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

224 New Customhouse
Denver 2, Colorado

October 30, 1953

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket No. DMEA 2689 (Uranium), Contract Idm-E500, Frank L. Morgan and Erma R. Morgan, Emery County, Utah

Reference is made to your letter of October 27, 1953, wherein you request advice as to when you will receive the final reports of the Field Team and the operator, and also request recommendations relative to the issuance of a certificate of discovery.

In conjunction therewith, enclosed are the following final reports relative to work performed under the contract:

1. Original and three copies of the final engineering report by the Bureau of Mines.

2. Original and three copies of the final geologic report by the Geological Survey.

The operator's report, attached to his final MF-104 form for the month of April 1953, appears to be adequate as a final report under the circumstances and we recommend that it be accepted as such.

Processing of the operator's final MF-104 report for the month of April 1953 has been deferred pending release of a report of review by the Contract Administration and Audit Division. The Washington office copies of the forms will be forwarded immediately upon processing by the Fiscal Office, Region IV.

The exploration work did not result in a significant discovery of uranium ore, therefore no certification of discovery or development is recommended.

W. H. King
W. H. King

Reviewed by
DMEA OPERATING COMMITTEE

(date)

E. N. Harshman
for A. H. Koschmann

Enclosures

Field Team's final report

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

July 20, 1953

Memorandum

To: W. H. King, Chief, Mining Division, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: DMEA-3689, Contract Idm-8500, Frank L. Morgan and Erma R. Morgan, Gauto Canyon Mines, Emery County, Utah

Enclosed are the original and 10 copies of a final engineering report covering work completed under the subject contract. The permissible work included a small amount of road building and rim stripping only, and was started and completed during April 1953. The final and only set of MF-104 forms was mailed to your office June 15, 1953.

No ore discovery resulted from the exploratory work. The contract was drawn on the short-form MF-200 (A), with all work completed on a unit basis. The Government has no equity in unused supplies and materials, or equipment.

The memorandum transmitting the above-mentioned MF-104 forms included a recommendation that reimbursement to the operator be withheld until receipt of proper final report from the operator and final audit. The operator has been requested to submit a final report, but to date none has been received. Because of the apparent difficulty in obtaining a final report from the operator, the relatively simple nature of the project and the improbability of addition of information not already at hand, it is recommended that the requirement concerning the operator's final report be waived.

It is believed this recommendation is in conformance with instructions contained in Memoranda Nos. 14 and 20 from the Operating Committee to all Field Teams.

Stephen R. Wilson
Stephen R. Wilson

Enclosure

Reviewed by
DMEA OPERATING COMMITTEE
11-10-53
(date)

FRANK L. MORGAN AND ERMA R. MORGAN
CRUTE CANYON MINES
EMERY COUNTY, UTAH
DMEA-2689
Contract Idm-E500
Uranium

Final Report

By H. K. Thurber, Jr.
Mining engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
11-10-53
(date)

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Exploratory work under Contract Ism-8500 on the Little Emma No. 2 claim belonging to Frank L. and Emma R. Morgan of Springville, Utah, was completed on April 28, 1953. The property is located in the Chute Canyon area of Emery County, Utah (fig. 1). Work consisted of stripping the Shinarump-Moenkopi contact in areas partially exposed in a small canyon tributary to Chute Canyon. The work in relation to the claim boundary is shown on fig. 2, attached.

Rim stripping in the somewhat difficult terrain revealed two small, Shinarump-filled, secur channels cut into the underlying Lower Triassic Moenkopi formation. Radiometric observation and sampling as indicated on fig. 2, however, show little uranium mineralization. Only one sample is above the minimum grade acceptable under current AEC guaranteed price schedules.

In view of the above, it is recommended that no additional exploration or development be financed by the DMEA. It is further recommended that no certification of discovery be made. It is believed the grade of the ore, as indicated by that mined by the operator prior to the DMEA contract and by observation of the stripped areas, precludes the possibility of economical production from property.

DESCRIPTION OF THE WORK

Work conducted under DMEA Contract Idm-X500 consisted of rim stripping approximately 1,800 linear feet of outcrop on the Little Erma No. 2 claim. The talus and weathered material was removed by bulldozing to expose the Skinaraup-Monokopi contact for sampling and observation. The rim stripping was accomplished with a Caterpillar D-8 tractor-dozer, a portable 105-cfm. air compressor, and a hand-held drill and accessories. The tractor-dozer was furnished and operated by a subcontractor on an hourly rental basis.

The attached map, fig. 2, indicates by symbol the area that was stripped during the project. It will be noted that the total length of stripping does not equal the total length estimated by the original examining geologists and permitted by contract. The difference between the contract footage and the actual work done arose from the original acceptance by the examining geologists of the applicant's sketch map showing the area proposed to be stripped. This map shows a considerably larger area than the Geological Survey's recent plane table map. All the area intended by the original examining geologists to be stripped has been stripped. The money has been expended in an efficient and workmanlike manner, and, although the cost per foot was higher than originally estimated, it is not believed to be excessive for this type of bulldozer work.

Work under the contract was started April 7, 1953, and completed April 28, 1953. During this period, the operator was able to work nearly the full number of days indicated, since there was little mechanical difficulty. A total of approximately 2 days was lost due to breakage of bulldozer blade parts. The repairs were completed at the camp of Utah Uranium Corp. at Temple Mountain, approximately 7½ miles distant.

The nature of the talus material which had to be moved to expose the Shinarump-Moenkopi contact was such that, over most of the length of outcrop, the rock was easily moved. However, in some areas, notably at the point of intersection of the outcrop with the line of the drag, and in the areas where the stripping nears the south sideline of the Little Emma No. 2 claim, large boulders of conglomerate and coarse sandstone, which had slumped from the outcrop above, required blasting.

Two delays in the actual rim stripping were the result of the bulldozer slipping from the rim cut, toward the bottom of the canyon. Fortunately, the machine remained upright each time this mishap occurred, and neither driver nor machine was injured. Blasting was required in both cases before the bulldozer could be returned to the rim cut.

Money allocated by the contract for road improvement was expended in changing the grade and rerouting some sections of the access road from the Temple Mountain camp of Utah Uranium Corp., a distance of approximately 7½ miles.

DESCRIPTION OF THE DEPOSITS

The Lower Triassic Moenkopi formation represents the oldest rocks exposed in the immediate area of the project. This formation is composed mainly of thin beds of brown-to-purple shale, with a few beds of brown sandstone and sandy limestone. The unconformably overlying, ore-bearing Triassic Shinarump formation is composed of interbedded conglomerate lenses and coarse sandstone lenses 30 to 50 feet thick and generally brown-to-gray in color, and in some areas containing a considerable percentage of fossil trees and carbon trash, all lying on a persistent gray mudstone. A well-defined contact may usually be observed between this gray mudstone and the immediately underlying purple shales of the Moenkopi formation. The unconformable Shinarump-Moenkopi contact often exhibits channeling or stream scouring which is filled by the rocks of the Shinarump formation. These channels are considered to be the most favorable areas for uranium deposition, and thus are sought in rim stripping.

The conformably overlying Upper Triassic Chinle formation is composed mainly of red shales, with some variegated, sandy shale and sandstone beds. The bedding in the Chinle is uniform in color and thickness.

The distinctive, massive, cliff-forming Lower Jurassic Wingate formation overlies the Chinle formation and is the youngest formation in the project area. The Wingate in this part of the San Rafael Swell is

buff colored, contrasted to the usual red and salmon color observed in the canyons of the Green and Colorado Rivers.

The uranium mineralization on the Chute Canyon property is found associated with carbonaceous material in conglomerate and coarse sandstone lenses near the base of the Shinarump formation. The small tonnage of ore mined by the operator was taken from the adits shown on the attached map. The ore consisted of tree material and sandstone containing "trash carbon" adjacent to the tree material. The production was closely sorted and represented only a small percentage of the total volume of waste moved. The operator reported that results from the buying station showed the shipment to assay only 0.18 percent U_3O_8. Ores of this grade are uneconomical for other than hand mining by a single miner.

Sample results by the DMEA representative are tabulated below and on fig. 2, attached. The samples were taken over what is considered to be a minimum minable thickness, and the small areas of high-grade tree material were avoided.

The 11 samples tabulated below are believed to be indicative of the general tenor of the ore in this area:

Sample No.	Length of cut, feet	Percent U_3O_8	Percent $CaCO_3$
1	2.0	0.005	12.5
2	2.2	0.056	15.0
3	3.0	0.007	7.85

Sample No.	Length of cut, feet	Percent U_3O_8	Percent $CaCO_3$
4	2.0	0.101	9.3
5	2.0	0.017	22.15
6	1.5	< 0.003	21.8
7	0.9	0.004	2.85
8	1.9	< 0.003	2.65
9	1.2	0.005	23.2
10	2.0	0.003	15.35
11	2.0	0.005	23.55

Only one sample of the group tabulated is above the minimum acceptable grade listed on current AEC price schedules; thus no ore reserves can be calculated.

EXPENDITURES

The short-form contract under which the work was accomplished permits a total expenditure of $1,872 for rim stripping and $468 for access road improvement, or a total of $2,340 for the entire project.

The inspecting engineer's memorandum accompanying the operator's only MF-104 forms recommend reimbursement of $2,106 to the operator, or 90 percent of $2,340, the total allowable expenditures under the contract. An amount in excess of funds allowable was expended by the operator to complete the project work, as shown on fig. 2. This excess amounted to approximately $1,000; thus the total amount actually expended by the operator totaled approximately $3,900.

The small production mentioned in an earlier paragraph was mined by the operator prior to the contract date; thus no royalty can be claimed on this ore. Production from this deposit is not believed to be economically feasible, due to the small, discontinuous and erratic nature of the uranium deposition. On this basis, it is recommended that no certification of discovery be made.

The short-form contract under which this project operated, provided that the work be paid for in a lump sum, the entire job constituting the unit of work; thus the Government has no equity in equipment or supplies purchased for the rim stripping or the road improvement. The tractor-dozer was furnished and operated by a subcontractor on an hourly rental basis.

U.S. DEPARTMENT OF THE INERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
URANIUM DOCKET NO. 2689

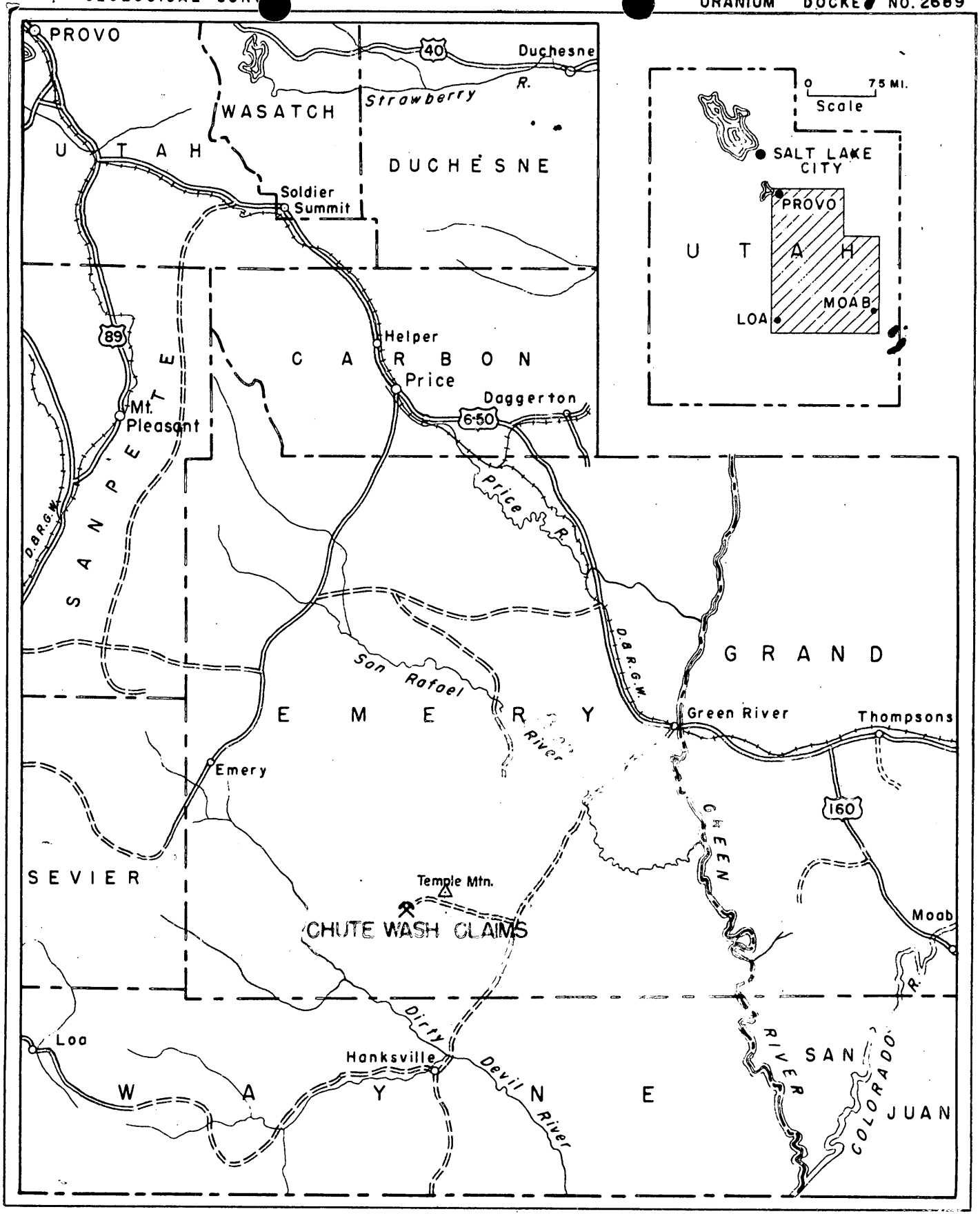

FIG. I

INDEX MAP OF UTAH

0 5 10 15 20 MILES
Scale

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

200 New Customhouse
Denver 2, Colorado

July 22, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2689, Contract Idm-E500, Little Erma, Chute Wash, Emery County, Utah

Enclosed are 11 copies of a final geologic report by John F. Powers of the U. S. Geological Survey covering the above docket.

No significant discovery of uranium ore was made under subject contract and it has been recommended that no further exploratory work be done at the present time.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

Room 208 - 222 So. West Temple
Salt Lake City 1, Utah
July 17, 1953

Memorandum

To: A. H. Zaechmann, Field Team, Region IV

From: J. William Hasler, for R. J. Roberts
Utah-Nevada District Office

Subject: DMEA 2689, Little Erma, Chute Wash, Emery County, Utah

Enclosed are eleven copies of a final geologic report on the Little Erma Mine, Chute Wash, Emery County, Utah (Uranium), Docket DMEA 2689, by John F. Fowers.

A contract was executed, and the applicant rim-stripped 1,800 feet, on the west side of Chute Wash to explore the base of the Shinarump formation for uranium ore of commercial grade.

Ore minerals occur in the basal part of the Shinarump conglomerate in small sewer channels, however, the rim stripping under DMEA at the Little Erma property did not find any uranium ore of commercial grade. No significant discovery of uranium ore was made and it is recommended that no further exploratory work be done under DMEA at the present time.

Ralph J. Roberts

By: _____
J. William Hasler

Reviewed by
DMEA OPERATING COMMITTEE

_____
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2648, LITTLE ERMA

CHEIR MANN, BERRY CANYON, UTAH

(Uranium)

By

John F. Powers
U. S. Geological Survey

July 17, 1953

Reviewed by
DMEA OPERATIONS COORDINATOR

(Date)

CONTENTS

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ILLUSTRATIONS

Fig. 1 - Index Map of Utah

Fig. 2 - Geologic Map of the Little Erma No. 2 Claim

GEOLOGIC REPORT

DMEA [illegible], LITTLE ERNA

CHUTE WASH, EMERY COUNTY, UTAH

INTRODUCTION

The Defense Minerals Exploration Administration entered into contract with Mr. Frank Morgan, owner of the Little Erna group of claims, to explore for uranium on his property in Chute Wash, Emery County, Utah.

The government's share of the money expended in this program was $2,186.00. The loan was used in rim stripping 1,800 feet at the base of the Triassic Shinarump. No commercial quantities of ore were discovered.

While the work was in progress the property was mapped by John F. Fenoro and C. G. Tillman on April 6 and 7, and later sampled by R. E. Thurber of the U. S. Bureau of Mines.

LOCATION AND ACCESSIBILITY

The Little Erna Claims are located in Sec. 24, T. 23 S., R. 10 E., SLB&M, 7 1/2 miles southeast of Temple Mountain.

The property can be reached from Green River, Utah by driving south 38 miles on Utah State Highway 24, thence 10 miles west to Temple Mountain, thence southwest 7 1/2 miles to Chute Canyon (Fig. 1).

The exploration work was confined to the west side of Chute Canyon.

GEOLOGY AND ORE DEPOSITS

The Little Erna No. 2 property is on the southeastern flank of the San Rafael Swell in Chute Canyon, Emery County, Utah. The San Rafael Swell is an eroded anticlinal fold trending northeast. The sedimentary rocks in Chute Canyon make up part of the southeastern limb of this fold.

The rocks exposed at the Little Erna property are the Triassic Moenkopi

formation, Shinarump conglomerate and Chinle Formation (Fig. 2). The Shinarump conglomerate overlies the Moenkopi formation and is below the Chinle formation; lithologically, the Shinarump formation is made up of sandstone, conglomerate and some green mudstone lenses. The top of the formation is made up of current bedded buff sandstone with lenses of conglomerate. The next unit is coarse sandstone with interfingering conglomerates and shale lenses with some carbonaceous matter. The lowest unit is current bedded sandstone with a gray-green mudstone at the contact. The thickness varies from 30 to 75 feet.

The strike of the formations is about N. 30° E. and dip 10° southeast.

The ore minerals occur in the basal part of the Shinarump conglomerate in small scour channels. At the Little Erna the scour channels trend north-south and are about 200 feet in width. Throughout the channels there is more carbonaceous matter present than in the adjacent rock, particularly at the base of the channels.

The main primary uranium ore mineral is pitchblende(?) which is disseminated in a sandstone lense at the base of the Shinarump. Galena, sphalerite, chalcopyrite and unidentified cobalt and nickel minerals accompany the pitchblende(?). Secondary minerals include malachite, azurite, chalcanthite, erythrite, torbernite, and autunite.

The rim stripping at the base of the conglomerate did not disclose any minable bodies of uranium.

Exploratory Work

Exploratory work at the Little Erna amounted to 1,800 feet of rim stripping the base of the Shinarump. No minable ore body was found by the stripping, as demonstrated by the sampling (Fig. 2); however, two additional zones of abnormal radioactivity were found but they are unimportant economically.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The Little Bren No. 2 claim is on the southeastern flank of the San Rafael Swell in the Triassic Shinarump conglomerate. The Shinarump strikes N. 30° E. and dips 10° SE.

The uranium ore minerals occur with carbonaceous material in sandstone and shale minor channels at the base of the Shinarump. The uranium mineralization consists of pitchblende(?) and its alteration products. There are no blocked out ore reserves. The applicant has "rim stripped" 1,500 feet at the base of the Shinarump. No sizable ore body was discovered. Slight radioactivity was found at two locations, but they are unimportant economically.

Because the exploratory work did not find sizable ore bodies it is recommended that no discovery be certified. No further exploratory work is recommended at this time.

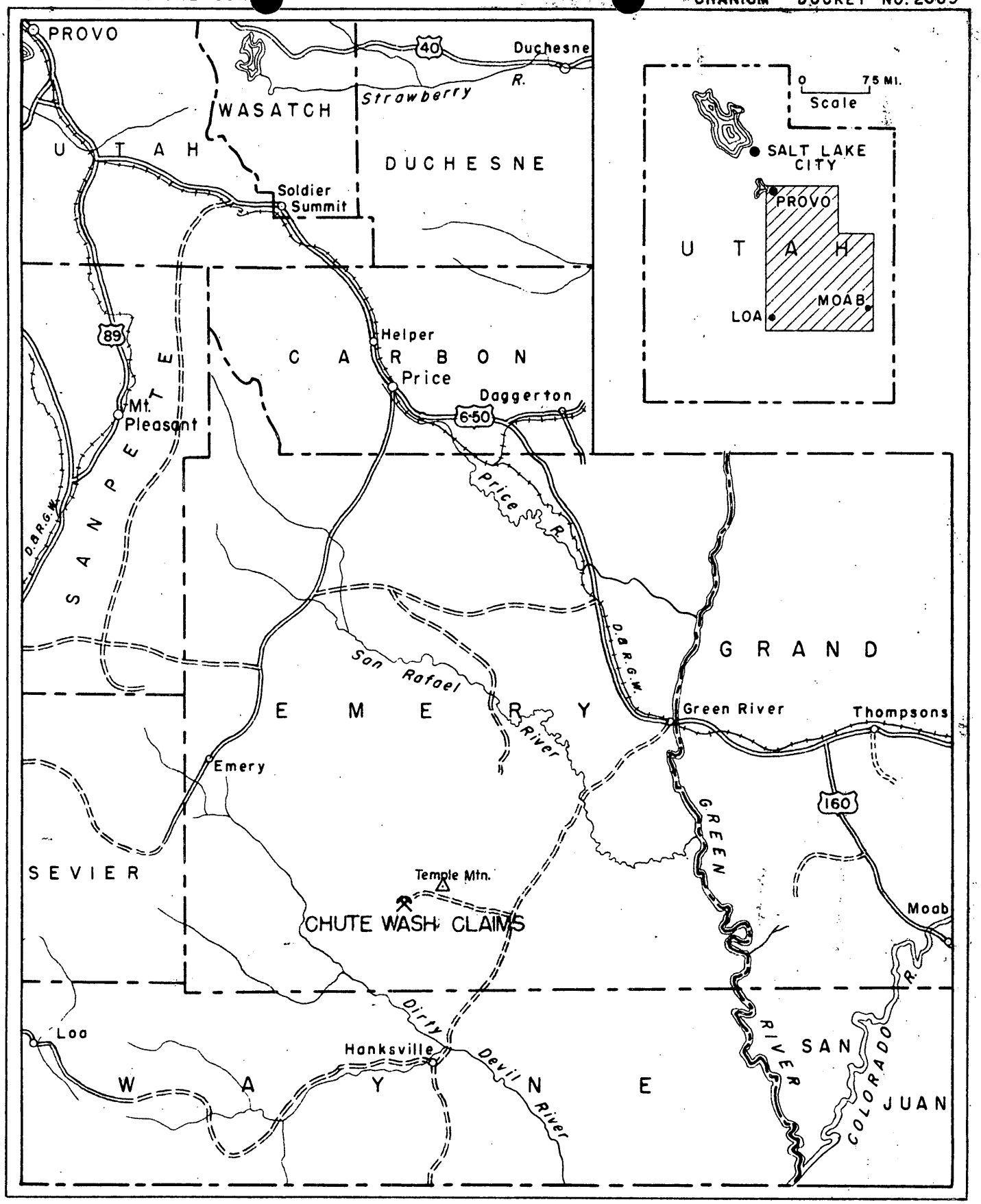

FIG. I INDEX MAP OF UTAH

0 5 10 15 20 MILES
Scale

For Operator's final report, see final MF-104 for April, 1953, which Field Team recommends be accepted as Operator's final report.

Re Operator's final report

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Frank L. Morgan and Erma R. Morgan
P.O. Box 227
Springville, Utah

pertaining to Exploration Project Contract Idm-E500, DMEA Docket 2689, covering a project for exploration of Uranium, located in the Chute Canyon area, Emery County, Utah, and referred to as the Little Erma No. 2 Claim, for the month of April, 1953.

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

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

The contract provides 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		$2340.00
Exceptions:		
By DMEA Finance Officer	None	
By Audit	None	None
Total Accepted Cost		$2340.00

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 Two Thousand One Hundred Six and no/100 Dollars

--$2,106.00--

is considered valid and proper.

Dated: October 21, 1953

Donald T. Finch

Donald T. Finch, Auditor

Report of Review by Auditor dated 10/21

OCT 19 1953

Mr. [illegible] H. Hill
Executive Officer
[illegible] Field Team, Region I
[illegible] Federal Building
Denver 2, Colorado

Re: Frank [illegible] Morgan and
[illegible] Morgan
Socony [illegible] (Uranium)
Contract [illegible]
[illegible] County, Utah

Dear Mr. Hill:

Reference is made to your memorandum of September [illegible], 1953, in regard to stripping work done on the above-cited project.

In Exhibit "A" of the contract, under the heading "Description of the work," the following specification is made:

> "The stripping will be confined to the ore-bearing horizon near the base of the Shinarump conglomerate and the present workings, and must be deep enough to expose the mandatone and mudstone where the carbonaceous material is concentrated. This work will be done on the Little Irma No. 1, 2, and 3, and the Brown Dog No. 4 claims as shown on Figure 4 which is attached and made a part of this exhibit."

Figure 4, attached to the contract and made a part of it, is a drawing of the work required. However, under the heading "Estimated Costs of the Work," the phrase, "3-[illegible] feet of rim stripping . . .," is used.

It is agreed by all parties that the rim stripping outlined in Figure 4 has been accomplished, but that it amounted only to [illegible] and not [illegible] feet. Nevertheless, the objective of the contract has been accomplished, and the operator should be paid the entire amount of the costs of the unit, as agreed to in the contract, without any adjustment thereof being necessary. Enclosed is a memorandum of the Chief Counsel to the Administrator explaining in detail the reasons therefor.

A copy of this letter and the enclosure should be placed in the contract folder of the Finance Officer as an interpretation of the contract for the bulldozing work. This interpretation also has the approval of the Chief of the Contract Administration and Audit Division and does not violate policy of this office that in an agreed-unit-costs contract the unit is the basis for payment.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

JLChambers:AcKlep 10-14-53

Copy to: Mails & Files
Adm. Reading File
Mr. Chambers
Mr. Johnson
Mr. Ellis
Mr. Hofflund
Mr. Kane
Chron.
Pending

Operating Committee

10/8/53 gla

140

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

October 7, 1953

Memorandum

To: The Administrator

From: Chief Counsel

Subject: Frank L. & Erma Morgan, Docket No. DMEA-2689
Contract Idm-E500 (Uranium)

In a memorandum of the Executive Officer, Region IV, to you, dated September 25, Mr. Kinger points out that this unit-cost contract, prepared and executed in the field, describes one unit of the work as "3,200 feet of rim stripping . . .", whereas the actual amount of stripping performed by the Operator is only 1,800 feet. This discrepancy arose, Mr. King says, by reason of an erroneous map of the work furnished by the Operator and accepted by the Field Team. Although the actual amount of stripping required is much less than that indicated in the description of the unit, yet the cost of the finished work, according to Mr. King, is more than the unit cost fixed by the contract, which is $1,872.00.

In these circumstances, Mr. King recommends ". . . that the contract be amended to change the presently stipulated 3,200 feet to read 1,800 feet."

It is my opinion that no such amendment is necessary, and that the Operator should be paid the amount stipulated for the performance of the unit, in the sum of $1,872.00.

The description of the work in the contract states that the work is to be done . . . as shown on Figure 4 which is attached and made a part of this exhibit." The map referred to delineates the rim stripping to be performed, without any indication on the face of the map of the number of feet. The language used in the estimate of costs, "3,200 feet," may be taken simply as a further description of the unit of work which is delineated and set forth on Figure 4.

E. H. Ellis

It is my understanding that the Operator has performed the unit of work delineated on Figure 4, and that no further rim stripping is desired. The fact that the performance of this unit of work actually cost more than the unit price provided for it, aids in coming to this conclusion.

Suppose that a unit of work should be described as: "100 feet of drifting, from x to y, as delineated on the map, $3,000.00." Suppose that the distance from x to y actually turned out to be 80 feet instead of 100 feet. If no more than 80 feet of drifting is necessary to accomplish the purpose, the operator will be entitled to his unit price of $3,000.00 regardless of the erroneous description of the unit. However, if it had turned out that the distance from x to y was 120 feet instead of 100 feet, it is my opinion that the operator would have to perform the drifting from x to y at the unit price agreed upon regardless of the extra distance. These conclusions might be different if it is established that "100 feet" was viewed by both parties as an essential element of the description of the unit, but was fixed at that amount through a mutual mistake of fact. Where the actual cost of performing the unit is as much and more than that agreed upon in the contract, and where the performance of the unit accomplishes the purpose of the contract, it seems unnecessary to me to hunt for a mutual mistake of fact or to deprive the operator of the Government's contribution to his actual cost.

J. L. Hofflund
Chief Counsel

AEKane/JLHofflund/emd
Copy to: Mails and Files
Region II, W. H. King (2) (sent directly) without covering letter
E. W. Ellis
J. L. Hofflund
A. E. Kane
chron.

original to Admr.
(telephoned Legal to see just how this was handled.) gla 10/8/53

MF-52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 10/1/53

REFERRED TO:

DMEA-2689
Idm-E500

1. ~~Code 700~~
2. ~~Legal Div., Attn. Mr. Rubin~~
3. Mr. Knouse, Rm. 4640
4.

FOR:

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

RECEIVED
OCT 2 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

REMARKS: If legally possible, an amendment as recommended by the Field Team should be prepared.

F. L. Knouse

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

Date October 2, 1953

Engineer F. L. Knouse

DMEA- 2689
Idm-E 500

Attached is memorandum 9/25/53 on proposed Amendment No. 1, dated October 2, 1953

to the above contract to be reviewed.

If legally possible an amendment as recommended by the Field Team should be proposed

Approval F. L. Knouse

Other action Legal Division — Letter Mr. Rubin

Please return this slip to me for my records.

Mrs. Ault.

224 New Customhouse
Denver 2, Colorado

September 25, 1953

Memorandum

To: C. O. Mittenderf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2689 (Uranium), Contract Idm-E500, Frank L. Morgan and Erma R. Morgan, Emery County, Utah

Enclosed are the following memorandum reports and data relevant to a discrepancy between the work authorized under the contract and that actually performed by the operator:

attached

1. Four copies of Forms MF-104 and MF-104A submitted by the operator for work performed during the month of April 1953.

2. Four copies of a letter, dated September 1, 1953, from S.R. Wilson, Chief, Minerals Development Branch, Mining Division, Region IV, to Frank L. Morgan, the operator.

3. Four copies of a letter, dated September 2, 1953, from Frank L. Morgan to S.R. Wilson in reply to Wilson's letter under item 2.

4. Original and three copies of a memorandum report, dated September 2, 1953, from C.G. Tillman for R.J. Roberts, Utah-Nevada District, U.S. Geological Survey, to A.H. Koschman, Field Team, Region IV.

5. Original and three copies of a memorandum report, dated September 2, 1953, from H.K. Thurber, Jr., to S.R. Wilson, and transmittal thereof, dated September 3, 1953, from the Chief, Minerals Development Branch, Mining Division, Region IV, to W.H. King, Executive Officer, DMEA Field Team, Region IV.

The contract authorized 3200 feet of rim stripping at an agreed unit cost of $1,872.00. The operator completed the rim stripping of the intended area which actually consisted of only 1800 feet.

The discrepancy is due to the fact that the map supplied by Morgan as a part of his original application for Government assistance was in error as to the extent of rim to be stripped. The operator's map was used as a basis for the recommendations of the examining engineer and geologist, in conformance with which the contract was prepared. Mapping of the area by the Geological Survey during April 1953 revealed

the inaccuracy of the operator's map. The matter to be resolved before final payment can be effected is the discrepancy between the 3200 feet of rim stripping authorized in the contract which in reality amounted to only 1800 feet.

Apparently there was no intent on the part of the operator to defraud the Government or intentionally misrepresent facts. The costs to the operator of performing the 1800 feet of rim stripping were considerably in excess of the agreed costs stipulated in the contract for performing the authorized 3200 feet. Therefore, we recommend that the contract be amended to change the presently stipulated 3200 feet to read 1800 feet.

W. H. King

W. H. King

Enclosures

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 East First South St.
Salt Lake City 1, Utah

September 1, 1953

Mr. Frank L. Morgan
P.O. Box 227
Springville, Utah

Re: DMEA Docket No. 2689
Contract Idm-E500
Operator's estimate of
expenditures during
project period.

Dear Mr. Morgan:

Mr. H.K.Thurber, Jr., of this office, visited you in Springville on August 17, 1953, and discussed the desirability of obtaining from you a letter stating how much money was expended by you to strip the rim under the subject contract. Such a statement will aid in justifying the increased cost per foot of rim stripping due to the fact that less rim was stripped than called for in the contract. This difference arose from a disagreement of two maps made by the D.M.E.A. and through no oversight of yours.

Our records show that you expended approximately $3,255 up to April 20, 1953, at which time you were at the limit of the stripping area outlined in the contract. Between this date and approximately April 28, you comtinued to strip rim outside the project area and thereby increased your total expenditures to approximately $4,124. It was understood that this additional work would not be paid for by the D.M.E.A. since your request for amendment was desired on a geologic basis.

Please confirm that the above expenditures are correctly stated and, if not, supply the actual costs of the project during the above dates.

Sincerely yours

S. R. Wilson, Chief
Minerals Development Branch
Mining Division
Region IV

COPY

Springville, Utah
September 2nd, 1953.

Mr. S. R. Wilson, Chief
Minerals Development Branch
Mining Division
Region IV

Dear Mr. Wilson:

In reply to your letter of September 1st regarding DMEA Docket No. 2689 Contract Idm-E500 wish to submit the following information.

When this project was started April 7th pictures were taken by Mr. Thurber to show the condition of the proposed rim stripping these no doubt will show the rough terrain we proposed to strip.

Present was, Mr. Thurber, Mr. Finch, Mr. Powers, Mr. Tillman and Mr. Hinkley they inspected the property and all agreed that the rim should be stripped to the face and down to the purple shale as that was the contact zone, they marked out an area they wanted stripped and all agreed that they would consider the project completed when this area was exposed, also it was the opinion of all I was short of funds to do this stripping.

I completed this stripping as designated, besides went over a trail I had made to get machinery to the upper part of the canyon and stripped it down to the purple shale in the hopes of exposing something interesting, when I made application for an additional $600.00 to complete the circle on the Brown Dog No. 4 I had been advised by Mr. Powers and Mr. Tillman that I had a very good chance of opening up a channel, the application was turned down but I stripped it on my own and completed the circle.

This rim stripping turned out to be a lot heavier than anticipated and in order to strip it up to the face that was in place required moving several thousand yards of material, besides the air compressor and Powder man were working constantly drilling boulders and shooting ahead of the bull dozer.

The bull dozer worked straight through the week, Sundays and all in order to get the job completed, and worked from daylight to dark.

I dated my Narrative report and final report April 25th, the contract called for $2,340.00 worth of work as a unit, listed please find a list of expenditures from July 7th to July 25th inc.,

18 days Bull Dozer Work	$2,664.00	
Jack Hammer & Powder Man	229.00	
Supervision	360.00	
Compressor, Gas, Oil, Steel, Bits & Etc.,	655.00	
Dynamite, Caps, Fuse & Etc.,	216.09	Total $4,124.09

I was informed that it was not necessary for me to break down the actual costs of this exploration project or I would of done this before, I realize that the original contract was below the amount that I put into the project, but after I had completed what the engineers had specified that I do to complete the contrac and the additional loan was turned down, I did not want to stop in the middle of the area so made arrangements to complete the circle to take in the area that I was told looked to be the most promising, and make the area more accessible for the Geologists to really see what the formation looked like.

I am at a loss to try and figure out just what this is all about, I have more than completed what I was supposed to do in order to complete my contract, the Company that I had do the work are wondering why they do not get their money, the job was well done and the proof of the amount of material mo[illegible] shows for itself on the property, it would be impossible to move this mu[illegible]terial in the length of time spent on this project without the coopera-tio[illegible] the Company I dealt with and the operators and equipment I used.

[illegible]hen the engineers and field men saw where the proposed stripping was to [illegible]ne they did not believe I would get half way down for it was rough going, [illegible]e men I had working there were seasoned road construction men that knew how [illegible]perate machinery and they worked it long and hard hours to com-plete the job in order to get the machinery loose to move out on a road con-struction job that was waiting for it, this is one job where we were not just trying to get in time, we had a job to do the same as if we were on contract, so we put in every hour that daylight would let us work, and the men came in many a time after it was dark and refuled by electric light in order to have the equipment ready to go the next morning.

I have made several trips to the property since this project was completed, and I have contacted Mr. Thurber several times but to date I have not been able to get any information of any kind regarding the results of the exploration project, I am ready to cooperate in every way to make this operation a success and ready to move machinery in that is needed to mine and start mining.

The A.E.C. Crew in charge of Dave Hinkley have passed me up on the core drill program and worked all around me, I developed two good water holes so they would have water to drill with, they used it on other property, they did do some plane table work but I never hear any of the results.

Trusting that this information is what you requested and that it will enable you to complete your files, I remain.

Very truly yours,

Frank L. Morgan
Box-227
Springville, Utah.

Room 206 - 222 So. West Temple
Salt Lake City 1, Utah
September 2, 1953

Memorandum

To: A. N. Kaschmann
Field Team, Region IV

From: C. G. Tillman for R. J. Roberts
Utah-Nevada District

Subject: DMEA Docket 2669, Little Kren Claims, Chute Canyon, Emery County, Utah.

The following memorandum was prepared at the request of H. K. Thurber, U. S. Bureau of Mines, to expedite payment of Mr. Frank Mangum for work done under DMEA contract, docket 2669, on the Little Kren No. 2 claim, Chute Canyon, Emery County, Utah.

Figure 4 of the original geologic report entitled, "Sketch Map of Chute Canyon claims," was supplied by Mr. Mangum and the outline of the proposed exploratory work as represented on the sketch map was thought by him to be accurate. Later mapping of the area of exploration by Moore and Tillman, figure 2 of the final geologic report entitled, "Geologic Map of the Little Kren No. 2" revealed that the claim map was inaccurate both in the orientation of the claims and in showing the proposed exploratory work to extend from the Little Kren No. 2 claim onto the Little Kren No. 3 claim. The exploratory work was actually performed on the Little Kren No. 2 claim and the Brown Dog No. 4 claim.

Copies of both figures referred to above are attached.

Ralph J. Roberts
Utah-Nevada District

By_____
C. G. Tillman

CGT/rs
Enclosure - 2

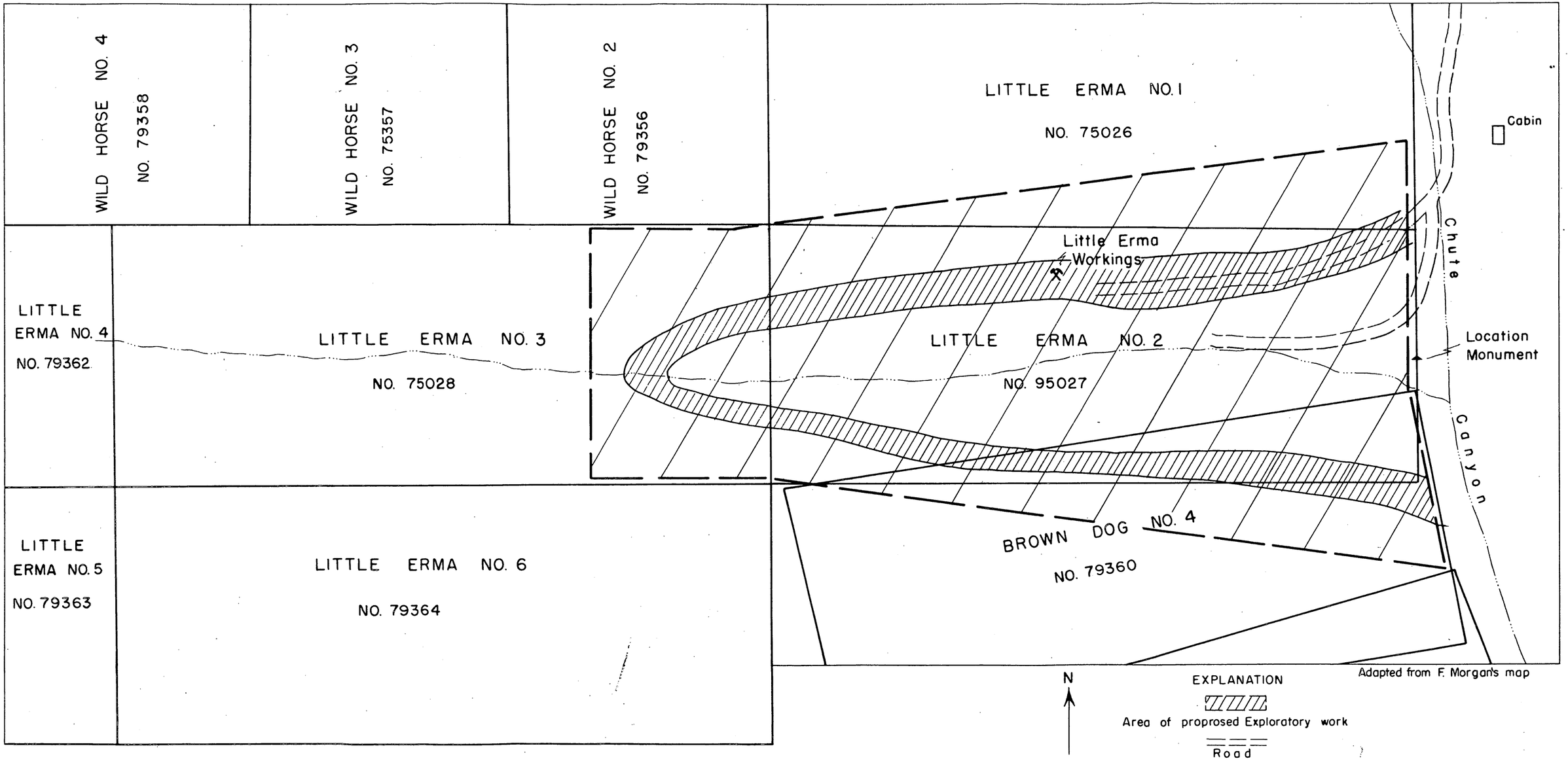

FIG. 4

SKETCH MAP OF CHUTE CANYON CLAIMS
EMERY COUNTY, UTAH

0 200 400 600 FEET
Scale

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

September 3, 1953

Memorandum

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

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 2669 (Uranium), Contract Idm-X500, Frank L. and Erma R. Morgan, Emery County, Utah

Enclosed are six copies of a memorandum prepared by H. K. Thurber outlining information concerning discrepancies between the originally estimated footage of bulldozer stripping and that actually performed under the contract.

Thurber's memorandum discusses the source of information shown on figure 4. An original map prepared by the owner proved to be incorrectly prepared, as disclosed by later work by the Geological Survey. The original estimate of the amount of stripping to be performed was taken from the owner's map; thus the distances were incorrect.

We have been unable to obtain actual costs of the project work from the operator. Thurber discussed the problem with Frank L. Morgan August 17, 1953, and at that time requested the operator to submit cost information. No word has been received to date.

It is recommended that the operator be reimbursed in the amount of $2,106. This amount is 90 percent of $2,340, the total allowable cost established in the contract.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

S. R. Wilson September 2, 1953

H. K. Thurber, Jr.

DMEA Docket No. 2689, Contract Idm-E500, Frank L. and Emma R. Morgan, Chute Canyon Mines, Emery County, Utah. Discussion of difference in length of stripping outlined in the contract and that actually done.

The work under the subject contract was completed on April 28, 1953, with the finishing of approximately 1,800 feet of rim stripping within the area designated as the project area in the contract and attachments thereto. MF-104 forms have been presented by the operator requesting reimbursement for the total contract amount which was based upon a total of 3,200 feet of stripping as outlined on Figure 4, "Sketch map of Chute Canyon Claims, Emery County, Utah." This map, attached hereto, is included in the contract as an exhibit and is the basis for the estimate that 3,200 feet of stripping would be required to properly explore the Shinarump-Moenkopi contact in the area shown. Figure 2, "Geologic plan and sample map, Little Emma Mine No. 2, Chute Canyon, Emery County, Utah," attached hereto, shows that length of rim within the limits of the project area actually stripped during the period of the project totals approximately 1,800 feet. This topographic and geologic map was made by C. G. Tillman and John Powers of the Salt Lake City office of the Geological Survey. The work shown on Figure 2 stripped all of the Shinarump-Moenkopi contact exposed in Little Emma Canyon and inside the established project area as outlined on the map attached to the contract. This represents the entire area intended to be stripped by the examining geologists.

The obvious differences between the two maps mentioned above arose from the fact that Figure 4 was enlarged from an incorrect sketch map furnished by the owner which had no formal survey or geologic map as a basis. As noted in the foregoing paragraph, it was from this map that the estimate of the length of outcrop to be stripped was made. Apparently no measurements of the length of rim to be stripped were made during the geologists' original examination.

The views of the Salt Lake City office of the Geological Survey relative to the discrepancies of the two maps are expressed in a memorandum from Ralph T. Roberts to A. H. Koschmann dated August 31, 1953.

Cost records maintained by the operator show that approximately $915 more than the amount of the estimated contract costs were expended in stripping the 1,800 feet of rim actually uncovered. The total allowable expenditures under the contract are $2,340.00, while the operator actually spent $3,255.00 in active rim stripping within

the areal limitations imposed by Figure 4, attached to the contract. He spent an additional $869 in continuing the rim stripping beyond the areal limits of the project for which cost he has not asked reimbursement. Although the cost per foot of stripping was actually higher than it would have been had 3,200 feet of stripping been done, the cost is not believed to be excessive for this type of bulldozer work. The blocky nature of the talus encountered in the area necessitated much blasting to enable the bulldozer to move the covering material and expose the contact.

The operator pursued the work diligently in a workmanlike manner and attempted, to the best of his ability, to find ore within the limits of the project area. It should be noted that all the rim intended by the examining geologists to be stripped has been stripped.

An apparently favorable scour channel was delimited by the work, but, unfortunately, only very low-grade uranium mineralization was found. Samples taken at random intervals along the Shinarump-Moenkopi contact are shown on Figure 2.

In view of the above facts and comments, it is recommended that the operator be reimbursed in the amount of $2,106.00 which is 90 percent of $2,340.00, the total agreed cost set forth in the contract and reported on the MF-104 forms for April 1953, the only forms for the project, which were transmitted to the Denver office June 15, 1953.

H. K. Thurber, Jr.

H. K. Thurber, Jr.

Enc.

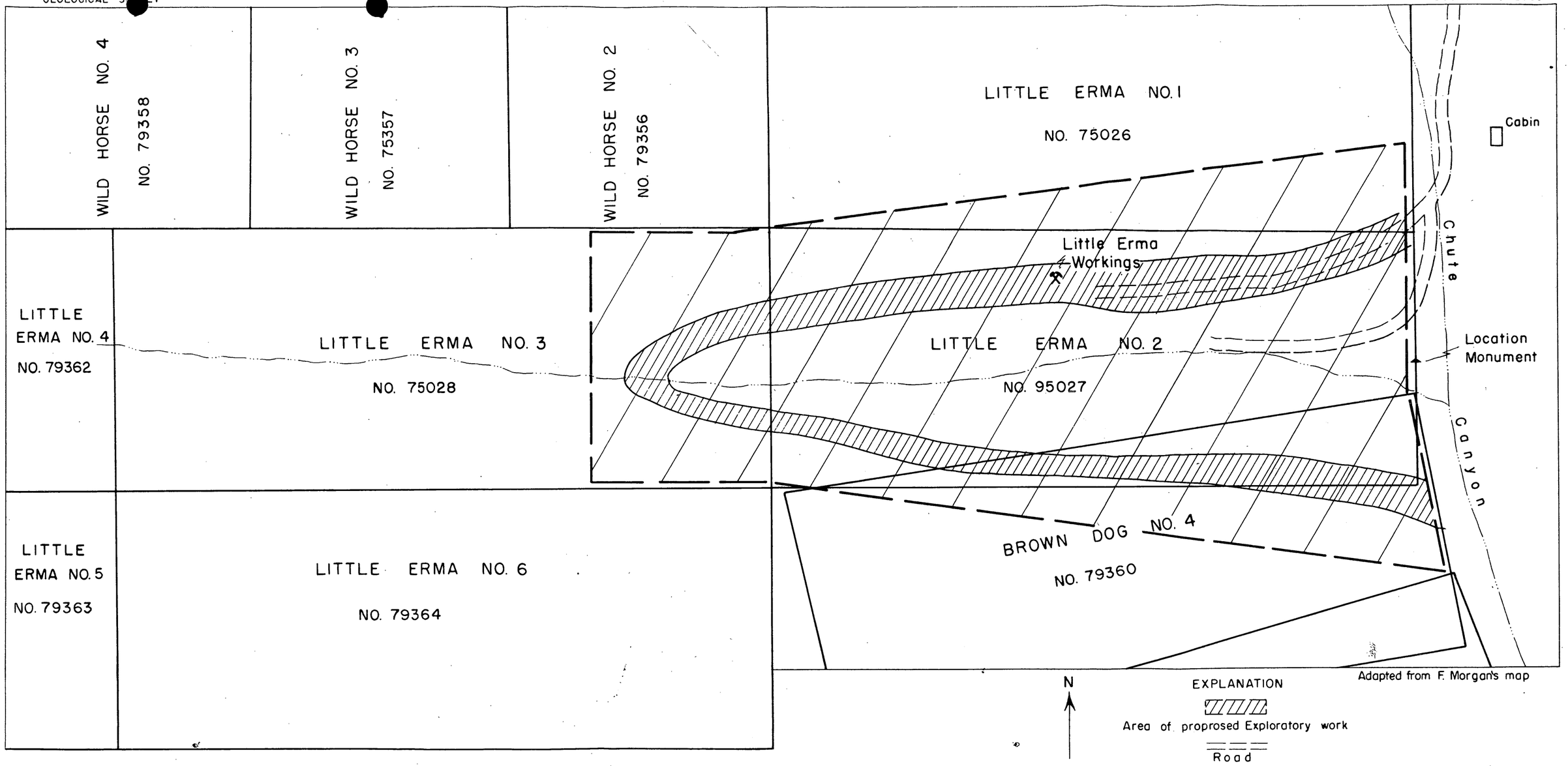

FIG. 4

SKETCH MAP OF CHUTE CANYON CLAIMS
EMERY COUNTY, UTAH

0 200 400 600 FEET
Scale

April 15, 1953

Memorandum

To: Hazel Perry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Clearance on Region IV finalized contracts

Mr. Ellis has reviewed the following contracts and approves them:

✓ AMEA-2659 IUM-2506 Frank L. Morgan and Irma N. Morgan (Uranium) Dated March 25, 1953 Total amount: 12,310.00

AMEA-2776 IUM-2506 Kay Hunt and Andrew Hunt, a partner- (Uranium) ship, dated April 9, 1953 Total amount: 7,360.00

Grace L. Ault

3/31/53 gla

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

224 New Customhouse
Denver 2, Colorado

March 24, 1953

REGISTERED

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E500, Docket DMEA 2689, Frank L. Morgan and Erma R. Morgan (Uranium)

Enclosed are the original and two copies of Contract Idm-E500. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

MF-200 (A)
(February 1952)

DOCKET DMEA 2689

COMMODITY Uranium

Idm-E500

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1953

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 23rd day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Frank L. Morgan and Erma R. Morgan
P. O. Box 227
Springville, Utah

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 Utah County of Emery, described as follows:[3] Seven unpatented lode mining claims located 7½ miles south and west of Temple Mountain in Chute Canyon. See Annex No. 1, attached

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:

None

(*b*) ~~That the Operator is a lessee, in possession and entitled to possession, and the owner's consent 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 sixty (60) 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 three months (3) 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 ninety (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 $2,106.00, which is 90 percent of $2,340.00, 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 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* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Frank L. Morgan Erma R. Morgan
(Operator)

By W. H. Kung
Executive Officer, DMEA
Field Team, Region IV

By _____

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

Annex No. 1.

The following unpatented mining claims of record in the County Recorder's office, Emery County, Utah

Claim	Date	Book	Page
Little Erma No. 1	3-23-1950	J - 8	517
Little Erma No. 2	3-23-1950	J - 8	518
Little Erma No. 3	3-23-1950	J - 8	518
Little Erma No. 6	6-12-1952	J - 10	112
Brown Dog No. 4	6-12-1952	J - 10	110
Wild Horse No. 2	6-12-1952	J - 10	108
Wild Horse No. 3	6-12-1952	J - 10	108

EXHIBIT "A"

Description of the Work

The work consists of improving 7½ miles of road from Temple Mountain to Chute Canyon and 3200 feet of bulldozer stripping. The stripping will be confined to the ore bearing horizon near the base of the Shinarump conglomerate and the present workings, and must be deep enough to expose the sandstone and mudstone where the carbonaceous material is concentrated. This work will be done on the Little Erma No. 1, 2, and 3, and the Brown Dog No. 4 claims as shown on Figure 4 which is attached and made a part of this exhibit.

Estimated Costs of the Work

Improving 7½ miles of road including rental of D-8 caterpillar or equivalent including operator, fuel, repairs, and any other costs incident to completing the work -	$ 468.00 1/
3200 feet of rim stripping with D-8 caterpillar or equivalent including operator, fuel, repairs, and any other costs incident to completing the work -	1,872.00 1/
Total Cost of Project	2,340.00
Government Participation at 90%	2,106.00

1/ The entire work constitutes the unit of work.

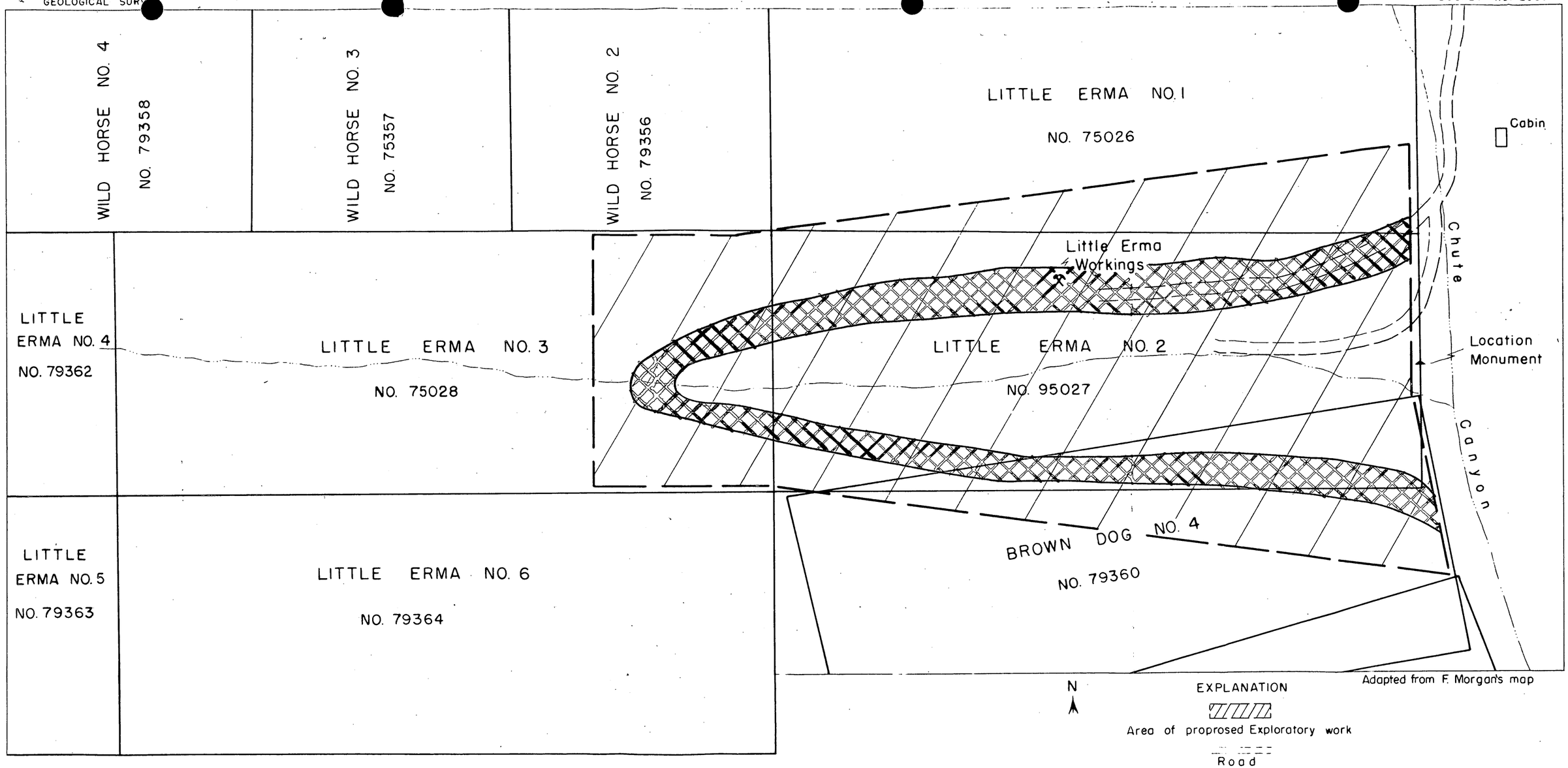

FIG. 4

SKETCH MAP OF CHUTE CANYON CLAIMS
EMERY COUNTY, UTAH

0 200 400 600 FEET
Scale

☑ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of Dec. 7-1954
Incl. Voucher for April-1953

☐ Actual Cost

☑ Agreed Unit Costs

Name Frank L. Morgan and Erma R. Morgan

Docket No. 2689

State Utah

Commodity Uranium

Idm-E No. 500

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation 1800 ft rim stripping,		$ 1,872.00		$ 1,872.00	$ 1,872.00
Underground Excavation					
Roads and Trails		468.00		468.00	468.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$ 2,340.00		$ 2,340.00	$ 2,340.00

Prepared by [signature]

71626

PROJECT SUMMARY REPORT

By: F. L. Knowse November 16, 1953

1. LMEA Docket No. 2689 (Uranium)
   Contract No. Idm-1500
   Property - Chute Canyon claims
   Emery County, Utah

   Operator: Frank L. Morgan and Erma R. Morgan
   P. O. Box 227
   Springville, Utah

   Operator's Property Rights:

   Owner

2. Contract - dated March 23, 1953

   Work authorized -

* Improving 7-½ miles access road with D-8 Caterpillar tractor	$ 468.00
* 3200 ft. Rim Stripping with D-8 Caterpiller	$1,872.00
Total cost of project	$2,340.00
Government participation @ 90%	$2,106.00

   * Both items set up as a complete unit of work.

   Amendments - None

Contract letter mailed 11/18/53

Work completed -

7-½ miles of road improvement and 1800 feet Rim Stripping D-8 Caterpillar tractor * 18 days @ $148/day	$2,664.00

(* Worked in excess of 8 hours)

Labor:

Supervision	360.00
Jackhammer and powder man	229.00
Compressor expense, gasoline, oil and drill steel	655.00
Explosives	216.09
Total	$4,124.09
Government participation	$2,106.00

3. Audit Certificate -

Report of Review, dated October 21, 1953

Total Accepted Cost (no exceptions)	$2,340.00
Government participation @ 90%	$2,106.00

4. Certification of discovery or development was not recommended since exploration work did not result in a significant discovery of uranium ore.

5. Comments:

Small bodies of uranium mineralization were found on the property associated with carbonaceous tree and "trash carbon" material in conglomerate and coarse sandstone lenses near the base of the Shinarump formation.

This project was established to find additional uranium ore bodies in the highly carbonaceous sandstone, conglomerate, and mudstone along and near the Shinarump-Moenkopi contact by stripping the talus overburden to expose the contact zone. It was believed the probability of finding more and larger orebodies along this zone were favorable. The rim-stripping exposed only two small Shinarump-filled scour channels along this contact zone showing encouraging mineralization. Radiometric observations and sampling of these channels showed little uranium content. Out of eleven samples cut across these scour channels ten (10) contained

0.003 to 0.056% U_3O_8 and one showed 0.101 U_3O_8 content. In view of the above findings no additional exploration is recommended.

The project work was conducted in an efficient and economical manner.

Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

FLKnouse/gla/db
cc to: Docket (Original)
Adm. Reading File
Division contract file
Mr. Knouse

1/29/54 gla

E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

January 22, 1954

Arthur F. Butler, Jr., USGS Member, Uranium Commodity Committee

Final Field Team Report, DMEA Docket 2689 (Uranium), Contract Idm-E500, F. L. and E. R. Morgan, Contractors; Little Erma Claim group, Chute Canyon, Emery County, Utah

The Final Field Team Report on results of exploration at the property indicated in the subject above has been reviewed.

Bull dozer stripping of cover along 1800 feet of line or outcrop of the Shinarump conglomerate failed to find any minable uranium ore, and little uranium-bearing mineralized rock. Only one of eleven samples contained more than 0.10 percent U_3O_8, and in eight of them the U_3O_8 content is less than 0.01 percent. Two small scour channels filled with Shinarump conglomerate were revealed and two insignificant zones of slightly abnormal radioactivity were exposed.

The Field Team recommends that no further exploratory work be done under DMEA auspices at the present time and that no certificate of discovery be issued. I concur in these recommendations.

Copies to: E. Wm. Ellis (2)

E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

January 22, 1954

Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

Final Field Team Report, DMEA Docket 2689 (Uranium), Contract IAm-E500, F. L. and E. R. Morgan, Contractors; Little Erma Claim group, Chute Canyon, Emery County, Utah

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The Field Team recommends that no further exploratory work be done under DMEA auspices at the present time and that no certificate of discovery be issued. I concur in these recommendations.

Copies to: E. Wm. Ellis (2)

1/12/54 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

224 New Customhouse
Denver 2, Colorado

January 5, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2689 (Uranium), Contract No. Idm-E500, Frank L. Morgan and Erma R. Morgan, Emery County, Utah.

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 month of April 1953.

Also enclosed are two copies of a memorandum to Mr. T A. Christensen, dated December 16, 1953, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $2,106.00 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division dated October 21, 1953.

W H King
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

December 16, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2689 (Uranium), Contract No. Idm-E500, Frank L. Morgan and Erma R. Morgan, Emery County, Utah. Operator's Monthly Progress Report for the month of April 1953 - FINAL PAYMENT

Enclosed are the original and four copies of Form MF-104 and MF-104A, Operator's Narrative Report and Inspecting Engineer's Narrative Report for the above period. This report constitutes the Operator's final claim for reimbursement under the terms of the contract and is the only report submitted inasmuch as the work was completed within that period.

The Operator has complied with the terms of the contract and final payment is recommended as follows, which is in conformance with the final Report of Review by the Contract Administration and Audit Division dated October 21, 1953, which was released to this office December 15, 1953.

Basis for Final Payment

Total accepted cost	$2,340.00
Government participation at 90%	2,106.00
Total prior payments	None
Balance due the Operator	$2,106.00

W H King
W. H. King

Enclosures

JWT:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
SRWilson
Chron.
JWTownsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

June 15, 1953

Memorandum

To: W. H. King, Chief, Mining Division, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: DMSA-2689, Contract Idm-E500, Frank L. and Erma R. Morgan, Chute Canyon Mines, Emery County, Utah. MF-104 forms for April 1953.

Attached are copies of MF-104 forms pertaining to work accomplished under the subject contract during April 1953. The contract involved only a small amount of work, thus the total contract was completed during April. The present MF-104 forms are the first and final ones to be submitted by the operator.

The work was inspected by H. K. Thurber May 4, 1953. The contract permits road and trails work and rim stripping by bulldozer. The total footage of stripping does not equal the total estimated by the examining geologists and later written into the contract. The difference in the footage totals resulted from acceptance by the Survey of the owner's map showing the area of proposed stripping. The Survey mapped the area after completion of the contract work, and found the area originally proposed for stripping to be smaller than illustrated on the owner's sketch. The area proposed for stripping has been stripped, but the cost per unit is greater than shown in the contract. The operator expended the funds in a sincere and minerlike fashion.

The rim stripping disclosed two scour channels containing small quantities of uranium. The mineralized area was sampled by H. K. Thurber after project completion. The results are shown on the map attached to the progress report.

The MF-104 forms were originally received from the operator May 8, 1953. Irregularities in preparation necessitated returning the forms to the operator. The corrected forms were returned to this office June 1, 1953.

It is recommended that the operator be reimbursed in the manner shown in the progress report, subject to receipt of proper final report from the operator and final audit.

Stephen R. Wilson

Stephen R. Wilson

Enclosures 2

S. R. Wilson

May 12, 1953

H. K. Thurber, Jr.

DEPARTMENT OF THE INTERIOR
Bureau of Mines
Administration
RECEIVED
MAY 27 1953

DMEA-2689, Contract Idm-E500, Frank L. and Erma R. Morgan property, Emery County, Utah. MF-104 forms and monthly progress report

The subject property was inspected May 4, 1953. The work under the contract was completed by April 28, 1953, and the operators were removing the equipment from the project area on the date of the inspection. The MF-104 forms attached are the last and only forms to be submitted on this work.

The work accomplished under the contract consisted of rim stripping an area on the Little Erma group of claims where the Shinarump ore horizon is exposed by a side canyon tributary to Chute Canyon. The rim stripping was accomplished with some difficulty, due to the large boulders encountered in the talus cover. Twice during the operation the bulldozer was driven off the rim cut, occasioning delays returning the machine to the working place.

The attached map, made by the Geological Survey, indicates the area stripped. It will be noted that the total length of stripping does not equal the total length estimated by the original examining team and called for in the contract. This difference arose from the original acceptance by the Geological Survey of the owners' sketch map, which shows the proposed stripping area. This map shows the area considerably larger than the Geological Survey's recent plane table map. All the area intended by the original examining geologists to be stripped has been stripped and the money expended in an efficient and sincere manner. The cost per foot was higher than originally estimated, but is not believed to be excessive for this type of bulldozer work.

The expenditure of $468 for road improvement was used in areas along the 7½ miles of access road from Temple Mountain to the subject property.

The rim stripping exposed two scour channels in the project area which contain some uranium mineralization indicated by Geiger counter. It is suggested that these areas be systematically sampled by this office to assess the results of the project. This would require approximately two days in the project area.

With due consideration of the map discrepancies outlined in foregoing paragraphs, it is recommended that the operators, Frank L. and Erma R. Morgan, be reimbursed in the amount of $2,106, which is 90 percent of $2,340, the total allowable expenditures under the contract.

H. K. Thurber, Jr.

H. K. Thurber, Jr.

Springville, Utah.
April 25th. 1953.

Mr. Stephen R. Wilson, Chief
Minerals Development Branch
Mining Division, Region IV
Bureau Of Mines, 1600 E 1st S
Salt Lake City 1, Utah.

NARRATIVE REPORT
DMEA No. 2689.

Dear Mr. Wilson:

The work covered by DMEA No. 2689 has been completed and is ready for inspection.

This stripping operation turned out to be very rugged as we had to keep the air compressor and powder man working constantly ahead of the bull dozer blasting large boulders in order for the bull dozer to handle them, at some places where the face was in place and there was no material sluffed off to use for a road bed we had to scrap for material in order to cross the gap, the bull dozer slipped off of the stripping area twice on account of the base of the grade sliding, fortunately he was facing the canyon floor and went down head first.

The area is stripped down to the purple shale that the field team designated as the contact area, there is heavy mineralization in the conglomerate, showing copper, cobalt and iron pyrite stains, the material that shows radio activity is in the yellow clay above the purple shale and the carbonaceous material that was exposed, there is a very active seam of black material consentrated in the conglomerate on the North side of the canyon on the Little Erma No.2 that shows signs of a flow from either a trough or it has been forced from below.

The area stripped on the East end of the Little Erma No.3 showed very heavy mineralization and a heavy consentration of trees and carbonaceous material with a count in several places, the Shinarump Conglomerate was quite thick at this point, with a thick sandstone that looked good in the lenze where the Conglomerate split and the moist earth had a very stinking odor with lots of colorization.

This canyon looks very promising and samples can be taken that will run above 4% Uranium but the seams are small, core drilling should develop a major deposit that has deposited these fissures, a " Scintillator " registers between 10 and 15 on the 1 scale anyplace along the bottom of the canyon, and will register 10 to 15 on the 25 scale at places stripped along the face.

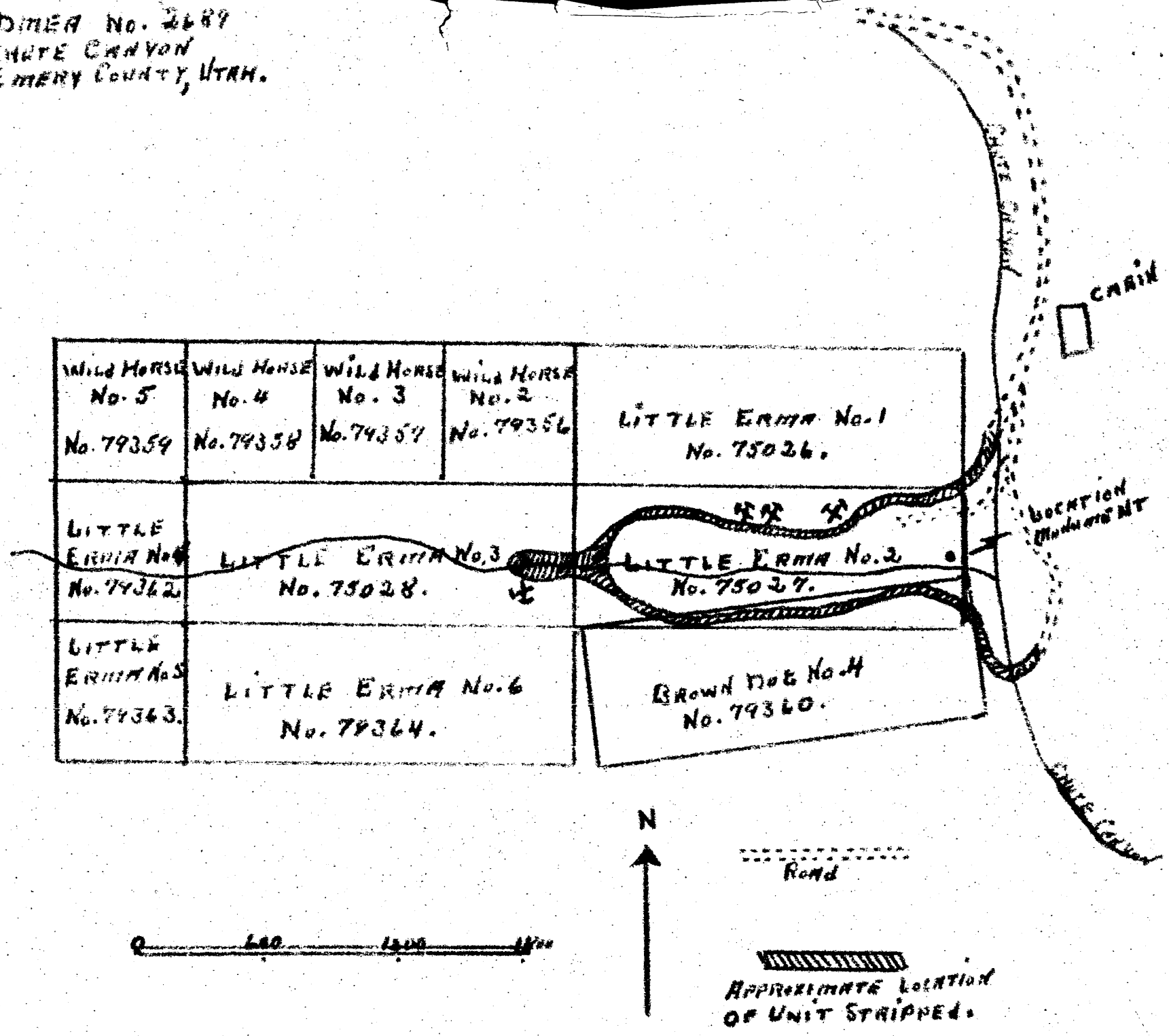
Trusting that the above narrative report is in order, I remain.

Yours Very Truly,

Frank L. Morgan
Erma R. Morgan

DMEA No. 2689
CHUTE CANYON
EMERY COUNTY, UTAH.

MAY 3 - 1983
Salt Lake City, Utah



Form [illegible] 04 (Rev.)
([illegible] 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

U.S. BUREAU OF MINES
RECEIVED
JUN 1 - 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1953 Docket No. DMEA 2689 Contract No. Ida-5500
Operator's Name Frank Loraine and Erma Ruff Morgan Minerals Uranium
Address P. O. Box 227, Springville, Utah.
Contract Amount, $ 2,340.00 Government Participation: 90 % Amount, $ 2,106.00

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		1/		1/		
Bulldozing	1,872.00		1,872.00			
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):						
		1/		1/		
Roads - Trails	468.00		468.00			
TOTALS	2,340.00		2,340.00	2,340.00		2,340.00

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

Date April 25, 1953 *Payee Frank Loraine Morgan
Erma Ruff Morgan

Per _____ Title Owners & Operators

*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:

$ 2106.00

Signature _____
(Authorized Certifying Officer)

Date 12/18/53 Vou. No. DMA 54-61
(See other side)

1/ The Entire Work Constitutes the unit of work

(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-E500 in accordance with the terms of the contract.

Signature R. K. Thurber, [redacted] Mining Eng Date June 8, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H King Title Executive Officer Date DEC 16 1953

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 [illegible]F-104A
[illegible] 1953

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 April 1953 Docket No. DMEA 2689 Contract No. Ida-5500

Operator's Name Frank Loraine Morgan and Erma Ruff Morgan Minerals Uranium

Address P. O. Box 227, Springville, Utah.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping	Ft.	1,872.00 1/	1800	1,872.00	1/ 1800			1,872.00
Trenching								
Test Pits								
Roads and Trails		468.00 1/		468.00	1/			468.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,340.00		2,340.00				2,340.00

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 April 25, 1953 Operator Frank Loraine Morgan / Erma Ruff Morgan

Per _____ Title Owners & Operators

REMARKS: Contract completed

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)

1/ The entire work constitutes the unit of work.

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

7/31/53 gla

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

Office of the Defense Minerals Adm.
RECEIVED
DEC 28 1953

224 New Customhouse
Denver 2, Colorado

December 16, 1953.

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region IV

Subject: DMEA Docket No. 2689 (Uranium), Contract No. Idm-E500, Frank L. Morgan and Erma R. Morgan, Emery County, Utah.

Reference is made to our memorandum of October 30, 1953 to the Chairman of the Operating Committee whereby we transmitted the original and three copies each of the final engineering report by the Bureau of Mines and the final geological report by the Geological Survey, and wherein we advised that the Operator's final report, attached to his final MF-104 report for the month of April 1953, would be forwarded upon processing of the MF-104 report by the Fiscal Office, Region IV.

We have today processed the Operator's final Form MF-104, Operator's Monthly Progress Report and Voucher for the month of April 1953 for final payment to him in conformance with the final Report of Review by the Contract Administration and Audit Division, dated October 21, 1953, which was released to this office December 15, 1953. The Operator's report for the month of April is the only monthly report submitted inasmuch as the work was completed within that period. Washington Office copies of the April report will be forwarded to you upon processing by the Fiscal Office, Region IV.

The exploration work consisted of 1800 feet of rim stripping and preparation of roads and trails at a total accepted cost of $2,340, in which the Government participated to the extent of 90% or in the amount of $2,106. The exploration work did not result in a significant discovery of Uranium ore; therefore, no Certification of Discovery or Development is recommended.

for John F. Shaw
W. H. King

E. N. Harshman
for A. H. Koschmann

NOV 1 8 1953

Frank L. Morgan and Irene T. Morgan
P. O. Box 227
Spanish Fork, Utah

Re: Docket No. DMA-2667 (Premium)
Contract No. [illegible]
Chute Canyon Claims
Emery County, Utah

Dear Sir and Madam:

This is with reference to the subject Exploration Contract between you and the Government.

The final audit of the contract expenditures and the final reports of the operator and of the field team have been received and accepted by this administration. The total amount of $2,340.00 approved under the contract was expended, 50 percent of which, or $1,170.00, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the operator and the Government. The exploratory work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 5 (G) of the Contract which requires the operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the exploration program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

G. O. Mittendorf

Administrator

FLKnouse/ela
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. E.J.Nelson, Rm. 3641
A.F.Butler, Rm. 3212, GSA
Ellis ✓
Knouse
DMTA Field Team, Region IV (2)

Mr. [illegible] King
Executive Officer
[illegible] Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible] (Uranium)
Contract No. [illegible]
Frank L. Morgan and
Nora M. Morgan
Emery County, Utah

Dear Mr. King:

In order for us to keep our records current, kindly advise when we may expect to receive the final reports of the Field Team and the Operator for the captioned project. In this connection please also furnish your recommendations concerning the issuance of a certificate of discovery.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

FLKnouse/db
10-23-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H.D.Keiser, Rm. 361.1
A.P.Butler, Jr., Rm. 7212, OSA
Ellis
Knouse

E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

October 22, 1953

Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

Memorandum of September 25, 1953, and supporting information from Region IV, DMEA Docket 2689 (Uranium), Contract Idm-E500, Frank L. and Erma R. Morgan, contractors, Springville, Utah, Little Erma Claim Group, Chute Canyon, Emery County, Utah

The memoranda indentified in the subject above concerning exploration on the Little Erma Group of claims have been reviewed.

Owing to an inaccurate map supplied by the operator, the linear distance to be stripped in exposing possibly uranium bearing Sinarump conglomerate turned out to be 1,800 instead of an estimated 3,200 feet. In addition, because the ground was more difficult to strip than anticipated, the contractor spent more money than the contract maximum in stripping the shorter distance. Work performed however, was toward defined objectives, and all agree that the contract maximum was expended on work performed within the limits defined by the contract and on the ground. No particular geologic condition is involved with respect to allowing a settlement.

Inasmuch as the specified work was completed, a settlement on any basis that seems equitable to DMEA would be appropriate.

Copies to: E. Wm. Ellis (2)

Form IF-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

Copy

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 195 3 Docket No. DMEA 2689 Contract No. Idm-E500
Operator's Name Frank Loraine and Erma Ruff Morgan Minerals Uranium
Address P.O. Box 227, Springville, Utah
Contract Amount, $ 2,340.00 Government Participation: 90 % Amount, $ 2,106.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		1/		1/		
Bulldozing	1,872.00		1,872.00			
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): Roads - Trails	468.00	1/	468.00	1/		
TOTALS	2,340.00		2,340.00			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 25, 1953 Payee /s/ Frank Loraine Morgan /s/ Erma Ruff Morgan
Per _____ Title Owners & Operators

*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)

1/ The Entire Work constitutes the unit of work

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

$_____

Signature _____
(Authorized Certifying Officer)

Date _____ 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. Idm-E500 in accordance with the terms of the contract.

Signature H.K. Thurber, Jr., SRW Title Mining Eng. Date June 8, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

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 MP-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 20 1953

Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 2689 Contract No. Idm-E500
Operator's Name Frank Loraine Morgan and Erma Ruff Morgan Minerals Uranium
Address P.O. Box 227, Springville, Utah.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger	Ft.	1,872.00	1/ 1800	1,872.00	1/ 1800			1,872.00
Stripping								
Trenching								
Test Pits		468.00	1/	468.00	1/			468.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS								*TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,340.00		2,340.00				2,340.00

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 April 25, 1953 Operator /s/ Frank Loraine Morgan /s/ Erma Ruff Morgan

Per Title Owners & Operators

REMARKS: Contract completed

→ 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)

1/ The entire work constitutes the unit of work.

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

4/20/53 gla

IN REPLY REFER TO:

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

E. Wm. Ellis, DMEA Member
Uranium Commodity Committee
Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

April 15, 1953

Final report, DMEA Docket 2689 (Uranium), Chute Canyon Mines,
Emery County, Utah.

Morgan, Frank L. & Erma R. Morgan

I have reviewed the report by the Field Team pertaining to the property identified in the subject above. The Field Team recommends 3,200 feet of rim-stripping to explore the Shinarump conglomerate for additional radioactive zones near the Chute Canyon claims, and necessary repair of access road.

I concur with the recommendations of the Field Team that Government assistance for exploration, as set forth in the Field Team report, be granted for the Government's proportionate share of the total cost of $2,342.00.

Arthur P. Butler, Jr.

Copy to: E. Wm. Ellis (2)

4/13/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C. April 9, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 10 1953

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member,
Uranium Commodity Committee

Subject: Final report, DMEA Docket 2689, Chute Canyon Mines,
Emery County, Utah.

I have reviewed the subject final report by the Field Team, Region IV, and have discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

It is recommended that the report be approved.

The report has been forwarded to the Chief, Minerals Division, in accord with the routing slip attached thereto.

Signed

H. D. Keiser

HDKeiser:db

Copy to: Rare and Precious Metals Branch

4/7/53

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

224 New Customhouse
Denver 2, Colorado

March 26, 1953

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Field Team, DMEA, Region IV

Subject: Final Report, DMEA Docket 2689 (Uranium), Chute Canyon Mines, Emery County, Utah

Enclosed are four copies of the final report on Docket 2689. A contract has been prepared and is in effect.

W. H. King
W. H. King

for Oscar Turetz
A. H. Koschmann

Enclosures

JFS:ld

cc: Docket
Chron
Koschmann
Wilson

Reviewed by
DMEA OPERATING COMMITTEE
4-3-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

January 14, 1953

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2689 (Uranium) Chute Canyon Mines, Emery County, Utah

Enclosed are 11 copies of the final engineering report on the subject docket.

Promising exposures of uranium ore have been found in the small amount of exploratory work done to date. The examining engineer recommends rik stripping 3200 feet at a total cost of $2342.

We concur in this recommendation.

W. H. King
W. H. King

Enclosures

Reviewed by
DMEA Operations (Minerals)
4-3-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

January 9, 1952

Memorandum

To: W. H. King, Chief, Mining Division, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: DMEA-2669, Chute Canyon Mines, Emery County, Utah. Your memorandum of December 17, 1952

Enclosed are the original and 10 copies of a memorandum engineering report which includes information requested in your memorandum of above date.

The Survey's geologic report, transmitted to Denver November 20, 1952, includes figures 1, 2 and 3. Eleven copies of figure 4, enclosed, are to become part of the Survey's report. Nine extra copies of figure 4 are attached for use in contract preparation.

It is believed limited exploration on this property may disclose minable uranium ores. The engineering proposals are feasible.

A copy of the brochure is enclosed.

Stephen R. Wilson
Stephen R. Wilson

Enclosures 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
200 New Customhouse
Denver 2, Colorado

November 25, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2689, Little Erma No. 2, Chute Canyon, Emery County, Utah.

Enclosed are 11 copies of the geological report by John Powers and Allen Taylor, of the U. S. Geological Survey, covering the above docket. It has been recommended that the loan be approved.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

Room [illegible] - [illegible] Building
Salt Lake City 1, Utah
November [illegible], 195[illegible]

Memorandum

To: [illegible] A. Kleinhesselink, Director
Field Team, Region IV

From: Ralph J. Roberts, Acting
District Supervisor

Subject: DMA Permit [illegible], Little Grass No. 2

Enclosed are eleven copies of a geologic report on the Little Grass group of claims, Chute Canyon, Emery County, Utah.

Mr. Frank Morgan applied to the Defense Minerals Exploration Administration for a loan for exploration for uranium on the Little Grass claims in Emery County, Utah. In response to a request by the Field Team, Region IV, the property was examined and appraised for a DMA loan by John Evarts and Allen Taylor of the U. S. Geological Survey.

The Little Grass claims lie on the southeastern flank of the San Rafael Swell. The uranium ore occurs with carbonaceous material in pockets near the base of the Shinarump conglomerate. The uranium mineralization consists of pitchblende(?) and its alteration products. Inferred ore reserves are [illegible]30 tons of ore averaging 0.119 percent V_3O_8.

The possibilities of finding additional bodies of commercial ore are good. It is therefore recommended that the government enter into a contract with the applicant to do the work proposed in the accompanying geologic report. The government's share of a 90:10 participation basis will be $2,1[illegible].00.

I concur with the conclusions and recommendations of the examining geologists.

Ralph J. Roberts

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DOMESTIC MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
NUMBER IV

DARK BODY, LITTLE MEXICO NO. 2, CHIPZ CANYON

EMERY COUNTY, UTAH

John Jeanne & Allen Taylor
U. S. Geological Survey

November 19, 1952

Released by
DMEA OPERATING COMMITTEE
4-3-53
(date)

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Illustrations

Figure 1. Index Map of Utah

2. Photogeologic map of Chute Canyon, Emery County, Utah

3. Geologic Sketch, Map of Little Drum No. 2, Chute Canyon, Emery County, Utah

LITTLE BROWN #2, CHUTE CANYON, EMERY COUNTY, UTAH

D-RM 2-39 (Uranium)

Introduction

Mr. Frank L. Morgan, owner of 18 claims that include the Little Brown, Wild Horse and Brown Dog claims located in Chute Canyon, 7½ miles southwest of Temple Mountain, Emery County, Utah, has applied to the Defense Minerals Exploration Administration for a loan to explore for uranium ore on these claims.

A field examination was requested by the Field Team, Region IV, September 11, 1952, to determine the advisability of government assistance. An examination was made September 10-11, 1952 for the Trace Elements section of the Mineral Deposits Branch, U. S. Geological Survey, by John F. Fowers, Allen O. Taylor and Lee F. Emmett. This examination serves as a basis for this report.

Location and Accessibility

The Little Brown claims are located in Sec. 24, T. 23 S., R. 10 E., SLB&M, (unsurveyed). The claims can be reached by driving 36 miles southeast from Green River, Utah via Utah State Highway 24, thence driving west 10 miles through South Temple wash to Temple Mountain, thence southwest 7½ miles to Chute Canyon. The road from Green River to Temple Mountain is an all-weather improved dirt road; the seven and 1/2 miles of road from Temple Mountain to Chute Canyon, however, is unimproved road in poor condition. (Fig. 1)

History and Production

There has been no production of uranium from the Chute Canyon Claims. Of the 18 claims owned by the applicant in Chute Canyon, exploratory work has been done only on the Little Brown No. 2. The work consists of 20 feet of drift, a 20 foot trench, and 60 feet of rim stripping.

Geology

The Little Drum No. 2 prospect is on the southeastern flank of the San Rafael Swell in Chute Canyon, Emery County, Utah. The San Rafael Swell is an eroded anticlinal fold about 70 miles long and whose main axis trends northwest. The property is eleven miles southeast of the main axis of the anticline.

The sedimentary rocks exposed in the area are of Triassic and Jurassic age (fig. 2). The Moenkopi formation of Triassic age is the oldest formation exposed. It is a thin-bedded, brown to lavender-colored shale that contains some brown sandstone and sandy limestone. The Triassic Shinarump conglomerate overlies the Moenkopi formation and is composed of conglomerate and lenses of brown sandstone with green mudstone. The sandstone and mudstone are locally carbonaceous. Overlying the Shinarump is the Chinle formation also of Triassic age. The Chinle formation is mainly composed of variegated shales and red sandstone.

The Wingate sandstone of Jurassic age rests on top of the Chinle formation and is generally a massive red to brown cross-bedded sandstone. In places, however, it is cream-colored; the cream color is unusual and may be due to bleaching by migrating hydrocarbons in the formation. The Jurassic Kayenta formation lies over the Wingate, and is composed of red sandstone with some brown and red shales. The Navajo sandstone rests conformably over the Kayenta and is also of Jurassic age. The Navajo sandstone is mainly a massive, cross-bedded, light brown to gray sandstone.

The strike of the formations are from N 45° E to East-west and dip 10° SE to S. The rocks are displaced by high-angle normal faults that are nearly perpendicular to the main axis of the anticline. The main set of faults strike East-west and dip steeply either North or South. Another set of faults strike Northwest and dip either Northeast or Southwest.

Ore Deposits

At the Little Bear No. [illegible] the ore occurs in the basal part of the Chinarump conglomerate. The Chinarump locally is between [illegible] and [illegible] feet thick and is composed of conglomerate and lenses of coarse brown sandstone underlain by green mudstone. In this area the sandstone and mudstone are highly carbonaceous. The highest grade uranium ore is in the sandstone and mudstone where the carbonaceous material is concentrated.

The main primary uranium ore mineral is pitchblende(?) which is disseminated in coarse-grained, cross-bedded, carbonaceous sandstone. The sandstone is iron-stained and is cemented by calcite. Galena, sphalerite, chalcopyrite and unidentified cobalt and nickel minerals accompany the pitchblende(?). Secondary minerals include malachite, azurite, chalcanthite, erythrite(?) and other unidentified uranium, vanadium and copper minerals. With the exception of the pitchblende and the secondary uranium minerals, the other ore minerals are of little economical significance at present. There is a distinct resemblance in this suite of minerals as well as in the geologic setting of the Little Bear No. [illegible] and the Happy Jack Mine at White Canyon, Utah, and the Lucky Strike Mine in the San Rafael Swell, Utah.

The Chinarump conglomerate has been explored in the Little Bear No. [illegible] by [illegible] feet of rim sari, ing and a combined total of [illegible] feet of drift and open cut. (Fig. [illegible]) The workings have uncovered small pockets of high grade ore and a larger volume of lower grade ore.

Ore Reserves

There are no blocked out ore reserves at the Little Bear property, but the triangular area extending from [illegible] feet to five feet southeast of [illegible] with an average thickness of 1.5 feet is inferred to contain [illegible] tons of uranium ore. The ore in the workings contains an average of [illegible] (Fig. [illegible]). It is reasonable to assume that ore of comparable grade and thickness is present in the intervening area.

At the present price of uranium, the inferred ore should have a value of approximately $2,160.00 with an A.E.C. bonus.

Proposed Exploration

The applicant has proposed 1[illegible] days or 3,[illegible] feet of rim stripping with an RD 8 bulldozer to explore for other radioactive zones along the Shinarump and three days of bulldozer work repairing the road.

By bulldozer stripping of the Shinarump as well as stripping and exploring under the present workings, additional radioactive zones may be found. This proposed exploration appears to be sound and should accurately test the rim of the Shinarump formation at this location.

Costs of the Proposed Exploration

The costs of the exploratory work at the Little Arm No 2 are as follows:

15 days of RD 8 bulldozer work, including 3 days of road work and dragline	$1,7[illegible]
Supervision for 15 days	[illegible]
Laborer for 15 days	[illegible]
Motor fuel and oils	[illegible]
Total	$[illegible]

Summary and Conclusions

The Little Arm No. 2 property is on the southeastern flank of the San Rafael swell in the Shinarump conglomerate. The Shinarump strikes generally East-West and dips 10°S.

The uranium ore occurs with carbonaceous material in pockets near the base of the formation in a brown sandstone and green mudstone. The uranium mineralization consists of pitchblende(?) and its alteration products. Inferred ore reserves are 230 tons of ore averaging 0.119% V_3O_8.

The applicant proposes to strip 3,200 feet with an RD 8 bulldozer the base of the Shinarump conglomerate to uncover additional radioactive spots on

the Little Bear No. 2 property and also to improve existing road from Temple Mountain to Chute Canyon. The total cost of the stripping and road repairs is $2,431.00. — $2,340

The program appears sound, and the chance of finding uranium ore good. It is recommended that the government enter into a contract with the applicant as outlined. The government's share on a 50:50 participation basis would be $[illegible].

$2,106

—oo—

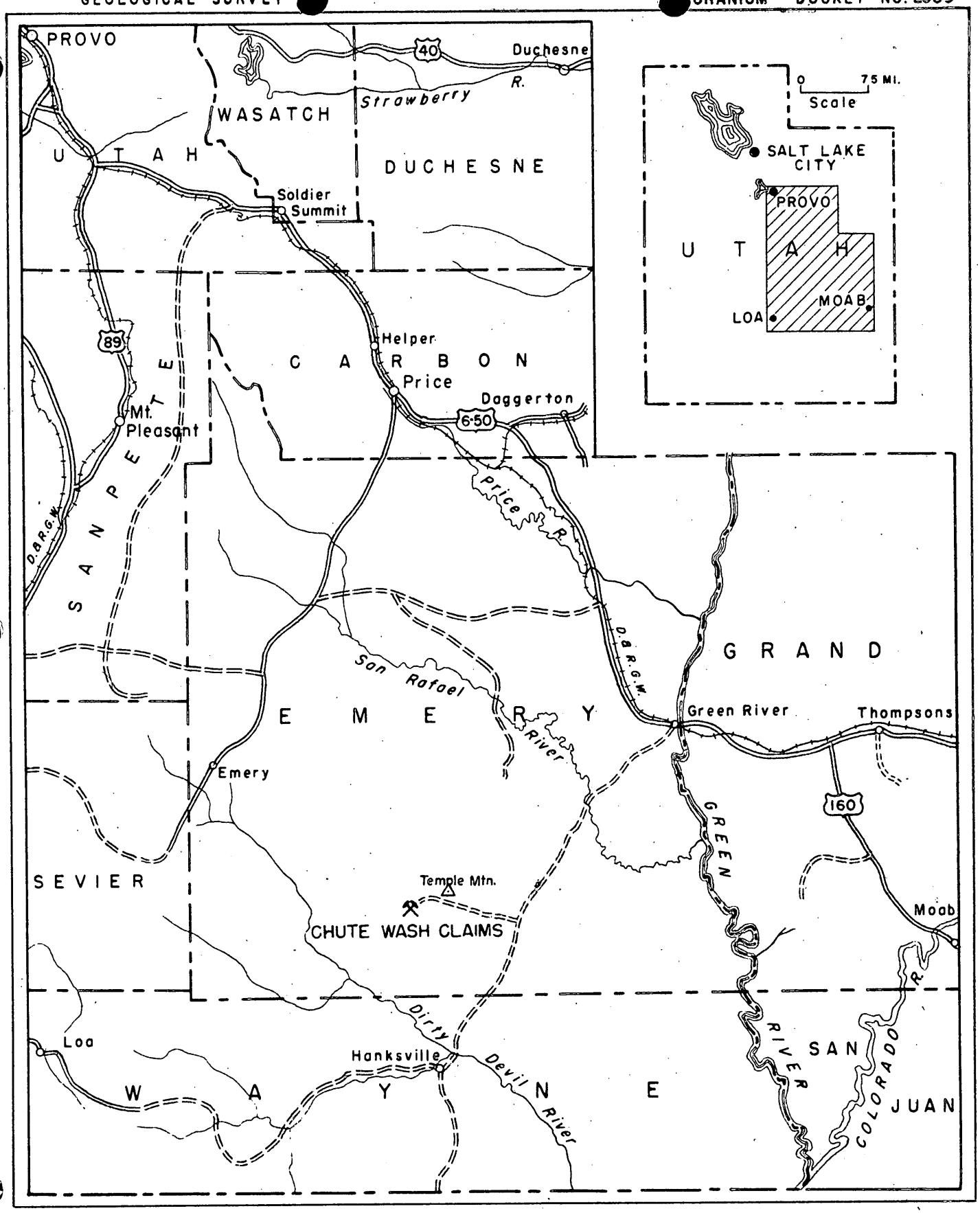


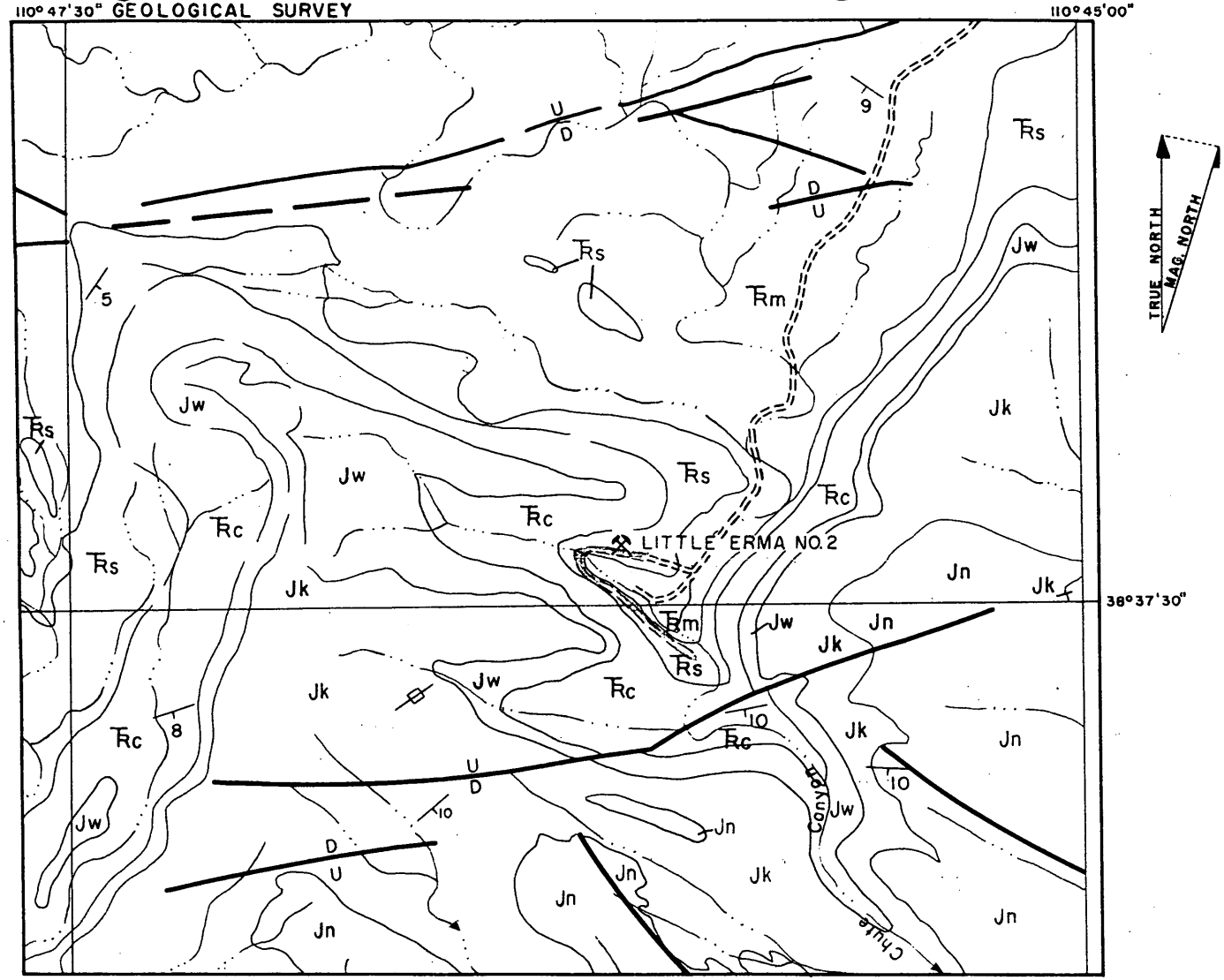
FIG. I

INDEX MAP OF UTAH

0 5 10 15 20 MILES
Scale

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 2689 Uranium



ADAPTED FROM PHOTOGEOLOGIC MAP
OF STINKING SPRING CREEK 11-14
PHOTOGEOLOGY BY C. E. BATES

EXPLANATION

JURASSIC (?)

- Jn — Navajo sandstone
- Jk — Kayenta formation
- Jw — Wingate sandstone

TRIASSIC

Upper

- TRc — Chinle formation
- TRs — Shinarump conglomerate

Lower

- TRm — Moenkopi formation

Contact

High angle fault
(U, upthrown side; D, downthrown side)

30
Strike and dip of beds

Strike of approx. vertical joint system
(Based on photo-interpretation)

Approx. location of road

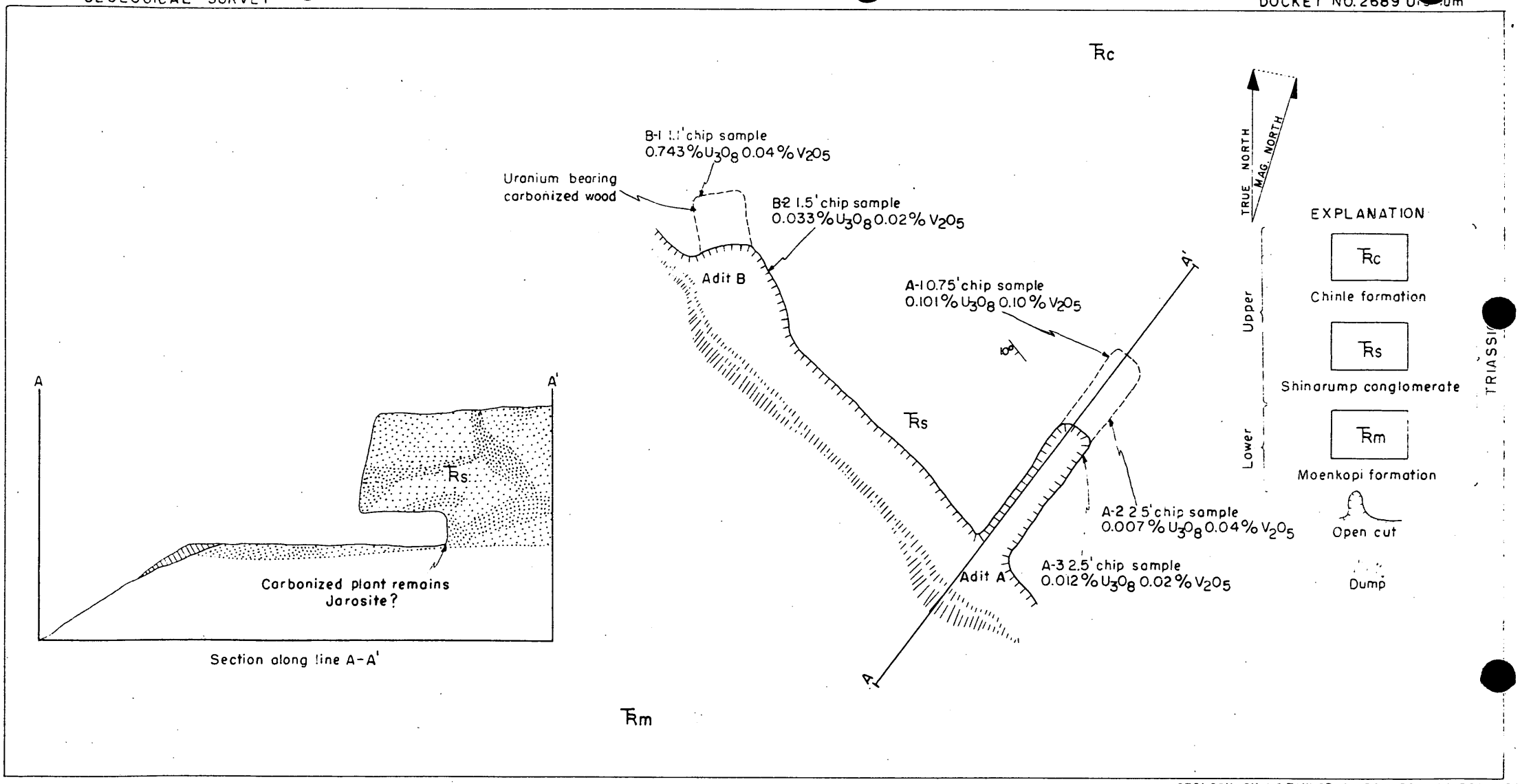
Proposed Exploratory Work

FIG. 2

PHOTOGEOLOGIC MAP OF CHUTE CANYON

EMERY COUNTY, UTAH

0 .5 1 MILE
Scale



GEOLOGY BY A.O. TAYLOR, J. F. POWERS AND L.F. EMMETT

FIG. 3

GEOLOGIC SKETCH MAP OF LITTLE ERMA NO. 2

CHUTE CANYON, EMERY COUNTY, UTAH

0 20 40 FEET
Scale

CHUTE CANYON MINES
EMERY COUNTY, UTAH
DMEA-2689
Uranium

Memorandum engineering report

By M. M. Gilkey
Mining engineer
Bureau of Mines

A memorandum dated December 17, 1952, to S. R. Wilson from the Executive Officer, Field Team, Region IV, asked for a memorandum engineering report on the subject docket.

The claims are in an unsurveyed area about 7½ miles by road southwest of Temple Mountain in Emery County, Utah. Projection of section lines places the site of the proposed work in Sec. 24, T. 25 S., R. 10 E., S.L.B.M. The locations are valid from the standpoint of withdrawals, as there are no withdrawn areas in this township.

Eleven copies of the claim map showing the proposed work with reference to the side lines accompany this report.

The minutes of the Operating Committee, No. 139, have been considered.

HISTORY AND PRESENT STATUS

To date, the only exploration on the property has been done on the Little Erma No. 2 claim. This work consists of 18 feet of drifting in Adit A, 6 feet of drifting in Adit B, and 75 feet of open cutting and rim stripping (fig. 3 of the Survey's report). There are no measured ore reserves.

The applicant reports that several samples taken from ore exposed by this work have assayed from 0.37 percent U_3O_8 to as high as 5.09 percent U_3O_8. The examining Survey geologists state that 230 tons of ore averaging 1.5 feet thick and containing 0.119 percent U_3O_8 may be inferred from this exploratory work. Although the average grade of the inferred tonnage is low, it seems probable that in stripping an addi-

tional 3,200 feet of the same horizon, ore of commercial grade and in commercial quantity will be found.

DESCRIPTION OF THE PROPOSED WORK

All of the proposed work will be subcontracted and is to be done by means of an RD-8 bulldozer. The project may be started within 30 days of the date of the contract and will require 15 days for completion.

Preliminary to the actual stripping will be three days of work on the road from Temple Mountain. The condition of this 7½ miles of road is such that, in any case, the bulldozer will be "walked" from Temple Mountain to the property. Following the road work will be 12 days of rim stripping, during which time it is expected that 3,200 feet of rim can be exposed. The stripping is to be done on four claims, the Little Erma Nos. 1, 2, and 3, and the Brown Dog No. 4 (fig. 4 of the Survey's report).

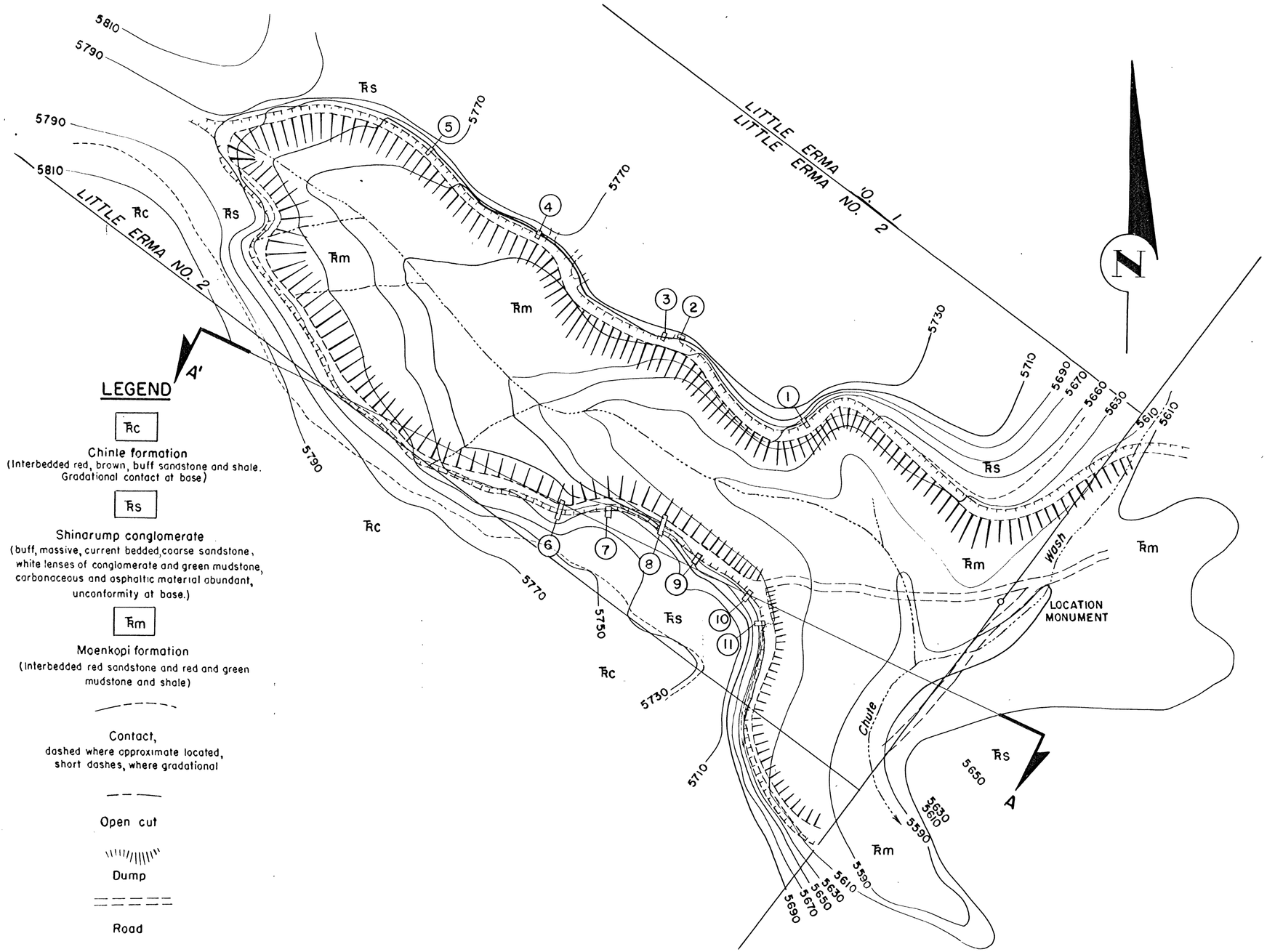
ESTIMATED COST OF PROPOSED WORK

15 days of RD-8 bulldozer work at $14.85 per hour, or $118.80 per day. (This is the standard figure in this area for an RD-8 bulldozer, and includes all drayage charges)	$1,782
Supervision for 15 days at $20 per day	300
1 laborer for 15 days at $13.33 per day	200
Powder, caps and fuse	60
Total	$2,342

Because of the short duration of the project, transportation of supplies, charge for miscellaneous tools, etc., are not included in the estimation of costs. The applicant (supervisor) will provide these items at his own expense.

RECOMMENDATIONS

The fact that promising exposures of uranium ore have been encountered in the small amount of exploratory work done to date, and the probability of finding a commercial deposit or deposits in stripping an additional 3,200 feet in the same horizon, indicate that the project is justified. It is, therefore, recommended that the Defense Minerals Exploration Administration enter into a contract with the applicant to do the proposed work at a total cost of $2,342.



LEGEND

Ꞧc — Chinle formation
(Interbedded red, brown, buff sandstone and shale. Gradational contact at base)

Ꞧs — Shinarump conglomerate
(buff, massive, current bedded, coarse sandstone, white lenses of conglomerate and green mudstone, carbonaceous and asphaltic material abundant, unconformity at base.)

Ꞧm — Moenkopi formation
(Interbedded red sandstone and red and green mudstone and shale)

Contact,
dashed where approximate located, short dashes, where gradational

Open cut

Dump

Road

Underground workings

SAMPLE LIST

SAMPLE NO.	CUT	U_3O_8 %
1	2-0'	0.005
2	2-2'	0.056
3	3-0'	0.007
4	2-0'	0.101
5	2-0'	0.017
6	1-5'	0.003
7	0-9'	0.004
8	1-9'	0.003
9	1-2'	0.005
10	2-0'	0.003
11	1-7'	0.005

NOTES

1) DATA TRACED FROM USGS DMEA DRAWING.
2) CONTOUR INTERVAL 20 FT., DATUM ASSUMED.

0 100 200 300
SCALE OF FEET

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

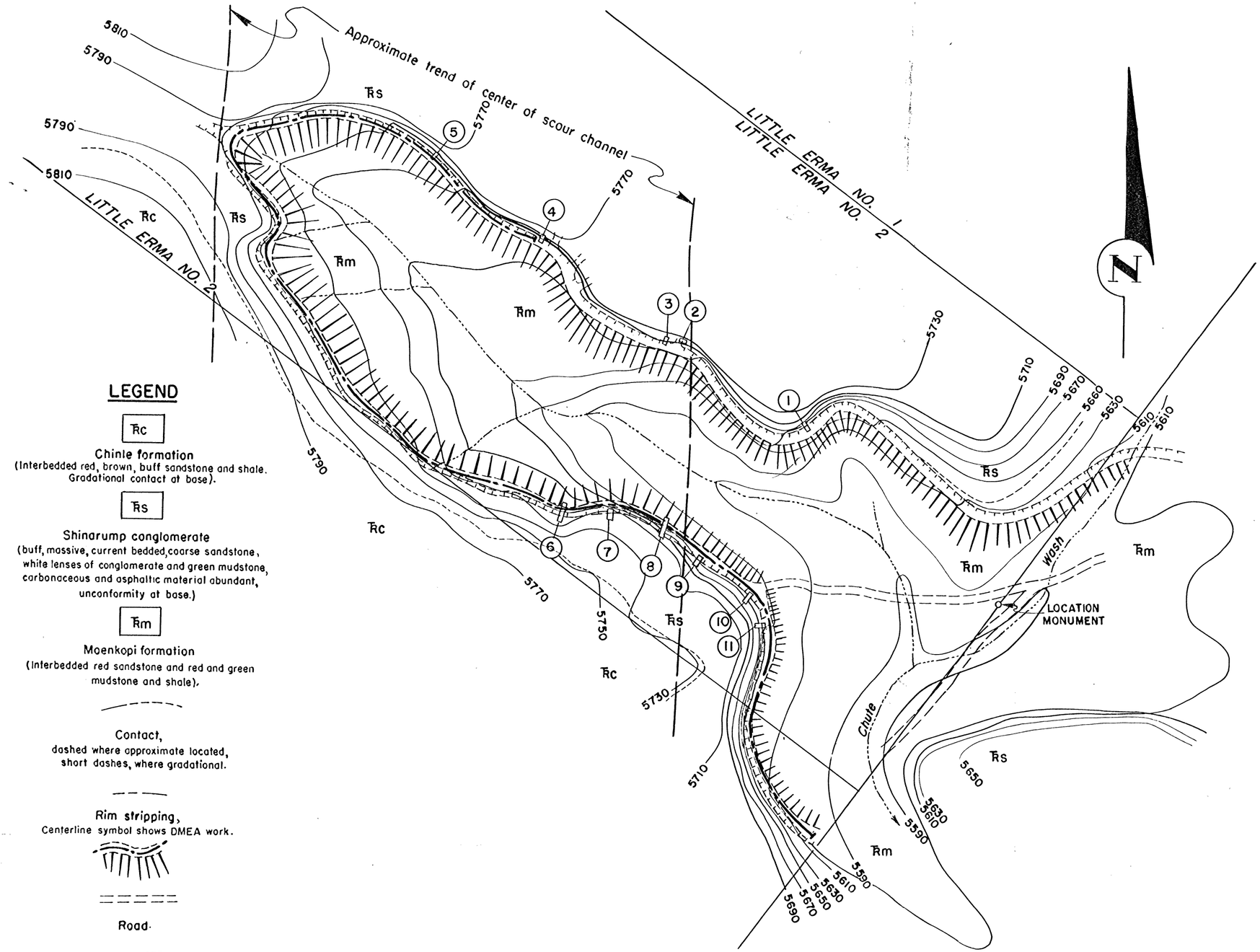
Fig. DMEA Docket No. 2689

Geologic Plan and Sample Map

LITTLE ERMA MINE NO. 2

CHUTE CANYON, EMERY COUNTY, UTAH

ENGINEER: *H. K. Thurber*	JUNE 1 1953
TRACED: JUNE, 1953; BY: A. P. T. S.	1900-217-D
CHECKED:	



LEGEND

Rc

Chinle formation
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Rs

Shinarump conglomerate
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Rm

Moenkopi formation
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Contact,
dashed where approximate located, short dashes, where gradational.

Rim stripping,
Centerline symbol shows DMEA work.

Road.

Underground workings.

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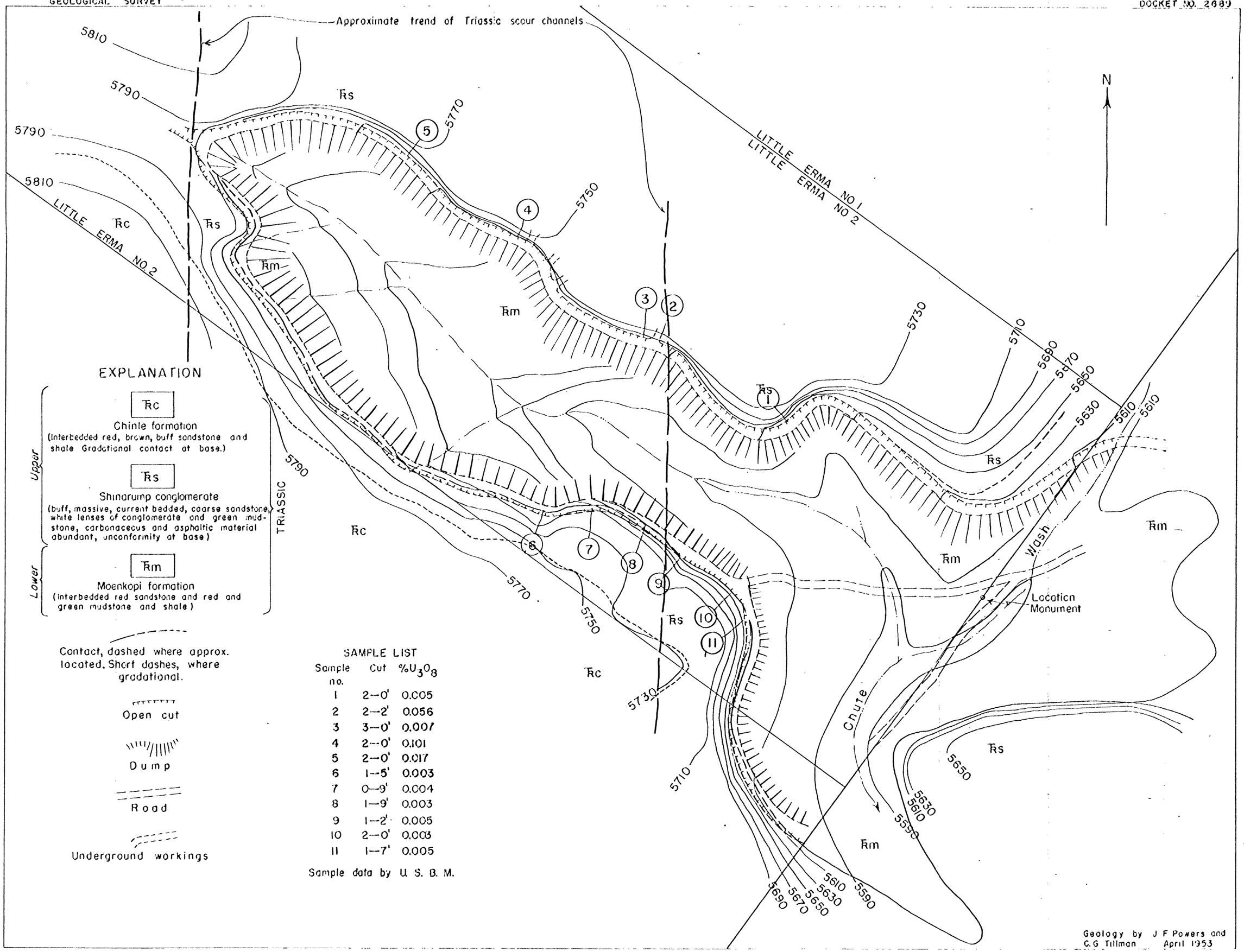

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GEOLOGIC MAP OF THE LITTLE ERMA NO. 2

CHUTE CANYON, EMERY COUNTY, UTAH

Contour Interval 20 ft, Datum assumed

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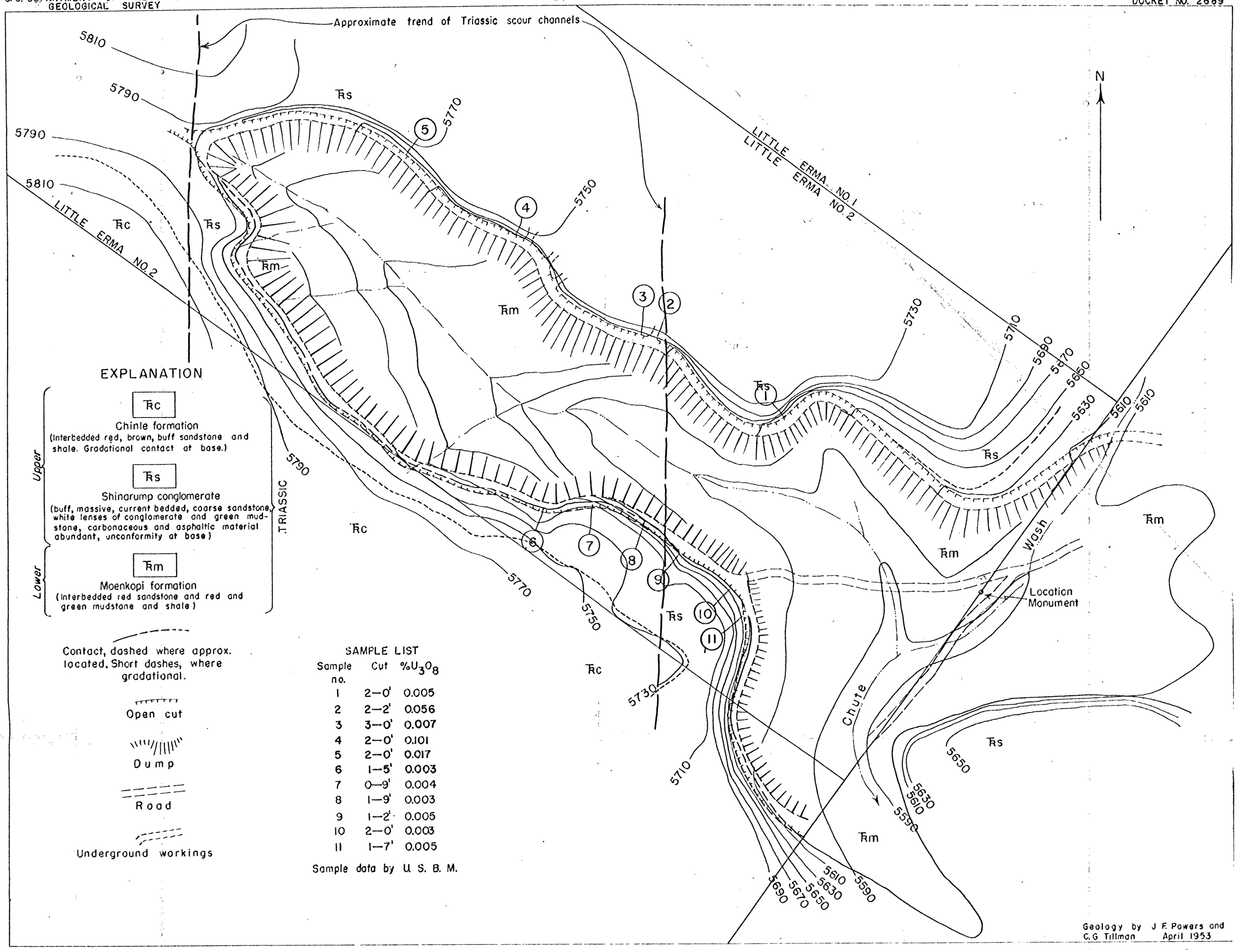
Scale



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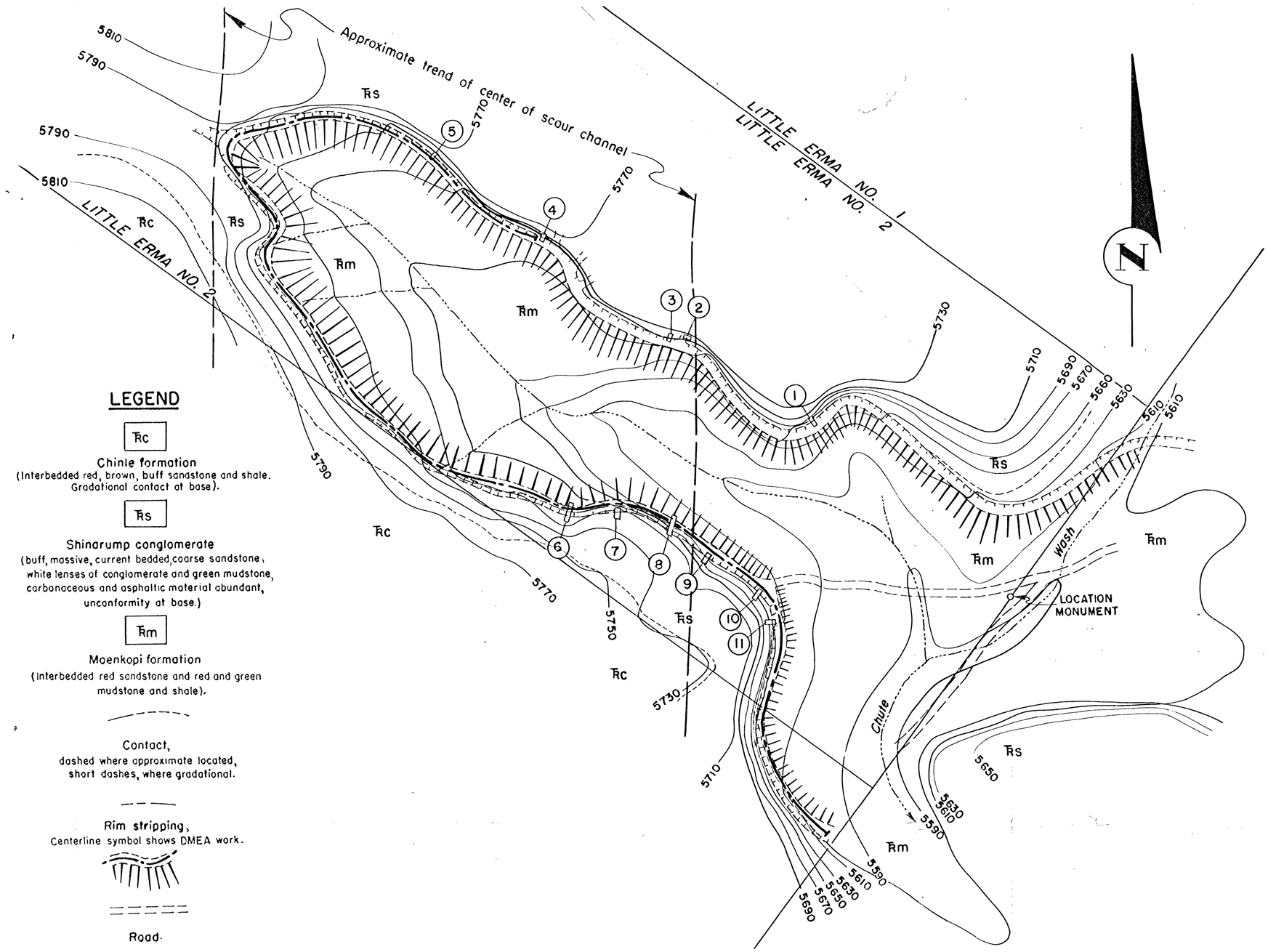
Scale



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