DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of

Mineral Uranium Corporation
404 Boston Building
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-E5880, Docket No. DMEA 2970, including Amendment No. 1 and Operator's Waiver of costs applicable to Stage III of work, dated June 17, 1954, for the month of November 1953, covering a project for the exploration of Uranium on property known as Horsethief Claims, located in Grant County, Utah, in Green River District.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, conference with the 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:		$1137.50
Exceptions:		
By DMEA Finance Officer	None	
Herewith	None	None
Total Accepted Cost		$1137.50

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 One Thousand Twenty-three and 75/100ths Dollars

- $1023.75 -

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

Date: June 28, 1954

Donald T. Finch

Donald T. Finch, Auditor

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

JAN 11 1954

Month of November, 1953 Docket No. DMEA 2070 Contract No. 30-2000
Operator's Name Monsel Uranium Corporation Minerals [illegible]
Address 600 Boston Blgs., Salt Lake City, Utah
Contract Amount, $ Government Participation: % Amount, $

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 Contracts: Short Form						
Drilling	637.50		637.50			
Bulldozing	600.00		600.00			
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):						
TOTALS	1137.50		1,237.50	1137.50		1137.50

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

Date 12-15-53 *Payee Monsel Uranium Corporation

Per L. Vernon Langston Title President

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

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

(Instructions on reverse)

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

$1023.75

Signature [illegible]
(Authorized Certifying Officer)

Date 7/15/54 Voucher No. 55-5

(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. Edm-E590 in accordance with the terms of the contract.

Signature R. K. Thurber, Jr. Title Mining Eng. Date Jan 23, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date JUL 13 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-594A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 1953 Docket No. DMEA [illegible]70 Contract No. [illegible]

Operator's Name [illegible] Minerals [illegible]

Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: [illegible]		[illegible]7.50	[illegible]	[illegible]7.50				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		[illegible].00	[illegible]	[illegible].00				
TOTAL DISTRIBUTED COSTS		1,[illegible]7.50		1,[illegible]7.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,[illegible]7.50		1,[illegible]7.50				1,[illegible].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.

REMARKS: [illegible] unit construction due [illegible] of [illegible].

Date 10-20-[illegible] Operator [illegible]

Per [illegible] Title [illegible]

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

July 22, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-2970 (Uranium), Contract Idm-E590, Mineral Uranium Corporation, Grand 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 November 1953.

Also enclosed are two copies of a memorandum to Mr. T. A. Christensen, dated July 13, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $1,023.75 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division dated June 28, 1954.

W H King
W. H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

July 13, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2970 (Uranium), Contract Dma-2550, Mineral Uranium Corporation, Grand County, Utah, Form MF-104, Operator's Monthly Progress Report and Voucher for the Month of November 1953 - FINAL PAYMENT

Enclosed are the original and four copies of Forms MF-104 and 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 the monthly period. Also attached to each set of MF-104 is a statement from the operator's attorney to the effect that they waive and disclaim any claim pertaining to work performed under the third phase of the contract.

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 June 28, 1954. Final payment to the operator has been deferred pending receipt of his final engineering and geologic report.

Basis for final payment:

Total accepted cost as billed by the operator	$1,137.50
Government participation at 90 percent.....	$1,023.75
Total prior payments.....	None
Balance due the operator.....	$1,023.75

JWTi.jp

W. H. KING

W. H. King

Encls.
cc Contract
Chron
Sec. to Oper. Comm. (2)
RWWilson
JWTownsend

June 17th, 1954

N. L. KING
Executive Officer
DMEA Field Team, RegionIV
224 New Customhouse
Denver 2, Colorado.

Re: Docket No. DMEA-2970 (Uranium)
Contract No. Idm-2590

Dear Mr. King:

The undersigned is attorney for Mineral Uranium Corporation. It is our desire to waive our claim for compensation covering the third phase of the above contract. There seems to be some question both as to whether the third phase was completed within the allotted time and also whether the work was done in the manner outlined. In order therefore to facilitate the closing of this matter we hereby waive and disclaim any claim pertaining to the third phase of the contract and request that payment be made on the first two phases.

I assume that the final report already submitted heretofore will serve as a final report in connection with this letter.

If there is anything further required I would appreciate hearing from you.

Thanking you in advance for your kind consideration and cooperation and help in this matter, I am

Very truly yours

C. VERNON LANGLOIS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

January 22, 1954

Memorandum

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

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

Subject: Docket No. DMEA-2970 (Uranium), Contract Ida-8590, Mineral Uranium Corp., San Juan County, Utah. MF-104 forms for November 1953.

Attached are the required copies of the subject operator's monthly report of progress for November 1953. The property was inspected by H. K. Thurber January 12, 1954, at which time Stages I and II under the contract had been completed.

The contract allows an amount of $500 for a bulldozer to construct a road and prepare drill sites, and, under Stages I and II, 15 wagon drill holes. Stage III permits drilling 5 additional holes upon the satisfactory completion of Stages I and II and approval by DMEA. The first two stages have been completed, and the operator requests reimbursement for this work, in the present MF-104 forms. The work is in conformance with the contract and amendment thereto, and recommendation is made that the operator be reimbursed in the manner shown in the inspecting engineer's report.

The MF-104 forms were received from the operator January 11, 1954. Delay in transmitting the forms to Denver resulted from absence of the inspecting engineer from the Salt Lake Office.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson

January 20, 1954

H. K. Thurber, Jr.

Docket No. DMEA 2970 (Uranium), Contract Ydm-8590, Mineral Uranium Corp., San Juan County, Utah. Monthly progress report and MF-104 forms for November 1953

The subject property was inspected January 12, 1954, and the locations of the wagon drill holes completed under Stages 1 and 2 were noted. No equipment was available for probing the holes, but the operator's probing indicates some low-grade uranium mineralization in five of the holes drilled. The list attached to the MF-104 forms lists the holes with depth and mineralization, and the map attached indicates where the holes were drilled. The map is annotated to differentiate between holes drilled under DMEA contract and those drilled under company account.

The mineralization shown by the operator's probing varies from 0.5 feet to 8.0 feet in thickness and from 0.02 percent U_3O_8 to 0.06 percent U_3O_8. The operators are believed to have used the Geiger counter intelligently; thus the estimate of grade is thought to be reasonably accurate, but observation of the exposures of the Shinarump formation on the outcrop indicate that the thickness estimates may be overoptimistic.

The work on Stage 1 and Stage 2 on the subject property has been completed in compliance with the contract, and the MF-104 forms correctly reflect the allowable expenditures under the contract. The narrative report and the list of holes are somewhat deficient in detail, but it is recommended that they be accepted. It is recommended that the operator be reimbursed in the amount of $1,023.75, which is 90 percent of $1,137.50, the allowable expenditures under the contract for the reporting period.

H. K. Thurber, Jr.

H. K. Thurber, Jr.

NARRATIVE

It was necessary for us to do some bulldozing to construct a road in order to get our equipment into the location where we proposed doing our drilling, which bulldozing has been completed.

You will note from the maps enclosed that we drilled the first 15 holes from A to O inclusive and, not finding too rich a showing in these holes, we drilled 5 additional holes, P to T inclusive, in a northernly direction from the other holes hoping to discover richer showings in that area. These additional 5 holes were at the company's expense.

We are not discouraged and anticipate drilling additional holes in an easternly direction from the large consentration of holes as shown on the map, and we anticipate a considerable better showing in that area than we have had thus far.

C. Vernon Langlois
Secretary

HOLE #	DEPTH OF HOLE	DEPTH TO 1ST MINERALIZATION	DEPTH TO 2nd MINERALIZATION
L	44'	10' 6" ea. .02%	28' 24" ea. .025%
K	16'	8' 6"-56" ea. .02-.06%	
J	16'	None	
I	16'	None	
B	31'	None	
C	26'	None	
A	32'	None	
D	23'	None	
M	33'	None	
N	32'6"	None	
O	35'	None	
F	32'	None	
E	32'	28'-6" ea. .04%	
G	32'	24'-6" ea. .04 to .08%	
H	36'	21'-6"-96" ea. .03 to .05%	

The following group of holes have also been drilled but at Company Expense without request for compensation from the Government.

P	36'	None	
Q	30'	None	
R	36'	18'-36" ea. .04%	
S	39'	18'-19" ea. .04%	
T	36'	None	

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

JAN 12 1955

Mr. John L. Stilson, President
Mineral Uranium Corporation
404 Boston Building
Salt Lake City, Utah

Re: Docket No. DMEA-2970 (Uranium)
Contract No. Ida-8590
Horsethief Nos. 3 and 4 claims
Grand County, Utah

Dear Mr. Stilson:

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

The Final Report of Review of the contract expenditures and the final reports of the Operator and of the Field Team have been received and accepted by this Administration. Of the total amount of $1,350.00 approved under the contract, the sum of $1,137.50 was expended, 90 percent of which, or $1,023.75, 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 exploration 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 (d) 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

MChing/gla
1-4-55

cc to: Admr.'s Reading File
Operating Committee
Docket
Contract Adm. & Audit Division
Messrs. J. L. Crawford, Rm. 3611
T. H. Killingsord, Rm. 5224
J. O. Hosted, Rm. 3210, OSA
Code 700 contract file
DMEA Field Team, Region IV (2)

224 New Customhouse
Denver 2, Colorado

March 3, 1954

Mineral Uranium Corporation
404 Boston Building
Salt Lake City, Utah

Re: Docket DMEA 2970 (Uranium)
Contract Em-2990

Gentlemen:

Consistent with the stipulations contained in Amendment No. 1 relative to wagon drilling under Stage III of the contract, you are hereby authorized to perform such drilling at the locations shown on the attached map entitled "Fig. 1, DMEA Docket No. 2970, Sketch Map showing Proposed Drill Hole Locations, Horsethief Claims Nos. 1 - 4", as symbolized for Stage III drilling.

Inasmuch as the project work could not be completed within the stipulated period of 90 days from the date of the contract, or by November 25, 1953, because of the delay necessary to resolve matters relative to authorizing work under Stage III, we will extend the completion date for the time necessary to enable you to complete the work. Therefore, please advise this office the date on or before which you contemplate the work will be completed. Please furnish this office with the original and five copies of such advice.

Very truly yours,

W H King
W. H. King

A H Koschmann
A. H. Koschmann

DMEA Field Team, Region IV

JWT:jp
cc Contract
Amdt. File
Chron
SRWilson w/copy of map
AHKoschmann w/copy of map
JWTownsend
Chairman, Oper. Comm. (3)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1953

No. 1

AMENDMENT OF CONTRACT: No. Idm-E590

Contract Docket No. DMEA-2970, dated August 25, 1953, between the United States of America and Mineral Uranium Corporation is hereby amended as follows, effective as of the date of said contract:

Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A), caption "Estimated Costs of the Project", delete the caption and all matter following thereafter, and in lieu thereof substitute the following:

Estimated Costs of the Project

1/ Bulldozer rental, complete with operator, and including all other expenses incurred in the construction of approximately ½ mile of road and repair drill sites.....	$500.00	
Government participation at 90%.....		$450.00
Stage I		
1/ Wagon drill eight drill holes as described in EXHIBIT "A", caption "Description of the Work"	2/ 340.00	
Government participation at 90%.....		306.00
Stage II		
1/ Wagon drill seven drill holes as described in EXHIBIT "A", caption "Description of the Work"	2/ 297.50	
Government participation at 90%.....		267.75
Stage III		
1/ Wagon drill five drill holes as described in and under conditions stipulated in EXHIBIT "A", caption "Description of the Work".....	2/ 212.50	
Government participation at 90%.....		191.25
Total Cost of Project.....	$1350.00	
Total Government participation at 90%		$1215.00

1/ The entire work in each case constitutes the unit of work.

2/ The agreed unit costs are the total allowable costs of performing the work.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated OCT 26 1953

MINERAL URANIUM CORPORATION

By John L. Stilson
John L. Stilson, President

Attest C. Vernon Langlois Sec
(Seal)

UNITED STATES OF AMERICA

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

Defense Minerals Administration
RECEIVED
OCT 28 1953

224 New Customhouse
Denver 2, Colorado

September 14, 1953

Mr. Jay L. Chambers, Chief
Contract Administration & Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D.C.

Re: Mineral Uranium Corporation
Contract Idm-E590
Docket No. DMEA 2970

Dear Mr. Chambers:

The subject contract was reviewed with Mr. W. H. King, Executive Officer DMEA, Region IV.

He advises that the contract will be amended to pay for the work by stages, and wishes to thank you for calling attention to the matter.

Sincerely yours,

T. H. Brading
Auditor, Region IV

THB:es

cc: Chron.
Subject
Townsend

COPY

Sept. 9, 1953

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Dear Mr. Brading:

Please refer to Contract No. Idm-E590, Docket No. DMEA-2970, Mineral Uranium Corporation, 404 Boston Building, Salt Lake City, Utah, and talk over the following points with the Executive Officer of Region IV:

(1) If for some reason beyond the contractor's control the project cannot be finished, on what basis will the contractor be paid?

(2) If after Stage II is completed and the Field Team decides that it is not in the best interests of the Government to perform the work under Stage III, on what basis will the contractor be paid for work performed under Stages I and II?

After you have talked this problem over with the Field Team it may be that they would like to amend the contract to pay for the work either by stages or by smaller units.

Please let me know the conclusions reached in your conference with the Field Team on these points.

Sincerely yours,

J. L. Chambers, Chief
Contract Administration
and Audit Division

Docket No. DMEA - [illegible] 2970

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E [illegible]

Date of Contract ~~or Amendment~~ August 25, 1953

Name and Address of Operator:
Mineral Uranium Corp.
[illegible] Eastern Bldg.
Salt Lake City, Utah

Amount of Government participation ____ $1,215.00

Percent of Government participation 80 %

Region: IV State: Utah

Note: Please release $ 191.25, Advice Contract Administration and Audit Division

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

(Title)

Date Delivered to Bureau of Mines, Washington. 7/8/54

54458

Docket No. DMEA 2970

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 590

Date of Contract ~~or Amendment~~: August 25, 1953

Name and Address of Operator:
Mineral Uranium Corporation, Incorporated
404 Boston Building,
Salt Lake City, Utah

Amount of Government participation $ 1,215.00

Percent of Government participation 90 %

Region: IV State: Utah

(Name)

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

Date Delivered to Bureau of Mines, Washington, Aug. 25, 1953 13808

Noted JL

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

224 New Customhouse
Denver 2, Colorado

September 14, 1953

Mr. Jay L. Chambers, Chief
Contract Administration & Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Re: Mineral Uranium Corporation
Contract Idm-E590
Docket No. DMEA 2970

Dear Mr. Chambers:

The subject contract was reviewed with Mr. W. H. King, Executive Officer DMEA, Region IV.

He advises that the contract will be amended to pay for the work by stages, and wishes to thank you for calling attention to the matter.

Sincerely yours,

T. H. Brading

T. H. Brading
Auditor, Region IV

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

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T H Brading

T. H. Brading
Auditor, Region IV

SEP 9 - 1953

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Dear Mr. Brading:

Please refer to Contract No. Idm-8590, Docket No. DMEA-2970, Mineral Uranium Corporation, 401 Boston Building, Salt Lake City, Utah, and talk over the following points with the Executive Officer of Region IV:

(1) If for some reason beyond the contractor's control the project cannot be finished, on what basis will the contractor be paid?

(2) If after Stage II is completed and the Field Team decides that it is not in the best interests of the Government to perform the work under Stage III, on what basis will the contractor be paid for work performed under Stages I and II?

After you have talked this problem over with the Field Team it may be that they would like to amend the contract to pay for the work either by stages or by smaller units.

Please let me know the conclusions reached in your conference with the Field Team on these points.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/ama
September 8, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2970

COMMODITY Uranium

Idm-E590

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 25th day of August, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Mineral Uranium Corporation - Incorporated in Utah
404 Boston Building
Salt Lake City, 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 Grand, described as follows:[3] Two unpatented lode mining claims recorded in the County Recorder's office of Grand County as follows: Horsethief No. 3, Book 9N, Page 418; Horsethief No. 4, Book 9N, Page 419.

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 to Lien is attached.~~

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

ARTICLE 3. *Exploration project.*—The Operator, within 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 Ninety days (90) 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 $1,215.00, which is Ninety (90) percent of $1,350.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, ~~and a final settlement of the~~ contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Mineral Uranium Corporation
(Operator)

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

By John L. Stilson

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

C. Vernon Langlois [CORPORATE SEAL]

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

DMEA 2970

EXHIBIT A

Description of the Work

The work consists of bulldozing a road approximately one-half mile from the highway to the drilling sites on the rim and the preparation of the drill sites. The wagon drilling will be divided into three stages as follows:

STAGE I

Drill eight wagon drill holes on the Horsethief No. 4 claim on 25 foot centers in two lines spaced 25 feet apart as shown on the attached sketch map which is made a part of Exhibit A. These eight holes are located on the slope east of the weakly-mineralized showing in the Shinarump Cliff.

STAGE II

Drill seven wagon drill holes on the Horsethief No. 4 and Horsethief No. 3 claims in a single line spaced 75 feet apart as shown in the attached sketch map.

STAGE III

After completion of the drilling under Stages I and II, and contingent upon the results obtained therefrom, five additional holes may be drilled at locations approved in writing by the DMEA representative, prior to the start of drilling under this stage.

The depths of the 20 holes drilled in Stages I, II, and III will range from 10 to 50 feet and will average 30 feet deep. All holes to be bottomed in the green-gray, sandy mudstone beneath the upper conglomerate unit of the Shinarump conglomerate, or if the green-gray mudstone is absent, the holes should be bottomed in the purple mudstone.

Cuttings shall be collected from each one-foot interval of hole drilled from the top of the upper conglomerate unit of the Shinarump conglomerate to the bottom of the hole (approximately 5 feet of each drill hole). The cuttings shall be split and sacked and one-half retained for the use of the Government.

DMEA 2970

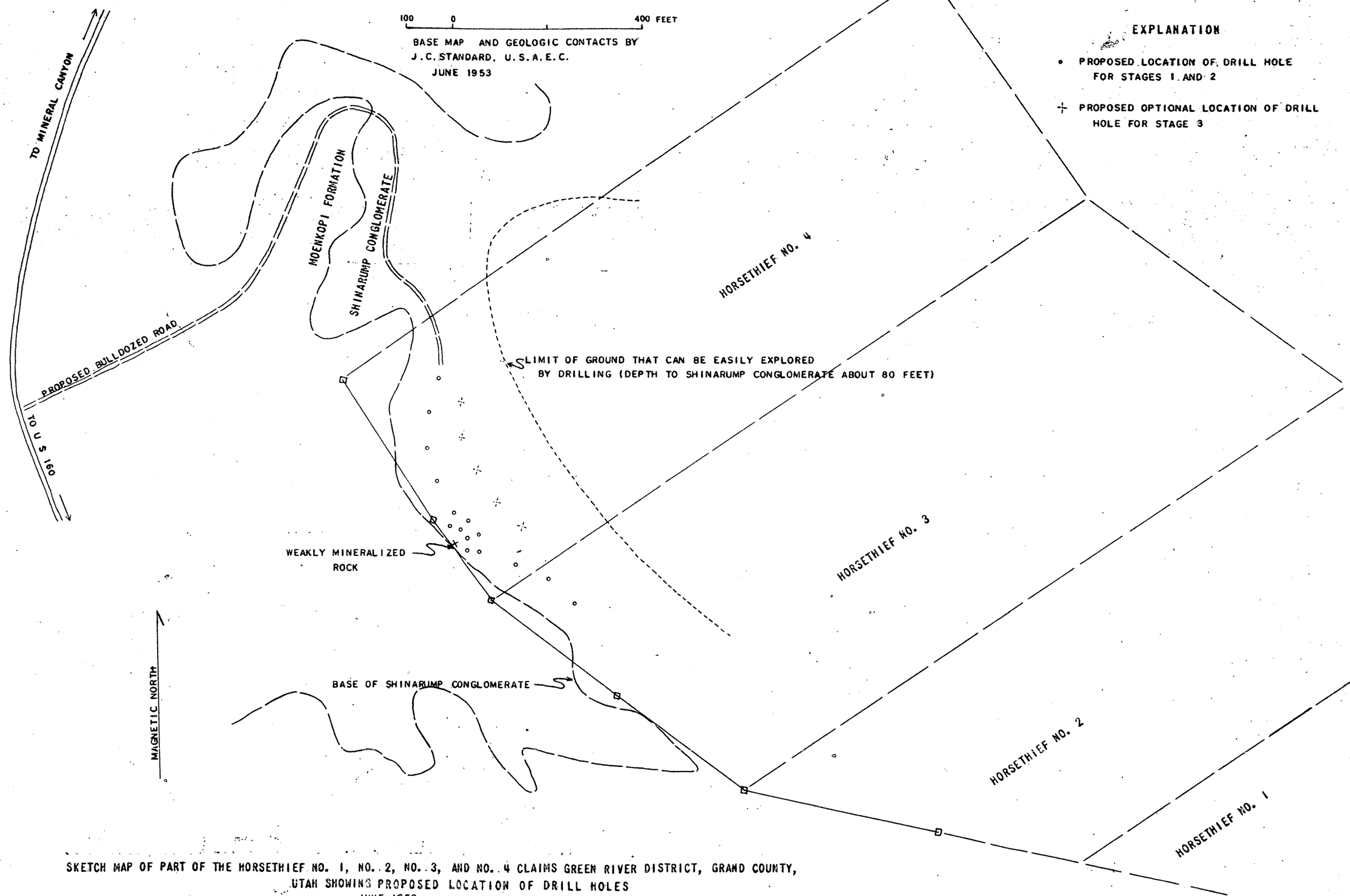
Estimated Costs of the Project

1/	Bulldozer rental complete with operator, supplies, repairs, drayage to construct 1/2 mile of road and repair drill sites -	$ 500.00
1/	Wagon-drilling 20 holes averaging 30 feet in depth including supervision, sampling, assaying and any and all other expense incurred -	850.00
	Total Cost of Project	$1,350.00
	Government Participation at 90%	$1,215.00

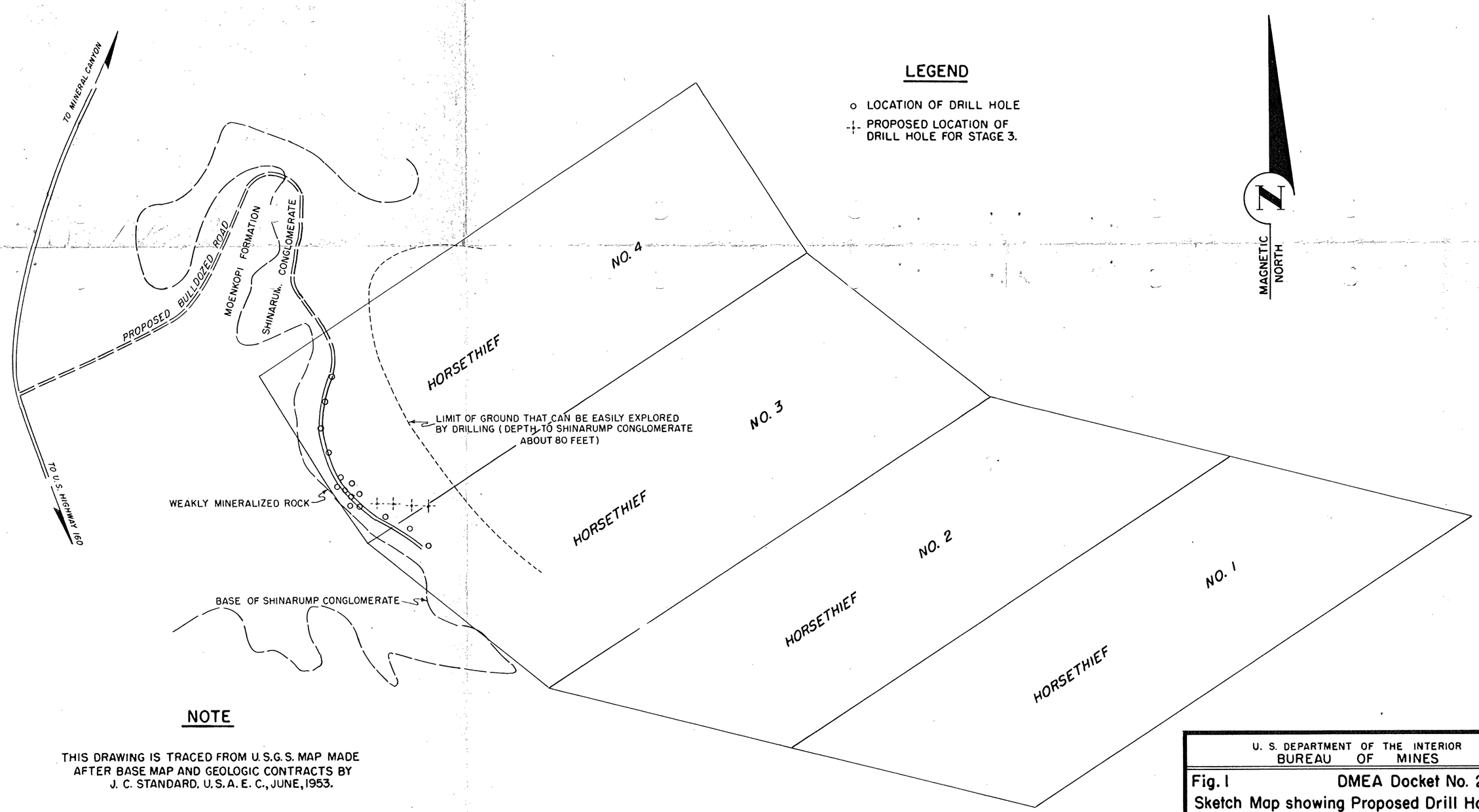
1/ The entire work constitutes the unit of work.

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 2970



SKETCH MAP OF PART OF THE HORSETHIEF NO. 1, NO. 2, NO. 3, AND NO. 4 CLAIMS GREEN RIVER DISTRICT, GRAND COUNTY, UTAH SHOWING PROPOSED LOCATION OF DRILL HOLES
JUNE 1953



NOTE

THIS DRAWING IS TRACED FROM U.S.G.S. MAP MADE AFTER BASE MAP AND GEOLOGIC CONTRACTS BY J. C. STANDARD, U.S.A.E.C., JUNE, 1953.

0 200 400 600
SCALE OF FEET

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 1 DMEA Docket No. 2970

Sketch Map showing Proposed Drill Hole Locations

HORSETHIEF CLAIMS NOS. 1-4

GREEN RIVER DISTRICT, GRAND COUNTY, UTAH

ENGINEER: *W. E. Young*	DATE: DEC. 11, 1953
TRACED: DEC., 1953; BY: A.P.T.S.	1900 - 259 - C
CHECKED:	

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colo.

February 26, 1954

Memorandum

To: A. H. Koschmann, Field Team, Region IV AHK

From: W. I. Finch, Colorado Plateau District Office

Subject: Recommendation of Stage III drilling on DMEA Docket 2970, Horsethief Nos. 1-4 claims, Mineral Uranium Corporation, Grand County, Utah

Although in my opinion the area of the Horsethief claims does not look good, and I probably would have recommended denial originally of stage 3 holes, I feel that there was just as good chance of hitting an ore body in stage 3 as in stages 1 and 2. On this basis, and on the slim chance that stage 3 holes might discover an ore deposit and thus possibly obtain some return to the Government, I believe it to the advantage of the Government and the operator to drill stage 3.

The location of stage 3 holes is in agreement with the report by Mr. Young of the U. S. Bureau of Mines.

/s/ W. I. Finch

W. I. Finch

WIF/mlr
cc: W. H. King
S. R. Wilson

COPY

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

December 11, 1953

Memorandum

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

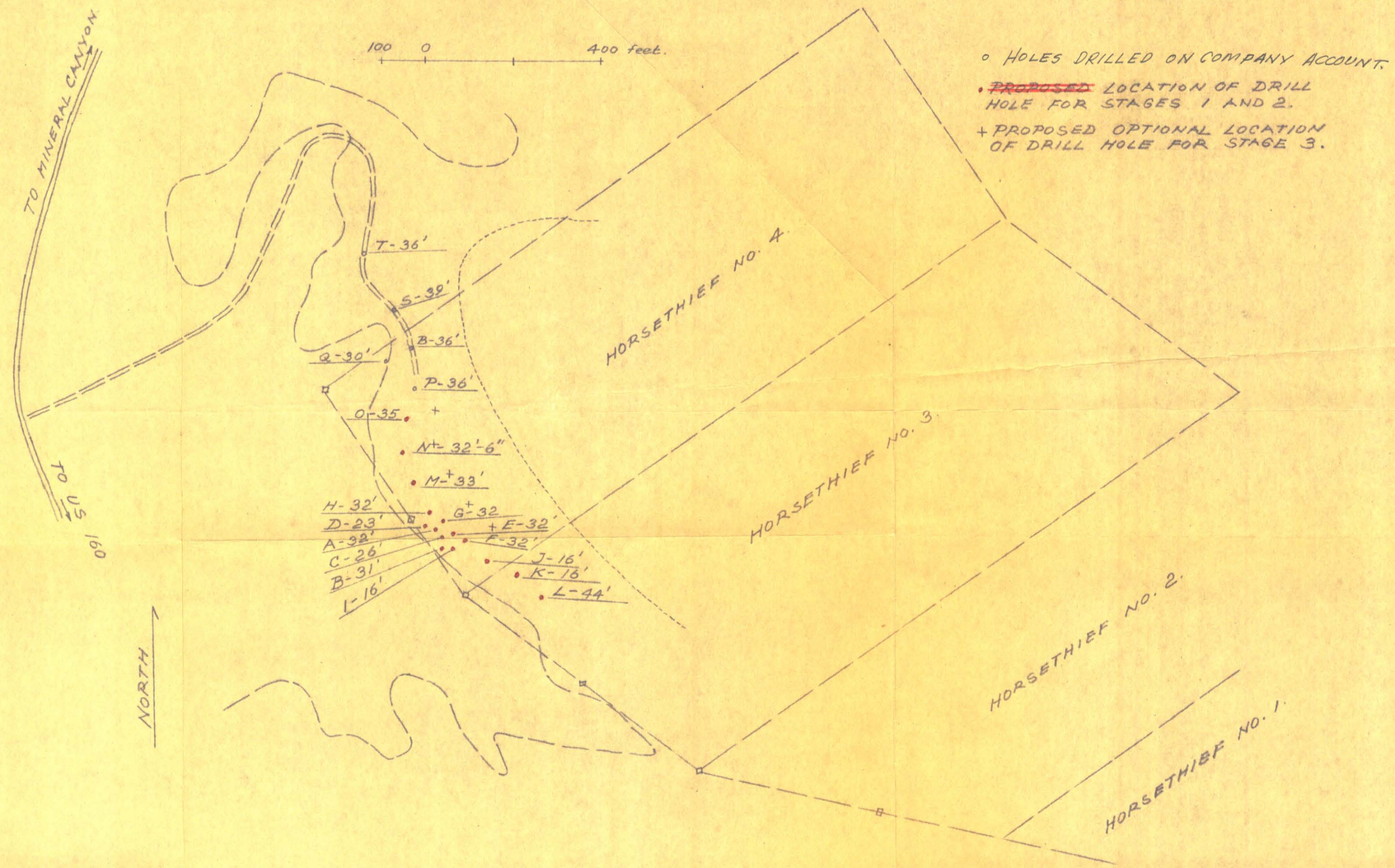
From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 2970, Mineral Uranium Corp., Grand County, Utah

Reference is made to a memorandum dated November 19, 1953, from W. E. Young to S. R. Wilson. This memorandum recommended that the subject operator be permitted to drill holes under Stage 3 of the contract. To permit examination and appraisal by the Geological Survey, we have prepared a plan map showing the locations of holes we believe should be drilled under Stage 3. Please process the request and notify us of your approval of work under Stage 3.

/s/ Stephen R. Wilson
Stephen R. Wilson

Enclosure



o HOLES DRILLED ON COMPANY ACCOUNT.

• ~~PROPOSED~~ LOCATION OF DRILL HOLE FOR STAGES 1 AND 2.

+ PROPOSED OPTIONAL LOCATION OF DRILL HOLE FOR STAGE 3.

DMEA 2970.

SCALE:	APPROVED BY:	DRAWN BY
DATE:		REVISED

INTERMONTAINS MINING COMPANY

DRAWING NUMBER

18X24 PRINTED ON NO. 1000H CLEARPRINT