MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3405

COMMODITY Uranium

Idm-E717

Defense Minerals Administration
RECEIVED
OCT 11 1954

Rubin (with [illegible])
10/21/54
Approved 10/22/54

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 4th day of October, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] United States Uranium Company - A Nevada Corporation, 711 Seventeenth Street, Denver 2, Colorado,

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 San Juan, described as follows:[3] Lode Mining Claims recorded in the County Clerk and Recorder's Office at Monticello, Utah:

Claim:	Frying Pan No. 1	Book:	31	Page:	85
	Frying Pan No. 2		31		85
	Frying Pan No. 3		31		86

the Operator represents and undertakes:[4]

(*a*) [redacted]

an optionee

(*b*) That the Operator is [redacted] 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 60 (sixty) 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 six (6) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay seventy-five (75) 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 $13,180.50, which is 75 percent of $17,574.00, 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. **See Annex I substituted for Article 6 above.**

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* **That part of the second sentence of Article 7 beginning with the word "Provided" is deleted.**

Executed in sextuplicate the day and year first above written.

United States Uranium Company
(Operator)

By George C Vance
President

THE UNITED STATES OF AMERICA

By W H Kerr
Executive Officer
DMEA Field Team
Region IV

I, Anthony F Zarlengo, certify that I am the secretary of the corporation named as Operator herein; that George C Vance President, 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.

Anthony F Zarlengo [CORPORATE SEAL]

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT 11 1954

ANNEX I

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

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Defense Minerals Administration
RECEIVED
OCT 11 1954

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described as follows: 1/ Three lode mining claims recorded in the County Clerk and Recorder's office at Monticello, Utah.

Claim	Book	Page
Frying Pan No. 1	31	85
Frying Pan No. 2	31	85
Frying Pan No. 3	31	86

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

2/ United States Uranium Company (a Nevada corporation)
711 - 17th Street
Denver 2, Colorado

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions The option for purchase of mining claims dated May 27, 1954, granted to George C. Vance will not be terminated for any reason during the time that said exploration contract or any extension or amendment thereof is in force and effect.

Dated this 17 day of September, 1954.

Roy S. Maris [Seal]

William G Hall [Seal]

[Seal]

EXHIBIT "A"

Description of the Work

The work will be divided into three stages as follows:

Stage I will consist of drilling six holes on a minimum of 600-foot centers at locations shown on Figure 2 which is attached and made a part of Exhibit "A". The objective of this work is the exploration of the two upper ore horizons in the Salt Wash member of the Morrison formation. Both core drilling and non-core drilling will be used in accordance with the following table of estimated drill footages:

Hole No.	Estimated Depth Non-Core Drilling in Feet	Estimated Depth Core Drilling in Feet	Total Depth of Hole in Feet
1		350	350
2		250	250
3	175	100	275
4	200	100	300
5	250	100	350
6	175	100	275
Total	800	1000	1800

Holes numbered 1 and 2 shown in Figure 2 will be the first two holes drilled and will be completely core drilled from the top to the bottom of the holes. The remaining holes will be core drilled from a point 10 feet above the upper potential ore-bearing sand to the bottom of the hole, a distance of approximately 100 feet.

The depth of the ore horizon is only an estimate and it is possible that the 1800 feet of drilling allowed in Stage I might not be sufficient to complete all six holes to the desired depth. Because it is advisable to complete all Stage I holes to the bottom of the two upper ore horizons in the Salt Wash, provision is hereby made to transfer the necessary additional footage and funds involved from either Stage II or Stage III drilling, contingent on prior written approval from the DMEA Field Team, Region IV, on request from the operator.

Stage II is dependent on the results obtained in Stage I and may be started only with the prior written approval of the DMEA Field Team, Region IV. The work under this stage will consist of drilling a maximum of 8 holes or an estimated 2400 feet of drilling at locations approved by the DMEA Field Team, Region IV.

Stage III is dependent on the results obtained in previous stages and may be started only with the prior written approval of the DMEA Field Team, Region IV. The work under this stage will consist of drilling

a maximum of 6 holes or an estimated 1800 feet of drilling at locations approved by the Region IV DMEA Field Team to further explore any significant mineralization encountered in drilling under Stage I or Stage II.

The drilling and sampling specifications for all stages are as follows:

1. Holes are to be cored a minimum of AX size through the two upper ore horizons in the Salt Wash member of the Morrison formation.

2. The drilling and the obtaining and storage of core and sludge samples shall be performed in accordance with acceptable practices pertaining thereto which are subject to approval of the Defense Minerals Exploration Administration.

3. Core barrel equipment and drilling practices shall be such as to enable a maximum of core recovery.

4. All core shall be split and one-half retained and properly stored for later use by the Government.

5. Separate sludge samples shall be obtained to correspond to each coring interval.

6. All drill core and sludge will be checked for the presence of uranium by radiometric instrument. Each section showing significant mineralization will be chemically analyzed for U_3O_8, V_2O_5, and $CaCO_3$, using the operator's one-half of the sludge or core for the sample.

7. A copy of all assay results and drill logs will accompany the final engineering report.

8. In Stages II and III the last hole will not be drilled unless sufficient unexpended footage remains to assure completion of the hole to its objective within the total allowable footage.

Estimated Costs of the Work

Stage I

1/	Drilling 6 holes, estimated 1800 feet at $3.35 per foot	$6,030.00
	Total Stage I	$6,030.00
	Government Participation, Stage I, at 75%	$4,522.50

Stage II

2/	Drilling a maximum of 8 holes, estimated 2400 feet at $2.77 per foot	$6,648.00
	Total Stage II	$6,648.00
	Government Participation, Stage II, at 75%	$4,986.00

Stage III

1/	Drilling a maximum of 6 holes, estimated 1800 feet at $2.72 per foot	$4,896.00
	Total Stage III	$4,896.00
	Government Participation, Stage III, at 75%	$3,672.00
	Total Stages I, II, and III -	$17,574.00
	Government Participation, Stages I, II, and III, at 75% -	$13,180.50

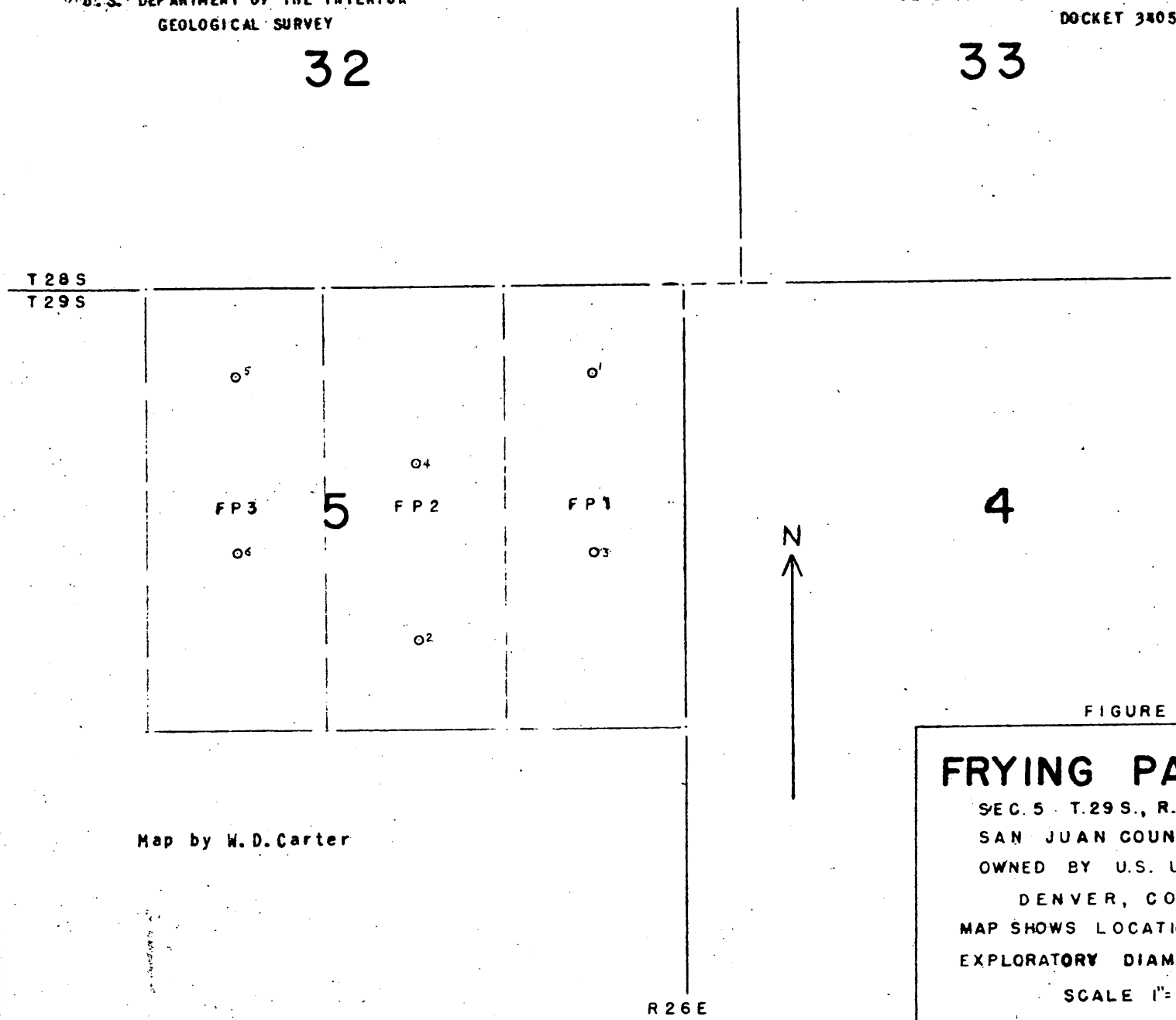
1/ Includes a minimum of 15 chemical analyses for U_3O_8, V_2O_5, and $CaCO_3$.

2/ Includes a minimum of 20 chemical analyses for U_3O_8, V_2O_5, and $CaCO_3$.

No reimbursement will be made on partially completed holes. Claim for reimbursement for completed holes must be supported by a certified drill log of the hole or holes involved.

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3405



Map by W. D. Carter

FIGURE 2

FRYING PAN CLAIMS

SEC. 5 T. 29 S., R. 26 E., S. L. M.
SAN JUAN COUNTY, UTAH
OWNED BY U.S. URANIUM CO.
DENVER, COLORADO
MAP SHOWS LOCATION OF SUGGESTED
EXPLORATORY DIAMOND-DRILL HOLES
SCALE 1" = 500'

3405

OFFICIAL FILE COPY DMEA RECEIVED AUG 28 1957		
DATE	INITIALS	CODE
8/28	C	220

224 New Customhouse
Denver 2, Colorado

August 26, 1957

Mr. Bell R. Hammond
U. S. Treasury Department
Internal Revenue Service
P. O. Box 466
Grand Junction, Colorado

Dear Mr. Hammond:

In reference to your letter of August 21, 1957, enclosed is information you requested pertaining to United States Uranium Company, Ray Ryan, and Ambex Mining Company, operators under Defense Minerals Exploration Administration contracts.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

Enclosure

JWT:pri

cc: Comm.Op.Comm.(4) - w/copies of incoming letter.
Harshman (4) - w/copies of supporting data.
Townsend (4)
Corres. file, R-717, K730, K722, K745 - w/copies of supporting data
Chron.

	Date of Contract	Total Cost of Work	Government Contribution	Amount of Repayment	Address Original Application	Names and Addresses of Corporate Officers
Docket No. DMEA 3405 Contract No. Idm-E717 United States Uranium Company	10/4/54	$ 6,631.09	$ 4,973.32	None	711-17th St. Denver 2, Colorado	Pres.-Geo. C. Vance P. O. Box 2410, Denver 2,Colo. Vice Pres.-Charles W.Hotchkiss 2 East 56th St. New York, N. Y. Sec.-Anthony F. Zarlengo 2612 Stewart St. Denver, Colorado
Docket No. DMEA 3449 Contract No. Idm-E745 United States Uranium Company	12/13/54	$11,750.80	$ 8,813.12	None	711-17th St. Denver 2, Colorado	Pres.-Geo. C. Vance P.O.Box 2410,Denver,2,Colo. Vice Pres.-Charles W.Hotchkiss 2 East 56th St. New York, N.Y. Sec.-Anthony F. Zarlengo 2612 Stewart St. Denver, Colorado
Docket No. DMEA 3397 Contract No. Idm-E722 Ray Ryan	10/7/54	$16,504.68	$12,378.50	None	210 Court Building, Evansville Indiana	
Docket No. DMEA 3293 Contract No. Idm-E720 Aztec Mining Company	10/6/54	Contract rescinded by Government agreement without performing any work.				

U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
[illegible]
Post Office Box 45
Grand Junction, Colorado

IN REPLY REFER TO

August 21, 1957

DMEA
DEPARTMENT OF THE INTERIOR
AUG 22 1957
REGION III
DENVER, COLORADO

Executive Officer
D.M.E.A. Field Team
224 New Custom House
Denver 2, Colorado

Dear Sir:

Information in this office indicates that the following received D.M.E.A. loans during 1954.

United States Uranium Company
Ray Ryan
Aztec Mining Company

It will be appreciated if you would supply this office with following information in regard to each of the above named.

1. The amount of the loan.

2. Date of the loan.

3. Amount and date of repayments, if any.

4. Present address and address on original loan application.

Also, please furnish the names and addresses of the corporate officers of the United States Uranium Company and of the Aztec Mining Company.

I was told to contact your office by the U.S.G.S. office located in Grand Junction.

Very truly yours,

Neil R. Hammond
Neil R. Hammond
Internal Revenue Agent

700

Surname copy

Ching
Ellis
Talbot
Yoder
Kilegaard
Selfridge

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

AUG 29 1955

Mr. George C. Vance, President
United States Uranium Company
711 Seventeenth Street
Denver 2, Colorado

Re: Docket No. DMEA-3405 (Uranium)
Contract No. Idm-5717
Frying Pan Claims
San Juan County, Utah

Dear Mr. Vance:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittonder (for)

Administrator

Copies: Ray V. Marie
William G. Hall

MChing/gla
8/24/55
cc to: Admr.'s Reading File
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Contract Adm. & Audit Division
Code 700
DMEA Field Team, Region III (2)
Mr. Johnson

R.C.S.

Surname copy

700

Ching
Ellis
Talbot
Selfridge

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

AUG 29 1955

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
22h New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3h05 (Uranium)
Contract No. Idm-E717
United States Uranium Company
Frying Pan Claims
San Juan County, Utah

Dear Mr. Traver:

Enclosed for your files are two copies of a letter to the Operator closing the subject contract.

Since complete addresses for the owners of the property who signed the Owner's Consent to Lien are not available in our docket, we are also enclosing two extra copies to be forwarded by your office to the proper addressees.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (DLB)

Enclosures

APPROVED:

P. F. Yopes (DLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (DLB)
Member, Geological Survey

MChing/gla
8-24-55

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Ching

P.C.S.

(Docket Copy)

Ching
Ellis

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

PROJECT SUMMARY REPORT

By: Michael Ching August 23, 1955

1. Docket No. DMEA-3405 (Uranium)
   Contract No. Idm-E717

   Operator - United States Uranium Company, a Nevada Corporation
   711 Seventeenth Street
   Denver 2, Colorado

   Property - Frying Pan Claims, consisting of three unpatented mining claims, the Frying Pan Nos. 1, 2, and 3, located in Sec. 5, T. 29S., R. 26E., S.L.M., San Juan County, Utah. Applicant has an option to purchase agreement with owners. Owner's Consent to Lien dated September 17, 1954, executed by Ray V. Maris and William G. Hall.

2. Contract dated October 4, 1954 (Short Form)

   Work Authorized:

   Explore the two upper ore horizons in the Salt Wash member of the Morrison formation by core and non-core drilling. The work shall be divided into 3 stages, with second and third stage work dependent upon the results of the work preceding each, and subject to the prior written approval of the Government. Estimated costs are as follows:

Stage I - 1,800 ft. (6 holes) core and non-core drilling @ $3.35/ft.	$6,030.00
Stage II- 2,400 ft. (8 holes) core and non-core drilling @ $2.77/ft.	6,648.00
Stage III-1,800 ft. (6 holes) core and non-core drilling @ $2.72/ft.	4,896.00
Estimated total cost of project	$17,574.00
Government participation @ 75 percent	$13,180.50

   Amendments - None.

   Work Completed -

   Work was confined to the first stage. Six holes, two on each claim, were drilled for a total footage of 2,017. 895 feet were plug drilled and 1,122 feet cored. Average core recovery was 86.9%. Project work was begun on October 17, 1954, and terminated on November 23, 1954. Costs were as follows:

1,800 ft. core and non-core drilling @ $3.35/ft.	$6,030.00
217 ft. core and non-core drilling @ $2.77/ft.	601.09
	$6,631.09

3. Auditor's Report of Review, dated January 24, 1955

Total cost as billed by contractor	$6,631.09
Exceptions	none
Total accepted cost	$6,631.09
Government participation @ 75 percent	$4,973.32

4. Certification of Discovery - None.

5. Comments -

The drilling was carried out efficiently, using one to three rigs. Technical supervision by the Operator was somewhat inadequate in connection with determination of collar elevations and the correct depth of coring. USGS personnel supplied much of the required technical direction.

Six widely spaced holes were drilled through the potential ore-bearing sandstone of the Salt Wash. None of the holes encountered mineralization in the Salt Wash although weak mineralization was encountered in the Brushy Basin member in three holes. None of the core was sufficiently radioactive to warrant chemical analyses.

The first two holes were cored throughout for geologic information. The remaining four holes were drilled with a plug bit to a point somewhat above the ore-bearing sandstone and cored the remaining distance. 217 feet were transferred from Stage II to Stage I to permit drilling to the desired horizon.

The project work has established the fact that a possible southwesterly ore trend from the productive Yellow Bird mine does not extend to the subject property. Because the work under Stage I failed to expose any significant mineralization or favorable ground, the second and third stages were not approved by the Government and the project was terminated.

Michael Ching

Michael Ching

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

RECEIVED
AUG 12 1955

224 New Customhouse
Denver, Colorado

August 8, 1955

Memorandum

To: Secretary of the Operating Committee, DMEA

From: Field Team, DMEA, Region III

Subject: Docket DMEA 3405 (Uranium), Contract Idm-E717, United States Uranium Co., Frying Pan Claims, San Juan County, Utah

Enclosed are the following final reports for work completed under Contract Idm-E717:

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

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

The Operator's final report is attached to and made part of the progress report for the period of October-November 1954. The requirement for an additional and separate report has been waived.

The contract stipulated a three-stage drilling program, authorizing an estimated 6,000 feet of plug-bit and diamond core drilling to be completed in a maximum of 20 holes. Only Stage I work was completed. Six holes were drilled for a total of 2,017 feet; 217 feet of this total approved for transfer from Stage II. Total accepted cost of the project was $6,631.09, as reported in the Report of Review by the Contract Administration and Audit Division, released to this office on January 24, 1955. Final payment to the operator was processed by this office on January 28, 1955.

Certification of discovery or development cannot be made.

Reviewed by
DMEA OPERATING COMMITTEE
8-19-55
(date)

W. M. Traver

E. N. Harshman

DMEA Field Team, Region III

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
AUG 4 1955
BUREAU OF MINES
Denver, Colorado

RECEIVED
AUG 12 1955

Building 20
Denver Federal Center
Denver 2, Colorado
August 4, 1955

Region III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw

Subject: Final Engineering Report, Contract No. Idm-E717, Docket No. DMEA 3405, United States Uranium Company, San Juan County, Utah

Enclosed are the original and ten copies of a Final Engineering report by M. H. Salsbury, Mining Engineer, covering the work performed under contract Idm-E717.

Contract No. Idm-E717 provided for a drilling - program in three stages. Total estimate cost of the project was $17,587.52. The amount of Government participation at 75 percent was $13,190.64.

The results of drilling under Stage I were negative and the operator requested termination of the contract. The DMEA representatives concurred and the contract was terminated by mutual agreement. No further exploration on this property is recommended and a Certificate of Discovery or Development is not warranted.

John F. Shaw
John F. Shaw
Supervising Mining Engineer

JFS:jw

cc: 10 w/orig.
ENHarshman
Idm-E717
Chron.

Reviewed by
DMEA OPERATING COMMITTEE
8-19-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

FINAL ENGINEERING REPORT

DMEA 3405, Exploration Project Contract Idm-E717
Frying Pan Nos. 1, 2 and 3
United States Uranium Company
San Juan County, Utah

Uranium

M. H. Salsbury, Mining Engineer

August 3, 1955

Reviewed by
DMEA OPERATING COMMITTEE
8-19-55
(date)

DMEA 3405

FRYING PAN NOS. 1, 2 and 3
UNITED STATES URANIUM COMPANY
SAN JUAN COUNTY, UTAH

CONTENTS

	Page
Joint engineering and geologic report	
Introduction and summary	1
Location, history, ownership, production	2
Description of the deposits	4
Work completed under contract	5
Expenditures	7
Efficiency of operations	8
Equipment	9
Conslucions	9

ILLUSTRATIONS

Figure	Follows page
1. Location Map, Frying Pan Claims Nos. 1, 2 and 3, United States Uranium Company, San Juan County, Utah	2
2. Claim and Drilling Map, United States Uranium Company, Frying Pan Claims, San Juan County, Utah	2

DMEA 3405
Contract Idm-E717

FRYING PAN NOS. 1, 2 and 3
UNITED STATES URANIUM COMPANY
SAN JUAN COUNTY, UTAH

FINAL ENGINEERING REPORT

By
M. H. Salsbury

INTRODUCTION AND SUMMARY

United States Uranium Company, 711 Seventeenth Street, Denver 2, Colorado, applied for Defense Minerals Exploration assistance in exploration for uranium of their Frying Pan claims onlooking La Sal Creek, San Juan County, Utah. A plug and core-drilling program was proposed at a cost of $20,050.00, in which Government participation at 75 percent would have been $15,037.50.

An examination was made on August 3, 1954 by a DMEA team made up of W. D. Carter of the Geological Survey, and M. H. Salsbury of the Bureau of Mines.

They were accompanied by Francis X.Corbett, manager for the applicant, and William G. Hall, one of the owners of the claims.

A modified drilling program in three stages acceptable to the applicant was agreed on in the field, and a drilling project at an estimated cost of $17,587.52 - Government participation 75 percent, or $13,190.64, was recommended.

A contract on the recommended basis was signed October 4, 1955. Work was started on October 17, 1954 and recessed on November 23, 1954,

after completion of Stage I. Because drilling results were completely negative, the Operator requested termination of the contract. The Geological Survey and Bureau of Mines representatives concurred in recommending the termination, and the project was closed after receipt of a satisfactory final report from the Operator, and notification by the Contract Administration and Audit Division on January 25, 1955, that final payment was valid and proper.

LOCATION, HISTORY, PRODUCTION, OWNERSHIP

The Frying Pan claims Nos. 1, 2 and 3 are located in Section 5, T. 29 S., R. 26 E. of the Salt Lake Meridian, in San Juan County, Utah, just west of the Colorado-Utah state line (fig. 1 and 2).

The area is typical tableland of the Colorado Plateau at an altitude of 6,000-6,500 feet with steep-walled canyons disecting sparsely wooded mesas with flat or terraced tops. Access to the property is easy, except in wet weather. Drilling sites and roads were prepared at moderate cost.

The climate is arid, with cool to warm summers, and moderate winters with extremes of cold at infrequent intervals. Precipitation may be heavy with sudden storms at any season, and surface operations are usually suspended in late winter and spring. The claims, on Wray Mesa, are 4.3 miles by Utah State Highway 46 and a dirt access road from the Geological Survey camp on La Sal Creek. Moab, Utah, the nearest supply center, is 48 miles northwest over Utah State Highway 46, a graveled road, and hard-surfaced State Highway 160. La Sal

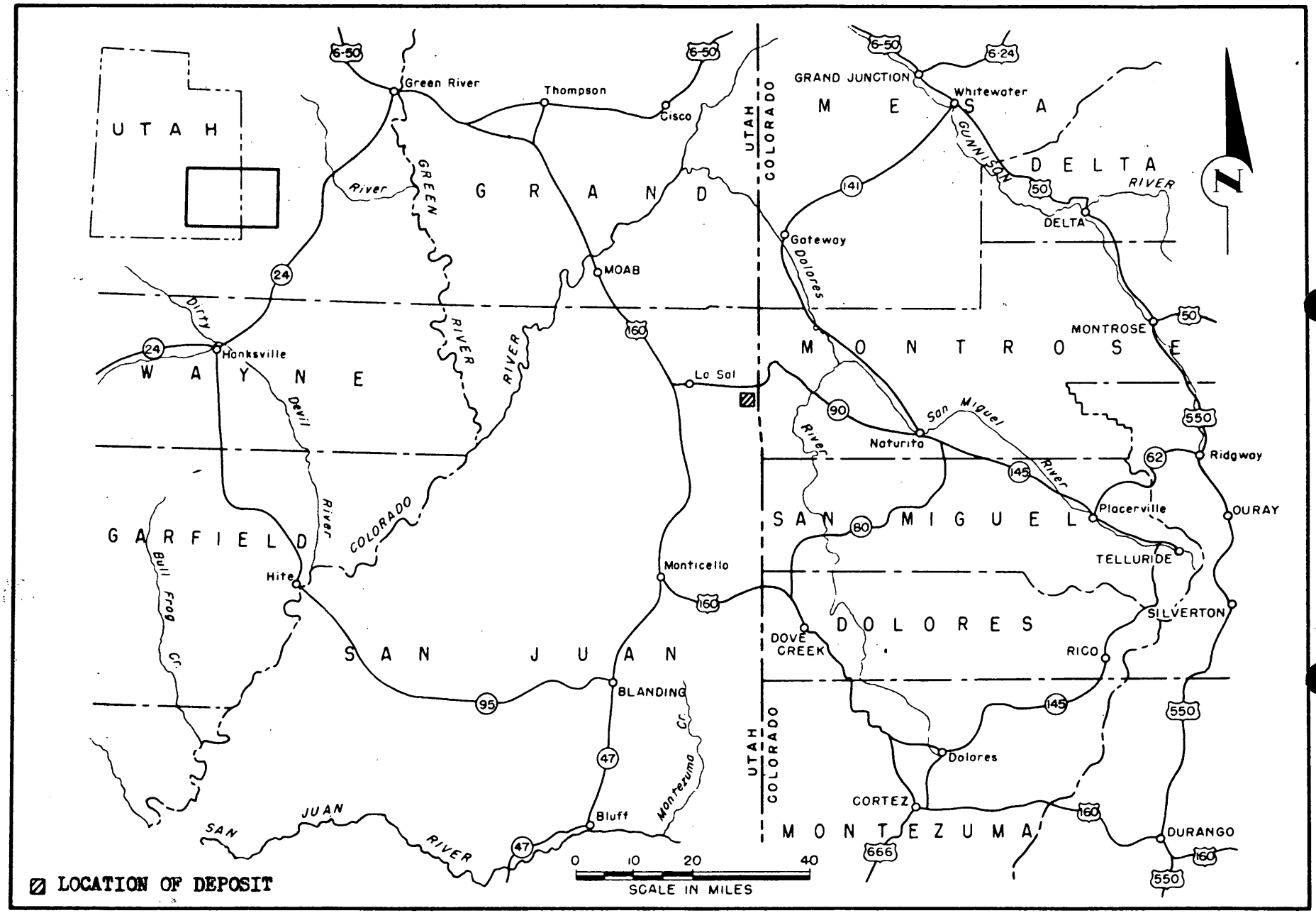
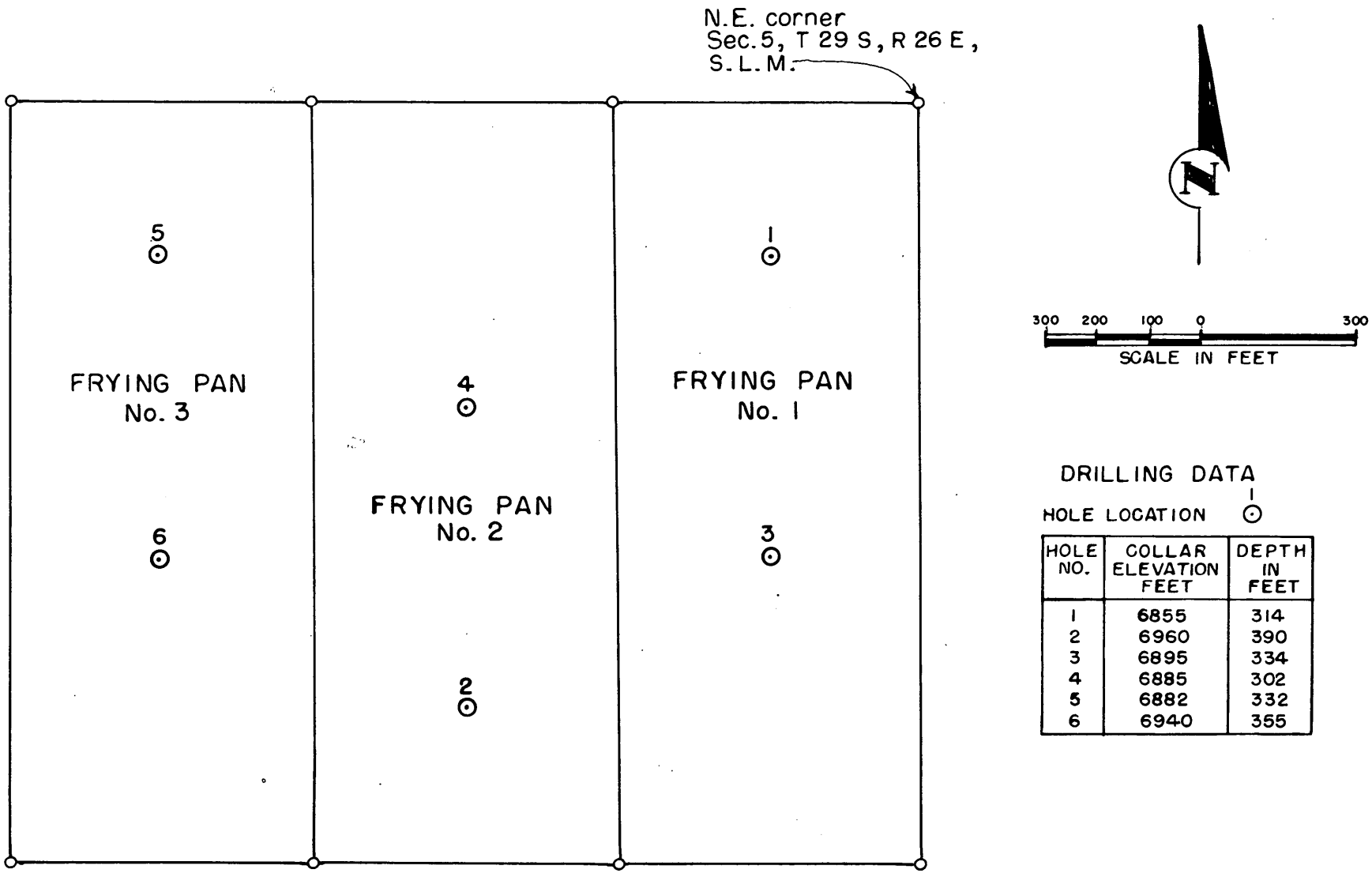


FIGURE 1 - LOCATION MAP, FRYING PAN CLAIMS NOS. 1, 2, AND 3, UNITED STATES URANIUM COMPANY, SAN JUAN COUNTY, UTAH. DMEA 3405, CONTRACT NO. Idm-E717



DRILLING DATA

HOLE LOCATION ⊙ 1

HOLE NO.	COLLAR ELEVATION FEET	DEPTH IN FEET
1	6855	314
2	6960	390
3	6895	334
4	6885	302
5	6882	332
6	6940	355

FIGURE 2 - CLAIM AND DRILLING MAP, UNITED STATES URANIUM COMPANY, FRYING PAN CLAIMS, SAN JUAN COUNTY, UTAH. DMEA 3405, CONTRACT NO. Idm-E 717

Creek is 205 miles from Grand Junction, Colorado. The minimum hauling distance is from Moab which is served by scheduled motor-freight and bus lines. The nearest uranium ore treatment plant and receiving station is at Monticello, Utah, 55 miles from the property.

Water for mining and domestic purposes is obtainable on La Sal Creek within 3 miles of the drilling sites. Power needs are met by the individual operator with gasoline or diesel driven equipment.

Experienced mine labor is in demand in the area and labor rates for semi-skilled labor run as high as $2.00 per hour. Exploration drilling is usually done by contractors who normally furnish camp facilities for their drilling crews.

The area has been known to contain vanadium deposits for more than 25 years. Activity based on the uranium content of the ores has been carried on since World War II and has increased greatly since 1949. The Geological Survey has had an exploration drilling project in the area since 1952.

There has been substantial production of uranium and vanadium in the area. The Atomic Energy Commission lists, with earlier production estimated, four mines within 2 miles of the Frying Pan claims with a combined total of 19,789 tons with an average content of 0.26 percent, or 102,681 pounds U_3O_8 and 1.92 percent, or 760,326 pounds U_2O_5.

The Frying Pan claims Nos. 1, 2 and 3 were located by William G. Hall and Ray V. Maris. Discovery notices posted on the claims were dated July 18, 1953, and locations were recorded on page 85 and 86, Book 31, in the San Juan County courthouse, Monticello, Utah on July 27, 1953. Location procedures appeared to have been valid. An option

to purchase was given George C. Vance of Denver, Colorado, on May 27, 1954 at a total price of $12,000.00, payable out of royalties on ore shipments at the rate of 20 percent of the net returns. There was no time limit on completion of the contract except that a lapse in operations of one year constituted forfeiture. A payment of $300.00 in cash to apply on the purchase price, and exploration drilling totaling 2,000 feet within 6 months were required by the contract. The purchase agreement was assigned to the U. S. Uranium Company by Vance who was President of the corporation.

A later location was made by John I. Schumacher of Grand Junction, Colorado, for Strategic Minerals Exploration Company, which overlapped the north end of the Frying Pan claims. Schumacher acknowledged the priority of the Frying Pan locations, did not claim the area in conflict, and so stated to the DMEA examining engineer.

DESCRIPTION OF THE DEPOSITS

The ore-bearing horizons of the La Sal Creek district are the upper sandstone "rims" of the Salt Wash member of the Morrison formation which are present on the Frying Pan claims but do not outcrop, being overlain by the Brushy Basin member. The depth to the ore horizon increases from north to south as the surface rises, and the drilling distance through the productive zone was estimated to range from 250 to 450 feet.

Ore minerals in the area are uranium and vanadium minerals replacing carbonaceous material in sandstone. They occur in definite east-west

trends two of which are parallel to and on either side of La Sal Creek.

The Frying Pan claims are on a trend explored in the Yellowbird mine to the east where substantial ore deposits have been found. This trend had been traced towards the Frying Pan claims by Geological Survey drilling, and some holes had penetrated ore. At the time the DMEA examination was made, drilling by the Survey was being carried on with encouraging results, and was expected to be continued toward the Frying Pan claims, although at that time the nearest exploration was about a mile away. Carter, who was also Geological Survey project chief, stated that eventually one or two holes might be drilled on the Frying Pan claims during the course of the Survey project, but there was no definite plan for it.

It appeared that there was a reasonable possibility that deposits similar to those of the Yellowbird mine might be present on the Frying Pan claims and that a Government-assisted drilling project was justified.

WORK COMPLETED UNDER CONTRACT

During the field examination a plug and core drilling program was agreed on by the applicant's manager, F. X. Corbett, and the DMEA examining team, which was essentially the same as the original proposal. It called for an estimated 6,000 feet of plug-bit and core drilling in a maximum of 20 holes divided in three stages. Authorization of work under Stages II and III was to be dependent on the results of drilling in the preceding stage or stages. The recommended footages were incorporated in the contract.

Only the work under Stage I, which was wide-spaced drilling to

gain geological information as well as to actually cut ore, was completed. The estimated footage for completion of the 6 holes on 600 foot centers, two on the centerline of each claim, was 1800 feet, of which 800 feet was plug-bit drilling and 1,000 feet was core drilling.

Two holes were drilled on each of the three claims as recommended (fig. 2). The Operator let a contract to Sprague and Henwood who were moving off a Geological Survey project, and 1,122 feet of core drilling and 895 feet of plug drilling were done for a total of 2,017 feet, the amount claimed. The Operator furnished one copy each of the driller's logs and also geological logs with the final report. These were verified by Geological Survey hole probing results and core logging carried on under Carter's supervision. Following is a tabulation of the drilling:

Hole No.	Plug drilling feet	Core drilling feet	Ore recovery percent	Completed depth of hole feet
1	---	314	84.3	314
2	---	390	82.1	390
3	190	144	93.4	334
4	170	132	95.1	302
5	250	72	92.2	322
6	285	70	91.1	355
Total	895	1,122	86.9 (ave)	2,017

The holes were bottomed in a red mudstone which underlies the potential ore-bearing sandstones in the upper half of the Salt Wash formation. Bottoming depths were verified by the Geological Survey representative of the examining team. One inspection during the project was made by a Bureau of Mines representative on November 3, 1955, When holes nos. 1 and 2 were being drilled.

Significant mineralization was encountered in three holes: at

169 feet in hole no. 3, at 172.7 feet in hole no. 4, and at 250.0 feet in hole no. 6. Other geological consideratons such as sandstone thicknesses were not favorable and further work was not justified in the opinion of the Operator, concurred in by the DMEA inspector, and the Geological Survey representative.

In a letter dated January 17, 1955, the Executive Officer of the DMEA Field Team, Region III, notified the Operator that no work under Stages II or III would be approved, and all authorized work was considered to be completed. In conformance with instructions from the Washington office, no formal termination of the contract was necessary.

EXPENDITURES

Work accomplished under DMEA 3405, contract Idm-E717 was 2,017 feet of plug and core drilling at $3.35 per foot or a total of $6631.09, the amount claimed and approved for payment.

All work was done in accordance with contract terms, and did not exceed contract maximums. The $3.35 per foot allowed in the short-forms unit-cost contract covered all changes, including drill site preparation, access roads, and supervision, as well as actual drilling costs. A provision of Exhibit A under Description of the Work, permitted transfer of footage from Stages II or III to Stage I if necessary to insure completion of holes in Stage I. The drilling footages for Stage I were estimates and proved to be short of requirements by 217 feet. The Operator requested transfer of this footage from Stage I, and this was approved by the Field Team, Region III, on the recommendation of the DMEA inspectors.

Government participation at 75 percent in the claimed cost of $6,631.09, was $4,973.32, the amount approved for payment. A Report of Review, in lieu of a final audit of the Operator's accounts and records, was made by the Contract Administration and Audit Division, the Defense Minerals Exploration Administration on January 24, 1955, and payment was certified therein as valid and proper.

EFFICIENCY OF OPERATIONS

The drilling contractor, Sprague and Henwood, provided competent personnel and the drilling operation was carried on efficiently. No unusual difficulty was experienced, although 90 feet of AX casing was lost in hole No. 2. The usual procedure was to drill to the depth where coring was to be started with NX Hawthorne bids, set casing, and complete the hole with AX diamond core bits. Water was used throughout.

Supervision of the project was unsatisfactory so far as the Operator's performance was concerned. When an inspection of the project was made on November 3, 1954, no provision had yet been made by the Operator to determine when hole-bottoming depth was reached, although one hole had nearly reached a critical depth. William G. Hall, one of the claim owners, had been instructed to have the drillers start on the designated locations but had no instructions on the depth of holes other than those in the contract which were only estimates. Mr. Hall did not have the technical qualifications to log the dull core or to determine when a hole had reached bottoming depth. W. D.

Carter, the Geological Survey representative stationed at the nearby La Sal camp, furnished the necessary technical services. Actually, direction of the entire project was based on his examination of the core, evaluation of drilling results, and judgements.

EQUIPMENT

Equipment used on the project consisted of drilling rigs suitable for wet drilling with either plug or core bits up to NX size, utilizing drilling equipment manufactured by the contractor mounted on half-hack trucks. One to three rigs were employed. Equipment was adequate.

CONCLUSIONS

As a result of drilling on the Frying Pan claims, it is concluded that mineralization in significant amounts is not present in the projected continuation of the Yellow Bird ore trend. This has been established with reasonable certainty by the project. Drilling done later by the Geological Survey in an attempt to extend favorable mineralization such as they had found west of the Yellow Bird mine, verified that the mineralization did not extend westward. In this connection, it can be said that the DMEA project might not have been necessary, if the Geological Survey project east of the claims had been completed first. It would seem that in such cases, approval of otherwise favorable, DMEA exploration projects might be delayed for a reasonable period in order to obtain an evaluation of germane Geological Survey or Atomic Energy Commission drilling projects, if these are under way,

or, even if they are only in the planning stage in some cases. This might be advisable even though no definite assurances can be obtained from either Agency about their drilling plans.

RECOMMENDATIONS

It is recommended that the exploration project under DMEA 3405, Contract Idm-E717 be considered as terminated. No occurance of ore was found on which to base Certification of Discovery or Development. No further exploration with Government assistance is recommended.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

RECEIVED
AUG 12 1955
Date Rec'd.
JAN 18 1955
BUREAU OF MINES
Denver, Colorado

January 17, 1955

Memorandum

To: DMEA Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3405 (uranium), Contract Idm-E717, United States Uranium Company, Frying Pan Claims Nos. 1, 2, and 3, San Juan County, Utah

Enclosed are 10 copies of a final geologic report by W. D. Carter, U. S. Geological Survey, on the above subject project.

Six widely spaced holes drilled under the contract failed to discover uranium ore or ground favorable for the occurrence of uranium ore.

Carter summarizes the geologic data obtained during exploration and recommends that the contract be terminated at the end of Stage I. Physical exploration under Stage I is complete.

I concur with Carter's recommendation that the contract be terminated and I made a similar recommendation in my memorandum of December 3, 1954, subject as above.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (10)

Reviewed by
DMEA OPERATING COMMITTEE
8-19-55
(date)

MINERAL DEPOSITS
DMEA
RECEIVED

JAN 13 1955

U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
COLORADO PLATEAU DISTRICT
P. O. BOX 360
GRAND JUNCTION, COLORADO

December 31, 1954

Memorandum

To: E. N. Harshman, DMEA Field Team, Region IV

From: W. P. Williams, Colorado Plateau District

Subject: DMEA 3405, contract Idm E-717, United States Uranium Company, Frying Pan claims Nos. 1, 2, and 3, San Juan County, Utah.

Transmitted herewith are 10 copies of a final geologic report and accompanying maps and drill hole logs by W. D. Carter, covering the above-referenced contract.

Carter recommends that drilling on the Frying Pan claims should be terminated, as six widely spaced holes on the claims failed to penetrate either mineralized ground or ground favorable for ore deposits. I concur with Carter's recommendation.

Drilling on the Frying Pan claims commenced October 22, 1954, and ended on November 23, 1954. Six holes totaling 2,017 feet were completed at a total cost of $6,756.95. DMEA assistance totalled $5,067.71. None of the six holes encountered ore or favorable ground.

T. E. Mullen
for W. P. Williams,
Geologist.

Enclosures

TEM/mlr

Reviewed by
DMEA OPERATING COMMITTEE
8-19-55
(date)

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 3405, contract Idm E-717, United States Uranium Company
Frying Pan claims Nos. 1, 2, 3, San Juan County, Utah

Uranium

Final Geologic Report

by

W. D. Carter
U. S. Geological Survey

December 31, 1954

Reviewed by
DMEA OPERATING COMMITTEE
8-19-55
(date)

DMEA 3405

SUMMARY

Drilling on the Frying Pan claims from October 22 through November 23, 1954, resulted in the completion of six widely spaced holes testing the ore-bearing sandstone of the Salt Wash member of the Jurassic Morrison formation. These holes totaled 2,017 feet at a total cost of $6,756.95. Of this, the Government's share is $5,067.71. None of the six holes contained mineralized material in the ore-bearing sandstone of the Salt Wash and due to the unfavorable nature of the stratum it was decided that the contract be terminated at the end of the initial phase.

REPORT ON EXPLORATION

Drilling on the Frying Pan group of claims commenced on October 22, 1954, and ended on November 23, 1954, when the ~~contract~~ work was terminated after completion of six widely spaced (600-foot centers) holes totaling 2,017 feet of drilling. Three diamond-drill rigs, owned and operated by the Sprague and Henwood Drilling Company of Scranton, Pa., were employed in the operation. The drilling program was supervised by Mr. F. X. Corbett of the U. S. Uranium Company, Denver, Colorado, and core sampling was done by Mr. W. G. Hall of Paradox, Colorado. The core, totaling 1,122 feet and averaging 187 feet per hole, was stored in wooden core boxes loaned to the project by the U. S. Geological Survey and later transferred to cardboard core boxes supplied by the U. S. Uranium Company in condensed form.

GEOLOGY

Of the six completed holes, the first two were cored from the surface for geologic information and to determine the depth of the principal ore-bearing sandstone of the Salt Wash member of the Jurassic Morrison formation. The remaining holes were drilled with a solid bit to depths far enough above the ore-bearing sandstone to obtain complete geologic information in the cored intervals of the lower portion of the holes. None of the holes penetrated mineralized material in the ore-bearing sandstone which varies in thickness from 0 to 51 feet. The lack of green mudstone and carbonaceous material within the sandstone indicated that holes FP nos. 1, 2, 4, 6 be classed as semifavorable. Holes FP 3 and 5 contained little or no sandstone and were classed as unfavorable. Holes FP 3 and 6 contained weakly mineralized material in the Brushy Basin member at depths of 190 and 280 feet respectively. Such deposits occur frequently in the LaSal Creek area, but are not considered minable, especially at such depths. From these results it was determined by the U. S. Geological Survey and the U. S. Uranium Company that further exploration was not necessary and that the contract should be terminated at the end of phase I.

EXPENDITURES

Total approved for contract Idm E-717	$13,180.50
Total cost of project (2,017 feet at $3.35) . .	6,756.95
Government's share of cost (75 percent)	5,067.71
Government's share unexpended	4,817.67

EFFICIENCY OF OPERATION

In general, the efficiency and competency of the supervisor, Mr. F. X. Corbett, was quite adequate. It might be well to point out, however, that Mr. Corbett determined no collar elevations except by "eyeball" estimate in spite of the fact that elevations of several locations adjacent to the Frying Pan claims had been determined by the U. S. Geological Survey and were available to him. It was necessary, therefore, to take more core per hole than was stipulated in the contract. Coring depths for two holes had to be determined by the USGS representative in the absence of the supervisor, when one rig was moved to a new site and a third rig added to the project.

EQUIPMENT PURCHASED FOR PROJECT

The only known equipment specifically purchased for the project were 50 cardboard core boxes for BX core. These were purchased from the Dixon Paper Company of Lawrence, Kansas, for approximately $50.00.

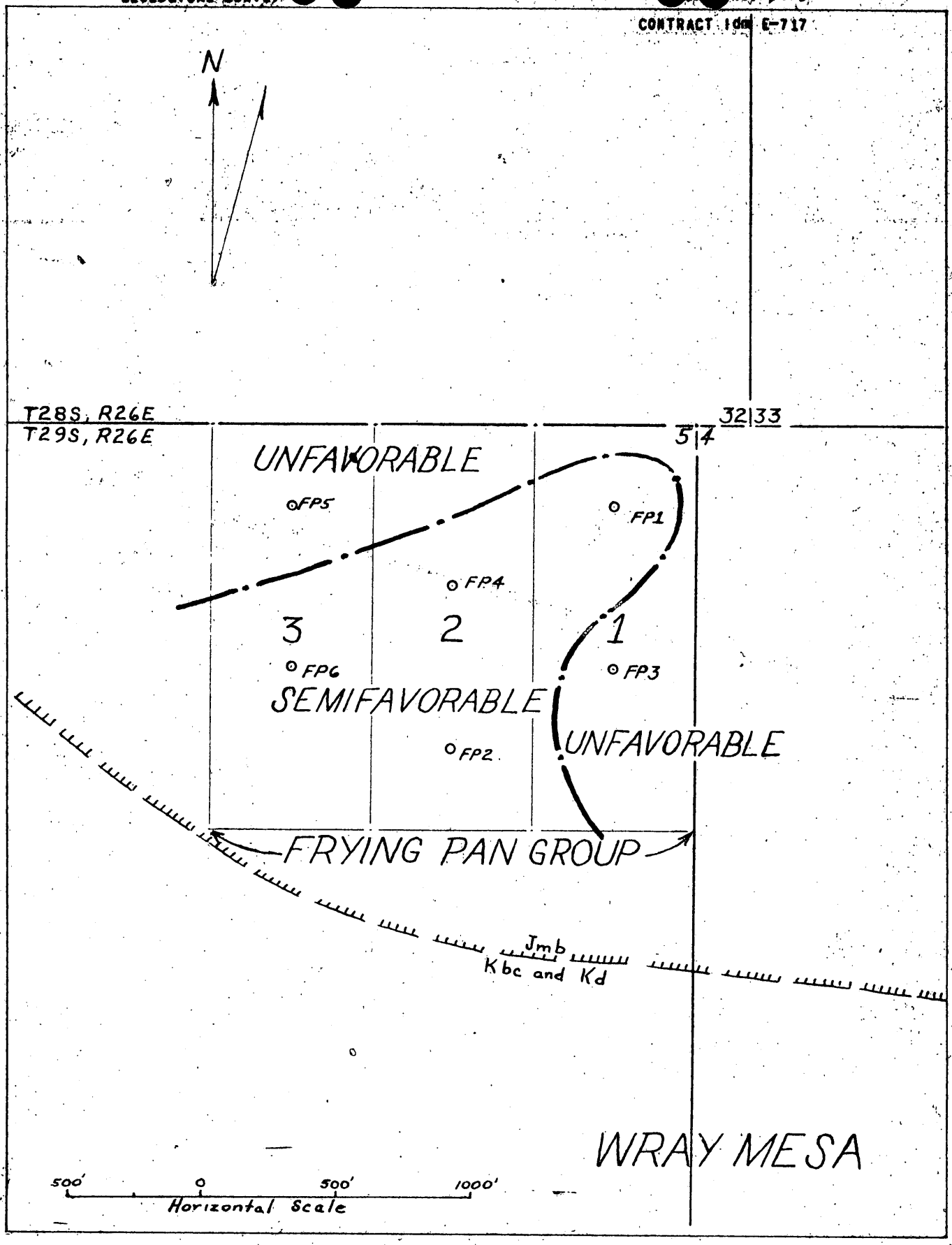


Figure 2. SKETCH MAP SHOWING GEOLOGY, LOCATION OF HOLES DRILLED, AND THE RESULTS OF EXPLORATION DRILLING ON THE FRYING PAN GROUP OF CLAIMS, U.S. URANIUM CO., SAN JUAN COUNTY, UTAH

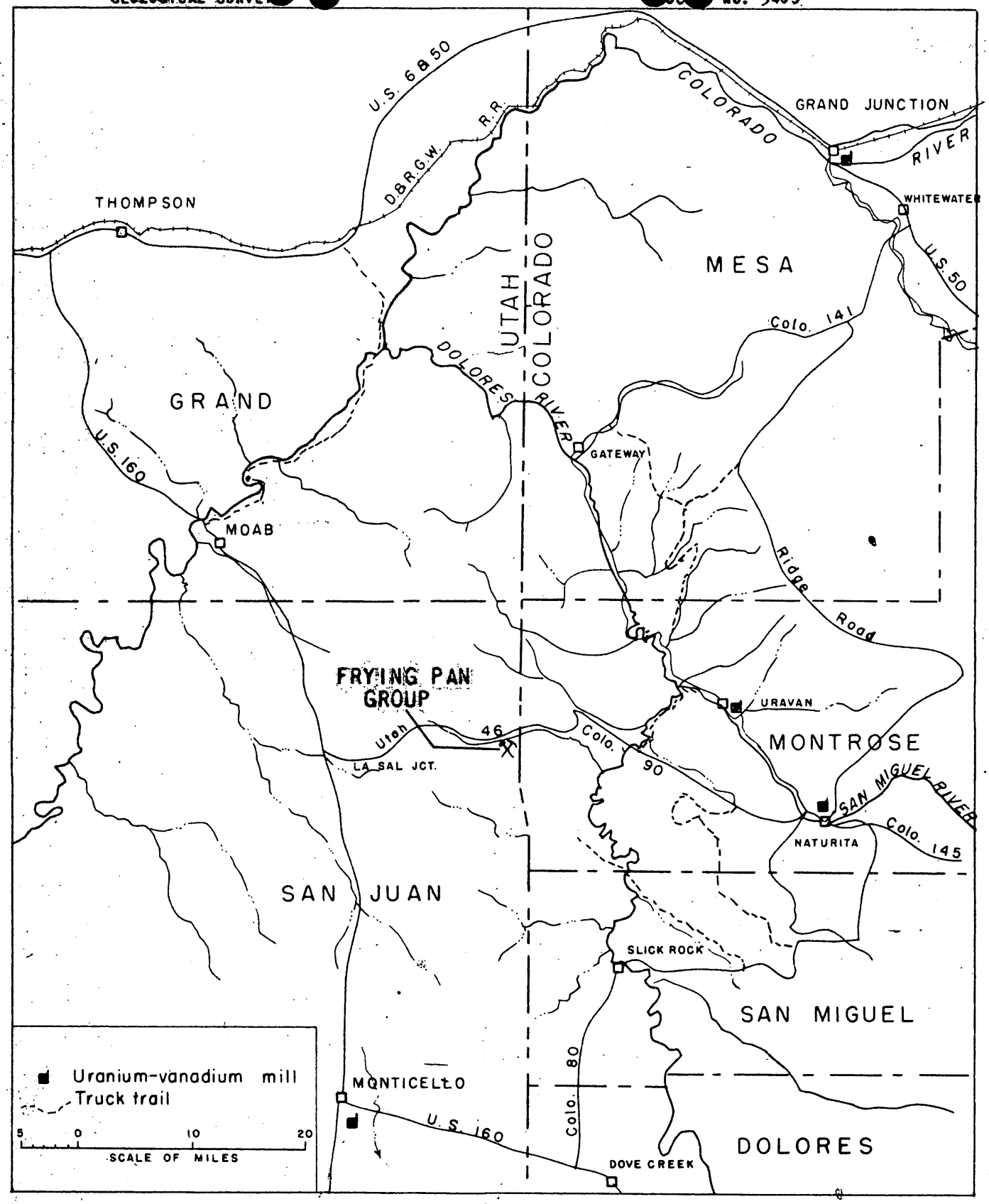


Figure 1. INDEX MAP OF PART OF COLORADO PLATEAU SHOWING LOCATION OF FRYING PAN GROUP OF CLAIMS

U. S. GEOLOGICAL SURVEY

GEOLOGIC AND ASSAY LOGS

COLORADO PLATEAU PROJECT

Drill-hole No. F.P. #1 (AX)
Total depth 314.0'
Collar elev. _____ T _____ P
Area LaSal Creek

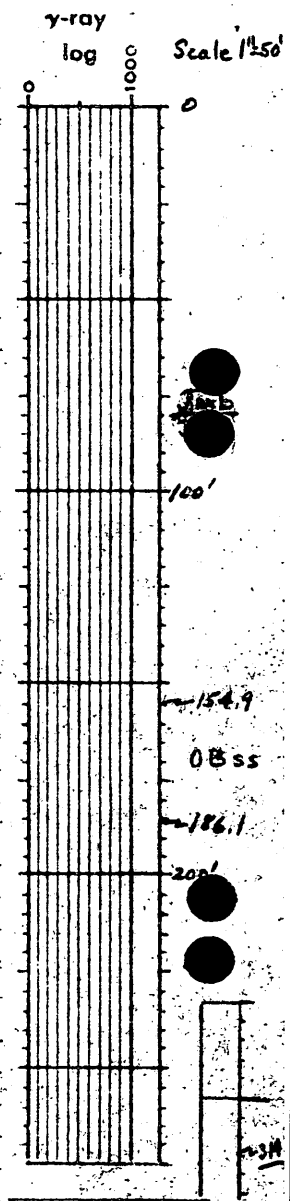
Map coord (T) [illegible]
Map coord (P) _____
Sec. 5 T. 29S R. 26E
Co., State San Juan, Utah

Claim Frying Pan #1
Date completed 11-4-54
Date logged 11-4-54
Logged by W.D.C.

Summary of log Semifavorable ; OBSS 31 thick 155-186 ; SS color LBr-Wh ; MS Gn ; Cbn N

Footage Top	Footage Base	Footage Thick	Core rec	Field est U_3O_8	Field est V_2O_5	Rock	Color	Grain	Access mins	Cbn	MS in SS	Other remarks
0	80.0	80.0				MS	Gn			N		Jmb
80.0	154.9	74.9				MS//ST	R//Gn			N		
154.9	164.0	9.1				SS	Wh	F-VF		N		
164.0	165.2	1.2				MS	R			N		
165.2	186.1	20.9				SS	LBr-Wh	M-ME	A; Alt Ch S-A; OP	N	S-A; Gn; P, Int	Thin Fm Gn MS at base
186.1	259.8	73.7				MS	R//Gy//Gn			N		Thin ribs Qzite
259.8	268.4	8.6				SS	Wh	F		N	S-A; Gn; P, Fm	
268.4	268.5	0.1				ST	L Gn			N		
268.5	284.0	15.5				MS//ST	R			N		
284.0	304.6	20.6				SS	R/Br	M-F	S, Ch	N	S-A; R; Int, P, Fm	
304.6	314.0	9.4				MS/ST	R			N		

Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Interval Base	Interval Thick	γ-ray % eU_3O_8	Interval Base	Interval Thick	γ-ray % eU_3O_8



Rev		
Ed		

Hole No. F.P. #1

* Assays marked "e" are from lab gamma-ray readings

GPO 832165

U. S. GEOLOGICAL SURVEY | **GEOLOGIC AND ASSAY LOGS** | **COLORADO PLATEAU PROJECT**

Drill-hole No. FP #2 (Bx AX) | Map coord (T) [illegible] | Claim Frying Pan #2 DMEA #3405

Total depth 390.0 | Map coord (P) | Date completed 11-12-54

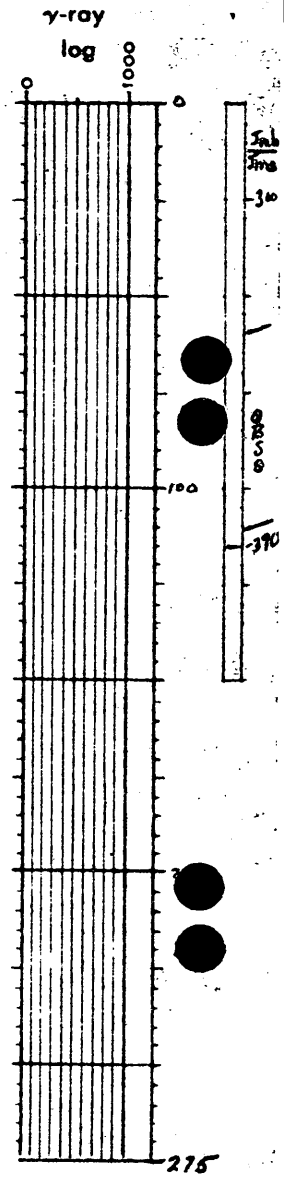
Collar elev. T P | Sec. 5 T. 29S R. 26E | Date logged 11-16-54

Area LaSal Creek | Co., State San Juan, Utah | Logged by W.D.C.

Summary of log Semifavorable ; OBSS 51 thick 335-386; SS color LBr-Wh ; MS R, Gn ; Cbn S

Footage Top	Footage Base	Footage Thick	Core rec	Field est U_3O_8	Field est V_2O_5	Rock	Color	Grain	Access mins	Cbn	MS in SS	Other remarks
0	192.0	192.0				MS//ST	Gy Gn			N		
192.0	204.5	12.5				SS//ST	Gy Gn	MF-VF	A; Ch, OP	S	A; Gn; Int, Fm, P	
204.5	247.4	42.9				MS//ST	Gy Gn			N		Sparce RMS Mottling
247.4	260.1	12.7				MS//ST	R			N		
260.1	287.5	27.4				SS	LBr-RBr	F-C	A; Ch, OP	N	S; R, Gn; Int, P	Sparce Banded Ch; Base of Jmb
287.5	334.5	47.0				MS//ST	R//Gn			N		
334.5	362.5	28.0				SS	Wh-LBr	VF-M	S; Ch, OP	N	S; R, Int, P, Sm	
362.5	386.3	23.8				SS	Wh	F-M	S; Ch, OP	S	S; Gn, Fm, P	Fav. looking SS with thin Fm of Gn MS at base.
386.3	386.5	0.2				MS	R			N		
386.5	387.6	1.1				SS	Wh	VF		N	A; R; P, Fm	QzTC
387.6	390.0	2.4				MS	R			N		

Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Interval Base	Interval Thick	γ-ray % eU_3O_8	Interval Base	Interval Thick	γ-ray % eU_3O_8



Rev		
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Hole No. F.P. #2

* Assays marked "e" are from lab gamma-ray readings

GPO 832165

U. S. GEOLOGICAL SURVEY | **GEOLOGIC AND ASSAY LOGS** | **COLORADO PLATEAU PROJECT**

Drill-hole No. FP #3 (AX) | Map coord (T) [illegible] | Claim Frying Pan #1 DMEA #3405

Total depth 334.0 | Map coord (P) | Date completed 11-12-54

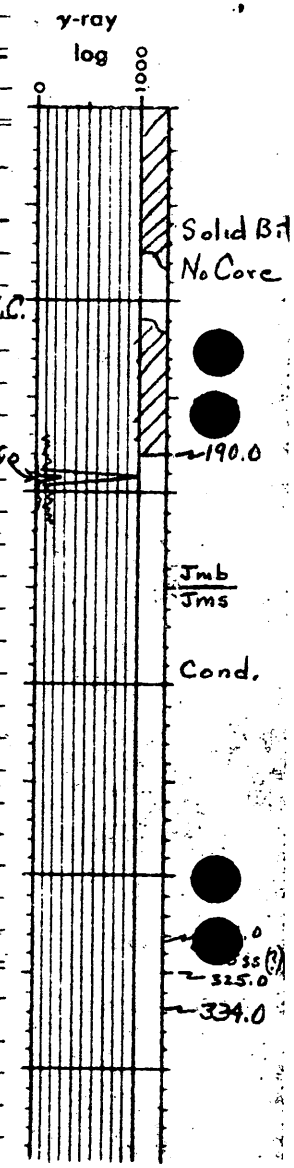
Collar elev. 6895 T P | Sec. 5 T. 29S R. 26E | Date logged 11-15-54

Area LASAL CREEK | Co., State San Juan; Utah | Logged by W.D.C.

Summary of log Unfavorable ; OBSS 8 thick 316 + 325 ; SS color R//Gy ; MS R ; Cbn N

Footage Top	Footage Base	Footage Thick	Core rec	Field est U_3O_8	Field est V_2O_5	Rock	Color	Grain	Access mins	Cbn	MS in SS	Other remarks
0	190.0	190.0										Solid Bit - No Core
190.0	194.3	4.3				MS//ST	Gy Gn			N		
194.3	195.1	0.8		L	1.0	SS	DGy	F-VF	A; OP	N	S; R; Sm, Int	Sampled for Chem. Assay by F.X.C.
195.1	196.3	1.2				MS	LGn			N		
196.3	212.3	16.0				MS//ST	R//Gn			N		
212.3	224.7	12.4				SS-Cgl	RBr-LBr	F-C	A; Ch	N	S-A, R; Int	Base of Jmb
224.7	225.1	0.4		-		MS	R			N		
225.1	226.3	1.2				MS	LGn			N		
226.3	242.5	16.2				MS//ST	R//Gy			N		Thin qztc ss ribs
242.5	246.0	3.5				SS	LGy	VF		N	S-A; Gn; P, Fm	Hard
246.0	316.3	90.3				MS//ST	R//Gy//Gn			N		
316.3	319.8	3.5				SS	R//Gy	VF		N	A; R; Int	Hard
319.8	321.3	1.5				ST	R//Gy			N		
321.3	325.0	3.7				SS	RBr//Gy	VF		N	A; R; Int	
325.0	334.0	9.0				MS//ST	R			N		

Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Interval Base	Interval Thick	γ-ray % eU_3O_8	Interval Base	Interval Thick	γ-ray % eU_3O_8
										195.0	0.6	0.075			



Rev		
Ed		

Hole No. FP #3

* Assays marked "e" are from lab gamma-ray readings

GPO 832165

U. S. GEOLOGICAL SURVEY

GEOLOGIC AND ASSAY LOGS

COLORADO PLATEAU PROJECT

Drill-hole No. EP #4 (AX) | Map coord (T) 152,850N; 14,560E | Claim Frying Pan #2 DMEA #3405

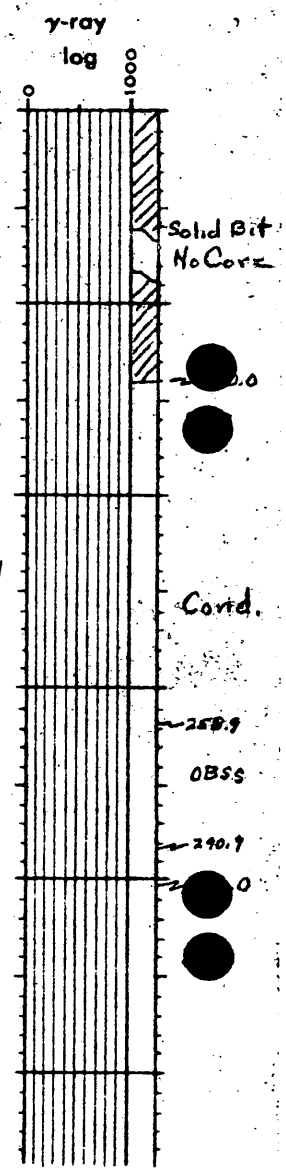
Total depth 302.0 | Map coord (P) | Date completed 11-16-54

Collar elev. T P | Sec. 5 T. 29S R. 26E | Date logged 11-16-54

Area LaSal Creek | Co., State San Juan, Utah | Logged by W.D.C.

Summary of log Semifavorable ; OBSS 32' thick 259-291; SS color LBr-Wh ; MS Gn, R ; Cbn S

Footage Top	Footage Base	Footage Thick	Core rec	Field est U_3O_8	Field est V_2O_5	Rock	Color	Grain	Access mins	Cbn	MS in SS	Other remarks
0	170.0	170.0										Solid Bit - No Core
170.0	225.3	55.3				MS//ST	R//Gy			N		Thin Qarc ribs
225.3	238.6	13.3				SS	LBr	M-MF-F	S; Ch, A; OP	S	S-A; Gn; P, Fm	Base Jmb (?)
238.6	258.7	20.1				MS//ST	R//Gy			N		
258.7	258.9	0.2				ST	LGn			N		
258.9	261.7	2.8				SS	LBr	F	S; Ch, OP	N	S; R; Int	
261.7	271.0	9.3				SS	LBr	F	S, OP, Ch	N	S; R; Fm, Int	
271.0	271.7	0.7				SS	BR	M-MF	S-A; Ch	N	A; R; Int, P S; Gn; P, Fm	
271.7	272.0	0.3				MS	LGn			N		
272.0	272.8	0.8				MS	DGy Gn			S		Cbn count 200cm; Pass V_2O_5; Sampled
272.8	273.9	1.1				MS	LGn			N		
273.9	275.6	1.7				ST//SS	RBr			N		
275.6	282.0	6.4				SS	Wh-LBr	MF-F		N	A; Gn; P, Fm S; R; Fm, P	
282.0	282.3	0.3				MS	R			N		
282.3	290.9	8.6				SS	Wh-LBr	MF-F		S	A; Gn; P, Fm, Int S; R; Fm	
290.9	302.0	11.1				MS	R			N		



Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Interval Base	Interval Thick	γ-ray % eU_3O_8	Interval Base	Interval Thick	γ-ray % eU_3O_8

Rev		
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Hole No. EP #4

* Assays marked "e" are from lab gamma-ray readings

GPO 832165

U. S. GEOLOGICAL SURVEY

GEOLOGIC AND ASSAY LOGS

COLORADO PLATEAU PROJECT

Drill-hole No. EP #5 (AX)
Total depth 322.0'
Collar elev. T P
Area LaSal Creek

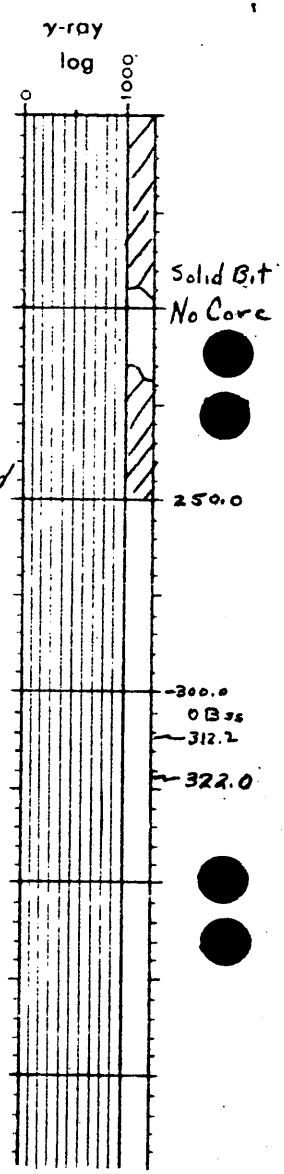
Map coord (T) 153,140 N ; 13,930 E
Map coord (P)
Sec. 5 T. 29S R. 26E
Co., State San Juan, Utah

Claim Frying Pan #3
Date completed 11-22-54
Date logged 11-23-54
Logged by JMB

Summary of log Unfavorable ; OBSS 12 thick 300-312 ; SS color Gy-Wh, LBe ; MS R, Gn ; Cbn N

Footage Top	Footage Base	Footage Thick	Core rec	Field est U_3O_8	Field est V_2O_5	Rock	Color	Grain	Access mins	Cbn	MS in SS	Other remarks
0	250.0	250.0										Solid Bit - No Core
250.0	257.7	7.7				ST//MS	Gy, R//R			N		
257.7	262.3	4.6				SS	Gy, Gy-Wh	VF	VS-S, OP	N	N	
262.3	262.4	0.1				ST	Gn			N		
262.4	263.2	0.8				MS	R			N		
263.2	267.3	4.1				SS	Gy-Wh, Wh	F, MF	VS, OP	N	S; Gn; Fk	
267.3	284.6	17.3				ST, MS//SS	R//Gy-Wh	VF	VS, OP	N	N	
284.6	300.6	16.0				MS/ST	R			N		With thin sandy units, VF grained
300.6	312.2	11.6				SS	Gy-Wh, LBe	MF, M	S-A; OP, Ch S; Lim	N	S, R; Sm, Fk VS, Gn; P	
312.2	322.0	9.8				MS//ST	R, LR, Gn			N		ST is sandy

Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Sample Base	Sample Thick	Lab assay (%) U_3O_8*	Lab assay (%) V_2O_5	Lab assay (%) $CaCO_3$	Interval Base	Interval Thick	γ-ray % eU_3O_8	Interval Base	Interval Thick	γ-ray % eU_3O_8



Rev		
Ed		

Hole No. EP #5

* Assays marked "e" are from lab gamma-ray readings

GPO 82-800321

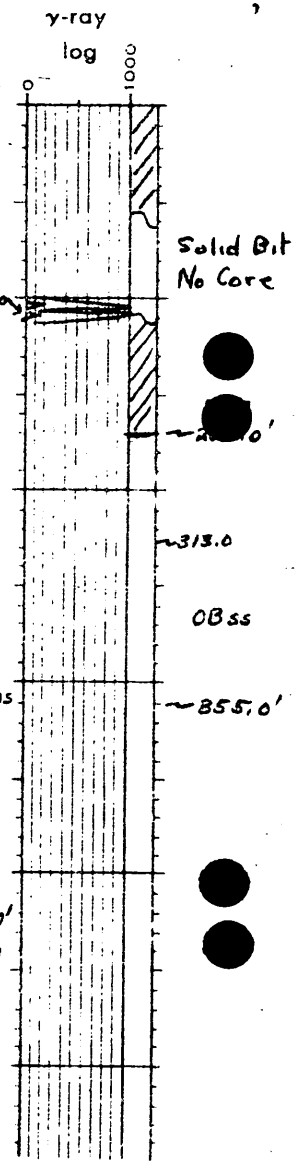
U. S. GEOLOGICAL SURVEY — **GEOLOGIC AND ASSAY LOGS** — **COLORADO PLATEAU PROJECT**

Drill-hole No. FP #6 (AX) | Map coord (T) 152,550 N.; 13,920 E | Claim FRYING PAN #3
Total depth 355.0' | Map coord (P) | Date completed 11-23-54
Collar elev. T P | Sec. 5 T. 29S R 26E | Date logged 11-23-54
Area LASAL CREEK | Co., State SAN JUAN, UTAH | Logged by W.D.C.

Summary of log Semifavorable; OBSS 42 thick 313-355; SS color LBR; MS R, Gn; Cbn S

Footage Top	Base	Thick	Core rec	Field est U_3O_8	V_2O_5	Rock	Color	Grain	Access mins	Cbn	MS in SS	Other remarks
0	285.0	285.0										Solid Bit - No Core
285.0	286.3	1.3				SS	LGy-R	VF		N	A; R; Int; Sm	
286.3	293.2	6.9				MS//ST	R			N		
293.2	293.7	0.5				MS//ST	Gn//R			N		
293.7	294.9	1.2				SS	LGy	VF		N	S; Gn; Int	Qztc
294.9	295.4	0.5				MS//ST	LGn			N		
295.4	313.2	17.8				MS//ST	R//Gn			N		
313.2	328.9	15.7				SS	LBr	F-VF	S; Ch, OP	N	S; Gn; P	
328.9											S-A; R; Int, Sm, P	
328.9	329.2	0.3				SS	LBR	VF		N	A, R, P, Sm	
329.2	333.3	4.1				SS	LBR	M-F	S; Ch, OP	S	S; Gn, Fm	
333.3	335.1	1.8				SS	LBR	F-VF		N	A, R, P, Sm	
											S, Gn; P	
335.1	336.0	0.9				SS	LBR	M-F	S; Ch, OP	N	S; Gn; P	Sparce White Chert
336.0	336.8	0.8				SS	LBr-Wh	M-MF	S; Ch, OP	N	A; R; P, Sm	RMS pels w/ Gn MS outer halos
											S; Gn; P	
336.8	337.5	0.7				SS	LBR	M-MF		N	S; Gn; P, Int	
337.5	338.2	0.7				SS	LBR	M-MF		N	A; R; P, Sm, Fm	
											S; Gn; P, Fm	
338.2	342.0	3.8				SS	LBR	M-F	S; Ch, OP	N	S; R, Gn; P, Fm	
342.0	354.8	12.8				SS	LBR	M	S-A; Ch, OP	N	S; Gn; P, Fm	Fav. looking ss. lens
354.8	355.0	0.2				SS	BR	F	A; Fe Stn	N	S; R; Int	Twisted off Core Barrel at 355.0'
												Hole Aban. 10-20' off Est. Bottom

Sample Base	Thick	Lab assay (%) U_3O_8*	V_2O_5	$CaCO_3$	Sample Base	Thick	Lab assay (%) U_3O_8*	V_2O_5	$CaCO_3$	Interval Base	Thick	γ-ray % eU_3O_8	Interval Base	Thick	γ-ray % eU_3O_8
										253.5	0.8	0.077			
										255.2	1.0	0.026			



Rev		
Ed		

Hole No. FP #6

* Assays marked "e" are from lab gamma-ray readings

GPO 82-800921

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

224 New Customhouse
Denver 2, Colorado

January 17, 1955

Mr. Francis X. Corbett
United States Uranium Co.
18 Ferguson Building
711 Seventeenth Street
Denver 2, Colorado

Re: Docket DMEA 3405 (Uranium)
Contract Idm-E717

Dear Mr. Corbett:

Reference is made to your letter of December 1, 1954 wherein you advised that you wished to terminate Contract Idm-E717 upon completion of the drilling in Stage I. Your letter of December 1 was forwarded to the Washington office, DMEA, for advice in the matter on which we have been advised as follows:

> Since Exhibit "A" of the contract states, 'Stage II is dependent on the results obtained in Stage I and may be started only with the prior written approval of the DMEA Field Team, Region IV,' no formal termination of the contract will be necessary, provided you advise the Operator that Stages II and III will not be approved."

In conformance with the above quoted material, and as a matter of record, you are hereby advised that work under Stages II and III of Contract Idm-E717 will not be approved by the DMEA Field Team, therefore it is to be considered that all authorized work has been completed.

Very truly yours,

W. M. TRAVER,

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

JWT:jp
cc Subject
Chron
Chairman, Op. Comm. (4)
Harshman) w/copy
Shaw) Chairman's
Williams) ltr 1/13/55
Townsend

700

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

Ching
Ellis
Selfridge
Fahrenwald
McCauley

JAN 13 1955

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

Re: Docket No. DMEA-3405 (Uranium)
Contract No. Idm-2717
United States Uranium Company
Frying Pan Claims
San Juan County, Utah

Dear Mr. King:

Reference is made to your memorandum of December 30, 1954, with enclosures, regarding termination of the subject contract.

Since Exhibit "A" of the contract states, "Stage II is dependent on the results obtained in Stage I and may be started only with the prior written approval of the DMEA Field Team, Region IV," no formal termination of the contract will be necessary, provided you advise the Operator that Stages II and III will not be approved.

Upon receipt of all the final reports on the project a closing letter to the Operator from the Administrator will be prepared, advising that our books and records with respect to the project are being closed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

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

Thor H. Kiilsgaard
Member, Geological Survey (THK)

MChing/gla
1-10-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Ching

R.C.G.

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

Defense Minerals Administration
RECEIVED
JAN - 1 1955

224 New Customhouse
Denver 2, Colorado

December 30, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3405 (Uranium), Contract Idm-E717, United States Uranium Company, Frying Pan Claims, San Juan County, Utah

Enclosed is the following material relative to termination of the subject contract upon completion of work approved for Stage I:

1. Original and three copies of a letter from the operator dated December 1, 1954 requesting Government approval for the termination of the contract.

2. Original and three copies of a memorandum dated December 3, 1954 from A. H. Koschmann, U.S. Geological Survey, concurring in the termination of the contract.

3. Original and three copies of a memorandum dated December 27, 1954 from M. H. Saulsbury, Mining Engineer, U.S. Bureau of Mines, also recommending that the Government agree to the termination of the contract.

4. Four copies of a letter dated December 30, 1954 indicating Field Team approval for the transfer of footage and funds from Stage II drilling in order to complete Stage I work to the stipulated objectives. Also enclosed are four sets of data relevant to the transfer of the funds and footage.

The material under items 1 to 3 is forwarded for your review and preparation of a termination agreement or advice to us in the matter.

W. H. King

W. H. King

Encls.

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
JAN 11 1955

18 Ferguson Building
711 Seventeenth St.
Denver 2, Colorado

December 1,
1 9 5 4

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
U. S. Bureau of Mines
New Customhouse
Denver - 2
Colorado

Dear Mr. King:

Re: Docket DMEA O 3405 Uranium
Contract Idm - 717

Please be advised that we wish to terminate the exploration of the Frying Pan Group under the above designated contract with the completion of the drilling in Stage I.

This decision has been reached with the agreement and consent of the representatives of the U. S. Geological Survey.

The drilling of the holes in Stage I has failed to reveal any significant mineralization or other favorable indications on which to predicate the continued exploration of the claims.

Sincerely,

UNITED STATES URANIUM COMPANY

By Francis X. Corbett

Francis X. Corbett

IN REPLY REFER TO:

Mining Division
Date Rec'd.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

DEC 6 - 1954

BUREAU OF MINES
Denver, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 1 1954

December 3, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 3405 (uranium), Contract Idm-E717, United States Uranium Company, San Juan County, Utah

On December 1, 1954, I discussed by phone the above subject contract with W. P. Williams, U. S. Geological Survey, Grand Junction, Colorado. I was informed by him that Stage I drilling had been completed and that no ore or ground favorable for ore had been discovered by exploration under that stage.

Mr. Williams expressed the opinion that the contract should be terminated by mutual consent as requested in a letter of December 1, 1954, from Francis X. Corbett to W. H. King.

It appears in the best interest of the Government to terminate the contract as requested by the United States Uranium Company.

E. M. Haschman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd.
DEC 27 1954
BUREAU OF MINES
Denver, Colorado

DEPARTMENT OF THE INTERIOR
Minerals Administration
RECEIVED

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
December 27, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject:; DMEA 3405, Contract Idm-E717 (Uranium) United States Uranium Company (Frying Pan claims) San Juan County, Utah - Operator's request for termination of the contract

The operator of the subject contract requested by letter of December 1, 1954, termination of the contract after completion of Stage I. Inasmuch as the results of drilling were negative, there is no justification for proceeding to Stages II or III, and it is recommended that termination of the contract by mutual agreement be approved.

M. H. Salsbury
Mining Engineer

cc 8
E717
DMEA Chron.

MHS/pah

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DEPARTMENT OF THE INTERIOR
Bureau Mineral Administration
RECEIVED
JAN 1 1955
Mining Division
Date Rec'd.
DEC 27 1954
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
December 27, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 3405, Contract Idm-E717 (Uranium) United States Uranium Company (Frying Pan claims) San Juan County, Utah - Operator's request for transfer of drilling footage from Stage II to Stage I

The operator, under the subject contract, requested by letter of December 1, 1954, transfer of 217 feet of drilling footage from Stage II to Stage I as provided for in Exhibit "A" of the contract. The 1,800 feet provided originally in the contract for Stage I was an estimate only and proved to be insufficient to reach the required depth to penetrate the potential ore-bearing horizon. It is recommended that transfer of drilling footage from Stage II to Stage I be approved.

M. H. Salsbury
Mining Engineer

cc 8
E717
DMEA Chron.

MHS/pah

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

IN REPLY REFER TO:

Mining Division
Date Rec'd.
DEC 6 - 1954
BUREAU OF MINES
Denver, Colorado

December 3, 1954

Memorandum

To: DMEA Field Team, Region IV

From : A. H. Koschmann

Subject: DMEA Docket 3405 (uranium), Contract Idm-E717, United States Uranium Company, San Juan County, Utah

On December 1, 1954, I discussed by phone the above subject contract with W. P. Williams, U. S. Geological Survey, Grand Junction, Colorado. I was informed by him that Stage I drilling had been completed and that no ore or ground favorable for ore had been discovered by exploration under that stage.

Mr. Williams stated that the drilling required to complete the 6 holes authorized under Stage I of the contract was 217 feet more than the estimate of 1800 feet.

In a letter of December 1, 1954, from Francis X. Corbett to W. H. King, the United States Uranium Company requested the transfer of 217 feet of drilling from Stage II to Stage I in order to complete the 6 holes. Approval of their request is recommended.

E. M. Hawkman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
JAN 1 1955

18 Ferguson Building
711 Seventeenth St.
Denver 2, Colorado

December 1
1 9 5 4

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
U. S. Bureau of Mines
New Customhouse
Denver - 2
Colorado

Dear Mr. King:

Re: Docket DMEA - 3405 Uranium
Contract Idm - 717

In response to your letter of November 30th, I am writing to clarify the request made in our letter of November 15th.

The exact footage in excess of that allowed in Stage I which it will be necessary to have allocated from Stage II to complete the first six holes is 217 feet.

Very truly yours,

UNITED STATES URANIUM COMPANY

By Francis X. Corbett

Francis X. Corbett

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

224 New Customhouse
Denver 2, Colorado

December 30, 1954

Mr. Francis X. Corbett
United States Uranium Company
18 Ferguson Building
711 Seventeenth Street
Denver 2, Colorado

Re: Docket DMEA 3405 (Uranium)
Contract Idm-E717

Dear Mr. Corbett:

Reference is made to your letter of December 1, 1954 wherein you request DMEA Field Team, Region IV approval for the transfer of 217 feet of drilling from Stage II to Stage I.

Consistent with the provisions of Contract Idm-E717 relative to Stage I drilling, this confirms approval from the DMEA Field Team, Region IV, to transfer to Stage I 217 feet of drilling at $2.77 per foot from footage and funds approved in the contract for Stage II work, in order to complete the drilling under Stage I to the stipulated objectives.

Very truly yours,

W. H. KING

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

JWT:jp
cc Subject
Amendment
Chron
Harshman
Traver
Brokaw
Chairman, Op. Comm. (4)
Townsend

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

RECEIVED

224 New Customhouse
Denver 2, Colorado

November 1, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3405 (Uranium), Contract Idm-E717, U. S. Uranium Company, Frying Plan Claims, San Juan County, Utah

Reference is made to your letter of October 28, 1954 with attached comments from the Acting Assistant Solicitor pertaining to a review of the subject contract which was prepared in this office.

In conjunction therewith we are enclosing for your records three copies of the Option for Purchase of Mining Claims, on the bottom of which is the assignment of the optionee's interest to United States Uranium Company.

We believe the enclosures will satisfactorily answer the Assistant Solicitor's question in the matter.

W. H. King

W. H. King

Enclosures

RECEIVED

OPTION FOR PURCHASE OF MINING CLAIMS

THIS OPTION, made this 27th day of May, 1954, by and between WILLIAM G. HALL and RAY V. MARIS, of Paradox, Colorado, hereinafter called First Parties, and GEORGE C. VANCE, of Denver, Colorado, hereinafter called Second Party, WITNESSETH:

WHEREAS, First Parties are the owner of certain mining claims situated in the LaSal Mining District in Section 5, Township 29 South, Range 26 East, in the County of San Juan, State of Utah, more particularly described as follows:

> Frying Pan No. 1, as more particularly described in Book 31, Page 85, of the records in the office of the County Clerk and Recorder of San Juan County, Utah.
>
> Frying Pan No. 2, as more particularly described in Book 31, Page 85, of the records in the office of the County Clerk and Recorder of San Juan County, Utah.
>
> Frying Pan No. 3, as more particularly described in Book 31, Page 86, of the records in the office of the County Clerk and Recorder of San Juan County, Utah.

WHEREAS, First Parties are desirous of granting unto Second Party an option to purchase said claims, and Second Party is desirous of obtaining an option thereon and on the terms and conditions hereinafter set forth;

THEREFORE, for and in consideration of the sum of One Dollar and other good and valuable considerations paid to First Parties by Second Party, the receipt and suff[illegible] by acknowledged by First Parties, First Parties hereby grant unto Second Party, his heirs, personal representatives and assigns the right and option to purchase from First Parties all the right, title and interest of First Parties in and to the above described mining claims on the terms and conditions hereinafter set forth:

1. Second Party is hereby granted an option for a period of sixty days to acquire the above described claims on the terms and conditions herein set forth. During said sixty day period, Second Party, his heirs, personal representatives and assigns shall have the right to enter upon said claims and to do and perform

such geological explorations as he may desire, including the right to perform exploratory drilling or such other exploratory work as second Party may deem necessary or advisable, and to make such title examinations concerning said claims as he deems necessary or advisable. Second Party may extend said option for an additional period of six months by giving First Parties ten day written notice of his intention so to do - said written notice to be given within said sixty day period, and by agreeing in writing to have 2000 feet of exploratory drilling performed on said claims within said six months' period. The location of said drill holes to be within the sole discretion of Second Party. First Parties, or their representatives, shall have the right at all times to have access to all drilling and exploratory information obtained by Second Party. The purchase price of said claims shall be $12,000.00, which shall be payable as follows: $300.00 at the time the option is exercised by Second Party, and the balance by applying on said purchase price 20% of the net mill returns in each month in which production occurs on said claims until the full $12,000.00 has been paid. Said purchase price contemplates a 100% ownership of the claims by First Parties, free and clear of all liens or encumbrances or outstanding interest. If it should be determined that First Parties own a lease interest less than 100% in all of the above claims, or if it should be determined that there are outstanding liens or encumbrances, then the purchase price shall be reduced proportionately. In the event Second Party fails to exercise his option to purchase said claims, then and in that event all drilling information, drilling locations and other data obtained by Second Party shall be turned over to First Parties, and this instrument shall thereupon be terminated, and each of the parties hereto shall be released and discharged of any obligations hereunder.

In the event Second Party should decide to develop by lease any portion of the above described claims, then the First Parties shall have the first right of refusal of said lease; it being understood that Second Party reserves the right to have more than one lessee on said premises.

In the event Second Party exercises the option to purchase said mining claims, First Parties agree to execute a Quit Claim Deed or such other instrument as Second Party may require (provided First Parties are not required to warrant title.) conveying all right, title or interest which they might have in and to said mining claims to Second Party.

It is further agreed that such deed shall thereupon be deposited with the ~~Central Bank and Trust Company~~ Colorado National Bank of Denver, Colorado, as escrow holder, to be delivered by said bank to Second Party upon the full payment of the $12,000.00 provided for herein.

The parties agree to execute such escrow instruments as the bank may require to carry out the terms and conditions of this agreement.

Second Party agrees to commence mining operations on one or more of said claims within six months after the option to purchase said claims is exercised, and to continue such mining operations as long thereafter as ore shall be found in commercial quantities on said claims.

In the event Second Party should, for a period of one year, fail to conduct mining operations on said claims, or on one or more of said claims, Second Party agrees to execute a release of all right, title or interest which Second Party might have in and to such claims, and the above designated escrow holder shall be instructed to return the said deed to First Parties. Upon the execution of such release, Second Party shall be released of any further obligation under the terms of this agreement. All personal property, including mining machinery and supplies may be removed by said Second Party within a reasonable time after the execution of such release. Second Party is given the right to assign this option to any person or persons, corporation or partnership and that upon such assignment all liability of Second Party hereunder shall cease, providing that the assignee assumes all such obligations.

The provisions hereof shall be deemed covenants running with the land and binding upon the heirs, successors and assigns of the parties hereto.

William E. Hall

FIRST PARTIES

George C. Vance

SECOND PARTY

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
RECEIVED
JUL 2 5 1954

STATE OF UTAH)
SAN JUAN (SS.
COUNTY OF MONTROSE)

On this 17 day of June, 1954, before me personally appeared WILLIAM G. HALL and RAY V MARIS, two of the signers of the above instrument, known to me to be the persons whose names are subscribed to the within instrument and who duly acknowledged to me that they executed the same as their free act and deed.

Given under my hand and seal this 17 day of June, 1954.

My commission expires: April 7, 1958

Notary Public

STATE OF COLORADO)
(SS.
CITY & COUNTY OF DENVER)

On this 22 day of May, 1954, before me personally appeared George C. Vance, the signer of the above instrument, known to me to be the person whose name is subscribed to the within instrument and who duly acknowledged to me that he executed the same as his free act and deed.

Given under my hand and seal this 22 day of May, 1954.

My Commission Expires: [illegible]

Notary Public

ENTRY NO. 21625 18 3 to
RECORDED 7-21-54 AT 9:50 A.M. IN BOOK 133 PAGE 186
FEE PAID ARVILLA E. WARREN, SAN JUAN COUNTY RECORDER
$ 4.60 BY [illegible]

ASSIGNMENT AND ACCEPTANCE

FOR VALUE RECEIVED, George C. Vance, assignor, hereby assigns all his right, title and interest in and to the within Option for Purchase of Mining Claims unto United States Uranium Company, a corporation, organized and existing under the laws of Nevada, assignee, its successors and assigns. In consideration of this assignment, the said assignee hereby assumes and agrees to make all the payments and perform all the covenants and agreements in said Option For Purchase and Mining Claims contained by the said George C. Vance therein agreed to be made and performed.

WITNESS our hands and seals this 23rd day of June, 1954.

George C. Vance

Attest:

Secretary

UNITED STATES URANIUM COMPANY

By

President

186

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

Ellis
Selfridge
Mattesdorf

OCT 28 1954

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

Re: Docket No. DMEA-3405 (Uranium)
Contract No. Ldm-E717
United States Uranium Company
Frying Pan claims
San Juan County, Utah

Dear Mr. King:

We are enclosing two copies of a memorandum dated October 22, 1954, from the Acting Assistant Solicitor pertaining to a review of the captioned contract. Please let us have your comments especially regarding the option agreement and assignment.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures 2

EWEllis/gla
10-27-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700

APPROVED:

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

Thor H. Kiilsgaard
Member, Geological Survey (JHB)

R.C.S.

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

Rubin

October 22, 1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: United States Uranium Company, Docket No. DMEA-3405 (Uranium), Contract Idm-E717

Article 2 of the subject contract, drafted in Region IV, recites that the Operator is an "optionee". There is no copy of the option agreement in the docket. Mr. Salsbury's undated engineering report states that an option to purchase was granted to George C. Vance (President of the Operator-Company) and that presumably he assigned it to the Operator. We have approved the contract on this assumption.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachment

HCRubin/emd
Copy to: DMEA Docket
Solicitor's Docket
E. W. Ellis (2)
J. L. Hofflund
H. C. Rubin
chron.

R.C.S.

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

October 22, 1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: United States Uranium Company, Docket No. DMEA-3405 (Uranium), Contract Idm-E717

Article 2 of the subject contract, drafted in Region IV, recites that the Operator is an "optionee". There is no copy of the option agreement in the docket. Mr. Salsbury's undated engineering report states that an option to purchase was granted to George C. Vance (President of the Operator-Company) and that presumably he assigned it to the Operator. We have approved the contract on this assumption.

J. L. Hoffmann
Acting Assistant Solicitor
Defense Minerals

Attachment

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

224 New Customhouse
Denver 2, Colorado

REGISTERED

October 5, 1954

Memorandum

To: Administrator, DMEA, Attention Code 200

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3405 (Uranium), Contract Idm-E717, United States Uranium Company, San Juan County, Utah.

Enclosed are the original and two copies of Contract Idm-E717. Copies of the contract have been given to the operator, the Finance Office, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

RECEIVED
OCT 19 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

224 New Customhouse
Denver 2, Colorado

October 5, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3405 (Uranium), Contract Idm-E717, United States Uranium Company, San Juan County, Utah.

Enclosed are four copies of the report of examination and two copies of Form B on the subject Docket.

A contract has been prepared and is in force.

W H King
W. H. King

Enclosures

REAdams/[illegible]/10-4-54

Adm

IMEA - Department of the Interior

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

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

T E L E T Y P E

MR. W. H. KING, EXECUTIVE OFFICER
IMEA FIELD TEAM, REGION IV
BUREAU OF MINES
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

OCT 4 1954

REURTEL 10-1-54 CONTRACT NO. IDM-E717 ASSIGNED DOCKET NO. IMEA-3405,

UNITED STATES URANIUM COMPANY.

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR

10-4-54

Copy to: Adm. R. File
~~Mails~~ & Files

R.C.S.

E-717

Chairman, Operating Committee
DMEA- 10/1/54
3:40 P.M.

DN 235 BUREAU MINE 10-1-54 1-37 PM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 4 1954

CHAIRMAN, OPERATING COMMITTEE
DMEA

XXXXXXXXXXXXXXXXXX

PLEASE ASSIGN A NUMBER TO CONTRACT COVERING DOCKET DMEA 3405, UNITED STATES URANIUM COMPANY, 711 SEVENTEENTH STREET, DENVER 2, COLORADO. COMMODITY URANIUM. CONTRACT WILL BE DATED OCTOBER 1,1954. PROPERTY IN SAN JUAN COUNTY, UTAH. AMOUNT OF GOVERNMENT PARTICIPARTXXXXX PARTICIPATION $13,180.50. TOTAL COST OF CONTRACT $17,574.00.

W H KING

Denver, Colo.

OCT 4 7 57 AM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

224 New Customhouse
Denver 2, Colorado

September 15, 1954

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: DMEA Field Team, Region IV

Subject: Report of Examination, Docket DMEA 3405 (Uranium), United States Uranium Company, Frying Pan Claims, San Juan County, Utah.

The application for Government assistance in exploration work estimated to cost $17,574.00, has been approved by us and a contract is being prepared.

Government participation will be 75 percent, or $13,180.50.

Four copies of the Report of Examination and Form 3b will be forwarded when the contract is processed.

John F. Shaw
For W. H. King

A. H. Koschmann

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

September 15, 1954

Memorandum

TO: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Report of Examination, DMEA Docket 3405, (Uranium) United States Uranium Company, Frying Pan Claims, San Juan County, Utah.

Enclosed are eleven copies of the engineering report of examination on the subject docket.

The applicant requested $20,050 to explore the three claims by plug and core drilling. The examining engineer concludes that exploration is warranted and he recommends that the drilling be done in three stages at an estimated total cost of $17,574.00, Government participation $13,180.50.

We concur in this recommendation.

John F. Shaw
For W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
September 10, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 3405 (Uranium) United States Uranium Company (Frying Pan claims, Nos. 1, 2, and 3) San Juan County, Utah

Enclosed are the original and ten copies of a Summary, Conclusions, and Recommendations by M. H. Salsbury, Bureau of Mines, and W. D. Carter, Geological Survey, and of Salsbury's engineering report on the subject docket.

Salsbury concludes there is an excellent possibility of the discovery of uranium ore on the applicants' claims in significant amounts, although probably in small individual lenses. He goes so far as to predict the possibility of the Government receiving their participation back in royalties, estimating that this would require a production of 5,300 tons of ore with a value of $50.00 a ton. He recommends a surface, core-drilling project, with the contract prepared on unit-cost, short-form including 20 AX drill holes totaling 6,000 feet, broken down into 3 phases, at a total overall cost of $17,574.00, Government participation $13,180.50.

I concur with his conclusions and recommendations.

Lou Garbrecht of the Atomic Energy Commission was contacted by W. P. Williams of the Survey and apparently approves the exploration.

The brochure provided with your memorandum of June 28, 1954, instructing us to make a field examination and submit a report, and the copy of Carter's geologic report loaned us are enclosed also.

W. M. Traver

W. M. Traver

Enclosures

WMT/ici

cc: 10
DMEA 3405
DMEA Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

August 16, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 3405, United States Uranium Company, Frying Pan claims Nos. 1, 2, and 3, San Juan County, Utah

Enclosed are 11 copies of a geologic report by W. D. Carter of the U. S. Geological Survey covering the above docket.

Mr. Carter concludes that the Frying Pan claims may be located in a mineralized belt and recommends that a loan be approved allowing 120 core drill holes with a total maximum footage of 6,000 feet. The total estimated cost of the project is about $18,000.

Also enclosed are 9 extra copies of the maps accompanying Mr. Carter's report.

E. M. Hauchman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 3405, Frying Pan Claims, Nos. 1, 2, and 3

United States Uranium Company

San Juan County, Utah

Uranium

M. H. Salsbury, Mining Engineer
Bureau of Mines

W. D. Carter, Geologist
Geological Survey

September 2, 1954

DMEA 3405

FRYING PAN CLAIMS, NOS. 1, 2, AND 3
UNITED STATES URANIUM COMPANY
SAN JUAN COUNTY, UTAH

Summary, Conclusions, and Recommendations

By M. H. Salsbury
Mining Engineer
Bureau of Mines

W. D. Carter
Geologist
Geological Survey

DMEA 3405

FRYING PAN CLAIMS, NOS. 1, 2, AND 3
UNITED STATES URANIUM COMPANY
SAN JUAN COUNTY, UTAH

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By M. H. Salsbury and W. D. Carter

A field examination of the Frying Pan claims Nos. 1, 2, and 3, San Juan County, Utah, was made on August 3, 1954, by a Region IV DMEA team. The owner of the claims is the United States Uranium Company, which has applied for Government assistance in exploration for uranium by core-drilling from surface at an estimated cost of $20,050.00.

The mine manager for the applicants, Francis X. Corbett accompanied the examining team, and at a conference in the field, agreed to a slightly modified drilling program.

The Frying Pan claims are located on Wray Mesa on the south side of La Sal Creek canyon, San Juan County, Utah, and they are easily accessible.

The rocks exposed on the claims are those of the Brushy Basin member of the Jurassic Morrison formation. They are composed of variegated red and green mudstones and shales with thin lenses of sandstone and conglomerate. The beds, lying on the north limb of a flat anticlinal fold, strike approximately N. 80° W. and dip 2 to 4 degrees northeast.

The potential ore-bearing horizons of the region are the upper sandstone "rims" of the Salt Wash member of the Morrison formation, which should be found on the property at a depth of from 250 to 450 feet. The claims are well located on an east-west trend

of mineralization which has been established by operations at the nearby Yellow Bird mine, an excellent producer, and by the Geological Survey drilling.

There appears to be an excellent possibility of finding significant uranium ore by drilling the Frying Pan claims.

The property rights of the applicants appear to be valid and management adequate. A core-drilling program in three phases, consisting of a maximum of 20 holes and 6,000 feet of drilling is recommended for approval at an estimated cost of $17,574.00--Government participation 75 percent, or $13,180.50.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
GRAND JUNCTION, COLO.

August 13, 1954

Memorandum

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

From: W. P. Williams

Subject: DMEA 3405, United States Uranium Company, Frying Pan claims Nos. 1, 2, and 3, San Juan County, Utah (Uranium)

Transmitted herewith are eleven copies of a geologic report by W. D. Carter, covering the above-referenced DMEA application.

In Carter's opinion, the Frying Pan claims may be located in a mineralized belt. Carter recommends that a DMEA contract be prepared, allowing for 20 core-drill holes for a total footage of 6,000 feet of drilling at a total project cost of about $18,000.

We are also sending herewith nine extra copies of the maps accompanying Carter's report.

W P Williams

W. P. Williams
Geologist

WPW/mlr
Enclosures

UNITED STATES DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 3405, United States Uranium Company, Frying Pan claims Nos. 1, 2, and 3, San Juan County, Utah

Uranium

Geologic Report

by

W. D. Carter
U. S. Geological Survey

August 13, 1954

INTRODUCTION AND SUMMARY

The Frying Pan claims, Nos. 1, 2, 3, were visited on August 3,1954, by a DMEA Field Team composed of M. H. Salsbury and C. D. Mann of the U. S. Bureau of Mines, and W. D. Carter of the U. S. Geological Survey, in the company of F. X. Corbett, U. S. Uranium Company, and W. G. Hall, claim owner from Paradox, Colorado.

Access is gained to the Frying Pan Nos. 1, 2, 3 claims by approximately 10 miles of improved access roads and Utah Highway 46 east of LaSal, Utah. The claims are located in the Paradox Mining District in section 5, T. 29 S., R. 26 E., Salt Lake Principal Meridian, San Juan County, Utah (fig. 1). The claims are accessible at all times, but probably with some difficulty during wet weather or spring thaws.

Francis X. Corbett, of the U. S. Uranium Company (the applicant), has a long history in the uranium business, having been formerly with the Vanadium Corporation of America and the Union Mines Development Company. He appears to be competent and able to carry out the exploration program as recommended.

The Frying Pan claims Nos. 1, 2, 3 are unpatented claims originally staked by William G. Hall, Parodox, Colorado, on July 18, 1953. These claims are recorded in the office of the County Recorder, Monticello, San Juan County, Utah, in Book 31, pages 85 and 86. They are held by the applicant under option to purchase.

The Frying Pan claims are located on the north bench of Wray Mesa. The surface of the bench slopes gently to the north toward La Sal Creek canyon. Except for occasional boulder piles and one deep draw along the eastern boundary of the claims, road building preparatory to exploration drilling should not be difficult. There are no surface facilities, underground workings, or mineral discoveries of any kind on the property at the present time.

Approval of DMEA application No. 3405 is recommended with the following revisions in the proposed exploration drilling program: (1) Three phases of exploration drilling are suggested instead of two as proposed by the applicant. Both the second and third phase will depend on the results found in the previous phases. This is discussed in detail under "Proposed Exploration". (2) It is also suggested that the project could easily be completed in three months instead of six months as proposed by the applicant. Other minor changes are included in the Engineering Report by M. H. Salsbury, U. S. Bureau of Mines.

GEOLOGY AND ORE RESERVES

The rocks exposed on the Frying Pan claims are those of the Brushy Basin member of the Jurassic Morrison formation. They are composed of variegated red and green mudstones and shales with thin lenses of sandstone and conglomerate. The beds strike approximately N. 80° W., and dip 2 to 4 degrees to the northeast.

No mineralized material has been discovered on the claims. The nearest uranium ore production comes from the Hesperus Mine (1 mile north) and the Vanadium Queen mine (1-1/2 miles northwest). To the northeast are the Emergency prospect (1 mile) and the Yellow Bird group of mines (2 miles). All of these deposits are in the uppermost sandstone units of the Salt Wash member of the Jurassic Morrison formation.

Exploratory drilling to date by the U. S. Geological Survey indicates that mineral deposits in the La Sal Creek area lie in narrow (1,000-2,000 feet wide) belts which trend slightly north of east. At the present it is not known how numerous or how far apart the belts are. Recent drilling results, however, indicate the possiblility that mineralized material will be found southwest of the Yellow Bird group of mines; and it is entirely possible that this belt could extend through the Frying Pan claims.

It is estimated that drilling depths penetrating the "ore-bearing sandstone" of the Salt Wash member will vary from 250 feet on the north end of the claims to 450 feet on the south end.

PROPOSED EXPLORATION

The proposed project, as stated by the applicant, "will comprise the exploration of these claims by a combination of non-core and core drilling. The objective is the finding of ore in the Salt Wash member of the Morrison formation. Drilling will be done from the surface and the average depth of holes will be 300 feet.

"It is planned to drill 20 holes within the area of the claims. This will aggregate approximately 6,000 lineal feet of drilling which will be done in two stages as follows: The first stage will be the drilling of 12 holes, four on each claim, spaced at 300-foot intervals along the center of the long axis of the claim. The second stage will be the detailed drilling at closer intervals of any mineralized areas found in the first stage drilling. The second stage to be dependent on the results of the drilling in the first stage and with the approval and agreement of the Government engineers."

A price of $2.55 per foot based on an average of estimates made by three drilling companies (B. H.Mott and Sons, Sprague and Henwood Drilling Co., and the Minerals Engineering Co.) is given by the applicant. The price appears to be in line with current prices of core and non-core drilling in the La Sal Creek area.

It was suggested and mutually agreed upon by the examining DMEA Field Team and the applicant that the drilling program be changed from two to three phases of drilling. The first phase is to be wide-spaced drilling for geologic information and to determine favorable ground. The second, on a moderate-spaced pattern, will test favorable ground and the third will partially offset any discoveries of the first or second phases.

Phase I shall consist of six holes on a minimum at 600-foot centers, averaging 300 feet in depth. Two holes will be located on each claim as shown on figure 2 accompanying this report. It is suggested that the holes be drilled in order as numbered on figure 2 and that holes Nos. 1 and 2 be cored the last 150 feet for lithologic information. All other holes are to be cored from a point approximately 10 feet above the uppermost potential ore-bearing sandstone to the bottom of the holes, a distance of approximately 100 feet.

Phase II shall consist of 8 holes on a minimum of 250-foot centers around two of the holes in phase I to explore further any mineralized material or favorable geological conditions encountered in phase I, if, in the opinion of the DMEA Field Team, such exploration is justified.

Phase III drilling shall consist of 6 holes on a minimum of 100-foot centers to explore further any significant mineralization encountered in phases I and II if, in the opinion of the DMEA Field Team, such exploration is justified.

Summary of exploration

Phase	No. of holes	Average depth	Total footage	Total cost
I	6	300	1,800	$ 4,590
II	8	300	2,400	6,120
III	6	300	1,800	4,590
Total	20	300	6,000	$15,300

It is estimated, however, that total costs will more nearly approach $18,000 when supervision ($400 per month), surveying ($450), bulldozer work, etc., are included.

It appears that the necessary manpower, materials, supplies and equipment are readily available in or near the area to complete the proposed program. Drilling water is available in La Sal Creek, approximately one mile to the west.

It is expected that the Frying Pan exploration project, if approved, would commence within 15 to 30 days after the date of the contract and be completed within three months.

CONCLUSIONS AND RECOMMENDATIONS

Geological Survey exploration drilling and geologic studies show that there is a fair chance that the Frying Pan claims Nos. 1, 2, and 3 are located in a mineralized belt. Drilling depths to the top sands of the Salt Wash member of the Morrison formation at the claim sites would not be excessive. It is, therefore, recommended that the subject application receive favorable consideration and that a DMEA contract be prepared containing the provisions as outlined above.

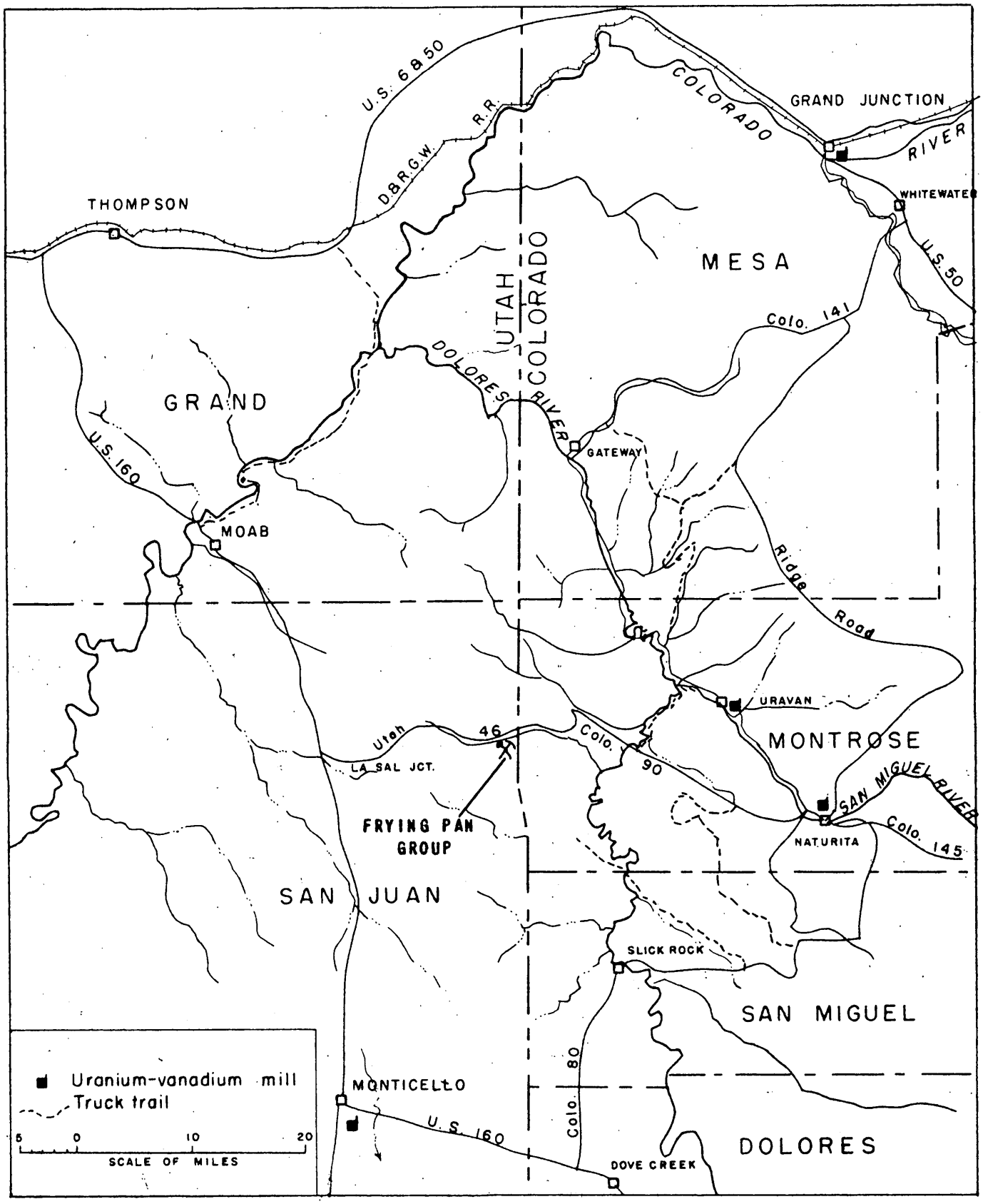
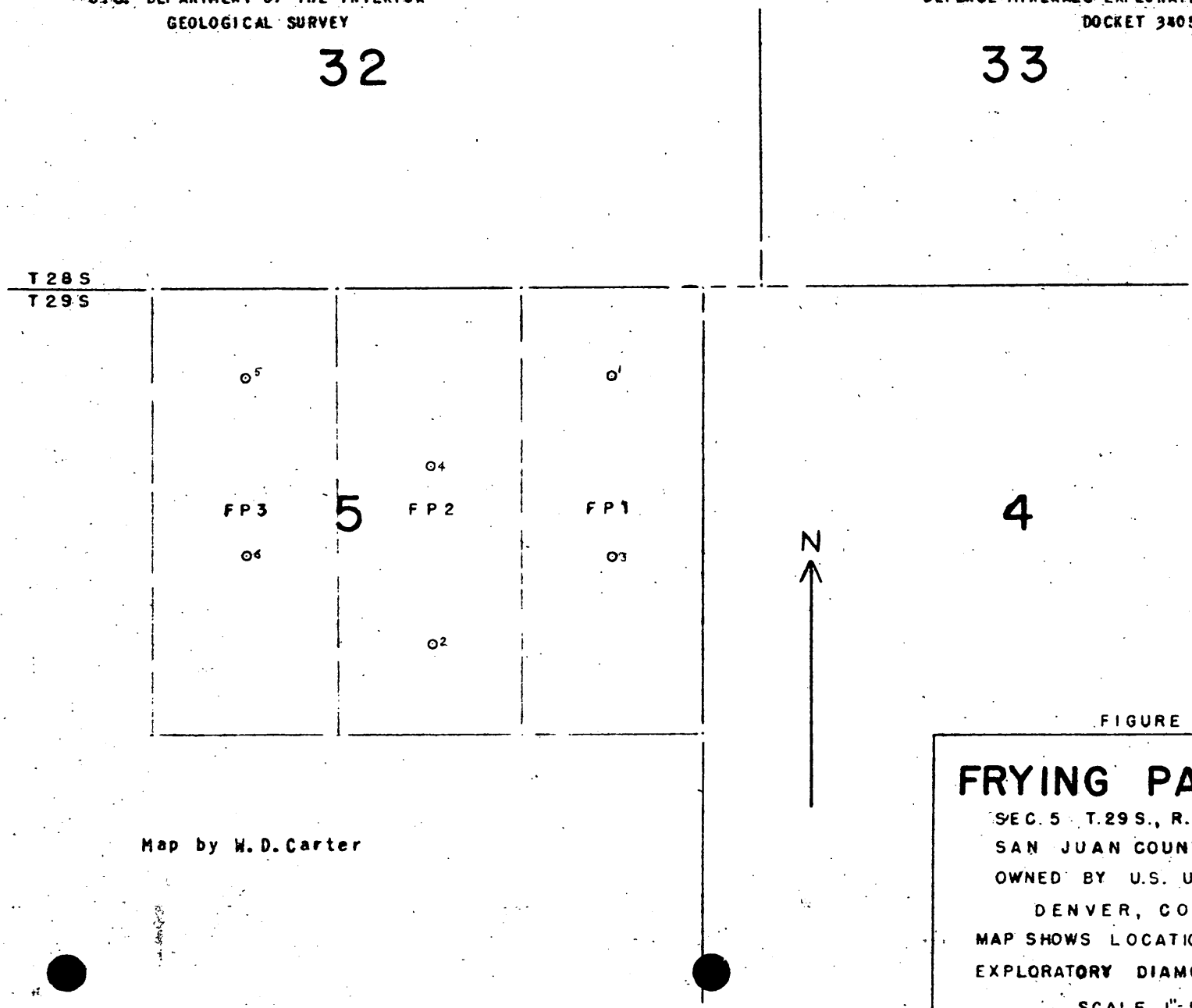


Figure 1. INDEX MAP OF PART OF COLORADO PLATEAU SHOWING LOCATION OF FRYING PAN GROUP OF CLAIMS

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3405



Map by W. D. Carter

FIGURE 2

FRYING PAN CLAIMS

SEC. 5 T. 29 S., R. 26 E., S. L. M.
SAN JUAN COUNTY, UTAH
OWNED BY U.S. URANIUM CO.
DENVER, COLORADO
MAP SHOWS LOCATION OF SUGGESTED
EXPLORATORY DIAMOND-DRILL HOLES
SCALE 1" = 500'

DMEA 3405

FRYING PAN CLAIMS, NOS. 1, 2, and 3
UNITED STATES URANIUM COMPANY
SAN JUAN COUNTY, UTAH

Engineering Report

By M. H. Salsbury
Mining Engineer
Bureau of Mines

DMEA 3405

FRYING PAN CLAIMS, NOS. 1, 2, AND 3
UNITED STATES URANIUM COMPANY
SAN JUAN COUNTY, UTAH

CONTENTS

Engineering Report — Page

Introduction..... 1
Acknowledgments..... 1
Location, topography, and physical features..... 2
Labor and living conditions..... 3
History, production, and ownership..... 3
Description of the deposits..... 5
Mineable ore reserves..... 6
Present status..... 6
Exploration and development..... 6
Mining and milling equipment and other facilities..... 6
Project proposals with costs..... 6
Summary cost of project..... 12
Proposed financing..... 12
Conclusions..... 12
Recommendations..... 13

ILLUSTRATIONS

Figure — Follows page

1. Location map, Frying Pan Claims Nos. 1, 2, and 3, United States Uranium Company, San Juan County, Utah.. 2

DMEA 3405

FRYING PAN CLAIMS, NOS. 1, 2, and 3
UNITED STATES URANIUM COMPANY
SAN JUAN COUNTY, UTAH

ENGINEERING REPORT

By

M. H. Salsbury

INTRODUCTION

United States Uranium Company applied for Defense Minerals Exploration Administration assistance in exploration for uranium by diamond drilling on their property in San Juan County, Utah. They estimated the cost as $20,050.00--Government participation, 75 percent or $15,037.50.

An examination by a Region IV DMEA team was made on August 3, 1954, in company with Francis X. Corbett, manager for the applicants, and William G. Hall, one of the locators and owners of the claims.

A slightly modified drilling program in three phases, acceptable to the applicants' manager, was outlined in the field at an estimated cost of $17,587.52--Government participation 75 percent, or $13,190.64.

ACKNOWLEDGMENTS

Data on the property was obtained by personal observation and by consultation with Geological Survey field personnel active in the area. The Atomic Energy Commission was contacted by W. P. Williams of the Survey through Lou Garbrecht of the Atomic Energy Commission, but no additional information was obtained.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The applicants' Frying Pan claims Nos. 1, 2, and 3, are located in sec. 5, T. 29 S., R. 26 E., of the Salt Lake meridian, in San Juan County, Utah, just west of the Colorado - Utah line (fig. 1). The claims are on Wray Mesa, 4.3 miles by Utah State Highway 46 and a dirt access road from the Geological Survey camp on La Sal Creek. Moab, Utah, the nearest supply center, is 48 miles northwest over Utah State Highway 46, a graveled road, and hard-surfaced Highway 160. The nearest source of major mining supplies is at Grand Junction, Colorado, a distance of 205 miles over hard-surfaced roads. Moab is served by scheduled motor-freight lines.

The topography of the area is typical tableland of the Colorado Plateau with steep walled canyons disecting sparsely wooded mesas with flat or terraced tops. Access to the property is easy, except in wet weather, and drilling sites and roads can be prepared at a low cost.

The climate of the area, at an altitude of 6,500 feet, is arid, with warm to cool summers, and moderate winters with occasional heavy precipitation and extremes of cold at infrequent intervals. In some years, snow accumulates in timbered areas to a considerable depth. Surface drilling is usually suspended in the late winter months, but underground operations are feasible throughout the year.

The nearest market for uranium ores from the La Sal area is 55 miles away at Monticello, Utah, where there is a receiving station and ore treatment plant operated by the American Smelting and Refining Company, or at Moab 48 miles away, where an AEC ore-

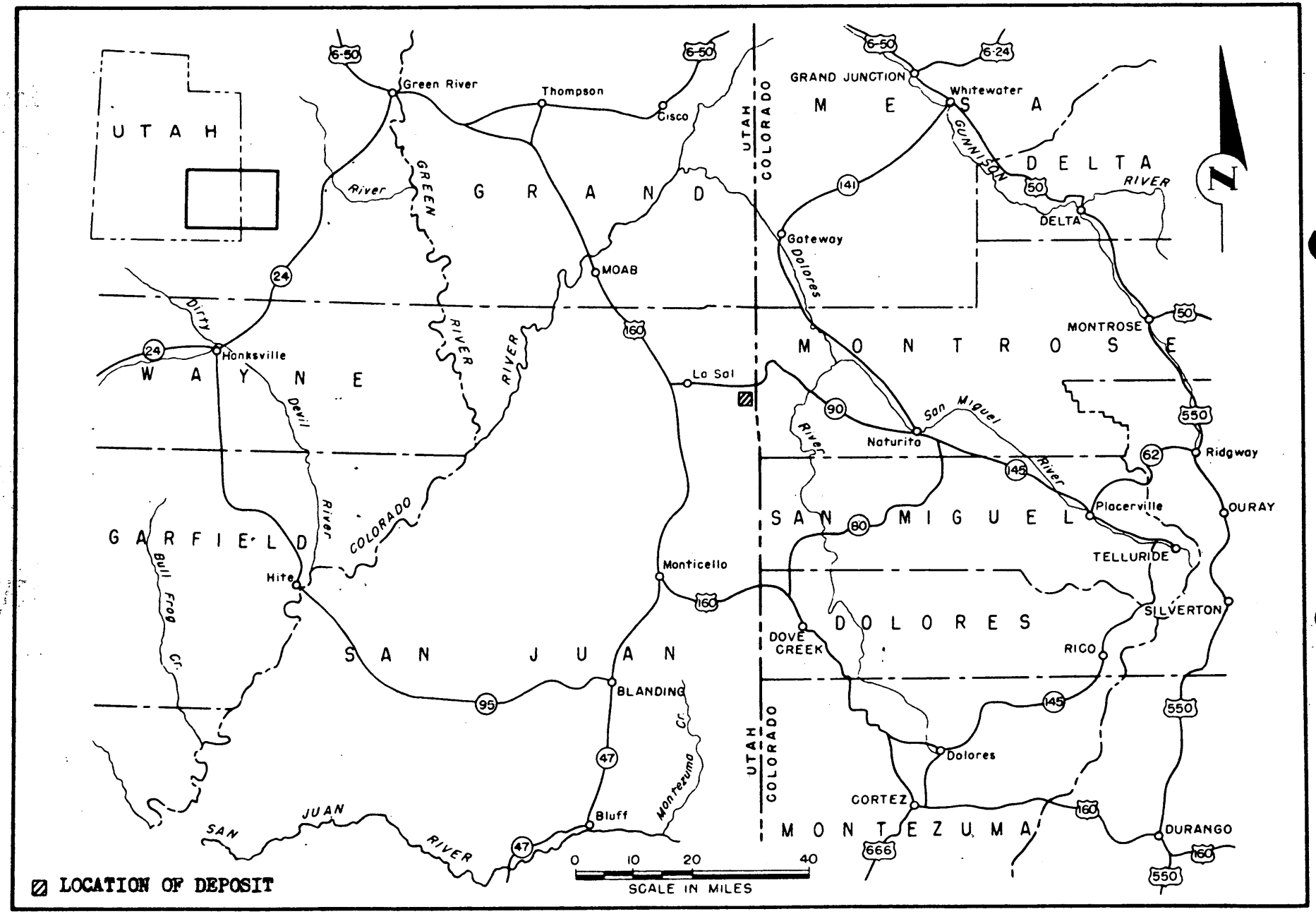


FIGURE 1 - LOCATION MAP, FRYING PAN CLAIMS NOS. 1, 2, AND 3, UNITED STATES URANIUM COMPANY, SAN JUAN COUNTY, UTAH. DMEA 3405

buying station has been recently established.

Mining timber and lumber are available from local firms operating in the La Sal area. There is an ample supply of domestic fuel on the claims. All power needs must be met by the operator, usually from gasoline- or diesel-driven equipment. Water for drilling and domestic purposes must be hauled from La Sal Creek, a distance of 3 miles.

Labor and Living Conditions

The demand for mine labor in eastern Utah is heavy and experienced men are scarce. Wage rates for semi-skilled labor at remote locations are as much as $2.00 per hour. Housing for personnel in the La Sal area usually consists of housetrailers. For drilling exploration as proposed, it is planned to use a drilling contractor, who would provide his own labor and housing.

HISTORY, PRODUCTION, AND OWNERSHIP

The mining history of the area dates from exploration and development for vanadium 25 years ago or more. Recent activity started in 1949 and has been increasing steadily. Drilling by the Geological Survey on behalf of the Atomic Energy Commission has been underway in the immediate area since 1952.

There has been substantial production of uranium and vanadium from the area. The records of four properties on the same or a similar structure and within 2 miles of the applicant's claims are as follows:

Mine	Production through 1953 in tons (estimated and recorded)	U_3O_8 percent	V_2O_5 percent
Gray Dawn	2,516.71	0.44	1.93
Vanadium Queen	5,658.02	0.26	2.37
Emergency	15.17	0.24	1.95
Yellow Bird	11,600.00	0.22	1.70

The Frying Pan claims were located by William G. Hall and Ray V. Maris. The discovery notices were dated July 18, 1953, and the locations were recorded in Book 31, pages 85 and 86, Recorder's office, Monticello, San Juan County, Utah, on July 22, 1954. An option to purchase was given George C. Vance of Denver, Colorado, on May 27, 1954, at a total price of $12,000.00. The agreement provided for exercise of the option within 60 days with payment of $300.00 towards the purchase price and a written agreement to do 2,000 feet of exploratory drilling on the claims within 6 months. The balance of the purchase price is payable out of royalties on ore shipments at the rate of 20 percent of the net returns. There is no time limit on completion of the purchase, but lapse of operations for one year during the life of the purchase agreement constitutes forfeiture.

Corbett states that the option has been exercised and the initial payment of $300.00 made. Presumably, Vance has assigned the purchase agreement to the United States Uranium Company, but no evidence of this is given. It should be verified before a contract is prepared. Corbett stated that there was an overlapping later location on part of the ground made by John I. Schumacher of Grand Junction, Colorado, for Strategic Minerals Exploration Company, although there was no evidence of this in the form of location notices. It was also stated that Schumacher does not claim the area in conflict. Schumacher

verified this in a verbal statement to the examining engineer, that he does not claim the portion of his claims which is in conflict with the Frying Pan claims. No other facts affecting the validity of the property rights were found.

DESCRIPTION OF THE DEPOSITS

The Brushy Basin member of the Jurassic Morrison formation outcrops on the property. The formations on the north limb of an anticline, strike N. 80° W. and dip 2 to 4 degrees northeast. The ore-bearing formations in the nearby producing mines are the upper sandstone "rims" of the Salt Wash member of the Morrison formation. On the Frying Pan claims these horizons are an estimated 250 feet to 450 feet below the surface which rises from north to south.

Mineralized areas with definite east-west trends found to date are extensive. The two main trends in the immediate area are on either side of, and approximately parallel to, La Sal Creek Canyon which extends east and west. The Frying Pan claims are located in line with the trend of mineralization in Yellow Bird mine to the east. This has been substantiated by Geological Survey drilling.

Ore bodies of substantial size are known. The mineralized area of the Yellow Bird mine is 200 by 400 feet with individual lenses of about 20 by 40 feet. The average thickness of the mineable ore was 2 feet, but at some points was as much as ten feet thick. Using the average value of known production, the content of an individual deposit at the Yellow Bird was 115 tons of ore averaging 0.22 percent U_3O_8 and 1.70 percent V_2O_5 with an estimated value, including bonus and vanadium payments, of $50.00 per ton, or a total of $5,650.00.

MINEABLE ORE RESERVES

There are no ore exposures on the property, and no known ore reserves.

No samples were taken during the examination.

PRESENT STATUS

Exploration and Development

No work has been done on the claims other than brushing some of the boundary lines and setting corner and discovery stakes.

The Geological Survey is drilling east of the property and, on the trend of mineralization, the drilling activity is approaching the Frying Pan claims. The Survey may want to drill one hole, or at the most two, on the claims, but this is not definite, and Carter, the Geological Survey participant in the examination, stated they have not asked for a drilling agreement with the owners.

Mining and Milling Equipment and Other Facilities

There are no buildings or equipment on the property.

PROJECT PROPOSALS WITH COSTS

The applicants proposed a diamond core-drilling program in two phases, totaling 6,000 feet of drilling in 20 holes at an estimated cost of $20,050.00—Government participation 75 percent, or $15,037.50. Their estimate for contract drilling was $2.55 per foot and the overall cost was $3.34 per foot. The contract drilling price is in line with quoted prices in the area. The estimated total cost per foot is somewhat high, and reflects supervision costs for a six-month period, instead of three months, which Corbett now says will be enough under the revised plan.

Corbett agreed to a modified drilling program set up in three phases. This was suggested to limit the total drilling necessary if the results of first phase drilling are not favorable.

The proposed drilling program is as follows:

Phase I

Six diamond core-drill holes on a minimum of 600-foot centers averaging 300 feet in depth, two holes on each claim, as shown on figure 2 with the geologic report, to explore the two upper ore horizons of the Salt Wash formation.

Total Phase I drilling, 6 holes or 1,800 feet

Phase II

Four holes on a minimum of 250-foot centers around each of two of the holes in Phase I, or a total of eight holes, to explore further any mineralization or favorable geological conditions encountered in Phase I, if in the opinion of the Region IV DMEA Field Team, guided by criteria developed for the area by the Geological Survey, such exploration is justified; prior written authorization by the Field Team to be required.

Total Phase II drilling, 8 holes or 2,400 feet

Phase III

Six holes on a minimum of 100-foot centers to explore further any significant mineralization encountered in Phases I or II, if, in the opinion of the Region IV DMEA Field Team, such exploration is justified; prior written authorization by the Field Team to be required.

Total Phase III drilling, 6 holes or 1,800 feet

Total for project 20 holes or 6,000 feet

The first hole at the north end of the claims and the first hole at the south end of the claims are to be cored for the last 150 feet. All other holes are to be cored from a point ten feet above the upper potential ore-bearing sand to the bottom of the hole, a distance of approximately 100 feet. Minimum size of hole should be AX. None of the holes in Phase I are dependent on the results of other holes, and these holes can be drilled in any sequence at the convenience of the contractor.

The depth to the ore horizon is only an estimate, and it is possible that the 1,800 feet of drilling allowed in Phase I might not permit drilling all six holes to the desired depth. It would be advisable to have all six holes completed because this is the minimum number which will cover the ground adequately. Some provision should therefore be included in a contract providing for the transfer of footage up to 300 feet from the later phases, if necessary.

The Geological Survey will probably probe any holes drilled as is customary in any new area where they are operating, provided that the equipment is available at the right time.

Table of drilling footages (estimated) Phase I

Hole No.	Depth non-core in feet	Estimated cost per foot (avg.)	Depth cored in feet	Estimated cost per foot (avg.)	Total depth in feet
1	---	----	350	$2.75	350
2	---	----	250	2.57	250
3	175	$2.00	100	3.00	275
4	200	2.12	100	3.00	300
5	250	2.20	100	3.18	350
6	175	2.00	100	3.00	275
Totals	800	$2.08 (avg.)	1000	$2.92(avg.)	1800

The estimated time for completion of the project as modified is 13 weeks or 3 months, as the applicants intend to expedite the work, employing a contractor with two rigs, if the project is approved.

Following is an itemized cost estimate:

Phase I
(Estimated time for completion--4 weeks)

(1) Contracts

Independent drilling contract
1,800 feet diamond drilling

1,000 feet cored hole at $2.92 per foot	$2,920.00
800 feet non-cored hole at $2.08 per foot	1,664.00

Drilling site preparation and access roads		
Contract 50 hours bulldozing		
D-7 tractor or equivalent at $12.00 per hour	$ 600.00	
Total contracts		$5,184.00
(2) Labor and supervision		
Labor	none	
Supervision		
1 month at $400.00 per month	400.00	
Total supervision	400.00	
Technical services		
Consulting and surveying		
1 month at $150.00 per month	150.00	
Total technical services	150.00	
Total labor, supervision, and technical services		550.00
(3) Operating materials and supplies		
24 core boxes for 1,000 feet of core at $3.50 each	84.00	
Gas, oil, and repair parts for one service truck at $50.00 per month	50.00	
Total materials and supplies		134.00
(4) Operating equipment		
Rental	none	
Purchase	none	
Depreciations		
1 truck valued at $1,000.00, depreciated at $16.67 per month for 1 month	16.67	
Total operating equipment		16.67
(5) (6) No initial rehabilitation or repairs, or new buildings and improvements		
(7) Miscellaneous		
Accounting	50.00	
Sampling and analyses		
15 samples assayed for U_3O_8, V_2O_5, and $CaCO_3$ at $5.00 each	75.00	
Compensation insurance, payroll taxes, et cetera, on supervisor's salary 5% of $400.	20.00	
Total miscellaneous		145.00

Total cost Phase I		$6,029.67

Overall cost per foot $3.35

Overall cost per foot less sampling costs $3.31

Phase II
(Estimated time for completion--5 weeks)

(1) Independent Contracts		
Diamond core-drilling		
800 feet cored hole at $2.92 per foot	$2,336.00	
1,600 feet non-cored hole at $2.08 per foot	3,328.00	
Total contracts		$5,664.00
(2) Labor and supervision		
Labor	none	
Supervision		
1-1/4 month at $400.00 per month	500.00	
Technical services	150.00	
Total labor, supervision, and technical services		650.00
(3) Operating materials and supplies		
20 core boxes for 800 feet of core at $3.50 each	70.00	
Gas, oil, and repairs for service truck 1-1/4 months at $50.00 per month	62.50	
Total materials and supplies		132.50
(4) Operating equipment		
Depreciation		
1 truck; 1-1/4 months at $16.67 per month	20.85	
Total operating equipment		20.85
(5) (6) No initial rehabilitation or repairs, or new buildings and improvements		
(7) Miscellaneous		
Accounting	62.50	
Sampling and analyses		
20 samples assayed for U_3O_8, V_2O_5 and $CaCo_3$ at $5.00 each	100.00	
Compensation insurance, payroll taxes, et cetera, on supervisor's salary, 5% of $500.	25.00	
Total miscellaneous		187.50
Total cost Phase II		$6,654.85

Overall cost per foot Phase II drilling $2.77
Overall cost per foot, less sampling costs $2.73

Phase III
(Estimated time for completion--3 weeks)

(1) Contracts		
Independent drilling contract		
1,800 feet diamond drilling		
600 feet cored drilling at $2.92 per foot	$1,752.00	
1,200 feet non-cored drilling at $2.08 per foot	2,496.00	
Total contracts		$4,248.00
(2) Labor and supervision		
Labor	none	
Supervision		
3/4 month at $400.00 per month	300.00	
Technical services		
Consulting and surveying		
1 month at $150.00 per month	150.00	
Total labor, supervision, and technical services		450.00
(3) Operating materials and supplies		
15 core boxes for 600 feet of core at $3.50 each	52.50	
Gas, oil, and repair parts for truck		
3/4 month at $50.00 per month	37.50	
Total materials and supplies		90.00
(4) Operating equipment		
Depreciation		
1 truck; 3/4 month at $16.67 per month	12.50	
Total operating equipment		12.50
(5) (6) No initial rehabilitation or repairs, or new buildings and improvements		
(7) Miscellaneous		
Accounting	37.50	
Sampling and analyses		
10 samples assayed for U_3O_8, V_2O_5, and $CaCo_3$ at $5.00 each	50.00	
Compensation insurance, payroll taxes, et cetera, on supervisor's salary 5% of $300.	15.00	
Total miscellaneous		102.50
Total cost Phase III		4,903.00

Overall cost per foot Phase III drilling	$2.72	
Overall cost per foot, less sampling costs	2.70	
Total estimated cost of project		$17,587.52
Estimated cost per foot of all drilling	$2.93	
Estimated cost of all drilling less sampling costs		$2.89

SUMMARY COST OF PROJECT

Phase	Drilling footage	Estimated cost per foot	Total cost
I	1,800	$3.35	$6,030.00
II	2,400	2.77	6,648.00
III	1,800	2.72	4,896.00
Totals	6,000		$17,574.00

Government participation at 75 percent $13,180.50

PROPOSED FINANCING

The applicants are raising capital by the sale of stock and state they are prepared to furnish their share of the exploration cost in cash.

CONCLUSIONS

Geologically, there appears to be an excellent possibility of finding significant uranium ore in lenses containing possibly 100 tons each with a value of $50.00 per ton, which could be mined at an estimated cost of $25.00 per ton. The cost of equipping and sinking a shaft to the required depth of 250 feet is estimated at $40,000.00. A production of 1,775 tons of ore would return the applicants their cost including their share of exploration drilling costs. To return the Government's expenditure for the proposed project would require production of about 5,300 tons of this grade ore. There is a fair

possibility of finding this amount of ore on the Frying Pan claims.

The applicant company is a stock promotion, and appears to be adequately managed. The mine manager, Francis X. Corbett, has had wide experience on the Colorado Plateau, having been employed during the war by the Union Mines Development Corporation, and later by the Vanadium Corporation of America, as a geologist and mine superintendent. He is well qualified to supervise the proposed exploration work.

The applicants plan to employ a reputable contract drilling firm for the proposed work.

RECOMMENDATIONS

It is recommended that an exploration project totaling 6,000 feet of minimum size AX diamond core-drilling in 20 holes averaging 300 feet deep be approved at an estimated cost of $17,574.00--Government participation 75 percent of $13,180.50. A short-form contract, with the project in three phases as outlined under project proposals, is suggested.

The applicants should furnish evidence of the transfer of the purchase contract from George C. Vance, and probably an Owner's Consent to Lien, is required from the original owners.

/ici

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

224 New Customhouse
Denver 2, Colorado

June 28, 1954

Mr. George C. Vance
United States Uranium Co.
711 Seventeenth Street
Denver 2, Colorado

Dear Mr. Vance:

This will acknowledge receipt of your application dated June 23, 1954 on the Frying Pan claims No. 1, 2, and 3, La Sal Mining District, San Juan County, Utah.

You will be advised prior to the date of the field examination so your representative may be present at that time.

Very truly yours,

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

RDB:es

cc: Docket
Administrator, DMEA
Williams
Traver
Koschmann
Chron.

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

224 New Customhouse
Denver 2, Colorado

June 25, 1954.

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: Code 200

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docketing for Exploration Assistance

Enclosed herewith in duplicate is DMEA Form 3a and MF-103 and supporting data pertaining to the following applications for Government assistance in exploration work:

Robert J. Burns (Uranium)
Vern L. Bagby
San Miguel County, Colorado

United States Uranium Company (Uranium)
711 - 17th Street
Denver 2, Colorado

W. H. King

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 3405
Metal or Mineral Uranium
Date Received
Estimated Cost $20,050
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: UNITED STATES URANIUM COMPANY
711 Seventeenth Street, Denver 2, Colorado,
a Nevada Corporation

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Mineral Locations, Frying Pan #1, Frying Pan #2, Frying Pan #3, La Sal Mining District, Section 5, Township 29 South, Range 26 East

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Purchaser Under Contract

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

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Frying Pan #1, Book 31, Page 85, Frying Pan #2, Book 31, Page 85, Frying Pan #3, Book 31, Page 86, Recorder's Office, Monticello, San Juan County, Utah.

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

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

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

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

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

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

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

(*c*) The work will start within 30 days and be completed within 6 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated June 23, 1954, 195__

UNITED STATES URANIUM COMPANY
(Applicant)

By George Vance
President

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

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

UNITED STATES URANIUM COMPANY

Denver - Colorado

1. Name of Applicant

(a) United States Uranium Company

711 - 17th Street, Denver 2, Colorado.

(b) A Nevada Corporation

(c) George C. Vance, President, Treasurer

P. O. Box 2410, Denver, Colorado

Charles W. Hotchkiss, Vice President

2 East 56th Street, New York, New York

Anthony F. Zarlengo, Secretary

2612 Stuart Street, Denver, Colorado

3. Applicant's Property Rights

(a) Unpatented Mineral Locations, Frying Pan #1, Frying Pan #2, Frying Pan #3, La Sal Mining District; Section 5, Township 29 South, Range 26 East, Salt Lake Base and Meridian, San Juan County, Utah.

(b) The Frying Pan Group

(c) Purchaser under Contract

(d) Attached

(e) None

(f) Frying Pan #1, Book 31, Page 85;
Frying Pan #2, Book 31, Page 85;
Frying Pan #3, Book 31, Page 86;
Recorder's Office, Monticello,
San Juan County, Utah.

UNITED STATES URANIUM COMPANY

Denver, Colorado

4. Physical Description

(a) There have been no mining operations on the property. The work to date has been limited to the locations of claims.

(b) There has been no production of ore from the property.

(c) The formation exposed on the surface of the claims is the Brushy Basin member of the Morrison Formation. The Salt Wash member which is the ore horizon in this area lies at an estimated depth of 300 feet. The past and present mining operations and exploration drilling proves that the uranium-vanadium mineralization is widespread and that appreciable quantities of ore can be developed. Mines such as the Yellow Bird and Vanadium Queen have been productive over a long period. The United States Geological Survey - Atomic Energy Commission exploration drilling program which was started last year is now in progress in adjacent areas. There is a good possibility that an exploration drilling program of adequate scope will locate ore on the Frying Pan Group of claims.

(d) The property is readily accessible by good roads from Moab, Utah, 42 miles distant, and Paradox, Colorado, 15 miles distant. Supplies

(d) (Cont'd) are available at several points in the region, Grand Junction, Moab, Monticello and other communities, the most distant being 160 miles. There are three treatment plants for ore mined in the area -- Naturita, Colorado, (Vanadium Corporation of America), Uravan, Colorado, (United States Vanadium Corp.) and Monticello, Utah (Atomic Energy Commission).

(e) Labor of various classification is available in the communities of the region. Labor for the exploration work applied for will be supplied by the drilling contractor. Water is available in La Sal Creek one mile from the property.

5. Exploration Project

(a) Uranium and vanadium ores.

(b) The work will comprise the exploration of three claims by a combination of non-core and core drilling. The objective is the finding of ore in the Salt Wash member of the Morrison Formation. Drilling will be done from the surface and the average depth of hole will be 300 feet.

It is planned to drill 20 holes within the area of the claims. This will aggregate

(b) (Cont'd) approximately 6,000 lineal feet of drilling which will be done in two stages as follows: The first stage will be the drilling of 12 holes - 4 on each claim spaced at 300 foot intervals along the center line of the long axis of the claim. The second stage will be the detailed drilling at closer intervals of any mineralized areas found in the First Stage drilling. The second stage to be dependent on the results of the drilling in the first stage and with the approval and agreement of the Government engineers.

(c) The work will start within 15 to 30 days and will be completed in six months from the date of an exploration contract.

(d) The United States Uranium Company, through its personnel, is fully qualified to satisfactorily carry out the proposed exploration program.

Mr. Francis X. Corbett, who will plan and supervise the work is a graduate mining engineer with experience in mining, geological and exploration work; this experience includes work with the Vanadium Corporation of America as a mining engineer and superintendent; with the Union Mines Development Corporation in uranium exploration as a party chief and geologist and as an exploration engineer with the Kennecott Copper Corporation.

(d) (Cont'd) Mr. Oscar A. Fischer, a mining engineer and metallurgist, who has had many years experience in the vanadium-uranium business, as well as in other branches of mining and milling, will act as consultant.

Mr. Charles O. Parker, mining engineer, has had a varied experience in mining, metallurgy and assaying. He is a graduate of the Colorado School of Mines. He will also act as consultant to the company when needed.

6. Estimate of Costs

(a) The exploration work will be done under contract with an experienced drilling organization. Tentative bids have been gotten from three drilling companies, which are as follows:

B. H. Mott & Sons, Inc.
2000' minimum, to depths of 400'
Combination non-coring and
coring (DM) $2.50

UNITED STATES URANIUM COMPANY

Denver, Colorado

(a) (Cont'd) Minerals Engineering Co.

2000' minimum Wagon Drilling

0' - 100'	$0.75
100' - 200'	1.25

5000' minimum Rotary Diamond Drill

	Plug Bit	Core Bit
0' - 200'	2.25	2.50
200' - 400'	2.65	3.00

Sprague & Henwood Co.

Non-coring to 400'	$1.75	to	$2.00
Coring to 400'	(0' - 200')		2.35
	(200' - 400')		3.35

An average of these prices indicates that the drilling may be contracted for at the rate of $2.55 per foot. This is based on a 2000' to 5000' commitment, any additional footage should be done at a reduced price.

6000' at $2.55/foot	$15,300.00
Bulldozer operation, 50 hours at $12.00/hour	600.00

(b) Labor, Supervision, Consultants

Supervision of drilling six months at $400.00/month	2,400.00
Consulting and Surveying	450.00

(c)	None		
(d)	None		
(e)	None		
(f)	Not applicable		
(g)	Assaying	30 assays at $5.00	$ 150.00
	Accounting		150.00
(h)	Contingencies		1,000.00
		Total	$20,050.00

7. (a) Yes.

(b) Applicant will supply its share in the form of money.