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

APR 24 1957

AIR MAIL

Re: Sedak Uranium and Mining Co., Inc.
Docket No. DMEA-2697 (Uranium)
Contract No. IAm-E317

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| | | |
| 4-15 | Talbert | 800 |
| 4-15 | Kapper | 200 |
| | Ellis | 700 |
| 4-16 | Long | 140 |
| | Sawyer | 140 |
| | | 110 |
| | | 220 |

See my letter of Apr 22 1957

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

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

Dear Mr. Finch:

A review of the records pertaining to the referenced project discloses that the findings of your royalty review, as stated in your letter of April 10, 1957, correctly reflect the situation.

A certification of discovery or development was not issued and Article 6 of the contract was not amended to provide for payment of royalty, regardless of any certification, from the date of the contract until six months after rendition of the final report. Therefore, it appears that the royalty amount of $834.64, paid by the Operator on sales of production during the exploration work, properly is for refund to the Operator.

Accordingly, your Report of Royalty Review should present all the facts and show the following summary:

| | |
|---|---|
| Total Royalty Due | $ -0- |
| Total Royalty Paid | 834.64 |
| Overpayment of Royalty | $834.64 |

and a refund should be processed by the regional Finance Officer.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
April 15, 1957

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

RECEIVED
APR 15 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

April 10, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED APR 12 1957

| DATE | INITIALS | CODE |
|---|---|---|
| 4/12 | C | 220 |
| | | 800 |
| | | |
| | | |
| | | |
| | | |
| | | |

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

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

Dear Mr. Chambers:

I have been working on a royalty review for the subject company and have encountered the following facts which I am outlining below, with the request for your advice.

This contract was originally with a partnership consisting of C. G. Ortmayer, R. G. Sullivan and C. R. Boyle. The contract which was dated May 7, 1953, was drawn up on MF 200A (February, 1952.)

During the period August 21, 1953 through September 21, 1953, there was incidental production, and sales having a total value including the A.E.C. production bonus of $16,688.61 from the Cycad Claim No. 1, which was fully subordinated to the contract.

The partnership assigned the exploration contract, with DMEA approval, to the Sodak Uranium and Mining Company, Inc. on June 17, 1955. Prior to this assignment, the partnership in a letter dated December 14, 1954, submitted the settlement sheets for the above production to the Examining Engineer (Mr. E. O. Binyon, M. E.) with the request the DMEA advise it of the amount of DMEA royalties due the Government. The Operator's request was forwarded to Region III. You will recall this was about the time the South Dakota contracts were transferred to the Denver office of DMEA.

On February 21, 1955, Mr. Traver advised the Operator that the total royalties due amounted to $834.64, and requested a check for that amount. On March 11, 1955, the Operator mailed a check for the requested royalty payment.

In a memorandum to the Operating Committee dated March 19, 1956, Mr. Traver, Executive Officer, DMEA Field Team, recommended that no Certificate of Discovery or Development be issued. See, also, Mr. Harshman's letter to the Operating Committee dated March 20, 1957.

I have examined all files pertaining to this contract which are available at Denver. It appears there were four amendments plus approved assignment. There is, however, no annex in the files amending Article 6 of the original contract. There is also no indication that a Certificate of Discovery or Development was issued.

It has occurred to me it might be possible the files at Denver are incomplete in respect to either an amendment to Article 6, or a Certificate of Discovery or Development. If there has been no amendment to Article 6 or an issue of a Certificate of Discovery or Development, does the contract as apparently amended provide for any repayment royalties?

In the event the collected amount is subject to refund, please advise me the format for presentation.

For your information this letter has been discussed with Mr. Harshman and Mr. Townsend.

Sincerely yours,

Donald T. Finch

Donald T. Finch, Auditor

E-517

For Certificate of Deposit No. 86, dated March 25, 1955, giving royalty repayment of $834.64, see E-381.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
MAR 31 1956

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

G. G. Grimsrud, R. G. Sullivan and C. H. Boyle, Partners
Box 330
Edgemont, South Dakota
Assigned to:
Sodak Uranium and Mining Company, Inc.
Box 330
Edgemont, South Dakota

pertaining to Exploration Project Contract No. Idm-E517, Docket No. DMEA-2857, including Amendments Nos. 1 to 4, for the period June, 1953 to August, 1955, covering a project for the exploration of Uranium on property known as Ripsnorter and Parker Group of Claims, located in Fall River County, South Dakota.

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

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

> All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

| | | |
|---|---|---|
| Total cost as billed by Contractor | | $15,883.05 |
| Exceptions: (Schedule attached) | | |
| By DMEA Finance Officer | $16.16 | |
| Herewith | 0.00 | 16.16 |
| Total Accepted Cost | | $15,866.89 |

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Fourteen thousand, two hundred eighty and 21/100ths Dollars

** $14,280.21 **

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

March 19, 1956

T. H. Brading, Auditor

## SCHEDULE OF EXCEPTIONS

Sodak Uranium & Mining Co., Inc. Contract [illegible]-[illegible]517 Docket No. [illegible]-2857

Operator claimed 16 feet of drilling on Hole No. 54 in the amount of $16.16. (16 feet @ $1.01 per foot)

Claim was disallowed by the Finance Officer as this hole did not approach the approximate depth of 130 feet stipulated in the contract.

Disallowance is approved by the Auditor.

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

224 New Customhouse
Denver 2, Colorado

July 6, 1956

Memorandum

To: Secretary to the 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 - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated July 2, 1956, relative to final payment under the terms of the subject contract.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
JUL 12 1956

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

224 New Customhouse
Denver 2, Colorado

July 2, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

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

Reference is made to our memorandum of October 17, 1955, whereby we forwarded Form MF-104, Operator's Monthly Progress Report and Voucher, for the month of August, 1955 and instructed you to withhold from reimbursement to the Operator the amount of $100.00 pending receipt of the Operator's final report and release of an audit report or Report of Review by the Contract Administration and Audit Division.

The Operator's final report has been received; therefore, we recommend final payment to the Operator on the following basis which is in conformance with the Report of Review of contract expenditures by the Contract Administration and Audit Division dated March 19, 1956.

**Basis for Final Payment**

| | |
|---|---|
| Total Accepted Cost | $15,866.89 |
| Government Participation at 75 Percent | 14,280.21 |
| Total Prior Payments | 14,180.21 |
| Balance due the Operator | $ 100.00 |

$100.00
7/5/56 DMA 57-4

W. M. Traver

JWT:jy
cc: MF-104 File, Reg. III
Sec. Op. Comm. (2)
Shaw
Townsend
Corresp. File E517
Chron.

RECEIVED
JUL 12 1956

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

RECEIVED
NOV - 2 1955

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

Month of October, 1955 Docket No. DMEA 2037 Contract No. [illegible]
Operator's Name Gobel Uranium & Mining Co., Inc. Minerals [illegible]
Address P. O. Box 330, [illegible]
Contract Amount, $ 30,000.00 Government Participation: 50 % Amount, $ 30,000.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | 2232.10 | 13,634.79 | 15,866.89 | | | |
| Drilling Rotary | 626' | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 2232.10 | 13,634.79 | 15,866.89 | 2232.10 | 13634.79 | 15,866.89 |

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

Date 10-28-55 *Payee Gobel Uranium & Mining Co., Inc.

Per [signature] Title President

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

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

(Instructions on reverse)

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

$ 1908.89

Signature RRC
(Authorized Certifying Officer)

Date 10/28/55 Vou. No. DMA-56-37

(See other side)

(For Government use only)

For payment $1,908.89

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature E. O. Bingon Title Mining Engineer Date October 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Sawyer Title Executive Officer Date OCT 17 1955

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-1044
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV - 2 1955

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible]
Operator's Name [illegible] & [illegible] Co., Inc.
Address [illegible]

Contract No. [illegible]
Minerals Uranium

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | [illegible] | | [illegible] | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | [illegible] | | [illegible] | | | | [illegible] |

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

Date 9-22-55 Operator [illegible] & [illegible] Co., Inc.

Per C. R. Boyle Title President

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

**(Instructions on reverse)**

Remarks: [illegible]

E. Benson 10/7/55

**(For Government use only)**

## INSTRUCTIONS

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

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

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

GPO 83-38475

CEDAR URANIUM AND MINING CO., INC.

DRILLING NARRATIVE FOR AUGUST, 1955

RECEIVED
SEP - 8 19

DMEA
Docket No. 2357
Contract No. IDM-2517

Nineteen holes were drilled during August, 1955. These holes were drilled within the grid on north and south trending lines between the center and each side. A total of 2226' was drilled. The attached Table A shows the depth and amount of radioactivity of each hole. The radioactivity is stated in counts per second as measured by the Esterline-Angus Gamma Ray Logging instrument. The survey was made by the U. S. Atomic Energy Commission, Hot Springs Sub Office.

Hole No. 30, reported in the Narrative for March, April and May, 1955, was offset by four holes in four directions at 25' spacing. The radioactivity observed in the cuttings and from the probe survey was of minimum amount and the cuttings were not assayed. These holes were drilled at the Contractor's expense and are not included in any footage reported on Forms MF-104 or MF-104A.

As shown in Table A, no radioactivity of ore grade was observed in any of the holes reported for this month. No further drilling within the grid is recommended and within the week I will request an amendment to permit further drilling within the area included in the contract.

C. A. Boyle

C. A. Boyle

PAGE 'A'

| Hole No. | Total Depth | Radioactivity in Counts per sec. | at |
|---|---|---|---|
| 37 | 120' | 210 | 45.5' |
| 38 | 130' | 162 | 60.5' |
| 39 | 135' | neg. | |
| 40 | 130' | 110 | 12' |
| 41 | 135 | 125 | 11.08 |
| 42 | 130' | 120 | 32.0' |
| 43 | 130 | 140 | 13.0' |
| 44 | 130 | 105 | 17.0' |
| 45 | 130' | neg. | |
| 46 | 130' | 1200 | 26.0' |
| " | | 840 | 44.5' |
| 47 | 130 | neg. | --- |
| 48 | 130' | 1750 | 36.5' |
| 49 | 130' | 600 | 22.5' |
| 50 | 130' | 200' | 26.0' |
| 51 | 130' | neg. | ---- |
| 52 | 130' | neg. | ---- |
| 53 | 130' | Neg. | ---- |
| 54 | 16' | neg. | ---- |

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

RECEIVED
NOV - 2 1955

224 New Customhouse
Denver 2, Colorado

October 31, 1955

Memorandum

To: Secretary to the 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 two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the period August, 1955.

W. M. Traver

By J. W. Townsend

Enclosures

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

RECEIVED
NOV - 2 1956

Administrative Audit Difference Statement

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

[illegible] Drilling Co.
[illegible]
[illegible], [illegible]

Gentlemen:

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

Amount Claimed $[illegible]

Difference $[illegible]

Amount Approved $[illegible]

The reason for the difference was due to:

[illegible]

[illegible]

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

RECEIVED

224 New Customhouse
Denver 2, Colorado

October 17, 1955

Memorandum

To: T. A. Christensen

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 - Operator's Monthly Progress Report, for the period August, 1955

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except as noted below.

(a) Disallow 16 feet of rotary (wagon drill) drilling, the total footage for hole 54, as this hole did not approach the approximate depth of 150 feet stipulated in the contract (Amendment No. 2, Phase II (a) )

(b) Withhold $100.00 pending receipt of Operator's and Government Final Reports and release of the Final Audit or Report of Review by the Contract Administration and Audit Division, DMEA. The Contract expired on October 1, 1955

Remarks

Date of Report - - - - - - - - - - - - - - - - - - - - - - - - September 22, 1955
Date Received in Field Office - - - - - - - - - - - - - - - - September 27, 1955
Date Received in Region Office - - - - - - - - - - - - - - - October 10, 1955

JDC:jy
cc: MF-104
File E517
Sec. Op. Comm. (2)
Binyon
Townsend
Chron.

W. M. Traver

Enclosures

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

October 7, 1955

Memorandum

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

From: E. C. Binyon

Subject: Progress Reports for August 1955, Docket DMEA 2857 (Uranium), Contract Ida-B517, Sodak Uranium and Mining Co., Fall River County, S. Dak.

Transmitted herewith in quintuplicate are the following:

1) Bureau Engineer's Narrative Report
2) Operator's MF-10b and MF-10ba
3) Operator's Narrative Report, with Table "A showing hole numbers, depth, radiometric readings, and depths at which the radioactivity was found
4) Map showing location of holes.

Also enclosed are four extra copies of the engineer's narrative report.

The operator's reports were received at this office on September 27, 1955.

All drilling, except as noted, was done in conformance with the terms of the contract, and it is recommended that the government's share of the expenditures, or $1,908.89, be paid.

E. C. Binyon

cc: Traver (8)
files

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

October 7, 1955

Memorandum

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

From: E. C. Binyon

Subject: Progress Report for August 1955, Docket DMEA 2857 (Uranium), Contract Idm-2517, Sodak Uranium and Mining Co., Inc., Fall River County, S. Dak.

The operator resumed drilling on August 9 and completed the work covered by the subject reports on or about August 19, 1955.

The subject reports were received on September 27, 1955. A visit was made to the property on August 26 and again on September 26, when a check survey was made of the location of the holes and also cuttings from those holes reported to have slight mineralization were checked with a Geiger counter. As reported by the operator, the cuttings from holes Nos. 46 and 48 at depths of 26 and 36-37 feet showed slight mineralization, but the cuttings from holes Nos. 37 and 43 gave a reading only slightly above background.

All drilling was done in conformance with the terms of the contract, with the exception of hole No. 54 which, as reported, was drilled to a depth of only 16 feet. Although there is no provision in the contract for non-payment for incompleted holes, it is stipulated that drilling in this area was to go to depths of 130 to 140 feet. Therefore, it is recommended that hole No. 54 be disallowed.

As the contract expired October 1, 1955 (Amendment No. 4), and a request for an extension has not been received, and the operator stated in the narrative report that "No further drilling within the grid is recommended ----," and also verbally has expressed the opinion that it was unlikely that further drilling would result in a discovery, it is apparent that he will not be agreeable to further drilling in the area, although it may be warranted. The operator also mentioned in the narrative report that he is going to request an amendment to permit drilling in other parts of the property; however, he stated verbally on September 26 that his finances were at a very low point and it is perhaps not possible for the company to continue with the project. From the foregoing, it is likely that these reports may be the last to come in and it is therefore suggested that $100.00 be withheld for the final report.

The payment as recommended is itemized below:

| | |
|---|---|
| Footage reported by the operator | - 2,226 |
| Footage disallowed, hole No. 54 | 16 |
| Footage allowed | 2,210 |
| 2,210 feet @ $1.01 per ft. | $ 2,232.10 |
| Government's share @ 90% | 2,008.89 |
| Less $100 for final report | - 100.00 |
| Amount recommended for payment | $ 1,908.89 |

The contract expired October 1, 1955.

E. O. Binyon

cc: Traver (8)
files

SODAK URANIUM & MINING CO., INC.

Phone MOhawk 27203 - P. O. Box 339

Edgemont, South Dakota

COPY

September 24, 1955

Re: Docket No. 2857
Contract IDM-E517

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

Dear Mr. Binyon:

Please find enclosed the drilling report for the above contract for the month of August, 1955.

There is the original and four copies of the two forms, narrative, Table A and Map No. DM-6

Yours very truly,

S/ Clyde Boyle

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

RECEIVED
JUL 22 1955

224 New Customhouse
Denver, Colorado

July 20, 1955

Memorandum

To: E. O. Binyon

From: Executive Officer, DMEA Field Team, Region III

Subject: Operator's monthly report for period March, April and May, 1955, DMEA Docket 2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Company, Inc. (formerly Ortmayer, Sullivan, and Boyle) Fall River County, South Dakota

We regret the inconvenience to the operator by the delayed payment of the subject report but it is necessary for us to return it to you for additional information. This is the first report form for Contract Idm-E517 to be processed through this office, all prior payments having been made by DMEA Region V. Our files for prior work accomplishments and payments are rather incomplete.

DMEA fiscal office records indicate total prior payments for this contract have amounted to $11,049.17 which we believe to be correct. "Totals Previously Reported" (column 2 of Form MF-104) for the subject report lists a total of $12,387.96 - operator's figures. This amount agrees with Government "Approved Totals to Date" on the previous report for September 1954, although 90 per cent of this amount equals $11,149.16 ($100.00 different than the payments to date as shown by Fiscal office records).

On December 21, 1953 you transmitted a copy of the monthly report for September and October 1953 to the operator with the following statement, "You will note the deduction of $100.00. The remarks are self-explanatory." Our copy of the September - October 1953 report shows this deduction of $100.00 for the final report. Evidently work under the subject contract was to be terminated at this time but later it was decided to resume operations. We believe this $100.00 should now be reinstated and paid to the operator. Please revise your transmittal memorandum for the March, April and May report to recommend payment for the $100.00 withheld if we are correct as to the reason for the deduction and to the fact that reinstatement has not previously been made.

Operations under the subject contract are to be performed in accordance with Amendment No. 2, which provides for drilling under

Stages I and II with Stage I work to be performed first and with Stage II work requiring prior written approval by the Government (DMEA Field Team). Our files do not contain a copy of the above authorization; therefore we believe that only costs applicable to Stage I work are allowable at the present time. If Stage II work was authorized by personnel of the old Region V, please furnish a copy for our files.

Please submit a breakdown of the total footage reported on this and subsequent reports by Stages and Phases. Also give a resume of footage drilled to date under Phase I and II of Stage I and remaining footage as allowed by contract. This information is necessary to this office to bring our records up to date.

We note that no claim has been presented for assaying work performed although there is indication that portions of several prior holes were assayed. On the next report the operator should be requested to submit claim for these assays as allowed by Amendment No. 2 which should be supported by copies of the assay results. These assay results may have a decided bearing on the propriety of continuing work under the contract. The operator's unwillingness to submit claim at this time is not in the best interests of the Government. We believe that the Government's portion of these assay costs should be paid and then the entire program re-evaluated in view of the light the assays may shed on the probability of making a worth while discovery by continuing exploration.

We are enclosing a copy of a memorandum dated April 6, 1955 with attached Supplement No. 1 to Memorandum No. 11. Please certify Forms MF-104A in accordance with contained instructions.

Please also notify your secretary to fully assemble each copy of monthly report form before mailing to this office. Originals of Forms MF-104 and 104A with narrative report by operator are to be attached to the original of your transmittal letter, etc.

Any drill logs submitted by the operator should be retained in your office, but please mention this fact in your narrative.

W. M. Traver

Enclosure

RDB:dja

cc: Corresp. File E517
ContractFileE517
Sec. Op. Comm. (2)
Townsend
Chron

Form MI[illegible]4 (Rev.)
(April [illegible]52)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~May~~ Mar, April, 195~~5~~ Docket No. DMEA 2857 Contract No. ~~IDX-E517~~

Operator's Name Sodak Uranium & Mining Company, Inc. Minerals Uranium

Address P. O. Box 330, Edgemont, So. Dak.

Contract Amount, $38,945.00 Government Participation: 90 % Amount, $35,050.50

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) ~~XXXXXXXXXX~~ Short Form Contracts: | | | | | | |
| Drilling Rotary | 1246.83 | 12387.96 | 13634.79 | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 1246.83 | 12387.96 | 13634.79 * | 1246.83 | 12387.96 | 13634.79 |

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

Date 6/24/55 *Payee Sodak Uranium & Mining Company, Inc.

Per C. F. Boyle Title President

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

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

(Instructions on reverse)

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

$ 1,222.15

Signature [illegible] (Authorized Certifying Officer)

Date 7/29/55 Vou. No. DMA-56-11 (See other side)

* 100.00 withheld on Sept.-Oct 1953 report reinstated

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE: Amount $ 1,246.85

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-2517 in accordance with the terms of the contract.

Signature E. V. Bingor Title Mining Engineer Date July 15, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Berk.

Signature W. M. Graves Title Executive Officer Date JUL 27 1955

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MR-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 1950 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible]
Minerals [illegible]
Address [illegible]

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Auger | | | | | | | | |
| Stripping | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Trenching | | | | | | | | |
| Test Pits | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Roads and Trails | | | | | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | [illegible] | | [illegible] | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | [illegible] | | [illegible] | | | | [illegible] |
| Initial Rehabilitation and Repairs | | [illegible] | | [illegible] | | | | [illegible] |
| New Buildings, Improvements, etc. | | [illegible] | | [illegible] | | | | [illegible] |
| [illegible] | | [illegible] | | [illegible] | | | | [illegible] |
| TOTAL COSTS | | [illegible] | | [illegible] | | | | [illegible] |

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

Date [illegible] Operator [illegible]

Per C. F. Boyle Title [illegible]

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

REMARKS: [illegible]

(Instructions on reverse)

(For Government use only)

E O Bunyon 7/25/55
Mining Engineer

## INSTRUCTIONS

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

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

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

GPO 872894

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

224 New Customhouse
Denver 2, Colorado

July 27, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2857 (Uranium), Contract Idm-E517, Sodak Uranium and Mining Co., Inc. (formerly Ortmayer, Sullivan, and Boyle), Fall River County, South Dakota - Operator's Monthly Progress Report for the period March, April and May, 1955

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on form MF-104, contingent on your verification of arithmetical accuracy within the report.

The amount of $100.00 which was withheld from the September-October 1953 report pending receipt of a final report from the Operator is to be reinstated and payment of same to be made at this time.

Remarks:

Date of Report.....June 24, 1955
Date Received in Field Office.....July 5, 1955
Date Received in Region Office.....July 26, 1955

RDB:sr Delay due to necessity of returning forms for correction.

cc Subject
Sec. Op. Comm. (2)
Townsend c/copy engr. rept.
Binyon
Chron

Wm. Traver
W. M. Traver

Enclosures

DMEA
Date Rec'd.

JUL 26 1955

BUREAU OF MINES
Denver, Colorado

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

July 24, 1955

Memorandum

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

From: E. O. Binyon

Subject: Monthly Progress Reports, March, April, May 1955, Docket DMEA 2057, Contract Idm-E517 (Uranium) Sodak Uranium and Mining Co., Inc. (formerly Ottmayer, Sullivan & Boyle) Fall River County, S. Dak.

Enclosed are the original and four copies of the subject operator's monthly report Forms MF-104 and MF-104A, a map showing location of the holes, a list of the holes , a probe survey of Hole 50, and a narrative report covering work completed under the contract for the period From February 22 to June 1, 1955.

Attached to the operator's reports are copies of a Progress Report for March, April, and May, 1955 and a breakdown of the footage reported for this period and a resume' of the drilling completed to date.

The work as reported for the period is correct and was done in conformance with terms of the contract. It is recommended that the operator be reimbursed for the government's share of the expenditure (90%) of $1,246.85 as shown on Form MF-104 for March, April, and May, 1955.

Through anoversight, I failed to notice that the $100.00 which was deducted from the payment due the operator as shown on the October 1955 MF-104 for a final report had not been reinstated or paid to the operator in the payments of subsequent vouchers submitted for August and September, 1954. In order that the amounts can be brought up to date and carried forward correctly, it is recommended that the operator be paid this $100.00

The reports were received from the operator on July 5, however owing to the press of other DMEA work and failure to contact the operator the reports were not submitted to Denver until July 15. As additional information concerning the reports and the previous drilling were required the reports were returned for corrections and additonal information.

No drilling has been done under Stage II of the contract as amended under Amendment No. 2.

E. O. Binyon

DOCKET DMEA 2857-CONTRACT IDM-E517 (Uranium)
Sodak Uranium and Mining Co., Inc.
(Ortmayer, Sullivan & Boyle)
Fall River County, South Dakota

DMEA NARRATIVE REPORT
March, April, May 1955

The drilling completed during the reporting period, March, April and May, 1955 has been inspected weekly since resumption of drilling operations on February 22, and was again inspected on July 7 to check the operator's monthly progress reports for the period. Also, the operator was contacted on July 13 to check the correctness of the report of near ore grade mineralization in Hole 30.

The hole had been previously reported (verbally) as showing only weak radioactivity and a check of the cuttings showed a count slightly above background. However, the operator reported that probe results with another instrument indicated a mineralized section of 2 feet from depth 45.5 to 47.5 which is, from the probe reading, ore grade.

Hole 28 was reported at the time of drilling to have some mineralization and the operator drilled two offset holes-28A and 28B ( not under contract) to check the lateral extent. Hole 28B was reported to have 5 feet of mineralization of good grade but the cuttings showed no count on the Bureau's counter.

As reported, Holes Nos. 29, 31, 32, 33, 34, 35, and 36 had no mineralization. Holes Nos. 30, 31, and 32 were the first three drilled in the row (Operator's map) and were drilled to the depths of 175, 175, and 200 feet respectively in an effort to establish with certainty the depth of the lower mineralized sandstone, and to determine more exactly the depth for future drilling.

Copies of the Survey of Drill Holes Table A and the Probe Survey of Drill Holes submitted by the operator have been retained at this office.

It is recommended that the operator be paid the government's share of 50% of the expenditure of $1,246.85 as submitted on the MF-104 and MF-104A forms for March, April, and May, 1955.

The contract expires October 1, 1955.

Docket DMEA 2857
Contract Idm-2517 ( Uranium)
Sodak Uranium & Mining Co. Inc.
(formerly Ortmayer, Sullivan & Boyle)
Fall River County, So. Dak.

BREAKDOWN OF DRILLING
for
Period: March, April, & May, 1955

| Amended Contract- Amendment No. 2 | Footage Allowed | Footage Drilled | Footage Remaining |
|---|---|---|---|
| Stage I-Phase II | | | |
| Aug. & Sept. 1954 @ $1.04 per foot | 3,903.5 | 3,315 | 588.5 |
| Mar., Apr., & May, 1955, @ $1.04 per foot | | 588.5 | ------ |
| Total @ $1.04 | 3,903.5 | 3,903.5 | None |
| Stage I-Phase II, Prior to & for Aug. & Sept. 1954 @ $1.01 | 11,696.5 | ------ | 11,696.5 |
| Mar. Apr., & May, 1955 @ $1.01 per foot | | 628.5 | 11,068 |
| Total @ $1.01 | 11,696.5 | 628.5 | 11,068 |
| Stage II | 12,805.5 | ------ | 12,805.5 |
| TOTALS | | | |
| Stage I-Phase II @ $1.04 per foot. | 3,903.5 | 3,903.5 | None |
| Stage I-Phase II @ $1.01 per foot | 11,696.5 | 628.5 | 11,068 |
| Stage II @ $1.01 per ft. | 12,805.5 | ------ | 12,805.5 |
| | 28,403.5 | 4,5[illegible] | 23,871.5 |
| Stage I-Phase I @ $1.04/ft. (As of Oct. 1953) | 8,596.5 | 8,596.5 | None |
| | 37,000 | 13,128.5 | 23,871.5 |

Docket DMEA 2857
Contract Ion-E517(Uranium)
Sodak Uranium & Mining Co.,
Inc. (formerly Ortmayer
Sullivan & Boyle) Fall
River County, S. Dak.

RESUME AND BREAKDOWN OF DRILLING
(To and including May, 1955)

The footages allowed and drilled under the unamended contract are:

| | Allowed | Price per Ft. | Drilled | Remaining |
|---|---|---|---|---|
| Stage I | 12,500 | $1.04 | 8,596.5 | 3,903.5 |
| Stage II | 24,500 | $1.01 | — | 24,500 |
| Total | 37,000 | | 8,596.5 | 28,403.5 |

By Amendment No. 2 the 8,596.5 feet drilled under Stage I of the unamended contract was placed under Stage I, Phase I of the amended contract, and the remaining footage-3,903.5 was transferred to Stage I, Phase II with the price per foot at $1.04. Also the footage allowed and remaining under Stage II of the unamended contract was reduced from 24,500 feet to 12,803.5 and the difference transferred to Stage I Phase II of the amended contract at the price per foot of $1.01.

The footages allowed and drilled under the amended contract are:

| | Allowed | Drilled | Remaining |
|---|---|---|---|
| Stage I (Amend. No. 2) | | | |
| Phase I (To and including Oct. 1953) | 8,596.5 | 8,596.5* | —— |
| Phase II @ $1.04 | 3,903.5 | 3,903.5** | —— |
| Phase II @ $1.01 | 11,696.5 | 628.5*** | 11,068 |
| Total Stage I, Phase II | 15,600 | 4,532 | 11,068 |
| Total Stage I, Phase I & Phase II | 24,196.5 | 13,128.5 | 11,068 |
| Stage II (price per ft. @ 1.01) | 12,803.5 | ——— | 12,803.5 |
| Total Stage I, Phase I & II and Stage II | 37,000 | 13,128.5 | 23,871.5 |

* Actually drilled under Stage I of unamended contract

** Includes; 1230 ft. Aug. 1954, 2085 ft. Sept. 1954, 588.5 ft. Mar. Apr. & May, 1955

*** Also drilled in Mar. Apr. & May, 1955.

Wagon Drilling Narrative
for
March, April & May, 1955

DMEA
Docket No. 2857
Contract No. IDM-E517

During the period shown above 9 holes were drilled under this contract. Delays were due to lack of finance, poor equipment and bad weather. The first two items have been arranged and reccomended drilling can proceed steadily for the next six months. The contract has been extended to October 1,1955. Also pending is an assignment of this contract from Ortmayer, Sullivan and Boyle to Sodak Uranium & Mining Company, Inc., of the same address.

The following table gives the depth of each hole and notes the presence of radioactivity. Table B is the Probe Survey of Hole No. 30. The location of the holes is shown on Map No. DM-6.

Samples were taken from all holes at 3 ft. intervals, logged and lithologic sections were drawn. These will be incorporated in a final report and are not enclosed at this time.

Although carnotite was not observed in the cuttings from Hole No. 30, it is recommended that offset holes be drilled. Futher drilling, beyond the proposed offsets, can be decided at a conference with the D. M. E. A. Field Team.

C. F. Boyle

C. F. Boyle

DMEA
Docket No. 2857
Contract No. LDM-E517

TABLE A
Survey of Holes Drilled
Mar. April & May, 1955

| Hole No. | Depth | Radioactivity |
|---|---|---|
| 28 | 90 | None |
| 29 | 114 | " |
| 30 | 175 | See Table B |
| 31 | 175 | None |
| 32 | 200 | " |
| 33 | 84 | " |
| 34 | 114 | " |
| 35 | 160 | " |
| 36 | 105 | " |
| Total | 1217.0 | |

TABLE - B

Probe Survey of Drill Holes

Mar, April, & May, 1955

DMEA
Docket No. 2857
Contract No. 1DM-E517

| Hole No. | Depth | Reading | Background |
|---|---|---|---|
| 30 | 2 | | |
| | to | 20/5 | 20/5 |
| | 40 | | |
| | 42 | 30/5 | 20/5 |
| | 44 | 30/5 | 20/5 |
| | 45 | 70/5 | 20/5 |
| | 45.5 | 70/4 | 20/5 |
| | 46 | 45/4 | 20/5 |
| | 47 | 38/4 | 20/5 |
| | 47.5 | 75/5 | 20/5 |
| | 48 | 50/5 | 20/5 |
| | 49 | 30/5 | 20/5 |
| | 50 | 25/5 | 20/5 |
| | 52 | 22/5 | 20/5 |
| | to | | |
| | 120 | 22/5 | 20/5 |

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

Budget Bureau No. 42-R1036.3.
Approval Expires [illegible]-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
NOV 1 - 1954

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept., 1954 Docket No. DMEA 2857 Contract No. IDM-E517
Operator's Name C.G.Ortmayer, R.G.Sullivan, C.R.Boyle Minerals Uranium
Address Box 330, Edgemont, South Dakota
Contract Amount, $38,945.00 Government Participation: 90 % Amount, $ 35,050.50

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling Wagon | 2168.40 | 10,219.56 | 12,387.96 | 2,168.40 | 10,219.56 | 12,387.96 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 2168.40 | 10,219.56 | 12,387.96 | 2,168.40 | 10,219.56 | 12,387.96 |

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

Date Oct. 5, 1954 *Payee R.G. Sullivan, C.G. Ortmayer & C.R. Boyle

Per C.R. Boyle Title Manager

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

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

(Instructions on reverse)

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

$ 1951.56 HT

Signature L.A. Hill
(Authorized Certifying Officer)

Date OCT 27 1954 Vou. No. 9
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ZDM-2517 in accordance with the terms of the contract.

Signature E. O. Pemp[illegible] Title Mining Engineer Date October 22, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date 10/27/54

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 1 - 1954

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 1954 Docket No. DMEA 2857 Contract No. IDM-R517
Operator's Name C.G.Ortmayer,R.G.Sullivan,C.R.Boyle Minerals Uranium
Address Box 330, Edgemont, South Dakota

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn Wagon | Ft. | 2168.40 | 2085 | 12,387.96 | 11,911.5 | 1.04 | 15.6M | 26,013.46* |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | | | | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | 2168.40 | | 12,387.96 | | | | 38,945.00 |

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

C.G.Ortmayer
R.G.Sullivan
C.R.Boyle

Date 10-5-54 Operator

Per C.R.Boyle Title Manager

Remarks: * Total- Stage I

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

Minerals
RECEIVED

WAGON DRILLING NARRATIVE
FOR
SEPTEMBER, 1954

DMEA:
Docket No. 2857
Contract No. IDM-E517

During the month of September, 1954 Holes Nos. 9 through 27 were drilled resulting in a total footage for the month of 2085 feet. The depth of each hole is shown on the attached Probe Survey and the location is shown on Map #DM-6, also attached.

The important result is the absence of radioactivity in any of the holes so far drilled: as shown by the probe survey. However, this fact does not, as yet, rule out the planned area. The holes, as shown on Map DM-6, have outlined the area with the exception of closing the line between #2 and #20 on 100' centers. This sequence was used to permit drawing sections east and west and north - south. The logging is still not completed and the structure as shown on the map by William Braddock is not yet disproved. Mr. Norman Cupples reports the logging has shown a lensing of the sandstone beds encounted in the section drilled; and that further data regarding this may offer new ideas regarding the possible location of mineral within the planned area.

Clyde F. Boyle

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

Budget Bureau No. 42-R1036.3. Approval expires 6-30-53.

RECEIVED SEP 30 1954

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

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 2857 Contract No. IDM-E517 Am.

Operator's Name C.G.Ortmayer, R.G.Sullivan& C.R.Boyle Minerals Uranium

Address Box 330, Edgemont, South Dakota

Contract Amount, $38,945.00 Government Participation: 90% Amount, $35,050.50

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) ~~Independent~~ Short Form Contracts: | 1279.20 | | | | | |
| Drilling Wagon | ~~1270.20~~ | 8940.36 | 10,219.56 | 1,[illegible] | [illegible] | 10,219.56 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 1279.20 | 8940.36 | 10,219.56 | 1,[illegible] | [illegible] | 10,219.56 |

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

Date 9-10-54 *Payee R. G. Sullivan, C. G. Ortmayer & C. R. Boyle

Per C. R. Boyle Title Manager

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

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

(Instructions on reverse)

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

$ 1151.28 HG

Signature L A Hill (Authorized Certifying Officer)

Date SEP 17 1954 Vou. No. (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1dm-1517 in accordance with the terms of the contract.

Signature E W Bunyon Title Mining Engineer Date September 14, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature C B Wickham Title Ex. Officer Date 9/16/54

## MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 2857 Contract No. IDM-E517 Am.
Operator's Name C. G. Ortmayer, R. G. Sullivan & C. R. Boyle Minerals Uranium
Address Box 330, Edgemont, South Dakota

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Gas Wagon | Ft. | 1279.20 | 1230 | 10,219.56 | 9826.5 | 1.04 | 15.6M | 26,013.46* |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | | | | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | 1279.20 | | 10,219.56 | | | | 38,945.00 |

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

R. G. Sullivan
C. G. Ortmayer, &
C. R. Boyle

Date 9-10-54 Operator

Per C. R. Boyle Title Manager

REMARKS: * Total- Stage I

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

WAGON DRILLING NARRATIVE
FOR
AUGUST, 1954

DMEA:
Docket No. 2857
Contract No. IDM-E517 Am.

Exploration under the above contract was resumed August 16, 1954. The contract was amended during May, 1954 extending the date of completion to November 7, 1954

The plan of the present work is shown on the new Exhibit "A", amendent No. 2. The drill grid, as shown on the map by William A. Braddock included in Exhibit "A", is located on parts of the Rip Snorter No. 1, Morning Glory, Montana No. 1 and Matias Peak No. 1 claims. There is no Block No. given to the area. A Map, No. DM-6, is attached.

Due to the increased depth to be prospected a rotary drill has been contracted to do the drilling. The price is $0.75 per foot. The contractor is the McGuire Drilling Company of Hot Springs, South Dakota. The drill being used is a Failing No. 1500. Blowing air is furnished by A Chicago Pneumatic Rotary Type Compressor which provides 365 cu. ft. per min. at 110 Lbs. per s. I. Both units are separately mounted on 1½ ton trucks. The topography being fairly level no difficulty has been encountered gaining access to the holes so far drilled. Some short access roads will have to be made to reach two parts of the area.

Drilling has averaged 123 feet per shift. Some difficulty was encountered with hard ground necessitating the use of a rock bit instead of the drag type ordinarily quite adequate. The hard ground is a zone of the sandstone having a higher lime content and better cementation; the average thickness being about 5 feet. Drilling speeds in this zone is approximately 3 feet per hour as compared to a speed of 15 feet per hour in the ordinary sandstones and mudstones. The diameter of the holes is 3-3/4 inches. As shown on the probe survey no caving of the holes has been noticed as yet.

Samples are taken at 2 foot intervals. These are taken by an apparatus similar to a Duclone Sample Catcher and are saved in 12# paper sacks. A small cut is taken from [illegible] sample and will be logged by a competent geologist to determin[illegible] lithology of the formations. These logs will be reported one month late.

Results of the drilling are shown on the Probe Survey attached. No radioactivity was found in the holes so far drilled. The slight variations in the readings are not considered due to radioactivity and are reported as background. All 2' samples were also checked and no radioactivity was noted.

C. F. Boyle

PROBE SURVEY OF WAGON DRILL HOLES
August, 1954

DMEA:
Docket No. 2857
Contract No. IDM-E517 Am.

Claims:
Rip Snorter #1
Morning Glory
Montana #1
Matias Peak #1

| Hole No. | Total Depth in ft. | Probed Depth in ft. | Reading | Backgrond |
|---|---|---|---|---|
| C-1-A | 110 | 110 | 6/5 | 6/5 |
| * 2 | 200 | 180 | 6/5 | 6/5 |
| 3 | 172.5 | 172.5 | 4/5 | 4/5 |
| 4 | 180 | 180 | 5/5 | 5/5 |
| 5 | 155 | 155 | 4/5 | 4/5 |
| 6 | 137.5 | 137.5 | 4/5 | 4/5 |
| 7 | 150 | 150 | 4/5 | 4/5 |
| 8 | 125 | 125 | 6/5 | 6/5 |
| | 1230 | 1230 | | |

* Probe is only 180 feet long. Sacks were checked from 180 to 200.

Note: 4/5: A Babble Counter, Model #600, is being used for the probe survey. In the reading shown the numerater denotes the number of graduations ~~read on the~~ meter; the denominator states the scale or range of sensitivity being used. On this counter there are 5 ranges of sensitivity, No. 5 being the most sensitive. For comparison; in this area, a reading of 20/3 has been found to equal a value of 0.25 U308.

C. F. Boyle

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1953

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept. & October, 1953 Docket No. DMEA 2857 Contract No. IDM-8517
Operator's Name C.G. Ortmayer, R.G. Sullivan & C.R. Boyle Minerals Uranium
Address Box 330, Edgemont, South Dakota
Contract Amount, $ 13,400.00 Government Participation: 90 % Amount, $ 12,060.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling Wagon Drill | | | | | | |
| Bulldozing 9/53 | 2109.12 | 6453.72 | 8562.84 | | | |
| Crosscutting 10/53 | 377.52 | 8562.84 | 8940.36 | 2,486.64 | 6,453.72 | 8,940.36 |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 2486.64 | 6453.72 | 8940.36 | 2,486.64 | 6,453.72 | 8,940.36 |

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

Date 11/12/53 *Payee C.G. Ortmayer, R.G. Sullivan & C.R. Boyle

Per C.R. Boyle Title Manager

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

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

(Instructions on reverse)

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

2237.98
100.00 for final report
$ 2,337.98

Signature L.A. Hill
(Authorized Certifying Officer)

Date DEC 15 1953 Vou. No. 16
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-F 517 in accordance with the terms of the contract.

Signature E. O. Benyon Title Mining Engineer Date December 6, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature A. B. Needham Title Exec. Officer Date 12/9/53

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

16

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. & October 195 53 Docket No. DMEA 2827 Contract No. IDM-2517
Operator's Name C.G. Ortmayer, R.G. Sullivan & C.R. Boyle Minerals Uranium
Address Box 330, Edgemont, South Dakota

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| ~~Drifting~~ | | | | | | | | |
| ~~Crosscutting~~ | | | | | | | | |
| ~~Raising~~ | | | | | | | | |
| ~~Shafts~~ | | | | | | | | |
| ~~Winzes~~ | | | | | | | | |
| Drilling: Core | | | | | | | | |
| ~~Churn~~ Jagon | Ft. | 2486.64 | 2391 | 8940.36 | 8506.5 | 1.04 | 12M | 13,400.00 * |
| Auger | | | | | | | 24M | 25,545.00 ** |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | | | | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | 2486.64 | | 8940.36 | | | | 38,945.00 |

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

Date 11/12/53 Operator C.G. Ortmayer R.G. Sullivan & C.R. Boyle

Per C.R. Boyle Title Manager

Remarks: * Phase I **Phase II

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

# HACKER DRILLING NARRATIVE
for
SEPTEMBER & OCTOBER, 1953

DMEA
Docket No. 2857
Contract No. IDM-8517

Claims:
Schoonmaker No. 1
Schoonmaker No. 2
Montana No.1
Matias Peak No.1

Exploration under DMEA Docket No.-2857 was continued through September and for the first five days of October, 1953. The method of drilling and logging being the same as reported in the narrative for June and July, 1953.

This report covers holes # C-184 through # C-272, a total footage of ~~2332~~ 2391 feet drilled as follows:

September -- 2,028 feet

October -- 363 feet

The above holes were located in Block 1 and Block 2, Exhibit B; the position being shown on map #DM-4 attached.

Results of the drilling are shown on the Probe Survey attached. Of the ten holes showing radioactivity, the following are considered important enough to be prospected further by close-spaced (10 ft.) drillings: Hole #195 and #201. Holes #~~[illegible]~~,265,266 and 272 embrace an area that will be prospected by stripping. The probe count in these holes was not very high but the size of the area is important as in the fact that radioactivity is present for some depth: from 8 feet to 22 feet in hole # C-263. The drilling and stripping mentioned above are independent of this contract.

Also attached are the assay results to date of the samples sent to the Livingston Uranium Co. at Edgemont. Some further prospecting will be done on Holes #C-89 and #C-75. However, check samples will first be sent to the Brown Laboratory in Grand Junction, Colorado.

There is one anomalous area left in Blocks No.1 and No.2. Drilling was attempted in this area but due to wet shales the present rig was unable to make any progress. I am informed that Minerals Engineering Co. can furnish a rig at the same cost per foot that will drill this area to the depths needed. However, the field team has estimated that not over 1000 feet will be needed to explore the area and Minerals do not feel that they can send their rig to Edgemont from Grand Junction for less than 3500 feet.

For the present, the drilling is stopped. After further discussion with the field team a final report will be written.

Please note that holes #256, 257, 261, 262, 267 & 268 were drilled off the property. They are not entered in the total footage and are not entered in the accounts shown on Pages [illegible] and MF-104A.

C. J. Boyle

# PROBE SURVEY of WAGON DRILL HOLES

DMEA
Docket no. 2837
Contract no. IDM-5 517

Claims
Montana #1 & #2
Matias Peak #1
Schoonmaker #1 & #2
Cerner's Polly

September & October, 1953

| Hole no. | Total Depth | Probed Depth | Reading | Background |
|---|---|---|---|---|
| C-184 | 39 | 0-26 | 22/5 | 22/5 |
| C-185 | 12 | 0-8 | 22/5 | 22/5 |
| C-186 | 12 | 0-6 | 22/5 | 22/5 |
| C-187 | 3 | 0-2 | 22/5 | 22/5 |
| C-188 | 45 | 0-24 | 22/5 | 22/5 |
| C-189 | 60 | 0-56 | 22/5 | 22/5 |
| C-190 | 36 | 0-33 | 22/5 | 22/5 |
| C-191 | 36 | 0-30 | 22/5 | 22/5 |
| C-192 | 36 | 0-33 | 4/5 | 4/5 |
| C-193 | 36 | 0-11 | 4/5 | 4/5 |
| | | 11-12 | 20/5 | 4/5 |
| | | 12-13 | 30/5 | 4/5 |
| | | 13-14 | 20/5 | 4/5 |
| | | 14-33 | 4/5 | 4/5 |
| C-194 | 36 | 0-2 | 6/5 | 4/5 |
| | | 2-3 | 18/5 | 4/5 |
| | | 3-4 | 6/5 | 4/5 |
| | | 4-31 | 6/5 | 4/5 |
| C-195 | 72 | 0-33 | 6/5 | 4/5 |
| | | 33-34 | 20/5 | 4/5 |
| | | 34-35 | 20/5 | 4/5 |
| | | 35-36 | 30/5 | 4/5 |
| | | 36-37 | 30/5 | 4/5 |
| | | 37-38 | 70/5 | 4/5 |

Probe Survey Cont.

| Hole no. | Total Depth | Probed Depth | Reading | Background |
|---|---|---|---|---|
| | | 38-39 | 30/5 | 4/5 |
| | | 39-40 | 10/5 | 4/5 |
| | | 40-69 | 6/5 | 4/5 |
| C-196 | 34 | 0-50 | 6/5 | 6/5 |
| C-197 | 45 | 0-40 | 6/5 | 6/5 |
| C-198 | 36 | 0-34 | 6/5 | 6/5 |
| C-199 | 21 | 0-17 | 6/5 | 6/5 |
| C-200 | 36 | 0-34 | 8/5 | 6/5 |
| C-201 | 36 | 0-9 | 10/5 | 6/5 |
| | | 9-10 | 60/5 | 6/5 |
| | | 10-11 | 80/4 | 6/5 |
| | | 10-11 | 24/3 | 6/5 |
| | | 11-12 | 10/5 | 6/5 |
| | | 12-35 | 6/5 | 6/5 |
| C-202 | 36 | 0-35 | 6/5 | 6/5 |
| C-203 | 36 | 0-34 | 6/5 | 6/5 |
| C-204 | 81 | 0-6 | 8/5 | 6/5 |
| | | 6-7 | 22/5 | 6/5 |
| | | 7-8 | 26/5 | 6/5 |
| | | 8-9 | 30/5 | 6/5 |
| | | 9-10 | 20/5 | 6/5 |
| | | 10-80 | 8/5 | 6/5 |
| C-205 | 15 | 0-13 | 8/5 | 8/5 |
| C-206 | 36 | 0-34 | 8/5 | 8/5 |
| C-207 | 30 | 0-28 | 8/5 | 8/5 |
| C-208 | 21 | 0-17 | 8/5 | 8/5 |
| C-209 | 36 | 0-34 | 8/5 | 8/5 |
| C-210 | 51 | 0-49 | 12/5 | 8/5 |

Probe Survey Cont.

| Hole no. | Total Depth | Probed Depth | Reading | Background |
|---|---|---|---|---|
| C-211 | 36 | 0-35 | 8/5 | 8/5 |
| C-212 | 36 | 0-36 | 8/5 | 8/5 |
| C-213 | 15 | 0-14 | 8/5 | 8/5 |
| C-214 | 36 | 0-35 | 10/5 | 10/5 |
| C-215 | 54 | 0-53 | 10/5 | 10/5 |
| C-216 | 21 | 0-17 | 10/5 | 10/5 |
| C-217 | 36 | 0-17 | 8/5 | 8/5 |
| | | 17-18 | 18/5 | 8/5 |
| | | 18-19 | 20/5 | 8/5 |
| | | 19-20 | 20/5 | 8/5 |
| | | 20-36 | 10/5 | 10/5 |
| C-218 | 9 | 0-5 | 8/5 | 8/5 |
| C-219 | 36 | 0-35 | 10/5 | 10/5 |
| C-220 | 15 | 0-13 | 10/5 | 10/5 |
| C-221 | 9 | 0-7 | 10/5 | 10/5 |
| C-222 | 36 | 0-34 | 10/5 | 10/5 |
| C-223 | 15 | 0-10 | 10/5 | 10/5 |
| C-224 | 9 | 0-7 | 10/5 | 10/5 |
| C-225 | 15 | 0-11 | 10/5 | 10/5 |
| C-226 | 54 | 0-53 | 10/5 | 10/5 |
| C-227 | 27 | 0-21 | 10/5 | 10/5 |
| C-228 | 12 | 0-12 | 10/5 | 10/5 |
| C-229 | 9 | 0-6 | 10/5 | 10/5 |
| C-230 | 9 | 0-7 | 10/5 | 10/5 |
| C-231 | 6 | 0-4 | 10/5 | 10/5 |
| C-232 | 6 | 0-5 | 10/5 | 10/5 |
| C-233 | 18 | 0-15 | 10/5 | 10/5 |
| C-234 | 9 | 0-8 | 10/5 | 10/5 |

Probe Survey Cont.

| Hole no. | Total Depth | Probed Depth | Reading | Background |
|---|---|---|---|---|
| C-235 | 12 | 0-9 | 10/5 | 10/5 |
| C-236 | 9 | 0-7 | 10/5 | 10/5 |
| C-237 | 6 | 0-4 | 10/5 | 10/5 |
| C-238 | 36 | 0-34 | 10/5 | 10/5 |
| C-239 | 63 | 0-61 | 10/5 | 10/5 |
| C-240 | 39 | 0-37 | 10/5 | 10/5 |
| C-241 | 54 | 0-54 | 10/5 | 10/5 |
| C-242 | 48 | 0-46 | 10/5 | 10/5 |
| C-243 | 12 | 0-11 | 10/5 | 10/5 |
| C-244 | 18 | 0-14 | 10/5 | 10/5 |
| C-245 | 24 | 0-19 | 10/5 | 10/5 |
| C-246 | 15 | 0-14 | 10/5 | 10/5 |
| C-247 | 12 | 0-9 | 10/5 | 10/5 |
| C-248 | 54 | 0-53 | 10/5 | 10/5 |
| C-249 | 54 | 0-53 | 10/5 | 10/5 |
| C-250 | 51 | 0-14 | 10/5 | 10/5 |
| C-251 | 36 | 0-35 | 10/5 | 10/5 |
| C-252 | 36 | 0-32 | 10/5 | 10/5 |
| | | 32-33 | 25/5 | 10/5 |
| | | 33-34 | 25/5 | 10/5 |
| C-253 | 15 | 0-13 | 10/5 | 10/5 |
| C-254 | 15 | 0-14 | 10/5 | 10/5 |
| C-255 | 18 | 0-15 | 10/5 | 10/5 |
| ~~C-256~~ | ~~18~~ | ~~0-15~~ | ~~10/5~~ | ~~10/5~~ |
| ~~C-257~~ | ~~21~~ | ~~0-20~~ | ~~10/5~~ | ~~10/5~~ |
| C-258 | 15 | 0-11 | 10/5 | 10/5 |
| C-259 | 6 | 0-6 | 10/5 | 10/5 |
| C-260 | 36 | 0-34 | 10/5 | 10/5 |

Probe Survey Cont.

| Hole no. | Total Depth | Probed Depth | Reading | Background |
|---|---|---|---|---|
| ~~C-261~~ | ~~27~~ | ~~0-24~~ | ~~10/5~~ | ~~10/5~~ |
| ~~C-262~~ | ~~21~~ | ~~0-18~~ | ~~10/5~~ | ~~10/5~~ |
| C-263 | 9 | 0-8 | 10/5 | 10/5 |
| C-264 | 15 | 0-12 | 10/5 | 10/5 |
| C-265 | 54 | 0-8 | 10/5 | 10/5 |
| | | 8-9 | 28/5 | 10/5 |
| | | 9-10 | 30/5 | 10/5 |
| | | 10-11 | 20/5 | 10/5 |
| | | 11-12 | 20/5 | 10/5 |
| | | 12-13 | 20/5 | 10/5 |
| | | 13-14 | 38/5 | 10/5 |
| | | 14-15 | 30/5 | 10/5 |
| | | 15-16 | 32/5 | 10/5 |
| | | 16-17 | 24/5 | 10/5 |
| | | 17-18 | 30/5 | 10/5 |
| | | 18-19 | 40/5 | 10/5 |
| | | 19-20 | 50/5 | 10/5 |
| | | 20-21 | 40/5 | 10/5 |
| | | 21-22 | 30/5 | 10/5 |
| | | 22-51 | 10/5 | 10/5 |
| C-266 | 36 | 0-13 | 10/5 | 10/5 |
| | | 13-14 | 30/5 | 10/5 |
| | | 14-15 | 70/5 | 10/5 |
| | | 15-16 | 40/5 | 10/5 |
| | | 16-17 | 40/5 | 10/5 |
| | | 17-18 | 30/5 | 10/5 |
| | | 18-19 | 36/5 | 10/5 |

Probe Survey Cont.

| Hole no. | Total Depth | Probed Depth | Reading | Background |
|---|---|---|---|---|
| | | 19-20 | 30/5 | 10/5 |
| | | 20-21 | 20/5 | 10/5 |
| | | 21-25 | 20/5 | 10/5 |
| | | 25-26 | 40/5 | 10/5 |
| | | 26-27 | 30/5 | 10/5 |
| | | 27-28 | 30/5 | 10/5 |
| | | 28-29 | 30/5 | 10/5 |
| | | 30-33 | 20/5 | 10/5 |
| | | 33-34 | 34/5 | 10/5 |
| ~~C-267~~ | ~~36~~ | ~~0-34~~ | ~~10/5~~ | ~~10/5~~ |
| ~~C-268~~ | ~~18~~ | ~~0-16~~ | ~~10/5~~ | ~~10/5~~ |
| C-269 | 12 | 0-9 | 10/5 | 10/5 |
| C-270 | 15 | 0-15 | 10/5 | 10/5 |
| C-271 | 12 | 0-11 | 10/5 | 10/5 |
| C-272 | 33 | 0-27 | 12/5 | 10/5 |
| | | 27-28 | 20/5 | 10/5 |
| | | 28-29 | 40/5 | 10/5 |
| | | 29-30 | 30/5 | 10/5 |
| | | 30-31 | 20/5 | 10/5 |

# ASSAY RESULTS

| HOLE NO. | DEPTH | $U_3O_8$ |
|---|---|---|
| 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 | 0.02 |
| | 18-21 | 0.02 |
| | 21-24 | 0.06 |
| C-103 | 9-12 | ----- |
| | 12-15 | ----- |
| C-104 | 3-6 | ----- |
| | 6-9 | 0.075 |
| | 9-12 | 0.0125 |
| C-180 | 15-18 | 0.065 |

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA-2857 Contract No. TOM-2517
Operator's Name R.C.Sullivan,C.O. Ortmayer & & C.R.Boyle Minerals Uranium
Address Box 330, Edgemont, South Dakota
Contract Amount, $13,400.00 * Government Participation: 90 % Amount, $12,060.00 *

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) ~~Independent~~ Short Form Contracts: | | | | | | |
| Drilling Lagon Drill | 3211.52 | 3242.20 | 6453.72 | 3,211.52 | 3,242.20 | 6,453.72 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 3211.52 | 3242.20 | 6453.72 | 3,211.52 | 3,242.20 | 6,453.72 |

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

Date 10/6/53 *Payee C.O.Ortmayer R.C.Sullivan & C.R.Boyle

Per C.R. Boyle Title Manager

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

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

**(Instructions on reverse)**

* Share I only.

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

$2870.37 HG

Signature
(Authorized Certifying Officer)

Date 10/14 Vou. No. 10
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-7617 in accordance with the terms of the contract.

Signature E B Lanyon Title Mining Engineer Date October 6, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature R B Weedman Title Ex Off Date 10/12/53

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT 16 1953

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

# OPERATOR'S UNIT COST AND PROGRESS REPORT

70

Month of August 195 3 Docket No. DMEA-287 Contract No. IDX-517
Operator's Name C.O. Ortmayer, R.O. Sullivan & C.R. Boyle Minerals Uranium
Address Box 330, Edgemont, South Dakota

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| ~~Churn~~ Wagon | Ft. | 3211.52 | 3088 | 6453.72 | 6205.5 | 1.04 | 12,[illegible] | 13,400.00* [illegible]* |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 3,211.52 | | 6,453.72 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | ---- | | ---- | | | | ---- |
| Initial Rehabilitation and Repairs | | ---- | | ---- | | | | ---- |
| New Buildings, Improvements, etc. | | ---- | | ---- | | | | ---- |
| | | | | | | | | |
| TOTAL COSTS | | 3211.52 | | 6453.72 | | | | 33,945.00 |

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

Date October 6, 1953 Operator C.O. Ortmayer, R.O. Sullivan & C.R. Boyle

Per C.R. Boyle Title Manager

REMARKS: * Phase I, **Phase II

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

# [illegible] SURVEY OF [illegible] DRILL HOLES

[illegible]
Docket No. 2857
Contract No. 12N-[illegible]517

Claims
Schoonamaker #1
Schoonamaker #2
Gerner's Folly
Montana # 1 & #2

August, 1953

| Hole No. | Depth Drilled Ft. | Probed Depth Ft. | Reading | Background |
|---|---|---|---|---|
| C-81 | 27 | 0-18 | 2/5 | 2/5 |
| C-82 | 30 | 0-13 | 2/5 | 2/5 |
| C-83 | 33 | 0-12 | 2/5 | 2/5 |
| C-84 | 33 | 0-12 | 2/5 | 2/5 |
| | | 12-16 | 4/5 | 2/5 |
| | | 16-24 | 10/5 | 2/5 |
| C-85 | 51 | 0-9 | 2/5 | 2/5 |
| C-86 | 27 | 0-21 | 2/5 | 2/5 |
| C-87 | 20 | 0-14 | 2/5 | 2/5 |
| C-88 | 21 | 0-20 | 2/5 | 2/5 |
| C-89 | 51 | 0-17 | 2/5 | 2/5 |
| | | 17-21 | 12/5 | 2/5 |
| | | 21-22 | 20/5 | 2/5 |
| | | 22-23 | 75/5 | 2/5 |
| | | 23-24 | 54/5 | 2/5 |
| | | 24-25 | 24/5 | 2/5 |
| | | 25-30 | 15/5 | 2/5 |
| | | 30-36 | 22/5 | 2/5 |
| | | 36-46 | 2/5 | 2/5 |
| C-90 | 36 | 0-33 | 4/5 | 4/5 |
| C-91 | 30 | 0-30 | 4/5 | 4/5 |
| C-92 | 33 | 0-22 | 4/5 | 4/5 |
| C-93 | 51 | 0-23 | 4/5 | 4/5 |

PROBE SURVEY CONT.
(2)

| Hole No. | Depth Drilled Ft. | Probed Depth Ft. | Reading | Background |
|---|---|---|---|---|
| C-94 | 33 | 0-28 | 4/5 | 4/5 |
| C-95 | 51 | 0-47 | 4/5 | 4/5 |
| C-96 | 36 | 0-33 | 4/5 | 4/5 |
| C-97 | 69 | 0-66 | 4/5 | 4/5 |
| C-98 | 36 | 0-34 | 4/5 | 4/5 |
| C-99 | 36 | 0-21 | 4/5 | 4/5 |
| C-100 | 30 | 0-28 | 4/5 | 4/5 |
| C-101 | 20 | 0-17 | 4/5 | 4/5 |
| C-102 | 23 | 0-4 | 2/5 | 4/5 |
| | | 4-19 | 8/5 | 4/5 |
| | | 19-20 | 18/5 | 4/5 |
| | | 20-21 | 22/5 | 4/5 |
| | | 21-22 | 12/5 | 4/5 |
| C-103 | 33 | 0-30 | 4/5 | 4/5 |
| C-104 | 27 | 0-6 | 4/5 | 4/5 |
| | | 6-7 | 8/5 | 4/5 |
| | | 7-8 | 20/5 | 4/5 |
| | | 8-9 | 30/5 | 4/5 |
| | | 9-10 | 65/5 | 4/5 |
| | | 10-14 | 10/5 | 4/5 |
| | | 14-20 | 2/5 | 4/5 |
| C-105 | 34 | 0-21 | 4/5 | 4/5 |
| C-106 | 25 | 0-22 | 4/5 | 4/5 |
| C-107 | 15 | 0-10 | 4/5 | 4/5 |
| C-108 | 33 | 0-31 | 28/5 | 28/5 |
| C-109 | 9 | 0-6 | 27/5 | 23/5 |

STORM SEWER CONT.
(3)

| Hole No. | Depth Drilled Ft. | Probed Depth Ft. | Reading | Background |
|---|---|---|---|---|
| C-110 | 9 | 0-7 | 28/5 | 28/5 |
| C-111 | 36 | 0-33 | 26/5 | 28/5 |
| C-112 | 36 | 0-34 | 28/5 | 28/5 |
| C-113 | 33 | 0-27 | 28/5 | 28/5 |
| C-114 | 33 | 0-31 | 28/5 | 28/5 |
| C-115 | 10 | 0-8 | 30/5 | 28/5 |
| C-116 | 30 | 0-29 | 28/5 | 28/5 |
| C-117 | 30 | 0-28 | 26/5 | 28/5 |
| C-118 | 30 | 0-28 | 28/5 | 28/5 |
| C-119 | 33 | 0-21 | 4/5 | 4/5 |
| C-120 | 12 | 0-6 | 4/5 | 4/5 |
| C-121 | 36 | 0-33 | 4/5 | 4/5 |
| C-122 | 18 | 0-12 | 4/5 | 4/5 |
| C-123 | 34 | 0-32 | 4/5 | 4/5 |
| C-124 | 39 | 0-37 | 4/5 | 4/5 |
| C-125 | 12 | 0-9 | 4/5 | 4/5 |
| C-126 | 36 | 0-36 | 4/5 | 4/5 |
| C-127 | 34 | 0-40 | 4/5 | 4/5 |
| C-128 | 36 | 0-24 | 4/5 | 4/5 |
| C-129 | 36 | 0-36 | 4/5 | 4/5 |
| C-130 | 36 | 0-34 | 4/5 | 4/5 |
| C-131 | 18 | 0-14 | 26/5 | 28/5 |
| C-132 | 34 | 0-30 | 30/5 | 30/5 |
| C-133 | 30 | 0-28 | 30/5 | 30/5 |
| C-134 | 30 | 0-27 | 30/5 | 30/5 |
| C-135 | 18 | 0-15 | 30/5 | 30/5 |
| C-136 | 36 | 0-33 | 30/5 | 30/5 |

PROBE SURVEY COST.
(4)

| Hole No. | Depth Drilled Ft. | Probed Depth Ft. | Reading | Background |
|---|---|---|---|---|
| C-137 | 15 | 0-13 | 35/5 | 30/5 |
| C-138 | 9 | 0-3 | 30/5 | 30/5 |
| C-139 | 54 | 0-28 | 30/5 | 30/5 |
| C-140 | 30 | 0-26 | 30/5 | 30/5 |
| C-141 | 36 | 0-34 | 30/5 | 30/5 |
| C-142 | 36 | 0-34 | 30/5 | 30/5 |
| C-143 | 54 | 0-52 | 30/5 | 30/5 |
| C-144 | 15 | 0-14 | 30/5 | 30/5 |
| C-145 | 33 | 0-3 | 30/5 | 30/5 |
| C-146 | 30 | 0-25 | 26/5 | 30/5 |
| C-147 | 39 | 0-37 | 28/5 | 30/5 |
| C-148 | 30 | 0-20 | 30/5 | 30/5 |
| C-149 | 18 | 0-15 | 30/5 | 30/5 |
| C-150 | 21 | 0-20 | 30/5 | 30/5 |
| C-151 | 12 | 0-9 | 30/5 | 30/5 |
| C-156 | 6 | 0-3 | 18/5 | 18/5 |
| C-157 | 15 | 0-5 | 18/5 | 18/5 |
| C-158 | 6 | 0-5 | 18/5 | 18/5 |
| C-159 | 9 | 0-5 | 18/5 | 18/5 |
| C-160 | 3 | 0-2 | 18/5 | 18/5 |
| C-161 | 5 | 0-4 | 18/5 | 18/5 |
| C-162 | 36 | 0-31 | 20/5 | 20/5 |
| C-163 | 72 | 0-63 | 20/5 | 20/5 |
| C-164 | 33 | 0-29 | 20/5 | 20/5 |
| C-165 | 21 | 0-1 | 20/5 | 20/5 |
| C-166 | 60 | 0-58 | 20/5 | 20/5 |
| C-167 | 9 | 0-6 | 20/5 | 20/5 |

| Hole No. | Depth Drilled Ft. | Probed Depth Ft. | Reading | Background |
|---|---|---|---|---|
| C-168 | 69 | 0-67 | 20/5 | 20/5 |
| C-169 | 60 | 0-8 | 20/5 | 20/5 |
| C-170 | 60 | 0-60 | 20/5 | 20/5 |
| C-171 | 60 | 0-56 | 22/5 | 22/5 |
| C-172 | 60 | 0-58 | 22/5 | 22/5 |
| C-174 | 36 | 0-33 | 22/5 | 22/5 |
| C-175 | 39 | 0-35 | 22/5 | 22/5 |
| C-176 | 39 | 0-37 | 22/5 | 22/5 |
| C-177 | 13 | 0-13 | 22/5 | 22/5 |
| C-178 | 9 | 0-5 | 22/5 | 22/5 |
| C-179 | 18 | 0-17 | 22/5 | 22/5 |
| C-180 | 57 | 0-24 | 22/5 | 22/5 |
| | | 24-30 | 26/5 | 22/5 |
| | | 30-35 | 31/5 | 22/5 |
| | | 35-38 | 42/5 | 22/5 |
| | | 38-41 | 52/5 | 22/5 |
| | | 41-42 | 58/5 | 22/5 |
| | | 42-43 | 65/5 | 22/5 |
| | | 43-44 | 60/5 | 22/5 |
| | | caved | | |
| C-181 | 12 | 0-11 | 22/5 | 22/5 |
| C-182 | 9 | 0-3 | 22/5 | 22/5 |
| C-183 | 18 | 0-14 | 22/5 | 22/5 |

# WAGON DRILLING NARRATIVE
for
AUGUST, 1953

DMEA
Docket No. 2857
Contract No. IDM-8517

Claims:
Schoonmaker No. 1
Schoonmaker No. 2
Gerner's Folly
Montana No. 1 & No. 2

Exploration under DMEA Docket No.-2857, Contract No.-IDM-8517 was continued through August, 1953; the method of drilling being the same as reported in this report for June and July, 1953.

This report covers holes # C-81 through # C-183 with the exception of 5 holes: # C-152, C-153, C-154, C-155 & C-173 which were drilled outside the property covered by this contract and are not reported in this narrative or in Forms MF 104 & 104A.

Areas drilled during August are located in Block 2 & Block 1, Exhibit B the location of the holes being shown on map #DM-34 attached.

All of the areas drilled showed surface anomalies on the Scintillator. The results of the Probe Survey show definite radioactivity in Holes # C-89, # C-104 & # C-180. Samples were taken at 1' intervals from these holes and have been sent to the Livingston Uranium Company, Edgemont, South Dakota for assay. Samples were also taken from Holes # C-84, # C-86, # C-102, # C-103, # C-106, # C-163, # C-172, & # C-179. Although the probe survey does not show radioactivity in these holes the samples caught by the DuClone showed radioactivity on the counter of enough intensity to warrant assaying. There are no assay results yet.

Caving was noticeable in nearly all of the holes and particularly bad in some holes on the Montana No. 1. In several instances the drill was unable to go deeper than 10'. This is due to the presence of a wet, sticky shale that will not permit blowing the hole.

A total of 3319' was drilled in 22 drill shifts. This is an average of 150.9 feet per shift and is considerably below the expected average of 200' per shift. The writer believes this is due mainly to the abundance of moist shales encountered so far in these areas. Drilling performed last year in nearby ground did not encounter shales with as high a moisture content and produced the expected average of 200' per shift. The operator is not the same man that drilled last year and this definitely has some bearing on the footage drilled.

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

Defense Minerals Administration
RECEIVED
SEP 28 1953

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June & July, 1953 Docket No. DMEA-2857 Contract No. IDM-E 517

Operator's Name C.G. Ortmayer, R. G. Sullivan & C. R. Boyle Minerals Uranium

Address Box 330, Edgemont, South Dakota

Contract Amount, $13,400.00 Government Participation: 90 % Amount, $ 12,060.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) ~~Independent~~ Short Form Contracts: 6/53 | $387.92 | --- | $387.92 | 387.92 | — | 387.92 |
| 7/53 | $2854.28 | --- | 2,854.28 | 2,854.28 | — | 2,854.28 |
| Drilling Wagon-Drill | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| Wash | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 3,242.20 | — | 3,242.20 | 3,242.20 | — | 3,242.20 |

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

Date 8/13/53 *Payee C.G. Ortmayer, R.G. Sullivan, C.R. Boyle

Per C.R. Boyle Title Mgr.

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

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

(Instructions on reverse)

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

$ 2917.98 AB

Signature L.A. Hill
(Authorized Certifying Officer)

Date SEP 22 1953 Vou. No. 8
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date 9/21/53

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

8

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June & July 1953 Docket No. DMEA -2857 Contract No. IDM- E517

Operator's Name C.G.Ortmayer, R.G.Sullivan & C. R. Boyle Minerals Uranium

Address Box 330 , Edgemont, South Dakota

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| ~~Churn~~ Wagon | Ft. | 3242.20 | 3117.5 | 3242.20 | 3117.5 | 3242.20 | 12½M. | 13,400.00 |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 3242.20 | | 3242.20 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | — | | — | | | | — |
| Initial Rehabilitation and Repairs | | — | | — | | | | — |
| New Buildings, Improvements, etc. | | — | | — | | | | — |
| TOTAL COSTS | | 3242.20 | | 3242.20 | | | | [illegible] |

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

Date 8/13/53 Operator C. G. Ortmayer, R. G. Sullivan & C. R. Boyle

Per C. R. Boyle Title Manager

C. R. Boyle

REMARKS [illegible]

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

WAGON DRILLING NARRATIVE
for
JUNE and JULY, 1953

DMEA
Docket No. 2857
Contract No IDM-E 517

Claims:
Schoonmaker No. 1
Schoonmaker No. 2
Gerner's Folly

Exploration under DMEA Docket No. 2857, Contract No. IDM-E 517 was begun in June. As proposed in the application for this contract the drilling was let to Minerals Enginneering Co. of Grand Junction, Colo. who provided a standard type of "Wagon Drill" mounted on a "half-track" carrier

Since only nine holes were drilled in the month of june this report is made to cover the work done in June and July, beginning with Hole #C-1 and ending with #C-81. These holes were located in "Block 2, Exhibet B" on Schoonmaker No. 1, Schoonmaker No. 2 and Gerner's Folly claims. The hole pattern is a staggered grid with spacing of 100 feet in the North-South direction and 50 feet in the East-West direction. The pattern was laid out to prospect back from the anomolous rim area on Schoonmaker Claim No. 1, and also to prospect the same horizon on Gerner's Folly close to the rim. Aside from the slight anomoly on Schoonmaker No. 1 there was no other radio active evidence on which to b se the location. The principle idea being to prospect the favorable horizon. The location of the completed holes is shown on the accompanying map No. DM-3. There is also attached a tabulation of the results of the Probe Survey of these holes. The Probe Survey does not cover the total drilled depth of the hole. This difference is due to caving which was ene countered in nearly all of the holes, in amounts varying from 1 foot to 13 feet. The caving evidently occurs when pulling out from the bottom of the hole. The three foot samples caught during the drilling give indications for the reported total depth.

The drilling procedure is to start holes with a 3 inch dia. bit which is run down about 3 feet to gett thru any loose topsoil, next a short section of 2½ inch pipe is inserted to prevent surface caving and provide a good connection for the sample collector. Then drilling is resumed with a 23/8 inch diameter Tungsten Carbide cross bit. The drilling is done dry and the cuttings are collected by a Du Clone Sampler which is emptied every 3 feet drilled, the samples being put in a sack and lableed.

These samples are tested by a scintillometer and any showing mineralization are re-checked with a Geiger counter. When mineralization is sufficient to regester on the No. 4 scale of the Dabbel Geiger Counter the sample will be sent to the laboratory for assay. All holes are given an additional check with a Geiger probe. The results of this probe survey and the drillers log, reported daily, are filed in the office for a permanent record.

Drilling results in the period covered by this report were unsatisfactory. No mineralization was encountered in any of the eighty-two holes. Previous experience in the immediate vicinity indicated that very spotty distribution of ore might be expected; therefore it seemed advisable to continue drilling across the entire zone covered in Schoonmaker No. 1 even after a number of holes had shown no mineralization.

The drilling contractor has encountered considerable trouble getting holes thru the shale bed encountered at approximately 30 feet depth and another in the deeper holes at about 48 feet. These shales are very moist and sticky and a continual source of delays form stuck steel. It appears that under these conditions there can be little profit for him at the contracted price of $.75/foot. We do not however, have his cost figures, therefore are unable to submit details

of the direct costs of this drilling.

Drilling is being continued Eastward on Gerner's Folly, Schoonmaker No. 2 and Matis Peak No. 2.Claims.

Clyde Boyle

# PROBE SURVEY of WAGON DRILL HOLES

8

DMEA
Docket no. 2857
Contract no. IDM-E 517

Claims
Schoonamaker #1
Schoonamaker #2
Gerner's Folly

June, 1953

| Hole No. | Depth | Reading | Background |
|---|---|---|---|
| C-1 | 83 to 0 | 4/5 | 4/5 |
| C-2 | 17 to 0 | 4/5 | " |
| C-3 | 20 to 0 | 4/5 | " |
| C-4 | 43 to 0 | 4/5 | " |
| C-5 | 38 to 0 | 4/5 | " |
| C-6 | 30 to 27 | 10/5 | " |
| | 27 to 0 | 4/5 | |
| C-7 | 13 to 0 | 4/5 | 4/5 |
| C-7-1 | 30 to 0 | 4/5 | " |
| C-8 | 30 to 0 | 4/5 | " |
| C-9 | 44 to 43 | 8/5 | " |
| | 43 to 0 | 4/5 | |

July, 1953

| | | | |
|---|---|---|---|
| C-10 | 21 to 0 | 4/5 | 4/5 |
| C-11 | | | " |
| C-12 | 5 to 0 | 4/5 | " |
| C-13 | 25 to 0 | 4/5 | " |
| C-14 | | | " |
| C-15 | 27 to 10 | 4/5 | " |
| | 10 to 8 | 8/5 | |
| | 8 to 0 | 8/5 | |
| C-16 | 31 to 17 | 4/5 | 4/5 |
| | 17 to 11 | 6/5 | |
| | 11 to 0 | 4/5 | |

Probe Survey cont.
(2)

| Hole no. | Depth | Reading | Background |
|---|---|---|---|
| C-17 | 26 to 0 | 4/5 | 4/5 |
| C-18 | 27 to 23 | 10/5 | " |
| | 23 to 17 | 4/5 | |
| | 17 to 13 | 16/5 | |
| | 13 to 10 | 10/5 | |
| | 10 to 8 | 12/5 | |
| | 8 to 0 | 4/5 | |
| C-19 | 21 to 0 | 4/5 | 4/5 |
| C-20 | 26 to 0 | 4/5 | " |
| C-21 | 45 to 0 | 4/5 | " |
| C-22 | 30 to 0 | 4/5 | " |
| C-23 | 23 to 0 | 4/5 | " |
| C-24 | 24 to 0 | 4/5 | " |
| C-25 | 5 to 0 | 4/5 | " |
| C-26 | 8 to 0 | 4/5 | " |
| C-27 | 13 to 0 | 4/5 | " |
| C-28 | 30 to 0 | 4/5 | " |
| C-29 | 46 to 29 | 4/5 | " |
| | 29 to 28 | 8/5 | |
| | 28 to 0 | 4/5 | |
| C-30 | 29 to 0 | 4/5 | 4/5 |
| C-31 | 31 to 0 | 4/5 | " |
| C-32 | 28 to 0 | 4/5 | " |
| C-33 | 34 to 0 | 2/5 | 2/5 |
| C-34 | 28 to 0 | 2/5 | " |
| C-35 | 28 to 0 | 2/5 | " |
| C-36 | 25 to 0 | 2/5 | " |

Probe Survey cont.
(3)

| Hole no. | Depth | Reading | Background |
|---|---|---|---|
| C-37 | 38 to 0 | 2/5 | 2/5 |
| C-38 | 26 to 0 | 2/5 | " |
| C-39 | 27 to 0 | 2/5 | " |
| C-40 | 56 to 0 | 2/5 | " |
| C-41 | 26 to 0 | 2/5 | " |
| C-42 | 27 to 0 | 2/5 | " |
| C-43 | 25 to 0 | 2/5 | " |
| C-44 | 46 to 0 | 2/5 | " |
| C-45 | 27 to 0 | 2/5 | " |
| C-46 | 27 to 0 | 4/5 | 4/5 |
| C-47 | 29 to 0 | 4/5 | " |
| C-48 | 26 to 0 | 4/5 | " |
| C-49 | 30 to 0 | 4/5 | " |
| C-50 | 27 to 0 | 4/5 | " |
| C-51 | 37 to 0 | 4/5 | " |
| C-52 | 33 to 0 | 4/5 | " |
| C-53 | 34 to 0 | 4/5 | " |
| C-54 | 17 to 0 | 4/5 | " |
| C-55 | 30 to 0 | 4/5 | " |
| C-56 | 28 to 0 | 4/5 | " |
| C-57 | 40 to 0 | 4/5 | " |
| C-58 | 41 to 0 | 4/5 | " |
| C-59 | 29 to 0 | 4/5 | " |
| C-60 | 27 to 0 | 4/5 | " |
| C-61 | 33 to 0 | 4/5 | " |
| C-62 | 28 to 0 | 4/5 | " |

Probe Survey cont.
(4)



| Hole no. | Depth | Reading | Background |
|---|---|---|---|
| C-63 | 31 to 0 | 4/5 | 4/5 |
| C-64 | 30 to 0 | 4/5 | " |
| C-65 | 36 to 0 | 2/5 | 2/5 |
| C-66 | 29 to 0 | 2/5 | " |
| C-67 | 27 to 0 | 2/5 | " |
| C-68 | 22 to 0 | 2/5 | " |
| C-69 | 31 to 0 | 2/5 | " |
| C-70 | 33 to 0 | 2/5 | " |
| C-71 | 37 to 0 | 2/5 | " |
| C-72 | 30 to 0 | 2/5 | " |
| C-73 | 27 to 0 | 2/5 | " |
| C-74 | 18 to 0 | 2/5 | " |
| C-75 | 28 to 27 | 8/5 | " |
| | 27 to 25 | 10/5 | |
| | 25 to 23 | 20/5 | |
| | 23 to 22 | 18/5 | |
| | 22 to 20 | 12/5 | |
| | 20 to 16 | 8/5 | |
| | 16 to 9 | 4/5 | |
| | 9 to 0 | 2/5 | |
| C-76 | 21 to 19 | 8/5 | 2/5 |
| | 19 to 16 | 6/5 | |
| | 16 to 0 | 2/5 | |
| C-77 | 19 to 15 | 10/5 | 2/5 |
| | 15 to 14 | 15/5 | |

Probe Survey cont.
(5)

| Hole no. | Depth | Reading | Background |
|---|---|---|---|
| C-77cont. | 14 to 13 | 30/5 | 2/5 |
| | 13 to 12 | 25/5 | |
| | 12 to 11 | 12/5 | |
| | 11 to 8 | 8/5 | |
| | 8 to 4 | 4/5 | |
| | 4 to 0 | 2/5 | |
| C-78 | 21 to 0 | 2/5 | 2/5 |
| C-79 | 21 to 0 | 2/5 | " |
| C-80 | 17 to 0 | 2/5 | " |
| C-81 | 18 to 13 | 6/5 | " |
| | 13 to 10 | 8/5 | |
| | 10 to 0 | 2/5 | |

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-5517
Ripsnorter and Parker Claims, et al.
Fall River County, South Dakota

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

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., Evans Hotel Annex, Hot Springs, S. Dak.

Government's Copy

RECEIVED
JUL 2 1 1975

# 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, Janet Russell, 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.

Janet Russell /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 O. M. Mitkendorf
Administrator, Defense
Minerals Exploration
Administration

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: Sodak Uranium and Mining Company, Inc.
(Ortmayer, Sullivan & Boyle, DMEA-2857, Idm-8517)

Reference is made to Mr. Hoffland'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. Monroe 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. Hoffland'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. Hoffland'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 one month'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. Pefcher'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
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

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. DMA-2057~~
~~Contract No. IDM-1517~~
~~Ortmayer, Sullivan and Kogle~~

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
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

JUN 10 1955

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Sedak 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.

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.

-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

# REFERENCE SLIP

DATE 5-20-55

REFERRED TO:

1. Mr. Chambers, Rm. 4448
2.
3.
4.

FOR:

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

See my memo to Administrator 6/15/55

REMARKS:

Check (X) before the items needing attention.

*Initials of sender.*

GPO 16—63815-1

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-~~E~~157, 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. Pofeher 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. Pofeher 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. Pofeher 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. Pofeher this erroneous statement should be corrected.

J. L. Chambers

There is in the subject docket a form for the assignment of Contract Idm-E157, Docket No. DMEA-2857, to Sedak 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 Sedak 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 Sedak 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.

Government's copy

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

Administrator, Defense Minerals Exploration Administration

C. G. ORTMAYER, Partner

R. G. SULLIVAN, Partner

C. R. BOYLE, Partner

RECEIVED
NOV 24 1954

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

Government 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, 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 _____
Administrator, Defense Minerals Exploration Administration

_____
G. G. ORTMAYER, Partner

_____
R. G. SULLIVAN, Partner

_____
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:

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

Docket No. 2857

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 517

Date of Contract ~~amendment~~ May 7, 1953

Name and Address of Operator:

Sadak Uranium and Mining
Box 330
Edgemont, South Dakota

Amount of Government participation $ 35,050.50

Percent of Government participation 90 %

Region: III State: South Dakota

Note: Please release $20,770.29. Contract terminated.

E. H. Tallant
(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 4/23/56

54458

Docket No. DMEA 2857

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 517

Date of Contract ~~or Amendment~~: May 7, 1953

Name and Address of Operator:

C. G. Ortmayer, R. G. Sullivan, and
C. R. Boyle, Partners
Box 330
Edgemont, S. D.

Amount of Government participation $ 35,050.50

Percent of Government participation 90 %

Region: V State: South Dakota

(Name)
J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)
May 7, 1953

Date Delivered to Bureau of Mines, Washington.

13808

MF-200 (A)
(February 1952)

DOCKET NO. DMEA -2857

COMMODITY Uranium

Government Copy

IDM-E 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. G. 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 6 of this contract.

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

Owners' Consents to Lien are attached.

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the ~~Owners' Consents to Lien is 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 ~~xxxx~~ 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.

By [illegible] ~~Operator~~ Partner

By [illegible] Partner

By [illegible] Partner

THE UNITED STATES OF AMERICA

By [illegible]
Administrator, Defense Minerals Exploration Administration

---

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 |
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| Montana #1 | 9-11-52 | 31 Misc. | 346 |
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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 |

1/

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| Matias Peak #1 | 5-19-52 | 31 " | 155 |
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| 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/ [illegible]

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 production 3/ 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, 1952.

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:

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MF-203

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See attached sheet.

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

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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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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 2.

Charles H. Fraser [Seal]

Willard F. Beard [Seal]

Carl Brown [Seal]

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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:

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MF-203

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Dated this 3rd day of December, 195 2.

Chas H Fraser [Seal]

Alva H Schnee [Seal]

Amos C Clark [Seal]

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MF-203

# OWNER'S CONSENT TO LIEN

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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 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;

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Dated this 11th day of April, 1953.

Chas. H. Jirages [Seal]

Earl Bonn By Roy Bonn [Seal]

Willard F. Beard [Seal]

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(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.

Exhib 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

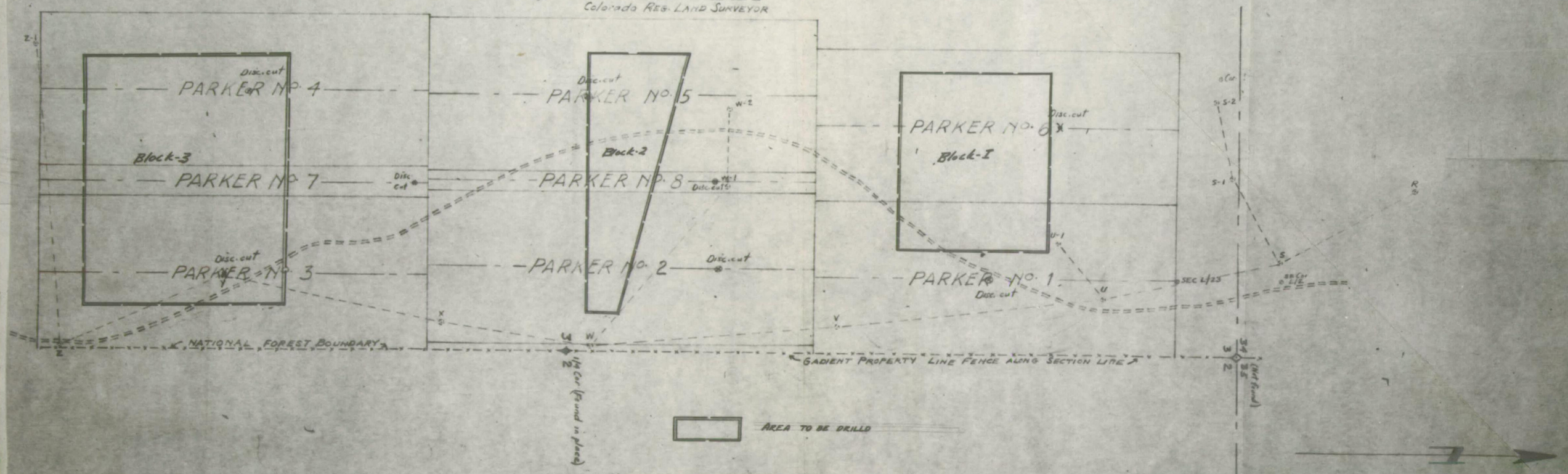



Exhibit 2

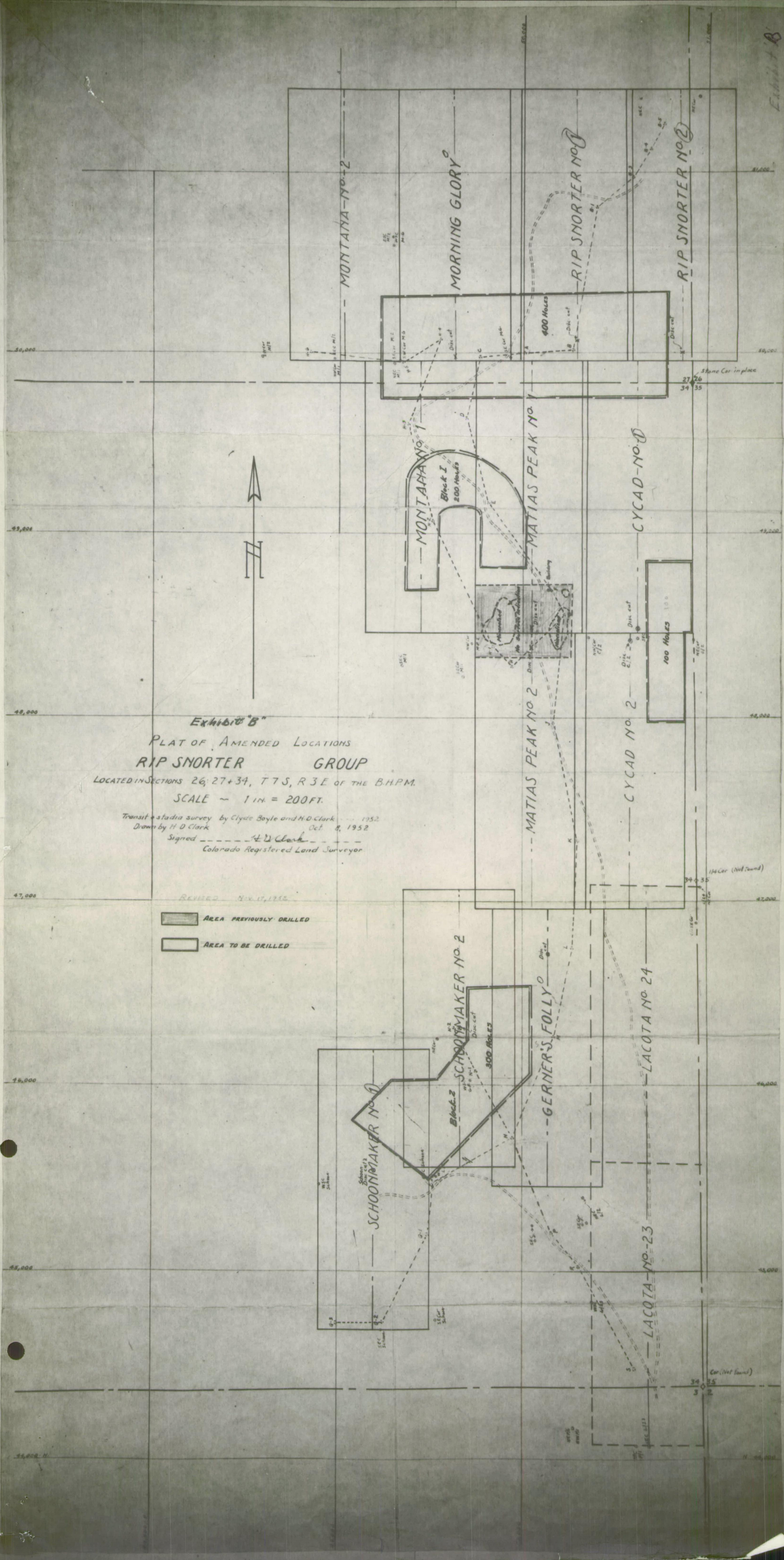



Exhibit "B"

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.

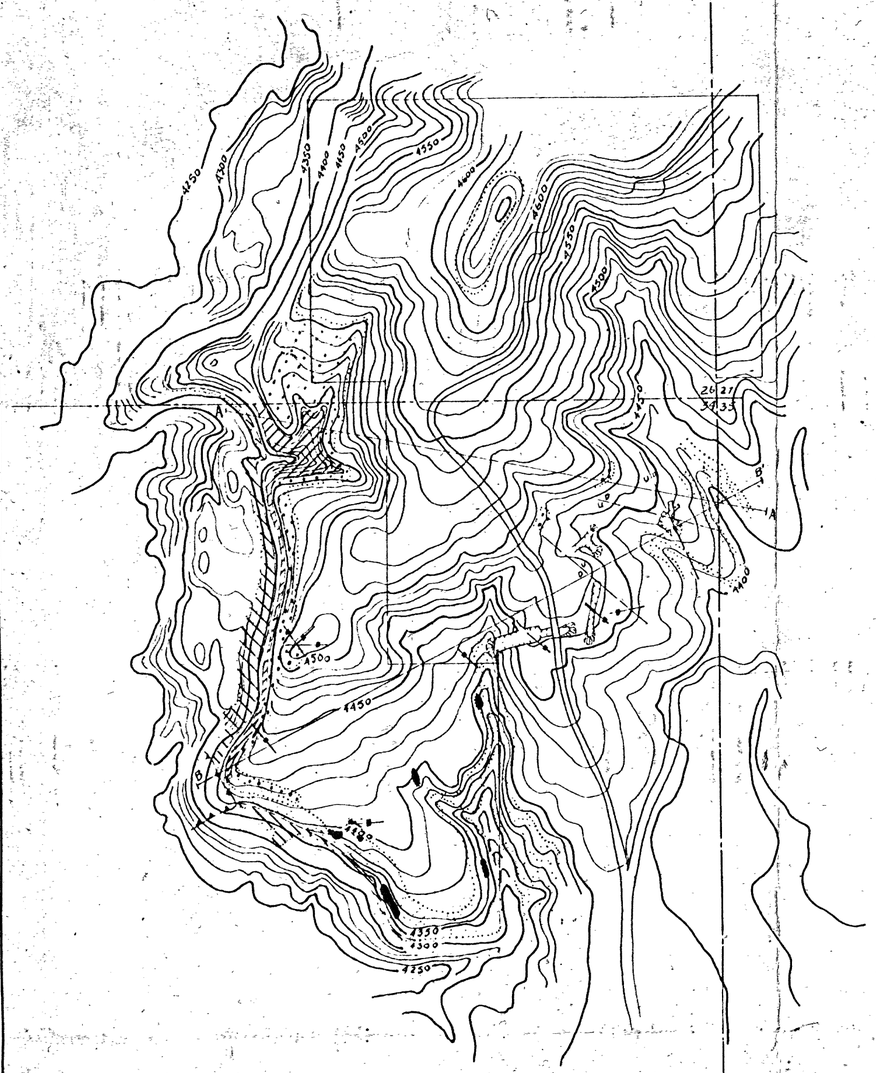
SCALE ~ 1 IN. = 200 FT.

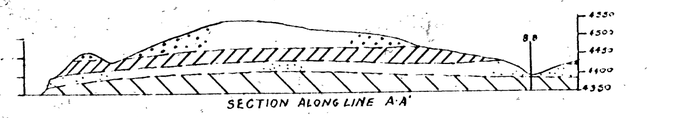
Transit + stadia survey by Clyde Boyle and H.D. Clark 1952
Drawn by H. D. Clark Oct. 8, 1952
Signed H D Clark
Colorado Registered Land Surveyor

REVISED Nov. 17, 1952

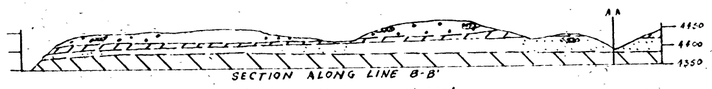
AREA PREVIOUSLY DRILLED

AREA TO BE DRILLED




SECTION ALONG LINE A-A'

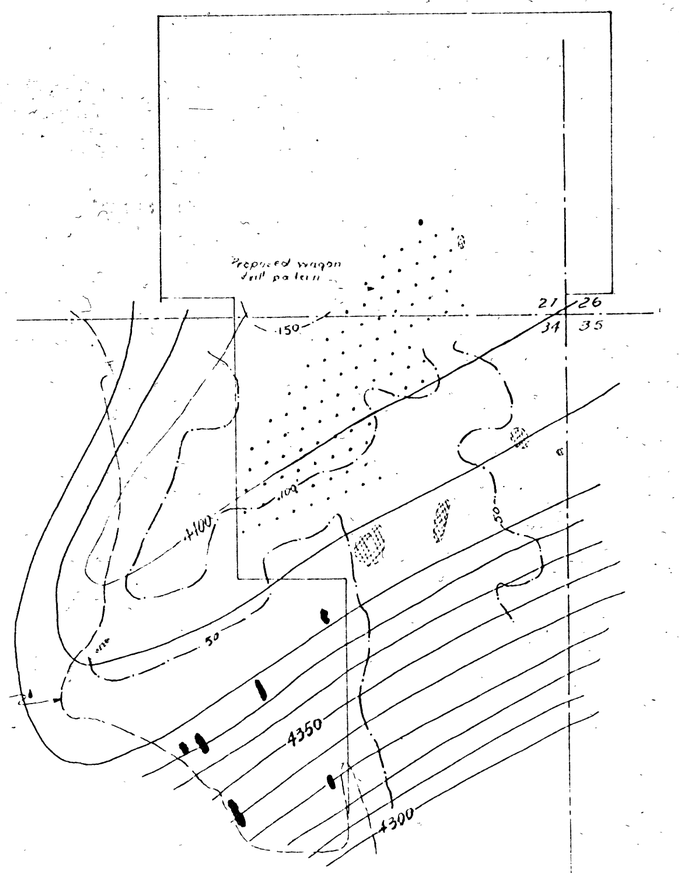



SECTION ALONG LINE B-B'

Vertical scale - 1" = 300'
Horizontal scale 1" = 600'

## EXPLANATION

- Upper sandstone
- Interbedded mudstone and sandstone
- Lower sandstone
- Carbonaceous shale
- Carnotite
- Carbonate bearing sandstone
- Contact
- Limit of exposure
- 50 — Depth to base of lower sandstone




Limit of outcrop, lower sandstone

STRUCTURE CONTOURS, BASE OF LOWER SANDSTONE
1" = 600

MATIAS - PEAT CLAIM GROUP, IDM-E-517
W.A. Brayshaw, April 28, 1954

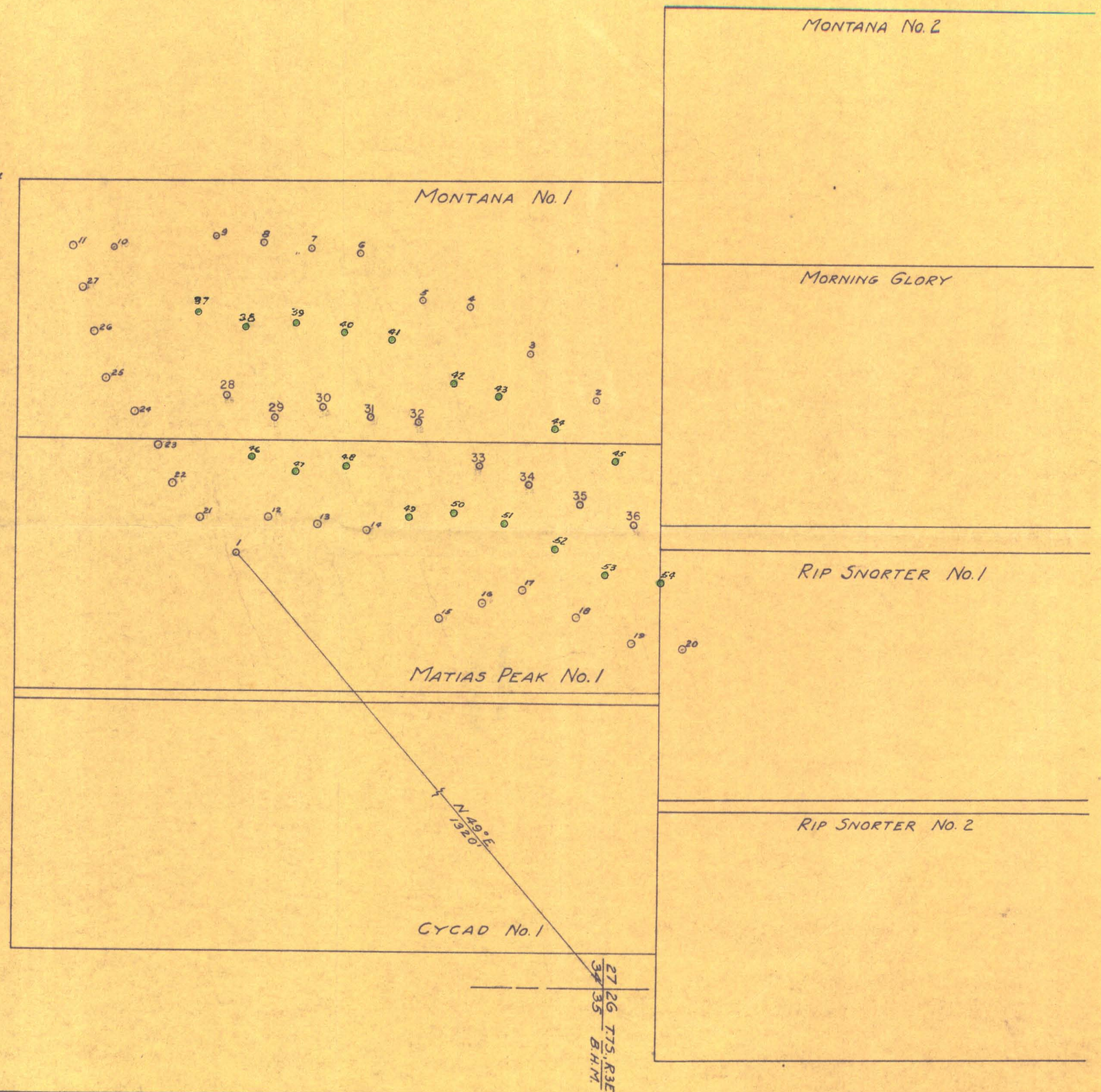
# PROGRESS MAP
# FOR
# WAGON DRILLING

D.M.E.A.
DOCKET No. 2857
CONTRACT No. 1DM-E517 (Am.)

MONTH
○ AUG., 1954
○ SEPT., "

1955
○ MARCH, APRIL, MAY.
● AUG, 1955

SCALE 1" = 200'

MAP No. DM.-6

C.R. BOYLE