224 New Customhouse
Denver 2, Colorado
June 10, 1958

DATE	CODE
	800

Memorandum

To: MF-104 File, Region III

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

Subject: Docket No. DMEA 4017 (Uranium) Contract 14m-4040, Quinmer Corporation, (Section 18, T 13 N, R 9 W), McKinley County, New Mexico

By teletype dated May 13, 1958, from the Chairman, Operating Committee, DMEA, copy of which is attached, we were advised that the subject contract could be closed upon receipt of an Obligation Document. The Obligation Document (dated May 19, 1958) has been received by the Finance Office, Region III; therefore, the account is considered to be closed.

Reconciliation

Total amount reported on Form MF-104, Operator's Monthly Report and Voucher		$58,612.84
Additional costs which would have been applicable if subsequently reported by Operator, per RR dated November 7, 1957		844.89
Total accepted cost per RR dated November 7, 1957		59,457.73
Government participation at 75 percent	44,593.30	
Reduction per Obligation Document (dated May 19, 1958)	633.67	
Adjusted balance payable to the Operator		43,959.63
Total prior payments		43,959.63
Balance due the Operator		$ 0.00

JDC:hmh

cc: Chmn. Op. Comm. (2)
Hartman
Curres. file, Reg. III
Hesler
DMEA/BFS
DMEA/U.Jet.
Finance Off.
Townsend
Clarton

} w/copy of teletype of of 5/13/58

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

MAY 1[illegible] 1958

Dallas E. Talbert/hb Ro. 4446,Ext.[illegible]

DMEA - Contr. Admr. & Audit Div.

14X4401(G) Revolving Fund,
Defense Production Act, Interior (Transmit to Office of Secretary)

[redacted]

T E L E T Y P E

E. N. MARKMAN, ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION XIX
7th NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTEL MAY 12, DMEA 4017, ZEN-2 [illegible], COLAMER CORP. ACCOUNT MAY BE CLOSED ON RECEIPT OF OBLIGATION DOCUMENT NOW BEING PROCESSED THROUGH BUDGET AND FINANCE BRANCH, BUREAU OF MINES.

George C. Selfridge
CHAIRMAN, OPERATING COMMITTEE

DETalbert/hb (5/13/58)
Copy to: Admr's. R.File
Operating Committee
T. H. Kiilsgaard
Mr. Chambers
Confirmation (Region III)

acc to 70c

EXTRA COPY
DMEA
RECEIVED MAY 12 1958

DATE	INITIALS	CODE
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N 235 EUR NINE 5-12-58 10-09

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE SPECIAL NOTICE, MINUTES OF OPERATING COMMITTEE NO. 907, DATED 12-16-57.

120-DAY WAITING PERIOD PERTAINING TO SUPPLEMENTAL PAYMENT UNDER CONTRACT IDM-E940, DOCKET DMEA 4017, COLAMER CORP., GASXX HAS EXPIRED. REQUEST PERMISSION TO CLOSE OU XX OUT THE ACCOUNT. PLEASE TELETYPE ADVICE.

E N HARSHMAN, ACTING EXEC. OFFICER

224 New Customhouse
Denver 2, Colorado

January 10, 1958

Memorandum

To: T A Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4017 (Uranium) Contract Tum-2240, Colamer Corporation (Phillis, Fannie, Jean, and Deeta group) McKinley County, New Mexico - TENTATIVE FINAL PAYMENT

Reference is made to our memorandum of November 1, 1956, whereby we transmitted the final Form MF-104, Operator's Monthly Report and Voucher, for the month of September, 1956, and requested that you withhold the amount of $500.00, from reimbursement to the Operator, pending resolution of matters prerequisite to closing the account.

The Operator's final report has been received; therefore, we recommend that tentative final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated November 7, 1957. The Report of Review includes reinstatement of certain costs previously disallowed by the Finance Office, Region III, and includes additional acceptable costs not yet reported by the Operator. The following relative correspondence is attached:

1. Copy of a memorandum dated November 6, 1957 from the Acting Executive Officer, DMEA Field Team, Region III, to Donald T. Finch, DMEA Auditor, recommending reinstatement of costs incident to the drilling of Stage III hole No. 134.

2. Copy of a memorandum dated January 2, 1958, from Donald T. Finch, DMEA Auditor, to the Executive Officer, DMEA Field Team, Region III, concerning the procedure to be followed in making tentative final payment to the Operator

Basis for Tentative Final Payment:

Total accepted cost reported to date by the Operator	$58,612.84
Government participation at 75%	43,959.63
Total prior payments	42,563.69
Amount of tentative final payment	$ 1,395.94

As indicated in the Report of Review and in the attached memorandum, dated January 2, 1958, from Donald T. Finch, DMEA Auditor, an additional amount is due the Operator if properly claimed. Sufficient funds to cover the additional amount are to be retained in the account until such time as the Operator submits a supplemental Voucher covering the additional allowable costs, or until the account is otherwise closed.

Acceptable cost subject to claim by the Operator	$ 1,140.61
Less Audit offset	295.72
Balance	844.89
Government participation at 75% (if claimed)	$ 633.67

Original signed by
W. H. KING
W. H. King

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
DMEA/DFC } w/copy of Items 1 and 2
MF-104 file, Reg. III)

Harshman
Hasler
DMEA/G.Jct.
Townsend
Corres. file, Reg.III
Chron

1395.94
DMA 58-80
1/16/58

224 New Customhouse
Denver 2, Colorado

November 6, 1957

Memorandum

To: Donald T. Finch, DMEA Auditor

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

Subject: DMEA Docket 4017 (Uranium) Contract Ida-2940, Colamer Corporation (Phillis, Fannie, Jean, and Dasta group) McKinley County, New Mexico - Disallowance of footage claimed for Hole No. 184.

With reference to the disallowance of costs claimed by the Operator in drilling Hole No. 184, discussed in your memorandum of November 5, 1957, I do not agree with the disallowance for reasons as follows:

1. Hole No. 184, as well as 182, 183, and 185, were offset holes to Hole No. 123.

2. The justification for offsets to Hole No. 123 was based on mineralization found between depths of 425 and 426.5 feet in that hole.

3. The collar elevations of Hole No. 123 and of the four offset holes are about the same, and the sedimentary rocks are essentially horizontal. The principal target of Hole No. 184 was, therefore, a sandstone bed at a depth of about 425 to 430 feet.

4. Hole No. 184 was drilled non-core to a depth of 400 and cored from that point to a depth of 455 feet.

It is my opinion that Hole No. 184 reached the principal objective and was drilled according to the terms of the contract. Acceptance of costs incurred in drilling this hole is recommended.

Original signed by
E. N. HARSHMAN

E. N. Harshman

ENH:jy
cc: Harshman
DMEA,DFC
Townsend
Corresp. file
MF-104 file (5)
Chron.

224 New Customhouse
Denver 2, Colorado

January 2, 1958

Memorandum

To: W. W. King, Executive Officer, DMEA Field Team, Region III

From: Donald T. Finch, DMEA Auditor

Subject: Report of Review - Colamer Corporation
Docket No. DMEA 4017 (Uranium), Contract No. Idm-5940
(Sec. 10, T 13 N, R 9 W) McKinley County, New Mexico

Reference is made to the Report of Review dated November 7, 1957, and the request by your staff concerning present and contingent payments due the contractor.

The following schedule of costs and Government participation has been prepared in accordance with a letter from Mr. J. L. Chambers, Director of Contract Administration and Audit Division, DMEA: - dated December 3, 1957

COSTS

Total cost claimed by Operator			$58,612.84
Exceptions per schedule attached to Report of Review			
By Finance Officer	$1,194.59		
Less: Reinstatement by audit	906.57	$ 288.02	
Disallowance during Review		7.70	295.72
Total Net Cost Claimed			$58,317.12
Add: Acceptable cost (not claimed) to offset disallowance			295.72
Total Accepted Cost Claimed			$58,612.84
Additional cost allowable		$1,140.61	
Less offset used above		295.72	
Net additional cost if claimed			$ 844.89

GOVERNMENT PARTICIPATION

The contract calls for a 75 percent participation of accepted costs. Therefore, payments as follows are valid and proper: -

On cost claimed	$43,959.63	
On additional cost if claimed	633.67	
Total amount payable if claimed		$44,593.30
Amount payable on audited claim	$43,959.63	
Amount reimbursed	42,563.69	
Balance due on audited claim		$ 1,395.94
Additional amount due Operator if claimed		$ 633.67

Donald T. Finch

Donald T. Finch, Auditor.

DTF:bh

cc: MF-104 Files (5)
J. L. Chambers
Subject
Chron.

RECEIVED
JAN 13 1953
AUDIT

OFFICIAL FILE COPY
DMEA
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DATE	INITIALS	CODE
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224 New Customhouse
Denver 2, Colorado

January 2, 1958

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region III

From: Donald T. Finch, DMEA Auditor

Subject: Report of Review - Colamer Corporation
Docket No. DMEA 4017 (Uranium), Contract No. Idm-E940
(Sec. 10, T 13 N, R 9 W) McKinley County, New Mexico

Reference is made to the Report of Review dated November 7, 1957, and the request by your staff concerning present and contingent payments due the contractor.

The following schedule of costs and Government participation has been prepared in accordance with a letter from Mr. J. L. Chambers, Director of Contract Administration and Audit Division, DMEA: - dated December 3, 1957

COSTS

Total cost claimed by Operator			$58,612.84
Exceptions per schedule attached to Report of Review			
By Finance Officer	$1,194.59		
Less: Reinstatement by audit	906.57	$ 288.02	
Disallowance during Review		7.70	295.72
Total Net Cost Claimed			$58,317.12
Add: Acceptable cost (not claimed) to offset disallowance			295.72
Total Accepted Cost Claimed			$58,612.84
Additional cost allowable		$1,140.61	
Less offset used above		295.72	
Net additional cost if claimed			$ 844.89

GOVERNMENT PARTICIPATION

The contract calls for a 75 percent participation of accepted costs. Therefore, payments as follows are valid and proper: -

On cost claimed	$43,959.63	
On additional cost if claimed	633.67	
Total amount payable if claimed		$44,593.30
Amount payable on audited claim	$43,959.63	
Amount reimbursed	42,563.69	
Balance due on audited claim		$ 1,395.94
Additional amount due Operator if claimed		$ 633.67

Donald T. Finch

Donald T. Finch, Auditor.

DTF:bh

cc: MF-104 Files (5)
J. L. Chambers
Subject
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

November 27, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 29 1957
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800

Mr. J. L. Chambers, Director
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Report of Review
Contract No. Idm-E940
Docket No. DMEA-4017
Colamer Corporation

Dear Mr. Chambers:

The Acting Executive Officer has requested I advise the amount immediately payable under the subject contract and the additional amount payable if the Operator files a supplemental claim.

In the preparation of the requested information I made reference to your memorandum to all auditors dated November 22, 1957 - Subject: "Financial Summarization on Reports of Review and Audit Certificates." In the example summary I note you show the item, "Additional net allowable costs if claimed by Operator" which is apparently the difference between the "Gross additional allowable costs if claimed by Operator" and the "Disallowances made during the audit."

Before I furnish the Executive Officer with the analysis, he requested it will be appreciated if you will review the following points and sample schedule which are respectfully submitted for your consideration:

It is my opinion the deduction of audit disallowances from the additional amounts allowable if claimed results in the following distortion of the summary items:

(a) An overstatement of "Total net accepted costs claimed." Such overstatement is the amount of the disallowances made during the audit.

(b) An understatement of "Additional allowable costs if claimed."

(c) An overstatement of the amount payable on the basis of claim. (Such overstatement is the amount of the Government's contribution percentage applied to the audit disallowances.)

(d) An understatement of the item, "Additional payable if claimed."

(e) An overstatement of the "Amount payable to the Operator."

(f) An overstatement of the "Balance Due Operator." Note: In the event the Operator never filed a supplemental claim, payment on the indicated basis might be considered an overpayment.

(g) An understatement of the "Additional amount payable if claimed by Operator."

Attached is a schedule setting forth my analysis of the instant case.

It is realized that in the present case the amounts of under and overstatements innumerated above are relatively small in amounts since the audit disallowances totalled only $7.70; but in cases where such disallowances were of greater volume, the indicated distortions would be substantial.

I shall appreciate your advising me concerning the correctness of my conclusions.

Sincerely yours,

Donald T. Finch

Donald T. Finch, Auditor

Enc.

SAMPLE SCHEDULE

COLAMER CORPORATION

Contract No. Idm-E940 | Docket No. DMEA-4017

Total cost as claimed by Operator		$58,612.84
Exceptions:		
Disallowances by Finance Officer	$1,194.59	
Less: Reinstatement by audit	906.57	
	$ 288.02	
Disallowances by audit	7.70	295.72
Total Net Accepted Costs Claimed		$58,317.12
Additional allowable costs if claimed by Operator		1,140.61
Total Acceptable Costs		$59,457.73

The contract calls for a 75 percent participation of accepted costs. Therefore, payments as follows are valid and proper:

Amount payable on basis of claim	$43,737.84
Additional payable if claimed	855.46
Total Amount Payable	$44,593.30

provided that the Regional Executive Officer, the Administrator, or other competent official accepts the exploration work.

Amount payable to the Operator	$43,737.84
Amount Reimbursed	42,563.69
Balance Due Operator	$ 1,174.15

Additional amount payable if claimed by Operator	$ 855.46

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

DEFENSE FILES
DMEA
RECEIVED NOV 18 1957
DATE | INITIALS | CODE

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

pertaining to Exploration Project Contract No. Idm-5940, Docket No. DMEA-4017 (Uranium), including Amendment No. 1 and Termination Agreement, February 8, 1957, for the months April, 1956 to September, 1956, inclusive, covering a project for exploration of uranium on property known as Sec. 10, T. 13 N., R. 9 W., located in McKinley County, New Mexico.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Acting Executive Officer of the DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowance thereunder;

(b) the monthly reports were supported by documentary proof of the costs claimed under the contract provisions for contribution by the Government on the basis of actual costs incurred;

(c) a major portion ($48,648.97) of the costs incurred covered work performed at unit rates under an independent contract; and

(d) the balance ($10,808.76) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs for work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the Contractor:

Total cost as billed by the Contractor		$58,612.84
Add: Additional allowable items not claimed by the Contractor (Schedule attached)		1,140.61
Subtotal		$59,753.45
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$1,194.59	
Less: Reinstatements	906.57	
	$ 288.02	
Herewith	7.70	295.72
Total Accepted Cost		$59,457.73

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Forty-four thousand, five hundred ninety-three and 30/100ths Dollars

** 44,593.30 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

November 7, 1957

Donald T. Finch

Donald T. Finch, Auditor

Contract Idm-E940 | COLAMER CORPORATION | Docket IMEA-4017

SCHEDULE OF ADDITIONS AND EXCEPTIONS

Additional items not claimed by Operator which are allowable under the terms of Contract:-

Allowable Standby Time, invoiced by Subcontractor			
May, 1956	$214.29		
June, 1956	184.47		
July, 1956	252.07		
August, 1956	37.66	$688.49	
Allowable New Mexico School Tax at rate of 2% invoiced by Subcontractor			
July, 1956	$232.27		
August, 1956	118.40		
September, 1956	42.75	$393.42	
80 Ft. non-core drilling @ 70¢, invoiced May, 1956. Claimed as core drilling. (See disallowance of core drilling below)		$ 56.00	
5/10ths Ft. core drilling Hole No. 114 @ $3.50 per ft., invoiced May, 1956		$ 1.75	
1 Ft. non-core drilling Hole No. 180, invoiced August. Claimed as core drilling; should be (See audit disallowance)		$ .95	
Total additional items			$1,140.61

None of the additional allowances shown above increased the applicable unit costs above the allowable maximum unit costs provided in the Exploration Contract.

The Executive Officer of the IMEA Field Team, Region III, concurs with the Auditor concerning all of the foregoing additional items.

Prior Disallowances			
May, 1956 MF-104			
(1) 80 Ft. Core Drilling Hole No. 104 @ $3.50/ft. Log and Subcontractor's invoice dated 6/16/56 reflected 98 ft. core drilling instead of 178 ft. as claimed	$280.00		
(2) Incidental allowance 80 ft. @ 27¢/ft. Disallowance of Incidental Allowance based on 80 ft. of core drilling disallowed	21.60		
Total Prior Disallowances May, 1956		$301.60	
June, 1956 MF-104			
(2) Cost of Non-Core Drilling Considered as being in excess of actual cost		$189.62	
August, 1956 MF-104			
(2) Hole No. 184			
55 Ft. Core Drilling @ $3.50/ft	$192.50		
400 Ft. Non-Core Drilling @ 95¢/ft.	380.00		
Incidental Allowance 455 ft. @ 27¢/ft. Disallowed on theory hole was not completed because 10 ft. from 455 ft. to 465 ft. lost	122.85	$695.35	
September 1 to 3, 1956			
(1) Prorata portion of standby time applicable to core drilling on Holes Nos. 194 and 207 were in excess of allowable maximum unit cost of $3.50 per foot		$ 8.02	
Total Prior Disallowances			$1,194.59

Schedule of Additions and Exceptions (Cont.)

Note No. (1) indicates the Acting Executive Officer of the DMEA Field Team, Region III, and the Auditor concur in the disallowances so flagged.

Note No. (2) indicates the disallowances so flagged are reinstated with the concurrence of the Acting Executive Officer, DMEA Field Team, and the Auditor for the reasons indicated below.

Reinstatements

May, 1956

Incidental allowance for 80 ft. @ 27¢ disallowed above is reinstated because invoice from the subcontractor dated 6/16/56 disclosed the 80 ft. should have been claimed by the Operator as non-core drilling instead of core drilling. See above for the additional allowance for the non-core drilling item. $ 21.60

June, 1956

Cost of non-core drilling disallowed because amount considered as being in excess of subcontract and amendment. 189.62

The subcontract was amended as follows: -

"The following prices will become effective June 15, 1956:

(a)	Core	$ 3.50 per foot
(b)	Non-core	0.95 per foot
(c)	Standby time	12.00 per hour "

Prior to the June 15,1956 amendment, the subcontract rate for non-core drilling was 70¢ per foot. The subcontractor's invoices dated July 6, and July 17, 1956, reflect that the amended rate applied to the total footage of all holes completed subsequent to June 15, 1956, and the prorata basis assumed by the examining engineer to arrive at the recommended disallowance was in error. Inasmuch as the Operator claimed invoice cost incurred, which was below the allowable maximum per unit, the disallowance is reinstated.

August, 1956

Hole No. 184

55 ft. core drilling @ $3.50	$192.50	
400 ft. non-core drilling @ 95¢	380.00	
Incidental allowance 455 ft. @ 27¢	122.85	695.35

This disallowance is reinstated pursuant to memorandum from Acting Executive Officer, DMEA Field Team, Region III, who reviewed the matter at the request of the Auditor. He stated in part in a memo 11/6/57 as follows: -

"It is my opinion that Hole No. 184 reached the principal objective and was drilled according to the terms of the contract. Acceptance of costs incurred in drilling this hole is recommended."

Total Reinstatements $906.57

COLAMER CORPORATION

Contract Idm-E940 | Docket DMEA-4017

Schedule of Additions and Exceptions (Cont.)

Audit Disallowances

May, 1956

Non-core drilling claimed for Hole No. 114 exceeded the invoiced footage 1 ft. @ 70¢. Disallowed by audit.	$0.70

June, 1956

Core drilling claimed for Hole No. 162 exceeded the invoiced footage 1 ft. @ $3.50. Disallowed by audit.	3.50

August, 1956

Core drilling claimed for Hole No. 180 exceeded the invoiced footage 1 ft. @ $3.50. Disallowed by audit.	3.50
Total Disallowed by Audit	$7.70

The Acting Executive Officer, DMEA Field Team, Region III, concurs with the Auditor concerning all of the foregoing audit disallowances.

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Report of Review
Idm-F940, DMEA-4017
Celanese Corporation

Dear Mr. Finch:

The Report of Review, in lieu of a final audit of the referenced project, as submitted with your letter of November 13, 1957, is acceptable and distribution is authorized.

It should be noted for your future guidance in similar cases that the term "exceptions" includes not only disallowances and reinstatements of disallowances but also additional allowances. Therefore, the factual portion of your report properly should have been stated as follows:

Total cost as billed by the Contractor			$58,612.84
Exceptions (schedule attached):			
By DMEA Finance Officer	$1,194.99		
Less: Reinstatements	906.57	$ 288.02	
Herewith		(1,132.91)	(844.89)
Total Accepted Cost			$57,767.95

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
November 19, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

November 13, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 18 1957

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Mr. J. L. Chambers, Director
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Report of Review - Colamer Corporation
Docket DMEA-4017, Contract No. Idm-E940

Dear Mr. Chambers:

Enclosed, for your approval, are three copies of Report of Review covering subject contract for the months of April, 1956 to September, 1956.

This is the case which I discussed with you and Mr. Talbert during the Washington conferences last May. Completion has been deferred pending receipt of the Comptroller General's decision No. B-132441 dated September 6, 1957.

At the inception of the work on this Report of Review it was noted that a copy of the Operator's subcontract with the Minerals Engineering Company and field drill logs had been accepted as adequate documentation in accordance with general instructions from the Operating Committee.

Because of the rather unusual provisions of the subcontract, I was of the opinion that it would be necessary to have copies of all subcontractor's invoices showing complete itemization for each hole and categories of drilling. These were secured and are now attached to the Finance Officer's copies of the Operator's MF-104. The additional items added, as shown by the schedule attached to the Report of Review, have been reflected in this report on the basis authorized by the Comptroller General's decision referred to above.

Very truly yours,

Donald T. Finch

Donald T. Finch, Auditor

Enc.

224 New Customhouse
Denver 2, Colorado

May 13, 1957

EXTRA COPY
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RECEIVED MAY 16 1957
DATE | INITIALS | CODE
800

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-4017 (Uranium) Contract IAm-[redacted]
Calumar Corporation, (Sec. 10, T 13 N, R 9 W)
McKinley County, New Mexico

Enclosed are copies of the Drilling Subcontractor's monthly invoices for drilling performed under the subject contract during the months of April, May, June, July and August, 1956. Please attach the invoices to your copies of Form MF-104, Operator's Monthly Report and Voucher for the above months.

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

Enclosures

JDC:hh
cc: Chem. Op. Comm. (2)
Harshman
Hunsaker (2)
Finch
Townsend
Corres, Reg. III
MF-104 file, Reg. III
Chron.

EXTRA COPY DMEA RECEIVED MAY 2 1957		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

April 30, 1957

Mr. Kelsey Belts
Calumet Corporation
1024 W. Santa Fe
Grants, New Mexico

Re: Contract IMEA-4017 (Uranium)
Contract Ida-2940
Calumet Corporation
(Section 18, T. 13 N., R. 9 W)
McKinley County, New Mexico

Dear Mr. Belts:

The reported project costs for Contract Ida-2940 are presently being reviewed by the Contract Administration and Audit Division, DMEA. In order to facilitate this work, the DMEA Auditor has requested copies of the drilling subcontractor's monthly invoices for the months of April, May, June, July and August, 1956, with supplemental hole detail data similar to that which you included with the September 1956 report.

Final payment under the contract cannot be processed until the Report of Review of reported project costs is returned to this office by the Contract Administration and Audit Division, therefore we request that you submit the above invoices to this office as soon as possible.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hh
cc: Chron. Op. Comm. (2)
Harshman
Konwinski
Townsend
Finch
Corres. File, Reg. III
Chron.

EXTRA COPY
DMEA
RECEIVED APR 24 1957

DATE	INITIALS	CODE
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224 New Customhouse
Denver 2, Colorado

April 22, 1957

Memorandum

To: T. H. Brading

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

Subject: Docket No. DMEA 4017 (Uranium), Contract No. Ida-E940, Colamar Corporation (Sec. 10, T 13 N, R 9 W), McKinley County, New Mexico

The subject Contract was terminated before completion of all work provided for, by an Agreement dated February 8, 1957, which was made effective as of the close of business September 3, 1956. Enclosed for your records is a copy of the "TERMINATION AGREEMENT."

The Operator has rendered a final engineering and geologic report and final accounting, as required by the Contract. Therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit, or Report of Review of reported project costs, whichever the case indicates.

All work was performed on an Actual Cost Basis except for Incidental Allowance of 39,471.5 feet of drilling and chemical analysis of two samples.

The sum of $500.00 was withheld from reimbursement to the Operator in processing his final accounting report, which was for the month of September, 1956.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosure

JWT:prl

cc: Chairman, Op. Comm. (2)
Harshman
Townsend
Corres. file
Chron.

Form MF-144 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

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

RECEIVED Nov 8 1956

Month of September, 1956 Docket No. DMEA 4017 Contract No. Ion-F-40
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $ 102,580.00 Government Participation: 75 % Amount, $ 76,935.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	1,176.00	16,946.30	18,122.30			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Bit	2,145.30	27,536.48	29,681.78			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Inc. Allow @$0.27/ft.	688.50	10,113.26	10,801.76			
Assays	-	7.00	7.00			
(8) Contingencies (specify):						
TOTALS	4,009.80	54,603.04	58,612.84	4,001.78	54,603.04	58,604.82
				1	1186.57	1186.57

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

Date Oct. 3, 1956 *Payee COLAMER CORPORATION

Per [signature] Title GEOLOGIST

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $3416.47 57418.25
$2501.34

Signature [signature]
(Authorized Certifying Officer)

Date 11/2/56 Vou. No. DMA 57-54

(See other side)

1 Previous Disallowance
Note: Withhold 500.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-940 in accordance with the terms of the contract.

Signature D. E. Redmon Title Min. Engr. Date Oct 22, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lance Title Executive Officer Date NOV 1 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 8 1956 DMEA

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 6 Docket No. DMEA 4017 Contract No. Idm-2940
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	1,176.00	336	18,122.30	5912	3.07		
Churn								
Auger Plug Bit	Ft.	2,145.30	2214	29,681.78	34,094.5	0.87		
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea.	-	-	7.00	2	3.50		
TOTAL DISTRIBUTED COSTS		3,321.30	2550	47,811.05				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Inc. Allow @ $0.27/ft.		688.50		10,801.76				
TOTAL COSTS		4,009.80		58,612.84				

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

REMARKS:

Date Oct. 3, 1956 Operator COLAMER CORPORATION

Per [signature] Title GEOLOGIST

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

(Instructions on reverse)

(For Government use only) D. E. Redmon

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED NOV 8 1956

Administrative Audit Difference Statement

Colmer Corporation
Adiel C Lowe Building
Cruces, New Mexico

FINAL DISTRIBUTION

MADE NOV 6 1956

Date: November 4, 1956
Payee's Reference: September 1956

Gentlemen:

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

Amount Claimed $ 4,509.00

Difference $ 0.00

Amount Approved $ 4,021.70

The reason for the difference was due to:

Disallow: $0.00, a part of the cost of stand-by time charged to core-hole drilling.

Withhold: $500.00 pending possible additional work under the contract.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

REGION III

Memorandum

Building 20
Denver Federal Center
Denver 2, Colorado
October 22, 1956

DMEA
DEPARTMENT OF THE INTERIOR
OCT 23 1956
REGION III
DENVER, COLORADO

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: D. E. Redmon

Subject: Docket DMEA 4017 (Uranium) Contract Idm-E940, Colamar Corporation, Phyllis, Fannie, Jean, and Deetta claim groups, Sec. 10, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico.
—Progress report for September 1956

An inspection of progress was made September 12, 1956, by W. D. McMillan, Bureau of Mines, accompanied by J. Daly, geologist for the operator.

Six holes were drilled during the period. Hole No. 207 (2700E - 2250N) is classified as a stage II hole (refer to confirming letter from W. M. Traver to Kelsey Bolts, August 24, 1956). Hole Nos. 194, 195, 196, 197, 198, are stage III holes (aforementioned reference). Hole data is as follows:

Hole No.	Plug-bit feet	Core-bit feet	Total feet	% Core recovery	Remarks
194	355	37	392	100	Barren
195	370	25	395	88	Barren
196	360	40	400	100	Barren
197	345	75	420	91	1.0' - .02 eU_3O_8
198	370	51	421	100	2.0' - .02 eU_3O_8
*207	414	108	522	32.9	0.5' - .02 eU_3O_8
Total	2214	336	2550	76	

*Stage II hole authorized to be drilled through the Westwater Canyon member.

Claim for standby time is supported by Minerals Engineering Company driller's logs.

Approved costs are as follows:

Plug-bit drilling - 2214 feet at $0.95 a foot	$2,103.30
Core-bit drilling - 336 feet at $3.50 a foot	1,176.00
Standby time - 3 1/2 hours at $12.00 a hour	42.00
Incidental allowance - 2550 feet at $0.27 a foot	688.50
Total approved costs	$4,009.80

It is recommended that 75 percent of the approved total, or $3,007.35 be approved for payment.

Progress accomplished in September completes approved stage II and stage III drilling. The operator indicates in his narrative report that "...further drilling in this zone is unwarranted."

It is recommended that at least $250.00 be withheld pending receipt of final report.

The operator's narrative report is adequate, as are the lithologic and radiometric logs and recapitulation of mineralization. All are retained in this office along with a complete set of drill contractor's logs. A duplicate set of drill contractor's logs for hole Nos. 194, 195, 196, 197 and 198 are submitted with this report. Only one copy of log for hole No. 207 was received and is retained in this office.

D. E. Redmon
D. E. Redmon
Mining Engineer

cc: 6
Idm-2940
Chron.

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

224 New Customhouse
Denver 2, Colorado

November 1, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4017 (Uranium) Contract Idm-E940, Colamer Corporation (Phyllis, Fannie, Jean and Deetta claims) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of September, 1956

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Disallowance, Non-Core drilling

Disallow an amount of $8.02, a part of the cost of stand-by time which the Operator has charged to non-core drilling. The cost of stand-by time has been prorated by this office according to the ratio of core footage to non-core footage drilled in Holes 194 and 207, for which stand-by time was charged. All core drilling was performed at the maximum allowable unit cost, therefore the above amount, which was prorated to core drilling, is not allowable. The maximum allowable unit cost for non-core drilling was not exceeded after adding the cost of stand-by time prorated to non-core footage.

Withhold an amount of $500.00 pending possible additional work under the contract, or if additional work is not approved by the Government and performed by the Operator, continue to hold the above amount pending resolution of matters relative to closing the account.

Reconciliation with Amount Reported by the Operator on Form MF-104 for September, 1956

Amount reported on Form MF-104 for Sept., 1956 - - - -	$4,009.80
Amount to be disallowed -	8.02
Total accepted cost for September, 1956	$4,001.78
Government participation at 75 percent - - - - - - - - - -	$3,001.34
Amount to be withheld -	500.00
Recommended payment to the Operator	$2,501.34

Remarks

Date of Report - - - - - - - - - - - - - -	October 3, 1956
Date Received in Field Office - - - - -	October 8, 1956
Date Received in Region Office - - - -	October 23, 1956

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File K940
Chm. Op. Comm. (2)
Shaw (2)
Marshman)
Townsend) w/copy of engr's. report
Chron.

October 3, 1956

MONTHLY NARRATIVE REPORT ON DMEA DOCKET 4017
CONTRACT NO. IOm-2940
MONTH OF SEPTEMBER

During the month of September the following holes were completed:

HOLE NO.	PLUG (FT)	CORE (FT)	STANDBY TIME (HRS.)	DATE COMPLETED
194	355	37	½	9-01-56
195	370	25	-	9-01-56
196	360	40	-	9-01-56
197	345	75	-	9-02-56
198	370	51	-	9-03-56
207	414	108	3	9-03-56
Total	2214	336	3½	

Holes numbers 194 through 198 inclusive were offset holes through the Poison Canyon sandstone near mineralized first stage holes numbers 117, 165 and 179. The mineralization found in these offset holes was slight and occurred only near the upper and lower contacts of the Poison Canyon sandstone. With this information I believe that further drilling in this zone is unwarranted.

Hole No. 207 showed one half foot of 0.02% U_3O_8 (radiometric) @ 417 at the bottom of the Poison Canyon sandstone, and a Poison Canyon sandstone thickness of 52 feet. The sandstone is bleached in this area.

Core recovery this month has averaged 76%

Enclosed with this report are:

1. Lithologic logs
2. Drillers logs
3. Recapitulation of mineralization
4. Radiometric logs
5. One original and four copies of
   (a) MP104
   (b) MP104A
   (c) Monthly narrative
6. Invoice from drilling contractor

Very truly yours,

COLAMER CORPORATION

KELSEY L. BOLTZ

KLB:lj

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
OCT - 8 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1956 Docket No. DMEA 4017 Contract No. Ic-6940
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $ 102,580.00 Government Participation: 75 % Amount, $ 76,935.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	2947.00	13,999.30	16,946.30			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Pit	5881.45	21,655.03	27,536.48			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Inc. Allow @ .0127 /$	1898.91	8,214.35	10,113.26			
Assays	7.00	0	7.00			
(8) Contingencies (specify):						
TOTALS	10,734.36	43,868.68	54,603.04	10,029.01	43,868.68	53,907.69
				41	491.22	491.22
				43,377.46		53,416.47

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

Date 9-10-56 *Payee COLAMER CORPORATION

Per Gene K. Ealy Title GEOLOGIST

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

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(Instructions on reverse)

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

$7529.26

Signature
(Authorized Certifying Officer)

Date 10/3/56 Vou. No. 22957-42

(See other side)

4 Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 944 in accordance with the terms of the contract.

Signature Wm C Mullen (# 7529.58) Title Min. Engr. Date 9/18/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Jones 7529.58 Title Executive Officer Date SEP 28 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
OCT - 8 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 6 195 Docket No. DMEA 4017 Contract No. [illegible]
Operator's Name GOLDER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	2,947.00	842	26,946.30	5976	3.04		3.50
Churn Plug Bit	Ft.	5,831.45	6291	27,536.43	31,880.5	0.864		1.25
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	Ea.	7.00	2	7.00	2	3.50	40	3.50
Total Distributed Costs		8835.45		44,489.73				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		1,899.91		10,119.26				
Inc. Misc. [illegible]		10,734.36		54,609.04				
Total Costs								

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

Date Sept. 10, 1956 Operator GOLDER CORPORATION

Per Gene K. Caly Title GOLDER

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

Remarks:

(Instructions on reverse)

(For Government use only) Neal McLean

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED
OCT - 8 1956

Administrative Audit Difference Statement

Colmer Corporation
Vidal & Rose Building
Grants, New Mexico

FINAL DISTRIBUTION
OCT 5 1956
MADE

Date: October 3, 1956
Payee's Reference: August 1956

Gentlemen:

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

Amount Claimed	$	10,934.36
Difference	$	895.35
Amount Approved	$	10,039.01

The reason for the difference was due to:

Disallow: Hole No. 103 was not completed to its objective, therefore the drilling costs and incidental allowance for this hole are disallowed.

(a)	55 ft core drilling @ $3.50 per ft.	$192.50
(b)	160 ft non-core drilling @ $2.25 per ft.	360.00
(c)	Incidental allowance for 455 ft. drilling @ $0.27 per ft.	122.85
	Amount to be disallowed.	895.35

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

RECEIVED
OCT - 8 1956

224 New Customhouse
Denver 2, Colorado

September 28, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4017 (Uranium) Contract Idm-E940, Colamer Corporation (Phillis, Fannie, Jean and Deeta groups) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of August, 1956

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

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

Hole No. 184 was not completed to its objective, therefore the drilling costs and incidental allowance for this hole are disallowed as follows

Disallow

a) The cost of 55 feet of core drilling at $3.50 per foot	$192.50
b) The cost of 400 feet of non-core drilling at $0.95 per foot	380.00
c) Incidental allowance for 455 feet of drilling at $0.27 per foot	122.85
Total amount to be disallowed	$695.35

Reconciliation with Amount Reported by the Operator on

Form MF-104 for August, 1956

Amount Reported----------	$10,734.36
Amount to be disallowed----------	695.35
Total accepted cost for August, 1956	$10,039.01
Government participation at 75 percent----------	$ 7,529.26

Fifteen holes were reported for the period, including Stage III hole No. 184 which was disallowed. Of the fourteen approved holes, three holes (180, 201, 206) were drilled under Stage II and eleven holes were drilled under Stage III.

Remarks

Date of Report----------September 10, 1956
Date Received in Field Office---------September 17, 1956
Date Received in Region Office--------September 27, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File 8940
Sec. Op. Comm. (2)
Shaw (2)
Hasler)
Townsend) w/copy engr's report
Chron.

RECEIVED

OCT - 8 1956

REGION III

Building 20
Denver Federal Center
Denver 2, Colo.
Sept. 26, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 4017 (Uranium) Contract 14n-2963, Colemar Corporation, Phillis, Fannie, Jean, and Dawn claim groups, Sec. 10, T. 13 N., R. 9 W., NMPM, McKinley County, N. M. -- Progress report for August 1956

An inspection of progress was made on September 5, 1956, accompanied by Jean Raly, geologist for the applicant. Fifteen holes under Stage III were drilled during the period. Hole No. 184 was drilled to a depth of 465 feet but the last 10 feet was lost. The operator claimed payment for 455 feet. In as much as the hole was not completed its cost is disallowed.

Data on the holes from Mineral Engineering Company's logs and the geologic logs are given below.

Hole No.	Non-Core Feet	Core Feet	Core Rec. %	Total feet	Remarks Interval	Rad.%	Shoulder
180	558	23	45	575	393-394	0.01	0.02
182	410	53	100	463	429-sev.in.	0.01	0.02
183	400	75	79	475	No count		
184	400	55	77	455	"		
185	430	75	60	495	376-sev.in.	0.01	0.02
186	440	25	84	465	444.5-445.5	0.01	
187	440	35	100	475	No count		
188	430	37	100	467	"		
189	445	31	80	476	452-sev.in.	0.01	
190	395	15	99	410	No count		
191	376	30	70	406	"		
192	385	31	68	416	280-282	0.015	0.02
193	362	43	96	405	341.5-342.0	0.01	
					370.5-371	0.03	0.04
201	398	187	75	585	No count		
206	338	127	76	465	378.5-379.5	0.015	
Totals	6191	842		7033			
Claimed	6191	842		455			
				6578			
*Disallowed	400	35					
Approved	5791	707					

Approved costs:

5791 feet plug-bit drilling at $0.95 a foot	$5501.45
707 feet core drilling at $3.50 a foot	2474.50
Incidental allowance 6578 feet at $0.27 a foot	1776.06
Chemical analyses 2 at $3.50 ea.	7.00
Total	$10,759.01

It is recommended that 75 percent of the approved total costs amounting to $7569.58 be approved for payment.

The operator's narrative report included geologic and radiometric logs, which are retained in this office. A summary of the drilling results is attached to the report. Core bit drilling was done with NX size bits.

The drilling contractor's logs were submitted in duplicate, and one set is included with this report. Assay Certificate for two samples is also included.

W. D. McMillan
Mining Engineer

WDM/mw
cc: 6 IAm-RSAO Chron

September 10, 1956

MONTHLY NARRATIVE REPORT ON AEC DOCKET 4017
CONTRACT NO. 16m-5940
MONTH OF AUGUST

The following holes were completed during the month of August and all core drilled is to be paid for:

HOLE NO.	HOLE CORE	CORE	% RECOV.	DATE COMPLETED
180	552	23	45	8-12-56
182	410	53	100	8-20-56
183	400	75	79	8-21-56
184	400	55	77	8-27-56
185	420	75	60	8-22-56
186	440	25	84	8-17-56
187	440	35	100	8-18-56
188	430	37	100	8-19-56
189	445	31	80	8-19-56
190	395	15	99	8-29-56
191	376	30	70	8-30-56
192	385	31	68	8-30-56
193	362	43	96	8-31-56
201	398	187	75	8-31-56
206	338	127	76	8-31-56

As usual, the drilling contractor had great difficulty in getting good core recovery in some holes because the Poison Canyon and Westwater sandstones are very friable. However, as inspection reveals, core recovery has improved since the new agreement was made with the drilling contractor to make compulsory five foot runs when recovery falls below 80%.

Included with this report are complete drillers logs of each hole, a recapitulation of all mineralization encountered and the results of two assays.

Respectfully,

COLANER CORPORATION

Gene K. Caly

GENE K. CALY,
Geologist.

GKC:lj

HOLE NO.	INTERVAL & EQUIVALENT CHEM. %U3O8		REMARKS
180	393 - 394	(.01 - .02%)	Jmbb SH
182	429, several inches	(.01 - .02%)	Jmbb SH
183			No count
184			No count
185	376, several inches	(.01 - .02%)	Jmbb SS
186	444.5 - 445.5	(.01%)	Poison Canyon SS
187			No count
188			No count
189	452, several inches	(.01%)	Jmbb SH
190			No count
191			No count
192	280 - 282	(.015 - .02%)	KD
193	341.5 - 342	(.01%)	Jmbb SS
	370.5 - 371	(.03 - .04%)	Poison Canyon SS
201			No count
206	378.5 - 379.5	(.015%)	Jmbb SH & SS

RECEIVED
OCT - 8 1956

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

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 17 1956

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

Month of July, 1956 Docket No. DMEA 4017 Contract No. Idm-5940
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $ 102,580.00 Government Participation: 75% Amount, $ 76,935.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	3,568.25	10,431.05	13,999.30			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Bit	10,239.58	11,415.45	21,655.03			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Inc. Allow @ 0.27 /ft.	3,243.51	4,970.84	8,214.35			
Assays	0	0	0			
(8) Contingencies (specify):						
TOTALS	17,051.34	26,817.34	43,868.68	17051.34	26817.34	43868.68
				491.22	491.22	
				26 326.12	43,377.46	

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

Date 8-3-56 *Payee COLAMER CORPORATION

Per [signature] Title GEOLOGIST

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

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

(Instructions on reverse)

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

$ 12,788.51

Signature [signature]
(Authorized Certifying Officer)

Date 9-13-56 Vou. No. DMA-57-31
(See other side)

* Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Pol m-E 944 in accordance with the terms of the contract.

Signature Verne Mullen ($12,788.51) Title Min. Engr. Date 8/27/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Haney Title Executive Officer Date SEP 12 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MSF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 17 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 4017 Contract No. Idm-E940
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	3,568.25	1,234⅓	13,999.30	4734	2.96		3.50
Churn								
Auger Plug Bit	Ft.	10,239.58	10,778⅓	21,655.03	25,689.5	0.843		1.25
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	3 ea.	0	0	0	0		40	3.50
TOTAL DISTRIBUTED COSTS		13,807.83	12,013	35,654.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Inc. Allow @ 0.27 /ft.		3,243.51		8,214.35				
TOTAL COSTS		17,051.34		43,868.68				

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

Date Aug 3, 56 Operator COLAMER CORPORATION

Per [signature] Title GEOLOGIST

REMARKS:

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

(Instructions on reverse)

(For Government use only) [signature]

INSTRUCTIONS

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

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

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

GPO 872894

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

RECEIVED
SEP 17 1956

224 New Customhouse
Denver 2, Colorado

September 12, 1956

FINAL DISTRIBUTION
SEP 14 1956
MADE

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4017 (Uranium) Contract Idm-E940, Colamer Corporation (Sec. 10, T13N, R9W) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of July, 1956

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

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

Remarks

Date of Report - - - - - - - - - - - - - - - - August 3, 1956
Date Received in Field Office- - - - - - - August 13, 1956
Date Received in Region Office- - - - - - August 28, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E940
Sec. Op. Comm. (2)
Shaw (2)
Harshman w/copy engr's report
Chron.

DMEA
Date Rec'd.
RECEIVED
SEP 17 1956
AUG 28 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 27, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

[redacted] John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA 4017, (Uranium) Contract Ldm-XP40, Calumet Corporation, Phillis, Fannie, Jean, and Dasta Claim Groups, Sec. 10, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico -- Progress report for July 1956

An inspection of progress was made on August 8, 1956, accompanied by Charts Cardwell, superintendent for the applicant.

Twenty holes were completed during the period. Data on these holes from Mineral Engineering Company's logs are given below:

Data From Mineral Engineering Company Logs

Hole No.	Plug-bit feet	Core-bit feet	Total feet	% Core Recovery	Core footage paid for	Remarks
123	459	96	555	75	96	1.5' - 0.06 eU_3O_8
124	554	27	581	96	27	<0.016 "
125	600	20	620	45	20	1.0' - 0.020 "
126	568	40	608	63	40	<0.023 "
135	483	127	610	57	70	1.0' - 0.033 "
136	553	54	607	54	85	1.0' - 0.040 "
137	552	45	597	86	45	1.0' - 0.030 "
138	471	136	607	68	136	<0.03 "
139	559	58	617	55	58	1.0' - 0.04 "
140	489	126	615	65	126	<0.005 "
150	576	29	605	53	29	1.0' - 0.025 "
151	601	19	620	84	19	<0.025 "
152	609	13	622	64	13	<0.025 "
153	960	18	978	92	18	<0.030 "
173	497.5	109.5	607	61	66	<0.003 "
174	478	120	598	73	87	<0.005 "
176	485	125	610	58	72	<0.033 "
177	503	42	545	35	42	1.0' - 0.033 "
178	566	10	576	78	10	1.5' - 0.040 "
179	535	40	575	67	40	3.5' - 0.051 "
	10,776.5	1234.5	12,011		1219.5	

In order to add incentive for better core recovery, the drilling contract with Minerals Engineering Company was amended on July 18, 1956 to pay for all core footage. Paid core footage, due to low percentage recovery, on the holes drilled prior to July 18, 1956, was 1219.5 feet as compared with 1234.5 feet actually drilled as shown by the operator on Form NF-184A.

Approved costs are for 10,776.5 feet of plug-bit drilling at $0.95 a foot, or $10,237.58, and 1219.5 feet of core-bit drilling at $3.50 a foot, or $4,268.25, and incidental allowances, 18,013 feet at $0.27 a foot, or $4863.51, a total of $17,031.34.

It is recommended that 75 percent of the approved total, or $12,780.51 be approved for payment.

The operator's narrative report is adequate, as it included radiometric logs of the holes, copies of radiometric logs by the U. S. Atomic Energy Commission, and a geologic log, which are retained in this office.

The drill contractor's logs were submitted in duplicate and one set is included with this report.

W. D. McMillan
Mining Engineer

WDM/ms
cc: 6 Abs-2940 Chron

AUGUST 3, 1956

RECEIVED
SEP 17 1956

MONTHLY NARRATIVE REPORT ON DMEA DOCKET 4017
CONTRACT NO. Idm-E940
MONTH OF JULY

The following holes were completed during the month of July:

HOLE NO.	NON CORE	CORE	% RECOV.	CORE PAID	DATE COMPLETED
123	499	96	75	96	7-24-56
124	554	27	96	27	7-23-56
125	600	20	45	20	7-24-56
126	568	40	63	40	7-25-56
135	483	127	55	70	7-26-56
136	553	54	34	25	7-06-56
137	552	45	86	45	7-18-56
138	471	136	68	136	7-19-56
139	599	28	55	28	7-23-56
140	489	126	65	126	7-22-56
150	576	29	53	29	7-22-56
151	601	19	84	19	7-22-56
152	609	13	64	13	7-22-56
153	560	28	90	28	7-23-56
173	497.5	109.5	61	66.5	7-12-56
174	478	120	73	87	7-18-56
176	485	125	58	72	7-09-56
177	503	42	34.5	42	7-20-56
178	566	10	70	10	7-26-56
179	535	40	87.	40	7-26-56

In order to add incentive for better core recovery, on July 18, 1956, the drilling contract with Minerals Engineering was amended as follows:

1. All core footage was to be paid for. (Where as previously if core recovery fell below 80% only the core recovered was paid for.)
2. If core recovery falls below 80% the following run must be a five foot run and must remain five foot runs until 80% recovery is again achieved at which time a ten foot run may follow.

Upon request a certified copy of this amendment to the contract will be suplied you.

Due to the above conditions hole #136 was partially paid for on the old terms and partially on the new terms making the amount of core paid for more than the 34% recovery would indicate. Core in all holes drilled after July 18, 1956 is paid for 100%.

Great difficulty was experienced in coring the Westwater and recovery was so low even with five foot runs, (in may cases 50% and less), that it was decided to go to wet drilling and plug the Westwater thereby gaining 100% wet samples. This was only done in holes in which we had water return. Those holes in which circulation was lost were cored as usual even though recovery was low in some cases.

Included with this report are complete driller's logs of each hole. All radiometric logs are included plus the log of hole #164 which was excluded last month. Also included with this report is a copy of the recapitulation of the mineralization in all holes drilled to date.

Respectfully,

COLAMER CORRORATION

Gene K. Ely

Gene K. Ely,
Geologist

GKE:lj

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HOLE NO. 123 AREA Sec. 10 - 13-9

FROM	TO	DESCRIPTION
0	25	Blow Sand
25	255	SH; m dk gy, sli - v arena
255	340	SS; lt gy, fn -m, all qtz; @ 290 -> m gy w/ s carb; @ 295 -> all qtz; @ 330 -> dk gy, w/ s carb
340	369	SH; lt gr gy; @ 363 -> ex arena
369	378	SS; m gy, fn - m
378	392	SH; lt gr br gy; @ 381 -> lt ol gy mod arena
392	465	SS; lt gr gy, fn - m; @ 396 -> m gy, m - c; @ 405 -- fn - m; @ 423 -> v arg; @ 429 -- sli arg BEGIN CORE @ 430 SS; m gy, m, v ark, A fn py, A spks gr cl; @ 435 -> m, c, cg, p cem; @ 441½ -> w cem; @ 445 -> m - c, sli arg, A blk cht w/ stks A py; @ 454 lt m, c, cg, v arg; @ 455 -> fn - m; @ 456 -> m - c, v ark, stks gr cl, p cem; @ 459 -> m, c, cg, no arg, v ark; @ 464 -> w cem w/ A calc
465	491	SH; gr gy w/ ls nods A py, A pet res; @ 466 -> all gr gy, no arena END CORE @ 471, no samples 471 - 495; driller reports SS @ 491; BEGIN CORE @ 495
491	595	SS: lt - m gy, m, v c, v ark, A py; @ 497 -> fn - m; @ 501 -> v arg w/ gr cl, A py, A calc, m - c, v c; @ 505 -- c, vc, p cem; @ 507 -> fn - m; @ 510 -> m - c, vc w/ stks gr cl; @ 513 -> f cem; @ 516 -> no arg; @ 520 -> fn - m, f cem; @ 525 -> po cem, mod arg, m - c - vc; @ 526 -> f cem; @ 530.5 -> w cem w/ A calc; @ 531 -> fn - m, po cem END CORE @ 535 - go blind Driller reports SS to BEGIN CORE * 580 SS, lt gr gy m - sli arg; @ 585 -> m - c; @ 586 -> v fn, mod arg Bottom at 595

Drill logs taken each

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HOLE NO. 124 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	40	Blow Sand
40	255	SH; m dk gy, sli - v arena
255	347	SS; lt gy, fn - m, all qtz; @ 335 --> dk gy w/ carb
347	381	SH; lt gr gy; @ 354 --> v arena; @ 360 --> no arena
381	410	SS; m gy, m; @ 395 --> m - c, A blk cht
410	426	SH; lt gr gy, sli arena; @ 417 --> lt ol gy; @ 423 --> lt gr gy
426	462	SS; m gy, fn - m, BEGIN CORE @ 435 SS, m gy, fn - m, A fn py; @ 439 --> mod arg w/ gr cl w/ s c gn; @ 441 --> v fn - fn, A fn py, mod arg; @ 443 -->p cem; @ 445 --> f cem, sli arg; @ 446 --> m - c, v ark; A blk cht; @ 447 --> m - c; @ 454 --> fn - m, A fn py; @ 461 --> v arg, m, c, cg
462	474	SH; gr gy, A pet res & py @ top End Core @ 462
474	484	SS
484	494	SH
494	565	SS; m gy, fn - m; @ 524 --> w cem w/ A calc; @ 525 --> f cem; @ 538 --> w cem w/ A calc; @ 545 --> f cem
565	581	SH Bottom at 581

HOLE NO. 125 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	25	Blow Sand
25	260	SH; m gy - dk gy, sli - v arena
260	355	SS: lt gy, fn -m, all qtz; @ 340 --> dk gy w/ s carb
355	379	SH; lt gr gy, no arena; @ 367 --> lt cl gy; @ 370 --> v arena
379	400	SS; m gy, fn - m; @ 382 --> m - c, v ark, mod arg; @ 391 --> fn - m
400	467	SH; lt gr gy, mod arena, BEGIN CORE @ 464, SH, rd br
467	481	SS; lt gr gy, fn -m, mod arg; @ 470 --> m, c & cg, w cem; @ 481 -->
481	513	SH; lt gr gy, sli arena END CORE @ 484 go to wet samples
513	595	SS; m gy, fn - m; @ 520 --> m - c; @ 536 --> fn - m; @ 551 --> m - c
595	620	SH; lt gr gy, v arg intbdd w/ siltstone Bottom at 620

HOLE NO. 126 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	25	Blow Sand
25	260	SH; lt br gy, - dk gy, sli - ex arena
260	365	SS; lt - m gy, fn, mod arg; @ 325 --> all qtz; @ 355 --> dk gy w/ carb
365	395	SH; lt gr gy; @ 392 --> v arena
395	425	SS; lt gr gy, fn - m, mod arg; @ 398 --> no arg; @ 410 --> m - c, v ark; @ 419 --> fn - m; @ 422 --> m - c; @ 424 --> A calc
425	435	SH; lt gr gy, mod arena; BEGIN CORE @ 435
435	486	SS; m gy, fn - m, A fn diss py, A blk cht; @ 445 --> m - c, v ark, A blk cht; @ 449 --> fn - m; @ 466 --> mod arg, m, A fn - diss py; @ 470 --> w cem w/ A calc, A Pet Res & s coff? c - vc, v ark END CORE @ 475 go to wet samples - SS, w cem w/ A calc
486	488	SH
488	587	SS
587	589	SH
589	599	SS
599	607	Intbdd SS w/ SH Bottom at 608

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HOLE NO. 135 AREA Sec. 10 13-2

FROM	TO	DESCRIPTION
0	25	Blow Sand
25	265	SH; m gy, dk gy, sli - v arena
265	335	SS; lt gy, fn- m, all qtz; @ 320 -> dk gy, w/ carb mod arg
335	374	SH; lt gr gy, sli arena; @ 350 -> w/ br gy
374	400	SS; m gy, fn - m, BEGIN CORE @ 378, SS, m gy, fn, fn diss py; @ 380 -> fn - m, v ark, A fn diss py; @ 384 -> m - c, & cg, v ark, s kaol, occ, blk cht; @ 390 -> fn - m; @ 392 -> fn, w/ gr cl gls; @ 399 -> w cem w/ A calc
400	416	SH; lt gr gy, w/ rd br, no arena; @ 411 -> mod arena - v arena
416	459	SS; m gy, v fn - fn, A fn diss py; @ 425 -> m, v ark, stks Pet Res, A py, A calc, s gr cl gls; @ 432 -> m - c, no cl; @ 458 -> v arg w/ A py A calc, s Pet Res.
459	473	SH; lt gr gy, END CORE @ 460 (Used 5 sacks aguagel & 4 sacks bran - no return circ. driller reports - SH to 473
473	576	SS, BEGIN CORE @ 520, SS, m gy, c - vc, v ark, s py, A blk cht; @ 527 -> (527 - 540, 1' recov.) m gy, A kaol; @ 540 -> lt gr gy, v fn - fn; @ 558 -> m - c, w/ A py & blk cht, v ark; @ 562 3"gr cl; @ 563 -> fn - m, m gy; @ 565 2" lim stn, w/ cem w/ A calc END CORE @ 565
576	610	SH & SS intbdd Bottom at 610

HOLE NO. 136 AREA Sec. 19, 139

FROM	TO	DESCRIPTION
0	30	Blow sand
30	255	SH; lt gr - dk gy, sli - v arena
255	335	SS; m gy, fn - m w/ s carb; @ 270 -> lt gy all qtz; @ 290 -> m gy w/ s carb
335	378	SH; lt gr gy; @ 365 -> v arena
378	456	SS; m gy, m, v ark, w/ s calc; @ 384 -> m - c, LOL DRY PLUG @ 414 BEGIN CORE @ 414 SS, m gy, m - c & cg w cem w/ A calc s py. (From 414 to 434 4' recov.) @ 434 -> c - cg, f cem, v ark; @ 436 1' gr sh; @ 437 -> c - vc, A calc, v ark, w/ s fn - m, ((434 - 456, 6' recov.)
456	486	SH; lt gr gy, END CORE @ 453 -> wet samples SH; lt gr gy; @ 479 -> m gy, mod arena
486	587	SS; fn - m, BEGIN CORE @ 517 -> 6' recov. END CORE @ 527 -> wet samples SS, m gy fn - m; @ 557 -> m - c, A blk cht; @ 565, intbdd w/ gr SH; @ 577 -> m gy, fn - m; @ 580 -> v fn, w cem
587	607	SH; rd br; @ 595 -> gr SS bottom at 607

HOLE NO. 137 AREA Geo. 10a 13-9

FROM	TO	DESCRIPTION
0	15	Blow Sand
15	249	SH; lt gr - dk gy, sli - v arena
249	344	SS; lt gy, fn - m, all qtz; @ 320 → m gy, w/ s carb; @ 338 → ex arena
344	371	SH; lt gr gy, v arena; @ 347 → mod arena
371	395	SS; m gy, fn - m, A blk cht; @ 383 → m - c, v ark, 400 take to next SS (go go wet samples)
415	461	SS; BEGIN CORE @ 419 SS, m gy, fn - m @ 419.5, 3" gr SH; @ 422, 2" gr SH; @ 432 → w/ gr cl gls; @ 437 s → m - c & cg, ex arg w/ gr SH; @ 441.5 → m - c, no arg; @ 445, 1' gr SH; @ 446 → m - c, no arg; @ 450 → v fn - fn w/ A calc, A Pet Res, A py, v arg; @ 451.5 → fn, lt gr SH, mod arg; @ 455 → v arg, v fn - fn, A Pet Res
461	494	SH; lt gr gy, w/ A Pet Res, w/ ls nods END CORE @ 464, (Go to wet samples) SH, lt gr gy to 494
494	594	SS; m gy fn - m, A blk cht v ark; @ 515 → v arg; @ 522 → m c, m gy, no arg; @537→ fn - m, A blk cht; @ 590 →vfn - fn, v w com
594	597	SH Bottom at 597

HOLE NO. 138 AREA Sec. 10, 13-2

FROM	TO	DESCRIPTION
0	25	Blow Sand
25	255	SH; lt - dk gy, sli - v arena
255	350	SS; lt gr, fn - m all qtz; @ 335 → dk gy w/ s carb
350	362	SH; lt gr gy; @ 356 → w/ br gy
362	401	SS; m gy, fn -m, sli arg; @ 371 → m - c; @ 387 → v arg; @ 390 → sli arg; @ 393 → ex arg; @ 396 → sli arg. BEGIN CORE @
401	431	SH, 420, lt gr gy w/ br gy; @ 425 → m gy; @ 429 → v arena
431	484	SS; m gy, v fn - fn; @ 434 → m - c & cg, w/ stks gr cl & A py in stks; @ 443 → m no cl; @ 444 → po cem; @ 449 → f cem; @ 450 → m - c & cg, v ark, w/ stks gr cl; @ 462 → fn - m, A fn diss py; @ 464½ 6" c - vc; @ 474 → m - c, w/ gr cl stks; @ 479 → m - c & cg, v ark, A calc, s kaol; ¼ 482 → fn - m
484	501	SH; lt gr gy, w/ br gy, no arena END CORE @ 489 Go to blind drilling
501	595	SS; BEGIN CORE @ 540 SS, m gy, m - c, sli arg, v ark, A blk cht; @ 551 → fn; @ 565 → w/ stks gr cl; @ 570 no cl v fn - fn; @ 590 → m - c; @ 594 → w/ stks gr cl, v w cem
595	607	SH; lt gr gy w/ rd br, v arena Bottom at 607

HOLE NO. 139 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	30	Blow Sand
30	260	SH; m gy - dk gy sli - v arena
260	351	SS; lt gr, fn - m, all qtz; @ 340 -- dk gy w/ s carb
351	375	SH; lt gr gy, mod arena
375	400	SS; m gy, fn - m; @ 385 --> m - c, @ 388, 3' ex arg; @ 391 --> fn - m
400	433	SH; lt gr gy; @ 406 --> v arena, dk gy; @ 418 --> lt gr gy w/ br gy, no arena; @ 432 --> ex arena, BEGIN CORE @ 434 SS, m gy, fn - m, w cem w/ A calc; @ 436 --> po cem; @ 439 --> v arg; @ 444 --> sli arg; @ 449 --> m - c, v ark, w blk cht, po cem; @ 450 --> m-- c w vc, A kaol, f cem
458.5	505	SH; lt gr gy, sli arena, END CORE @ 462 --> wet samples; @ 490 --> m gy, mod arena
505	607	SS; m gy m - c, v ark; @ 510 --> fn -m, w cem w/ A calc
607	627	SH;lt gry; @ 609 --> lt gr gy w/ rd br Bottom at 627

HOLE NO. 140 AREA Sec. 10, 13-2

FROM	TO	DESCRIPTION
0	30	Blow Sand
30	250	SH; lt gy - dk gy, sli - v arena
250	340	SS; lt gy, fn - m, all qtz; @ 330 -> dk gy w/ s carb
340	382	SH; lt gr gy
382	393	SS; m - c, m - gy, v ark
393	429	SH; lt gr gy; @ 395 -> w/ br gy; @ 424 -> v arena,
429	500	SS; BEGIN CORE @ 429, lt gy, v fn - fn; @ 431 -> m gy; fn; @ 432 -> m - c w/ A blk cht; @ 438 -- w/ stks gr cl fn - m; @ 439 -> po cem w/ stks gr cl; @ 443 -> f cem w/ A py s stks gr cl, fn - m - c & vc; @ 451 -> fn - m; @ 455, 3" dk gy w/ py; @ 464 -> c - vk & Breccia, v - ex arg w/ gr SH; @ 470 -- m - c & vc, A kaol, A calc, s py, sli arg; @ 475.5 -> fn - m, w/ A kaol & calc; @ 480 -> o cem; fn - m, sli arg; @ 495 -> f cem, fn - m, w/ A calc
500	515	SH; m - dk gy, A Pet Res & py mod - v arena; @ 501 -> lt gr w/ rd br, mod - v arena. END CORE @ 505 (Go blind)
515	552	SS
552	557	SH; Begin Core @ 555, SH, rd br, v arena
557	598	SS; lt gr gy, v fn - fn, fn, diss py @ 559 -> w/ stks gr cl; @ 563 -> m gy, m - c, v ark, A calc, mod arg; @ 566 -> fn - m, po cem; @ 581 -> ex arg, rd br w/ lt gr gy; @ 584 -> m gy, mod arg, fn - m, A fn diss py
598	615	Siltstone, lt gr gy w/ rd br END CORE @ 605 Bottom at 615

HOLE NO. 150 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	25	BLOW SAND
25	255	SH; lt br gy - dk gy, sli - ex arena
255	337	SS; lt gry, fn - m, all qtz
337	367	SH; lt gr gy; @ 340 -> w/ dk gy & s carb; @ 343 -> lt gr gy no arena @ 358 -> rd br, w/ stks lt gr gy, no arena; @ 367 -> m gy, v arena
367	383	SS; fn - m, m gy BEGIN CORE @ 379 S , fn - m, w cem w/ A calc, END CORE @ 383 -> wet samples
383	399	SH; rd br, v calc; @ 385 -> lt gr gy; @ 389 -> w/ rd br
399	429.5	S ; m gy, fn - m, BEGIN CORE @ 405 3" gr, SH -> m gy, m - c, v ark, A blk cht; @ 407 -> po cem; @ 422 -> v fn - fn; @ 429 -> m - c, A blk cht stks gr cl
429.5	455	SH; lt gr gy, v arena; @ 430 -> no arena, w/ ls nods. END CORE @ 430 Go to wet samples
455	458	SS; m gy, fn - m
458	489	SH; lt gr gy, w/ lt gr sli mod arena
489	594	SS; m gy, fn - m; @ 512 -> m - c; @ 552 -> w cem w/ A calc; @ 555 -> fn - m, f cem; @ 594 -> w cem w/ A calc
594	605	Siltstone, lt gr gy w/ rd br intbdd w/ lt gr gy SH Bottom at 605

HOLE NO. 151 AREA Sec. 10, 12-2

FROM	TO	DESCRIPTION
0	30	Blow sand, br gy
30	265	SH; lt gy to dk gy, sli - v arena
265	345	SS; lt gy, fn - m all qtz; @ 340 --> dk gy w/ s carb
345	399	SH; lt gr gy; @ 372 --> ex arena; @ 384 --> lt br gy mod arena; @ 396 --> lt gr gy, ex arena
399	419.5	SS; m gy fn - m BEGIN CORE @ 402, SS, lt gr, v fn - fn; @ 411 --> w cem w/ A calc, sli arg w/ gr SH,
415.5	476	SH; lt gr gy, sli arena END CORE @ 421 Go to wet samples
476	491	SS; m gy, fn - m
491	505	SH; lt gr gy w/ rd br
505	618	SS; m gy, fn - m; @ 530 --> m - c; @ 582 --> w cem w/ A calc; @ 590 --> f cem, m - c; @ 617 --> w cem w/ A calc
618	620	Siltstone, lt gr gy Bottom at 620

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HOLE NO. 152 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	35	Blow Sand
35	260	SH; lt gy - dk gy, sli - v arena
260	350	SS; lt gy, fn - m, all qtz; @ 340 --> dk gy w/ s carb
350	460	SH; lt gr gy; @ 388 --> ex arena; @ 394 --> sli arena
460	495	SS; med gy, fn -m, v ark, w/ s py, s calc, A blk cht; @ 472 --> m - c; BEGIN CORE @ 482, cored 482 - 495 recovered 9' 1', SS gr gy, m, mod ark 3', m - f 2½' m - c & cg, v ark, com gr cl gls, com blk cht 2', v w cem w/ calc, com lg gr cl gls END CORE
495	505	SH
505	513	SS
513	622	SH
		Bottom at 622

HOLE NO. 153 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	25	Blow Sand
25	220	SH; lt br gy - dk gy, sli - v arena
220	313	SS; lt gr, fn - m, all qtz; @ 300 -> med gy, w/ s carb, mod arg
313	345	SH; gr gy, sli arena; @ 333 -> mod arena; @ 336 -> ex arena; @ 339 -- sli arena; @ 342 -> mod arena
345	371	SS; gr gy, fn - m, mod ark, v arg; @ 369 -> w/ rd br
371	417	SH; gr gy, v arena; @ 378 -> mod arena; @ 384 -- sli arena; @ 390 -> v arena; @ 393 -> w/ rd br, mod arena; @ 399 -> sli arena
417	452	SS; gr gy, fn, v arg, BEGIN CORE @ 419 SS, gr gy, fn, sli ark, f w cem w/ s gr cl; * 420½ -> m - c & cg, v ark; @ 424½ -> m - c; @ 427 -> p cem; @ 429 -> m - c & cg, f cem; @ 432 -> c & cg w/ cem gr cl gls; @ 435 1' SH, gr gy, ex arena; @ 438½ m, f cem, A blk cht; @ 446 -> p cem; @ 447 END CORE
452	468	SH
468	476	SS
476	484	SH
484	572	SS
572	588	SH; rd
		Bottom at 588

HOLE NO. 173 AREA Sec. 10, 13-2

FROM	TO	DESCRIPTION
0	45	Blow Sand
45	265	SH; m gy - dk gy, Sli - v arena
265	331	SS; m. gy, fn - m; @ 300 --> lt gy all qtz
331	382	SH; lt gr gy; @ 350 --> w/ rd br; @ 355 --> lt gr gy; @ 358 --> w/ br gy
382	427	SS; lt gr gy, fn - m, v ark; @ 385 --> m - c; @ 400 --> fn - m, @ 412 --> v arg; @ 415 --> ex arg, BEGIN CORE @ 419, SS; v fn, lt gr, ex arg w/ ls nods; @ 420 --> c - vc, ex arg; @ 421 --> fn - m, sli arg; @ 424 --> m gy, fn - m, mod arg
427	462	SH; lt gr gy, mot w/ m gy, calc sh, sli arena, END CORE @ 431 --> wet samples; @ 459 --> v arena
462	489	SS; fn - m, mod arg w/ lt gy sh
489	492.5	SH; lt gr gy
492.5	496.5	SS; fn - m, m gy BEGIN CORE @ 493.5 SS; fn - m, m gy v ark; @ 496 --> w cem w/ A calc, com Pet Res
496.5	536	SH; lt gr gy, no arena; @ 508 --> ex arena
536	597	SS; m gy, v fn, mod arg; @542 --> mod br gy w/ m gy, m, c, & cg, lim sta so nem sta, A calc; @ 565 --> mod br gy, A lim sta, m - c, @ 567 --> w cem, lt gy, w/ A calc; @ 568.5--> mod, br gy, fn- m, @ 571 --> lt gy, w cem w/ A calc; @ 586 --> mot rd br - lt gy, sli arg, A calc END CORE @ 590 (Go to blind drilling - driller reports SS to 597
597	607	SH Bottom at 607

HOLE NO. 174 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	45	Blow Sand
45	245	SH; m gy,-dk gy, sli - v arena
245	322	SS; br gy, fn - m; @ 250 --> lt gy, fn, s lim stn; @ 265 --> lt gy, all qtz fn - m
322	366	SH; lt gr gy, sli arena; @ 327, 1' SS; @ 340 --> w/ lt gy
366	400	SS; fn - m, m gy, BEGIN CORE @ 368½ fn - m, m gy, ex arg; @ 370 --> mod arg, w/ A calc & A kaol; @ 373 --> m, - c, v po cem; @ 381 --> m, c, & cg, v ark, A blk cht, int bdd w/ fn - m; @ 383 --> fn - m A fn diss py; @ 384 --> m, w cem w/ A calc, (384 - 396 - 1' recov.) @ 396 --> v fn - fn; @ 398 --> w/ A kaol
400	407	SH; lt gr gy, v arena; @ 403.6 --> sli arena
407	415	SS; m, m gy, v ark (3" recov.)
415	500	SH; lt gy, mod arena, END CORE @ 416 ost circulation Driller reports SH to 500 BEGIN CORE
500	592	SS; lt gy fn - m, v arg; @ 505 --> lt gy w/ rd br, sli arg, m; @ 506 --> lt br m, lim stn; @ 517 --> m, c, & cg, m br; @ 518 --> w cem w/ A calc; @ 519 6" SH, rd br --> SS, rd br, m - c, mod arg, w/ A blk cht, A calc; @ 524 --> po cem, mod rd br, fn - m; @ 531 --> lt br gy, fn - m po cem, A py; @ 540 --> lt gy w/ lt rd, w cem w/ A calc; @ 541 --> lt rd fn - m, A kaol; @ 546 --> lt br gy, fn - m; @ 548 --> lt gy w/ lt rd or, w cem w/ A calc; @ 551 --> lt br gy, po cem, fn - m; @ 554 --> m - c; @ 560 --> lt br gy, fn - m, f cem w/ stks SH, lt gr gy w/ lt rd; @ 568 --> m, END CORE @ 572 (Go to wet samples) SS, fn - m, rd br; @ 578 --> lt gr gy w/ lt rd v arg,
592	598	SH; rd br w/ lt gr gy Bottom at 598

HOLE NO. 176 AREA Sec. 19, T2S?

FROM	TO	DESCRIPTION
0	45	Blow Sand
45	205	SH; lt br - dk gy, sli - ex arena
205	320	SS; lt gy, fn - m, all qtz (take to abt 308, 100 below green sh) go to driller reports @ 230
320	340	SH
340	405	SS
405	444	SH; BEGIN CORE @ 425, SH, lt gy; @ 434 --> ex arena; @ 441 --> rd br
444	467	SS; fn - m, lt gy gy, w/ cem w/ A calc; @ 445 --> m gy, m - c, A calc & kaol, w/ s py; @ 450 --> lt gy, fn - m w/ stks c - vc, A calc; @ 461 --> po cem, A py, in stks, fn - m; @ 464 --> w cem w/ A calc, c - vc, & cg
467	480	SH; lt gr gy w/ rd br; @ 473.5 --> ex arena w/ s Pet Res END CORE @ 480
480	575	SS; (no samples, lost circulation - driller reports BEGIN CORE @ 500 SS, dk br gy, lim stn, s hem stn, fn - m, A calc; @ 508.5 --> m - c; @ 510 --> m gy, m - c, A calc, po cem, s cg v ark, s coff. (510 - 530, 2' recov; @ 530 --> m - c, lt gy w/ lt rd br; @ 547 --> mod rd br, fn-m; @ 554 --> m gy w/ lt rd, A py, m - c; @ 566 --> mod rd br, fn - m, po cem; @ 568 --> w cem w/ A calc. END CORE @ 570 (Go to blind drilling)
575	610	SS-SH @ 580 --> SH Bottom at 610

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HOLE NO. 177 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	40	Blow sand
40	193	SH; dk gy - m gy, sli - ex arena
193	290	SS; lt gy, fn, m, all qtz
290	330	SH; lt gr gy; @ 324 --> lt br gy; @ 333 --> m, c, cg, v ark; @ 336, 2' ex arg; @ 339 --> fn - m, sli arg; @ 351 --> m gy, m gn; @ 357 --> m - c v ark, A calc; @ 363 --> fn - m; @ 366 --> m - c; @ 378 --> v fn - fn; BEGIN CORE @ 381; SS; lt gr, m -c com wh cl; @ 392 --> w cem w/ A calc; @ 394 w/ A gr cl; @ 396 --> f cem w/ s gr cl; @ 398 --> w cem w/ A calc & gr cl
400	410	SH; lt gr gy, no arena; @ 404 --> w/ lt br gy & rd br, mod - v arena; @ 408 --> ex arena; lt gr gy
410	419	SS; lt gy, fn - m; @ 415 --> m, occ lt gr gy; @ 418 --> w cem w/ A calc
419	474	SH; lt gr gy w/ rd br, v arena Resume plug @ 423; SH; gr gy & rd br
474	535	SS; some gr gy & rd br, m - c, s cht
535	545	SH; rd br, v arena Bottom at 545

HOLE NO. 178 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	40	Blow Sand
40	55	SS; lt br gy, m - v arg
55	195	SH; dk gy, v arena
195	275	SS; lt gx m gy, fn, all qtz
275	314	SH; lt gr gy; @ 302 → mod arena; @ 308 → br gy; @ 311 → ex arena
314	371	SS; lt gr gy, m, v ark, v arg; @ 326 → m - c 7 cg, 335 → m & c; @ 341 → m, v arg; @ 347 → m - c mod arg; @ 362 → m gy, m - c & cg
371	392	SH; lt gr gy, no arena; @ 383 → w/ br gy v arena; @ 385 → ex arena
392	400	BEGIN CORE @ 932, SS, lt gy, ex arg, v fn -fn; @ 397 → no arg, m, w cem w/ A calc
400	417	SH; lt gr gy; @ 401 → rd br END CORE @ 402 go to wet samples.
417	457	SS; fn - m, m gy, v w cem
457	484	SH; lt gr gy w/ m gy
484	573	SS; rd br w/ lt or br; @ 573 w cem w/ A calc
573	576	
		Bottom at 576

HOLE NO. 172 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	80	Blow Sand
80	185	SH; m gy - dk gy - sli - v arena
185	275	SS; lt gy, fn - m all qtz; @ 270 -> dk gy, v arg w/ A carb.
275	314	SH; lt gr gy; @ 308 -> v arena
314	332	SS; m gy, m - c
332	374	SH; lt ol gy; @ 344 -> ex arena; @ 347 -> mod arena; @ 350 -> no arena; @ 369 -> v arena
374	418	SS; m gy, fn - m, BEGIN CORE @ 380 SS, m gy, fn, A fn py; @ 381 -> m - c, v arg; @ 382 -> v fn - fn; @ 385 -> m, c, cg, v ark; @ 387 -> v fn - fn, mod arg; @ 391 -> fn - m, A calc; @ 393 18" gr SH w/ br SH, & SS stks A pet res, A py; @ 394 -> m rd br, m gn, A hem; @ 395 -> w/ lt or gy; @396 -> or gy; @ 400 -> rd br; @ 405 -> m, c, cg; @ 411 -> w/ or gy; @ 413 -> fn -m, or gy; @ 415 -> fn - vc w cem w/ A calc, lt gy
418	435	SH; lt gr gy w/ br gy, v arena END CORE @ 420
435	445	SS; m gy, fn - m
445	470	SH; lt gr gy w/ rd br
470	565	SS; rd br @ 500 -> or gy; @ 525 5' w cem w/ A calc; @ 530 -> rd br, fn m; @ 563 -> w cem w/ A calc
565	575	SH Bottom at 575

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

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 10 1956

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

Month of June 1956 Docket No. DMEA 4017 Contract No. 12-[illegible]
Operator's Name COLANER CORPORATION Minerals [illegible]
Address GRANTS, NEW MEXICO
Contract Amount, $ 102,580.00 Government Participation: 75 % Amount, $ 76,935.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	4,292.75	6,138.30	10,431.05			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Dit	5,725.15	5,690.30	11,415.45			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Inc. Allwo CO.27 /ft.	2,272.45	2,698.38	4,970.84			
ASSAYS	None	None	None			
(8) Contingencies (specify):						
TOTALS	12,290.35	14,526.98	26,817.34	12,100.74	14,526.98	26,627.72
				4- 301.60		301.60
				14,225.38		26,326.12

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 9, 1956 *Payee COLANER CORPORATION
Per [signature] Title GEOLOGIST

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 9075-55
Signature [signature]
(Authorized Certifying Officer)
Date 9/4/56 Vou. No. 2[illegible] 57-26
(See other side)

4 Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E940 in accordance with the terms of the contract.

Signature [illegible] Title Min. Engr Date 7/18/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Jones Title Executive Officer Date AUG 9 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[illegible]-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED SEP 10 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 4017 Contract No. 10-[illegible]
Operator's Name COLMAR CORPORATION Minerals [illegible]
Address GRANTS, NEW MEXICO

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	4,292.75	1634.5	10,491.03	3,499.5	2.98	11,200	3.50
Churn								
~~Auger~~ Lug Bit	Ft.	5,725.15	6782	11,415.45	14,911	0.765	39,200	1.25
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea	0	0	0	0	3.50	40	3.50
Total Distributed Costs		10,017.90		21,846.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Inc. Allow. @ 0.27 /ft.		2,272.46	8416.5	4,970.84				
Total Costs		12,290.36		26,817.34				

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

Date July 9, 1956 Operator COLMAR CORPORATION

Per [signature] Title GEOLOGIST

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

Remarks:

(Instructions on reverse)

(For Government use only) [signature]

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 10 1956

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

Administrative Audit Difference Statement

[redacted]

FINAL DISTRIBUTION
SEP 7 1956
MADE

Date: [redacted]
Payee's
Reference: [redacted]

[redacted]

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

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

[redacted]

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

August 29, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4017 (Uranium) Contract Idm-E940, Colamer Corporation (Sec. 10, T13N, R9W) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of June, 1956

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

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

The cost of 1/2 hour stand-by time in hole 120 and 1/2 hour in hole 121 is allowed in addition to the 10 hours recommended in the Engineer's Report for holes 162, 163 and 172.

Disallowance, Non-Core drilling:

Amount reported by Operator, 6,782 feet at total cost of- - - - - - - - - - - - - - - -	$5,725.15
The allowable cost as determined from driller's logs and drilling subcontract, 6,782 ft. at total cost of- - - - - - - - - - -	5,535.53
Amount to be disallowed	$ 189.62

Reconciliation with Amount Reported by the Operator on Form MF-104 for June, 1956

Total amount reported on Form MF-104 for June, 1956 - -	$ 12,290.36
Amount to be disallowed- - - - - - - - - - - - - - - - - - - -	189.62
Total accepted cost- -	$ 12,100.74
Government participation at 75 percent- - - - - - - - - -	$ 9,075.55

Note: Actual core drilling performed during the period was 1,634.5 feet. In accordance with the provisions of the drilling subcontract payment is made only for the footage of core actually recovered in those holes where core recovery is less than 80 percent. This results in a lower average cost per foot for the total core drilling performed. The Operator has correctly reported the core footage and cost on Forms MF-104 and MF-104A.

Remarks

Date of Report - - - - - - - - - - - - - - - - - July 9, 1956
Date Received in Field Office- - - - - - - - July 11, 1956
Date Received in Region Office- - - - - - August 28, 1956
Report held in field office pending receipt of logs and other data from Operator

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E940
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report
Chron.

DMEA
Data Rec'd,

AUG 28 1956

BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 27, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA 4017 (Uranium) Contract 14m-5940, Colemar Corporation, Phillis, Fannie, Jean, and Rosta Claim Groups, Sec. 10, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico -- Progress report for June, 1956

Progress was checked on July 10, 1956, accompanied by Jean Raly, geologist for Colemar Corporation.

The accompanying table gives data on the holes drilled during June, 1956 as shown by drilling contractor's logs.

Plug Drilling

Hole No.		Pd. at $0.70	Pd. at $0.95	Feet	Feet	% Recovered	Pd. at $3.50	Total Depth	Remarks
6/4	120	375	-	375	100	96	100	475	Slight Radiometric Anomalies
6/6	121	371	-	371	74	71	53	445	"
6/8	122	295	-	295	120	69	83	415	< 0.02% eU_3O_8
6/21	148	400	80	480	120	53	63	600	3.0' - 0.083 eU_3O_8
6/29	149	-	474	474	126	68	86	600	< 0.013 "
6/22	159	-	470	470	132	55	73	602	1.0' - 0.073 "
6/21	160	-	510	510	105	87	105	615	< 0.023 "
6/14	161	499	-	499	118	69	81.5	617	3.0' - 0.040 "
6/18	162	508	-	508	92	49	45	600	2.5' - 0.113 "
6/11	163	485	-	485	98	81	98	583	none
6/17	164	441	21	462	123	88	123	585	No return from AEC
6/7	165	428.5	-	428.5	111	90	111	539.5	1.5' - 0.043 eU_3O_8
6/29	166	355	62.5	417.5	97.5	72	70	515	1.5' - 0.033 "
6/28	172	-	549	549	91	55	50	640	< 0.023 "
6/30	175	-	458	458	127	67	85	585	1.0' - 0.09 "
		4157.5	2624.5	6782.0	1634.5		1226.5	8416.5	
		.70	.95				$3.50		
		$2910.25	$2493.28	$5403.53			$4292.75		

Note: Drilling contract was amended June 15, 1956 increasing cost of plug drilling from $0.70 to $0.95 a foot.

The drilling contractor's logs agree with total footage claimed by the operator in the narrative report; 6782 feet non-core drilling, 1634.5 feet core drilling; total drilling for June 1956, 8416.5 feet.

Operator reported 1634.5 feet of core drilling on Form NF-104, but only paid for 1286.5 feet at $3.30 a foot, or $4292.75 in accordance with his agreement with the drillers.

Operator performed 4157.5 feet of non-core drilling at $0.70, costing $2910.25 and 2624.5 feet at $0.95 a foot costing $2493.28 or a total of $5403.53. He charged $5725.15 for that item on Form NF-104.

Driller's logs show a total of 10 hours standby time used at holes 162, 163 and 172 for which $12.00 an hour is charged and this is allowed because Idm-5940 contract permitted a non-core drilling cost of $1.25 a foot.

Approved costs are as follows:

4157.5 feet of non-core drilling at $0.70 a foot	$2910.25
2624.5 feet of non-core drilling at $0.95 a foot	2493.28
1286.5 feet of core drilling at $3.30 a foot	4292.75
10 hours of standby time at $12.00/hr.	120.00
8416.5 feet at $0.27 for incidental costs	[illegible]
	$12,[illegible]

It is recommended that 75 percent of the approved total costs, amounting to $9066.56 be approved for payment.

A certified copy of Colmar's amended sub-contract with Mineral Engineering Company is on file in your office.

Radiometric logs and drilling contractor's logs in duplicate were submitted by the applicant.

One set of logs are attached with this report.

W. D. McMillan
Mining Engineer

WDM/mw
cc: 6
Idm-5940
Chron

July 9, 1956

MONTHLY NARRATIVE REPORT ON ROCK DOCKET 4017
CONTRACT NO. Ion-3940
Month of June

The following holes were completed during the month of June:

HOLE NO.	NON CORE	CORE	% RECOV.	CORE PAID	DATE COMPLETED
120	375	100	96	100	6-4-1956
121	371	74	71	53	6-6-56
122	295	120	69	83	6-8-56
148	480	120	53	63	6-21-56
149	474	126	68	86	6-29-56
150	470	132	55	73	6-22-56
160	510	105	87	105	6-21-56
161	499	118	69	81.5	6-14-56
162	508	92	49	45	6-18-56
163	485	98	81	98	6-11-56
164	462	123	88	123	6-17-56
165	428.5	111	90	111	6-07-56
166	417.5	97.5	72	70	6-29-56
172	549	91	55	50	6-28-56
175	458	127	67	85	6-30-56
	6782	1630.5		1336.5	

This month drilling shows nine holes in which the core recovery has fallen below 80% as can be seen from the drillers logs. Practically all coring is being done in the sand units and most non core drilling in the shale units. The sands in this area are extremely soft and in many cases the core has simply been washed away. However, when this occurs we have the drillers recover the washed out core by means of water circulation and wet samples are recovered for this interval, so that we can still obtain information in this interval of drilling.

Included with this report are complete drillers logs of each hole. All radiometric logs are included with the exception of hole No. 164 which at this date has not been returned to us by the A.E.C. This will be forwarded immediately to your offices as soon as we can obtain a copy. Also included with this report are six copies of a recapitulation of the mineralization found in all holes drilled to date with the exception of hole No. 164.

Respectfully,

COLMER CORPORATION

KENNEY MOORE

KM:lj

HOLE NO. 120 AREA Sec. 10, 13-2

FROM	TO	DESCRIPTION
0	18	Blow Sand
18	78	SS; lt br, fn - m
78	126	SH; m gy, mod arena
126	204	SS; lt br, fn - m @ 150,,3' dk gy, v arg A carb; @ 201 -> m - c, s carb, sli arg
204	210	SH; lt gr gy, v arena @ 207 -> ex arena
210	225	SS; lt or bn, v arg m - c
225	297	SH; lt gr gy, w/ br gy, sli arena @ 243 -> ex arena @ 245 -> mod arena @ 267 sli arena @ 279 -> lt ol gy, @ 294 -> v arena
297	346½	SS; br gy, fn - m, ark, Begin Core @ 300 @ 300 rd br, fine - m, A hem stn @ 314½ -> w/ stks lt gr gy, fn - v fn @ 317 -> m - c, w/ stks v fn m gy, A hem stn @ 324½ 3" gr sh, w/ pet res @ 325 -> m, po cem, A hem @ 326 -> f cem @ 335 -> fn w/ stks m - c, A hem @ 344 -> lt gr gy, w/ rd br, m - c, A calc, well cem, A hem
346½	361	SH; lt gr gy, w/ rd br, sli arena, END CORE @ 350 All samples lost, drillers report
361	376	Sand
376	401	SH
401	455	SS: Begin Core @ 425, SS, fn - m, lt rd br w/gr cl stks, @ 431 -> v fn - fn, m rd br, A hem stn @ 437 -> lt gy, fn - m, A kaol, @ 438 -> m rd br, m - c w/ s gr cl, @ 441 -> no cl @ 444 -> po cem, fn - m @ 445 -> w cem w/ s gr cl gls, @ 447½ -> dk gr gy, w/ rd br, fn - m, sli arg @ 449 -> rd br, fn -m
455	475	SH; rd br, w/ lt gr gy @ 457½ -> v ex arena; @ 467½ -> no arena Bottom at 475

HOLE NO. 121 AREA Sec. 10 12-9

FROM	TO	DESCRIPTION
0	15	Blow sand
15	68	SS; lt br, fn - m, mod arg
68	111	SH; dk gy, mod arena
111	194	SS; lt br gy, fn - m, All7 -> lt gy all qtz; @138 -> m gy, scar ; @ 147 -> lt gy
194	207	SH; lt gr gy
207	219	SS; lt gr gy, m, v arg
219	286	SH; lt gr gy; @ 255 -> w/ br gy; @ 267 -> ex arena; @ 270 -> sli arena; @282 -> rd br, Begin Core; @ 285
286	330	SS; br gy, w/ rd br, c- cg A hem; @ 295 1' SH rd br w/ gr gy; @296 -> lt gr gy, fn - m, com gr cl; @ 300 -> ck gr gy w/ A gr cl, ex arg; @ 307 -> br gy, A hem, c - v c; @ 310 -> rd br, c - v c, A hem, com spks wh cl; @ 326 -> br gy w/ s lim; @ 326 -> rd br, A hem; @ 328½ 2" gr cl gl w/ hem halo
330	334	SH; lt gr gy w/ rd br
334	351	SS; m - c, br gy v ark, A kaol END CORE @ 338 (Wet Samples) SS, br gy, m, v ark
351	398	SH; lt gr gy w/ rd br
398	443	SS; br gy, fn - m; Begin Core @ 410, SS; lt rd br, fn, A hem spks, A kaol 413 - 415, 8" recov, SS; lt rd br, fn w/ stks gr cl, 415 - 423, 0' recov, SS, c - cg, v arg, A py, s hem, pet res Shows fracturing; 426 - 431 o' recov END CORE; @ 431 (dropped rods recovered, go to wet samples) SS, rd br, fn - m, w/ s gr cl
443	445	SH; lt gr gy w/ rd br Bottom at 445

550 CPS at 377

HOLE NO. 122 AREA Sec. 10, 13-2

FROM	TO	DESCRIPTION
0	33	Blow sand
33	45	SS; m br, fn O m, sli arg
45	75	SH; dk gy, mod arena
75	190	SS; lt gy, fn O m, all qtz; @ 93 → m gy, s carb; Samples lost; @ 100 drillers report Jmbb @ 190
190	307	SH; @ 260 3' ex arena, Begin Core @ 270 SH; lt gr gy; @ 280 → w/br gy, mod arena @ 290 ~~a~~ 6" highly fractured, → lt rd br, v arena; @ 292½ → lt gr gy w/rd br v arena; @ 300 → ex arena; @ 303 stk of pet res, A py
307	345	SS; m gy, fn - m, p cem, (307-314) 0' recov. driller reports; @ 314 → m ~~by~~ gy, fn, w cem w/A calc & A py; @ 326 1' SH, lt gr gy w/s lt rd; @ 327 → v fn, lt ~~gx~~ gr gy, A py, s coff, mod - v arg; @ 331 → lt or br, fn - m, A lim stn, po cem; @ 335 → w cem w/A calc
345	348½	SH; lt gr gy w/ lt rd br, v arena
348½	380	SS; lt br gy, m - c, A lim stn; @ 359 → rd br, w/br gy, lim & hem stn, m - c, A calc; @ 374 → w cem w/A calc; @ 375½ → silt. stone, ex ~~sark~~ calc, w/ gr cl gls
380	415	SH; rd br w/lt gr gy, sli arena; @ 386 → ex arena; End Core @ 390 (Drilling blind, driller reports SH to Bottom Bottom at 415

HOLE NO. 148 AREA Sec. 10k 12-9

FROM	TO	DESCRIPTION
0	25	Blow Sand
25	255	SH; lt gy, mod arena --> dk gy, sli arena
255	347	SS; lt gy, fn - m; @ 265 --> m gy w/ s carb; @ 270 --> lt gy, all qtz; @ 335 --> dk gy w/ carb
347	387	SH; lt gr gy; @ 366 --> mod arena; @ 375 --> w/ br gy
387	424	SS; lt gr gy, m, BEGIN CORE @ 400 --> m gy, m - c, v ark, A calc; @ 401 --> w/ gr cl gls; @ 404 6" gr SH; @ 404½ --> lt gr gy, v fn - fn, no cl; @ 406 --> m gy, m - c, mod arg, v ark, A fn diss py, occ blk spks; @ 419½ --> lt gy m - c & cg, no cem; @ 421 --> dk gr gy, w cem w/ A calc A Pet Res
424	482	SH; lt gr gy, no arena, END CORE @ 425 (lost all samples, driller tryed for 3 hrs. to get water back - reports - SH to 482)
482	570½	SS; BEGIN CORE @ 490, m gy, c & cg, po cem, v ark, A py, com spks gr cl, s kaol, com blk cht; @ 502 --> w cem w/ A calc; @ 508 --> m & c; @ 510 --> f cem, no calc, m, fn diss py; @ 517 --> m & o; @ 523 --> c & ct, v arg, lt gr gy, A py; @ 524 --> mod arg, m gy, po cem; @ 543 --> m occ gr cl; @ 567 --> fn - m, w/ stks c - cg, sli arg, fn diss py
570½	584	SH; lt gr gy, v arena, v calc; @ 578 --> lt gr gy, w/ rd br mod arg; @ 591 --> lt gr gy, v arena
584	600	SS; c - v c, v arg, END CORE @ 585 Driller reports SS to 600 Bottom at 600

HOLE NO. 149 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	30	Blow sand
30	295	SH; ~~xxxxxxxxxx~~ m gy - dk gy, sli - mod arena; @ 250 -> ex arena
295	341	SS; lt gy, fn - m, all qtz
341	396	SH; lt gr gy; @ 392 -> rd br
396	410	SS; lt gr gy, m
410	425	SH; m gy, intbdd w/SS ribs Begin Core @ 425
425	435	SS; m gy, m - c, v ark, A Kaol, A calc, stks A py
435	492	SH; lt gr gy, sli arena; @ 438 -> v arena; @ 440 -> sli arena w/ s Pet Res; @ 443 -> no arena, dk gy, END CORE @ 446 go to wet samples, 452, 2' SS; @ 464 1' SS
492	580	SS; fn - m, b gy, BEGIN CORE @ 495, SS, m gy, m - c, v ark, A calc, po cem; @ 500½ -> m, f cem, v ark, A blk cht, A calc; @ 508 -> fn - m, v po cem; @ 519 -> m, A calc, f cem, A blk cht; @ 521 -- fn - m, m gy w lt br gy, v po cem; @ 522 -> m f cem, A calc, A blk cht; @ 527 -> po cem; @ 536 -> c - vc, v ark, v arg w/ gr cl, A py, A kaol; @ 544 -> v fn, fn diss py no cl; @ 545½ -> fn - m, po cem, sli lim sta; @ 555 -> lt gr gy, fn - m, sli arg, po cem; @ 575 -> w cem w/ A calc s pet res
580	600	SH; lt gr gy, v arena; @ 595 -> rd br mod arena Bottom at 600

HOLE NO. 159 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	25	Blow sand
25	185	SH; lt br gy, mod arena; @ 40 --> m gy; @ 130 -->dk gy
185	344	SS; m gy w/ s carb, sli arg; @ 260 -->lt gy, all qtz, fn - m
344	399	SH; lt gr gy, v arena; @ 359 --> sli arena; @ 391 --> w/ br gy
399	423	SS; lt gr gy, fn - m, BEGIN CORE @ 400 v fn - fn, m gy w/ br gy; @ 403 -->c - vc w/ s gr cl; @ 408 --> fn, w/ br gy; @ 409 --> v fn - fn, v arg
423	445	SH; m gy, w/ br gy, v arena, END CORE @ 430
445	474	SS; From 466 --> 468, SH then SS
474	498	SH
498	599	SS; BEGIN CORE @ 500 m - lt gry, c - v c, f cem v ark, A kaol, A cht, A py; @ 506 --> m & c, f - w cem, lt gy; @ 510 --> m gy, f cem, c 7 v c, w/ gr cl spks 7 gls; @ 514 --> m - v c; @ 525 --> m, po cem, sli arg; @ 537 --> f cem, mod arg; @ 541 -->m- c, f cem, 545 to 555 o' recov; @ 555 --> lt gy, w cem w/ A calc, blk sh, gls; @ 556 --> c - ct, v arg w/ gr sh; @ 557 --> v fn - fn, w/ s gr cl gls; @ 575 --> fn- m, w cem; @ 585 --> lt gr gy, m, v ark
599	602	SH; lt gr gy w/ rd br, intbdd w/ v fn SS
		Bottom at 602

HOLE NO. 160 AREA Sec. 10. 13-9

FROM	TO	DESCRIPTION
0	30	Blow sand
30	195	SH; m gy, mod arena; @ 95 → lt gy, no arena; @ 130 → dk gy
195	215	SS; m gy, fn, v arg
215	265	SH, m gy, mod arena
265	342	SS; m gy, fn - m, s carb; @ 280 → lt gy, mod arg; @ 305 → all qtz; @ 335 w/s carb
342	388	SH; lt gr gy; @ 370 → mod arena ; @ 382 → lt gr gy w/br gy
388	394	SS; fn - m, lt gr gy, v arg
394	400	SH; lt gr gy
400	424½	SS; m gy, m - c, Begin Core @ 412, SS, m gy, fn - m, p cem; @ 420 → v fn - fn, f cem
424½	460	SH; lt gr gy, v arena; @ 425 → sli arena End Core @ 430 (go to wet samples)
460	467	SS; fn - m, m gy
467	500	SH; lt gr gy, v arena; @ 485 → sli arena
500	605½	SS; lt gr gy, fn - m, mod arg Begin Core @ 505 SS, m gy, m, v ark, fn diss py; @ 509½ ⇒ f cem, m - c, sli arg; @ 511 → p cem, fn ~~½~~ - m,; @ 512 → f cem, m - c, v ark, w/s cg, A fine diss py; @ 513 → lt gr gy, fn - m, A fn diss py; @ 516½ → m gy, m - c, sli arg, p cem; @ 520 → c & v c, f cem, w/stks gr cl, mod - v arg; @ 522 → v arg; @ 525 → m - c, mod arg, p cem, w/fn diss py; @ 427½ 6" lt gy, m, w cem w/A calc, A py, A bk spks; @ 428 → m gy, m - c, p cem, w/s py; @ 534 → fn - m, f cem w/stks gr cl @ 535½ → m, f cem, A py; @ 537 → v c w/ s cg, A py, v ark; @ 541 ~~xx~~ 1' lt gy, fn - m, w cem w/A calc; @ 542 → m gy, fn - m, fn diss py, p cem; @ 549 → f cem; @ 553 → m - c, w/stks gr cl, w/s py; @ 554 → lt gy, m - c, A calc, A py; @ 555 → lt gr gy, fn - v fn, w cem; @ 557 → p cem; @ 559 → lt gy, fn - m, A calc, w cem, End Core; @ 562 → wet samples, lt gy, fn - m; @ 577 → m gy, fn - m, Begin Core @ 585, m gy, m - c, mod arg; @ 586 → fn - m, A py, A bk cht; @ 588 00 fn, v ark; @ 590 → m - c, A py, A bk cht; @ 592 → fn - m; @ 605 2" ls, A pet res
605½	611	SH; lt gr gy, mod arena; @ 607 → intbdd SH & SS, v fn; @ 609 → SH, v arg
611	615	SS, m gy, v fn, w/py
		Bottom at 615

HOLE NO. 161 AREA Sec. 10. 13-9

FROM	TO	DESCRIPTION
0	25	Blow sand
25	40	SS; lt br gy, fn - m, sli arg
40	90	SH; dk gy, mod arena
90	125	SS; m gy, fn - m, v arg
125	255	SH; dk gy, no arena; @ 190 → ex arena; @ 220 → sli arena
255	343	SS; lt gy, all qtz
343	396	SH; lt gr gy, mod arena; @ 364 → v arena; @ 367 → sli arena; @ 379 → v arena; @ 382 → sli arena w/br gy
396	435½	SS; m gy, fn, Begin Core @ 400, lt gr gy, fn, sli arg w/s gr cl gls; @ 415 → fn - m, m gy, mod arg, p cem; @ 420 → m - c, ex arg, A py; @ 422, 1½' gr SH; @ 423½ → fn, sli arg, fn diss py; @ 434½ → w cem w/A calc
435½	475	SH; lt gr gy w/s rd br, End Core @ 443 Lost all circulation, Driller used four sacks bran, reports)
475	482	SS
482	500	SH
500	605	SS; begin Core @ 510, SS, fn O m, m gy, p cem; @ 512½ → f cem; @ 514 → fn, A fn diss py; @ 522 → m - c, lt gy, v arg; @ 525 → m gy, fn - m, p cem; @ 532 → lt gy, m - c, v ark, sli arg; @ 544 → p cem; @ 546½ 6" w cem w/A calc fn - m; @ 549 → v arg; @ 550 → m - c w/A Kaol; @ 554 1' gr SH; @ 555 → m, v art, m gy, v ark w/stks gr SH, A py, in SH; @ 571 → m gy, fn - m, A fn diss py; @ 575 → intbdd m SS w/lt gr gy SH, End Cor. @ 585 SS, fn - m, sli arg, fn diss py; @ 603 → w cem w/A calc
605	617	SH; lt gr gy, v arena (siltstone) Bottom at 617

HOLE NO. 162 AREA Sec. 10, 13-2

FROM	TO	DESCRIPTION
0	25	Blow sand
25	180	SH; lt gy; @ 45 → dk gy; @ 85 → lt br, v arena; @ 100 → m gy; @ 125 → dk gy, sli arena
180	335	SS; m gy, fn, v arg; @ 200 → ox arg; @ 220 → sli arg; @ 255 → lt gy fn - m, all qtz
335	368	SH; lt gr gy; @ 353 → mod arena; @ 359 → sli arena
368	377	SS; lt gr gy, fn - m
377	395	SH; lt gr gy, w/ br gy, sli arena @ 392 → v arena
395	432½	SS; m gy m - c, v ark; @ 401 → c; @ 410 → fn - m; @ 419 → m - c, BEGIN CORE @ 451, SS, m - c, w/ gr cl, w cem, w/ A calc
432½	512	SH; lt gr gy END CORE @ 433 (go to wet samples, SH; lt gr gy, w/ rd br to 512)?
512	595	(BEGIN CORE @ 514) From 514 59 534, 4' recov, SS, m gy, m, c, & v c, ox ark; @ 534 → m gy, c - v c, v ark, w/ stks of ms; @ 537 → fn - m, A calc @ 539 → po cem; @ 544 → fn, lt gy, A fn diss py; @ 557½ → c & cg, v ark; @ 558 → m - c, w/ stks fn, A fn diss py; @ 571 → c & cg w/ gr cl gls; @ 573 → fn w/ stks of m - c; @ 582 → fn, p cem; @ 584 → w cem w/ A calc
595	600	SH; lt gr gy w/ rd br Bottom at 600

HOLE NO. 163 AREA Sec. 10 13-9

FROM	TO	DESCRIPTION
0	20	Blow sand
20	245	SH, dk gy, sli arena; @ 70 → lt br; @ 80 → m gy; @ 115 dk gy
245	330	SS; lt gy, fn - m, all qtz; @ 320 → m gy w/s carb
330	374	SH; lt gr gy; @ 333 → mod arena; @ 339 3' SS m; @ 354 → ex arena; @ 360 → sli arena; @ 363 6' ex arena
374	392	SS; lt gr gy, fn - m, mod arg; @ 383 → sli arg
392	438	SH; lt gr gy w/br gy; @ 434 → rd br
438	457½	Begin Core at 438; SS, lt gy, fn; @ 441 → m gy, fn - m, sli arg; @ 445½ 4" ex arg; @ 446 → m - c, w/stks gr cl; @ 455 → m, no cl; @ 457 → w cem w/A calc
457½	470	SH; lt gy, no arena End Core; @ 458 (lost samples, driller reports)
470	482	SH & SS, intbdd
482	492	SH
492	581	Begin Core at 505, SS, lt gr gy, fn; @ 506 → fn - m, w/s gr cl gls; @ 509½ → m gy, fn - m, sli arg, fn diss py; @ 522 → c - v c, lt gy, w cem w/A calc, v ark; @ 524 → m gy, m - c, v ark, A calc; @ 527 → p cem; @ 528 → fn, lt gy, A calc, A pet res; @ 530½ → m gy, fn - m, fn diss py; @ 538 → p cem; @ 541 → fn, f cem, A fn diss py, sli arg; @ 545½ → fn - m; @ 548 → lt gr gy, m - c, v ark, s py, w/stks gr cl; @ 550 → m gy, fn, A fn diss py; @ 554 → fn - m, mod arg; @ 556 1' ex arg; @ 557 → fn - m, w/stks gr cl; @ 566 1' ex w cem w/A calc; @ 567 → fn, no arg; @ 570½ → fn - m, w cem w/A calc
581	583	SH; lt gr gy w/rd br Bottom at 583

HOLE NO. 164 AREA Sec. 10 13-9

FROM	TO	DESCRIPTION
0	35	Blow Sand
35	220	SH; lt br, v arena; @ 65 -> m gy no arena; @ 85 -> dk gy
220	310	SS; lt gy all qtz, fn - m, w so
310	348	SH; lt gr gy; @ 314 -> v arena; @ 346 -> sli arena
348	365½	SS; m gy fn m, sli arg
365½	407	SH; m gy no arena; @ 390½ -> mod arena, BEGIN CORE @ 395, SH; lt gr gy, v arena; @ 396 -> no arena; @ 400 -> w rd br; @ 403 -> lt gr gy sli arena
407	430	SS; lt gy, v fn, sli arg; @ 412½ -> w/ stks gr dl, m gy, m w/ s c; @ 415 -> m - c, A ry, mod arg w/ stks gr cl; @ 419 -> fn - m, w/ stks c, sli arg, fn diss py; @ 423½ -> m gy w/ stks lt gr gy, fn, sli arg, fn diss py; @ 428 -> lt gy, m, w cem w/ A calc
430	477	SH; lt gr gy w/ rd br, sli arena END CORE @ 432(got wet samples)
477	497	SS; BEGIN CORE @ 478, m gy, fn - m, A fn diss py; @ 482 -> sli arg, m, A fn diss py; @ 488 -> fn sli arg; @ 485½ 3" gr cl; @ 490 -> m - c, v ark, A calc, A blk spks; @ 495 -> fn, no py no calc; @ 496 w cem, A calc
497	502	SH; lt gr gy w/ rd br; @ 501 -> ex arg
502	514	SS; dk gy gy w/ dk gy, m, v arg, A pet res, A py, coff?; @ 503 -> w cem w/ A calc, lt gy; @ 503½ -> m gy, fn, A blk spks; @ 506 -> c,m, & vc, v ark, w/ stks gr cl; @ 413 -> w cem w/ A calc
514	520	SH; rd br w/ lt gr gy; @ 517 -> v arena; @ 518 -> ex arena w/ A pet Res, coff?
520	564½	SS; m gy, fn A fn diss py; @ 522 -> fn - m A fn diss py; @ 523½ -> m - c, w/ stks gr cl, A py; @ 524½ -> fn - m, no cl; @ 527 -> m - c, s cg, w/ stks gr cl, v ark, s py; @ 533 -> fn - m; @ 536 -> lt gr gy, fn - m, A fn diss py sli arg; @ 541½ -> m gy fn - m, no cl, A blk spks; @ 543 -> po cem; @ 544 -> m, f cem; @ 554 -> v fn - fn, po cem, s py; @ 559 -> w cem w/ A calc; @ 564 -> w/ ls nods END CORE @ 564
564	585	SH; lt gr gy Bottom at 585

HOLE NO. 165 AREA Sec. 10, 13-2

FROM	TO	DESCRIPTION
0	20	Blow sand
20	50	SS; lt br, fn - m
50	175	SH; dk gy, sli - mod arena; @ 115 -> ex arena
175	275	SS; lt gy, fn - m, all qtz
275	323	SH; lt gr gy; @ 290 -> ex arena; @ 296 no arena, w/br gy; @ 317 -> ex arena
323	332	SS; m, lt gy, mod arg; @ 326 -> m - c
332	374	SH; lt gr gy w/br gy, no arena; @ 347 -> mod arena
374	410	SS; begin Core; @ 375 SS; lt gr gy, fn - sli arg; @ 375½, 1½ gr gy, SH; @ 377 -> mod arg, fn diss py; @ 379 -> w/stks gr cl, fn - m, A py; @ 381 -> m - c, v arg, po cem, A py; @ 385 -> m, mod arg, A py, f cem; @ 389 -> m gy, fn, nO cl, fn diss py; @ 393 -> m - v c, sli arg, A py, A bk spks; @ 396 -> fn - m, fn diss py; @ 399½ -> m - c, A py; @ 402 -> fn - m; @ 403 6" w cem w/A calc @ 405 -> w/A gr cl gls; @ 406 -> ex arg, A py, sli pet res, A calc, End Core @ 406½
410	440	SH (Driller reports)
440	535	SS; v arg; @ 448 -> sli arg, Begin Core @ 460 SS, m gy, m - c, v ark; @ 462 -> fn - m,; @ 465 -> w cem w/A calc @ 466 -> fn - m, A py, A bk spks, po cem w/stks of w cem w/A calc; @ 467½ 2' SH rd br, w/gr gy, mod arena; @ 471 -> lt gr gy, fn, fn diss py; @ 479 -> fn - m @ 490 -> w/stks gr cl; @ 491 -> v fn, no cl; @ 496½ -> fn - m; @ 498 1' w cem w/A calc; @ 500 -> m gy, m; @ 506 -> lt gr gy, fn, mod arg, fn diss py; @ 511 -> m, mod arg; @ 516 -> fn, sli arg; @ 519½ -> m - c, mod arg, A py; @ 523 3' w cem w/A calc lt gy; @ 526 -> fn - m, sli arg, fn diss py; @ 531 -> w/stks w cem w/ A calc, @ 533 1' w cem w/A calc; @ 534 -> c, v arg
535	539½	SH; lt gr gy w/rd br, v arena Bottom at 539½

HOLE NO. 166 AREA Sec. 20, 13-2

FROM	TO	DESCRIPTION
0	35	Blow sand
35	170	SH; dk gy; @ 105 → ex arena
170	255	SS; lt br gy; @ 190 → dk gy, v arg s carb; @ 200 → lt gy, all qtz
255	350	SH; lt gr gy; @ 287 → w/ br gy: @ 290 → lt gr gy
350	401	SS; lt gr gy, fn - m, BEGIN CORE @355, lt gr gy, fn - m w/ stks vc, sli arg; @ 359 → lt rd br, fn; @ 361 → rd br, fn - m, A hem stn; @ 365 2' SH, lt gr gy w/ rd br ex arena; @ 367¼ → lt gr gy w/ rd br, fn, sli arg A hem spks; @ 370 → M - c; @ 373 -- rd br, m - c, A hem stn; @ 377 8" ex arg, lt gr gy w/ rd br, SH, @ 384 → lt rd br stks w/ or br, fn; @ 386 → fn - m; @ 392 → rd br, m, A hem stn; @ 395 → w/ gr cl gls; @ 400½ 6" w cem w/ A calc
401	415	SH; lt gr gy, sli arena END CORE @ 402½ (Wet samples begin)
415	449	SS: m gr, fn - m
449	464	SH; lt gr gy
464	515	SS; lt gr gy w/ rd br, v fn, BEGIN CORE @ 465; @ 469 → m gy, fn - m v arg A blk mat coff? @ 470 → m gy, fn no dl, fn diss py; @ 479½ → lt gr fn, sli arg 485 - 495, 1½ recov, lt gy, fn - m; @ 495 → m gy fn - m; @ 499 → m gy w/ rd br, s hem stn, fn - m; @ 512 → lt gr gy w/ rd br, m, w cem w/ A calc
515		SH; lt gr gy Bottom at 515

HOLE NO. 172 AREA Sec. 10, 13-9

FROM	TO	DESCRIPTION
0	45	Blow Sand
45	305	SH; m gy, dk gy, v sli - v arena
305	375	SS; lt br gy, fn - m; @ 325 --> lt gy, all qtz
375	395	SH; lt gr gy
395	402	SS; m gy, fn - m, v ark
402	417	SH; lt gr gy
417	466	SS; fn - m, m gy BEGIN CORE @ 418 SS; lt gy, fn - m @ 429 --> w/ stks gy cl; @ 430 --> po cem, mod arg; ¼ 436 --> m, lt gy, A calc, f cem; @ 439 --> m - c, A calc, A blk; @ 450 3' gr sh; @ 453 --> m - cg, w ee cem w/ A calc
466	472	SH; lt gr gy, occ mods cht, END CORE @ 469 --> wet samples
472	495	SS; lt gy, fn - m, A calc
495	504	SH; lt gr gy, mod arena, sli arena
504	530	SS; m gy, fn - m, v ark
530	545	SH; lt gr gy, sli arena to v arena
545	590	SS; BEGIN CORE @ 560, SS, c - cg, lt gy, v ark, w/ gr cl gls; @ 563 --> fn - m & c, w cem w/ A calc @ 564½ --> fn - m, A kaol; @ 575 --> m c 7 cg, mod arg; @ 586 --> fn -m, w cem w/ A calc; @ 589 --> lt gr gy, fn - m, w/ cem w/ A calc
590	604	SH; rd br, no arena; @ 590 --> lt gr gy w/ lt gy, END CORE @ 600 (lost samples, Driller Reports)
604	625	SS
625	640	SH
		Bottom at 640

HOLE NO. 175 AREA Sec. 12, 13-9

FROM	TO	DESCRIPTION
0	40	Blow Sand
40	80	SS; lt br, mod arg
80	225	SH; m - dk gy, sli - v arena
225	318	SS; lt gy, fn - m, all qtz; @ 255 --> m.gy w/ s carb; @ 265 --> all qtz
318	360	SH; lt gr gy, BEGIN CORE @ 348; @ 354 --> w/ rd bn; @ 358 --> v arena, w/ A py,, s Pet Res
360	404	SS; m gy, c - vc, v ark; @ 366 --> fn - m, fn diss py, A blk cht; @ 368 --> m - c, w/ so ct, A blk cht; @ 377 --> w/ s gr cl gls, c - vc, v ark; @ 378 --> fn - m, A fn diss py; @ 380 --> m - c, po cem; @ 386 --> fn - m, po cem; @ 393, ½" SH; @ 394 --> fn - v fn, f cem,
404	432	SH; lt grgy, v arena; @ 406 --> rd br, v arena, END CORE @ 407 (Go to wet samples) SH rd br w/ lt gr gy
432	465	SS; fn - m, m gy
465	493	SH; rd br w/ lt gr gy
493	581½	SS; fn - m, lt gr gy w/ s lim sta BEGIN CORE @ 517, SS, modrd br w/ m gy, A lim stn; @ 522 --> m - c, A hem stn; @ 537, 1' m gy, v fn - fn; @ 538 --> fn - m, lt rd br, A hem stn; @ 552 --> dk rd br, m - c, A hem stn; @ 565, 1½' SH, lt gr gy w/ rd br, v arena; @ 567 --> fn - m, mod rd br, A hem stn w/ stks rd sh; @ 579 --> w cem w/ A calc
581½	585	SH; rd br w/ lt gr gy, v arena Bottom at 585

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
AUG 13 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1956 Docket No. DMEA 4017 Contract No. Idm-E940
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO
Contract Amount, $ 102,580.00 Government Participation: ____% Amount, $ 76,935.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling Core	5,410.30	728.00	6.138.30			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Bit	5,133.80	556.50	5,690130			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Incidental Allowance @$.0.27 /ft.	2,427.57	270.81	2,698.38			
(8) Contingencies (specify):						
TOTALS	12,971.67	1,555.31	14,526.98	12,670.07	1,555.31	14,225.38

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 7,1956 *Payee COLAMER CORPORATION
Per [signature] Title Geologist

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$502.55
Signature [signature]
(Authorized Certifying Officer)
Date 8/9/56 Vou. No. 57-18
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 946 in accordance with the terms of the contract.

Signature Leon McWilliams (# 9596.68) Title Min. Engr. Date 7/19/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lowe Title Executive Officer Date AUG 8 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG 13 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 4017 Contract No. Idm-E940
Operator's Name COLAMER CORPORATION Minerals URANIUM
Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	5,410.30	1,657	6,138.30	1,865	3.29		3.50
Churn								
Auger Plug Bit	Ft.	5,133.80	7,334	5,690.30	8,129	.70		1.25
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea	0	0	0	0	3.50	40	3.50
TOTAL DISTRIBUTED COSTS		10,544.10						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Incidental Allowance		2,427.57	8991	2,698.38	@ $0.27 per ft.			
TOTAL COSTS		12,971.67		14,526.98				

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

Date July 7, 1956 Operator COLAMER CORPORATION

Per [signature] Title Geologist

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

REMARKS:

(Instructions on reverse)

(For Government use only) [signature]

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
AUG 13 1956

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

Administrative Audit Difference Statement

Date: 8/1/56
Payee's Reference: [illegible] 1956

Colorado Corporation
[illegible] and Drill Building
Grand, New Mexico

FINAL DISTRIBUTION

MADE AUG 10 1956

Gentlemen:

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

Amount Claimed $ 22,971.07

Difference $ 301.60

Amount Approved $ 22,670.07

The reason for the difference was due to:

Disallowed:

1. 60 ft. core drilling at a rate of 0.50 per ft. Claimed 173 ft. in the hole, but driller's logs indicate only 93 ft. core drilling was performed. 280.00

2. Incorrect Allowance for 60 ft. core drilling @ .87 per ft. 21.60

301.60

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

RECEIVED
AUG 13 1956

224 New Customhouse
Denver 2, Colorado

August 8, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4017 (Uranium) Contract Idm-E940, Colamer Corporation (Phillis, Fannie, Jean and Deeta claim groups) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of May, 1956

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

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

Disallow 1) an amount of $280.00, the actual cost of 80 feet of core drilling in hole No. 104 at $3.50 per foot. The Operator has claimed the cost of 178 feet of core drilling in this hole, but driller's logs indicate that only 98 feet of core drilling was performed.

2) an amount of $21.60, the Incidental Allowance for 80 feet of drilling at $0.27 per foot.

Total amount disallowed - - - - - - - - - - $301.60

Reconciliation with Amount Reported by the Operator on Form MF-104 for May, 1956

Amount reported on Form MF-104 - - - - - - - - - - - -	$12,971.67
Amount disallowed -	301.60
Total accepted costs -	$12,670.07
Government Participation at 75 percent - - - - - - - - -	$ 9,502.55

Driller's logs, radiometric logs and geologic logs are retained at the Denver Experiment Station.

Remarks

Date of Report - - - - - - - - - - - - - - - - - -	July 7, 1956
Date Received in Field Office - - - - - - - -	July 9, 1956
Date Received in Region Office - - - - - - -	August 1, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E940
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report
Chron.

DMEA
Date Rec'd.

AUG 1 1956

BUREAU OF MINES
Denver, Colorado

REGION III

Memorandum

Building 20
Denver Federal Center
Denver 2, Colorado
July 24, 1956

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 4017, Contract Idm-8940, Colamar Corporation, Phillis, Fennie, Jean, and Deeta Claim Groups, Sec. 10, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico Progress Report for May, 1956

Progress was checked on June 4, 1956 accompanied by Jean Baly and Kelsey Bolts, geologists for Colamar Corporation.

Data on the holes drilled during May, 1956, from the drilling contractor's logs are given below:

Hole No.	Non-core	Core	Total	Core Recovery	Remarks
103	450	130	580	95	5 feet-0.03 to 0.08% U_3O_8
104	495	98	593	86	2 feet-0.02 to 0.05% "
105	497	100	597	84	Few inches 0.03% "
106	465	80	545	86	No radiometric anomalies
107	491	54	545	69	" " "
108	414	84	498	85	Few inches 0.03% U_3O_8
109	340	121	461	83	No radiometric anomalies
110	302	123	425	86	" " "
111	526	29	555	91	" " "
112	470	99	569	77	< 0.01% U_3O_8
113	358	206	564	76	W.W.C.-7 feet 0.03 to 0.12% U_3O_8
					P.C.-4 feet 0.025 to 0.06% "
114	488	62	550	100	5 feet 0.03% "
115	495	45	540	100	4 feet 0.035% "
116	482	53	535	89	W.C.-1.5 feet 0.025 "
117	414	111	525	89	P.C.-6.0 feet 0.030 "
					W.C.-6.5 feet 0.070 "
118	402	110	512	82	No Radiometric Anomalies
119	433	72	505	67	" " "
Totals	7522	1577	9099		

The operator claims 7334 feet plug bit drilling and 1657 feet paid core bit drilling.

The drill contractor's logs show 7522 feet of non-core drilling as compared with 7334 feet shown by the operator, and the drillers logs only show 1577 feet of core drilling as compared with 1657 claimed by the operator. Therefore the allowable footage of non-core drilling is reduced by 108 feet, and the allowable footage of core drilling reduced by 80 feet. The claimed unit costs are in accordance with the contract between Minerals Engineering Company and Gelsmer Corporation.

Approved costs for May are 7334 feet of non-core drilling at $0.70 per foot or $5,133.80, 1577 feet of core drilling at $3.29 per foot or $5,188.33, incidental allowance 8911 feet at $0.27 per foot or $2,405.97, a total of $12,728.10.

It is recommended that 75 percent of the approved total cost, amounting to $9,546.08, be approved for payment.

The operator submitted one copy each of driller's logs and radiometric logs which are retained in this office.

Copies in quintuplicate of the intervals and equivalent U_3O_8 and the formations are enclosed with this report.

W. D. McMillan
Mining Engineer

WDM:sh

cc: 6
Idm-8940
Chron.

July 7, 1956

MONTHLY NARRATIVE REPORT ON DMEA DOCKET 4017,
CONTRACT Idm-E940
Month of May

During the month of May the following holes were completed;

Hole No.	Non Core	Core	% Recov.	Core paid	Date completed
103	450	130	95	130	5-02-56
104	415	178	86	178	5-03-56
105	497	100	84	100	5-11-56
106	465	80	86	80	5-14-56
107	491	54	69	37.3	5-15-56
108	414	84	85	84	5-23-56
109	340	121	83	121	5-26-56
110	302	123	86	123	5-29-56
111	418	29	91	29	5-03-56
112	470	99	77	76.2	5-02-56
113	358	206	76	156.6	5-11-56
114	488	62	100	62	5-13-56
115	495	45	100	45	5-15-56
116	482	53	89	53	5-17-56
117	414	111	81	111	5-24-56
118	402	110	82	110	5-27-56
119	433	72	69	49.7	5-29-56
Total	7334	1657		1545.8	

Some difficulty has been experienced in drilling most of the holes. Hole 113 had to be cased before it could be probed. Therefore, the readings on the radiometric bable log can be increased approximately 10%. The Empire Log, however, reached a depth of 400 feed before casing was put into the hole.

To date the Posion Canyon sandstone has been bleached in every hole. In holes 118 and 119, however, part of the Posion Canyon was unbleached. The Westwater has been unbleached in holes 117, 118 and 119. However, as can be seen on the radiometric log of hole 117 at least one horizon was bleached and in this horizon the best mineralization, yet found in Section 10 in the Westwater, occurred. Drillers logs and radiometric logs were sent with the previous report.

Respectfully,

COLAMER CORPORATION

Kelsey Boltz

KELSEY BOLTZ

HOLE NO.	INTERVAL & EQUIVALENT CHEM. %U3O8		REMARKS
101	550 - 550.5	(.02%)	Bottom Jmwc, SS
102	449 - 450	(.02%)	Jmbb, SH
103	422.5 - 423.5	(.04%)	Poison Canyon SS
	398 - 399	(.045%)	Poison Canyon SS
	366.5 - 367.5	(.08%)	Ex arena Jmbb SH
	317 - 318	(.03%)	Jmbb SH
	309 - 310	(.07%)	Kd
104	554.5 - 555.5	(.03 - .04%)	Jmwc
	549.5 - 550.5	(.02 - .03%)	Jmwc
105	335, several inches	(.03%)	Jmbb SH
106			No count
107			No count
108	419.5 several inches	(.03%)	Poison Canyon SS
109			No count
110			No count
111	500 - 500.5	(.03%)	Jmwc SS
	487.5 - 488	(.08%)	Jmwc SS & SH?
	488 - 488.5	(.12%)	Jmwc SS & SH?
	[illegible].5 - 489	(.06%)	Jmwc SS & SH?
	489 - 489.5	(.04%)	Jmwc SS & SH?
	475.5 - 477.5	(.03%)	Jmwc SS
	437.5 several inches	(.025%)	Poison Canyon SS
	406 - 407	(.03%)	Poison Canyon SS
	407 - 407.5	(.06%)	Poison Canyon SS
	407.5 - 408.5	(.04%)	Poison Canyon SS
112	445 - 446.5	(.025%)	Poison Canyon SS
	382 - 383	(.03%)	Jmbb SS
	350 - 354	(.03%)	Jmbb SS
113	557 - 558	(.03%)	Jmrc SH
114	399 - 400	(.04%)	Jmbb SH
	441 - 442	(.02%)	Jmwc SH
	445 - 446	(.03%)	Jmwc SH
115	337.5 - 378.5	(.035%)	Jmbb SH
	370 - 373	(.04%)	Jmbb SH
	342 - 343	(.045%)	Jmbb SH
116	324.5 - 326	(.025%)	Jmbb SH
117	517 - 519	(.04%)	Jmwc SS
	519 - 523	(.03%)	Jmwc SS
	385 - 387.5	(.11%)	Poison Canyon SS
	379 - 384	(.045%)	Poison Canyon SS
118			No count
119			No count
120	346 - 347	(.025%)	Bottom Poison Canyon SS
121	375.5 - 376.5	(.04%)	Jmbb SH
122			No count

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AUG 13 1958

CONT.

HOLE NO.	INTERVAL & EQUIVALENT CHEM. %U308		REMARKS
148	463 - 464	(.03%)	Jmbb SS (Poison Canyon)
	456 - 460	(.08 - .09%)	Jmbb SS (Lithologic log of this hole, based on driller's report due to lost circulation, states SH in this interval, However, gamma ray log indicates SS instead of SH.
149			No count
159	470 - 471	(.03%)	Poison Canyon SS
160	425 - 426	(.025%)	Bottom Poison Canyon SS
161	494 - 495	(.04%)	Jmbb SH
	462 - 463	(.05%)	Jmbb SH
	466 - 467	(.04%)	Jmbb SH
	345 - 355	(.03 - .04%)	Jmbb SH
162	516 - 517	(.04 - .05%)	Jmwc SS
	466.5 - 467.5	(.06%)	Jmbb SH?
	467.5 - 468.5	(.035%)	Jmbb SH?
163	No		No count
164			No returns from AEC yet
165	405.5 - 407	(.04% - .05%)	Poison Canyon SS
166	463.5 - 465	(.03%)	Top Jmwc
172			No count
175	466 - 467.5	(.09%)	Bottom Poison Canyon SS

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

Budget Bureau No. 42-R1036.5

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

RECEIVED
JUL 25 1956

Month of April 1956 Docket No. DMEA 4017 Contract No. Dm-3940
Operator's Name Colorado Corporation Minerals [illegible]
Address Grants, New Mexico
Contract Amount, $ 102,500.00 Government Participation: 75 % Amount, $ 76,935.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Core Drilling	723.00	0	723.00			
Bulldozing						
Crosscutting						
Drifting						
Drilling Plug Out	556.50	0	556.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Incidental Allowance	276.81	0	276.81			
(8) Contingencies (specify):						
TOTALS	1,555.31	0	1,555.31	1,555.31	—	1,555.31

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

Date July 7, 1956 *Payee Colorado Corporation

Per [signature] Title Geologist

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

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

(Instructions on reverse)

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

$ 1166.48

Signature
(Authorized Certifying Officer)

Date 7/20/56 Vou. No. DMA-57-10

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 946 in accordance with the terms of the contract.

Signature Wm. Mullen ($ 116348) Title Min. Engr Date 7/13/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lanier Title Executive Officer Date JUL 19 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 25 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1956 Docket No. DMEA 4017 Contract No. Idm-E940

Operator's Name COLAMER CORPORATION Minerals URANIUM

Address GRANTS, NEW MEXICO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	728.00	208	728.00	208	3.50	14,200	3.50
Churn								
~~XXXX~~ Plug Bit	Ft.	556.50	795	556.50	795	0.70	39,200	1.25
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays	ea.	—	—		—	3.50		3.50
TOTAL DISTRIBUTED COSTS		1,284.50		1,284.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Incidental Allowance		270.81	1003	270.81				
TOTAL COSTS		1,555.31		1,555.31				76,935.00

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

Date July 7, 1956 Operator COLAMER CORPORATION

Per [signature] Title geologist

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

REMARKS:

(Instructions on reverse)

(For Government use only) [signature]

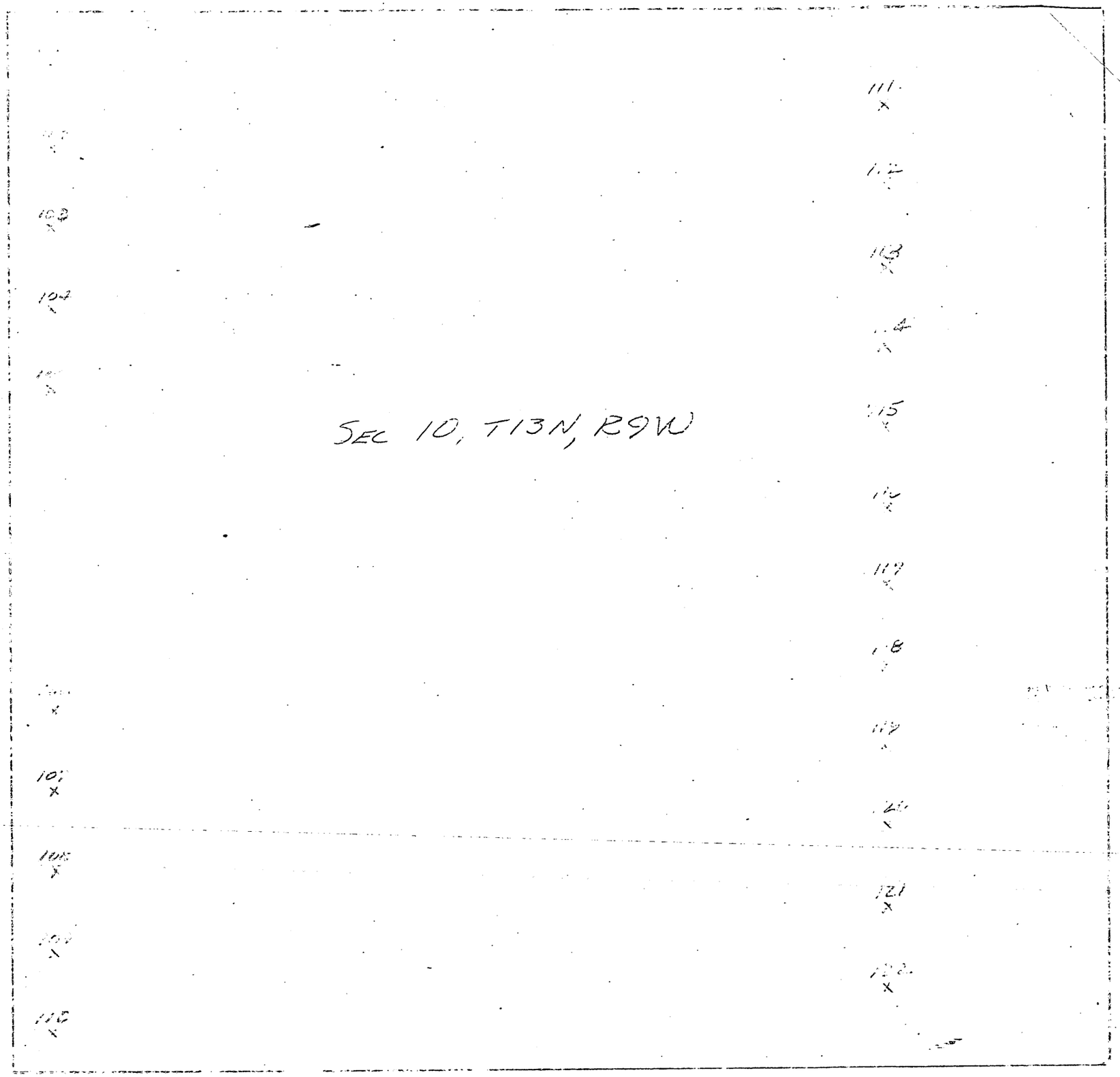
INSTRUCTIONS

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

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

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

GPO 872894



COLAMER CORP.

DATED DECEMBER 4017
SHOWING HOLE LOCATIONS
AND CORRESPONDING
NUMBERS OF 1ST. STAGE

TO ACCOMPANY OPERATOR'S
MONTHLY REPORT

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

RECEIVED
JUL 25 1956

224 New Customhouse
Denver 2, Colorado

July 19, 1956

FINAL DISTRIBUTION
MADE JUL 23 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4917 (Uranium) Contract Idm-E940, Calumet Corporation (Phillis, Fannie, Jean and Decta groups) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of April, 1956

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

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

Remarks

Date of Report----------July 7, 1956
Date Received in Field Office----------July 9, 1956
Date Received in Region Office---------- July 18, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E940
Sec. Op. Comm. (2)
Shaw (2)
Chron.

RECEIVED
JUL 25 1956

DMEA
Date Rec'd.
JUL 18 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 18, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: Docket DMEA 4017, Contract Idm-E940, (Uranium) Colemer Corporation, Phillis, Fannie, Jean, and Doeta claim groups, Sec. 10, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico -- Progress report for April 1956

Progress was checked on May 3, 1956 accompanied by Jean Kaly, geologist for Colemer Corporation.

Data pertaining to holes completed during April are given below from the driller's logs.

Hole No.	Plug-bit	Core-bit	% Core Recovery	Total	Remarks
101	385	180	76	565	316-318 -0.02% U_3O_8
102	410	211	81	621	447-451 -0.023%
	795	391		1,186	

Core bit drilling was through the Westwater Canyon member and into the Recapture member, which is contrary to the terms of the contract and only the core-bit drilling through the Poison Canyon part of the Brushy Basin member is being claimed.

Considerable difficulty was experienced in Hole 101, which required 8 days to complete with NX core-bit from 385 feet to 572 feet, NX core-bit from 512 feet to 543 feet and NX core-bit from 543 to 565 feet.

The cores are stored in a galvanized iron shed. The bottom boxes were examined and were found to be in bleached Westwater Canyon sandstone with considerable amounts of pyrite. In Hole 102 there was broken core between 605.4 feet and 606.4 feet.

The operator claims 795 feet of plug-bit drilling at $0.70 a foot or $556.50, 208 feet of core-bit drilling at $3.50 a foot or $728.00, and incidental allowance of 1003 feet at $0.27 a foot, or $270.81, with a total of $1555.31.

It is recommended that 75 percent of the total claimed or $1166.48 be approved for payment.

The claimed unit costs for plug-bit, core-bit, and incidentals are in accordance or less than the contract unit costs. A certified copy of Colamer Corporation's sub-contract with Minerals Engineering Company is on file in your office.

Holes numbers 101 and 102 are located on a north-south fence 200 feet east of the western boundary of Sec. 10, and 200 feet and 600 feet respectively south of the northern boundary of Sec. 10, with Hole No. 101 on the Karen No. 8 claims and Hole 102 on the Jean No. 29 claim. These have been placed on Sketch Map No. 2, a copy of which is attached to the original of this memorandum.

The operator submitted copies of the radiometric logs and the drilling contractor's logs, which are being retained in this office.

W. D. McMillan
Mining Engineer

WDM/mr
cc: 6
Idm-8940
Chron

July 7, 1956

RECEIVED JUL 25 1956

OPERATOR MONTHLY REPORTING ENTRY DATA REPORT 4017
CONTRACT 10-3240

Drilling under this contract was commenced April 24, 1956. Two holes were completed by April 30, 1956:

HOLE NO.	FEET CORE	CORE	% RECOV.	CORE PAID	DATE COMPLETED
101	385	105	81	105	4-30-56
102	410	103	92	103	4-30-56
Totals	795	208		208	

Considerable difficulty was encountered in hole no. 101 in recovery of core. This was due to the highly fractured Poison Canyon Sandstone. Also, these were the 1st holes drilled by the contractors and recovery will undoubtly improve when they become more familiar with subsurface conditions.

Copies of drillers logs and radiometric logs were enclosed with previous report.

Respectfully,

COLMOR CORPORATION

Kelsey Bohn

KELSEY BOHN

KB/lj

Mr. Frank Boylin, President
Colomer Corporation
Commerce Building
1016 West Santa Fe
Grants, New Mexico

DEC 2 1957

Re: Docket No. DMEA-4017 (Uranium)
Contract No. Idm-[illegible]
Sec. 10, T. 13 N., R. 9 W.
McKinley County, New Mexico

Dear Mr. Boylin:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

MChing/gla
11-26-57
cc to: J. V. Reynolds and
Jean Reynolds
Thomas C. King and
Phyllis J. King
Ira N. Sprecher and
Fannie A. Sprecher
Joe Cahill and De Etta Cahill
Admr.'s Reading File
Mr. Ching
DMEA Field Team, Region III (2)
Contract Adm. & Audit Division

G[illegible]rnment's copy

TERMINATION AGREEMENT

It is agreed this 8th day of February, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Colamer Corporation, hereinafter called the "Operator," parties to Exploration Project Contract Idm-E940 (Docket No. DMEA-4017), dated April 9, 1956, as amended, hereinafter called the "Contract," that:

1. Effective as of the close of business on September 3, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the costs of work performed prior to said effective date.

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

4. All rights of the Government provided for in the Contract with respect to certification of discovery or development, percentage royalty and liens for its payment, records, audit, and recovery of any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals Exploration Administration

COLAMER CORPORATION

By Wesley B. Peirce

Title Secretary

OFFICIAL FILE COPY
D M E A
RECEIVED FEB 28 1957
DATE | INITIALS | CODE
800

COLAMER CORPORATION
GRANTS DIVISION
COMMERCE BUILDING
1016 WEST SANTA FE
GRANTS, NEW MEXICO

January 14, 1957

DMEA
DEPARTMENT OF THE INTERIOR
JAN 16 1957
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4017 (Uranium)
Contract No. IDM-E940
Colamer Corporation
(Sec. 1, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico

Dear Mr. Harshman:

Concerning the termination of this contract, our company will sign such an agreement. The date of performance of the last work under this contract was during the month of September, 1956.

Very truly yours,

COLAMER CORPORATION

Kelsey L. Boltz

KLB/vp

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

1-14 C 220
4/15 800

224 New Customhouse
Denver 2, Colorado

January 11, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA 4017 (Uranium) Contract Mm-E249,
Colamer Corporation, (Sec. 18, T 13 N, R 9 W)
McKinley County, New Mexico - CHANGE OF
MAILING ADDRESS

Enclosed is a copy of a letter from the subject Operator dated January 9, 1957, requesting a change of mailing address as follows:

Colamer Corporation
Commerce Building
1016 West Santa Fe
Grants, New Mexico

Please mail all checks and other correspondence to the new address.

E. N. Harshman

E. N. Harshman

Enclosure
JDC:ewm
cc: Chm. Op. Comm. (3) ✓)
Harshman)
Shaw (2)) w/copy of
Hasler) Oper. letter
Townsend)
Corresp. E249)
Chron.

COLAMER CORPORATION
Grants Division
Commerce Building
1016 West Santa Fe
Grants, New Mexico

COPY

January 9, 1957

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

Dear Mr. Traver:

In regard to the change of address of our office, this letter is to explain that the office has not been moved. The name of the building has been changed to the Commerce Building and the address has been changed to 1016 West Santa Fe although the location is the same.

Very sincerely yours,

COLAMER CORPORATION

s/ Kelsey L. Beltz
Kelsey L. Beltz

KLB/vp

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

RECEIVED
SEP 14 1956

224 New Customhouse
Denver 2, Colorado

September 12, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4017 (Uranium) Contract Idm-E940,
Columer Corporation (Sec. 18, T13N, R9W)
McKinley County, New Mexico

Enclosed herewith is a photo copy of Amendment No. 2 to the drilling subcontract between the subject Operator and Minerals Engineering Company. The effective date of the Amendment is July 18, 1956.

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: Corresp. E940)
Contract File)
Sec. Op. Comm. (3)) ———
Shaw (2)) w/copy of Amendment
Harshman)
Hasler)
Townsend)
Chron.

AMENDMENT NO. 2

to contract between Colamer Corporation and Minerals Engineering Co. dated April 23, 1956.

12. If it is necessary to open for probing any completed hole, Colamer Corporation will pay standby for this work. If tools become stuck, standby for freeing them.

13. In the event that upon completion of a hole Colamer Corporation is unable to probe after every effort has been made to maintain an open hole, then casing will be set to enable hole to be probed and Colamer Corporation will pay standby time for setting and pulling casing.

RECEIVED SEP 14 1956

14. Re: 2 (b)
Commencing July 18, 1956, core recovery specifications will be as follows:
If core recovery falls below 80% for any run the succeeding core runs will be no more than five feet in length until such time as the recovery of any succeeding core run increases to more than 80%.
If core recovery is not sufficiently increased by the foregoing described procedure Colamer Corporation has the right at its option to delete Article 14 of this contract by giving verbal notice representatives of Minerals Engineering Company.

The foregoing amendment No. 2 is agreed to by the under signed:

MINERALS ENGINEERING COMPANY

BY Howard A. Perry

COLAMER CORPORATION

BY Kelsey L. Balty

August 6, 1956

ACKNOWLEDGMENT
(INDIVIDUAL)

STATE OF NEW MEXICO,
County of Valencia } ss.

On this 4th day of September, 1956 before me personally appeared Kelsey Balty to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Witness my hand and seal on this the day and year first above written.

Minnie C. Auchmuty Notary Public
Valencia County, New Mexico

My commission expires June 18, 1958

NOTARY PUBLIC OFFICIAL SEAL

FOR SALE BY VALLIANT PRINTING CO., ALBUQUERQUE, N. M.

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

August 24, 1956

Mr. Kelsey Bolts
Colsmer Corporation
Fidel & Rouse Building
Grants, New Mexico

Re: Docket DMEA 4017 (Uranium)
Contract Idm-5940
Colsmer Corporation
(Sec. 10, T. 13 N., R. 9 W.)
McKinley County, New Mexico

Dear Mr. Bolts:

Reference is made to your undated request received in this office August 6, 1956 relative to certain proposed drilling under Stages II and III of the Contract.

Confirming verbal approval by the Government on August 14 and August 21, 1956 the following holes are approved for drilling:

Stage II

Three holes are approved located at coordinates, 1050 E.- 2650 N.; 2700 E. - 2250 N.; and 1850 E. - 1050 N. These three holes are to be drilled through the Westwater Canyon member.

Stage III (Offsetting Stage II holes)

Four holes around Hole No. 123,
Four holes around Hole No. 148,
Three holes around Hole No. 165,
One hole midway and in line between Holes Nos. 165 and 117,
Two holes, one north and one south of Hole No. 117,
One hole midway and in line between Holes Nos. 117 and 179,
Two holes, one north and one south of Hole No. 179.

The foregoing Stage III holes are to be drilled through the Poison Canyon Unit only and none shall be drilled closer than 100 feet to any other hole.

The locations of the approved Stage II and Stage III holes are shown on the map entitled, "Figure 1. - Sketch Map of Section 10, T. 15 N., R. 9 W. Showing Completed Stage I and Stage II Holes and Proposed Stage III Holes, Calumet Corporation, McKinley County, New Mexico," which is attached hereto and made a part of this work approval.

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

Very truly yours,

BNEA Field Team, Region III

W. M. Traver

W. M. Traver

E. H. Harshman

E. H. Harshman

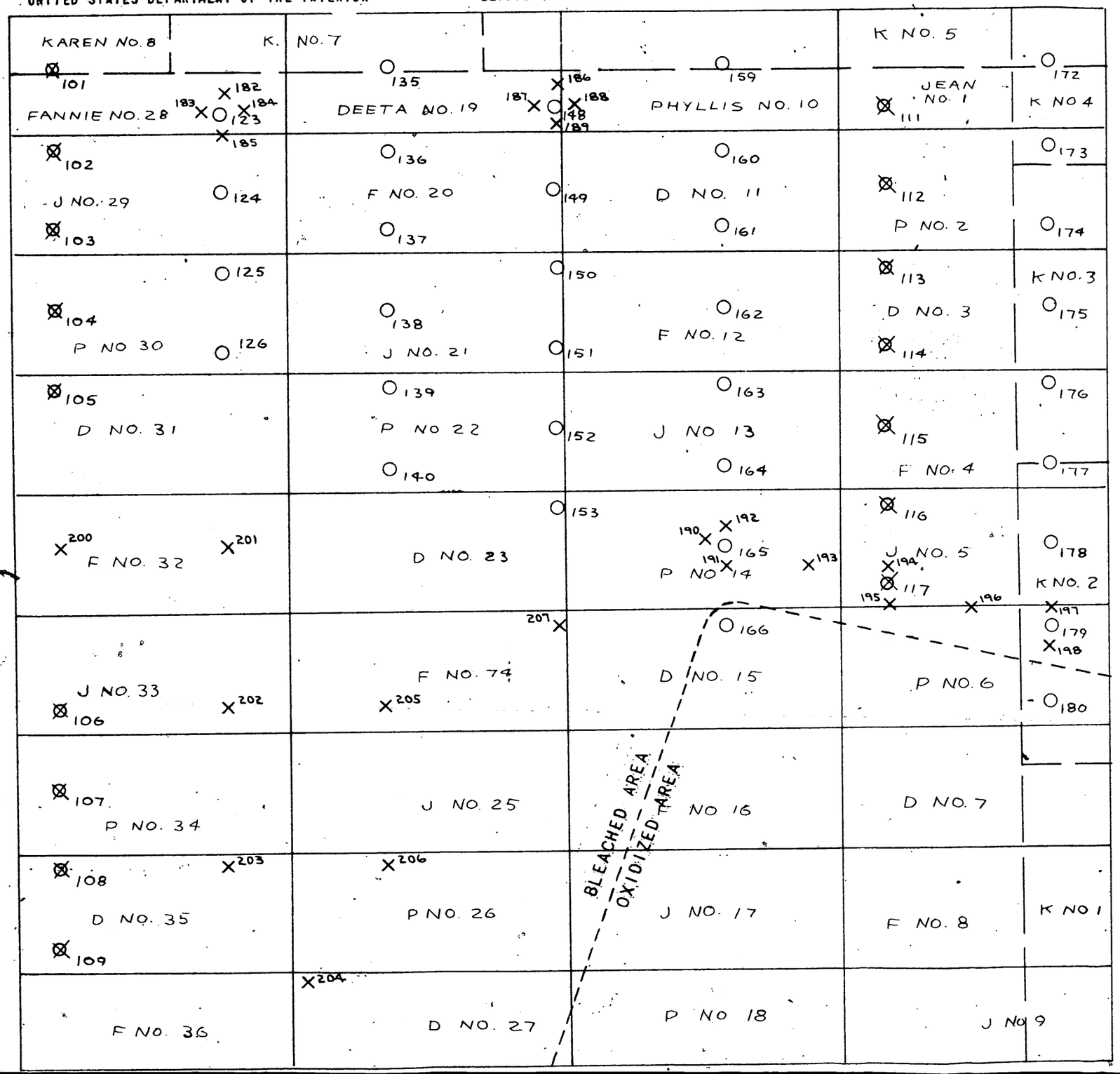
Enclosures

JWTjprl

cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Amendment file
Harshman
Shaw (2)
Healer
Townsend
Corres. file
Chron.

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
AUGUST 1956 DOCKET 4017



EXPLANATION

- ⊠ COMPLETED STAGE I HOLES
- O COMPLETED STAGE II HOLES
- X PROPOSED STAGE III HOLES

NOTE: CLAIM BOUNDARIES AND HOLE LOCATIONS MODIFIED FROM APPLICANTS MAP.

N

600 0 1200 FEET

Figure 1.--SKETCH MAP OF SECTION 10, T.13 N., R.9 W. SHOWING COMPLETED STAGE I AND STAGE II HOLES AND PROPOSED STAGE III HOLES, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO.

DMEA
Date Rec'd.

AUG 23 1956

BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 22, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 4617, (Uranium) Contract Idm-2940, Calumet Corporation, (Phillis, Fannie, Jean and Dorta claims) Sec. 10, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico -- Request for Stage III

An inspection of progress on stage II drilling was made on August 8, 1956 accompanied by Charts Cardwell, superintendent of the applicant. A total of 20 holes were completed during July, which completes Stage II drilling.

Calumet Corporation requested 18 holes as offsets of previously drilled holes and 8 holes in the southwest quarter of Sec. 10, T. 13 N., R. 9 W., NMPM.

The 8 holes in the southwest quarter of Sec. 10 are to be considered stage II. The other 18 holes consisted of 4 offsets each around Hole Nos. 183 and 148, 2 offsets around Hole Nos. 165, 117, and 179 and 2 offsets each between Holes 165 and 117 and between Hole 117 and 179.

The examining team concludes that a third offset hole should be drilled to the west of Hole 165, but only one hole between Holes 165 and 117 and between Holes 117 and 179, a total of 17 holes, with drilling only through the Poison Canyon.

Holes Nos. 200 to 207 inclusive in the southwest quarter of section 10 will require an amendment to transfer footage from stage III to stage II. Drilling would be to the base of the Westwater Canyon member with provision that only Holes Nos. 201, 206, and 207 be drilled at present.

W. D. McMillan
Mining Engineer

WDM/mr
cc: 9
Idm-2940
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MINERAL DEPOSITS
DMEA
RECEIVED
AUG 20 1956

U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO
Date Rec'd.
AUG 22 1956

BUREAU OF MINES
Denver, Colorado

[illegible]

To: Executive Officer, [illegible], Region III

From: [illegible]

[illegible]

J. [illegible]

Subject: DMEA Docket 4 17 (Uranium), contract [illegible], Colmac Corporation, (Sec. 1, T. 13 N., R. [illegible], NMPM) McKinley County, New Mexico.

The Colmac Corporation has requested, through A. Kelsey Soltz, approval to drill 22 stage III drill holes (fig. 1) 16 of the drill holes are offsets of previously drilled holes. The remaining 6 drill holes are located in the southwest quarter of section 1; and if drilled would perform mostly the function of stage II holes.

Four offsets each are requested for stage II holes 123 and 140. Hole No. 123 shows by gamma-ray log that one foot of 0.05 percent eU_3O_8 was penetrated near the middle of the Poison Canyon unit of the Brushy Basin. The unit is thick and the sandstone is bleached. Pyrite, clay galls, and clay seams are abundant. The gamma-ray log of hole No. 140 shows that about four feet of from 0.08 to 0.09 percent eU_3O_8 were penetrated. The core was lost through this interval and the geologic log, based on the drillers report, shows this as shale. The applicant reports, however, that the gamma-ray log indicates sandstone instead of shale. Above and below the lost core the sandstone, from the geologic log, shows favorable criteria, and except for thickness, is similar to that of hole No. 123. The proposed offsets around these holes appear to be justified.

Proposed drill holes 169 through 179 are offsets around the 3 mineralized holes 105, 117, and 179. Holes 169 and 179 show from 0.04 percent to 0.06 percent eU_3O_8 by gamma-ray logs. Hole 117 shows 0.11 percent eU_3O_8 by gamma-ray but at a depth of 385 feet it cannot be called ore. Holes 169, 117, and 179 are aligned in a northwesterly direction. The sandstone is bleached and is lithologically favorable although relatively thin. The sandstone has thickened from the northeast to the southwest and the holes to be offset are in this area of thickening sandstone. Offsets around the three mineralized holes seem justified. The same results, however, can be attained with one less hole than is proposed. The pattern of offsets recommended is shown on figure 1.

Proposed drill holes 200 through 207 are located in the southwest quarter of the section. Hole No. 200 is in line with holes drilled under stage I, holes 201, 202, 203, 205, 206, and 207 are in alignment with stage II drilling, and hole 204 is located between southerly projections of stage II fences.

The southwest quarter was originally recommended for drilling as were all other parts of the section. However, when the stage I holes were drilled the only mineralization found was in the north half of the section. At that time discoveries were made in the Westwater Canyon sandstone in sections north of the property. On the basis of the discoveries the Colemer Corporation requested an amendment to allow them to drill through the Westwater. All of section 10 could not be drilled to the base of the Westwater with the footage originally allowed. Because the north half had the mineralized holes and was closer to sections where the Westwater was found to be mineralized the drilling was confined to the north half. The isopachous map made from records of this drilling shows a definite thinning of the Poison Canyon sandstone trending easterly through the center of the north half of the section.

Mr. Holtz believes that the southern half of the section contains the largest area of thick Poison Canyon and Westwater sandstones. He suggests that the two sandstones merge to the south and cites the geologic logs of holes 101 through 110 as evidence. After close inspection of these logs I cannot agree that the two units merge. They do appear to converge, however, in holes 106 and 107 and each sandstone is relatively thick and lithologically favorable as uranium host rocks. From records of holes drilled southerly from the property and from holes on the property it has been determined that the southwest quarter is in a bleached area and the southeast quarter is in an unbleached area. For these reasons Colemer requests an amendment of the contract to allow footage from stage III to be used to drill 8 holes in the southwest quarter of the section.

The following recommendations are made:

1. Four offsets each are recommended around drill holes 123 and 148. The spacing should be not less than 100 feet from previously drilled holes and holes should be drilled through only the Poison Canyon unit.

2. Ten holes are requested to offset holes 165, 117, and 179. Nine offset holes are recommended (fig. 1) as follows: Three offset holes, one north, one west, and one south 100 feet from hole 165. One offset hole halfway between and in line with holes 165 and 117. Two offset holes, one north and one south 100 feet from hole 117. One offset hole halfway between and in line with holes 117 and 179. Two offset holes, one north and one south 100 feet from hole 179. These holes are to be drilled through only the Poison Canyon unit.

3. An amendment appears to be necessary to permit further drilling through the Westwater sandstone unit in stage II because such drilling is specifically limited by Amendment No. 1 and footage available within the stage.

The operator has called proposed holes Nos. 200 through 207 third stage holes although they apparently perform the function of second stage drilling. Unused footage in stage III, 13510.5 feet of non-core, and 6,466 feet of core drilling, would be ample to complete all holes requested. Inasmuch as drilling holes Nos. 200 through 207 in the third stage would appear to circumvent the intent of the contract as written, it is recommended that an amendment to permit transfer of footage from stage III to stage II for the purpose of drilling requested holes through the Westwater Canyon sandstone be authorized, with the stipulation that only proposed drill holes numbered 201, 206, and 207 be drilled at this time. If the results of these holes show that the Poison Canyon unit and the Westwater sandstone are thick, bleached, and lithologically favorable as uranium ore host rocks, and agreed upon as such by both the company and representatives of DMEA, then the remaining 5 proposed holes (200, 202, 203, 204, and 205) could be recommended.

(for) Frank M. Byers, Jr.
Howard F. Albee,
Geologist

HFA/dm

Government's copy

RECEIVED
JUL 18 1956

EXPLORATION PROJECT CONTRACT
COLAMER CORPORATION
DOCKET NO. DMEA-4017

Amendment No. 1

It is agreed this 28th day of June, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Colamer Corporation, parties to that certain Exploration Project Contract No. Idm-E940, Docket No. DMEA-4017, dated April 9, 1956, hereinafter called the "Contract," that effective April 9, 1956, the Contract is amended as follows:

Under Exhibit "A," Description of the Work, General Provisions, the first two paragraphs are deleted and the following substituted in lieu thereof:

"The work consists of exploration by core and non-core drilling to test the Poison Canyon sandstone of the Brushy Basin member and the Westwater Canyon member of the Morrison formation. The location of the work is indicated on the attached map (Figure 2).

"Each hole shall be non-core drilled through the upper formations to a point approximately five feet above the upper contact of the Poison Canyon sandstone, and then core drilled to a point approximately five feet below the lower contact of the Poison Canyon sandstone. To this point drilling depths are expected to average 450 feet, and the cored sections of the holes are expected to average 100 feet in length. Upon the prior written approval of the Government any hole may be extended through the Westwater Canyon sandstone by means of core or non-core drilling. The additional footage required is expected to average 120 feet per hole extended, and shall be charged against the footage authorized in the stage in which the work occurs. The minimum size of core shall be BX. All holes shall be reamed and cased as necessary."

This agreement shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute under the provisions of the contract.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. P. Mittendorf
Administrator, Defense Minerals
Exploration Administration

COLAMER CORPORATION

By Frank Boylan

Title Pres.

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

124 New Customhouse
Denver 2, Colorado

July 10, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4017 (Uranium) Contract Idm-E940, Calumet Corporation (Sec. 18, T 13 N, R 9 W) McKinley County, New Mexico

Enclosed herewith is one copy of a drilling subcontract between the subject Operator and Minerals Engineering Company. Minerals Engineering Company is performing the drilling under Contract Idm-E940. Also attached is a relative letter from the Operator.

The above drilling subcontract will constitute documentation of costs for drilling performed under Contract Idm-E940.

W. M. TRAVER

W. M. Traver

Enclosures
JDCjy
cc: Corresp. E940 w/copy Oper. letter
Contract E940 w/copy subcontract
Sec. Op. Comm. (3))
Shaw (2))
Hartsman) w/copy of Oper. letter
Hanier) and subcontract
Townsend)
Chron.

COLAMER CORPORATION

GRANTS DIVISION

FIDEL & ROUSE BLDG.

GRANTS, NEW MEXICO

July 6, 1956

DMEA
Date Rec'd
JUL 9 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
JUL 12 1956

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

Re: DMEA Docket 4017
Contract Idm-E940

Dear Mr. Traver:

Enclosed is a certified copy of our Company's sub-contract with Minerals Engineering Company, in which are specified prices and conditions. According to your instructions this should be adequate for substantiation for reimbursement under this contract.

Please note that if core recovery drops below 80% only that portion of core recovered is paid for. Therefore, occasionally the monthly unit core costs will be lower than $3.50 per foot.

Very truly yours,

COLAMER CORPORATION

KELSEY BOLTZ

KB/pb

April 23, 1956

RECEIVED
JUL 12 1956

Minerals Engineering Co.
P.O. Box 1951
Grand Junction, Colorado

Gentlemen:

Following is a list of the terms of our drilling agreement:

1. It is estimated that the drilling will involve a total footage of approximately 50,000 feet proportioned as follows: 39,000 feet plug bit, 11,000 feet core. This is not to be construed as a guaranteed footage and Colmer Corp. will not be obligated to provide this amount of drilling although total footage will probably exceed this amount depending on the results.

2. Core specifications:
   (a) Size NX minimum
   (b) If core recovery exceeds 80%, Colmer will pay for total cored footage per hole. If core recovery is less than 80%, Colmer will pay for only the recovered core per hole.

3. Plug bit specifications:
   (a) Wherever possible plug bit drilling will be done with air.
   (b) Whether with air or water, samples will be collected at five foot intervals maximum.
   (c) Where circulation is lost, the contractor using all reasonable methods to maintain access to the bottom of the hole for radiometric probing. It will be the responsibility of Colmer to probe the hole immediately upon completion of same or pay standby time until the probe and operator arrive.

4. The contractor will provide all materials necessary for the drilling of the hole including water where needed.

April 23, 1956

5. Colamer Corp. will provide access to all drill sites. The sites will be provided sufficiently in advance that no delay will be suffered by the contractor. In the event that sites are not available standby time will be paid by Colamer. Standby time will not be paid between successive stages of drilling as per DMEA contract Idm-5340.

6. Other delays:
   A recess of the contract will be called in the event of the occurrence of
   (a) Acts of God, strikes, unavailability of material or court injunctions.

7. Locations of drill sites, depths of holes and amount of core per hole will be governed solely by the decision of engineers of Colamer Corp.

8. Core boxes and sample bags will be provided at the drill site by Colamer Corp.

9. A minimum of three drill rigs will be provided by the Contractor.

10. Price:

(a)	Core	$3.50 per foot
(b)	Non core	.70 per foot
(c)	Standby time	12.00 per hour

AMENDMENT

The following prices will be come effective June 15, 1956.

(a)	Core	$ 3.50 per foot
(b)	Non core	.95 per foot
(c)	Standby time	12.00 per hour

11. Terms:
   Net cash paid monthly.

The foregoing specifications are agreed to by the undersigned:

MINERALS ENGINEERING COMPANY

BY [signature]

COLAMER CORPORATION

BY _____

[illegible] notary public

[illegible] 6-4-58

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

RECEIVED
JUL 12 1956

[redacted]
[redacted]

[redacted]

Mr. [redacted]
[redacted]
[redacted]
[redacted]
[redacted]

Re: [redacted]
[redacted]
[redacted]
[redacted]
[redacted]

Dear Mr. [redacted]:

[redacted]

[redacted]

[redacted]

[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

STAGE II

Hole No.	Hole No.	Hole No.
125	149	169
126	150	166
129	151	172
130	152	173
133	153	174
135	158	175
137	160	176
138	161	177
139	162	178
140	163	179
145	164	180.

The locations of the above listed holes are shown by numbered symbols on the map entitled, "Figure 1, Sketch map of Section 10, T 13 N, R 9 W, showing completed Stage I Holes and Proposed Stage II Holes, Gulmar Corporation, McKinley County, New Mexico," which is attached hereto and made a part of this work approval.

Non-core and core footage and funds in both Stages I and II will be supplemented by transferring footage and funds from Stage III to permit the deeper drilling authorized above under Stages I and II.

Nothing in this work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be requested to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

BIA Field Team, Region III

W. M. Haney

W. M. Haney

E. H. Burkhart

E. H. Burkhart

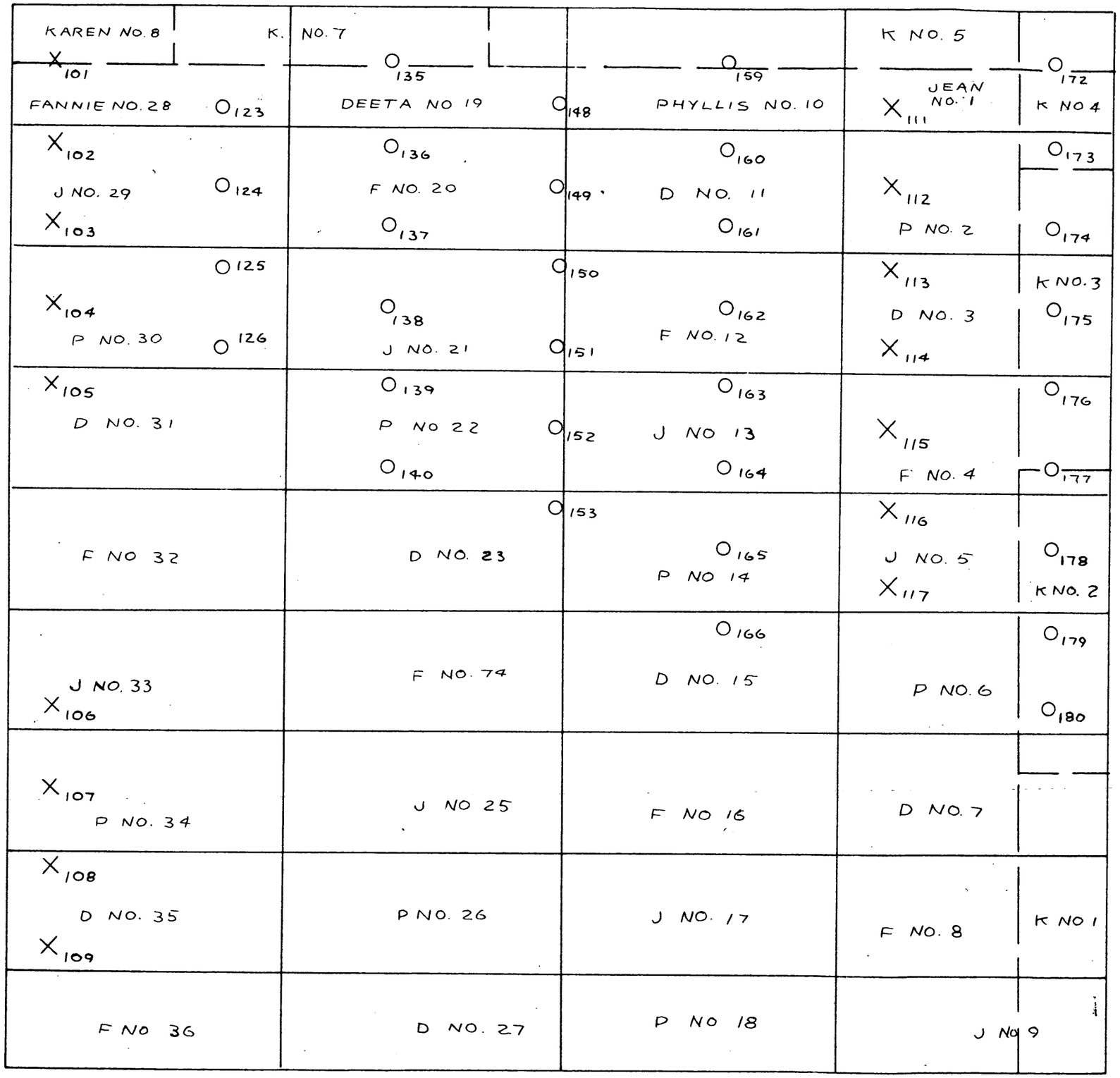
Enclosure

JWH:pri

cc: Chairman, Oper. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Burkhart
Shaw (2)
Hailer
Townsend
Serres. file
Green.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 4017
JUNE 1956



EXPLANATION

O 123 PROPOSED STAGE II HOLES

X 103 COMPLETED STAGE I HOLES

NOTE: CLAIM BOUNDARIES AND HOLE LOCATIONS FROM APPLICANT'S MAP

N

600 0 1200 FEET

FIGURE 1. SKETCH MAP OF SECTION 10, T 13 N., R 9 W. SHOWING COMPLETED STAGE I HOLES AND PROPOSED STAGE II HOLES, COLAMER CORPORATIOIN, McKINLEY, COUNTY, NEW MEXICO.

RECEIVED
JUL 12 1956

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
June 27, 1956

Memorandum

DMEA
Date Rec'd.
JUL 3 1956
BUREAU OF MINES
Denver, Colorado

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea
Supervisting Mining Engineer

From: W. D. McMillan

Subject: Docket DMEA 4017 (Uranium) Contract Idm-6940, Colmer Corporation, Sec. 10, T. 13 N., R. 9 W., N.M.P.M., McKinley County, New Mexico. Geologic Summary of Stage I drilling and Stage II recommendations.

Uranium ore in the Ambrosia Lake Uranium district occurs in both the Poison Canyon sandstone member and the Westwater Canyon member of the Jurassic Morrison formation. Contract Idm-6940 only provided for exploration through the Poison Canyon sandstone member. Colmer Corporation on Stage I is drilling through the Westwater Canyon member at their own expense.

In subject report the applicant requests that 33 of the 43 Stage II holes be drilled through the Westwater Canyon member. These being Hos. 122, 124, 125, 126, 135, 136, 137, 138, 139, 140, 148, 149, 150, 151, 152, 153, 159, 160, 161, 162, 163, 164, 165, 166, 172, 173, 174, 175, 176, 177, 178, 179, and 180 as shown on map of Sec. 10, T. 13, N., R. 9 W. with the proposed location of Stage II holes submitted by the operator.

The additional drilling for these 33 holes was not given in the geologic summary submitted by K. Reitz and G. Daly, but over the telephone on June 7, 1956, Mr. Reitz stated that he estimated that an additional 100 feet of plug drilling and 20 feet of core drilling per hole would be required to drill through the Westwater member in Stage II drilling.

This would necessitate the transfer from Stage III to Stage II of 660 feet of coring and 3300 feet of plugging or a total of 3960 feet of drilling.

It is concluded that drilling through the Westwater Canyon member will benefit the Government, and it is recommended that an amendment be made to Contract Idm-6940 providing for the transfer to Stage II of 3300 feet of plug drilling and 660 feet of core drilling from Stage III.

W. D. McMillan
Mining Engineer

WDM/mr
Idm-6940
Shea

MINERAL DEPOSITS
DMEA
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JUN 21 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

RECEIVED
JUL 12 1956

P. O. Box 300
Grand Junction, Colorado

June 19, 1956

DMEA
Date Rec'd.
JUN 25 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team Region III

From: W. B. Gazdik

Through: J. W. Hasler
S. R. Marshman
J. F. Shaw

Subject: DMEA Docket 4217 (Uranium), Contract Idm-E 340, Colamer Corporation, (Sec. 16, T. 13 N., R. 9 W., NMPM) McKinley County, New Mexico

Mr. K. Boltz and Mr. C. Daly, geologists of the Colamer Corporation requested approval of 33 Stage II drill holes to test what they consider favorable areas found by Stage I drilling. The request for Stage II holes was included in an undated analysis of part of Stage II drilling received in this office June 1, 1956. Up to that time 16 Stage I holes totaling 5791.5 feet had been completed through the Westwater member. An unknown amount of this footage was drilled on company funds.

The contract was originally set up to test the so called Polson Canyon sandstone of the Brushy member of the Jurassic Morrison formation. On the basis of discoveries made in the underlying Westwater member of the Morrison formation in Section 2 and Section 34, T. 14 N., R. 9 W. one half mile northeast and one mile north, respectively, of the subject property the operator requested that the contract be amended to test the Westwater member. The transfer of approximately 2,100 feet from Stage III drilling to Stage I drilling was approved to permit extending 18 Stage I holes through the Westwater member. In their request for Stage II drilling the company geologists failed to mention the desirability of exploring the Westwater member. Mr. Boltz was contacted by telephone on June 7, 1956 and at that time stated that the request for permission to continue exploration of the Westwater member with Stage II holes was inadvertently omitted. He estimated an additional 100 feet of plug drilling and 20 feet of core drilling per hole would be required to drill through the Westwater member during the Stage II phase. This would necessitate the transfer from Stage III to Stage II drilling of 330 feet of coring and 3,300 feet of plugging or a total of 3,600 feet of drilling.

Geologic data obtained from stage I drilling through the Brushy Basin sandstone member is summarized in table I, and table II summarizes drilling for the Westwater member of the Morrison formation. An appraisal of lithologic logs, cross sections and gamma-ray logs submitted with the operator's report suggest the following mineralized relations about the ore-bearing members in section 10:

1. Sandstone and mudstone beds in the Brushy Basin member interfinger with those in the underlying Westwater member. The contact between the two members is obscure.

2. The so-called Poison Canyon sandstone unit of the Brushy Basin member loses its identity as such and should be referred to as a Brushy Basin sandstone unit.

3. The Brushy Basin member and the Westwater member generally appear to be more favorable for ore deposits in the north half of section 10.

Of the 16 Stage I drill holes completed, one hole (117) cut ore-grade material, 3 holes were drilled through weakly mineralized rock, and 12 holes were drilled in barren ground. Data pertinent to mineralized holes is presented below.

Hole No.	Member	Mineralized interval	Thickness in feet	Grade % U_3O_8
103	Brushy Basin	309.0 - 310.0	1.0	0.07
		366.5 - 367.5	1.0	0.08
104	Westwater	554.5 - 555.5	1.0	0.03
		406.0 - 408.0	2.0	0.04
111	Brushy Basin	475.5 - 477.5	2.0	0.08
	Westwater	487.5 - 489.0	2.5	0.08
117	Brushy Basin	385.3 - 386.3	2.0	0.11
		509.0 - 510.0	1.0	0.03
	Westwater	517.0 - 518.5	1.3	0.04

The above-listed holes were classified by using a grade cutoff of 0.10 percent U_3O_8 one foot or more thick for ore holes and 0.02 percent U_3O_8 or a higher grade less than a foot thick for mineralized holes. Grade of mineralized rock was based on results of radiometric logs. Most of the holes were probed with a Babbel counter by the operator. Drill holes 103, 112 and 117 were logged by an AEC logging unit. The AEC was consulted regarding the interpretation of these logs. It is believed that the operator was too optimistic in his interpretation of radiometric logs.

He stated in his reports that drill holes 101, 102, and 108 contained significant mineralization, but the gamma logs for these holes do not support this interpretation.

Based on the increased average thickness of sandstone host rock, the alteration in color of sandstone and included mudstone from red to green-gray or gray and the presence of asphaltic material and pyrite, it is concluded that both the Westwater member and the Brushy Basin member of the Morrison formation are favorable for ore deposits in the north half of section 10. It is, therefore, recommended that the 33 stage II holes requested by the operator be approved and it is further recommended that the additional footage required to explore the Westwater member be transferred from Stage III drilling to Stage II drilling as requested.

W. B. Gazdik
W. B. Gazdik,
Geologist

WBG/mlr

Enclosures

Table 1. Summary of drill-hole data from Brushy Basin Sandstone Units

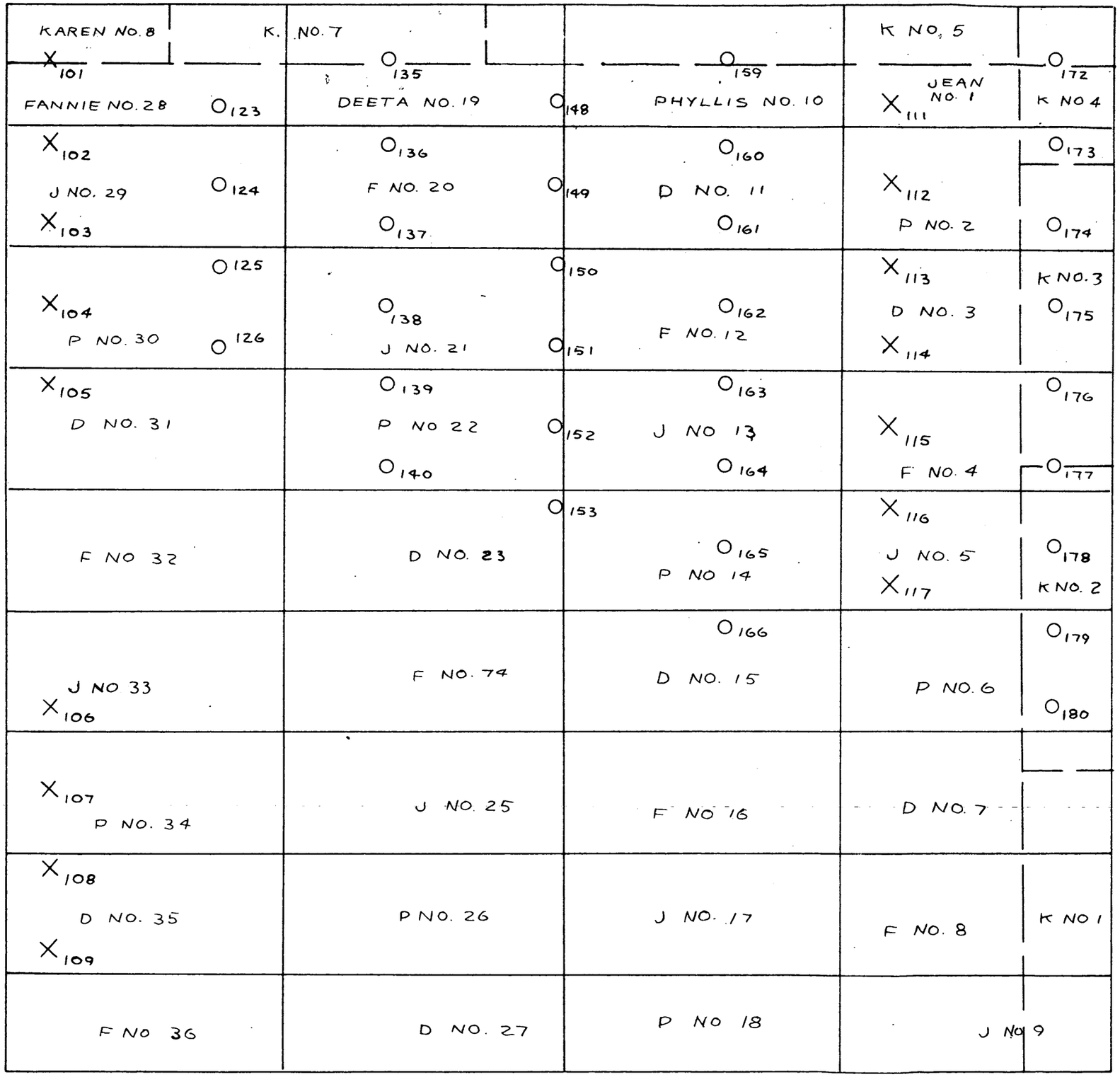
Hole No.	Total depth	Thickness OBSS	Color OBSS	Color of mudstone	Carbon and Asphaltite	Pyrite	Classification	Remarks
101	565.0	90	lt.gray	gray-green	sparse	sparse	barren	
102	621.0	110	lt.gray	gray-green	sparse	none	barren	JMB intertongues with JMW
103	580.0	100	lt.gray	gray-green	none	sparse	mineralized	
104	582.5	35	lt.gray	gray-green	none	sparse	barren	
105	583.0	26	lt.gray	gray-green	none	none	barren	JMB intertongues with JMW
106	539.5	50	lt.gray	gray-green	none	abundant	barren	
107	538.0	57	lt.gray	gray-green	abundant	sparse	barren	
108	498.0	60	lt.gray	gray-green	abundant	abundant	barren	
109	461.0	76	lt.gray	gray-green	abundant	abundant	barren	
111	555.0	52	lt.gray	gray-green	abundant	abundant	mineralized	
112	569.0	80	lt.gray	gray-green	none	none	barren	
113	553.0	50	lt.gray	gray-green	abundant	abundant	barren	
114	543.5	47	lt.gray	gray-green	sparse	sparse	barren	
115	538.0	100	lt.gray	gray-green-brown	abundant	abundant	barren	Interbedded MS and SS
116	535.0	80	lt.gray	gray-green-brown	sparse	sparse	barren	Interbedded MS and SS
117	525.0	30	lt.gray	gray-green-brown	none	abundant	core	

Table II. Summary of drill hole data from Westwater sandstone units

Hole No.	Total depth	Thickness OBSS	Color OBSS	Color of Mudstone	Carbon Asphaltite	Pyrite	Classification.	Remarks
101	565.0	75	light gray	gray-green	abundant	abundant	barren	
102	621.0	103	light gray	gray-green	sparse	sparse	barren	
103	580.0	140	light gray	gray-green	sparse	abundant	barren	Interfingers with JMB
104	582.5	180	light gray	gray-green	abundant	abundant	mineralized	
105	583.0	183	light gray	gray-green	abundant	abundant	barren	
106	539.5	100	light gray	gray-green	--	--	barren	
107	538.0	110	light gray	--	--	sparse	barren	
108	498.0	65	light gray	gray-green	--	--	barren	
109	461.0	65	light gray	gray-green	none	sparse	barren	
111	555.0	91	light gray	gray-green	abundant	abundant	mineralized	
112	569	137	light gray	gray-green	sparse	sparse	barren	
113	553.0	85	light gray	gray-green	abundant	abundant	barren	
114	548.5	47	light gray	gray-green	sparse	none	barren	Interfingers with JMB
115	538.0	90	light gray	gray-green	none	none	barren	
116	535.0	92	red	gray-green-red	none	none	barren	
117	525.0	60	light gray-brown	gray-brown	none	none	weakly mineralized	Weakly mineralized in basal JMB

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 4077
JUNE 1956



EXPLANATION

O 123 PROPOSED STAGE II HOLES

X 103 COMPLETED STAGE I HOLES

NOTE: CLAIM BOUNDARIES AND HOLE LOCATIONS FROM APPLICANT'S MAP

N

600 0 1200 FEET

FIGURE 1. SKETCH MAP OF SECTION 10, T 13 N., R 9 W. SHOWING COMPLETED STAGE I HOLES AND PROPOSED STAGE II HOLES, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO.

DMEA Form 14

Contract No. Idm-E 940

Docket No. 4017

DEPARTMENT OF THE INTERIOR

Additional release

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
April 9, 1956	III	New Mexico	Uranium

Name and Address of Operator: Colamer Corporation
Fidel & Rouse Building
Grants, NewMexico

	Reserve	Obligation
Prior Amount	0	44,593.30
Increase	0	0
Decrease	0	633.67
Revised Amount	0	43,959.63

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 5/19/58

22845

DMEA Form 14

Contra[illegible] No. Idm-E 940

Docket No. 4017

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
April 9, 1956	III	New Mexico	Uranium

Name and Address of Operator: Colamer Corporation
Fidel & Rouse Building
Grants, New Mexico

	Reserve	Obligation
Prior Amount	0	76,935.00
Increase	0	00
Decrease	0	32,341.70
Revised Amount	0	44,593.30

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 12/3/57

22845

Governm[illegible]'s Copy

RECEIVED

APR 26 1956

MF-200
(Revised June 1954)

Docket No. DMEA 4017

Commodity Uranium

Contract No. Idm-E 940

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this APR 9 1956 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Colamer Corporation, a Delaware corporation, whose mailing address is Fidel and Rouse Building, Grants, New Mexico, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map (Figure 2)

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of New Mexico, County of McKinley, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] Assignment of Leases, [7] recorded in Book -, page -, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty rights of Jean Reynolds, Ira N. Sprecher, Fannie A. Sprecher, Thomas C. King and Joe Cahill.

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Subordination Agreements of the royalty claimants. Consents to Lien of Thomas C. King, Phyllis J. King, J. V. Reynolds and Jean Reynolds.

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before May 1, 1956 shall commence the work, and on or before October 31, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work, ~~or shall have incurred allowable costs (see Article 8) in a sum not less than the estimated total allowable costs set forth in Exhibit "A"~~ except as otherwise provided in Exhibit "A" with respect to stages of work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 102,580.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 76,935.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work. See Article 13.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

And see Article 13.

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

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

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) Categories (2) through (7) of Article 6(a) are deleted.

(b) To the extent that costs are set forth in Exhibit "A" as "Fixed Unit Costs" they are in lieu of the actual costs that otherwise would be allowable costs of the project under Article 6 of the contract. The Government will contribute to the Fixed Unit Costs as they accrue, on the basis of units of work actually performed. The fixed unit costs include all costs of the work necessary to complete the project.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mittendorf
Administrator, Defense Minerals
Exploration Administration

COLAMER CORPORATION
(Operator)

By Frank Baylin Pres.

I, Wesley B. Price, certify that I am the secretary of the corporation named as Operator herein; that Frank Baylin who signed this contract on behalf of the Operator, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Wesley B. Price

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

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APR 2 3 1956

EXPLORATION PROJECT CONTRACT
COLAMER CORPORATION
DOCKET NO. DMEA-4017

ANNEX I

The land referred to in Article 2 of the Contract consists of 36 mining claims comprising all of sec. 10, T. 13 N., R. 9 W., N.M.P.M., McKinley County, New Mexico.

The claims are shown on the map entitled "Figure 2. Sketch Map of Section 10, T. 13 N., R. 9 W., - - - -," attached hereto and made a part hereof. The notices of locations of the claims are filed for record in the Office of the County Clerk of McKinley County, New Mexico, as follows:

Claims	Book	Page
Phyllis No. 2	4-MCR	494
Phyllis No. 6	4-MCR	496
Phyllis No. 10	4-MCR	498
Phyllis No. 14	4-MCR	500
Phyllis No. 18	4-MCR	502
Phyllis No. 22	4-MCR	504
Phyllis No. 26	4-MCR	506
Phyllis No. 30	4-MCR	510
Phyllis No. 34	4-MCR	512
Fannie No. 4	4-MCR	495
Fannie No. 8	4-MCR	497
Fannie No. 12	4-MCR	499
Fannie No. 16	4-MCR	501
Fannie No. 20	4-MCR	503
Fannie No. 24	4-MCR	505
Fannie No. 28	4-MCR	507
Fannie No. 32	4-MCR	511
Fannie No. 36	4-MCR	513
Jean No. 1	4-MCR	493
Jean No. 5	4-MCR	495
Jean No. 9	4-MCR	497
Jean No. 13	4-MCR	499
Jean No. 17	4-MCR	501
Jean No. 21	4-MCR	503

Claims	Book	Page
Jean No. 25	4-MCR	505
Jean No. 29	4-MCR	507
Jean No. 33	4-MCR	511
Deetta No. 3	4-MCR	494
Deetta No. 7	4-MCR	496
Deetta No. 11	4-MCR	498
Deetta No. 15	4-MCR	500
Deetta No. 19	4-MCR	502
Deetta No. 23	4-MCR	504
Deetta No. 27	4-MCR	506
Deetta No. 31	4-MCR	510
Deetta No. 35	4-MCR	512

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 940
Contract Date APR 9 1956

CONSENT TO LIEN

RECEIVED
APR 26 1956

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/ Nine (9) mining claims, namely: JEAN Number One (1), Five (5), Nine (9), Thirteen (13), Seventeen (17), Twenty-one (21), Twenty-five (25), Twenty-nine (29), and Thirty-Three (33); described in a mining lease dated August 17, 1954, and recorded in book 7 of Leases on page 176, official records of said county, incorporated herein by reference,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 14th day of March, 1956.

J. V. Reynolds [Seal]

J. V. Reynolds

Jean Reynolds [Seal]

Jean Reynolds

[Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 940
Contract Date APR 9 1956

RECEIVED
APR 26 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/ Nine (9) mining claims, namely: FANNIE Number Four (4), Eight (8), Twelve (12), Sixteen (16), Twenty (20), Twenty-four (24), Twenty-eight (28), Thirty-Two (32), and Thirty-Six (36); described in a mining lease dated August 17, 1954, and recorded in book 7 of Leases on page 178, official records of said county, incorporated herein by reference,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

5

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 14th day of March, 1956.

Thomas C. King [Seal]
Thomas C. King

Phyllis J. King [Seal]
Phyllis J. King

[Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 940
Contract Date APR 9 1956

RECEIVED
APR 26 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/ Nine (9) mining claims, namely: DEETTA Number Three (3), Seven (7), Eleven (11), Fifteen (15), Nineteen (19), Twenty-Three (23), Twenty-Seven (27), Thirty-one (31), and Thirty-Five (35); described in a mining lease dated August 17, 1954, and recorded in book 7 of Leases on page 176, official records of said county, incorporated herein by reference, which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 14th day of March, 1956.

J. V. Reynolds [Seal]

Jean Reynolds [Seal]

[Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-203
Revised March 24, 1955

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EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 940
Contract Date APR 9 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/ Nine (9) mining claims, namely: PHYLLIS Number Two (2), Six (6), Ten (10), Fourteen (14), Eighteen (18), Twenty-Two (22), Twenty-Six (26), Thirty (30), and Thirty-Four (34); described in a mining lease dated August 17, 1954, and recorded in book 7 of Leases on page 178, official records of said county, incorporated herein by reference,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

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None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 14th day of March, 1956.

Thomas C. King [Seal]

Thomas C. King

Phyllis J. King [Seal]

Phyllis J. King

[Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

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APR 26 1956

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 940
Contract Date APR 9 1956

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows: 1/ Nine (9) mining claims, namely: PHYLLIS Number Two (2), Six (6), Ten (10), Fourteen (14), Eighteen (18), Twenty-Two (22), Twenty-Six (26), Thirty (30), and Thirty-Four (34); described in a mining lease dated August 17, 1954, and recorded in book 7 of Leases on page 178, official records of said county, incorporated herein by reference,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

(OVER)

Dated this 14th day of March, 1956.

Jean Reynolds [Seal]
Jean Reynolds

James V. Reynolds [Seal]
James V. Reynolds

[Seal]

I, _____, certify that I am the _____, (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
[Corporate Seal]

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APR 26 1956

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 940
Contract Date APR 9 1956

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/ Nine (9) mining claims, namely: FANNIE Number Four (4), Eight (8), Twelve (12), Sixteen (16), Twenty (20), Twenty-four (24), Twenty-eight (28), Thirty-Two (32), and Thirty-Six (36); described in a mining lease dated August 17, 1954, and recorded in book 7 of Leases on page 178, official records of said county, incorporated herein by reference, which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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(OVER)

Dated this 14th day of March, 1956.

Jean Reynolds [Seal]
Jean Reynolds

Ira N. Sprecher [Seal]
Ira N. Sprecher

Fannie A. Sprecher [Seal]
Fannie A. Sprecher

I, _____, certify that I am the _____, (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
[Corporate Seal]

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APR 26 1956

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 940
Contract Date APR 9 1956

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/ Nine (9) mining claims, namely: JEAN Number One (1), Five (5), Nine (9), Thirteen (13), Seventeen (17), Twenty-one (21), Twenty-five (25), Twenty-nine (29), and Thirty-Three (33); described in a mining lease dated August 17, 1954, and recorded in book 7 of Leases on page 176, official records of said county, incorporated herein by reference,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

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2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

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(OVER)

15

Dated this 14th day of March, 1956.

Thomas C. King [Seal]
Thomas C. King

Phyllis J. King [Seal]
Phyllis J. King

[Seal]

I, _____, certify that I am the _____, (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
[Corporate Seal]

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 940
Contract Date APR 8 1956

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/ Nine (9) mining claims, namely: DEETTA Number Three (3), Seven (7), Eleven (11), Fifteen (15), Nineteen (19), Twenty-Three (23), Twenty-Seven (27), Thirty-one (31), and Thirty-Five (35); described in a mining lease dated August 17, 1954, and recorded in book 7 of Leases on page 176, official records of said county, incorporated herein by reference,

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1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

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(OVER)

Dated this 14th day of March, 1956.

Phyllis J. King [Seal]
Phyllis J. King

Thomas C. King [Seal]
Thomas C. King

Joe Cahill [Seal]
Joe Cahill

Deetta Cahill [Seal]
Deeta Cahill

I, _____, certify that I am the _____, (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
[Corporate Seal]

RECEIVED
APR 26 1956

EXPLORATION PROJECT CONTRACT
COLAMER CORPORATION
DOCKET NO. DMEA-4017

Exhibit "A"

Description of the Work

General Provisions

The work consists of exploration by core and non-core drilling to test the Poison Canyon sandstone of the Brushy Basin member of the Morrison formation. The location of the work is indicated on the attached map (Figure 2).

Each hole shall be non-core drilled through the upper formations to a point approximately five feet above the upper contact of the Poison Canyon sandstone, and then core drilled until the hole is bottomed in the underlying claystone at a point approximately five feet below the lower contact of the Poison Canyon sandstone. Drilling depths are expected to average 450 feet, and the cored sections of the holes are expected to average 100 feet in length. The minimum size of core shall be BX. All holes shall be reamed and cased as necessary.

All core and cuttings from the cored section of drill holes shall be saved and checked radiometrically for uranium. Sections indicating significant mineralization shall be split for samples, and such samples shall be analyzed chemically for uranium. All the remaining core and cuttings saved shall be properly stored for inspection and disposition by the Government.

All drill holes shall be logged geologically and probed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports.

The project work shall be supervised at all times by competent engineers or geologists.

No hole shall be drilled closer than 100 feet to any boundary of the land.

The location, direction, inclination, and extent of all project work are subject to the approval of the Government.

The work is divided into three successive stages, as hereinafter described. The Operator shall complete Stage I, and shall perform as much of the work under Stages II and III as the Government approves in writing in advance.

Stage I

Drill 22 holes, aggregating an estimated 9,900 feet, in two north-south rows at the locations shown on the attached map (Figure 2). The row to the west is composed of two segments of 5 holes each, located approximately 200 feet from the western boundary of said section 10, and the row to the east is a continuous line of 12 holes, located approximately 1,100 feet from the eastern boundary. The holes in each row or segment shall be spaced approximately 400 feet apart. The northernmost and southernmost holes of the two western segments shall be located approximately 280 and 200 feet, respectively, from the northern and southern boundaries. The corresponding holes of the eastern row shall be located approximately 480 and 400 feet, respectively, from the northern and southern boundaries. If the 22 holes require more than 9,900 feet to reach the desired horizon, additional footage and cost may be transferred and deducted from Stage III upon advance written approval of the Government.

Stage II

Fifty-nine drill hole locations for Stage II are shown on the attached map (Figure 2). However, only 45 holes, aggregating an estimated 20,250 feet, shall be drilled, and not necessarily at locations shown on the attached map. The pattern for and locations of the holes under Stage II shall be fixed in accordance with favorable indications resulting from Stage I drilling, and approved in writing in advance by the Government. Each hole shall be drilled at least 400 feet from any previously drilled hole. If more than 20,250 feet are required to reach the desired horizon of any hole, the additional footage and cost required may be transferred and deducted from Stage III upon the written approval of the Government.

Stage III

Drill not more than 45 holes aggregating not more than 20,250 feet, to offset previously drilled holes that show significant mineralization, as approved in advance by the Government. Each hole shall be drilled at least 100 feet from any previously drilled hole.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

7,700 feet non-core drilling	@ $1.25/ft.	$ 9,625.00	
2,200 feet core drilling	@ $3.50/ft.	7,700.00	
Categories (2) through (7)			
None			$17,325.00

Fixed Unit Costs (See Article 13)

Incidental allowance for each foot of core and non-core drilling completed 9,900 feet	@ $0.27/ft.	$ 2,673.00	
40 chemical sample analyses @ $3.50/each sample		140.00	$ 2,813.00
Estimated Total Cost of Stage I			$20,138.00

Stage II

Actual Costs

Category (1) Independent Contracts

15,750 feet non-core drilling	@ $1.25/ft.	$19,687.50	
4,500 feet core drilling	@ $3.50/ft.	15,750.00	
Categories (2) through (7)			
None			$35,437.50

Fixed Unit Costs (See Article 13)

Incidental allowance for each foot of core and non-core drilling completed 20,250 feet	@ $0.27/ft.	$ 5,467.50	
80 chemical sample analyses @ $3.50/each sample		280.00	$ 5,747.50
Estimated Total Cost of Stage II			$41,185.00

21

Stage III

Actual Costs

Category (1) Independent Contracts

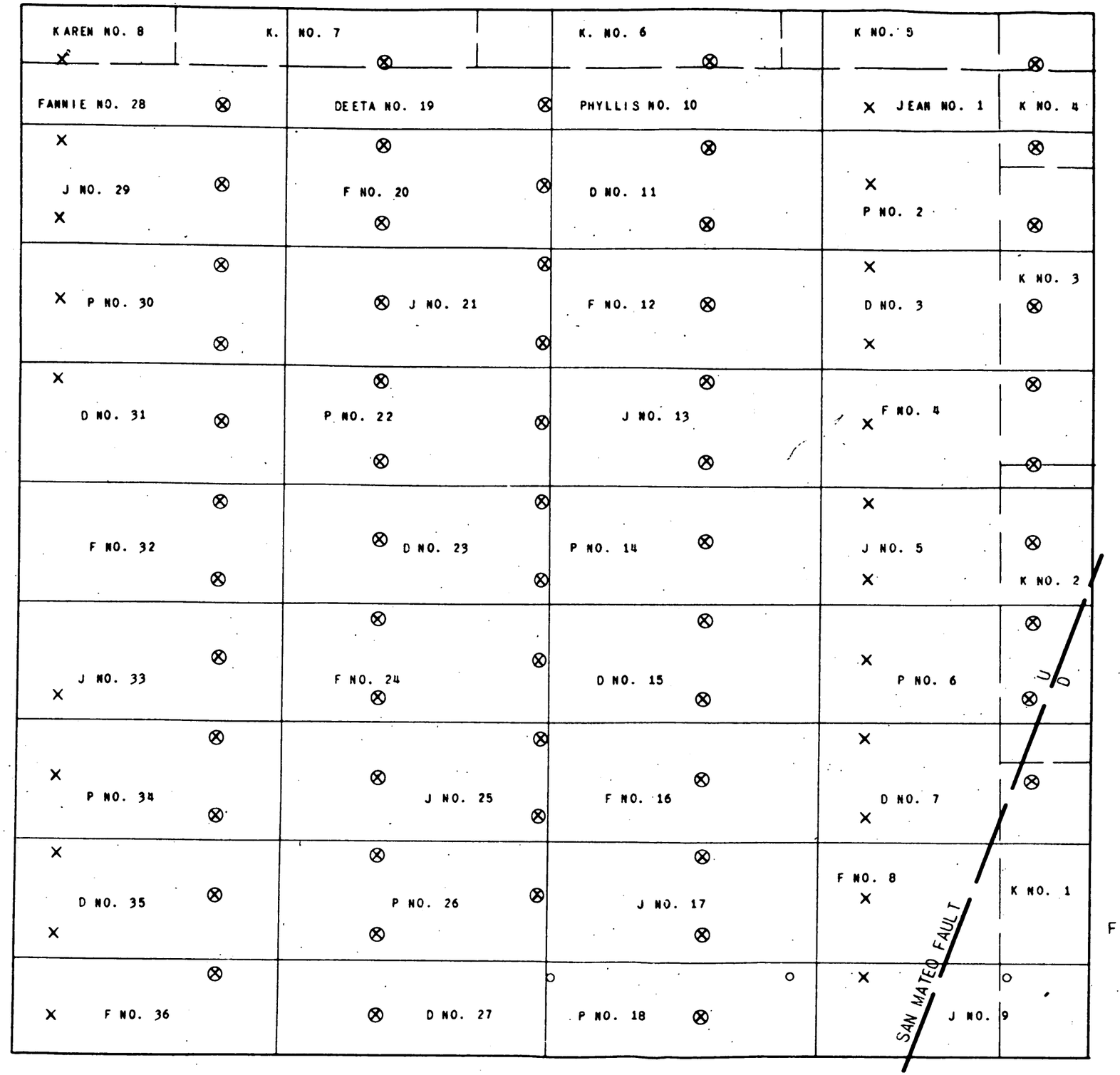
15,750 feet non-core drilling	@ $1.25/ft.	$19,687.50	
4,500 feet core drilling	@ $3.50/ft.	15,750.00	
Categories (2) through (7)			
None			$35,437.50

Fixed Unit Costs (See Article 13)

Incidental allowance for each foot of core and non-core drilling completed 20,250 feet	@ $0.27/ft.	$ 5,467.50	
100 chemical sample analyses @ $3.50/each sample		350.00	5,817.50
Estimated Total Cost of Stage III			$41,255.00

SUMMARY

Estimated Total Cost of Stage I	$20,138.00	
Estimated Total Cost of Stage II	41,185.00	
Estimated Total Cost of Stage III	41,255.00	
Estimated Total Cost of the Project (rounded)		$102,580.00
Government Participation @ 75%		$ 76,935.00



EXPLANATION

- ○ HOLE DRILLED BY APPLICANT
- × LOCATION OF PROPOSED STAGE I DRILL HOLE
- ⊗ PROBABLE LOCATION OF STAGE II DRILL HOLE

Note: CLAIM BOUNDARIES AND HOLE LOCATIONS FROM APPLICANTS MAP.

N

600 0 1200 FEET

FIGURE 2. SKETCH MAP OF SECTION 10, T. 13 N., R. 9 W., SHOWING EXISTING DRILL HOLES, LOCATION OF PROPOSED STAGE I DRILL HOLES, AND PROBABLE LOCATION OF STAGE II DRILL HOLES, COLAMER CORPORATION, McKINLEY COUNTY, NEW MEXICO.

Docket No. 4017

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E940

Date of Contract ~~or Amendment~~: April 9, 1956

Name and Address of Operator:

Colamer Corporation
Fidel and Rouse Building
Grants, New Mexico

Amount of Government participation $76,935.00

Percent of Government participation 75 %

Region: III State: New Mexico

E H Talbut
(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 4/9/56

54458

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

March 21, 1956

Memorandum

To: Mr. George C. Selfridge
Chairman, Operating Committee

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMEA-4017 (Uranium), Coleman Corporation, Sec. 20, T. 13 N., R. 9 W., McKinley County, New Mexico

I have surveyed Docket No. DMEA-4017 but I wish to call your attention to the following figures.

At the rate of $1.25 for measure and $3.50 for core drilling, the total cost of drilling would be $88,200.00. The Field Team allowed $98,000.00 in their estimate but part of the drilling cost was separated by the engineer here in Washington. Nevertheless, at the rate of $88,200.00 total for drilling the Field Team must have recommended $13,225.00 for miscellaneous expenses, including depreciation, salaries, etc. The engineer must have allowed $19,880.00 for these same items, since his total for the project was $108,120.00, while the Field Team recommended $108,425.00.

The engineer, in his calculation, allowed $1,008.00 for Depreciation, $2,016.00 for Supplies and Materials, and $1,504.00 for Miscellaneous. These figures seem to account for most of the difference.

Please note also that expenses for drilling are on an independent contract basis which makes our figures for drilling only maximum, while the other costs of the project are placed on a unit cost contract basis.

Attachment

JLChambers/wb
March 21, 1956

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Chambers