DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4411

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(Withdrawn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

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

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

Left Side

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

Right Side

✓Project summary
✓Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓Final Field Team Report (Tab)
✓Operator's Final Report
(2R) Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
✓On-site Exam Report(s) (Tab)
(4) Settlement Sheets

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

Left Side

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

Right Side

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

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

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

EXTRA COPY
D.M.E.A.
RECEIVED NOV 18 1957

DATE		CODE
11-19	JC	800
25	Tom	100
"	Fay	110
		120
		700

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-E1052, Docket No. DMEA-4411, including Amendment No. 1, and Termination Agreement dated Aug. 26, 1957, for the months of March, 1957 to June, 1957, inclusive, covering a project for the exploration of Uranium on property known as N.W. ¼, Sec. 6, 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, conference with the Acting Executive Officer, DMEA Field Team, Region III, 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 ($14,353.62) of the costs incurred covered work performed at unit rates under independent contract; and

(d) the balance ($4,370.19) of the costs incurred were under a contract provision 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 Contractor:		$18,444.84
Add: Allowable item not claimed (Schedule attached)		278.97
Subtotal		$18,723.81
Exceptions		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$18,723.81

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 Fourteen thousand, forty-two and 86/100ths Dollars

** $14,042.86 **

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 13, 1957

Donald T. Finch
Donald T. Finch, Auditor

TREASURE URANIUM AND RESOURCES, INC.

SCHEDULE OF ALLOWABLE ITEM NOT CLAIMED BY CONTRACTOR

CONTRACT Idm-E1052 DOCKET DMEA-4411.

New Mexico school tax of 2% was invoiced to Operator by subcontractor. This item was not claimed by Operator. The unit cost per foot of drilling invoiced to Operator by subcontractor, including provision for the 2% school tax, was less than the allowable maximum unit cost per foot of drilling. This item, applicable to drilling, therefore is allowable under the terms of the contract. Analysis of the category follows:

	Invoiced Cost of Drilling	Tax
March, 1957	$ 5,805.69	$116.11
May, 1957	3,862.32	77.25
June, 1957	4,280.64	85.61
	$13,948.65	
Total Allowable Tax Not Claimed		$278.97

Government's copy

Long
Kenyon
Appd. Sol. Off.
Ching
Ely
Chambers
Selfridge
Johnson

TERMINATION AGREEMENT

It is agreed this 26th day of August, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Treasure Uranium and Resources, Inc., hereinafter called the "Operator," parties to Exploration Project Contract Idm-E1052 (Docket No. DMEA-4411), dated January 17, 1957, as amended, hereinafter called the "Contract," that:

1. Effective June 18, 1957, 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 cost 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 a 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 O. Mitchendry
Administrator, Defense Minerals
Exploration Administration

TREASURE URANIUM AND RESOURCES, INC.

By Ken Jazz

Title President

DMEA
RECEIVED NOV 6 1957

DATE	INITIALS	CODE

Government's Copy

EXPLORATION PROJECT CONTRACT
TREASURE URANIUM AND RESOURCES, INC.
DOCKET NO. DMEA 4411
CONTRACT NO. Idm-E1052

AMENDMENT NO. 1

It is agreed this 30th day of July, 1957 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Treasure Uranium and Resources, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1052, Docket No. DMEA 4411, dated January 17, 1957, hereinafter called the "Contract," that:

1. The date fixed in Article 3, on or before which the work is to be completed, is extended from August 1, 1957 to September 15, 1957.

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

Executed in quintuplicate the day and year first above written.

TREASURE URANIUM AND RESOURCES, INC.

By B H Robinson

Title Managing Director

(Seal)

UNITED STATES OF AMERICA

By E. N. Hardman

acting Executive Officer
DMEA Field Team, Region III

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DMEA
RECEIVED AUG 8 1957

DATE	INITIALS	CODE

Docket Copy

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 7 1957

DATE	INITIALS	CODE
2-8	C	220
2-8	B	215
2-11	[illegible]	700

MF-200
(Revised June 1954)

Docket No. DMEA 4411

Commodity Uranium

Contract No. Idm-E 1052

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 17 JAN 1957 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] Treasure Uranium and Resources, Inc., a Nevada corporation, whose mailing address is 531 South State Street, Salt Lake City, Utah, 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 3)

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] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] Lease, [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 as set forth in the lease.

(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: Performance Bond furnished in lieu of Consent to Lien of Indian Allottee Dan Delgarito

(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 March 15, 1957, shall commence the work, and on or before August 1, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall have completed the work except as otherwise provided in Exhibit "A" with respect to stages of work. See Article 13.

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $25,832.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $19,374.00: *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. **See Article 13.**

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 8 See Article 13.

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

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

(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. **See Article 13.**

(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) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."
(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted. (c) Categories (2) through (7) of Article 6(a) are deleted.
(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the contract. (e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."
(f) Notwithstanding any other provision of the contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract. (g) In Article 8(b), the phrase "all minerals" shall mean "all minerals which the Operator at any time during the royalty period has or had the right to mine."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitchell Jones

Administrator, Defense Minerals
Exploration Administration

Indritz 1/10/57
Dunyon
"Appd. as to form"
Ching
Ellis
Chamberlain
Selmdges
Johnson

TREASURE URANIUM AND RESOURCES, INC.
(Operator)

By Ken Garff

Title Pres.

I, David A. Robinson, certify that I am the secretary of the corporation named as Operator herein; that Ken Garff 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.

David A. Robinson

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

OFFICIAL FILE COPY
D M E A
RECEIVED FEB 7 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
TREASURE URANIUM AND RESOURCES, INC.
DOCKET NO. DMEA-4411

ANNEX I

The land referred to in Article 2 of the Contract consists of allotted Indian land, legally described as Lots 3, 4, and 5, and the SE¼ of the NW¼ of section 6, T. 13 N., R. 9 W., N.M.P.M. & B., McKinley County, New Mexico, containing 166.81 acres, more or less. The land is essentially the NW¼ of section 6, and is shown on the map entitled "Figure 3 - Plan of Proposed Drill Holes, NW¼ Sec. 6, T. 13 N., R. 9 W., NMPM, Treasure Uranium and Resources, Inc., McKinley County, New Mexico. DMEA 4411," attached hereto and made a part hereof.

The lease of the land from Navajo Indian Allottee, Mr. Dan Delgarito (Allottee No. 3174), to New Park Mining Company, approved by the U. S. Bureau of Indian Affairs as Contract No. 14-20-603-1229, was assigned by New Park Mining Company to the Operator by assignment dated July 9, 1956, which assignment was approved by the Bureau of Indian Affairs on October 7, 1956.

The lease confers upon the Operator the right to prospect for and mine uranium and other minerals associated therewith (other than oil and gas).

STANDARD FORM 25
REVISED NOVEMBER 1960
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

PERFORMANCE BOND

(*See Instructions on Reverse*)

DATE BOND EXECUTED: 1/17/57

PRINCIPAL: TREASURE URANIUM AND RESOURCES, INC., A Corporation of the State of Nevada

SURETY: UNITED PACIFIC INSURANCE COMPANY, A Corporation of the State of Washington authorized to do business in the State of Utah

PENAL SUM OF BOND (*express in words and figures*)	CONTRACT NO.	DATE OF CONTRACT
NINETEEN THOUSAND THREE HUNDRED SEVENTY-FOUR AND 99/100 - - - - - - - - - - - - - - Dollars	IDM-E1052	1/17/57

KNOW ALL MEN BY THESE PRESENTS, That we, the PRINCIPAL and SURETY above named, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of the amount stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the Government, numbered and dated as shown above and hereto attached;

NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

In Presence of:

WITNESS		INDIVIDUAL PRINCIPAL	
1.	as to		[SEAL]
2.	as to		[SEAL]
3.	as to		[SEAL]
4.	as to		[SEAL]

WITNESS		INDIVIDUAL SURETY	
1.	as to		[SEAL]
2.	as to		[SEAL]

Attest:

David A. Robinson

David A. Robinson - Secretary

CORPORATE PRINCIPAL: TREASURE URANIUM AND RESOURCES, INC.

BUSINESS ADDRESS: 531 So State St., Salt Lake City, Utah

BY: Ken Garff

TITLE: Ken Garff - President

AFFIX CORPORATE SEAL

Attest:

Maxine Sundall

Maxine Sundall

CORPORATE SURETY: UNITED PACIFIC INSURANCE COMPANY

BUSINESS ADDRESS: 1312 Cont. Bank Bldg., Salt Lake City, Ut.

BY: Dale Barton

TITLE: Dale Barton
Attorney-in-Fact

THIS BOND EXECUTED UNDER CARD POWER OF ATTORNEY ON FILE WITH TREASURY, WAR DEPARTMENT AND POST OFFICE DEPARTMENT, WASHINGTON, D.C.

STANDARD FORM 25

The rate of premium on this bond is 12.50 per thousand.

Total amount of premium charged, $ 242.19

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, David A. Robinson, certify that I am the secretary of the corporation named as principal in the within bond; that Ken Garff, who signed the said bond on behalf of the principal, was then President of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

David A. Robinson

David A. Robinson

[CORPORATE SEAL]

INSTRUCTIONS

1. This form shall be used for construction work or the furnishing of supplies or services, whenever a performance bond is required. There shall be no deviation from this form except as authorized by the General Services Administration.

2. The surety on the bond may be any corporation authorized by the Secretary of the Treasury to act as surety, or two responsible individual sureties. Where individual sureties are used, this bond must be accompanied by a completed Affidavit of Individual Surety for each individual surety (Standard Form 28).

3. The name, including full Christian name, and business or residence address of each individual party to the bond shall be inserted in the space provided therefor, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the space provided therefor, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the space provided therefor, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

6. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form herein provided. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

7. The date of this bond must not be prior to the date of the instrument in connection with which it is given.

U. S. GOVERNMENT PRINTING OFFICE 16—30641-2

OFFICIAL FILE COPY
DMEA
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DATE | INITIALS | CO

EXPLORATION PROJECT CONTRACT
TREASURE URANIUM AND RESOURCES, INC.
DOCKET NO. DMEA-4411

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration by core and non-core drilling to test the lower half of the Brushy Basin member and the whole of the Westwater Canyon member of the Morrison formation. The location of the work is indicated on the map (Figure 3) referred to in Annex I.

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.

No drill hole shall be drilled closer than 100 feet from the boundaries of the land described in Annex I.

No payment shall be made for uncompleted drill holes.

Access roads and drill sites shall be prepared with a D-7 bulldozer or equivalent unit.

The project shall be supervised by a competent geologist or mining engineer, who shall devote full time to the project work.

The location, direction, inclination, and extent of all project work are subject to the approval of the Government.

The work shall be divided into two stages as hereinafter described. The Operator shall complete Stage I and perform as much of Stage II as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites and drill 8 holes, with a total footage of not more than 3,550 feet, as indicated on the map (Figure 3). The 8 holes, together with 5 holes previously completed by the Operator, form a pattern in which there are five east-west rows approximately 550 feet apart, with the holes staggered in alternate rows and approximately 1,000 feet apart.

Each hole shall be drilled non-core through the upper formations to a point approximately at the middle of the Brushy Basin member. Core drilling shall follow until the hole is bottomed in the underlying Recapture Creek member at a point not more than 5 feet below the lower contact of the Westwater Canyon member. Drilling depths of these 8 holes are expected to average 444 feet; the cored sections of the holes are expected to average 189 feet in length. Minimum size of core shall be BX.

All core and cuttings from the cored section of drill holes shall be saved and checked for radioactivity. 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 labeled and stored for inspection, and shall be disposed of by the Operator upon authorization by the Government.

If the 8 holes require more than 3,550 feet to reach the desired horizon, the additional footage and funds required may, upon the written approval of the Government, be transferred to this stage from Stage II and equivalent footage and funds deducted from Stage II.

Stage II

Prepare access roads and drill sites and drill not more than 26 holes, aggregating not more than 11,540 feet, either as offsets to previously drilled holes showing significant mineralization, or as projections of favorable trends resulting from previous drilling. No hole shall be drilled closer than 200 feet from any previously drilled hole.

All holes shall be drilled non-core throughout and bottomed in the Recapture Creek member at a point not more than 5 feet below the lower contact of the Westwater Canyon member. Drilling depths of these 26 holes are expected to average 444 feet.

Samples shall be taken at 2-foot intervals from a point approximately at the middle of the Brushy Basin member to the bottom of the holes. Drill cuttings shall be collected with a Duclone sample collector or equivalent unit. Samples shall be checked for radioactivity and those indicating significant mineralization shall be analyzed chemically for uranium. A portion of each sample shall be properly labeled and stored for inspection, and shall be disposed of by the Operator upon authorization by the Government.

The rate of premium on this bond is 12.50 per thousand.

Total amount of premium charged, $ 242.19

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, David A. Robinson, certify that I am the secretary of the corporation named as principal in the within bond; that Ken Garff, who signed the said bond on behalf of the principal, was then President of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

David A. Robinson

David A. Robinson

[CORPORATE SEAL]

INSTRUCTIONS

1. This form shall be used for construction work or the furnishing of supplies or services, whenever a performance bond is required. There shall be no deviation from this form except as authorized by the General Services Administration.

2. The surety on the bond may be any corporation authorized by the Secretary of the Treasury to act as surety, or two responsible individual sureties. Where individual sureties are used, this bond must be accompanied by a completed Affidavit of Individual Surety for each individual surety (Standard Form 28).

3. The name, including full Christian name, and business or residence address of each individual party to the bond shall be inserted in the space provided therefor, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the space provided therefor, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the space provided therefor, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

6. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form herein provided. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

7. The date of this bond must not be prior to the date of the instrument in connection with which it is given.

U. S. GOVERNMENT PRINTING OFFICE 16—30641-2

Estimated Cost of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

2,040 feet non-core drilling	@ $1.00/ft.	$ 2,040.00	
1,510 feet core drilling	@ $4.00/ft.	6,040.00	
16 hours bulldozing	@ $12.00/hr.	192.00	
8 hours stand-by time for probing	@ $12.00/hr.	96.00	
Categories (2) through (7)	None	--	$ 8,368.00

Fixed Unit Costs (See Article 13)

Incidental allowance for each foot of core and non-core drilling completed, 3,550 feet	@ $0.65/ft.	$ 2,307.50	
150 cardboard core boxes	@ $1.25 each	187.50	
16 Chemical sample analyses	@ $5.00/sample	80.00	2,575.00
Estimated Total Cost of Stage I			$10,943.00

Stage II

Actual Costs

Category (1) Independent Contracts

11,540 feet non-core drilling	@ $1.00/ft.	$11,540.00	
40 hours bulldozing	@ $12.00/hr.	480.00	
26 hours stand-by time for probing	@ $12.00/hr.	312.00	
Categories (2) through (7)	None	--	$12,332.00

Fixed Unit Costs (See Article 13)

Incidental allowance for each foot of non-core drilling completed, 11,540 feet	@ $0.20/ft.	$ 2,308.00	
50 chemical sample analyses	@ $5.00/sample	250.00	2,558.00
Estimated Total Cost of Stage II			$14,890.00

Summary of Costs

Estimated Total Cost of Stage I	$10,943.00
Estimated Total Cost of Stage II	14,890.00
Estimated Total Cost of the Project (rounded)	$25,832.00
Government Participation @ 75%	$19,374.00

DMEA 4411

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED

2. CONTRACT 1052 DATE 17 JAN 1957

3. TERMINATION AGREEMENT: DATE

a. Mutual (with/without repayment provision).
b. Unilateral.
c. Amendment with automatic termination clause and with/without repayment provision.

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS DATE

5-154c
(May 1949)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

CONTRACT NO. 14-20-603-1229

RECEIVED
AUG - 6 1956

ASSIGNMENT OF MINING LEASE

WHEREAS, the Secretary of the Interior has heretofore approved Uranium mining lease, dated November 30, 19 55, entered into by and between Ban Belgarito or Hoska ge neal a wood, allottee No. 3174 (062429), a Navajo Indian, lessor, and New Park Mining Company, lessee, covering the following-described lands in the Navajo Reservation, County of McKinley, (Insert name of Reservation, Pueblo, Nation, etc., as needed) in the State of New Mexico, to-wit:

Lots 3, 4 & 5 & SE/4NW/4 of Section 6, Township 13 North, Range 9 West, NMP, containing 166.81 acres, more or less, for the full term of 15 years from the date of approval, for the sole purpose of prospecting for and mining minerals as follows: Uranium and other minerals associated therewith.

NOW, THEREFORE, for and in consideration of - - Ten - - dollars ($10.00), the receipt of which is hereby acknowledged, the said New Park Mining Company, a Nevada corporation, with its principal office located at 904 Walker Bank Building, Salt Lake City, Utah the owner of the above-described lease, hereby bargains, sells, transfers, assigns, and conveys all of its right, title, and interest in and to said lease, subject to the approval of the Secretary of the Interior, to Treasure Uranium & Resources, Inc., of Salt Lake City, Utah

Said assignment to be effective from date of approval hereby by the Secretary of the Interior.

IN WITNESS WHEREOF, the said assignor has hereunto set its hand and seal, this 9th day of July 1956.

ATTEST:

Robert L. Cramer
Secretary

NEW PARK MINING COMPANY

By: W. H. H. Cramer
W. H. H. Cramer, President

16—11683-2

[OVER]

Exhibit 2

ACKNOWLEDGMENT OF CORPORATION

STATE OF UTAH
COUNTY OF SALT LAKE } ss:

56

Before ~~me, a notary public, in and for~~ said county and State on this 9th day of July, 19 56 personally appeared W. H. H. Cramer to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Clare C. Spurr
Residing in Salt Lake City, Utah
Notary Public.

My commission expires 8-11-58, 19

ACKNOWLEDGMENT OF INDIVIDUAL

STATE OF
COUNTY OF } ss:

Before me, a notary public, in and for said county and State, on this ..... day of ....., 19..... personally appeared .....

, to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that executed the same as free and voluntary act and deed for the uses and purposes therein set forth.

Notary Public.

My commission expires, 19

ACCEPTANCE BY ASSIGNEE

The assignee in the above and foregoing assignment, made subject to the approval of the Secretary of the Interior, hereby accepts such assignment and agrees to fulfill all the obligations, conditions, and stipulations in said described indenture of lease, when assigned, and the rules and regulations of the Secretary of the Interior applicable thereto, and to furnish proper bond guaranteeing a faithful compliance with said lease and this agreement.

IN WITNESS WHEREOF, the said assignee has hereunto set its hand and seal this 23rd day of July, 19 56

Treasure Uranium & Resources, Inc.

By Ken Gough President
David A. Robinson Secretary

CONSENT OF SURETY

The ....., of ....., surety for ..... on the bond accompanying the lease above described, hereby consents to the assignment and transfer of said lease as above made and agrees that said bond shall remain in force and effect covering obligations of assignee.

Dated at ..... this ..... day of ....., 19.....

UNITED STATES
DEPARTMENT OF THE INTERIOR,

Washington, D. C.,

APPROVED:

Commissioner of Indian Affairs.

16—11683-2 U. S. GOVERNMENT PRINTING OFFICE

Form 5-154
(September 1953)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Contract No. 14-20-603-1229

RECEIVED
AUG - 6 1956

MINING LEASE ALLOTTED INDIAN LANDS

(For Minerals other than Oil and Gas)

[redacted] Mining Lease [redacted] Reservation
(Write all names and addresses in full)

THIS INDENTURE OF LEASE, made and entered into in quintuplicate, on this 30th day of November, 19 55, by and between [redacted] delgaret.

allottee No. [redacted] of the [redacted] tribe of Indians, of [redacted], State of [redacted] part [redacted] of the first part, hereinafter called the lessor, and [redacted], of [redacted], State of [redacted], part[redacted] of the second part, hereinafter called the lessee, under and in pursuance of the provisions of existing law and the rules and regulations prescribed by the Secretary of the Interior relative to mining leases covering restricted Indian allotments.

WITNESSETH

1. That the lessor, for and in consideration of [redacted] receipt whereof is hereby acknowledged, and of the royalties, covenants, stipulations, and conditions hereinafter contained and hereby agreed to be paid and observed by the lessee, doth hereby demise, grant, and lease unto the said lessee, the following-described tract of land lying and being within the [redacted], county of [redacted], and State of [redacted] to wit: [redacted]

[redacted]

of section [redacted], township [redacted], range [redacted], [redacted] meridian, and containing [redacted] acres, more or less, for the full term of 15 years from the date of approval hereof, for the sole purpose of prospecting for and mining minerals, as follows: [redacted]

the lessee to occupy so much only of the surface of said land as may be reasonably necessary to carry on the work of prospecting for, mining, milling, storing, and removing such minerals.

Exhibit 1

2. The term "Superintendent" as used herein shall refer to the superintendent or other official in charge of the Indian Agency having jurisdiction over the lands leased.

3. In consideration of the foregoing, the lessee hereby agrees:

(a) ROYALTY.—To pay, or cause to be paid, to the Superintendent, for the use and benefit of the lessor, as royalties, the sums of money as follows, to wit:*

As set forth in attached continuation sheet. Provisions of Para. (b) and (d) of this section are superseded by attached continuation sheet. In case of conflict, provisions of continuation sheet shall govern.

All royalties accruing for any month shall be due and payable on or before the twenty-fifth day of the month succeeding.

(b) ANNUAL RENTAL.—To pay, or cause to be paid, to the Superintendent for the use and benefit of the lessor, in advance beginning with the date of approval of the lease, as annual rental, the following: Twenty-five cents per acre for the first calendar year or fraction thereof, 50 cents per acre per annum for the second and third years, and $1 per acre per annum in advance for each and every calendar year thereafter during the continuance of the lease; it being understood and agreed that said sum so paid shall be a credit on the royalties accruing during the year for which the payment of annual rental is made, and that said annual rental when paid shall not be refunded to the lessee because of any subsequent surrender or cancelation hereof.

(c) DILIGENCE, PREVENTION OF WASTE.—To exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a workmanlike manner and to the fullest possible extent; to commit no waste on the said land and to suffer none to be committed upon the portion in his occupancy or use; to comply with all the requirements of the laws of the State in which the land is located; to take appropriate steps for the preservation of the property and the health and safety of workmen; promptly to surrender and return the premises upon the termination of this lease to whomsoever shall be lawfully entitled thereto, in as good condition as received, excepting for the ordinary wear and tear and unavoidable accidents in their proper use; not to remove therefrom any buildings or permanent improvements erected thereon during the said term by the said lessee, but said buildings and improvements shall remain a part of said land and become the property of the owner of the surface of the land, excepting the office fixtures and records, personal property, tools, pumping and drilling outfits, boilers, engines, and mining machinery, which shall remain the property of the lessee and may be removed at any time prior to 60 days after the termination of the lease by forfeiture or otherwise, provided the payments agreed upon by this lease have been made and the lease terms and regulations applicable thereto have been fully complied with, but not otherwise; not to permit any nuisance to be maintained on the premises under lessee's control, nor allow any intoxicating liquors to be sold or given away for any purpose on such premises; and not to use such premises for any other purposes than those authorized in this lease.

(d) DEVELOPMENT.—The land described herein shall not be held by the lessee for speculative purposes, but in good faith for mining the minerals specified; and the failure by the lessee in the diligent development and continued operation of the mine or mines, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the lessee, shall be held as a want of compliance with the purposes of this lease and shall render it subject to cancelation: *Provided*, That whenever the Secretary of the Interior shall consider the marketing facilities inadequate or the economic conditions unsatisfactory, he may authorize the suspension of operations for such time as he may deem advisable, but such action will not release the lessee from the payment of the advance annual rental.

(e) MONTHLY STATEMENTS.—To keep an accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed, and the gross receipts derived therefrom, and to furnish the Superintendent sworn monthly reports thereon not later than the twenty-fifth of the succeeding month; and all sums due as royalty and advance rental shall be a lien on all implements, tools, movable machinery, and all other personal chattels used in operation upon said property, and upon all of the unsold minerals obtained from the land herein leased, as security for payment of said sums. An audit of the lessee's accounts and books shall be made annually or at such times as may be directed by the Superintendent by certified public accountants approved by the Secretary of the Interior and at the expense of the lessee. The lessee shall furnish free of cost a copy of such audits to the Secretary of the Interior through the Superintendent within 30 days after the completion of each auditing.

(f) REGULATIONS.—To abide by and conform to any and all regulations of the Secretary of the Interior now or hereafter in force relative to such leases: *Provided*, That no regulations hereafter approved shall effect a change in rate of royalty, the annual rental herein specified, or the term of this lease, without the written consent of the parties to this lease.

* Here insert the royalties agreed upon in accordance with applicable regulations.

(g) ASSIGNMENT OF LEASE.—Not to assign this lease or any interest therein by an operating agreement or otherwise nor to sublet any portion of the leased premises before restrictions are removed, except with the approval of the Secretary of the Interior. If this lease is divided by the assignment of an entire interest in any part of it, each part shall be considered a separate lease under all the terms and conditions of the original lease.

(h) BOND.—To furnish such bond as may be required by the regulations of the Secretary of the Interior conditioned upon compliance with the terms of this lease.

4. MILLING.—All ores or minerals mined on said land shall be cleaned and prepared for market thereon, and no ore or crushed material shall be removed therefrom to be cleaned or prepared for market without the written consent of the Secretary of the Interior.

5. INSPECTION.—The leased premises and producing operations, improvements, machinery and fixtures thereon and connected therewith, and all books and accounts of the lessee shall be open at all times for inspection by the lessor and his agents or any duly authorized representative of the Secretary of the Interior.

6. DISPOSITION OF SURFACE.—The lessor expressly reserves the right to lease, sell, or otherwise dispose of the surface of the lands embraced within this lease under existing law or laws hereafter enacted, such disposition to be subject at all times to the right of the lessee herein to the use of so much of said surface as is necessary in the extraction and removal of the minerals from the land herein described in accordance with this lease.

7. SURRENDER AND TERMINATION.—The lessee shall have the right at any time during the term hereof to surrender and terminate this lease or any part thereof upon the payment of all rentals, royalties, and other obligations due and payable to the lessor, and the further sum of $1, and in the event restrictions have not been removed, upon a showing satisfactory to the Secretary of the Interior that full provision has been made for the conservation and protection of the property, the lease to continue in full force and effect as to the lands not so surrendered. If this lease has been recorded lessee shall file a recorded release with his application to the Superintendent for termination of this lease.

8. CANCELATION AND FORFEITURE.—When, in the opinion of the Secretary of the Interior, there has been a violation of any of the terms and conditions of this lease before restrictions are removed, the Secretary of the Interior shall have the right at any time after 30 days' notice to the lessee, specifying the terms and conditions violated, and after a hearing, if the lessee shall so request within 30 days of receipt of notice, to declare this lease null and void, and the lessor shall then be entitled and authorized to take immediate possession of the land: *Provided*, That after restrictions are removed the lessor shall have and be entitled to any available remedy in law or equity for breach of this contract by the lessee.

9. RELINQUISHMENT OF SUPERVISION BY THE SECRETARY OF THE INTERIOR.—Should the Secretary of the Interior, at any time during the life of this instrument, relinquish supervision as to all or part of the acreage covered hereby, such relinquishment shall not bind lessee until said Secretary shall have given 30 days' written notice. Until said requirements are fulfilled, lessee shall continue to make all payments due hereunder as provided in section 3 (a) and (b). After notice of relinquishment has been received by lessee, as herein provided, this lease shall be subject to the following further conditions:

(a) All rentals and royalties thereafter accruing shall be paid directly to lessor or his successors in title.

(b) If, at the time supervision is relinquished by the Secretary of the Interior as to all lands included in this lease, lessee shall have made all payments then due hereunder, and shall have fully performed all obligations on its part to be performed up to the time of such relinquishment, then the bond given to secure the performance hereof, on file in the Indian Office, shall be of no further force or effect.

10. HEIRS AND SUCCESSORS IN INTEREST.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

11. GOVERNMENT EMPLOYEES CANNOT ACQUIRE LEASE.—No lease, assignment thereof, or interest therein will be approved to any employee or employees of the United States Government whether connected with the Indian Service or otherwise, and no employee of the Interior Department shall be permitted to acquire any interest in such leases by ownership of stock in corporations having leases or in any other manner.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names and affixed their seals on the day and year first above mentioned.

TWO WITNESSES TO EXECUTION BY LESSOR:

(s) Joe Vandever — (s) Dan Delgarito [SEAL]
P. O. Gremitt, N. Mexico — Delgarito.
(s) Donna Martinez — [SEAL]
P. O. Gremitt, N. Mexico

TWO WITNESSES TO EXECUTION BY LESSEE:

Clare C. Spencer — (s) W. H. Crummer President [SEAL]
225 So. 2nd E. Salt Lake City, Utah
Jacqueline R. Willis
P. O. 125 Spencer Ave, S.L.C. Utah — Attest: (s) Robert L. Crummer, Secretary

State of
County of } ss:

ACKNOWLEDGMENT OF LESSOR

Before me, a notary public, on this 29th day of Dec, 1955, personally appeared Dan Delgarito, to me known to be the identical person who executed the within and foregoing lease, and acknowledged to me that executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

(s) Mrs. Jane Casper
Notary Public.

My commission expires Sept. 17, 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
Gallup, N. M. Feb 6, 1956, 19

The within lease is hereby approved.

Area Director
Acting I.A. Lobar - 10/20/55 - Mineral 0753-55

Filed for record this day of , 19, at o'clock m.

By

Rental received, $

GPO 864712

Form 154
(October 1939)

CONTINUATION SHEET

Contract No. _____

MINING LEASE ALLOTTED INDIAN LANDS
(For Minerals other than Oil and Gas)

The Lessee hereby agrees to pay or cause to be paid to the Superintendent for the use and benefit of the Lessor, as royalty, the sums of money as follows:

Percentage Royalty Schedule

Mine Value Per Dry Ton	Royalty Percentage of Mine Value Per Dry Ton
$ 0.01 to $ 10.01	10%
$ 10.01 to $ 20.01	11%
$ 20.01 to $ 30.01	12%
$ 30.01 to $ 40.01	13%
$ 40.01 to $ 50.01	14%
$ 50.01 to $ 60.01	15%
$ 60.01 to $ 70.01	16%
$ 70.01 to $ 80.01	17%
$ 80.01 to $ 90.01	18%
$ 90.01 to $100.01	19%
$ 100.01 or more	20%

"MINE VALUE PER DRY TON", wherever used herein is hereby defined as the dollar value per dry ton of crude ores at the mines paid for by the Atomic Energy Commission or other government agency before allowance for transportation and development; however, if the government at any time hereafter does not establish and pay for said ores on a fixed or scheduled dollar value per dry ton of crude ores at the mine, or said ores contain saleable minerals, some, or all of which are disposed of to a custom treatment plant or smelter for treatment and sale, then mine value per dry ton shall be the gross value per dry ton of said crude ore as paid for by the Atomic Energy Commission or other government authorized agency mill or other buyer, less any allowances or reimbursements for the following specific items: (1) transportation of ores; (2) allowances for exploration for, or development of ores; and (3) treatment of beneficiation of ores; which specific items shall in such event be deducted from the gross sales price received from the metal content of said ores by the seller before said percentage royalty is calculated and paid. Such payments shall be made on or before the fifteenth (15th) day of the month next following receipt by Lessee of payment for said ores together with a statement of the mine value of said ores and the amount of royalty due on each lot shipped and sold.

In addition to the above royalty payments there shall be paid to the Superintendent for the use and benefit of the Lessor 10% of any bonus paid by the United States Atomic Energy Commission for the production of ore from the above lease and particularly bonuses for the initial production of uranium or from said lease, But this provision shall not be limited to bonuses for the initial production of uranium or from said lease. But this provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production or ore.

Annual Rental

The Lessee agrees to pay or cause to be paid to the Superintendent for the use and benefit of the Lessor, in advance beginning with the date of approval of the lease as annual rental, the sum of One ($1.00) Dollar per acre for the first calendar year thereafter during the continuation of this lease, and the sum of One ($1.00) Dollar per acre, in advance, for each and every calendar year thereafter during the continuation of this lease.

The rentals so paid shall not be a credit on the royalties accruing under this lease and shall not be returned to the Lessee because of any subsequent surrender or cancellation of the lease.

Development

The land described herein shall not be held by the Lessee for speculative purposes but in good faith for mining mineral specified. The Lessee shall expend in the development of said lease in each year the sum of Ten ($10.00) Dollars per acre. Such development shall consist of road building, prospecting or drilling and mining operations, and the Lessee shall each year submit to the Superintendent satisfactory reports regarding development expenditures, which reports shall be furnished within ten (10) days after the yearly anniversary date of the lease; and failure by the Lessee in the diligent development and continued operation of the mine or mines, or the expenditure of the sum provided herein for the development of said lease in each year except when the operations may be interrupted by strikes, the elements or casualties not attributable to the Lessee, shall be held as want of compliance with the purposes of this lease and shall render it subject to cancellation; provided that whenever the Secretary of the Interior shall consider the marketing facilities inadequate or economical conditions unsatisfactory he may authorize the suspension of operations for such time as he may deem advisable but such action will not release the Lessee from the payment of the advance annual rental.

Payment for Surface Damage

The Lessee shall pay to the Superintendent for the use and benefit of the Lessor, as damage to the surface of the lands covered by this lease, Ten ($10.00) Dollars per acre for each acre of land upon which the vegetation of any kind is destroyed or on which the top soil may be removed, turned or damaged by the mining operations conducted on said lease, but not including the reasonable use of the surface for roads and the construction of facilities for the operation of this lease; Provided, however, that in the event the royalty payable under this lease shall equal or exceed the amount due for surface damages as provided in this paragraph then and in that event the Lessee shall be released from the obligation to pay such surface damages.

The Lessee shall not be permitted to surrender or terminate this lease until the damages provided for in this paragraph have been paid and in the event of the cancellation or forfeiture of this lease by the Secretary of the Interior as provided in said lease, the Lessee shall remain obligated to pay for surface damages as herein provided and the bondsmen of the Lessee shall not be released from liability until such surface damages are paid. The extent of the surface damages and the amount due therefore, shall be determined by the Secretary of the Interior.

The lessee shall employ Navajo labor in all positions for which they are qualified, including truck drivers, and shall protect the Indian grazing rights and other Indian rights to the surface of the lands.

The lessee shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and shall require an identical provision to be included in all subcontracts hereunder.

Two witnesses to signature
of Lessee

Clare C. Spurr, Salt Lake City, Utah (s) W. H. Crainer President
Lessee [redacted]

(s) Jacqueline R. Willis (s) Robert L. Crainer, Sec.
(Attest)

Two witnesses to signature
of Lessor

(s) Joe Vandever (s) Dan Delgarito
Lessor [redacted]

(s) Donna Martinez
Notary Public, Mrs. Jane Cooper
My Comm. Exp: Sept. 17, 1958

Lessor

Lessor

Lessor

Lessor

Lessor

Lessor

10/29/56

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

RECEIVED
OCT 29 1956

224 New Customhouse
Denver 2, Colorado

October 24, 1956

Memorandum

To: J. F. Shaw (2)

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4411 (Uranium) Treasure Uranium & Resources, Inc. McKinley County, New Mexico

In reply to your memorandum to this office, dated September 24, 1956, enclosed are two copies each of three drilling bids submitted by the subject Applicant in response to our request to him, dated October 4, 1956. Also enclosed are two copies of the Applicant's letter, dated October 22, 1956.

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures
WMC:ytl
cc: Sec. Op. Comm. (2)
Karshman
Kesler
Docket 4411
Chron.

Amo

RECEIVED
OCT 29 1956

Treasure

URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH

DMEA

October 22, 1956

DEPARTMENT OF THE INTERIOR
OCT 24 1956
REGION III
DENVER, COLORADO

Mr. W. M. Traver, Exec. Officer
DMEA Field Team, Region III
U.S. Dept. of the Interior
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4411 (uranium)

Dear Mr. Traver:

In response to your request, we are enclosing three competitive bids for the proposed drilling of the NW ¼ Sec. 6, T.13 N., R.9 W., NMPM, New Mexico. It appears from the current bids in this area that we could revise our estimated non-core drilling costs downward from $1.50 per foot to $1.25 per foot. This figure, of course, includes the cost of circulation materials, drilling water, sample bags, and core boxes. We do not feel that the rate for core-drilling can be similarly adjusted.

We would like also at this time to advise you that we have received correspondence from the Bureau of Indian Affairs approving the transfer of the Uranium Mining Lease on the above land from New Park Mining Co. to Treasure Uranium & Resources, Inc. . We can furnish the Defense Minerals Exploration Administration a copy of this approval when it is desired.

Sincerely,

L. H. Baumgardner

L. H. Baumgardner, Geologist

GEOHOLE, INC.

1121 TEXAS BANK BUILDING
PHONE PROSPECT 6655
DALLAS, TEXAS

BRANCH OFFICE:
GALLUP, NEW MEXICO

EXPLORATION & CORE DRILLING
URANIUM PROSPECTING SERVICES

RECEIVED
OCT 29 1956

October 5, 1956

DMEA
DEPARTMENT OF THE INTERIOR
OCT 24 1956
REGION III
DENVER, COLORADO

Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City, Utah

Attn: Mr. Luke Baumgardner

Dear Sir:

In regard to your letter of Sept. 25- please consider the following as our tentative bid for the work outlined in your letter:

PLUG-DRILLING
0-600' $ 1.00 per foot

CORING
0-600' $ 4.00 per foot

STAND-BY TIME
$ 15.00 per hour.

I would appreciate an opportunity, when the approval for your loan is made, to discuss any changes there might be in your program.

I regret the delay in answering, but I have been out of town for the past two weeks, and did not have an opportunity to get hold of my mail.

I sincerely hope that we can be of service to you on this or other drilling matters that you might have.

Yours very truly,

Geohole, Inc.

by; G. W. McCoy, Pres.

RANSDELL ENTERPRISES INC.
SUITE 1175-1185
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH

RECEIVED
OCT 29 1956

October 15, 1956

Treasure Uranium & Resources, Inc.
531 South State St.
Salt Lake City, Utah

Attention, Mr. B. H. Robinson

Dear Sir:

This is to comply with your invitation to bid on the drilling program, outlined in your letter, for your Company in the NW¼ of Sec. 6, 13 N., 139 W., N.M.P.M. at Grants, New Mexico:

For 15,400 feet of Plug Bit Drilling, a footage rate of $2.50 per foot

For 1,600 feet of Core Drilling, a footage rate of $6.50 per foot

At the above rates we propose to furnish everything except roads and drill bites.

We sincerely hope our bid meets with your approval and that we are awarded the contract.

Sincerely,

Carl Ransdell

Carl Ransdell

CR b

CANNON DIAMOND DRILLING CO.

Compton, Calif. + Grand Junction, Colo.

Rotary
Percussion
Calyx
Coring

Compton, Calif.
P. O. Box 549
Tel. Ne. 1-9341

Grand Junction, Colo.
P. O. Box 712
Tel. 2605

RECEIVED
OCT 29 1956

September 28, 1956

Treasure Uranium And Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Attention: Luke Baumgardner

Dear Sir:

We would like to submit the following prices for drilling your property in the Ambrosia Lake area, Grants, New Mexico.

1.	Plug drilling	0-600'	$ 1.00 per ft.
2.	Core drilling	0-600'	$ 5.00 " "
3.	Standby time		$10.00 per hour

We are unable, however, to include the price and transportation of water and circulation materials in our price per foot. Our recent experience in that area was rather disasterous for us because of these very items.

We will transport water at no charge up to a ten mile round trip and any additional distance at the rate of $.50 per mile. The cost of the water itself would be billed at its cost to us.

Circulation material would have to be furnished by you or procured by us and billed to you.

Thanking you for your letter, we are

Very truly yours,

CANNON DIAMOND DRILLING COMPANY

Jack B. Bailey, Superintendent

RECEIVED
AUG - 6 1956

APPLICATION FOR DMEA PROJECT

ON THE

NW ¼ SECTION SIX, T.13 N., R.9 W., NMPM

July 25, 1956

Prepared by

TREASURE URANIUM & RESOURCES, INC.

531 South State Street

SALT LAKE CITY, UTAH

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
AUG - 6 1956

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

Not to be filled in by applicant.

Docket No. [redacted] 4411
Metal or Mineral Uranium
Date Received 8-6-56
Estimated Cost $34,390
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Treasure Uranium & Resources, Inc.
531 South State Street
Salt Lake City, Utah

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

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

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

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

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

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

X (*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise the mineral rights to the above described quarter-section of land

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

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

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

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

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

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

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

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

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

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

X (*c*) The work will start within 90 days and be completed within 210 days months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated July 25, 1956

TREASURE URANIUM & RESOURCES, INC.
(Applicant)

By [signature]
President

[signature]
Secretary

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

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

TABLE OF CONTENTS

	Page
INTRODUCTION	1
NAME OF APPLICANT	1
Officers	1
APPLICANT'S PROPERTY RIGHTS	1
Legal description and interest	1
Outstanding liens	1-2
PHYSICAL DESCRIPTION OF PROPERTY	2
Operations	2
Production and ore reserves	2
Geologic features	2-3
Accessibility	3-4
Availability of manpower and materials	4
THE EXPLORATION PROJECT	4
Mineral	4
Proposed work	4
Time of exploration project contract	5
Ability of applicant	5
ESTIMATE OF COST	5
APPLICANT'S SHARE OF COST	6-7

ILLUSTRATIONS AND EXHIBITS

INDEX MAP	Figure 1
COMPLETED AND PROPOSED DRILL-HOLES	Figure 2
GAMMA-LOGS OF COMPLETED DRILL-HOLES	Figure 3
MINING LEASE	Exhibit 1
ASSIGNMENT OF LEASE TO TREASURE URANIUM	Exhibit 2
APPLICATION FOR LEASE TRANSFER	Exhibit 3

APPLICATION FOR DMEA PROJECT ON THE NW $\frac{1}{4}$ SECTION SIX,
T.13 N., R.9 W., NMPM

TREASURE URANIUM & RESOURCES, INC.
531 South State Street
Salt Lake City, Utah

RECEIVED
AUG - 6 1956

INTRODUCTION

This report, on the NW $\frac{1}{4}$, Sec. 6, T.13 N., R.9 W., NMPM, is written for the purpose of applying for a DMEA loan on Indian Allotment land in the Grants, New Mexico area. Treasure Uranium & Resources, Inc. is submitting a request for a loan of $45,854. for 17,000 feet of core and non-core drilling to explore the Morrison formation for uranium minerals. Twenty-five per cent of the $45,854. or $11,463. will be paid by Treasure Uranium & Resources, Inc.

1. NAME OF APPLICANT

a) Treasure Uranium & Resources, Inc.
531 South State Street
Salt Lake City, Utah

b) Treasure Uranium & Resources, Inc. is a Nevada Corporation with offices at the above address.

c) The officers of the company are:

President	Ken Garff - 531 So. State St.,	Salt Lake City,	Utah
Vice-President	W. H. H. Cranmer - Walker Bank Bldg.,	"	"
Secretary	David A. Robinson - 531 So. State St.,	"	"
Treasurer	Ray C. Wilson - 953 So. 12th East,	"	"
Managing Director	B. H. Robinson - 531 So. State St.,	"	"

d) Omitted - not a partnership

2. APPLICANT'S PROPERTY RIGHTS

a) The property under consideration in this application is Indian Allotment land. For more than 25 years this land has remained in the unchallenged possession of the Indian allottee. It consists of 166.81 acres, legally described as Lots 3, 4, & 5 and the SE$\frac{1}{4}$ of the NW$\frac{1}{4}$ Section Six, T.13 N., R.9 W., NMPM, situated in McKinley County, New Mexico.

b) Omitted - The property has no other name than the legal description.

c & d) A mining lease agreement has been approved and issued by the Bureau of Indian Affairs, U.S. Dept. of Interior, by and between the Indian Allottee Dan Delgarito (Allottee No. 3174) and New Park Mining Co. See Exhibit 1. Assignment of this mining lease has been made to Treasure Uranium & Resources, Inc. by New Park Mining Co. without lien or other encumbrance. A copy of this assignment (Exhibit 2) has been included in this application as proof of Treasure Uranium & Resources, Inc. title to the lease. However, it is probable

that a new mining lease will be issued in Treasure's name prior to the granting of the DMEA loan and copies of this lease will be furnished the Government at that time. Application for the transfer of this lease has been submitted to the Navajo Agency at Window Rock, Arizona. (Exhibit 3)

Because the above described land is Indian Allotment property held under mining lease, any mineral production is subject to a royalty payment to the Navajo allottee. Policies of the Bureau of Indian Affairs will not permit the royalty to be subordinated to any other overriding royalty. In compliance with Sec. 10, DMEA Order - 1 Amended, Treasure Uranium and Resources, Inc. will guarantee the fulfillment of the company's obligation to the Government under the DMEA contract, such guarantee to be supported by bonds, contracts or agreements as may be required by the Government.

e) Omitted - The land is not owned by Treasure Uranium & Resources, Inc.

f) Omitted - The property is not claimed land.

3. PHYSICAL DESCRIPTION

a) During March, 1956, Treasure drilled five holes on this ¼ section of land to test the Brushy Basin and Westwater Canyon members of the Morrison formation. The drill holes averaged 460 feet in depth and bottomed in the Recapture Creek member. Location of these holes is shown in Fig. 2. A log of each hole was made by the U.S. Atomic Energy Commission gamma-logging unit and anomalous radioactivity was detected in each of the five holes (Fig. 3). Although this drilling was non-core, excellent samples were recovered from the dry drilling and satisfactory lithologic and stratigraphic control was obtained from these chip samples.

b) There has been no production from this property and no ore reserves have been computed, although ore-grade uranium mineralization was encountered in one drill-hole.

c) The sedimentary targets of the proposed drilling on this property are the Brushy Basin and Westwater Canyon members of the Jurassic Morrison formation. The Morrison fm at this location is overlain by 180 to 250 feet of Cretaceous Dakota and Mancos sediments and is not exposed by erosional features in the vicinity of the property. Favorability of this ground can be ascertained only through interpretation of the information from the five holes drilled on the property and from the drill-holes on adjacent ground.

The completed holes are too widely spaced to provide information on any but the major structural features. The 4° dip of the beds to the northeast appears to conform closely to the regional dip of the north flank of the Zuni Uplift. It is improbable that the inferred fault which the U.S.A.E.C. preliminary map shows crossing this ¼ Sec. extends this far west, because the drill holes indicate uniform dip and no displacement.

We believe that the proposed drilling program is justified by the uranium mineralization present, the favorable nature of the sediments, and the existence of uranium ore nearby on adjacent lands. Some unoxidized (or "bleached") Westwater sandstone was encountered in each of the five drill-holes, however none of the holes penetrated an entirely unoxidized section of Westwater sandstone. Sufficient thin gray mudstone lenses are present in the Westwater member to be viewed as a favorable factor. Fine disseminated pyrite is common in the gray and limonite-stained sands of both the Westwater and Brushy Basin members.

In every occurrence anomalous radioactivity recorded on the gamma-logs (Fig. 3) coincided with zones of unoxidized sediments shown on the lithologic logs. Some uranium mineralization was encountered at the base of the Brushy Basin member (Holes F-11 & J-20), but the lower half of the Westwater member contained the highest and more persistent radioactivity. The anomaly at 345 feet in hole F-11 is approximately equivalent to four feet of 0.13% U_3O_8. Because these holes were non-core and no chemical assays were available, this evaluation is based on data from other drilling and logging in the Ambrosia Lake area.

Drilling by Dunn Bros. in the SW¼ Sec. 6 has disclosed uranium ore within 600 feet of Treasure's J-20 drill-hole. This ore-body has not been blocked-out and no figures are available concerning grade or tonnage. In Sec. 8, T.13 N., R.9 W., one-half mile southeast of the NW¼ Sec. 6 Colamer Corp. was granted a DMEA loan and has proven a large tonnage of uranium ore. Adjacent lands to the east and west of our property are unexplored. A limited amount of wide-spaced drilling has been completed north of our property boundary in Sec. 31, T.14 N., R.9 W., presumably without favorable results. Uranium ore has been discovered in Sec. 32 adjoining the above Sec. 31 to the east in the same township. United Western Minerals Co., under a DMEA project loan, is developing a major ore-body in this section.

d) The above property is located approximately 16 miles by road north of U.S. Highway 66 and the AEC ore-buying station. Direct access

to the property is possible by graded dirt road from either the north or the south. The town of Grants where housing and supplies are available is 20 miles distant.

e) Drilling contractors and equipment are available at Grants and all other personnel and equipment will be furnished by Treasure Uranium & Resources, Inc.

4. EXPLORATION PROJECT

a) Uranium is the object of the exploration.

b) The proposed exploration program involves the drilling of 34 holes, divided into two stages (Fig. 2). Stage one is to include 8 holes on approximately 1,000 foot centers and Stage two is to include 26 holes on approximately 500 foot centers.

The information derived from the 8 widely-spaced holes in Stage one in conjunction with the logs of the completed holes should serve the following purposes:

1) Provide more complete lithologic data
2) Expose any pronounced structural features
3) Help delineate any major favorable area of uranium mineralization

No core will be taken in the Stage one drilling, however, the cuttings will be sampled and bagged at 2 or $2\frac{1}{2}$ foot intervals.

Experience in drilling the existing holes has shown that the lithology can be logged with sufficient accuracy for all practical purposes and that if good drilling practices are maintained, sample pollution does not present a problem.

Stage two will complete 26 holes, 8 of which will be cored. Two hundred feet of core taken in these holes will begin near the middle of the Brushy Basin shale member and will include the entire Westwater Canyon member. The core holes are not located on Fig. 2 nor have they been preselected. The holes in which core is taken will be determined by the results of prior drilling and will be drilled at locations on the grid deemed most favorable for ore in the light of earlier drilling.

In the Ambrosia Lake area where a vast amount of drilling and gamma-logging have been done, radiometric logs can be interpreted with close accuracy in thickness and grade of mineralization as well as lithologic breaks. Therefore, the primary value of core is to

furnish samples which can be chemically assayed to correct the radiometric logs for minor local fluctuations in equalibrium. It is for the above reasons that our company is convinced, and strongly recommends, that the proposed 8 core holes will adequately supply the information needed in this exploration program. Our interests are in discovering uranium ore and not in undertaking a geologic study of sedimentary trends and variations involving 100% core sampling.

c) The work will start within 90 days and be completed within 7 months from the date of an exploration project contract.

d) Treasure Uranium & Resources, Inc. has been engaged in uranium and other mineral exploration in the United States and Canada for the past two years. Within the last six months the company has completed approximately 13,000 feet of drilling on eight properties. The company geologist who will supervise the operations has a background of five years experience in uranium exploration, four years of which were with Government agencies.

5. ESTIMATE OF COSTS

Stage 1	8 holes	average depth 500 ft.	total footage	4,000
Stage 2	26 holes	average depth 500 ft.	total footage	13,000
Total footage				17,000

Stage 2 to include 200 ft. core in 8 holes 1,600 ft. core

Price per foot non-core	$1.50
Price per foot core	$4.50
Price per foot logging	$0.10
Price per hour rig standby	$12.00

	Explanation	Unit	Number of Units	Total cost each item	Cost for Project	Cost per Foot
5 a	Amount to independent contractors					
	Stage 1 non-core	Feet	4,000	$6,000.00		
	Logging	Feet	4,000	400.00		
	Rig standby time	Hours	3	36.00		
					$6,436.00	$1.609
	Stage 2 non-core	Feet	11,400	$17,100.00		
	Stage 2 core	Feet	1,600	7,200.00		
	Logging	Feet	13,000	1,300.00		
	Rig standby time	Hours	9	108.00		
					$25,708.00	$1.978
	Total cost of independent contractors				$32,144.00	$1.891

APPLICATION FOR DMEA PROJECT ON THE NW ¼ SECTION SIX,
T.13 N., R.9 W., NMPM

TREASURE URANIUM & RESOURCES, INC.
531 South State Street
Salt Lake City, Utah

ESTIMATE OF COSTS (cont'd)

	Explanation	Cost per Month	Cost per Project		
5 b	Labor, supervision, consultants				
	Geologist and assistant	$1,300.00	$3,900.00		
	Subsistence expenses	$1,500.00	$4,500.00		
	Draftsman	50.00	150.00		
				$8,550.00	$0.503
5 c	Operating material and supplies				
	Office supplies, map and drill-log reproduction, DMEA correspondence, field supplies	$75.00	$225.00	$225.00	$0.013

	Explanation	Cost per Month	Cost per Project	Grand Total	Cost per Foot
5 g	Miscellaneous				
	Field transportation	$200.00	$600.00		
	Accounting & office expenses	50.00	150.00		
	Estimated payroll taxes (2%)	26.00	78.00		
	New Mexico School tax (2%)	----	642.88		
	Assay fees on core samples	----	250.00	$1,720.88	$0.101
5 h	Contingencies				
	10% of Stage 1 and Stage 2 costs	----	$3,214.00	$3,214.00	$0.189

SUMMARY OF COSTS

	Explanation	Units	Number of Units	Cost per Unit	Total cost per Item
5 a	Independent contractors	Feet	17,000	$1.891	$32,144.00
5 b	Labor, supervision, etc.	Feet	17,000	$0.503	8,550.00
5 c	Operating materials, etc.	Feet	17,000	$0.013	225.00

APPLICATION FOR DMEA PROJECT ON THE NW $\frac{1}{4}$ SECTION SIX,
T.13 N., R.9 W., NMPM

TREASURE URANIUM & RESOURCES, INC.
531 South State Street
Salt Lake City, Utah

SUMMARY OF COSTS (cont'd)

Explanation	Units	Number of Units	Cost per Unit	Total cost per Item
5 d, e, & f omitted				
5 g Miscellaneous	Feet	17,000	$0.101	1,720.88
5 h Contingencies	Feet	17,000	$0.189	3,214.00
			$2.697	$45,853.88
Cost of project during DMEA participation				$45,853.88
Less 25% to be paid by Treasure Uranium & Resources				11,463.47
AMOUNT OF DMEA LOAN REQUESTED				$34,390.00

6. APPLICANT'S SHARE OF COST

a & b Treasure Uranium & Resources, Inc. will perform all necessary work and will pay for all labor, materials, and supplies. Reimbursement by DMEA will be in accordance with the Summary of Costs above, less the 25% to be paid by Treasure Uranium & Resources, Inc.

RECEIVED
AUG - 6 1956

July 23, 1956

Superintendent
Navajo Agency
Window Rock, Arizona

Gentlemen:

We enclose herewith assignment and other executed papers which it is hoped may be sufficient for transfer of the leasehold of New Park Mining Company covering the Indian allotment of Delgarito, otherwise known as Hoska ge neal a wood on the NW4, Sec. 6, T.13 N., R.9 W., NMPM.

It is assumed that if further paper work is required to accomplish transfer of the lease or the issuance of a new lease, you will acquaint us with the detail in due course.

Thank you for your consideration of this request.

Very truly yours,

Managing Director

Exhibit 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
July 15, 1958

MASTER FILE COPY
DMEA
RECEIVED JUL 17 1958

DATE	INITIALS	CODE
7/17	J.G.	225
7/17	[illegible]	800
"	[illegible]	700
		225

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4411 (Uranium) Contract Idm-E1052, Treasure Uranium and Resources, Inc., (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.) McKinley County, New Mexico, SUPPLEMENTAL FINAL SUMMARY REPORT

The time interval specified in your letter to this office, dated April 4, 1958, has elapsed and the Operator has failed to submit a claim for the additional allowable amount as certified by the Report of Review, dated November 13, 1957, by the Contract Administration and Audit Division, DMEA. Therefore, the records of this office pertaining to the account were closed July 14, 1958.

The tentative final payment to the Operator, dated November 29, 1957, now constitutes the total reimbursement to the Operator under the provisions of the contract, in the amount of $13,833.63, which is 75 percent of the total accepted cost of $18,444.84.

Acceptable units of work or service completed under the contract are as follows:

Holes drilled	31	
Core drilling	1370.75	feet
Non-core drilling	11710	"
Standby time	10.5	hrs.
Incidental allowance on acceptable footage	13080.75	feet
Samples analyzed chemically for U_3O_8 content	18	
Core boxes	112	

The exploration work completed under the contract did not result in the discovery or development of a significant quantity of ore. Therefore, the Government retains no claim or lien against the property subject to the contract or any future production therefrom, and the Operator was so advised by a letter from the Administrator, DMEA, dated December 20, 1957.

J. W. Townsend

DATE		
7/17	J.G.	225
7/17		800
11	MC	700
		225

224 New Customhouse
Denver 2, Colorado
July 14, 1958

Memorandum

To: MF-104 File, Reg. III

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

Subject: Docket No. DMEA 4411 (Uranium) Contract I6m-K1052, Treasure Uranium and Resources, Inc. (NW¼ Sec. 6, T 13 N, R 9 W, N.M.P.M.) McKinley County, New Mexico

Enclosed is a copy of a teletype dated June 24, 1958, from the Chairman, Operating Committee, DMEA, whereby this office was advised that the subject contract could be closed upon receipt of an Obligation Document.

The Obligation Document, dated June 24, 1958, has been received by the Finance Office, Region III, therefore the account is considered to be closed.

Reconciliation

Total Amount reported by Operator on Form MF-104, Operator's Monthly Report and Voucher----		$18,444.84
Additional costs which would have been applicable if subsequently reported by Operator, per Report of Review dated November 13, 1957,----		278.97
Total accepted cost per Report of Review----------		$18,723.81
Government participation at 75 percent--$14,042.86		
Reduction per Obligation Document--------	209.23	
Adjusted Balance (Total amount due the Operator----		13,833.63
Total prior payments----------		13,833.63
Balance due the Operator----------		$ 0.00

JDC:hmh

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

cc: Chmn. Op. Comm. (2)
Harshman
Hasler
DMEA/DFC
DMEA/GJet.
Corres.file,Reg.III)
Cooper
Charon

} w/copy of Chmn's Teletype of 6/24/58

P.B.A. TELETYPE CENTER
JUN 24 12 18 PM '58
DENVER, COLO.

WY151-N WAF 35 I-BOM

WASHINGTON DC 6-24-58 1320R

J W TOWNSEND ALTERNATE ACTG EXECUTIVE OFFICE

DMEA FIELD TEAM DN

REURTE JUNE 23, DMEA-4411, IDM-E1052, TREASURE URANIUM AND RESOURCES, INC. ACCOUNT MAY BE CLOSED ON RECEIPT OF OBLIGATION DOCUMENT NOW BEING PROCESSED THROUGH BUDGET AND FINANCE BRANCH, BUREAU OF MINES.

GEORGE C SELFRIGE CHAIRMAN OPERATING COMMITTEE

23 4411 IDM-E1052

PB 1331R

Copies Distribution
Lewis file, Reg III
Cooper

DOCKET COPY

Project Summary Report

By: Michael Ching December 2, 1957

1. Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052

Operator - Treasure Uranium & Resources, Inc.,
a Nevada corporation
531 South State Street
Salt Lake City, Utah

Property - Allotted Indian land consisting of Lots 3, 4, and 5, and the SE¼ NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M. & B., McKinley County, New Mexico, containing 166.81 acres, more or less. The land is essentially the NW¼ of sec. 6.

Operator's Property Rights -

The land was leased by Navajo Indian Allottee, Dan Delgarito, to New Park Mining Co. The latter assigned the lease to Operator by assignment, dated July 9, 1956. A Performance Bond, dated January 17, 1957, was furnished in lieu of Consent to Lien of Dan Delgarito.

2. Contract (Long Form), dated January 17, 1957.

Final starting date - March 15, 1957
Actual starting date - March 2, 1957
Contract completion date - September 15, 1957
Termination Agreement - dated August 26, 1957, effective June 18, 1957.

Work Authorized -

Test the lower half of the Brushy Basin member and the whole of the Westwater Canyon member of the Morrison formation by core and non-core drilling in two stages as follows:

Stage I (8 holes)

Independent Contracts

2,040 ft. non-core drilling @ $1.00/ft.	$2,040.00	
1,510 ft. core drilling @ $4.00/ft.	6,040.00	
16 hrs. bulldozing @ $12.00/hr.	192.00	
8 hrs. stand-by time @ $12.00/hr.	96.00	$8,368.00

Work Authorized (continued)

Fixed Unit Costs

Incidental Allowance per foot of drilling 3,550 feet @ $0.65/ft.	$2,307.50	
150 cardboard core boxes @ $1.25 each	187.50	
16 chemical sample analyses @ $5/sample	80.00	$ 2,575.00
Estimated total cost of Stage I		$10,943.00

Stage II (Max.26 holes)

Independent Contracts

11,540 feet non-core drilling @ $1.00/ft.	$11,540.00	
40 hrs. bulldozing @ $12.00/hr.	480.00	
26 hrs. stand-by time @ $12.00/hr.	312.00	12,332.00

Fixed Unit Costs

Incidental allowance per foot of drilling 11,540 feet @ $0.20/ft.	$2,308.00	
50 chemical sample analyses @ $5/sample	250.00	2,558.00
Estimated Total Cost of Stage II		$14,890.00
Estimated Total Cost of the Project (rounded)		$25,832.00
Government participation @ 75%		$19,374.00

Amendments -

No. 1 - dated July 30, 1957. Extends completion date from August 1 to September 15, 1957.

within a transitional zone between large uranium deposits occurring in the Brushy Basin member to the south and large deposits occurring in the Westwater Canyon member to the north. No significant deposits seem to occur within the zone of transition. The ore-bearing Poison Canyon sandstone of the Brushy Basin appears to pinch out about one mile south of the subject property, while deposits in the Westwater Canyon member occur in a northwesterly-trending belt about one mile to the north.

In the Westwater Canyon member, uranium deposits tend to occur mainly in thick, continuous sandstone containing few mudstone lenses. On the subject property the Westwater Canyon member contains an abundance of mudstone lenses and thus does not appear to be favorable for large uranium deposits. Of the 31 holes drilled under the subject project, 8 were weakly mineralized, but none showed ore-grade material.

The work was done competently by Four Corners Exploration Company, using Failing drills. Supervision was good. Operator wished to drill 3 remaining holes, allowable under the contract, at locations near weakly minerzlied holes, but the Field Team did not think the areas warranted further exploration. The contract was therefore terminated by an agreement dated August 26, 1957. A certification of discovery was not warranted.

Michael Ching

Michael Ching

[X] Audited

[ ] Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of Dec. 2, 1957
Incl. Voucher for June, 1957

[X] Actual Cost

[ ] Agreed Unit Costs

Name Treasure Uranium and Resources, Inc.

Docket No. 4411

State New Mexico

Commodity Uranium

Idm-E No. 1052

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Core	1,510	8,147.83	1,370.75	6,149.69	6,149.69
Non. Core	13,580	16,663.17	11,710.	12,484.12	12,484.12
Surface Excavation					
Underground Excavation					
Roads and Trails		672.00		–	–
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Chem. Analyses		330.00		90.00	90.00
Totals		$25,832.00 (Rounded)		$18,723.81	$18,723.81

Prepared by Michael Ching

71626

DMEA Form 7
(12-56)

E. Dallas Talbert

DMEA-Contr. Admr. & Audit Div.

OFFICIAL FILE COPY

Date	Surname	Code
6/24	Alley	
6/24	Alley	800
6/24	Talbert	800
"	Ching	700
"	Lyons	700
6/24	[illegible]	130
"	[illegible]	110
"	[illegible]	100
6/25	C	220
		225

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

JUN 24 1958

TELETYPE

Alternate
J. W. TOWNSEND,/ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION 111
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTEL JUNE 23, DMEA-4411, IDM-E1052, TREASURE URANIUM AND RESOURCES, INC. 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

AAlley/GMcC (6/24/58)

cc: Admr. Reading File
Operating Committee
T. H. Kiilsgaard
Mr. Chambers
Confirmation (Region 111)

8623

(101) Revolving fund, Defense
Production Act, Interior, (Transfer
Office of Secretary)

Work Completed -

Stage I (8 holes)

2,016 feet non-core @ $0.84/ft.	$1,693.44	
1,370.75 feet core drilling @ $3.00/ft.	4,112.25	
New Mexico school tax @ 2%	116.11	
Incidental allowance, 3,386.75 ft. @ $0.65/ft.	2,201.39	
3.5 hrs. stand-by time @ $12.00/hr.	42.00	
5 chemical analyses @ $5.00 each	25.00	
112 core boxes @ $1.25 each	140.00	$ 8,330.19

Stage II (23 holes)

9,694 ft. non-core drilling @ $0.84/ft.	$8,142.96	
New Mexico school tax @ 2%	162.86	
Incidental allowance, 9,694 ft. @ $0.20/ft.	1,938.80	
7 hrs. stand-by time @ $12.00/hr.	84.00	
13 chemical analyses @ $5.00 each	65.00	10,393.62

Total cost of the project	$18,723.81
Government participation @ 75%	$14,042.86

3. Auditor's Report of Review - dated November 13, 1957

Total cost as billed by Operator		$18,444.84
Allowable item added		278.97
Exceptions	None	-
Total accepted cost		$18,723.81
Government participation @ 75%		$14,042.86

4. Certification of discovery - None

5. Results and Comments -

The ore-bearing horizons in this general area are in the lower half of the Brushy Basin member and the Westwater Canyon member of the Morrison formation. It was found, however, that the subject property lies

Chair

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1958

DATE	INITIALS	CODE
6/24	C	220
		800
		225

DN 235 BUR MINES 6-23-58 1-27

CHAIRMAN OPERATING COMM. DMEA

REURLET 4-4-58, DMEA-4411, IDM-E1052, TREASURE URANIUM AND RESOURCES, INC. ADDITOXXX ADDITIONAL 90 DAY PERIOD HAS EXPIRED. ~~WE REQUEST~~ AUTHORIZATION TO CLOSE ACCOUNT.

J W TOWNSEND

Denver, Colorado.

BUREAU OF MINES
WASHINGTON, D. C.

1958 JUN 24 AM 7:46

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/2	Chambers	800
4/3	Ching	700
"	Ellis	700
4/4	GCS	130
"	Johnson	110
"	Stutenroth	100
4/6	C	220

APR 4 1958

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

Re: Docket No. DMEA-4411 (Uranium)
Treasure Uranium & Resources, Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.,
N.M.P.M.
McKinley County, New Mexico
Contract No. Idm-E1052

Dear Mr. Harshman:

We are answering your teletype by letter for explanatory reasons. The waiting period of 90 days for claims was established for operators because that time would usually be enough. In this case doubtless the Operator did not understand the audit report of review or he may have failed to receive it. Probably the report of review will have to be clarified for the average operator. This is under consideration by the Contract Administration and Audit Division.

The fact is that we would have to pay the claim at any reasonable time the Operator presented it. It would appear to be less trouble for you to hold the account open 90 days from March 20, 1958, than to close it and have a claim presented where the refinancing of the project would have to be done.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

Frank D. Lamb (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Paone, USBM
Mr. Chambers

JLChambers/ama
April 2, 1958

8623

Mr. George Selfridge

OFFICIAL FILE COPY
DMEA
RECEIVED APR 1 1958

DATE	INITIALS	CODE
4/2	C	220
		800
		225

DN 235 BUR MINES 4-1-58 10-35

CHAIRMAN OPERATING COM MITTEE, DMEA

RE DOCKET NO. DMEA 4411, CONTRA CT IDM-E1052, TREASURE URANIUM AND RESOURCES, INC., YOUR LTXXX LETTER DATED DECEMBER 18, 1957. VOUCHER NOT SUBMITTED BY OPERATOR COVERING ADDITIONAL ALLOWABLE COSTS INDICATED BY REPOTXXX REPOTXX REPORT OF REVEXX REVIEW DATED NOVEMBER 13. 1957. PLEASE TELETYPE DXX ADVICE IF WE MAY CLOSE THE ACCOUNT IN ITS PRESETXX PRESENT STATUS.

E N HARSHMAN

Denver Colo.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 24 1958

DATE		
		220
3/24		
		225

224 New Customhouse
Denver 2, Colorado
March 20, 1958

CERTIFIED MAIL

Mr. B. H. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket No. DMEA 4411 (Uranium)
Contract Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼, Sec. 6, T 13 N, R 9 W, NMPM)
McKinley County, New Mexico

Dear Mr. Robinson:

Reference is made to your letter of March 18, 1958, regarding reimbursement of the amount of $500.00, which was withheld in processing Form MF-104, Operator's Monthly Report and Voucher, for the month of June, 1957.

Our records indicate that check No. 11280332, in the amount of $500.00, was forwarded to your office on December 9, 1957, as tentative final payment of the Government's portion of the costs reported on Forms MF-104 through June, 1957.

You are referred to the Report of Review of reported project costs, which was forwarded to Treasure Uranium and Resources, Inc., on November 25, 1957, by Mr. Donald T. Finch, DMEA Auditor. We are enclosing a photocopy of the Report of Review for your reference in the event your copy is not available.

If the above check has not been received, or if you have any further questions regarding the matter of reimbursement, please contact this office by return mail.

Yours very truly,

Original signed by
W. H. KING

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Hasler
DMEA/DFC
DMEA/G.Jct.
Townsend
Corres. file, Reg. III
Chron
w/copy of Oper. ltr. of 3/18/58

Treasure

URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

March 18,1958

Mr.N.E.Stokes
Audit Section
U.S.Bureau of Mines
224 New Custom House
Denver 2,Colorado.

Re:Docket No.DMEA-4411(Uranium)
Contract No.Idm-E1052
NW¼ Sec.6, T.13N.,R.9 W., NMPM
McKinley County,New Mexico

Dear Sir:

Claim is submitted for $500 withhold on government DMEA project noted on the attached remittance of August 8,1957.

I believe this sum was withheld in settlement of the payment on the project enumerated above pending completion of the job. This job was completed some several months ago and we were advised in letter dated December 20,1957 from Mr.C.A.Mittendorf, Administrator for the DMEA that the government retains no claim or lien against the property subject to this contract, all as evidenced by the copy of the letter attached hereto.

We now take this means of submitting claim for the $500 previously withheld.

Very truly yours,

B.H.Robinson

Managing Director.

Check 12-9-57 1128033 2

Enc. Form R-111-B & F Form No.4
Copy of letter from Mittendorf

ADMINISTRATIVE
OFFICE
REGION III
MAR 20 1958
BUREAU OF MINES
DENVER, COLORADO

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/3	Ching	700
12/4	Ellis	700
12-19	Chambers	800
12/20	Selfridge	120
		~~110~~
4	Mittendorf	100
12/20	GB	220
		700

Received 12/19

DEC 20 1957

Mr. Ken Garff, President
Treasure Uranium and Resources, Inc.
531 South State Street
SaltLake City, Utah

Re: Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052
NW¼ sec. 6, T. 13 N., R. 9 W.,
N.M.P.M.
McKinley County, New Mexico

Dear Mr. Garff:

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,

C. O. Mittendorf (for)

Administrator

MChing/gla
12-3-57
cc to: Admr.'s Reading File
Contract Adm. & Audit Division
Mr. Ching
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/3	Ching	700
12/4	Ellis	700
12-19	Chambers	800
12/20	Selfridge	120
1	Mittendorf	100
12/20	gb	220
		700

Rec. 12-19

DEC 20 1957

Mr. Dale Barton
Attorney-in-Fact
United Pacific Insurance Company
1112 Continental Bank Building
Salt Lake City, Utah

Re: Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

Dear Mr. Barton:

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

The property as set forth in the contract is covered by your Performance Bond, dated January 17, 1957, under the captioned name and contract number.

In the absence of certification, the Government retains no claim against the bonding company that assumed the responsibility for performance under the contract.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

MChing/gla
12-3-57
cc to: Admr.'s Reading File
Contract Adm. & Audit Division
Mr. Ching
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12-19	Ford Ch	700
12-19	Chambers	800
		120
		110
		100
		225

December 19, 1957

Memorandum

To: the Files

From: Michael Ching, Mining Engineer
Division of Rare and Miscellaneous Metals

Subject: Early Release of Liability
Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

The subject contract was terminated by an Agreement, dated August 26, 1957, effective June 18, 1957. All of the original program except 3 holes in Stage II was completed. Of the 31 holes drilled under the project, 8 were weakly mineralized, but none showed ore-grade material. A certification of discovery was not considered warranted.

An undated final report by the Operator was received by the Field Team on August 30, 1957. The Field Team's final report, dated September 27, 1957, was received on October 14.

Average depth to the potential ore horizon is over 400 feet. No mine openings to this horizon were made prior to, or during, the contract period. In view of the poor results obtained by the exploration project, and the absence of a certification, the chance of any production being made that would be subject to royalty is practically nil.

In a letter, dated December 9, 1957, the Dale Barton Agency, which provided the Performance Bond attached to the subject contract, requested that the Government furnish it with evidence of release of liability under the contract. In view of the situation described above, it is recommended that the usual closing letter to the Operator and release of liability to the bonding company be sent immediately, and that the usual waiting period of 6 months from the date of receipt of the Operator's final report be waived. This action will save the Operator from further unnecessary bonding expense.

Michael Ching
Michael Ching

MChing/izm 12-19-57
cc: Mr. Ching
Admr.'s Reading File

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12-16	Chambers	800
	Ching	700
12/16	Hoodse	700
12/18	[illegible]	130
"	Johnson	110
"	Montenkey	100
12/19	[illegible]	220
		700

DEC 18 1957

Mr. W. H. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4411 (Uranium)
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W.,
N.M.P.M.
McKinley County, New Mexico
Contract No. Idm-E1052

Dear Mr. King:

Please refer to the last paragraph of your memorandum of December 5, 1957, to the Operating Committee, concerning the above-cited project.

We thought your suggesting that 90 days' time for an operator to make a claim on audit allowances might work a hardship on some operators. Therefore, we have established a time of four months (120 days) after issuance of an audit certificate or report of review. See Special Notice in the minutes of the Operating Committee, dated December 16, 1957.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JLB)

APPROVED:

Frank D. Lamb (JLB)
Member, Bureau of Mines

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

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Crawford, USBM
Mr. Kiilsgaard, USGS
Mr. Chambers

JLChambers/wb
December 16, 1957

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

December 11, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 16 1957

DATE	Initials	CODE
12/16	C	220
"	Chmy	700

cy to 800

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-4411 (Uranium), Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, N.M.P.M.)
McKinley County, New Mexico

Enclosed are the original and two copies of a letter dated December 9, 1957, from the Dale Barton Agency, requesting evidence of release of liability under the subject contract. Also enclosed are two copies of our acknowledgment to the agency, advising the disposition of their request.

The matter is forwarded for your reply to the Dale Barton Agency.

W H King
W. H. King

Encls.

EXTRA COPY

RECEIVED		
DATE		CODE

224 New Customhouse
Denver 2, Colorado

December 11, 1957

Dale Barton Agency
Continental Bank Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium & Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, NMPM)
McKinley County, New Mexico

Gentlemen:

Your letter of December 9, 1957, regarding release of liability under Contract No. Idm-E1052 has been referred to the Washington Office, DMEA, for reply.

Very truly yours,

Original signed by
W. H. KING

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

JWT:bh

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

DMEA
DEPARTMENT OF THE INTERIOR
DEC 11 1957
REGION III
DENVER, COLORADO

DALE BARTON AGENCY

INSURANCE - SURETY BONDS

CONTINENTAL BANK BLDG. • SALT LAKE CITY 1, UTAH

TELEPHONE DA 2-5511

OFFICIAL FILE COPY

DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE

CONTRACT BONDS

December 9, 1957

Defense Minerals Exploration Administration
222 New Custom House
Denver, Colorado

Re: Bond No. 271927
Treasure Uranium & Resources, Inc.
Contract No. IDM-E1052

WORKMEN'S COMPENSATION

Gentlemen:

We have been advised that the captioned contract was closed by agreement and that there is no necessity to renew it. Will you please furnish us with evidence of release of liability under this contract.

Thank you in advance for your prompt attention to this matter.

COMPREHENSIVE LIABILITY

Very truly yours,

DALE BARTON AGENCY

By Maxine Sandall

ms

BUILDER'S RISK

cc: United Pacific Insurance Company

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 10 1957
DATE | INITIALS | CODE
12/10 gf 220
700

IN REPLY REFER TO:

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

December 9, 1957
Re: DMEA 4411 Idm-E1052
Treasure Uran. & Resources, Inc.
NW 1/4 Sec. 6, T13.N, R9W, NMPM
McKinley County, New Mexico
Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final Report

The contract, awarded Jan. 17, 1957, approved the expenditure of $25,832.00 on the exploration by drilling of a quarter section of land underlain by Morrison formation. More particularly the exploration was concerned with rocks of the Brushy Basin and Westwater Canyon members of the Morrison formation as large uranium deposits occur in the Brushy Basin member in the area to the south (Grants) and to the north in the Ambrosia Lake area in the Westwater Canyon member.

As interpreted by the examiners, the referenced quarter section lies within a transitional zone in which, as determined by a large amount of drilling, much of it DMEA assisted, no large deposits of uranium minerals occur.

The property had been explored by 5 widely spaced drill holes. Gamma-ray logs showed mineralized material, as did 7 of the project holes. Two of 8 Stage I holes, D-6.5 and J-11, showed values in excess of 0.05, (0.051 and 0.055) U_3O_8 and one of 23 Stage II holes, C-13.5, showed 2 feet of 0.06% U_3O_8. Expenditures amounted to $18,444.84.

In the opinion of the examiners further work is not warranted and they recommend that the project be terminated without certification of discovery.

I concur with the opinion and the recommendation.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

Special notice written 12-16-57

December 5, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957
DATE | INITIAL | CODE
12/9 | C | 220 800

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
(NW ¼ Sec. 6, T 13 N, R 9 W, N.M.P.M.) McKinley County, N.M. -
TENTATIVE FINAL SUMMARY REPORT.

The original and one copy of the Operator's final report were forwarded by memorandum of September 3, 1957, and the original and two copies of the final engineering and geologic report were forwarded by memorandum of October 11, 1957.

Acceptable units of work or service completed under the contract are as follows:

Holes drilled	31
Core drilling	1,370.75 ft.
Non-core drilling	11,710 ft.
Standby time	10.5 hrs.
Incidental allowance on drilling footage	13,080.75 ft.
Samples analyzed chemically for U_3O_8 content	18
Core boxes	112

The total allowable cost established by the Report of Review of project expenditures by the Contract Administration and Audit Division, DMEA, dated November 13, 1957, is $18,723.81. However, tentative final payment was processed by this office November 29, 1957, on the basis of total cost reported by the Operator in the amount of $18,444.84, toward which the Government contributed 75%, or an amount of $13,833.63. This leaves a balance due the Operator, according to the Report of Review, of 75% of $278.97, contingent on appropriate claim by the Operator.

Under the circumstances, it appears that our files on the contract cannot be closed until a reasonable time has elapsed to provide the

Operator an opportunity to claim the balance due, in accordance with the Report of Review of project expenditures. We believe that 90 days should be sufficient, and if the Operator's claim is not received within that time, we will recommend closing the account in its present status.

W H King

W. H. King
Executive Officer

Official

EXTRA COPY
DMEA
RECEIVED DEC 9 1957

DATE	INITIALS	CODE
12/9	[illegible]	110
	[illegible]	700

224 New Customhouse
Denver 2, Colorado
December 5, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4411 (Uranium) Contract Idm-E1052,
Treasure Uranium and Resources, Inc.,
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico - TENTATIVE
FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated November 29, 1957, relative to tentative final payment under the terms of the subject contract.

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

Enclosures

JDC:hmh
cc: DMEA/DFC
Corres.file, Reg.III
MF-104 file, Reg. III
Chron

EXTRA COPY
DMEA
RECEIVED
DATE

RECEIVED
DEC 3 1957
AUDITS
BUREAU OF MINES
REGION IV
DENVER, COLO.

224 New Customhouse
Denver 2, Colorado
November 29, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-4411 (Uranium) Contract Idm-21052,
Treasure Uranium and Resources, Inc.,
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.) McKinley County,
New Mexico - TENTATIVE FINAL PAYMENT

Reference is made to our memorandum of August 7, 1957, whereby we transmitted the final Form MF-104, Operator's Monthly Report and Voucher, for the month of June, 1957, 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, dated November 13, 1957.

Basis for Tentative Final Payment

Total allowable cost	$18,723.81	
Portion of allowable cost not reported by Operator on Form MF-104	278.97	
Allowable costs reported by Operator to date		18,444.84
Government participation at 75 percent		13,833.63
Total prior payments		13,333.63
Tentative payment due the Operator		$ 500.00

Note: Sufficient funds must be retained in the account to reimburse the Operator for 75 percent of the allowable costs of $278.97 not reported on Form MF-104, until such time as an acceptable claim voucher is filed by the Operator, or until the account is otherwise closed.

JBC:bmk

cc: Chem. Op. Comm. (2)
Harshman
Hasler
DMEA/DPC
DMEA/G.Jet.
Townsend
MF-104 file, Reg. III
Corres. file, Reg. III
Chron

Original signed by
J. W. TOWNSEND
for E. N. Harshman

$500.00
JB
12/4/57 DMEA 58-67

RECEIVED
DEC 3 1987

OFFICIAL FILE COPY

Date	Surname	Code
11/19	Talbert	800
"/21	gb	220
		700

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

NOV 21 1957

Re: Report of Review
Idm-E1052, DMEA-4411
Treasure Uranium and
Resources, Inc.

Dear Mr. Finch:

Your Report of Review, in lieu of a final audit of the referenced project, is acceptable and distribution is authorized after correction in the first paragraph of the date of the Termination Agreement. The date "June 26, 1957" has been corrected to "August 26, 1957" on the Washington copies.

Relative to the proper method of reporting additional allowances, please refer to my letter of this date in regard to your review of E940, DMEA-4017, Colamer Corporation.

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

8623

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

DMEA RECEIVED NOV 6 1957		
DATE	INITIALS	CODE
11/6	gb	220
11-6	[illegible]	700

November 4, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052, Treasure Uranium and Resources, Inc. (NW¼ Sec 6, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico

Enclosed are the Government's and Audit copies of the TERMINATION AGREEMENT, duplicated copies of which were forwarded by your letter of October 18, 1957 for signature by the Operator.

Copies of the Termination Agreement have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

for E. N. Harshman

Enclosures

RECEIVED NOV 6 1957

DATE	INITIALS	CODE
11/6	gb	220
11-6	~~cg~~	700

224 New Customhouse
Denver 2, Colorado

November 4, 1957

Memorandum

To: T. H. Brading, DMEA Auditor, Region III

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

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052, Treasure Uranium and Resources, Inc. (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico

The subject contract was terminated by mutual agreement, effective June 18, 1957. Enclosed for your records is a copy of the Termination Agreement.

The Operator has rendered a final engineering and geologic report and a 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.

Acceptable units of work or service completed on a fixed unit cost basis are as follows:

Indidental allowance on core drilling	13,080.75 feet
Sample analysis	18
Core boxes	112.

The sum of $500.00 was withheld from reimbursement to the Operator in processing the final accounting report, which was for the month of June, 1957.

Original signed by
J. W. TOWNSEND
for E. N. Harshman

JWT:prl
cc: Chmn. Op. Comm. (2)
Harshman
Townsend
Corres. file
Chron.

DMEA
RECEIVED OCT 28 1957

DATE	INITIALS	CODE
10/28	C	220
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11	[illegible]	
	CERTIFIED MAIL	700

224 New Customhouse
Denver 2, Colorado

October 24, 1957

Mr. B. H. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket No. DMEA 4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W N.M. P.M.)
McKinley County, New Mexico

Dear Mr. Robinson:

In reference to your letter of October 9, 1957 and prior correspondence, enclosed are the Government's, Audit, Finance Office, and Field Team copies of a proposed TERMINATION AGREEMENT which have been prepared to replace the similar copies which were forwarded to you by our letter of August 29, 1957, and which were apparently lost in transit.

If the proposed Termination Agreement is satisfactory, all copies are to be signed by an official of Treasure Uranium and Resources, Inc. authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office.

Upon return of the properly executed copies of the Termination Agreement, the "Operator's Copy" will be forwarded to you.

Very truly yours,
Original signed by
E. N. HARSHMAN

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

Enclosures

JWT:prl
cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Hasler
Townsend
Corres. file
Chron.

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

October 11, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE		CODE
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10/14	[illegible]	130
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10/14	[illegible]	130
10/21	C	220
10/22	Com	100
10/22	Chrono	700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA-4411 (Uranium), Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, NMPM) McKinley County, N. M.

Enclosed are the original and two copies of a Joint Final Engineering and Geologic Report dated September 27, 1957, by W. D. McMillan, Mining Engineer, Bureau of Mines, and N. L. Archbold. Geologist, Geological Survey, pertaining to operations under the subject contract.

The field examiners, for reasons stated, do not recommend that the project be certified as a discovery or development, in which this office concurs.

The contract is in process of being terminated by mutual agreement before completion of all the work originally provided for. The Field Team will submit a final summary report of project accomplishments and costs when the Termination Agreement has been executed, a final Audit Report by the Contract Administration and Audit Division is released, and final payment to the Operator has been made.

E. N. Harshman

Encls.

E. N. Harshman

F.T. Final Report

Reviewed by
DMEA OPERATING COMMITTEE
10-18-57
(Date)

OK Hme

DMEA
DEPARTMENT OF THE INTERIOR
OCT 4 - 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

JOINT FINAL REPORT BY EXAMINING TEAM
REGION III

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 14 1957

DATE		CODE
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		220

DMEA 4411

Contract Idm-E 1052

Treasure Uranium and Resources, Inc.

Sec. 6, T. 13 N., R. 9 W., NMPM

McKinley County, New Mexico

Uranium

Joint Final Engineering and Geologic Report

by

W. D. McMillan
U. S. Bureau of Mines

N. L. Archbold
U. S. Geological Survey

Reviewed by
DMEA OPERATIONS [illegible]
10-18-57
(DEGO)

September 27, 1957

CONTENTS

	Page
Introduction and summary	1
Location, topography, and physical features	3
History, production, and ownership	4
Geology	5
Ore deposits	8
Ore reserves	9
Work completed under contract	9
Expenditures under contract	10
Efficiency of operations	12
Conclusions and recommendations	12

Tables

Number		
1.	Uranium-producing formations and related formations in the Grants district, New Mexico	6
2.	Summary of holes drilled	11

Illustrations

Figure		Follows page
1.	Location of NW¼, Sec. 6, Treasure Uranium and Resources, Inc., McKinley County, New Mexico	3
2.	Map of Ambrosia Lake area showing known mineralized areas containing ore deposits in the Morrison formation, and the property boundary of Treasure Uranium and Resources, Incorporated, McKinley County, New Mexico	12
3.	Stratigraphic cross sections showing part of the Morrison formation	12
4.	Drill hole and structure map, Treasure Uranium and Resources, Inc., NW¼ section 6, T. 13 N., R. 9 W., McKinley County, New Mexico	12

DMEA 4411
Contract Idm-E 1052

TREASURE URANIUM AND RESOURCES, INC.
SEC. 6, T. 13 N., R. 9 W., NMPM
McKINLEY COUNTY, NEW MEXICO

INTRODUCTION AND SUMMARY

Treasure Uranium and Resources, Inc., applied to Defense Minerals Exploration Administration for assistance in exploring for uranium ore on lots 3, 4, and the SE¼ NW¼, Sec. 6, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico. The applicant proposed to explore the underlying Morrison formation of Jurassic age by 17,000 feet of core and non-core drilling in 34 holes having an average depth of 500 feet, at an estimated cost of $34,500.00.

An inspection of the property was made on September 18, 1956, by a Region III DMEA examining team, consisting of Edward W. Buel, U. S. Bureau of Mines, and Howard F. Albee, U. S. Geological Survey, accompanied by Luke Baumgardner, geologist for the applicant.

The property had been partially explored by five widely spaced drill holes with mineralized material present in all holes as indicated by gamma-ray logs made by the U. S. Atomic Energy Commission. No chemical assay data were available and the examining team was unable to evaluate geological features of the ore-producing formations because of overburden. The geology and conclusions were based on previous DMEA contracts and private drilling in nearby areas which indicated that the property might

be within an area considered favorable for the occurrence of uranium ore deposits.

The examining team recommended a two-stage program consisting of 2,040 feet of non-core and 1,510 feet of core drilling in Stage I and 11,540 feet of non-core drilling in Stage II, at an estimated total cost of $29,814.60.

Contract Idm-E 1052 was executed on January 17, 1957, which specified 2,040 feet of non-core drilling and 1,510 feet of core drilling in Stage I and 11,540 feet of non-core drilling in Stage II, at an estimated total cost of $25,832.00. Government participation at 75 percent would amount to $19,374.00.

The two-stage project actually carried out, consisted of 11,710 feet of non-core drilling and 1,370.75 feet of core drilling at a total cost of $18,444.84. Government participation at 75 percent was $13,833.63.

Results of the exploration project show that the subject property lies within a transitional zone where, to the south of the property, large uranium deposits occur in the Brushy Basin member of the Morrison formation, and to the north of the property, large deposits occur in the Westwater Canyon member of the Morrison formation. No large deposits seem to occur within the zone of transition.

No uranium deposits were discovered by the DMEA project and no certification of discovery is warranted. The property does not merit further exploration, either privately or with Government assistance.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The property is in the NW¼ sec. 6, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico, in the Ambrosia Lake-Blue Water area (figs. 1 and 2). It is readily accessible from Grants, New Mexico, on U. S. Highway 66, by traveling west for 3 miles to State Highway 53, thence northward for 12 miles to the Ambrosia Lake road, which is followed for 3.5 miles, where a cross road in a westerly direction leads to the subject property.

The relief in the general area is not pronounced, altitudes range from approximately 6,800 feet along San Mateo Creek east of the property to 7,200 feet at the east end of section 6. The surface of the property is essentially flat, with an estimated altitude of 7,000 feet.

The property is covered by a sandy mantle which supports a sparse growth of native grasses, juniper and pinon pine. Timber for mining purposes may be obtained from Mount Taylor or Grants.

Water for drilling purposes can be obtained about 1/4 mile from the property. The climate is arid with an annual precipitation of 6 to 8 inches. Extremes in daily temperatures are common.

All power requirements are furnished by internal combustion units.

Common labor, mainly Navajo Indians, is plentiful. Skilled labor is scarse although the Navajo Indians adapt themselves readily to the operation of all types of equipment.

The U. S. Atomic Energy Commission's ore buying depot, operated by Lucius Pitkin, Inc., is located at the junction of U. S. Highway 66

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
SEPTEMBER 1957
DOCKET 4411

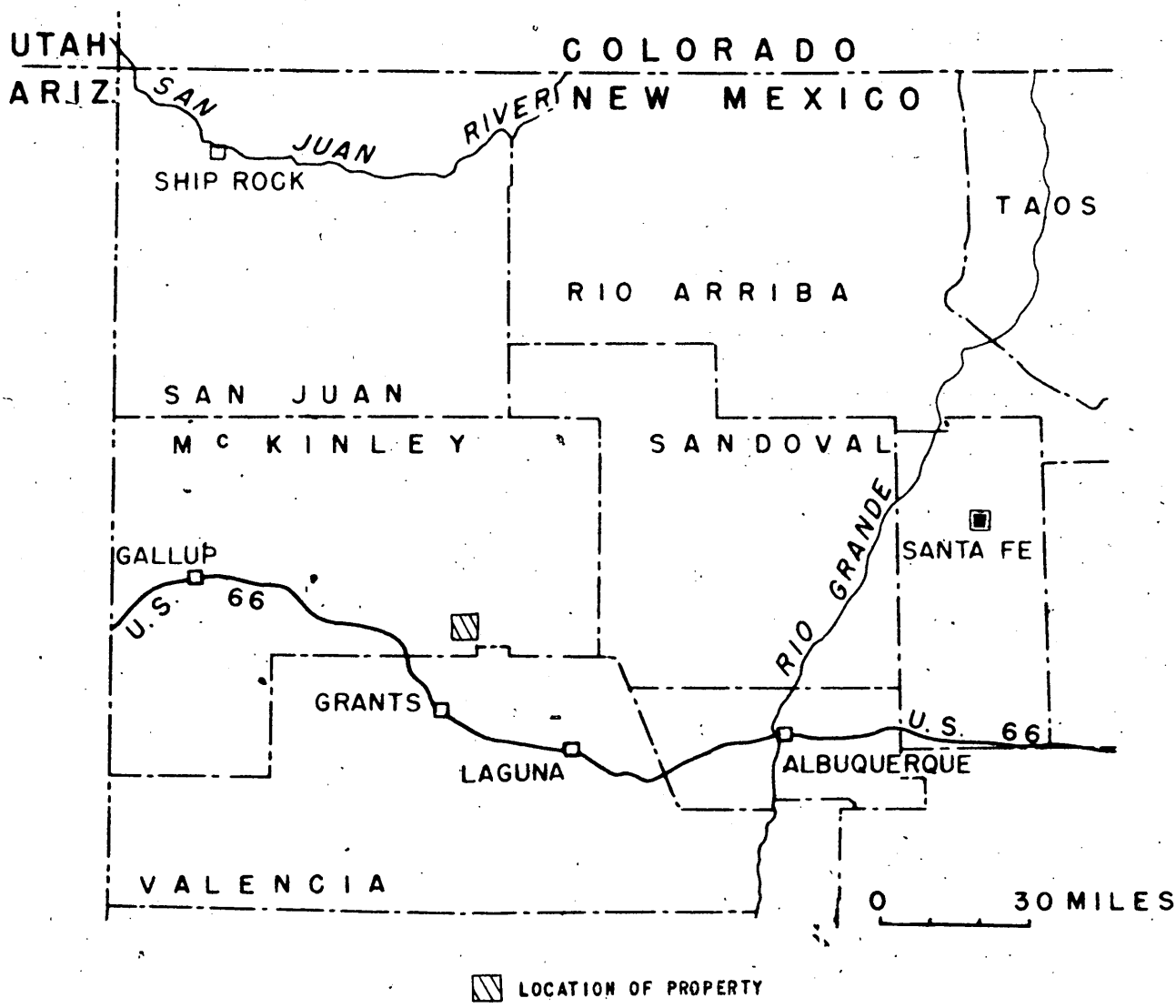


FIGURE 1.--LOCATION OF NW¼, SEC. 6, TREASURE URANIUM AND RESOURCES, INC., McKINLEY COUNTY, NEW MEXICO.

and State Highway 53, about 15 miles from the property. The construction of a 750-ton mill has been started 4 miles north of the AEC depot, and two other mills have been authorized in the Ambrosia Lake area.

Grants, 20 miles to the south, and Albuquerque, 76 miles east of Grants, are the nearest rail points and sources of supplies.

HISTORY, PRODUCTION, AND OWNERSHIP

Uranium mineralization was first discovered in the Blue Water-Ambrosia Lake area, McKinley County, New Mexico, in 1949 by a geologic field team from the University of California. Shortly after this discovery, uranium was found in a Jurassic limestone outcrop at Haystack Butte on land belonging to the Santa Fe Railroad. Following this latter discovery, the region was invaded by uranium prospectors and exploration companies, and uranium deposits were discovered within the Mancos and Dakota formations of Cretaceous age, and in the Brushy Basin and West-Water Canyon members of the Morrison formation of Jurassic age.

There has been no production from the subject property, but DMEA and private exploration has indicated large uranium ore deposits in nearby areas. At least four private companies are producing uranium ore at the rate of several tens of thousands of tons monthly.

The property includes Indian Allotment land described as Lots 3, 4, and 5 and the SE$\frac{1}{4}$ of the NW$\frac{1}{4}$ of sec. 6, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico, containing 166.8 acres.

A mining lease agreement has been approved and issued by the Bureau of Indian Affairs, Window Rock, Arizona, to Dan Delgrarito (Indian Allottee 3174), and New Park Mining Company. This mining lease was assigned to Treasure Uranium and Resources, Inc., without any lien or other encumbrances.

GEOLOGY

The subject property is situated in the Grants mining district, New Mexico. The district is situated on the northeast flank of the Zuni uplift where the sedimentary formations dip gently northeastward into the San Juan basin. On the subject property the strata dip about 4 degrees to the northeast. Broad folds and high angle faults are present in the district, but none are apparent on the subject property (fig. 4).

Sedimentary rocks, ranging in age from Permian to Upper Cretaceous, are exposed within this district; however, only rocks of Jurassic or Cretaceous age are known to contain significant deposits of uranium. Brief descriptions of these rocks are given in table 1.

The exploration program was aimed at finding uranium deposits in the Morrison formation. In the Grants district the Morrison formation consists of three members; in ascending order they are: the Recapture shale member, the Westwater Canyon sandstone member, and the Brushy Basin shale member.

The Recapture member is composed of grayish red mudstone with thin interbedded quartzose sandstones of fluvial origin. The mudstone contains

Table 1.--Uranium-producing formations and related formations in the Grants district, New Mexico

Age	Formation	Member	Approximate thickness	Description
Cretaceous	Mancos		900'	Gray, fossiliferous marine shale with thin sandstone layers.
	Dakota		75'	Massive, light colored sandstone underlain by black carbonaceous shale; contains small uranium deposits.
Jurassic	Morrison	Brushy Basin	75'	Reddish gray and greenish gray, bentonitic mudstone with sandstone lenses; locally ore-bearing.
		Westwater Canyon	150'	Light colored, arkosic sandstone; crossbedded; contains uranium deposits.
		Recapture	125'	Red and gray mudstone with intercalated sandstone lenses.
	Bluff		200'	Massive, light colored, cross-bedded sandstone.
	Summerville		100'	Reddish brown, flat-bedded siltstone.
	Todilto		25'	Light gray limestone locally containing petroleum residues and uranium deposits.

calcareous nodules. The sandstones are dominantly white to light gray and fine- to medium-fine-grained although they locally contain granules and small pebbles of chert.

The Westwater Canyon member conformably overlies the Recapture member. It consists of arkosic to sub-arkosic coarse-grained sandstone with lenses of greenish gray and red-brown mudstone (fig. 3). The sandstone is yellowish gray, greenish gray, red, or reddish brown. The Westwater Canyon member intertongues with the overlying Brushy Basin member and the contact between them is indistinct and commonly difficult to determine (fig. 3). On the subject property the Westwater Canyon member ranges from about 90 to 180 feet in thickness.

The Brushy Basin member is composed of reddish brown and greenish gray bentonitic mudstone with thin interbedded lenses of medium-grained sandstone. Tongues of sandstone from the underlying Westwater Canyon member extend into the Brushy Basin member and in places it is difficult to distinguish tongues of Westwater Canyon sandstone from the Brushy Basin sandstone lenses. In the area to the south of the subject property there is a prominent sandstone unit near the base of the Brushy Basin member. This sandstone has been called the Poison Canyon sandstone. Drill hole data indicate that the Poison Canyon sandstone pinches out about 1 mile to the south of the subject property.

ORE DEPOSITS

In the Grants district, uranium deposits occur in the Todilto limestone, the Morrison formation, and the Dakota formation. Deposits in the Dakota formation are small and widely scattered; however, large deposits occur in the Morrison formation and the Todilto limestone. Inasmuch as the Todilto limestone is deeply buried on the subject property it was not tested by the present exploration program, and only the Morrison formation was tested.

Within the Morrison formation deposits are found in both the Brushy Basin and Westwater Canyon members. Deposits in the Brushy Basin member occur mainly in the Poison Canyon sandstone in the area south of the subject property (fig. 2). Deposits in the Westwater Canyon member occur in a northeasterly ? Northwesterly trending belt about 1 mile to the north of the subject property (fig. 2). mc

In the Westwater Canyon member, uranium deposits tend to occur mainly in thicker, more continuous sandstone where there are few mudstone lenses. The Westwater Canyon sandstone, underlying the subject property, contains an abundance of mudstone lenses (fig. 3), and thus does not appear to be favorable for the occurrence of large uranium deposits.

In general the subject property lies in a transitional zone between an area to the south where significant deposits occur in the Poison Canyon sandstone and an area to the north where significant deposits occur in the Westwater Canyon sandstone. The transition zone itself seems to

contain no significant uranium deposits. Thirty-one DMEA holes were drilled on the property; of these eight were weakly mineralized, but none showed ore-grade material.

ORE RESERVES

No uranium deposits were discovered by the DMEA project; consequently there are no ore reserves to be calculated, and therefore no certification of discovery will be recommended.

WORK COMPLETED UNDER CONTRACT

Contract No. Idm-E 1052 was executed on January 17, 1957. Work was started on March 2, 1957, and was completed on June 8, 1957. Stage I consisted of 2,016 feet of non-core drilling and 1,370.75 feet of core drilling, a total of 3,386.75 feet. Stage II consisted of 9,694 feet of non-core drilling.

Details of the drilling by stages are given in table no. 2, and the locations of the drill holes are shown in figure 4.

EXPENDITURES UNDER CONTRACT

All work performed under Contract Idm-E 1052 was according to contract specifications.

The total approved costs were $18,444.84. Government participation at 75 percent amounted to $13,833.63 subject to audit.

The distribution of costs by stages follows:

Stage I		
2,016.0 feet of non-core drilling at $0.84 per foot	$ 1,693.44	
1,370.75 ft. of core drilling at $3.00 per foot	4,112.25	
3,386.75 ft. of incidental allowance at $0.65/ft.	2,201.39	
3-1/2 hrs. of standby time at $12.00 per hour	42.00	
5 chemical analyses at $5.00 each	25.00	
112 core boxes at $1.25 each	140.00	
Total Stage I		$ 8,214.08
Stage II		
9,694 feet of non-core drilling at $0.84 per foot	8,142.96	
9,694 feet of incidental allowance at $0.20/ft.	1,938.80	
7 hrs. of standby time at $12.00 per hour	84.00	
13 chemical analyses at $5.00 each	65.00	
Total Stage II		10,230.76
Total cost of Project		$18,444.84
Government participation at 75 percent		$13,833.63

Table 2

Summary of holes drilled

STAGE I

Hole no.	Plug feet	Core feet	Total depth	Gamma value	Chemical U_3O_8	From To	Excess depth
H-15.5	280	174	454	0 to trace			
D-6.5	230	174	404		0.018	324-325	
					0.055	356-357	
B-11	210	170	380	0 to .01			3.50
F-2A	230	178	408	0 to .017			4.25
H-6.5	290	170	460	0 to .015			
F-20	258	184	442	0			2.00
J-11	268	167	435		0.048	380-388	
					0.051	384-386	2.50
D-15.5	250	166	416				
Total	2,016	1,383	3,399				12.25
Stage I		12.25	Excess core drilling disallowed				
		1,370.75					

STAGE II

E-11	394		394	0 to trace			3.0
E-13.5	404		404	0 to trace			1.0
F-13.5	410		410	0 to trace			
G-13.5	444		444	0 to trace			
G-11	439		439	0 to trace			
G-8.75	434		434	0 to 0.15			1.0
F-8.75	412		412		0.038	324-327.5	2.0
					0.012	361-372	
F-6.5	416		416	0 to trace			
E-8.75	401		401	0 to 0.025			2.0
I-8.75	446		446	0 to 0.025			1.0
F-4.5	408		408	0 to 0.01			
I-11	422		422	0 to trace			3.0
H-4.5	452		452	0 to 0.015			
I-13.5	462		462		0.013	400-410	2.0
H-11	472		472	0 to trace			12.0
I-4.5	435		435	0 to trace			
C-8.75	392		392	0 to trace			
D-11	396		396	0 to 0.01			
B-6.5	382		382	0 to trace			1.0

Table 2 (cont.)

Hole no.	Plug feet	Core feet	Total depth	Gamma value	Chemical U_3O_8	From To	Excess depth
J-6.5	450		450		0.021	380-382	3.0
					0.022	382-384	
					0.016	384-386	
					0.016	386-388	
					0.027	388-390	
					0.022	390-392	
					0.018	394-396	
D-2	450		450	0 to trace			3.0
H-2	436		436	0 to 0.03			1.0
C-13.5	402		402		0.06	399-341	2.0
Total Stage II	9,759		9,759	footage drilled			37.0

9,694 footage claimed by Operator and accepted

EFFICIENCY OF OPERATIONS

All drilling was done under contract with Four Corners Exploration Company, using their Failing Drills. The drill operators and samplers were competent, and close supervision was given by Max Hemminger, geologist for the applicant.

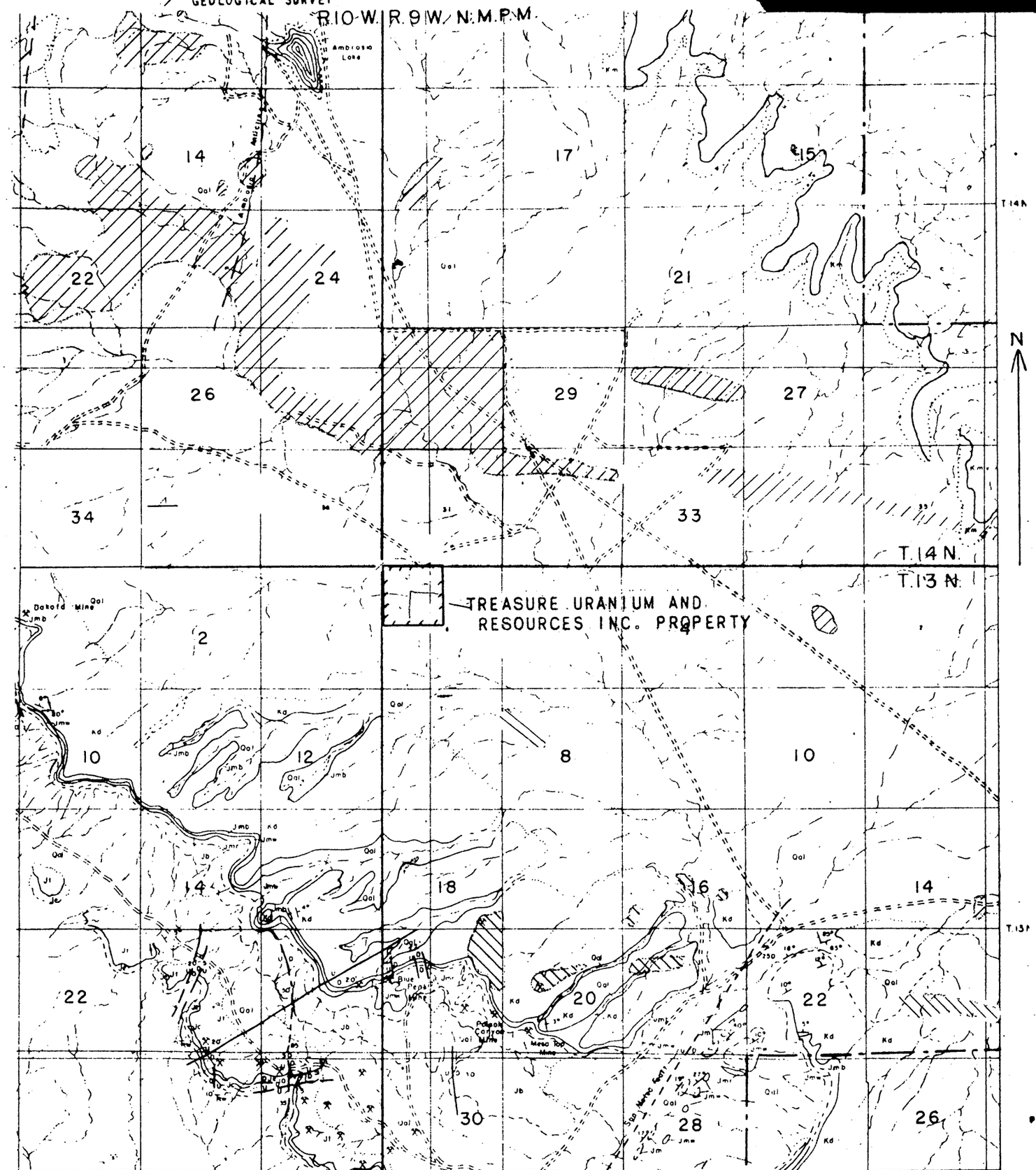
CONCLUSIONS AND RECOMMENDATIONS

The examining team concludes that no significant uranium ore bodies were discovered and that no further work should be done.

It is recommended that the project be terminated without a certificate of discovery.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
SEPTEMBER 1957 DOCKET 8411



EXPLANATION

QUATERNARY	Pleistocene-Recent	Qal	Alluvium
		ANGULAR UNCONFORMITY	
CRETACEOUS	UPPER	Km	Mesa Verde Group
		Km	Mancos Shale
		Kd	Dakota Sandstone
		ANGULAR UNCONFORMITY	
JURASSIC	UPPER	Morrison Formation	Jmb Brushy Basin Member
			Jmw Westwater Canyon Member
			Jmr Recapture Member
			Jm Morrison Formation undifferentiated
		San Rafael Group	Jb Bluff Sandstone
			Js Summerville Formation
			Jt Todilto Limestone
			Je Entrada Sandstone
		Glen Canyon Group	Jc Carmel Formation
TRIASSIC	UPPER		Jw Wingate Sandstone
		DISCONFORMITY	
			Rc Chinle Formation

GEOLOGIC CONTACT, DASHED WHERE INFERRED

FAULT SHOWING RELATIVE DISPLACEMENT, DASHED WHERE INFERRED

ANTICLINAL AXIS

STRIKE AND DIP OF BEDS

APPROXIMATE BOUNDARY OF MINERALIZED GROUND IN THE WESTWATER CANYON MEMBER

APPROXIMATE BOUNDARY OF MINERALIZED GROUND IN THE BRUSHY BASIN MEMBER OF AMBROSIA LAKE AREA

Note: BASE FROM ATOMIC ENERGY COMMISSION PRELIMINARY MAP NO. 7. MINERALIZED AREAS FROM UNPUBLISHED MAPS OF THE U.S. GEOLOGICAL SURVEY.

1 0 3 MILES

FIGURE 2.--MAP OF AMBROSIA LAKE AREA SHOWING KNOWN MINERALIZED AREAS CONTAINING ORE DEPOSITS IN THE MORRISON FORMATION, AND THE PROPERTY BOUNDARY OF TREASURE URANIUM AND RESOURCES, INCORPORATED, McKINLEY COUNTY, NEW MEXICO.

OFFICIAL FILE COPY DMEA RECEIVED OCT 18 1957		
DATE	INITIALS	CODE
10/18	[illegible]	220
10/21	[illegible]	700

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

Date October 18, 1957

DMEA Docket No. 4411
DMEA Contract No. Idm-E1052
Commodity Uranium
Name of applicant Treasure Uranium & Resources, Inc.
Name of property NW¼ Sec. 6, T 13 N, R 9 W, NMPM
Location of property McKinley County, N.M.
Estimated cost of project $34,500.00

From: Ernest William Ellis, DMEA Member
Uranium Commodity Committee
To: James Paone, Bureau of Mines Member
Uranium Commodity Committee
Subject: Review of Final Report
(Application, Field Team Report, etc.)

1. Date of project documents: 9/27/57 2. Date received by reviewer: 10/17/57

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

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

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

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

7. Explain items marked yes above:

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

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐
   i. Consult with Mr. _____ at _____ MEC office.

10. Remarks: (Use back of page if necessary)

Certification as a discovery not recommended.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/15	Ching	700
10/17	Ellis	700
10/	GCS	130
10/18	Johnson	110
"	Rutledge	100
10/18	GB	220
		700
10-17	Chamberlin	800

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

OCT 18 1957

Re: Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
NW sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

Dear Mr. Harshman:

In accordance with our teletype of October 16, 1957, we are enclosing the original and three copies of the Termination Agreement, dated August 26, 1957, to duplicate those which were apparently lost. These have been signed by the Administrator.

Kindly have all copies signed by the Operator and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

MChing/gla
10-17-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, Rm. 5224
Mr. Ching

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/15	Ching	700
"	[illegible]	700
10/16	[illegible]	130
	Johnson	110
"	Gutterman	100
10/16	B	220
		700
10/16	Kilsgaard	130
10/16	Kant	130

OCT 16 1957

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

T E L E T Y P E

E. N. HARSHMAN, ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURMEM OCTOBER 11, TREASURE URANIUM AND RESOURCES, INC., DOCKET 4411, WE WILL PREPARE NEW COPIES OF TERMINATION AGREEMENT.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (=4B)

MChing/gla
10-15-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, Rm. 5224
Mr. Ching
Confirmation to Region III

8623

OFFICIAL FILE COPY
DMEA
RECEIVED Oct 14 1957

DATE		CODE
10/15	C	220
"		760

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

October 11, 1957

VIA AIR MAIL

MEMORANDUM

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052, Treasure Uranium and Resources, Inc. (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico

Enclosed are the original and two copies of the Operator's letter of October 9, 1957, which is in reply to our letter of October 4, 1957, two copies of which were forwarded to you at the time of writing, pertaining to the TERMINATION AGREEMENT forwarded by your letter of August 26, 1957.

Evidently the Government's, Audit, Finance Office, and Field Team copies of the Termination Agreement, which had been signed by the Administrator, have been lost.

We have the "Operator's Copy," which was signed by the Administrator, two extra copies stamped with his name, and photo copies of the original of the Termination Agreement, indicating the surnames of the various individuals and the Administrator's signature. How come?

Please advise us by teletype if the photo copies will be satisfactory for distribution to Government offices, or if you prefer to prepare new Government's, Audit, Finance Office, and Field Team copies, having them signed by the Administrator, and forward to us for signature by the Operator.

E. N. Harshman

E. N. Harshman

Enclosures

Treasure
URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

October 9,1957

E.N.Harshman
Acting Executive Officer
DMEA Field Team,Region 111
224 New Customhouse
Denver 2,Colo.

Dear Sir:

Re: Docket No.DMEA 4411 (Uranium)
Contract No.Idm-E1052
Treasure Uranium & Resources,Inc.
NW¼ Sec.6,T 13N,R 9W, NMPM
McKinley County,New Mexico

To the best of my knowledge we have promptly executed and returned all forms and I have searched our files here without success looking for any hint about the letter of August 29,1957 and the termination agreement referred to in your letter of October 4,1957.

There is no evidence in my files that this has ever been received and no indication that we ever responded or executed such a Termination Agreement. Would it be possible to make up a new set and forward for our completion. Like you we also would like to complete the matters still pending as soon as possible.

Very truly yours,

R.H.Robinson

Managing Director.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
OCT 11 1957
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 7 1957

DATE	INITIALS	CODE
10/7	C	220
10/7		800
		700

224 New Customhouse
Denver 2, Colorado

October 4, 1957

Mr. B. N. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket No. DMEA 4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico

Dear Mr. Robinson:

By letter of August 29, 1957, we forwarded to you the Government's, Audit, Finance Office, and Field Team copies of a proposed TERMINATION AGREEMENT which had been prepared to terminate Contract No. Idm-E1052, effective June 18, 1957.

As considerable time has elapsed and the Termination Agreement has not been returned as requested, we will appreciate your prompt attention to the matter, as execution of the Termination Agreement is a prerequisite to the initiation of other procedures in conjunction with closing the account.

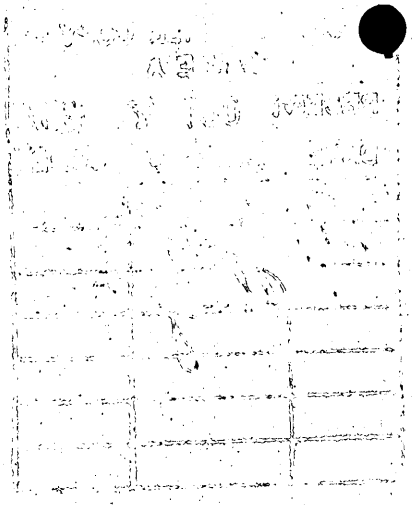
Very truly yours,

Original signed by
E. N. HARSHMAN

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

JWT:prl

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Hasler
Townsend
Corres. file
Chron.



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

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 5 1957

DATE	INITIALS	CODE
9/5		220
9/6		800
		700

September 3, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052, Treasure Uranium and Resources, Inc. (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico

Enclosed are the original and one copy of a final report submitted by the Operator pertaining to work completed under the subject contract.

E. N. Harshman

E. N. Harshman

Enclosures

LWO

Treasure

URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

August 28, 1957

Re: Docket No.DMEA 4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium & Resourses, Inc.
(NW¼ Section 6, T13N, R9W, NMPM)
McKinley County, New Mexico

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

Dear Mr. Harshman,

Enclosed are five copies of the final report of drilling under the conditions set forth in Contract Idm-E1052.

It is hoped that this will be accepted as one of the requirements set forth to bring the above contract to a close.

OPS Final Report

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 5 1957

DATE	INITIALS	CODE

Very truly yours,

B. H. Robinson

B. H. Robinson,
Managing Director

DMEA
DEPARTMENT OF THE INTERIOR
AUG 30 1957
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
AUG 30 1957
REGION III
DENVER, COLORADO

FINAL DRILLING REPORT

NW¼ SEC. 6, T13N, R9W, NMPM, McKINLEY COUNTY, NEW MEXICO

DMEA CONTRACT Idm-E1052, DOCKET 4411 (URANIUM)

TREASURE URANIUM & RESOURSES INCORPORATED, SALT LAKE CITY, UTAH

During March, May and June, 1957, a total of 31 exploratory holes were drilled on the NW¼ Section 6, T13N, R9W, NMPM, McKinley County, New Mexico.

These holes were drilled under the provisions of a joint contract with the Defense Minerals Exploration Administration and Treasure Uranium & Resourses Incorporated, 531 South State Street, Salt Lake City 11, Utah. This contract, Idm-E1052, Docket 4411, provided that the DMEA would participate and be responsible for 75% of the authorized costs of the drilling project.

All holes were collared in the thin mantle of Recent alluvium that immediately overlies the Mancos formation and were bottomed in the upper five feet of the Recapture member of the Morrison formation. The Westwater Canyon member of the Morrison formation and a possible tongue of the Westwater that extends into the overlying Brushy Basin member (locally called Poison Canyon) were the drilling targets.

The drilling project was divided into two stages; the first consisted of eight drill holes that were plug-drilled to the approximate middle of the Brushy Basin member and cored from that horizon through the complete underlying Westwater Canyon member into the upper five feet of the Recapture member; the second stage consisted of twenty three holes that were plug-drilled the entire way to the Recapture member, with two-foot samples collected from the same intervals that the first eight holes were cored. All core and cuttings were properly labeled and stored with Four Corners Exploration Company a few miles west of Grants, New Mexico.

The following is a summary of all of the authorized operations and their costs incurred during the operation of the entire project.

OPERATION	UNIT	TOTAL UNITS	TOTAL COSTS	UNIT COST
Core Drilling	ft.	1370.75	4112.25	3.00
Plug Drilling	ft.	11710.00	9836.40	.84
Standby time	hr.	10.5	126.00	12.00
Chem. analyses	ea.	18	90.00	5.00
Core boxes	ea.	112	140.00	1.25
Incidental Allow	ft.	(Stage 1) 3386.75	2201.39	.65
" "		(Stage 2) 9694.00	1938.80	.20
		Total Project Cost	18444.84	

Four Corners Exploration Company of Grants, New Mexico were contracted to do all of the drilling. No bulldozing of roads nor of drill sites were required.

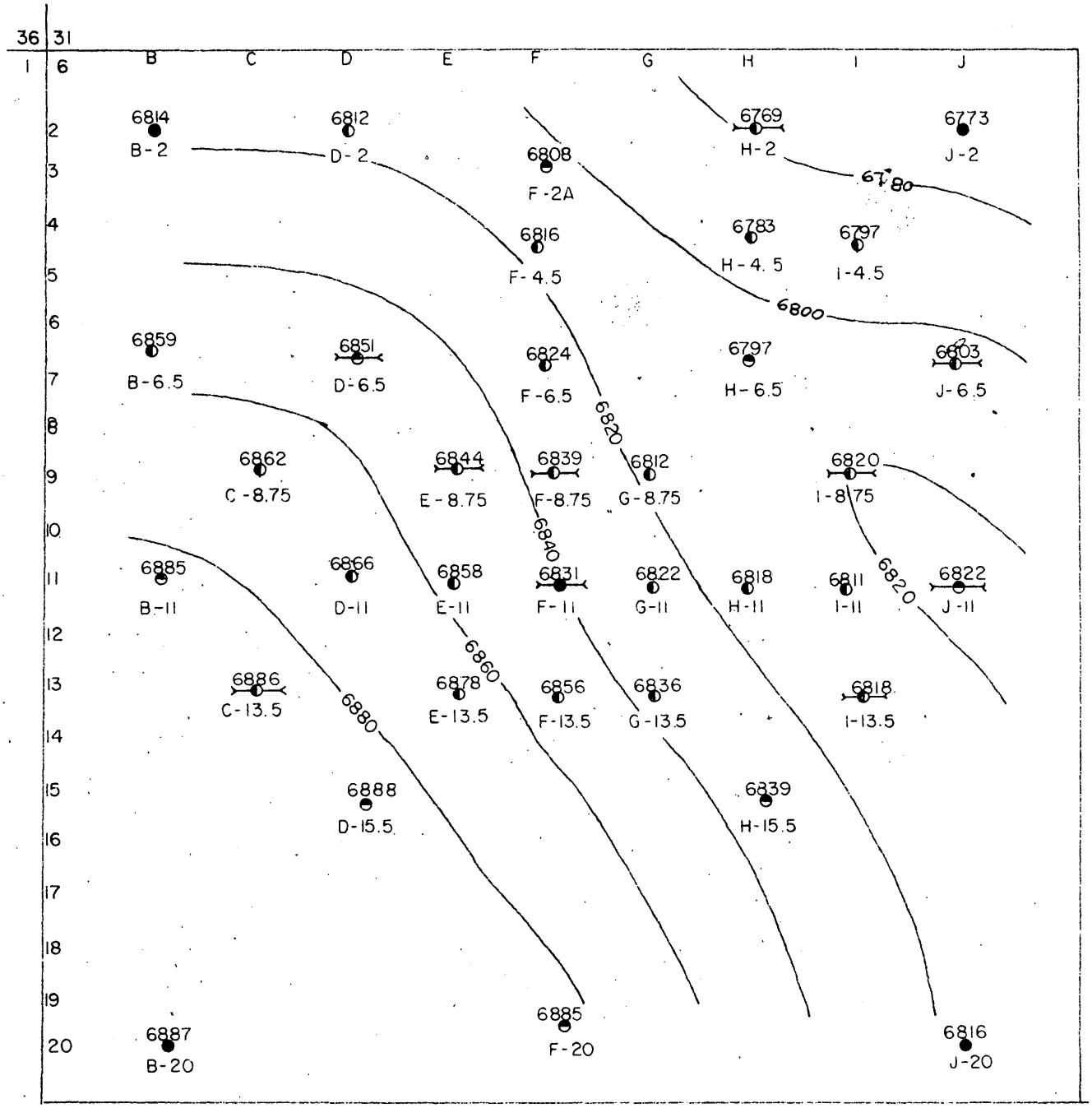
Completion of the first stage showed favorable bleaching and mineralization and a possible structual anomaly existing in the northern portion of the quqrter-section. Stage 2 consisted of exploring this portion on a semi-grid pattern.

No uranium ore was encountered in any of the 31 holes drilled, however 9 holes contained radiometric anomalies showing more than one foot of 0.020% U308. In no case was there any radioactive anomalies indicating greater than 0.060% U308. Examination of the accompanying drill hole map and the drill hole tabulation sheet will show the details of mineralization encountered. It will be noted that a zone of favorable mineralization seems to occupy a sandstone horizon about 50 feet above the base of the Westwater Canyon member in most of the drill holes. Although the mineralization is weak it is quite thick in some cases.

Originally Stage 2 had provided for the drilling of 26 holes, however at the completion of Stage 1 and the granting of Stage 2 only 23 drill holes were approved. Examination of the completed 23 holes showed two zones that showed above average mineralization. It was requested that the remaining three holes provided for in the contract be drilled at locations D-4.5, E-6.5 and J-8.75 in the vicinity of these anomalous locations. This request was denied on the basis that there was not sufficient justification to warrent further DMEA expenditures on the property.

In conclusion, drilling on this quarter-section of land showed only a zone of weak mineralization about 50 feet above the base of the Westwater Canyon member of the Morrison formation. This zone does not seem to be consistant over the area but to be localized in two separate areas. Nothing seemed apparent to indicated any more favorable zones to explore other than in the two anomalous zones. In no event was there any ore grade U308 encountered and it is felt that with the exception of the trhee holes proposed that the area has been satisfactorily explored.

Max Hemminger
geologist
Treasure Uranium & Resourses, Inc



DRILL HOLE & STRUCTURE MAP

OF

NW 1/4 SEC.6, T13N, R9W, NMPM

MCKINLEY COUNTY, NEW MEXICO

N 14°

● DRILLED 3/'56

◓ DRILLED 3/'57 (DMEA)

◐ DRILLED 5/'57 & 6/'57 (DMEA)

⊢O⊣ > THAN 1' OF 0.02 % U308

SCALE 1" = 400'

JULY, 1957

M. HEMMINGER

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 5 1957
DATE | INITIALS | CODE

Treasure
URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

RADIOMETRIC TABULATION SHEET
OF
NW¼ Sec. 6, T13N, R9W, NMPM

McKINLEY COUNTY, NEW MEXICO

HOLE	FROM	TO	GAMMA VALUE (%)	TOTAL DEPTH
H-15.5	429	435	Tr	454
D-6.5	288	289	Tr	404
	311	324	Tr	
	324	325	.018 chem	
	325	329	Tr	
	353	356	Tr	
	356	357	.055 chem	
	357	363	Tr	
	396	400	Tr	
B-11	227.5	229	Tr	380
	248.5	249.5	Tr	
	250	260	Tr	
	365	367	.01	
F-2A	268	269	Tr	408
	269	270	.017	
	270	272.5	Tr	
	311	312	Tr	
	312	335	Tr	
	335	348	Tr	
	348	349	.017	
	349	355	Tr	
H-6.5	310	311.5	.015	460
	329	330.5	Tr	
	377	378	.015	
	387	396	Tr	
F-20	Barren			442
J-11	299.5	300.5	Tr	435
	312.5	314	Tr	
	354	355.5	Tr	
	378	380	.03	
	380	388	.048 chem	

HOLE	FROM	TO	GAMMA VALUE (%)	TOTAL DEPTH
J-11	384	386	.051 chem	
	399	400	.016	
	400	401	.010	
	401	402.5	.017	
	402.5	403.5	.010	
D-15.5	408	409	Tr	416
B-11	270	274	Tr	394
	312	314	Tr	
	324	326	Tr	
	334	350	Tr	
E-13.5	248	249	Tr	404
	291	292	Tr	
	380	384	Tr	
F-13.5	196	197	Tr	410
	387	390	Tr	
G-13.5	438.5	439	Tr	444
G-11	312	314	Tr	439
	363	364	Tr	
G-8.75	349	353	Tr	434
	360	362	.01	
	362	363.5	.015	
	363.5	365	.01	
	394	399	.01	
	399	408	Tr	
F-8.75	290	291	.015	412
	310.5	314	Tr	
	321.5	324	.01	
	324	327.5	.038 chem	
	327.5	330.5	.015	
	330.5	334	.020	
	334	335	.01	
	335	336.5	.03	
	336.5	337.5	.01	
	355	357	.01	
	357	359	.015	
	359	361	.02	
	361	362.5	.04)	
	362.5	366	.035)	
	366	368	.01 (__ .012 chem	
	368	370	.060 (	
	370	372	.04)	
	372	374	.015	
	374	378	.01	
	398	400	Tr	

HOLE	FROM	TO	GAMMA VALUE (%)	TOTAL DEPTH
F-6.5	323	325	Tr	416
	358	360	Tr	
	412	414	Tr	
E-8.75	278	279	.01	401
	298	314	Tr	
	338	344	.01	
	344	346	.025	
	346	348	.02	
	348	350	.01	
	364	366	Tr	
	366	370	.01	
	370	372	Tr	
	392	398	Tr	
I-8.75	318	322	Tr	446
	324	326	Tr	
	410	413	.020	
	413	415	.025	
F-4.5	292	294	Tr	408
	311	312	.01	
	327	329	.01	
	338	341	Tr	
I-11	335	337	Tr	422
	374	376	Tr	
	408	423	Tr	
H-4.5	313	317		452
	342	344	.015	
	366	369	Tr	
I-13.5	372	376	Tr	462
	380	384	Tr	
	384	386	.01	
	386	400	Tr	
	400	419	.025 .013 chem	
H-11	433	437	Tr	472
I-4.5	318	319	Tr	435
	346	348	Tr	
C-8.75	309	313.5	Tr	392
	316	320	Tr	
D-11	320	328	Tr	396
	331.5	333	.01	
	333	335	Tr	
	367	372	Tr	

HOLE	FROM	TO	GAMMA VALUE (%)			TOTAL DEPTH
B-6.5	360	361	Tr			382
J-6.5	311	312	Tr			450
	316	318	Tr			
	349	351	.01			
	378	379	.01			
	380	381	.025	chem	380-382	.021
	381	383	.01	"	382-384	.022
	383	384	.02	"	384-386	.016
	384	387	.01	"	386-388	.016
	387	388	.025	"	388-390	.027
	388	391	.015	"	390-392	.022
	391	392.5	.025	"	392-394	.015
	392.5	395	.02	"	394-396	.018
	395	396	.01			
	396	399	Tr			
D-2	354	356	Tr			450
H-2	308	310	Tr			436
	342	344	Tr			
	349	350	.03			
C-13.5	277	279	.01			402
	337	339	.02			
	339	341	.06	chem	338-342	.014
	341	342	.05			
	342	345	.03			
	360	362	.01			

DATE		CODE
9/3	G	220
9/9		800
11		700

224 New Customhouse
Denver 2, Colorado

August 29, 1957

Mr. B. H. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico

Dear Mr. Robinson:

In conformance with advice to you in the last paragraph of our letter of August 13, 1957, enclosed are the Government's, Audit, Finance Office, and Field Team copies of a proposed Termination Agreement which has been prepared and signed by the Administrator, DMEA, for the Government, to terminate contract No. Idm-E1052, effective June 18, 1957.

If the proposed Termination Agreement is satisfactory, all copies are to be signed by an official of Treasure Uranium and Resources, Inc. authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office.

Upon return of the promptly executed copies of the Termination Agreement, the "Operator's Copy" will be forwarded to you.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

Encls.
JWT:bh
cc-Chairman, Op. Comm.(2)
Harshman
DMEA/DFC
Hasler
Townsend
Corres. File
Chron.

Original signed by
E. N. HARSHMAN

EWH:bn
cc-Chairman, Op. Comm.(2)
Herbison
DRMA/DPC
Healey
Townsend
Corres. File
Chron.

OFFICIAL FILE COPY

Date	Surname	Code
8-23	Ching	700
8-23	[illegible]	700
8-23	Chambers	800
8/23	[illegible]	130
"	Johnson	110
"	Butterworth	100
8/26	[illegible]	220
		700

AUG 26 1957

Mr. William H. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

Dear Mr. King:

In accordance with our teletype of August 13, we are enclosing the original and four copies of a Termination Agreement between the Government and the subject Operator, signed by the Administrator. Also enclosed are two extra copies of the agreement for the use of the Field Team.

If you and the Operator find the agreement in order, please have it executed as indicated and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Enclosures

APPROVED:

O. M. Bishop (GHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GHB)
Member, Geological Survey
MChing/izm 8-23-57
cc to: Mr. Ching
Admr's Reading File
Operating Committee
THKiilsgaard, 5224

8623

docket
Knowse

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

August 16, 1957

Memorandum

To: The Files

From: Michael Ching, Mining Engineer
Div. of Rare and Misc. Metals

Subject: Proposed Termination
Docket No. DMEA-4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

The Operator had completed 5 holes on the subject property prior to the DMEA work. Under Stage I of the contract, 8 holes, aggregating 3,387 feet were added to form a pattern in which there were 5 east-west rows approximately 550 feet apart, with the holes staggered in alternate rows and approximately 1,000 feet apart. Three mineralized holes, favorable lithology, and bleaching indicated a favorable area for additional drilling.

Under Stage II, 23 holes were approved by the Field Team in the favorable area and drilled by the Operator. Footage totaled 9,694. Results were essentially negative; consequently, the Field Team recommended denial of the Operator's request to drill three additional holes under Stage II. Such denial would involve termination of the contract since the work completed under Stage II is less than the maximum allowed by the contract by 3 holes and 1,846 feet.

Michael Ching
Michael Ching

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/16	Ching	700
"	Knouse	140
		700

August 16, 1957

Memorandum

INTERIOR DEPT.
AUG 16 1957
SOLICITOR

To: Associate Solicitor, Division of Mineral Resources

From: F. L. Knouse, Acting Director
Division of Rare and Misc. Metals

Subject: Proposed Termination Agreement
Docket No. DMEA-411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

Will you kindly prepare a Termination Agreement between the Government and the subject Operator in accordance with the attached draft.

All drilling and assay work connected with the project was completed on or before June 18, 1957.

F. L. Knouse

Attachment

MChing/izm 8-16-57
cc to: Mr. Ching

8623

DRAFT
MChing/izm
8-16-57

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Treasure Uranium and Resources, Inc., hereinafter called the "Operator," parties to Exploration Project Contract Idm-E1052 (Docket No. DMEA-4411), dated January 17, 1957, as amended, hereinafter called the "Contract," that:

1. Effective June 18, 1957, 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 cost 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_____
Administrator, Defense Minerals Exploration Administration

By_____
Treasure Uranium and Resources, Inc.
Title_____

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 20 1957

DATE		CODE
8/15	G	220
8/15	GGT	800
8/16	[illegible]	700

224 New Customhouse
Denver 2, Colorado

August 13, 1957

Mr. B. N. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket No. DMEA 4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T. 13 N., R. 9 W.,
N. M. P. M.) McKinley County,
New Mexico

Dear Mr. Robinson:

A thorough review of data presently available to this office indicates that Government participation in the costs of further drilling under the Contract is not warranted. Therefore, your request of July 27, 1957 for the Government's approval of additional drilling under Stage II of the Contract is denied.

Inasmuch as all work originally provided for under the Contract will not be performed, it is desirable that the Contract be terminated by mutual agreement between the parties concerned. For that purpose, a TERMINATION AGREEMENT will be prepared and forwarded to you at an early date for signature by an authorized official of Treasure Uranium and Resources, Inc.

Very truly yours,
Original signed by
E. N. HARSHMAN

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

JWT:prl

cc: Chmn. Op. Comm. - 2
Harshman
DMEA/DFC
Hasler
Townsend
Corres. file
Chron.

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Ching	700
8/12	Kuguel	700
8/12	GCS	130
"	Johnson	110
"	Whitehead	100
		SHB
8/13	C.	220
		700

AUG 13 1957

Department of the Interior

DMEA

14X4401(01) Revolving Fund,
Defense Production Act, Interior
(Transfer to Office of Secretary)

TELETYPE

WILLIAM H. KING
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER, COLORADO

REFERENCE AUGUST 7 TREASURE URANIUM AND RESOURCES, INC.

DOCKET 4411. WE CONCUR IN DENIAL OF ADDITIONAL DRILLING AND WILL

PREPARE TERMINATION AGREEMENT.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (SHB)

MChing/izm 8-22-57
cc to: Mr. Ching
Adm.r's Reading File
Operating Committee
THKiilsgaard, 5224
Confirmation to Reg. 3

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 9 1957

DATE	INITIALS	CODE
8/9	Q.K.	220
		130
"	~~Chang~~	700

AIR MAIL

August 7, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052, Treasure Uranium and Resources, Inc. (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico

Enclosed is the following material pertaining to operations under the subject contract:

1. The original and one copy of the Operator's request of July 27, 1957, with supporting data, for the Government's approval of additional drilling under Stage II of the contract.

2. The original and two copies of a joint memorandum, dated August 5, 1957, from N. L. Archbold, Geologist, Geological Survey, and W. D. McMillan, Mining Engineer, Bureau of Mines, recommending that the Government deny the Operator's request for additional drilling under Stage II.

Since denial of the Operator's request for additional drilling under Stage II will also involve termination of the contract before completion of all the work provided for, the matter is forwarded in conformance with instructions under Item 1 of DMEA Circular 33 for your review and advice to us as to how we should proceed in the matter.

This office concurs in the recommendations of the field examiners that the Operator's request for additional Stage II drilling be denied, and further recommends that a suitable termination agreement be prepared.

Our records indicate that the last Stage II hole, under approval of May 1, 1957, was completed on June 10 and the last charge to the project for assaying was on June 17, 1957.

maps in folder

We will appreciate advice by teletype when you have reached a decision in the matter, so that the Operator can be advised at an early date relative to the Government's action on its request.

E. N. Harshman

E. N. Harshman

Enclosures

WO

IN REPLY REFER TO:

MINERAL DEPOSITS
DMEA
RECEIVED
AUG 6 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR
AUG 6 - 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

August 5, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman EN H
J. William Hasler JWH

From: N. L. Archbold,
W. D. McMillan

Subject: DMEA docket No. 4411 (Uranium) contract Idm-E 1052, Treasure Uranium and Resources, Inc. (NW$\frac{1}{4}$ sec. 6, T. 13 N., R. 9 W., N.M.P.M), McKinley County, New Mexico

With regard to the Operator's letter of July 27, 1957, with attached data, requesting Government approval for additional drilling under stage II of the present contract, for the following reasons the Field Team recommends denial of the Operator's request:

(1) Drilling to date has served to sufficiently outline the area of so-called favorable ground.

(2) Drill holes, within the ground classed as favorable by the Operator, have failed to show any indication of the presence of mineral deposits of significant size and grade. The presence of holes showing low-grade mineralization is not an indication of the presence of significant ore deposits; in near-by areas there are numerous holes showing low-grade mineralization in areas proven to contain no significant deposits.

(3) Previous drill holes offsetting holes showing low-grade mineralization have failed to penetrate ore-grade material.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 9 1957

DATE	INITIALS	CODE

N. L. Archbold

N. L. Archbold,
Geological Survey

for W. D. McMillan
Bureau of Mines

NLA/mlr

Treasure
URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

July 27,1957

Mr.W.H.King
Executive Officer, DMEA
Field Team Region 111
224 New Customhouse
Denver 2,Colo.

Re: DMEA Docket 4411 (Uranium)
Contract Idm-E1052
Treasure Uranium & Res.Inc
(NW¼ Sec 6, T13N,R9W,NMPM)
McKinley County,New Mexico

Dear Mr.King:

Examination of the Drill Hole and Structure Map and the accompanying Lithologic logs show two areas of weak mineralization have not been adequately explored under the contract.

It is felt that drill sites at J-8.75, E-6.5 and D-4.5, as shown on the Drill Hole and Structure Map, are needed to complete the basic exploration on this quarter section.

Attention is called to the vertical extent of weak mineralization in the surrounding holes and to the petroliferous deposit at the common ore horizon in hole D-2.

It is formally requested that we be authorized to drill the proposed three holes as indicated. Such authorization would in no way change or alter the provisions originally set forth in stage two of said contract.

Very truly yours,

B H Robinson

B.H.Robinson
Managing Director.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 9 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
JUL 29 1957
REGION III
DENVER, COLORADO

Treasure
URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 9 1957

DATE	INITIALS	CODE

July 27, 1957

Re: DMEA Docket 4411 (Uranium)
Contract Idm-E1052
Treasure Uranium & Resourses Inc.
(NW¼ Sec.6, T13N, R9W, NMPM)
McKinley County, New Mexico

Mr. W.H. King
Executive Officer, DMEA
Field Team ~~Region III~~
224 New Customhouse
Denver 2, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
JUL 29 1957
REGION III
DENVER, COLORADO

Dear Mr. King:

Enclosed are six sets of our request for approval of further exploratory work within the confines of stage 2, DMEA Contract Idm-E1052, Docket # 4411.

Each set contains one of the following:

1) Evaluation of former work with a formal request for further exploratory work.

2) Tabulation of gamma log and chemical assay results.

3) Lithologic logs of 31 completed holes.

4) Drill Hole and Structure Map showing drilled and proposed holes.

It is hoped that the enclosed data will show sufficient justification for further exploratory work.

Very truly yours,

B.H. Robinson

B.H. Robinson
Managing Director

Treasure
URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

DRILL HOLE TABULATION SHEET

NW¼ Sec. 6, T13N, R9W, McKinley County, New Mexico

MARCH, 1957

Hole No.	Plug	Core	Depth	From	To	%U3O8
H-15.5	260	174	454	0.0	429.0	0
				429.0	435.0	Tr
D-6.5	230	174	404	0.0	288.0	0
				288.0	289.0	Tr
				289.0	311.0	0
				311.0	324.0	Tr
				324.0	325.0	0.018 Chem
				325.0	329.0	Tr
				329.0	353.0	0
				353.0	356.0	Tr
				356.0	357.0	0.055 Chem
				357.0	363.0	Tr
				363.0	396.0	0
				396.0	400.0	Tr
				400.0	404.0	0
				0.0	227.5	0
B-11	210	170	380	227.5	229.0	Tr
				229.0	248.5	0
				248.5	249.5	Tr
				249,5	250.0	0
				250.0	260.0	Tr
				260.0	365.0	0
				365.0	367.0	0.01
				367.0	380.0	0
F-2A	230	178	408	0.0	268.0	0
				268.0	269.0	Tr
				269,0	270.0	0.017
				270.0	272.5	Tr
				272.5	311.0	0
				311.0	312.0	Tr
				312.0	335.0	Tr
				335.0	348.0	Tr
				348.0	349.0	0.017
				349.0	355.0	Tr
				355.0	408.0	0
B-6.5	290	170	460	0.0	310.0	0
				310.0	311.5	0.015

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Hole No.	Plug	Core	Depth	From	To	%U308
				311.5	329.0	0
				329.0	330.5	Tr
				330.5	377.0	0
				377.0	378.0	0.015
				378.0	387.0	0
				387.0	396.0	Tr
F-20	258	184	442	0.0	442.0	0
J-11	268	167	435	0.0	299.5	0
				299.5	300.5	Tr
				300.5	312.5	0
				312.5	314.0	Tr
				314.0	354.0	0
				354.0	355.5	Tr
				355.5	378.0	0
				378.0	380.0	0.03
				chem- 380.0	388.0	0.048 Core-0.043 CUTT
				chem- 384.0	366.0	0.051
				388.0	399.0	0
				399.0	400.0	0.016
				400.0	401.0	0.010
				401.0	402.5	0.017
				402.5	403.5	0.010
				403.5	435.0	0
D-15.5	250	166	416	0.0	408.0	0
				408.0	409.0	Tr
				409.0	416.0	0
Totals	2016	1383	3399			

12
3387

MAY

Hole	Completed	From	To	%U308	Total Depth	Excess Depth
E-11	5/15	0.0	270.0	0	394'	3'
		270.0	274.0	Tr		
		274.0	312.0	0		
		312.0	314.0	Tr		
		314.0	324.0	0		
		324.0	326.0	Tr		
		326.0	334.0	0		
		334.0	350.0	Tr		
		350.0	394.0	0		
E-13.5	5/16	0.0	248.0	0	404'	1'
		248.0	249.0	Tr		
		249.0	291.0	0		
		291.0	292.0	Tr		
		292.0	380.0	0		
		380.0	384.0	Tr		
		384.0	404.0	0		
F-13.5	5/20	0.0	196.0	0	410'	0'

Hole	Completed	From	To	%U3O8	Total Depth	Excess Depth
		196.0	197.0	Tr		
		197.0	387.0	0		
		387.0	390.0	Tr		
		390.0	410.0	0		
G-13.5	5/21	0.0	438.5	0	444'	0'
		438.5	439.0	Tr		
		439.0	444.0	0		
G-11	5/22	0.0	312.0	0	439'	0'
		312.0	314.0	Tr		
		314.0	363.0	0		
		363.0	364.0	Tr		
		364.0	439.0	0		
G-8.75	5/24	0.0	349.5	0	434'	1'
		349.5	353.0	Tr		
		353.0	360.0	0		
		360.0	362.0	0.01		
		362.0	363.5	0.015		
		363.5.	365.0	0.01		
		365.0	394.0	0		
		394.0	399.0	0.01		
		399.0	408.0	Tr		
		408.0	434.0	0		
F-8.75	5/27	0.0	290.0	0	412'	2'
		290.0	291.0	0.015		
		291.0	310.5	0		
		310.5	314.0	Tr		
		314.0	321.5	0		
		321.5	324.0	0.01		
		324.0	327.5	0.02	(0.038 Chem)	
		327.5	330.5	0.015		
		330.5	334.0	0.020		
		334.0	335.0	0.01		
		335.0	336.5	0.03		
		336.5	337.5	0.01		
		337.5	355.0	0		
		355.0	357.0	0.01		
		357.0	359.0	0.015		
		359.0	361.0	0.02		
		361.0	362.5	0.04)		
		362.5	366.0	0.035)		
		366.0	368.0	0.01)...(0.012 Chem)		
		368.0	370.0	0.06)		
		370.0	372.0	0.04)		
		372.0	374.0	0.015		
		374.0	378.0	0.01		
		378.0	398.0	0		
		398.0	400.0	Tr		
		400.0	412.0	0		

Hole	Completed	From	To	%U308	Total Depth	Excess Depth
F-6.5	5/29	0.0	323.0	0	416'	0'
		323.0	325.0	Tr		
		325.0	358.0	0		
		358.0	360.0	Tr		
		360.0	412.0	0		
		412.0	414.0	Tr		
		414.0	416.0	0		
#-8.75	5/30	0.0	278.0	0	401'	2'
		278.0	279.0	0.01		
		279.0	298.0	0		
		298.0	314.0	Tr		
		314.0	338.0	0		
		338.0	344.0	0.01		
		344.0	346.0	0.025		
		346.0	348.0	0.02		
		348.0	350.0	0.01		
		350.0	364.0	0		
		364.0	366.0	Tr		
		366.0	370.0	0.01		
		370.0	372.0	Tr		
		372.0	392.0	0		
		392.0	398.0	Tr		
		398.0	401.0			
I-8.75	5/31	0.0	318.0	0	446'	1'
		318.0	322.0	Tr		
		322.0	324.0	0		
		324.0	326.0	Tr		
		326.0	410.0	0		
		410.0	413.0	0.020		
		413.0	415.0	0.025		
		415.0	446.0	0		
F-4.5	5/31	0.0	292.0	0	408'	0'
		292.0	294.0	Tr		
		294.0	311.0	0		
		311.0	312.0	0.01		
		312.0	327.0	0		
		327.0	329.0	0.01		
		329.0	338.0	0		
		338.0	341.0	Tr		

Total Footage	4,608'
Less Excess Footage	10'
Total Authorized Footage	4,598'

JUNE

Hole	Completed	From	To	%U308	Total Depth	Excess Depth
1-11	6/1	0.0	355.0	0	422	3
		335.0	337.0	Tr		
		337.0	374.0	0		
		374.0	376.0	Tr		

Hole	Completed	From	To	%U3O8	Total Depth	Excess Depth
		376.0	408.0	0		
		408.0	423.0	Tr		
		423.0	442.0	0		
H-4.5	6/1	0.0	313.0	0	452.	0
		313.0	317.0	Tr		
		317.0	342.0	0		
		342.0	344.0	.015		
		344.0	366.0	0		
		366.0	369.0	Tr		
		369.0	452.0	0		
I-13.5	6/3	0.0	372.0	0	462	2
		372.0	376.0	Tr		
		376.0	380.0	0		
		380.0	384.0	Tr		
		384.0	386.0	.01		
		386.0	400.0	Tr		
		400.0	410.0	.025	Chem-400.0 to 410.0-.013%	
		410.0	462.0	0		
H-11	6/4	0.0	433.0	0	472	12
		433.0	437.0	Tr		
		437.0	472.0	0		
I-4.5	6/4	0.0	318.0	0	435	0
		318.0	319.0	Tr		
		319.0	346.0	0		
		346.0	348.0	Tr		
		348.0	435.0	0		
C-8.75	6/6	0.0	309.0	0	392	0
		309.0	313.5	Tr		
		313.5	316.0	0		
		316.0	320.0	Tr		
		320.0	392.0	0		
D-11	6/7	0.0	320.0	0	396	0
		320.0	328.0	Tr		
		328.0	331.5	0		
		331.5	333.0	.01		
		333.0	335.0	Tr		
		335.0	370.0	0		
		370.0	372.0	Tr		
		372.0	390.0	0		
B-6.5	6/8	0.0	360.0	0	382	1
		360.0	361.0	Tr		
		361.0	382.0	0		
J-6.5	6/8	0.0	311.0	0	450	3
		311.0	312.0	Tr		

Hole	Completed	From	To	%U3O8	Total Depth	Excess Depth
		312.0	316.0	0		
		316.0	318.0	Tr		
		318.0	349.0	0		
		349.0	351.0	.01		
		351.0	378.0	0		
		378.0	379.0	.01		
		379.0	380.0	0		
		380.0	381.0	.025	Chem 380-382	.021%
		381.0	383.0	.01	" 382-384	.022
		383.0	384.0	.02	" 384-386	.016
		384.0	387.0	.01	" 386-388	.016
		387.0	388.0	.025	" 388-390	.027
		388.0	391.0	.015	" 390-392	.022
		391.0	392.5	.025	" 392-394	.015
		392.5	395.0	.02	" 394-396	.018
		395.0	396.0	.01		
		396.0	399.0	Tr		
		399.0	450.0	0		
D-2	6/9	0.0	354.0	0	450	3
		354.0	356.0	Tr		
		356.0	402.0	0		
H-2	6/10	0.0	308.0	0	436	1
		308.0	310.0	Tr		
		310.0	342.0	0		
		342.0	344.0	Tr		
		344.0	349.0	0		
		349.0	350.0	.03		
		350.0	436.0	0		
C-13.5	6/10	0.0	277.0	0	402	2
		277.0	279.0	.01		
		279.0	337.0	0		
		337.0	339.0	.02		
		339.0	341.0	.06	Chem 338-342-.014%	
		341.0	342.0	.05		
		342.0	345.0	.03		
		345.0	360.0	0		
		360.0	362.0	.01		
		362.0	402.0	0		

Total footage	5,123
Less Excess footage	27
Total authorized footage	5,096

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8/5	[illegible]	800
"	[illegible]	700

224 New Customhouse
Denver 2, Colorado

July 31, 1957

Mr. B. N. Robinson,
Managing Director,
Treasure Uranium and Resources, Inc.,
531 South State Street,
Salt Lake City 11, Utah

Re: Docket No. DMEA 4411 (Uranium)
Contract No. [illegible]
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico

Dear Mr. Robinson:

Enclosed are the Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Amendment No. 1 to Contract No. [illegible], which has been prepared in reference to your letter of July 26, 1957 to extend the date fixed on or before which the work shall be completed from August 1, 1957 to September 15, 1957.

If the Amendment is satisfactory, all copies are to be signed by an official of Treasure Uranium and Resources, Inc. authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office. Upon return of the properly signed copies of the Amendment and after signature by the Executive Officer, DMEA Field Team, Region III, for the Government, the "Operator's Copy" will be returned to you.

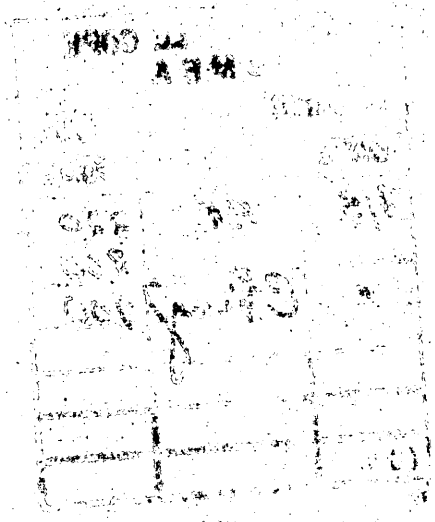
Very truly yours,

Original signed by
E. N. HARSHMAN

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

JWT:prl

cc: Chmn. Op. Comm. - 2
Harshman
DMEA/DFC
Nealer
Townsend
Corres. file
Chron.



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"	Chuney	700

224 New Customhouse
Denver 2, Colorado

August 7, 1957

Mr. B. H. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket DMEA-4411 (Uranium)
Contract Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼, Sec. 6, T 13 N, R 9 W, NMPM)
McKinley County, New Mexico

Dear Mr. Robinson:

Form MF-104, Operator's Monthly Report and Voucher, for June, 1957, has been received in this office and is being processed for payment.

All of the currently approved work under the contract has been completed, therefore an amount of $500.00 is withheld from reimbursement to Treasure Uranium and Resources, Inc., pending possible performance of additional work under the contract. If additional work is not approved by the Government, and performed by Treasure Uranium and Resources, Inc., the amount of $500.00 will continue to be withheld pending resolution of matters prerequisite to closing the account, and which include:

1. Execution by the parties to the contract of a suitable agreement to terminate the contract in its present status without performance of the balance of the work outlined in the contract.

2. Rendering to the Government a final report as required under Article 7(c) of the contract.

3. Release to this office of an Audit Report or Report of Review of the reported contract expenditures by the Contract Administration and Audit Division, DMEA.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman
Hasler
DMEA/DFC
DMEA/G.Jct.
Townsend
Corres.file, Reg.III
Chron.

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

August 9, 1957

Memorandum

To: Hazel Berry, Operating Committee

From: Irene Z. Mainster, Div. of Rare & Misc. Metals

Subject: Amendment to Contract Idm-E 1052

Mr. Ching has reviewed and approved Amendment No. 1, dated July 30, 1957, to Contract No. Idm-E 1052, Docket No. DMEA-4411, Treasure Uranium and Resources, Inc., and has indicated that no further review of the amendment is required by the Legal Division.

Irene Z. Mainster

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

August 6, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052, Treasure Uranium and Resources, Inc. (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico

Enclosed are the Government's and Audit copies of Amendment No. 1 to Contract No. Idm-E1052, which has been executed to extend the date fixed for completion of the work from August 1, 1957 to September 15, 1957.

Also enclosed are three copies of the Operator's letter of July 26, 1957, requesting the time extension.

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

E. N. Harshman

E. N. Harshman

Enclosures

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		130
8/9	Chuy	700

TREASURE URANIUM & RESOURSES INC.
531 SOUTH STATE STREET
SALT LAKE CITY11,UTAH

JULY, 26,1957

Re: DMEA Docket 4411(Uranium)
Contract Idm-E1052
Treasure Uranium & Resourses Inc
(NW¼ Sec. 6, T13N, R9W, NMPM)
McKinley County, New Mexico

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

DMEA
DEPARTMENT OF THE INTERIOR
JUL 29 1957
REGION III
DENVER, COLORADO

Dear Mr. King:

It is formally requested that the completion date of Contract Idm-E1052, Docket # 4411 concerning uranium exploration on the NW¼ Sec. 6, T13N, R9W, NMPM, McKinley County, New Mexico be extended from August 1, 1957 until September 15, 1957.

A forthcoming requestfor further work within the confines of stage 2 of said contract is the basis for this request.

Yours very truly,

B.H. Robinson

B.H. Robinson
Managing Director

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DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR

JUL 29 1957

REGION III
DENVER, COLORADO

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SUBJECT NO. ROUTE

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DMEA
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DATE		CODE
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7/26		800
"	~~Closing~~	700

224 New Customhouse
Denver 2, Colorado

July 24, 1957

Mr. B. H. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: DMEA Docket-4411 (Uranium)
Contract Idm-E1052
Treasure Uranium and Resources, Inc
(NW¼ Sec.6,T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico

Dear Mr. Robinson:

Form MF-104, Operator's Monthly Report and Voucher, for June, 1957, has been received in this office. In the narrative report for June, 1957, the geologist concludes that three additional holes should be drilled under Stage II. Government approval for the three holes has not been requested by Treasure Uranium and Resources, Inc.

The completion date for all of the work outlined in the contract is August 1, 1957, therefore if you plan to perform additional work it is necessary that you submit to this office for consideration by the Government, the Original and five copies of a request for extension of the completion date for such specific additional time as will be required.

As soon as possible thereafter and as a separate matter, you should submit to this office for consideration by the Government, the Original and five copies of a request (similar to your request of April 12, 1957), for the additional work that you wish to perform under Stage II.

We are enclosing six copies each of Form MF-104, Operator's Monthly Report and Voucher, and Form MF-104A, Operator's Unit Cost and Progress Report, for your use, if additional work is performed

under the contract. Also enclosed is a "Sample" copy of Form MF-104A, Operator's Unit Cost and Progress Report, which we have prepared to illustrate the preferred method of reporting Units and Costs.

Yours very truly,

Original signed by
W. H. KING

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

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Hasler
DMEA, DFC
DMEA, G.Jct.
Townsend
Corres.file,Reg.III
Chron.

w/copy of "Sample" Form MF-104A

R-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

SAMPLE

DEFENSE MINERALS EXPLORATION ADMINISTRATION

SAMPLE

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of _____ 195__ Docket No. DMEA 4411 Contract No. Idm-E1052

Operator's Name Treasure Uranium and Resources, Inc. Minerals Uranium

Address Salt Lake City 11, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
				STAGE I				
Non-core drill	ft.			1693.44	2016	0.84	2040	1.00
Core drill.	ft.			4112.25	1370.75	3.00	1510	4.00
Bulldozing	hr.			0.00	0	0.00	16	12.00
Standby time	hr.			42.00	3.5	12.00	8	12.00
Incid. Allow.	ft.			2201.39	3386.75	0.65	3550	0.65
Core Boxes	ea.			140.00	112	1.25	150	1.25
Analyses	Spl.			25.00	5	5.00	16	5.00
Auger				STAGE II				
Non-core drill	ft.	(Complete for		8142.96	9694	0.84	11,540	1.00
Bulldozing	hr.	current month		0.00	0	0.00	40	12.00
Standby time	hr.	and adjust Units		84.00	7	12.00	26	12.00
Incid.Allow.	ft.	and costs to		1938.80	9694	0.20	11,540	0.20
Analyses	Spl.	date.)		65.00	13	5.00	50	5.00
TOTAL DISTRIBUTED COSTS				18444.84				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				18444.84				

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.

Date _____ Operator _____

Per _____ Title _____

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)

RECEIVED JUL 1957 D.M.E.A.

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

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7-17

224 New Customhouse
Denver 2, Colorado

July 15, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations

Enclosed are four copies each of gamma-ray log interpretations for the following DMEA contracts:

Docket DMEA-3854 (Uranium) Contract Idm-E967, Four Corners Exploration Company, (Red Rock claims) McKinley County, New Mexico

Docket DMEA-4363 (Uranium) Contract Idm-E1065, Lisbon Uranium Corporation, (John Brown claim group) Mesa County, Colorado

Docket DMEA-4409 (Uranium) Contract Idm-E1066, Dalmid Oil & Uranium, Inc., (April, Butte and Canyon claims) San Juan County, Utah

Docket DMEA-4411 (Uranium) Contract Idm-E1052, Treasure Uranium & Resources, Inc. (NW¼, Sec. 6, T13N, R9W) McKinley County, New Mexico

Docket DMEA-4420 (Uranium) Contract Idm-E1056, Bleak Uranium Company, Inc. (Picolo Pete et al claims) San Juan County, Utah

Docket DMEA-4494, (Uranium) Contract Idm-E1074, New Idria Mining & Chemical Company, (Johnnie Mae claim group) Mesa County, Colorado

Docket DMEA-4631 (Uranium) Contract Idm-E1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah.

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

Enclosures

JDC:hmh
cc: Corres. files: E967, E1065, E1066, E1052, E1056, E1074, E1092
Hasler
Harshman)
DMEA,G.Jct.) w/copy of Gamma-ray logs
DMEA, DFC)
Chron.

Treasure Uranium & Resources, Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.
McKinley County, N. M.
DMEA 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
B-6.5	382.0		128.0-378.0	210.1-210.9	.8	310			<.010	
				263.6-264.5	.9	320			<.010	
				359.0-361.5	2.5	400			<.010	
				367.2-368.6	1.4	240			<.005	
				369.9-370.8	.9	300			<.010	
C-8.75	392.0		138.0-388.0	236.0-237.0	1.0	360			<.010	
				263.4-264.3	.9	310			<.010	
				286.4-288.9	1.5	300			<.010	
				300.1-301.7	1.6	310			<.010	
				308.9-310.4	1.5	300			<.010	
				311.8-313.2	1.4	420			<.010	
				313.2-314.3	1.1	220			<.005	
				316.2-319.9	3.7	420			<.010	
				319.9-320.8	.9	240			<.005	
C-13.5	402.0		138.0-388.0	242.4-243.9	1.5	260			<.005	
				249.1-250.5	1.4	240			<.005	
				276.6-278.5	1.9	640			.014	
				278.5-279.4	.9	270			<.010	
				334.5-336.2	1.7	260			<.005	
				336.2-338.0	1.8	640			.014	
				338.0-339.3	1.3	1400			.032	
				339.3-340.7	1.4	2400			.064	
				340.7-341.8	1.1	1800			.048	
				341.8-343.2	1.4	1100			.023	
				343.2-344.6	1.4	660			.016	
				344.6-346.0	1.4	300			<.010	
				355.6-358.2	2.6	430			<.010	
				358.2-359.8	1.6	240			<.005	
				359.8-361.7	1.9	700			.016	
				361.7-364.0	2.3	360			<.010	
				364.0-364.8	.8	540			.016	

* From top to bottom depths.

Treasure Uranium & Resources Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.
McKinley County, New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
D-2	402.0		168.0-388.0	190.0-191.2	1.2	430			<.010	
				311.7-312.5	.8	300			<.010	
				341.3-344.0	2.7	440			<.010	
				344.0-345.1	1.1	250			<.005	
				359.0-361.9	2.9	260			<.005	
				361.9-363.3	1.4	820			.022	
				363.3-364.2	.9	360			<.010	
				383.9-385.0	1.1	360			<.010	
				385.0-386.3	1.3	240			<.005	
D-11	396.0		128.0-390.0	275.5-276.3	.8	360			<.010	
				319.4-320.8	1.4	360			<.010	
				320.8-322.7	1.9	220			<.005	
				322.7-326.4	3.7	380			<.010	
				326.4-327.7	1.3	320			<.010	
				331.6-333.8	2.2	460			<.010	
				333.8-334.7	.9	320			<.010	
				334.7-336.4	1.7	220			<.005	
				366.2-370.1	3.9	230			<.005	
				370.1-372.0	1.9	370			<.010	
				372.0-373.3	1.3	260			<.005	
E-8.75	401.0		158.0-398.0	175.5-176.6	1.1	250			<.005	
				178.6-180.6	2.0	470			<.010	
				277.6-278.7	1.1	560			.015	
				278.7-279.6	.9	250			<.010	
				298.3-304.0	5.7	300			.005	
				304.0-310.4	6.4	240			<.005	
				310.4-312.0	1.6	330			<.010	
				337.6-340.0	2.4	240			<.005	
				340.0-343.1	3.1	400			<.010	

* From top to bottom depths

Treasure Uranium & Resources Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.
McKinley County, New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
E-8.75	(con't.)			343.1-345.9	2.8	220			<.005	
				345.9-347.1	1.2	880			.026	
				347.1-348.9	1.8	640			.015	
				348.9-350.1	1.2	360			<.010	
				365.8-369.3	3.5	420			<.010	
				369.3-370.5	1.2	520			.013	
				370.5-372.6	2.1	300			.005	
E-11	394.0		162.0-382.0	242.1-242.8	.7	270			<.010	
				250.5-258.5	8.0	220			<.005	
				270.8-273.0	2.2	510			.010	
				310.8-312.7	1.9	250			<.005	
				324.3-325.2	.9	350			<.010	
				327.5-330.4	2.9	260			<.005	
				330.4-333.5	3.1	300			.005	
				334.7-336.0	1.3	470			.010	
				336.8-342.0	5.2	330			<.010	
				342.0-343.5	1.5	220			<.005	
				343.5-349.6	6.1	360			<.010	
				349.6-353.1	3.5	230			<.005	
E-[illegible].5	404.0		150.0-400.0	247.2-247.9	.7	260			<.010	
				290.6-292.1	1.5	320			<.010	
				381.0-381.7	.7	260			<.010	
F-4.5	408.0		156.0-406.0	296.5-298.1	1.6	400			<.010	
				298.1-299.3	1.2	220			<.005	
				315.5-316.4	.9	540			.016	
				316.4-317.5	1.1	240			<.005	
				326.1-327.8	1.7	580			.012	
				327.8-331.6	3.8	420			<.010	
				331.6-332.8	1.2	280			<.010	
				342.0-344.8	2.8	360			<.010	

* From top to bottom depths

Treasure Uranium & Resources Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.
McKinley County, New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
F-6.5	416.0		158.0	408.0	312.7	314.3	1.6	320			< .010	
					322.1	323.1	1.0	420			.010	
					323.5	324.5	1.0	340			< .010	
F-8.75	412.0		160.0	410.0	289.9	291.1	1.2	560			.014	
					310.6	313.7	3.1	240			< .005	
					321.4	324.1	2.7	360			< .010	
					324.1	327.6	3.5	920			.021	
					327.6	330.4	2.8	640			.014	
					330.4	333.9	3.5	940			.022	
					333.9	335.3	1.4	400			< .010	
					335.3	336.5	1.2	1040 R=3			.033	
					336.5	337.6	1.1	300			< .010	
					354.9	357.2	2.3	440			< .010	
					357.2	358.9	1.7	700			.016	
					358.9	360.7	1.8	1000 R=4			.020	
					360.7	362.5	1.8	2000			.046	
					362.5	365.8	3.3	1700			.036	
					365.8	368.2	2.4	640			.014	
					368.2	369.9	1.7	2500			.062	
					369.9	371.7	1.8	1800			.043	
					371.7	374.5	2.8	720			.015	
					374.5	376.4	1.9	500			.010	
					376.4	377.7	1.3	280			< .010	
					398.0	400.1	2.1	300			.005	
F-13.5	410.0		180.0	410.0	194.7	196.0	1.3	220			< .005	
					197.5	198.8	1.3	320			< .010	
					386.5	387.6	1.1	300			< .010	
					388.6	389.4	.8	240			< .010	

* From top to bottom depths

Treasure Uranium & Resources Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.
McKinley County, New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
G-8.75	434.0		178.0-428.0	290.6-291.5	.9	280			<.010	
				325.1-326.2	1.1	320			<.010	
				326.2-327.7	1.5	220			<.005	
				347.9-349.4	1.5	740			.018	
				349.4-350.7	1.3	220			<.005	
				350.7-353.0	2.3	330			<.010	
				359.7-362.1	2.2	460			<.010	
				362.1-364.0	1.9	660			.014	
				364.0-365.1	1.1	380			<.010	
				394.4-396.6	2.2	410			<.010	
				396.6-399.1	2.5	560			.011	
				399.1-400.6	1.0	310			<.010	
				401.8-402.9	1.1	280			<.010	
				403.8-405.2	1.4	290			<.010	
				427.2-428 +	.8+	780			+-.028	Mineralized at bottom of hole
G-11	439.0		180.0-436.0	232.1-233.5	1.4	250			<.005	
				238.7-239.5	.8	400			.011	
				301.4-302.5	1.1	270			<.010	
				322.2-323.4	1.2	230			<.005	
G-13.5	444.0		204.0-444.0	235.6-236.6	1.0	300			<.010	
				442.2-443.1	.9	270			<.010	
H-2	436.0		204.0-434.0	307.7-308.5	.8	310			<.010	
				308.5-309.8	1.3	220			<.005	
				342.2-343.0	.8	400			.011	
				348.9-349.8	.9	1400			.036	
				430.0-432.0	2.0	280			<.005	

* From top to bottom depths

Treasure Uranium & Resources Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.
McKinley County, New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
H-4.5	452.0		224.0-424.0	316.0-317.5	1.5	420			<.010	
				343.3-345.0	1.7	570			.012	
				354.7-357.2	2.5	260			<.005	
				367.1-369.9	2.8	280			<.005	
				369.9-371.6	1.7	340			<.010	
				393.8-394.9	1.1	310			<.010	
H-11	472.0		208.0-468.0	433.0-434.2	1.2	460			.011	
				434.2-437.1	2.9	350			<.010	
				438.5-439.4	.9	260			<.010	
I-4.5	435.0		188.0-428.0	317.0-318.7	1.7	260			<.005	
				348.4-349.9	1.5	400			<.010	
I-8.75	446.0		192.0-442.0	317.1-318.7	1.6	280			<.010	
				318.7-319.7	1.0	600			.017	
				324.5-325.3	.8	320			<.010	
				410.0-413.0	3.0	700			.015	
				413.0-414.9	1.9	900			.022	
				414.9-415.9	1.0	300			<.010	
I-11	442.0		200.0-410.0	335.0-336.6	1.6	260			<.005	
				337.0-338.0	1.0	240			<.005	
				374.7-375.6	.9	310			<.010	

* From top to bottom depths

Treasure Uranium & Resources Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.
McKinley County, New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
I-13.5	462.0		218.0-438.0	236.5-237.8	1.3	240			<.005	
				378.2-379.2	1.0	400			<.010	
				380.0-381.1	1.1	320			<.010	
				386.9-389.7	2.8	340			<.010	
				389.7-390.8	1.1	570			.014	
				390.8-394.1	3.3	260			<.005	
				394.1-397.5	3.4	330			<.010	
				397.5-401.4	3.9	260			<.005	
				401.4-402.1	.7	480			.016	
				402.1-403.8	1.7	300			<.010	
				403.8-406.0	2.2	560			.011	
				406.0-408.1	2.1	1100			.021	
				408.1-409.2	1.1	1400			.034	
				409.2-409.6	.4	340			.012	
				409.6-410.8	1.2	1400			.033	
				410.8-413.2	2.4	1200			.023	
				413.2-415.2	2.0	840			.020	
				415.2-416.7	1.5	350			<.010	
J-6.5	450.0		198.0-448.0	311.1-312.1	1.0	240			<.005	
				316.5-318.5	2.0	240			<.005	
				349.2-350.8	1.6	440			<.010	
				378.1-379.7	1.6	440			<.010	
				379.7-381.2	1.5	980			.026	
				381.2-382.6	1.4	580			.013	
				382.6-284.4	1.8	800			.018	
				384.4-387.3	2.9	530			.011	
				387.3-388.4	1.1	840			.025	
				388.4-391.1	2.7	680			.015	
				391.1-392.7	1.6	1200			.025	
				392.7-295.0	2.3	860			.02	
				395.0-396.2	1.2	480			.011	
				396.2-397.8	1.6	350			<.010	

* From top to bottom depths

OFFICIAL FILE COPY
DMEA

RECEIVED		DATE
7-1	C	220
7/1		800
		700

224 New Customhouse
Denver 2, Colorado

June 27, 1957

Mr. B. H. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State St.,
Salt Lake City 11, Utah

Re: Docket DMEA-4411 (Uranium)
Contract Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼, Sec. 6, T13N, R9W)
McKinley County, New Mexico

Dear Mr. Robinson:

Form MF-104, Operator's Monthly Report and Voucher for May, 1957, has been received in this office and is being processed for payment.

Enclosed is a "Sample" copy of Form MF-104A, Operator's Unit Cost and Progress Report, which illustrates the preferred method of reporting units and costs for the work performed under the contract. Please use the "Sample" form as a guide for the preparation of future reports on Form MF-104A.

Yours very truly,

Original signed by
W. H. KING

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

Enclosure

JDC:hmh
cc: Chmn. Op. Comm. (2)
DMEA, DFC
DMEA, G.Jct.
Corres. file, Reg.III
Chron.

} w/copy of sample Form MF-104A

MF-104A
(Apr 1952)

SAMPLE

SAMPLE

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of _____ 195____ Docket No. DMEA 4411 Contract No. Idm-E1052

Operator's Name Treasure Uranium and Resources, Inc. Minerals Uranium

Address 531 South State St., Salt Lake City 11, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
STAGE I								
~~Drifting~~ Non-core drill.	Ft.			1693.44	2016	0.84	2040	1.00
~~Crosscutting~~ Core drill.	Ft.			4112.25	1370.75	3.00	1510	4.00
~~Raising~~ Bulldozing	Hr.			0.00	0	0.00	16	12.00
~~Shaft~~ Stand-by time	Hr.			42.00	3.5	12.00	8	12.00
~~Winzes~~ Incid. Allow.	Hr.			2201.39	3386.75	0.65	3550	0.65
~~Drilling: Core~~ Core Boxes	Box			140.00	112	1.25	150	1.25
~~Other~~ Analyses	Spl.			25.00	5	5.00	16	5.00
~~Auger~~ STAGE II								
~~Stripping~~ Non-Core drill.	Ft.	3862.32	4598	3862.32	4593	0.84	11540	1.00
~~Prospecting~~ Bulldozing	Hr.	0.00	0	0.00	0	0.00	40	12.00
~~Geology~~ Stand-by time	Hr.	24.00	2	24.00	2	12.00	26	12.00
~~Misc.~~ Incid.	Ft.	919.60	4598	919.60	4598	0.20	11540	0.20
Analyses	Spl.	10.00	2	10.00	2	5.00	50	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		4815.92		13,030.00				

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 _____ Operator _____

Per _____ Title _____

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)

RECEIVED JUL 1 1957 D.M.E.A.

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 27 1957

DATE	INITIALS	CODE
5/27	C	220
5/27		800
"		700

224 New Customhouse
Denver 2, Colorado
May 24, 1957

Mr. D. A. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket DMEA-4411 (Uranium)
Contract Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼, Sec. 6, T13N, R9W)
McKinley County, New Mexico

Dear Mr. Robinson:

Form MF-104, Operator's Monthly Report and Voucher for March, 1957, has been received in this office and is being processed for payment.

Four of the holes drilled during March penetrated in excess of five feet below the lower contact of the Westwater Canyon member of the Morrison formation. The contract stipulates that the holes shall be bottomed not more than five feet below the contact, therefore the reported cost, including Incidental Allowance for the excess core footage is disallowed as follows:

Hole No.	Excess Core Footage
E-11	3.5
F-2A	4.25
F-20	2.0
D-15.5	2.5
Total excess core footage	12.25

In addition to the above you have incorrectly calculated the cost for 112 core boxes at $1.25 per box, resulting in an excess amount which is disallowed.

You will be informed of the exact amounts disallowed by means of an Administrative Audit Difference Statement which will be forwarded to you by the Finance Office, Region III. Please make the necessary adjustment of Units and Costs on the next reports submitted on Voucher and Accounting Forms MF-104 and MF-104A.

Yours very truly,
Original signed by
E. N. HARSHMAN
E. N. Harshman
Acting Executive Officer,
DMEA Field Team, Region III

JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman
Konselman (2)
Townsend
Corres. file, Reg. III
Charon.

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

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DMEA
RECEIVED MAY 3 1957

DATE	INITIALS	CODE
5/3	C	220
"	~~[illegible]~~	700

May 1, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052, Treasure Uranium and Resources, Inc. (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico

Enclosed are four copies of project work approval, issued by the DMEA Field Team, Region III.

Also enclosed are two copies of the Operator's request and four copies of a memorandum, dated April 26, 1957, with attached map, from H. F. Albee, Geologist, Geological Survey, pertaining to the work approval.

Copies of the work approval have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

E. N. Harshman

E. N. Harshman

Enclosures

1 set to USGS

DMEA

APR 29 1957

REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 300
Grand Junction, Colorado

MINERAL DEPOSITS
IN REPLY REFER TO:
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GEOLOGICAL SURVEY
DENVER, COLORADO

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DMEA
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DATE | CODE

April 26, 1957

Memorandum

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

Through: J. William Hasler
E. N. Harshman
John F. Shaw

From: H. F. Albee

Subject: Request for stage II, Docket No. DMEA 4411 (Uranium), contract No. Idm-F-152, Treasure Uranium and Resources, Inc., (NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.), McKinley County, New Mexico

The operator has completed the stage I drilling and has requested that drilling under stage II be authorized. Eight drill holes comprise stage I and 5 holes had been previously drilled, making a total of 13 holes on the property.

The holes are spaced at about 1,000 feet east and west and at about 750 feet in southwest-northeast diagonal lines. North of an east line drawn through No. 14 the drill holes show favorable lithology and bleaching. Mineralization encountered was not strong nor has it been either proved or disproved that ore is associated with anticlinal structures. However, on the basis of the favorable lithology, bleaching, and mineralized holes, the proposed holes north of an east line drawn through No. 14 are recommended (fig. 1). Holes B-15.5, F-15.5, and J-15.5 are not recommended.

Howard F. Albee
Howard F. Albee,
Geological Survey

HFA/mlr

Enclosures
24 copies fig. 1

MINERAL RESOURCES
D.M.E.A.
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APR 29 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
DMEA
APR 29 1957
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
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RECEIVED MAY 3 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

May 1, 1957

Mr. B. H. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket No. DMEA 4411 (Uranium)
Contract No. Idm-21052
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico

Dear Mr. Robinson:

In reference to your request of April 12, 1957 and consistent with provisions in the Contract pertaining to work under Stage II, the Government hereby approves for drilling the following twenty-three (23) drill holes:

Approximate Coordinate Location of Approved Holes

D-2	C-8.75	H-11
E-2	E-8.75	I-11
F-4.5	F-8.75	C-13.5
H-4.5	G-8.75	E-13.5
I-4.5	I-8.75	F-13.5
E-6.5	D-11	G-13.5
F-6.5	E-11	I-13.5.
J-6.5	G-11	

The locations of the approved holes are indicated on the map entitled, "Figure 1. -- Map of NW¼, Sec. 6, T. 13 N., R. 9 W., N.M.P.M., Showing Structure Contours and Existing and Recommended Hole Locations, Treasure Uranium and Resources Inc., McKinley County, New Mexico," which is attached hereto and made a part of this work approval.

The above approved holes shall be drilled in conformance with all the provisions in the Contract pertaining to holes drilled under Stage II of the Contract.

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 item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

By E. W. Hardman

E. W. Hardman
Acting Executive Officer

Enclosure

JWT:pri

c : Chem. Op. Comm-1
Finance Office, Reg. III
Amendment file, Reg. III
Hardman
Konselman-2
Hasler
Townsend
Corres. file
Chron.

Treasure Uranium & Resources Inc.
531 South State Street
Salt Lake City 11, Utah

April 12, 1957

OFFICIAL FILE COPY
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RECEIVED MAY 3 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
APR 18 1957
REGION III
DENVER, COLORADO

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

Sir:

Enclosed are six sets of our request for approval of stage 2 of DMEA Contract Idm-E 1052, Docket No. 4411.

Each set contains one of the following:

1) Evaluation of completed work with a formal request for approval of stage 2.

2) Tabulation of gamma log and chemical assay results.

3) Set of lithologic logs.

4) Drill Hole and Structure Map showing drilled and proposed holes.

It is hoped that the enclosed data will show sufficient justification for further exploratory work.

Very truly yours,

R. H. Johnson

Managing Director

COPY

Treasure Uranium & Resources Inc
531 South State Street
Salt Lake City 11, Utah

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 3 1957

DATE	INITIALS	CODE

April 12, 1957

DMEA
DEPARTMENT OF THE INTERIOR
APR 18 1957
REGION III
DENVER, COLORADO

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

COPY

Sir:

During March, 1957, eight drill holes, totaling 3399 feet, were completed in the NW ¼ Section 6, T13N, R9W, NMPM, McKinley County, New Mexico. These eight holes constituted the entire stage 1 of DMEA Contract Idm-1052, Docket No. 4411.

These holes and five others previously drilled form five east-west rows of drill holes on about 1000-foot centers. The rows are approximately 550 feet apart.

Each hole was plugged to the approximate middle of the Brushy Basin member and then cored from that horizon down to the Westwater Canyon-Recapture contact. Average depth of the holes was about 425 feet.

The accompanying structure map, contoured on the top of the Dakota formation, shows a structural upwarp trending in a northeast direction transverse to the regional strike of the beds.

Although the top of the Dakota formation is known to be undulatory to a slight extent it is believed that this horizon most correctly reflects post-Westwater deformation since the Brushy Basin-Dakota contact is unconformable and the Brushy Basin-Westwater Canyon contact commonly intertongues.

Inspection of the drill hole and structure map shows a definite spatial relationship between the most favorable holes and this transverse fold.

Holes J-11, D-6.5, and F-11, a previously drilled ore hole, are the most favorable and they indicate a very favorable zone trending parallel to the regional strike of the beds but localized around this minor upwarp. This upwarp could quite conceivably be a structural trap for an ore body.

In view of the above, it is believed wise to concentrate a good portion of the proposed drilling in this particular area with the remaining drill holes to be placed in a grid pattern so as to leave no large area completely unexplored.

It is therefore formally requested that stage two of Contract Idm-3 1052, with the proposed drill holes located as indicated on the accompanying map, be authorized. The basis of further drilling would be to explore an indicated favorable trend of mineralization in and around a structural anomaly and to further explore relatively large areas of potential mineralization.

Very truly yours,

Managing Director

Treasure Uranium & Resourses Inc.
571 South State Street
Salt Lake City 11, Utah

DRILL HOLE TABULATION

NW¼ SEC. 6, T13N, R9W, McKINLEY COUNTY, NEW MEXICO

Hole No.	Plug	Core	Depth	From	To	Gamma Value (%U3O8)
H-15.5	260	174	454	0.0	429.0	0
				429.0	435.0	Tr
D-6.5	230	174	404	0.0	288.0	0
				288.0	289.0	Tr
				289.0	311.0	0
				311.0	324.0	Tr
				324.0	325.0	0.018 Chem
				325.0	329.0	Tr
				329.0	353.0	0
				353.0	356.0	Tr
				356.0	357.0	0.055 Chem
				357.0	363.0	Tr
				363.0	396.0	0
				396.0	400.0	Tr
				400.0	404.0	0
B-11	210	170	380	0.0	227.5	0
				227.5	229.0	Tr
				229.0	248.5	0
				248.5	249.5	Tr
				249.5	250.0	0
				250.0	260.0	Tr
				260.0	365.0	0
				365.0	367.0	0.01
				367.0	380.0	0
F-2A	230	178	408	0.0	268.0	0
				268.0	269.0	Tr
				269.0	270.0	0.017
				270.0	272.5	Tr
				272.5	311.0	0
				311.0	312.0	Tr
				312.0	335.0	Tr
				335.0	348.0	Tr
				348.0	349.0	0.017
				349.0	355.0	Tr
				355.0	408.0	0
H-6.5	290	170	460	0.0	310.0	0
				310.0	311.5	0.015
				311.5	329.0	0
				329.0	330.5	Tr
				330.5	377.0	0
				377.0	378.0	0.015
				378.0	387.0	0
				387.0	396.0	Tr

COPY

DRILL HOLE TABULATION

(cont')

Hole No.	Flux	Core	Depth		From	To	Assay Value (%U3O8)
F-20	258	184	442		0.0	442.0	0
J-11	268	167	435		0.0	299.5	0
					299.5	300.5	Tr
					300.5	312.5	0
					312.5	314.0	Tr
					314.0	354.0	0
					354.0	355.5	Tr
					358.5	378.0	0
					378.0	380.0	0.03
				chem-	380.0	388.0	0.048 (core)-0.043(cutt)
				chem-	384.00	386.0	0.051
					388.0	389.0	0
					398.0	400.0	0.016
					400.0	401.0	0.010
					401.0	402.5	0.017
					402.5	403.5	0.010
					403.5	435.0	0
D-15.5	250	186	416		0.0	408.0	0
					408.0	409.0	Tr
					409.0	416.0	0
Totals	2016	1383	3390				

COPY

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

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Gamma-ray log interpretations

Enclosed are four copies each of gamma-ray log interpretations for the following DMEA contracts:

Docket DMEA-3094 (Uranium) Contract Idm-E649
Camoose Uranium Mines of America, Inc.,
(Peanut Group) Montrose County, Colorado

Docket DMEA-4073 (Uranium) Contract Idm-E987
Hamilton et al and Simpson Mining Company (Beaver Mesa group) Grand County, Utah and Mesa County, Colorado

Docket DMEA-4294 (Uranium) Contract Idm-E1010,
La Sal Mining and Development Company (La Sal project)
San Juan County, Utah

Docket DMEA-4392 (Uranium) Contract Idm-E1050,
Walter Duncan Mining Company (Markey Channel and Markey mine) San Juan County, Utah

Docket DMEA-4411 (Uranium) Contract Idm-E1052,
Treasure Uranium and Resources, Inc., (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.) McKinley County, New Mixico.

E. N. Harshman

Enclosures

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

Treasure Uranium & Res. Inc.
NW¼ Sec. 6, T.13N., R. 9W.
McKinley Co., New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
B-11	380.0		128.0-378.0	228.8-229.8	1.0	340			<.010	
				229.8-230.6	.8	210			<.005	
				257.5-259.2	1.7	240			<.005	
				260.7-261.5	.8	340			<.010	
				261.5-262.3	.8	230			<.005	
				367.2-367.9	.7	320			<.010	
				368.1-368.6	.5	260			<.010	
				369.3-370.8	1.5	200			<.005	
				377.4-380.0+	+.6	300			<.010	
D-6.5	404.0		154.0-404.0	173.3-174.3	1.0	240			<.005	
				284.9-286.3	1.4	250			<.005	
				287.5-288.6	1.1	340			<.010	
				311.2-313.4	2.2	240			<.005	
				313.4-314.3	.9	640			.020	
				314.3-317.4	3.1	320			<.010	
				317.4-319.4	2.0	430			<.010	
				319.7-320.7	1.0	490			.013	
				320.7-321.4	.7	360			.010	
				323.7-324.7	1.0	1050 R-33			.037	
				324.7-325.9	1.2	210			<.005	
				325.9-327.1	1.2	680			.018	
				327.1-328.0	.9	490			.013	
				328.0-328.9	.9	340			<.010	
				355.2-356.8	1.6	1300			.028	
				357.2-358.3	1.1	960			.030	
				358.3-359.1	.8	440			.012	
				359.1-360.3	1.2	860			.025	
				360.3-361.3	1.0	480			.012	

* From top to bottom depths

Treasure Uranium & Res. Inc.
NW¼ Sec. 6, T. 13 N., R. 9 W.
McKinley Co., New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
D-6.5 (con't.)				361.3-362.7	1.4	310			<.010	
				396.1-397.4	1.3	300			<.010	
				399.0-399.7	.7	470			.015	
				399.7-400.4	.8	320			<.010	
D-15.5	416.0		166.0-416.0	407.8-408.9	1.1	270			<.010	
				410.3-411.2	.9	210			<.005	
F-20	442.0		190.0-440.0	272.9-274.7	1.8	240			<.005	
				287.2-290.6	3.4	230			<.005	
F-2A	408.0		178.0-408.0	184.1-185.0	.9	260			<.010	
				270.1-271.2	1.1	660			.018	
				271.2-272.3	1.1	320			<.010	
				272.3-273.7	1.4	250			<.005	
				309.2-311.0	1.8	210			<.005	
				313.3-314.1	.8	380			.010	
				332.2-336.1	3.9	220			<.005	
				336.1-343.6	7.5	280			<.005	
				343.6-348.6	5.0	350			<.010	
				348.6-349.8	1.2	720			.020	
				349.8-353.8	4.0	360			<.010	
				353.8-356.6	2.8	240			<.005	
				395.4-397.0	1.6	270			<.005	

* From top to bottom depths

Treasure Uranium & Res. Inc.
NW¼, Sec. 6, T. 13 N, R. 9 W.
McKinley Co., New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
H-6.5	460.0		203.0-458.0	308.1-309.4	1.3	280			< .010	
				309.4-310.5	1.1	610			.016	
				327.7-329.4	1.7	280			< .005	
				376.0-377.2	1.2	640			.017	
				386.1-386.8	.7	320			< .010	
				389.3-390.3	1.0	340			< .010	
				392.2-393.3	1.1	380			< .010	
				393.3-394.5	1.2	300			< .010	
				397.6-399.1	1.5	240			< .005	
				354.4-355.6	1.2	220			< .005	
				356.3-357.1	.8	280			< .010	
H-15.5	454.0		204.0-454.0	431.0-432.3	1.3	260			< .005	
				433.2-435.4	2.2	240			< .005	
				436.8-437.5	.7	220			< .005	
				453.0-454.0+	+1.0	240			< .005	
J-11	435.0		183.0-433.0	300.3-301.3	1.0	330			< .010	
				312.5-313.4	.9	360			< .010	
				313.4-314.3	1.1	260			< .005	
				354.0-355.1	1.1	280			< .010	
				377.9-379.7	1.8	1000 R73			.024	
				379.7-380.6	.9	520			.015	
				380.6-381.6	1.0	1200			.028	
				381.6-383.2	1.6	1600			.036	
				383.2-384.5	1.3	2100			.054	
				384.5-386.0	1.5	1100			.023	
				386.0-388.2	2.2	1500			.031	
				388.2-389.4	1.2	350			< .010	

* From top to bottom depths

Treasure Uranium & Res. Inc.
NW¼, Sec. 6, T. 13 N., R. 9 W.
McKinley Co., New Mexico
DMEA Docket No. 4411

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
J-11 (con't.)					389.4	390.9	1.5	260			<.005	
					392.5	395.5	3.0	240			<.010	
					397.7	399.5	1.8	260			<.005	
					399.5	400.3	.8	600			.019	
					400.3	401.1	.8	300			<.010	
					401.1	402.5	1.4	780			.020	
					402.5	403.3	.8	440			.012	
					404.9	406.2	1.3	210			<.005	

* From top to bottom depths

224 New Customhouse
Denver 2, Colorado

March 15, 1957

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DATE	INITIALS	CODE
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3/18	[illegible]	800
		225

Mr. Max C. Heminger
Treasure Uranium and Resources, Inc.
Grants Motel
1009 East Santa Fe Avenue
Grants, New Mexico

Re: Docket No. DMEA 4411 (Uranium)
Contract No. Idm-E1052
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico

Dear Mr. Heminger:

In reference to your 'phone call to M. H. Salsbury March 13, 1957, approval is granted to move Hole F-2 from the position originally indicated on the map, "Figure 3," attached to the Contract, to a new location not to exceed a distance of 75 feet in a southerly direction from the originally indicated position.

It is understood that the move is necessitated because of the extremely fractured condition of the ground encountered when attempting to drill the hole at the originally indicated location.

Very truly yours,

DMEA Field Team, Region III

By E. N. Harshman

E. N. Harshman
Acting Executive Officer

JWT:prl

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

w/copy of memorandum from M. H. Salsbury, dated March 13, 1957.

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DMEA
RECEIVED MAR 18 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
MAR 14 1957
REGION III
DENVER, COLORADO

March 13, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: John F. Shea
E. N. Harshman

From: M. H. Salsbury

Subject: Docket No. DMEA 4411 (Uranium), Contract Idm-E1052, Treasure Uranium and Resources, Inc., (NW 1/4 Sec. 6, T. 13 N., R. 9 W., N.M.P.M.) McKinley County, New Mexico.

Mr. Max Hemminger, Grants Motel, 1009 E. Santa Fe Avenue, Grants, New Mexico, field geologist for the subject operator phoned today requesting a change in location of hole No. F-2 as shown on Figure 3 with the subject contract.

The hole has been attempted at the location shown on Figure 2 but had to be abandoned because of loss of circulation, possibly in faulted ground. Mr. Hemminger believes that a new location 75 feet south of the site shown on Figure 3 would be out of the faulted ground and the hole could be completed.

The contract provides for holes in Stage I to be in fences 550 feet apart and on approximately 1,000-foot centers in each fence. The proposed new location for hole No. F-2 will not change the hole pattern materially, and, in my opinion, can be authorized without a contract amendment. N. F. Albee, Geological Survey geologist, who participated in the project examination, has been consulted and states that the proposed new location is satisfactory geologically.

If the Field Team agrees with this requested change without an amendment, please notify Mr. Hemminger at his address in Grants as soon as possible. If not, please notify him to make the usual request for an amendment. He is not planning to start the hole until notified. He also understands that the abandoned hole cannot be claimed.

It is recommended that a location for hole No. F-2 be permitted at a point not more than 75 feet in a southerly direction from the position designated in Figure 3.

M. H. Salsbury
Mining Engineer

MHS:jg
cc: 8
Idm-E1052
Harshman
Salsbury - Chron.

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

224 New Customhouse
Denver 2, Colorado

February 4, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4411 (Uranium), Contract No. Idm-E1052, Treasure Uranium and Resources, Inc. (NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.), McKinley County, New Mexico

Enclosed are the Government's, Division, and Docket copies of executed Exploration Project Contract No. Idm-E1052, which was forwarded by your letter of January 17, 1957.

The Contract, dated January 17, 1957, estimates the total cost of the project to be $25,832.00, toward which the Government will contribute 75%, or an amount not in excess of $19,374.00.

As instructed in your letter of January 17, 1957, the starting date has been inserted under Article 3, the performance bond attached to each copy of the Contract, and the date of approval of assignment of lease by the Bureau of Indian Affairs has been inserted in Annex I.

Also enclosed are two copies of the Operator's letter of January 24, 1957, the Operator's letter of January 31, 1957, our letter of February 1, 1957, and our letter of February 4, 1957.

Copies of the Contract have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

Wm Traver
W. M. Traver

OFFICIAL FILE COPY
D M E A
RECEIVED FEB 7 1957

DATE	INITIALS	CODE
2-11-57	Chiu	700

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

February 4, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 7 1957

DATE	INITIALS	CODE

Mr. D. A. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket No. DMEA 4411 (Uranium)
Contract No. Idm-81052

Dear Mr. Robinson:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No. Idm-81052, Docket No. DMEA 4411.

Also enclosed are six copies of form MF-104, "Operator's Monthly Report and Voucher," and six copies of form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to Mr. John F. Shaw, U. S. Bureau of Mines, Room 137, Building 20, Denver Federal Center, Denver 2, Colorado. The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form, each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement to you unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

The U. S. Geological Survey and the U. S. Bureau of Mines maintain a field office in the A.E.C. Compound at Grand Junction, Colorado. DMEA representatives of the two Services can be contacted as follows:

J. W. Hasler, U. S. Geological Survey
Telephone, Grand Junction, Chapel 3-2110, Ext. 282;

M. H. Salsbury, U. S. Bureau of Mines
Telephone, Grand Junction, Chapel 3-2110, Ext. 274.

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

OFFICIAL FILE COPY
DFEA

RECEIVED		1957
DATE	INITIALS	CODE

Both men can be reached by mail at

P. O. Box 360
Grand Junction, Colorado.

For your information and in reply to many questions that have been asked, after forms MF-104 and MF-104A are received, an engineer will check progress and approve your accounts, after which they will be sent to the Regional Office, Region III, U. S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on either the field representatives, Mr. Shaw, or this office for assistance.

In the matter of your claim for reimbursement of drilling costs, under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have, been drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent, and the required records made a part of your claim for reimbursement.

The contract is prepared on form MF-200, and under its provisions, and as outlined in Exhibit "A", of the contract, the allowable costs are a combination of actual costs with a maximum average unit cost established for work under "Category (1)" and fixed unit costs for performing the remaining items of work or services. Under the provisions of Exhibit "A", the work under "Category (1)" is to be performed by subcontract. The costs recorded under item "(1)" on form MF-104 for such work must be supported each month by a signed copy of the billing from the subcontractor; or, submit for our records a certified copy of the subcontract agreement. Amounts reported on the basis of the "Fixed Unit Costs" require no documentation, as they are otherwise verified.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only and such requests are not to be incorporated in your narrative report accompanying monthly progress report forms MF-1-4 and MF-104A.

The locations of holes to be drilled under Stage I are indicated on the map, "Figure 3," attached to the contract. Should conditions encountered necessitate or make desirable a change in the location of any of the holes, approval of this office for the change must be obtained prior to performance of the drilling. Otherwise, the drilling may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on the results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising the results of the work.

You should anticipate a suspension of operation between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract, with a copy of your letter to Mr. Shaw.

JWT:prl
cc: / Chairman, Op. Comm. (2)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Shaw (2)
Hazler
Townsend
Corres. file
Chron.

Very truly yours,

Original signed by
W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

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

OFFICIAL FILE COPY
D M E A
RECEIVED FEB 7 1957

DATE	INITIALS	CO

224 New Customhouse
Denver 2, Colorado

February 1, 1957

Mr. B. H. Robinson, Managing Director
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City 11, Utah

Re: Docket No. DMEA 4411 (Uranium)
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico -
Proposed Exploration Project
Contract No. Idm-E1052

Dear Mr. Robinson:

Receipt is acknowledged of the original and four copies of proposed Exploration Project Contract No. Idm-E1052, signed by the Applicant, which were forwarded by your letter of January 31, 1957.

In your letter of January 31, 1957, you comment on the provision in the Contract requiring the full-time services of a competent staff of supervisors, yet making no provision to participate in the costs thereof. In that regard, the costs of supervision and other incidentals are covered by the "Incidental Allowance" of 20 cents per foot of drilling provided for in Exhibit "A" under the subheading, "Fixed Unit Costs," which, under the circumstances, is more or less a standard practice.

We trust that the foregoing will answer the question you pose; if not, please let us know.

The "Operator's Copy" of the Contract will be forwarded to you about February 4.

Very truly yours,

Original signed by
J. W. TOWNSEND
for
W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JWT:prl
cc: Chairman, Op. Comm. (2))
Harshman)
Shaw (2))
Hasler)
Townsend)
Corres. file)
Chron.)
w/copy of Operator's letter

OFFICIAL FILE COPY
D.M.E.P.
RECEIVED FEB 7 19
DATE | INITIALS | CO

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

Treasure

URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

Jan. 31, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 7 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
FEB 1 1957
REGION III
DENVER, COLORADO

Mr. W. M. Trever
Executive Officer
Field Team, Region III
224 New Customhouse
Denver 2, Colo.

Dear Sir:

I am returning herewith the five copies of Docket DMEA 4411 (Uranium)
Treasure Uranium & Resources Inc.,
NW¼ Sec. 6, T. 13N, R. 9W, NMPM
Exploration Contract Idm-E1052.

I believe the contracts have been properly executed and are returned for your further procedure.

It is a matter of some concern that the approved plans call for complete elimination of any charges against the project for supervision yet require full time services of competent staff. This in effect substantially increases the percentage participation we are obliged to pay, it being assumed that costs of providing this direction of the work and its supervision would have to come from the operator since no provision is made under the contract.

I do not pose the question as being vital to the approval of the contract but would appreciate your enlightenment on this point further. If it be a standard practice now followed by your agency we shall submit to it but if there is any consideration which can be given toward some allowance in the contract as was proposed in our application it would prove very helpful to us.

Thank you for your many favors.

Very truly yours,

Managing Director.

P.S. We suggest a date for starting the work under the contract of March 15, 1957 in anticipation that we will be able to firm up drilling commitments and handle all preliminary work within the intervening time. This would assume that the contract can be completed through your offices in a matter of a few days.

5

Treasure

URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

Jan.24,1957

Mr.W.M.Traver, Exec.Officer
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2,Colo

Re:Docket DMEA 4411 (Uranium)
NW¼ Sec.6,T13N [illegible]
McKinley County

Dear Sir:

We enclose herewith two copies of completed bond covering performance under contract IDM-E 1052 dated Jan.17,1957 and wish to inform you in response to your inquiry of January 21 that the transfer of lease on this quarter section was approved by the Department of Indian Affairs October 7,1956.

I believe this completes the requirements on which we have been informed to date as necessary preliminaries to completion of the contract, and its processing through your office. If this is incorrect, will you please informe us further.

Very truly yours,

Managing Director.

DMEA
DEPARTMENT OF THE INTERIOR
JAN 28 1957
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 7 1957

DATE	INITIALS	CODE

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 31 1957

DATE	INITIALS	CODE
1-31	C	220
1-31	[illegible]	[illegible]

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

January 29, 1957

Mr. Ken Garff
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA 4411 (Uranium),
Treasure Uranium and Resources, Inc.
(NW¼ Sec. 6, T 13 N, R 9 W, N.M. P.M.)
McKinley County, New Mexico -
Proposed Exploration Project
Contract No. Idm-E1052

Dear Mr. Garff:

Enclosed are the Government's, Division, Docket, Finance Office, and Field Team copies of proposed Exploration Project Contract No. Idm-E1052, which has been prepared pursuant to your application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the Contract is satisfactory, all copies are to be signed by an official of Treasure Uranium and Resources, Inc., authorized to sign such an instrument, the signer's title inserted, the signature attested to by the Secretary, the corporate seal affixed, and all copies promptly returned to this office.

In the event the Contract is not satisfactory, all copies are to be returned promptly to this office, together with your comments on or objections to the Contract.

Your attention is especially directed to three provisions in the Contract:

1. The Government will not contribute to the cost of any work performed as provided in the contract prior to the date of the contract.

OFFICIAL FILE COPY
D M E A
RECEIVED JAN 31 1957

DATE	INITIALS	CODE

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

2. The contract requires completion of the work by the date fixed therefor. Approval must be obtained from this office for any suspension of work which may result in failure to complete the work by the date specified.

3. Royalty is due the Government on all production from the land described in the contract, beginning on the date of the contract.

If the Contract is satisfactory, and upon return of all copies properly signed, the "Operator's Copy" of the Contract will be forwarded to you, together with blank forms and instructions relative to reporting on work performed under the Contract. Also, instructions will be given as to the procedure to be followed in corresponding with this office in matters concering operations under the Contract.

When the signed copies of the Contract are returned, please advise the date on or before which work will be commenced, for our insertion in Article 3 of the contract form.

Very truly yours,

Original signed by
W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures

JWT:prl

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 24 1957

DATE	INITIALS	CODE
1-24	C	220
1-24	~~[illegible]~~	700

224 New Customhouse
Denver 2, Colorado

January 21, 1957

Mr. Ken Garff, President
Treasure Uranium & Resources, Inc.
531 South State Street
Salt Lake City, Utah

Re: Docket DMEA 4411 (Uranium)
Treasure Uranium & Resources, Inc.
(N.W.¼, sec.6, T13N., R9W, N.M.P.M.)
McKinley County, New Mexico.

Dear Mr. Garff:

We are holding in this office a proposed contract for exploration on the land covered in the captioned docket. Before we can forward you the contract for signature, the following must be submitted to this office:

1. The original and one copy of a satisfactory Performance Bond in the amount of $19,374.00 and;

2. The date of approval, by the Bureau of Indian Affairs, of the assignment of the lease from New Park Mining Company to Treasure Uranium & Resources, Inc., dated July 9, 1956.

When we receive the Performance Bond and the date that the Bureau of Indian Affairs approved the assignment of the lease to the Treasure Uranium & Resources, Inc., we will forward the contract to you for signature.

Yours very truly,

Original signed by
W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

HMC:ytl
cc
Sec. Op. Comm. (2)
Townsend
Shaw (2)
Hasler
Docket 4411
Chron.

Harshman

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

EXTRA COPY DMEA RECEIVED JAN 24 1957		
DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

January 21, 1957

Mr. Ken Garff, President
Treasure Uranium & Resources, Inc.
531 South State Street
Salt Lake City, Utah

Re: Docket DMEA 4411 (Uranium)
Treasure Uranium & Resources, Inc.
(N.W.¼, sec.6, T13N., R9W, N.M.P.M.)
McKinley County, New Mexico.

Dear Mr. Garff:

We are holding in this office a proposed contract for exploration on the land covered in the captioned docket. Before we can forward you the contract for signature, the following must be submitted to this office:

1. The original and one copy of a satisfactory Performance Bond in the amount of $19,374.00 and;

2. The date of approval, by the Bureau of Indian Affairs, of the assignment of the lease from New Park Mining Company to Treasure Uranium & Resources, Inc., dated July 9, 1956.

When we receive the Performance Bond and the date that the Bureau of Indian Affairs approved the assignment of the lease to the Treasure Uranium & Resources, Inc., we will forward the contract to you for signature.

Yours very truly,

Original signed by
W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

HMC:ytl
cc
Sec. Op. Comm. (2) Harshman
Townsend
Shaw (2)
Hasler
Docket 4411
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1-17	Ching	700
"	Ellis	700
	Eckman	110
1	Mittendorf	100
1-17	CW	220
		700

JAN 17 1957

Department of the Interior

DMEA
14 X4401 (01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund to the
Office of the Secy.)

Mr. KEN GARFF, PRESIDENT
TREASURE URANIUM AND MINING, INC.
531 SOUTH MAIN STREET
SALT LAKE CITY, UTAH

RE PERFORMANCE BOND DOCKET DMEA 4411 CONTRACT NO. IOM-B 1052, CONTRACT DATE JANUARY 17, 1957, AMOUNT OF BOND $19,374.00. FORWARD TWO COPIES TO W. H. TRAVER, EXECUTIVE OFFICER, DMEA FIELD TEAM, REGION 3, 224 NEW CUSTOMHOUSE BUILDING, DENVER 2, COLORADO.

C. O. Mittendorf (for)

ADMINISTRATOR, DEFENSE MINERALS
EXPLORATION ADMINISTRATION

MChing/izm 1-17-57
cc to: Code 700
Mr. Ching
Admr.'s Reading File
DMEA FT Reg. III (2)
Messrs. JECrawford, 3643
THKiilsgaard, 5224
JKratchman, AEC

Confirmation Copy to Garff.

R.S.E.

8623

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
1/14/57	Ching	700
"	Ellis	700
"	Chamberlin	800
1/16	Selfridge	130
	Fleman	110
	Thurkendorf	100
		225

JAN 17 1957

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

Re: Docket No. DMEA-4411 (Uranium)
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

Dear Mr. Traver:

Enclosed are the original and five copies of a proposed long-form contract between the Government and Treasure Uranium and Resources, Inc., signed by the Administrator. The contract consists of Form MF-200, Annex I, Exhibit "A" (3 pages), and map (Figure 3). Also enclosed are two extra copies each of Annex I, Exhibit "A," and map (Figure 3) for the use of the Field Team.

If you and the Operator find the proposed contract satisfactory, it is ready for the signature of the Operator, provided that the following conditions are met:

1. A suitable final starting date is inserted under Article 3;

2. A satisfactory Performance Bond is received by you in lieu of the usual Consent to Lien and Subordination Agreement; and

3. The date of approval, by the Bureau of Indian Affairs, of the assignment of the lease to the Operator is inserted in Annex I as indicated.

Also enclosed for your information are two copies each of a memorandum, dated January 10, 1957, from the Associate Solicitor to the Administrator, giving the reason for amending Article 8(b), and a letter, dated December 14, 1956, from the Operator to Ernest Wm. Ellis, concerning the Performance Bond.

The costs suggested by the examiners have been modified in the following respects:

1. The rate for stand-by time was reduced from $15.00 to $12.00 per hour to place it more in line with the rates usually allowed;

RCh.

2. The time factor in Stage I (2½ months) was based on a drilling rate of 200 feet of non-core or 30 feet of core per shift in lieu of 200 feet and 20 feet, respectively; and

3. Assistance to the geologist-supervisor was reduced to a part-time basis and the expensive radiometric logging of $0.15 per foot was eliminated, the intent being to place the responsibility for this work on the geologist-supervisor.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures

APPROVED:

Frank D. Lamb (JHB)
Member, Bureau of Mines

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

MChing/izm 1-14-57
cc to: Code 700
Mr. Ching
Operating Committee
Admr.'s Reading File
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

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

Indritz 1/10/57

JAN 10 1957

Memorandum

To: The Administrator, DMEA
Attention: Chief, Rare and Miscellaneous Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4411 (Uranium)
Treasure Uranium & Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

The lease of Treasure Uranium & Resources, Inc. authorizes it to mine "uranium and other minerals associated therewith" (other than oil and gas). There appears to be considerable uncertainty as to the precise meaning of the phrase, and the matter is now being considered in the Indian Division. In any event, it seems to us that the Operator's obligation under the DMEA contract to pay royalty on other minerals that might be found on the land should be related to the Operator's ability at some time during the royalty period to mine such minerals. We have therefore amended the phrase "all minerals" in Article 8(b) to provide that it shall mean "all minerals which the Operator at any time during the royalty period has or had the right to mine." Thus the Operator will not be obligated to pay royalty on any mineral that the Indian Office might later determine could not be mined by the Operator under its lease, but will be obligated to pay royalty on any mineral that the Operator, during the royalty period, might have or have had the right to mine.

Robert P. Dwyer

PIndritz/wog
January 9, 1957
Copy to: Solicitor's Docket (2)
DMEA Docket
E.W.Ellis (2)
R.P.Dwyer
P.Indritz
SHRON.

12-18-56

IN REPLY REFER TO:

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

RECEIVED DEC 18 1956 D.M.E.A.

December 17, 1956
Re: Docket No. DMEA 4411
Treasure Uranium & Resources, Inc.
McKinley County, New Mexico

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team report

The applicant has proposed to explore its property by 17,000 feet of core and non-core drilling in 34 holes having an average depth of 500 feet, the cost aggregating $34,390.00. Field examiners have examined the applicant's property and concluded that the proposed program is warranted. Therefore they have recommended approval of a project slightly modified from that proposed by the applicant. As recommended, the field examiners' program would be done in two stages, the first stage to consist of 2,040 feet of non-core and 1,510 feet of core drilling. Stage II would consist of 11,540 feet of non-core drilling. Total cost of the program is estimated at $29,814.60.

Field examiners recommendations appear to be well founded. The property to be explored lies within an area of altered sandstone considered favorable for uranium mineralization. It also lies immediately south of what are considered to be some of the biggest known uranium reserves in the United States. Five holes previously drilled on the property show uranium mineralization, one of which is considered to be of ore grade. Holes drilled to the north and south of the property also show uranium mineralization.

In view of the foregoing facts, I concur with the Field Team and recommend approval of the program as proposed by the field examiners.

T. H. Kiilsgaard

T. H. Kiilsgaard

12-16-56

Treasure

URANIUM AND RESOURCES, INC.
531 SOUTH STATE STREET — SALT LAKE CITY 11, UTAH
PHONE EM 4-3426

Dec.14,1956

Ernest Wm.Ellis,Chief
Rare and Miscellaneous Metals Division
Defense Minerals Exploration Administration
U.S.Department of the Interior
Washington 25,D.C.

Re:Docket No.DMEA-4411 (Uranium)
NW¼ Sec.6 T13N,R 9W,NMPM
McKinley County,New Mexico

Dear Sir:

There is some problem to securing bond on performance under the contract. However we have explored this matter sufficiently to be assured that bond will be obtainable and are presently pursuing the issuance of such a bond when we are apprised of approval of the loan and given a number and other pertinent information to be included in the bond itself.

You are informed therefore, that it is our intention to secure the required bond covering the contract under our pending application.

Very truly yours,

Managing Director.

RECEIVED
DEC 17 1956
D.M.E.A.

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

DEC 14 1956

Memorandum

To: Associate Solicitor, Division of Indian Affairs

From: Associate Solicitor, Division of Mineral Resources

Subject: Interpretation of Mining Lease on Indian Allotted Lands

Treasure Uranium and Resources, Inc., the assignee of a mining lease (Contract No. 14-20-603-1289) on allotted Indian land, filed an application with BIEA for a loan to assist the company in exploring the lands covered by that lease. Under the standard BIEA contract, the Government would be entitled to royalty payments on all minerals produced from the land within 10 years from the date of the exploration project contract, irrespective of whether the production is by the Operator with whom the BIEA contract is made or by anyone else.

The mining lease on the basis of which the company filed its application is printed form 5-154 (Sept. 1953) entitled "MINING LEASE ALLOTTED INDIAN LAND (For Minerals other than Oil and Gas)," and leases the land to the lessee for 15 years "for the sole purpose of prospecting for and mining minerals as follows:" Then appear the following typewritten words: "Uranium and other minerals associated therewith."

An employee of the Bureau of Indian Affairs has informally indicated, in response to our telephone inquiry, that the lessee has the right to mine all kinds of minerals (other than oil and gas) if he found and mined uranium on the land, but that if he did not find and mine uranium, he would not be entitled to mine any other minerals, which he might discover. If that is the meaning of the phrase, it could happen that if minerals other than uranium and oil and gas were produced from the land within 10 years from the date of the BIEA contract, the company would be liable for royalty thereon if such other minerals were mined by anyone, while at the same time the company would not be entitled to produce such minerals because its lease would not encompass such minerals.

It is therefore requested that you advise us whether the aforementioned interpretation is correct, or whether the phrase "other minerals associated therewith" would apply only to such minerals (e.g., vanadium, thorium, etc.) as ordinarily are found in association with

uranium, irrespective of whether they are found with uranium in this particular land, or whether the lease would cover all minerals (other than oil and gas) found by the lessee irrespective of whether any uranium is found and mined.

Since we are holding up processing of the DMEA contract until this question is resolved, your early reply would be appreciated.

Robert P. Dwyer

PIndritz/wog
December 13, 1956
Copy to: Solicitor's Docket (2) (DMEA-4411)
DMEA Docket (No. 4411)
E.W.Ellis (2)
J.L.Chambers
R.P.Dwyer
P.Indritz
Chron.

12-18-56

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

RECEIVED DEC 17 1956 D.M.E.A.

Date December 14, 1956

DMEA Docket No. 4411
DMEA Contract No.
Commodity Uranium
Name of applicant Treasure Uranium & Resources, Inc.
Name of property
Location of property McKinley County, N. Mex.
Estimated cost of project $29,814.60

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

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

1. Date of subject document: 11/30/56. 2. Date received by reviewer: 12/10/56.

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

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

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

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

7. Explain items marked yes above:

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

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐
   i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary) Mr. J. O. Hosted, Washington representative of the Atomic Energy Commission, assisted in the review.

name copy

700

Ching
Ellis

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

December 7, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Proposed Contract
Docket No. DMEA-4411 Uranium
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

Will you kindly prepare a long-form contract between the Government and the subject Applicant in accordance with the attached draft.

Since the land involved is allotted Indian land, the usual Consent to Lien and Subordination Agreement cannot be obtained. The Applicant has been requested to supply a Performance Bond in lieu thereof.

Nine copies of a map (Figure 3) are attached for use with the proposed contract.

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

Attachments

MChing/gla
12-7-56
cc to: Docket
Code 700
Mr. Ching

700
Ching
Ellis

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

December 7, 1956

Memorandum

To: The Files

From: Michael Ching, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Proposed Contract Costs
Docket No. DMEA-4411 (Uranium)
Treasure Uranium and Resources, Inc.
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

Stage I

Basis: 1 drill rig capable of 200 ft. non-core or 30 ft. core drilling per shift for 2½ months, 25 days permonth.

Independent Contracts

2,040 feet non-core drilling @ $1.00/ft.	$2,040.00	
1,510 feet core drilling @ $4.00/ft.	6,040.00	
16 hrs. bulldozing @ $12.00/hr.	192.00	
8 hrs. stand-by time for probing @ $12.00/hr.	96.00	$8,368.00

Incidental Allowance @ 0.65/ft.

Labor, Supervision and Technical Services

1 geologist-supervisor - 2½ mos. @ $600.00/mo.	$1,500.00
Part time assistance - 2½ mos. @ $150.00/mo.	375.00

Operating Equipment

Car depreciation - 2½ mos. @ $40.00/mo.	100.00
Counter and probe rental or depreciation - 2½ mos. @ $40.00/mo.	100.00

Operating Material andSupplies

2½ mos. @ $40.00/mo.	100.00

Miscellaneous

$2\frac{1}{2}$ mos. @ $20.00/mo.	$ 50.00	
Payroll taxes @ 5%	93.75	$2,318.75

Other Fixed Unit Costs

150 cardboard core boxes @ $1.25 each	187.50	
16 chemical sample analyses @ $5.00/sample	80.00	267.50

Total Cost of Stage I $10,954.25

Stage II

Basis: 1 drill rig capable of 200 ft. non-core drilling per shift for $2\frac{1}{2}$ months, 25 days per month.

Independent Contracts

11,540 feet non-core drilling @ $1.00/ft.	$11,540.00	
40 hrs. bulldozing @ $12.00/hr.	480.00	
26 hrs. stand-by time for probing @ $12.00/hr.	312.00	$12,332.00

Incidental allowance $0.20/ft

Labor, Supervision and Technical Services

1 geologist-supervisor - $2\frac{1}{2}$ mos. @ $600.00/mo.	$ 1,500.00	
Part time assistance - $2\frac{1}{2}$ mos. @ $150.00/mo.	375.00	

Operating Equipment

Car depreciation - $2\frac{1}{2}$ mos. @ $40.00/mo.	100.00	
Counter and probe rental - $2\frac{1}{2}$ mos. @ $40.00/mo.	100.00	

Operating Materials and Supplies

$2\frac{1}{2}$ mos. @ $40.00/mo.	100.00	

Miscellaneous

$2\frac{1}{2}$ mos. @ $20.00/mo.	50.00	
Payroll taxes @ 5%	93.75	$ 2,318.75

Other Fixed Unit Costs

50 chemical sample analyses @ $5.00/sample	$ 250.00
Total Cost of Stage II	$14,900.75

Summary

Total Cost of Stage I	$10,954.25
Total Cost of Stage II	14,900.75
Total Cost of Project	$25,855.00

Michael Ching

Michael Ching

DRAFT
12/7/56
MChing/gla

DOCKET COPY

MF-200
(Revised June 1954)

Docket No. DMEA -4411

Commodity Uranium

Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Treasure Uranium and Resources, Inc., a Nevada corporation, whose mailing address is 531 South State Street, Salt Lake City, Utah, 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 3).

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 other than oil and gas in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] Lease, [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: None

(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: Performance Bond furnished in lieu of Consent to Lien of Indian Allottee Dan Delgarito

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of uranium. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before August 1, 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 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A"~~ except as otherwise provided in Exhibit "A" with respect to stages of work. See Article 13.

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $25,832.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $19,374.00: *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 excess over any maximum excess 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. **See Article 13**

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[illegible]

EXPLORATION PROJECT CONTRACT
TREASURE URANIUM AND RESOURCES, INC.
DOCKET NO. DMEA-4411

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration by core and non-core drilling to test the lower half of the Brushy Basin member and the whole of the Westwater Canyon member of the Morrison formation. The location of the work is indicated on the map (Figure 3) referred to in Annex I.

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.

No drill hole shall be drilled closer than 100 feet from the boundaries of the land described in Annex I.

No payment shall be made for uncompleted drill holes.

Access roads and drill sites shall be prepared with a D-7 bulldozer or equivalent unit.

The project shall be supervised by a competent geologist or mining engineer, who shall devote full time to the project work.

The location, direction, inclination, and extent of all project work are subject to the approval of the Government.

The work shall be divided into two stages as hereinafter described. The Operator shall complete Stage I and perform as much of Stage II as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites and drill 8 holes, aggregating approximately 3,550 feet, as indicated on the map (Figure 3). The 8 holes, together with 5 holes previously completed by the Operator, form a pattern in which there are five east-west rows approximately 550 feet apart, with the holes staggered in alternate rows and approximately 1,000 feet apart.

Each hole shall be drilled non-core through the upper formations to a point approximately at the middle of the Brushy Basin member. Core drilling shall follow until the hole is bottomed in the underlying Recapture Creek member at a point not more than 5 feet below the lower contact of the Westwater Canyon member. Drilling depths of these 8 holes are expected to average 444 feet; the cored sections of the holes are expected to average 189 feet in length. Minimum size of core shall be BX.

All core and cuttings from the cored section of drill holes shall be saved and checked for radioactivity. 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 labeled and stored for inspection, and shall be disposed of by the Operator upon authorization by the Government.

If the 8 holes require more than 3,550 feet to reach the desired horizon, the additional footage and funds required may be transferred and deducted from Stage II upon the written approval of the Government.

Stage II

Prepare access roads and drill sites and drill not more than 26 holes, aggregating not more than 11,540 feet, either as offsets to previously drilled holes showing significant mineralization, or as projections of favorable trends resulting from previous drilling. No hole shall be drilled closer than 100 feet from any previously drilled hole.

All holes shall be drilled non-core throughout and bottomed in the Recapture Creek member at a point not more than 5 feet below the lower contact of the Westwater Canyon member. Drilling depths of these 26 holes are expected to average 444 feet.

Samples shall be taken at 2-foot intervals from a point approximately at the middle of the Brushy Basin member to the bottom of the holes. Drill cuttings shall be collected with a Duclone sample collector or equivalent unit. Samples shall be checked for radioactivity and those indicating significant mineralization shall be analyzed chemically for uranium. A portion of each sample shall be properly labeled and stored for inspection, and shall be disposed of by the Operator upon authorization by the Government.

Estimated Cost of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

2,040 feet non-core drilling @ $1.00/ft.	$2,040.00	
1,510 feet core drilling @ $4.00/hr.	6,040.00	
16 hrs. bulldozing @ $12.00/hr.	192.00	
8 hrs. stand-by time for probing @ $12.00/hr.	96.00	
Categories (2) through (7) None	--	$8,368.00

Fixed Unit Costs (See Article 13)

Incidental allowance for each foot of core and non-core drilling completed		
3,550 feet @ $0.65/ft.	$2,307.50	
150 cardboard core boxes @ $1.25 each	187.50	
16 chemical sample analyses @ $5.00/sample	80.00	2,575.00
Estimated Total Cost of Stage I		$10,943.00

Stage II

Actual Costs

Category (1) Independent Contracts

11,540 feet non-core drilling @ $1.00/ft.	$11,540.00	
40 hrs. bulldozing @ $12.00/hr.	480.00	
26 hrs. stand-by time for probing @ $12.00/hr.	312.00	
Categories (2) through (7) None	--	$12,332.00

Fixed Unit Costs (See Article 13)

Incidental allowance for each foot of non-core drilling completed

(continued next page)

11,540 feet @ $0.20/ft.	$2,308.00	
50 chemical sample analyses @ $5.00/sample	250.00	$2,558.00
Estimated Total Cost of Stage II		$14,890.00

Summary of Costs

Estimated Total Cost of StageI	$10,943.00
Estimated Total Cost of Stage II	14,890.00
Estimated Total Cost of the Project (rounded)	$25,832.00
Government participation @ 75%	$19,374.00

700

FILE COPY
Surname: Ching

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

DEC - 6 1956

Mr. Ken Garff, President
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA-4411 (Uranium)
NW¼ sec. 6, T. 13 N., R. 9 W., N.M.P.M.
McKinley County, New Mexico

Dear Mr. Garff:

As you know, we usually require the execution of a Consent to Lien and Subordination Agreement form by the owner of a leased property on which a Defense Minerals Exploration Administration project is contemplated.

Since the subject property is allotted Indian land and you are unable to secure such an agreement, it is suggested that you substitute a Performance Bond in lieu thereof. Such a bond is executed on Standard Form 25, prescribed by the General Services Administration. You will find that most surety companies have these forms and are familiar with the requirements connected with them. The amount of the bond would be the amount of the Government's participation in the proposed exploration project.

Inasmuch as a contract is yet to be approved by this office, the contract number, contract date, and amount of the bond is not presently available for incorporation in a Performance Bond. However, if you are agreeable to supplying a Performance Bond, we suggest that you advise us accordingly, and make preliminary arrangements for securing such a bond. When and if a contract is approved, we will wire you the required information for inclusion in the bond. For the purposes of your preliminary inquiry, the amount of the bond would be in the neighborhood of $22,000.00.

It is requested that you advise us promptly of your intentions regarding the foregoing matter. In the meantime we shall continue to process your application.

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

MChing/izm 12-5-56
cc to: Docket
Code 700
Mr. Ching
Admr.'s Reading File
DMEA FT, Reg. III (2)
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

RCH.

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

RECEIVED DEC 3 1956 D.M.E.A.

12/7/56

224 New Customhouse
Denver 2, Colorado

November 30, 1956

RECEIVED DEC 3 1956 D.M.E.A.

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Joint Report of Examination Docket DMEA 4411 (Uranium) Treasure Uranium and Resources, Inc., (NW $\frac{1}{4}$ sec. 6, T. 13 N., R. 9 W., NMPM) McKinley County, New Mexico

Enclosed are the original and three copies of a joint Engineering and Geologic Report of Examination on the subject property, by H. F. Albee, USGS, and E. W. Buel, USBM, with a transmittal memorandum by their respective supervisors, E. N. Harshman, Member Region III Field Team, and John F. Shaw, Supervising Engineer.

Geological features of the property are obscured by overburden, but partial exploration has been accomplished with five widely spaced drill holes by the Applicant. Data from these, combined with information available on adjacent properties obtained from AEC, and other sources, indicates that the property warrants exploration. The examining team, therefore, recommends a two-stage drilling project at an estimated cost of $29,814.60, with which the Field Team concurs.

Nine extra copies each of Figures 2 and 3 are enclosed for your use in preparation of a contract.

DMEA Field Team, Region III

By W. M. Traver
Executive Officer

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
12-7-56
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
NOV 27 1956
REGION III
DENVER, COLORADO

TRANSMITTED

NOV 29 1956

November 26, 1956

RECEIVED
DEC 3 1956
D.M.E.A.

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw
E. N. Harshman

Subject: DMEA Docket 4411 (Uranium), Treasure Uranium and Resources, Inc., (NW 1/4 sec. 6, T. 13 N., R. 9 W., NMPM) McKinley County, New Mexico

Enclosed are the original and nine copies of a joint examination report by H. F. Albee, U. S. Geological Survey, and E. W. Duel, U. S. Bureau of Mines, covering their examination of the subject property.

The property has been explored by five widely spaced drill holes. Probing of these holes indicates the presence of favorable mineralization in these holes.

Based principally on data obtained from surrounding properties, the examiners conclude that the property warrants exploration and they recommend a two-stage drilling program estimated to cost $29,814.60.

We concur with the conclusions and recommendations of the examiners.

John F. Shaw
Supervising Mining Engineer

E. N. Harshman
Member, Field Team

Enclosures (10)
ENHarshman:mp

Reviewed by
DMEA OPERATIVE COMMITTEE
12-7-56
(date)

TRANSMITTED

NOV 29 1956

FOR UNITED STATES GOVERNMENT USE ONLY

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

RECEIVED DEC 3 1956 D.M.E.A.

DMEA 4411

Treasure Uranium and Resources, Inc.

SE 1/4 NW 1/4 Sec. 6, T. 13 N., R. 9 W.

McKinley County, New Mexico

Uranium

Joint Engineering and Geological Report

by

Howard F. Albee, Geologist
Geological Survey

Edward W. Buel, Mining Engineer
Bureau of Mines

November 23, 1956

Reviewed by
DMEA OPERATING COMMITTEE
12-7-56
(date)

ON-SITE EXAM

CONTENTS

	Page
Introduction and summary	1
Location and accessibility	2
Geography	3
Property	5
History and production	5
Geology	7
Ore deposits	9
Present status	11
Sampling and minable ore reserves	11
Applicant's proposal	12
Recommended exploration program	13
Cost estimates	16
Unit costs for contract purposes	20
Conclusions and recommendations	21

ILLUSTRATIONS

Figure	Follows page
1. Location of NW 1/4 sec. 6, Treasure Uranium and Resources, Inc., McKinley County, New Mexico	3
2. Map of Ambrosia Lake area showing known mineralized areas containing ore deposits in the Morrison formation, and the property boundary of Treasure Uranium and Resources, Incorporated, McKinley County, New Mexico	21
3. Plan of proposed drill holes NW 1/4 sec. 6, T. 13 N., R. 9 W., NMPM, Treasure Uranium and Resources, Inc., McKinley County, New Mexico. DMEA 4411	21

DMEA 4411

TREASURE URANIUM AND RESOURCES, INC.
SE 1/4 NW 1/4 SEC. 6, T. 13 N., R. 9 W.
McKINLEY COUNTY, NEW MEXICO

RECEIVED 1956

INTRODUCTION AND SUMMARY

Treasure Uranium and Resources, Inc., applied to Defense Minerals Exploration Administration for assistance in exploring for uranium in Lots 3, 4, and 5 and the SE 1/4 NW 1/4 sec. 6, T. 13 N., R. 9 W., McKinley County, New Mexico. The applicant proposed to explore the Jurassic Morrison formation, which underlies its property, by doing 17,000 feet of core and noncore drilling in 34 holes having an average depth of 500 feet, at an estimated cost of $34,390.

The applicant's property was examined on September 18, 1956, by a DMEA examining team composed of Edward W. Buel, U. S. Bureau of Mines, and Howard F. Albee, U. S. Geological Survey, accompanied by Luke Baumgardner, geologist for the applicant.

The property has been partly explored by five widely spaced drill holes. No chemical assay data have been obtained from these drill holes. Atomic Energy Commission's gamma-ray logs indicate that favorable uranium mineralization exists in all of the holes. In the absence of assay data and the inability to view salient geological features because of overburden, the geology, recommendations, and conclusions

of this report are based upon data obtained from DMEA contracts and private drilling on nearby and contiguous properties.

Personnel of the AEC office in Grand Junction, Colorado, were consulted in connection with the application.

Uranium ore is indicated in holes drilled short distances north and south of the property by AEC gamma-ray logging unit readings. Of the five holes drilled on the property, the AEC logging unit indicates one to be ore grade and four to be mineralized. AEC maps available for inspection show that the property lies within the area of altered sandstone that is considered favorable for the occurrence of ore deposits. The examining team, therefore, recommends that the application to explore for uranium ore deposits be approved.

The examining team recommends a drilling program to be carried out in two stages. Stage I will consist of 2,040 feet of non-core and 1,510 feet of core drilling. Stage II will consist of 11,540 feet of non-core rotary drilling. The total cost of the program is estimated at $29,814.60, of which the Government participation will be $22,360.95.

LOCATION AND ACCESSIBILITY

The property is in the NW 1/4 sec. 6, T. 13 N., R. 9 W., New Mexico principal meridian, in the Grants (Ambrosia Lake-Bluewater)

area, McKinley County, New Mexico (fig. 1). It lies on a mesa which is in a north-westerly direction from the San Mateo road, north of Grants.

The property is readily accessible from Grants, New Mexico, which is on U. S. Highway 66. From Grants, U. S. Highway 66 is followed westward for 3 miles to State Highway 53 (San Mateo road); thence northward for about 12 miles to the Ambrosia Lake road. The Ambrosia Lake road is followed for approximately 3-1/2 miles to a crossroad. A road leading in a westerly direction is taken for about a mile to the subject property.

The property can also be reached by several other routes, but because of numerous unmarked roads in the area, these routes are difficult to describe.

GEOGRAPHY

The relief in the general area of the property is not pronounced. Altitudes range from approximately 6,800 feet, along San Mateo Creek valley, to 7,200 feet atop the mesa west of the valley. The surface of the property is essentially flat; it lies on a mesa at an estimated altitude of 7,000 feet.

The property is covered by a sandy mantle which supports a sparse growth of native grasses, juniper, and pinon pine. Timber for mining purposes would have to be obtained in the vicinity of Mt. Taylor or in Grants.

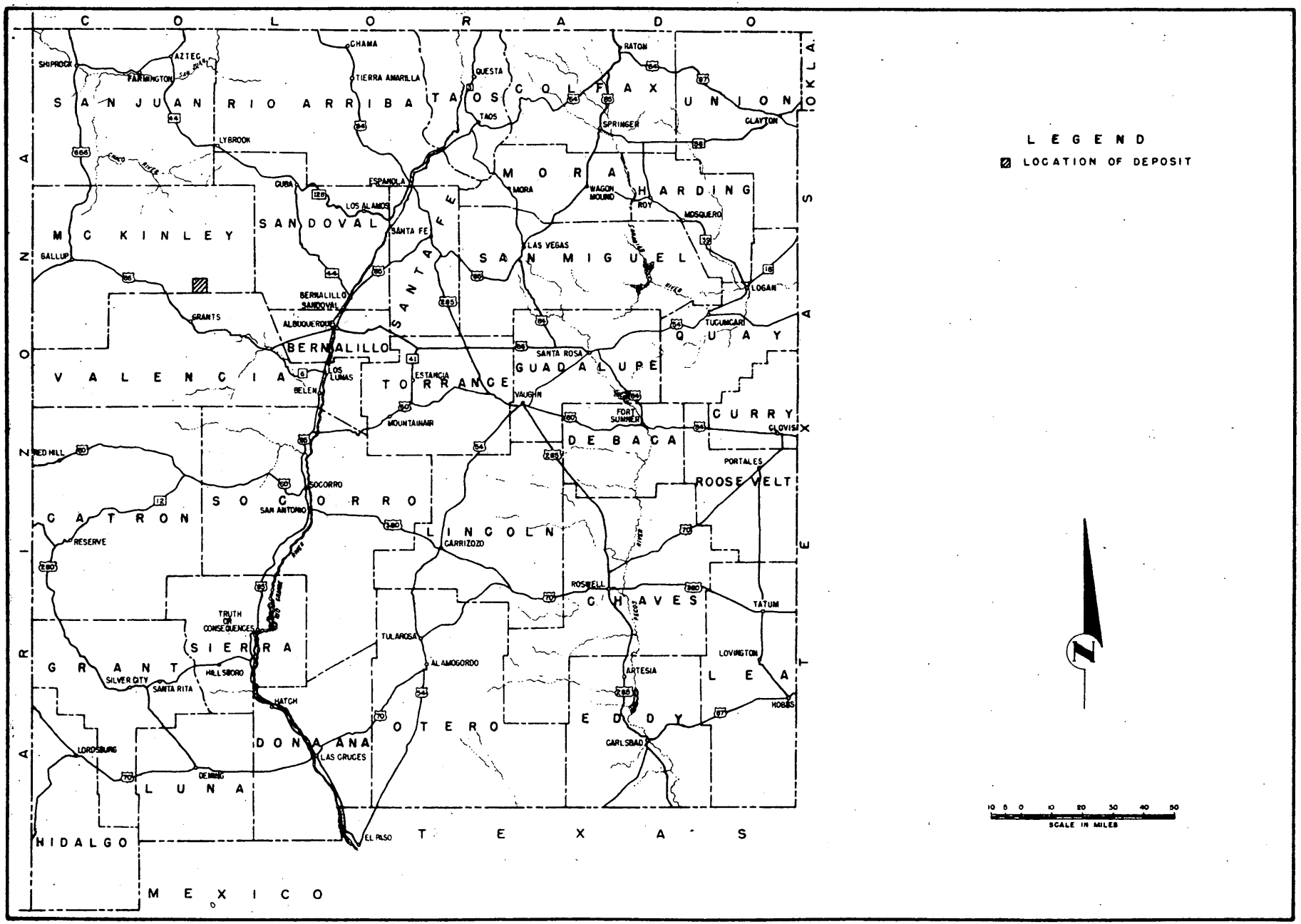


FIGURE 1 - LOCATION OF NW1/4, SEC. 6, TREASURE URANIUM AND RESOURCES, INC., McKINLEY COUNTY, NEW MEXICO.
DMEA 4411

PROPERTY

The property includes Indian Allotment land described as Lots 3, 4, and 5 and the SE 1/4 of the NW 1/4, sec. 6, T. 13 N., R. 9 W., New Mexico principal meridian. The property contains 166.8 acres. It is administered by the Navajo Agency at Window Rock, Arizona.

A mining lease agreement has been approved and issued by the Bureau of Indian Affairs, to Dan Delgarito (Indian Allottee 3174) and New Park Mining Company. This mining lease has been reassigned to Treasure Uranium and Resources, Inc., 531 South State Street, Salt Lake City, Utah, by New Park Mining Company without any lien or other encumbrances.

HISTORY AND PRODUCTION

Uranium mineralization was first discovered in the Grants, New Mexico, region in 1949 by a geologic field party from the University of California. Shortly after this discovery, uranium was found in a Jurassic Todilto limestone outcrop on Haystack Butte on land belonging to the Sante Fe Railroad. Following this latter discovery, the region was invaded by uranium prospectors and exploration companies. This resulted in the discovery of uranium ore within the Cretaceous Mancos and Dakota formations and in the Jurassic Morrison formation. More recently extensive exploration and development is being carried

on within the Westwater Canyon member of the Morrison formation in the immediate vicinity of Ambrosia Lake and enormous ore bodies have been found. This area is from 4 to 8 miles northeast of the subject property.

A number of Defense Minerals Exploration Administration exploration contracts have been approved for nearby properties. The San Jacinto (contract Idm-E 939), Westvaco (contract Idm-E 934), and Colamer (contract Idm-E 797) companies are operating on sections adjacent to section 6 which contains the subject property. Favorable uranium mineralization has been discovered in exploratory drill holes on all of these DMEA contract properties.

No uranium production has been obtained from the subject property or from any of the properties within the immediate vicinity. Appreciable ore production, however, has been realized from several mining operations about 3 miles south of the subject property. Some of the principal producers are Holly Mining Company, Four Corners Exploration Company, Mid-Continent Uranium Company, and Haystack Mountain Development Company. Ore production figures are not available, but it is believed that production amounts to thousands of tons per month.

GEOLOGY

The subject property is located in the Grants, New Mexico, district which lies on part of the northeast flank of the Zuni uplift. The uplift is a broad asymmetrical dome which comprises an area of about 2,000 square miles and extends for a distance of about 60 miles from Grants, New Mexico, on the east, to Gallup, New Mexico, on the west. The beds in the area generally dip northeastward at a low angle into the San Juan basin. The beds on the property dip about 4 degrees northeasterly. The rocks are folded broadly and high angle faults are common. In the Ambrosia Lake area of the Grants district the faults trend from northwest to northeast, the most common trend being northeast.

Rocks exposed in the district range in age from Permian to Upper Cretaceous, but significant uranium deposits have been found only in the Jurassic and younger rocks. These rocks are, in ascending order, the Todilto limestone, Summerville formation, Bluff sandstone, and the Morrison formation of Jurassic age, and the Dakota sandstone, Mancos shale, and the Mesaverde group of Cretaceous age. Productive uranium deposits are known only in the Todilto, Morrison, and Dakota formations. This report is concerned only with the potential deposits in the Morrison formation. The

deposits in the Dakota are extremely sparse and small, and the Todilto lies as much as 800 feet below the surface of the property.

The Morrison formation in the district comprises three members which are, in ascending order, the Recapture shale, the Westwater Canyon sandstone, and the Brushy Basin shale.

The Recapture member is composed of interbedded fluvial sandstone and mudstone units. The sandstone strata are fine- to medium-grained and locally contain granules and pebbles disseminated in the sandstone or concentrated along laminations. The sandstone is friable, and sedimentary structures are poorly displayed. The Recapture is about 100 feet thick and contains alternating red, brown, and light gray units.

The Westwater Canyon member consists predominantly of medium- to coarse-grained fluvial sandstone units locally arkosic, with interbedded gray, gray-green, and red-brown mudstone strata. The sandstone may be yellowish gray, grayish green, red, or reddish brown. The thickness of the Westwater, penetrated in five widely spaced holes on the property, ranges from 118 to 169 feet. The member intertongues with the overlying Brushy Basin member and the top contact is often questionable.

The Brushy Basin member is composed of claystone containing varying amounts of silt and sand and much bentonitic clay. Lesser

amounts of medium-grained sandstone occur as lenses and as tongues of the underlying Westwater. Crossbedding and scour-and-fill features indicate a fluvial origin. Carbonaceous debris, claystone lenses, and pebbles are present locally. From 2-1/2 to 3 miles south of the property a prominent sandstone tongue of the Westwater is commonly referred to as the "Poison Canyon" sandstone. Drill hole data indicate that this tongue apparently pinches out and others seem to come in. Therefore all sandstone units above the Westwater will be called Brushy Basin sandstones. The Brushy Basin, in drill holes on the property, ranges from 64 to 105 feet in thickness.

The ore-bearing Brushy Basin and Westwater members of the Morrison formation are not exposed on the property. The Mancos shale, overlain in places by Quaternary alluvium, covers the area. The depths to the top of the Brushy Basin range from 180 to 250 feet.

Ore deposits

Many large ore bodies (100,000 tons and larger) have been discovered in the Westwater Canyon sandstone in a northwesterly-trending belt of mineral deposits. This belt of deposits is known to lie about a mile north of the property and may be found to extend closer when further drilling is done on the intervening section of land.

Fewer and smaller deposits have been found in sandstone units of the overlying Brushy Basin member.

Mineralized rock consists principally of sandstone impregnated with uranium and vanadium minerals. The ore deposits are tabular, elongate masses that lie essentially parallel to the sandstone beds. The ore deposits range from knife edge to more than 30 feet in thickness, up to 1,000 feet or more in width, and as much as 5,000 feet or more in length. The deposits have an apparent easterly to southeasterly trend (fig. 2).

The approximate locations of most of the known ore deposits in both the Westwater and Brushy Basin members as determined by drilling, are shown on figure 2. Some drilling has been done in the quarter section adjoining the subject property on the south. The owners kept no drill records, but some of the holes were probed by the AEC gamma-ray logging unit. Indicated thicknesses of ore-grade material in 5 holes are as follows: 22 feet, 20 feet, 12 feet, 9.5 feet, and 4.5 feet. No locations or collar elevations were available, but the depths to the ore-grade material are from 390 feet to 420 feet, which places the material in the Westwater member.

Several holes have been drilled in the section adjoining the property to the north. Four of these holes are in ore in the Westwater; one of the holes is about 500 feet north of the property.

The subject property appears to lie in a favorable part of the district inasmuch as there are ore holes both north and south of it, and because, out of the five holes drilled on the property, four show anomalously high radioactivity and one shows ore-grade material.

PRESENT STATUS

The property has been but partly explored by the applicant who drilled five holes, having a total of 2,246 feet of non-core drilling. No other exploration has been done. There is no mining or milling equipment on the property, and further exploratory drilling will be done on contract.

SAMPLING AND MINABLE ORE RESERVES

Rock material suitable for sampling was not available during the DMEA examination. The applicant did not attempt to obtain any uranium oxide chemical assays from material removed from his five exploration drill holes. Atomic Energy Commission gamma-ray log records submitted by the applicant show that uranium mineralization was encountered in all of the drill holes and that in one hole, F-11 (fig. 3), the presence of low-grade ore is indicated by a high anomalous reading. The applicant believes that this hole penetrated 4 feet of ore containing 0.13 percent U_3O_8.

The property has no known ore reserves.

APPLICANT'S PROPOSAL

The applicant proposes a two-stage drilling program to explore for uranium ore within the Brushy Basin and Westwater Canyon members of the Morrison formation.

Stage I will consist of drilling eight holes on widely spaced centers which range from 500 to 1,000 feet. No coring will be done under Stage I drilling, but drill hole cuttings taken at 2- or 2-1/2-foot intervals, will be sampled and bagged.

Stage II will consist of drilling 26 holes, 8 of which will be cored. Drilling will be conducted on approximately 500-foot centers. An average of 200 feet of core will be taken from each hole. Coring will begin near the middle of the Brushy Basin shale and will include all of the Westwater Canyon member. Locations of the holes to be cored will be determined by the results of prior drilling.

The applicant states that a vast amount of drilling and gamma-ray logging has been done within the Grants area, and that radiometric logs can be interpreted with close accuracy for thickness and grade of mineralization as well as lithologic breaks. Therefore, he concludes that cores from 8 holes will furnish sufficient material for chemical assays, so that radiometric logs corrections, if required,

may be made for minor local fluctuations in equalibrium. He also states that all coring will begin near the middle of the Brushy Basin member and will include the entire Westwater Canyon member.

RECOMMENDED EXPLORATION PROGRAM

The DMEA examining team believes that the applicant's exploration program would explore the subject property and, except for some modifications, concurs in it. The examining team, however, is of the opinion that the property can be explored more effectively by coring in Stage I, and that drilling in Stage II should not be confined to the drill pattern as proposed by the applicant.

Basing its recommendations on the known physical and geological features of the uranium deposits of the Grants area, the examining team recommends the following changes in the applicant's proposed exploration program.

The applicant's Stage I holes should be relocated to conform to a more uniform drill pattern and to keep all DMEA drill holes at least 100 feet from the property boundary. As seen in figure 3, the applicant's drill holes are approximately relocated as follows:

Applicant's Location	to	Proposed Re-location
A-11		B-11
D-8		D-6
D-14		D-16
H-8		H-6
H-14		H-16
K-11		J-11
F-2		no change
F-20		no change

In addition to the relocation of the holes, it is recommended that portions of all holes drilled in Stage I be cored. Size of core shall be BX or larger. As seen from gamma-ray log records submitted by the applicant, all favorable mineralized areas within the Brushy Basin member are confined to its lower portions. In view of this, the examining team concurs in the applicant's proposal that all coring begin approximately in the middle of the Brushy Basin member and continue through the Westwater Canyon member. Coring shall also continue for a distance of not less than 1 or more than 5 feet into the underlying Recapture Creek member, in order to definitely establish the contact between the Westwater Canyon and Recapture Creek members.

Drilling footages for Stages I and II are roughly estimated from drill-log information obtained from the 5 holes drilled by the applicant.

Estimated Stage I drilling is given as follows:

Hole	Non-core (Ft.)	Core (Ft.)	Total Depth (Ft.)
B-11	250	180	430
D-6	230	180	410
D-16	260	200	460
H-6	250	200	450
H-16	270	180	450
J-11	270	190	460
F-2	230	190	420
F-20	280	190	470
Totals 8	2,040	1,510	3,550
Averages	255	188.8	443.8

Stage II shall consist of a total of 26 holes, non-core, whose locations will be determined upon the results of previous drilling. Stage II drilling would be undertaken only upon prior approval of the Government. Total drilling under Stage II is estimated at approximately 11,540 feet. Drill holes under Stage II shall not be closer than 100 feet to any pre-existing drill hole.

All holes are to be probed radiometrically, and radiometric logs shall be kept. All core recovered should be split; one-half of the split is for chemical analysis and the remainder shall be boxed for the Government's use. Drill-hole cuttings will be collected from non-core holes in areas displaying favorable mineralization. Cuttings will be sampled from favorably mineralized areas at 2-foot intervals and the cuttings saved.

It is also recommended that if the 3,550 feet of drilling estimated for Stage I is not adequate for completion of 8 holes to the Recapture Creek member, then additional footage required for completing Stage I drilling can be transferred from footage alloted under Stage II.

Conversation with the applicant indicated that he will agree to revisions made in the exploration program.

COST ESTIMATES

Stage I

Estimated time for completion - 3-1/2 months

Basis - 1 shift - 25 days per month

1 drill rig - 200 feet rotary non-core per shift - 20 feet core per shift

(1) Independent Contracts	Estimated cost	
Non-core rotary drilling 2,040 feet at $1/ft.	$ 2,040.00	
Diamond-core drilling 1,510 feet at $4/ft.	6,040.00	
Bulldozing to prepare 8 drill sites, 16 hours at $12 an hour	192.00	
Standby time, 4 hours at $15 an hour	60.00	
Total		$ 8,332.00

(2) Labor, Supervision and Technical Services

1 geologist-supervisor 3-1/2 mos. at $600 a month	$ 2,100.00	
1 sampler-field asst. 3-1/2 mos. at $300 a month	1,225.00	
1 draftsman 3 days at $16 a day	48.00	
Payroll tax and compensation at 5 percent	168.65	
Total		$ 3,541.65

(3) Operating Equipment

1 sedan, depreciation 3-1/2 mos. at $40 a month	$ 140.00	
Total		$ 140.00

(4) Operating Material and Supplies

Gasoline, oil, repairs for sedan 3-1/2 mos. at $35	$ 122.50	
Total		$ 122.50

(5) Miscellaneous

Radiometric logging, 3,550 feet at $0.15 a foot	$ 532.50	
Office supplies, map & log reproduction, 3-1/2 mos.	70.00	
150 card board core boxes at $1.25 each	187.50	
Total		$ 790.00

(6) Chemical analyses, 10 at $5 each $ 50.00

Total cost Stage I 3,550 feet at $3.66-	$12,976.15
Incidental costs (Items 2,3,4,5) 3,550 feet $1.29+	$ 4,594.15
Government participation at 75 percent	$ 9,732.11

Stage II

Estimated time for completion - 2-1/2 months

Basis - 1 shift - 25 days per month

1 drill rig - 200 feet rotary non-core per shift

(1) Independent Contracts

Non-core rotary drilling 11,540 feet at $1/ft.	$11,540.00	
Standby to radiometrically probe drill holes 13 hours at $15 an hour	195.00	
Bulldozing to prepare 26 drill sites, 40 hours at $12 an hour	480.00	
Total		$12,215.00

(2) Incidental allowance — Estimated cost

Labor, supervision and technical services

1 geologist-supervisor at $600 mo. x 2-1/2 mos.	$ 1,500.00	
1 sampler-field asst. at $350 mo. x 2-1/2 mos.	875.00	
1 draftsman at $16/day x 9 days	144.00	
Payroll deductions at 5 percent	125.95	
Total		$ 2,644.95

(3) Operating equipment

1 sedan, depreciation at $40/mo. x 2-1/2 mos.	$ 100.00	
Total		$ 100.00

(4) Operating Materials and Supplies

Gasoline, oil repairs to sedan, 2-1/2 mos. at $35	$ 87.50		
Total		$ 87.50	

(5) Miscellaneous

Office supplies, map, drill-log reproduction	$ 50.00		
Containers for samples (estimated)	10.00		
Radiometric logging 11,540 ft. at $0.15	1,731.00		
Total		$ 1,791.00	
Total Stage II 11,540 feet at $2.46- a foot			$16,838.45
Incidental allowances (Items 2,3,4,5) 11,540 feet at $0.40 a foot			$ 4,623.45
Government participation at 75 percent			$12,628.84

Cost Stage I	$12,976.15
Cost Stage II	$16,838.45
Total	$29,814.60

Government participation at 75 percent $22,360.95

UNIT COSTS FOR CONTRACT PURPOSES

Stage I Estimated time to complete - 3-1/2 months

Item	Units	Unit Cost	Total
Non-core rotary drilling	2,040 feet	$1.00 a foot	$ 2,040.00
Diamond core drilling	1,510 "	4.00 "	6,040.00
Bulldozing	16 hours	12.00 an hour	192.00
Standby time	4 hours	15.00 an hour	60.00
Incidentals	3,550 feet	1.29 a foot	4,594.15
Chemical analyses	10	5.00 each	50.00
Total			$12,976.15

Stage II Estimated time to complete - 2-1/2 months

Item	Units	Unit Cost	Total
Non-core rotary drilling	11,540 feet	$ 1.00 a foot	$11,540.00
Bulldozing	40 hours	12.00 an hour	480.00
Standby time	13 hours	15.00 an hour	195.00
Incidentals	11,540 feet	0.40 a foot	4,623.45
Total			$16,838.45

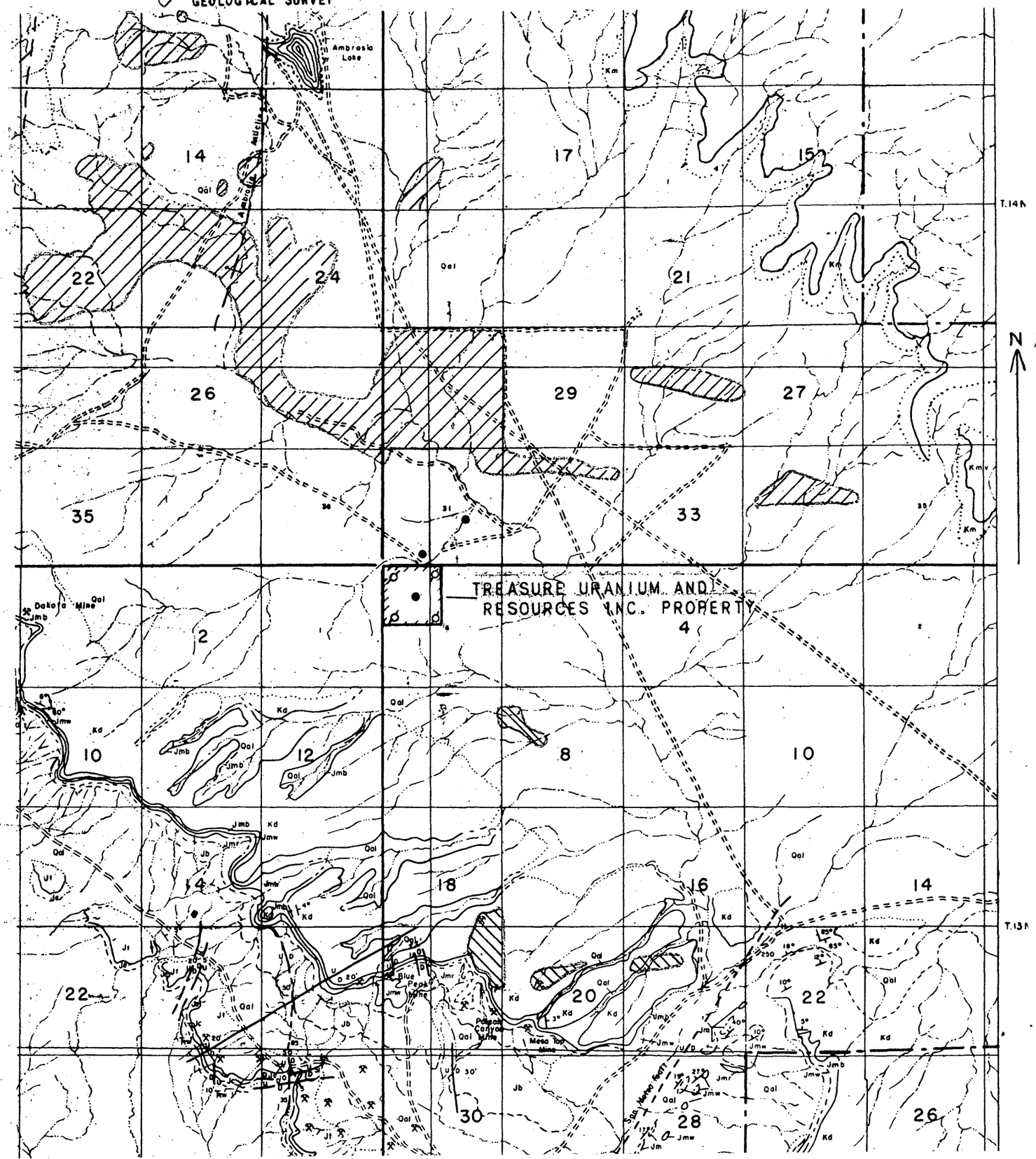
CONCLUSIONS AND RECOMMENDATIONS

The property lies within an area that appears to be favorable for the occurrence of uranium ore deposits. Several holes have been drilled in the section adjoining the property to the north. Four of these holes, one of which is about 500 feet north of the property, are in ore. Drilling has been done in the quarter section adjoining the property to the south. Ore, ranging in thickness from 4.5 feet to 22 feet, has been indicated by the AEC gamma-ray logging unit in five of the holes. Five holes have been drilled on the subject property, of which four are indicated as mineralized and one is indicated as ore grade by the AEC gamma-ray logging unit.

The examining team concludes that there is a good geologic probability of finding commercial quantities of uranium ore by exploration on the subject property and therefore recommend that the application be approved.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
OCTOBER 1956 DOCKET 4411



EXPLANATION

QUATERNARY	Pleistocene-Recent	Qal	Alluvium
		ANGULAR UNCONFORMITY	
CRETACEOUS	UPPER	Kmv	Mesa Verde Group
		Km	Mancos Shale
		Kd	Dakota Sandstone
		ANGULAR UNCONFORMITY	
JURASSIC	UPPER	Morrison Formation	Jmb Brushy Basin Member; Jmw Westwater Canyon Member; Jmr Recapture Member; Jm Morrison Formation undifferentiated
		San Rafael Group	Jb Bluff Sandstone; Js Summerville Formation; Jt Todilto Limestone; Je Entrada Sandstone
		Glen Canyon Group	Jc Carmel Formation; Rw Wingate Sandstone
		DISCONFORMITY	
TRIASSIC	UPPER	Rc	Rc- Chinle Formation

GEOLOGIC CONTACT, DASHED WHERE INFERRED

FAULT SHOWING RELATIVE DISPLACEMENT, DASHED WHERE INFERRED

ANTICLINAL AXIS

STRIKE AND DIP OF BEDS

APPROXIMATE BOUNDARY OF MINERALIZED GROUND IN THE WESTWATER CANYON MEMBER

APPROXIMATE BOUNDARY OF MINERALIZED GROUND IN THE BRUSHY BASIN MEMBER OF AMBROSIA LAKE AREA

DRILL HOLES

ORE

MINERALIZED

Note: BASE FROM ATOMIC ENERGY COMMISSION PRELIMINARY MAP NO. 7.

1 0 3 MILES

FIGURE 2.--MAP OF AMBROSIA LAKE AREA SHOWING KNOWN MINERALIZED AREAS CONTAINING ORE DEPOSITS IN THE MORRISON FORMATION, AND THE PROPERTY BOUNDARY OF TREASURE URANIUM AND RESOURCES, INCORPORATED, McKINLEY COUNTY, NEW MEXICO.

OCT 9 1956

RECEIVED

OCT 8 1956

224 New Customhouse
Denver 2, Colorado

October 4, 1956

Mr. Ken Garff, President
Treasure Uranium and Resources, Inc.
531 South State Street
Salt Lake City, Utah

Re: Docket DMEA 4411 (Uranium)
N.W.¼ sec.6,t.13N., R.9W.,
NMPM, McKinley County, New Mexico

Dear Mr. Garff:

At the time of the field examination on the captioned property, Luke Baumgardner, your geologist, was requested to submit three competitive bids for the proposed drilling.

Further processing of your application will be held in abeyance, pending receipt of the drilling bids. Will you please advise the date we may expect to receive them in this office.

Yours very truly,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

HMC:ytl
cc
Sec. Op. Comm. (2)
Shaw (2)
Harshman
Hasler
Docket 4411
Chron.

September 14, 1956

DMEA
DEPARTMENT OF THE INTERIOR
SEP 18 1956
REGION III
DENVER, COLORADO

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Acting Supt., Denver Experiment Station, Reg. III

Subject: Docket DMEA 4411 (Uranium) Treasure Uranium and Resources, Inc., McKinley County, New Mexico

The application for Treasure Uranium and Resources, Inc., Docket DMEA 4411, was received in this office on September 14, 1956.

A field examination will be made and suitable report prepared by an engineer from the Denver or Grand Junction office.

JOHN F. SHAW

John F. Shaw

cc: W. M. Traver (2)
R. N. Brahman
J. W. Mazler
M. H. Salsbury
J. F. Shaw
Sec. Op. Com (2)

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

RECEIVED
SEP - 4 1956

August 30, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. F. Shaw (2) (With brochure)
J. W. Hasler

From: Field Team, Region III

Subject: Docket DMEA 4411 (Uranium) Treasure Uranium and Resources, Inc., (NW¼ sec. 6, T. 13 N., R. 9 W., NMPM) McKinley County, New Mexico

Enclosed are a bound copy of the subject uranium application in the amount of $34,390.00, transmittal thereof by the Chairman of the Operating Committee, and review memoranda by James Paone and W. P. Williams, alternate USBM member and USGS member respectively of the Uranium Commodity Committee.

You are referred to the Chairman's mention of an apparent discrepancy between the land description and maps which should be cleared up during the field examination.

Also, since the proposal is on "Indian Lands", you should advise the Applicant's representative that the usual Forms MF-205 are not obtainable and that a suitable substitute Performance Bond or third party guarantee will be required as stipulated in Operating Committee Minutes Nos. 151 and 396. This of course is only if a project is indicated as a result of your field examination.

The usual field examination and suitable covering Report of Examination are requested with return of the brochure with your report.

DMEA Field Team, Region III

W. M. TRAVER

Enclosures
WMT:sb
cc: Chair. Op. Comm. (2)
Harshman
Docket 4411
Chron.

By W. M. Traver
Executive Officer

Surname copy

700

Ellis
Selfridge
FEJohnson

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

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

AUG 2 4 1956

Re: Docket No. DMEA-4411 (Uranium)
Treasure Uranium and Resources, Inc.
NW¼ sec. 6 T. 13 N., R. 9 W., NMPM
McKinley County, New Mexico

Dear Mr. Traver:

The above-docketed application is referred to Region III Field Team for a field examination if deemed advisable, and recommendation.

Enclosed are copies of memoranda, dated August 14 and 17, 1956, from James Paone, USBM, and W. P. Williams, USGS, respectively, relating to the subject application.

Also, enclosed is an extra bound copy of the application. Another copy of the application was forwarded to your office on August 6.

The "Mining Lease Allotted Indian Lands" and the "Assignment of Mining Lease" refer to the land as "Lots 3, 4 & 5 & SE/4 NW/4" of sec. 6, T. 13 N., R. 9 W., NMPM, while the maps submitted with the application refer to the NW¼ sec. 6, T. 13 N., R. 9 W. The land description should be investigated.

If a contract is recommended, since the usual Consent to Lien and Subordination Agreement probably cannot be obtained, we will require in lieu thereof a performance bond by a recognized bonding house or a guarantee by a substantial third party.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/3)

Enclosures

EWEllis/ai 8-24-56
cc to: Docket
Admr. Reading File
Operating Committee
Code 700 Mr. Ellis
Messrs. JECrawford, Mr. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

APPROVED:

FRANK D. LAMB (2/3)
Member, Bureau of Mines

N. E. Nelson (2/3)
Member, Geological Survey

700

Surname copy

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

Ellis
Nelson
Lazzeri
Selvidge
Johnson

Mr. Ken Garff, President
Treasure Uranium & Resources, Inc.
531 South State Street
Salt Lake City, Utah

Re: Docket No. DMEA-4411 (Uranium)
NW¼ sec. 6, T. 13 N., R. 9 W., NMPM
McKinley County, New Mexico

Dear Mr. Garff:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred to:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf

Administrator

EWEllis/ai 8-24-56
cc to: Docket
Admr. Reading File
Code 700
DMEA Field Team, Region III (2)

8/20/56

IN REPLY REFER TO:

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

August 17, 1956

RECEIVED
AUG 20 1956

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 4411, Treasure Uranium and Resources, Inc., Ambrosia Lake area, Grants district, McKinley County, New Mexico.

The applicant proposes to spend a total of $45,854.00 for a core and non-core drilling project to explore for uranium ore deposits.

The property consists of a quarter section which is held under lease and sub-lease from the Navajo Indian tribal council and New Park Mining Company. If a DMEA contract is awarded the applicant, the applicant will probably have to furnish some substitute as the tribal council very likely will not execute the Owner's Consent to Lien.

The property is located about a mile northwest of DMEA 3632, Colamer Corporation, and about a mile southwest of DMEA 4070, San Jacinto. Significant discoveries have resulted from both projects.

The applicant has drilled five holes on the property. All the holes show radioactivity by radiometric probing. Granting that the applicant's drilling and radiometric results are accurate, I believe that DMEA participation in further exploration on the property is warranted from the standpoint of mineralization and proximity to known deposits.

I recommend that the application be referred to the Field Team for further study and report. Two points seem to be particularly appropriate to Field Team evaluation. These are:

1) Is the drill hole pattern suggested by the applicant the best fitted for the purpose, and does the pattern take cognizance of known trends of mineralization?

2) The applicant's proposal to core only a relatively few holes to check radiometric probing may be advisable from a cost standpoint. The information desired and the expenditures made in a drilling project, however, can all be lost if drilling is not under the constant supervision of a competent geologist. This may be a case for careful observation of the "competency of the applicant" if non-core drilling is approved.

W. P. Williams

W. P. Williams

8/15/56

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

August 14, 1956

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

Subject: Application for Assistance, Docket DMEA 4411, Treasure Uranium & Resources, Inc., McKinley County, New Mexico

I have reviewed the attached application Docket DMEA 4411, Treasure Uranium & Resources, Inc., McKinley County, New Mexico, dated July 25, 1956, and received in this office August 10. I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The applicant requests Federal participation in an exploration project for uranium on 166.81 acres in Sec. 6, T. 13 N., R. 9 W., NMPM, McKinley County, New Mexico. The proposed project includes 17,000 feet of non-core and 1,600 feet of core drilling at a unit cost of $1.50 and $4.50, respectively. The total estimated cost is $34,390.

The property is located in the Ambrosia Lake area and it has been indicated that exploration for uranium is being conducted successfully on adjoining sections.

It is recommended that the application be sent to the field team and that they consult with E. R. Gordon, Director for Exploration, Grand Junction Operations Office, Grand Junction, Colo.

James Paone
James Paone

Attachment

RECEIVED
AUG 15 1956

August 6, 1956

Treasure Uranium &
Resources, Inc.
531 South State Street
Salt Lake City, Utah

Subject: DMEA-4411
Re: Exploration Assistance

Gentlemen

The receipt of your application dated July 25, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4411 and referred to the Rare & Misc. Metals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

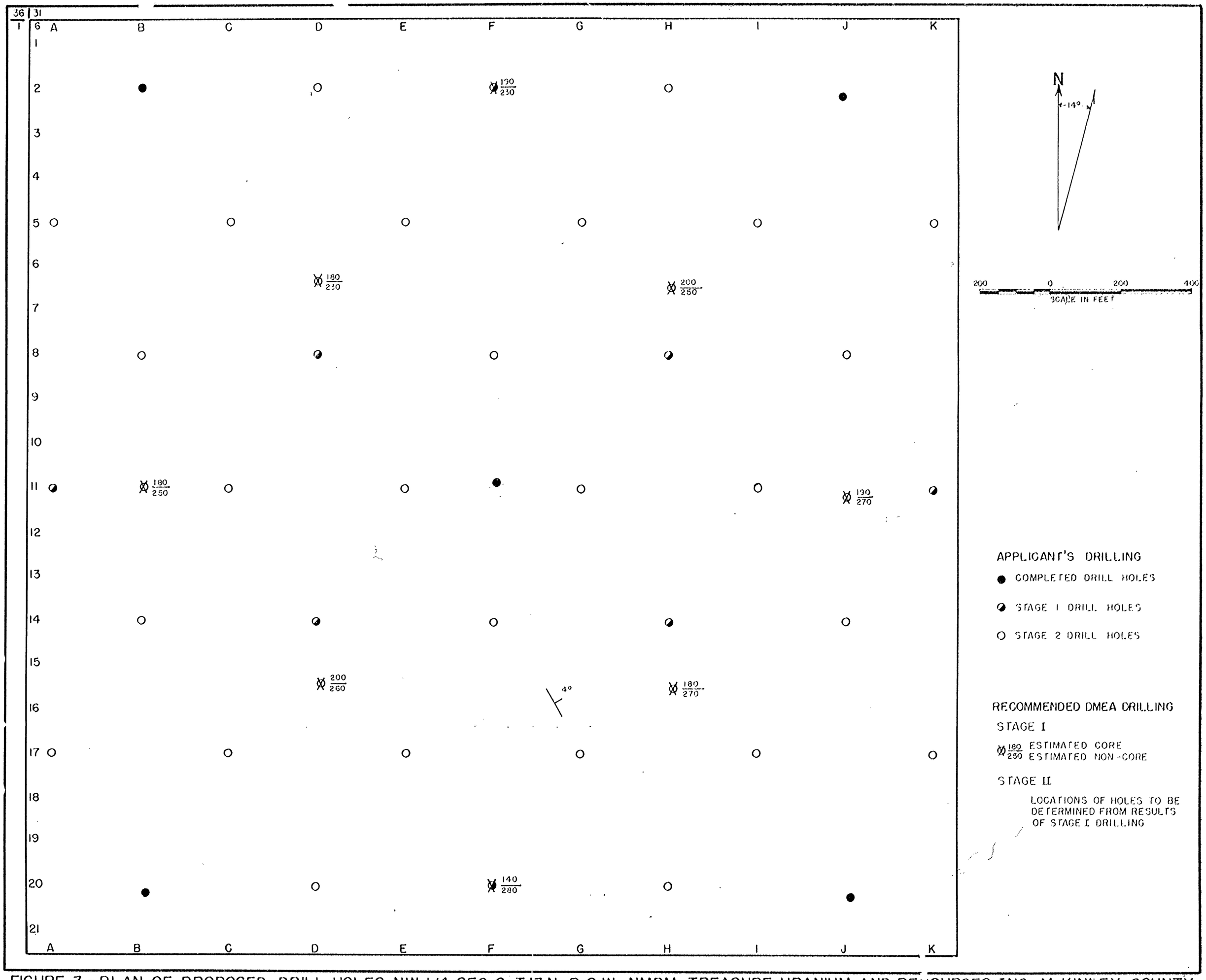
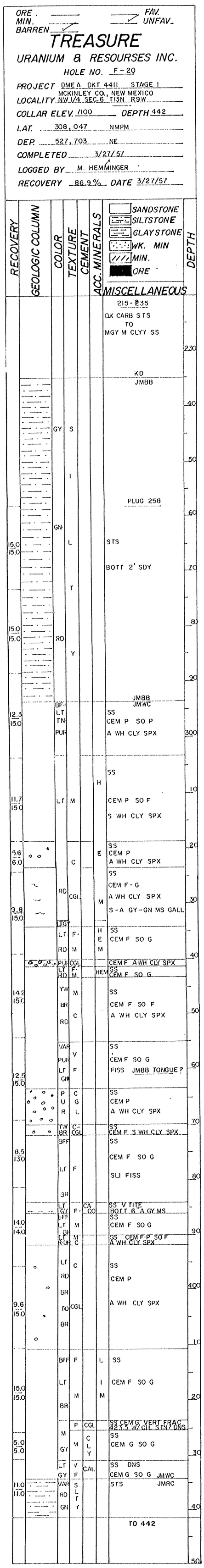
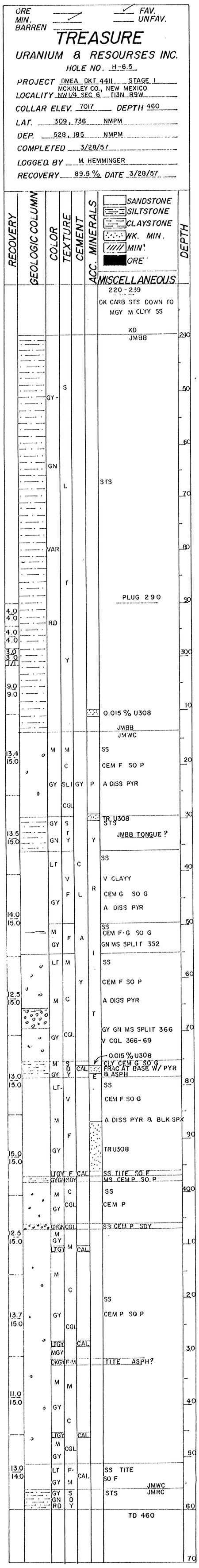


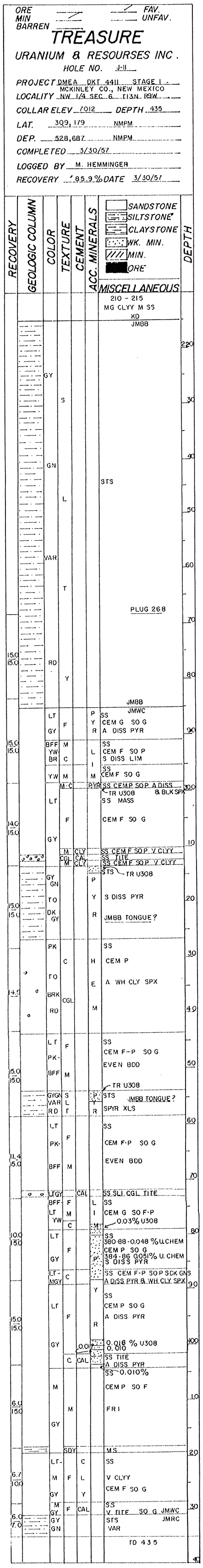
FIGURE 3 - PLAN OF PROPOSED DRILL HOLES, NW 1/4 SEC. 6 T.13 N., R.9 W., NMPM, TREASURE URANIUM AND RESOURCES, INC., McKINLEY COUNTY, NEW MEXICO. DMEA 4411



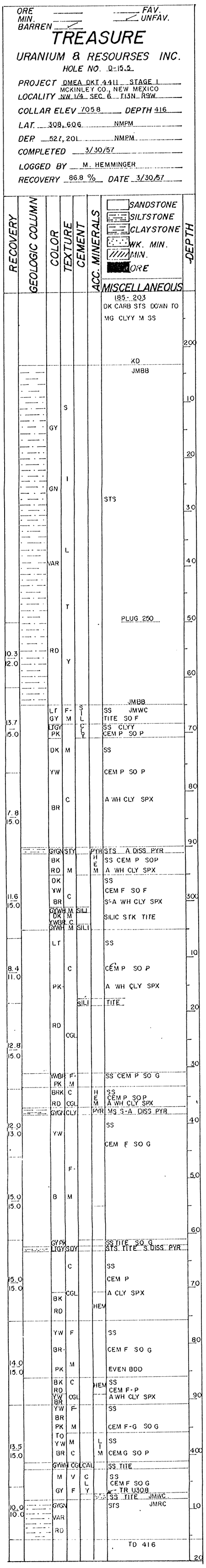
F-20



H-6.5



J-11



D-15.5

ORE ___ FAV. ___
MIN. ___ UNFAV. ___
BARREN ✓

TREASURE
URANIUM & RESOURSES INC.

HOLE NO. H-15.5
PROJECT DMEA-DKT 4411 STAGE I MCKINLEY CO, NEW MEXICO
LOCALITY NW 1/4 SEC 6, T13N R9W
COLLAR ELEV. 7054 DEPTH 454
LATITUDE 308,613 NMPM
DEPARTURE 528,196 NMPM
COMPLETED MARCH 9, 1957
LOGGED BY M. HEMMINGER
RECOVERY 84.4 % DATE 3/9/57

RECOVERY | GEOLOGIC COLUMN | COLOR | TEXTURE | CEMENT | ACC. MINERALS | MISCELLANEOUS | DEPTH

SANDSTONE, SILTSTONE, CLAYSTONE, WK. MIN, MIN., ORE

Depth	Recovery	Color	Texture	Cement	Acc. Minerals	Miscellaneous
						215 – 240 MGY F CARB SS & STS. LIGHTENS & BECOMES MORE SDY DOWNWARD. KD JMBB
240						
		GY	S			
50						
60			I			GY-GN SLTY CLYSTN
		GN				
70						
80						PLUG-280
	11.0 / 11.0	GY	L			
90						BECOMES MORE SLTY & RD DOWNWARD.
	4.2 / 5.0					
	7.7 / 8.0	GN	T			
300						
10	14.0 / 14.0	RD	Y			
						JMBB JMWC
20		LT GY	F	C		F-M SS - LT GY AT TOP GRADES DOWN TO YW-BR SLI CGL AT TOP. IN GEN. WELL SO. F CEM. LIM INC DWN. GY-GN CLY SPX INC DWN. S ANG QZT GNS. S XBOD.
	14.5 / 15.0		TO			
30		YW				TR U308
		BR	M	L	LIM	
						DK BRK RD M C SS. SO-P. CEM-F-P. LESS CEM & S CGL DOWNWAR A WH CLY SPX THRU-OUT. S GY-GN MS GALLS IN LOWER PART.
40	8.0 / 15.0	DK	M			
		RD	C			
			CGL	Y		
50		GY GN	CLY		AS	ASPH & C SS IN FRACS GRADES TO CGL BELOW
		RD	M	C		
	10.0 / 16.0		C	L		M-C-CGL RD-BR TO LT BR SS. GRADES DOWN FROM DK RD-BR PO CEM CGL SS TO LT TN F CEM CGL SS. TWO F-M SS STRINGERS IN CENTRAL PORTION. CGLS HAVE A WHCLY SPX AS CEMENT.
		BR	CGL	Y		
60			F-M			
			CGL	CLY		
			F-M			
70	12.0 / 15.0		M	C		
			C	L		
			CGL	Y		
		LT GY		LIME		V DNS TITE CGL
		VAR MGY RD	SILTY		PYR	VAR MGY-RD DNS STS. SP PYR XYLIS LOWER 1' SDY-F CEM JMBB TONGUE?
80						
	15.0 / 15.0	GY	SDY			LT GY V SDY MS
		LT	C CGL	CLY		C-CGL SS. F CEM A WH CLY SPX
90						
		YW	F			
						F-M S S. SO G. F CEM
400		BR	M			
	13.3 / 15.0					
		TO	C	C		
10						C-V CGL SS. AWH CLY. SO P. CEM P
	12.2 / 15.0	BFF	V CGL	L Y		3" GY MS SPLIT W/ S PYR AT BASE.
20						
		YW			LIM	
		LT	M			TR U308 BLEACHED M-C SS SO P. CEM P. SLI ARK TOP 1' HAS A GY MS GALLS W/SP PYR.
	10.6 / 15.0		C			
		GY				
40			F			SO G. CEM. F. LT GY BLEACHED SS
		RD BR	M			DO ONLY RD.
	14.3 / 15.0	LT GY YW BR	C CGL	C L Y		C-CGL SS. SO P. CEMF BECOMES FINER & TIGHTER DWNWRD
50		LT GY	F		JMWC JMRC	F-VF TITE SS. S GN MS
		GY GN RD	STS			VAR GY-GN RD DNS STS
						TD 454
60						

H-15.5

ORE ___ FAV. ___
MIN. ✓ UNFAV. ___
BARREN ___

TREASURE
URANIUM & RESOURSES INC.

HOLE NO. D-6.5
PROJECT DMEA DKT 4411 STAGE I MCKINLEY CO., NEW MEXICO
LOCALITY NW 1/4 SEC 6, T13N R9W
COLLAR ELEV. 6992 DEPTH 404
LATITUDE 309,730 NMPM
DEPARTURE 527,189 NMPM
COMPLETED 3/15/'57
LOGGED BY M. HEMMINGER
RECOVERY 91.4 % DATE 3/15/57

RECOVERY | GEOLOGIC COLUMN | COLOR | TEXTURE | CEMENT | ACC. MINERALS | MISCELLANEOUS | DEPTH

SANDSTONE, SILTSTONE, CLAYSTONE, WK. MIN., MIN., ORE

Depth	Recovery	Color	Texture	Cement	Acc. Minerals	Miscellaneous
						135 -- 170 BLK CARB STS. GRADES DOWN TO MGY M SS. KD JMBB
170						
80		VAR	S			
90		LT				
			I			
200		GY-				STS & STY CLK
		GN	L			
10						
		RD	T			
20						
			Y			PLUG-230
30	14.0 / 14.0					
40						JMBB JMWC
				GY	A	
			F			A GY CLY CEM.
50		M		CLY		SS
	15.0 / 15.0				PYR	CGL SPLIT W/A GY CLY AT 254
60						
			V	GY-		SS
		GY		GN		A GY-GN CLY CEM.
				CGL		
70	12.5 / 15.0					
				CLY		
		LT GY	F-M			TITE CACO3 CEM
		MGY	STY		PYR	W/ CGL STKS
		LT	V			SS
						CEM G
80	11.0 / 12.0	GY	F			
		M-			A	STS
		DK	STY			CEM G
		GY				JMBB TONGUE?
		DK	SDY		PYR	ASPH SPX?
		GY				CEM G SO P TR U308
90		MGY	F			CEM F
	15.0 / 15.0		CGL			SS
		M	F-M			A WH CLY SPX
			CGL	CLY		
300		GY				TWO M SS STRINGERS W/ A GY MS
			F-M			
		LT GY	CG			V TITE. AGY MS GALLS
		MGY	STS		PYR	STS
10	15.0 / 15.0	LT	F-			SS
		GY	M			CEM F
		MGY	CGL			SS
		DK	F-			TR U308 311-28
20	15.0 / 15.0	GY				SS
						CEM F
		YW BR	M			0.018% U308 CHEM. IN GN SDY & CGL MS SPLIT W/S PYR & BLK MAT. 1' SPL TAKEN INC 6" ABV SS
		LT BR			LIM	
		RD			HEM	
30						
	12.3 / 15.0	YW	C-			SS
					LIM	CEM P
40		BR	CGL			
	11.0 / 15.0		M			A MGY MS GALLS SS
			F			SO G CEM P SS
		M-			A	0.065% U308 CHEM IN INDICATED SS SS 1' SPL INCLUDES 3" STK CGL GN MS W/ DK GNS.
			F	A		
50		LT			DISS	SO G
	13.2 / 15.0		TO			CEM F
60				CLY		
		GY				
			M		PYR	
70	13.9 / 15.0					
						V TITE AT/BASE
80					CACO	
		LT	V		A	SS
	11.2 / 13.0	GY	F		CACO	V TITE TR U308
90						
400		MGY RD	STS			STS JMWC JMRC
						TD 404
10						

D-6.5

ORE ___ FAV. ✓
MIN. ✓ UNFAV. ___
BARREN ___

TREASURE
URANIUM & RESOURSES INC.

HOLE NO. B-11
PROJECT DMEA DKT 4411 STAGE I MCKINLEY CO., NEW MEXICO
LOCALITY NW 1/4 SEC 6, T13N R9W
COLLAR ELEV 7020 DEPTH 380
LATITUDE 309,164 NMPM
DEPARTURE 526,698 NMPM
COMPLETED 3/19/'57
LOGGED BY M. HEMMINGER
RECOVERY 90.7 % DATE 3/19/57

RECOVERY | GEOLOGIC COLUMN | COLOR | TEXTURE | CEMENT | ACC. MINERALS | MISCELLANEOUS | DEPTH

SANDSTONE, SILTSTONE, CLAYSTONE, WK. MIN., MIN., ORE

Depth	Recovery	Color	Texture	Cement	Acc. Minerals	Miscellaneous
						135 - 160 DK GY - BLK CARB STS' GRDS DN TO MG M SS KD JMBB
160						
70		GY				
			S			
80						
90		GN				STS
			D			V SDY 210 - 14
200						
10						
						PLUG 210
20	5.5 / 6.0					
		RD				
			Y			
30						TR U308
	12.0 / 12.0					
						JMBB JMWC
40	12.0 / 15.0	LT-	F-	P		SS.
		M		Y		SO G CEM P
		GY	M	R		A WH CLY SPX & DISS PYR
	12.0 / 12.0	LT	C-	P		SS.
50				Y		SO P CEM P
				R		A WH CLY SPX & GY-GN MS
		GY	CGL			S-A DISS PYR
						TR U308
		LT	F-	P Y P		SS SO G CEM F S-A GY CLY S-A PYR
60	13.4 / 15.0					
		LT-M GY	M	GY		SS
				CLY		SO G CEM G
		LT RD BR				ASPH SPX?
70		PK-		L		
			C-	I		SS
		LT				V TITE
		RD		M		VERT FRAC W/CACO3 XYLLS 2/85
	11.9 / 15.0			E		
		BR				
80		BRK RD				SS CEM F-P
		RD	CGL		H	A WH CLY SPX
		BR			E	286-7 VCGL W/A GY MS GALL
90		LT GY	M		M	SS SO F V TITE
	15.0 / 15.0	GY-GN RD	S LTY			STS W/SDY CLY JMBB TONGUE?
		BFF				
			F-			
300		LT				SS
		YW				SO G CEM F
			M			
		BR				
	15.0 / 15.0	BFF LT GY				SS CEM-F A GY MS SPLITS & WH CLY SPX
10						
		BRK RD	C-		H	SS
	12.0 / 12.0					CEM P
20						
	15.0 / 15.0	TO			E	A WH CLY SPX
		YW				
			CGL		M	
		BR				
30						
	11.6 / 15.0	LT-MGY	V CGL			MS SO P CEM P
40		LT BR				
		DK RD	M		HEM	
	11.8 / 15.0					SS
50					L	CEM F-P SO P
		YW	C		I	
					M	
60			CGL			
	14.5 / 15.0					0.01% U308
70		M- DK GY	F SI			SS V TITE SO G JMWC JMRC
		VAR GY RD	S D Y			STS
	4.5 / 5.0					
80						TD 380

B-11

ORE ___ FAV. ✓
MIN. ✓ UNFAV. ___
BARREN ___

TREASURE
URANIUM & RESOURSES INC.

HOLE NO. F-2A
PROJECT DMEA DKT 4411 STAGE I MC KINLEY CO., NEW MEXICO
LOCALITY NW 1/4 SEC 6 T13N R9W
COLLAR ELEV. 6973 DEPTH 408
LATITUDE 310,225 NMPM
DEPARTURE 527,707 NMPM
COMPLETED 3/23/'57
LOGGED BY M. HEMMINGER
RECOVERY 84.2 % DATE 3/23/57

RECOVERY | GEOLOGIC COLUMN | COLOR | TEXTURE | CEMENT | ACC. MINERALS | MISELLANEOUS | DEPTH

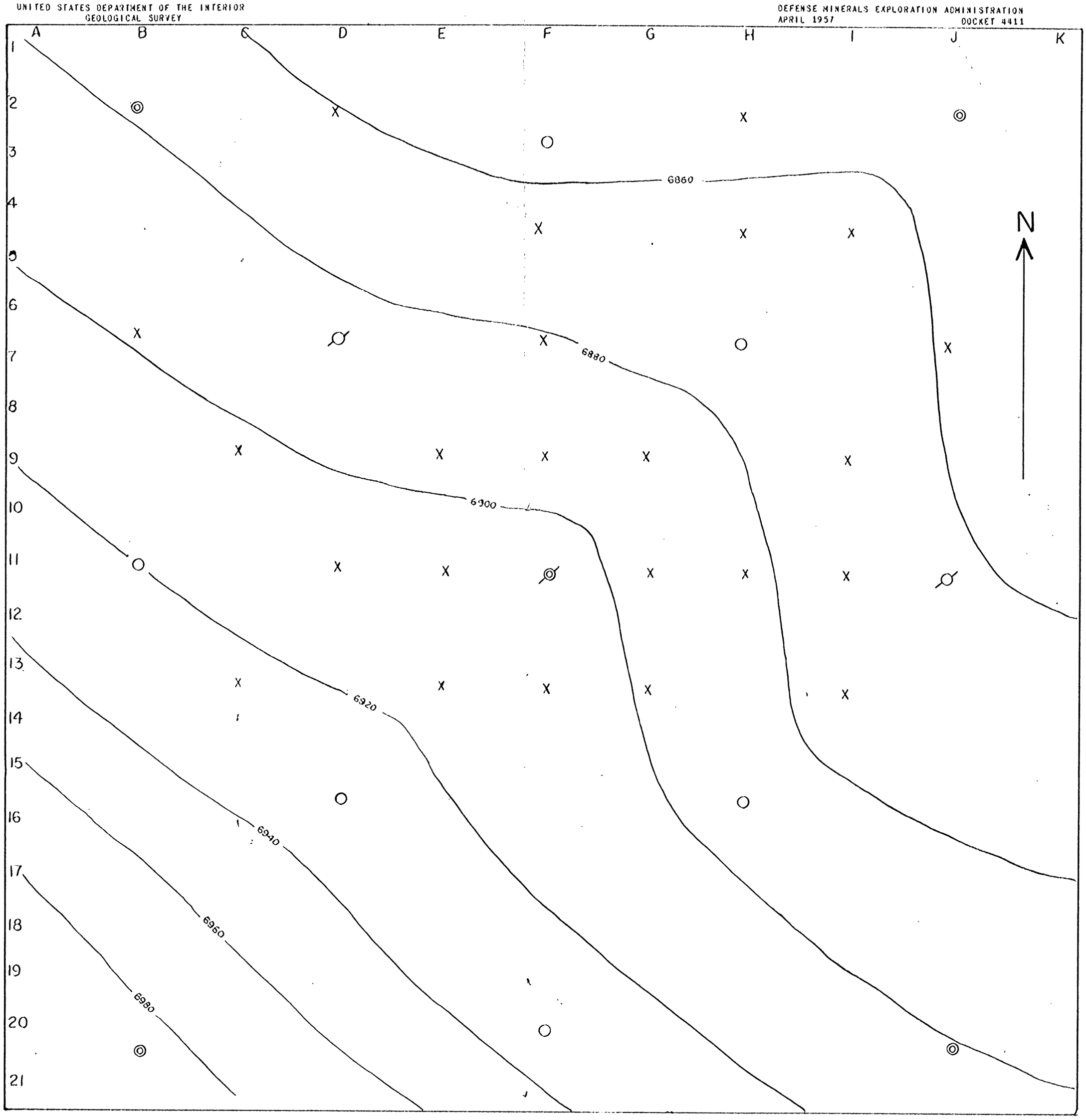
SANDSTONE, SILTSTONE, CLAYSTONE, WK. MIN., MIN., ORE

Depth	Recovery	Color	Texture	Cement	Acc. Minerals	Miselleneous
						165 - 183 DK GY SDY CARB STS. GRADES DOWN TO MGY M SS. KD JMBB
180						
90		GY				
			S			
200						
10		GN				
			I			
20			L			STS
30			T			PLUG 230
40	6.3 / 11.0					
		RD	Y			
50	15.0 / 15.0					
60	3.3 / 6.0					
	10.0 / 10.0					SD 269-70
70						TR U308 0.017% U308 TR U308
	15.0 / 15.0					
80						
90						
	15.0 / 15.0					JMBB JMWC
		LT	M-	C		SS
300			C-	L		A WH CLY SPX
		GY		Y		VCGL 302-07
			CGL			CEM F-P
10	10.8 / 12.0	M	S			STS W/ RD STK TR U308 TOP 6" A PYR JMBB TONGUE?
		GY	LTY		Y R	
		LT	F-			SS CEM-F
20	8.5 / 10.0	GY- WH	M			SO G
						SS
			M-	C	P	S-A DISS PYR THRU-OUT.
30	14.5 / 15.0					
		LT	C-	L	Y	VCGL 335-39 351-54
40						
						CGL HAS P CEM
	10.2 / 15.0		CGL	Y	R	TR U308 - HI 348-49 0.017%
50						
						SS
60			F-	C		CEM F-P
	9.3 / 15.0	GY		L		CGL IN PLACES
70						
			M	Y		BOTT 5' V FRI
	12.0 / 12.0					
80						
		M	S			SLTY CLYSTN
	5.0 / 12.0	GY	LTY		P Y R	S DISS PYR HI CORE LOSS PROB S FRI SS LOST
90						
	5.0 / 5.0	LT	S	C		STS STKS RD
400		GY	DY	A		STS ? JMWC / JMRC ?
	10.0 / 10.0	GN		C O 3		S STKS TITE VF SS
						TD 408
10						

F-2A

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
APRIL 1957 DOCKET 4411



EXPLANATION

6960 STRUCTURE CONTOUR AT TOP OF THE DAKOTA SANDSTONE

DRILL HOLES

◎ COMPANY DRILLED

○ STAGE I , BARREN TO WEAKLY MINERALIZED

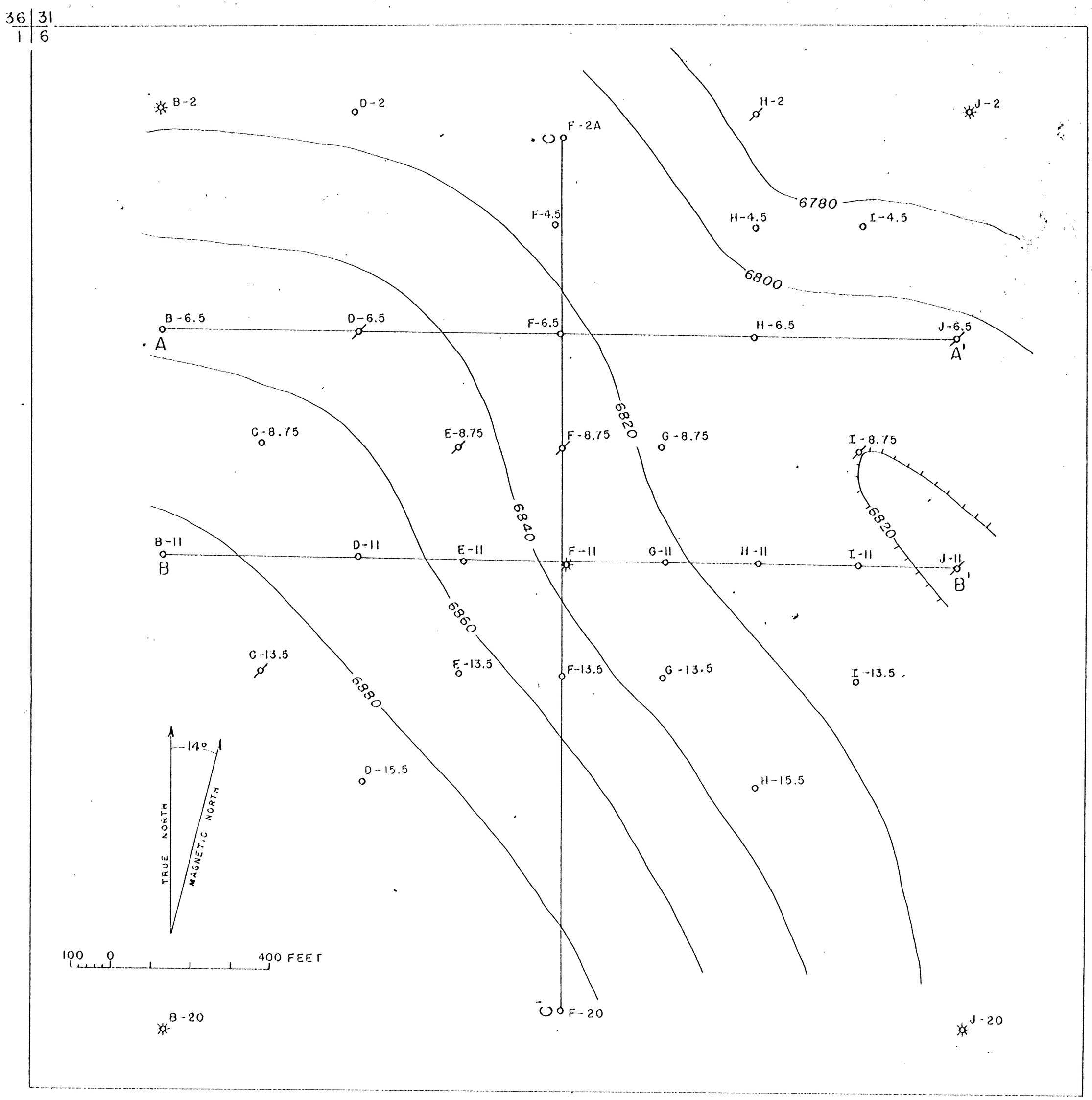
Ø STAGE I , MINERALIZED

X RECOMMENDED LOCATION, STAGE II

NOTE: DRILL HOLE LOCATIONS AND STRUCTURE CONTOURS FROM APPLICANTS MAP

200 0 400 FEET

Figure 1.--MAP OF NW¼, SEC.6, T.13 N., R.9 W., N.M.P.M., SHOWING STRUCTURE CONTOURS AND EXISTING AND RECOMMENDED HOLE LOCATIONS, TREASURE URANIUM AND RESOURCES INC., McKINLEY COUNTY, NEW MEXICO.



o BARREN DMEA DRILL HOLE

ø WEAKLY MINERALIZED DMEA DRILL HOLE

✲ NON DMEA DRILL HOLE FOR WHICH NO DATA IS AVAILABLE

— 6820 — STRUCTURE CONTOURS DRAWN ON CONTACT BETWEEN DARK SHALE AND WHITE SANDSTONE, BOTH WITHIN THE DAKOTA SANDSTONE

A ——— A' LINE OF CROSS SECTION

NOTE: LOCATION OF DRILL HOLES AND STRUCTURE CONTOURS TAKEN FROM OPERATORS MAP.

Figure 4.--DRILL HOLE AND STRUCTURE MAP, TREASURE URANIUM AND RESOURCES, INC., NW¼ SECTION 8, T.13 N., R.9 W., McKINLEY CO., NEW MEXICO.

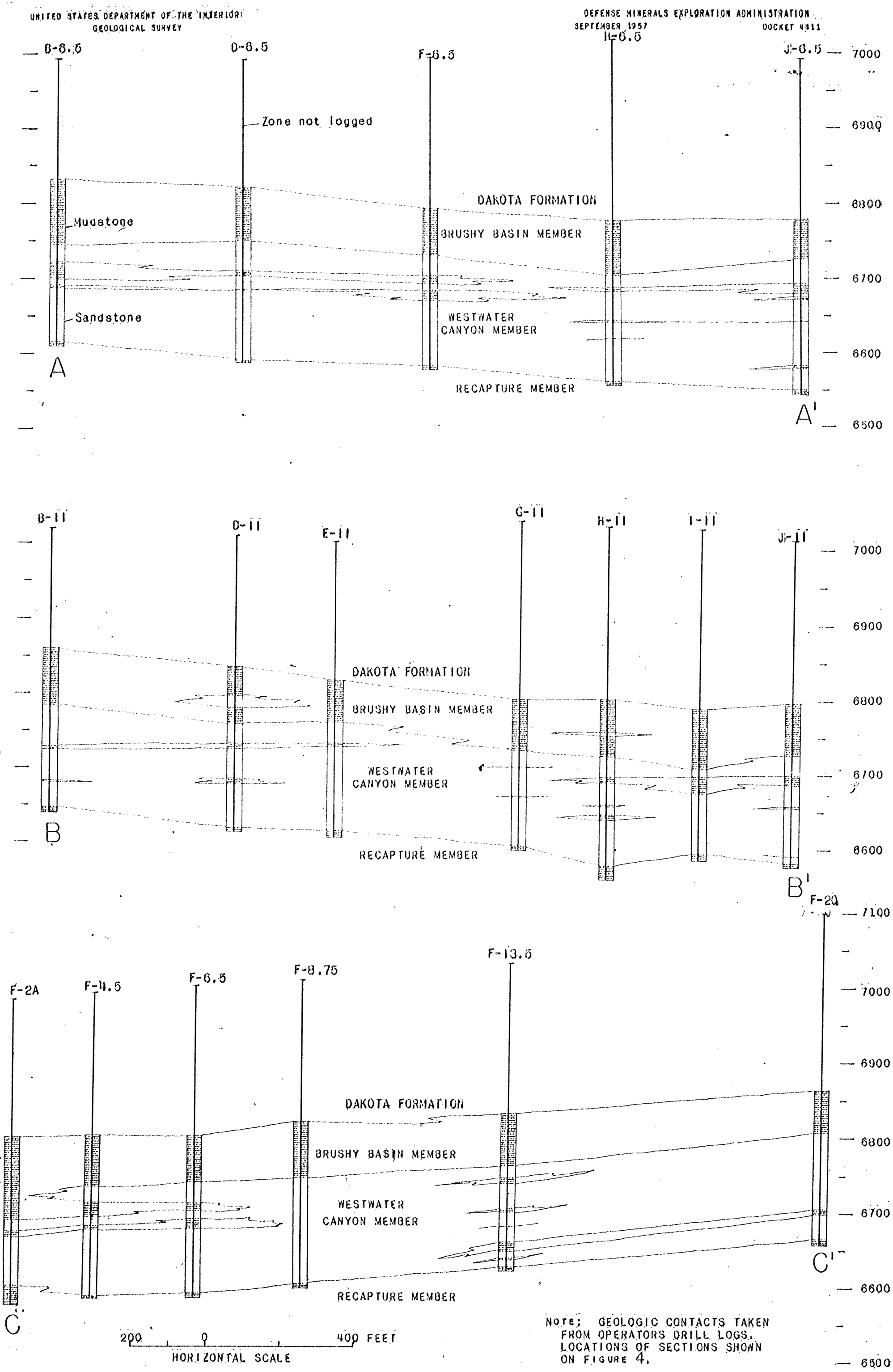
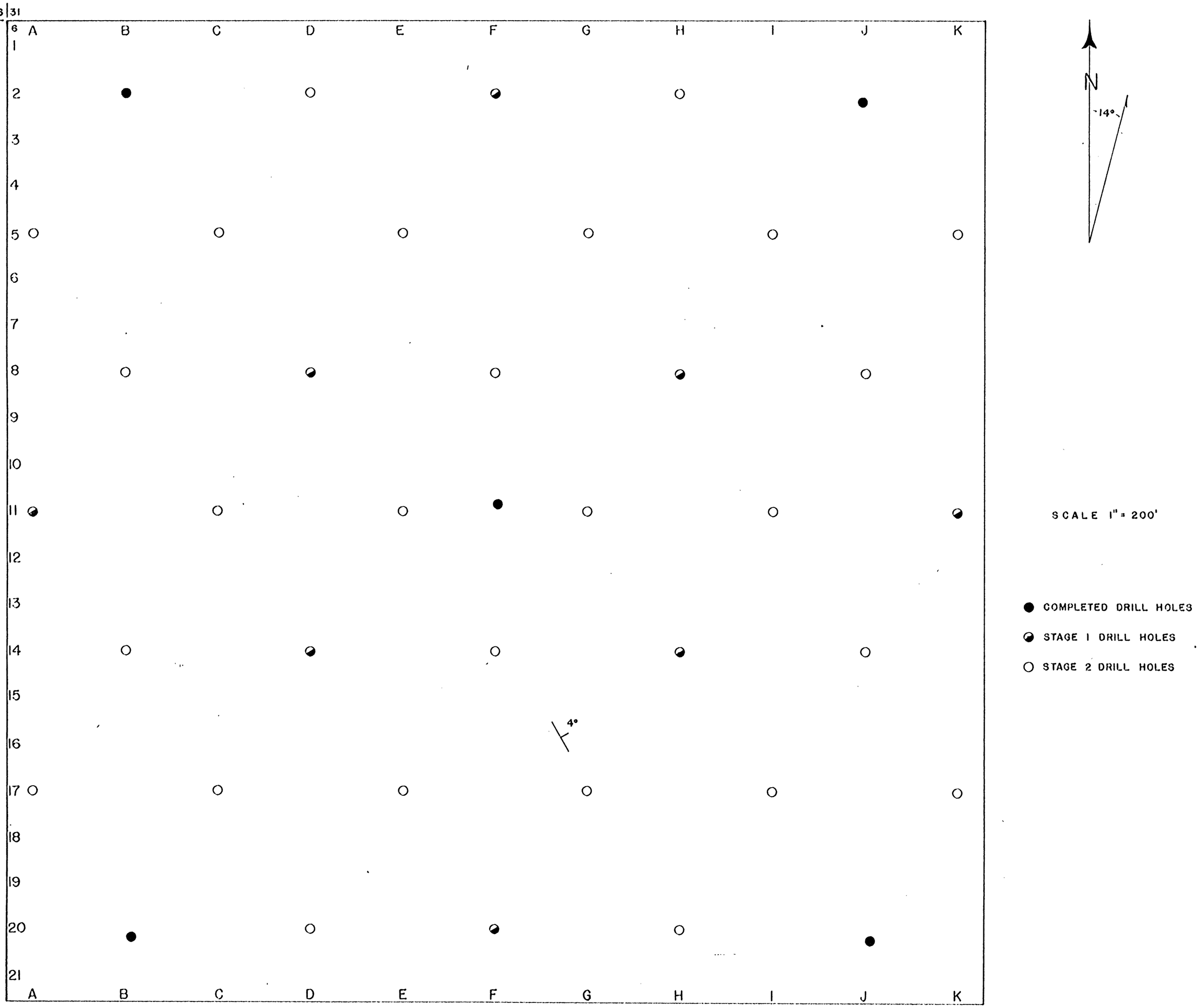


Figure 3.—STRATIGRAPHIC CROSS SECTIONS SHOWING PART OF THE MORRISON FORMATION.



PLAN OF PROPOSED DRILL HOLES
NW 1/4 SEC. 6 T.13N., R.9W., NMPM
Mc KINLEY CO. NEW MEXICO

TREASURE URANIUM & RESOURCES, INC.

FIG. 2

4B

ORE ___ MIN. ___ BARREN ✓ FAV ___ UNFAV ✓

TREASURE

URANIUM & RESOURSES INC.

HOLE NO D-11
PROJECT DMEA Dkt 4411, Stage 2 NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV 7013
LATTITUDE 309,100 NMPM
DEPARTURE 527,192 NMPM
COMPLETED June 7, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth 2' sp/s from 210' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC MINERALS	MISCELLANEOUS	DEPTH
						Kd / Jmbb	
		gy, gn, var, rd	s, d, y			Sandy siltstone	80, 90, 100
						2' sp/s	110
		lt	c to m			very clayey arkosic ss	120
		gy, wh	c gl				
		gy, gn, var, rd	s, d, y			Sandy siltstone	130, 140, 150
						Jmbb / Jmwc	
		lt	f to m		Py	arkosic ss with wh cly spx & diss pyr	160
		gy	c to cgl		Py	above ss becomes cgl	
			m			do	170
			c cgl			do	
		m	f			arkosic sandstone	
		gy	s d y			sandy claystone	180
		yw br	c			conglomeritic arkosic sandstone	190
		rd br	to c gl			w/ wh cly spx poor cement	200
			f m			sandstone w/ a/ gn cly galls	
		yw br	c to c gl			Conglomeritic arkosic ss w/ gn Poor cem. cly galls	210
TR		rd br	m c to c gl			sandstone conglomeritic sandstone	
		lt gy	s d y			Sandy Mudstone	230
TR		lt gy	f	c		very clayey sandstone fair cement	240
		gy		a y		very clayey conglomeritic sandstone	250
		gy	c to				
		lt gy yw br	c gl			conglomeritic arkosic sandstone w/ wh cly spx	260
TR		yw			Li m	sandstone w/ lim ?	
		lt gy	m			sandstone w/ shale stks	280
			to			very clayey sandstone	
		m gy	c			dense lower 2'	290
						Jmwc	
		gy gn	s d y			Jmrc siltstone	
						Total depth 296'	300

D-11

ORE ___ MIN ___ BARREN ✓ FAV ___ UNFAV ✓

TREASURE

Total depth 472

URANIUM & RESOURSES INC.

HOLE NO. H-11
PROJECT DMEA Dkt 4411, Stage 2 NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV 7030
LATTITUDE 309,153 NMPM
DEPARTURE 528,200 NMPM
COMPLETED June 4, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth 2' sp/s from 260' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC MINERALS	MISCELLANEOUS	DEPTH
						Kd / Jmbb	230
		gy, gn, var, rd	s, d, y			Sandy siltstone	240, 250
						2' sp/s	260
		wh	f			clean sandstone	
		gy, gn, var, rd	s, d, y			Sandy siltstone	280, 290, 300
						Jmbb / Jmwc	310
		lt gy	f			Sandstone cement fair - poor	320
		yw br to off	c				
		rd br					330
		lt gy	s d y			sdy siltstone	340
		yw br off	f-m			sandstone	
		b br	c			conglomeratic sand-stone	350
			f				
			f	c gl			370
		m gy	cl y			claystone	
		lt gy	c + c gl to off	c l a y		clayey conglomeritic sandstone fair cement	380
		m gy	s d y			sandy siltstone	390
				c		clayey	400
		b	f	l a y		sandstone fair cement	410
		u	m c				
			c to c gl			conglomeritic clayey sandstone	420
			f				
TR			f	m		Arkosic sandstone	
			to			Poor cement	440
			c			lower 3' is tite.	450
						Jmwc / Jmrc	
		gy gn var rd	s d y			sandy siltstone	460, 470
						Total depth 472'	480

H-11

ORE ___ MIN ___ BARREN ✓ FAV. ✓ UNFAV ___

TREASURE

URANIUM & RESOURSES INC.

HOLE NO. I-11
PROJECT DMEA Dkt 4411, Stage 2 NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV 7023
LATTITUDE 309,166 NMPM
DEPARTURE 528,444 NMPM
COMPLETED June 1, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth 2' sp/s from 270' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC MINERALS	MISCELLANEOUS	DEPTH
						Kd / Jmbb	240
		gy	s				250
			a				260
		var				2' sp/s	270
			h			Sandy	280
		var	d			siltstone	290
			y				300
		rd					310
						Jmbb / Jmwc	320
		o	b u f f	c to c gl		conglomeratic sandstone	330
TR			m	s d y		Sandy siltstone	340
		gy					350
		lt gy to br	c t c gl			Conglomeritic sandstone Poor cement	360
			b u f f	y		very conglomeritic	370
TR			to	c a l		sandstone	380
		rd					390
		br					400
			m	c a l y	c	very clayey conglomeritic sandstone	410
		gy				fair cement	420
TR							
		gy	v s a n d y			very sandy Mudstone	430
						Jmwc	
		gy var rd	s d y			sdy Jmrc siltstone	440
						Total depth 442'	450

I-11

ORE ___ MIN ___ BARREN ✓ FAV ✓ UNFAV ___

TREASURE

URANIUM & RESOURSES INC.

HOLE NO. C-8.75
PROJECT DMEA Dkt 4411, Stage 2 NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV 7005
LATTITUDE 309,414 NMPM
DEPARTURE 526,845 NMPM
COMPLETED June 6, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth 2' sp/s from 200' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC MINERALS	MISCELLANEOUS	DEPTH
						Kd / Jmbb	110
		gy	s				80
		gn	a				90
		var				2' sp/s	100
			n			Sandy	110
		rd	d			siltstone	120
			y				130
							140
						Jmbb / Jmwc	150
			m to c			sandstone poor cement	160
			sd y			sandy siltstone	
		gy	c to c gl			conglomeritic arkosic sandstone	170
			c l y			claystone	180
			c			conglomeritic	190
		lt	to			arkosic sandstone	
		gy					200
			c gl			Poor cement	210
TR		gy gn	cl y			claystone	
		lt gy	c c gl cl y			conglomeritic ss claystone	
TR							220
			c lt to c gl			conglomeritic arkosic sandstone Poor cement	230
							240
			to		c	Very conglomeritic sandstone with abundant clay cement	250
					v		260
					l a y		
			f f	c g l			
						fair cement	280
						dense lower 2'	
			m			Jmwc	
		gy var rd	s d y			Jmrc sandy siltstone	290
						Total depth 292'	300

C-8.75

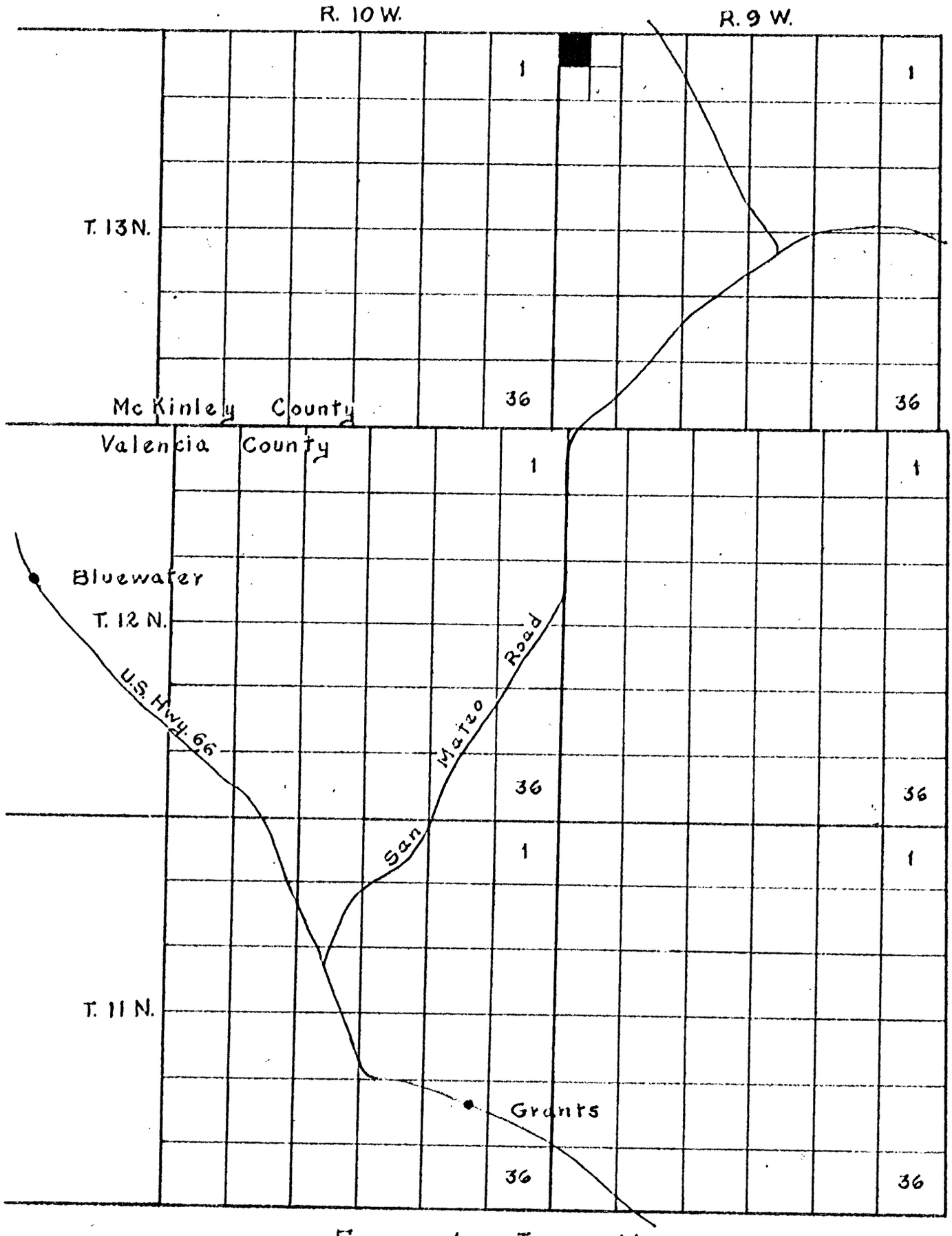
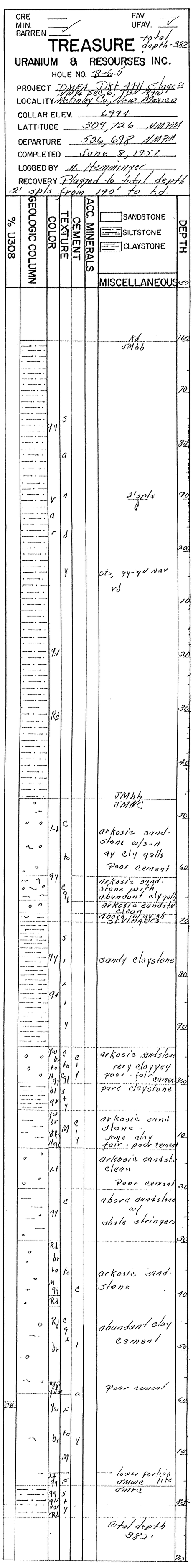
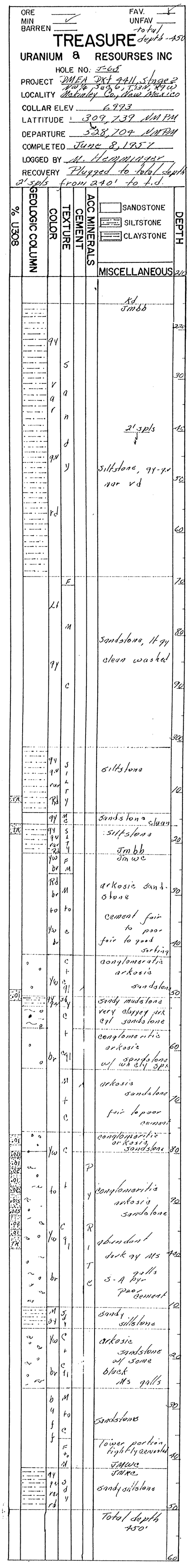
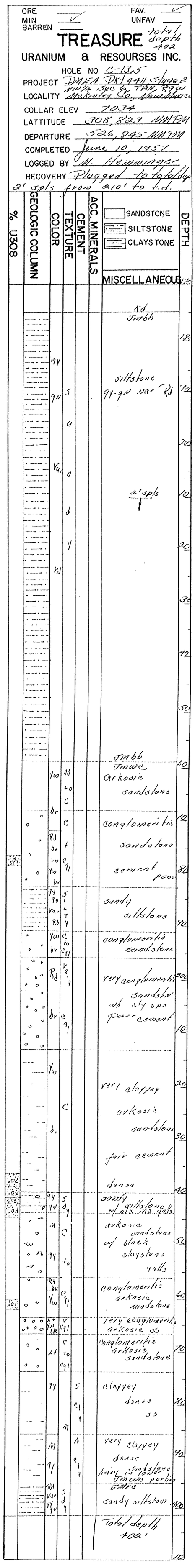
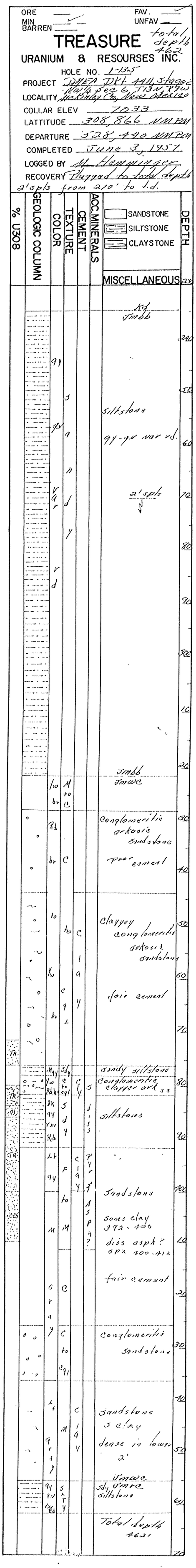


FIGURE 1 ~ INDEX MAP


ORE
MIN.
BARREN
FAV.
UFAV.
TREASURE
total depth 382
URANIUM & RESOURSES INC.
HOLE NO. B-6.5
PROJECT DMEA DKt 4411, Stage 2
NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV. 6994
LATTITUDE 309,726 NMPM
DEPARTURE 526,698 NMPM
COMPLETED June 8, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth
2' spls from 190' to t.d.
% U308
GEOLOGIC COLUMN
COLOR
TEXTURE
CEMENT
ACC. MINERALS
SANDSTONE
SILTSTONE
CLAYSTONE
DEPTH
MISCELLANEOUS
Total depth 382'
B-6.5


ORE
MIN
BARREN
FAV.
UNFAV
TREASURE
total depth 450
URANIUM & RESOURSES INC
HOLE NO. J-6.5
PROJECT DMEA DKt 4411, Stage 2
NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV 6993
LATTITUDE 309,739 NMPM
DEPARTURE 528,704 NMPM
COMPLETED June 8, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth
2' spls from 240' to t.d.
% U308
GEOLOGIC COLUMN
COLOR
TEXTURE
CEMENT
ACC. MINERALS
SANDSTONE
SILTSTONE
CLAYSTONE
DEPTH
MISCELLANEOUS
Total depth 450'
J-6.5


ORE
MIN
BARREN
FAV.
UNFAV
TREASURE
total depth 402
URANIUM & RESOURSES INC.
HOLE NO. C-13.5
PROJECT DMEA DKt 4411, Stage 2
NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV 7034
LATTITUDE 308,829 NMPM
DEPARTURE 526,845 NMPM
COMPLETED June 10, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total dep
2' spls from 210' to t.d.
% U308
GEOLOGIC COLUMN
COLOR
TEXTURE
CEMENT
ACC. MINERALS
SANDSTONE
SILTSTONE
CLAYSTONE
DEPTH
MISCELLANEOUS
Total depth 402'
C-13.5


ORE
MIN
BARREN
FAV.
UNFAV
TREASURE
total depth 462
URANIUM & RESOURSES INC.
HOLE NO. I-13.5
PROJECT DMEA DKt 4411, Stage 2
NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV 7033
LATTITUDE 308,866 NMPM
DEPARTURE 528,490 NMPM
COMPLETED June 3, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth
2' spls from 210' to t.d.
% U308
GEOLOGIC COLUMN
COLOR
TEXTURE
CEMENT
ACC. MINERALS
SANDSTONE
SILTSTONE
CLAYSTONE
DEPTH
MISCELLANEOUS
Total depth 462'
I-13.5

ORE ____ FAV. ✓
MIN. ____ UNFAV. ____
BARREN ✓

TREASURE URANIUM & RESOURSES INC.

total depth 402'

HOLE NO. D-2
PROJECT DMEA DKT 4411 Stage 2
LOCALITY Nor 1/4 Sec 6 T13N R9W McKinley Co, New Mexico
COLLAR ELEV 6977
LATTITUDE 310,296 NMPM
DEPARTURE 527,188 NMPM
COMPLETED June 9, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth
2' spls from 212' to t.d.

URANIUM %	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC. MINERALS	MISCELLANEOUS (SANDSTONE / SILTSTONE / CLAYSTONE)	DEPTH
							180
						Kd Jmbb	190
		gy	s				
		gn				Sandy	200
			d			Siltstone	
		var					10
			y			2' spls	
		Rd					20
							30
		wh	F			clean well rd sandstone	
							40
		Gy	s				
							50
		Gn					
			d			Sandy	60
						Siltstone	
		var					70
			y				
							80
		Rd					
							90
						Jmbb Jmwc	300
		lt gy	F			Sandstone	
		lt gy	s d			Sandy	
		gn	y			Siltstone	10
		gn var Rd	s i l t y			var sdy siltstone	
		Rd br to pk	v			well sorted	20
		yw br	F			clean Sandstone	
		lt gy					30
		yw	F			fair cement	40
		yw br m gy	M to C			arkosic sandstone cement poor	
		gy gn var Rd	s a n d y			variegated Sandy siltstone	50
TR.							60
		Black	s h a l y		C	Carbonaceous shaly sand str.	
		Dk gy	F to M		Asph?	asphalt? coated well rounded sandstone	70
		gy to yw br	s a n d y			Sandy claystone	
		yw br	M			arkosic sandstone	80
		to	to C			very clayey arkosic sandstone	90
		gy				Jmwc Jmrc	
		gy gn var Rd	s a n d y			Sandy siltstone	400
						Total depth 402'	10

D-2

ORE ____ FAV. ✓
MIN. ____ UNFAV. ____
BARREN ✓

TREASURE URANIUM & RESOURSES INC.

total depth 436'

HOLE NO. H-2
PROJECT DMEA DKT 4411 Stage 2
LOCALITY Nor 1/4 Sec 6, T13N R9W McKinley Co, New Mexico
COLLAR ELEV 6994
LATTITUDE 310,294 NMPM
DEPARTURE 528,190 NMPM
COMPLETED June 10, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth
2' spls from 280' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC. MINERALS	MISCELLANEOUS (SANDSTONE / SILTSTONE / CLAYSTONE)	DEPTH
							230
						Kd Jmbb	240
		gy	s				
		gn	a			Sandy	50
		var	n			Siltstone	
			d				60
			y			2' spls	
		Rd					70
							80
		Rd				2' spls	
							90
		lt	F to M	P y r i t e		Arkosic Sandstone with some disseminated pyrite and some white clay specks.	300
TR.							10
		gy	s a n d y			Sandy	
		gn var	n d y			Siltstone	20
		Rd					30
		lt M gy	M	P y r i t e		well rounded sandstone with 5 diss asph? spx & pyr.	40
TR.		gy gn var Rd	s a n d y			Sandy siltstone Jmbb Jmwc	50
.03							
		lt	very fine to fine	A b u n d a n t		some to abundant white clay specks	60
		M					90
		gy	M	c l a y	P y r i t e	Sandstone 5-A diss pyrite Abundant May clay cement dense bott 2'	400
		lt gy to wh	F to M				10
		gy	M				20
						Jmwc Jmrc	50
		gy gn var Rd	s d y			Sandy siltstone	
						Total depth 436'	90

H-2

ORE ____ FAV. ✓
MIN. ____ UNFAV. ____
BARREN ✓

TREASURE URANIUM & RESOURSES INC.

total depth 452'

HOLE NO. H-4.5
PROJECT DMEA DKT 4411 Stage 2
LOCALITY Nor 1/4 Sec 6, T13N R9W McKinley Co, New Mexico
COLLAR ELEV 7010
LATTITUDE 310,015 NMPM
DEPARTURE 528,187 NMPM
COMPLETED June 1, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth
2' spls from 225' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC. MINERALS	MISCELLANEOUS (SANDSTONE / SILTSTONE / CLAYSTONE)	DEPTH
							240
						Kd Jmbb	250
		gy					
		gn	s				
			a			Sandy	60
		var	n			Siltstone	
			d				70
			y				
		Rd					80
						2' spls	
		wh	F			sandstone	90
		Gy	s				
		gy	a			Sandy	300
			n			siltstone	
		var	d				10
			y				
TR.		Rd					20
		M			A	well rounded quartzite sandstone abundant black asph? specks	
		gy var a y	F		s p h		30
							40
.015							
		gy gn var Rd	s a n d y			Sandy siltstone	50
						Jmbb Jmwc	60
		lt gy	F			Sandstone	
TR.		dk	s a n d y			very sandy siltstone	70
		gy					
							80
		bu ff to lt	M to C			arkosic Sandstone Poor cement	90
		gy	C			Conglomeritic arkosic Sandstone	400
		M	to				10
		gy	C a l			Poor cement	20
							30
		lt	M to C			Clayey arkosic sand stone dense lower 3' Jmwc Jmrc	40
		gy					
TR.		gy gn var Rd	s d y			Sandy siltstone	50
						Total depth 452'	60

H-4.5

ORE ____ FAV. ✓
MIN. ____ UNFAV. ____
BARREN ✓

TREASURE URANIUM & RESOURSES INC.

total depth 435'

HOLE NO. I-4.5
PROJECT DMEA DKT 4411 Stage 2
LOCALITY Nor 1/4 Sec 6, T13N R9W McKinley Co, New Mexico
COLLAR ELEV 6994
LATTITUDE 310,019 NMPM
DEPARTURE 528,452 NMPM
COMPLETED June 1, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged to total depth
2' spls from 240' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC. MINERALS	MISCELLANEOUS (SANDSTONE / SILTSTONE / CLAYSTONE)	DEPTH
							200
						Kd Jmbb	210
		gy					
			s				20
		gn					
			a			2' spls	30
			n				
		var					40
			d			Sandy	50
			y			Siltstone	
		Rd					60
							80
		lt gy to wh	F			Jmbb Jmwc well sorted Sandstone	90
			M to C				300
		gy	C to C gl			conglomeritic arkosic sandstone	10
TR.		gy gn	v s a n d y			very Sandy siltstone	20
							30
			M to C			very clayey sandstone	40
TR.		lt gy to	C			very clayey conglomeritic Sandstone	50
			C a l			fair cement	60
		yw dk gy	Sd			Sandy siltstone	
		bu ff to yw br	C to C gl			very clayey conglomeritic sandstone poor-fair cem	70
							80
			C to C gl		B u f f	Conglomeritic Sandstone Poor cement	90
							400
			F to M		f	Sandstone w/ 5 clay	
			C gl			conglomeritic ss	10
			F			Sandstone	
			C			clean washed conglomeritic sandstone dense bott 3' Jmwc	20
			to				
			C gl				30
		var	Sdy			sandy siltstone Total depth 435'	40

I-4.5

Stage 2, May 1957

ORE ___ FAV. ✓
MIN. ✓ UNFAV. ___
BARREN ___

TREASURE
URANIUM & RESOURSES INC.

HOLE NO. E-8.75
PROJECT DMEA Dkt #4411 Stage 2
NW¼ Sec 6 T13N R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV. 6777 DEPTH 401
LAT. 309, 416 NMPM
DEP. 527, 452 NMPM
COMPLETED May 30, 1957
LOGGED BY M. Hemmingway
RECOVERY Plugged to total depth
2' sp/s - 217' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC. MINERALS	MISCELLANEOUS (SANDSTONE / SILTSTONE / CLAYSTONE)	DEPTH
						Rd Jmbb	170
							180
		Gy	S				
			I				190
							200
		Gy	L			Sandy siltstone	
			T				210
		Var	Y				
							220
						very sandy 222'-225'	
		Rd					230
							240
							250
							260
						Jmbb Jmwc	
		Lt	M	C	P		
		Yl					270
		to	to	I	Y	arkosic sandstone some pyrite abundant gray clay	
		Yw		a	r		
			C		y	sorting fair cement fair	280
		Br			I		
		Lt	F to M		t	arkosic sandstone w/ s-A disseminated pyrite & A wh clay specks	290
		Yl	C		e	sorting poor cement fair	
		Lt Yl to Bff	M				300
		Lt	to			Algal sandstone cement poor	
		Yl	C			clean sandstone w/ s shale stks arkosic sorting poor, cement poor	310
		Yw Br to Bff	F to M		L I M	arkosic sandstone with limonite str sorting good	320
		Lt	M to C		P I r I t e	arkosic sandstone some, disseminated pyrite some white clay specks sorting fair cement fair	
		Yl					330
			F				
		RS	to		H m	abpre w/ hematite stain, cement poor	
		Br	M				340
		Lt			P y r i t e	arkosic sandstone w/ s diss pyr & s. wh clay spx	
		Yl	M to C				
		Yw Br	C		Tim	w/ Tim str	350
		Lt	M		P y r i t e	sorting poor cement poor	
		Lt Yl to Bff	C Cgl			conglomeritic sand stone cement poor	
			M to C			arkosic sandstone	360
		b					
		u f	C			conglomeritic sandstone w/ s gray clay	370
		f	to			sorting poor cement fair	
							380
		Lt	C Cgl		C l a y	conglomeritic sandstone w/ gr clay - clay increases down	
		Yl					390
		b u f	F to M			sandstone w/ A ty clay	
		Lt Yl		Qtz		dense Jmwc ss	400
		Gy Gv Br Rd	S a y			Jmrc var dense sts.	
						Total depth 401'	410

E-8.75

ORE ___ FAV. ✓
MIN. ✓ UNFAV. ___
BARREN ___

TREASURE
URANIUM & RESOURSES INC.

HOLE NO. I-8.75
PROJECT DMEA Dkt #4411 Stage 2
NW¼ Sec 6 T13N R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV. 7015 DEPTH 446
LAT. 309, 419 NMPM
DEP. 528, 442 NMPM
COMPLETED May 31, 1957
LOGGED BY M. Hemmingway
RECOVERY Plugged to total depth
- 2' sp/s - 248' to t.d.

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC. MINERALS	MISCELLANEOUS (SANDSTONE / SILTSTONE / CLAYSTONE)	DEPTH
						Rd Jmbb	210
							220
			S				
		Gy	I			Sandy siltstone	230
							240
		Gv	L				
			T				250
		Var	Y				
							260
		Rd					270
							280
							290
						Jmbb Jmwc	300
		Lt			P		
		Yl	M			arkosic sandstone s pyrite	310
		to	to		Y r i t e	sorting fair cement poor	
		Bff				s-A wh clay spx	320
			C			minute lit spx	
							330
		Yl	S a n d y			dense very sandy siltstone	340
		Gn					350
		Lt Yl to Bff	C		P r i t e	arkosic sandstone s pyrite s wh clay spx cement poor	360
		b u f	C to Cgl			sli conglomeritic arkosic sandstone w/ A wh clay spx cement poor	370
		f f	C a l			conglomeritic sandstone w/ A wh clay spx cement poor	380
		Yw br	C to C Cgl			sli conglomeritic sandstone w/ A wh clay spx cement poor	390
		b u f f	M	C l a y		very clayey sandstone sorting good cement fair	400
		Yw br	F M			arkosic sandstone w/ A wh clay spx cement poor	410
		b u f f	M to C				
							420
		b u f l	C to C			conglomeritic sandstone s-A white clay specks sorting poor cement poor	430
		Gy Gv Var Rd	S a n d y			sandy siltstone w/ s-A dkgy mudstone galls	440
		Yw br	C to			sli conglomeritic arkosic sandstone w/ A wh clay spx cement poor	450
		b u f f	C Cgl				460
		Lt Yl	F	Qtz		dense Jmwc ss. Jmrc	470
						Total depth 446'	480

I-8.75

ORE ___ FAV. ✓
MIN. ✓ UNFAV. ___
BARREN ___

TREASURE
URANIUM & RESOURSES INC.

HOLE NO. F-4.5
PROJECT DMEA Dkt #4411 Stage 2
NW¼ Sec 6 T13N R9W
LOCALITY McKinley Co., New Mexico
COLLAR ELEV. 6982 DEPTH 408
LAT. 310, 023 NMPM
DEP. 521, 724 NMPM
COMPLETED May 31, 1957
LOGGED BY M. Hemmingway
RECOVERY Plugged to total depth
2' sp/s - 216' to total depth

% U308	GEOLOGIC COLUMN	COLOR	TEXTURE	CEMENT	ACC. MINERALS	MISCELLANEOUS (SANDSTONE / SILTSTONE / CLAYSTONE)	DEPTH
						Rd Jmbb	190
							200
		Gy					
							210
		Gv				Sandy siltstone	
							220
		Var					
							230
		Rd					240
							250
						Jmbb Jmwc	260
		Lt			P		
		Y	F		r	well rounded sandstone w/ s pyrite & blk spx a white clay spx sorting excellent cement fair	270
		Yl			i t e		
							280
		Yl	S a n d y			variegated sandy siltstone	
		Var					290
		Rd					
		Lt Yl	F F-M		P	sli arkosic sandstone - s pyrite	300
		Lt Yl	M to C		r i t e	sorting good cement fair	
		Yl					310
		Yl Yw Var Rd	S a n d y			variegated sandy siltstone	
			F				320
		Lt	to		P	arkosic sandstone sorting good cement poor s wh clay spx	330
			M		y		
		Y					340
			M to C		r		
		Y	C			conglomeritic sandstone w/ A wh clay spx sorting poor cement poor	350
			to		t		
			C Cgl		e		360
		Yw br	C			very clayey sandstone	
		b u f f	C			conglomeritic sandstone	370
			to			s-A white clay specks sorting poor cement poor	380
		Lt	C				390
		Yl					
							400
		Lt Yl Gy Yl	F Qtz			very dense hard sandstone Jmwc var siltstone Jmrc	410
						Total depth 408'	420

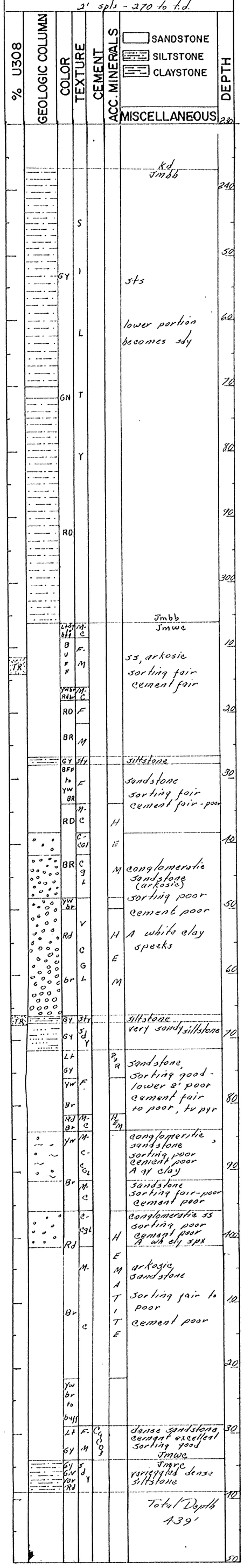
F-4.5

MHH 6/57

ORE ___ MIN. ✓ BARREN ✓ FAV. ✓ UNFAV. ✓

TREASURE
URANIUM & RESOURSES INC

HOLE NO. G-11
PROJECT DMEA DKt 4411, Stage 2
LOCALITY NW¼, Sec 6, T13N, R9W, McKinley County, New Mexico
COLLAR ELEV. 7035 DEPTH 439
LATTITUDE 309,140 NMPM
DEPARTURE 527,956 NMPM
COMPLETED May 22, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged total depth 2' spls - 270 to t.d.

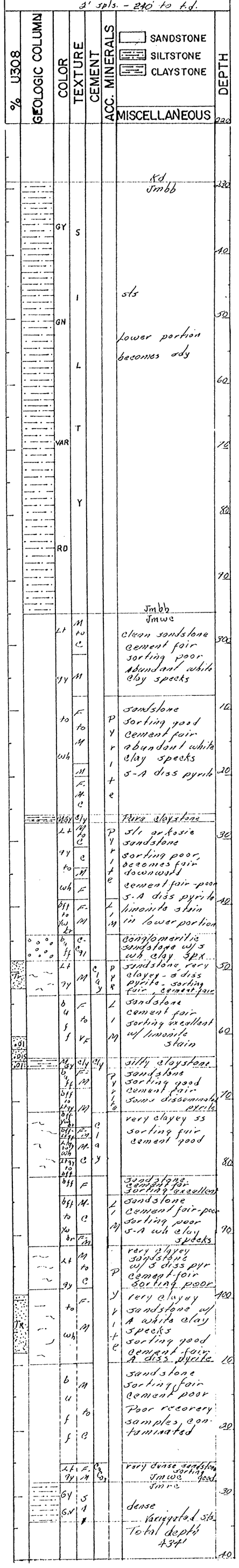


G-11

ORE ___ MIN. ✓ BARREN ___ FAV. ✓ UNFAV. ___

TREASURE
URANIUM & RESOURSES INC

HOLE NO. G-8.75
PROJECT DMEA DKt 4411, Stage 2
LOCALITY NW¼, Sec 6, T13N, R9W, McKinley County, New Mexico
COLLAR ELEV. 7016 DEPTH 434
LATTITUDE 309,418
DEPARTURE 527,954
COMPLETED May 24, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged total depth 2' spls. - 240' to t.d.

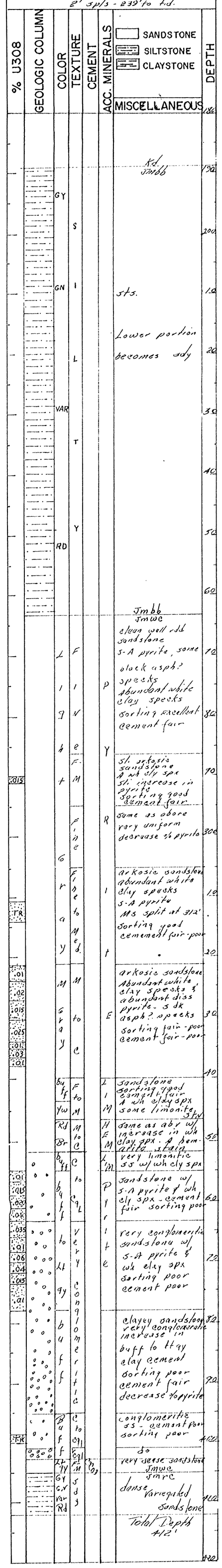


G-8.75

ORE ___ MIN. ✓ BARREN ___ FAV. ✓ UNFAV. ___

TREASURE
URANIUM & RESOURSES INC

HOLE NO. E-8.75
PROJECT DMEA DKt 4411, Stage 2
LOCALITY NW¼, Sec 6, T13N, R9W, McKinley County, New Mexico
COLLAR ELEV. 7003 DEPTH 412
LATTITUDE 309,417
DEPARTURE 527,716
COMPLETED May 27, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged total depth 2' spls - 239' to t.d.

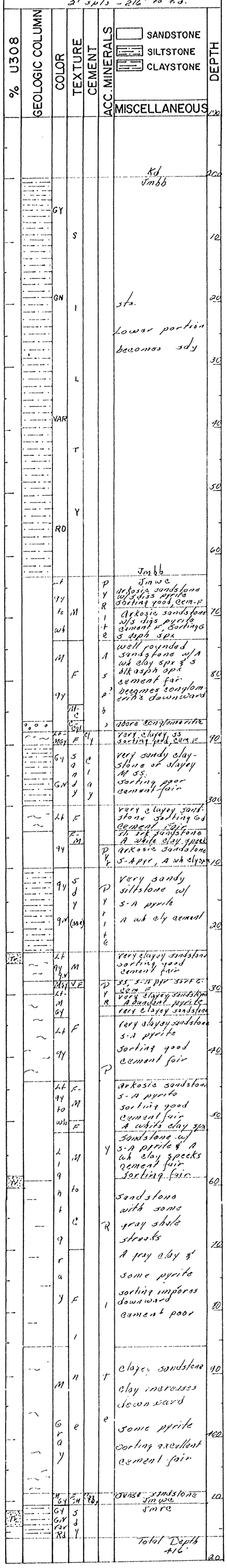


F-8.75

FAV. ✓ UNFAV. ___ ORE ___ MIN. ___ BARREN ✓

TREASURE
URANIUM & RESOURSES INC

HOLE NO. F-6.5
PROJECT DMEA DKt 4411, Stage 2
LOCALITY NW¼, Sec 6, T13N, R9W, McKinley County, New Mexico
COLLAR ELEV. 6994 DEPTH 416
LATTITUDE 309,733
DEPARTURE 527,720
COMPLETED May 29, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged total depth 2' spls - 216' to t.d.



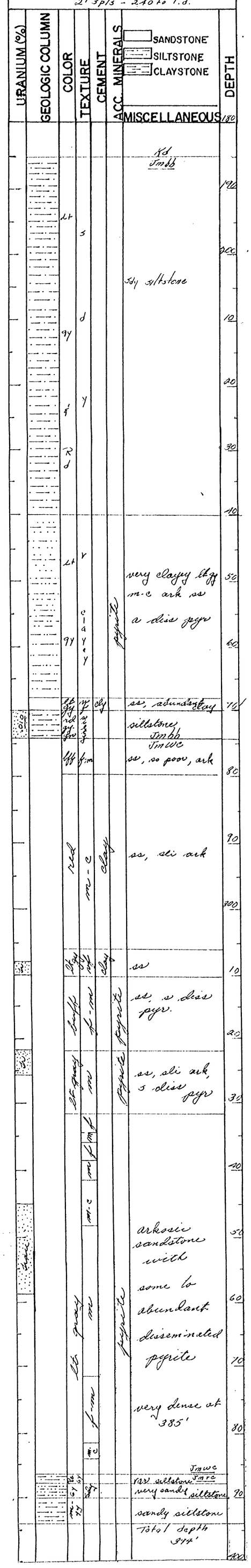
F-6.5

Stage 2, May 1957

ORE ____ FAV. ____
MIN. ____ UNFAV. ✓
BARREN ✓

TREASURE
URANIUM & RESOURSES INC

HOLE NO. E-11
PROJECT DMEA Dkt 4411, Stage 2 NW¼ Sec 6 T13N R9W
LOCALITY McKinley Co, New Mexico
COLLAR ELEV. 7006 DEPTH 394
LATTITUDE 309,113 NMPM
DEPARTURE 521,452 NMPM
COMPLETED May 15 1957
LOGGED BY M. Hemminger
RECOVERY Plugged total depth
2' spls - 240 to T.D.

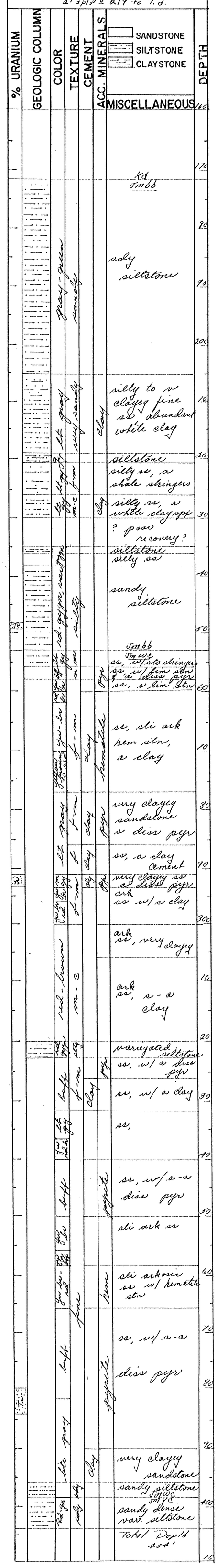


E-11

ORE ____ FAV. ____
MIN ____ UNFAV. ✓
BARREN ✓

TREASURE
URANIUM & RESOURSES INC

HOLE NO. E-13.5
PROJECT DMEA Dkt #4411 Stage 2 NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co, New Mexico
COLLAR ELEV. 7028 DEPTH 404
LATTITUDE 308,841 NMPM
DEPARTURE 521,452 NMPM
COMPLETED May 17, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged total depth
2' spls - 219 to T.D.

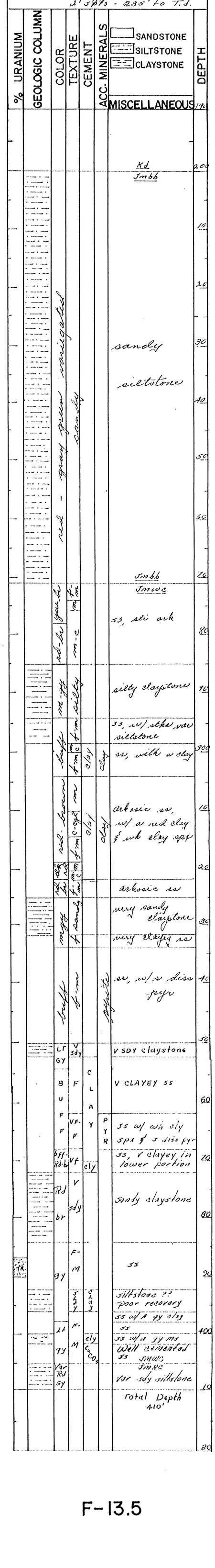


E-13.5

ORE ____ FAV. ____
MIN. ____ UNFAV. ✓
BARREN ✓

TREASURE
URANIUM & RESOURSES INC

HOLE NO. F-13.5
PROJECT DMEA Dkt #4411, Stage 2 NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co, New Mex.
COLLAR ELEV 7029 DEPTH 410
LATTITUDE 308,847 NMPM
DEPARTURE 521,708 NMPM
COMPLETED May 20, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged total depth
2' spls - 235' to T.D.

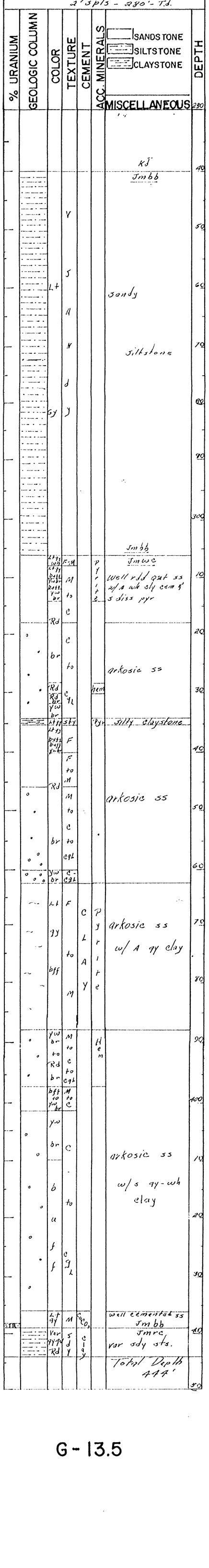


F-13.5

ORE ____ FAV. ____
MIN. ____ UNFAV. ✓
BARREN ✓

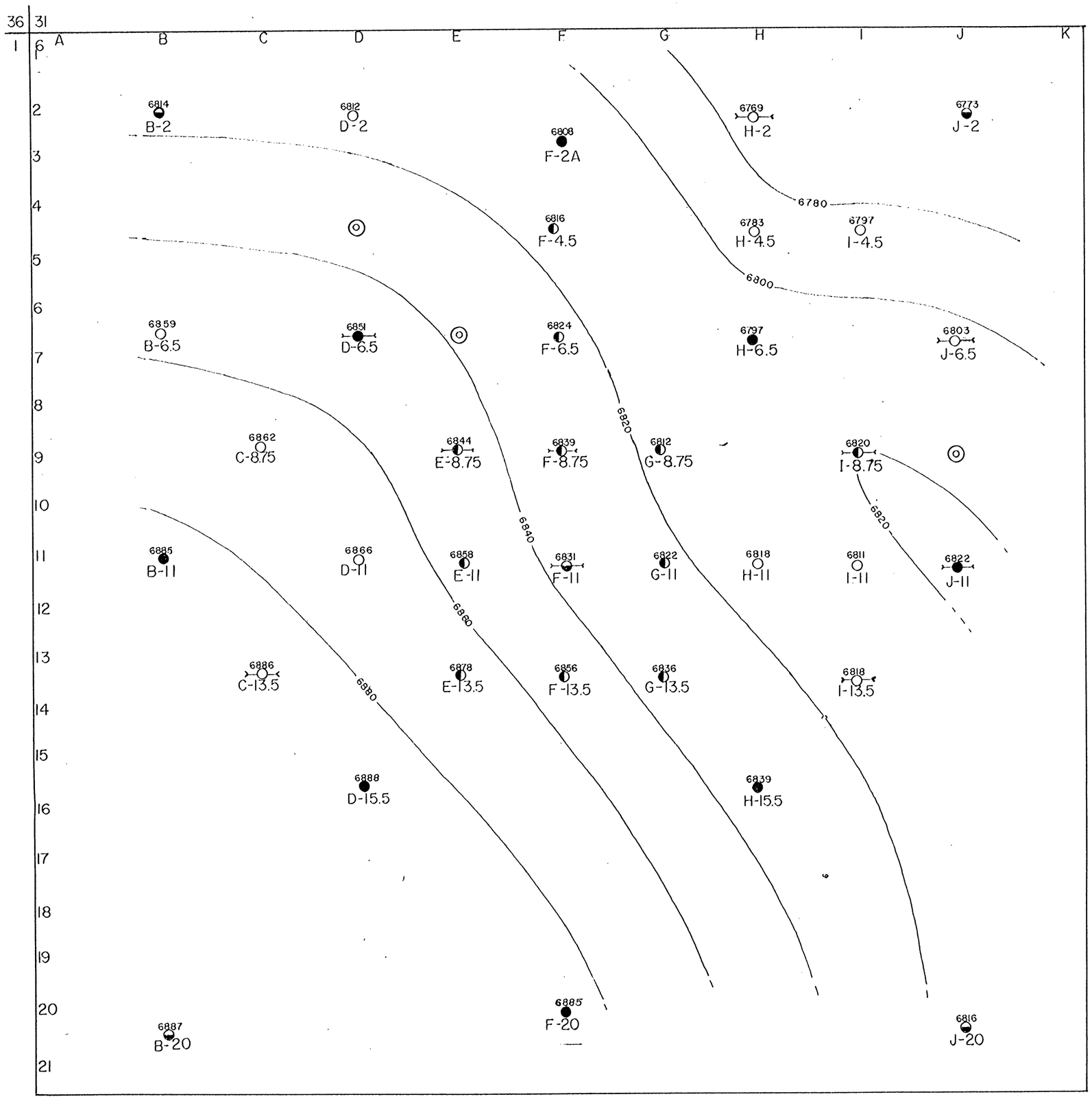
TREASURE
URANIUM & RESOURSES INC

HOLE NO. G-13.5
PROJECT DMEA Dkt #4411, Stage 2 NW¼ Sec 6, T13N, R9W
LOCALITY McKinley Co, New Mexico
COLLAR ELEV 7046 DEPTH 444
LATTITUDE 308,853 NMPM
DEPARTURE 521,958 NMPM
COMPLETED May 21, 1957
LOGGED BY M. Hemminger
RECOVERY Plugged total depth
2' spls - 280' - T.D.



G-13.5

May 3/57



TREASURE URANIUM & RESOURSES
SALT LAKE CITY

DRILL HOLE & STRUCTURE MAP

NW 1/4 SEC. T13N, R9W
MCKINLEY CO., NEW MEXICO

- ⊙ PROPOSED HOLES
- ◒ HOLES DRILLED BY TREASURE URANIUM DURING MARCH '56
- ● DMEA DKT 4411 HOLES DRILLED DURING MARCH '57
- ◐ DMEA DKT 4411 HOLES DRILLED DURING MAY '57
- ○ DMEA DKT 4411 HOLES DRILLED DURING JUNE '57
- ⊢○⊣ HOLES CONTAINING AT LEAST 0.020 % U_3O_8 IN THICKNESSES GREATER THAN 1'.

CONTOURED ON CONTACT OF WHITE SS & DARK CARBONACEOUS SH. - BOTH WITHIN THE DAKOTA SS

CONTOUR INTERVAL 20'

SCALE 1" = 200' JULY 1957

M. HEMMINGER

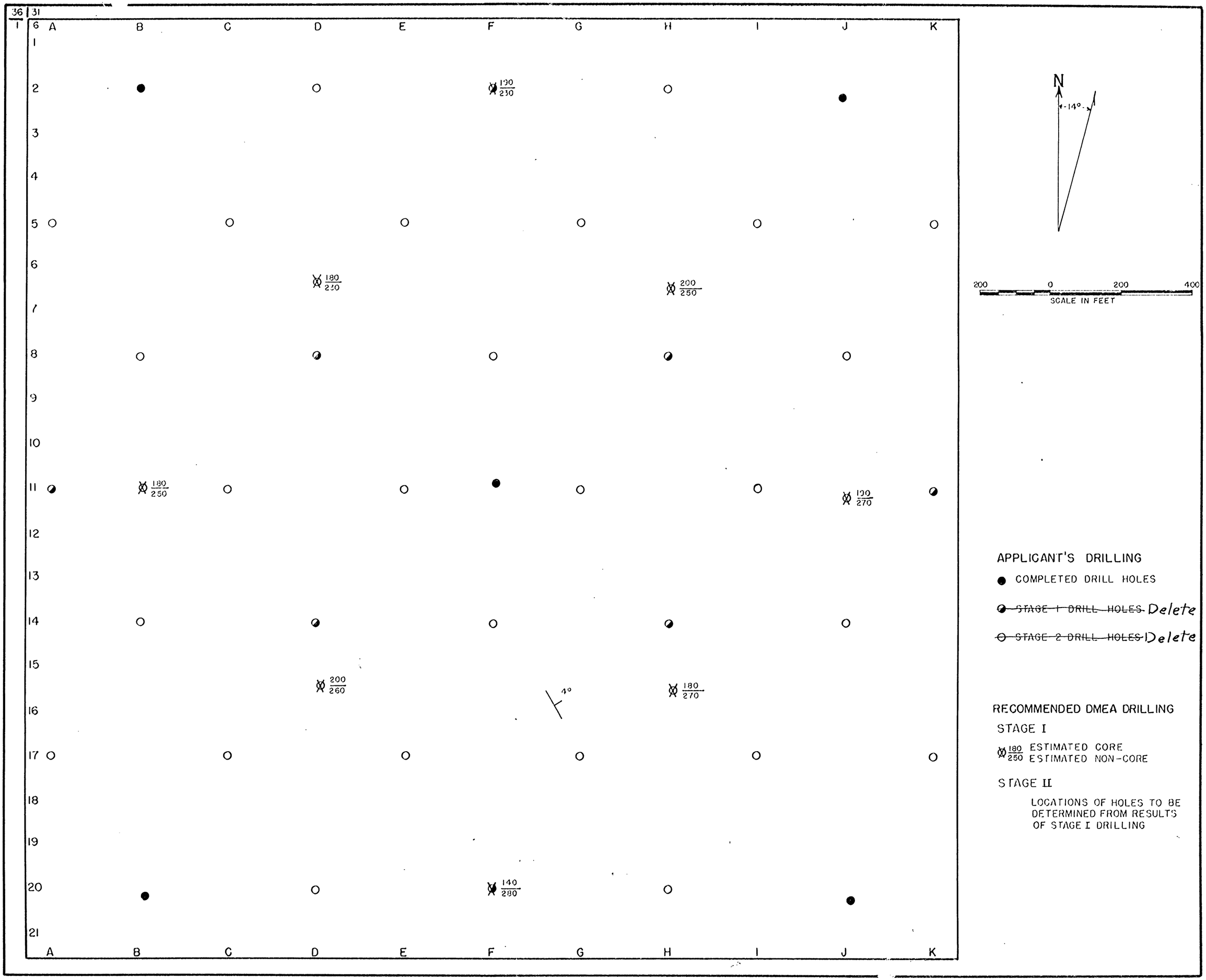
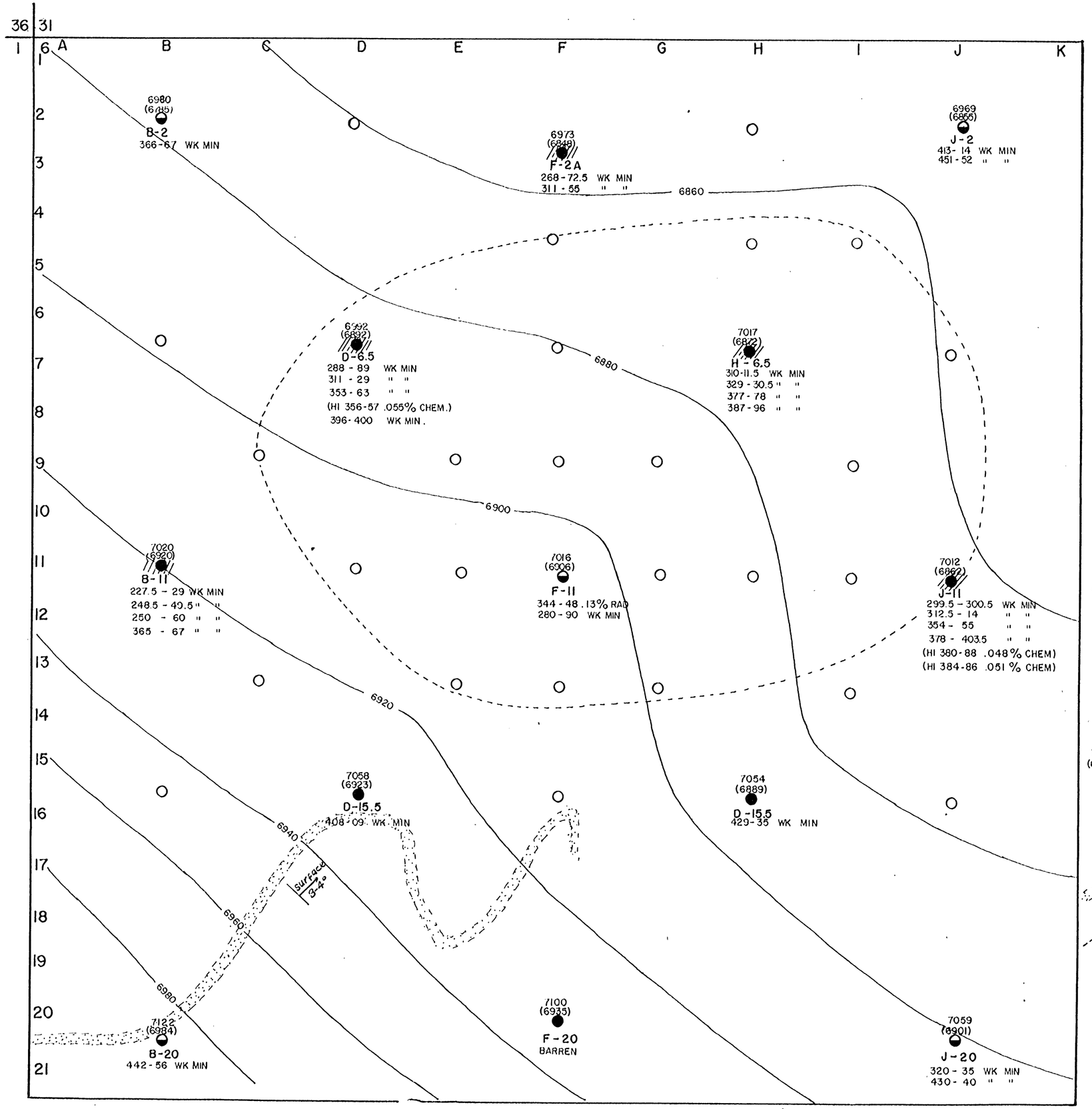


FIGURE 3 - PLAN OF PROPOSED DRILL HOLES, NW 1/4 SEC. 6 T.13 N., R.9 W., NMPM, TREASURE URANIUM AND RESOURCES, INC., McKINLEY COUNTY, NEW MEXICO. DMEA 4411



14°

TREASURE URANIUM & RES. INC.
SALT LAKE CITY

DRILL HOLE & STRUCTURE MAP
Contoured on top of Dakota ss

NW 1/4 SEC 6 T13N R9W NMPM

MCKINLEY CO., NEW MEXICO

DMEA HOLES WITH FAVORABLY BLEACHED SANDS

DMEA DKT 4411 HOLES DRILLED DURING MARCH '57

PREVIOUS HOLES (3/'56)

PROPOSED HOLES

7100 SURFACE ELEV.
(6900) ELEV TOP KD

CONTOUR INTERVAL 20' SCALE 1"=200'

APRIL 1957 M. HEMMINGER

20-40' TRES HERMANOS LEDGE

OUTLINE OF FAVORABLE AREA

Mch

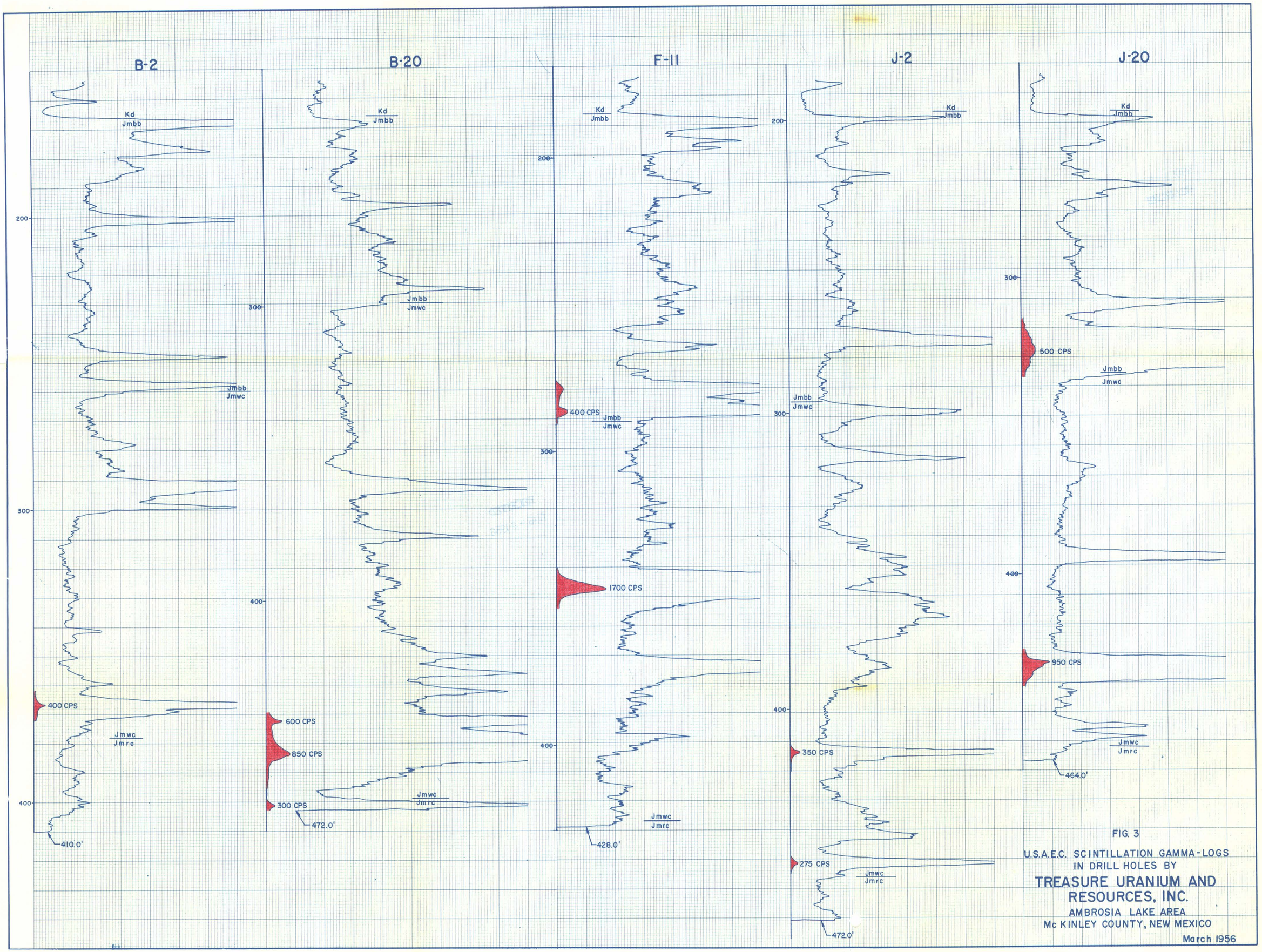


FIG. 3

U.S.A.E.C. SCINTILLATION GAMMA-LOGS
IN DRILL HOLES BY

TREASURE URANIUM AND RESOURCES, INC.

AMBROSIA LAKE AREA
Mc KINLEY COUNTY, NEW MEXICO

March 1956