Docket Copy

# ASSIGNMENT OF CONTRACT

WHEREAS, C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, partners, (hereinafter called the "Assignor"), entered into Exploration Project Contract Idm-E517 (Docket No. DMEA-2857), dated May 7, 1953, (hereinafter called the "Contract"); and

WHEREAS, Sodak Uranium and Mining Company, Inc., a State of Delaware corporation, whose address is Box 330, Edgemont, South Dakota (hereinafter called the "Assignee"), has acquired the Assignor's interest in the land which is the subject of the Contract and the Assignee desires to complete the work under the Contract;

NOW THEREFORE, the Assignor, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from the Assignee does hereby assign, transfer, and convey to the Assignee all of its right, title, and interest in the Contract Provided, That the Government shall make payment to the Assignor for all work performed prior to April 1, 1955, and upon payment thereof the Government shall be and is hereby released by the Assignor from all claims under the Contract.

The Assignor consents to all future amendments and assignments of the Contract and waives notice thereof.

This Assignment is subject to the execution by the Assignee of the acceptance form set forth below and to the written consent of the Government.

Dated this 6 day of June, 1955.

ASSIGNOR:

C G Ortmayer
C. G. Ortmayer, Partner

R G Sullivan
R. G. Sullivan, Partner

C R Boyle
C. R. Boyle, Partner

ASSIGNEE'S ACCEPTANCE

The Assignee, Sodak Uranium and Mining Company, Inc., hereby accepts the above Assignment and agrees to be bound by the terms, provisions, and conditions of the Contract.

Dated this 17 day of June, 1955.

SODAK URANIUM AND MINING COMPANY, INC.

By C. R. Boyle, Pres.

I, Robert Kinsella, certify that I am the secretary of the corporation named herein; that C. R. Boyle who signed this instrument on behalf of the corporation, was then President of said corporation; that said instrument 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.

Robert Kinsella (Corporate Seal)

GOVERNMENT'S CONSENT

The Government, this 31st day of May, 1955, hereby consents to the above Assignment without releasing the Assignor, C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, partners, from any of the terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By C. G. Ortmayer
Administrator, Defense
Minerals Exploration
Administration

Chambers
Rubin
Hoffhind
Ellis
Selfridge
Kinsella

Docket copy

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JUL 18 1955

EXPLORATION PROJECT CONTRACT
ORTMAYER, SULLIVAN, AND BOYLE
DOCKET NO. DMEA-2857

AMENDMENT NO. 4

Contract dated May 7, 1953, Docket No. DMEA-2857, Contract No. Idm-E517, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the undersigned C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, partners, is hereby amended as follows:

In Article 3 the time allowed for the completion of the work is extended to October 1, 1955.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Dated May 25, 1955.

THE UNITED STATES OF AMERICA

C. C. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

J. H. Krause
Ellis

Hoffman
"Appd. Sol. OML"

Chandler
Selfridge
F. Johnson

C. G. Ortmayer
C. G. ORTMAYER, Partner

R. G. Sullivan
R. G. SULLIVAN, Partner

C. R. Boyle
C. R. BOYLE, Partner

Rubin
12/13/4

AMENDMENT NO. 3

Docket DMEA 2857, contract Idm E-517, dated May 7, 1953, between the United States of America and C. J. Ortmayer, R. G. Sullivan, and C. R. Boyle, Partners, amended on May 4, 1954, and again on July 10, 1954, is further amended as follows:

Article 3, Exploration Project. Completion date is extended to May 7, 1955.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the cost which the Government may pay under the provisions of the contract and its amendments.

Dated: November 2, 1954

UNITED STATES OF AMERICA

By A. B. Needham
A. B. NEEDHAM
Executive Officer, Field Team, Region V

By C. J. Ortmayer
C. J. ORTMAYER, Partner

By R. G. Sullivan
R. G. SULLIVAN, Partner

By C. R. Boyle
C. R. BOYLE, Partner

AMENDMENT NO. 3

Docket DMEA 2857, contract Idm E-517, dated May 7, 1953, between the United States of America and C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, Partners, amended on May 4, 1954, and again on July 10, 1954, is further amended as follows:

Article 3, Exploration Project. Completion date is extended to May 7, 1955.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the cost which the Government may pay under the provisions of the contract and its amendments.

Dated: November 2, 1954

UNITED STATES OF AMERICA

By A. B. Needham
A. B. NEEDHAM
Executive Officer, Field Team, Region V

By C G Ortmayer
C. G. ORTMAYER, Partner

By R G Sullivan
R. G. SULLIVAN, Partner

By C R Boyle
C. R. BOYLE, Partner

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

November 1, 1954

Memorandum

To: A. B. Needham, Executive Officer, DMEA Field Team, Reg. V

From: E. O. Binyon, Rapid City Field Office

Subject: Amendment, Docket 2857, Contract Idm E-517, Ortmayer, Sullivan and Boyle

Attached is a copy of a letter from the operator concerning the subject.

The request is made on very short notice; however, the operator has explained that the contractor gave him only seven days notice. It seems that the drilling contractor had been requested on several occasions to speed up the drilling, and as he either could not speed it up because of inexperience or did not wish to (for some reason), he arbitrarily terminated the contract.

Although we realize that another extension would allow an additional six months to complete the drilling under Stage 1 (Phases I and II0, which was originally estimated to require only 6 months for completion, we recommend that the amendment extending the date for completion to May 7, 1955 be granted.

Through no fault of the operator, drilling progress has been slower than expected. Also, with winter coming on, drilling operations may be shut down for at least short periods because of weather, thereby slowing operations still further.

The operator has been cooperative and hasconformed to the contract.

Another reason for the recommendation is that it is now likely that an amendment for exploration of another area, which is geologically favorable, may be requested. If we pull out of the area now being drilled, the remaining footage would be used to drill the new area. Thus all the footage under Stage 1 (Phases I and II0 and possibly a part of that under Stage II would be used. In this case it would require six months to complete the drilling.

/s/ E. O. Binyon
E. O. Binyon

C
O
P
Y

P. O. Box 330
Edgemont, South Dakota

October 26, 1954

Mr. E. O. Binyon,
Mining Engineer
U. S. Bureau of Mines
School of Mines Campus
Rapid City, South Dakota

Re: Docket 2857
Contract Idm E-517 (Am.)

Dear Mr. Binyon:

Due to the fact that the McGuire Drilling Company has given up the drilling on the above contract, we will need an extension of time. Arrangements have been made for a new drill which should be here within the next ten (10) days.

Will you kindly inform me if an extension for six (6) months can be arranged.

Very truly yours,

/s/ Clyde R. Boyle
Clyde R. Boyle

Docket copy

EXPLORATION PROJECT CONTRACT
C. G. ORTMAYER, R. G. SULLIVAN, AND C. R. BOYLE, PARTNERS
DOCKET NO. DMEA-2857

AMENDMENT NO. 2

It is agreed this 10th day of July, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, partners, that Exploration Project Contract Idm-E517 (Docket No. DMEA-2857), dated May 7, 1953, as amended, hereinafter called the "Contract," is further amended, effective May 7, 1953, as follows:

Exhibit "A," attached to the Contract is deleted and the following Exhibit "A" is substituted:

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore the Lakota Formation of Early Cretaceous Age underlying the described property, for uranium ore. The exploration work shall be done by drilling holes from the surface with a wagon-mounted percussion drill.

The work is divided into two stages. Stage I, consisting of two phases, shall be performed first. If, in the opinion of the Government, the results of Stage I warrant it and the Government approves it in writing in advance, Stage II shall be undertaken.

STAGE I

Phase I

This work is to be confined to Blocks Nos. 1 and 2, shown on the map, Exhibit "B" attached to the Contract. It consists of drilling a maximum of not to exceed 8,596.5 feet of wagon-drill hole from the surface to penetrate the local ore-bearing horizon. The holes shall be drilled in a rectangle with a spacing of 100 feet between holes in a north-south direction

and 50 feet between holes in an east-west direction. The depth of each hole shall be approximately 30 feet, except that in each 5,000 square feet of area one hole shall be drilled to an approximate depth of 100 feet.

Phase II

This work consists of not to exceed an aggregate of 15,600 feet of drilling, as follows:

(a) Drilling approximately 100 wagon-drill holes each approximately 130 feet deep. The approximate locations of these holes are shown on the attached map entitled "Matias Peak Claim Group, Idm-E517, [By] W. A. Braddock, April 28, 1954," in the map area designated "Structure Contours, Base of Lower Sandstone." The map is made a part of the Contract. Primary holes shall be drilled on a grid spacing of 100 feet by 100 feet. If approved by the Government, offset holes may be drilled not closer than 50 feet to holes where encouraging mineralization has been found.

(b) Deepening to a depth of approximately 80 feet each the drill holes Nos. 178, 179, 181, 159, 160, 161, 162, and the drill holes Nos. 219 to 237, inclusive, which were drilled under Phase I of this stage.

STAGE II

This work is to be confined to Blocks Nos. 1, 2, and 3, as shown on the map, Exhibit "C" attached to the Contract, and, if approved in advance by the Government, on other areas of this property. It consists of drilling a maximum of 12,803.5 feet of wagon-drill hole from the surface, and the hole spacing is to be the same as is described under Phase I of Stage I, unless modified by agreement between the Government and the Operator.

The hole diameters and depths, the method of all sampling, and the method of recovering drill cuttings are all subject to the approval of the Government. At the request of the Government, the Operator shall furnish it with such samples as it specifies.

## AGREED UNIT COSTS

### STAGE I

**Phase I**

| | | |
|---|---|---|
| 8,596.5 feet of wagon-drill hole @ $1.04/ft/ | $ 8,940.36 | |
| 14 Sample analyses, including freight and postage, @ $4.00/ea. | 56.00 | $ 8,996.36 |

**Phase II**

| | | |
|---|---|---|
| The first 3,903.5 feet of wagon-drill hole @ $1.04/ft. | 4,059.64 | |
| 11,696.5 feet of wagon-drill hole @ $1.01/ft. | 11,813.46 | |
| 286 Sample analyses, including freight and postage, @ $4.00/ea. | 1,144.00 | $17,017.10 |
| Total Stage I | | $26,013.46 |

### STAGE II

| | |
|---|---|
| 12,803.5 feet of wagon-drill hole @ $1.01/ft. | $12,931.54 |
| Estimated Total Cost of Project | $38,945.00 |
| Government Participation @ 90% | $35,050.50 |

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

[signature]
C. G. ORTMAYER, Partner

[signature]
R. Q. SULLIVAN, Partner

[signature]
C. R. BOYLE, Partner

AMENDMENT NO. 1

Docket DMEA 2857, Contract Idm E-517, dated May 7, 1953, between the United States of America and C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, Partners, is hereby amended as follows:

Rubin 6/11/54

Article 3, Exploration Project. Delete the words "12 months" and substitute the words "18 months", which makes completion date November 7, 1954.

This Amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the cost which the Government may pay, under provisions of Article 4 of the contract form.

Dated: May 4, 1954

UNITED STATES OF AMERICA

By A. B. Needham
A. B. NEEDHAM
Executive Officer, Field Team
Region V

By C. G. Ortmayer
C. G. ORTMAYER, Partner

By R. G. Sullivan
R. G. SULLIVAN, Partner

By C. R. Boyle
C. R. BOYLE, Partner

MF-200-(A)
(February 1952)

DOCKET NO. DMEA -2857

COMMODITY Uranium

Docket-Copy

DMEE 517

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

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 7th day of May, 1953 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] C. O. Ortmayer, R. G. Sullivan, and C. R. Boyle, Partners, Box 330 Edgemont, South Dakota

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of South Dakota, County of Fall River, described as follows:[3] Known as the Rip Snorter and Parker Groups of claims, and consisting of the property described in Annex I and shown on maps Exhibit "B" and Exhibit "C" attached to and made a part of this contract. The property area marked on map Exhibit "B," identified as "Area Previously Drilled," is not subject to the repayment provisions in Article [illegible] of this contract.

the Operator represents and undertakes:[4]

(a) That the Operator is the owner in possession and entitled to possession, and the Owner's Consents to Lien are attached.

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consents to Lien are attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 40 days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of 12 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $35,050.50 which is 90 percent of $38,945.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or 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 ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* Addition to Article 6:

The repayment provisions of Article 6 shall apply also to any amount received as bonuses, premiums, or allowances, in addition to the sale price or market value of the minerals.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [illegible] Partner

By [illegible] Partner

By [illegible] Partner

By [illegible] Administrator, Defense Minerals Exploration Administration

Butler
Attorney
Chamberlin

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
C. G. ORTMAYER, R. G. SULLIVAN, AND C. R. BOYLE
DOCKET NO. DMEA-2857

## ANNEX I

The land referred to in Article 2 is described as follows:

That portion of Sections 26, 27, and 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota, that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Schoonmaker #1 | 5-19-52 | 31 Misc. | 158 |
| " #2 | 10-13-52 | 31 " | 502 |
| Ripsnorter #1 | 5-19-52 | 31 " | 157 |
| " #2 | 5-19-52 | 31 " | 157 |
| Morning Glory | 5-19-52 | 31 " | 158 |
| Cycad #1 | 5-19-52 | 31 " | 157 |
| " #2 | 5-19-52 | 31 " | 154 |
| Matias Peak #1 | 5-19-52 | 31 " | 155 |
| Matias Peak #2 | 5-19-52 | 31 " | 155 |
| Gurner's Folly | 5-19-52 | 31 " | 156 |

That portion of Section 3, Township 8 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota, that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Parker #1 | 6- 9-52 | 31 Misc. | 308 |
| " #2 | 6- 9-52 | 31 " | 309 |
| " #3 | 6- 9-52 | 31 " | 309 |
| " #4 | 6- 9-52 | 31 " | 309 |
| " #5 | 6- 9-52 | 31 " | 310 |
| " #6 | 6- 9-52 | 31 " | 310 |
| " #7 | 11-18-52 | 31 " | 199 |
| " #8 | 11-18-52 | 31 " | 199 |

That portion of Sections 27 and 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota, that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Montana #1 | 9-11-52 | 31 Misc. | 346 |
| " #2 | 9-11-52 | 31 " | 346 |

EXPLORATION PROJECT CONTRACT
C. G. ORTMAYER, R. G. SULLIVAN, AND C. R. BOYLE
DOCKET NO. DMEA-2857

EXHIBIT "A"

## Description of the Work

The purpose of the work is to explore the Lakota Formation of Early Cretaceous Age underlying the described property, for uranium ore. The exploration work shall be done by drilling holes from the surface with a wagon-mounted percussion drill.

The work is divided into two stages. Stage I shall be performed first. If, in the opinion of the Government, the results of Stage I warrant it and the Government approves it in writing in advance, Stage II shall be undertaken.

## STAGE I

This work is to be confined to Blocks Nos. 1 and 2 as shown on the attached map, Exhibit "B." It consists of drilling a maximum of 12,500 feet of wagon drill hole from the surface to penetrate the local ore-bearing horizon. The holes shall be drilled in a rectangle with a spacing of 100 feet between holes in a north-south direction and 50 feet between holes in an east-west direction. The depth of each hole shall be approximately 30 feet, except that in each 5000 square feet of area one hole shall be drilled to an approximate depth of 100 feet.

## STAGE II

This work is to be confined to Blocks Nos. 1, 2, and 3, as shown on the attached map, Exhibit "C," and, if approved in advance by the Government, on other areas of this property. It consists of drilling a maximum of 24,500 feet of wagon drill hole from the surface, and the hole spacing is to be the same as is described under Stage I, unless modified by agreement between the Government and the Operator.

The hole diameters and depths, the method of all sampling, and the method of recovering drill cuttings are all subject to the approval of the Government. At the

request of the Government, the Operator shall furnish it with such samples as it specifies.

## Estimated Costs of the Project

### Agreed Unit Costs

#### STAGE I

| | | |
|---|---|---|
| 12,500 feet of wagon drill hole @ $1.04/ft. | $13,000.00 | |
| 100 sample analyses, including freight and postage, @ $4.00/each | 400.00 | |
| Total Stage I | | $13,400.00 |

#### STAGE II

| | | |
|---|---|---|
| 24,500 feet of wagon drill hole @ $1.01/ft. | $24,745.00 | |
| 200 sample analyses, including freight and postage, @ $4.00/each | 800.00 | |
| Total Stage II | | $25,545.00 |
| Total Estimated Cost of Project | | $38,945.00 |
| Government Participation @ 90% | | $35,050.50 |

Exhi~~Exhibit~~ "C"

PLAT OF AMENDED LOCATIONS

# PARKER GROUP

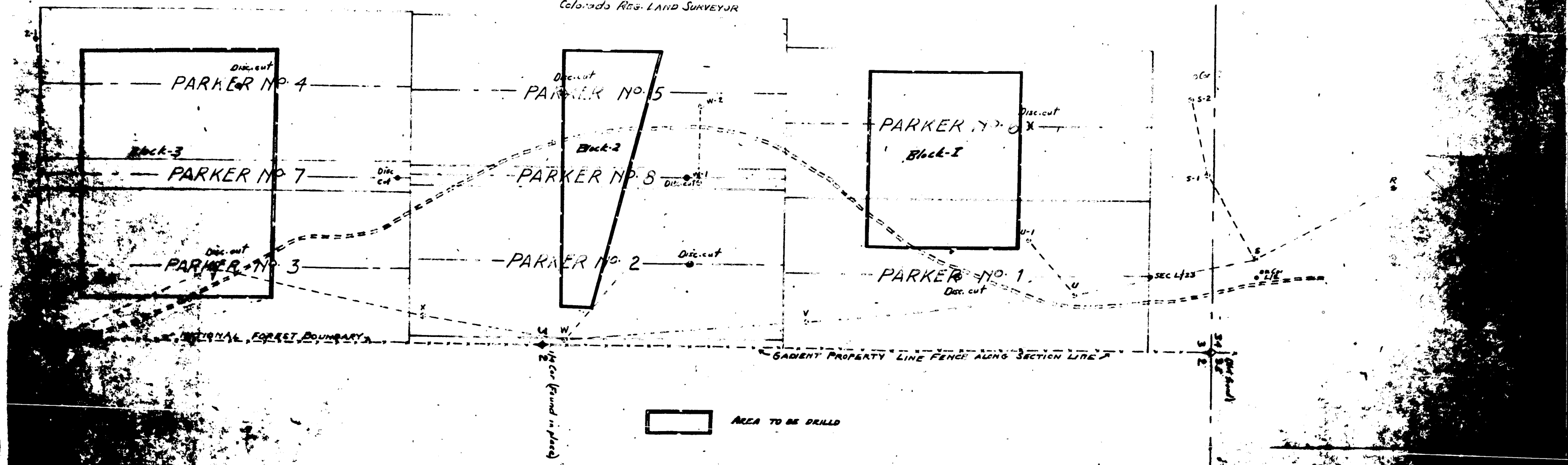
LOCATED IN SECTION 3, T8S, R3E OF B.H.P.M.

SCALE ~~~ 1 IN. = 200 FT.

Transit and stadia survey by H.D. Clark · Oct. 1952.

Signed H.D. Clark

Colorado REG. LAND SURVEYOR



1

That portion of Sections 26, 27 and 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Schoonmaker #1 | 5-19-52 | 31 Misc. | 158 |
| " " #2 | 10-13-52 | 31 " | 502 |
| Ripsnorter #1 | 5-19-52 | 31 " | 157 |
| " " #2 | 5-19-52 | 31 " | 157 |
| Morning Glory | 5-19-52 | 31 " | 158 |
| Cycad #1 | 5-19-52 | 31 " | 157 |
| " " #2 | 5-19-52 | 31 " | 154 |
| Matias Peak #1 | 5-19-52 | 31 " | 155 |
| Matias Peak #2 | 5-19-52 | 31 " | 155 |
| Gurner's Folly | 5-19-52 | 31 " | 156 |

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/ In a lease dated July 5, 1952 and recorded in Book 31M, page 580 Official records of Fall River County, So. Dak.

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ G. G. Grimmyer and R. G. Sullivan, both of Grand Junction, Colo. and G. R. Boyle of Edgemont, South Dakota; a partnership.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 45,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 20th day of December, 195 2.

Paul H. Russell, Trustee [Seal]

Atty in fact [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

## RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator 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 at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

That portion of Section 3, Township 8 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Parker #1 | 6-9-52 | 31 Misc. | 308 |
| " " #2 | 6-9-52 | 31 " | 309 |
| " " #3 | 6-9-52 | 31 " | 309 |
| " " #4 | 6-9-52 | 31 " | 309 |
| " " #5 | 6-9-52 | 31 " | 310 |
| " " #6 | 6-9-52 | 31 " | 310 |
| " " #7 | 11-18-52 | 31 " | 199 |
| " " #8 | 11-18-52 | 31 " | 199 |

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

See attached sheet.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ C. G. Ortmayer and R. G. Sullivan both of Grand Junction, Colo. and C. R. Boyle of Edgemont, South Dakota; a partnership.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 45,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 15th day of December, 195 -

Charles H. Fraser [Seal]

Willard F. Bard [Seal]

Earl Boney [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

## RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator 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 at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

That portion of Sections 27 & 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Montana #1 | 9-11-52 | 31 Misc. | 346 |
| " " #2 | 9-11-52 | 31 " | 346 |

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ C. G. Ortmayer and R. G. Sullivan, both of Grand Junction, Colo. And C. R. Boyle of Edgemont, South Dakota; a partnership.

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2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 45,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 3rd day of December, 195 2.

Chas H Fraser [Seal]

Alva H Schnee [Seal]

Amos C Clark [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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4/ Insert the maximum amount of the Government's contribution.

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MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Parker No. 7 Lode Claim, filed November 18, 1952 at 2:15 P.m. in Book 31 M., Page 199, Certificate No. 32235 and

Parker No. 8 Lode Claim, filed Nov. 18, ~~1952~~ 1952 at 2:15 P.M., in book 31 M., Page 199, Certificate No. 32236. Both the above in the Fall River County Records.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ C. R. Boyle, Box 330, Edgemont, South Dakota

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

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3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 11th day of April, 1953.

Chas. H. Fisher [Seal]

Earl Bonn By Roy Bonn [Seal]

Willard F. Beard [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

## CONTROLLED DOCUMENT

DMA Docket No. 2857

## DO NOT DETACH THIS SLIP

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

This document has been recorded as

EXPLORATION ASSISTANCE

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

One copy to USGS & USBM. One copy retained in Region V.

Routing Slip

| | | | |
|---|---|---|---|
| To: | Code 700, Room 4640 | Date | 1/21/53 |
| To: | Oper Com | Date | 3-25-53 |
| To: | Oper Com | Date | 5- -53 |
| To: | Mails & Files | Date | 6-2-53 |
| To: | Oper. Com. | Date | 3-7-55 |
| To: | Oper Com | Date | 5-25-55 |
| To: | 130 | Date | 6-14-57 |
| To: | 110 | Date | 6-17-57 |
| To: | | Date | |
| To: | | Date | |
| To: | | Date | |
| To: | | Date | |
| To: | | Date | |
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| To: | | Date | |

## DO NOT DETACH

## CONTROLLED DOCUMENT

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

| OFFICIAL FILE COPY DMEA RECEIVED JUL 10 1957 | | |
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July 5, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2857 (Uranium) Contract Idm-E517, Sodak Uranium and Mining Co., Inc. (Ripsnorter and Parker Claims, et al.) Fall River County, South Dakota

As directed by your letter of June 18, 1957, we enclose the Washington Office copies of correspondence forwarded to this office for insertion of the correct mailing address. → DIST. MADE.

Enclosed is a copy of a letter, dated July 2, 1957, from the Operator, which provided us with the mailing addresses of the concerned persons.

W H King
W. H. King

Enclosures

SODAK URANIUM AND MINING CO., INC.
PHONE 473-W
HOTEL EVANS ANNEX
HOT SPRINGS, SOUTH DAKOTA

DMEA
PARTMENT OF THE INTERIOR
JUL 5 1957
REGION III
DENVER, COLORADO

July 2, 1957

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

Re: Docket DMEA 2857
Contract Idm-E517

Dear Mr. King:

This is in answer to your inquiry of June 28th regarding the addresses of the following:

| | | | |
|---|---|---|---|
| Alva H Schnee--- ------- | General Del., | Edgemont, S. D. |
| Amos C. Clark---------- | " " ., | Provo, S. D. |
| Earl Boner---------- | " " ., | Edgemont, S. D. |
| Willard F. Beard-------- | " " ., | Edgemont, S. D. |

Yours very truly,

Clyde R. Boyle

Clyde R. Boyle

WO-2
DMEA/DFC
TOWNSEND,

OFFICIAL FILE COPY
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RECEIVED 1957
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224 New Customhouse
Denver 2, Colorado

June 28, 1957

Mr. C. R. Boyle, President
Sodak Uranium and Mining Company, Inc.
P. O. Box 130
Edgemont, South Dakota

Re: Docket DMEA-2857 (Uranium)
Contract Lim-E517
Sodak Uranium and Mining Co., Inc.
(Rigsmorter and Parker Claims, et al.)
Fall River County, South Dakota

Dear Mr. Boyle:

That we may forward correspondence concerning the results of work performed under the captioned contract to some of the owners involved, please provide this office with the mailing addresses of the following:

Alva M. Schnee
Anna C. Clark
Earl Bauer
Willard F. Beard

Your early attention to this request will be appreciated.

Very truly yours,

Original signed by
W. H. KING

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

MHM:jy
cc: Royalty File 517
Corresp. E517
Chm. Op. Comm. (2)
DMEA/DFC (2)
Townsend w/copy of related corresp.
Marshall
Chron.

DMEA Form 7
(12-56)

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JUN 18 1957

Mr. Willard F. Beard
General Delivery
Edgemont, South Dakota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Sodak Uranium and Mining Company, Inc. (Assignee)
C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle (Assignors)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Lamb
Kilgoore

Dear Mr. Beard:

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

This correspondence relates to the Owner's Consents to Lien signed by you on December 15, 1952, and April 11, 1953.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

FLKnouse/gla
6-12-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

DMEA
DEPARTMENT OF THE INTERIOR
JUN 21 1957
REGION III
DENVER, COLORADO

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DMEA Form 7
(12-56)

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JUN 18 1957

Mr. Earl Boner
General Delivery
Edgemont, South Dakota

6/17 Lamb 138
6/17 Eilsgaard 130

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Sodak Uranium and Mining Company, Inc.
(Assignee)
C. G. Ortmayer, R. G. Sullivan, and
C. R. Boyle (Assignors)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Dear Mr. Boner:

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

This correspondence relates to the Owner's Consent to Lien signed by you on December 15, 1952.

Sincerely yours,

C. O. Mittendorf (lw)

Administrator

Enclosure

FLKnouse/gla
6-12-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

DMEA
DEPARTMENT OF THE INTERIOR
JUN 21 1957
REGION III
DENVER, COLORADO

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| 6/17 | Kilsgaard | 130 |

JUN 18 1957

Mr. Amos C. Clark
General Delivery
Provo, South Dakota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-517
Sodak Uranium and Mining Company, Inc.
(Assignee)
C. G. Ortmayer, R. G. Sullivan, and
C. R. Boyle (Assignors)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Dear Mr. Clark:

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

This correspondence relates to the Owner's Consent to Lien signed by you on December 3, 1952.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

FLKnouse/gla
6-12-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

DMEA
DEPARTMENT OF THE INTERIOR
JUN 21 1957
REGION III
DENVER, COLORADO

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6/17 Kilogaard (130)
6/17 Lam (130)

JUN 18 1957

Mr. Alva H. Schnee
General Delivery
Edgemont, South Dakota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Sodak Uranium and Mining Company, Inc.
(Assignee)
C. G. Ortmayer, R. G. Sullivan, and
C. R. Boyle (Assignors)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Dear Mr. Schnee:

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

This correspondence relates to the Owner's Consent to Lien signed by you on December 3, 1952.

Sincerely yours,

C. O. Hittendorf (for)

Administrator

Enclosure

FLKnouse/gla
6/12/57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

DMEA
DEPARTMENT OF THE INTERIOR
JUN 21 1957
REGION III
DENVER, COLORADO

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DMEA Form 7
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JUN 18 1957

Mr. Roy Boner
Attorney-in-Fact
Edgemont
Fall River County
South Dakota

6/17 Kilsgaard (130)
6/17 Lamb (130)

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Sodak Uranium and Mining Company, Inc.
(Assignee)
C. G. Ortmayer, R. G. Sullivan, and
C. R. Boyle (Assignors)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Dear Mr. Boner:

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

This correspondence relates to the Owner's Consent to Lien signed by you on April 11, 1953, on behalf of your son, Earl Boner.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

FLKnouse/gla
6/12/57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

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DMEA Form 7
(12-56)

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| 6/17 | Kulagowski | (30) |
| 6/17 | Lamb | (30) |

JUN 18 1957

C. G. Ortmayer, R. G. Sullivan,
and C. R. Boyle, Partners
Post Office Box 330
Edgemont, South Dakota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Sodak Uranium and Mining Company, Inc.
(Assignee)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Gentlemen:

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

This correspondence relates to the contract signed by you on May 7, 1953, the assignment of which to Sodak Uranium and Mining Company, Inc. was approved by the Government on May 31, 1955.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

FLKnouse/gla
6-12-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

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JUN 18 1957

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

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Sodak Uranium and Mining Company, Inc.
(Assignee)
C. G. Ortmayer, R. G. Sullivan, and
C. R. Boyle (Assignors)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Dear Mr. King:

Enclosed for your files are two copies of a closing letter to the Operator under the subject contract. Also enclosed are two copies each of letters to C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, Assignors, and three persons who signed Owner's Consents to Lien.

We find that the addresses of the other owners have not been supplied this office. We are, therefore, attaching four date-stamped original letters, with distribution copies, to the following:

Alva H. Schnee
Amos C. Clark
Earl Boner
Willard F. Beard

You are requested to insert the correct address in the original and all copies of each letter, forward the original to the owner, and return all copies, except those indicated for the Field Team, to this office for distribution.

FLKnouse/gla
6-12-57
cc to: Admr.'s Reading File
Operating Committee
Code 700, Mr. Knouse

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SB)

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (SB)
Member, Geological Survey

8623

DMEA Form 7
(12-56)

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JUN 18 1957

Mr. C. R. Boyle, President
Sodak Uranium and Mining Company, Inc.
P. O. Box 330
Edgemont, South Dakota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

6/17 Kilgopid (130) 445 Lam (130)

Dear Mr. Boyle:

Reference is made to your 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 (fw)

Administrator

FLKnouse/gla 6-12-57
cc to: C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, partners
Paul H. Russell, Trustee, Fall River Mining Company
Charles G. Frazer, Willard F. Beard, and Carl Boner
Alva H. Schnee, and Amos C. Clark
Roy Boner for Earl Boner
Admr.'s Reading File
Contract Adm. and Audit Division
Code 700
Mr. Knouse
DMEA Field Team, Region III (2)
Copy also to: C. R. Boyle, President, Sodak Uranium and Mining Co., Inc., Hotel Evans Annex, Hot Springs, S. Dak.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 6/14 | Knouse | 700 |
| " | Ellis | 700 |
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| 6/14 | Kamll | (130) |

JUN 18 1957

Mr. Paul H. Russell, Trustee
Fall River Mining Company
Edgemont, South Dakota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-517
Sodak Uranium and Mining Company, Inc.
(Assignee)
C. G. Ortmayer, R. G. Sullivan, and
C. R. Boyle (Assignors)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Dear Mr. Russell:

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

This correspondence relates to the Owner's Consent to Lien signed by you on December 20, 1952.

Sincerely yours,

E. O. Mittenders (for)

Administrator

Enclosure

FLKnouse/gla
6-12-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

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DMEA Form 7
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JUN 18 1957

Mr. Charles H. Frazer
Edgemont,
Fall River County,
South Dakota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Sodak Uranium and Mining Company, Inc.
(Assignee)
C. G. Ortmayer, R. G. Sullivan, and
C. R. Boyle (Assignors)
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Dear Mr. Frazer:

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

This correspondence relates to the Owner's Consents to Lien signed by you on December 3 and 15, 1952, and April 11, 1953.

Sincerely yours,

G. O. Mittendorf

Administrator

Enclosure

FLKnouse/gla
6-12-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

8623

Docket

PROJECT SUMMARY REPORT

By: F. L. Knouse Date: June 12, 1957

1. Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517

Operator: Sodak Uranium and Mining Company, "Assignee"
Ortmayer, Sullivan and Boyle "Assignor"
Box 330, Edgemont, South Dakota

Property: Consists of two groups of 20 unpatented lode mining claims as follows: Parker Group - Parker Nos. 1 through 8; Ripsnorter Group - Ripsnorter Nos. 1 and 2; Schoonmaker Nos. 1 and 2; Morning Glory; Cycad Nos. 1 and 2; Matias Peak Nos. 1 and 2; Gerner's Folly; and Montana Nos. 1 and 2, in secs. 26, 27, and 34, T. 7 S., R. 3 E., B.H.M.&B., Fall River County, South Dakota.

Property Rights: The Operator controls the claims by assignment from the original Operator, dated June 6, 1955. ~~The original Operator controlled~~ In the Ripsnorter group, all of the claim ~~group~~ except the Montana Nos. 1 and 2 are held by lease from the Fall River Mining Company, and the Montana Nos. 1 and 2 claims are held by lease from Alva H. Schnee, Chas. H. Frazer and Amos C. Clark. The Parker group was leased from Earl Boner, Charles H. Frazier and Willard Beard.

The following are attached to the contract:

Owner's Consent to Lien, dated Dec. 15, 1952, signed by Charles H. Frazier, Willard F. Beard and Earl Boner;
Owner's Consent to Lien, dated Dec. 3, 1952, signed by Charles H. Frazier, Alva H. Schnee, and Amos C. Clark; and
Owner's Consent to Lien, dated Dec. 20, 1952, signed by Paul H. Russell, Trustee for Fall River Mining Company.
Owner's Consent to Lien, dated April 11, 1953, signed by Charles H. Frazer, Earl Boner by Roy Boner, and Willard F. Beard.

2. Contract - dated May 7, 1953

Project work started June 15, 1953, but due to poor management, faulty equipment, and adverse weather the work was not completed until August 1955.

Work Authorized:

A two-stage program of wagon drilling to test the Lakota formation of Cretaceous age for uranium-bearing ore.

Stage I - consists of 12,500 feet drilled to an approximate depth of 30 feet on a grid of 100 feet apart in a north-south direction and 50 feet apart in an east-west direction. In addition one hole in 5,000 square feet of area was to be drilled to a depth of 100 feet. The work was confined to Blocks Nos. 1 and 2.

Stage II - Consists of drilling 24,500 feet of wagon drilling in Blocks Nos. 1, 2, and 3, with hole spacing the same as described under Stage I.

Estimated Cost (Agreed Unit Cost - Short Form Contract):

Stage I:

| | | |
|---|---|---|
| 12,500 ft. wagon drill holes @ $1.04/ft. | $13,000.00 | |
| 100 sample analyses @ $4/each | 400.00 | |
| Total Stage I ..... | | $13,400.00 |

Stage II:

| | | |
|---|---|---|
| 24,500 ft. wagon drill holes @ $1.01/ft. | $24,745.00 | |
| 200 sample analyses @ $4/each | 800.00 | |
| Total Stage II ..... | | $25,545.00 |

| | |
|---|---|
| Estimated Total Cost of Project ..... | $39,945.00 |
| Government Participation @ 90% ..... | $35,050.50 |

Work Completed:

Stage I (Amendment No. 2):

| | | |
|---|---|---|
| 12,500 ft. wagon drilling (297 holes) @ $1.04/ft. | $13,000.00 | |
| 2,838.5 ft. wagon drilling (18 holes & deepening 7 holes) @ $1.01/ft. | 2,866.89 | |
| Total Accepted Cost of Project ..... | | $15,866.89 |
| Government Participation @ 90% ..... | | $14,280.21 |

Amendments:

No. 1 - dated May 4, 1954 increased the time for completion of the project work from May 7, until November 7, 1954.

No. 2 - dated July 10, 1954 modified drilling program:

Stage I, Phase I - limited the wagon drilling to 8.596.5 feet for Blocks Nos. 1 and 2 @ $1.04/ft. Phase II was limited-15,600 feet of wagon drilling for the drilling of 100 holes to a depth of 130 feet and the deepening of 7 holes from 30 to 80 feet and the drilling of 2 holes to a depth of 80 feet. 3,903.5 feet were to be drilled @ $1.04/ft. and 11,696.5 feet @ $1.01/ft.

Stage II was limited to 12,803.5 feet of wagon drilling @ $1.01/ft. confined to Blocks Nos. 1, 2, and 3. Hole spacing to be the same as for Stage I. Depth and location of holes subject to prior approval of the Government.

No. 3 - dated Nov. 2, 1954, extended completion date of project work until May 7, 1955.

No. 4 - dated May 25, 1955, extended the time for completion of project work until October 1, 1955.

Assignment of Contract - dated June 6, 1955 to Sodak Uranium and Mining Co., Inc., At the request of the Operator the contract was permitted to expire on Oct. 1, 1955 without completion of the work provided for in the contract.

3. Audit Report of Review - dated March 19, 1956:

| | | |
|---|---|---|
| Total Cost as billed by Contractor | | $15,883.05 |
| Exceptions: (Schedule attached) | | |
| By DMEA Finance Officer | $16.16 | |
| Herewith | 0.00 | 16.16 |
| Total Accepted Cost | | $15,866.89 |
| Government Participation @ 90% | | $14,280.21 |

4. Certification - Field Team estimated reserves ~~is~~ are 130 tons of indicated and 70 tons of inferred ore containing 0.114% $U_3O_8$ discovered as a result of the project work and recommended no certificate of discovery. The writer concurs with the Field Team's recommendations.

The Operator paid royalties to the Government on ore produced from area included in the contract, but royalties were not paid on production from the claim areas not included in the contract. See memorandum, dated March 28, 1957 from E. O. Binyon to the Acting Executive Officer, Region III. Mining of the deposit was in progress when the application was submitted. Approximately 200 tons containing 0.17% $U_3O_8$ had been produced. The Operator reported a total production of 2,054 tons of ore was shipped from the (Matias Peak area) claim area that was not included in the contract. Also 493.71 tons containing 0.22% $U_3O_8$ valued at $16,688.21 were mined during the contract period on which the Operator paid royalties to the Government.

5. Comments: Final Reports: Operator's (undated) transmitted to Denver Office by letter dated June 28, 1956; recd. in Washington 7/5/56.
Field Team's, dated March 7, 1957; recd. in Washington 3/22/57

The Operator submitted a final report that was transmitted by the Field Team without comments. The report appears to supply the pertinent information. Progress of the project was slow caused in part by adverse weather and faulty equipment, but mainly by poor supervision and an apparent lack of interest on the part of the management. As a result almost three years expired before the work was completed.

A few carnotite-type uranium deposits were known to exist within the claim area in the Fall River and Lakota sandstones of early Cretaceous age. The presence of these deposits and the presence of surface radioactivity anomolies provided the initial justification for the exploration project.

A total of 15,338.5 feet were drilled in 315 holes under the terms of the contract. Fourteen samples were analyzed taken from sections in drill holes which showed the highest radioactivity at the expense of the Operator. As a result of the exploration program, the Field Team estimates a reserve of 130 tons of indicated and 70 tons of inferred ore containing 0.114% $U_3O_8$ limited to a single deposit at a depth of 27 to 30 feet.

The property has been adequately explored and no further exploration with Government assistance is recommended.

F. L. Knouse

F. L. Knouse

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APR 24 1957

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

AIR MAIL

Re: Sodak Uranium and Mining Co., Inc.
Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517

Dear Mr. Finch:

Reference is made to your letter of April 10, 1957, in regard to the royalty audit of the above-cited project. Some delay in replying to your letter has been caused because of a legal question involved.

The first company which consisted of C. G. Ortmayer, R. G. Sullivan and C. R. Boyle, as partners, assigned the exploration contract to the present corporation dated the 6th day of June 1955. The royalty payment under consideration was made in March 1955. The assignment itself reads in part:

> "Provided, That the Government shall make payment to the Assignor for all work performed prior to April 1, 1955, and upon payment thereof the Government shall be and is hereby released by the Assignor from all claims under the Contract."

While they probably did not intend to free the Government of reimbursing any royalty payments, nevertheless they did so. Therefore, the Government is not in a position to refund the money.

I would suggest that you do not audit the project for anything prior to the date of the assignment. Under federal law it is my understanding that the Attorney General of the United States would be the only person with authority to make a repayment in this case.

Since there will be no refund there will not be any necessity of stating the audit of royalties prior to the date of the assignment.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb 4-24-57

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

DMEA
DEPARTMENT OF THE INTERIOR
MAR 28 1957
REGION III
DENVER, COLORADO

March 28, 1957

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III
Through: John F. Shaw
Supervising Mining Engineer

From: E. O. Binyon

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517
Sedak Uranium and Mining Company, Inc. (Ripsnorter and Parker claim groups) Fall River County, South Dakota--Production subject to DMEA royalty payment.

In reply to your memorandum of March 27, 1957 concerning the subject, this is to state that the ore was produced from that portion of the Matia's Peak Nos. 1 and No. 2 which is not subordinated to the Government under Contract Idm-E517. Further, most, if not all of this ore was mined prior to the date of the contract.

E O Binyon
E. O. Binyon

EOB:jg

cc: 9
Idm-E517
Chron.

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224 New Customhouse
Denver 2, Colorado

March 27, 1957

Memorandum

To: John F. Shaw (2)

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

Subject: Docket DMEA-2057 (Uranium) Contract Idm-E517, Sodak Uranium and Mining Company, Inc. (Ripsnorter and Parker Claim groups) Fall River County, South Dakota

Enclosed is a copy of a letter dated March 19, 1957 from J. C. Westbrook, AEC, pertaining to production from property cited in the subject contract.

It is our understanding that the production mentioned in Mr. Westbrook's letter was made either prior to the date of the contract or from that portion of the Matia's Peak Nos. 1 and 2 claims, which is not subordinated to the Government under Contract Idm-E517.

For the records, however, and to expedite a royalty audit of the subject contract now in progress, please have the engineer familiar with the project submit to this office an original and nine copies of a memorandum statement which confirms our understanding.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures
MEN:jy
cc: Royalty File E517 }
Corresp. File E517 } w/copy of Westbrook's
Gen.Op.Comm. (2) } ltr dtd 3-19-57
Harshman }
Finch
Marshall
Chron.

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

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March 19, 1957

IN REPLY REFER TO:

FD:CMP

United States Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver, Colorado

Attention: Donald T. Finch, DMEA Auditor

Re: Certification and Production Sodak Uranium and Mining Company, Inc. (Formerly C. G. Ortmayer, R. G. Sullivan and C. R. Boyle, Partners) Ripsnorter and Parker Group of Claims, Edgemont Mining District, Fall River County, South Dakota
DMEA Contract Idm-E517, Docket No. DMEA-2857

Dear Mr. Finch:

The production summarized in your letter of February 25, 1957, re the above referenced contract, has been checked and verified. In addition to the verified production which came from the Cycad 1 and 2 Claims, our records indicate the following production from Matia's Peak 1 and 2:

| | Liq. No. | Date | Pounds U3O8 |
|---|---|---|---|
| Matia's Peak 1 | - | 8/53 | 541.63 |
| Matia's Peak 1 and 2 | - | 7/53 | 1,005.08 |
| | | Total | 1,546.71 |

The production from all producing claims was confined within the period May 1953 through September 1953.

Very truly yours,

J. C. Westbrook, Chief
Contract Finance Branch
Finance Division

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

March 20, 1957

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Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA-2857 (Uranium) Contract Idm-E517, Sodak Uranium and Mining Company, Inc. (Ripsnorter and Parker Claim groups) Fall River County, South Dakota - FINAL REPORT

Enclosed are the original and three copies of a joint final engineering and geologic report dated March 7, 1957 by Walden P. Pratt, Geologist, Geological Survey, and E. O. Binyon, Mining Engineer, Bureau of Mines, and transmittal thereof dated March 14, 1957 from E. N. Harshman and J. F. Shaw pertaining to work completed under the subject contract.

The original and one copy of the Operator's final report were forwarded by memorandum of July 2, 1956.

The short form Contract was let expire October 1, 1955, at the request of the Operator, without completing all the work provided for. Acceptable units of work completed consisted of the drilling of 314 wagon drill holes, aggregating 15,338.5 feet at a total acceptable cost of $15,866.89, towards which the Government contributed 90 percent, or an amount of $14,280.21.

Final payment to the Operator was processed by this office July 2, 1956 in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated March 19, 1956.

Ore reserves resulted from the exploration work are estimated at 130 tons of indicated ore and 70 tons of inferred

Reviewed by
DMEA OPERATING COMMITTEE
3-27-57
(date)

ore, containing 0.114 percent of $U_3O_8$, which is considered too insignificant to justify certification of the project under the provisions of the contract.

DMEA Field Team, Region III

By E. N. Harshman

E. N. Harshman
Acting Executive Officer

Enclosures

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
MAR 19 1957
REGION III
DENVER, COLORADO

March 14, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman
J. F. Shaw

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E 517, Sodak Uranium and Mining Company, Inc., (Ripsnorter and Parker claim groups), Fall River County, South Dakota

Enclosed are the original and 9 copies of a joint final report on the subject contract.

The contract provided for a maximum of 37,000 feet of wagon drilling in two stages to explore for carnotite-type uranium deposits in Cretaceous sandstones in the southern Black Hills, South Dakota.

Exploration began June 15, 1952, but due to poor management, faulty equipment, and adverse weather, the exploration was not completed until August 1955. All of the exploration, amounting to 15,354.5 feet of drilling, was accomplished under Stage I of the contract as amended. The cost of the exploration was $15,866.89, with Government participation at 90 percent amounting to $14,280.21.

At the operator's request the contract was terminated on October 1, 1955, the expiration date of the contract.

The exploration did not result in a discovery of minable deposits of uranium ore, and it is recommended that no certificate of discovery be issued.

Too late anyway

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R. U. King for
E. N. Harshman
Member, Field Team

Reviewed by
DMEA OPERATING COMMITTEE
3-27-57
(date)

E. N. Harshman for
J. F. Shaw
Supervising Mining Engineer

Enclosures

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

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DMEA 2857

Contract Idm-E 517

Sodak Uranium and Mining Company, Inc.

Ripsnorter and Parker claims groups

Fall River County, South Dakota

Uranium

Joint Final Engineering and Geological Report

by

Walden P. Pratt, Geologist
Geological Survey

E. O. Binyon, Mining Engineer
Bureau of Mines

March 7, 1957

Reviewed by
DMEA OPERATING COMMITTEE
3-27-57
(date)

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DMEA 2857

Contract Idm-E 517

SODAK URANIUM AND MINING COMPANY, INC.
RIPSNORTER AND PARKER CLAIMS GROUPS
Fall River County, South Dakota

## INTRODUCTION AND SUMMARY

The partnership of C. G. Ortmayer, R. G. Sullivan and C. R. Boyle, Edgemont, South Dakota, applied in November 1952 for Defense Minerals Exploration Administration assistance to explore for uranium on the Ripsnorter and Parker claim groups, Fall River County, South Dakota. The property was examined December 4, 1952, by E. O. Binyon, Bureau of Mines and J. A. Redden, Geological Survey, in company with C. R. Boyle of the applicant partnership. A limited exploration program of wagon-drilling was recommended, and contract Idm-E 517, dated May 7, 1953, provided for 37,000 feet of wagon drilling in two stages at a cost of $38,945, with Government participation at 90 percent or $35,050.50. The contract was transferred to Sodak Uranium and Mining Company, Inc., Hot Springs, South Dakota, on June 6, 1955, which continued the exploration until October 1, 1955, the expiration date of the contract. The cost of the exploration which was completed entirely under Stage I of the contract was $15,866.89; Government payments at 90 percent amounted to $14,280.21.

A few carnotite-type uranium deposits were known to exist within the claim area in the Fall River and Lakota sandstones of Early Cretaceous age. The presence of these deposits and the presence of surface radioactivity anomalies provided the initial justification for the exploration project.

The exploration did not result in the discovery of minable uranium deposits, or of anomalous radioactivity that would indicate the presence of such deposits.

It is recommended that no certification of discovery be issued.

## LOCATION AND ACCESSIBILITY

The ground to be explored under the contract consisted of 20 unpatented lode mining claims, in two separate groups of 12 and 8 claims; they are in secs. 26, 27, and 34, T. 7 S., R. 3 E., and sec. 3, T. 8 S., R. 3 E., B.H.P.M., in the Edgemont mining district, Fall River County, South Dakota (fig. 1). The Parker group, comprising 8 claims, is entirely in section 3, and the Ripsnorter group, of 12 claims, is in sections 27 and 34, with the exception of a small part of the Ripsnorter No. 2 which extends a short distance into section 26.

The property is 11 miles by road northeast of Edgemont, South Dakota, the nearest sizeable community and a railpoint on the Chicago Burlington and Quincy railroad. The property is reached by U. S. Highway 85A and 18 from which a dirt road turns sharply west at a point 9.6 miles east of Edgemont; after 300 feet the road turns right and continues north for 1.6 miles to workings on the Matias Peak No. 1 and Cycad No. 1 claims. The northern boundary of the Ripsnorter claim group (and of the property included under the contract) is approximately 0.6 mile farther north.

The property is readily accessible throughout the year, except for brief periods during the winter and spring, when heavy snow or rainfall might make travel from the highway to the claims impractical.

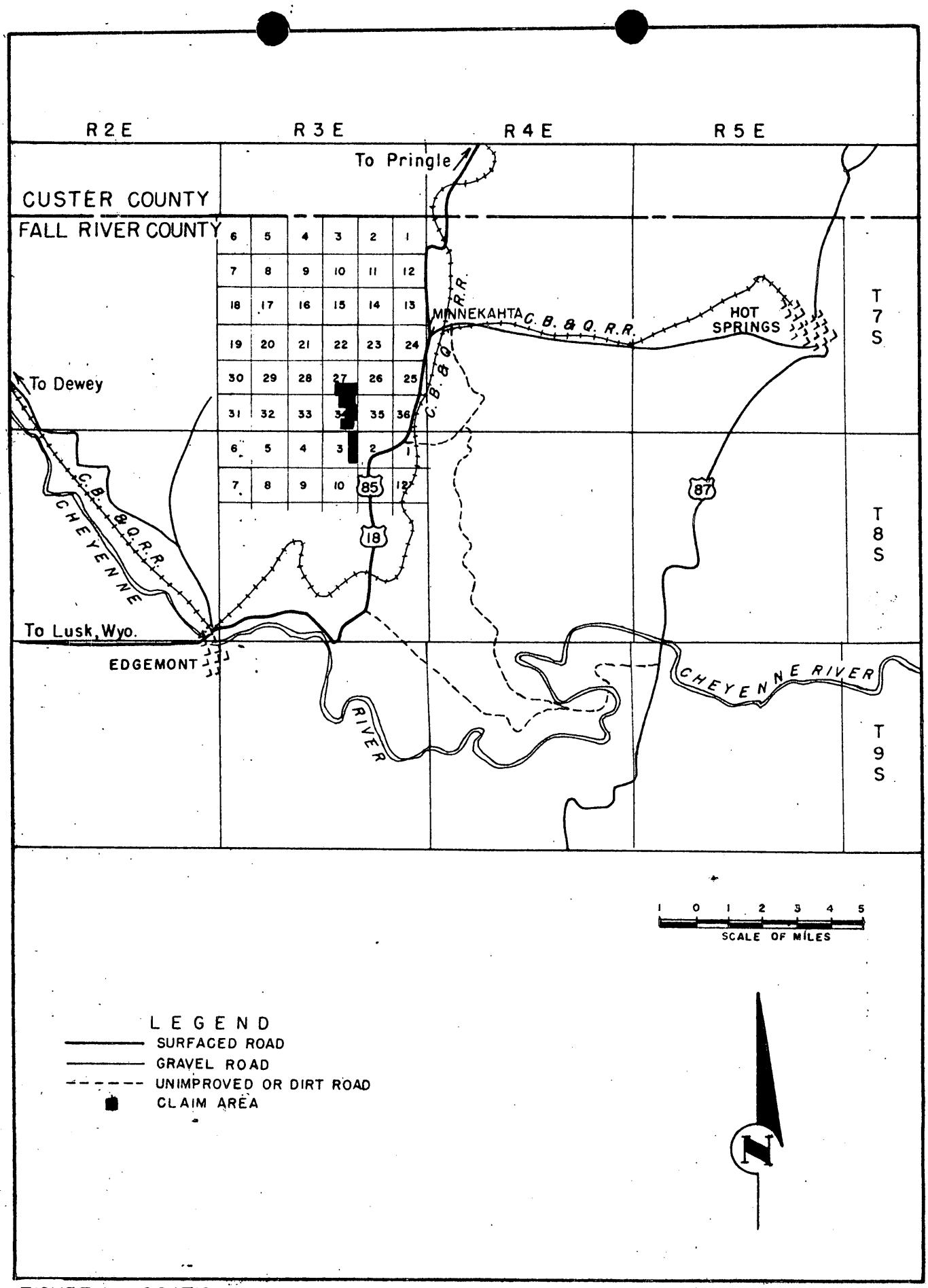



FIGURE 1 - LOCATION MAP, SODAK URANIUM AND MINING COMPANY, INC., RIPSNORTER AND PARKER CLAIMS GROUPS, FALL RIVER COUNTY, SOUTH DAKOTA. DMEA 2857, CONTRACT Idm-E 517

## GEOGRAPHY

The topography of the property is unmarked by any outstanding features. In general, the relief ranges from low to moderate, the southern part being relatively flat, with a few broad shallow draws. From the south the surface rises gradually to an altitude of 4,450 feet at the workings on the Matias Peak No. 1 claim. From here northward the slope steepens and the altitude rises to 4,650 feet on the Morning Glory claim.

The climate is typical of the north-central plains states, with fairly hot, dry summers and moderately cold winters that have short periods of sub-zero temperatures and blizzard conditions. Spring is usually the period of the heaviest snow and rainfall; this can curtail travel over the dirt roads.

Edgemont is the hub of the uranium mining industry in the southern Black Hills; it is the site of a concentration plant that treats uranium ores from the Edgemont district as well as from areas in the northern Black Hills and eastern Wyoming. Having both rail and truck services, Edgemont is a source from which most mining supplies and equipment, and also labor, can be obtained readily.

## HISTORY AND PRODUCTION

All claims included under the contract were located during the summer and early fall of 1952, and were leased almost immediately to the Ortmayer, Sullivan and Boyle partnership. The partnership submitted an application for an exploration loan in December 1952.

Before the application was submitted, radiometric surveys and shallow exploratory drilling by the partnership at places of radiometric anomalies had disclosed a minable deposit on the Matias Peak No. 1 claim. Mining of this deposit was in progress at the time the application was made; approximately 200 tons containing 0.17 percent $U_3O_8$, had been produced up to that time. Between the time the application was submitted and the effective date of the exploration contract, approximately 1,500 tons of ore were mined and shipped from the deposit. According to the operator, the total production from the Matias Peak ore bodies was 2,054 tons having a gross value (including initial production bonus) of $49,723. While the contract was in force, production from the Cycad No. 1 claim, which was included under the contract, was 493.71 short tons and had an average grade of 0.22 percent $U_3O_8$, valued at $16,688.21, including the bonuses.

## OWNERSHIP AND EXTENT

The two separate groups of 12 and 8 lode mining claims, known respectively as the Ripsnorter and Parker groups, were originally leased under three different lease agreements to the partnership composed of C. G. Ortmayer, R. G. Sullivan, and Clyde R. Boyle, P. O. Box 330, Edgemont, South Dakota. By an assignment dated June 6, 1955, the partnership transferred all leases and rights in the property, as well as its interest and obligations under the DMEA contract, to the Sodak Uranium and Mining Co., Inc., a Delaware corporation with C. R. Boyle as president and offices in the Evans Hotel Annex, Hot Springs, South Dakota.

Of the 12 contiguous claims in the Ripsnorter group, 10 claims were held under a lease from the Fall River Mining Co., a South Dakota corporation, for which Paul H. Russell signed as trustee and attorney-in-fact; these were the Ripsnorter No. 1, Ripsnorter No. 2, Morning Glory, Matias Peak No. 1, Matias Peak No. 2, Cycad No. 1, Cycad No. 2, Schoonmaker No. 1, Schoonmaker No. 2, and Gerner's Folly claims. The Montana No. 1 and Montana No. 2 claims of the Ripsnorter group were leased from Alva H. Schnea, Chas. H. Frazier, and Amos C. Clark, the owners.

The Parker group of claims (fig. 3), comprising six full claims known as Parker No. 1 through No. 6, and two fraction claims, the

Parker Nos. 7 and 8, were leased from Earl Boner, Charles H. Frazier, and Willard Beard, the owners.

The claims are listed below in Table 1, as recorded at the Office of the Register of Deeds for Fall River County, at Hot Springs, South Dakota, with the date of recording and the Book and page numbers on which they are recorded.

Table 1.--Claims of Ripsnorter and Parker groups

| Claim No. | Date of record | Book | Page |
|---|---|---|---|
| Ripsnorter No. 1 | 5/19/52 | 31 misc. | 157 |
| " " " 2 | " | " " | 157 |
| Gerner's Folly | " | " " | 156 |
| Morning Glory | " | " " | 158 |
| Montana No. 1 | 9/11/52 | " " | 346 |
| " " 2 | " | " " | 346 |
| Matias Peak No. 1 | 5/19/52 | " " | 155 |
| " " " 2 | " | " " | 155 |
| Cycad No. 1 | " | " " | 157 |
| " " 2 | " | " " | 154 |
| Schoonmaker No. 1 | " | " " | 158 |
| " " " 2 | 10/13/52 | " " | 502 |
| Parker No. 1 | 6/9/52 | " " | 308 |
| " " 2 | " | " " | 309 |
| " " 3 | " | " " | 309 |
| " " 4 | " | " " | 309 |
| " " 5 | " | " " | 310 |
| " " 6 | " | " " | 310 |
| " " 7 | 11/18/52 | " " | 199 |
| " " 8 | " | " " | 199 |

The total area of the 20 claims is approximately 367 acres, of which 238.3 acres are included in the Ripsnorter group and 128.7 acres in Park group.

## DESCRIPTION OF WORKINGS

Workings on the property at the time of the application consisted of small discovery pits and an opencut located on the south side of the westernmost mineralized zone (figs. 2 and 3). The opencut was approximately 12 feet wide, 100 feet long, and an average of about 15 feet deep. North of the opencut the surface had been bulldozed off over an area of about 500 square feet.

## GEOLOGY

### District setting

The Edgemont mining district lies on the southwest flank of the Black Hills, and is underlain by Jurassic and Cretaceous sedimentary rocks that have been tilted to a regional southwest dip on which are superimposed many smaller folds. The formations exposed at the surface in the district are tabulated in the following stratigraphic section:

| | | |
|---|---|---|
| Lower Cretaceous | Skull Creek shale and Inyan Kara group | (includes Fall River sandstone, Fuson shale, Minnewaste limestone, and Lakota sandstone |
| Upper Jurassic | Morrison formation | |
| ----------UNCONFORMITY---------- | | |
| Upper Jurassic | Sundance formation | |

Uranium ore has been produced in the district from the Fall River sandstone and the Lakota sandstone; the beds separating these two formations are generally very thin, so that exploration for ore in both sandstones can be limited to a vertical range usually less than 300 feet. Furthermore, since these two formations lie directly or closely under the surface in much of the Edgemont district, there are broad areas wherein all of the potential ore horizons can be penetrated by relatively shallow drilling.

## Project area

Most of the area covered by the Ripsnorter and Parker claim groups is underlain by the Lakota sandstone, which consists of a composite sandstone unit about 150 feet thick underlain and overlain by carbonaceous shale. The sandstone unit comprises two or possibly three sandstone beds separated by thin mudstone lenses; at Matias Peak it consists of a lower sandstone, an interbedded

mudstone and sandstone lens, and an upper sandstone. The middle unit is discussed in more detail under "Results of the Project." Uranium ore has been mined from both the lower and upper sandstones.

## Geologic basis for exploration

The original proposal for exploration was based in general on the presence of formations known to be mineralized nearby, and specifically on the presence of two surface areas of anomalous radioactivity. After the project had been started, the results of detailed Geological Survey mapping in the Matias Peak area became available; they showed that many uranium deposits occur on gentle monoclinal flexures or minor anticlines, and pointed to the advisability of drilling on the unexplored portion of a gentle anticline that plunges southwest across the Matias Peak area (fig. 4). Amendment No. 2, which authorized drilling in the Montana No. 1 and Matias Peak No. 1 claims, was based on this recommendation.

In February 1956 the Geological Survey recommended exploration of the basal unit of the Lakota sandstone underlying the Parker claims. The local geographic distribution of ore deposits was believed to correspond roughly with the trend of the Sheep Canyon monocline, a major geologic structure in the southern Black Hills; there was evidence that a zone near, and parallel to, the monoclinal axis was particularly favorable as a site for ore deposition. Regional mapping had shown that the axis of the monocline

swings eastward approximately 4,000 feet west of the Parker claims and should eventually cross them. In addition to this favorable feature of the location of the claims, they are also in an area underlain by a major facies change in the basal Lakota sandstone: southwest of the claims the basal unit of the Lakota is a massive sandstone 100 feet thick, whereas northeast of the claims the unit is composed of thin-bedded sandstones and mudstones. A facies change of this type has been regarded as a favorable site for localization of ore deposits on the Colorado Plateau and there is some evidence that this criterion is valid in the Black Hills. In view of these structural and stratigraphic features it was recommended that the basal unit of the Lakota in the Parker area be explored under Stage II by five holes drilled to a depth of 350 feet on Parker claims Nos. 4 and 5. The operator had already drilled seven 300-foot holes in this area at his own expense, but they followed a trend roughly parallel to the monoclinal axis and were therefore poorly located to check a projection of the axis; the recommended holes more nearly transected the axis (fig. 5). This recommendation was followed only in part: three holes were drilled near those recommended, at the operator's expense, with unfavorable results. The contract was terminated shortly thereafter.

## APPLICANT'S PROJECT PROPOSAL

The applicant proposed an extensive exploration program consisting of 1,600 wagon-drill holes (50,000 lineal feet) on 40-foot centers. Holes were to average 30 feet in depth with a maximum depth of 100 feet. The choice of drill areas was based on: 1) scintillometer surveys, 2) proximity to known ore bodies, 3) presence of favorable ore horizons at or near the ground surface.

## PROJECT OPERATIONS

### Description of contract

The contract originally provided for a two-stage wagon-drilling exploration program designed to explore the Lakota formation underlying the Ripsnorter and Parker claims groups for deposits of uranium ore. Under Stage I, two areas (areas 1 and 2, fig. 2) in the Ripsnorter claim group which were considered favorable on the basis of the surficial radioactivity anomalies and limited geologic information were to be explored by drilling a maximum of 12,500 feet of wagon-drill holes. The holes were to be drilled on a rectangular grid pattern with a spacing of 100 feet in a north-south direction and 50 feet east and west. The depth estimated to reach the desired target was 30 feet, but one hole in 10, or a hole in each 50,000 square feet, was to be drilled to a depth of 100 feet to test the

lower part of the formation. The diameter of the holes, sampling methods and handling of samples were subject to approval of the Government. Analyses of 100 samples for uranium were authorized for this stage of the program.

Under Stage II, 24,500 feet of wagon drilling was authorized for exploring three areas on the Parker claim group, and other areas on the property if approved in advance by the Government. The grid pattern or hole spacing as well as the sampling method were, unless modified by agreement, to be the same as authorized for Stage I. Two hundred sample analyses were authorized for Stage II.

The authorized maximum footage and expenditures, with unit costs for drilling and analyses for Stages I and II, are as follows:

Stage I

| | | |
|---|---|---|
| 12,500 feet wagon drilling at $1.04 per foot | $13,000.00 | |
| 100 sample analyses at $4 each (includes freight and postage) | 400.00 | |
| Total Stage I | | $13,400.00 |

Stage II

| | | |
|---|---|---|
| 24,500 feet wagon drilling at $1.01 per foot | $24,745.00 | |
| 200 sample analyses at $4 per sample (includes freight and (postage) | 800.00 | |

| | |
|---|---|
| Total Stage II | $25,545.00 |
| Total Stage I and Stage II | $38,945.00 |
| Government participation at 90 percent | $35,050.00 |

## Description of contract amendments

In all, four amendments to the contract were approved while the project was active. Amendments No. 1, No. 3, and No. 4 extended the time for completion of the contract to November 11, 1954, May 7, 1955, and October 1, 1955, respectively. Amendment No. 2 permitted the drilling of a third area (area 3, figs. 2 and 4) and also reallocated a part of the drilling footage allowed for Stage II of the original contract to a second phase of Stage I drilling. This amendment, as well as Amendments Nos. 1, 3, and 4, did not alter either the unit cost or total expenditures as stipulated in the original contract.

An outline of Exhibit A of Amendment No. 2 is given below.

### Stage I

Phase I Terms as to location, spacing of the holes are the same as for Stage I of the original contract. The authorized footage is reduced from 12,500 feet to 8,596.5 feet.

Phase II (a) Allows for drilling approximately 100 holes to an approximate depth of 130 feet in area 3 shown on figure 4.

(b) Deepening of holes nos. 159, 160, 161, 162, 178, 179, 181, and 219 through 239 which were drilled under Stage I and allocated to Stage I, Phase I.

The reallocated footages, cost per foot and authorized expenditures as stipulated in Amendment No. 2 for Stage I, Phase I and II, and Stage II are:

Stage I

| | | | |
|---|---|---|---|
| Phase I | 8,596.5 feet wagon drilling at $1.04 per foot | $ 8,940.36 | |
| | 14 sample analyses including freight and postage at $4 per sample | 56.00 | |
| Total Phase I | | | $ 8,996.36 |
| Phase II | The first 3,903.5 feet wagon drilling at $1.04 per foot | $ 4,059.64 | |
| | Remaining 11,696.5 feet wagon drilling at $1.01 per foot | 11,813.46 | |
| | 286 sample analyses including freight and postage at $4 per sample | 1,144.00 | |
| Total Phase II | | | $17,017.10 |

Total authorized footage Stage I, Phases I and II - 24,196.5 feet.

## Stage II

12,803.5 feet wagon drilling at $1.01 per ft. $12,931.54

| | |
|---|---|
| Total Stage I and Stage II | $38,945.00 |
| Government share at 90 percent participation | $35,050.50 |

Total authorized footage for Stage I and Stage II - 37,000 feet.

## Description of work performed

Wagon drilling under Stage I (unamended) was started in drill area 2 on the Schoonmaker Nos. 1 and 2 claims of the Ripsnorter group, with the drilling of hole no. C-1, on June 15, 1953. Drilling continued in this area and in the area on the Montana Nos. 1 and 2 claims (area 1) without interruption, except for a few short delays to repair equipment, until October 5, 1953. During this period 261 wagon-drill holes having an average depth of 32.9 feet, or a total of 8,596.5 feet, were drilled in the two drill areas, 81 holes with a total footage of 2,391 feet being drilled on the Montana claims, and 180 holes on the Schoonmaker Nos. 1 and 2, Gerner's Folly and Matias Peak No. 2 claims.

Results of the drilling were unfavorable. Probing indicated radioactivity in only 11 of the 261 holes, and from a check of the cuttings with a counter, only 8 of the 11 showed radioactivity that

seemed strong enough to warrant chemical analyses. Fourteen samples of 3-foot intervals, from the 8 holes, were analyzed for $U_3O_8$. The results are as follows:

| Hole No. | Depth (feet) | Thickness (feet) | $U_3O_8$ (percent) |
|---|---|---|---|
| C- 75 | 27-30 | 3 | 0.114 |
| C- 86 | 12-15 | 3 | 0.088 |
| C- 89 | 26-29 | 3 | 0.086 |
| | 29-32 | 3 | 0.102 |
| C-100 | 24-27 ? | 3 | 0.086 |
| C-102 | 15-18 | 3 | 0.020 |
| | 18-21 | 3 | 0.020 |
| | 21-24 | 3 | 0.060 |
| C-103 | 9-12 | 3 | 0 |
| | 12-15 | 3 | 0 |
| C-104 | 3-6 | 3 | 0 |
| | 6-9 | 3 | 0.076 |
| | 9-12 | 3 | 0.090 |
| C-180 | 15-18 | 3 | 0.065 |

Offset drilling to these mineralized holes, and a bulldozer cut 18 feet deep and 60 feet wide, that extended from hole~~s~~ no. 75 to 77, did not disclose minable-grade ore. Negative results were also obtained from offset holes drilled around holes nos. 195, 201, 265, 266, and 272, in which probing and a check of the cuttings with a counter had indicated radioactivity of two to seven times background (on the 5th scale of a model 600 Babbel counter) over thicknesses of 2 to 21 feet. In addition to the offset holes, the operator further explored the area with a rim cut at the same altitude as the mineralized horizon in the holes. The cut is located about 60 feet from, and parallel to, a line connecting holes nos. 102, 266, and 272. No evidence of uranium mineralization was exposed by the cut. This offset drilling and dozer work was done at the operator's expense and not under the contract.

Some time prior to completion of the drilling under Stage I of the unamended contract, the operator requested an amendment to permit exploration of an anomalous area in the southeastern part of the Ripsnorter No. 1 claim using all or a part of approximately 5,000 feet of drilling that remained under Stage I. On October 13, an interim report was prepared recommending that the amendment be approved for 1,500 feet of drilling in this area. Exploration of a lower stratum in areas on the Matias Peak No. 2 and Cycad No. 2 claims as requested by the operator was not recommended.

The proposed Amendment No. 1 was forwarded to the operator for signing on October 22, 1953, but it was not until November 19 that it was learned that the operator did not wish to sign the amendment, and instead planned to terminate work on the project. From November 1953 until April 20, 1954, the project was inactive pending submission of data for a proposed amendment to permit drilling to a depth of 130 feet in an area northwest of the Cycad ore body. In May 1954 the proposed drilling was discussed with the operator, and on the basis of the additional geologic information obtained by detailed mapping of the area by the U. S. G. S., an interim report was made, recommending exploration of area 3 within the Montana No. 1 and Matias Peak No. 1 claims, north of the area explored under Stage I (unamended). Also, a part of the area explored under Stage I (unamended) was to be drilled to the same lower horizon that would be explored by the drilling proposed for the area to the north.

Prior to May 7, 1954, and at about the time the operator requested the work mentioned in the preceding paragraph, he requested an amendment to extend the time for completion of the contract for six months, or until November 7, 1954. This amendment (Amendment No. 1, dated May 4, 1954, and the first amendment to be executed) was approved.

Amendment No. 2, to permit drilling on the Montana No. 1 and Matias Peak No. 1 claims in the area north of the area drilled on these claims under Stage I (unamended), became effective in July 1954. Under this amendment two phases of drilling were allowed under Stage I, a part of the footage for Stage II being allocated to Phase II of Stage I, as outlined under "Description of contract amendments."

Work on the project was resumed August 16, 1954, in the area designated by Amendment 2 (area 3). The delay between the execution of Amendment No. 2 and the resumption of drilling was caused by the failure of the operator to obtain a larger drill with which he had planned to do the deeper drilling, and it was necessary finally to contract the drilling to a local drilling contractor. This contractor, after completing 3,315 feet of drilling in 27 holes in the area, terminated his contract, claiming he was losing money on the drilling. The drilling contract was terminated on very short notice, and as the operator did not have a drill capable of drilling to the target depth, the project was perforce recessed until another drill rig could be obtained. It was not until mid-March 1955 that the drill was brought in and the work of the project was resumed. Drilling continued intermittently throughout the latter part of March, and throughout April and May, but little progress was made. Only nine holes, numbered 28 through 36, with a total footage of 1,217

feet, were drilled during the 2-1/2 month period. The poor progress was due in part to bad weather and equipment breakdown, but mainly to the failure of the operator to properly supervise and impel the drilling.

Results of exploration of the area designated under Amendment 2 were negative - none of the first 27 holes showed any radioactivity, and of the remaining 9 holes, only two (holes nos. 28 and 30) were reported to have cut radioactive zones. Two offset holes were drilled, 25 feet east and west of hole 28; and hole 30 was offset with four holes 25 feet north, south, east, and west. Probing and a check of the cuttings indicated no radioactive material in the two holes offsetting hole 28, and only slightly radioactive material in the four offset holes around hole no. 30, at the same horizon as in hole no. 30. The offset holes were drilled by the operator at his expense and were not included in the contract drilling.

Following the completion of hole no. 36, the work and results of the project were discussed with the operator who, on the basis of the poor results thus far obtained, expressed the intent to discontinue drilling on the Ripsnorter group and to request an amendment to permit some drilling on the Parker claim group. In the discussion it was mentioned that the operator should assemble all data, and prepare maps with geologic sections through the holes thus

far drilled, in order to better determine whether or not additional exploration was warranted. If so, then the location and number of holes to be drilled could be chosen more intelligently and an amendment, if necessary could be drawn up to permit a change in the number and location of these holes. There was a delay of two months before the operator had the data assembled and finally expressed his intent to continue the drilling. Also, at about this time, the operator again stated that he would request an amendment to explore other areas on the property included under the contract, as well as on the Parker claims. Drilling on the Montana No. 1 and Matias Peak No. 1 claims, in the area designated under Amendment No. 2, was resumed August 9, 1955.

From August 9 through August 18, 1955, a total of 2,226 feet were drilled in the 18 holes numbered 37 through 54. Hole no. 54, which was drilled to a depth of only 16 feet, was disallowed. None of the holes showed radioactivity indicating ore-grade mineralization. Probing with a Babbel Model 610 counter and an Esterline Augus gamma-ray logging instrument showed only three holes with any radioactivity: hole no. 46, with 1,200 and 840 counts per minute at depths of 26 and 44.5 feet, respectively; hole no. 48 with 1,750 counts per minute at a depth of 36.5 feet; and hole no. 49 with 600 counts per minute at a depth 22.5 feet. The highest count of 1,750 per minute indicates mineralization below ore grade.

Because of the negative results of the drilling under Stage I (unamended) and from the 54 holes drilled under Phase II of Stage I (amended), the operator decided to do no further drilling in the area. In a monthly report of September 27, 1955, covering the drilling done in August, he stated that he would request an amendment to permit additional drilling in other areas on the property included under the contract. Although the operator failed to submit the request by October 1, 1955, the expiration date of the contract, no action was taken to terminate the contract, as the operator had on several occasions, both orally and in writing, expressed his intent to request an amendment to permit additional drilling in other areas on the property. However, several months passed, and as the operator had not submitted the request, he was advised in a letter dated February 9, 1956, that action on closing the accounts of the project would be deferred until March 1, 1956, to allow him time to submit plans for the additional drilling he had previously mentioned.

During February 1956 the members of the examining team prepared separate memorandum reports with recommendations as to further drilling on the property under the contract. The Bureau of Mines engineer recommended that no further drilling be done and that the project be terminated. The recommendations of the Geological Survey's member of the team, based on geologic data obtained from regional mapping

which had been recently completed, were for exploration of a part of the area included by the Parker Nos. 4 and 5 claims. He recommended that approximately 1,750 feet be drilled in five holes, two holes to be drilled on the Parker No. 5 claim and three on the Parker No. 4, near the western side lines of each claim (fig. 5). Locations of these holes were such as to explore along the trend of and near the axis of the Sheep Canyon monocline, a major geologic structure in the southern Black Hills which is considered favorable for ore deposition. Also, the holes would be drilled in an area in which there may be a major facies change in the basal Lakota formation, a condition considered favorable for localization of ore deposits.

At company expense the operator drilled 2,923 feet in ten holes on the Parker Nos. 3, 4, and 5 claims; the holes were located as shown in figure 5. Two of the ten holes, the Parker No. 2 and Parker No. 3, were drilled near locations recommended in the interim geologic report submitted on February 13, 1956. No significant radioactivity was found in any of these ten holes. As a result, the operator decided that further exploration was not warranted, either under the contract or at company expense, and requested termination of the contract. The contract was allowed to expire as of October 1, 1955.

All contract drilling was done under Stage I, Phases I and II of the contract as amended. Of the total of 24,196.5 feet allowed

for drilling under Stage I, only 15,354.5 feet were drilled. No drilling was done under Stage II.

## Chronological summary of project

| | | |
|---|---|---|
| 1952 | November | Application for DMEA loan. |
| | December 4 | Property examined by field team. |
| 1953 | May 7 | Effective date of contract Idm-E 517. |
| | June 15 to October 5 | Drilling started on Schoonmaker 1 and 2, continued there and on Montana 1 and 2, Gerner's Folly, and Matias Peak 2. Total 261 holes, aggregate depth 8,596.5 feet, average 32.9 feet. Probing showed radioactivity in 11 holes; 14 samples analyzed from 8 holes gave negative results; offset drilling and a dozer cut, at operator's expense, also gave negative results. |
| | October 22 | Amendment sent to operator for exploration of anomaly in SE part of Ripsnorter No. 1. |
| | November 19 | Operator indicated he did not wish to sign amendment but wanted to terminate. |
| 1954 | November to April 20 | Project inactive, pending proposal of amendment to permit drilling NW of Cycad ore body. |
| | May 4 | Amendment No. 1 approved, extending completion date to November 7, 1954. |

| | | |
|---|---|---|
| | May | Team recommended exploration of an area within Montana 1 and Matias Peak 1 claims, north of area explored under Stage I, and exploration of part of Stage I area to deeper horizon. |
| | July | Amendment No. 2 approved, authorizing drilling as recommended in May. |
| | August 16 | Work resumed; delay due to operator's failure to obtain a larger drill for deeper drilling; drilling was finally contracted. |
| | October | 27 holes completed, total 3,315 feet. Driller terminated his contract on short notice; project recessed. |
| | November 2 | Amendment No. 3 approved, extending completion date to May 7, 1955. |
| 1955 | March | New drill rig obtained, project resumed. |
| | March to May | 9 holes completed, total 1,217 feet. Poor progress due to bad weather, breakdown of equipment, and failure of operator to supervise properly. Negative results in area of Amendment 2. |
| | May | Operator expressed intent to discontinue in area of Amendment 2 and to request amendment to permit drilling on Parker claim group. |

| | | |
|---|---|---|
| | May 25 | Amendment No. 4 approved, extending completion date to October 1, 1955. |
| | June 6 | Contract transferred to Sodak Uranium and Mining Co., Inc. |
| | August 9 | Drilling resumed on Montana 1 and Matias Peak 1 claims, in area of Amendment 2. |
| | 9-18 | 18 holes drilled, total 2,226 feet. Negative results. |
| | September 27 | Operator expressed intent to request amendment to permit additional drilling in other area. |
| | October 1 | Expiration date of contract (see under March 19, 1956). |
| 1956 | February 9 | Operator was advised that action on closing of accounts would be deferred until March 1, to allow him time to submit formal request for additional drilling. |
| | 13 | Bureau of Mines recommended termination; Geological Survey recommended 1,750 feet of drilling in 5 holes on Parker claims, based on recent U. S. G. S. mapping. |
| | February | Operator drilled 10 holes (at his expense), in part as recommended by Geological Survey; negative results. Operator requested termination of contract. |
| | March 19 | Field Team recommended that contract be allowed to expire as of October 1, 1955. |

## Cost of project

A summary of footages and costs for the work completed under Stage I, Phases I and II is given in Table 2.

Table 2.--Summary of footages and costs

| Phase | Date drilled | No. of holes | Footage drilled | Cost per foot | Expenditures |
|---|---|---|---|---|---|
| I | June-Oct. 1953 | 261 | 8,596.5 | $1.04 | $ 8,940.36 |
| II | Aug.-Sept. 1954 | 27 | 3,315.0 | 1.04 | 3,447.60 |
| II | Mar.-May 1955 | 9 | ( 588.5<br>( 628.5 | 1.04<br>1.01 | 612.04<br>634.79 |
| II | Aug. 1955 | 18 | 2,226.0 | 1.01 | 2,248.26 |
| | Total | 315 | 15,354.5 | | $15,883.05 |
| | Disallowance under Phase II | 1 | 16.0 | $1.01 | $ 16.16 |
| | Totals | 314 | 15,338.5 | | $15,866.89 |
| | Total payments by the Government at 90 percent | | | | $14,280.21 |

A report of review in lieu of a final audit, with a letter recommending that the contract be allowed to expire as of the expiration date of October 1, 1955, was submitted to the Operating Committee March 19, 1956. The review approved expenditures of $15,866.89 and the Government's share of $14,280.21 as shown in Table 2 above.

## RESULTS OF THE PROJECT

Exploratory drilling completed under the contract resulted in the discovery of only 130 tons of indicated and 70 tons of inferred ore with a grade of 0.114 percent $U_3O_8$. No concentrations of uranium minerals in minable grade, nor any anomalous radioactivity indicating the presence of such deposits in the areas drilled, were disclosed by the drilling. Study of the drill cuttings clarified the stratigraphy of the middle sandstone unit of the Lakota sandstone in the Montana No. 1 and Matias Peak No. 1 area; this information is summarized in an isopach map (fig. 6).

## ORE RESERVES

Ore reserves resulting from the exploratory drilling under the contract are limited to a single deposit with an estimated 130 tons of indicated ore and 70 tons of inferred ore, containing 0.114 percent $U_3O_8$; this deposit was penetrated in hole no. 75 at a depth of 27 to 30 feet.

Reserves of protore or near-ore-grade material are calculated in three blocks on the basis of assays of cuttings from holes nos. 86, 89, and 100, and 104; they total an estimated 860 tons of indicated protore and 1,470 tons of inferred protore, containing 0.086 to 0.094 percent $U_3O_8$.

The method of calculation of these reserves, and the data on which they are based, are given in figure 7 and Table 3.

Table 3.--Calculation of ore and protore reserves

| Hole No. | Depth ft. | Area sq. ft. | Thickness ft. | Volume cu. ft. | Wt. tons (rounded) | Grade $\%U_3O_8$ | Type |
|---|---|---|---|---|---|---|---|
| | | | ORE | | | | |
| 75 | 27-30 | 625 | 3 | 1,875 | 130 | 0.114 | Ind. |
| | | 312 | 3 | 937 | 70 | 0.114 | Inf. |
| | | | PROTORE | | | | |
| 86 | 12-15 | 625 | 3 | 1,875 | 130 | 0.088 | Ind. |
| | | 1,875 | 3 | 5,625 | 400 | 0.088 | Inf. |
| 89 | 26-32 | 937 | 6 | 5,622 | 400 | 0.094 | Ind. |
| | | 1,562 | 6 | 9,372 | 670 | 0.094 | Inf. |
| 100 | 24-27 | 937 | 3 | 2,811 | 200 | 0.086 | Ind. |
| | | 1,562 | 3 | 4,686 | 335 | 0.086 | Inf. |
| 104 | 9-12 | 625 | 3 | 1,875 | 130 | 0.090 | Ind. |
| | | 312 | 3 | 937 | 70 | 0.090 | Inf. |

TOTALS

| | Hole Nos. | Indicated | Inferred | Grade |
|---|---|---|---|---|
| ORE | 75 | 130 | 70 | 0.114 |
| PROTORE | 89, 100 | 600 | 1,000 | 0.091 |
| | 104 | 130 | 70 | 0.090 |
| | 86 | 130 | 400 | 0.088 |

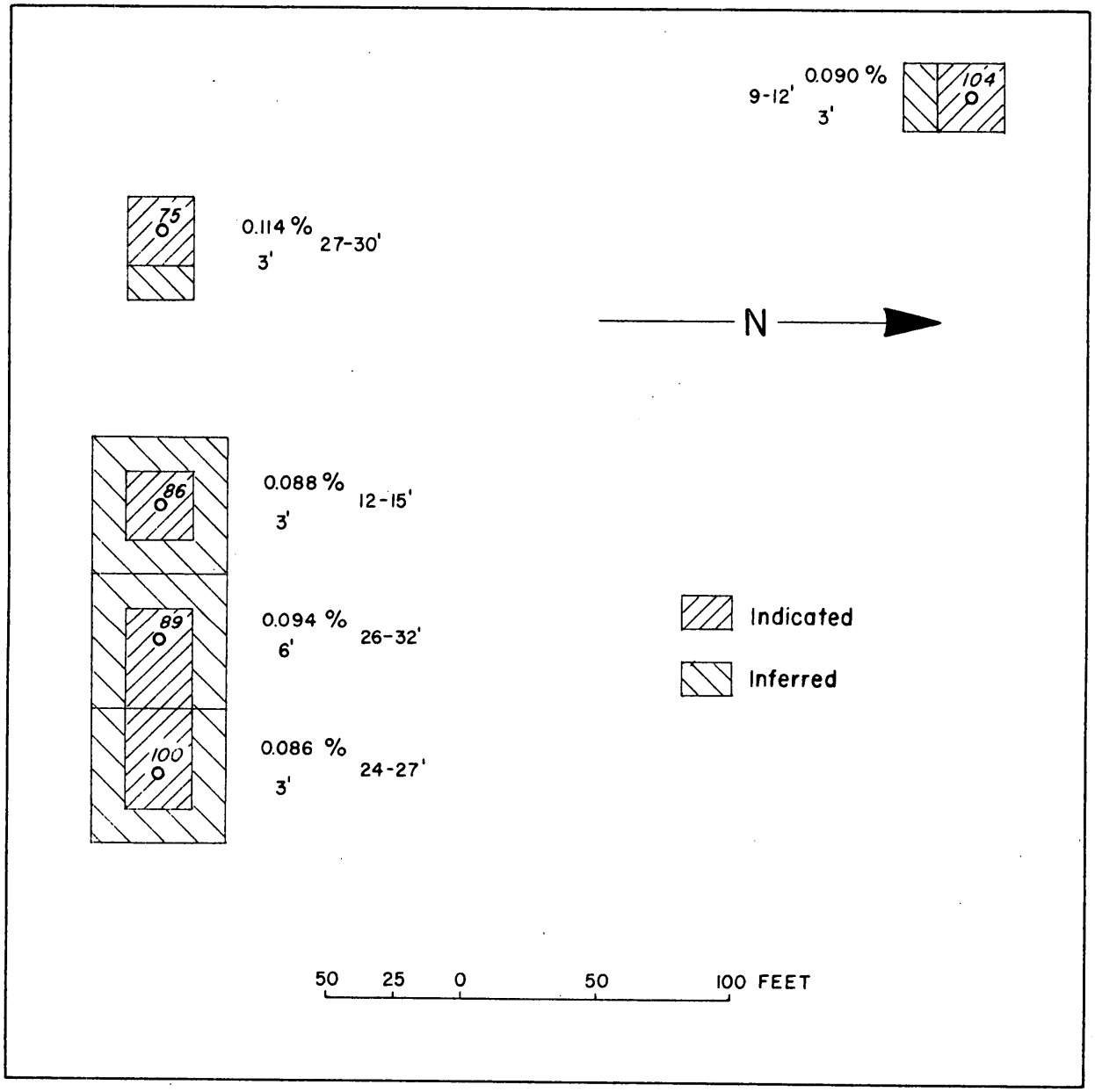



FIGURE 7. ORE AND PROTORE RESERVES, SCHOONMAKER NO. 2 CLAIM

DMEA DOCKET 2857

## CONCLUSIONS AND RECOMMENDATIONS

Exploratory drilling completed under the contract did not result in a discovery of any significant uranium ore deposits, nor did the drilling disclose radioactive mineralization that might indicate the presence of a significant deposit of uranium minerals in the areas drilled. Progress of the project was slow caused in part by adverse weather and faulty equipment, but mainly by poor supervision and an apparent lack of interest on the part of the management. As a result, almost three years were required to complete the project, and the contract was amended on three occasions to extend the date for completion.

In all, a total of 15,354.5 feet was drilled in the 315 holes drilled under the contract; payment, however, was for 15,338.5 feet as one 16-foot hole was disallowed. Fourteen samples from project holes were analyzed, but were not charged to the contract as the company assumed the cost. Total expenditures for the work completed under Stage I, Phases I and II, as approved in an audit review dated March 19, 1956, were $15,866.89, the Government's share at 90 percent amounting to $14,280.20.

The property has been adequately explored, and no further exploration with Government assistance is recommended. It is also

recommended that no certification of a discovery or development be issued as no significant deposits of uranium ore were discovered by the exploratory drilling under the contract.

ANNEX I

Drill hole data

Stage I, Phase I and Phase II

| Hole No. | Hole Depth Feet | Probe Results: Depth From | Depth To | Counter Reading: Hole | Counter Reading: Background | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C- 1 | 100 | 0 | 83 | 4/5 | 4/5 | Block 2 | Schoonmaker 1 | Block numbers correspond to area numbers on fig. 2 |
| C- 2 | 24 | 0 | 17 | " | " | " 2 | " " 1 | |
| C- 3 | 22 | 0 | 20 | " | " | " 2 | " " 1 | |
| C- 4 | 44 | 0 | 43 | " | " | " 2 | " " 1 | |
| C- 5 | 37 | 0 | 38 | " | " | " 2 | " " 1 and 2 | Area of claims overlap |
| C- 6 | 30 | 0 | 27 | " | " | " 2 | | |
| | | 27 | 30 | 10/5 | " | " 2 | " " 1 and 2 | " " " " " |
| C- 7 | 56 | 0 | 13 | 4/5 | " | " 2 | " " 1 and 2 | " " " " " Cored? |
| C- 7-1 | 30 | 0 | 30 | " | " | " 2 | " " 1 and 2 | Not charged to contract |
| C- 8 | 30 | 0 | 30 | " | " | " 2 | " " 1 and 2 | Area of claims overlap |
| C- 9 | 48 | 0 | 43 | " | " | " 2 | " " 1 | |
| | | 43 | 44 | 8/5 | " | | | |
| C- 10 | 35 | 0 | 21 | 4/5 | " | " 2 | " " 1 | |
| C- 11 | 64 | - | - | - | - | " 2 | " " 1 | |
| C- 12 | 33 | 0 | 5 | 4/5 | 4/5 | " 2 | " " 1 | |
| C- 13 | 33 | 0 | 25 | " | " | " 2 | " " 1 | |
| C- 14 | 33 | - | - | - | - | " 2 | " " 1 | Caved? |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C- 15 | 86.5 | 0 | 10 | 8/5 | 4/5 | Block 2 | Schoonmaker 1 | |
| | | 10 | 27 | 4/5 | " | | | |
| C- 16 | 36 | 0 | 11 | 4/5 | " | " 2 | " " 1 and 2 | Area of claims overlap |
| | | 11 | 17 | 6/5 | " | | | |
| | | 17 | 31 | 4/5 | " | | | |
| C- 17 | 30 | 0 | 30 | 4/5 | " | " 2 | " " 1 and 2 | " " " " " |
| C- 18 | 30 | 0 | 8 | 4/5 | " | " 2 | " " 1 and 2 | " " " " " |
| | | 8 | 10 | 12/5 | " | | | |
| | | 10 | 13 | 10/5 | " | | | Assay 0.06 percent $U_3O_8$ 12-15' |
| | | 13 | 17 | 16/5 | " | | | Assay 0.065 percent $U_3O_8$ 15-18' |
| | | 17 | 23 | 4/5 | " | | | |
| | | 23 | 27 | 10/5 | " | | | |
| C- 19 | 36 | 0 | 21 | 4/5 | " | " 2 | " " 1 | |
| C- 20 | 36 | 0 | 26 | " | " | " 2 | " " 1 | |
| C- 21 | 72 | 0 | 45 | " | " | " 2 | " " 1 | |
| C- 22 | 36 | 0 | 30 | " | " | " 2 | " " 1 | |
| C- 23 | 33 | 0 | 23 | " | " | " 2 | " " 1 | |
| C- 24 | 33 | 0 | 24 | " | " | " 2 | " " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C- 25 | 30 | 0 | 5 | 4/5 | 4/5 | Block 2 | Schoonmaker 1 | |
| C- 26 | 54 | 0 | 8 | " | " | " 2 | " " 1 | |
| C- 27 | 30 | 0 | 13 | " | " | " 2 | " " 1 | |
| C- 28 | 36 | 0 | 30 | " | " | " 2 | " " 1 | |
| C- 29 | 54 | 0 | 28 | " | " | " 2 | " " 1 | |
| | | 28 | 29 | 8/5 | " | " 2 | " " 1 | |
| | | 29 | 46 | 4/5 | " | " 2 | " " 1 | |
| C- 30 | 30 | 0 | 29 | " | " | " 2 | " " 1 | |
| C- 31 | 36 | 0 | 31 | " | " | " 2 | " " 1 | |
| C- 32 | 36 | 0 | 28 | " | " | " 2 | " " 1 | |
| C- 33 | 54 | 0 | 34 | 2/5 | 2/5 | " 2 | " " 1 | |
| C- 34 | 36 | 0 | 28 | " | " | " 2 | " " 1 | |
| C- 35 | 36 | 0 | 28 | " | " | " 2 | " " 1 | |
| C- 36 | 33 | 0 | 25 | " | " | " 2 | " " 1 | |
| C- 37 | 45 | 0 | 38 | " | " | " 2 | " " 1 | |
| C- 38 | 33 | 0 | 26 | " | " | " 2 | " " 1 | |
| C- 39 | 33 | 0 | 27 | " | " | " 2 | " " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C- 40 | 66 | 0 | 56 | 2/5 | 2/5 | Block 2 | Schoonmaker 1 | |
| C- 41 | 30 | 0 | 26 | " | " | " 2 | " " 1 | |
| C- 42 | 33 | 0 | 27 | " | " | " 2 | " " 1 | |
| C- 43 | 33 | 0 | 25 | " | " | " 2 | " " 1 | |
| C- 44 | 54 | 0 | 46 | " | " | " 2 | " " 1 | |
| C- 45 | 33 | 0 | 27 | " | " | " 2 | " " 1 | |
| C- 46 | 30 | 0 | 27 | 4/5 | 4/5 | " 2 | " " 1 | |
| C- 47 | 54 | 0 | 29 | " | " | " 2 | " " 1 | |
| C- 48 | 30 | 0 | 26 | " | " | " 2 | " " 1 | |
| C- 49 | 33 | 0 | 30 | " | " | " 2 | " " 1 | |
| C- 50 | 30 | 0 | 27 | " | " | " 2 | " " 1 | |
| C- 51 | 48 | 0 | 37 | " | " | " 2 | " " 1 | |
| C- 52 | 36 | 0 | 33 | " | " | " 2 | " " 1 | |
| C- 53 | 38 | 0 | 34 | " | " | " 2 | " " 1 | |
| C- 54 | 29 | 0 | 17 | " | " | " 2 | " " 1 | |
| C- 55 | 46 | 0 | 30 | " | " | " 2 | " " 1 | |
| C- 56 | 33 | 0 | 28 | " | " | " 2 | " " 1 | |
| C- 57 | 60 | 0 | 40 | " | " | " 2 | " " 1 | |
| C- 58 | 36 | 0 | 31 | " | " | " 2 | " " 1 | |
| C- 59 | 36 | 0 | 29 | " | " | " 2 | " " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C- 60 | 36 | 0 | 27 | 4/5 | 4/5 | Block 2 | Schoonmaker 1 | |
| C- 61 | 36 | 0 | 33 | " | " | " 2 | " " 1 | |
| C- 62 | 48 | 0 | 28 | " | " | " 2 | " " 1 | |
| C- 63 | 36 | 0 | 31 | " | " | " 2 | " " 1 | |
| C- 64 | 32 | 0 | 30 | " | " | " 2 | " " 1 | |
| C- 65 | 33 | 0 | 30 | 2/5 | 2/5 | " 2 | " " 1 | |
| C- 66 | 36 | 0 | 29 | " | " | " 2 | " " 1 | |
| C- 67 | 33 | 0 | 27 | " | " | " 2 | " " 1 | |
| C- 68 | 33 | 0 | 22 | " | " | " 2 | " " 1 | |
| C- 69 | 54 | 0 | 31 | " | " | " 2 | " " 1 | |
| C- 70 | 36 | 0 | 33 | " | " | " 2 | " " 1 | |
| C- 71 | 48 | 0 | 37 | " | " | " 2 | " " 1 | |
| C- 72 | 30 | 0 | 30 | " | " | " 2 | " " 1 | |
| C- 73 | 32 | 0 | 27 | " | " | " 2 | " " 1 | |
| C- 74 | 18 | 0 | 18 | " | " | " 2 | " " 2 | Very wet hole |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C- 75 | 33 | 0 | 9 | 2/5 | 2/5 | Block 2 | Schoonmaker 2 | |
| | | 9 | 16 | 4/5 | " | | | |
| | | 16 | 20 | 8/5 | " | | | |
| | | 20 | 22 | 12/5 | " | | | |
| | | 22 | 23 | 18/5 | " | | | |
| | | 23 | 25 | 20/5 | " | | | |
| | | 25 | 27 | 10/5 | " | | | Assay 0.114 percent $U_3O_8$ 27-30' |
| | | 27 | 28 | 8/5 | " | | | |
| C- 76 | 28 | 0 | 16 | 2/5 | " | " 2 | " " 2 | |
| | | 16 | 19 | 6/5 | " | | | |
| | | 19 | 21 | 8/5 | " | | | |
| C- 77 | 26 | 0 | 4 | 2/5 | " | " 2 | " " 2 | |
| | | 4 | 8 | 4/5 | " | | | |
| | | 8 | 11 | 8/5 | " | | | |
| | | 11 | 12 | 12/5 | " | | | Final report states - same radioactivity as hole 75. No assays reported |
| | | 12 | 13 | 25/5 | " | | | |
| | | 13 | 14 | 30/5 | " | | | |
| | | 14 | 15 | 15/5 | " | | | |
| | | 15 | 19 | 10/5 | " | | | |
| C-78 | 29 | 0 | 21 | 2/5 | " | " 2 | " " 2 | |
| C-79 | 29 | 0 | 21 | " | " | " 2 | " " 2 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C- 80 | 23 | 0 | 17 | 2/5 | 2/5 | Block 2 | Schoonmaker 2 | |
| C- 81 | 27 | 0 | 10 | " | " | " 2 | " " 1 and 2 | Area of claims overlap |
| | | 10 | 13 | 8/5 | " | | | |
| | | 13 | 18 | 6/5 | " | | | |
| C- 82 | 30 | 0 | 13 | 2/5 | " | " 2 | " " 1 and 2 | " " " " " |
| C- 83 | 33 | 0 | 12 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 84 | 33 | 0 | 12 | " | " | " 2 | " " 1 and 2 | " " " " " |
| | | 12 | 16 | 4/5 | " | | | |
| | | 16 | 24 | 10/5 | | | | |
| C- 85 | 51 | 0 | 9 | 2/5 | " | " 2 | " " 1 and 2 | " " " " " |
| C- 86 | 27 | 0 | 21 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 87 | 20 | 0 | 14 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 88 | 21 | 0 | 20 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 89 | 51 | 0 | 17 | " | " | " 2 | " " 1 and 2 | " " " " " |
| | | 17 | 21 | 12/5 | " | | | |
| | | 21 | 22 | 20/5 | " | | | |
| | | 22 | 23 | 75/5 | " | | | |
| | | 23 | 24 | 54/5 | " | | | |
| | | 24 | 25 | 24/5 | " | | | |
| | | 25 | 30 | 15/5 | " | | | Assay 0.086 percent $U_3O_8$ 26-29' |
| | | 30 | 36 | 22/5 | " | | | Assay 0.102 percent $U_3O_8$ 29-32' |
| | | 36 | 46 | 2/5 | " | | | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C- 90 | 36 | 0 | 33 | 4/5 | 4/5 | Block 2 | Schoonmaker 1 and 2 | Area of claims overlap |
| C- 91 | 30 | 0 | 30 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 92 | 33 | 0 | 22 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 93 | 51 | 0 | 23 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 94 | 33 | 0 | 28 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 95 | 51 | 0 | 47 | " | " | " 2 | " " 1 | " " " " " |
| C- 96 | 36 | 0 | 33 | 4/5 | 4/5 | " 2 | " " 1 and 2 | " " " " " |
| C- 97 | 69 | 0 | 66 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 98 | 36 | 0 | 34 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C- 99 | 36 | 0 | 21 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C-100 | 30 | 0 | 28 | " | " | " 2 | " " 1 and 2 | " " " " " |
| C-101 | 20 | 0 | 17 | " | " | " 2 | " " 1 | " " " " " |
| C-102 | 28 | 0 | 4 | " | " | " 2 | " " 2 | |
| | | 4 | 19 | 8/5 | " | | | |
| | | 19 | 20 | 18/5 | " | | | Assay 0.02 percent $U_3O_8$ 15-18' |
| | | 20 | 21 | 22/5 | " | | | Assay 0.02 percent $U_3O_8$ 18-21' |
| | | 21 | 22 | 12/5 | " | | | Assay 0.06 percent $U_3O_8$ 21-24' |
| C-103 | 33 | 0 | 30 | 4/5 | " | " 2 | " " 2 | Assay 0.0 percent $U_3O_8$ 9-12' |
| | | | | | | | | Assay 0.0 percent $U_3O_8$ 12-15' |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-104 | 27 | 0 | 6 | 4/5 | 4/5 | Block 2 | Schoonmaker 2 | |
| | | 6 | 7 | 8/5 | " | | | Assay 0.076 percent $U_3O_8$ 6-9' |
| | | 7 | 8 | 20/5 | " | | | Assay 0.125 percent $U_3O_8$ 9-12' |
| | | 8 | 9 | 30/5 | " | | | |
| | | 9 | 10 | 65/5 | " | | | |
| | | 10 | 14 | 10/5 | " | | | |
| | | 14 | 20 | 4/5 | " | | | |
| C-105 | 24 | 0 | 21 | " | " | " 2 | " " 2 | |
| C-106 | 25 | 0 | 22 | " | " | " 2 | " " 2 | |
| C-107 | 15 | 0 | 10 | " | " | " 2 | " " 2 | |
| C-108 | 33 | 0 | 31 | 28/5 | 28/5 | " 2 | " " 2 | |
| C-109 | 9 | 0 | 6 | 27/5 | 28/5 | " 2 | " " 2 | |
| C-110 | 9 | 0 | 7 | 28/5 | " | " 2 | " " 1 and 2 | Area of claims overlap |
| C-111 | 36 | 0 | 33 | 26/5 | " | " 2 | " " 1 and 2 | " " " " " |
| C-112 | 36 | 0 | 34 | 28/5 | " | " 2 | " " 1 and 2 | " " " " " |
| C-113 | 33 | 0 | 27 | 28/5 | " | " 2 | " " 1 and 2 | " " " " " |
| C-114 | 33 | 0 | 31 | " | " | " 2 | " " 1 | |
| C-115 | 10 | 0 | 8 | 30/5 | " | " 2 | " " 1 | |
| C-116 | 30 | 0 | 29 | 28/5 | " | " 2 | " " 1 | |
| C-117 | 30 | 0 | 28 | 26/5 | " | " 2 | " " 1 | |
| C-118 | 30 | 0 | 28 | 28/5 | " | " 2 | " " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-119 | 33 | 0 | 21 | 4/5 | 4/5 | Block 2 | Gerner's Folly | |
| C-120 | 12 | 0 | 6 | " | " | " 2 | " " | |
| C-121 | 36 | 0 | 33 | " | " | " 2 | " " | |
| C-122 | 18 | 0 | 12 | " | " | " 2 | " " | |
| C-123 | 54 | 0 | 52 | " | " | " 2 | Matias Peak 2 | |
| C-124 | 39 | 0 | 37 | " | " | " 2 | " " 2 | |
| C-125 | 12 | 0 | 9 | " | " | " 2 | Gerner's Folly | |
| C-126 | 36 | 0 | 35 | " | " | " 2 | " " | |
| C-127 | 84 | 0 | 40 | " | " | " 2 | " " | |
| C-128 | 36 | 0 | 34 | " | " | " 2 | " " | |
| C-129 | 36 | 0 | 35 | " | " | " 2 | Matias Peak 2 | |
| C-130 | 36 | 0 | 34 | " | " | " 2 | " " 2 | |
| C-131 | 18 | 0 | 14 | 26/5 | 28/5 | " 2 | Gerner's Folly | |
| C-132 | 54 | 0 | 50 | 30/5 | 30/5 | " 2 | " " | |
| C-133 | 30 | 0 | 28 | " | " | " 2 | " " | |
| C-134 | 30 | 0 | 27 | " | " | " 2 | " " | |
| C-135 | 18 | 0 | 15 | " | " | " 2 | Matias Peak 2 | |
| C-136 | 36 | 0 | 33 | " | " | " 2 | " " 2 | |
| C-137 | 15 | 0 | 13 | 35/5 | 30/5 | " 2 | Gerner's Folly | |
| C-138 | 9 | 0 | 3 | 30/5 | " | " 2 | " " | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-139 | 54 | 0 | 2-1/2 | 30/5 | 30/5 | Block 2 | Gerner's Folly | |
| C-140 | 30 | 0 | 26 | " | " | " 2 | Matias Peak 2 | |
| C-141 | 36 | 0 | 34 | " | " | " 2 | " " 2 | |
| C-142 | 36 | 0 | 34 | " | " | " 2 | " " 2 | |
| C-143 | 54 | 0 | 52 | " | " | " 2 | " " 2 | |
| C-144 | 15 | 0 | 14 | " | " | " 2 | " " 2 | |
| C-145 | 33 | 0 | 3 | " | " | " 2 | " " 2 | |
| C-146 | 30 | 0 | 25 | 26/5 | " | " 2 | " " 2 | |
| C-147 | 39 | 0 | 37 | 28/5 | " | " 2 | " " 2 | |
| C-148 | 30 | 0 | 20 | 30/5 | " | " 2 | Gerner's Folly | |
| C-149 | 18 | 0 | 15 | " | " | " 2 | " " | |
| C-150 | 21 | 0 | 20 | " | " | " 2 | " " | |
| C-151 | 12 | 0 | 9 | " | " | " 2 | " " | |
| C-156 | 6 | 0 | 3 | 18/5 | 18/5 | " 1 | Montana 1 | |
| C-157 | 15 | 0 | 5 | " | " | " 1 | " 1 | |
| C-158 | 6 | 0 | 5 | " | " | " 1 | " 1 | |
| C-159 | 9 | 0 | 5 | " | " | " 1 | " 1 | |
| C-160 | 3 | 0 | 2 | " | " | " 1 | " 1 | |
| C-161 | 9 | 0 | 4 | " | " | " 1 | " 1 | |
| C-162 | 36 | 0 | 31 | 20/5 | 20/5 | " 1 | " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Background | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-163 | 72 | 0 | 63 | 20/5 | 20/5 | Block 1 | Montana 1 | |
| C-164 | 33 | 0 | 29 | " | " | " 1 | " 1 | |
| C-165 | 21 | 0 | 1 | " | " | " 1 | " 1 | |
| C-166 | 60 | 0 | 58 | " | " | " 1 | " 1 | |
| C-167 | 9 | 0 | 6 | " | " | " 1 | " 1 | |
| C-168 | 69 | 0 | 67 | " | " | " 1 | " 1 | |
| C-169 | 60 | 0 | 8 | " | " | " 1 | " 1 | |
| C-170 | 60 | 0 | 60 | 20/5 | 20/5 | | Matias Peak 1 | |
| C-171 | 60 | 0 | 56 | " | " | | " " 1 | |
| C-172 | 60 | 0 | 58 | 22/5 | 22/5 | | " " 1 | |
| C-174 | 36 | 0 | 33 | " | " | | Montana 1 | |
| C-175 | 39 | 0 | 36 | " | " | | " | |
| C-176 | 39 | 0 | 37 | " | " | | " | |
| C-177 | 18 | 0 | 13 | " | " | | " | |
| C-178 | 9 | 0 | 5 | " | " | Block 1 | " | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-179 | 18 | 0 | 17 | 22/5 | 22/5 | | Montana 1 | |
| C-180 | 57 | 0 | 24 | " | " | | " | Assay 0.065 percent $U_3O_8$ 15-18' |
| | | 24 | 30 | 26/5 | " | | | |
| | | 30 | 35 | 31/5 | " | | | |
| | | 35 | 38 | 42/5 | " | | | |
| | | 38 | 41 | 52/5 | " | | | |
| | | 41 | 42 | 58/5 | " | | | |
| | | 42 | 43 | 65/5 | " | | | |
| | | 43 | 44 | 60/5 | " | | | |
| | | Caved | | | | | | |
| C-181 | 12 | 0 | 11 | 22/5 | | Block 1 | " 1 | |
| C-182 | 9 | 0 | 3 | " | " | " | " 1 | |
| C-183 | 18 | 0 | 14 | " | " | | " 1 | |
| C-184 | 39 | 0 | 26 | 22/5 | 22/5 | " 1 | " 1 | |
| C-185 | 12 | 0 | 8 | " | " | " 1 | " 1 | |
| C-186 | 12 | 0 | 6 | " | " | " 1 | " 1 | |
| C-187 | 3 | 0 | 0.5 | " | " | " 1 | " 1 | |
| C-188 | 45 | 0 | 24 | " | " | " 1 | " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-189 | 60 | 0 | 56 | 22/5 | 22/5 | Block 1 | | |
| C-190 | 36 | 0 | 33 | " | " | " 1 | Matias Peak 1 | |
| C-191 | 36 | 0 | 30 | " | " | " 1 | " " 1 | |
| C-192 | 36 | 0 | 33 | 4/5 | 4/5 | " 1 | " " 1 | |
| C-193 | 36 | 0 | 11 | " | " | " 1 | " " 1 | |
| | | 11 | 12 | 20/5 | " | | | |
| | | 12 | 13 | 30/5 | " | | | |
| | | 13 | 14 | 20/5 | " | | | |
| | | 14 | 33 | 4/5 | " | | | |
| C-194 | 36 | 0 | 2 | 6/5 | " | Block 1 | Matias Peak 1 | |
| | | 2 | 3 | 18/5 | " | | | |
| | | 3 | 4 | 6/5 | " | | | |
| | | 4 | 31 | 6/5 | " | | | |
| C-195 | 72 | 0 | 33 | 6/5 | " | " 1 | " " 1 | |
| | | 33 | 34 | 20/5 | " | | | |
| | | 34 | 35 | 20/5 | " | | | |
| | | 35 | 36 | 30/5 | 4/5 | " 1 | " " 1 | |
| | | 36 | 37 | 50/5 | " | | | |
| | | 37 | 38 | 70/5 | " | | | |
| | | 38 | 39 | 30/5 | " | | | |
| | | 39 | 40 | 10/5 | " | | | |
| | | 40 | 69 | 6/5 | " | | | |
| C-196 | 54 | 0 | 50 | 6/5 | 6/5 | " 1 | " " 1 | |
| C-197 | 45 | 0 | 40 | " | " | " 1 | " " 1 | |
| C-198 | 36 | 0 | 34 | " | " | " 1 | " " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-199 | 21 | 0 | 17 | 6/5 | 6/5 | Block 1 | Matias Peak 1 | |
| C-200 | 36 | 0 | 34 | 8/5 | " | " 1 | " " 1 | |
| C-201 | 36 | 0 | 9 | 10/5 | " | " 1 | " " 1 | |
| | | 9 | 10 | 60/5 | " | | | |
| | | 10 | 11 | 80/4 | " | | | 24/3 Probe reading on 3 scale |
| | | 11 | 12 | 10/5 | " | | | |
| | | 12 | 35 | 6/5 | " | | | |
| C-202 | 36 | 0 | 35 | " | " | " 1 | " " 1 | |
| C-203 | 36 | 0 | 34 | " | " | " 1 | " " 1 | |
| C-204 | 81 | 0 | 6 | 8/5 | " | " 1 | " " 1 | |
| | | 6 | 7 | 22/5 | " | | | |
| | | 7 | 8 | 26/5 | " | | | |
| | | 8 | 9 | 30/5 | " | | | |
| | | 9 | 10 | 20/5 | " | | | |
| | | 10 | 80 | 8/5 | " | | | |
| C-205 | 15 | 0 | 13 | 8/5 | 8/5 | " 1 | " " 1 | |
| C-206 | 36 | 0 | 34 | 8/5 | 8/5 | " 1 | " " 1 | |
| C-207 | 30 | 0 | 28 | " | " | " 1 | " " 1 | |
| C-208 | 21 | 0 | 17 | " | " | " 1 | " " 1 | |
| C-209 | 36 | 0 | 34 | " | " | " 1 | " " 1 | |
| C-210 | 51 | 0 | 49 | 12/5 | " | " 1 | " " 1 | |
| C-211 | 36 | 0 | 35 | 8/5 | " | " 1 | " " 1 | |
| C-212 | 36 | 0 | 36 | " | " | " 1 | " " 1 | |
| C-213 | 15 | 0 | 14 | " | " | " 1 | " " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-214 | 36 | 0 | 35 | 10/5 | 10/5 | Block 1 | Matias Peak 1 | |
| C-215 | 54 | 0 | 53 | " | " | " 1 | " " 1 | |
| C-216 | 21 | 0 | 17 | " | " | " 1 | " " 1 | |
| C-217 | 36 | 0 | 17 | 8/5 | 8/5 | " 1 | " " 1 | |
| | | 17 | 18 | 18/5 | " | | | |
| | | 18 | 19 | 20/5 | " | | | |
| | | 19 | 20 | 20/5 | " | | | |
| | | 20 | 36 | 10/5 | " | | | |
| C-218 | 9 | 0 | 5 | 8/5 | " | " 1 | " " 1 | |
| C-219 | 36 | 0 | 35 | 10/5 | 10/5 | " 1 | " " 1 | |
| C-220 | 15 | 0 | 13 | " | " | " 1 | " " 1 | |
| C-221 | 9 | 0 | 7 | " | " | " 1 | " " 1 | |
| C-222 | 36 | 0 | 34 | " | " | " 1 | " " 1 | |
| C-223 | 15 | 0 | 10 | " | " | " 1 | Montana 1 | |
| C-224 | 9 | 0 | 7 | " | " | " 1 | " 1 | |
| C-225 | 15 | 0 | 11 | " | " | " 1 | " 1 | |
| C-226 | 54 | 0 | 53 | " | " | " 1 | " 1 | |
| C-227 | 27 | 0 | 21 | " | " | " 1 | " 1 | |
| C-228 | 12 | 0 | 12 | " | " | " 1 | " 1 | |
| C-229 | 9 | 0 | 6 | " | " | " 1 | " 1 | |
| C-230 | 9 | 0 | 7 | " | " | " 1 | " 1 | |
| C-231 | 6 | 0 | 4 | " | " | " 1 | " 1 | |
| C-232 | 6 | 0 | 5 | " | " | " 1 | " 1 | |
| C-233 | 18 | 0 | 15 | " | " | " 1 | " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-234 | 9 | 0 | 8 | 10/5 | 10/5 | Block 1 | Montana 1 | |
| C-235 | 12 | 0 | 9 | " | " | " 1 | " 1 | |
| C-236 | 9 | 0 | 7 | " | " | " 1 | " 1 | |
| C-237 | 6 | 0 | 4 | " | " | " 1 | " 1 | |
| C-238 | 36 | 0 | 34 | " | " | " 2 | Gerner's Folly | |
| C-239 | 63 | 0 | 61 | " | " | " 2 | " " | |
| C-240 | 39 | 0 | 37 | " | " | " 2 | " " | |
| C-241 | 54 | 0 | 54 | " | " | " 2 | " " | |
| C-242 | 48 | 0 | 46 | " | " | " 2 | " " | |
| C-243 | 12 | 0 | 11 | " | " | " 2 | " " | |
| C-244 | 18 | 0 | 14 | " | " | " 2 | " " | |
| C-245 | 24 | 0 | 19 | " | " | " 2 | " " | |
| C-246 | 15 | 0 | 14 | 10/5 | 10/5 | " 2 | " " | |
| C-247 | 12 | 0 | 9 | " | " | " 2 | " " | |
| C-248 | 54 | 0 | 53 | " | " | " 2 | " " | |
| C-249 | 54 | 0 | 53 | " | " | " 2 | " " | |
| C-250 | 51 | 0 | 14 | " | " | " 2 | " " | |
| C-251 | 36 | 0 | 35 | " | " | " 2 | " " | |
| C-252 | 36 | 0 | 32 | " | " | " 2 | " " | |
| | | 32 | 33 | 25/5 | " | | | |
| | | 33 | 34 | 25/5 | " | | | |
| C-253 | 15 | 0 | 13 | 10/5 | " | " 2 | " " | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-254 | 15 | 0 | 14 | 10/5 | 10/5 | Block 2 | Gerner's Folly | |
| C-255 | 18 | 0 | 15 | " | " | " 2 | " " | |
| C-256 | 18 | 0 | 15 | " | " | -- | -- | )Outside drill area |
| C-257 | 21 | 0 | 20 | " | " | -- | -- | )not included under contract |
| C-258 | 15 | 0 | 11 | " | " | Block 2 | Schoonmaker 2 | |
| C-259 | 6 | 0 | 6 | " | " | " 2 | " " 2 | |
| C-260 | 36 | 0 | 34 | " | " | " 2 | " " 2 | |
| C-261 | 27 | 0 | 24 | " | " | -- | -- | )Outside drill area |
| C-262 | 21 | 0 | 18 | " | " | -- | -- | )not included under contract |
| C-263 | 9 | 0 | 8 | " | " | Block 2 | Schoonmaker 2 | |
| C-264 | 15 | 0 | 12 | " | " | " 2 | " " 2 | |
| C-265 | 54 | 0 | 8 | " | " | " 2 | " " 2 | |
| | | 8 | 9 | 28/5 | | | | |
| | | 9 | 10 | 30/5 | | | | |
| | | 10 | 11 | 20/5 | " | | | |
| | | 11 | 12 | " | " | | | |
| | | 12 | 13 | " | " | | | |
| | | 13 | 14 | 38/5 | " | | | |
| | | 14 | 15 | 30/5 | " | | | |
| | | 15 | 16 | 32/5 | " | | | |
| | | 16 | 17 | 24/5 | " | | | |
| | | 17 | 18 | 30/5 | " | | | |
| | | 18 | 19 | 40/5 | " | | | |
| | | 19 | 20 | 50/5 | " | | | |
| | | 20 | 21 | 40/5 | " | | | |
| | | 21 | 22 | 30/5 | " | | | |
| | | 22 | 51 | 10/5 | " | | | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-266 | 36 | 0 | 13 | 10/5 | 10/5 | Block 2 | Schoonmaker 2 | |
| | | 13 | 14 | 30/5 | " | " | " | |
| | | 14 | 15 | 70/5 | " | " | " | |
| | | 15 | 16 | 40/5 | " | | | |
| | | 16 | 17 | 40/5 | " | | | |
| | | 17 | 18 | 30/5 | " | | | |
| | | 18 | 19 | 36/5 | " | | | |
| | | 19 | 20 | 30/5 | " | | | |
| | | 20 | 21 | 20/5 | " | | | |
| | | 21 | 25 | 20/5 | " | | | |
| | | 25 | 26 | 40/5 | " | | | |
| | | 26 | 27 | 30/5 | " | | | |
| | | 27 | 28 | 30/5 | " | | | |
| | | 28 | 29 | 30/5 | " | | | |
| | | 30 | 33 | 20/5 | " | | | |
| | | 33 | 34 | 34/5 | " | | | |
| C-267 | 36 | 0 | 34 | 10/5 | " | -- | -- | )Outside drill area |
| C-268 | 18 | 0 | 16 | " | " | -- | -- | )not included under contract |
| C-269 | 12 | 0 | 9 | " | " | Block 2 | Schoonmaker 2 | |
| C-270 | 15 | 0 | 15 | " | " | " 2 | " " 2 | |
| C-271 | 12 | 0 | 11 | " | " | " 2 | " " 2 | |
| C-272 | 33 | 0 | 27 | " | " | " 2 | " " 2 | |
| C-1-A | 110 | 0 | 110 | 6/5 | 6/5 | Block 3 | Matias Peak 1 | Block 3 is used to designate an area described in Exhibit A of Amendment 2 and as an area shown on figure 2. |
| C-2-A | 200 | 0 | 180 | " | " | " 3 | Montana 1 | |
| C-3-A | 172.5 | 0 | 172.5 | 4/5 | 4/5 | " 3 | " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-4-A | 180 | 0 | 180 | 4/5 | 4/5 | Block 3 | Montana 1 | |
| C-5-A | 155 | 0 | 155 | " | " | " 3 | " 1 | |
| C-6-A | 137.5 | 0 | 137.5 | " | " | " 3 | " 1 | |
| C-7-A | 150 | 0 | 150 | 6/5 | 6/5 | " 3 | " 1 | |
| C-8-A | 125 | 0 | 125 | " | " | " 3 | " 1 | |
| C-9-A | 150 | 0 | 150 | 4/5 | 4/5 | " 3 | " 1 | |
| C-10-A | 120 | 0 | 120 | " | " | " 3 | " 1 | |
| C-11-A | 90 | 0 | 90 | 6/5 | 6/5 | " 3 | " 1 | |
| C-12-A | 120 | 0 | 120 | 4/5 | 4/5 | " 3 | Matias Peak 1 | |
| C-13-A | 130 | 0 | 130 | " | " | " 3 | " " 1 | |
| C-14-A | 120 | 0 | 120 | " | " | " 3 | " " 1 | |
| C-15-A | 150 | 0 | 150 | 5/5 | " | " 3 | " " 1 | |
| C-16-A | 160 | 0 | 160 | 6/5 | " | " 3 | " " 1 | |
| C-17-A | 143 | 0 | 143 | 4/5 | " | " 3 | " " 1 | |
| C-18-A | 160 | 0 | 160 | " | " | " 3 | " " 1 | |
| C-19-A | 162 | 0 | 162 | 7/5 | " | " 3 | " " 1 | |
| C-20-A | 40 | 0 | 40 | 4/5 | " | " 3 | Ripsnorter 1 | |
| C-21-A | 100 | 0 | 100 | 8/5 | " | " 3 | Matias Peak 1 | |
| C-22-A | 70 | 0 | 70 | 8/5 | " | " 3 | " " 1 | |
| C-23-A | 70 | 0 | 70 | 6/5 | " | " 3 | " " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-24-A | 70 | 0 | 70 | 8/5 | 4/5 | Block 3 | Montana 1 | |
| C-25-A | 90 | 0 | 90 | 4/5 | " | " 3 | " 1 | |
| C-26-A | 70 | 0 | 70 | 5/5 | " | " 3 | " 1 | |
| C-27-A | 70 | 0 | 70 | 4/5 | " | " 3 | " 1 | |
| C-28-A | 90 | 0 | 90 | None | - | " 3 | " 1 | Report shows radioactivity none |
| C-29-A | 114 | 0 | 114 | " | | " 3 | " 1 | |
| C-30-A | 175 | 2 | 40 | 20/5 | 20/5 | " 3 | " 1 | |
| | | 40 | 44 | 30/5 | 20/5 | | | |
| | | - | 45 | 70/5 | " | | | |
| | | - | 45.5 | 70/4 | " | | | Probe reading at footage shown under "To" |
| | | 46 | 46 | 45/4 | " | | | |
| | | | 47 | 38/4 | " | | | Probe reading at footage shown under "To" |
| | | | 47.5 | 75/5 | " | | | |
| | | | 48 | 50/5 | " | | | |
| | | | 49 | 30/5 | " | | | |
| | | | 50 | 25/5 | " | | | |
| | | 52 | 120 | 22/5 | " | | | |
| C-31-A | 175 | 0 | 175 | - | - | " 3 | " 1 | Reported radioactivity none |
| C-32-A | 200 | 0 | 200 | - | - | " 3 | " 1 | " " " " |
| C-33-A | 84 | 0 | 84 | - | - | " 3 | Matias Peak 1 | " " " " |
| C-34-A | 114 | 0 | 114 | - | - | " 3 | " " 1 | " " " " |
| C-35-A | 160 | 0 | 160 | - | - | " 3 | " " 1 | " " " " |
| C-36-A | 105 | 0 | 105 | - | - | " 3 | " " 1 | " " " " |
| C-37-A | 120 | | 45.5 | 210 | - | " 3 | Montana 1 | See note on next page |
| C-38-A | 130 | | 60.5 | 165 | - | " 3 | " 1 | |

Drill hole data (continued)

Probe Results

| Hole No. | Hole Depth Feet | Depth From | Depth To | Counter Reading Hole | Counter Reading Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-39-A | 135 | 0 | 135 | Neg. | - | Block 3 | Montana 1 | Counter reading for hole C-37-A through C-54-A in in counts per second probed with Esterline-Angus gamma-ray logging instrument by AEC |
| C-40-A | 130 | | 12 | 110 | - | " 3 | " 1 | |
| C-41-A | 135 | | 11 | 125 | - | " 3 | " 1 | |
| C-42-A | 130 | | 32 | 120 | - | " 3 | " 1 | |
| C-43-A | 130 | | 13 | 140 | - | " 3 | " 1 | |
| C-44-A | 130 | | 17 | 105 | - | " 3 | " 1 | |
| C-45-A | 130 | 0 | 130 | Neg. | - | " 3 | " 1 | |
| C-46-A | 130 | | 26 | 1200 | - | " 3 | Matias Peak 1 | |
| | | | 44.5 | 840 | - | " 3 | " " 1 | |
| C-47-A | 130 | 0 | 130 | Neg. | - | " 3 | " " 1 | |
| C-48-A | 130 | | 36.5 | 1750 | - | " 3 | " " 1 | |
| C-49-A | 130 | | 22.5 | 600 | - | " 3 | " " 1 | |
| C-50-A | 130 | | 26 | 200 | - | " 3 | " " 1 | |
| C-51-A | 130 | 0 | 130 | Neg. | - | " 3 | " " 1 | |
| C-52-A | 130 | 0 | 130 | Neg. | - | " 3 | " " 1 | |
| C-53-A | 130 | 0 | 130 | Neg. | - | " 3 | " " 1 | |

Drill hole data (continued)

| Hole No. | Hole Depth Feet | Probe Results: Depth From | Depth To | Counter Reading: Hole | Counter Reading: Back-ground | Drill Area | Claim | Remarks |
|---|---|---|---|---|---|---|---|---|
| C-54-A | 16 | 0 | 16 | Neg. | - | Block 3 | Matias Peak 1 | Hole disallowed |
| Parker No. 1 | 220 | - | - | - | | | Parker No. 4 | Parker No. 1, No. 2, and No. 3 and holes Nos. 100 through 106 drilled by the company, not under the contract. All holes reported gave negative probing results. |
| " " 2 | 288 | - | - | - | | | " " " | |
| " " 3 | 315 | - | - | - | | | " " " | |
| 100 | 300 | - | - | - | | | " " 5 | |
| 101 | 300 | - | - | - | | | " " 4 | |
| 102 | 300 | - | - | - | | | " " " | |
| 103 | 300 | - | - | - | | | " " 7 | |
| 104 | 300 | - | - | - | | | " " " | |
| 105 | 300 | - | - | - | | | " " " | |
| 106 | 300 | - | - | - | | | " " 4 | |

Surname copy 700

F L Kusum

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

Re: Field Team final reports
(Uranium contracts)

Dear Mr. Traver:

A review of the files on DMEA uranium contracts, where the work has been completed by the Operator or the work has been terminated for over six months, reveals that the final Field Team reports have not been received for the contracts listed below:

| Contract No. | Docket number | Operator |
|---|---|---|
| Idm-E361 | DMEA-2135 | Sunnyside Uranium Company (Stage III) |
| Idm-E517 | DMEA-2857 | Sedak Uranium & Mining Company, Inc. |
| Idm-E631 | DMEA-3032 | Rare Earth Mining Company |
| Idm-E638 | DMEA-3060 | Thornburg Uranium Mines |
| Idm-E691 | DMEA-3239 | Urova Co. |
| Idm-E723 | DMEA-3360 | Mid-Continent Uranium Corp. |
| Idm-E796 | DMEA-3582 | J. Walter Duncan, Jr. |
| Idm-E823 | DMEA-3614 | Climax Uranium Co. |
| Idm-E860 | DMEA-3613 | Chata Uranium Mining Company, Inc. |
| Idm-E870 | DMEA-3762 | Shannon Oil Co. |
| Idm-E877 | DMEA-3767 | Uranium Prospectors Co., Ltd. |
| Idm-E906 | DMEA-3868 | La Salle Mining Co. |
| Idm-E910 | DMEA-3896 | Beela Mining Company |
| Idm-E928 | DMEA-3962 | Norbute Corporation |

Kindly advise the status of the preparation of these reports and the date they may be expected in Washington. It is requested that these reports be given priority wherever possible in order that our dockets may be closed on these older projects.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

P. F. Yopes

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

EWE/gla 12-28-56

cc to: Admr.'s Reading File
Operating Committee
J. E. Crawford, 3643
T. H. Kiilsgaard, 5224
J. O. Hosted, 3210, OSA
Code 700

14 dockets

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

RECEIVED
JUL 5 - 1956

224 New Customhouse
Denver 2, Colorado

July 2, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2857 (Uranium) Contract Idm-E517, Sodak Uranium and Mining Company, Inc., Fall River County, South Dakota

Enclosed are the original and one copy of the Operator's final report pertaining to the work completed under the subject contract.

Final payment to the Operator was processed through this office today.

W. M. Traver

W. M. Traver

Enclosures

Sodak
address
also at
Hot
Springs,
S.Dak.

SODAK URANIUM AND MINING CO., INC.
PHONE 473-W
HOTEL EVANS ANNEX
HOT SPRINGS, SOUTH DAKOTA

RECEIVED
JUL 5 - 1956

June 28, 1956

DMEA
Date Rec'd.
JUN 29 1956
BUREAU OF MINES
Denver, Colorado

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

Dear Mr. Traver:

Please find enclosed the Final Report pertaining to the work completed under Contract IDM-E517.

Concerning the enclosed maps; I am not able to include copies of Exhibit "B". This map was furnished by the D.M.E.A. and we have one photostatic copy. No composite map was made showing Phase I and II. Part of Phase II overlies Phase I and maps DM-4 and DM-6 are enclosed to show all of the holes.

Very truly yours,

C.R. Boyle

Enc: DM-4
DM-6 0-5
DM-7
Rep.
Airmail
Spec. Del.

CRB:ld

# FINAL REPORT

RECEIVED
JUL 5 - 1973

Docket No. 2857

Contract No. IDM-E517

The purpose of this work was to explore the Lakota Formation of Early Cretaceous Age underlying the properties, shown on Exhibit "B", for uranium ore. The basis for this exploration was the Matias Peak ore body, operated by the contractor, which had produced 2,054 dry tons of uranium ore having a gross value of $49,723.00 including initial production bonus.

The work was divided into Stages I and II. Stage I, consisting of two phases was divided as follows:

## STAGE I

### PHASE I

This work was confined to Blocks Nos. 1 and 2, shown on Exhibit "B" and provided for a maximum of 8,596.5 feet of wagon drill hole from the surface to penetrate the local ore-bearing horizon. The holes were drilled on a grid spacing of 100 feet in a north-south direction and a spacing of 50 feet in east-west direction. Average depth to be drilled was 30'. One hole was to be drilled to a depth of 100 feet in each 5000 sq. ft. of grid area.

The results of Phase I were unsatisfactory. Of the first 183 holes drilled, twelve holes showed radiactive count sufficiently high enough for the cuttings to be assayed. The highest assay result was 0.114% $U_3O_8$, the sampled section being from 27 feet to 30 feet in hole #C-75. This same horizon was not probed due to caving in the hole. Hole #C-77, 200 ft. east of C-75, showed similar radiactivity in the section of 12 feet

to 18 feet. Hole # C-76, between C-75 and C-77 showed no count. This area, roughly 200 feet long by 60 feet wide was stripped to 18 ft. and holes offsetting C-75, C-76 and C-77 were drilled. The results of this work were negative, and the count on a Model IIIB Scintillator was less at the bottom of the strip than at the surface.

Holes Nos. 265 and 266 were offset with several holes which gave negative results. A rim-strip was made 60 foot east and approximately parallel to a line through Hole Nos. 272, 266 and 102 on the horizon showing the radiactivity. The sandstone exposed was barren.

The result of this drilling showed the mineralization to be discontinous and too low in grade.

It was planned, at this time, to terminate the contract; however, the current work done by the U.S.G.S. in the Edgemont area, had shown the possibility of uranium mineralization being associated with and controlled by various positive tectonic structures such as anticlinal noses and structural terraces or local flattenings of the dip.

Preliminary work, by W. A. Braddock, U.S.G.S., outlined a possible small anticlinal nose in the area shown on Map No. DM-6. It was agreed by the Field Team and the contractor to continue the drilling into Phase II of Stage I.

PHASE II

This work provided for a maximum of 15,600 feet of drilling. The location of these holes is shown on Map D-6. The depth of hole was varied from 70 feet to 200 feet, depending on topography. The target horizon in this area being a discontinous sandstone in the upper fifty feet of the Lakota Formation. Most of these

holes were extended to a second, lower discontinous sandstone occurring at depths of 10 feet to 50 feet below the target horizon. 6,758.0 feet were drilled in Phase II and, the results being discouraging, application was made to terminate the contract on March 1, 1956.

## SUMMARY OF FOOTAGE DRILLED

STAGE I

| | |
|---|---|
| Phase I | 8,596.5 ft. |
| Phase II | 6,758.0 ft. |
| Total | 15,354.5 ft. |

## REMARKS

This contract was applied for in Nov., 1952 and was based on wagon-drilling costs which were all the experience the district afforded at that time. This basis is not a proper one for the Rotary Drilling that became necessary during Phase II. The additional cost for Rotary Drilling in these formations is approximately 15 cents per foot.

## CONCLUSION

In spite of the unsatisfactory results of this project I believe it was warranted. The known ore horizons within the Lakota Formation are present under the entire area. There were numerous surface anomalies. There was the fact that the Matias Peak ore body No. 2 gave no indications at surface and was found only by wild-cat drilling. The possibility of a favorable geologic structure was developed and, there were present, good commercial ore bodies in the same horizon less than one mile to the west. It is safe to assume that the area would have been

drilled by someone; and this seems more true today, after 4 years experience.

However, the operator does not contemplate further exploration within this area. It seems that the best possibilities have been tried and all ore bodies have been thoroughly offset by too many negative drill holes. If the present expenditure for drilling, including both private and governmental, is charged against the total production from this area the resulting cost is approximately $10.00 per ton.

Map No. DM-7 is attached showing the plan and sections of the holes drilled in the area recommended by W. A. Braddock. The isopach map reveals that Holes No. 46, 48 and 49 occur in the thinnest section of the target bed; these holes gave the highest gamma-ray count as stated in the report for August, 1955. Aside from this, no significant geologic detail was observed throughout the drilling.

I wish to thank the D.M.E.A. field team for their courteous assistance and particularly for their patience with the delays during the term of this contract.

C. J. Bayle

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

RECEIVED
JUN 15 1956

234 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

June 18, 1956

Mr. G. R. Boyle, President
Sodak Uranium and Mining Company, Inc.
P. O. Box 330
Edgemont, South Dakota

Re: Docket DMEA 2057 (Uranium)
Contract IAm-2517
Sodak Uranium and Mining Company, Inc.
Fall River County, South Dakota

Dear Mr. Boyle:

By certified letter of May 11, 1956 we called your attention to the necessity that you render a final engineering and geologic report pertaining to work completed under Contract IAm-2517 in conformance with the provisions of Article 5 (b) of the Contract.

Considerable time has elapsed since all approved work was completed under the Contract and inasmuch as the Contract expired October 1, 1955, unless we receive an acceptable engineering and geologic report in conformance with the provisions of Article 5 (b) of the Contract by July 1, 1956, we will refer the matter of your noncompliance with the terms of the Contract to the Washington Office, DMEA, for such action by them as is indicated.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JWT:prl
cc: Chairman, Oper. Comm. (2)
Harshman
Shaw
Townsend
Corres. file
Chron.

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

May 11, 1956

Mr. C. R. Boyle, President
Sodak Uranium and Mining Company, Inc.
P. O. Box 330
Edgemont, South Dakota

Re: Docket DMEA 2057 (Uranium)
Contract Idm-E517
Sodak Uranium and Mining Company, Inc.
Fall River County, South Dakota

Dear Mr. Boyle:

Contract Idm-E517 expired October 1, 1955, and subsequent correspondence relative to the matter indicates that a further extension to enable completion of additional work is not desired. Therefore, under the provisions of article 5(b) of the contract it is necessary that you render a final engineering and geologic report pertaining to the work completed under the contract.

Your final report should be in narrative form, summarizing all activities under the contract, a statement as to results of the work performed, and be accompanied by maps showing the location and extent of the work.

Your rendering of the final report is a prerequisite to our making final payment to you of the $100.00 withheld in processing form MF-104, "Operator's Monthly Report and Voucher," for the month of August, 1955.

We are desirous of closing this account at an early date. Therefore we will appreciate your prompt attention to the matter of rendering your final report.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer
DMEA Field Team, Region III

JWT:prl
cc: Chairman, Oper. Comm. (2)
Harshman
Runke
Shaw
Townsend
Corres. file
Chron.

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

RECEIVED
MAR 21 1956

224 New Customhouse
Denver 2, Colorado

March 19, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Company, Fall River County, S. Dak.

In conjunction with the matter discussed in the next to the last paragraph of our memorandum of March 1, 1956, we are enclosing the original and three copies of a memorandum, dated March 15, 1956, with sketch attached, from E. O. Binyon, Mining Engineer, Bureau of Mines, pertaining to the drilling performed at the Operator's expense on the Parker Claims.

Inasmuch as the drilling performed by the Operator does not indicate the presence of mineralization, contribution by the Government to further work in the area is not recommended. We further recommend that the contract be let expire as of October 1, 1955, and that no certification of discovery or development as a result of the DMEA work performed be issued.

W. M. Traver

W. M. Traver

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

RAPID CITY EXPERIMENT STATION

SCHOOL OF MINES CAMPUS
RAPID CITY, SOUTH DAKOTA

March 15, 1956

RECEIVED
MAR 21 1956

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon, Rapid City, S. Dak.

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Co., Fall River County, S. Dak.

As requested in your memorandum of February 28, a check has been made of the drilling done at company expense on the Parker claims.

Enclosed is a tracing showing the locations and depths of all holes drilled on these claims as of March 13. The operator stated that no mineralization was found in any of the holes and that no further drilling was planned in the area.

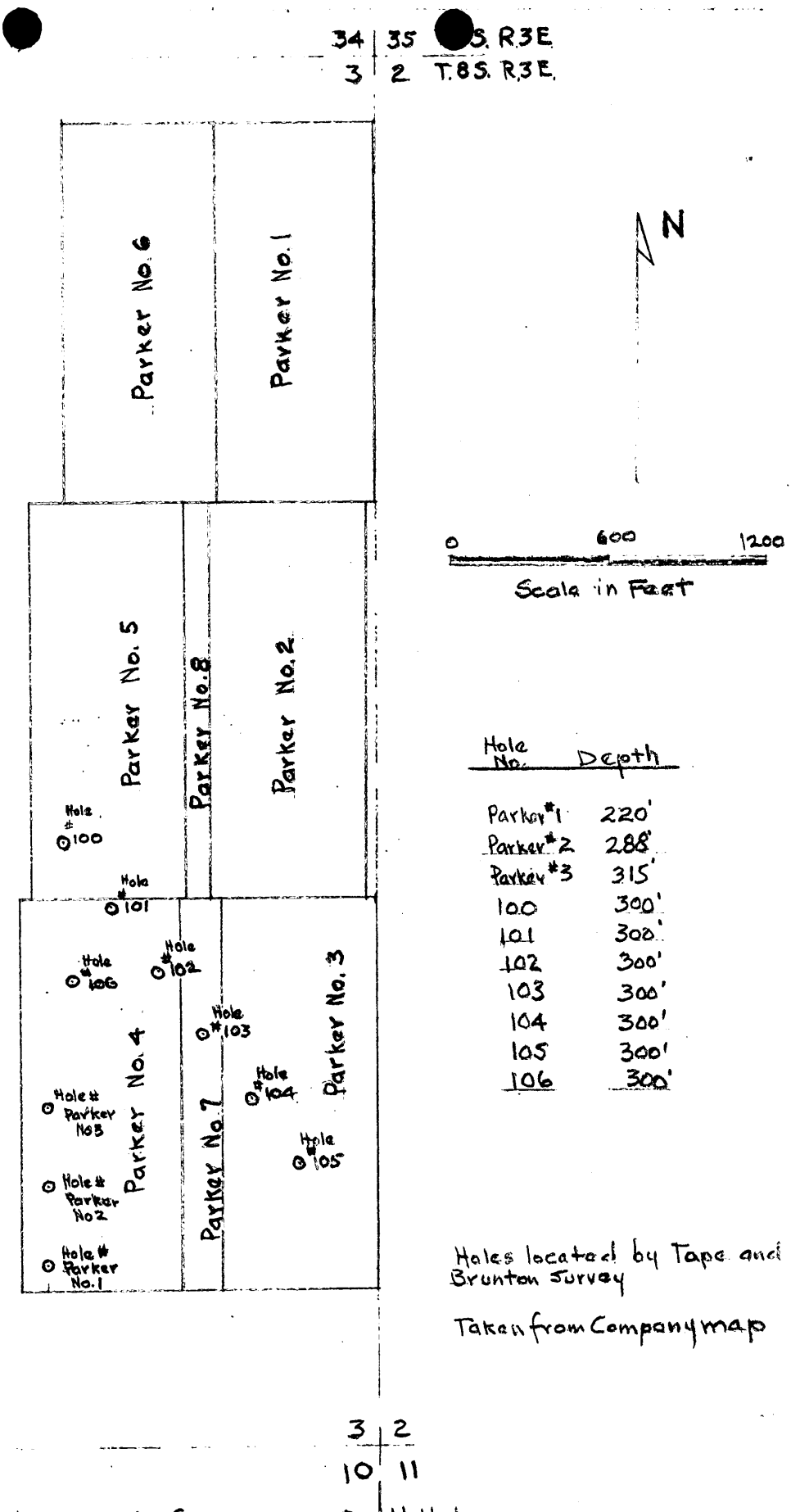
The holes were probed by the A.E.C. and a check of their gamma ray logs showed no mineralization.

E. O. Binyon

E. O. Binyon

cc: Traver (2)
files

ADMINISTRATIVE OFFICE
REGION III
MAR 19 1956
BUREAU OF MINES
DENVER, COLORADO




| Hole No. | Depth |
|---|---|
| Parker #1 | 220' |
| Parker #2 | 288' |
| Parker #3 | 315' |
| 100 | 300' |
| 101 | 300' |
| 102 | 300' |
| 103 | 300' |
| 104 | 300' |
| 105 | 300' |
| 106 | 300' |

Holes located by Tape and Brunton Survey

Taken from Company map

Location of Company Drill Holes
Parker Claims
Sodak Uranium and Mining Company
Fall River County, South Dakota

(Docket DMEA 2857)
3-13-56

2857

[illegible] ON [illegible]

[illegible]

Date 3-14

Referred to:

1. ~~Mr. Wittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and Files~~
5. ~~Rec'd Mun Control~~ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Report unnecessary
2. Acceptance instructions Memo 29
3. Not certified Not terminated.
4.

and take appropriate action.

- - - - - -

Action taken by Division:

None required - project not certified.

ROBERT E. ADAMS

Initials

RECEIVED
MAR 14 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

224 New Customhouse
Denver 2, Colorado

Date: March 9, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of ~~XXXXXXX~~ Project for the period July 1, 1955 through December 31, 1955,
DMEA Docket 2857 ( Uranium )
Contract Idm-E 517 , Sodak Uranium and Mining Co.
Ripsnorter-Matias Peak, Cycad No. 1 Claim, Fall River County, South Dakota.

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office. and Memorandum 29.

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures

RDB/vj
cc: Semiannual Report File E 517
E. O. Binyon
E. N. Harshman
Chron.

## Semi-Annual Report of Certified Projects

RECEIVED
MAR 14 1956

Reporting Period July 1, 1955 - December 31, 1955

Docket and Contract Number Docket DMEA 2857, Contract Idm-E517

Operator Sodak Uranium & Mining Co. (Formerly Ortmayer, Sullivan & Boyle)

Commodity Uranium

Mine Name Ripsnorter-Matias Peak, Cycad No. 1 Claims

County and State Fall River County, S. Dak.

Date of Contract May 7, 1953

Date of Certification NOT CERTIFIED TO DATE

Expiration Date of Royalty Payments

Date of Examination for this Report January 6, 1956

DMEA
Date Rec'd.
FEB 29 1956
BUREAU OF MINES
Denver, Colorado

Total Amount of Contract $38,945.00

Total Expenditures under Contract $15,866.89

Amount of Government Participation at 90 % $14,280.20

Royalty Payments this Period None

Previous Royalty Payments $834.64

Total Royalty Payments to Date $834.64

% Loan Repayment Completed 5.84 percent

Amount of Royalty Due None

Royalty Remarks

RECEIVED
MAR 14 1956

Original Estimate of Reserves (from Final Engr.-Geol. Report): No estimate. Project termination pending. No final report as yet.

Increase of Reserves by work performed subsequent to expiration or termination of contract: -

Revised Estimate of Reserves: -

Production this Period (Ore or Concentrates) None

Amount of Previous Production (since date of contract) 493.715 (short tons,dry) value with bonus, $16,688.21.

Total DMEA Production to date 493.715 short tons, value with bonus, $16,688.21

% of Revised Reserves Mined -

Production Remarks:

Note: On Uranium projects check with AEC to assure that our records are in agreement with theirs.

Other Remarks: Property has not been in operation since June 1955. ✓

Signed /s/ E. L. Bingen (Engineer)

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

RECEIVED
MAR - 1956

224 New Customhouse
Denver 2, Colorado

March 6, 1956

Memorandum

To: E. O. Binyon

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Company, Inc., (Formerly Ortmayer, Sullivan and Boyle), Fall River County, South Dakota - Progress Report for the period June and July, 1953

Please forward to this office as soon as possible a copy of such records as you may have showing the individual depths of holes C-1 through C-81 which were drilled by Ortmayer, Sullivan and Boyle during the period June-July, 1953. We have only the probing record which does not include the total depth, as many of the holes were caved at the bottoms.

If this information is not in your files, please secure it from the present Operator, Sodak Uranium and Mining Company, Inc., as we must have the data in order that the final Report of Review can be completed.

W. M. TRAVER

W. M. Traver

JDC:jy
cc: Corresp. E517
Sec. Op. Comm. (2)
Townsend
Brading
Chron.

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

RECEIVED
MAR - 5 1956

224 New Customhouse
Denver 2, Colorado

March 1, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Company, Fall River County, S. Dak.

In conjunction with material forwarded by our memorandum of February 27, 1956, we are enclosing the original and three copies of a letter from Clyde Boyle, Sodak Uranium and Mining Company, dated February 28, 1956, wherein he requests that the contract be terminated as of March 1, 1956.

Mr. Boyle called this office February 28 and stated that he had drilled, at Company expense, two of the holes substantially as recommended by Cuppels in his memorandum report of February 13, 1956, which was forwarded to you with our memorandum of February 27, and that he planned to drill four additional holes in that general area.

The spacing of the holes drilled and those proposed to be drilled would be about the same as recommended by Cuppels. However, the holes drilled to date were moved to the West side line of the claims and we do not know whether he meant Parker No. 4 or Parker No. 5.

Inasmuch as the Contract expired October 1, 1955, it appears that a formal termination by mutual agreement is not necessary. We are enclosing two copies of our letter, dated February 28, 1956, to E. O. Binyon, Mining Engineer, Bureau of Mines, Rapid City, South Dakota, wherein we requested that he keep in close touch with the drilling and advise as to the results of the drilling being performed by the Operator.

We suggest that you hold in deferment the matter of certifying the project as a discovery or development until the results of the drilling performed by the Operator are known, as it may prove to be to the Government's interest to certify the project on the basis of the comparatively weak mineralization encountered in three of the holes drilled under Stage I.

W. M. Traver

W. M. Traver

Enclosures

SODAK URANIUM AND MINING CO., INC.
PHONE 473-W
HOTEL EVANS ANNEX
HOT SPRINGS, SOUTH DAKOTA

DMEA
Date Rec'd.
MAR 1 1956
BUREAU OF MINES
Denver, Colorado

February 28, 1956

RECEIVED
MAR - 5 1956

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

Re: Docket DMEA 2857 (Uranium)
Contract Idm-E517

Dear Mr. Traver:

I am herein requesting that Contract Idm-E517 be terminated as of March 1, 1956.

The results of the drilling, resumed in June, 1955, have been discouraging and there is no new geological evidence on which to base further drilling in the included area.

Will you kindly inform me regarding the final report and forward whatever papers are necessary to effect the termination.

Yours very truly,

Clyde Boyle

SODAK URANIUM AND MINING CO., INC.
CLYDE BOYLE

CRB:ld

COPY

224 New Customhouse
Denver 2, Colorado

February 28, 1956

RECEIVED
MAR - 5 1956

Memorandum

To: E. O. Binyon

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Company, Fall River County, S. Dak.

Reference is made to the five drill holes proposed by N. P. Cuppels in his report of February 13, 1956, a copy of which was forwarded to you by a copy of our letter to the Chairman of the Operating Committee, dated February 27, 1956.

We have been informed by the Operator that he has drilled at his own expense two of the holes substantially as recommended by Cuppels and contemplated drilling four more holes in that general area. The holes drilled and those proposed for the future are spaced approximately as shown on the map attached to Cuppels' report, except that they are moved to the West side line of the Parker No. 4 and No. 5 Claims.

Please investigate the matter of his drilling and keep us informed as to the location of the holes drilled and the results thereof.

W. M. Traver

JWT:prl
cc: Harshman
Cuppels
Townsend
Corres. file
Chron.

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

RECEIVED
FEB 10 1956

224 New Customhouse
Denver 2, Colorado

February 27, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Company, Fall River County, S. Dak.

In reference to your teletype of January 13, 1956, we are enclosing the following:

1. Original and three copies of a memorandum report, dated February 2, 1956, from E. O. Binyon, Mining Engineer, Bureau of Mines.

2. Original and three copies of a memorandum report, dated February 13, 1956, from N. P. Cuppels, Geologist, Geological Survey.

The Engineer recommends that no further work be performed under the Contract, but the Geologist recommends a small amount of rotary drilling in the general area where Stage II drilling was originally planned.

The Operator called this office by telephone February 14, 1956, and stated that he was preparing an outline of additional drilling which would be in our hands prior to March 1, 1956, which was the deadline set by our letter to him of February 9, 1956, copies of which were forwarded to you.

When the Operator's work outline is received, supplemental engineering and geologic reports will be prepared and forwarded to you with Field Team recommendations in the matter.

W. M. Traver

W. M. Traver

Enclosures

IN REPLY REFER TO:

DMEA
Date Rec'd.
FEB 14 1956
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

February 13, 1956

Memorandum

To: W. M. Traver, Executive Officer,
DMEA Field Team, Region III
Through: E. N. Harshman

RECEIVED
FEB 20 1956

From: N. P. Cuppels

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E 517, Sodak Uranium and Mining Co., Fall River County, South Dakota

The following evaluation of the program of exploration under the subject contract is submitted in compliance with your request for recommendations concerning the advisability of further work under the contract.

Property subordinated by this contract consists of two groups of claims: a northern group in sections 27 and 34 comprising the claims Montana Nos. 1 and 2, Morning Glory, Ripsnorter Nos. 1 and 2, Matias Peak Nos. 1 and 2, Cycad Nos. 1 and 2, Schoonmaker Nos. 1 and 2, and Gerner's Folly and a southern group in section 3 comprising the claims Parker Nos. 1 through 6. The program of exploration under Stage I of this contract was designed to investigate the probability that the middle sandstone unit of the Lakota sandstone contained ore bodies in addition to those that had been previously mined in this unit on the Montana No. 1, Matias Peak No. 1, and Cycad No. 1 claims.

The 8,596.5 feet of drilling authorized for Phase I, Stage I has been completed. Anomalous radioactivity was discovered in 9 of the holes drilled under this phase and cuttings from 2 of these holes showed marginal ore mineralization through a stratigraphic interval of 3 feet. Subsequent offset drilling by the operator indicates that this ore body could not be mined economically. Of the 15,600 feet of drilling authorized for Phase II, 6,758 feet have been drilled with negative results. Results of this drilling have reduced the probability of finding ore in this drill area (Block 1) to a weak possibility and any further exploration of the area is not warranted. The operator's reluctance to prosecute this phase of the program suggests that he is in agreement with this conclusion.

No work has been performed under Stage II of the contract. Amendment No. 2 provides for 12,803.5 feet of drilling under this stage in Blocks Nos. 1, 2, and 3 as shown on the map entitled Exhibit C which accompanies the contract. These drill areas are enclosed by the Parker Claims Nos. 1 through 6. Without DMEA assistance, the operator has drilled 7 holes to a depth of 300 feet on the claims. These holes are numbered 100 through 106 on the map accompaying this report. In view of the negative results obtained in the Stage I drilling and similar results obtained by the operator in preliminary, non-DMEA exploration of the Parker area, the program of exploration scheduled for Stage II should be abandoned. However, results of recent

regional mapping by the U. S. Geological Survey indicate that structural and stratigraphic conditions in the basal Lakota sandstone underlying the Parker claims should have provided a favorable environment for ore deposition.

The Parker claims appear to be favorably located with respect to the Sheep Canyon Monocline which is a major geologic structure in the southern Black Hills. This south-trending monocline is parallel with, and on the west flank of, the Chilson Anticline. Regional, southwesterly dips of 3 to 4 degrees steepen to 12 degrees on this structure which extends for 9 miles along the Chilson Anticline. Approximately 4,000 feet west of the Parker claims, the axis of the monocline swings sharply eastward and should cross the claims. The line of holes drilled by the operator is roughly parallel the trend of the axis and is poorly located to check a projection of the axis into the claim area. Survey geologists who have mapped this monocline believe that the geographic distribution of ore deposits has a trend that corresponds roughly and is associated with the directional trend of the monocline. There is evidence that a zone near, and paralleling, the axis of the monocline is particularly favorable as a site for ore deposition.

In addition to the favorable location of the Parker claims with respect to the monoclinal axis, the claims are also in an area underlain by a major facies change in the basal Lakota sandstone. Southwest of the Parker claims, the basal

unit of the Lakota sandstone is a massive sandstone 100 feet thick whereas northeast of the claims, this stratigraphic interval is composed of thin-bedded sandstones and mudstones. The exact position of the claims with respect to the facies change is uncertain. This interval does not outcrop on or near the claims. A facies change of this type has been regarded as a favorable site for localization of ore deposits on the Colorado Plateau and there is some evidence that this criterion is valid in the Black Hills.

The location of the Parker claims relative to the structural and stratigraphic features described above is similar to that occupied by the Holdup No. 15, Kados No. 3, and Too Late mines. The Holdup No. 15 and Kados No. 3 mines are 1-1/2 miles northwest and the Too Late mine is 1/2 mile northwest of the Parker claims. The Holdup No. 15 in one of the 3 largest producers of uranium ore in the Black Hills and the Kados No. 3 and Too Late mines have produced substantial quantities of ore. Ore deposits at all three mines are within 80 feet of the Morrison-Lakota contact. Outcrops of this favorable interval are rare and consequently the interval has not been adequately explored. This interval underlies the Parker claims at a depth of 270 to 350 feet.

In view of the above considerations, it is recommended that the program of exploration as presently outlined for Stage II be abandoned in favor of a program which would explore the basal unit of the Lakota sandstone where it underlies the

Parker claims. Five holes drilled to a depth of 350 feet on the Parker claims Nos. 4 and 5 as shown on the accompanying map should establish the relationship between the claims and the structural and stratigraphic features described above. If the relationship is as favorable as geologic projection indicates, remaining footage under the contract should be devoted to an investigation of the basal unit of the Lakota sandstone in the claim area.

N. P. Cuppels

N. P. Cuppels, Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

RAPID CITY EXPERIMENT STATION

DMEA
Date Rec'd
FEB 6 1956

BUREAU OF MINES
Denver, Colorado

SCHOOL OF MINES CAMPUS
RAPID CITY, SOUTH DAKOTA

February 2, 1956

RECEIVED
FEB 6 1956

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon, Rapid City, S. Dak.

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Co., Fall River County, S. Dak.

This is in reply to your memorandum of January 16 requesting a memorandum report with recommendations as to additional work being done on the property under the subject contract.

A summary of the project to date is as follows:

Work on the project started the latter part of June, 1953 and was completed August 18, 1955. In all, a total of 316 holes with an aggregate total footage of 15,354.5 feet were drilled in Blocks I and II; Block I included areas on the Montana 1, Matias Peak No. 1, Morning Glory and Ripsnorter No. 1 claims, and Block II included areas on the Schoonmaker No. 1 and No. 2, Gerner's Folly and Matias Peak No. 2 claims. Of the total 15,354.5 feet drilled, 9,169 feet was drilled in the 135 holes in Block I, and 181 holes, with an aggregate footage of 6,205.5, were drilled in Block II.

The drilling footages allowed, drilled and remaining under each stage and phase of the contract are:

| Original Contract | Footage Allowed | Footage Drilled | Footage Remaining | Price Per Ft. |
|---|---|---|---|---|
| Stage I | 12,500 | 8,596.5 | 3,903.5 | $1.04 |
| Stage II | 24,500 | -- | 24,500 | 1.01 |
| | 37,000 | 8,596.5 | 28,403.5 | |
| **Amendment No. 2** | | | | |
| Stage I, Phase I | 8,596.5 | 8,596.5 | -- | 1.04 |
| Phase II | 3,903.5 | 3,903.5 | -- | 1.04 |
| Phase II (Transferred from Stage II) | 11,696.5 | 2,854.5 | 8,842 | 1.01 |
| Total, Phase II | 15,600 | 6,758 | 8,842 | |
| Stage II | 12,803.5 | -- | 12,803.5 | |
| TOTALS, Stage I Phases I and II and Stage II | 37,000 | 15,354.5 | 21,645.5 | |

The expenditures to date are as follows:

| | Footage | Price Per Foot | Amount Paid |
|---|---|---|---|
| Stage I, Phase I | 8,596.5 | $1.04 | $ 8,940.36 |
| Phase II | 3,903.5 | 1.04 | 4,059.64 |
| Phase II | 2,854.5 | 1.01 | 2,883.05 |
| Total | 15,354.5 | | $15,883.05 |
| Disallowed Hole 54 | 16.0 | 1.01 | 16.16 |
| | 15,338.5 | | $15,866.89 |
| Payment by the government to date @ 90% participation | | | 14,280.21 |
| Less $100.00 withheld for final report | | | - 100.00 |
| | | | $14,180.21 |

Results of the drilling completed to date have been very unfavorable. Of 135 holes drilled in Block I, only 8 holes, Nos. 180, 195, 210, 28, 30, 46, 48 and 49, encountered mineralization, none of ore grade. Probe results of holes Nos. 28 and 30 indicated mineralization near ore grade; however, a check of the cuttings with a geiger counter showed less than ore grade, and two offset holes spaced approximately 25 feet east and west of hole 28 failed to encounter any mineralization. Results of gamma ray logs of holes No. 37 through 54 indicated slight mineralization in holes Nos. 46, 48 and 49. In hole No. 46 the counts per second were 1200 and 840 at depths 26 and 44.5, respectively. Hole 48 had a 1750 cps at depth 36.5 feet and in hole 49 at a depth of 22.5 feet a 600 cps was recorded.

The drilling done under Stage I on the south end of the Montana No. 1 and Matias Peak adequately explored the area and the results were entirely negative. In the area on these claims, which as outlined under Stage I, Phase II, Amendment 1, was to be explored to a greater depth, less than half the proposed holes have been drilled. While there may be a possibility of ore deposits occurring in the spaces between the holes Nos. 1 through 54, in my opinion the area has been adequately explored and it is unlikely that any ore deposits will be found by additional drilling in the area.

On the Schoonmaker Nos. 1 and 2, Gerner's Folly, and Matias Peak claims, 9 holes, Nos. 75, 86, 89, 100, 102, 104, 265, 266 and 272, as indicated on the map, showed mineralization. Of the 9 holes, holes 75 and 89 had three feet of slightly more than .10 percent $U_3O_8$ at approximately the same horizon; however in hole 86 the mineralized horizon, with 3 feet of .088 percent $U_3O_8$, occurred at depth 12 to 15 feet, and no mineralization was encountered at the horizon in holes 75 and 89. In the remaining 6 holes no ore grade mineralization was encountered, the grade ranging from .013 to .086 percent $U_3O_8$. The hole depths and assay results are listed below:

Assay Results

| Hole No. | Depth - Feet | Percent $U_3O_8$ |
|---|---|---|
| 75 | 27 - 30 | 0.114 |
| 86 | 12 - 15 | 0.088 |
| 89 | 26 - 29 | 0.086 |
| | 29 - 32 | 0.102 |
| 100 | 24 - 27 | 0.086 |
| 102 | 15 - 18 | 0.02 |
| | 18 - 21 | 0.02 |
| | 21 - 24 | 0.06 |
| 103 | 9 - 12 | -- |
| | 12 - 15 | -- |
| 104 | 3 - 6 | -- |
| | 6 - 9 | 0.076 |
| | 9 - 12 | 0.0125 |
| 180 | 15 - 18 | 0.065 |

Ore reserves for holes 75 and 89 are estimated at 130 tons of inferred ore for each hole, or a total of 260 tons of an average grade of .108 percent $U_3O_8$.

If there could be any assurance that the operator would mine this small deposit, a few additional offset holes would be warranted to better delimit the deposit. However, as he has stated verbally that the property is to be returned to the owners, he no doubt does not intend to do any additional work.

In the remaining 172 holes, a check of the cuttings with a Babbel counter gave a reading of background count or only slightly above, and in none did the mineralization approach ore grade.

The operator originally proposed some exploration on the Parker group of claims (Parker 1 through 8) in sec. 3, T. 7 S., R. 3 E., just south of the Schoonmaker No. 1 and No. 2 claims. At the time of the examination, this area was considered less favorable than the areas that have been explored; however, the footage allotted under Stage II, or at least a part of this footage, was to be used to explore these claims in the event geologic mapping or additional work by the operator disclosed areas favorable. I understand that some geologic work has been done on these claims, but from the information obtained, the area could not be considered any more favorable than when originally examined.

The project, when in operation, had competent supervision. However, operations were intermittent and the delays between drilling, in part at least, were the fault of the operator. The operator also was very slow in submitting monthly reports.

Based on the foregoing, it is my opinion that additional work under the contract is not warranted and would not result in a significant discovery, and therefore it is recommended that the project be terminated.

A map showing the Ripsnorter group of claims, with all drill holes, is being transmitted under separate cover.

E. O. Binyon

E. O. Binyon

cc: Traver (8)
files

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

RECEIVED FEB 13 1956

224 New Customhouse
Denver 2, Colorado

February 9, 1956

Mr. C. R. Boyle, President
Sodak Uranium and Mining Company, Inc.
P. O. Box 330
Edgemont, South Dakota

Re: Docket DMEA 2857 (Uranium)
Contract Idm-8517

Dear Mr. Boyle:

Reference is made to your letter of January 23, 1956, relative to your proposal for further drilling in an area different from that where past drilling under the DMEA Contract was performed.

Your letter implies that you are awaiting recommendations from the U. S. Geological Survey relative to the additional drilling. In that respect, it is contrary to DMEA regulations that personnel connected with DMEA act as consultants in setting up the work program to be performed under a DMEA contract. Therefore, if you are desirous of performing additional drilling, it is necessary that you formulate your plans relative to the drilling without assistance from DMEA.

We will defer final action in closing the contract account, giving you until March 1, 1956, to submit your proposal for any additional drilling to be performed under the Contract.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JWT:prl
cc: Chairman, Oper. Comm. (2) ) w/copy of Operator's letter
Harshman )
Binyon )
Townsend )
Corres. file
Chron.

SODAK URANIUM AND MINING CO., INC.
PHONE 473-W
HOTEL EVANS ANNEX
HOT SPRINGS, SOUTH DAKOTA

DMEA
Date Rec'd.
JAN 26 1956
BUREAU OF MINES
Denver, Colorado

January 23, 1956

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

Re: Docket DMEA 2857 (Uranium)
Contract Idm-E517

Dear Mr. Traver:

I regret not having written before this. The date of expiration slipped my mind simply because we have concerned ourselves with one area within the contract, have done primary drilling within that area and have given the drill hole information to the U. S. G. S. for correlation.

In the event the information from the U. S. G. S. is favorable I I planned to ask for further drilling in the new area. This information should be available within the next ten days.

Therefore, if it is possible, I will request an extension of the contract to June 1, 1956.

Very truly yours,

C. R. Boyle

C. R. Boyle

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

January 16, 1956

Mr. C. R. Boyle, President
Sodak Uranium and Mining Company, Inc.
P. O. Box 330
Edgemont, South Dakota

RECEIVED
JAN 19 1956

Re: Docket DMEA 2657 (Uranium),
Contract IDm-E517

Dear Mr. Boyle:

In your narrative report pertaining to work performed during the month of August, 1955, you state to the effect that no further drilling within the grid is recommended and that within the week you will request an amendment to permit further drilling within the area included in the contract.

Since considerable time has elapsed and the period for completion of the project work expired October 1, 1955, and we have heard nothing further from you, we will appreciate advice from you by return mail as to your plans regarding future work to be performed under the contract.

As the matter now stands, you are in default under the terms of the contract for not having brought the work to completion within the period stipulated. If for some reason beyond your control you were unable to comply with the terms of the contract, you should outline those conditions and present them for the Government's consideration.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JMT:pri
cc: Chairman, Oper. Comm. (2)
Bordenkamp
Binyon
Townsend
Corres. file
Chron.

FILE COPY
Surname:
FLKnouse
Gla
Nelson
Gaskin
Selbridge
Fitzpatrick
Whittenberg

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

JAN 13 1956

700

DEPARTMENT OF THE INTERIOR

DMEA

14X1.01(01) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to the Office of the Secty.)

T E L E T Y P E

W. M. TRAVER
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REFERT JANUARY 6 DMEA-2657 EGDAK URANIUM AND MINING COMPANY, INC., IS ADDITIONAL EXPLORATION JUSTIFIED IN CONTRACT AREA REFERRED TO IN OPERATOR'S AUGUST MP-104 NARRATIVE? IF JUSTIFIED WHAT IS OPERATOR'S POSITION REGARDING SUGGESTED AMENDMENT?

George C. Selfridge (JB)
GEORGE C. SELFRIDGE
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/gla/izm 1-12-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Code 700
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Mr. Knouse

Confirmation to Region III

P.C.G.

Surname copy

700

F L Knouse

Kiilsgaard

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

DEPARTMENT OF THE INTERIOR

DMEA

14X1X8(G1) Revolving Fund,
Defense Production Act, Interior
(Allocated Working Fund to the Office
of the Secty.)

(Uranium)

TELETYPE

W. M. TRAMER
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
24th MEN CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT JANUARY 6 DMEA-2857 SGRAK URANIUM AND MINING COMPANY, INC., PLEASE FURNISH YOUR RECOMMENDATIONS WITH JUSTIFICATION FOR CONSIDERATION. ALSO, WHAT IS OPERATOR'S POSITION REGARDING SUGGESTED AMENDMENT MENTIONED IN AUGUST MF-104 NARRATIVE.

GEORGE C. SELPHIDGE
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/gla
1-11-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Knouse
Confirmation to Region III

C

Mr. G. Selfridge

RECEIVED

JAN 9 1956

DN 235 EUR MINES 1-6-56 4-15

CHAIRMAN, OPEATX OPERATING COMMITTEE, DMEA

RE DOCKET DMEA 2857, CONTRACT IDM-E517, SODAK URANIUM AND MINING CO., INC. LAST WORK PERFORMED COVERED BY REPORT FOR AUGUST 1955. CONTRACT EXPIRED 10-1-55, LEAVING CONSIDERABLE AMOUNT OF WORK UNCOMPLETED. PROSPECTS FOR A SIGNIFICANT DISCOVERY BY ADDITIONAL WORK NOT GOOD ALTHOUGH NOT COMPLETELY DISPROVEN BY WORK TO DATE. NO CERTIFICATION TO BE RECOMMENDED. THIS OFFICE AGREEABLE TO LET CONTRACT EXPIRE. PLEASE TELETYPCE ADVICE AS TO HOW WE SHOULD PROCEED.

33 S W M TRAVER

Denver, Colo.

JAN 9 9 27 AM '56
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

RECEIVED
JUL 18 1955

224 New Customhouse
Denver 2, Colorado

July 15, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2857, Contract Idm-E517 (Uranium) Ortmayer, Sullivan and Boyle (Ripsnorter and Parker Group of Claims) Fall River County, South Dakota Assignee Sodak Uranium and Mining Company, Inc.

Enclosed are the Government, Division, and Docket copies of Amendment No. 4 to the subject contract, which was prepared by your office to extend the period for completion of the project work to October 1, 1955.

Copies of the Amendment have been given to the Operator, the Finance Officer, Region III, and a copy has been retained in our files.

W. M. Traver

W. M. Traver

Encs.

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

224 New Customhouse
Denver 2, Colorado

July 15, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2857, Contract Idm-E517 (Uranium) Ortmayer, Sullivan and Boyle (Ripsnorter and Parker Group of Claims) Fall River County, South Dakota Assignee Sodak Uranium and Mining Company, Inc.

Enclosed are the Government, Division, and Docket copies of Assignment of Contract which was forwarded for signature of the Assignee and Assignor by your letter of March 7, 1955.

Copies have been given to the Assignee and Assignor, the Finance Officer, Region III, and a copy has been retained in our file.

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

July 15, 1955

CERTIFIED MAIL

Mr. C. R. Boyle, President
Sodak Uranium and Mining Co., Inc.
Post Office Box 330
Edgemont, South Dakota

Re: Docket DMEA-2857, Contract Idm-E517 (Uranium)
Ortmayer, Sullivan and Boyle (Ripsnorter and
Parker Group of Claims) Fall River County,S.D.

Dear Mr. Boyle:

Returned herewith are the Government, Division, Docket, Finance Office and Field Team copies of proposed assignment of the subject contract to Sodak Uranium and Mining Company, Inc. Attached thereto is the original copy of my letter of June 3, 1955, transmitting the assignment of this contract to you for execution.

You have failed to affix the corporate seal to the Assignee's Acceptance, which is required for all copies.

Please affix the seal to all five copies and return immediately in order that we can transmit them to our Washington office.

Very truly yours,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures
WMT:bh
cc Chairman, Op. Comm. (2)
Binyon
Cuppels
Harshman
Townsend
Subject
Chron.

Semi-Annual Report on Certified Project*

January 1, 1955 to June 30, 1955

Docket: DMEA 2857, Contract Idm-E517

Commodity: Uranium

Operator: Ortmayer, Sullivan and Boyle (Sodak Uranium and Mining Co.)

Mine: Ripsnorter, Matias Peak, Cyad No. 1 Claims

County and state: Fall River County, S. Dak.

Date of certification:

Date of examination for this report: June 17, 1955

Total contract amount: $38,945.00

Total expended:

Government participation: 90%

Expiration date of royalty payments:

Production to date: 498.7105 short tons

Production this period: None

Royalty due for period: None

Royalty paid to date: $834.64

Royalty due on production to date: None

* Project active and not yet certified.

Total expended to June 30, 1955 is $13,634.79. With government participation at 90 percent, the government's share is $12,271.31.

857

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

Rutzin
Talbot
J Kerson
Ellis

Mr. Munroe F. Pofcher
Pofcher, Schlussel and Katcher
Counsellors at Law
342 Madison Avenue
New York 17, New York

JUN 17 1955

Re: ~~Docket No. DMEA-285~~
~~Contract No. Ida 5527~~
~~Ortmayer, Sullivan and Doyle~~

Dear Mr. Pofcher:

Reference is made to your letters of May 11 and June 9, 1955, addressed to Mr. J. L. Hofflund, Acting Assistant Solicitor, United States Department of the Interior, concerning the request of Sodak Uranium and Mining Company, Inc., for a waiver of the Owner's Consent to Lien in connection with a proposed application for exploration assistance from the Defense Minerals Exploration Administration.

A waiver of an Owner's Consent to Lien by DMEA is given only in unusual circumstances. In the case of your client, we do not find that such circumstances exist and, therefore, would not be disposed to grant the requested waiver. In lieu of the Consent to Lien, however, we would be willing to accept a surety bond by a company satisfactory to the Government, or a guarantee by a financially responsible third party. In the latter instance, a satisfactory financial statement would be required from the guarantor.

I regret the delay in answering your letters and hope that it has caused you no undue inconvenience.

Sincerely yours,

Frank E. Johnson

Acting Administrator

FEJohnson/esf
6/16/55
cc to: Docket
Admr. R. File
Messrs: J. L. Hofflund, Rm. 7351
Chambers
Ellis
Johnson

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

June 15, 1955

Memorandum

To: The Administrator

From: Acting Chief, Contract Administration and Audit Division

Subject: Sodak Uranium and Mining Company, Inc.
(Ortmayer, Sullivan & Boyle, DMEA-2857, Idm-E517)

Reference is made to Mr. Hofflund's memorandum of May 18, 1955, and Mr. Rubin's memorandum of June 13, 1955, relative to the preparation of replies to letters dated May 11, 1955 and June 9, 1955, respectively, from Mr. Munroe F. Pofcher, counsellor at law, apparently representing the Sodak Uranium and Mining Co., Inc. (assignees of the partnership of Ortmayer, Sullivan & Boyle).

It appears that the Corporation currently is preparing an application for an additional contract and, in connection therewith, are requesting a waiver of the requirement for an Owner's Consent to Lien or, in lieu thereof, a bond or other guarantee. Mr. Hofflund's memorandum indicates his belief that "this is a suitable matter for investigation and reply by Mr. Chambers."

The Corporation's request for such waiver is based on Mr. Hofflund's statement, in his letter of May 5, 1955, to Mr. Pofcher, that the Owner's Consent to Lien is sometimes waived:

> "If the applicant is obviously responsible financially, and has a previous record of continued operations and production."

Mr. Pofcher has submitted an Offering Circular dated February 17, 1955, and a Report No. 1 to Stockholders dated May 2, 1955, for the use of this Administration in determining whether the Corporation fulfills this requirement.

The Report No. 1 to Stockholders contains no definitive information as to the financial responsibility of the Corporation. It does state in the opening paragraph that the successful completion of the public offering has provided the additional capital required. The Offering Circular, however, includes statements of assets and liabilities, designed for promotion purposes, showing the condition as of the date of incorporation (November 15, 1954) and a statement of cash receipts and disbursements by the partnership.

There are items in these statements which furnish reasons for doubts as to the integrity of the presentations. However, acceptance of the figures as presented fails to justify any conclusion that the Corporation was "obviously responsible financially" as of November 15, 1954. Current assets are indicated as amounting to only $14,169.98 as compared to current liabilities of $34,487.70, a financial condition which does not appear basically sound. Furthermore, there are additional notes payable (classified in the statements as "long term" liabilities) in the amount of $26,000.00, which further depreciates any indicated financial health. It is apparent that the Corporation, at the time of incorporation, definitely required the additional funds proposed for acquisition through the offering of stock.

Cash on hand is indicated as $2,417.38, hardly sufficient to pay onemonth's costs of operations under the existing Exploration Project Contract, which was dated May 7, 1953, and designed for completion within 12 months, but which at the present date is less than one-third completed. This project apparently was in unauthorized recess from October 1953 to August 1954, and again from October 1954 to date. This cannot be construed as evidence of "a previous record of continued operations." Since control of the Corporation is in the hands of two of the former partners (one being the President and one the Chairman of the Board), who held a major portion of the stock on the date of incorporation, there appears little reason to believe that the record will be improved.

Under the circumstances I have no alternative but to recommend that either the Owner's Consent to Lien or other suitable guarantee be required on any application by this Corporation. However, this is a matter which should be given further administrative consideration. If the stock offering was successful as claimed, the financial condition may be quite different today from that indicated as of November 15, 1954, even though it appears that $51,000 of the net proceeds of such stock are earmarked for payment of the notes payable to the former partnership.

I wish to apologize for the delay in reviewing Mr. Pofcher's letter of May 11, 1955, with attachments. However, it came to my attention only during the last few days.

Docket copy
Talbert

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

June 15, 1955

Memorandum

To: The Administrator

From: (Signed) E. D. Talbert
Acting Chief, Contract Administration and Audit Division

Subject: Sedak Uranium and Mining Company, Inc.
(Ortmayer, Sullivan & Boyle, DMEA-2857, Idm-F517)

Reference is made to Mr. Hefflund's memorandum of May 18, 1955, and Mr. Rubin's memorandum of June 13, 1955, relative to the preparation of replies to letters dated May 11, 1955 and June 9, 1955, respectively, from Mr. Maurice F. Pefeher, counsellor at law, apparently representing the Sedak Uranium and Mining Co., Inc. (assignees of the partnership of Ortmayer, Sullivan & Boyle).

It appears that the Corporation currently is preparing an application for an additional contract and, in connection therewith, are requesting a waiver of the requirement for an Owner's Consent to Lien or, in lieu thereof, a bond or other guarantee. Mr. Hefflund's memorandum indicates his belief that "this is a suitable matter for investigation and reply by Mr. Chambers."

The Corporation's request for such waiver is based on Mr. Hefflund's statement, in his letter of May 5, 1955, to Mr. Pefeher, that the Owner's Consent to Lien is sometimes waived:

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Under the circumstances I have no alternative but to recommend that either the Owner's Consent to Lien or other suitable guarantee be required on any application by this Corporation. However, this is a matter which should be given further administrative consideration. If the stock offering was successful as claimed, the financial condition may be quite different today from that indicated as of November 15, 1954, even though it appears that $51,000 of the net proceeds of such stock are earmarked for payment of the notes payable to the former partnership.

I wish to apologize for the delay in reviewing Mr. Pofcher's letter of May 11, 1955, with attachments. However, it came to my attention only during the last few days.

EDTalbert/wb
June 15, 1955

Copy to: Docket
Admr. Reading File
Mr. Selfridge
Mr. Hofflund
Mr. Ellis
Mr. Chambers

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

JUN 13 1955.

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis
Mr. J. L. Chambers

From: Acting Assistant Solicitor, Defense Minerals

Subject: Sodak Uranium and Mining Company, Inc.

There is transmitted for administrative response the attached letter dated June 9, addressed to Mr. Hofflund from counsel for the subject company.

In connection with this letter, we refer to Mr. Hofflund's memorandum dated May 18 in which the suggestion was made that although no application by the subject company for a new contract was before us it was appropriate to answer the inquiry concerning a Consent to Lien. As the company is currently preparing an application for a new contract, as noted in the letter dated June 9 attached, a response to the letter dated May 11 from counsel for the company seems appropriate.

Henry C. Rubin
Henry C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

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

JUN 13 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis
Mr. J. L. Chambers

From: Acting Assistant Solicitor, Defense Minerals

Subject: Sodak Uranium and Mining Company, Inc.

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In connection with this letter, we refer to Mr. Hofflund's memorandum dated May 18 in which the suggestion was made that although no application by the subject company for a new contract was before us it was appropriate to answer the inquiry concerning a Consent to Lien. As the company is currently preparing an application for a new contract, as noted in the letter dated June 9 attached, a response to the letter dated May 11 from counsel for the company seems appropriate.

S/ Henry C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

HCRubin/emd
Copy to: DMEA Docket
Solicitor's Docket
E. W. Ellis
J. L. Chambers
J. L. Hofflund
H. C. Rubin
chron.

POFCHER, SCHLUSSEL AND KATCHER
COUNSELLORS AT LAW
342 MADISON AVENUE
NEW YORK 17, N.Y.
OXFORD 7-2576

IRWIN E. SCHLUSSEL
MUNROE F. POFCHER
HERBERT B. KATCHER

WASHINGTON, D.C. COUNSEL
PAUL DOBIN
CAFRITZ BUILDING

June 9, 1955

J. L. Hofflund, Esq.
Acting Assistant Solicitor
United States Department of the Interior
Office of the Solicitor
Washington 25, D.C.

Re: Sodak Uranium and Mining Company, Inc. -- Owner's Consent to Lien

Dear Mr. Hofflund:

Please refer to my letter of May 11, 1955, regarding the proposed application for a DMEA loan by Sodak Uranium and Mining Company, Inc. and its request for a waiver of the Owner's Consent to Lien.

So that your information about the company will be as up to date as possible, I am taking the liberty of enclosing an announcement made by Sodak Uranium and Mining Company, Inc. today of the election of Dr. Phillip L. Merritt to the company's Board of Directors.

The application is currently being prepared and an early reply to my letter of May 11, 1955, would be appreciated.

Very truly yours,

POFCHER, SCHLUSSEL AND KATCHER

Munroe F. Pofcher

Munroe F. Pofcher

MFP:jm
Enclosure

RECEIVED

JUN 10 1955

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

SODAK URANIUM & MINING CO., INC.

PHONE MOhawk 27203 - P. O. BOX 330

EDGEMONT, SOUTH DAKOTA

June 9, 1955

ANNOUNCEMENT

The election of Dr. Phillip L. Merritt as a Director of Sodak Uranium and Mining Company, Inc. was announced today by C. R. Boyle, President. Dr. Merritt is Senior Geologist with E. J. Longyear & Co. and is a Director and the Geological and Mining Advisor of the Atomic Development Mutual Fund, Inc. From 1947 through 1954, Dr. Merritt was Assistant Director for Exploration of the U. S. Atomic Energy Commission's Division of Raw Materials where he was in charge of uranium exploration throughout the world.

Dr. Merritt played an important part in obtaining uranium for the Manhattan Engineer District during World War II, serving as Chief of Raw Materials, Manhattan Project, U. S. Corps of Engineers, from 1942 to 1946. Prior to that time, Dr. Merritt was with American Cyanamid Co. and the Department of Mines, Colombia, South America. He holds his doctorate in geology from Columbia University.

Sodak Uranium and Mining Company, Inc. is one of the leading producers of uranium ore in the Black Hills area of South Dakota and Wyoming, shipments having begun from the Company's properties in October, 1952. The Company is presently developing and mining additional ore reserves and is continuing exploration on its 15,000 acres of holdings in the Black Hills and in the important new Lignite area in the Custer National Forest.

Four of the seven Directors of Sodak Uranium and Mining Company, Inc. were elected Directors of the Uranium Ore Producers Association at its annual meeting in May. In addition to Mr. Boyle, these include Jack O. Jones, President of Monogram Uranium & Oil Co., C. G. Ortmayer, President of the Ortmayer Mining Company and W. E. Haldane, Sodak Vice-President and formerly President of the Ore Producers Association. The other Directors of the Company are Paul H. Russell, City Attorney of Edgemont, South Dakota, and Munroe F. Pofcher of the New York law firm of Pofcher, Schlussel and Katcher.

RECEIVED

JUN 10 1955

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

RECEIVED
JUN - 6 1955

224 New Customhouse
Denver 2, Colorado

June 3, 1955

Mr. C.R.Boyle, President
Sodak Uranium and Mining Co., Inc.
Post Office Box 330
Edgemont, South Dakota

Re: Docket DMEA 28~~75~~ 57 (Uranium)
Contract Idm-E517
Ortmayer, Sullivan & Boyle
Ripsnorter & Park group of claims
Fall River County, South Dakota

Dear Mr. Boyle:

Enclosed are the Government, Division, Docket, Finance Office and Field Team copies of proposed assignment of the subject contract to Sodak Uranium and Mining Company, Inc.

All copies of the assignment should be signed by the three original partners in the venture and by an authorized official of the Sodak Uranium and Mining Company, Inc., the later signature attested to by the secretary of the corporation, and the corporate seal affixed.

Upon return to this office of all properly executed copies of the assignment, the assignor and assignee's copies will be forwarded to you.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures

JWT:jp
cc Subject
Chron
Chairman, Oper. Comm.
Binyon
Cuppels
Harshman
Townsend

Surname 700

F. L. Knouse
Ellis
Chandler
Rubin
Selfridge
Robinson

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

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

MAY 31 1955

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-1517
Ortmayer, Sullivan and
Boyle, Partners
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

Dear Mr. Traver:

The Operator has furnished as requested, copies of the subject individual assignments of the captioned contract to Sodak Uranium and Mining Company, Inc. We are therefore enclosing the original and five copies of the combination assignment referred to in our letter of March 7, 1955, signed by the Administrator.

Please have the original and all copies of the "Assignment of Contract" executed by the parties concerned and make the usual distribution of the document.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SLB)

Enclosures

APPROVED:

J. H. Hedges (SLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SLB)
Member, Geological Survey

FLKnouse:am
5-25-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse

R.C.S.

Selfridge
Johnson

May 26, 1955

Memorandum

To: John L. Hofflund, Acting Assistant Solicitor
Defense Minerals

From: Administrator, DMEA

Subject: Abandonment Clause
Docket No. DMEA-2857 - Uranium
Ortmayer, Sullivan & Boyle
Ripsnorter and Parker groups of claims
Fall River County, South Dakota
Contract No. Idm-E517

Reference is made to your memorandum of May 18 relating to Amendment No. 4 to the subject contract, to the undated form of Owner's Consent to Lien attached to the contract, and to Mr. Selfridge's May 25 telephone conversation with you regarding the affect the deletion of the "abandonment provision" of Article 7 of the contract would have upon the Owner's Consent to Lien.

The last paragraph of your memorandum states that the time period for the payment of royalties is not extended in Amendment No. 4 because to do so would jeopardize the royalties under the Owner's Consent to Lien. The form of lien involved explicitly mentions amendments that do not alter the provisions of repayment.

As explained to me by Mr. Selfridge, my understanding is that in your opinion deletion of the "abandonment provision" would jeopardize the royalties under the Owner's Consent to Lien just as extending the payment period would. If I am not correct in my understanding, will you please so inform me.

C. O. Mittendorf

Administrator

GCSelfridge/esf
cc to: Docket
Admr. R. File
Messrs: Johnson
Ellis
Selfridge

700

Surname copy

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

MAY 26 1955

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

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Ortmayer, Sullivan & Boyle, Partners
Rip Snorter and Parker Groups of claims
Fall River County, South Dakota

Dear Mr. Traver:

There are enclosed, as requested in your teletype of May 5, except for the assignment, the original and five copies of Amendment No. 4 to the subject contract, signed by the Administrator.

Until the Operator furnishes the information requested in the Administrator's letter of April 18, the assignment referred to in the Operating Committee's letter to you of March 7 will be retained here. The enclosed document concerning this project refers only to the captioned Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

FLKnouse/gla
5-20-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J.O. Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse

P.S. The Operator has now complied with our request of April 18, 1955, and we shall send the assignment of contract as soon as Legal reviews the submitted agreements.

5/23/54 gla

# SODAK URANIUM & MINING CO., INC.

PHONE MOhawk 27203 - P. O. BOX 330

EDGEMONT, SOUTH DAKOTA

Defense Minerals Administration
RECEIVED
MAY 23 1955

May 19, 1955

Mr. Frank E. Johnson, Administrator
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA-2857
Contract Idm-E517

Dear Sir:

This is in answer to your letter of April 18, 1955 in which you requested evidence of individual assignment from Ortmayer and Boyle to the Sodak Uranium & Mining Co., Inc.

Please find enclosed two assignments as requested.

Very truly yours,

Clyde Boyle

Clyde Boyle

CB:lk
Enclosure

# A S S I G N M E N T

KNOW ALL MEN BY THESE PRESENTS: That the undersigned Assignor, C. G. Ortmayer, of Grand Junction, Colorado, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration to him in hand paid, receipt of which is hereby acknowledged, hereby assigns all of his right, title, and interest in and to the following described mining leases and the property covered therein, to-wit:

A mining lease dated July 5, 1952, filing Certificate No. 32231, covering the Ripsnorter Group, to-wit: Ripsnorter No. 1 and Ripsnorter No. 2, Schoonmaker No1 and Schoonmaker No. 2, Cycad No. 1 and Cycad No. 2, Morning Glory, Gurner's Folly, Matias Peak No. 1 and Matias Peak No. 2

A mining lease dated July 15, 1952, filing Certificate No. 32232, covering the Parker claims, Nos. 1, 2, 3, 4, 5, 6, 7 & 8.

A mining lease dated September 29, 1952, filing Certificate No. 32682, covering Montana No. 1 and Montana No. 2 claims

unto SODAK URANIUM AND MINING COMPANY, INC., a Delaware Corporation, Assignee.

Dated this 25th day of April, 1955.

C G Ortmayer

STATE OF COLORADO )
COUNTY OF Mesa ) SS.

On this the 25 day of April, 1955, before me, the undersigned Notary Public within and for said County andState, personally appeared C. G. Ortmayer, known to me to be the person who is described in and who executed the within and foregoing instrument, and who acknowledged that he executed the within and foregoing instrument for the purpose therein contained.

Notary Public.

My commission expires My Commission expires October 14, 1955.

# A S S I G N M E N T

KNOW ALL MEN BY THESE PRESENTS: That the undersigned Assignor, Clyde R. Boyle, of Edgemont, South Dakota, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration to him in hand paid, receipt of which is hereby acknowledged, hereby assigns all of his right, title, and interest in and to the following described mining leases and the property covered therein, to-wit:

A mining lease dated July 5, 1952, filing Certificate No. 32231, covering the Ripsnorter Group, to-wit: Ripsnorter No. 1 and Ripsnorter No. 2, Schoonmaker No. 1 and Schoonmaker No. 2, Cycad No. 1 and Cycad No. 2, Morning Glory, Gurner's Folly, Matias Peak No. 1 and Matias Peak No. 2

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unto SODAK URANIUM AND MINING COMPANY, INC., a Delaware Corporation, Assignee.

Dated this 25th day of April, 1955.

Clyde R. Boyle

STATE OF SOUTH DAKOTA )
SS.
COUNTY OF FALL RIVER )

On this the 25th day of April, 1955, before me, the undersigned Notary Public within and for said County and State, personally appeared Clyde R. Boyle, known to me to be the person who is described in and who executed the within and foregoing instrument and acknowledged to me that he executed the same.

Notary Public

My commission expires 1-8-57.

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

224 New Customhouse
Denver 2, Colorado

May 12, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Ortmayer, Sullivan & Boyle, Proposed Assignment of Contract to Sodak Uranium & Mining Company, Inc.

In conjunction with matter discussed in our teletype of May 5, 1955, we are enclosing four sets of data relative to the extension of the date on or before which the project is to be completed.

W. M. Traver

W. M. Traver

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

DMEA
Date Rec'd.
MAY 12 1955
BUREAU OF MINES
Denver, Colorado

May 10, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Examining Team, Rapid City, S. Dak.

Subject: Docket DMEA 2857, Contract Idm E-517, Ortmayer, Sullivan and Boyle

Enclosed are a letter from the operator and a copy of the reply from this office, which are self-explanatory.

We received a copy of the teletype of May 5 to the Operating Committee recommending approval of the request to extend the completion date to October 1, 1955. Therefore, a recommendation by the examining team that the request be approved by your office, though unnecessary, is made as a matter of record.

N. P. Cuppels and E. O. Binyon

By: E. O. Binyon
E. O. Binyon

cc: Cuppels
Traver (2)
files

SODAK URANIUM & MINING CO., INC.

PHONE [illegible] P. O. BOX 330

EDGEMONT, SOUTH DAKOTA

MAY 9
Dept. of Interior
Bureau of Mines
Rapid City,
South Dakota

May 5, 1955

Mr. E. O. Binyon, Mining Engineer
U. S. Bureau of Mines
Rapid City Branch
Rapid City, South Dakota

Re: Docket DMEA - 2857
Contract Idm - E517

Dear Mr. Binyon:

The above contract expires May 7, 1955.

Will you kindly inform me if this contract can be extended until October 1, 1955.

We received a Franks-Model K C-38S Rotary Drill 5-3-55 and are looking forward to some trouble-free drilling.

Yours very truly,

Sodak Uranium & Mining Co., Inc.

C. R. Boyle

CRB:lk

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

May 10, 1955

Mr. C. R. Boyle, President
Sodak Uranium and Mining Co.
P. O. Box 330
Edgemont, S. Dak.

Re: Docket DMEA-2857
Contract Idm-E517

Dear Mr. Boyle:

Your letter of May 5 inquiring as to the possibility of extending the completion date of the contract is being referred to Mr. W. M. Traver, DMEA Executive Officer, Region III, Denver, for action.

Yours very truly,

E. O. Binyon
Mining Engineer

cc: Traver (2)
files

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

MAY 18 1955.

Memorandum

To: The Administrator, DMEA

Attention: 1. Mr. E. W. Ellis
2. Mr. J. L. Chambers

From: Acting Assistant Solicitor, Defense Minerals

Subject: Boyle, Ortmayer & Sullivan, Docket No. DMEA-2857, Contract Idm-E-157 (Uranium)

Sodak Uranium & Mining Company, Inc. (no docket)

Sodak Mining Company, a partnership (no docket)

Attached hereto is Amendment No. 4 to the subject contract Idm-E157, extending the time for performance, prepared pursuant to Mr. Knouse's memorandum to me dated May 6.

Reference is also made to my letter dated May 5 to Mr. Munroe F. Pofcher in response to his of April 29 to DMEA concerning the use of some sort of bond or guarantee in lieu of an Owner's Consent to Lien in connection with a contemplated application (as I understand it) from Sodak Uranium and Mining Company, Inc.

Transmitted herewith is a letter dated May 11 from Mr. Munroe F. Pofcher to me, with attachments, in which he inquires if an application from Sodak Uranium and Mining Company, Inc., could be processed without an Owner's Consent to Lien, and presumably without any bond or guarantee in lieu thereof.

I believe this is a suitable matter for investigation and reply by Mr. Chambers.

In his letter to me of May 11, Mr. Pofcher says: "The Sodak Mining Company received a DMEA loan of $35,000 in May, 1953 . . ." This seems to be a mistaken reference to the subject contract with Boyle, Ortmayer & Sullivan. DMEA does not appear to have any contract with Sodak Mining Company, and in writing to Mr. Pofcher this erroneous statement should be corrected.

There is in the subject docket a form for the assignment of Contract Idm-E157, Docket No. DMEA-2857, to Sodak Uranium & Mining Company, Inc., which was prepared in this office, but which for reasons unknown to us has not been used. By letter dated April 18, 1955, to Sodak Uranium and Mining Company, Inc. (in the docket file), the Acting Administrator advised that corporation that it did not seem to have a sufficient interest in the land upon which to base an application for a contract.

In spite of the fact that there is no application pending from Sodak Uranium and Mining Company, Inc., it would seem proper to me to respond to that company's request for a statement as to whether we would waive an Owner's Consent to Lien in the event it should file such an application. As indicated above, I think this is a matter for Mr. Chambers rather than for "legal."

Pursuant to conversation this day with Mr. Knouse, the time period for the payment of royalties is not extended in Amendment No. 4 to Contract Idm-E157 because to do so would jeopardize the royalties under the Owners' Consents to Lien. In view of the fact that this is a uranium project, it is not deemed likely that the time period is of importance.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

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

MAY 18 1955

Memorandum

To: The Administrator, DMEA

Attention: 1. Mr. E. W. Ellis
2. Mr. J. L. Chambers

From: Acting Assistant Solicitor, Defense Minerals

Subject: Boyle, Ortmayer & Sullivan, Docket No. DMEA-2857, Contract Idm-E-157 (Uranium)

Sodak Uranium & Mining Company, Inc. (no docket)

Sodak Mining Company, a partnership (no docket)

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Transmitted herewith is a letter dated May 11 from Mr. Munroe F. Pofcher to me, with attachments, in which he inquires if an application from Sodak Uranium and Mining Company, Inc., could be processed without an Owner's Consent to Lien, and presumably without any bond or guarantee in lieu thereof.

I believe this is a suitable matter for investigation and reply by Mr. Chambers.

In his letter to me of May 11, Mr. Pofcher says: "The Sodak Mining Company received a DMEA loan of $35,000 in May, 1953 . . ." This seems to be a mistaken reference to the subject contract with Boyle, Ortmayer & Sullivan. DMEA does not appear to have any contract with Sodak Mining Company, and in writing to Mr. Pofcher this erroneous statement should be corrected.

DMEA Docket (2)

There is in the subject docket a form for the assignment of Contract Idm-E157, Docket No. DMEA-2857, to Sodak Uranium & Mining Company, Inc., which was prepared in this office, but which for reasons unknown to us has not been used. By letter dated April 18, 1955, to Sodak Uranium and Mining Company, Inc. (in the docket file), the Acting Administrator advised that corporation that it did not seem to have a sufficient interest in the land upon which to base an application for a contract.

In spite of the fact that there is no application pending from Sodak Uranium and Mining Company, Inc., it would seem proper to me to respond to that company's request for a statement as to whether we would waive an Owner's Consent to Lien in the event it should file such an application. As indicated above, I think this is a matter for Mr. Chambers rather than for "legal."

Pursuant to conversation this day with Mr. Knouse, the time period for the payment of royalties is not extended in Amendment No. 4 to Contract Idm-E157 because to do so would jeopardize the royalties under the Owners' Consents to Lien. In view of the fact that this is a uranium project, it is not deemed likely that the time period is of importance.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

JLHofflund/emd

Copy to: DMEA Docket (2)
Solicitor's Docket
E. W. Ellis (2)
J. L. Chambers
J. L. Hofflund
chron.

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

MAY 18 1955.

Memorandum

To: The Administrator, DMEA

Attention: 1. Mr. E. W. Ellis
2. Mr. J. L. Chambers

From: Acting Assistant Solicitor, Defense Minerals

Subject: Boyle, Ortmayer & Sullivan, Docket No. DMEA-2857, Contract Idm-E-157 (Uranium)

Sodak Uranium & Mining Company, Inc. (no docket)

Sodak Mining Company, a partnership (no docket)

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

JLHofflund/emd

Copy to: DMEA Docket (2)
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chron.

POFCHER, SCHLUSSEL AND KATCHER
COUNSELLORS AT LAW
342 MADISON AVENUE
NEW YORK 17, N.Y.
OXFORD 7-2576

IRWIN E. SCHLUSSEL
MUNROE F. POFCHER
HERBERT B. KATCHER

WASHINGTON, D.C. COUNSEL
PAUL DOBIN
CAFRITZ BUILDING

May 11, 1955

RECEIVED
MAY 12 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

J. L. Hofflund, Esq.
Acting Assistant Solicitor
United States Department of the Interior
Office of the Solicitor
Washington 25, D.C.

Dear Mr. Hofflund:

Thank you for your letter of May 5, 1955, regarding circumstances under which an Owner's Consent to Lien may be waived in a DMEA contract.

You mention that the Consent to Lien is sometimes waived if the applicant is financially responsible and has a previous record of continued operations and production. I would like to inquire whether you would consider the Sodak Uranium and Mining Company, Inc. (which I represent) as fulfilling this requirement. I am taking the liberty of enclosing a copy of the Offering Circular issued by this company in connection with a recent public financing, as well as a copy of a recent stockholders report.

You will note that the Sodak Uranium and Mining Company, Inc. is a successor-in-interest to the Sodak Mining Company, a partnership which was organized in June, 1952, and which has been shipping uranium ore since October, 1952. The Sodak Mining Company received a DMEA loan of $35,000 in May, 1953, for drilling on two of its groups of claims.

The Sodak Uranium and Mining Company, Inc. is contemplating a DMEA application for a loan of approximately $30,000 for drilling on its Erschens Lease in Fall River County, South Dakota. There may be some difficulty in obtaining an Owner's Consent to Lien on this property because of the attitude of the land owner involved toward liens in general.

In light of the information about the Sodak Uranium and Mining Company, Inc. enclosed herewith, will the Defense Minerals Exploration Administration waive the Owner's Consent to Lien in the case of the application mentioned? Your early reply will be appreciated.

Very truly yours,

POFCHER, SCHLUSSEL AND KATCHER

Munroe F. Pofcher

Munroe F. Pofcher

MFP:jm
Enclosures

# Report No. 1

*to*

*Stockholders of*

# SODAK URANIUM AND MINING COMPANY

May 2, 1955

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This report is not intended as an offer or as a solicitation of an offer to buy or sell securities of Sodak Uranium and Mining Company, Inc. It is offered only as an interim progress report to shareholders.

# SODAK URANIUM AND MINING COMPANY

**Edgemont, South Dakota**

To Our Stockholders:

The successful completion of the public offering of the Company's stock by Capper & Co. of New York has provided the additional capital required for the acceleration of exploration and mining operations on the Company's properties and for the acquisition of new properties.

Adequate financing, combined with the extensive geological exploration and development conducted by the Sodak Mining Company in the Black Hills area since 1952, has led to the following significant results and developments:

## *I. Production:*

Production during the winter months continued from the Joe Smith Group of claims and totaled approximately 600 tons. At the same time, preliminary exploration began on the Dennis Lease in Crook County, Wyoming, and disclosed an ore body in excess of 2000 tons based on the initial drilling. Shipments from this ore body will start this week and further drilling will be performed to disclose the actual extent of this ore body.

The Company successfully completed negotiations for the acquisition of the Phillips ore body in Fall River County, South Dakota, and has started work on the adits preliminary to mining. This ore body contains approximately 7500 tons of proven ore, based on drilling by the Atomic Energy Commission and the prior owner, and an inferred ore reserve of 15,000 tons additional.

It is expected that mining operations will begin on the Phillips ore body within 30 days, and that shipments of uranium ore from the Company's properties will be in excess of 800 tons a month within 60 days. Blocking out of ore reserves from the other areas described below will of course increase this amount.

## *II. Exploration:*

Although the worst South Dakota winter in many years hampered exploration, the relatively small amount of work that was done disclosed some interesting possibilities. Exploratory drilling on the Kling Lease in Butte County uncovered an ore hole with three feet of commercial ore. Offsetting was not done because of the weather conditions and resulting mechanical difficulties but it is planned to resume drilling on this property in the near future.

The Company has acquired additional property in Wyoming under lease from the American Colloid Company. Drilling on these properties, known as the Bussfield Group, by the Atomic Energy Commission, has disclosed four mineralized diamond drill holes and one hole of 11 feet of .23% uranium ore; there are also numerous surface anamolies.

In the uranium Group of claims, one claim, uranium #11, is adjacent to the Philips property. Preliminary drilling on this claim has shown mineralization in six holes; additional development drilling is scheduled to be resumed on June 1st.

Further drilling is planned within the next few weeks on these properties as well as on the Bonata and Apland Leases in Butte County and the Erschens Lease in Fall River County.

## *III. Acquisitions:*

The Company has acquired the Bell Lease containing 1490 acres in the Edgemont area, which includes 1½ miles of the same geologic stream channel on which the Gould ore body of the Edgemont Mining Company is located. The Company has also acquired 640 acres surrounded by the Bell Lease from the Cleveland Quarry Company. Drilling on these properties and deeper drilling on the Joe Smith Group is planned for this summer.

The Company has also taken an option on 21 contiguous lode claims in the Lignite area of Harding County, South Dakota, located in the Custer National Forest. This is perhaps the most significant new area for uranium exploration in the United States and the Company plans to do additional work in this area, both in exploration and mining, and in the metalurgical problems which must be solved before these lignite deposits can be milled.

## *IV. Defense Minerals Exploration Administration Project:*

The Company resumed drilling on the Rip Snorter and Parker group of claims under its D.M.E.A. loan from the Government. The Company is also currently preparing a D.M.E.A. Loan Application for work on the Erschens Lease; the local D.M.E.A. field team has indicated favorable action on this application is likely. Additional D.M.E.A. Loan Applications are now being considered.

## *V. Personnel:*

Two experienced geologists are being added to the Company's technical staff. Intensive geological examinations of a good portion of the Company's approximately 15,000 acres is planned for this summer as is drilling to the deeper ore-bearing horizons of the Company's properties for the first time. As mentioned above, the Company also plans to do extensive work in the lignite area with a view to the possibility of a uranium processing mill, and plans to retain a metalurgical consultant to work in this area.

CLYDE R. BOYLE,
*President*

No dealer, salesman or other person is authorized to give any information or make any representations other than those contained in this Offering Circular in connection with the offering contained herein, or any information or representations not therein contained, and if given or made, must not be relied upon as having been given or authorized by the Company or the Underwriters. The offering of these securities is made only by this Offering Circular. This Offering Circular is not an offer to sell or a solicitation in any state in which such offering or solicitation is not authorized by the laws thereof. Neither delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the stock at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. Since there has been no public distribution of the securities of the Company there was as of date of this Offering Circular no market as such for the securities offered hereunder.

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# Sodak Uranium and Mining Company, Inc.

ORIGINAL ISSUE OVER SUBSCRIBED
CURRENTLY TRADING IN THE OPEN MARKET

---

**1,200,000 COMMON SHARES**

**Offering Price:**

**25¢ Per Share**

---

***Underwriter***

**CAPPER & CO.**

**80 Broad Street**

**New York 4, N. Y.**

**DIgby 4-8790**

Offering Circular — February 17, 1955

## SODAK MINING COMPANY
(a Partnership)

## *STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

**From Inception of Partnerships June 1, 1952 to November 15, 1954**

| | Inception of Partnership June 1, 1952 to May 31, 1953 | June 1, 1953 to May 31, 1954 | June 1, 1954 to November 15, 1954 |
|---|---|---|---|
| Balance—Beginning of Period | — | $ 9,636.93 | $ 4,088.91 |
| Receipts: | | | |
| Partnership Investment | $ 69,786.30 | 21,000.00 | 3,000.00 |
| Loans | 14,977.34 | 6,693.50 | 8,671.68 |
| Sales of Ore and Bonus Receipts | 80,973.07 | 139,700.78 | 28,975.67 |
| Defense Mineral Exploration | | | |
| Administration Loan | | 7,946.33 | 1,510.68 x 3,102.94 for 20 mos a week |
| Sale of Equipment | | | 5,500.00 |
| Total Receipts | $165,736.71 | $175,340.61 | $47,658.03 |
| Total | $165,736.71 | $184,977.54 | $51,746.94 |
| Disbursements: | | | |
| Royalty Payments | $ 10,219.06 | $ 18,140.39 | $ 8,384.06 |
| Ore Hauling | 7,375.09 | 11,359.61 | 1,784.23 |
| Wages and Salaries | 24,694.11 | 35,651.09 | 11,001.06 |
| Mining Supplies | 6,276.40 | 8,409.36 | 1,488.44 |
| General and Administrative Expenses | 6,384.25 | 15,796.54 | 5,604.89 |
| Equipment Repairs and Maintenance | 6,807.35 | 12,221.62 | 4,729.85 |
| Contract Labor | 1,318.01 | 3,009.75 | 608.00 |
| Leasing Expense | 1,227.60 | 1,211.03 | 1,434.20 |
| Repayment of Loans and Advances | 6,682.89 | 10,316.39 | 5,840.22 |
| Purchases of Properties | 23,190.00 | 6,000.00 | 260.00 |
| Equipment | 33,125.02 | 10,289.90 | 1,389.92 |
| Oil Drilling Venture | 16,300.00 | 15,933.75 | 2,967.94 |
| Drilling | | 6,749.20 | 3,836.75 |
| Partnership Withdrawals | 12,500.00 | 25,800.00 | |
| Total Disbursements | $156,099.78 | $180,888.63 | $49,329.56 |
| Balance—End of Period | $ 9,636.93 | $ 4,088.91 | $ 2,417.38 |

* The Statement of Cash Receipts and Disbursements above is that of the predecessor partnership, Sodak Mining Company.

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

**Note 4:**

On May 7, 1953 the Company's application with the Defense Minerals Exploration Administration for financial assistance for an exploration project to determine the uranium potential of two of its properties was approved. The loan was for $38,945.00, the government advancing 90%. The government releases their loan only when the Company makes available their 10% participation. The loan is to be repaid through a royalty of 5% on the gross amount of all production of ore from the properties covered. The royalty shall be paid until the total amount contributed by the government, without interest, is fully paid or until ten years have elapsed, whichever occurs first. Loans amounting to $11,408.57 have been received or are due and are repayable from ore sales if and when properties drilled under these loans produce ore.

$11,049.17 paid per DMEA records

**Note 5:**

No provision has been made for contingent expenditures which may occur subsequent to November 15, 1954. The Company has made the following commitment:

The Company has entered into an agreement with Capper & Co., 80 Broad Street, New York, N. Y., to act as underwriter on a best-efforts basis for an offering of 1,200,000 shares of common stock, par value $.01 per share, for a total gross offering price of $300,000.00. The Company has agreed to pay the underwriter a commission of $.05 per share. Additional payments are to be made as follows:

Underwriting expenses not to exceed (no part of which is returnable) $25,000.00, such expenses to be payable at the rate of 2½¢ on each share of the first 1,000,000 shares sold to the public.

Principal shareholders have sold Milton Capper, a partner of Capper & Co., 200,000 shares of common stock of the Company at one mill per share.

**Note 6:**

Acquisition costs of mining leases and claims have been capitalized in this statement. However, no development or exploratory costs of operating and mining have been classified in the various accounts as detailed in the Cash Receipts and Disbursements Statement, and the Company did not classify any of these expenses as capitalized development and exploratory costs.

## SODAK URANIUM AND MINING COMPANY, INC.

**(A Delaware Corporation)**

## NOTES TO FINANCIAL STATEMENTS

**November 15, 1954**

**Note 1:**

The transfer from Sodak Mining Co., a partnership, to this corporation took place as of November 15, 1954. 1,540 acres of the 8,845 acres held by the Company were in process on that date.

**Note 2:**

In order to encourage and to assist in the development of new sources of uranium production, the U. S. Atomic Energy Commission grants bonuses under Domestic Uranium Program Circular 6 for all uranium mined from new domestic mines under certain conditions up to the first 10,000 lbs. extracted from said properties. In the preparation of the statement of assets, bonus accruals have been made for properties considered eligible for bonus payments. The following schedule shows the leases certified for bonus payments and the number of lbs. still eligible if such production is obtained.

| Leases | # of lbs. Still Eligible for Bonus payments |
|---|---|
| Get-Me-Rich | 8,455.8 |
| Lucky #1 | 9,473.2 |
| Coal Canyon Group / Coal Canyon #1 | 6,826.6 |
| Montana | 10,000.0 |
| Rip-Snorter | 2,958.0 |
| Parker | 10,000.0 |
| Kling Lease | 7,636.0 |
| Apland Lease | 9,571.8 |
| Bonato Lease | 9,943.2 |
| Dennis Lease | 10,000.0 |
| **Certification Pending** | |
| Uranium Group | 10,000.0 |
| Johnson Lease | 10,000.0 |
| Lucky Strike Group / Hilview Group | 10,000.0 |
| Erschens Lease | 10,000.0 |
| Road Builders Group | 10,000.0 |

**Note 3:**

For a summary of the leases and claims assigned to this corporation, together with details of royalties and terms of the leases, reference is made to the offering circular under the heading "Schedule of Property Holdings." and the ensuing descriptive data.

## SODAK URANIUM AND MINING COMPANY, INC.

(A Delaware Corporation)

## STATEMENT OF CAPITAL SHARES

(Non-Assessable)

November 15, 1954

| | |
|---|---|
| Common Stock, par value $.01 per share | |
| Authorized ..... | 4,000,000 shares |
| Issued: | |
| As consideration for acquisition of assets subject to liabilities of Sodak Mining Company (see Statement of Assets) ..... | 1,500,000 shares |

Subject to the comments attached hereto, which form an integral part of this report.

## SODAK URANIUM AND MINING COMPANY, INC.

**(A Delaware Corporation)**

### STATEMENT OF LIABILITIES

**November 15, 1954**

**Liabilities:**

| | | |
|---|---|---|
| Current Liabilities | | |
| Accounts Payable—Trade | | $ 1,863.14 |
| Payroll Taxes Accrued | | 121.54 |
| Notes Payable | | |
| To Southern Hills Bank, Edgemont, South Dakota, due within one year | | 7,503.02 |
| To Ortmayer Mining Company (payable out of net proceeds of the public offering of 1,200,000 shares of common stock par value $.01 per share after completion thereof) as follow: | | |
| on or before ninety (90) days after completion of the public offering | $12,500.00 | |
| on or before six (6) months after completion of the public offering | 12,500.00 | 25,000.00 |
| Total | | $34,487.70 |
| Long Term Liabilities | | |
| Note Payable—Ortmayer Mining Company (payable thirteen (13) months after the completion of the public offering) | | 26,000.00 |
| Royalty Agreements and Contract Commitments (Note 3) | | |
| Contingent Liabilities (Note 5) | | |
| Defense Minerals Exploration Administration Loan (Note 4) | | |
| Total Liabilities | | $60,487.70 |

Subject to the comments attached hereto, which form an integral part of this report.

## SODAK URANIUM AND MINING COMPANY, INC.

**(A Delaware Corporation)**

### STATEMENT OF ASSETS

**November 15, 1954**

| | | |
|---|---|---|
| **Assets:** | | |
| Current Assets: | | |
| Cash in Bank (see Statement of Cash Receipts and Disbursements) | | $ 2,417.38 |
| Defense Minerals Exploration Administration Loan available for withdrawal on drilling costs incurred (Note 4) | | 1,951.56 ? |
| Accrued Bonuses Receivable (Note 2) | | 9,801.04 |
| Total Current Assets | | $14,169.98 |
| Fixed Assets: | | |
| Plant and Equipment—at cost to predecessor partnership, Sodak Mining Company | $33,484.84 | |
| Less: Accumulated Allowance for Depreciation | 17,477.94 | 16,006.90 |
| Mining Leases and Claims—8,845 acres located in Fall River, Custer County and Butte County, South Dakota, Weston County and Crook County, Wyoming ("Black Hills Area") (Footnote 1) | | |
| Uranium Properties— | | |
| Payments under property contracts by predecessor partnership, Sodak Mining Company | | 29,450.00 |
| Non-producing Oil Lease and Property— 120 acres in Latrona County, Wyoming | | |
| Consideration for net assets of predecessor partnership, Sodak Mining Company | | 51,000.00 |
| (assets subject to liabilities acquired from Sodak Mining Company, a partnership, together with the assets and liabilities listed herein for 1,500,000 shares of common stock, par value $.01 per share, and $51,000.00 payable from the net proceeds of the public offering of 1,200,000 shares of common stock in three installments: $12,500.00 on or before 90 days after the completion of the public offering; $12,500.00 on or before six (6) months after the completion of the public offering; and $26,000.00 thirteen (13) months after the completion of the public offering) | | |
| Total Assets | | $110,626.88 |

Subject to the comments attached hereto, which form an integral part of this report.

The Underwriter has the right to offer the shares offered hereunder through dealers of securities (who are members of the National Association of Securities Dealers, Inc.) selected by the Underwriter and to allow such dealers such concessions out of the commission to be received by the Underwriter as the Underwriter may determine.

The Company may terminate the underwriting agreement in the event that all of the shares of the offering are not sold within 365 days after the effective date of the Offering Circular.

The principal shareholders of the Company have agreed to sell to Milton Capper, a partner of the Underwriter, and Mr. Capper has purchased, 200,000 shares of Common Stock of the Company at 1 mill per share. Such shares will be nontransferable for 13 months following the commencement of the public offering unless and until compliance has been effected with the Securities Act of 1933 and the rules and regulations thereunder.

The Underwriter has the right to terminate the underwriting agreement at any time prior to the date on which all of the shares offered hereunder are sold if in the Underwriter's sole discretion it is determined that there has been a substantial change in the financial, political or market conditions or circumstances in the United States or in the world, so as to make it undesirable, impracticable or inadvisable to proceed with the public offering or if it is determined that there do not exist favorable market conditions for successful sale of the Common Stock at the initial public offering price.

Principal shareholders have agreed to vote the stock held by them in such respective capacities for a period of five years for the election of one nominee of the Underwriter as a director of the Company. The underwriting agreement also grants the Underwriter, in the event the entire offering is sold, a preferential right for a period of five years to any future offering that the Company may make.

The foregoing does not purport to be a complete statement of the terms and provisions of the underwriting agreement. A copy thereof is on file with the Denver Regional Office of the Securities and Exchange Commission and reference thereto is hereby made, and the foregoing statements are to be deemed qualified and modified in all respects by such reference.

## LITIGATION

The Company is not a party to any material legal proceeding which departs from the ordinary routine litigation incident to the kind of business conducted by the Company. The Company does not know of any material legal proceedings commenced or contemplated by any governmental authorities.

## LEGAL OPINIONS

Legal matters in connection with the securities being offered hereunder will be passed upon by Messrs. Pofcher, Schlussel and Katcher, No. 342 Madison Avenue, New York 17, N. Y., Counsel for the Company and for the Underwriter. Martin P. Farrell, Esq., of Hot Springs, South Dakota, has passed upon the title of the Company to its various leases and claims.

SODAK URANIUM AND MINING COMPANY, INC.

By CLYDE BOYLE, *President*

## CAPITALIZATION

The following table sets forth the capitalization of the Company as of the date of this Offering Circular:

| Title of Issue | Presently Authorized | Outstanding | To be Outstanding if All Shares Offered Hereunder Are Sold |
|---|---|---|---|
| Common Stock (par value 1¢ per share).. | 4,000,000 | 1,500,000 | 2,700,000 |

The Common Stock of the Company is all of one class and is non-assessable. Each share has equal rights with every other share as to voting, dividends and on liquidation. There are no preemptive rights or redemption rights, nor any liability for further costs or assistance. There are no limitations on the payment of dividends other than those imposed by the laws of the State of Delaware.

## TERMS OF OFFERING

The Company is offering 1,200,000 shares of its Common Stock (par value 1¢ per share) at 25¢ per share for a total offering price of $300,000. Pursuant to an underwriting agreement, dated November 8, 1954, Capper & Co. has agreed, subject to the terms and conditions therein expressed, to sell for the Company on a best efforts basis said Common Stock at the initial public offering price of 25¢ per share. No firm commitment has been made by the Underwriter to purchase all or any part of the Common Stock offered hereunder.

Under the terms of the underwriting agreement, the Company has agreed to pay the Underwriter a commission of 20 percent on all sales made for the Company's account. Giving effect to the sale of all of the stock offered hereunder, the Underwriter will be entitled to receive aggregate commissions of $60,000 and the net proceeds to the Company will approximate $240,000 before deducting certain expenses in connection with this offering in the amount of $25,000.

The Company has further agreed that the Underwriter will receive out of the proceeds of the present offering the sum of $25,000 at the rate of 2½¢ per share on each of the first 1,000,000 shares sold to meet the expenses of the offering, including Underwriter's and Company's counsel and accountants' fees and disbursements, printing costs, fees and expenses of engineers, etc. Any expense of the Underwriter in excess thereof will be payable by the Underwriter; if expenses of the Underwriter are less than $25,000 the balance, if any, will be retained by the Underwriter and may be deemed to be additional compensation to the Underwriter. The Company has agreed to indemnify the Underwriter against certain types of civil liability arising in connection with the Letter of Notification or the Offering Circular and the Underwriter has agreed to indemnify the Company against certain types of liability arising out of the use in the Letter of Notification and the Offering Circular of information furnished to the Company by the Underwriter for the purpose of inclusion therein.

C. G. Ortmayer—Business Administration, Yale 1907-1909. President of Cunningham-Ortmayer Co., Construction Machinery, Milwaukee, Wisconsin, 31 years. Uranium mining business since 1950. President of Ortmayer Mining Company, Grand Junction, Colorado, one of the important uranium producers in the Slick Rock area of Colorado since 1950. Director, Uranium Ore Producers Association.

There is presently a vacancy on the Board of Directors to be filled upon the completion of the offering by a nominee of the Underwriter. The Underwriter has advised the Company that in such event the nominee will be Munroe Pofcher, who has consented to act in that capacity if elected. He is a member of the law firm of Pofcher, Schlussel and Katcher, 342 Madison Avenue, New York, New York, and between 1950 and 1953 was engaged as an attorney in the office of the General Counsel of the United States Atomic Energy Commission.

No remuneration is presently paid to any officer or director except for a salary of $750 per month to Mr. Boyle.

**Stock Ownership and Principal Stockholders**

The following table sets forth as of December 1, 1954, the holdings of Common Stock of each person owning of record or beneficially more than 10 percent of the outstanding stock of the Company, as well as the holdings of all the promoters, directors and officers of the Company:

| Name | Shares Owned |
|---|---|
| Clyde R. Boyle | 200,000 shares |
| W. E. Haldane | 190,000 shares |
| C. G. Ortmayer | 470,000 shares |
| Mrs. C. G. Ortmayer | 100,000 shares |
| Jack O. Jones | 125,000 shares |
| Marvin Hayutin | 215,000 shares |
| Milton Capper | 200,000 shares |
| Paul H. Russell | — |

Other than their shareholdings in the Company, as set forth above, none of the officers or directors or promoters of the Company has any direct or indirect material interest by contract, option or otherwise in the Company or in any assets proposed to be acquired or operated by the Company, or in any properties whose values would be enhanced by operations of the Company on its properties, except for the amount of $51,000 to be paid to the Ortmayer Mining Company. Mr. Hayutin received his shares in consideration of services for which he may be deemed a finder and Mr. Jones received his shares in consideration of services and as a director of the Company. The persons listed in the above table, other than Messrs. Russell and Capper, may also be considered as promoters of the Company within the meaning of Rule 215 (d) of Regulation A under the Securities Act of 1933. The Ortmayer Mining Company is a Colorado corporation, of which C. G. Ortmayer is the President, Mrs. C. G. Ortmayer the Vice President and W. E. Haldane the Secretary and General Manager; all three are also directors of the company and own all of the outstanding stock. Mr. Ortmayer owns 51,000 shares of the Ortmayer Mining Company, Mr. Haldane 900 shares and Mrs. C. G. Ortmayer 100 shares.

## MANAGEMENT AND CONTROL

### Management

The officers and directors of the Company are as follows:

| Name | Address | Office |
|---|---|---|
| Clyde R. Boyle | Edgemont, South Dakota | President and Director |
| William E. Haldane | 1037 Ouray Avenue<br>Grand Junction, Colorado | Vice-President and Director |
| Paul H. Russell | Edgemont, South Dakota | Secretary, Treasurer and Director |
| Jack O. Jones | 1332 Hall Avenue<br>Grand Junction, Colorado | Director |
| Carl G. Ortmayer | 204 Country Club Park<br>Grand Junction, Colorado | Chairman of the Board of Directors |

Clyde R. Boyle—Professional Engineer, Mining and Geology, Registered South Dakota #641, Colorado #482. Michigan College of Mining and Technology, Houghton, Michigan. Twenty-five years as mining engineer and operator with experience in copper, tungsten, gold, silver and lead; General Manager, Slide Mines, Boulder, Colorado, 1940-1948. Director, Uranium Ore Producers Association.

W. E. Haldane—Graduate of the Colorado School of Mines, 1942, Engineer of Mines Degree. Assistant to the Superintendent of U. S. Vanadium Operations at Uravan from 1926 to 1942. Supervising Engineer, U. S. V., for uranium production, Manhattan Project, 1943-1944. Mill Foreman, U. S. V. Tungsten Operations, 1945-1947. Engineer for Colorado School of Mines Evaluation of Mineral Resources on Indian Lands, 1948-1949. From 1950 to present, Secretary and General Manager, Ortmayer Mining Company. Formerly President of Uranium Ore Producers Association.

Paul H. Russell—University of South Dakota, L.L.B. 1940. City Attorney for Edgemont, South Dakota. Member of the Edgemont School Board. Trustee for the Fall River Mining Company and Fall River Land Company. Title Examiner for F.H.A. and City Auditor. Practising attorney in Edgemont.

Jack O. Jones—Mining Engineer and Consultant. Registered professional Engineer #E 9920, Surveyor #S 3500, State of Ohio. Graduate of Ohio State University, 1936, Bachelor of Engineering in Mining. Eight years, Mining Production and Supervision, Braden Copper Co., Patino Mines, Cerro de Pasco, Cia. Carbonera Pallasca in Chile, Bolivia and Peru, South America. U. S. Bureau of Mines, 1947-1950, Examination and Evaluation Engineer, Raleigh, North Carolina. Two years Supervisor of Exploration and Deputy Chief of Exploration Branch for Atomic Energy Commission, Grand Junction, Colorado. Two years as General Manager for Western Mines Development Co. and Continental Uranium Co. Formerly Secretary and presently a Director of the Uranium Ore Producers Association.

## EQUIPMENT

The Company owns the following equipment:

**Sodak Uranium and Mining Company, Inc.**

**Schedule of Equipment**

2 Scintillators—MK—111
3 Counters
1 Power Saw
1 K 105—Compressor
1 LeRoi 105—Compressor
1 LeRoi 105—Compressor (Airmaster)
1 HD-5 G Loader
1 L.37 Jack Hammer
1 L.37 Jack Hammer with Leg
1 S 48 Jack Hammer with Leg
1 Wagon Drill
1 1953 Chevrolet Pick-up Truck
1 1954 Chevrolet Pick-up Truck
1 1954 Jeep Pick-up Truck
1 1952 Chevrolet—4D

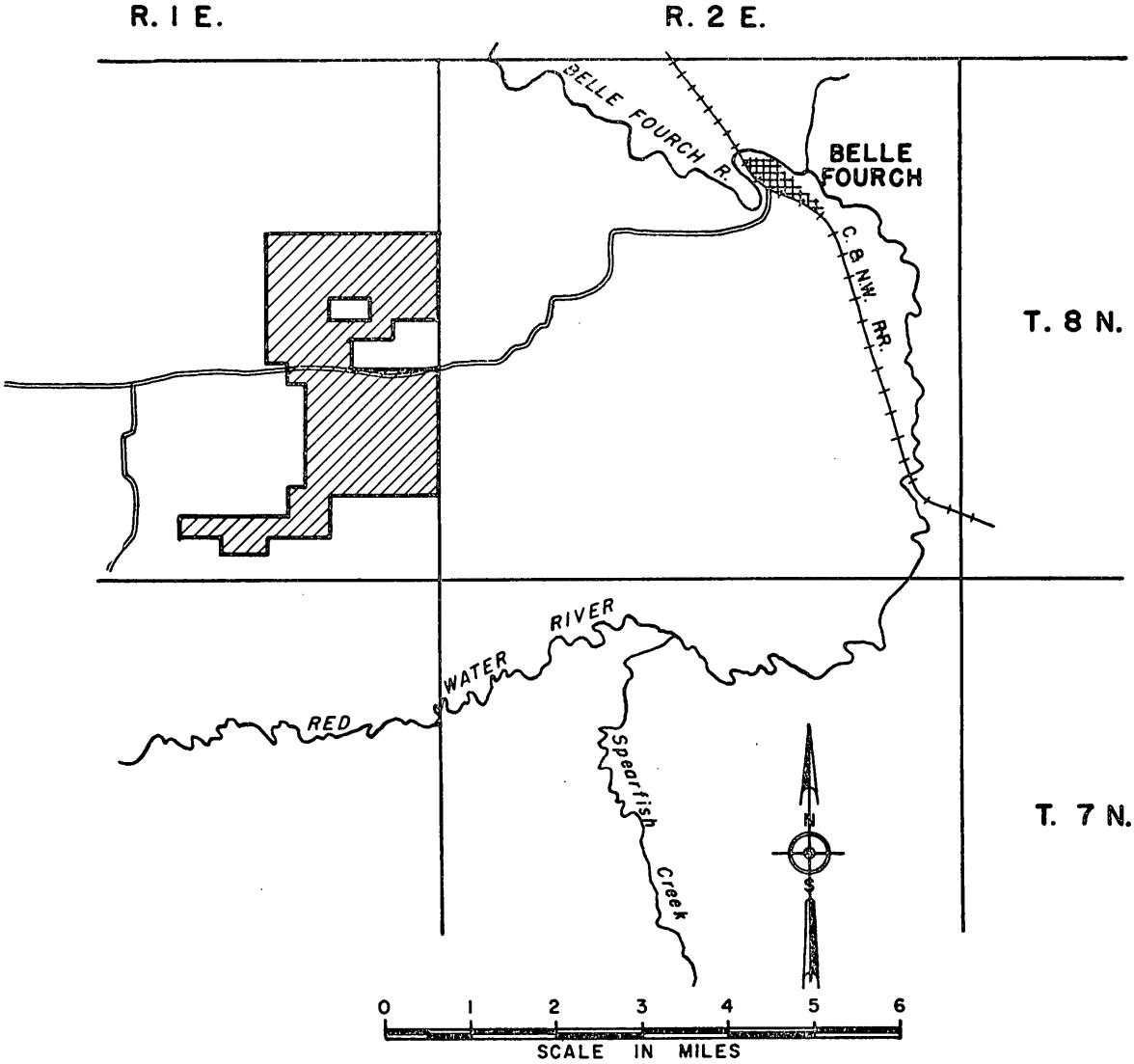
## APPLICATION OF PROCEEDS

There is no commitment on the part of the Underwriter to purchase any of the shares of Common Stock now being offered. Assuming that all of the shares of Common Stock offered hereunder are sold, the Company will realize approximately $213,000 after payment of the underwriting commission and expenses of the issue.

To the extent that funds are available from the sale of these shares, the Company intends to use such funds firstly for the payment of the amount of $51,000 due the Ortmayer Mining Company (of which $12,500 is payable on or before 90 days after the completion of the public offering, $12,500 on or before six months after the completion of the public offering and $26,000 to be paid 13 months after the completion of the public offering) as part of the consideration for the acquisition of the assets of the company, and the balance in the following order of priority:

| | |
|---|---|
| Additional equipment | $14,000 |
| Additional technical personnel and services | $10,000 |
| Aerial exploration | $10,000 |
| Drilling (approximately 100,000 ft.) | $75,000 |

The balance of $53,000 will be used as working capital for further exploration, surveying and geologic prospecting, drilling, mining and the purchase of additional claims or leases when justified. The Company and its Board of Directors reserve the right to change the application of the proceeds described above as the best interests of the Company and its stockholders may justify or require. No arrangements have been made or will be made for the return to subscribers of funds paid in, if sufficient funds are not raised to undertake the proposed program.




## BELLE FOURCHE AREA

**Butte County, South Dakota**

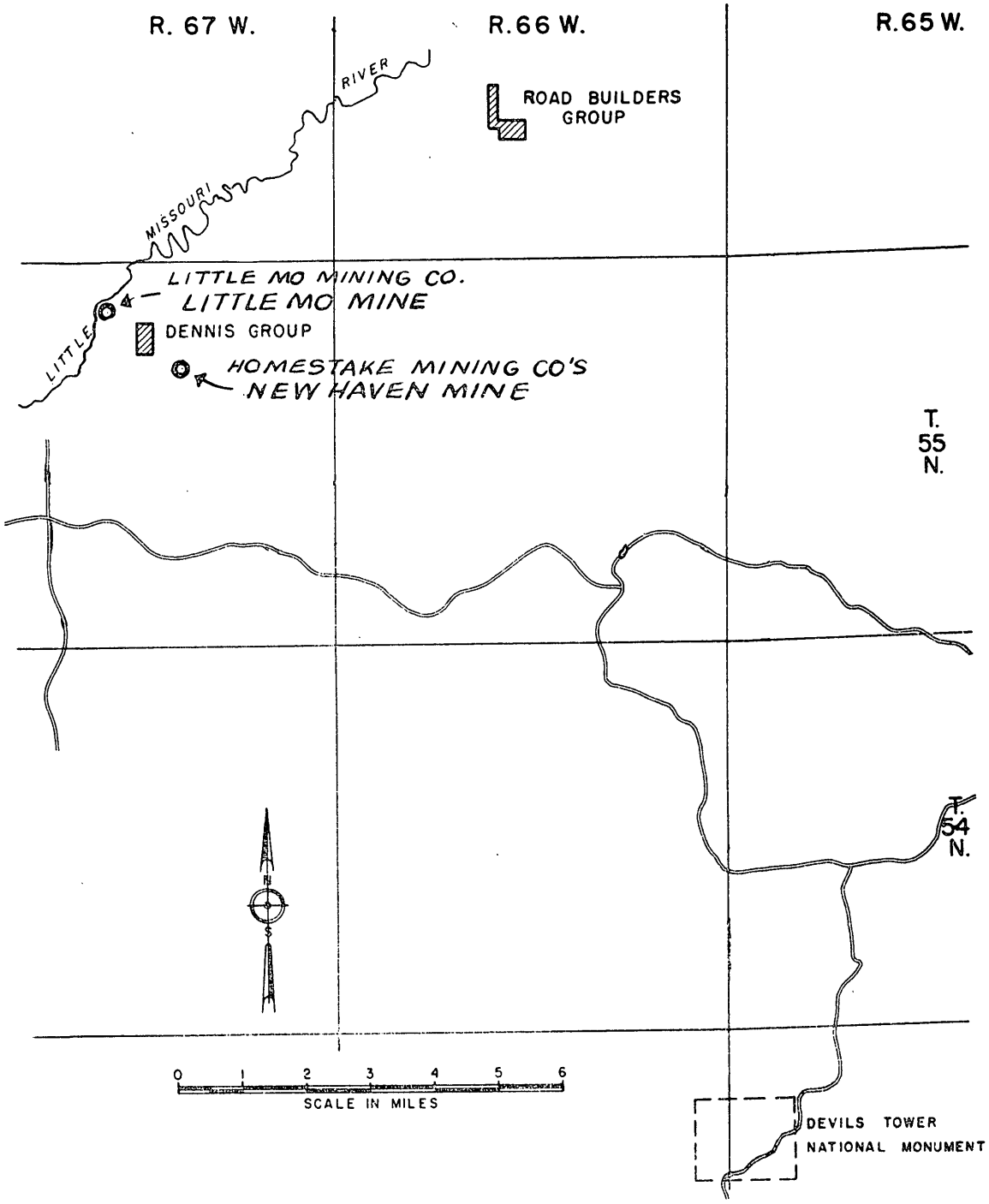
Held by SODAK URANIUM & MINING COMPANY

present knowledge of uranium mineralization in the Black Hills region. More positive criteria for favorability is the record of substantial production of uranium ore from several of these properties, and the presence of numerous known instances of uranium mineralization of unproved value on the properties. The general proximity of much of the ground to several of the largest deposits found in the Black Hills region enhances the possibilities that large deposits may be found on these properties.

Almost all of each property contains an ore horizon less than fifty feet beneath the land surface, and about ninety percent of the acreage contains all the possible ore horizons, as the land surface generally is composed of the Fall River Formation. Production from these properties has been confined to the top ore horizon underlying the surface locally, as the ore bodies mined have been found by virtue of their partial exposure or by very shallow drilling. Despite the impressive footage of exploratory drilling that has been done on these properties, only a small portion of the ore horizons contained has been proved barren of ore bodies. The ratio of mineralized horizon to unmineralized horizon must be considered very favorable, considering the exploratory drilling was random and not guided by any of the features now thought to influence localization of uranium mineralization."

**Nature of Interest In Leaseholds and Mining Claims**

Title of the Company to its various leases and claims has been passed upon by Martin P. Farrell, Esq. of Hot Springs, South Dakota, whose opinion is that the leases appear to be good and valid leases conveying to the Company the right to mine, develop and explore the properties so leased. The Company is not in default with respect to annual assessment work on any of its unpatented mining claims, and affidavits of labor performed for the period July 1, 1953 to June 30, 1954 have been properly recorded in the appropriate office of the Register of Deeds. The Johnson, Erschens and Dennis Leases, and the three leases in the Belle Fourche Area, are on land held in fee by the lessors. The other properties held by the Company, either directly or under lease, are unpatented mining claims which give the right to develop, mine and dispose of minerals found in such claims. They do do not constitute fee title in the usual sense and their validity is dependent upon such conditions as the sufficiency of a discovery of minerals, the proper posting and marking of boundaries, and the performance of annual assessment work. Many of the conditions involve facts which are not of record. Accordingly, any opinion relating to the validity of unpatented mining claims must be subject to the uncertainties which affect all such claims.




DEVILS TOWER AREA

Crook County, Wyoming

Held by SODAK URANIUM & MINING COMPANY

In the "Devils Tower Area" of Crook County, Wyoming, the Company has an 80 acre tract, the "Dennis Group"; this is approximately one-third of a mile northwest of the producing New Haven Mine of the Homestake Mining Company and approximately one-half mile east of the Little Mo Mining Company, as indicated on the map on page ... Although Homestake has reportedly drilled several barren holes between its mine and the "Dennis Group", preliminary drilling on the "Dennis Group" has revealed uranium mineralization in several places; this drilling has consisted of approximately 4,000 feet by the Sodak Mining Company (which intersected only the top ore horizon at a depth of about 27 feet) and three holes drilled by the A.E.C. No drilling has as yet been performed on the 120 acres of the "Roadbuilders Group". The Crook County tracts are approximately 150 miles from the nearest uranium ore buying station at Edgemont, South Dakota.

**Mining Agreement and Oil Lease**

The Sodak Mining Company entered into an agreement, dated June 1, 1954, with Kerr-McGee Oil Industries Inc. and Jenkins and Hand, under the terms of which Sodak agreed to mine certain uranium properties owned by Kerr-McGee and Jenkins and Hand, consisting of approximately 4,000 acres in Johnson and Campbell Counties, Wyoming. The agreement, which runs until May 1, 1955, and thereafter, unless terminated by either party before or after that date on thirty-days written notice, provides that Sodak is to receive 60% of the gross proceeds (less haulage allowance and ad valorem taxes based on the quantity or value of the uranium mined) for ore assaying from 0.20% $U_3O_8$ to 0.50% $U_3O_8$, 55% of such gross proceeds for ore assaying from 0.50% $U_3O_8$ to 1.00% $U_3O_8$, and 50% of such gross proceeds for ore assaying 1.00% $U_3O_8$ or more. This agreement was assigned to the Company by Sodak and such assignment was approved by Kerr-McGee and Jenkins and Hand on December 15, 1954. The Company bears costs of mining but does not bear any costs of exploration.

Selective mining operations on these properties by Sodak during the summer of 1954 resulted in production of 80.5 tons of ore averaging 1.71% $U_3O_8$ and a net return to Sodak of $14,125. The Company plans to resume such mining operations in the spring of 1955.

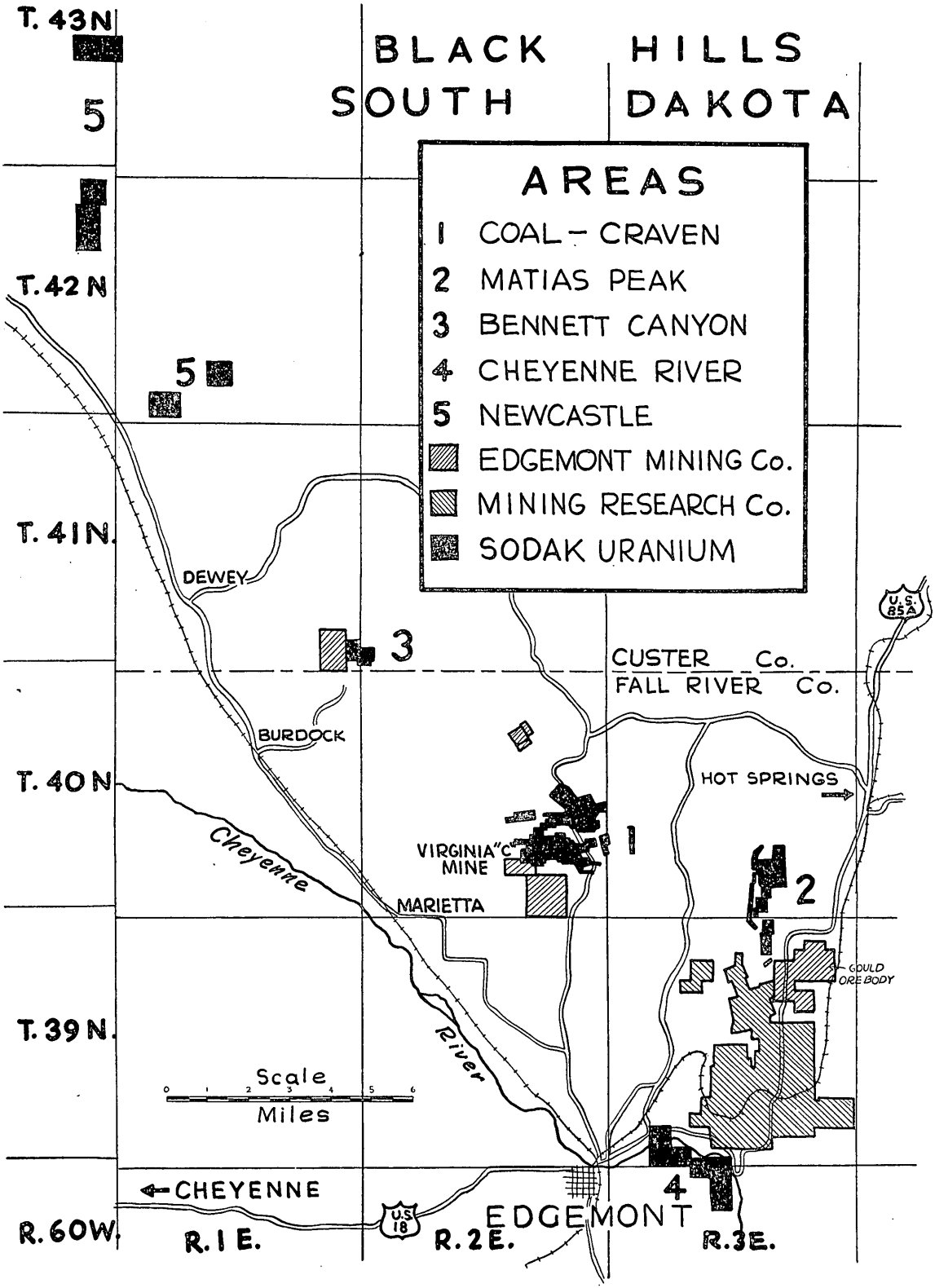
The Company is also the assignee of an oil and gas lease (Wyoming 011445) covering 120 acres in Natrona County, Wyoming. One dry hole, 2,900 feet in depth, has been drilled on this property. The Company has no plans to do any further drilling and contemplates disposing of this lease in the near future on as favorable terms as can be secured.

## GEOLOGIST'S REPORT

The following are excerpts from the geological report of Kirby C. Coryell, independent consulting geologist, dated October 15, 1954. Mr. Coryell was formerly employed by the A.E.C. and as chief geologist for Vernon Pick and Company.

"Evaluation of the Properties of Sodak Mining Company.

The properties of Sodak Mining Company are located in areas of general structural favorability for uranium mineralization, as that structural favorability is defined by


BLACK HILLS
SOUTH DAKOTA
AREAS
1 COAL - CRAVEN
2 MATIAS PEAK
3 BENNETT CANYON
4 CHEYENNE RIVER
5 NEWCASTLE
EDGEMONT MINING Co.
MINING RESEARCH Co.
SODAK URANIUM
T. 43N
T. 42 N
T. 41N.
T. 40 N
T. 39 N.
R. 60W.
R. 1 E.
R. 2 E.
R. 3 E.
DEWEY
BURDOCK
CUSTER Co.
FALL RIVER Co.
HOT SPRINGS
VIRGINIA "C" MINE
MARIETTA
Cheyenne
River
GOULD ORE BODY
Scale
Miles
CHEYENNE
EDGEMONT
U.S. 18
U.S. 85A

## SCHEDULE OF PROPERTY HOLDINGS

(Continued)

| Group-Claim | County—State | Approx. Acres | Holding | Royalty | Date Acquired |
|---|---|---|---|---|---|
| | | NORTHERN HILLS DISTRICT | | | |
| (Belle Fourche Area) | | | | | |
| Kling Lease | Butte, S. D. | 1,880 | 3-yr. lease; 3-yr. option | 12½% | 9/21/53 |
| Bonato Lease | Butte, S. D. | 1,260 | 3-yr. lease; 3-yr. option | 12½% | 9/28/53 |
| Apland Lease | Butte, S. D. | 440 | 1-yr. lease; 1-yr. option | 12½% | 3/ 4/54 |
| (Devils Tower Area) | | | | | |
| Road-builders | Crook, Wyo. | 120 | Sodak | None | 7/23/54 |
| Dennis | Crook, Wyo. | 80 | 2-yr. lease; 2-yr. option | 12½% | 10/27/53 |
| | TOTAL ACRES | 8,845 | | | |

All of the options referred to are exercisable at the discretion of the Company, provided that exploratory or mining operations are being conducted on the properties involved. The reference to "Sodak" in the Column entitled "Holding" indicates unpatented mining claims held directly by the Company.

## EDGEMONT DISTRICT

The Company's properties in the "Coal Craven Area" of the Edgemont District comprise 1,720 acres and had produced by September 16, 1954, approximately 4,300 tons of ore. These properties are just to the north of the "Virginia C" mine of the Edgemont Mining and Uranium Co., which has been one of the largest producers in the southern Black Hills area, and encircles Edgemont's "Lundberg Lease" which has produced approximately 2500 tons of ore. The 675 acres in the "Matias Peak Area", which have produced approximately 2,000 tons of ore, lie one to three miles north of Edgemont's "Gould Lease" property.

## NORTHERN BLACK HILLS

The Company's properties in the "Belle Fourche Area" comprise 3,580 acres held under lease in Butte County, South Dakota, in the northern Black Hills. These leases contain a considerable number of outcroppings of uranium mineralization and zones of anomalous radioactivity. Only about 11,000 feet of drilling in the upper ore horizon has thus far been performed on this 3,580 acres, and although no ore body has as yet been defined, approximately 925 tons of uranium ore has been produced and shipped from these properties, for which Sodak Mining Company received approximately $17,500 including bonus.

## SCHEDULE OF PROPERTY HOLDINGS

| Group-Claim | County—State | Approx. Acres | Holding | Royalty | Date Acquired |
|---|---|---|---|---|---|
| | | | **EDGEMONT DISTRICT** | | |
| **(Coal-Craven Area)** | | | | | |
| Joe Smith | Fall River, S. D. | 1,560 | 10-yr. lease; 10-yr. option | 15% | 9/29/52 |
| Get Me Rich | Fall River, S. D. | 20 | 10-yr. lease; 10-yr. option | 15% | 9/17/52 |
| Lucky | Fall River, S. D. | 20 | 10-yr. lease; 10-yr. option | 15% | 9/12/52 |
| Coal Canyon Group | Fall River, S. D. | 100 | Sodak | None | 11/22/54 |
| Coal Canyon #1 | Fall River, S. D. | 20 | 10-yr. lease; 10-yr. option | 15% | 9/17/52 |
| **(Matias Peak Area)** | | | | | |
| Montana | Fall River, S. D. | 40 | 10-yr. lease; 10-yr. option | 15% | 9/29/52 |
| Rip Snorter | Fall River, S. D. | 190 | 10-yr. lease; 10-yr. option | 15% | 7/ 5/52 |
| Parker | Fall River, S. D. | 125 | 10-yr. lease; 10-yr. option | 15% | 7/15/52 |
| Uranium | Fall River, S. D. | 160 | 5-yr. lease: 5-yr. option | 15% | 2/ 2/53 |
| Johnson | Fall River, S. D. | 160 | 6-mo. lease; 6-mo. option | 20% | 9/27/54 |
| **(Bennett Canyon Area)** | | | | | |
| Lucky Strike | Custer, S. D. | 100 | 10-yr. lease; 10-yr. option | 10% | 9/29/52 |
| Hillview | Custer, S. D. | 90 | 10-yr. lease; 10-yr. option | 10% | 9/29/52 |
| **(Cheyenne River Area)** | | | | | |
| Erschens Lease | Fall River, S. D. | 1,040 | 5-yr. lease; 5-yr. option | 12½% | 10/16/54 |
| **(Newcastle Area)** | | | | | |
| Big-Ox-White | Weston, Wyo. | 840 | Sodak | None | In process |
| Shale-Bark Groups | Fall River, S. D. | 600 | Sodak | None | In process |

The A.E.C. maintains a uranium ore-buying station at Edgemont, South Dakota, about eight miles south of the Edgemont Uranium Mining District, which purchases ore from more than fifty locations in the Black Hills. The A.E.C. also has an office in Hot Springs, South Dakota; Edgemont is twenty-eight miles southwest of Hot Springs.

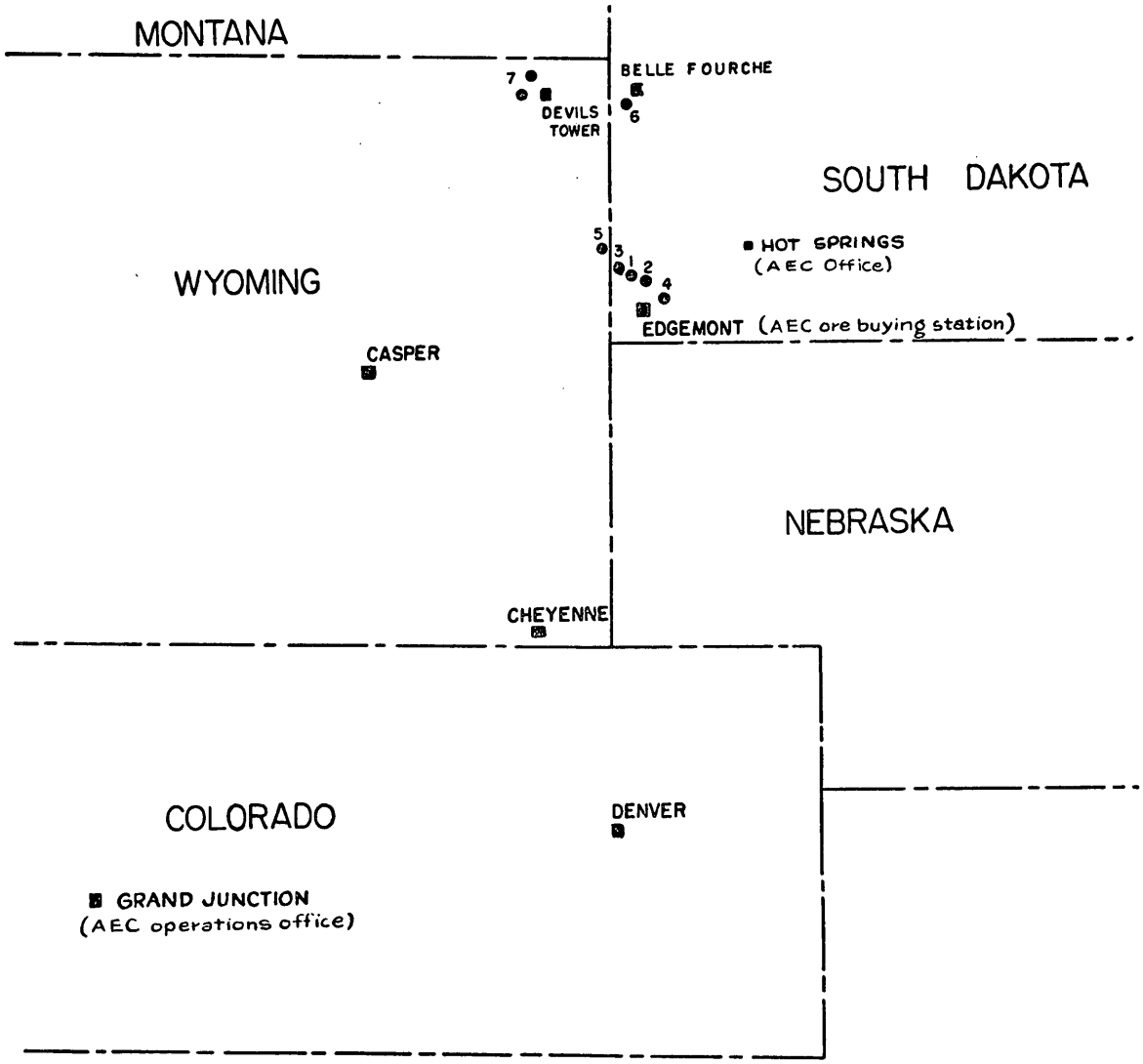
The A.E.C. has previously conducted exploratory drilling on the Company's properties and the Company now has an agreement with the A.E.C. permitting additional Government-sponsored exploratory drilling on the Company's properties if the A.E.C. so elects. The A.E.C. is presently conducting drilling on the "Joe Smith" claims, including the drilling of offsets to holes previously drilled which showed mineralization.

The Company's properties are generally accessible by semi-surfaced and gravelled access and county roads. The climate permits year-around mining operations, except for occasional heavy snows in the extreme winters. The area has ample supplies of timber and water and there is an ample supply of labor.

The two geological formations in the Black Hills with known commercial uranium mineralization are the Lakota formation and the Fall River or Dakota formation. The beds separating these two formations generally are very thin and both formations may usually be intercepted at depths of less than 300 feet. All of the Company's properties contain both of the possible ore horizons except for the 10 claims in the "Rip Snorter" group which contain only the Lakota formation.

Virtually all of the drilling performed on the Company's properties has been shallow and designed to intersect the upper ore horizon only in order to define the covered extent of ore behind outcrops and for purposes of geological reconnaissance. Only the most recent drilling has been guided by geologic information recently developed and thought to influence the accumulation of uranium in mineable concentrations in the Black Hills area. These criteria, which the Company is now beginning to use in the planning of its exploratory drilling program and in the acquisition of new properties, indicate that ore bodies are more likely to be found (1) in terraces of monoclines—where the folding goes from a steep into a gentle dip, and (2) in ancient channels formed by scouring of portions of the beds between the Lakota and the Dakota formations.

The Company believes that the combination of two possible ore horizons on its properties of total moderate depth, the development of substantial geologic information, the recent increase in discoveries and production in the general Black Hills region, and the structural favorability of the Company's properties as evidenced by past production and proximity to producing properties, warrants its undertaking of an extensive drilling program, including substantial deeper drilling to the lower ore horizon. In addition, the Company will continue shallow wagon-drilling of areas of known surface anomalies which have not as yet been fully explored.




AREAS

1 COAL - CRAVEN
2 MATIAS PEAK
3 BENNETT CANYON
4 CHEYENNE RIVER
5 NEWCASTLE
6 BELLE FOURCHE
7 DEVILS TOWER

INDEX MAP SHOWING AREAS OF MINING OPERATIONS OF THE SODAK URANIUM & MINING CO., INC.

0 30 60 90

SCALE OF MILES

## PRODUCTION STATEMENT FROM OCTOBER, 1952 TO NOVEMBER, 1954

| Group | Dry Tons | Production Bonus Received Under Circular 6 | Total Receipts—Ore Sales (Including Bonus) |
|---|---|---|---|
| **Coal-Craven Area** | | | |
| Joe Smith | 3040 | $32,748 | $109,702 |
| Get Me Rich | 426 | 4,773 | 11,931 |
| Lucky | 101 | 1,844 | 4,570 |
| Coal Canyon #1 | 606 | 10,691 | 25,467 |
| Coal Canyon Group | 162 | 2,303 | 6,255 |
| **Matias Peak Area** | | | |
| Rip Snorter | 1954 | $20,897 | $ 49,723 |
| **Bennett Canyon Area** | | | |
| Lucky Strike 1 | 52 | $ 389 | $ 987 |
| **Belle Fourche Area** | | | |
| Kling Lease | 764 | $ 6,264 | $ 14,423 |
| Bonato Lease | 28 | 85 | 225 |
| Apland Lease | 130 | 1,205 | 2,766 |
| Total | 7263 | $81,199 | $226,049 |

All of the uranium ore shipped from the Company's properties to date has contained vanadium and none of the ore has been subject to penalty for excessive lime content. No implication is intended that the production results from the area already mined are necessarily applicable in anyway to the remaining part of the Company's properties.

As is indicated in the Production Statement and in the Financial Statement herein, full bonus payments have been made for the "Joe Smith Group" and partial bonus payments have been made for the other groups from which production has come. All of these groups have been certified as eligible for bonus payments under Circular 6 by the A.E.C. The Company believes that the other groups which have not as yet been certified will be eligible for bonus payments if there is production from these groups. The Company has also applied for a new certification on a portion of the "Joe Smith" properties. This application is now pending with the A.E.C.

## THE COMPANY'S PROPERTIES

### General

The Company has interests in approximately 8,845 acres in Fall River, Custer and Butte Counties, South Dakota, and in Weston and Crook Counties, Wyoming. Of this acreage, 5,065 acres are located in the Edgemont District of the Southern Black Hills in the southwest corner of South Dakota, one of the most important of the new uranium ore producing areas. The remaining 3,780 acres are located in the northern Black Hills of South Dakota and Wyoming, an area of relatively recent interest for uranium exploration and mining. The complete Schedule of Property Holdings of the Company is set forth on pages 8 and 9.

nium Program Circular 5, as Revised. The announced policy of the A.E.C. is to expend every effort to assist in the production of uranium. Although the Company has no assurance with respect to future A.E.C. policy, it is anticipated that such policy will continue and that the Company will have no difficulty in disposing of its uranium ore.

## HISTORY AND BUSINESS

### General

The Company was incorporated to acquire all of the properties formerly held by the Sodak Mining Company, one of the principal uranium companies in the Black Hills region of South Dakota and Wyoming. The latter Company was formed in June, 1952, by Clyde Boyle and the Ortmayer Mining Company of Grand Junction, Colorado, shortly after the first important discoveries of uranium were made in the Edgemont Mining District of the Black Hills.

The Sodak Mining Company made its first shipment of uranium ore in October, 1952, and has since then continued mining operations, and at the same time, has continued an active drilling program and maintained a constant search for new properties which could be acquired if geological investigations warranted such acquisition.

The Company's program has included extensive surface exploration to determine the presence of mineralized outcrops, and shallow wagon drilling of ore exposures to define the extent and location of mineralization behind the outcrops. During 1953 and 1954, all of the new uranium districts in South Dakota and Wyoming were investigated and additional property was acquired in the Belle Fourche and Devils Tower Areas in the northern Black Hills as well as in the Edgemont District.

In May, 1953, the Sodak Mining Company received a U. S. Defense Minerals Exploration Administration (DMEA) loan of $35,000 for drilling on the Rip Snorter and Parker group of claims. Approximately 11,000 feet of drilling has thus far been performed to delineate a structure in the Lakota sands; additional drilling will be based on the information obtained from the initial exploratory drilling program.

### Production

By November 30, 1954, uranium ore had been produced and shipped from ten of the twenty groups of properties in which the Company has interests. Although this production has come from mine workings occupying less than 5% of the Company's total acreage and has resulted from exploration and drilling of surface outcroppings and very shallow drilling, approximately 7,250 tons of uranium ore averaging 0.22% $U_3O_8$ (uranium oxide), of a total gross value of approximately $225,000, had been produced and shipped in accordance with the following Production Statement:

such transfer was determined arbitrarily by the Board of Directors of the Company, which was controlled by the partners of the Sodak Mining Company, and the properties and other assets were not subject to appraisal or other measure of value.

Although there is no assurance that all of the shares being offered hereunder will be sold, if such shares are sold, then the investing public will hold 1,200,000 shares, or approximately 44.4 per cent of the total outstanding stock of the Company, for which they will have paid $300,000. The principals of the Sodak Mining Company (including partners, officers, promoters and associates) will receive a total of 1,500,000 shares, or approximately 55.6 per cent of the total outstanding stock of the Company, and $51,000 in cash, as set forth above, in exchange for properties for which the Sodak Mining Company spent the sum of $29,450 in acquiring said properties and on which it expended substantial other sums in furtherance of its business, as more fully set forth in the Financial Statements herein, which sums were received from the sale of uranium ore and partnership investment.

Extensive tests may establish the existence of proven quantities of uranium ore. No substantial ore reserves are presently established on the Company's properties and there is, therefore, no present assurance that mining operations will be continued over an extensive period of time. Until the presence of ore can be established, the value of any particular properties must be more or less arbitrarily determined. Production history, proximity to known ore deposits, favorable geological formations and test drilling may, separately or in combination, indicate good mineral potentials. One or more of such favorable indications were used in the selection of the properties now owned by the Company and, together with consideration of prices paid by others in negotiated purchases of nearby properties would provide a basis for the Company's ascribing to such properties substantial value. Such "value" is not susceptible to accurate measurement at this time since, except to the extent that it is based upon proven ore in the ground, subsequent operations may show the realizable productive value of a particular property to be greater or less than its ascribed potential value and should commercial ore not be present, such property would eventually prove worthless. It is to be borne in mind, therefore, that, except with respect to specific statements regarding the producing mines, the information hereinafter set forth as to the location and geological structure relating to the various properties, is not to be construed as a representation that commercially productive ore is present or will be found on any such properties.

Offices of the Company are located in Oxnard House, Edgemont, South Dakota, and its Post Office address is Post Office Box 330, Edgemont, South Dakota.

## MARKET FOR URANIUM

At present the sole market for uranium ore in this country is the United States Government, operating through the Atomic Energy Commission (A.E.C.) or its authorized purchasers. Under existing conditions, there is no competition or marketing problem since the United States Government is the willing, exclusive buyer at established prices, dependent on the quality of the ore. The A.E.C. has established a guaranteed minimum price schedule for uranium ores for the period through March 31, 1962, as set forth in its Domestic Ura-

# SODAK URANIUM AND MINING COMPANY, INC.

## INTRODUCTORY STATEMENT

Sodak Uranium and Mining Company, Inc. (hereinafter referred to as the "Company") was incorporated under the laws of the State of Delaware on November 15, 1954, for the purpose of acquiring, exploring and developing uranium properties, including producing mines. On that date, the Company acquired by assignment all of the assets subject to liabilities of the Sodak Mining Company, a partnership organized in June, 1952, by the Ortmayer Mining Company of Grand Junction, Colorado, and Clyde Boyle, President of the Company.

The Sodak Mining Company began shipping uranium ore in October 1952 and had, by November 15, 1954, produced and shipped approximately 7,250 tons of uranium ore from the Company's properties, for which Sodak Mining Company received approximately $225,000, including bonus for initial production under Domestic Uranium Program Circular 6.

This production has come from ten of the groups of properties owned by the Company (as set forth in the Production Statement on page 5, and the Financial Statements herein). The Company acquired by the assignment from Sodak Mining Company these ten groups of properties and ten additional groups, aggregating altogether approximately 8,845 acres in the Black Hills region of South Dakota and Wyoming. The South Dakota properties are centered in the Edgemont Mining District, one of the most important of the new uranium ore producing areas. The Company is presently producing uranium ore from the "Joe Smith" group in the Edgemont District.

The proceeds of this offering will be used primarily to provide additional capital for exploration and mining operations on properties now held by the Company or which may be subsequently acquired, and for additional technical personnel and services. This will include extensive drilling to the deeper ore-bearing geological formations, which are present on over 90 per cent of the Company's properties.

The Company's mining and exploration activities will be carried on under the full time supervision of its President, Clyde Boyle, a professional mining engineer. Three of the five present directors of the Company are professional mining engineers, with extensive experience in uranium mining. In addition to Mr. Boyle, the Board of Directors includes Jack O. Jones, who was formerly Supervisor of Exploration and Deputy Chief of the Exploration Branch, Atomic Energy Commission, Grand Junction, and General Manager of Continental Uranium Co., and also includes W. E. Haldane, formerly Supervising Engineer for uranium for the U. S. Vanadium Co. and President of the Uranium Ore Producers Association.

The Sodak Mining Company transferred all of its assets subject to its liabilities to the Company in consideration for the issuance to the partners of the Sodak Mining Company of 1,500,000 shares of the Company's capital stock, in addition to a commitment to make payment to the Ortmayer Mining Company of the sum of $51,000, which is to be paid out of the proceeds of this offering in the amount of $12,500 on or before 90 days after the completion of the public offering, $12,500 on or before six months after the completion of the public offering and $26,000 13 months after the completion of the public offering. The price for

OFFERING CIRCULAR

# SODAK URANIUM AND MINING COMPANY, INC.

(A Delaware Corporation)

## 1,200,000 Shares of Common Stock

(Par Value 1¢ Per Share)

*Transfer Agent:*
REGISTRAR AND TRANSFER COMPANY
15 Exchange Place, Jersey City 2, New Jersey

## OFFERING PRICE: 25¢ Per Share

THESE SECURITIES ARE OFFERED AS A SPECULATION.

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE.

| | Maximum Price to Public | Underwriting Discount or Commission(1)(3) | Proceeds to Corporation(2) |
|---|---|---|---|
| Total Offering ..... | $300,000.00 | $60,000.00 | $240,000.00 |
| Per Unit ..... | $ 0.25 | $ 0.05 | $ 0.20 |

(1) The Company is offering 1,200,000 shares of Common Stock to the public at a price of 25¢ per share, of which the Underwriter will receive 5¢ per share and the Company 20¢ per share before deduction of certain expenses as hereinafter set forth. The Company has also agreed to pay the Underwriter for expenses of the issue at the rate of 2½¢ on each share of the first 1,000,000 shares sold to the public, limited, however, to a maximum of $25,000; no part of such sum is returnable if not expended. Any expenses incurred by the Underwriter in connection with the offering in excess of $25,000 will be borne by the Underwriter.

(2) Based upon sale of the entire issue of 1,200,000 shares and before deduction of expenses set forth in footnote (1) above in the amount of $25,000, and before deduction of expenses payable by the Company in connection with the offering estimated not to exceed $2,000.

(3) The principal shareholders have sold to Milton Capper, a partner of the Underwriter, 200,000 shares of Common Stock of the Company at 1 mill per share, and have agreed to vote for the election of a nominee of the Underwriter as a director, as set forth under the section herein entitled "Terms of Offering".

*Underwriter*

**CAPPER & CO.**

**80 Broad Street, New York 4, New York**

**DIgby 4-8790** **Teletype Number: NY 1-3726**

The Date of This Offering Circular Is February 17, 1955.

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

140

MAY 5 1955

Mr. Munroe F. Pofcher
Pofcher, Schlussel and Katcher
Counsellors at Law
342 Madison Avenue
New York 17, New York

Dear Mr. Pofcher:

Your letter of April 29 to the Defense Minerals Exploration Administration concerning the use of some sort of bond or guarantee in lieu of an owner's Consent to Lien, has been referred to me for reply.

In the case of a lessee-applicant, the Consent to Lien of the owner of the land is ordinarily required as a condition precedent to entering into an exploration project contract. However, in special cases where the owner's Consent to Lien cannot be obtained, it is sometimes waived under the following circumstances:

1. If the applicant is obviously responsible financially, and has a previous record of continued operations and production.

2. In lieu of an owner's Consent to Lien, the Government has accepted a surety bond, written on the standard form, by a surety company acceptable to the Government. Any authorized surety company would have these forms in hand.

3. In lieu of an owner's Consent to Lien, the Government has accepted the guarantee of a responsible third party, upon a satisfactory showing of financial responsibility. There is no standard form of such guarantee. If a situation should arise in which it is desired to use such a guarantee, this office will draft a suitable guarantee form to fit the requirements of that particular case.

If the foregoing does not fully respond to your inquiry, please communicate with us further.

JLHofflund:gjb 5/5/55
Copy to: DMEA Docket
Sol. Docket
C. O. Mittendorf
Adm. R. File
J. L. Hoflund
Chron. File

Very truly yours,

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Surname Ellis

700

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

INTERIOR DEPT.
MAY 6 - 1955
SOLICITOR

May 6, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-4517
Ortmayer, Sullivan and Boyle
Amendment No. 4

Please draft Amendment No. 4 to the subject contract to extend the completion date until October 1, 1955, at no additional cost to the Government.

The time for repayment of the Government's participation should also be extended to 12 years from the date of the contract.

F. L. Knouse

F L Knouse:am
5-6-55
cc to: Docket
Code 700
Mr. Knouse

Chairman, Opr. Comm. D.M.E.A.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 6 - 1955

DN 235 BUR MINES 5-5-55 4-13 PM

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE DOCKET DMEA 2857, CONTRACT IDM-E517, ORTMAYER, SULLIVAN AND BOYLE, PROPOSED ASSIGNMENT OF CONTRACT TO SODAK MINING COMPANY. CONTRACT EXPIRES MAY 7. OPERATOR REQUESTS EXTENSION TO OCTOBER 1,1955. RECOMMEND THAT AMENDMENT BE PREPARED IN CONJUNCTION WITH ASSIGNMENT. DATA RELATIVE TO EXTENSION WILL BE FORWARDED LATER.

W M TRAVER

Denver, Colo.

MAY 6 7 35 AM '55

BUREAU OF MINES
MAIL ROOM
WASHINGTON D. C.

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

140

Pending File
J. L. Hoffland
Field Team, Region III (2)
H. C. Rubin
Chron. File
Operating Committee
T. H. Kiilsgaard, GS
J. E. Crawford, BM
E. W. Ellis
DMEA Docket
Sol. Docket
Adm. R. File

4/14/55
Copy to:

APR 18 1955

Mr. C. R. Boyle, President
Sodak Uranium & Mining Co., Inc.
Edgemont, South Dakota

Re: Docket No. DMEA-2857
Contract Idm-E517
Ortmayer, Sullivan & Boyle
Fall River County, South Dakota

Dear Mr. Boyle:

Mr. Traver transmitted to us your letter to him dated March 26, and the two attachments thereto purporting to assign to your company, Sodak Uranium & Mining Co., Inc., the interests in three leases which are the subject of the above-identified exploration project contract.

Our interest in the matter is to determine whether your company, as the proposed assignee of the exploration project contract, has a sufficient interest in the land for the purposes of the contract, and we are not clear that it has from the evidence submitted to us.

In connection with the Original application for the exploration project contract, there were submitted to us copies of three leases, with Sullivan, Boyle, and Ortmayer, as individuals, named as lessees in each lease. Therefore, there should be some evidence that these three individuals have assigned their individual interests in the leases to the Sodak Uranium & Mining Co., Inc. Instead, you have submitted evidence only that (by an instrument dated August 14, 1953), Sullivan and Burwell have assigned all their interests (12½%) in assets (whatever they may be) of the Sodak Mining Company, a partnership, made up of Sullivan, C. R. Boyle, and Ortmayer Mining Company, a corporation; and that the Sodak Mining Company, partnership, has assigned all its assets to the proposed assignee (by an instrument dated November 15, 1954). As far as we can determine the individuals Ortmayer and Boyle have not assigned their individual interests to the proposed assignee, and we should, therefore, be furnished with evidence of such transfer.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

R.C.J.

SODAK URANIUM & MINING CO., INC.

PHONE MOhawk 27203 - P. O. BOX 330

EDGEMONT, SOUTH DAKOTA

INTERIOR DEPT.

APR 5 - 1955

SOLICITOR

March 26, 1955

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

Re: Docket DMEA 2857
Contract Idm-E517
Ortmayer, Sullivan
and Boyle

Dear Mr. Traver:

In answer to your letter of March 21st please find attached photostatic copies of the documents of assignment.

Regarding the assignment of interest by Sullivan and Burwell to the partnership; Mr. Burwell was never a member of the partnership but had an interest in the interest held by Mr. Sullivan. It was considered best to have Mr. Burwell sign the assignment.

I hope these copies are satisfactory.

Yours very truly,

C. R. Boyle

C. R. Boyle

RECEIVED

APR 5 1955

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

DMEA
Doc Room

MAR 28 1955

BUREAU OF MINES
Denver, Colorado

AGREEMENT OF ASSIGNMENT OF
INTEREST IN MINING PARTNERSHIP

THIS AGREEMENT, Made and entered into in triplicate as of August 14, 1953, between R. G. SULLIVAN and BLAIR BURWELL, of Grand Junction, Colorado, first parties, hereinafter called Assignors, and SODAK MINING COMPANY, a mining partnership presently composed of said assignors, CLYDE R. BOYLE, and ORTMAYER MINING COMPANY, a Colorado corporation conducting mining operations in Fall River County, South Dakota, second party, hereinafter called Assignee, WITNESSETH:

That Assignors, as of this date, do hereby sell, transfer and assign to Assignee all of their interest, being 12½%, in and to said mining partnership and the assets thereof, said partnership agreement being dated December 31, 1952, reference to which is hereby made for its particular terms and conditions.

IN CONSIDERATION THEREFOR Said Assignee hereby agrees to pay Assignors, at Grand Junction, Colorado, on or before December 31, 1953, the sum of $2500.00, and agrees to pay assignors the further sum of $2,000.00 in four $500.00 instalments at the times hereinafter set forth, to-wit:

$500.00 on or before July 1, 1954
500.00 on or before December 31, 1954
500.00 on or before July 1, 1955, and
500.00 on or before December 31, 1955

All without interest.

WITNESS Their names.

Blair Burwell

R G Sullivan

Assignors

ORTMAYER MINING COMPANY
SODAK MINING COMPANY

By C A Ortmayer
Thereunto duly authorised

Assignee

DMEA
Date Rec'd.

MAR 23 1955

BUREAU OF MINES
Denver, Colorado

KNOW ALL MEN BY THESE PRESENTS:

That, the undersigned assignor, the SODAK MINING COMPANY, a partnership, in consideration of ten dollars and other valuable consideration, paid by the assignee, the SODAK URANIUM AND MINING COMPANY, INC., a Delaware Corporation, hereby assigns unto the assignee, its successors and assigns, all of its right, title, and interest in and to all of the assets of the assignor. These assets include but are not limited to any and all properties, claims, leases, equipment, cash, accounts, and other items owned by the assignor as of the date of this assignment, as reflected in the balance sheet and financial statements certified by Robert Parent, Certified Public Accountant, as of November 15, 1954.

It is understood and agreed that these assets are taken subject to the liabilities as shown on the balance sheet of the assignor as of this date, and particularly subject to a vendor's lien in the amount of $51,000 in the favor of Ortmayer Mining Company, a Colorado Corporation, the repayment terms of that note liability shall be $1,[illegible]00.00 on or before 90 days of the completion of the public offering of the stock of the SODAK URANIUM AND MINING COMPANY, INC.; $12,500.00 on or before six months from the completion of the public offering and $26,000.00 to be paid 13 months from the date of the completion of the offering.

SODAK MINING COMPANY

C. G. Boyle

Ortmayer Mining Company, a Colorado Corporation, by C. G. Ortmayer, President

The assignee does hereby accept the assignment of the assets herein mentioned and does hereby covenant and agree to perform all the terms and conditions on his part to be performed.

SOLAR [illegible] AND [illegible] COMPANY
by C. R. Boyle, President

November 15, 1954

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

224 New Customhouse
Denver 2, Colorado

March 31, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Ortmayer, Sullivan and Boyle, Ripsnorter and Parker Group of Claims, Fall River County, South Dakota

In conjunction with matter discussed in your letter of March 7 and teletype of March 17, 1955, we are enclosing a photostat copy of assignment agreement between Ortmayer Mining Company and Sodak Mining Company, and an agreement of assignment of interest in mining partnership by Blair Burwell and R.G. Sullivan. We are also enclosing the original of the letter by which the foregoing documents were forwarded to this office.

W. M. Traver

W. M. Traver

Enclosures

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

Surname copy
F. L. Knouse
Ellis
Selfridge
F. E. Wilson
Matthews

MAR 1 7 1955

Department of the Interior

DMEA

1h1h401(01) Revolving Fund, Defense Production Act, Interior
(Allocated Working Fund to the Office of the Secy.)

**TELETYPE**

W. M. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT MARCH 15 DMEA-2857 ORTMAYER, SULLIVAN, BOYLE, OURTET MARCH 7

REQUESTED INFORMATION WE WILL REQUIRE FOR REVIEW BEFORE THE MATERIAL

YOU REFER TO IS FORWARDED.

George C. Selfridge

GEORGE C. SELFRIDGE
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/gla
3-16-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T.H.Kiilsgaard, Rm. 5224
J.O.Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse
Confirmation to DMEA FT, Reg. III

SENT
MAR 1 8 1955
Central Service Section

R.S.H.

Mr. George Selfridge

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1955

DN 235 EUR MINES 3-15-55 3-51 PM

CHAIRMAN, OPERATING COMMITTEE, DMEA

REFERENCE DOCKET DMEA 2857, CONTRACT IDM E-517, C G ORTMAYER, R G SULLIVAN, AND C R BOYLE, YOUR MEMO OF MARCH 7, 1955. THE FORM REFERRED TO IN THE LAST PARAGRAPH OF HOFFLUND S MEMORANDUM HAS NOT INCLUDED ADXY AND MATERIAL FORWARDED TO US. PLEASE TELETYPE ADVICE.

J M TRAVER

Denver, Colo.

MAR 16 8 38 AM '55
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

Surname copy

J L Knouse
Ellis
Selfridge
Johnson
Mathews

MAR 7 - 1955

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

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
C. G. Ortmayer, R. G. Sullivan,
and C. R. Boyle, partners
Rip Snorter and Parker Groups of claims
Fall River County, South Dakota

Dear Mr. Traver:

This is in response to your memorandum dated February 10, 1955, concerning the proposed assignment of the subject contract to the Sedak Uranium and Mining Company, Inc.

There are enclosed two copies of a memorandum dated March 2, 1955, from the Acting Assistant Solicitor, which is self-explanatory. Please obtain the requested information and forward it to us.

We will retain the combination assignment, referred to in the above memorandum, until the requested information is received and reviewed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosures

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

E. L. Newcomb
Member, Geological Survey (JHB)

FLKnouse/gla
3-4-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse

cal

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

MAR - 2 1955.

Memorandum

To: The Administrator, DMEA
Attention: E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2857 (Uranium), Contract No. Idm-E517, Ortmayer, Sullivan and Boyle, Partners, Rip Snorter and Parker Groups of claims, Fall River County, South Dakota

Pursuant to the request in Mr. Knouse's memorandum dated February 23 we have prepared the attached combination assignment form.

Prior to the Government consenting to the assignment, the Operator should furnish for review by the Government a copy of the instrument assigning the Operator's leasehold interests in the land to the Sodak Uranium and Mining Company, Inc., and a copy of the prior assignment by R. G. Sullivan to his two partners.

The assignment by Sullivan was, in part, in the nature of an assignment of an interest in the contract, requiring the consent of the Government. Accordingly, his signature as an assignor is required on the attached form which we have prepared, along with the signatures of the other two partners.

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Rubin

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

MAR 2 1955

Memorandum

To: The Administrator, DMEA
Attention: E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2857 (Uranium), Contract No. Idm-E517, Ortmayer, Sullivan and Boyle, Partners, Rip Snorter and Parker Groups of claims, Fall River County, South Dakota

Pursuant to the request in Mr. Knouse's memorandum dated February 23 we have prepared the attached combination assignment form.

Prior to the Government consenting to the assignment, the Operator should furnish for review by the Government a copy of the instrument assigning the Operator's leasehold interests in the land to the Sedak Uranium and Mining Company, Inc., and a copy of the prior assignment by R. G. Sullivan to his two partners.

The assignment by Sullivan was, in part, in the nature of an assignment of an interest in the contract, requiring the consent of the Government. Accordingly, his signature as an assignor is required on the attached form which we have prepared, along with the signatures of the other two partners.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb
Copy to: DMEA Docket
Sol. Docket
E. W. Ellis
H. C. Rubin
J. L. Hofflund
Chron. File

[redacted]

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

Surname copy

Ellis
F Knouse

February 23, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Ortmayer, Sullivan and Boyle, Partners
Rip Snorter and Parker Groups of claims
Fall River County, South Dakota

Referring to Mr. Traver's memorandum of February 10, 1955, to the Chairman of the Operating Committee, and enclosures, it is requested that you prepare the necessary documents to effect an assignment of the subject contract to the Sodak Uranium and Mining Company, Inc. Mr. Rubin and I discussed this by telephone on Friday, February 18.

/s/ F. L. Knouse

F. L. Knouse

FLKnouse/gla
cc to: Docket
Code 700 contract file
Mr. Knouse

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

224 New Customhouse
Denver 2, Colorado

February 23, 1955

Memorandum

To: E. O. Binyon

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2857 (Uranium), Contract Idm-E517, Ortmayer, Sullivan and Boyle, Fall River County, South Dakota

Reference is made to the comments relative to the subject operation in your weekly report dated February 18, 1955.

The operator should be warned that reimbursement under the terms of the contract is in jeopardy until matters relative to the proposed assignment of the contract to Sodak Uranium and Mining Company, Inc. has been resolved.

The entire matter relative to the assignment of the contract was forwarded to the Washington office, DMEA, February 10, and this office has heard nothing further on the matter.

W. M. Traver

W. M. Traver

cc Chairman, Op. Comm.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

224 New Customhouse
Denver 2, Colorado

February 10, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2857 (Uranium) Contract Idm-E517, Ortmayer, Sullivan and Boyle, Fall River County, South Dakota -- proposed assignment of the contract to Sodak Uranium and Mining Company, Inc.

Enclosed are four copies of data relevant to the subject matter. Also enclosed are four copies of a letter from this office acknowledging the letter from C.R. Boyle.

To expedite the matter we suggest that the Washington office, DMEA, correspond direct with the proposed assignee, informing him of the various documents required in order to effect the assignment; or, if you prefer, please advise this office of the specific documents needed for our forwarding to Boyle.

W. M. Traver

W. M. Traver

Encls.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

224 New Customhouse
Denver 2, Colorado

February 10, 1955

Mr. C. R. Boyle
Sodak Uranium and Mining Co., Inc.
Edgemont, South Dakota

Re: Docket DMEA 2857 (Uranium)
Contract Idm-E517
Ortmayer, Sullivan & Boyle
Fall River County, South Dakota

Dear Mr. Boyle:

Reference is made to your letter of February 3, 1955 to Mr. E.O. Binyon, Rapid City, South Dakota, wherein you request advice as to the information required to receive approval from the Defense Minerals Exploration Administration for the assignment of the contract to the new operating company.

As indicated in the reply to you from Mr. Binyon, your letter was forwarded to this office for action. We have forwarded the matter to the Washington office, DMEA, for advice as to the specific documents needed in order for them to approve the assignment of the contract.

You will hear either direct from the Washington office in the matter or from this office when we have been given the information.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JWT:jp
cc Subject
Chron
Binyon
Cuppels
Harshman
Chairman, Op. Comm. (4)
Townsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

Mines
FEB 9 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

February 7, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon, Rapid City, S. Dak.

Subject: Docket DMEA 2857 (Uranium), Contract Idm E-517, Ortmayer-Sullivan and Boyle, Fall River County, S. Dak.

Enclosed are copies of the operator's letter and of the reply from this office.

E O Binyon
E. O. Binyon

cc: Traver (2)
files

SODAK URANIUM & MINING CO., INC.

Edgemont, South Dakota

February 2, 1955

Mr. E. O. Binyon, Mining Engineer
U. S. Bureau of Mines
School of Mines Campus
Rapid City, South Dakota

Re: Docket DMEA 2857
Contract Idm E-517

Dear Mr. Binyon:

As of November 15, 1954 the partnership of Ortmayer, Sullivan and Boyle assigned all its assets subject to liabilities to the Sodak Uranium and Mining Company, Inc., a Delaware corporation. In connection with the assignment, Mr. R. G. Sullivan has sold all of his interest in the partnership and retains no interest in the corporation.

The officers of the corporation are as follows:

| | | |
|---|---|---|
| Clyde R. Boyle | Edgemont, S. Dak. | President and Director |
| W. E. Haldane | Grand Junction, Colorado | Vice President and Director |
| Paul H. Russell | Edgemont, S. Dak. | Secretary-Treasurer and Director |
| Jack O. Jones | Grand Junction, Colorado | Director |
| C. G. Ortmayer | Grand Junction. Colorado | Chairman of the Board of Directors. |

Will you kindly inform me as to the information required to receive approval from the DMEA of the assignment.

Yours very truly,

/s/ C. R. Boyle

COPY

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

February 7, 1955

Mr. Clyde R. Boyle, President
Sodak Uranium and Mining Co., Inc.
Box 330
Edgemont, So. Dak.

Re: Docket DMEA 2857
Contract Idm E-517

Dear Mr. Boyle:

This is to acknowledge receipt of your letter concerning assignment of the subject contract by the partnership of Ortmayer, Sullivan and Boyle to the Sodak Uranium and Mining Co., Inc.

As these matters are handled by the Denver Office, your letter is being referred to Mr. W. M. Traver, Executive Officer, DMEA Field Team, Reg. III, and the information you have requested will be furnished from that office.

Yours very truly,

E. O. Kleyen
Mining Engineer

cc: Traver (2)
File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 24 1954

November 22, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2857, Contract Idm E-517, Ortmayer, Sullivan and Boyle

Here are the original and three copies of Amendment No. 3, which extends the completion date of the subject contract to May 7, 1955.

Copies of letters from the operator to our representative at Rapid City and from Rapid City to this office are attached to indicate the reason for the extension of the exploration date.

A. B. Needham
A. B. NEEDHAM

Attachments

7

11/10/54 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

November 3, 1954

Mr. Clyde R. Boyle
P. O. Box 330
Edgemont, South Dakota

Dear Mr. Boyle:

Your letter addressed to Mr. Binyon of our Rapid City field office regarding an extention of time to your DMEA contract Idm E-517, docket 2857, has been referred to this office for action.

Here are the original and six copies of Amendment No. 3 to the subject contract, which extends completion date to May 7, 1955. Please have all partners to the contract sign these forms, retain one carbon bepy for your files and return the original and five copies to this office for further distribution.

Very truly yours,

A. B. NEEDHAM
Executive Officer
Field Team
Region V

Enclosures

cc Opr. Comm.
Cuppels
Dutton
Binyon

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

July 14, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2857, Contract E-517, Ortmayer, Sullivan and Boyle

Returned are the Government Division and Docket copies of Amendment No. 2 to the subject contract duly executed.

One copy is being transmitted to the regional fiscal section and a copy is being retained by this office.

A. B. NEEDHAM

Attachments

Surname 700

F L Knouse
Ellis
Talbot
Selfridge
K Johnson

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

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis 8, Minnesota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
C. G. Ortmayer, M. G. Sullivan,
and C. R. Boyle, Partners
Rip Snorter and Parker Groups of claims
Fall River County, South Dakota

Dear Mr. Needham:

This is with reference to your memorandum of May 19, 1954, and the Interim Report attached thereto. Enclosed are the original and five copies of proposed Amendment No. 2 to the captioned contract, signed by the Administrator.

Please have the amendment dated, signed by the Operator, and make the usual distribution of the copies.

Sincerely yours,

George C. Selfridge 6-22

Chairman, Operating Committee (DLB)

Enclosures (6)

APPROVED

J. H. Hedges
Member, Bureau of Mines (DLB)

S/ E. D. McKnight
Member, Geological Survey (DLB)

FLKnouse/am
6-21-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. H.D.Keiser, Rm. 3641
A.P.Butler, Rm. 3212, GSA
J.O.Hosted, Rm. 3210, GSA
700
Mr. Knouse

Surna[illegible]
Dock[illegible] copy

700

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

FLKnouse

June 9, 1954

Memorandum

To: Acting Assistant Solicitor

From: F. L. Knouse
For Ernest Wm. Ellis, Chief, Rare & Misc. Metals Division

Subject: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Ortmayer, Sullivan and Boyle
Amendment No. 2

Please draft Amendment No. 2 to the subject contract which will provide for the following:

1. From Stage II, Exhibit "A" of the contract, reduce the quantity of wagon drilling 11,696.5 feet and add this amount to Stage I drilling.

2. From Stage II, Exhibit "A" of the contract, under "Estimated Cost of the Project," delete the item "200 sample analyses, including freight and postage, @ $4.00/each $800.00" and add this item to Stage I.

3. In addition to the work set forth in Exhibit "A" for Stage I, drill 120 wagon drill holes to an average depth of 130 feet, or not to exceed a total of 15,600 feet, in the area included in part on Montana No. 1, Matias Peak No. 1, Ripsnorter No. 1, and Morning Glory claims. Primary holes are to be drilled on a grid spacing of 100 x 100 feet, followed by offset holes surrounding holes where encouraging mineralization has been found of not less than 50-foot spacing if approved by the Government.

Included in Item 3.,
4./ drill holes Nos. 178, 179, 181, 159, 160, 161, 162, and 219 to 237, inclusive, are to be deepened to an average depth of 80 feet.

The approximate locations of the holes to be drilled are shown on the attached map entitled "Matias Peak Claim Group, Idm-E517, by W. A. Braddock, April 28, 1954," in map area "Structure Contours, Base of Lower Sandstone."

F. L. Knouse

FLKnouse/gla
6-9-54
cc to: Docket
Division contract file
Mr. Knouse

FORM NO. 64

# Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

DATE: May 28, 1954

FROM : W. S. Twenhofel, USGS Acting Member, Uranium Commodity Committee

SUBJECT: Field Team interim report, DMEA Docket 2857 (Uranium), Contract Idm-E517, C. G. Ortmayer, R. G. Sullivan, and C. R. Boyles, contractors; Repsnorter and Parker groups of claims, Secs. 26, 27 and 34, T. 7 S., R. 3 E., and Sec. 3, T. 8 S., R. 3 E., Fall River, South Dakota

I have reviewed an undated interim report of the Field Team, Region V, concerning the above subject. The interim report, although undated, probably was prepared in May 1954, as it is stamped as received by the Defense Minerals Administration, Washington on May 21, 1954.

Comment

The Field Team interim report points out, because of unfavorable results of drilling under Stage I of the contract, that only 262 holes aggregating 8,596.5 feet were drilled out of a total authorized footage of 12,500 feet.

However, in spite of the unfavorable results of the drilling under Stage I, the Field Team, on the basis of additional geologic study done by the U. S. Geological Survey in the summer of 1953, recommends that authorization be granted to proceed with a modified Stage II and to apply the authorized footage still remaining under Stage I to the modified Stage II program. The results of the Field Team recommendation is to leave unchanged the total amount of the contract. To date $8,996.36 of the contract has been spent, leaving $29,948.64 available for work under the modified Stage II program.

The recommendation for a modified Stage II program is based entirely on geologic reasoning from data collected by the U. S. Geological Survey since the contract was originally approved. The geologic data upon which the recommendation is based, is fully presented in the interim Field Team report.

I have discussed the modified Stage II program with Mr. Lincoln R. Page of theU. S. Geological Survey, under whose direction the geologic studies were made by the Survey in the area covered by this contract, and Mr. Page concurs with the recommendation of the Field Team

Recommendation

On the basis of the data contained in the interim Field Team report and discussion with Lincoln R. Page, U. S. Geological Survey, I recommend that the existing contract with the applicant be modified as necessary to conform with the modifications proposed by the Field Team report.

W. S. Twenhofel

Copies to: E. Wm. Ellis (2)

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

May 27, 1954

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member
Uranium Commodity Committee

Subject: Interim Report DMEA Docket 2857, Contract Idm E-517, Ortmayer, Sullivan & Boyle, Box 330, Edgemont, S. Dak.

I have reviewed the subject report and discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

I concur with the recommendations made by the Field Team in the subject report and, in turn, recommend that the drilling proposed by the Field Team be approved.

The report has been forwarded to the Chief, Minerals Division, Bureau of Mines, in accord with the routing slip attached thereto.

H. D. Keiser

11

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

May 24, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket 2857, Contract E-517 - Ortmayer, Sullivan and Boyle

Here are the original and two copies of Amendment No. 1 to the subject contract, extending the completion date to November 7, 1954. The reason for the extension is to provide sufficient time for the operator to determine additional drilling in connection with either Phase 2 or otherwise.

One copy of Amendment No. 1 has been transmitted to the Regional Fiscal Section, and copies retained by the operator and this office.

A. B. Needham
A. B. NEEDHAM

Attachments

Surname
Docket file 700

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

F L Knouse
Ellis
Wittenborn

May 24, 1954

Memorandum

To: Mr. Arthur P. Butler, Jr., Member
Uranium Commodity Committee

Through Mr. Andrew Brown, USGS

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2857 (Uranium)
Contract No. Idm-E517
Ortmayer, Sullivan & Boyle
Ripsnorter and Parker Group of claims
Fall River County, South Dakota
Proposed Amendment No. 1

There is enclosed a copy of a memorandum dated May 19, 1954, from Mr. A. B. Needham, Executive Officer, Region V, with an attached copy of an Interim Report which recommends a change in the exploration program as is set forth in the contract. There is also enclosed a copy of the Operator's MF-104 report with attached narrative and map for September and October, 1953.

We will appreciate your early comments and recommendations on this proposed change in the project work.

Please return all of the attachments with your reply, as these are our file copies.

C 5-24

Ernest Wm. Ellis

Attachments

FLKnouse/gla

cc to: Adm. Reading File
Docket
Mr. H. D. Keiser, Rm. 3641, USBM (with docket)
Code 700
Mr. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

May 19, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket 2857, Contract E-517, Ortmayer, Sullivan and Boyle, South Dakota

Here are the original and three copies of an interim report of the subject docket prepared by our field representatives in South Dakota.

The report recommends additional wagon drilling outside the limits of Blocks 1 and 2 specified as the area to be explored under the contract. Proposed drilling is, however, within the limits of the property originally included in the contract.

Since there would be a change in the contract specification, it is not within the authority of the Field Team to draw an amendment for the proposed additional drilling. Therefore, we are passing it on to you for execution of the proper amendment.

The operator is anxious to continue the exploration, and your prompt attention to the drawing of the amendment and submitting it for the operator will be greatly appreciated.

A. B. NEEDHAM

Attachments

INTERIM REPORT OF FIELD TEAM
Region V

E. O. Binyon, Mining Engineer
U. S. Bureau of Mines

W. A. Braddock, Geologist
U. S. Geological Survey

Docket No.: 2857
Contract: Idm E-517
Commodity: Uranium
Applicant: Ortmayer, Sullivan & Boyle, Box 330, Edgemont, S. Dak.
Property: Ripsnorter-Parker Claim Group, Fall River County, S. Dak.

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In October 1953 an interim report was prepared recommending completion of Phase I drilling and, if the results warranted, a continuation into Phase II, all drilling to be done mainly on the Ripsnorter No. 1 claim. Shortly after the report was written, the operator did some radiometric surveying in this area and also some wagon drilling (not under contract) on the Cycad No. 1 claim. A small anomaly was found on the Ripsnorter No. 1 and a bulldozer cut was dug; however, no ore was found. The drilling on the Cycad No. 1 around an ore body proved that the deposit did not extend laterally beyond the pit.

As the footage recommended by the field team at that time amounted to only 1,500 feet, the operator stated he could not get a drill rig for deep hole drilling to move in for the limited footage, and if the field team could not recommend exploration in the Parker group of claims, then he would not continue with the exploration under the DMEA contract.

The field team then attempted several times, and failed, to get the operator to decide whether or not the drilling as recommended would be completed. After some delay the operator inquired as to an amendment to

include exploration of adjoining properties and, on being informed that this was possible, then stated that he would assemble the necessary data. Although the operator, on several occasions, stated that the data would be submitted, when last contacted concerning this amendment he had apparently decided not to go through with it. The field team was under the impression that no further work would be done on the project. However, late in April the operator and the field team again discussed the project and it was decided to continue the project as recommended in this report.

The operator stated that a rig for deep drilling would be obtained. Geologists of the U. S. Geological Survey completed areal mapping in the Matias Peak area (scale 1 inch = 600 feet) during the summer of 1953. As a result, more complete geological data are now available and the geology of the area, as previously reported, has been corrected to conform to these data. The geology is discussed later in some detail in this report.

To date a total of 262 holes with an aggregate total footage of 8,596.5 has been drilled. The status of the contract at present is as follows:

Stage I

| | | |
|---|---|---|
| Contract footage | 12,500.0 | feet |
| Drilled | 8,596.5 | feet |
| Remaining footage | 3,903.5 | feet |

Stage II

| | | |
|---|---|---|
| Contract footage | 24,500 | feet |
| Drilled | -- | |
| Remaining footage | 24,500 | feet |

Of the total contract amount of $38,945.00 ($13,400 for Stage I and $25,545 for Stage II), there remains $29,948.64. Total expenditures charged to date are $8,940.36, all of which is for drilling under Stage I and not charged but due the operator is an additional $5,600 for assaying, or a total of $8,996.36 of which the government's share is $8,096.72.

The government has withheld $100.00 for the final report and has paid the operator $7,946.33.

The operator has requested an amendment (if an amendment is required) to permit exploration in the area outlined on the accompanying structural contour map. The area included is in part on the Montana No. 1, Matias Peak No. 1, Morning Glory and Ripsnorter No. 1 (see map submitted with Operator's Monthly Reports).

Based on the geologic data now available, the field team is of the opinion that conditions are very favorable for the discovery of ore in the area and that additional exploration in this area is warranted.

It is recommended that a total of approximately 120 wagon drill holes of an average depth of 130 feet, or 15,600 feet, be drilled. Of these approximately 100 holes, or 13,000 feet, are to be drilled on a grid pattern of 100 by 100 feet, and the remaining 20 holes, or 2,600 feet, be used for offset drilling on a spacing of 50 feet around mineralized holes. Included in the total footage is an allowance for redrilling to a depth of about 80 feet of the holes Nos. 178 through 181 and 159 through 162, and also any holes in the group 219 through 237 which fall on the 100 by 100-foot grid pattern. The price per foot shall remain the same--$1.04 for Stage I and $1.01 for Stage II. The footage remaining under Stage I, 3,903.5, shall be paid for at the $1.04 rate and all footage in excess of this, or approximately 11,700 feet, shall take the rate of $1.01 per foot. For assaying under Stage I and Stage II, $1,200 is allowed. Of this, $56.00 has been expended to date. It is recommended that the balance of $1,144.00 to cover assaying of samples from the proposed drilling be allowed. Also, the total contract amount and amount of government participation is to remain unchanged.

## WORK COMPLETED

To date drilling has been confined to Block I and Block II and a small area on the Matias Peak No. 2 and Gerrer's Folly claims (See operator's map submitted with monthly report for September and October 1953).

A total of 262 holes with an aggregate footage of 8,596.5 feet has been drilled. Of these, 148 were drilled in Block II on the Schoonmaker No. 1 and No. 2 and Gerrer's Folly claims, 33 on the Gerrer's Folly, and Matias Peak No. 2, and 81 in Block I on the Montana No. 1 and Matias Peak No. 1 claims.

Of the holes drilled only 8 have shown any indication of mineralization. All but one of the eight are located in Block II. These are C-75, 86, 89, 100, 102, 103 and 104. In only two of these, C-75 and C-89, did the mineralization approach minable grade. Hole C-180 was the only hole in which mineralization was found. The assay results are listed below:

| Hole No. | Depth | Percent $U_3O_8$ |
|---|---|---|
| C-75 | 27-30 | 0.114 |
| C-86 | 12-15 | 0.088 |
| C-89 | 26-29 | 0.086 |
| | 29-32 | 0.102 |
| C-100 | 24-27 | 0.086 |
| C-102 | 15-18 | 0.020 |
| | 18-21 | 0.020 |
| | 21-24 | 0.060 |
| C-103 | 9-12 | -- |
| | 12-15 | -- |
| C-104 | 3-6 | -- |
| | 6-9 | 0.076 |
| | 9-12 | 0.125 |
| C-180 | 15-18 | 0.065 |

Other work done by the operator but not under the contract consists of close-spaced wagon drilling around and in the vicinity of ore bodies which were found by radiometric surveys on the Matias Peak No. 1 and Cycad No. 1 claims. Several pits have been dug and the operator reports

shipment of 420 tons of ore containing 0.27 percent $U_3O_8$ from one of the pits on the Cycad No. 1 claim. The total tonnage and grade of ore subject to royalty payments which has been shipped from other pits on the property have not yet been reported by the operator; however, he has stated that the settlement sheets would be submitted as soon as possible.

## PROPOSED WORK

In the opinion of the field team and by agreement with the operator, it is proposed to drill 120 wagon drill holes of an average depth of 130 feet, or a total of approximately 15,600 feet, in the area included in part on the Montana No. 1, Matias Peak No. 1, Ripsnorter No. 1, and Morning Glory claims. Drilling is to be done on a grid spacing of 100 by 100 feet and offset holes are to be drilled on a spacing of 50 feet from mineralized holes of the initial grid. Diameter of holes and sampling procedure are to be as stipulated in the contract. In addition, holes Nos. 178, 179, 181, 159, 160, 161 and 162 in the southwest portion of the area being considered (see map submitted with monthly reports) are to be redrilled to a depth averaging about 80 feet. At the time these holes were drilled no geologic data were available to suggest that deeper drilling was necessary. Also, holes in the group 219-237 north and east of the holes mentioned, which follow the grid pattern, would be redrilled. None of the other holes in rows 156 through 172 and 174 through 191 are to be redrilled.

The results of the drilling thus far completed have not been favorable and would indicate at least that the areas included in or near Blocks I and II do not warrant further exploration. However, from the additional geologic data obtained from the study of the geology and areal mapping by the members of the U. S. Geological Survey during the summer of 1953, it is the opinion of the field team that additional exploration in the area,

as outlined on the map submitted with this report is warranted.

## GEOLOGY

The middle portion of the Lakota sandstone consists of a composite sandstone unit approximately 150 feet thick. This unit is underlain and overlain by carbonaceous shale. The sandstone unit consists of two, and possibly three, sandstone beds which are separated by thin mudstone lentils. The thickness of the sandstone beds and the included mudstone lenses varies. As shown on the enclosed geologic map, the sandstone unit at Matias Peak consists of a lower sandstone, an interbedded mudstone and sandstone lens, and an upper sandstone. Uranium ore has been mined from both the Lower and Upper sandstone.

Structure contour maps have been prepared which cover most of the adjoining mineralized areas. These maps indicate that many uranium deposits occur on gentle monoclinal flexures or on minor anticlines. A structure contour map was prepared showing the structure of the north end of the Matias Peak claim group. A gentle anticline plunges southwest and across the area. All of the known ore bodies lie on the broad, gently dipping crest of the anticline, and associated carbonate mineralization has been found a few hundred feet south of the fold crest.

It is believed that there is a very good opportunity of discovering additional ore either in the Upper or Lower sandstone in the explored portion of the anticlinal crest. It is therefore recommended that the remaining footage of Stage I and additional footage from Stage II be used in the area indicated on the structure contour map. This block is bounded at the southwest end by the contract boundary, on the southeast side by previously

explored areas and by steep ground slopes. The drilling block is bounded on the northwest side by an arbitrary line which approximates the northwestern boundary of favorable lithology in the Upper and Lower sandstone. The average drill hole depths will be 130 feet.

The field team recommends that the drilling, as proposed, be approved.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

Department of the Interior
Defense Minerals Administration
RECEIVED
FEB - 3 1954

February 1, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2857, Contract Idm-E517, Ortmayer, Sullivan and Boyle - Ripsnorter and Parker Claims

Reference is made to your letter of January 27, 1954. The current status of the subject project is that it is recessed and there has been no recent activity since we last wrote you regarding the proposed Amendment No. 1. The operator has advised us that he is preparing to submit a request for an amendment to include areas outside of those included in the original contract, and he is now assembling the necessary data and owner's consent to lien. Accordingly, that is the reason that Amendment No. 1 was not duly executed.

If and when we receive the new amendment to include these areas, the matter will be given immediate attention and you will be so notified.

A. B. Needham

A. B. NEEDHAM

700

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

Surname
DOCKET COPY
F. L. Knouse
Ellis
Selfridge
Johnson
Wittendorf

JAN 27 1954

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis 8, Minnesota

Re: Docket No. DMEA-2857 (Uranium)
Contract No. Ion-E517
C. G. Ortmayer, R. G. Sullivan,
and C. R. Boyle, Partners
Ripsnorter and Parker group of claims
Fall River County, South Dakota

Dear Mr. Needham:

Reference is made to your memorandum dated November 24, 1953, advising that the proposed Amendment No. 1 to the captioned contract which was prepared by you and sent to the Operator for signature was not being executed. You further stated that you would proceed with the termination of the contract and a final report would be prepared as soon as possible.

In order to keep our records current, we would appreciate being informed when we may expect to receive the final Field Team and Operator's reports. In this connection please also advise your recommendations concerning issuing a certificate of discovery or development.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHB)

s/ Philip W. Guild

Member, Geological Survey (JHB)

FLKnouse/foc/gla
1/26/54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. HDKeiser, Rm. 3641
APButler, Rm. 3212, GSA
Ellis
Knouse
DMEA Field Team, Region V

R.S.
1-28-54

STANDARD FORM NO. 64

# Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

DATE: January 18, 1954

FROM : Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Field Team interim report, DMEA Docket 2857 (Uranium), Contract Idm-E517, C. G. Ortmayer, R. G. Sullivan, and C. R. Boyles, contractors; Ripsnorter and Parker Groups of claims, Secs. 26, 27 and 34, T. 7 S., R. 3 E., and Sec. 3, T. 8 S., R. 3 E., Fall River, South Dakota

The interim report of the Field Team concerning an amendment to permit work in an area not originally included in Phase I of the contract has been reviewed. This report is dated October 12, but was not received by the reviewer until December 23, 1953.

Summary and Comment

The Field Team points out in their interim report that because of generally unpromising results, all the areas provided for in Phase I of the contract have been explored with the use of only 5,000 feet of the 12,500 feet of drilling authorized for this phase. Although the deepest mineralized stratum can be projected under these areas, they believe that drilling for them is not warranted at this time because such drilling would require heavier equipment than is now in use and closer supervision than the most experienced member of the contracting group can give.

Rather than deeper drilling in the areas defined for Phase I of the contract, the Field Team suggests using from 1,300 to 1,500 feet of footage authorized in the contract for shallower drilling to explore the vicinity of a small radioactively anomaly on the Ripsnorter No. 1 claim outside the areas originally included in Phase I authorization. Unless further study of information already obtained or results of this suggested drilling were promising, they believe that there will be no reason to proceed with Phase II drilling as originally envisioned.

The Field Team asked to be advised whether the contract can be amended to include the recommended drilling on the Ripsnorter No. 1 claim in Phase I or whether it should be considered as part of Phase II.

As the only maps showing the claims and anomalies discussed are with the original application and not now available to me, it is not possible to get a visual concept of how the Field Team's present subgestion fits into the general geologic and geographic patterns used as a basis for defining the two phases of exploration. Nevertheless, the proposal to explore a specific anomaly by shallow drilling appears

to meet the definition of Phase I given in the original report, namely, "limiting the first phase to the most favorable showings," (Binyon and Redden, par. 4, p. 2, January 8, 1953) whereas exploration under Phase II was to be conducted in "other areas where available geologic data and that obtained from first phase drilling, might indicate as most favorable".

I see no geologic reason why the exploration on the Ripsnorter No. 1 claim suggested by the Field Team should not be included as part of Phase I work.

Copies to: E. Wm.Ellis (2)

Arthur P. Butler, Jr.

E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

January 18, 1954

Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

Field Team interim report, DMEA Docket 2857 (Uranium), Contract Idm-8517, C. G. Ortmayer, R. G. Sullivan, and C. R. Boyles, contractors; Ripsnorter and Parker Groups of claims, Secs. 26, 27 and 34, T. 7 S., R. 3 E., and Sec. 3, T. 8 S., R. 3 E., Fall River, South Dakota

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to meet the definition of Phase I given in the original report, namely, "limiting the first phase to the most favorable showings," (Rimpon and Redden, par. 4, p. 2, January 8, 1953) whereas exploration under Phase II was to be conducted in "other areas where available geologic data and that obtained from first phase drilling, might indicate as most favorable".

I see no geologic reason why the exploration on the Ripquarter No. 1 claim suggested by the Field Team should not be included as part of Phase I work.

Copies to: E. Wm.Ellis (2)

FILE COPY
SURNAME:

200

Adams
Larrabee
Selfridge
Hedges
Needham

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

DEC 2 - 1953

Mr. A. B. Needham
Executive Officer
Region V
2908 Colfax Avenue, South
Minneapolis 8, Minnesota

Re: Docket No. DMA-2257 (Uranium)
Ortmayer, Sullivan, and Boyle
Fall River County, South Dakota
Contract No. Idm-E517

Dear Mr. Needham:

This will acknowledge your memorandum dated November 24, 1953, enclosing the original and two copies of an Interim Report on the above-captioned subject.

Please be advised that the original and three copies of an Interim Report are required for distribution in Washington. Therefore, kindly submit one additional copy of this report.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVAL:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

Member, Geological Survey

REAdams/meb
12-1-53
cc to: Adm.Reading File
Mails & Files Br.
Oper.Comm.File

R.C.G.
12-2-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

December 9, 1953

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2857, Contract E-517, Ortmayer, Sullivan and Boyle

Reference is made to your letter of December 2, 1953.

Here is another copy of the Interim Report on the subject project.

A. B. NEEDHAM

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

December 9, 1953

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2857, Contract E-517, Ortmayer, Sullivan and Boyle

Reference is made to your letter of December 2, 1953.

Here is another copy of the Interim Report on the subject project.

A. B. NEEDHAM

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 27 1953

November 24, 1953

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket 2857, Contract Idm-E-517, Ortmayer, Sullivan and Boyle

Here are the original and two copies of an Interim Report on the subject project, together with a copy of a memorandum from the Field Team regarding what was to be Amendment No. 1.

At the request of the operator, this office issued on October 19, 1953, a copy of an amendment which would permit drilling on the Ripsnorter No. 1 claim under Stage 1 instead of Stage 2. All copies of this amendment were sent to the operator on this date for signature.

The letter from the Field Team, dated November 20, indicates that the operator does not wish to proceed with the execution of this amendment, and that all the drilling that he wished to do under the terms of the contract has been done.

The Field Team's report authorizing the execution of Amendment No. 1 was made at the request of the operator, and they agreed to such an amendment because it was the only area remaining that seemed to warrant exploration and if success could be made they wished to give the operator every opportunity. As you can see from their memorandum, the drilling thus far has shown very little mineralization, and orebodies of a minable size or grade have not been indicated, even in the most favorable areas of the project.

If and when the copies of the proposed Amendment No. 1 are returned to this office they will be destroyed and we will consider that they were not written. We will proceed with the termination of the contract and a final report will be prepared as soon as possible.

A. B. Needham
A. B. NEEDHAM

Attachments

C
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P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
NOV 25 1953

November 20, 1953

MEMORANDUM

To: A. B. Needham, Executive Officer, DMEA Field Team, Region V

From: E. O. Binyon, Mining Engineer

Subject: Amendment No. 1, Docket No. 2857, Contract Idm E-517, Ortmayer, Sullivan and Boyle - Ripsnorter-Parker property

The field team was unable to get in touch with Mr. Boyle, the company's resident manager, until November 19, 1953. On that date he called at the office and stated that he did not wish to proceed with the contract and therefore had not signed Amendment I.

His reason for not continuing with the drilling, as outlined in the amendment, is that it would be necessary to bring in a larger drill rig in order to reach the desired depth and that the amount of footage alloted - about 1300 feet - did not warrant bringing in the rig. (We do not have a copy of the amendment here.)

The results of Stage I drilling have shown little mineralization and do not indicate any orebodies of minable size or grade in the area thus far drilled - the most favorable on the property.

Judging from the results of Stage I drilling and from the geologic data thus far available it is not too likely that a minable deposit be disclosed by the drilling proposed in the amendment. However, the amendment was made at the request of the operator and was agreed to by the field team as it was the only area remaining that seemed to warrant exploration.

Termination of the contract will not be a disadvantage to either the Government or the operator.

A final report will be prepared as soon as the operator sends in his reports and the data on analyses of the mineralized holes.

/s/ E. O. Binyon
E. O. Binyon

OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
RECEIVED
OCT 23 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

INTERIM REPORT

REGION V

# Ortmayer, Sullivan and Boyle

Fall River County, South Dakota

E. O. Binyon, Mining Engineer
U. S. Bureau of Mines

W. A. Braddock, Geologist
U. S. Geological Survey

October 12, 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Interim Report

by

E. O. Binyon, Mining Engineer
U. S. Bureau of Mines

W. A. Braddock, Geologist
U. S. Geological Survey

Docket No: 2857
Contract No: Idm E-517
Commodity: Uranium

Ortmayer, Sullivan
and Boyle
c/o Clyde Boyle,
Edgemont, S. Dak.

## SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

To date, approximately 7,500 feet of wagon drilling has been completed under Stage I of the contract. No significant mineralization was encountered in the areas drilled on the Schoonmaker No. 1 claim or on the east side of the Schoonmaker No. 2 and west side of the Gerner's Folly claims. Ore grade carnotite was found in but one hole. Several other holes on these claims showed a small amount of weakly mineralized sandstone but this was sporadic and definitely not ore grade.

On the Matias Peak No. 1 and the southern part of the Montana No. 1 claims many of the holes did not reach the desired depth owing to what the driller called "wet sand", probably a damp bed of shale which prevented proper blowing of the hole, and drilling was stopped on the claims - little or no mineralization was encountered.

At present, several rows of holes are being drilled in the south central part of the Gerner's Folly claim to determine the lateral extent of mineralization found in previously drilled holes on this claim.

Some drilling will also be done on the south end of the Schoonmaker No. 2 south of the surface anomaly outlined on the map.

The operator drilled with a company drill the area surrounding an ore body found by scintillometer survey on the Cycad No. 1 claim. The drilling (which was not done under the contract) failed to find either lateral or vertical extension of the deposit. Approximately 600 tons have been mined from this deposit.

A small anomaly was found in the south east part of the Ripsnorter No. 1 claim. A bull dozer cut has been made here but no visable mineralization was encountered. However, some exploration on and in the immediate vicinity of the anomaly appears warranted.

As stated, only 7,500 feet of the total footage alloted to Stage I drilling has been used, and as drilling in those areas designated in the contract has been completed, this leaves approximately 5,000 feet of drilling unused in Stage I.

This footage can be used in part to explore the small anomaly on the Ripsnorter No. I. Only 1,300 to 1,500 feet of hole (see map) would be required and there would be no use to go into Phase II drilling.

Correllation of beds in the area is very difficult because of lack of outcrops. However, it is believed that there are three mineralized horizons in the Lakota Sandstone in this area. The highest horizon is approximately 15 feet below the Lakota-Fuson contact, and is the horizon containing mineralization on the Schoonmaker No. 2 and Gerner's Folly claims.

The top of the middle horizon which has been mined on the Matias Peak No. 1 claim is an estimated 45 feet below the Lakota-Fuson contact.

The lowest two mineralized horizons can be projected under the Matias Peak No. 2, Cycad No. 2, Matias Peak No. 1, Montana No. 1, and the Ripsnorter No. 1 claims. It is concievable that there are ore bodies in these areas which are buried deeply enough to pregent their presense being discovered by surface scintillometer surveys.

While exploration in these areas may be warranted, it is the opinion of the field team that it should be deferred at least for the present.

Drilling in this area would require a larger drill to reach the depths necessary to explore these horizons. Also, considerable more supervision than has been given to past drilling operations would be needed.

A grid on 100 foot centers would be required and owing to the topography and geology depths of the holes would be variable. Laying out of the grid and determining the depth of individual holes would take close supervision.

Owing to extensive interests of the operator in the immediate and other areas in the district, the supervision of the project has not been entirely adequate and in the opinion of the field team it is doubtful that the operator could give proper supervision to the exploratory work in this area.

It is therefore recommended that the contract be amended to permit continuation of drilling under Phase I in the area on the Ripsnorter No. 1 claim and to drill the holes along the lines as shown on the map.

It is estimated that 1,300 to 1,500 feet of drilling will be required to explore this anomaly.

However, the amendment can be drawn to permit using any part or all of the footage remaining under Stage I if in the opinion of the field team it should be necessary. Should this drilling under the amendment, in areas other than outlined for Stage I under the contract, not result in a discovery then there would be no necessity to proceed with Stage II and the work could be terminated.

It is possible that additional geologic or other information may be brought out whereby exploration of the deeper horizons would be warranted. Should this be the case, then the drilling footage allotted under Stage II could be used. However, as stated, exploration at present should be confined to the anomaly on the Ripsnorter No. 1. The results of Stage I drilling to date indicate that the chances for a significant discovery are extremely limited, even in the shallower horizons, and it is not likely that the chances of finding an economic deposit at the greater depths would be increased.

The operators have not received the analyses of the samples through the mineralized section of the holes on the Schoonmaker No. 2 and Gerner's Folly.

Stage I will probably be completed within the week of October 18, 1953. In order to avoid any unnecessary delay it would be appreciated if the field team could be advised as to whether the work should continue under Stage I or that it should be done under Stage II.

700

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

DOCKET COPY

F L Knouse
Ellis

C. G. Ortmayer, R. G. Sullivan,
and C. R. Doyle, Partners
Box 330
Edgemont, South Dakota

NOV 5 1953

Re: Docket No. [illegible]-2057 (Uranium)
Contract No. [illegible]-517
Rip Snorter and Parker Groups of claims
Fall River County, South Dakota

Gentlemen:

Reference is made to your above-named Exploration Project Contract for uranium. You are probably aware that in some similar cases it has been found that some part or all of the land which is the subject of the exploration project contract consists of claims located on land which was subject to prior Federal oil and gas leases. The validity of such claims is doubtful, and in some cases the Atomic Energy Commission has issued a lease to the land for whatever benefit that may afford in curing the invalidity as far as uranium is concerned.

By the recent act of Congress approved August 12, 1953 (Public Law 250, 83d Cong.), mining claims located between July 31, 1939, and January 1, 1953, on United States Lands which were then subject to oil and gas leases, may be validated by the owners of such claims, if, not later than December 10, 1953, they

> ".... post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location of such claim, stating that such notice is filed pursuant to the provisions of this Act and for the purpose of obtaining the benefits thereof."

If any of the land which is the subject of your Exploration Project Contract includes a located claim or claims, the validity of which might be questioned on account of a previous oil and gas lease, the statute cited is called to your attention so that you may validate your rights as above indicated, if you consider this to be in your interest. This Agency deems such validation to be desirable even though the land in question may be covered by a lease from the Atomic Energy Commission.

Sincerely yours,

C. A. Mittendorf

Administrator

FLKnouse/gla
10-30-53
cc to: Docket File
Region V (2)
Division contract file

50811

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

Department of the Interior
Defense Minerals Exploration Administration
JUN 1 1953

May 29, 1953

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2857, Contract Idm E-517, Ortmayer, Sullivan, and Boyle

Here are the Government, docket, and division copies of the subject contract, duly executed.

One copy has been retained by each of the following: Operator, Regional Finance Section, Field Team office.

A. B. Needham
Executive Officer, Field Team
Region V

Attachments

cal
6/1/53

FILE COPY
SURNAME:

F. L. Knouse
Ellis
Crampton
Selfridge
Hightower

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

MAY 7 1953

AIR MAIL

Mr. A. J. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis 8, Minnesota

Re: Docket No. DMEA-2857 (Uranium)
C. G. Ortmeyer, P. G. Sullivan
and C. R. Boyle, Partners
Ripsnorter and Parker Claims
Fall River County, South Dakota

Dear Mr. Needham:

Enclosed are the original and five copies of the captioned contract signed by the Government, with attachments.

If the terms and conditions of this contract meet with the approval of your office and the Operator's, insert in Article 3 the period of time within which the Operators will be required to begin this work, then the original and all copies are to be signed by the three partners. Upon obtaining their signatures, kindly make the usual distribution of the copies of this contract.

If any part of this contract doesn't meet with the approval of the Operators, the original and all copies are to be returned to this office with the proposed changes for consideration.

The original application was for a total amount of $54,940.00, the amount for the contract was revised to $38,945.00.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosures 6

APPROVED:

J. H. Hedges
Member, Bureau of Mines (JHB)

A. R. Kinkel, Jr.
Member, Geological Survey (JHB)

5-7-53

FLKnouse/eef 5/1/53

cc to: Adm. Reading File
Oper. Committee
Docket ✓
Messrs. HKeiser, Room 3641
APPLTLR, Jr., Room 3206
Ellis
Knouse
DMEA Field Team, Region V

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

FX-1201

| SYMBOLS |
| --- |
| DL=Day Letter |
| NL=Night Letter |
| LT=Int'l Letter Telegram |
| VLT=Int'l Victory Ltr. |

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

1,MA213

M.RTA185 NL PD=EDGEMONT SDAK 25= 1953 APR 26 AM 1 06

C O MITTENDORF, ADMINISTRATOR=

DEFENSE MINERALS EXPLORATION ADMN WASHDC=

RE DOCKET NO 2857 JOE SMITH IS NOT AN OWNER OF RECORD OF ANY OF REIP SNORTER GROUP OF CLAIMS HE PARTICIPATES AS A LESSOR IN RETURN FOR SERVICES RENDERED TO OWNERS. THUS HIS NAME OMITTED FROM POWER OF ATTORNEY=

PAUL RUSSELL ATTORNEY C R BOYLE=..

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Paul
Russell

Edgemont
S. D.

FILE COPY
SURNAME:

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

Boutin
Ellis

APR 24 1953

cc to: Adm. Reading File
Docket
Messrs. R.D.Keiser, Rm. 3641
A.L.Butler, Rm. Rm. 3206 DMA Bldg.
Ellis
Kneuse RUBIN
DMA Field Team, [illegible] V (2)

J.C. 4/27/53

[illegible]/Kneuse/[illegible]a 4-24-53

DMA, Interior Dpt.

14X3925.970 Working

Fund, Interior, [illegible]

Mr. [illegible] [illegible]
P. O. BOX 330
[illegible], [illegible] DAKOTA

[illegible] DMA-205/ IN [illegible] ROUT [illegible] THAT
[illegible] UPATION V FOR OWNER'S PERMIT TO [illegible] OR [illegible]
[illegible] TO [illegible] JOB [illegible] BY
[illegible] BY [illegible] RATIFYING [illegible]
[illegible] REPORTED [illegible] 20, 1952, [illegible]
[illegible] DECISION.

C. O. Mittendorf (for)

C. O. MITTENDORF, ADMINISTRATOR

4/20/53 glee

Edgemont, South Dakota
April 13, 1953

Mr. George C. Selfridge
Chairman, Operating Committee, D. M. E. A.
Washington 25, D. C.

Re: Docket No. DMEA-2857 (Uranium)
Ripsnorter and Parker Claims
Fall River County, South Dakota

Dear Sir:

According to instructions received from Mr. E. O. Binyon, Mining Enginer for the Bureau of Mines, Rapid City Field Office, Rapid City, South Dakota I am enclosing the following:

a) 7 copies of Owner's Consent to Lien applying to Parker Nos. 7 and 8 Lode Claims.

b) 1 copy of the Power of Attorney granted to Paul H. Russell by the owners of the Rip Snorter Group.

c) 1 copy of the Power of Attorney granted by Earl Boner to his father, Roy Boner.

I hope these enclosures are satisfactory and will expedite the granting of the exploration loan.

All arrangements for starting the drilling have been made and the sooner we can start the better.

Very truly yours,
Clyde R. Boyle
Clyde R. Boyle

RECEIVED
APR 20 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Parker No. 7 Lode Claim, filed November 16, 1912 at 2:15 P.M. in Book 31 M., page 169, certificate No. [illegible]

Parker No. 8 Lode Claim, filed Nov. 12, 1912 at 2:15 P.M., in Book 31 M., page 171, certificate No. [illegible]. Both the above in the Fall River County Records.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ C. D. Doyle, Box 332, Hermosa, South Dakota

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 11th day of April, 195 3.

Chas H. Fisher [Seal]

Earl Bonn by Roy Bonn [Seal]

Willard F. Beard [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator 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 at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

# POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, do hereby nominate, constitute and appoint Paul H. Russell, agent and trustee, as our true and lawful attorney in fact, with full power to transact or carry on any and all business for us in connection with our mining claims located in Fall River County, South Dakota, or to do or have done any business for us and in our name in connection therewith, giving our said attorney in fact full power and authority to do everything whatsoever necessary to be done in the premises as fully as we could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that our said attorney or his substitute or substitutes shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 18th day of November, 1952.

L. M. Blaisdell

Guy H. Stickney

O. H. Ellison

Clayton Feldhausen

Harold D. Stickney

Gerner Olson

W. W. Schoonmaker

Paul H. Russell

STATE OF SOUTH DAKOTA )
SS.
COUNTY OF FALL RIVER )

On this the 18th day of November, 1952, before me, the undersigned Notary Public within and for said County and State, personally appeared Clayton Feldhausen, Guy H. Stickney, O. H. Ellison, L. M. Blaisdell, Harold D. Stickney, Gerner Olson, W. W. Schoonmaker and Paul H. Russell, known to me to be the persons who are described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same.

Betty L. Russell
Notary Public

My commission expires 10/23/54.

Roy Boner
atty. in fact
for
Earl Boner
Edgemont
S.D.

Earl Boner
Charles H.
Frazer
Edgemont,
S.D.

1

That portion of Sections 26, 27 and 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Schoonmaker #1 | 5-19-52 | 31 Misc. | 158 |
| " " #2 | 10-13-52 | 31 " | 502 |
| Ripsnorter #1 | 5-19-52 | 31 " | 157 |
| " " #2 | 5-19-52 | 31 " | 157 |
| Morning Glory | 5-19-52 | 31 " | 158 |
| Cycad #1 | 5-19-52 | 31 " | 157 |
| " " #2 | 5-19-52 | 31 " | 154 |
| Matias Peak #1 | 5-19-52 | 31 " | 155 |
| Matias Peak #2 | 5-19-52 | 31 " | 155 |
| Gurner's Folly | 5-19-52 | 31 " | 156 |

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/ In [illegible] dated July [illegible], 19[illegible] and recorded [illegible] County, S. D.

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ C. G. Ortmayer and R. G. Sullivan, both of Grand Junction, Colo. and C. R. Boyle of Edgemont, South Dakota; a partnership.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 45,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 20th day of December, 195[illegible].

Paul H. Russell Trustee [Seal]

Atty in fact [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator 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 at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

See attached sheet.

That portion of Section 3, Township 8 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Parker #1 | 6-9-52 | 31 Misc. | 308 |
| " " #2 | 6-9-52 | 31 " | 309 |
| " " #3 | 6-9-52 | 31 " | 309 |
| " " #4 | 6-9-52 | 31 " | 309 |
| " " #5 | 6-9-52 | 31 " | 310 |
| " " #6 | 6-9-52 | 31 " | 310 |
| " " #7 | 11-18-52 | 31 " | 199 |
| " " #8 | 11-18-52 | 31 " | 199 |

... prior over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 45,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 15 day of _____, 195 ___.

_____ [Seal]

_____ [Seal]

_____ [Seal]

---

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator 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 at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

That portion of Sections 27 & 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Montana #1 | 9-11-52 | 31 Misc. | 346 |
| " " #2 | 9-11-52 | 31 " | 346 |

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ C. G. Ortmayer and R. G. Sullivan, both of Grand Junction, Colo. And C. R. Boyle of Edgemont, South Dakota; a partnership.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 45,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 3rd day of December, 195 -.

Chas H. Fraze [Seal]

[illegible] [Seal]

[illegible] [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator 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 at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

COPY

# ENDORSEMENT

THIS ENDORSEMENT, Made and executed this 26th day of February, 1953, by Earl Boner and Charles H. Frazer of Edgemont, South Dakota.

WITNESSETH: That whereas, the above named parties did enter into a mining lease dated July 15, 1952, in which they leased to Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, six (6) lode mining claims, designated Parker No. 1 to No. 6 inclusive, and whereas, the above parties own two other lode mining claims, namely,

> Parker No. 7, Fall River County, South Dakota, filed Nov. 18, 1952 at 2:15 P. M., in Book 31 M., Page 199, Certificate No. 32235, and
>
> Parker No. 8, Fall River County, South Dakota, filed Nov. 18, 1952, at 2:15 P. M., in Book 31 M., Page 199, Certificate No. 32236;

and wish to include the same in said above lease:

NOW, THEREFORE, the undersigned do agree that the additional claims above described as Parker No. 7 and Parker No. 8, shall be a part of said lease above referred to, subject to all the terms and conditions contained in said lease, as though incorporated in the original lease.

AND, all royalties that may become due and payable on these two claims shall be payable only to Charles H. Frazer and Earl Boner.

Dated at Edgemont, South Dakota, this 26th day of February, 1953.

Charles H. Frazer

Earl Boner

STATE OF SOUTH DAKOTA )
SS.
COUNTY OF FALL RIVER )

On this the 26th day of February, 1953, before me, the undersigned Notary Public within and for said County and State, personally appeared Charles H. Frazer and Earl Boner, known to me to be the persons who are described in and who executed the within and foregoing endorsement and acknowledged to me that they executed the same.

(SEAL)

Paul H. Russell
Notary Public

My commission expires 1-8-57.

COPY

# ENDORSEMENT

THIS ENDORSEMENT, made and executed this 26th day of February, 1953, by Earl Boner and Charles H. Frazer of Edgemont, South Dakota.

WITNESSETH: That whereas, the above named parties did enter into a mining lease dated July 15, 1952, in which they leased to Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, six (6) lode mining claims, designated Parker No. 1 to No. 6 inclusive, and whereas, the above parties own two other lode mining claims, namely,

> Parker No. 7, Fall River County, South Dakota, filed Nov. 18, 1952 at 2:15 P. M., in Book 31 M., Page 199, Certificate No. 32235, and
>
> Parker No. 8, Fall River County, South Dakota, filed Nov. 18, 1952, at 2:15 P. M., in Book 31 M., Page 199, Certificate No. 32236;

and wish to include the same in said above lease:

NOW, THEREFORE, the undersigned do agree that the additional claims above described as Parker No. 7 and Parker No. 8, shall be a part of said lease above referred to, subject to all the terms and conditions contained in said lease, as though incorporated in the original lease.

AND, all royalties that may become due and payable on these two claims shall be payable only to Charles H. Frazer and Earl Boner.

Dated at Edgemont, South Dakota, this 26th day of February, 1953.

Charles H. Frazer

~~Earl Boner~~

STATE OF SOUTH DAKOTA )
SS.
COUNTY OF FALL RIVER )

On this the 26th day of February, 1953, before me, the undersigned Notary Public within and for said County and State, personally appeared Charles H. Frazer and Earl Boner, known to me to be the persons who are described in and who executed the within and foregoing endorsement and acknowledged to me that they executed the same.

(SEAL)
My commission expires 1-8-57.

Paul H. Russell
Notary Public

COPY

# ENDORSEMENT

THIS ENDORSEMENT, Made and executed this 26th day of February, 1953, by Earl Boner and Charles H. Frazer of Edgemont, South Dakota.

WITNESSETH: That whereas, the above named parties did enter into a mining lease dated July 15, 1952, in which they leased to Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, six (6) lode mining claims, designated Parker No. 1 to No. 6 inclusive, and whereas, the above parties own two other lode mining claims, namely,

> Parker No. 7, Fall River County, South Dakota, filed Nov. 18, 1952 at 2:15 P. M., in Book 31 M., Page 199, Certificate No. 32235, and
>
> Parker No. 8, Fall River County, South Dakota, filed Nov. 18, 1952, at 2:15 P. M., in Book 31 M., Page 199, Certificate No. 32236;

and wish to include the same in said above lease:

NOW, THEREFORE, the undersigned do agree that the additional claims above described as Parker No. 7 and Parker No. 8, shall be a part of said lease above referred to, subject to all the terms and conditions contained in said lease, as though incorporated in the original lease.

AND, all royalties that may become due and payable on these two claims shall be payable only to Charles H. Frazer and Earl Boner.

Dated at Edgemont, South Dakota, this 26th day of February, 1953.

Charles H. Frazer

Earl Boner

STATE OF SOUTH DAKOTA )
SS.
COUNTY OF FALL RIVER )

On this the 26th day of February, 1953, before me, the undersigned Notary Public within and for said County and State, personally appeared Charles H. Frazer and Earl Boner, known to me to be the persons who are described in and who executed the within and foregoing endorsement and acknowledged to me that they executed the same.

(SEAL)
My commission expires 1-8-57.

Paul Notary Public

I, Mary E.Bingham, the duly elected, qualified and acting Register of Deeds in and for Fall River County, South Dakota, do hereby certify that in the mining lease by and between Clayton Feldhausen, Harold D.Stickney, Louis M.Blaisdell, Gerner Olson, Guy H.Stickney, O.H.Ellison, Paul H.Russell, William W.Schoonmaker and Joe Smith, doing business as Fall River Mining Co. and Raymond G.Sullivan, Clyde R.Boyle and C.G.Ortmayer, there was paragraph 10 inserted before the recording of this instrument, which paragraph is as follows: " 10. Schoonmaker No. 2 T. 7 R.3., Sec. 34 Fall River County, South Dakota, filed Oct. 16, 1952 at 1:45 P.M. in Book 31 M. page 502 (32064)

Dated at Hot Springs, South Dakota, this 19th day of February 1953.

Mary E. Bingham
Mary E.Bingham
Register of Deeds.

Subscribed and sworn to before me this 19th day of February, 1952

Mrs. J. Bisher
Clerk of Courts for Fall River County, South Dakota

I, Mary E.Bingham, the duly elected, qualified and acting Register of Deeds in and for Fall River County, South Dakota, do hereby certify that in the mining lease by and between Clayton Feldhausen, Harold D.Stickney, Louis M.Blaisdell, Gerner Olson, Guy H.Stickney, O.H.Ellison, Paul H.Russell, William W.Schoonmaker and Joe Smith, doing business as Fall River Mining Co. and Raymond G.Sullivan, Clyde R.Boyle and C.G.Ortmayer, there was paragraph 10 insetted before the recording of this instrument, which paragraph is as follows: " 10. Schoonmaker No. 2 T. 7 R.3., Sec. 34 Fall River County, South Dakota, filed Oct. 16, 1952 at 1:45 P.M. in Book 31 M. page 502 (32064)

Dated at Hot Springs, South Dakota, this 19th day of February 1953.

Mary E. Bingham
Mary E.Bingham
Register of Deeds.

Subscribed and sworn to before me this 19th day of February, 1952

Mm J Richer
Clerk of Courts for Fall River County, S. Dak.

I, Mary E.Bingham, the duly elected, qualified and acting Register of Deeds in and for Fall River County, South Dakota, do hereby certify that in the mining lease by and between Clayton Feldhausen, Harold D.Stickney, Louis M.Blaisdell, Gerner Olson, Guy H.Stickney, O.H.Ellison, Paul H.Russell, William W.Schoonmaker and Joe Smith, doing business as Fall River Mining Co. and Raymond G.Sullivan, Clyde R.Boyle and C.G.Ortmayer, there was paragraph 10 inserted before the recording of this instrument, which paragraph is as follows: " 10. Schoonmaker No. 2 T. 7 R.3., Sec. 34 Fall River County, South Dakota, filed Oct. 16, 1952 at 1:45 P.M. in Book 31 M. page 502 (32064)

Dated at Hot Springs, South Dakota, this 19th day of February 1953.

Mary E. Bingham
Mary E.Bingham
Register of Deeds.

Subscribed and sworn to before me this 19th day of February, 1952

[illegible]
[illegible] Fall River County, S. Dak.

C. R. Boyle
Edgemont, So. Dak.

# M I N I N G  L E A S E

THIS AGREEMENT, Made and entered into this 5th day of July, 1952, by and between Clayton Feldnausen, Harold D. Stickney, Louis M. Blaisdell, Gerner Olsen, Buy H. Stickney, O. H. Ellison, Paul H. Russell, William W. Schoonmaker, and Joe Smith, doing business under the name and style of Fall River Mining Company, party of the first part, whether one or more, and hereinafter designated as Lessors, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, and hereinafter designated as the Lessees.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

1. Ripsnorter No. 1, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 157, (31146)

2. Schoonmaker No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 158 (31148)

3. Morning Glory, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 158 (31149)

4. Ripsnorter No. 2, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 157 (31147)

5. Cycad No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 156 (31145)

6. Gurner's Folly, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., in Book 31 M, Page 156, (31144)

7. Matias Peak No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 10:00 A.M., in Book 31 M, page 155 (31143)

8. Matias Peak No. 2, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 155 (31142)

9. Cycad No. 2, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 154 (31141)

And, whereas, Lessors are desirous of securing the mining development of the above claims and the mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose;

Now, therefore, for values mutually exchanged, receipt and sufficiency of which are hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessors do hereby lease and give possession unto the Lessees of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto appertaining, with the exclusive right to mine, and develop said property, and to remove therefrom the mineral content thereof in accordance with the terms of this lease, and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender of forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below:

2. Within sixty days following the date hereof, the Lessees shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessees shall surrender this lease in its entirety to said Lessors; said operations when commenced shall thereafter be continued with due diligence, and same to be conducted in good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty day period subsequent to the commencement date hereof shall be that at least fifty one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the lessees' interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed

underground, but in any such case, all other properties of the lessees except camp buildings, equipment and supplies, shall be left where located as property of the Lessors without claim against them in favor of the lessees by way of reclamation or otherwise.

3. The Lessees shall pay the Lessors $1200.00 cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted. The 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessees as follows: On or before the 1st day of each month, for the proceeds received during the preceding calendar month, and without deductions except the lessors' share of validly levied production taxes or other legal burdens, if any, imposed upon such mineral productions and returns by any legally consituted authority.

4. Lessees agree to pay the cost of any access roads necessary to be built to said premises.

5. The lessees shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessors all rights of the Lessees hereunder, and upon such recording and upon serving notice in writing of such surrender upon the lessors by the lessees, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the lessees from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously

incurred in connection with the lessees' operation of said properties, but the lessees shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the lessees to comply with all of the terms of this lease shall not thereby render this lease null and void, but in such case, the lessors shall promptly notify the lessees at the latters' post office address left with lessors for such purpose. Lessees shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if lessees shall not have made correction of the default so complained of, Lessors shall have the option to terminate all rights of lessees hereunder, by notice to such effect served upon lessees. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to lessors. Delay on the part of lessors in working cancellation or forfeiture on account of default by lessees shall in no case be deemed waiver of lessors' rights thereafter to proceed on account of such, or any subsequent default by lessees.

7. Lessees shall pay as due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise; they will at all times protect lessors and all of said property from establishment of any liability so payable by lessees; lessees shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance

with all statutes of the State of South Dakota, or other legal authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of all such authorities.

8. Lessors by duly authorized representatives shall have at all times full right to be present at and inspect all operations of lessees hereunder, and during office hours the right to inspect all records and other paper work of lessees connected with such operations, and the right to take copies thereof at will at lessors' expense, but all such rights shall be exercised by lessors in a reasonable manner so as to cause lessees minimum inconvenience.

9. Lessees' operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel or other things necessary for operation purposes, acts of God and other causes wholly without lessees' control, but in case of such delay, lessees shall use due and proper methods to eliminate such delay as rapidly as practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions hereinabove set forth.

10. All taxes validly levied and assessed against lessees' property shall be paid by them as due, an all such validly levied and assessed against the property of lessors shall be paid by them when due, and all other production or similar taxes, if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. Time and manner of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives, heirs or assigns.

In Witness Whereof, the parties hereto have hereunto set

C. R. Boyle
Edgemont, So. Dak.



their hands in duplicate this day and year, the 5th day of July, 1952.

Signed

Witnessed by:

Clayton Feldhausen

Harold D. Stickney

Louis M. Blaisdell

Gerner Olsen

Guy H. Stickney

G. H. Ellison

Paul H. Russell

William W. Schoonmaker

Joe Smith

LESSORS

Signed

Raymond G. Sullivan

Clyde R. Boyle

C. G. Ortmayer

LESSEES

C. R. Boyle
Edgemont, So. Dak.

# M I N I N G  L E A S E

THIS AGREEMENT, Made and entered into this 15th day of July, 1952, by and between Earl Boner, Charles H. Frazer, and Willard Beard, party of the first part, whether one or more, and hereinafter designated as the Lessors, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, and hereinafter designated as the Lessees.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

1. Parker No. 1, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31M, Page 308; (31309) owned by Frazer, Beard and Boner.

2. Parker No. 2, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31 M, Page 308; (31310) owned by Frazer, Beard and Boner.

3. Parker No. 3, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31M, Page 309; (31311), owned by Boner and Frazer.

4. Parker No. 4, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M. Book 31 M, page 309; (31312) owned by Boner and Frazer.

5. Parker No. 5, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., and recorded in Book 31 M, page 310; (31313), owned by Boner and Frazer.

6. Parker No. 6, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., and recorded in Book 31 M, Page 310; (31314), owned by Boner and Frazer.

And, whereas, owners and lessors are desirous of securing the mining development of the above claims and mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose,

NOW, THEREFORE, for values mutually exchanged, receipt and sufficiency of which are hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessors do hereby lease and give possession unto the Lessees of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto belonging and in any wise appertaining, with the exclusive right to mine and develop said property, and to remove therefrom the mineral content thereof

in accordance with the terms of this lease and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender or forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below.

2. Within 120 days or four months from date hereof, the Lessees shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessees shall surrender this lease in its entirety to said Lessors; said operations when commenced shall thereafter be continued with due diligence, and same to be conducted in a good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty days' period subsequent to the commencement date hereof shall be that at least thirty-five one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the Lessees' interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed underground, but in any such case, all other properties of the Lessees except camp buildings, equipment and supplies, shall be left where located as property of the Lessors without claim against them in favor of the Lessees by way of reclamation or otherwise.

3. The Lessees shall pay the Lessors $400.00 in cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted; the 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessees as follows: On or before the 1st day of each month, for the proceeds received during the preceding month, and without deductions except the Lessors' share of validly levied production taxes or other legal burdens if any, imposed upon such mineral productions and returns by any legally constituted authority.

4. Lessees agree to pay the cost of any access roads necessary to be built to said premises.

5. The Lessees shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessors all rights of the Lessees hereunder, and upon such recording and upon serving notice in writing of such surrender upon the Lessors by the Lessees, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the Lessees from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously incurred in connection with the Lessees' operation of said properties, but the Lessees shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the Lessees to comply with all of the terms of this lease shall not thereby render this lease null and void,

but in such case, the Lessors shall promptly notify the Lessees at the latters' post office address left with Lessors for such purpose. Lessees shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if lessees shall not have made correction of the default so complained of, Lessors shall have the option to terminate all rights of Lessees hereunder, by notice to such effect served upon Lessees. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to Lessors. Delay on the part of Lessors in working concellation or forfeiture on account of defaultby Lessees shall in no case be deemed waiver of Lessors' rights thereafter to proceed on account of such, or any subsequent default by Lessees.

7. Lessees shall pay when due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise, they will at all times protect Lessors and all of said property from establishment of any liability so payable by Lessees; Lessees shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance with all statutes of the State of South Dakota, or other legal authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of such authorities.

8. Lessors by duly authorized representatives shall have at all times full right to be present at and inspect all operations of

Lessees hereunder, and during office hours the right to inspect all records and other paper work of Lessees connected with such operations, and the right to take copies thereof at will at Lessors' expense, but all such rights shall be exercised by Lessors in a reasonable manner so as to cause Lessees minimum inconvenience.

9. Lessees' operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel or other things necessary for operation purposes, acts of God and other causes wholly without Lessees' control, but in case of such delay, Lessees shall use due and proper methods to eliminate such delay as rapidly as possible and practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions above set forth.

10. All taxes validly levied and assessed against Lessees' property shall be paid by them when due, and all such validly levied and assessed against the property of the Lessors shall be paid by them when due, and all other production or similar taxes if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. It is understood and agreed by and between the parties here to that Willard Beard is to participate in royalties only on minerals produced from claims No. 1 and 2, that all royalties from minerals produced from claims Nos. 3-6 inclusive shall go to Charles H. Frazer and Earl Boner.

12. Time and manner of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives heirs or assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their

C. R. Boyle
Edgemont, So. Dak.



hands and seals the day and year first above written.

Witnessed by:

Signed

_____ Earl Boner

_____ Chas. H. Frazer

_____ Willard F. Beard
LESSORS

Signed

_____ Raymond G. Sullivan

_____ Clyde R. Boyle

_____ C. G. Ortmayer
LESSEES

C.R. Boyle
Edgemont, So. D

# MINING LEASE

THIS AGREEMENT, Made and entered into this 29th day of September, 1952, by and between Alva H. Schnee, Charles H. Frazer, and Amos C. Clark, party of the first part, Lessor, whether one or more, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, Lessee.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

Montana No. 1, filed for record in the office of the Register of Deeds, Fall River County, South Dakota, on 11 Sept. 1952, at 11:00 o'clock A. M., and recorded in Book 31 Misc. on Page 346.

Montana No. 2, filed for record in the office of the Register of Deeds, Fall River County, South Dakota, on 11 Sept. 1952, at 11:00 o'clock A. M., and recorded in Book 31 Misc., Page 346.

And Whereas, the owners and Lessors are desirous of securing the mining development of the above claim and mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose;

Now, Therefore, for values mutually exchanged, receipt and sufficiency thereof being hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessor does hereby Lease and give possession unto the Lessee of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto belonging, and in any wise appertaining, with the exclusive right to mine and develop said property and to remove therefrom the mineral content thereof in accordance with the terms of this lease and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender or forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below.

2. Within 90 days or three months from date hereof, the Lessee shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessee shall surrender this lease in its entirety to the said Lessor; said operations when commenced shall thereafter be continued with due diligence and same to be conducted in a good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as possible or practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty day period subsequent to the commencement date hereof shall be that at least fifteen one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the Lessee's interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed underground, but in any such case, all other property of the Lessee except camp buildings, equipment and supplies, shall be left where located as property of the Lessor without claim against them in favor of the Lessee by way of reclamation or otherwise.

3. The Lessee shall pay the Lessor $150.00 in cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage

and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted, the 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessee as follows: On or before the 1st day of each month, for the minerals sold and proceeds received during the preceding calendar month, and without deductions except the Lessor's share of validly levied production taxes or other legal burdens if any imposed by any legally constituted authority upon such mineral productions and returns.

4. Lessee agrees to pay the cost of any access roads necessary to be built to said premises.

5. The Lessee shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessor all rights of the Lessee hereunder, and upon such recording and upon serving notice in writing to the Lessor of such surrender, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the Lessee from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously incurred in connection with the Lessee's operations of said property, but the Lessee shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the Lessee to comply with all of the terms of this lease shall not thereby render this lease null and void, but in such case, the Lessor shall promptly notify the Lessee at the latters' post office addresses left with Lessor for such purpose; Lessee shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if Lessee shall not have made correction of the default so complained of, Lessor shall have the option to terminate all rights of Lessee hereunder, by notice to such effect served upon Lessee. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to Lessor. Delay on the part of Lessor in working cancellation or forfeiture on account of default by Lessee shall in no case be deemed waiver of Lessor's rights thereafter to proceed on account of such, or any subsequent default by Lessee.

7. Lessee shall pay when due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise, they will at all times protect Lessor and all of said property from establishment of any liability so payable by Lessee; Lessee shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance with all statutes of the State of South Dakota, or other legally constituted authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of such authorities.

8. Lessor by duly authorized representatives shall have at all times

full right to be present at and inspect all operations of Lessee hereunder, and during office hours the right to inspect all records and other paper work of Lessee connected with such operations, and the right to take copies thereof at will at Lessor's expense, but all such rights shall be exercised by Lessor in a reasonable manner so as to cause Lessee minimum inconvenience.

9. Lessee's operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel, or other things necessary for operational purposes, acts of God, and other causes wholly without Lessee's control, but in case of any such delay, the Lessee shall use due and proper methods to eliminate such delay as rapidly as possible and practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions hereinabove set forth.

10. All taxes validly levied and assessed against Lessee's property shall be paid by them when due, and all such validly levied and assessed against the property of Lessor shall be paid by them when due, and all other production or similar taxes, if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. Time and amount of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives, heirs or assigns.

IN WITNESS WHEREOF, the parties hereto have hereto set their hands and seals the day and year first above written.

Witnessed by:

Signed

Alva H. Schnee

Amos C. Clark

LESSORS

Chas H. Frazer

Signed

R. G. Sullivan

Clyde R. Boyle

C. G. Ortmayer

LESSEES

SUPPLEMENTAL REPORT ON DISCUSSION WITH A.E.C.
on

RIPSNORTER AND PARKER CLAIMS GROUPS APPLICATION
Fall River County, S. Dak.

A discussion of the application on the Ripsnorter and Parker Claims Groups was held with Mr. Howard Stafford, Chief of the A.E.C. Raw Materials Division office at Hot Springs, as well as with other members of the staff.

The discussion covered the advisability of exploration of this particular area, the feasibility of the method, wagon drilling, and the increased spacing of holes in the proposed grid pattern. Mr. Stafford agreed that the area warranted exploration and that wagon drilling was the most feasible method of exploring the property. He did mention that grids with closer spacing had been used in many instances in the Colorado Plateau, but seemed to be in agreement with the field team's recommendation for a 100 by 50-foot spacing in general, with a closer spacing around mineralized holes in order to determine possible trends.

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on

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4/10/53

Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

April 2, 1953

Mr. C. R. Boyle,
Ripsnorter & Parker Property
P. O. Box 330
Edgemont, South Dakota

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 6 1953

Re: Docket No. DMEA-2857 (Uranium)
Ripsnorter and Parker Claims
Fall River County, South Dakota

Dear Mr. Boyle:

The following paragraph excerpts from a letter from the Operating Committee in Washington concerning the Parker and Ripsnorter groups, are I believe, self-explanatory.

1. The Parker Claims Nos. 1-6, inclusive, were leased to Applicant in a lease dated July 15, 1952. The Owner's Consent to Lien is dated December 15, 1952. The copy of an "Endorsement" to the lease covered the Parker Nos. 7 and 8 claims and is dated February 26, 1953. Therefore, we will require another Owner's Consent to Lien, dated after February 26, 1953, in order to cover properly the Parker Nos. 7 and 8 claims. As in all cases, seven signed copies of this document should be submitted to this office.

2. The lease dated July 5, 1952, covering the Ripsnorter group of claims is signed by the nine lessors. The Owner's Consent to Lien covering these claims, however, is signed by a "Trustee or Attorney in Fact". It is necessary for us to have a copy of the instrument which authorizes the execution of the Owner's Consent to Lien in this manner by said "Trustee".

I did not notice the difference in dates on the lease and Owner's Consent to Lien for the Parker group and also I believe that in our conversation concerning the signing of the Lien on the Ripsnorter Group, I told you that only the signature of a "Trustee or Attorney in Fact" would be in order.

I regret the oversight and the misinformation, and apologize for any inconvenience or delay this may cause you.

Kindly have the enclosed copies (7) of Owner's Consent to Lien signed and dated as indicated in Paragraph 1, and the instrument requested in Paragraph 2 prepared and send them direct to the following address:

Mr. George C. Selfridge,
Chairman, Operating Committee
Washington 25, D. C.

Again I apologize for any inconvenience.

Yours very truly,

E. O. Binyon,
Mining Engineer

Attachments (7)

cc: Reg. Director, Region V
A. B. Needham, Executive Officer
George C. Selfridge, Chairman
Operating Committee
J. A. Redden, U.S.G.S.
files

FILE COPY
SURNAME:

Butler
F L Knouse
Ellis
McKenzie
Selfridge
Johnson
Rubin

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

Mr. A. S. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Ave., South
Minneapolis 8, Minnesota

AIR MAIL

MAR 2 6 1953

Re: Docket No. DMEA-2857 (Uranium)
Ripsnorter and Parker Claims
Fall River County, South Dakota

Dear Mr. Needham:

In reviewing the above-described docket for the purpose of preparing an exploration project contract, two questions arose in connection with the Owners' Consent to Lien forms which require adequate explanation or correction, as follows:

1. The Parker Claims Nos. 1-6, inclusive, were leased to Applicant in a lease dated July 15, 1952. The Owner's Consent to Lien is dated December 15, 1952. The copy of an "Endorsement" to the lease covered the Parker Nos. 7 and 8 claims and is dated February 26, 1953. Therefore, we will require another Owner's Consent to Lien, dated after February 26, 1953, in order to cover properly the Parker Nos. 7 and 8 claims. As in all cases, seven signed copies of this document should be submitted to this office.

2. The lease dated July 5, 1952, covering the Ripsnorter group of claims is signed by the nine lessors. The Owner's Consent to Lien covering these claims, however, is signed by a "Trustee" "Attorney in Fact". It is necessary for us to have a copy of the instrument which authorizes the execution of the Owner's Consent to Lien in this manner by said "Trustee".

Sincerely yours,

S.N. 3/26/53

APPROVED:

W. H. Hedges (HB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (HB)
Member, Geological Survey

George S. Selfridge (HB)
Chairman, Operating Committee

HCRubin/FLKnouse/gla 3-20-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. APButler, Rm. 3206 GSA
HDKeiser, Rm. 3647
Ellis
Knouse
Rubin
DMEA Field Team, Region V

3/16/53 gla

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

March 13, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 13 1953

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member
Uranium Commodity Committee

Subject: Supplemental report by Field Team, DMEA Docket No. 2857, Partnership: C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, Box 330 Edgemont, South Dakota.

I have reviewed the subject report and discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

It is recommended that the report and the basic field team's report discussed in my memorandum of February 11 be approved.

H. D. Keiser

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

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Signed

H. D. Keiser

3/11/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 4 1953

March 2, 1953

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2857, Ripsnorter and Parker Claims Group, Fall River County, S. Dak. [Uranium]

Reference is made to a telephone conversation with Mr. Knouse regarding a supplemental report to the Field Team Report already submitted indicating a cooperative discussion with the Atomic Energy Commission relative to the feasibility of the application and also inquiring about ownerships and leases pertinent to the Schoonmaker No. 2 and Parker Nos. 7 and 8 claims.

Here are the following: The original and three copies of the Field Team Supplemental Report, original and three copies of a statement regarding the inclusion of the Schoonmaker No. 2 claim in the lease, the original and three copies of the Owner's Consent to Lien on a number of properties including the Schoonmaker No. 2, the original and two copies of an endorsement pertinent to the Parker 7 and 8 claims, the Owner's Consent to Lien on the Parker claims, and the original and two copies of the Owner's Consent to Lien on the two Montana claims.

A. B. Needham
Executive Officer, Field Team
Region V

Attachments

2/27/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

/DMEA-2857 - Boyle, Ortmayer & Sullivan - Uranium/

February 13, 1953

Memorandum

To: E. O. Binyon, Bureau of Mines, School of Mines Campus, Rapid City, S. Dak.
J. A. Redden, U. S. Geological Survey, Box 71, Custer, S. Dak.

From: Executive Officer, Field Team, Region V

Subject: Ripsnorter and Parker Claims Group, Fall River County, S. Dak.

Reference is made to the D.M.E.A. field team report on the unassigned docket number subject application.

Please refer to the Operating Committee's Minutes, No. 139, dated November 10, 1952, which advises that all field team reports on radioactive minerals should include a discussion that the application was discussed with members of the A.E.C. Inspection of your report does not indicate this was done.

Mining leases transmitted do not include Parker No. 7 and 8, and yet the maps indicate the areas to be proposed for drilling; nor do the leases include Schoonmaker No. 2, which is proposed for drilling. The Operator should clarify this point as to whether he is owner or lessee, and if so, where are the leases.

Not included with the application were Consent to Lien forms, properly executed. These forms should be included because there is no use drawing up a contract and finding out the lessee could not get the owner's consent to lien - - Operator should be so informed to submit the forms.

Summarizing - please supplement your report with a discussion of consultation with A.E.C.; inform Operator to advise on the controversial Parker 7 and 8 and Schoonmaker No. 2 ownership, and to submit Owner's Consent to Lien forms.

A. B. Needham

cc Operating Committee, DMEA

2/12/53 gla

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

February 11, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 12 1953

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket No. 2857, Partnership: C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, Box 330, Edgemont, South Dakota.

I have reviewed the application included in the subject docket and the field team report dated January 15, 1953, relative thereto, and have discussed the application and report with Arthur P. Butler, Geological Survey Member, and Joseph O. Hosted, representative of the Atomic Energy Commission.

No evidence is presented in the field team's report that the application has been discussed with representatives of the Atomic Energy Commission. It is recommended that action on the application be withheld until such evidence is presented by the field team.

The copy of the field team's report has been forwarded to the Chief, Minerals Division, Bureau of Mines, in accord with the routing slip attached thereto.

H D Keiser

H. D. Keiser

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

February 11, 1953

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 12 1953

From: H. D. Keiser, Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket No. 2857, Partnership: C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, Box 330, Edgemont, South Dakota.

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No evidence is presented in the field team's report that the application has been discussed with representatives of the Atomic Energy Commission. It is recommended that action on the application be withheld until such evidence is presented by the field team.

The copy of the field team's report has been forwarded to the Chief, Minerals Division, Bureau of Mines, in accord with the routing slip attached thereto.

Signed

H. D. Keiser

STANDARD FORM NO. 64

2/11/53 gla

# Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member
Uranium Commodity Committee

DATE: February 9, 1953

FROM : A. P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Application and Field Team Report, DMEA Docket (Uranium) 2857, C. G. Ortmayer and others, applicant: Edgemont, South Dakota, Ripsnorter and Parker groups of claims.

DEPARTMENT OF THE INTERIOR
Bureau of Mines
Mineral's Administration
RECEIVED
FEB 1953

## Comment

The applicant proposed to explore by 50,000 feet of wagon drilling, six areas distributed in different parts of these two adjoining claim groups. The field team has submitted a report dated January 15 in connection with this application. That report appears to be a sound appraisal of the favorability of the proposed work and sets forth a proposal for somewhat less drilling to be conducted in two stages. The revised proposal appears reasonable.

## Recommendation

In view of the information set forth in the application and in the field team report, I recommend that government assistance for exploration, in a proportionate share of $38,855, be granted for carrying out exploration as set forth in the field team report.

Arthur P. Butler Jr.
A. P. Butler, Jr.

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 11 1953

E. Wm. Ellis, DMEA Member
Uranium Commodity Committee
A. P. Butler, Jr., USGS Member, Uranium Commodity Committee

February 9, 1953

Application and Field Team Report, DMEA Docket (Uranium) 2857, C. G. Ortmayer and others, applicant: Edgemont, South Dakota, Ripsnorter and Parker groups of claims.

## Comment

The applicant proposed to explore by 50,000 feet of wagon drilling, six areas distributed in different parts of these two adjoining claim groups. The field team has submitted a report dated January 15 in connection with this application. That report appears to be a sound appraisal of the favorability of the proposed work and sets forth a proposal for somewhat less drilling to be conducted in two stages. The revised proposal appears reasonable.

## Recommendation

In view of the information set forth in the application and in the field team report, I recommend that government assistance for exploration, in a proportionate share of $38,855, be granted for carrying out exploration as set forth in the field team report.

A. P. Butler, Jr.

January 21, 1953

Mr. C. R. Boyle
Box 330
Edgemont, South Dakota

Subject: DMEA-2857
Re: Exploration Assistance
The Ripsnorter and The Parker

My dear Mr. Boyle:

The receipt of your application dated December 13, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2857 and referred to the Rare and Miscellaneous Metals Division.

Kindly refer to DMEA-2857 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS
Robert E. Adams
Chief, Operations Control
and Statistics Division

25451

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

January 21, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region V.

DMEA-2857 - C. R. Boyle, C. G. Ortmayer & R. G. Sullivan

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

33980

dmea 2857

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

January 15, 1953

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Ripsnorter and Parker claims, Fall River County, S. Dak.

Here are the original and two copies of an application from C. R. Boyle and partners for exploration of uranium ores in South Dakota, together with the original and three copies of the Field Team Report recommending a contract modified from the applicants' opinion.

A copy of the application has been retained by this office.

A. B. Needham
Executive Officer
Field Team, Region V

Attachments

DMEA

1-29-53
(date)

dmea 2857

5/5/53

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

# REPORT OF EXAMINATION BY FIELD TEAM
# REGION V

## Ripsnorter and Parker Claims Groups

## Fall River County, South Dakota

E. O. Binyon, Mining Engineer
U. S. Bureau of Mines

J. A. Redden, Geologist
U. S. Geological Survey

January 8, 1953

Registered by
DMEA CLEARING HOUSE
1-28-53
(date)

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Report of Field Examination

by

E. O. Binyon, Mining Engineer
U. S. Bureau of Mines

J. A. Redden, Geologist
U. S. Geological Survey

Docket No:
Property: Ripsnorter and Parker Claims Groups
Applicant: C. G. Ortmayer, R. G. Sullivan, C. R. Boyle
Commodity: Uranium (Carnotite)

## SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The applicant, a partnership between C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, is addressed in care of C. R. Boyle, Resident Manager, P. O. Box 330, Edgemont, S. Dak.

The property, held under three lease agreements, is approximately 13 miles northeast of Edgemont, Fall River County, S. Dak., and is accessible by good road the year around.

The field team, in company with C. R. Boyle, examined the property on December 4, 1952 and spent approximately 3 hours on the examination and in discussing the proposed exploration. It was suggested that the exploration, by wagon drilling, be conducted on a more limited scale than originally proposed and that, at least in the initial stage, the drilling be confined to the more promising showings based on anomalies and favorable horizon. This was agreed to by the applicant and it was further agreed that the original application would be revised accordingly. The application in its present form was submitted December 15, 1952.

Based on the limited information available on the newly discovered district the areas designated in the application, as well as others in the district, are reasonably favorable for exploration. The proposed method of exploration, by wagon drilling, is the most feasible for areas as outlined in the application.

However, the field team is of the opinion that since so little information is available exploration must be planned, at least in the initial stages, on a somewhat smaller scale than proposed, both as to the areas to be explored and as to the money to be expended. The reduction in scale of the proposed exploration, as well as the recommendation for doing the work in two phases, is based on several factors:

the limited geologic information, the small size and relatively low grade of deposits so far discovered, and the lack of criteria which can be used as a basis for the selection of any particular areas for exploration as against others. It is recommended that the application be approved for 12,500 feet of wagon drilling to be confined to the two blocks as outlined on the Montana No. 1, Matias Peak No. 1, the Schoonmaker Nos. 1 and 2, and Gerner's Folly claims. See map, Exhibit "A". An additional 24,500 feet of drilling is recommended on the Parker group blocks or in other areas which the available geologic information and that obtained from the first stage drilling might indicate as favorable for exploration. It is further recommended that a short form contract be negotiated.

## NAME, LOCATION AND DESCRIPTION OF THE PROPERTY

The property, known as the Ripsnorter and Parker Groups, is held under lease by C. G. Ortmayer, R. G. Sullivan, and C. R. Boyle, a partnership. It is approximately 13 miles northeast of Edgemont, Fall River County, S. Dak. in sections 26, 27, and 34, T. 7 S., R. 3 E., and section 3, T. 8 S., R. 3 E., B.H.B.M. The property is accessible the year around, being reached by 10 miles of good highway (U.S. 85A) and approximately 3 miles of fair dirt road.

Ownership, lease agreements, and the record of locations of the nineteen unpatented claims are given in the lease agreements accompanying the application. The maps show the locations of the claims.

Workings consist of small discovery pits as shown on the maps and an open cut located on the south side of the westernmost mineralized block. The open cut is approximately 12 feet in width, 100 feet in length, and averages approximately 15 feet in depth. North of the open cut the surface has been dozed off over an area of about 500 square feet.

## GEOLOGY

The general geology as described by the applicant is essentially correct. The proposed selection of the drilling areas is based on scintillometer anomalies and on the location of the same or similar beds.

The present knowledge of the shape, size and control of the ore bodies is limited. In general, most of the ore bodies at present tend to be elongated in a north-south direction. Ore bodies locally do occur in the same general horizon and in neighboring deposits. This is indicated by the applicant's discovery of two ore bodies on the Matias Peak claims, one of which was concealed and had no surface anomaly.

The location of the two known ore bodies on the property appear to be at a change in dip of the Lakota (?) formation. The exposures of the western ore body which the applicant is now mining by open cut

appears to be controlled by channeling and cross-bedding, and trends about N. 10° - 30° E. Accurate recording of the results of the proposed drilling may provide valuable information as to the control, size, and distribution of the deposits.

## PRODUCTION

Total production to date is approximately 200 short tons of ore with an average grade of about .17 percent $U_3O_8$, all of which has come from the open cut on the westernmost deposit.

## DESCRIPTION OF THE PROJECT

In the discussion with the applicant, C. R. Boyle, it was brought out that at present pertinent geologic information for planning extensive exploration programs is extremely limited or lacking entirely. Also, that the largest known deposits so far discovered in this new district are relatively small, the largest having about 3,000 tons of approximately 0.2 percent ore, or a value of $100,000. Repayment of a loan of the amount applied for would necessitate discovery of ore deposits having a gross value of approximately $1,000,000. Based on the present limited knowledge of the district, it appears unlikely that ore deposits of sufficient size and grade for repayment of this amount will be discovered on this property. However, there is no question that the property does warrant exploration.

It was further suggested that by doing the work in two phases and limiting the first phase to the most favorable showings, the geologic data obtained when combined with that already available may make it possible to better select favorable areas for exploration under Phase II.

The field team recommends that the exploration loan as outlined in this report be approved. The applicant is in agreement with this recommendation.

The work will proceed on a limited basis, concentrating on the most favorable areas at the start. Under Phase I the horseshoe-shaped block on the Montana No. 1 and Matias Peak No. 1 claims, and the block on the Schoonmaker No. 1, Schoonmaker No. 2, and Gerner's Folly claims are to be drilled. Both blocks have radiometric anomalies and are in a favorable horizon. The hole spacing is to be increased from the 40-foot centers, as originally proposed, to a rectangular spacing of 100 feet in a north-south direction and 50 feet in an east-west direction.

Actual practice may require some changes in the grid both in spacing and limits, but it is believed that few, if any, ore bodies will be missed by the larger grid. On the grids with a 100- by 50-foot spacing a maximum of 12,500 feet of hole is to be drilled on the two blocks mentioned, and for about every 5,000 square feet, one hole would

be drilled to a depth of approximately 100 feet. All other holes are to be drilled to penetrate the local ore horizon, or to a depth of about 30 feet.

On the large grid the calculated drilling footage for the two areas which are to be drilled first is 10,500 feet, but an additional 2,000 feet of drilling is included for the total of 12,500 feet in order to allow for any extra drilling that may be necessary to better outline any discoveries in these areas.

For the second phase, an additional 24,500 feet of drilling is recommended for the blocks on the Parker group (see map), or in other areas which the available geologic data, and that obtained from the first phase drilling, might indicate as most favorable for exploration. Exploration under the second phase is to be undertaken if, in the opinion of the field team, the results of Phase I warrant it.

Obviously, the decision to proceed with Phase II cannot be based entirely on the results of Phase I, but if the results of Phase I are entirely negative it would certainly be advisable to either curtail the work under Phase II or to stop it entirely. If Phase I results are favorable, then Phase II would be carried out. However, it may be necessary to select areas other than those outlined, as well as to increase or decrease the drilling footage in any selected area, so some degree of flexibility seems desirable.

In view of the fact that some exploration of the property is certainly warranted and also that the choice of an area for exploration, based on the present limited information, is by guess, the allowance of 24,500 feet of drilling under Phase II is made in order to obtain some flexibility and at the same time place some limitation on expenditures. Also, in setting the work up under two phases the necessity for filing another application, should Phase I results warrant additional drilling, has been obviated. It is believed, and the applicant is in agreement, that a two-phase program of exploration will prove mutually advantageous.

All claims as outlined on the accompanying map are included in the project. However, the production from deposits on or extending either laterally or vertically from the two adjoining blocks designated "mineralized," colored in red, and lying in part on the Matias Peak No. 1 and Matias No. 2 claims, is not to be subject to a royalty payment for repayment of the exploration loan.

All production, except as mentioned in the preceding paragraph, from any deposit which is discovered as a result, either directly or indirectly, of the exploration under the contract is subject to royalty payments if certified as a discovery.

It is recommended that any samples taken during the project be aplit and a representative split be made available to the Bureau of Mines.

Work will start within 30 days from the date the applicant signs the contract and the initial stage of the work will be completed within 3½ months from the starting date. If the project is carried into the second phase drilling, this work will be started as soon as possible after completion of the first phase and will be completed within 7 months from the date the second phase is started. It is estimated that the project will be completed in 10½ to 11 months.

Estimated costs of the project are as follows:

PHASE I

| | | Total | Cost Per Ft. |
|---|---|---|---|
| Independent contracts - wagon drilling 12,500 ft. @ $.75 per ft. | | $ 9,375.00 | $ .75 |
| Labor | | -- | -- |
| Supervision | | | |
| Geologist @ $450 per mo. for 3½ mos. | | 1,575.00 | |
| Superintendent, part time, $150 per mo. for 3½ months | | 525.00 | |
| Bookkeeper, $50 per mo. for 3½ mos. | | 175.00 | |
| | | 2,275.00 | .182 |
| Operating Material & Supplies | | 125.00 | .010 |
| Gas, oil, & misc. for truck | $105.00 | | |
| Sacks etc. for samples | 20.00 | | |
| Operating equipment furnished by operator | | | |
| Radiometric scaler, manufactured by Nuclear Chemical & Instrument Co. | $ 950.00 | | |
| Crusher, pulverizer, splitter, etc. | 610.00 | | |
| Chevrolet truck (new) | 1800.00 | | |
| | $3360.00 | | |
| Total operating equipment, $3360, @ 1/60 per mo. for 3½ months | | 196.00 | .016 |
| Rehabilitation and repairs | | -- | -- |
| New Buildings etc. | | -- | -- |
| Miscellaneous | | | |
| Drill site preparation | | | |
| Dozer rental estimated 6 days @ $100/day | | 600.00 | .048 |
| Compensation Insurance | | 109.38 | .009 |
| $3.50 per hundred for surface workers | $73.50 | | |
| 1.00 per hundred for bookkeeper | 1.75 | | |
| | $75.25 | | |
| Payroll taxes, 1½% of $2275 | 34.13 | | |
| Analyses, check chemical, 100 samples @ $4.00 (includes freight & postage) | | 400.00 | .032 |

| PHASE I (cont.) | | Cost Total | Cost Per Ft. |
|---|---|---|---|
| Report on first phase | | $ 50.00 | .004 |
| Contingencies | | 150.00 | .012 |
| Phase I total | | $ 13,280.38 | $ 1.063 |
| | | Less Samples | .032 |
| | | | 1.031 |
| **PHASE II** | | | |
| Independent contract, wagon drilling, 24,500 ft. @ $.75 per ft. | | $ 18,375.00 | .75 |
| Labor | | -- | |
| Supervision: | | | |
| Geologist, $450 per mo. for 7 mos. - | $3150.00 | | |
| Superintendent, $150/mo. " " " | 1050.00 | | |
| Bookkeeper, $50 per mo. for 7 mos. | 350.00 | | |
| | | 4,550.00 | .186 |
| Operating Materials and Supplies | | 250.00 | .010 |
| Gas, oil & misc. for truck | $ 210.00 | | |
| Sacks etc. for samples | 40.00 | | |
| Operating equipment furnished by operator | | | |
| Radiometric scale | 950.00 | | |
| Crusher, pulverizer, splitter, etc. | 610.00 | | |
| Chevrolet truck (new) | 1800.00 | | |
| | 3360.00 | | |
| 1/60 per mo. of $3360 for 7 mos. | | 392.00 | .016 |
| Rehabilitation and repairs | | -- | -- |
| New Buildings, Etc. | | -- | -- |
| Miscellaneous | | | |
| Drill site preparation, 6 days @ $100 | | 600.00 | .025 |
| Compensation Insurance | | 218.75 | .009 |
| $3.50 per hundred for surface workers | 147.00 | | |
| 1.00 per hundred for bookkeeper | 3.50 | | |
| | 150.50 | | |
| Payroll taxes, 1½% of $4550 | 68.25 | | |
| Analyses, check chemical, 200 samples @ $4.00 (includes postage and freight) | | 800.00 | .033 |
| Final report not included in geologist's salary | | 150.00 | .006 |
| Contingencies | | 200.00 | .008 |
| | | $ 25,535.75 | $ 1.043 |
| | | Less Samples | .033 |
| Phase I - 12,500 ft. @ $1.07 per ft | | $ 13,375.00 | 1.010 |
| Phase II- 24,500 ft. @ $1.04 per ft. | | 25,480.00 | |
| Total for Project | | $ 38,855.00 | |
| Government participation @ 90% | | $ 34,969.50 | |

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
JAN 19 1953

# 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. dmea 2857
Metal or Mineral
Date Received 1-19-53
Estimated Cost
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: Partnership: C. G. Ortmayer, R. G. Sullivan and C. R. Boyle. Mail to: C. R. Boyle, Box 330, Edgemont, South Dakota C. G. Ortmayer and R. G. Sullivan are residing in Grand Junction, Colo.

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

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

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

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

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

See attached sheet and attached map. Exhibits A and B.

(*b*) State any mine name by which the property is known. The Ripsnorter and the Parker

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

Lessee; copies of leases are attached.

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

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

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

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. See attached:

(*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. See attached.

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

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

16—66551-1

All facilities are readily available in Edgemont, 14 miles distant from the properties.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Ores of Uranium, Carnotite is the local mineral.

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

(*c*) The work will start within 30 days and be completed within 12 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. See attached sheet.

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.

See attached

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

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

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

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

Explain in detail on acompanying paper.

## CERTIFICATION

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

Dated 12/13, 195[illegible]

(Applicant)

By C. R. Bagh

**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

SHEET ATTACHED TO A. C. form MF-103

Applicant: C. R. Boyle for partnership, C. G. Ortmayer, R. G. Sullivan and C. R. Boyle.

Question No. 3.

(a). Legal Description:

That portion of Section 3, Township 8 South, Range 3East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Parker #1 | 6-9-52 | 31 Misc. | 308 |
| " " #2 | 6-9-52 | 31 " | 309 |
| " " #3 | 6-9-52 | 31 " | 309 |
| " " #4 | 6-9-52 | 31 " | 309 |
| " " #5 | 6-9-52 | 31 " | 310 |
| " " #6 | 6-9-52 | 31 " | 310 |

Also that portion of Sections 26, 27, & 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| | | | |
|---|---|---|---|
| Montana #1 | 9-11-52 | 31 Misc. | 346 |
| Montana #2 | 9-11-52 | 31 " | 346 |
| Schoonmaker #1 | 5-19-52 | 31 " | ~~502~~ 158 |
| Schoonmaker #2 | 10-13-52 | 31 " | 502 |
| Ripsnorter #1 | 5-19-52 | 31 " | 157 |
| Ripsnorter #2 | 5-19-52 | 31 " | 157 |
| Morning Glory | 5-19-52 | 31 " | 158 |
| Cycad #1 | 5-19-52 | 31 " | 157 |
| Cycad #2 | 5-19-52 | 31 " | 154 |
| Matias Peak #1 | 5-19-52 | 31 " | 155 |
| Matias Peak #2 | 5-19-52 | 31 " | 155 |
| Garner's Folly | 5-19-52 | 31 " | 156 |

The above claims are shown in Exhibits A and B.

(d) Copies of the three Mining Leases are attached as Exhibit C.

(f) See table above.

Question No. 4.

(a) Exploration work completed to date by the above partnership consists of 9300' of wagon drilling. 332 holes were drilled to depths varying from 20' to 40'. This exploration work succeeded in showing two separate ore bodies. ( shown on Exbt. A.)

(b) The mining operations to date have produced 200 tons of ore by stripping. This operation began in September, 1952 under the the present lessees.
The ore reserves, as estimated by the results from the wagon drilling, amount to 1000 tons having an average grade of 0.17% $U_3O_8$ and 0.60% $V_2O_5$

Question No. 4. (Continued)

(c) The entire property is underlain by the Lakota Sandstone. The uranium mineralization occurs in this sandstone in deposits of irregular size and shape. In places the mineralization will outcrop and can be detected by radiometric means of prospecting. The wagon drilling proposed herein is to explore for those deposits have not been detected by radiometric means. One ore body, shown on Exhibit A, was without any surface indication and was discovered only by extending the wagon drilling from a known deposit. The choice of drill sites, shown on Exhibit A, has been made on the following bases:

1. Proximity to known deposits.
2. Known scintillometer anomalies.
3. Favorable horizons.

The Geology and Mineralization are best described in Geological Survey Circular No. 175 by L. R. Page and J. A. Redden. One copy of this circular is enclosed. The applicant would like it returned.

(d) The property is served by good year round roads. Shipping, supply and residence point is Edgemont, South Dakota approximately 14 miles from the workings.

(e) All facilities are readily available in Edgemont. Power is furnished by gasoline or diesel engines at the mine.

Question No. 5.

(a) Ores of uranium. Carnotite is the local mineral.

(b) The proposed exploration consists of fifty thousand, 50,000, lineal feet of wagon drill hole. The holes are to average in depth approximately 30'. There will be occasional holes of 100' in depth. Approximately 1500 holes spaced on 40' centers are to be drilled on the different areas. See exhibit A and B.

SAMPLING:

Automatic sampling will be effected by use of the Duclone Sampler. This device permits cutting any desired thickness of sample with maximum efficiency.

(c) The work will start within 30 days and be completed within 12 months from the date of an exploration project contract.

(d) The applicant, Clyde R. Boyle, will supervise the operation. Mr. Boyle has worked in mining and as a mining engineer continously for the past 23 years and has held a Professional Engineer's License in Colorado since 1940.
A competent geologist will be employed to log the holes, survey the location of the holes and to be responsible for the sampling. This man will work under the supervision of Mr. Boyle.

Sheet No. ~~1950 Chevrolet Pick-up, owned by Applicant: C. R. Boyle~~ Edgemont, So. Dak.

C R Boyle
Edgemont, So. D.

Question No. 6

(a) Independent Contracts: Wagon Drilling.
The drilling is to be contracted with Minerals Engineering Company of Grand Junction, Colorado who will contract to drill to a maximum depth of 100' for each hole at the rate of $0.75 per foot.
Cost of wagon drilling, 50,000 feet at $0.75 per foot---$37,500.00

(b) Salaries: Supervision and Consultants.

| | |
|---|---|
| Geologist---------- | 4,950.00 |
| Based on $450.00 per month for 11 months. | |
| Supervision---------- | 1,650.00 |
| Based on $3.00 per hour for 2 hours per day for 25 days per month equals $150.00 for 11 months. | |
| Bookkeeping---------- | 550.00 |
| Based on $2.00 per hour for 1 hour per day for 25 days per month equals $50.00 for 11 months. | |

(c) None: Stationery, drafting materials and surveying instruments will be furnished by applicant.

(d) A 1950 Chevrolet Pick-up, owned by the applicant, will be furnished for the geologist. The suggested use-allowance basis $0.07 per mile. This includes all costs of the vehicle.
Estimated cost of the vehicle for 11 months---------- 1,078.00
Based on 1400 miles travel per month.

(e) None.

(f) None.

(g) Analytical Work: There is no laboratory in the area. Samples must be sent to Grand Junction, Colorado for assay which requires 2 weeks and average cost of $3.50 per sample. It is suggested the applicant provide a Radiometric Analyzer, "Scaler", on a use allowance basis: also a laboratory size crusher and pulverizer.

| | |
|---|---|
| Scaler, Model 163, made by the Nuclear Chemical and Instrument Company, Chicago, Illinois---------- | 950.00 |
| Crusher and Pulverizer---------- | 700.00 |
| Freight and Installation---------- | 400.00 |
| | 2,050.00 |
| Suggested use-allowance cost is $40.00 per month. | |
| $40.00 per month for 11 months---------- | 440.00 |

Drill Site Preparation:
75% of the area is readily accessible by wagon drills mounted on standard trucks. On the sloping areas levelling will ahve to be done with a bull dozer.
Estimated cost for entire area is ---------- 7,500.00
Based on 5000 lineal feet of road at $1.50 per foot.

Question No. 6 (Continued)

(g) Continued.

| | |
|---|---|
| Compensation Insurance for Geologist, Supervisor and Bookkeeper for 11 months---------- | $343.20 |
| Payroll Taxes for Geologist, Supervisor and Bookkeeper. 3% of $7,150.00 for 11 months---------- | 214.50 |
| Contingencies: 10% of Geologist's total salary.-------- To allow for writing of final report and miscellaneous time-off due to weather and shut-down. | 495.00 |

SUMMARY

| ITEM | TOTAL COST | COST PER FOOT |
|---|---|---|
| Wagon Drilling | $37,500.00 | $0.7500 |
| Salaries | 7,150.00 | 0.1430 |
| Transportation | 1,073.00 | 0.0215 |
| Analytical Work | 440.00 | 0.0088 |
| Compensation Insurance | 343.20 | 0.0069 |
| Office Space | 220.00 | 0.0044 |
| Payroll Taxes | 214.50 | 0.0043 |
| Drill Site Preparation | 7,500.00 | 0.1500 |
| Contingencies | 495.00 | 0.0100 |
| | $54,940.70 | $1.0989 |

# WAGON DRILLING AGREEMENT

THIS AGREEMENT, made and entered into in duplicate as of _____ _____, 195_, by and between MINERALS ENGINEERING COMPANY, a Colorado corporation, and _____ of _____ hereinafter called Operator, WITNESSETH:

## RECITALS

Minerals is the owner of drilling equipment to carry on what is known as wagon drilling for vanadium and uranium ores. Operator owns or has legal possession to those certain mining claims in _____ County, State of _____, generally described as follows:

In consideration of the payments to be made by the Operator to Minerals, Minerals agrees;

1. To drill to a maximum depth of ~~50~~ 100 feet for each hole at the rate of $0.75 per foot;

2. To drill in excess of ~~50~~ 100 feet for each hole at the rate of $1.00 per foot; the maximum drilling depth of each hole in excess of 50 feet dependent upon the local formation;

3. To deliver to Operator cut samples with accurate log of each hole;

4. To permit Operator at all times to inspect and copy records and to observe all drilling operations;

5. To sustain each and all costs and expenses in connection with such drilling and to carry on such operations steadily and continuously unless prevented by cause beyond its control;

6. To move to the site of drilling for $350.00. This charge will be rebated to the Operator if drilling exceeds 20,000 feet.

For the covenants agreed to be performed by Minerals, Operator guarantees to Minerals a minimum of 10,000 feet of drilling; to specify locations where holes are to be drilled; to provide access roads to such locations, if required by Minerals for the movement of its equipment; to pay to Minerals the amount due it as determined by its drilling records, on or before the 10th of the month following the month during which the work was performed.

MINERALS ENGINEERING COMPANY

By_____
Vice-President

_____

By_____

C. R. Boyle
Edgemont, So. Dak

# MINING LEASE

THIS AGREEMENT, Made and entered into this 5th day of July, 1952, by and between Clayton Feldnausen, Harold D. Stickney, Louis M. Blaisdell, Gerner Olsen, Buy H. Stickney, O. H. Ellison, Raul H. Russell, William W. Schoonmaker, and Joe Smith, doing business under the name and style of Fall River Mining Company, party of the first part, whether one or more, and hereinafter designated as Lessors, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, and hereinafter designated as the Lessees.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

1. Ripsnorter No. 1, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 157, (31146)

2. Schoonmaker No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 158 (31148)

3. Morning Glory, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 PMM., Book 31 M, Page 158 (31149)

4. Ripsnorter No. 2, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 157 (31147)

5. Cycad No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 PMM., Book 31 M, Page 156 (31145)

6. Gurner's Folly, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., in Book 31 M, Page 156, (31144)

7. Matias Peak No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 10:00 A.M., in Book 31 M, page 155 (31143)

8. Matias Peak No. 2, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 155 (31142)

9. Cycad No. 2, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 154 (31141)

And, whereas, Lessors are desirous of securing the mining development of the above claims and the mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose;

Now, therefore, for values mutually exchanged, receipt and sufficiency of which are hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessors do hereby lease and give possession unto the Lessees of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto appertaining, with the exclusive right to mine, and develop said property, and to remove therefrom the mineral content thereof in accordance with the terms of this lease, and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender of forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below:

2. Within sixty days following the date hereof, the Lessees shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessees shall surrender this lease in its entirety to said Lessors; said operations when commenced shall thereafter be continued with due diligence, and same to be conducted in good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty day period subsequent to the commencement date hereof shall be that at least fifty one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the lessees' interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed

underground, but in any such case, all other properties of the lessees except camp buildings, equipment and supplies, shall be left where located as property of the Lessors without claim against them in favor of the lessees by way of reclamation or otherwise.

3. The Lessees shall pay the Lessors $1200.00 cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted. The 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessees as follows: On or before the 1st day of each month, for the proceeds received during the preceding calendar month, and without deductions except the lessors' share of validly levied production taxes or other legal burdens, if any, imposed upon such mineral productions and returns by any legally consituted authority.

4. Lessees agree to pay the cost of any access roads necessary to be built to said premises.

5. The lessees shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessors all rights of the Lessees hereunder, and upon such recording and upon serving notice in writing of such surrender upon the lessors by the lessees, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the lessees from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously

incurred in connection with the lessees' operation of said properties, but the lessees shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the lessees to comply with all of the terms of this lease shall not thereby render this lease null and void, but in such case, the lessors shall promptly notify the lessees at the latters' post office address left with lessors for such purpose. Lessees shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if lessees shall not have made correction of the default so complained of, Lessors shall have the option to terminate all rights of lessees hereunder, by notice to such effect served upon lessees. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to lessors. Delay on the part of lessors in working cancellation or forfeiture on account of default by lessees shall in no case be deemed waiver of lessors' rights thereafter to proceed on account of such, or any subsequent default by lessees.

7. Lessees shall pay as due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise; they will at all times protect lessors and all of said property from establishment of any liability so payable by lessees; lessees shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance

with all statutes of the State of South Dakota, or other legal authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of all such authorities.

8. Lessors by duly authorized representatives shall have at all times full right to be present at and inspect all operations of lessees hereunder, and during office hours the right to inspect all records and other paper work of lessees connected with such operations, and the right to take copies thereof at will at lessors' expense, but all such rights shall be exercised by lessors in a reasonable manner so as to cause lessees minimum inconvenience.

9. Lessees' operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel or other things necessary for operation purposes, acts of God and other causes wholly without lessees' control, but in case of such delay, lessees shall use due and proper methods to eliminate such delay as rapidly as practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions hereinabove set forth.

10. All taxes validly levied and assessed against lessees' property shall be paid by them as due, an all such validly levied and assessed against the property of lessors shall be paid by them when due, and all other production or similar taxes, if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. Time and manner of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives, heirs or assigns.

In Witness Whereof, the parties hereto have hereunto set

their hands in duplicate this day and year, the 5th day of July, 1952.

Witnessed by:

Signed

Clayton Feldhausen

Harold D. Stickney

Louis M. Blaisdell

Garner Olson

Guy H. Stickney

H. H. Ellison

Paul H. Russell

William W. Schoonmaker

Joe Smith

LESSORS

Signed

Raymond G. Sullivan

Clyde R. Boyle

G. G. Ortmayer

LESSEES

M-173
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
JAN 19 1953

# 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. dmea 2857
Metal or Mineral
Date Received 1-19-53
Estimated Cost
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: Partnership: C. G. Ortmayer, R. G. Sullivan and C. R. Boyle. Mail to: C. R. Boyle, Box 330, Edgemont, South Dakota
C. G. Ortmayer and R. G. Sullivan are residing in Grand Junction, Colo.

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

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

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

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

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

See attached sheet and attached map. Exhibits A and B.

(*b*) State any mine name by which the property is known. The Hipshorter and the Parker

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
Lessee; copies of leases are attached.

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

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

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

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. See attached:

(*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. See attached.

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

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

16—66551-1

All facilities are readily available in Edgemont, 14 miles distant from the properties.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore **Ores of Uranium, Carnotite is the local mineral.**

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

(*c*) The work will start within **30** days and be completed within **12** 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. **See attached sheet.**

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.

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(*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.

See attached.

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

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

☒ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

## CERTIFICATION

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

Dated 12/13/, 1952

(Applicant)

By C. R. Boyle

**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

SHEET ATTACHED TO A. [illegible]. C. form MF-103

Applicant: C. R. Boyle for partnership, G. G. Ortmayer, R. G. Sullivan and C. R. Boyle.

Question No. 3.

(a). Legal Description:

That portion of Section 3, Township 8 South, Range 3East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Parker #1 | 6-9-52 | 31 Misc. | 308 |
| " " #2 | 6-9-52 | 31 " | 309 |
| " " #3 | 6-9-52 | 31 " | 309 |
| " " #4 | 6-9-52 | 31 " | 309 |
| " " #5 | 6-9-52 | 31 " | 310 |
| " " #6 | 6-9-52 | 31 " | 310 |

Also that portion of Sections 26, 27, & 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| | | | |
|---|---|---|---|
| Montana #1 | 9-11-52 | 31 Misc. | 346 |
| Montana #2 | 9-11-52 | 31 " | 346 |
| Schoonmaker #1 | 5-19-52 | 31 " | ~~502~~ 158 |
| Schoonmaker #2 | 10-13-52 | 31 " | 502 |
| Ripsnorter #1 | 5-19-52 | 31 " | 157 |
| Ripsnorter #2 | 5-19-52 | 31 " | 157 |
| Morning Glory | 5-19-52 | 31 " | 158 |
| Cycad #1 | 5-19-52 | 31 " | 157 |
| Cycad #2 | 5-19-52 | 31 " | 154 |
| Matias Peak #1 | 5-19-52 | 31 " | 155 |
| Matias Peak #2 | 5-19-52 | 31 " | 155 |
| Garner's Folly | 5-19-52 | 31 " | 156 |

The above claims are shown in Exhibits A and B.

(d) Copies of the three Mining Leases are attached as Exhibit C.

(f) See table above.

Question No. 4.

(a) Exploration work completed to date by the above partnership consists of 9300' of wagon drilling. 332 holes were drilled to depths varying from 20' to 40'. This exploration work succeeded in showing two separate ore bodies. ( shown on Exht. A.)

(b) The mining operations to date have produced 200 tons of ore by stripping. This operation began in September, 1952 under the the present leasees.
The ore reserves,as estimated by the results from the wagon drilling, amount to 1000 tons having an average grade of 0.17% U3O8 and 0.60% V2O5

Question No. 4. (Continued)

(c) The entire property is underlain by the Lakota Sandstone. The uranium mineralization occurs in this sandstone in deposits of irregular size and shape. In places the mineralization will outcrop and can be detected by radiometric means of prospecting. The wagon drilling proposed herein is to explore for those deposits have not been detected by radiometric means. One ore body, shown on Exhibit A, was without any surface indication and was discovered only by extending the wagon drilling from a known deposit. The choice of drill sites, shown on Exhibit A, has been made on the following bases:

1. Proximity to known deposits.
2. Known scintillometer anomalies.
3. Favorable horizons.

The Geology and Mineralization are best described in Geological Survey Circular No. 175 by L. R. Page and J. A. Redden. One copy of this circular is enclosed. The applicant would like it returned.

(d) The property is served by good year round roads. Shipping, supply and residence point is Edgemont, South Dakota approximately 14 miles from the workings.

(e) All facilities are readily available in Edgemont. Power is furnished by gasoline or diesel engines at the mine.

Question No. 5.

(a) Ores of uranium. Carnotite is the local mineral.

(b) The proposed exploration consists of fifty thousand, 50,000, lineal feet of wagon drill hole. The holes are to average in depth approximately 30'. There will be occasional holes of 100' in depth. Approximately 1600 holes spaced on 40' centers are to be drilled on the different areas. See exhibit A and B.

SAMPLING:

Automatic sampling will be effected by use of the Duclone Sampler. This device permits cutting any desired thickness of sample with maximum efficiency.

(c) The work will start within 30 days and be completed within 12 months from the date of an exploration project contract.

(d) The applicant, Clyde R. Boyle, will supervise the operation. Mr. Boyle has worked in mining and as a mining engineer continously for the past 23 years and has held a Professional Engineer's License in Colorado since 1940.
A competent geologist will be employed to log the holes, survey the location of the holes and to be responsible for the sampling. This man will work under the supervision of Mr. Boyle.

Applicant: C. R. Boyle
Edgemont, So. Dak.

Question No. 6

(a) Independent Contracts: Wagon Drilling.
The drilling is to be contracted with Minerals Engineering Company of Grand Junction, Colorado who will contract to drill to a maximum depth of 100' for each hole at the rate of $0.75 per foot.
Cost of wagon drilling, 50,000 feet at $0.75 per foot---$37,500.00

(b) Salaries: Supervision and Consultants.
Geologist---------- 4,950.00
Based on $450.00 per month for 11 months.

Supervision---------- 1,650.00
Based on $3.00 per hour for 2 hours per day for 25 days per month equals $150.00 for 11 months.

Bookkeeping---------- 550.00
Based on $2.00 per hour for 1 hour per day for 25 days per month equals $50.00 for 11 months.

(c) None: Stationery, drafting materials and surveying instruments will be furnished by applicant.

(d) A 1950 Chevrolet Pick-up, owned by the applicant, will be furnished for the gelogist. The suggested use-allowance basis $0.07 per mile. This includes all costs of the vehicle.
Estimated cost of the vehicle for 11 months---------- 1,078.00
Based on 1400 miles travel per month.

(e) None.

(f) None.

(g) Analytical Work: There is no laboratory in the area. Samples must be sent to Grand Junction, Colorado for assay which requires 2 weeks and aver ge cost of $3.50 per sample. It is suggested the applicant provide a Radiometric Analyzer, "Scaler", on a use allowance basis: also a laboratory size crusher and pulverizer.

| | |
|---|---|
| Scaler, Model 163, made by the Nuclear Chemical and Instrument Company, Chicago, Illinois---------- | 950.00 |
| Crusher and Pulverizer---------- | 700.00 |
| Freight and Installation---------- | 400.00 |
| | 2,050.00 |

Suggested use-allowance cost is $40.00 per month.
$40.00 per month for 11 months---------- 440.00

Drill Site Preparation:
75% of the area is readily accessible by wagon drills mounted on standard trucks. On the sloping areas levelling will ahve to be done with a bull dozer.
Estimated cost for entire area is ---------- 7,500.00
Based on 5000 lineal feet of road at $1.50 per foot.

Question No. 6 (Continued)

(g) Continued.

| | |
|---|---|
| Compensation Insurance for Geologist, Supervisor and Bookkeeper for 11 months---------- | $343.20 |
| Payroll Taxes for Geologist, Supervisor and Bookkeeper. 3% of $7,150.00 for 11 months---------- | 214.50 |
| Contingencies: 10% of Geologist's total salary.-------- To allow for writing of final report and miscellaneous time-off due to weather and shut-down. | 495.00 |

SUMMARY

| ITEM | TOTAL COST | COST PER FOOT |
|---|---|---|
| Wagon Drilling | $37,500.00 | $0.7500 |
| Salaries | 7,150.00 | 0.1430 |
| Transportation | 1,078.00 | 0.0215 |
| Analytical Work | 440.00 | 0.0088 |
| Compensation Insurance | 343.20 | 0.0069 |
| Office Space | 220.00 | 0.0044 |
| Payroll Taxes | 214.50 | 0.0043 |
| Drill Site Preparation | 7,500.00 | 0.1500 |
| Contingencies | 495.00 | 0.0100 |
| | $54,940.70 | $1.0989 |

# WAGON DRILLING AGREEMENT

THIS AGREEMENT, made and entered into in duplicate as of _____ _____, 195_, by and between MINERALS ENGINEERING COMPANY, a Colorado corporation, and _____ of _____ hereinafter called Operator, WITNESSETH:

## RECITALS

Minerals is the owner of drilling equipment to carry on what is known as wagon drilling for vanadium and uranium ores. Operator owns or has legal possession to these certain mining claims in _____ County, State of _____, generally described as follows:

In consideration of the payments to be made by the Operator to Minerals, Minerals agrees;

1. To drill to a maximum depth of ~~50~~ 100 feet for each hole at the rate of $0.75 per foot;

2. To drill in excess of ~~50~~ 100 feet for each hole at the rate of $1.00 per foot; the maximum drilling depth of each hole in excess of 50 feet dependent upon the local formation;

3. To deliver to Operator cut samples with accurate log of each hole;

4. To permit Operator at all times to inspect and copy records and to observe all drilling operations;

5. To sustain each and all costs and expenses in connection with such drilling and to carry on such operations steadily and continuously unless prevented by cause beyond its control;

6. To move to the site of drilling for $350.00. This charge will be rebated to the Operator if drilling exceeds 20,000 feet.

For the covenants agreed to be performed by Minerals, Operator guarantees to Minerals a minimum of 10,000 feet of drilling; to specify locations where holes are to be drilled; to provide access roads to such locations, if required by Minerals for the movement of its equipment; to pay to Minerals the amount due it as determined by its drilling records, on or before the 10th of the month following the month during which the work was performed.

MINERALS ENGINEERING COMPANY

By_____
Vice-President

_____

By_____

C. R. Boyle
Edgemont, So. Dak.

# MINING LEASE

THIS AGREEMENT, Made and entered into this 15th day of July, 1952, by and between Earl Boner, Charles H. Frazer, and Willard Beard, party of the first part, whether one or more, and hereinafter designated as the Lessors, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, and hereinafter designated as the Lessees.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

1. Parker No. 1, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31M, Page 308; (31309) owned by Frazer, Beard and Boner.

2. Parker No. 2, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31 M, Page 308; (31310) owned by Frazer, Beard and Boner.

3. Parker No. 3, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31M, Page 309; (31311), owned by Boner and Frazer.

4. Parker No. 4, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M. Book 31 M, page 309; (31312) owned by Boner and Frazer.

5. Parker No. 5, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., and recorded in Book 31 M, page 310; (31313), owned by Boner and Frazer.

6. Parker No. 6, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., and recorded in Book 31 M, Page 310; (31314), owned by Boner and Frazer.

And, whereas, owners and lessors are desirous of securing the mining development of the above claims and mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose,

NOW, THEREFORE, for values mutually exchanged, receipt and sufficiency of which are hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessors do hereby lease and give possession unto the Lessees of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto belonging and in any wise appertaining, with the exclusive right to mine and develop said property, and to remove therefrom the mineral content thereof

in accordance with the terms of this lease and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender or forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below.

2. Within 120 days or four months from date hereof, the Lessees shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessees shall surrender this lease in its entirety to said Lessors; said operations when commenced shall thereafter be continued with due diligence, and same to be conducted in a good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty days' period subsequent to the commencement date hereof shall be that at least thirty-five one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the Lessees' interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed underground, but in any such case, all other properties of the Lessees except camp buildings, equipment and supplies, shall be left where located as property of the Lessors without claim against them in favor of the Lessees by way of reclamation or otherwise.

3. The Lessees shall pay the Lessors $400.00 in cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted; the 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessees as follows: On or before the 1st day of each month, for the proceeds received during the preceding month, and without deductions except the Lessors' share of validly levied production taxes or other legal burdens if any, imposed upon such mineral productions and returns by any legally constituted authority.

4. Lessees agree to pay the cost of any access roads necessary to be built to said premises.

5. The Lessees shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessors all rights of the Lessees hereunder, and upon such recording and upon serving notice in writing of such surrender upon the Lessors by the Lessees, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the Lessees from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously incurred in connection with the Lessees' operation of said properties, but the Lessees shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the Lessees to comply with all of the terms of this lease shall not thereby render this lease null and void,

but in such case, the Lessors shall promptly notify the Lessees at the latters' post office address left with Lessors for such purpose. Lessees shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if lessees shall not have made correction of the default so complained of, Lessors shall have the option to terminate all rights of Lessees hereunder, by notice to such effect served upon Lessees. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to Lessors. Delay on the part of Lessors in working concellation or forfeiture on account of defaultby Lessees shall in no case be deemed waiver of Lessors' rights thereafter to proceed on account of such, or any subsequent default by Lessees.

7. Lessees shall pay when due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise, they will at all times protect Lessors and all of said property from establishment of any liability so payable by Lessees; Lessees shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance with all statutes of the State of South Dakota, or other legal authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of such authorities.

8. Lessors by duly authorized representatives shall have at all times full right to be present at and inspect all operations of

Lessees hereunder, and during office hours the right to inspect all records and other paper work of Lessees connected with such operations, and the right to take copies thereof at will at Lessors' expense, but all such rights shall be exercised by Lessors in a reasonable manner so as to cause Lessees minimum inconvenience.

9. Lessees' operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel or other things necessary for operation purposes, acts of God and other causes wholly without Lessees' control, but in case of such delay, Lessees shall use due and proper methods to eliminate such delay as rapidly as possible and practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions above set forth.

10. All taxes validly levied and assessed against Lessees' property shall be paid by them when due, and all such validly levied and assessed against the property of the Lessors shall be paid by them when due, and all other production or similar taxes if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. It is understood and agreed by and between the parties here to that Willard Beard is to participate in royalties only on minerals produced from claims No. 1 and 2, that all royalties from minerals produced from claims Nos. 3-6 inclusive shall go to Charles H. Fraser and Earl Boner.

12. Time and manner of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives heirs or assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their

C. R. Boyle
Edgemont, So. Dak.



hands and seals the day and year first above written.

Witnessed by:

Signed

_____ Earl Boner

_____ Chas. H. Frazer

_____ Willard F. Beard
LESSORS

Signed

_____ Raymond G. Sullivan

_____ Clyde R. Boyle

_____ C. G. Ortmayer
LESSEES

C. R. Boyle
Edgemont, So. Dak.

# MINING LEASE

THIS AGREEMENT, Made and entered into this 29th day of September, 1952, by and between Alva H. Schnee, Charles H. Frazer, and Amos C. Clark, party of the first part, Lessor, whether one or more, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, Lessee.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

Montana No. 1, filed for record in the office of the Register of Deeds, Fall River County, South Dakota, on 11 Sept. 1952, at 11:00 o'clock A. M., and recorded in Book 31 Misc. on Page 346.

Montana No. 2, filed for record in the office of the Register of Deeds, Fall River County, South Dakota, on 11 Sept. 1952, at 11:00 o'clock A. M., and recorded in Book 31 Misc., Page 346.

And Whereas, the owners and Lessors are desirous of securing the mining development of the above claim and mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose;

Now, Therefore, for values mutually exchanged, receipt and sufficiency thereof being hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessor does hereby Lease and give possession unto the Lessee of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto belonging, and in any wise appertaining, with the exclusive right to mine and develop said property and to remove therefrom the mineral content thereof in accordance with the terms of this lease and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender or forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below.

2. Within 90 days or three months from date hereof, the Lessee shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessee shall surrender this lease in its entirety to the said Lessor; said operations when commenced shall thereafter be continued with due diligence and same to be conducted in a good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as possible or practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty day period subsequent to the commencement date hereof shall be that at least fifteen one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the Lessee's interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed underground, but in any such case, all other property of the Lessee except camp buildings, equipment and supplies, shall be left where located as property of the Lessor without claim against them in favor of the Lessee by way of reclamation or otherwise.

3. The Lessee shall pay the Lessor $150.00 in cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage

and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted, the 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessee as follows: On or before the 1st day of each month, for the minerals sold and proceeds received during the preceding calendar month, and without deductions except the Lessor's share of validly levied production taxes or other legal burdens if any imposed by any legally constituted authority upon such mineral productions and returns.

4. Lessee agrees to pay the cost of any access roads necessary to be built to said premises.

5. The Lessee shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessor all rights of the Lessee hereunder, and upon such recording and upon serving notice in writing to the Lessor of such surrender, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the Lessee from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously incurred in connection with the Lessee's operations of said property, but the Lessee shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the Lessee to comply with all of the terms of this lease shall not thereby render this lease null and void, but in such case, the Lessor shall promptly notify the Lessee at the latters' post office addresses left with Lessor for such purpose; Lessee shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if Lessee shall not have made correction of the default so complained of, Lessor shall have the option to terminate all rights of Lessee hereunder, by notice to such effect served upon Lessee. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to Lessor. Delay on the part of Lessor in working cancellation or forfeiture on account of default by Lessee shall in no case be deemed waiver of Lessor's rights thereafter to proceed on account of such, or any subsequent default by Lessee.

7. Lessee shall pay when due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise, they will at all times protect Lessor and all of said property from establishment of any liability so payable by Lessee; Lessee shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance with all statutes of the State of South Dakota, or other legally constituted authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of such authorities.

8. Lessor by duly authorized representatives shall have at all times

full right to be present at and inspect all operations of Lessee hereunder, and during office hours the right to inspect all records and other paper work of Lessee connected with such operations, and the right to take copies thereof at will at Lessor's expense, but all such rights shall be exercised by Lessor in a reasonable manner so as to cause Lessee minimum inconvenience.

9. Lessee's operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel, or other things necessary for operational purposes, acts of God, and other causes wholly without Lessee's control, but in case of any such delay, the Lessee shall use due and proper methods to eliminate such delay as rapidly as possible and practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions hereinabove set forth.

10. All taxes validly levied and assessed against Lessee's property shall be paid by them when due, and all such validly levied and assessed against the property of Lessor shall be paid by them when due, and all other production or similar taxes, if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. Time and amount of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives, heirs or assigns.

IN WITNESS WHEREOF, the parties hereto have hereto set their hands and seals the day and year first above written.

Witnessed by:

Signed

Alva H. Schnee

Amos C. Clark

LESSORS

Chas H. Frazer

Signed

~~R. G. Sullivan~~

~~Clyde R. Boyle~~

~~C. G. Ortmayer~~

LESSEES

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 1953

# 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. dmea 2857
Metal or Mineral
Date Received 1-19-53
Estimated Cost
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: Partnership: C. G. Ortmayer, R. G. Sullivan and C. R. Boyle.
Mail to C. R. Boyle, Box 330, Edgemont, South Dakota
C. G. Ortmayer, Redlands, Route 1, Grand Junction, Colorado
R. G. Sullivan, 2335 N. 12th, Grand Junction, Colo.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract
See attached sheet No. 1 and attached exhibits A and B.

(*b*) State any mine name by which the property is known. The Ripsnorter & The Parker

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
Lessees. Copies of leases are attached.

(*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. L

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See attached sheet no. 1.

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. See attached.

(*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. See attached sheet no. 2.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See attached sheet no. 2.

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

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All facilities are readily available. Edgemont is 14 miles from the property.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you will be to explore Ores of uranium. Carnotite is the local mineral

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. See attached sheet no. 2.

(*c*) The work will start within 30 days and be completed within 12 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. See attahced sheet.

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

## CERTIFICATION

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

Dated 12/13/ 195 2.

(Applicant)

By C. R. Boyle

**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

SHEET ATTACHED TO A. E. C. form MP-103

Applicant: C. R. Boyle for partnership, C. C. Ortmayer, B. C. Sullivan and C. R. Boyle.

Question No. 3.

(c). Legal Description:

That portion of Section 3, Township 8 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following Lode Claim Locations:

| Name | Date of Record | Book | Page |
|---|---|---|---|
| Parker #1 | 6-9-52 | 31 Misc. | 303 |
| " " #2 | 6-9-52 | 31 " | 309 |
| " " #3 | 6-9-52 | 31 " | 309 |
| " " #4 | 6-9-52 | 31 " | 309 |
| " " #5 | 6-9-52 | 31 " | 310 |
| " " #6 | 6-9-52 | 31 " | 310 |

Also that portion of Sections 26, 27, & 34, Township 7 South, Range 3 East of the Black Hills Meridian, Fall River County, South Dakota that is included within the boundaries of the following lode Claim Locations:

| | | | |
|---|---|---|---|
| Montana #1 | 9-11-52 | 31 Misc. | 346 |
| Montana #2 | 9-11-52 | 31 " | 345 |
| Schoonmaker #1 | 9-19-52 | 31 " | ~~498~~ 153 |
| Schoonmaker #2 | 10-13-52 | 31 " | 502 |
| Ripsnorter #1 | 5-19-52 | 31 " | 157 |
| Ripsnorter #2 | 5-19-52 | 31 " | 157 |
| Morning Glory | 5-19-52 | 31 " | 158 |
| Cycad #1 | 5-19-52 | 31 " | 157 |
| Cycad #2 | 5-19-52 | 31 " | 154 |
| Matias Peak #1 | 5-19-52 | 31 " | 155 |
| Matias Peak #2 | 5-19-52 | 31 " | 155 |
| Garner's Folly | 5-19-52 | 31 " | 156 |

The above claims are shown in Exhibits A and B.

(d) Copies of the three Mining Leases are attached as Exhibit C.

(f) See table above.

Question No. 4.

(a) Exploration work completed to date by the above partnership consists of 5300' of wagon drilling. 332 holes were drilled to depths varying from 20' to 40'. This exploration work succeeded in showing two separate ore bodies. ( shown on Exht. A.)

(b) The mining operations to date have produced 200 tons of ore by stripping. This operation began in September, 1952 under the the present leases.
The ore reserves, as estimated by the results from the wagon drilling, amount to 1000 tons having an average grade of 0.17% U3O8 and 0.60% V2O5

Question No. 4. (Continued)

(c) The entire property is underlain by the Lakota Sandstone. The uranium mineralization occurs in this sandstone in deposits of irregular size and shape. In places the mineralization will outcrop and can be detected by radiometric means of prospecting. The wagon drilling proposed herein is to explore for those deposits have not been detected by radiometric means. One ore body, shown on Exhibit A, was without any surface indication and was discovered only by extending the wagon drilling from a known deposit. The choice of drill sites, shown on Exhibit A, has been made on the following bases:

1. Proximity to known deposits.
2. Known scintillometer anomalies.
3. Favorable horizons.

The Geology and Mineralization are best described in Geological Survey Circular No. 175 by L. R. Page and J. A. Redden. One copy of this circular is enclosed. The applicant would like it returned.

(d) The property is served by good year round roads. Shipping, supply and residence point is Edgemont, South Dakota approximately 14 miles from the workings.

(e) All facilities are readily available in Edgemont. Power is furnished by gasoline or diesel engines at the mine.

Question No. 5.

(a) Ores of uranium. Carnotite is the local mineral.

(b) The proposed exploration consists of fifty thousand, 50,000, lineal feet of wagon drill hole. The holes are to average in depth approximately 30'. There will be occasional holes of 100' in depth. Approximately 1500 holes spaced on 40' centers are to be drilled on the different areas. See exhibit A and B.

SAMPLING:

Automatic sampling will be effected by use of the Duclone Sampler. This device permits cutting any desired thickness of sample with maximum efficiency.

(c) The work will start within 30 days and be completed within 12 months from the date of an exploration project contract.

(d) The applicant, Clyde R. Boyle, will supervise the operation. Mr. Boyle has worked in mining and as a mining engineer continously for the past 23 years and has held a Professional Engineer's License in Colorado since 1940.
A competent geologist will be employed to log the holes, survey the location of the holes and to be responsible for the sampling. This man will work under the supervision of Mr. Boyle.

Applicant: C. R. Boyle
Edgemont, So. Dak.

Question No. 6

(a) Independent Contracts: Wagon Drilling.
The drilling is to be contracted with Minerals Engineering Company of Grand Junction, Colorado who will contract to drill to a maximum depth of 100' for each hole at the rate of $0.75 per foot.
Cost of wagon drilling, 50,000 feet at $0.75 per foot---$37,500.00

(b) Salaries: Supervision and Consultants.
Geologist---------- 4,950.00
Based on $450.00 per month for 11 months.

Supervision---------- 1,650.00
Based on $3.00 per hour for 2 hours per day for 25 days per month equals $150.00 for 11 months.

Bookkeeping---------- 550.00
Based on $2.00 per hour for 1 hour per day for 25 days per month equals $50.00 for 11 months.

(c) None: Stationery, drafting materials and surveying instruments will be furnished by applicant.

(d) A 1950 Chevrolet Pick-up, owned by the applicant, will be furnished for the gelogist. The suggested use-allowance basis $0.07 per mile. This includes all costs of the vehicle.
Estimated cost of the vehicle for 11 months---------- 1,078.00
Based on 1400 miles travel per month.

(e) None.

(f) None.

(g) Analytical Work: There is no laboratory in the area. Samples must be sent to Grand Junction, Colorado for assay which requires 2 weeks and average cost of $3.50 per sample. It is suggested the applicant provide a Radiometric Analyzer, "Scaler", on a use allowance basis: also a laboratory size crusher and pulverizer.

| | |
|---|---|
| Scaler, Model 163, made by the Nuclear Chemical and Instrument Company, Chicago, Illinois---------- | 950.00 |
| Crusher and Pulverizer---------- | 700.00 |
| Freight and Installation---------- | 400.00 |
| | 2,050.00 |

Suggested use-allowance cost is $40.00 per month.
$40.00 per month for 11 months---------- 440.00

Drill Site Preparation:
75% of the area is readily accessible by wagon drills mounted on standard trucks. On the sloping areas levelling will ahve to be done with a bull dozer.
Estimated cost for entire area is ---------- 7,500.00
Based on 5000 lineal feet of road at $1.50 per foot.

Question No. 6 (Continued)

(g) Continued.

Compensation Insurance for Geologist, Supervisor and Bookkeeper for 11 months---------- $343.20

Payroll Taxes for Geologist, Supervisor and Bookkeeper.
3% of $7,150.00 for 11 months---------- 214.50

Contingencies: 10% of Geologist's total salary.-------- 495.00
To allow for writing of final report and miscellaneous time-off due to weather and shut-down.

SUMMARY

| ITEM | TOTAL COST | COST PER FOOT |
|---|---|---|
| Wagon Drilling | $37,500.00 | $0.7500 |
| Salaries | 7,150.00 | 0.1430 |
| Transportation | 1,078.00 | 0.0215 |
| Analytical Work | 440.00 | 0.0088 |
| Compemsation Insurance | 343.20 | 0.0069 |
| Office Space | 220.00 | 0.0044 |
| Payroll Taxes | 214.50 | 0.0043 |
| Drill Site Preparation | 7,500.00 | 0.1500 |
| Contingencies | 495.00 | 0.0100 |
| | $54,940.70 | $1.0989 |

# WAGON DRILLING AGREEMENT

THIS AGREEMENT, made and entered into in duplicate as of _____ _____, 195_, by and between MINERALS ENGINEERING COMPANY, a Colorado corporation, and _____ of _____ hereinafter called Operator, WITNESSETH:

## RECITALS

Minerals is the owner of drilling equipment to carry on what is known as wagon drilling for vanadium and uranium ores. Operator owns or has legal possession to those certain mining claims in _____ County, State of _____, generally described as follows:

In consideration of the payments to be made by the Operator to Minerals, Minerals agrees;

1. To drill to a maximum depth of ~~50~~ 100 feet for each hole at the rate of $0.75 per foot;

2. To drill in excess of ~~50~~ 100 feet for each hole at the rate of $1.00 per foot; the maximum drilling depth of each hole in excess of 50 feet dependent upon the local formation;

3. To deliver to Operator cut samples with accurate log of each hole;

4. To permit Operator at all times to inspect and copy records and to observe all drilling operations;

5. To sustain each and all costs and expenses in connection with such drilling and to carry on such operations steadily and continuously unless prevented by cause beyond its control;

6. To move to the site of drilling for $350.00. This charge will be rebated to the Operator if drilling exceeds 20,000 feet.

For the covenants agreed to be performed by Minerals, Operator guarantees to Minerals a minimum of 10,000 feet of drilling; to specify locations where holes are to be drilled; to provide access roads to such locations, if required by Minerals for the movement of its equipment; to pay to Minerals the amount due it as determined by its drilling records, on or before the 10th of the month following the month during which the work was performed.

MINERALS ENGINEERING COMPANY

By_____
Vice-President

_____

By_____

C. R. Boyle
Edgemont, So. Dak.

# M I N I N G  L E A S E

THIS AGREEMENT, Made and entered into this 15th day of July, 1952, by and between Earl Boner, Charles H. Frazer, and Willard Beard, party of the first part, whether one or more, and hereinafter designated as the Lessors, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, and hereinafter designated as the Lessees.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

1. Parker No. 1, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31M, Page 308; (31309) owned by Frazer, Beard and Boner.

2. Parker No. 2, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31 M, Page 308; (31310) owned by Frazer, Beard and Boner.

3. Parker No. 3, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., Book 31M, Page 309; (31311), owned by Boner and Frazer.

4. Parker No. 4, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M. Book 31 M, page 309; (31312) owned by Boner and Frazer.

5. Parker No. 5, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., and recorded in Book 31 M, page 310; (31313), owned by Boner and Frazer.

6. Parker No. 6, Fall River County, South Dakota, filed June 9, 1952, at 2:00 P.M., and recorded in Book 31 M, Page 310; (31314), owned by Boner and Frazer.

And, whereas, owners and lessors are desirous of securing the mining development of the above claims and mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose,

NOW, THEREFORE, for values mutually exchanged, receipt and sufficiency of which are hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessors do hereby lease and give possession unto the Lessees of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto belonging and in any wise appertaining, with the exclusive right to mine and develop said property, and to remove therefrom the mineral content thereof

in accordance with the terms of this lease and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender or forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below.

2. Within 120 days or four months from date hereof, the Lessees shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessees shall surrender this lease in its entirety to said Lessors; said operations when commenced shall thereafter be continued with due diligence, and same to be conducted in a good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty days' period subsequent to the commencement date hereof shall be that at least thirty-five one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the Lessees' interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed underground, but in any such case, all other properties of the Lessees except camp buildings, equipment and supplies, shall be left where located as property of the Lessors without claim against them in favor of the Lessees by way of reclamation or otherwise.

3. The Lessees shall pay the Lessors $400.00 in cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted; the 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessees as follows: On or before the 1st day of each month, for the proceeds received during the preceding month, and without deductions except the Lessors' share of validly levied production taxes or other legal burdens if any, imposed upon such mineral productions and returns by any legally constituted authority.

4. Lessees agree to pay the cost of any access roads necessary to be built to said premises.

5. The Lessees shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessors all rights of the Lessees hereunder, and upon such recording and upon serving notice in writing of such surrender upon the Lessors by the Lessees, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the Lessees from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously incurred in connection with the Lessees' operation of said properties, but the Lessees shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the Lessees to comply with all of the terms of this lease shall not thereby render this lease null and void,

but in such case, the Lessors shall promptly notify the Lessees at the latters' post office address left with Lessors for such purpose. Lessees shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if lessees shall not have made correction of the default so complained of, Lessors shall have the option to terminate all rights of Lessees hereunder, by notice to such effect served upon Lessees. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to Lessors. Delay on the part of Lessors in working cancellation or forfeiture on account of defaultby Lessees shall in no case be deemed waiver of Lessors' rights thereafter to proceed on account of such, or any subsequent default by Lessees.

7. Lessees shall pay when due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise, they will at all times protect Lessors and all of said property from establishment of any liability so payable by Lessees; Lessees shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance with all statutes of the State of South Dakota, or other legal authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of such authorities.

8. Lessors by duly authorized representatives shall have at all times full right to be present at and inspect all operations of

Lessees hereunder, and during office hours the right to inspect all records and other paper work of Lessees connected with such operations, and the right to take copies thereof at will at Lessors' expense, but all such rights shall be exercised by Lessors in a reasonable manner so as to cause Lessees minimum inconvenience.

9. Lessees' operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel or other things necessary for operation purposes, acts of God and other causes wholly without Lessees' control, but in case of such delay, Lessees shall use due and proper methods to eliminate such delay as rapidly as possible and practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions above set forth.

10. All taxes validly levied and assessed against Lessees' property shall be paid by them when due, and all such validly levied and assessed against the property of the Lessors shall be paid by them when due, and all other production or similar taxes if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. It is understood and agreed by and between the parties here to that Willard Beard is to participate in royalties only on minerals produced from claims No. 1 and 2, that all royalties from minerals produced from claims Nos. 3-6 inclusive shall go to Charles H. Fraser and Earl Boner.

12. Time and manner of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives heirs or assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their

C. R. Boyle
Edgemont, So. Dak.



hands and seals the day and year first above written.

Witnessed by:

Signed

_____ Earl Boner

_____ Chas. H. Fraser

_____ Willard F. Beard
LESSORS

Signed

_____ Raymond G. Sullivan

_____ Clyde R. Boyle

_____ C. G. Ortmayer
LESSEES

C. R. Boyle
Edgemont, So. Dak.

# M I N I N G  L E A S E

THIS AGREEMENT, Made and entered into this 5th day of July, 1952, by and between Clayton Feldnausen, Harold D. Stickney, Louis M. Blaisdell, Gerner Olsen, Buy H. Stickney, O. H. Ellison, Raul H. Russell, William W. Schoonmaker, and Joe Smith, doing business under the name and style of Fall River Mining Company, party of the first part, whether one or more, and hereinafter designated as Lessors, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, and hereinafter designated as the Lessees.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

1. Ripsnorter No. 1, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 157, (31146)

2. Schoonmaker No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 158 (31148)

3. Morning Glory, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 PMM., Book 31 M, Page 158 (31149)

4. Ripsnorter No. 2, T. 7, R. 3, Sec. 27, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 157 (31147)

5. Cycad No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 PMM., Book 31 M, Page 156 (31145)

6. Gurner's Folly, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., in Book 31 M, Page 156, (31144)

7. Matias Peak No. 1, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 10:00 A.M., in Book 31 M, page 155 (31143)

8. Matias Peak No. 2, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 155 (31142)

9. Cycad No. 2, T. 7, R. 3, Sec. 34, Fall River County, South Dakota, Filed May 19, 1952, at 1:00 P.M., Book 31 M, Page 154 (31141)

And, whereas, Lessors are desirous of securing the mining development of the above claims and the mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose;

Now, therefore, for values mutually exchanged, receipt and sufficiency of which are hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessors do hereby lease and give possession unto the Lessees of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto appertaining, with the exclusive right to mine, and develop said property, and to remove therefrom the mineral content thereof in accordance with the terms of this lease, and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender of forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below:

2. Within sixty days following the date hereof, the Lessees shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessees shall surrender this lease in its entirety to said Lessors; said operations when commenced shall thereafter be continued with due diligence, and same to be conducted in good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty day period subsequent to the commencement date hereof shall be that at least fifty one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the lessees' interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed

underground, but in any such case, all other properties of the lessees except camp buildings, equipment and supplies, shall be left where located as property of the Lessors without claim against them in favor of the lessees by way of reclamation or otherwise.

3. The Lessees shall pay the Lessors $1200.00 cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted. The 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessees as follows: On or before the 1st day of each month, for the proceeds received during the preceding calendar month, and without deductions except the lessors' share of validly levied production taxes or other legal burdens, if any, imposed upon such mineral productions and returns by any legally consituted authority.

4. Lessees agree to pay the cost of any access roads necessary to be built to said premises.

5. The lessees shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessors all rights of the Lessees hereunder, and upon such recording and upon serving notice in writing of such surrender upon the lessors by the lessees, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the lessees from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously

incurred in connection with the lessees' operation of said properties, but the lessees shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the lessees to comply with all of the terms of this lease shall not thereby render this lease null and void, but in such case, the lessors shall promptly notify the lessees at the latters' post office address left with lessors for such purpose. Lessees shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if lessees shall not have made correction of the default so complained of, Lessors shall have the option to terminate all rights of lessees hereunder, by notice to such effect served upon lessees. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to lessors. Delay on the part of lessors in working cancellation or forfeiture on account of default by lessees shall in no case be deemed waiver of lessors' rights thereafter to proceed on account of such, or any subsequent default by lessees.

7. Lessees shall pay as due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise; they will at all times protect lessors and all of said property from establishment of any liability so payable by lessees; lessees shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance

with all statutes of the State of South Dakota, or other legal authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of all such authorities.

8. Lessors by duly authorized representatives shall have at all times full right to be present at and inspect all operations of lessees hereunder, and during office hours the right to inspect all records and other paper work of lessees connected with such operations, and the right to take copies thereof at will at lessors' expense, but all such rights shall be exercised by lessors in a reasonable manner so as to cause lessees minimum inconvenience.

9. Lessees' operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel or other things necessary for operation purposes, acts of God and other causes wholly without lessees' control, but in case of such delay, lessees shall use due and proper methods to eliminate such delay as rapidly as practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions hereinabove set forth.

10. All taxes validly levied and assessed against lessees' property shall be paid by them as due, an all such validly levied and assessed against the property of lessors shall be paid by them when due, and all other production or similar taxes, if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. Time and manner of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives, heirs or assigns.

In Witness Whereof, the parties hereto have hereunto set

C. R. Boyle
Edgemont, So. Dak.



their hands in duplicate this day and year, the 5th day of July, 1952.

Witnessed by:

Signed

Clayton Feldhausen

Harold D. Stickney

Louis M. Blaisdell

Garner Olsen

Guy H. Sticknay

H. H. Ellison

Paul H. Russell

William W. Schoonmaker

Joe Smith

LESSORS

Signed

Raymond G. Sullivan

Clyde R. Boyle

C. G. Ortmayer

LESSEES

C. R. Boyle
Edgemont, So. Dak.

# MINING LEASE

THIS AGREEMENT, Made and entered into this 29th day of September, 1952, by and between Alva H. Schnee, Charles H. Frazer, and Amos C. Clark, party of the first part, Lessor, whether one or more, and Raymond G. Sullivan, Clyde R. Boyle, and C. G. Ortmayer, party of the second part, whether one or more, Lessee.

WITNESSETH: Whereas, the Lessors are the owners and holders of the following described lode mining claims, to-wit:

Montana No. 1, filed for record in the office of the Register of Deeds, Fall River County, South Dakota, on 11 Sept. 1952, at 11:00 o'clock A. M., and recorded in Book 31 Misc. on Page 346.

Montana No. 2, filed for record in the office of the Register of Deeds, Fall River County, South Dakota, on 11 Sept. 1952, at 11:00 o'clock A. M., and recorded in Book 31 Misc., Page 346.

And Whereas, the owners and Lessors are desirous of securing the mining development of the above claim and mineral production therefrom, and the Lessees are desirous of leasing the premises for such purpose;

Now, Therefore, for values mutually exchanged, receipt and sufficiency thereof being hereby acknowledged, the parties hereto do contract with each other as follows, to-wit:

1. The Lessor does hereby Lease and give possession unto the Lessee of all and each parcel of the above described property, with all rights, privileges and appertenances thereunto belonging, and in any wise appertaining, with the exclusive right to mine and develop said property and to remove therefrom the mineral content thereof in accordance with the terms of this lease and the Government rules and regulations pertaining thereto, the term of this lease to be ten years from date hereof unless earlier terminated by surrender of forfeiture or otherwise, with an option to renew for a similar period on similar terms, all according to conditions herein set forth and subject to earlier termination as stated below.

2. Within 90 days or three months from date hereof, the Lessee shall commence and continue with reasonable continuity, agreed mining operations on the property leased herein; otherwise, the Lessee shall surrender this lease in its entirety to the said Lessor; said operations when commenced shall thereafter be continued with due diligence and same to be conducted in a good minerlike manner and according to standard approved methods and practice, to the end that the recoverable mineral contents of said property shall be produced and marketed as rapidly as possible or practicable for the mutual advantage of the parties hereto; the minimum requirements for each thirty day period subsequent to the commencement date hereof shall be that at least fifteen one-man shifts shall be concluded in development and mining of the property and in carrying out the purposes of this lease. In case heavy equipment is used, each shift will count for two one-man shifts. Upon termination of the Lessee's interest herein, whether by forfeiture, surrender or otherwise, they shall have the right to remove from said within leased premises, all mining machinery, trucks, and tools owned by them on or in said property, and all pumping equipment placed underground, but in any such case, all other property of the Lessee except camp buildings, equipment and supplied, shall be left where located as property of the Lessor without claim against them in favor of the Lessee by way of reclamation or otherwise.

3. The Lessee shall pay the Lessor $150.00 in cash, receipt of which is hereby acknowledged, and a royalty of 15% based on gross returns from mills and/or other mining sources, for the account of all tonnage

and/or minerals produced and marketed from said leased property with no deductions except as follows: Freight, transportation tax and hauling costs are to be deducted, the 15% royalty to include all gross proceeds from sale of ores, development allowances and bonuses. Royalty payments to be paid hereunder by Lessee as follows: On or before the 1st day of each month, for the minerals sold and proceeds received during the preceding calendar month, and without deductions except the Lessor's share of validly levied production taxes or other legal burdens if any imposed by any legally constituted authority upon such mineral productions and returns.

4. Lessee agrees to pay the cost of any access roads necessary to be built to said premises.

5. The Lessee shall have the right to surrender this lease in its entirety at any time by recording in the office of the Register of Deeds of Fall River County, South Dakota, at Hot Springs, a proper instrument conveying to Lessor all rights of the Lessee hereunder, and upon such recording and upon serving notice in writing to the Lessor of such surrender, all obligations hereunder shall be deemed terminated and cancelled, insofar as the obligatory future matters shall be concerned, but no such surrender shall relieve the Lessee from any liability on account of royalties accrued prior to the date of such surrender instrument, nor from any labor or other liability previously incurred in connection with the Lessee's operations of said property, but the Lessee shall not be obligated in any such case further than the obligations previously by them incurred.

6. Failure on the part of the Lessee to comply with all of the terms of this lease shall not thereby render this lease null and void, but in such case, the Lessor shall promptly notify the Lessee at the latters' post office addresses left with Lessor for such purpose; Lessee shall have a period of 15 days following such notice or service in which to remedy such breach complained of, or in case same cannot be remedied within such period, through exercise of due diligence and proper methods, then they shall have a reasonable period in which to correct such default. Upon expiration of the applicable relief period, if Lessee shall not have made correction of the default so complained of, Lessor shall have the option to terminate all rights of Lessee hereunder, by notice to such effect served upon Lessee. It is expressly understood, however, that no relief period generally provided under the provisions of this paragraph shall apply to or be considered as extending the time limits hereinabove specified for commencement of initial mining work, or due dates for royalty or other payments accruing to Lessor. Delay on the part of Lessor in working cancellation or forfeiture on account of default by Lessee shall in no case be deemed waiver of Lessor's rights thereafter to proceed on account of such, or any subsequent default by Lessee.

7. Lessee shall pay when due, all expense, costs and all other liabilities connected in any manner with their operations hereunder, lienable or otherwise, they will at all times protect Lessor and all of said property from establishment of any liability so payable by Lessee; Lessee shall keep currently in effect all Workmen's Compensation or other adequate public liability and property damage insurance protecting their operations hereunder, in full compliance with all statutes of the State of South Dakota, or other legally constituted authority with jurisdiction, and all their operations hereunder shall be conducted in full compliance with all valid, related requirements of such authorities.

8. Lessor by duly authorized representatives shall have at all times

C. R. Boyle
Edgemont, So. Dak.

MINING LEASE
SCHNEE, FRAZER AND CLARK - SULLIVAN, BOYLE AND ORTMAYER



full right to be present at and inspect all operations of Lessee hereunder, and during office hours the right to inspect all records and other paper work of Lessee connected with such operations, and the right to take copies thereof at will at Lessor's expense, but all such rights shall be exercised by Lessor in a reasonable manner so as to cause Lessee minimum inconvenience.

9. Lessee's operations hereunder shall be subject to delays caused by the elements, strikes, inability to secure supplies, manpower, fuel, or other things necessary for operational purposes, acts of God, and other causes wholly without Lessee's control, but in case of any such delay, the Lessee shall use due and proper methods to eliminate such delay as rapidly as possible and practicable; provided that the provisions of this paragraph shall in no case be claimed or construed as extending periods specifically limited by express terms and conditions hereinabove set forth.

10. All taxes validly levied and assessed against Lessee's property shall be paid by them when due, and all such validly levied and assessed against the property of Lessor shall be paid by them when due, and all other production or similar taxes, if any, shall be paid by the parties hereto as their relative interests appear therein, respectively.

11. Time and amount of performance are of the essence of this agreement between the parties hereto, all terms and conditions of which are co-dependent for the benefit of and binding upon the parties hereto, their respective successors, legal representatives, heirs or assigns.

IN WITNESS WHEREOF, the parties hereto have hereto set their hands and seals the day and year first above written.

Witnessed by:

Signed

Alva H. Schnee

Amos C. Clark
LESSORS

Chas H. Frazer

Signed

~~R. G. Sullivan~~

~~Clyde R. Boyle~~

~~C. G. Ortmayer~~
LESSEES

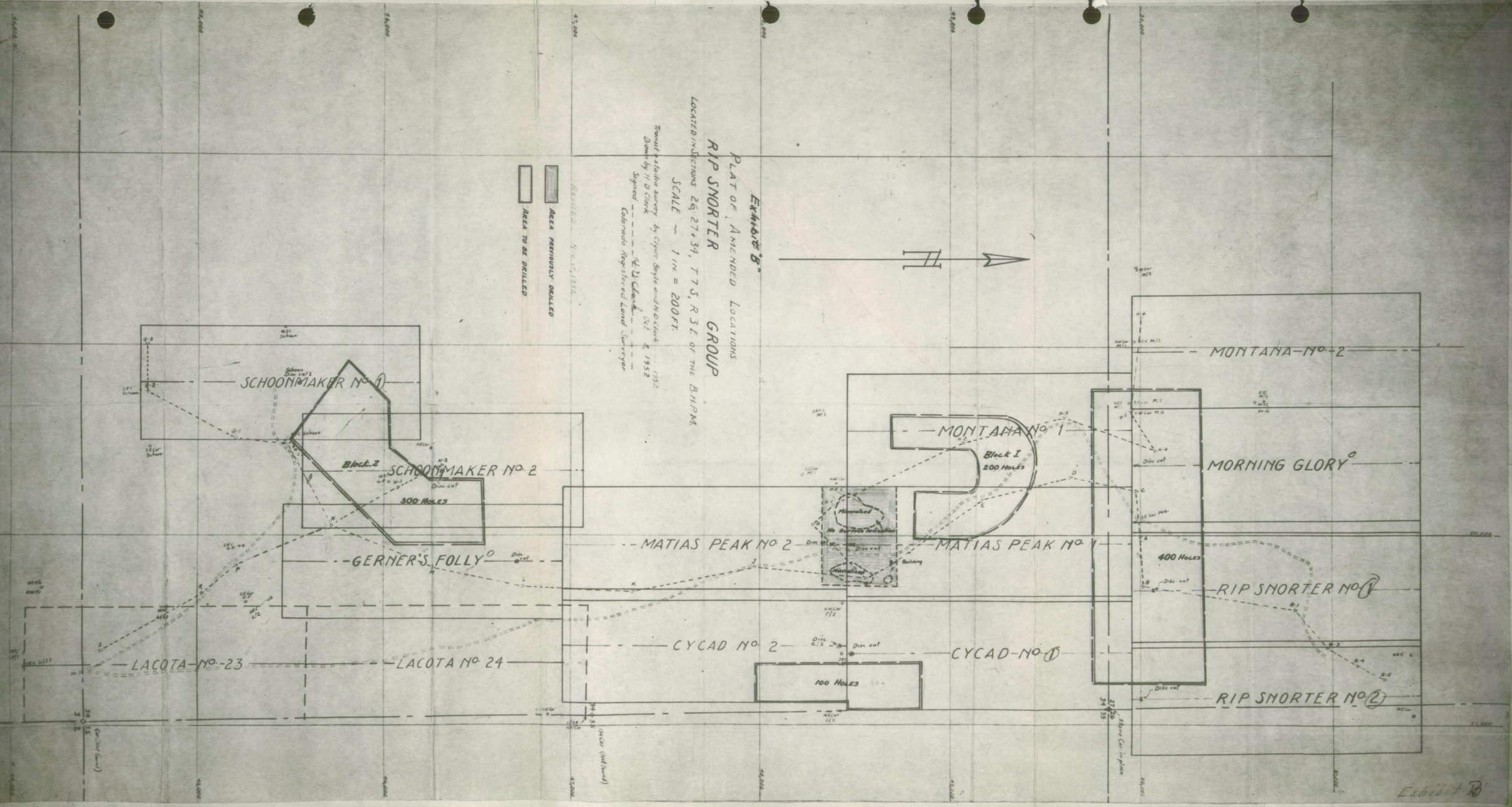
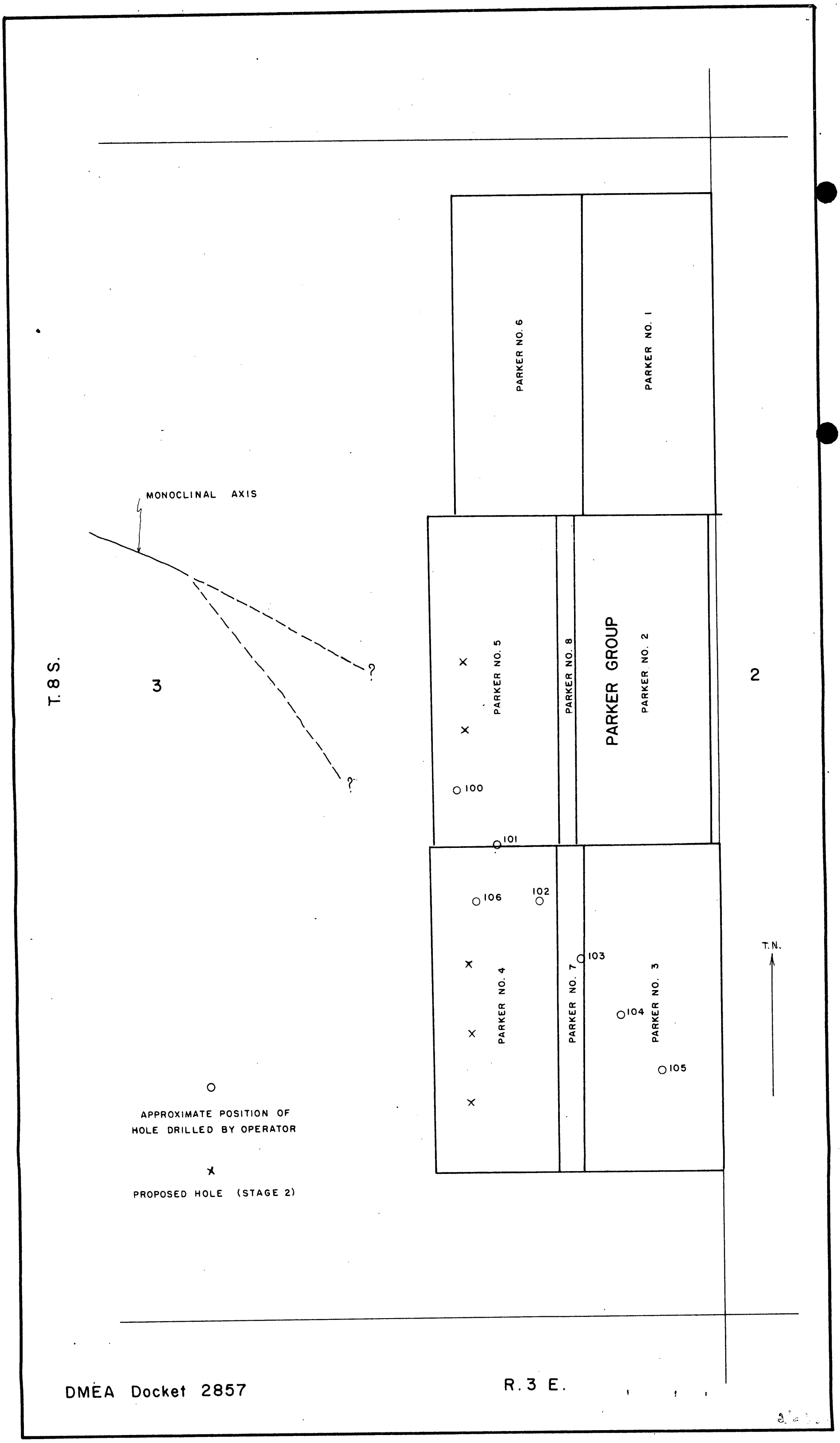


Exhibit "B"
PLAT OF AMENDED LOCATIONS
RIP SNORTER GROUP
LOCATED IN SECTIONS 26, 27 + 34, T 7 S, R 3 E OF THE B.H.P.M.
SCALE ~ 1 IN. = 200 FT.
Transit & stadia survey by Cyprus Boyle and H.D. Clark Oct 1952
Drawn by H.D. Clark
Signed ---- H.D. Clark ----
Colorado Registered Land Surveyor
AREA TO BE DRILLED
AREA PREVIOUSLY DRILLED
SCHOONMAKER No. 1
Block 2
SCHOONMAKER No. 2
300 HOLES
GERNER'S FOLLY
LACOTA No. 23
LACOTA No. 24
MATIAS PEAK No. 2
CYCAD No. 2
100 HOLES
MONTANA No. 1
Block I
200 HOLES
MATIAS PEAK No. 1
CYCAD No. 1
MONTANA No. 2
MORNING GLORY
400 HOLES
RIP SNORTER No. 1
RIP SNORTER No. 2
Exhibit B




# CLAIM MAP, SODAK URANIUM AND MINING COMPANY, INC., HOT SPRINGS, SOUTH DAKOTA

400 0 400 800 FEET

APPROXIMATE SCALE

# PROGRESS MAP FOR WAGON DRILLING

D.M.E.A.
DOCKET No. 2857
CONTRACT No. IDM-E517 (AM.)

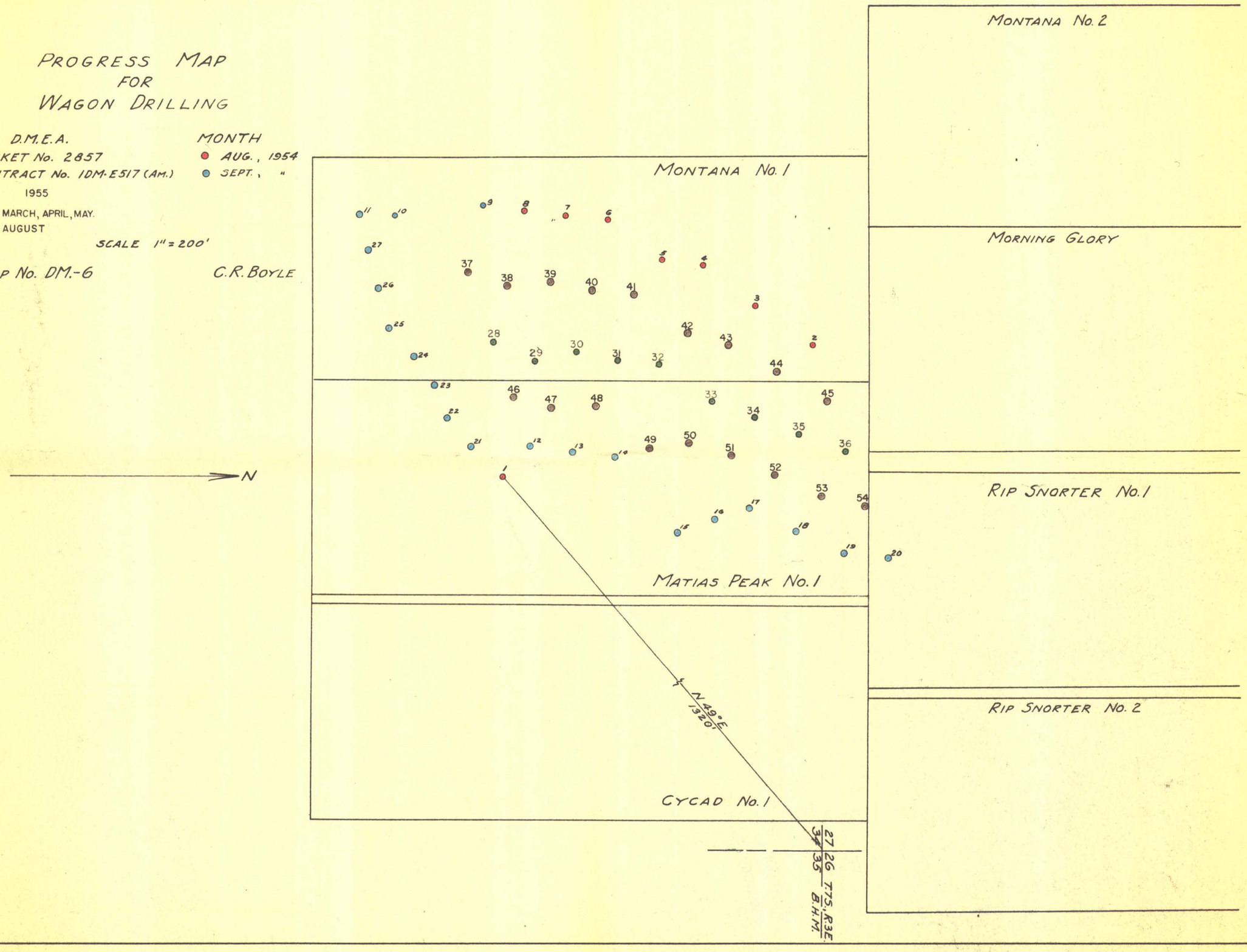
MONTH
- AUG., 1954
- SEPT., "

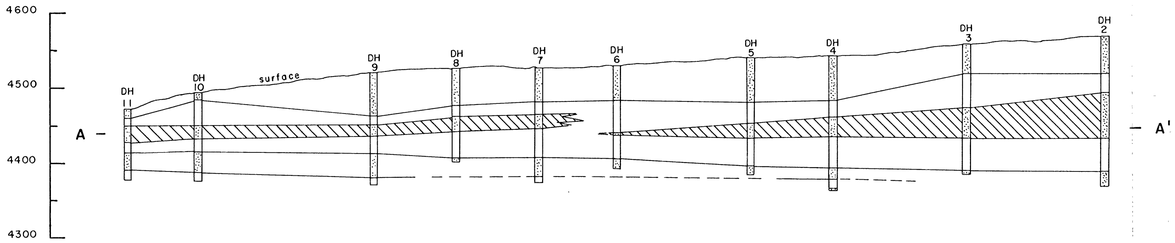
1955
- MARCH, APRIL, MAY.
- AUGUST

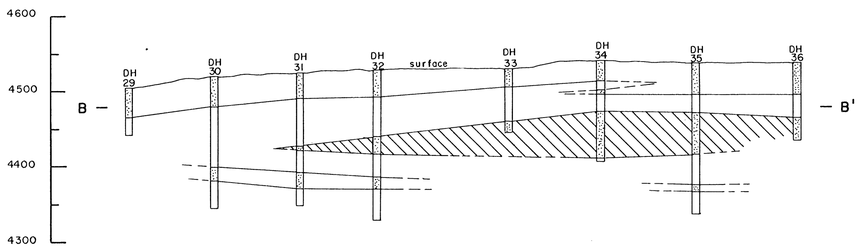
SCALE 1" = 200'

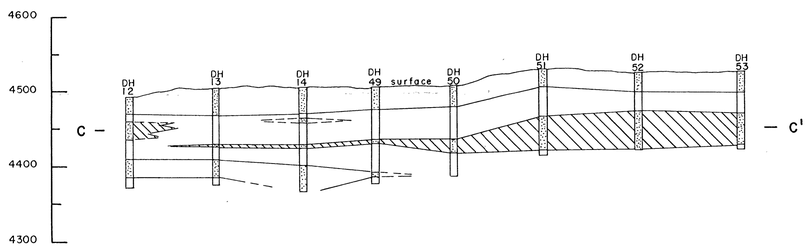
MAP No. DM.-6

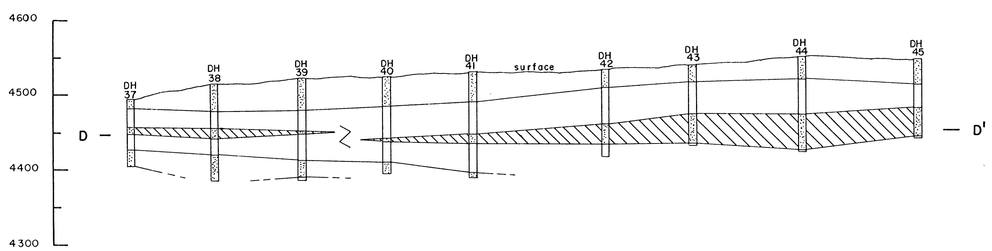
C.R. BOYLE

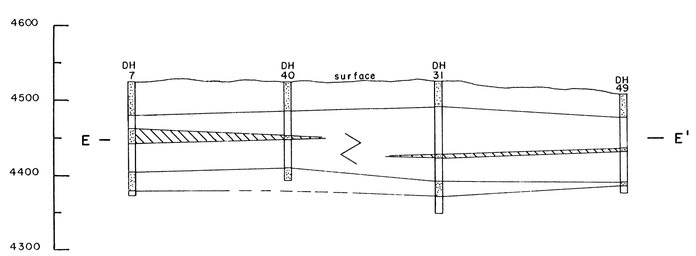




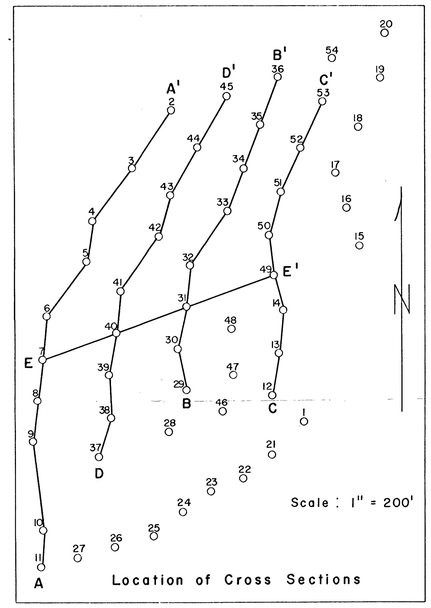



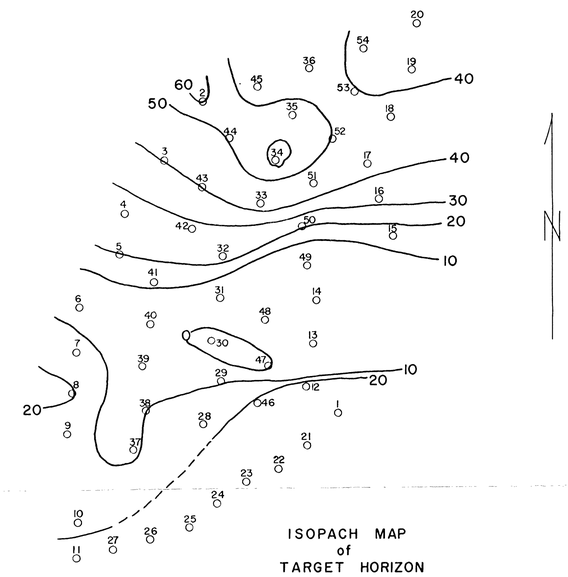




LEGEND

- Sandstone
- Shale
- Target Horizon




Location of Cross Sections




ISOPACH MAP
of
TARGET HORIZON

Contour Interval = 10'

# PLAN & SECTIONS of DRILL HOLES

STAGE I - PHASE II
D.M.E.A. - Docket No. 2857
Contract No. IDM - E517 (AM)

Scale 1" = 100'  6-25-56

SODAK URANIUM
& MINING CO., INC.
HOT SPRINGS, SOUTH DAKOTA
Map No. DM-7  T.A.M.

# PROGRESS MAP
# FOR
# WAGON DRILLING

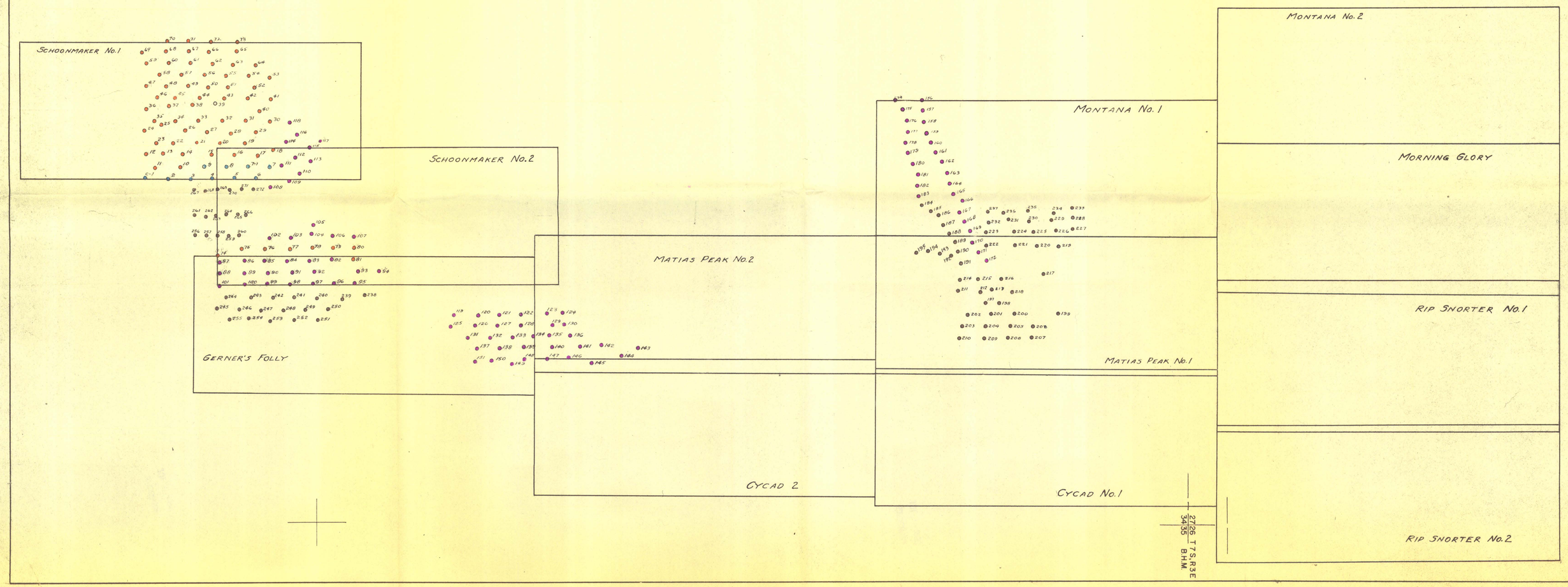
DMEA
DOCKET No. 2857
CONTRACT No. 10M-ESIT

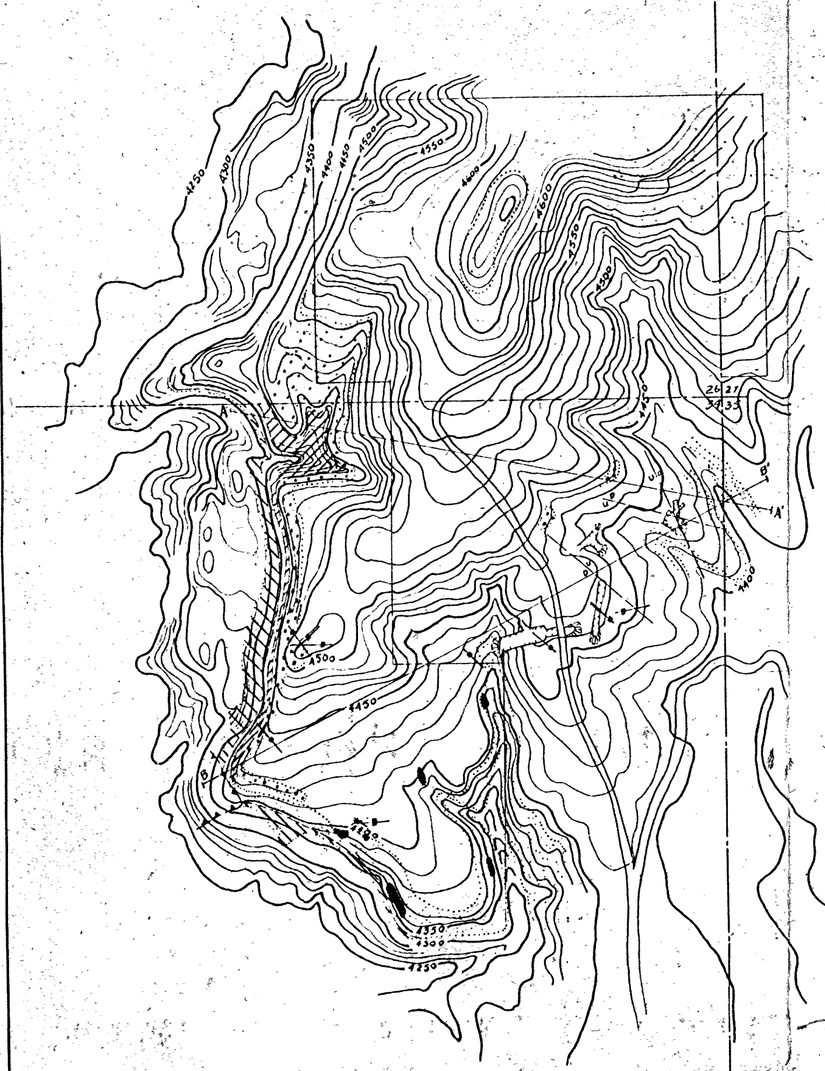
MONTH
JUNE, 1953
JULY, "
AUG., "
SEPT., 1953
OCT., "

SCALE 1" = 200'

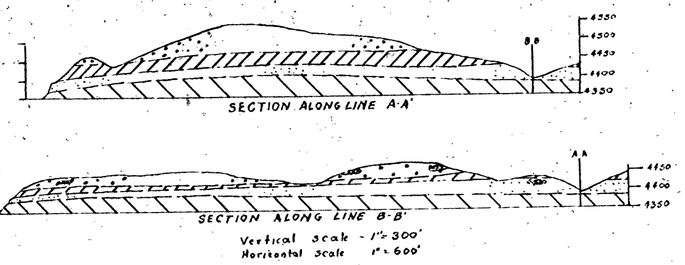
MAP No. DM-4

C.R. BOYLE






1" = 600'




EXPLANATION

Upper sandstone

Interbedded mudstone and sandstone

Lower sandstone

Carbonaceous shale

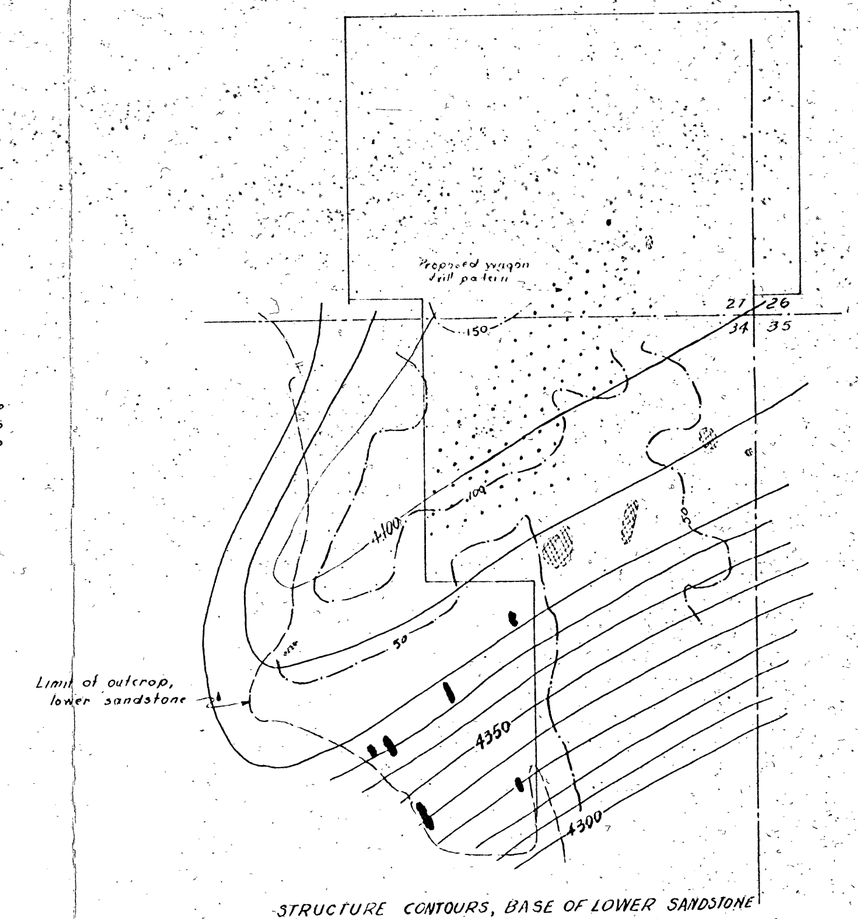
Carnotite

Carbonate bearing sandstone

Contact

Limit of exposure

Depth to base of lower sandstone

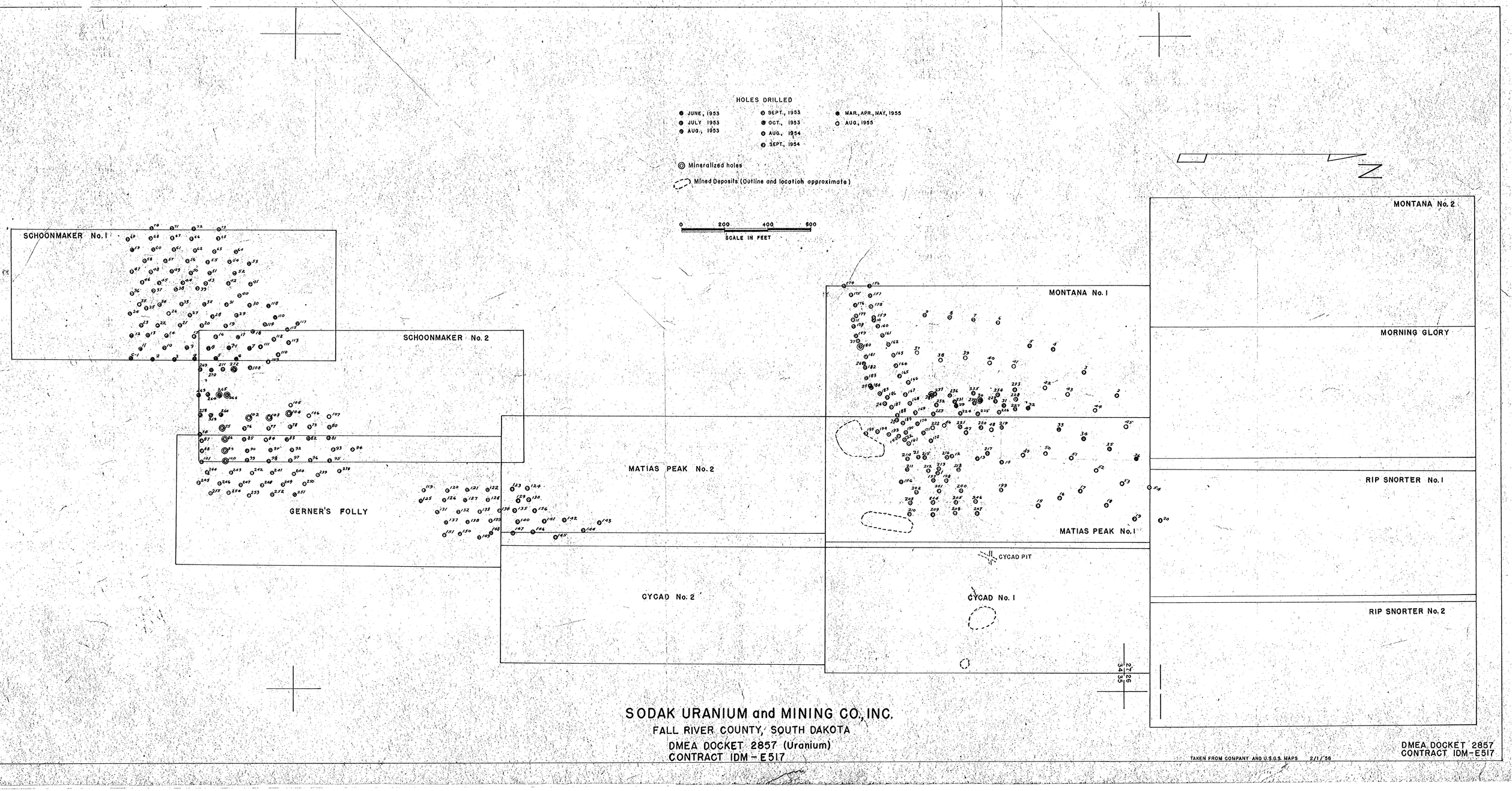



STRUCTURE CONTOURS, BASE OF LOWER SANDSTONE

1" = 600

MATIAS PEAK CLAIM GROUP, IDM-E-517

W. A. Broadbent, April 28, 1954



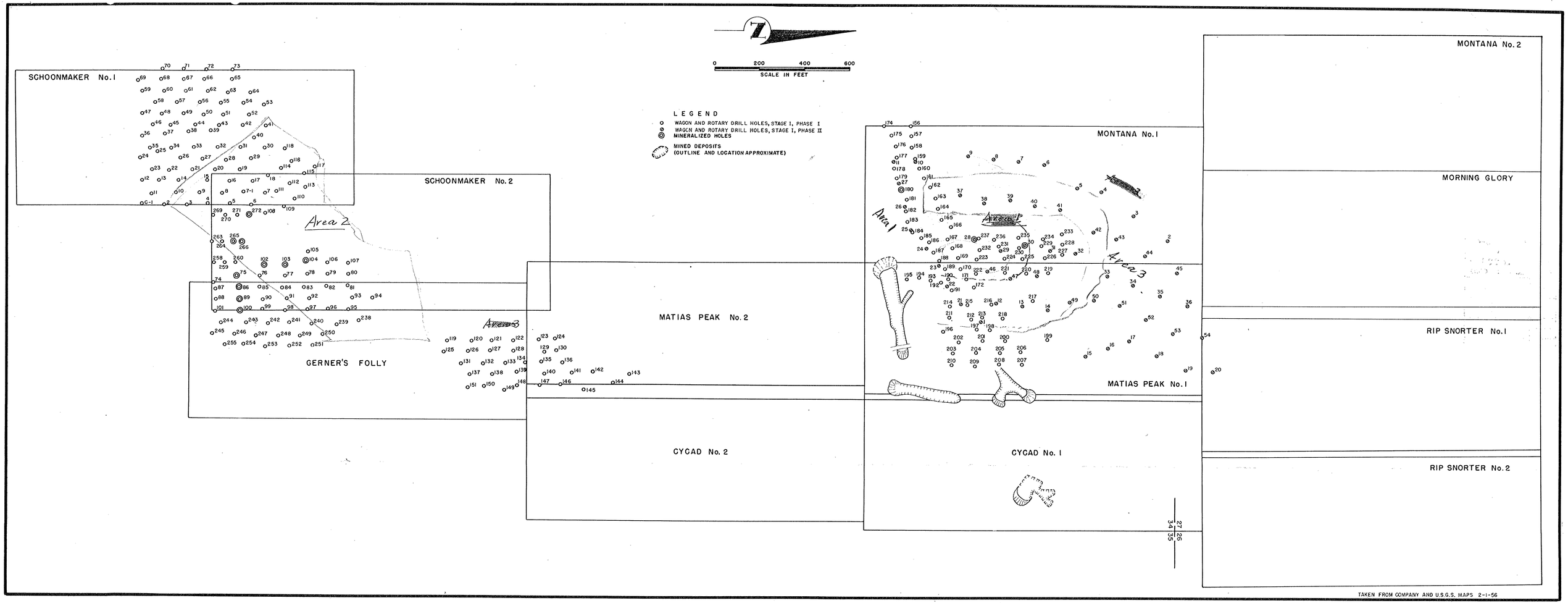

SODAK URANIUM and MINING CO., INC.

FALL RIVER COUNTY, SOUTH DAKOTA

DMEA DOCKET 2857 (Uranium)
CONTRACT IDM - E517

TAKEN FROM COMPANY AND U.S.G.S. MAPS 2/1/56

DMEA DOCKET 2857
CONTRACT IDM-E517




TAKEN FROM COMPANY AND U.S.G.S. MAPS 2-1-56

FIGURE 2 - MAP OF RIP SNORTER CLAIM GROUP, SODAK URANIUM AND MINING COMPANY, INC., FALL RIVER COUNTY, SOUTH DAKOTA, DMEA 2857 (URANIUM), CONTRACT Idm-E517

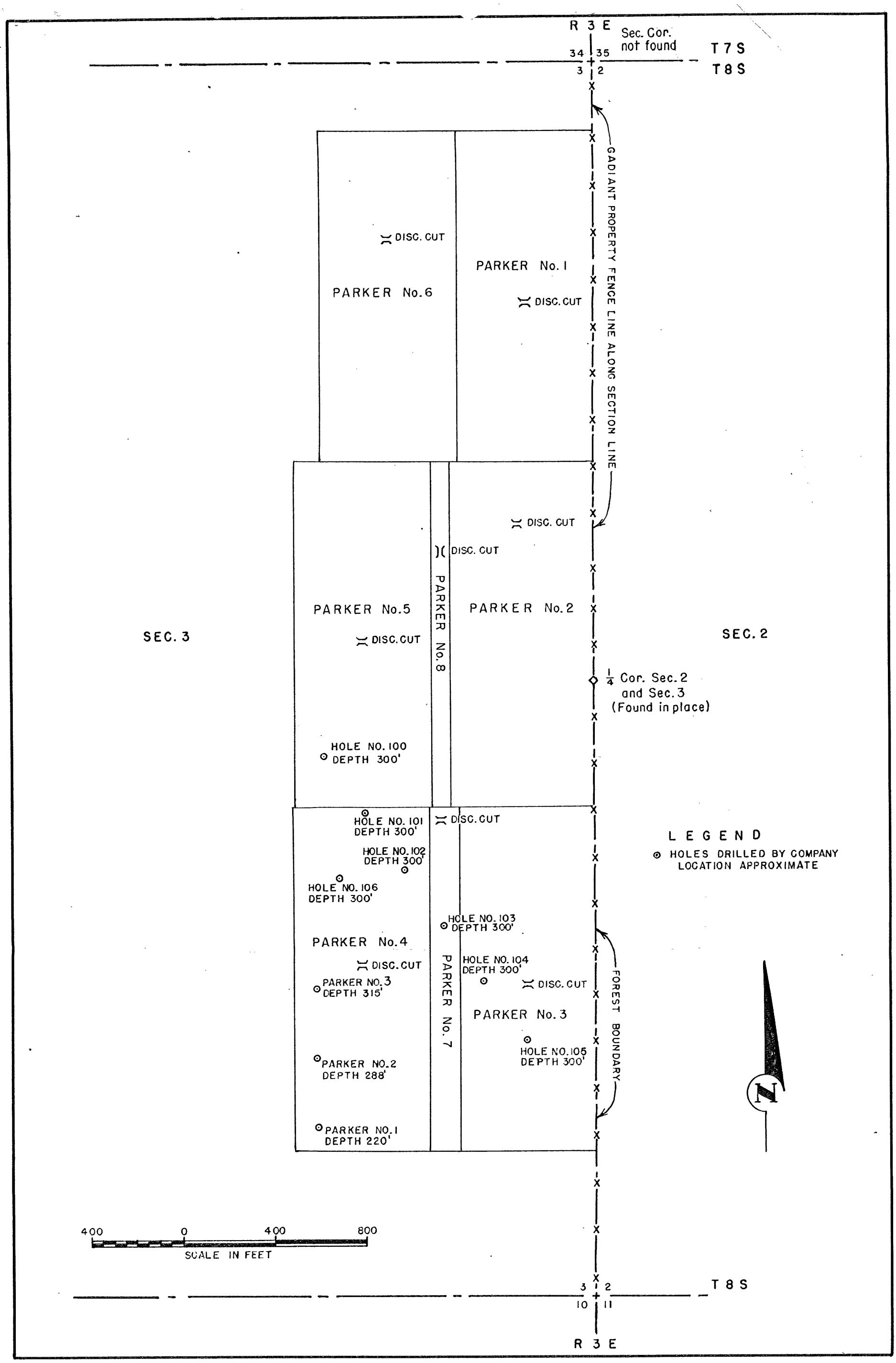



FIGURE 3 - MAP OF PARKER CLAIMS, SODAK URANIUM AND MINING COMPANY, INC., FALL RIVER COUNTY, SOUTH DAKOTA. DMEA 2857, CONTRACT Idm-E 517

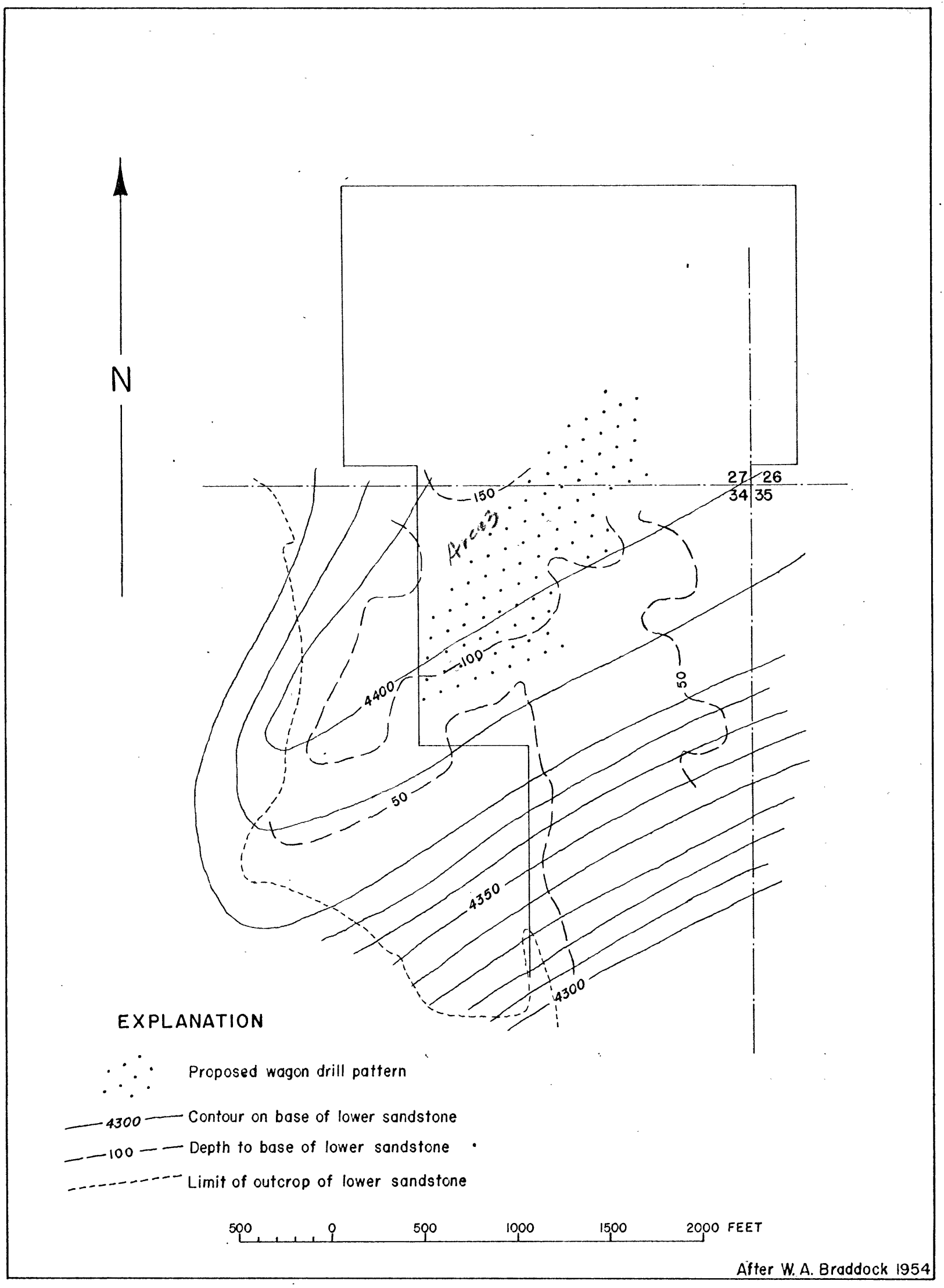



FIGURE 4 - STRUCTURE CONTOURS ON BASE OF LOWER SANDSTONE UNIT OF THE LAKOTA SANDSTONE

MATIAS PEAK CLAIM GROUP

FALL RIVER COUNTY, SOUTH DAKOTA

DMEA DOCKET 2857

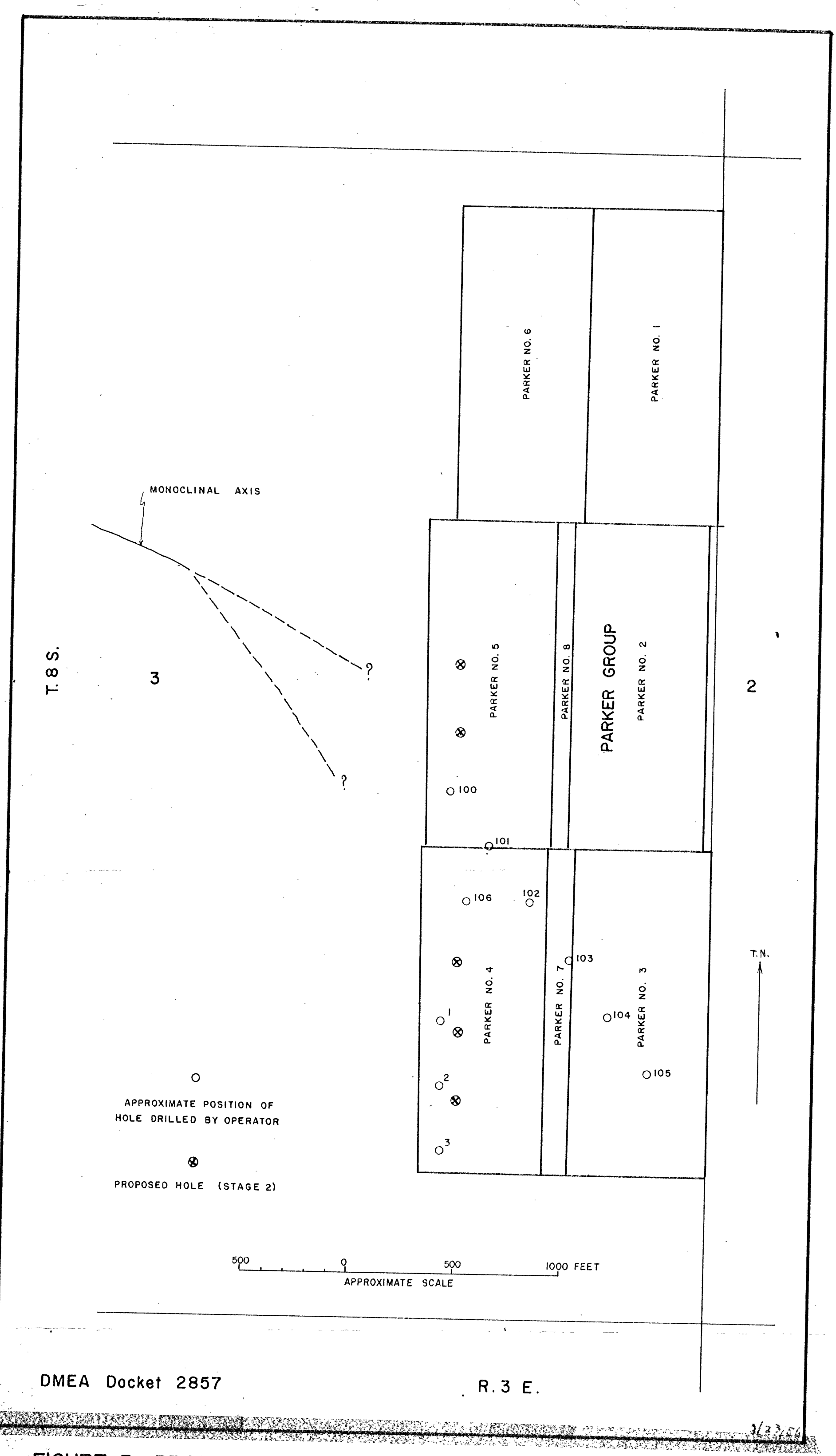



FIGURE 5 - PROPOSED DRILL HOLES IN THE PARKER CLAIM GROUP
FALL RIVER COUNTY, SOUTH DAKOTA

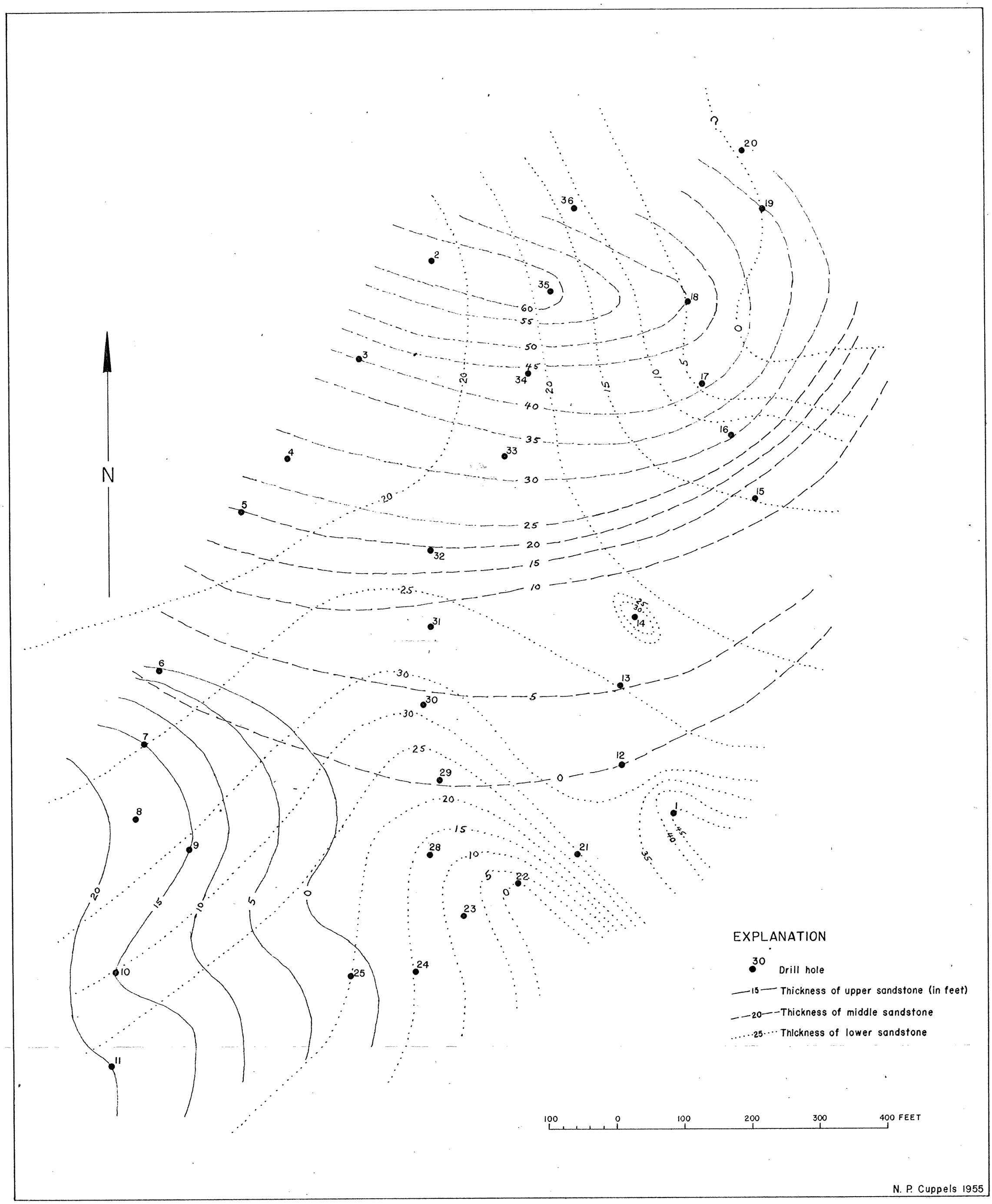



FIGURE 6 - ISOPACH MAP OF SANDSTONE BEDS IN MIDDLE LAKOTA SANDSTONE
MONTANA NO. I AND MATIAS PEAK NO. I CLAIMS
EDGEMONT MINING DISTRICT
FALL RIVER COUNTY, SOUTH DAKOTA
DMEA DOCKET 2857