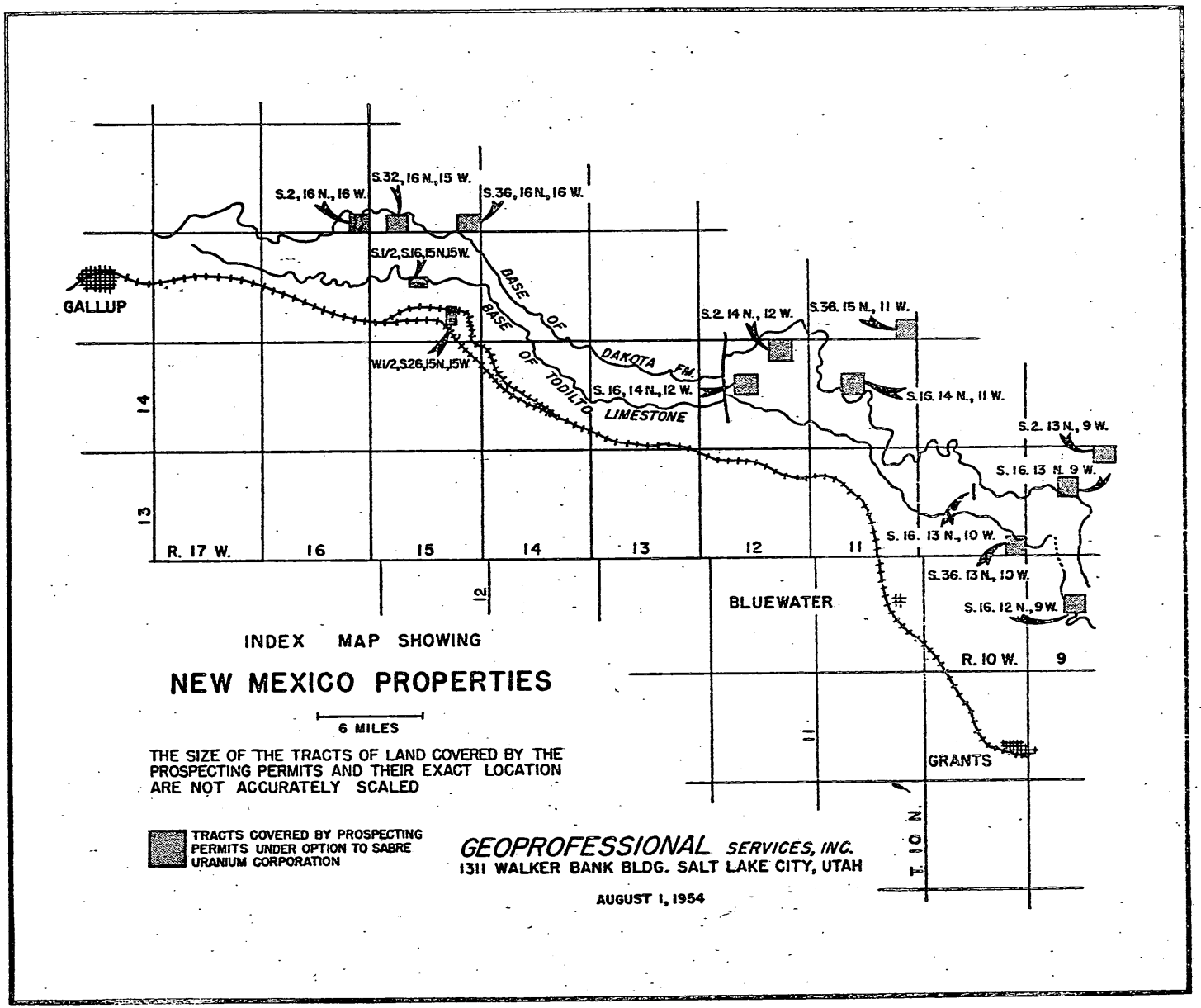
The Dakota sandstone is known to contain ore in commercial quantities only in the Grants area.

The fact that the Dakota is a persistent rim-former and is exposed over many miles of sloping territory, makes possible the drilling of exploratory holes with depths of between 200 and 500 feet which would penetrate not only the Dakota but also the favorable horizons of the Morrison. An additional 250 feet would also test the Todilto.

Sabre Uranium Corporation option covers 14 tracts of land in the area. The location, geology and potential value of these tracts are discussed below and shown on the maps.

DESCRIPTION OF INDIVIDUAL SECTIONS

Sec. 2, T. 13 N., R. 9 W.: Accessible by a poor road. The bedrock is Mancos shale. Depth to the first favorable bed, the Dakota, would average about 400 feet. The area is considered somewhat favorable. Drilling is not being done at present in the Grants area to



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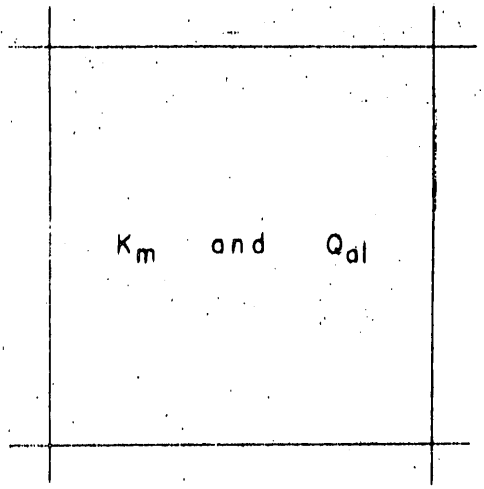
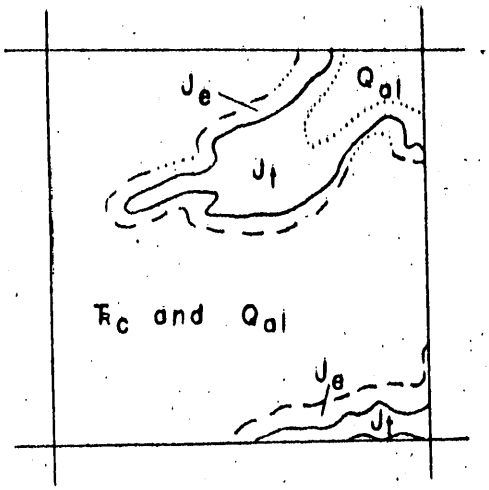
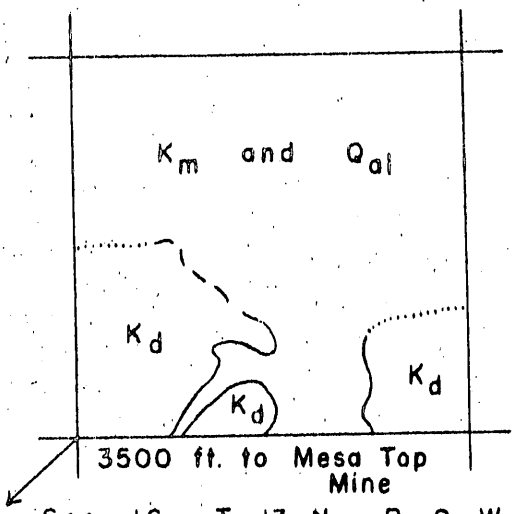


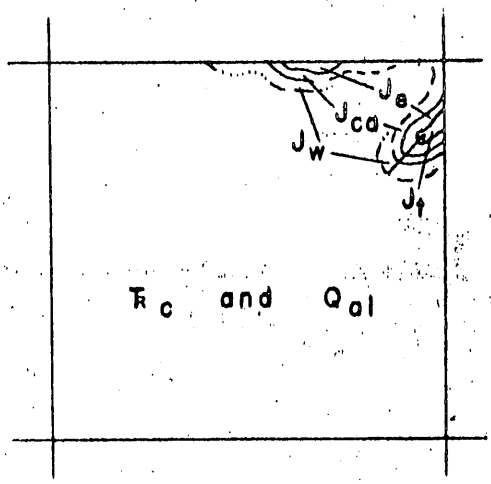
Sec. 2 T. 13 N. R. 9 W.



Sec. 16 T. 12 N. R. 9 W.



Sec. 16 T. 13 N. R. 9 W.



Sec. 36 T. 13 N. R. 10 W.

SABRE URANIUM PROPERTIES

LEGEND

Q_{al}	alluvium	
K_m	Mancos sh.	
K_d	Dakota ss.	
J_{mbb}	Brushy Basin	Morrison formation
J_{mwc}	Westwater Canyon	Morrison formation
J_{mrc}	Recapture Creek	Morrison formation
J_b	Bluff ss.	
J_t	Todilto ls.	
J_e	Entrada ss.	
J_{ca}	Carmel fm.	
J_w	Wingate ss.	
$T_{\bar{R}c}$	Chinle fm.	

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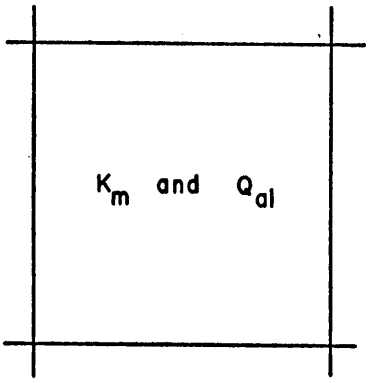
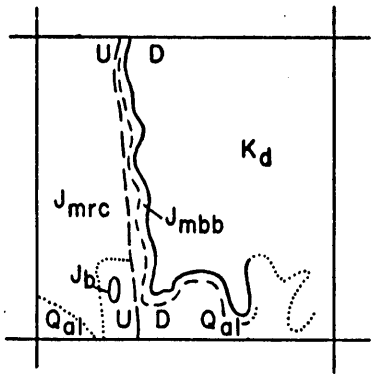
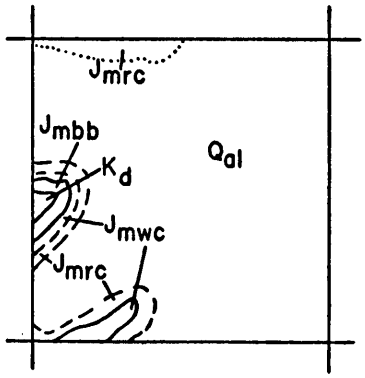


Sec. 36 T. 15 N. R. 11 W.



Sec. 16 T. 14 N. R. 11 W.



Sec. 2 T. 14 N. R. 12 W.

DETAIL MAP OF NEW MEXICO LANDS COVERED BY PROSPECTING PERMITS UNDER OPTION TO SABRE URANIUM CORPORATION

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AUGUST 1, 1954

15 copies

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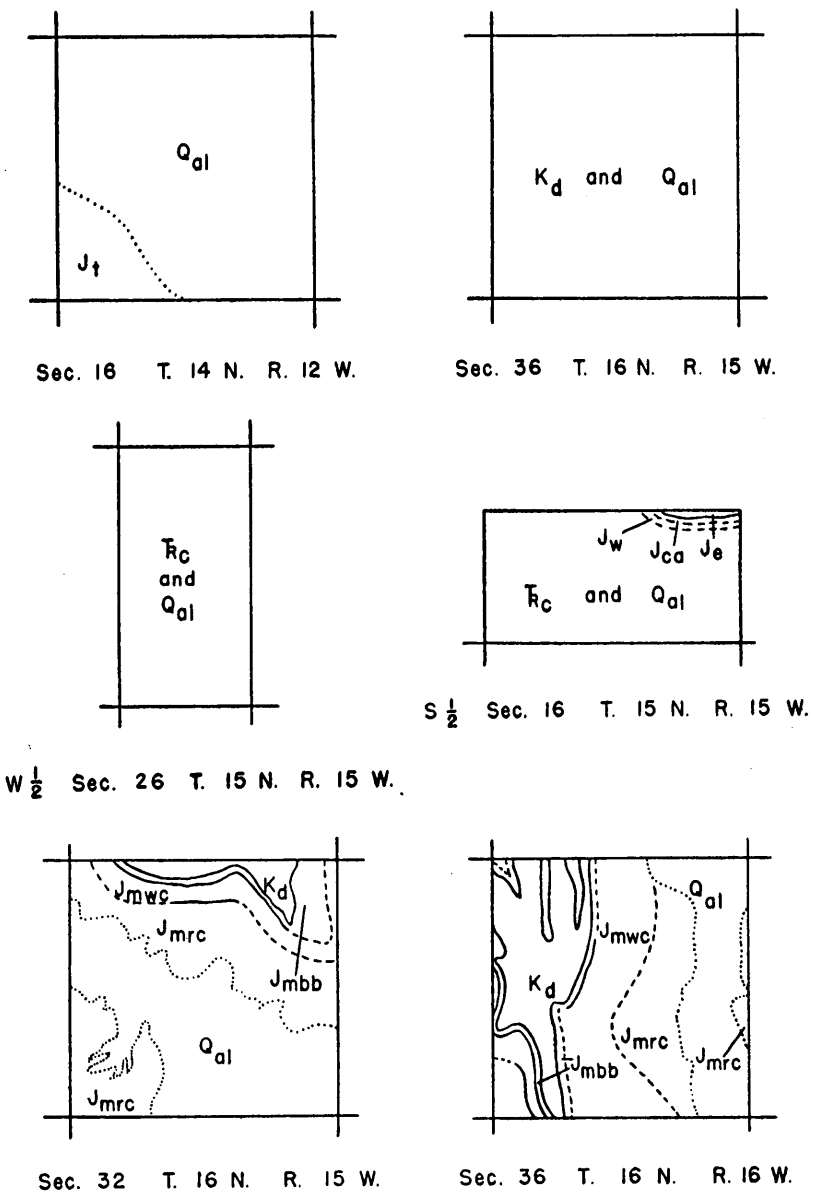

DETAIL MAP OF NEW MEXICO LANDS COVERED BY PROSPECTING PERMITS UNDER OPTION TO SABRE URANIUM CORPORATION

GEOPROFESSIONAL SERVICES, INC.
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AUGUST 1, 1954

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the depth required on this tract except on the almost certain prospects of finding ore.

Sec. 16, T. 12 N., R. 9 W.: The tract is readily accessible by road and there is little or no overburden over the ore-bearing formation. About 125 acres of Todilto limestone occurs in the northeastern part of the Section. No ore is definitely known.

Sec. 16, T. 13 N., R. 9 W.: Easily accessible by several roads. The surface rocks are Dakota and Mancos. This is the most favorable tract in the Sabre holdings. Inasmuch as depth to favorable ground ranges from 175 to 225 feet, it is within the range of commercial exploitation if ore should be found. Inasmuch as Sections 15 and 21 are not open for exploration at present, it is obvious that Section 16 is favorable not only geologically but also in other ways.

Sec. 36, T. 13 N., R. 10 W.: Easily accessible by good roads. This tract is entirely out of the favorable formations except for a small prong or perhaps one acre in the northeast corner. On this outcrop mining on the Todilto has already been done with the production of perhaps 100 tons of ore. Other ore bodies may be found by shallow drilling.

Sec. 16, T. 15 N., R. 10 W.: This is a small tract of 12 acres along the east side of the section. Although most of the tract is covered by alluvium it is estimated that about 4 acres is underlain by the Todilto. There is good prospects of uranium deposits in this portion.

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Sec. 36, T. 15 N., R. 11 W.: Accessible by a poor road. The bedrock over the area is Mancos shale. Distance to outcrops of the Dakota sandstone is about three miles. Depth to the favorable formations is estimated at about 500 feet. Drilling at this depth is not being undertaken in the area except with the practical certainty of finding ore.

Sec. 16, T. 14 N., R. 11 W.: Accessible by a fair road. The surface rocks include Dakota and Morrison and about half the section is obscured by alluvium. There is a fair chance that ore may be present in the Morrison or Dakota and the Todilto several hundred feet deeper may eventually be prospected.

Sec. 2, T. 14 N., R. 12 W.: Accessible by a good road. The tract is mainly covered by alluvium except along the west side where the upper part of the Morrison crops out. The Todilto limestone lies from 120 to 300 feet in depth and could be drilled if conditions warranted. No ore is known.

Sec. 16, T. 14 N., R. 12 W.: Accessible by a fair road. The tract is mostly covered by alluvium except for about 100 acres of Todilto limestone in the southwest corner. It is evident that the Todilto can be reached by drilling under the alluvium with holes averaging about 75 feet.

Sec. 36, T. 16 N., R. 15 W.: Accessible by fair roads. The bedrock over the entire section is Dakota sandstone but the favorable part of the Morrison lies only 200 to 300 feet below the surface. The Dakota itself would range from about 40 to 100 feet in thickness. Inasmuch as no ore is known nearer this section its potential must be considered only fair.

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W½ Sec. 26, T. 15 N., R. 15 W.: Accessible by good gravel road. The tract is surfaced by alluvium and Chinle. No ore has been found. It lies well below the formations currently producing ore.

S¼ Sec. 16, T. 15 N., R. 15 W.: Accessible by wagon roads. This section lies entirely in the upper part of the Chinle formation below the massive Wingate cliff. No ore is known to occur in the Chinle formation in the Grants district but it does contain ore in Utah and Arizona.

Sec. 34, T. 16 N., R. 15 W.: Accessible throughout by wagon trails. The surface is mostly heavily wooded and much alluvium is present. The bedrock is chiefly Recapture and there may be Bluff sandstone along the south edge. Since the younger ore-bearing formations are eroded the Todilto limestone is the only potential producer in the section. The depth to this would be on the order of 200 feet.

Sec. 36, T. 16 N., R. 16 W.: The section is accessible by a fairly good road along the west margin. Surface rocks include the Dakota, Brushy Basin, Westwater, and Recapture. There is relatively little alluvium. The rim of the Dakota and Westwater which constitute the favorable ground are well exposed and could be easily prospected. No ore is known. Prospects for hidden deposits are fair.

Submitted by,
GEOPROFESSIONAL SERVICES, INC.

A. J. Eardley

A. J. Eardley

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

These five sections are approximately 12 miles from the Bluewater mill of the Anaconda Mining Co. A pipe line road passes through Sec. 3 to the Prewitt Oil refinery. A number of ranch roads exist in the area.

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

Power lines are available at ranches within one or two miles. Labor, materials, supplies, are available in Grants. Sufficient water for drilling can be obtained from wells in the vicinity.

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5. (a) The Exploration Project. State the mineral or minerals for which you wish to explore.

The purpose of this exploration project is to find uranium (U_3O_8) in commercial quantities.

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

Plate No. 2 shows a rough location of the ore body found in Sec. 11. The proposed drilling will prospect both flanks of the Ambrosia anticline to the north of Sec. 11 (Sec. 1, 2 and 3). It will also explore both flanks of the anticline to the south of Sec. 11, as well as the southwestern flank of the salt dome (Sec. 13 and 15). Drilling in Sec. 3 will explore both sides of the Ambrosia fault, and in Sec. 15 the east side of the fault.

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

Work will start immediately on signing the exploration project contract and will be terminated within eight (8) months.

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

Hugh M. Craigie is a mining engineering graduate of the Massachusetts Institute of Technology. He has held positions with the American Smelting & Refining Co., Phelps-Dodge Co., and from November, 1933, to May, 1954, with San Francisco Mines of Mexico, Ltd. He commenced his employment with San Francisco Mines of Mexico, Ltd., as Assistant Superintendent, and later held the positions of Mine Superintendent, General Mine Superintendent, General Superintendent, and Assistant General Manager. As Assistant General Manager, Mr. Craigie was in charge of all operations in that company's lead-zinc mines in San Francisco del Oro, Chihuahua, Mexico. His duties included Supervision of exploration, acquisition of new mining properties, development, diamond drilling, mining, estimates of ore reserves, evaluation of properties, outcome of operations and computation of cost and operational data. The mine is one of the largest lead-zinc mines in Mexico, employing 3,300 persons.

Clyde E. Collins has been active in the mining business since 1921, having held such positions as: Mine Manager, Mine Superintendent and Development Engineer. From 1947 to 1951, Mr. Collins was engaged in the private practice of mining engineering and metallurgy with a laboratory in Carson City, Nevada. From 1951 to June of 1953 he was Senior Mining Engineer of the Atomic Energy Commission for the area from the Green River in Utah west to the Pacific Coast, and south to the Mexican border. From June, 1953, to the present time, he has been employed by Plateau Uranium Mining Corporation as a mining engineer.

Charles C. Green has been in the oil business since 1937. His experience includes the positions of: Assistant District Geologist for the Shell Oil Company for West Texas and New Mexico, and Chief Geologist for the Western Division of Texas Gulf Producing Co. From July, 1950, to November, 1952, Mr. Green was one of the principal owners of Cactus Drilling Corporation, a contract drilling and development company, operating principally in West Texas, New Mexico and Colorado. Since November, 1952, he has devoted his full time to independent oil operations and as a consulting geologist.

W.R. Montgomery was for many years prior to 1952 treasurer and financial officer of the Southland Life Insurance Company. Since 1952, he has been president of the Realty Trust Company, a trust and corporation finance company. In addition, he is President of Northwood Oil Company and a director of the Home Life and Accident Insurance Co., Home Services CAsualty Insurance Co. and Borne-Scrymser Oil Co.

Robert F. Thompson became Vice-President in 1945 of City Construction Company, highway and airport construction contractors. In 1951, he became Executive Vice-President and a Director of Tecon Corporation, which, in addition, to taking over the

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5. (d)

operations of City Construction Company, also engaged in the construction of bulk fuel-storage facilities, underground utilities, dams, bridges, spillway and outlet structures, and military and defense housing projects, wharves, piers, locks and water treatment plants. Mr. Thompson is also a Director of Millwood Development Co., Island Properties Company, and Texas Ideal HOmes, Inc.

Jack C. Vaughn has been actively engaged in the oil business since 1947. He is co-owner of the Spartan Drilling Co., which does business in a fifteen state area, Canada and Cuba. In addition, Mr. Vaughn is a large investor in Southwestern real estate, cattle and timber. He is a director of the Texas Bank and Trust Company, Dallas, Texas, Texas Empire Life and Accident Company, Spartan National Life Insurance Company, G.H. Vaughn Production Company, and the Dixie Drilling Company. Mr. Vaughn, who owns 6.1% of the outstanding capital stock of Plateau Uranium Mining Corp., was selected by Plateau as one of its nominees to the Board of Directors of Sabre Uranium Corp.

Roy A. Hardy is a geologist and engineer. He has held positions as General Superintendent and as General Manager of gold and silver, lead and zinc-flotation mines, mining engineer for the Reconstruction Finance Corporation, and as a consulting mining engineer in private practice. Since 1935, Mr. Hardy has been consulting engineer for Getchell Mine, Inc., a gold and tungsten mine, and, since 1940, a consulting engineer for uranium properties.

S.Y. Guthrie is a mechanical engineering graduate of Texas A. & M. College. Since 1932, he has been president of Dallas Air Conditioning Co., Inc., distributors and contractors of York Corporation air conditioning and refrigeration equipment as well as process piping contractors. Since 1946, Mr. Guthrie has been an officer and director of Coastal Equipment Co., Inc., He is also president of S.Y. Guthrie and Associates, Inc., which owns and leases commercial property. From 1950 to 1952, Mr. Guthrie was a partner of S.Y. Guthrie and Associates, predecessor of Plateau Mines, Inc., of which he was president from 1952 to 1953. Since 1953, he has been president of Plateau Uranium Mining Corporation.

Hugh Bradford has been in the investment banking business since 1947. He has been a general partner of Southwestern Securities Company since 1950. From March, 1948, to March, 1950, he was associated with Lynch, Allen & Co., investment brokers. Mr. Bradford owns 38% of the capital stock of Mountain States Securities Corporation.

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6. Estimate of Cost. Furnish a detailed estimate of the costs of the proposed work.

(a) Independent Contracts.

Drilling will be let under contract. Standard rates for dry rotary drilling in the area are:

0	-	200'	@ $0.50	= 100.00	
200	-	300'	@ $1.00	= 100.00	
300	-	400'	@ $1.50	= 150.00	$350./hole

103 - 9 = 94 holes/section x 5 = 470 holes @ 350. = $164,500.00

Coring for information as to structure will be done with the diamond drill, using BX rods , and will cost $3.50/ft. Assume 9 holes per section x 5 = 45 holes @ 400 = 18,000'

18,000' @ $3.50 = $63,000.00

A D-6 tractor, with blade, owned by company, will be available for road work and to prepare drilling sites ahead of the drills. Proposed rate per hour, with operator, $12.50.

A Joy 105 compressor, with L-47 jackhammer and jackleg, owned by company, will be available when required. Proposed rate per hour with driller - $5.00.

A Willys 1953 jeep pickup, owned by company, is available for transportation on property. Proposed rate/mile $0.15, including gas, oil, tires, repairs and depreciation.

(b) Labor, supervision, consultants.

Labor, supervision, consultants - per month :

one geologist @ $400.00, one junior geologist @ $300.00	= $700.00
one helper @ $200.00	= 200.00
one transit man @ $300.00 and helper @ $200.00 for	= 250.00
auditing and secretarial work - 25% @ $500.00	= 125.00
	$1,275.00

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6. Estimate of Cost. Continued.

(c) Operating materials and supplies.

	Per month
Repairs and replacements	$ 75.00
Engineering supplies	50.00
Food and living expenses -	
Geologists 6 meals/day	
Engineers 3 meals/day	
Tractor operator 3 meals/day	
12 meals/day @ $1.00 = 12.00 x 30 =	360.00
	$485.00

(d) Operating equipment -(owned by company)

1	D-6 Caterpillar tractor with blade	$7,975.00
1	Joy 105 compressor	1,850.00
1	L-47 Joy Jackhammer with jackleg	300.00
1	Willys 1953 jeep pickup 3/4 ton	1,975.47
1	Anderson house trailer	1,500.00

Suggested rental for house trailer - $40.00/month
Office rent - Grants - $125.00/month

(e) Rehabilitation and repairs.

Non-existent.

(f) New buildings, improvements, installations.

Not needed.

(g) Miscellaneous.

Air transportation in company Cessna 180 airplane, 10 round trips/month, Grand Junction-Grants

10 x 520 miles = 5200 x -20/mile = $1,040.00/month

or 10 x 4 hrs. = 40 hrs. @ 24.00/hr=$ 960.00/month

Miscellaneous repairs and maintenance to operating equipment will be covered by rental allowance.
Analytical work will be covered by allowance made under 6 (b).

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6. Estimate of Cost. Continued

(g) Miscellaneous - continued

Accounting - use of accountant as a consultant - 8 x 100.00	$ 800.00
Workmen's compensation :	
on $1150.00 @ 3.99 = $46.00 x 8	
on 125.00 @ .07 = .09 x 8	368.72
Employer's liability - 3% of payroll 1,275 x 8 - 10,200 x 03 =	306.00
Company's share F.I.C.A. taxes - 2% of payroll 10,200 x 02	204.00
Over 8 months - total	$1,678.72

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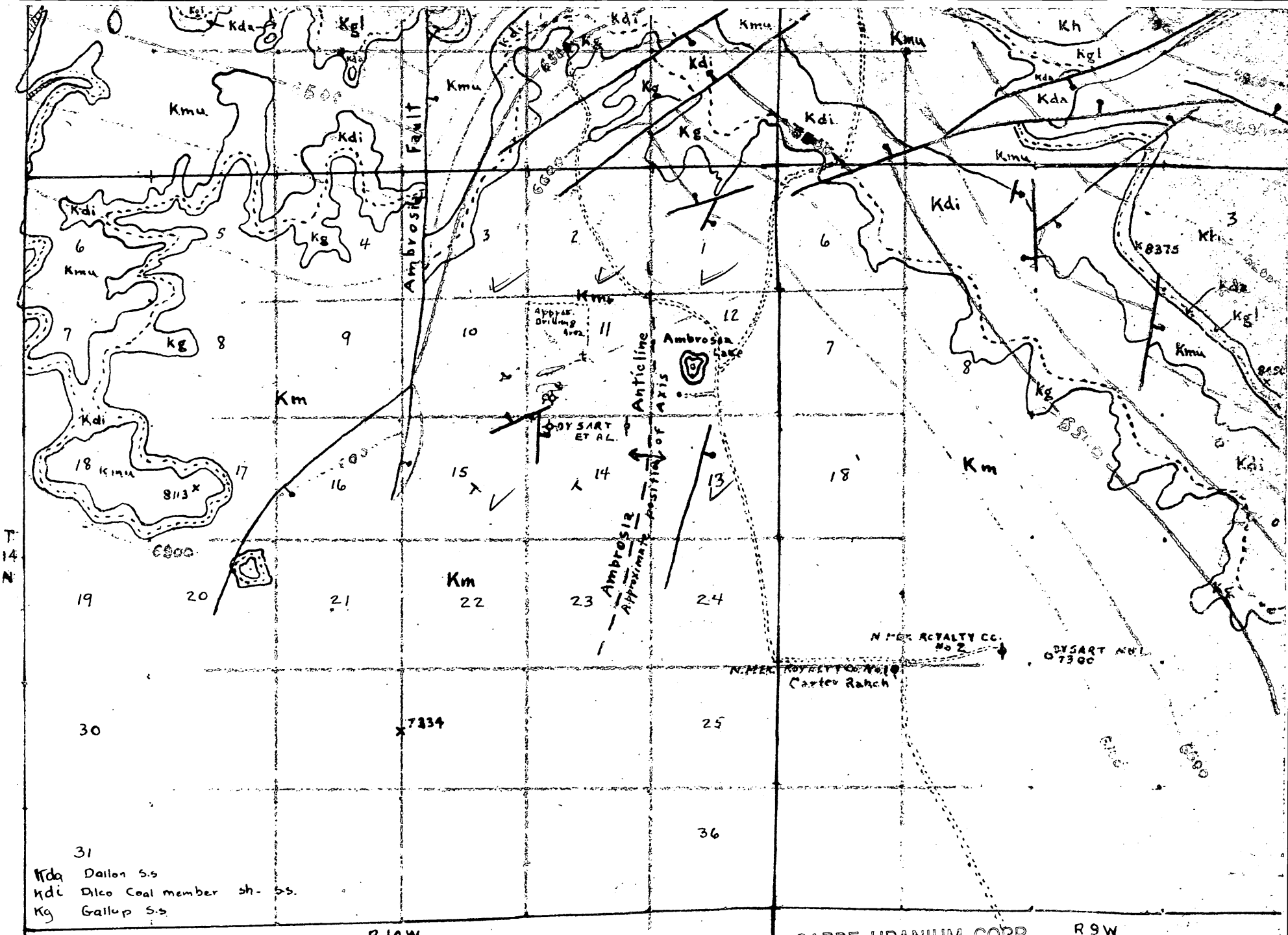
6. Estimate of Cost.

SUMMARY

(a)	Dry rotary 470 - 400' holes @ $350.00	$164,500.00
	Diamond drill - coring-18000' @ $3.50	63,000.00
	D-6 tractor-4months @ 5 hrs. daily, 20 days/month = 400 hrs. @ $12.50	5,000.00
	Compressor and rock drill 50 hrs. @ $5.00	250.00
	Jeep transportation @ 0.15/mile 8 months @ 30 miles/day 8x30x30 = 7200 7200 miles @ $0.15 =	1,080.00
(b)	Labor, supervision and consultants - $1275.00/month x 8 =	10,200.00
(c)	Operating materials and supplies $485.00 x 8 =	3,880.00
(d)	House and office rent - $165.00 x 8	1,320.00
(g)	Air transport $1000.00 x 8	8,000.00
	Accounting, workmen's compensation, FICA taxes	1,678.72
		$258,908.72
(h)	Contingencies - 10% of above	25,890.00
		$284,798.72


Kda
Kgl
Kmu
Kdi
Kg
Kh
Km
Ambrosia Fault
Ambrosia Anticline
Approx. Drilling Area
Ambrosia Lake
DYSART ET AL.
Ambrosia Approximate position of axis
N. MEX. ROYALTY CO. No 2
N. MEX. ROYALTY CO. No 1
Carter Ranch
DYSART ET AL.
8113
7334
8375
6500
6000
T 14 N
R 10 W
R 9 W
Kda Dalton S.S
Kdi Dilco Coal member sh- S.S.
Kg Gallup S.S
KM- Mancos Shale
Kmu - Marine shale tongue of the Mancos
Kd Dakota S.S
Scale 1" = 1mile
May 17, 1955
S. J.
SABRE URANIUM CORP.
P. O. Box 1549
Grand Junction, Colo.
Plate #1

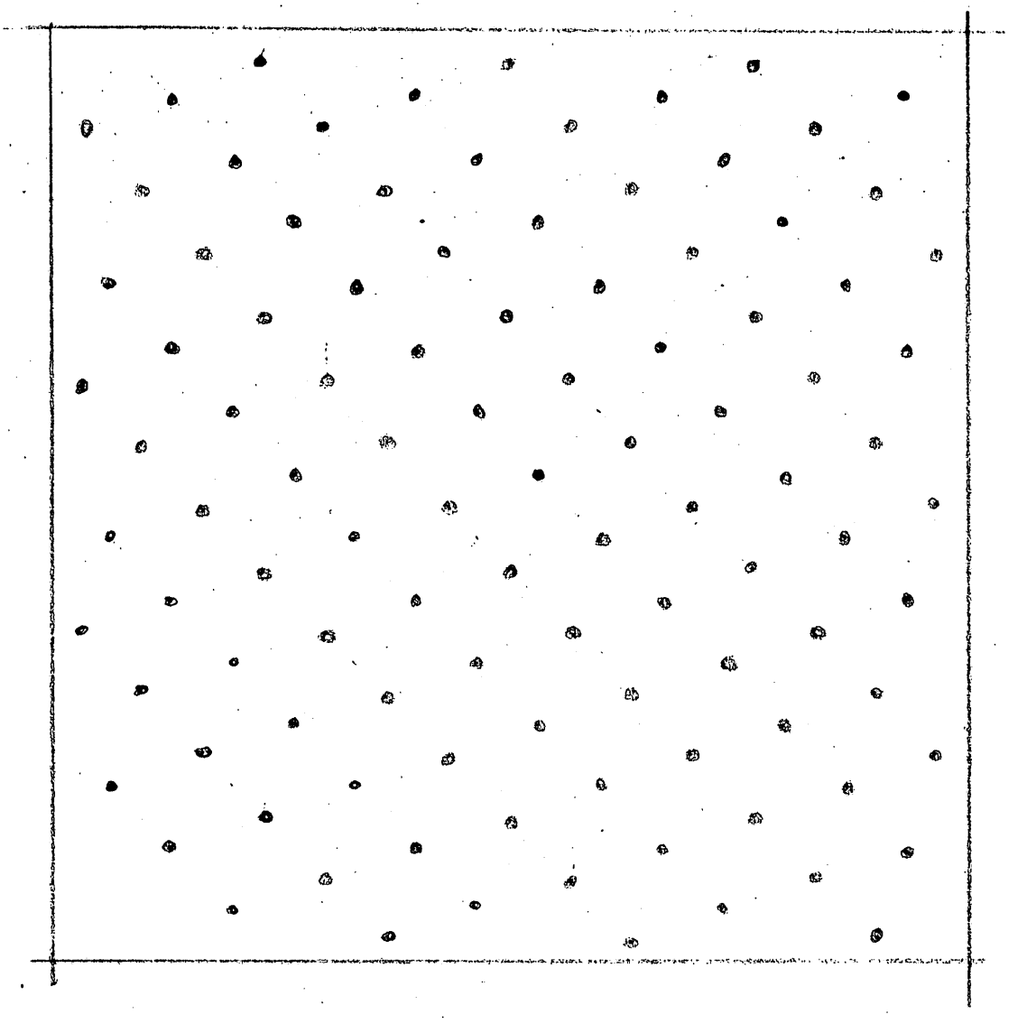
RECEIVED
JUN 27 1955

SABRE URANIUM CORP

Proposed Drilling Pattern - T 14 N R 10 W

McKinley County New Mexico

Sec 1, 2, 3, 15. For sec. 13 reverse the sketch.



N

Scale

1" = 1000'

500' spacing -

103 holes - ave. depth 400' = 41200'

200' @ 50¢ = $100.00

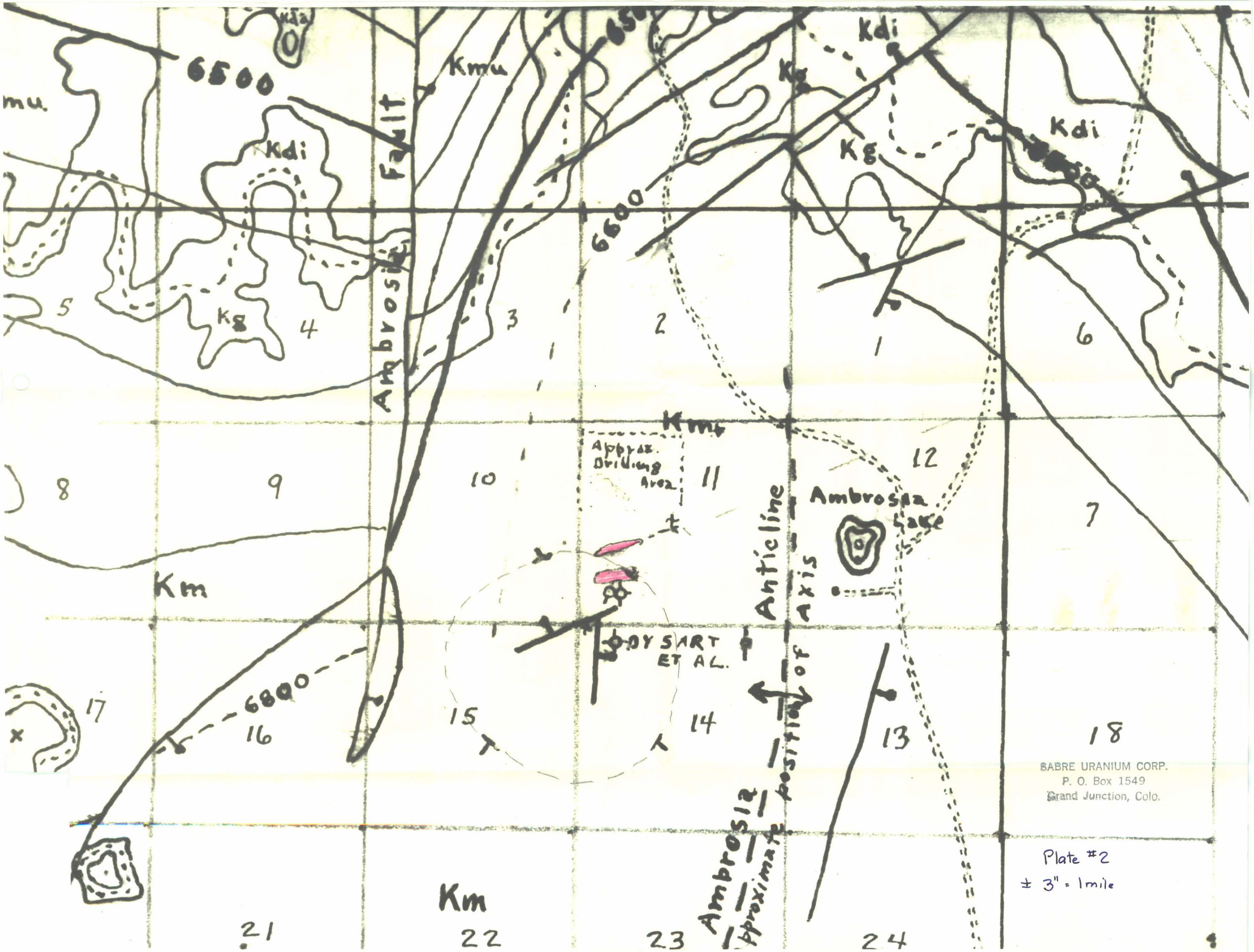
100' @ 1.00 = 100.00

100' @ 1.50 = 150.00

$350.00 / hole. × 103 = $36050.00 / section

Plate # 3.

SABRE URANIUM CORP.
P. O. Box 1549
Grand Junction, Colo.



SABRE URANIUM CORP.
P. O. Box 1549
Grand Junction, Colo.

Plate #2
± 3" = 1 mile