Nov 14, 1953. Mining lease

Lessors: Lawrence Mighieno
Marie " "
Frank Davis
Sally Davis

Lessee: K.S. Mitby Construction Co. (a partnership)
Roy L. Wright
Carl H. Peterson
Orvel Gathers

February, 1954 Mining sublease on Vanadium King No. 5 Mine
Lessee: K.S. Mitby Construction Co.
Sub-lessee: Elwin Robinson ✓

June 18, 1954 Assignment of lease
From: K.S. Mitby Const. Co
To: Oceanwin Industries, Inc.

June 29, 1954 Agreement to above assignment
signed by: (2) Lawrence ✓ x Marie ✓ Mighieno 43.75%
(No) (No)
(2) Frank x Sally Davis 26.25%
✓ signed Owners Consentation
(1) Dean E. Boggian ✓ 8.
% owned calculated from shares shown in agreement
(1) John W. Lowe ✓ 8
(1) Andrew R. Mitby ✓
(1) [illegible] ✓
(1) H.B. Bellows ✓
% (9)

MF-203
(Revised July 1, 1954)

RECEIVED
APR 15 1955

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 Emery, described as follows:1/

A sublease on the Vanadium King No. 5 dated February 10, 1954, unrecorded. The Vanadium King No. 5 unpatented mining claim is recorded in Book J-7, Page 243 in the Recorder's office of Emery County, Utah

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/ Uranium Industries, Incorporated
124 South 4th Street
Grand Junction, 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 production3/ 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 In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have".

Dated this 11 day of Feb, 1955.

Elwin Robison [Seal]

[Seal]

[Seal]

MF-203
(Revised July 1, 1954)

RECEIVED
APR 15 1955

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 Emery, described as follows:1/

A sublease on the Vanadium King No. 5 dated February 10, 1954, unrecorded. The Vanadium King No. 5 unpatented mining claim is recorded in Book J-7, Page 243 in the Recorder's office of Emery County, Utah

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/ Uranium Industries, Incorporated
124 South 4th Street
Grand Junction, 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:

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2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof 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 [illegible]

Dated this 11 day of Feb, 1955.

Elwin Robison [Seal]

[Seal]

[Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

Defense Minerals Administration
RECEIVED
APR 15 1955

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

A sublease on the Vanadium King No. 5 dated February 10, 1954, unrecorded. The Vanadium King No. 5 unpatented mining claim is recorded in Book J-7, Page 243 in the Recorder's office of Emery County, Utah

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/ Uranium Industries, Incorporated
124 South 4th Street
Grand Junction, 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.

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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 [illegible]

[illegible]

Dated this 11 day of Feb, 1955.

Elvin Robison [Seal]

[Seal]

[Seal]

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 Emery, described as follows:1/

A subclaim on the Vanadium King No. 9 dated February 10, 1954, unrecorded.
The Vanadium King No. 9 unpatented mining claim is recorded in Book J-7, Page 639
in the Recorder's office of Emery County, Utah

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/ Uranium Exploration, Incorporated
165 North 5th Street
Grand Junction, 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 production3/ 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 [illegible]

[illegible]

Dated this 11 day of Feb, 1955.

Elwin Robison [Seal]

[Seal]

[Seal]

Bureau of Land Management
RECEIVED
APR 15 1985

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 _____, County of _____, described as follows:1/

_____

_____

_____

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/ _____

_____

_____

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:

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4. Changes and added provisions In paragraph 2 the words "the period fixed in the contract or any contract thereof has" are substituted for "has been here".

Dated this 11 day of February, 1955.

Elwin Robison [Seal]

[Seal]

[Seal]

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 _____, County of _____, described as follows:1/

_____

_____

_____

_____

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/ _____

_____

_____

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Dated this 11 day of Feb, 1955.

Elvin Robison [Seal]

[Seal]

[Seal]

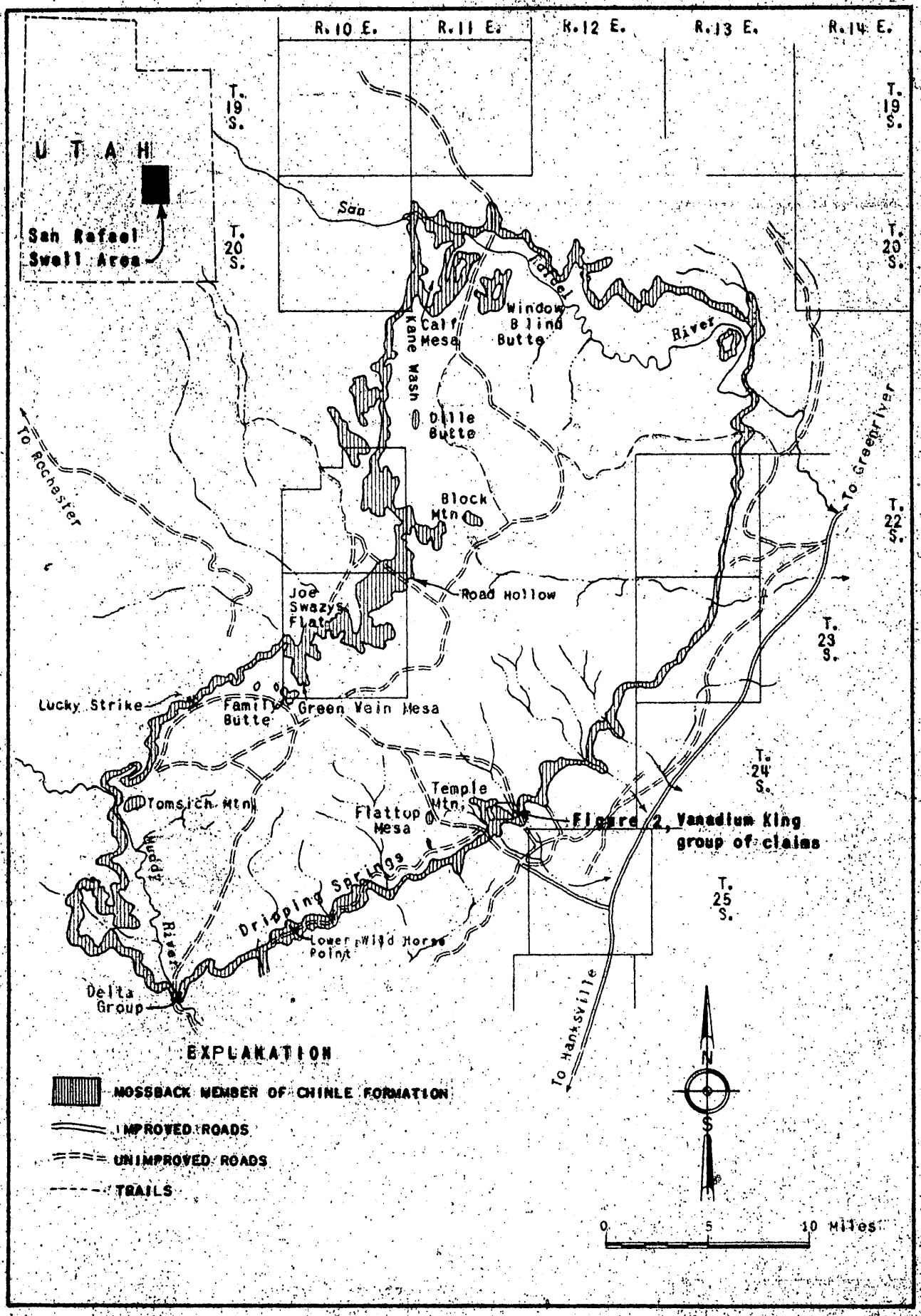
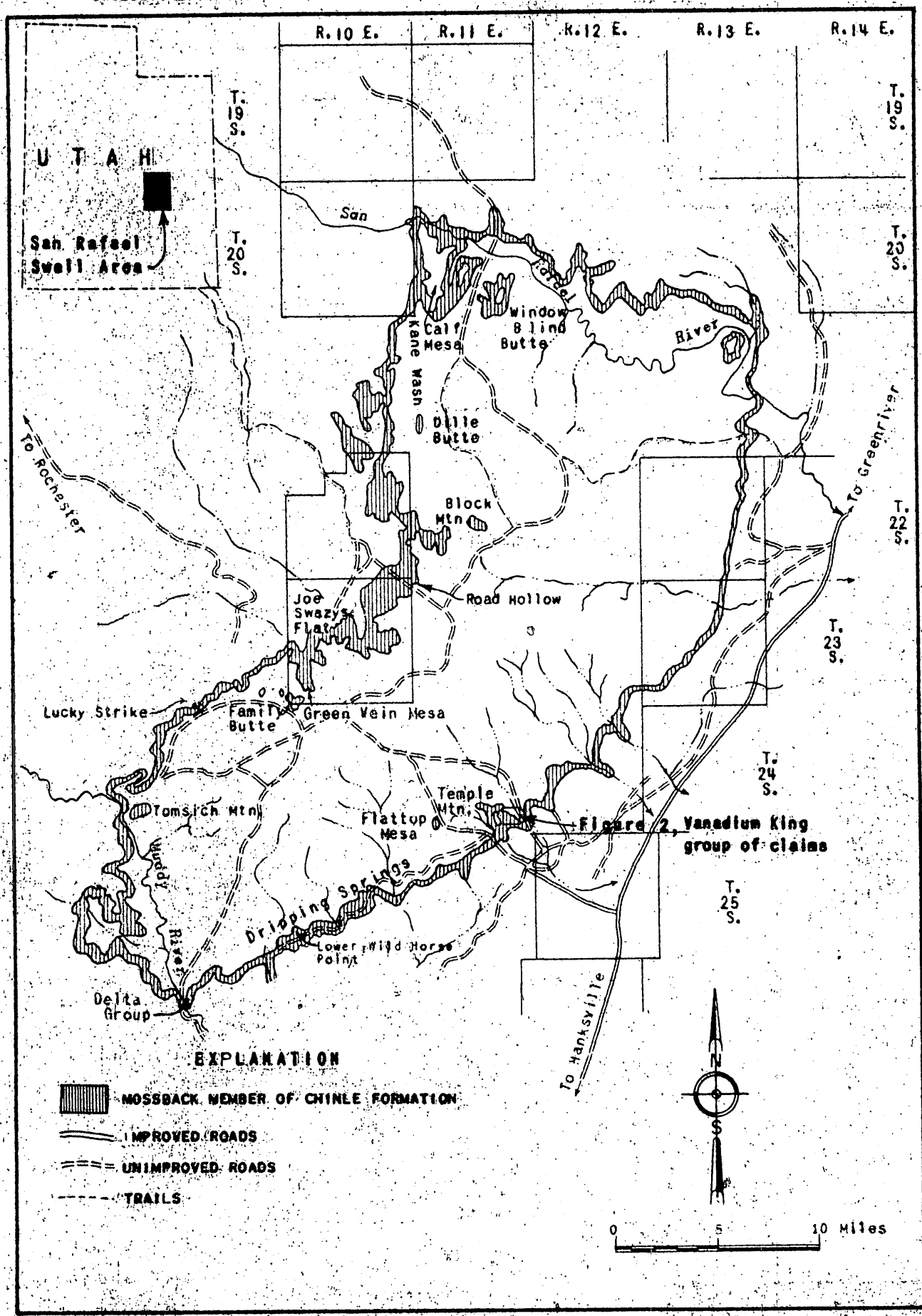


Figure 1. INDEX MAP OF SAN RAFAEL SWELL AREA SHOWING LOCATION OF VANADIUM KING GROUP OF CLAIMS, URANIUM INDUSTRIES INC., EMERY COUNTY, UTAH



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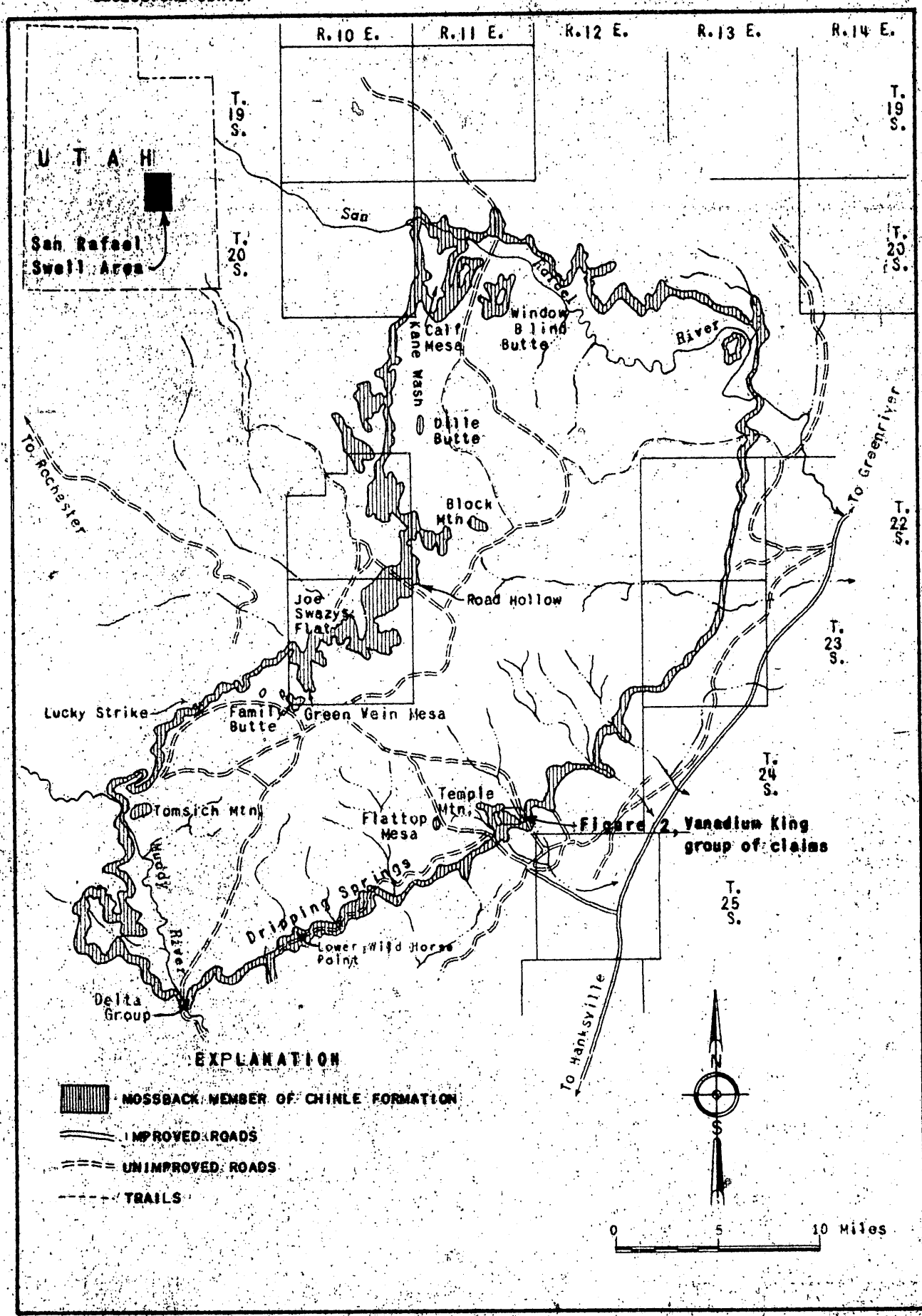

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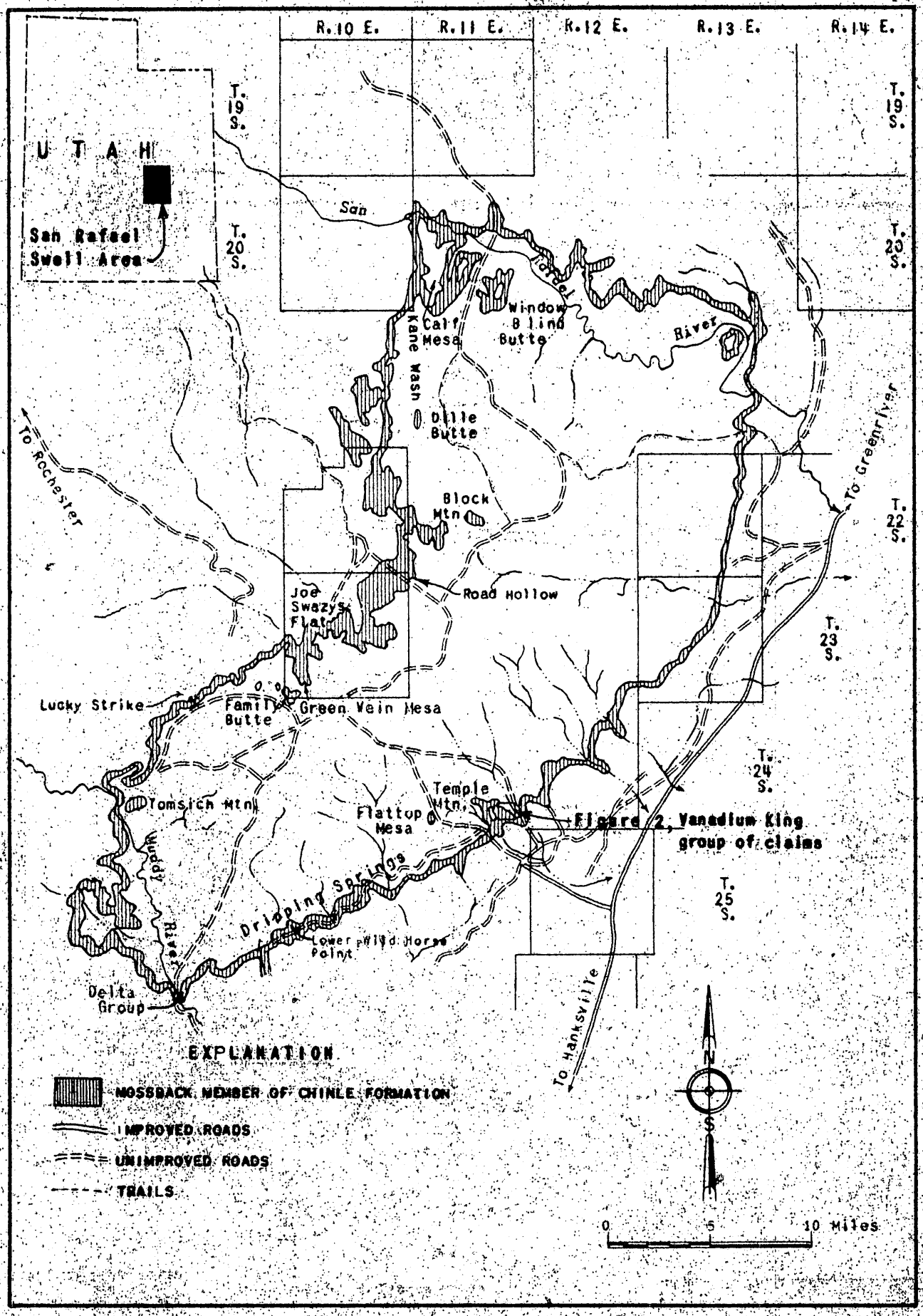

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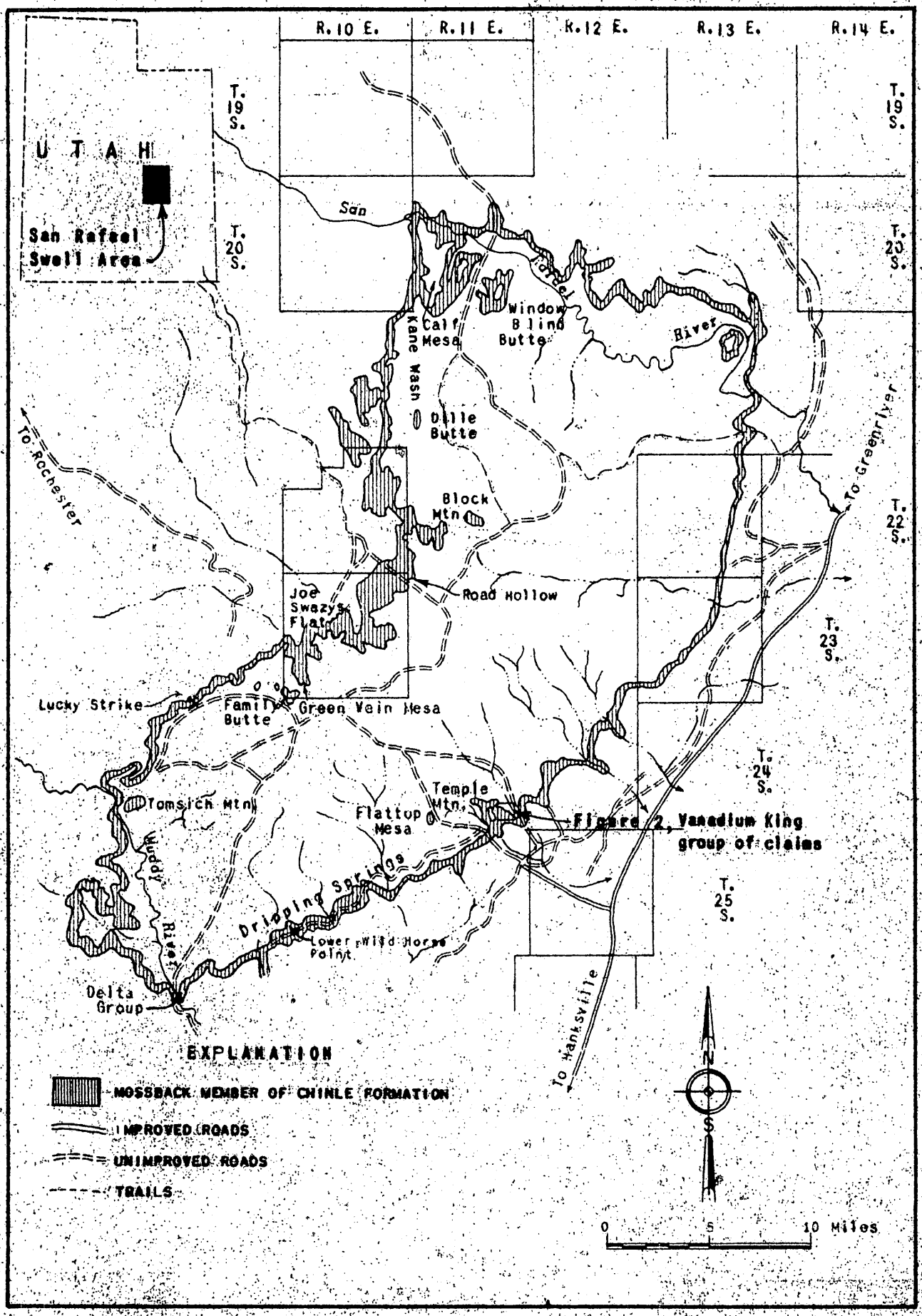

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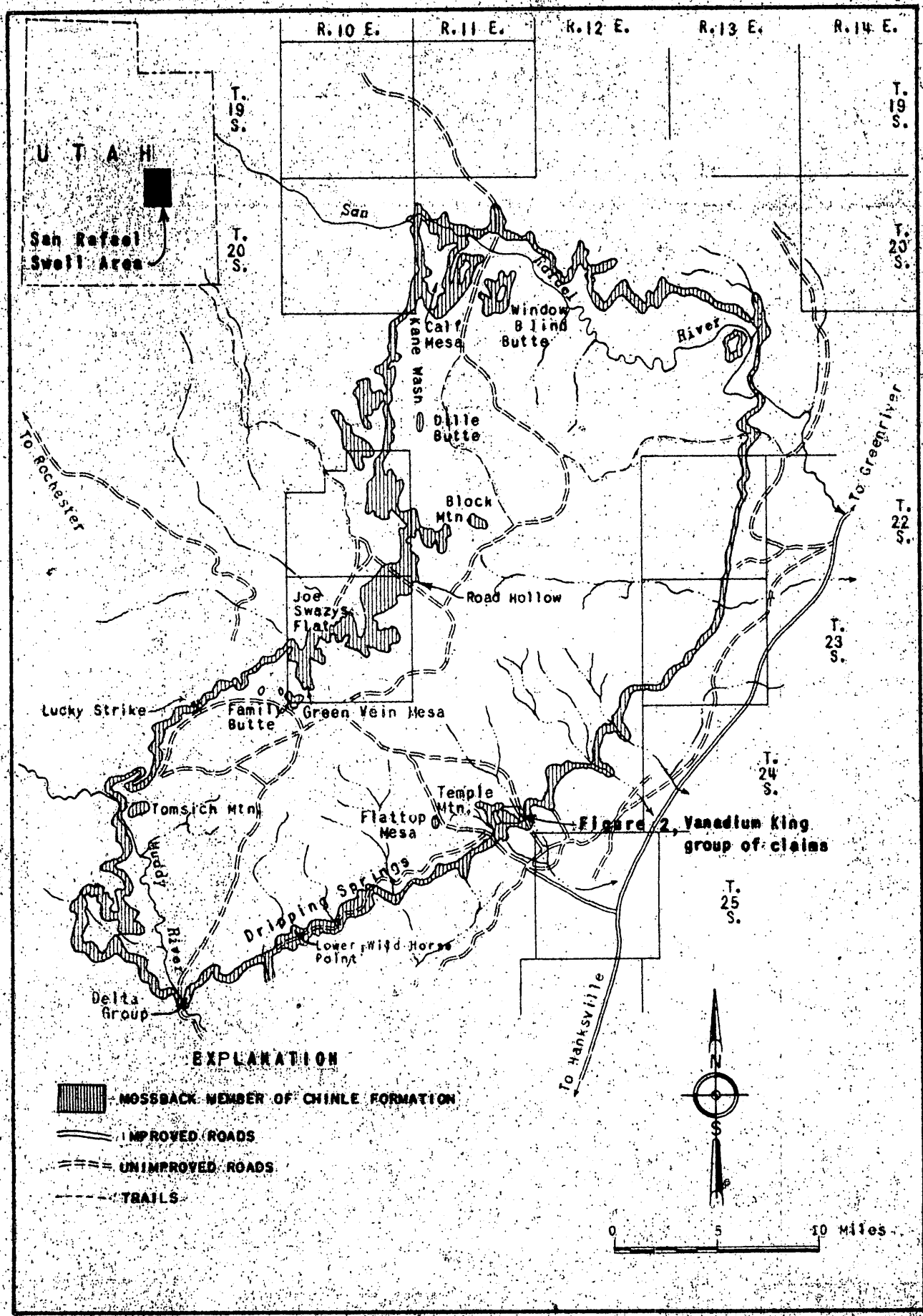

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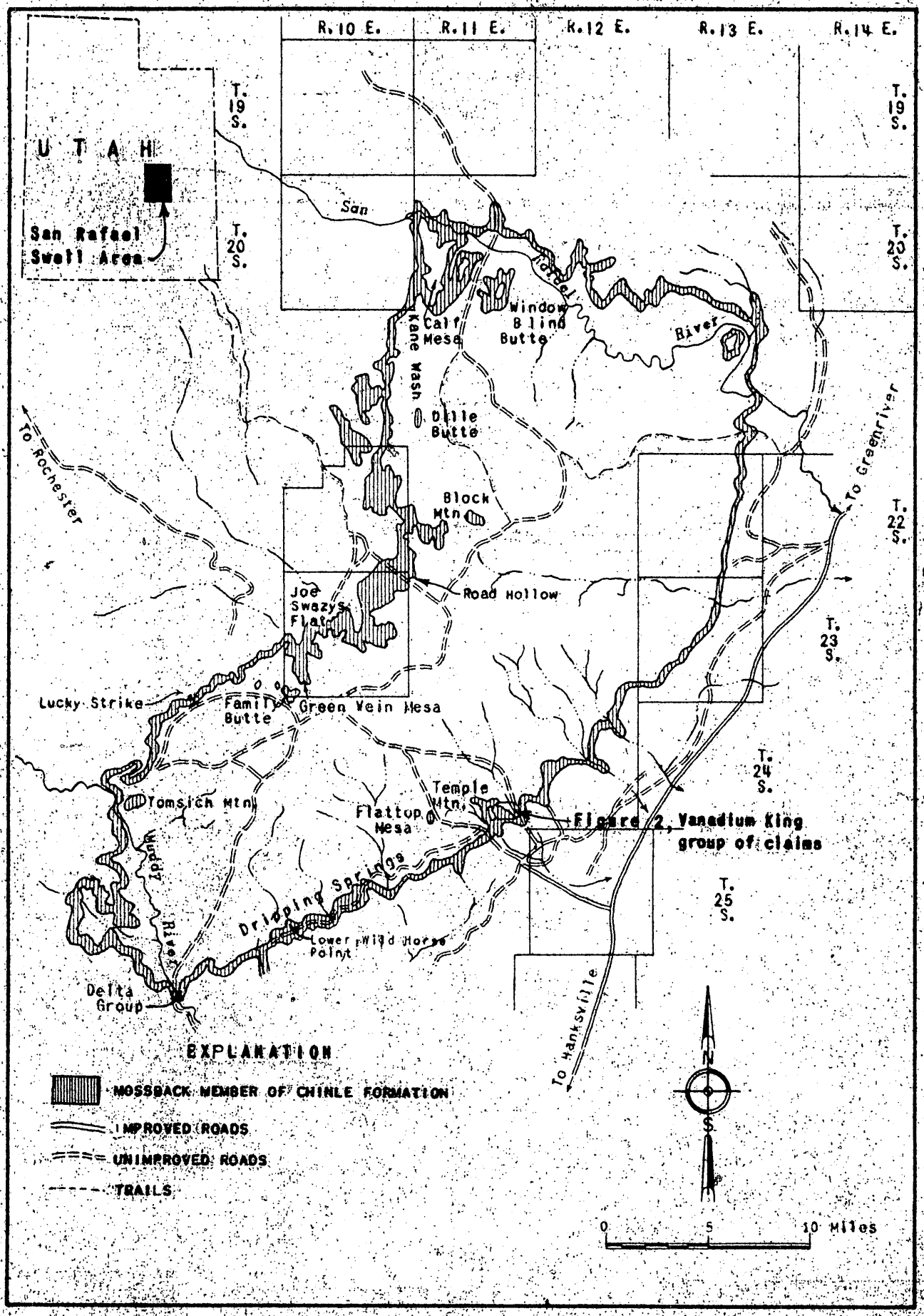

Figure 1. INDEX MAP OF SAN RAFAEL SWELL AREA SHOWING LOCATION OF VANADIUM KING GROUP OF CLAIMS, URANIUM INDUSTRIES INC., EMERY COUNTY, UTAH

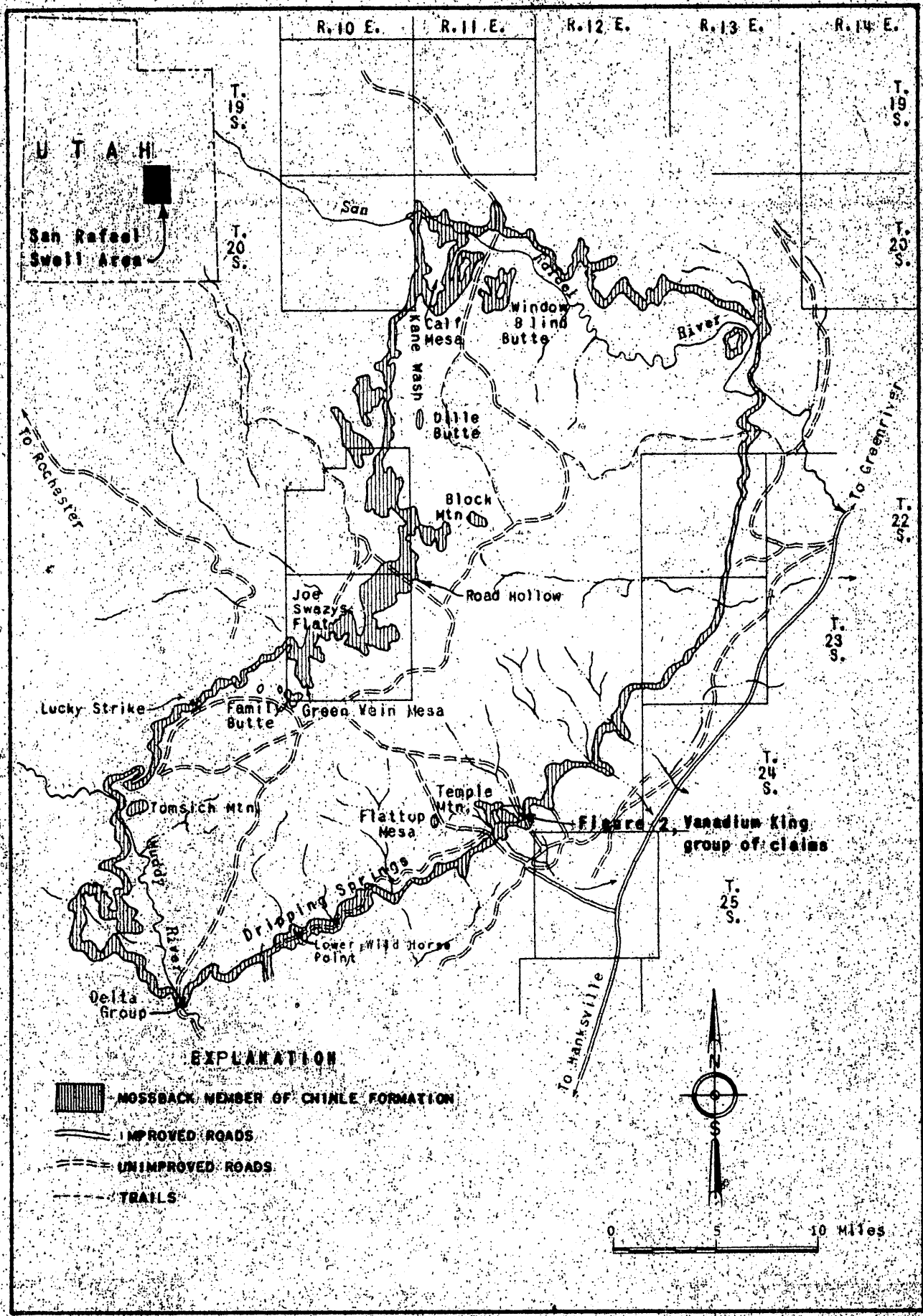

Figure 1. INDEX MAP OF SAN RAFAEL SWELL AREA SHOWING LOCATION OF VANADIUM KING GROUP OF CLAIMS, URANIUM INDUSTRIES INC., EMERY COUNTY, UTAH

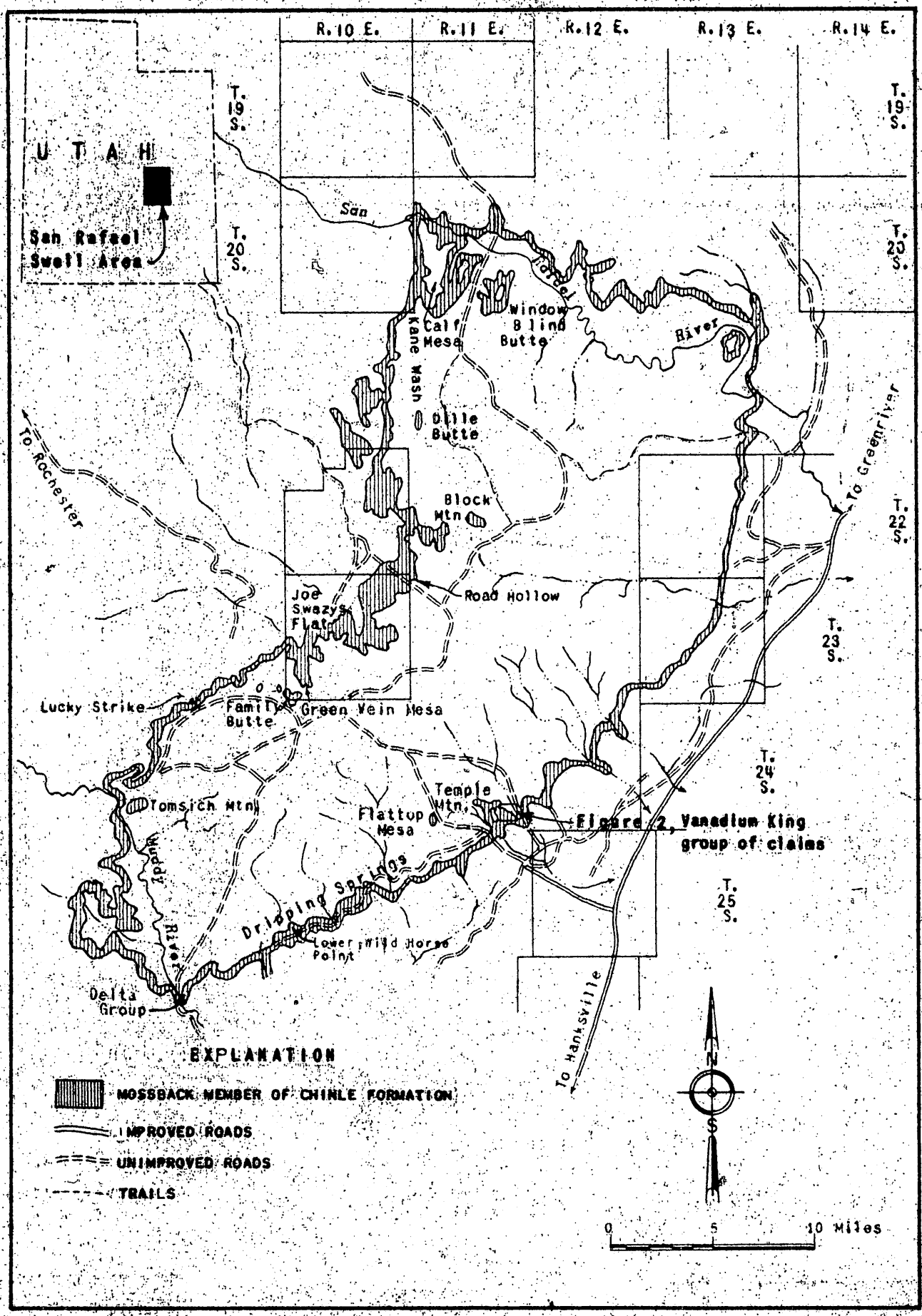

Figure 1. INDEX MAP OF SAN RAFAEL SWELL AREA SHOWING LOCATION OF VANADIUM KING GROUP OF CLAIMS, URANIUM INDUSTRIES INC., EMERY COUNTY, UTAH

STEPHENS, BRAYTON & LOWE
ATTORNEYS AND COUNSELORS
SALT LAKE CITY, UTAH

AGREEMENT

THIS AGREEMENT, made and entered into this 29th day of June, 1954, by and between LAWRENCE MIGLIACCIO and MARIE O. MIGLIACCIO, his wife, FRANK DAVIS and SALLY DAVIS, his wife, DEAN F. BRAYTON, JOHN W. LOWE, ANDREW R. HURLEY, THOMAS C. CUTHBERT and H. A. BELLOWS, First Parties, and URANIUM INDUSTRIES, INC., a Nevada Corporation, Second Party, WITNESSETH: That

WHEREAS, Lawrence Migliaccio and Marie O. Migliaccio, his wife, and Frank Davis and Sally Davis, his wife, entered into a Lease dated November 14, 1953 whereby they leased certain Mining Claims to Mittry Construction Company, a partnership, Roy Wright, Karl H. Peterson and Orvel Gathers, which Lease provided, among other things, that the written consent of the Lessors should be obtained for any assignment of said Lease by Lessees; and

WHEREAS, a partial assignment of said Lease has been made by them to the other First Parties herein; and

WHEREAS, the Lessees of said Lease contemplate the assignment of said Lease to Second Party; NOW, THEREFORE, for and in consideration of the mutual agreements herein contained, it is hereby agreed as follows:

Second Party agrees to grant and does hereby grant First Parties an Option to purchase 150,000 shares of stock in the Second Party at a price of ten cents per share or at the initial offering price to the public of said stock, whichever is lower. Said Options shall run to the various First Parties in the following amounts:

Names	Shares
Lawrence Migliaccio and Marie O. Migliaccio, his wife	65,625
Frank Davis and Sally Davis, his wife	39,375
Dean F. Brayton	13,200
John W. Lowe	12,435
Andrew R. Hurley	3,555
Thomas C. Cuthbert	8,310
H. A. Bellows	7,500
Total	150,000 shares

Said Option may be exercised in whole or in part and at more than one time by any of the above named First Parties, during

a period of six months and one day after receipt by First Parties of written notice that the initial public offering has been made and the price at which said initial public offering was made. Said notice shall be sent to Stephens, Brayton & Lowe, 1001 Walker Bank Building Salt Lake City, Utah.

Said Option may be assigned in whole or in part by any or all of the aforementioned First Parties.

This Option is given on the assumption that the total issued and outstanding stock of Second Party shall not exceed Five Million (5,000,000) shares. In the event it does exceed Five Million shares, the number of shares in this Option shall be increased proportionately regardless of whether or not said Option has been exercised in whole or in part; which additional Option shall be for a like period after any such increase.

First Parties hereby agree and consent that said Lease may be assigned to Second Party, it being understood, however, that Second Party takes said Lease subject to all of the terms and conditions thereof.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 29 day of June, 1954.

Lawrence Migliaccio

Marie O. Migliaccio

Frank Davis

Sally Davis

Dean F. Brayton

John W. Lowe

Andrew R. Hurley

Thomas C. Cuthbert

H A Bellows

By Dean F. Brayton
Attorney in Fact
First Parties

URANIUM INDUSTRIES, INC.

By R. L. Mitchell
Its President

George M. Douglas
Its Secretary

Second Party

STEPHENS, BRAYTON & LOWE
ATTORNEYS AND COUNSELORS
SALT LAKE CITY, UTAH

STATE OF UTAH)
: ss
COUNTY OF SALT LAKE)

On this 29th day of June, 1954, personally appeared before me Lawrence Migliaccio and Marie O. Migliaccio, his wife, Frank Davis and Sally Davis, his wife, Dean F. Brayton, John W. Lowe, Andrew R. Hurley, Thomas C. Cuthbert signers of the foregoing instrument who duly acknowledged to me that they executed the same.

On the 29th day of June, 1954, personally appeared before me Dean F. Brayton, who, being by me duly sworn did say that he is the attorney in fact of H. A. Bellows and that said instrument was signed in behalf of said First Party by authority, and said Dean F. Brayton acknowledged to me that he as such attorney in fact executed the same.

H. Christensen
Notary Public

Residing at Salt Lake City, Utah

My commission expires
10/10/54

STATE OF COLORADO)
: ss
COUNTY OF Denver)

On this 15th day of ~~June~~ July 1954, personally appeared before me K. J. Mittry and George M. Douglas who being by me duly sworn did say that they are the President and Secretary of Uranium Industries, Inc. and that said instrument was signed in behalf of said corporation by authority of a Resolution of its Board of Directors, and said K. J. Mittry and George M. Douglas acknowledged to me that said corporation executed the same.

Ray H. Schreiner
Notary Public

Residing at ~~2954 Zenophia~~ Denver, Colo.

My commission expires
March 20, 1955

STEPHENS, BRAYTON & LOWE
ATTORNEYS AND COUNSELORS
SALT LAKE CITY, UTAH

"EXHIBIT A"

#86093
Recorded at request of Roy L. Wright Fee Paid $9.90
Date January 26, 1954 at 9:30 A.M. Nellie B. Young Recorder Emery County
By _____ Deputy Book I of Misc. Page 125-132

MINING LEASE

THIS AGREEMENT, made and entered into this 14th day of November, 1953, by and between LAWRENCE MIGLIACCIO and MARIE O. MIGLIACCIO, his wife, and FRANK DAVIS and SALLY DAVIS, his wife, First Parties, hereinafter called Lessor, and K. S. MITTRY CONSTRUCTION COMPANY, a partnership, ROY L. WRIGHT, CARL H. PETERSON and ORVEL GATHERS, Second Parties, hereinafter called Lessee, WITNESSETH:

That the Lessor, for and in consideration of the royalties, covenants and agreements hereinafter reserved and by the Lessee to be paid, kept and performed, has granted, demised and let and by these presents does grant, demise and let unto Lessee the following described Lode Mining Claims located on what is commonly known as Temple Mountain District, Emery County, State of Utah, to-wit:

Commencing at a steel pipe set by Robert Brandon of Metropolitan Engineers, Inc. of Salt Lake City, Utah, at a point which is located South 66 deg.38' East, 872.2 feet from U. S. Mineral Monument #246, located in unsurveyed Township 24 South, Range 11 East of the Salt Lake Base and Meridian, Emery County, Utah, near the portal of what is known as Vanadium King #5 Mine, and running thence West 300 feet; thence North 1500 feet; thence East 1200 feet; thence South 1500 feet; thence West 900 feet to place of beginning.

Beginning at a point which is located South 55 deg. 21' East 608.4 feet and North 453 feet from U. S. Mineral Monument #246, and running thence West 152 feet; thence North 140 feet; thence East 152 feet; thence South 140 feet to beginning.

Commencing at a steel pipe set by Robert Brandon of Metropolitan Engineers, Inc. of Salt Lake City, Utah, at a point which is located South 40 deg.12' East, 1160.2 feet from U. S. Mineral Monument #246 located in unsurveyed Township 24 South, Range 11 East, of the Salt Lake Base and Meridian, in Emery County, Utah, and running thence South 85 deg. East 3000 feet; thence South 15 deg. East 638.7 feet; thence North 85 deg. West 3000 feet; thence North 15 deg. West 638.7 feet to place of beginning.

This ~~conveyance~~ lease shall cover all bins, chutes, tracks, tramway, etc., now situated thereon or now or formerly used in mining the above described area. Together with such rights of way for purposes of mining operations of said properties and the use of such surface rights on contiguous and/or adjacent claims of parties as may be reasonably necessary for the mining operations of said property.

Together with any and all materials, mineral deposits, ores and lodes within or upon said property, and all dips, spurs and angles thereof or connected therewith; and all rights, privileges, franchises, tenements, here-

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ditaments and appurtenances thereunto incident or belonging, or necessary or suitable for use and enjoyment in the course of mining operations within or upon the same or any part thereof.

TO HAVE AND TO HOLD the same (subject to the other provisions hereinafter contained) for a term of five (5) years from this date and as long thereafter as uranium, vanadium or other minerals are produced therefrom.

And in consideration of such demise said Lessee does hereby covenant with the said Lessor as follows, to-wit:

1. That the Lessee has examined the leased property and expressly accepts the same in the condition in which it now is, and agrees to take possession of said premises and all property and improvements thereon and thereafter to be responsible therefor; and at all times to cause said premises and the improvements thereon to be kept and maintained in good condition and state of repair. To operate said premises wholly as an independent contractor.

2. To commence work on said premises within thirty (30) days after taking possession thereof and thereafter to cause said premises to be worked steadily and continuously only during the term of this lease in a good and minerlike manner necessary to good and economical mining, conducting not less than one complete mining operation thereon, and also conducting continuous exploration work on the northern area and within 90 days, if the exploration work shows mining operations on the northern area to be economically profitable, then to conduct an additional complete mining operation and then continue to conduct two separate and complete mining operations thereon; and to develop said property so as to extract therefrom the greatest amount of ore possible with due regard to the safe development and preservation of said premises; to cause the leased premises to be worked in the manner aforesaid, including exploration work, with at least one hundred fifty (150) man shifts of eight (8) hours each, each calendar month during the entire term of this lease; provided, however, that such work requirement need not be fully complied with in case of accident, break-down or equipment, fire, floods, strikes or Acts of God or nature if due diligence is

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exercised in effecting the repair of any damage done thereby and work is resumed promptly after such repair.

3. To occupy and hold all cross or parallel lodes, spurs, angles or mineral deposits of any kind which may be discovered by Lessee, or any person under him, as the property of Lessor, and to work the same as a part of the demised premises.

4. In all respects to comply with the laws of the United States and of the State of Utah, and with the lawful ordinances, rules, regulations, order and directions of the duly constituted Federal, State, or local authorities with respect to said property, the use and equipment thereof, and the employment of persons thereon and to save Lessor harmless from any violation thereof.

5. To cause the workings on said premises to be, and to continue to be, well and sufficiently timbered at all proper points in a miner-like manner and to cause all old timbering to be repaired whenever it may be necessary, so as to insure the permanency of said workings; to remove no timbering and to break no ground which would injure the permanency of the workings.

6. That at all times all shafts, tunnels, levels and other workings will be kept thoroughly drained and clear of loose rock, dirt, and rubbish, and that the main openings thereof will not be obstructed; that all waste not used as stope fill will be deposited on the dump at the surface; and that at all times the surface of said premises will be kept in good clean condition and free from rubbish of all kinds.

7. To do and perform the annual assessment work required by Federal Mining Laws upon said claims during the term hereof and to file proof thereof not later thanMay 1st of each year, or at least sixty days prior to the date required by such laws; provided that Lessee may patent said claims in the name of Lessor and after the final entry for patent has been made and the land so patented paid for by Lessee this provision shall no longer apply.

8. To indemnify and save the Lessor harmless from all claims, suits, or judgments, whether groundless or otherwise, for

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personal injuries to or death of any of the employees, or invitees of the Lessee, unless caused by the negligence or willful act of the Lessor. And said Lessee covenants and agrees to keep posted in at least three conspicuous places on said property, one of which shall be the mine office, a notice in the following form:

NOTICE

Notice is hereby given to all persons performing labor or furnishing skill, material, machinery or other supplies of any kind to or in this property that the undersigned,
(names of Lessor)
the owner of said property and mine upon which this notice is posted, will not be responsible for any labor performed on or any skill, material, machinery, fixtures or supplies of any kind furnished to said property or mine, nor shall the interest of said owner be subject to any lien for the same; and all persons are hereby notified that the said mine and property have been leased to (names of Lessee).

_____

_____
Lessor.

9. To allow the Lessor and their agents to have at all reasonable times access to all parts of said premises for the purpose of inspecting, surveying or sampling the same and the shipments made therefrom and access to the books and records of the Lessee for the purpose of examining the same with reference to the royalties to be paid and the other matters considered hereunder.

10. All salable ores mined from said property shall be shipped separate and apart from any other ores and sold to the processor or agency granting the most favorable terms and highest price obtainable; and only under U. S. Government licensing permit for the disposal of fissionable ores. Ores shall not be mixed in such manner as to reduce the values for determining royalty payments; but shall be mixed and shipped in such manner as to give a fair valuation of all ores mined. Any ores mined that are not then salable shall be stockpiled separately and remain the property of the Lessor; provided that if such stockpiled non-salable ores thereafter become commercial, they may then be mixed and shipped by Lessee in accordance with the terms hereof.

11. All ores shall be shipped by Lessee in the joint names of the Lessor and Lessee and payment for ores shall be made by the processor or other agency purchasing same to the Lessor and

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Lessee respectively as their interests are herein set forth, a true copy hereof to be furnished such purchaser; which is hereby requested and authorized to furnish a settlement sheet of each such purchase to each of the parties hereto. Royalty on all ores so mined and shipped to be paid Lessor is 20% on amounts received from such processor or purchaser for uranium and vanadium contents plus other minerals therein that are paid for; which 20% royalty applies to all special payments, bonuses and other benefits and premiums paid by any such purchaser or the U. S. Government. All payments due Lessor hereunder shall be made by such purchaser of said ores to the law firm of Stephens, Brayton & Lowe, or their successor firm, Walker Bank Building, Salt Lake City, Utah, for the account of Lessor, and the heirs, successors and assigns of Lessor, said law firm to make distribution of same in accordance with the then ownership of said property.

12. The Lessor shall pay all taxes against the real property covered by this Lease and the Lessee shall pay all net proceeds and occupation taxes based on extraction of ore and any taxes that may be levied or assessed against buildings, improvements, machinery and personal property thereon, and any other taxes or charges that may be payable or arise in connection with the Lessee's operations, including Workmen's Compensation premiums, Social Security, and unemployment contribution, it being the intent of the parties that the Lessor shall be liable for no expenses, charges, taxes or other levies except as stated hereinabove with respect to real property taxes.

13. To furnish promptly to the Lessor on demand such reports and information as may be necessary and proper for the Lessor to have in order to make any Federal or State reports which it may be required to render, and also to furnish to the Lessor from time to time copies of any and all maps and geological data and reports which the Lessee may make, or cause to be made, of any part of said leased premises.

14. In case the Lessee shall develop ore in properties adjacent to the leased premises and work or mine the same through

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the workings of the Lessor during the term of this Lease, or any part thereof, the Lessee agrees to pay to the Lessor 5% of the purchase price of the ore so mined and extracted for the privilege of moving such ore and waste in connection therewith through or across any part of the leased premises.

15. Not to sublease any part of said property nor assign this lease nor to operate in any manner in collaboration with, or mix any ores with those of, any other operators of mining property in the area in which said property is located, without the written consent of Lessor.

16. The Lessee reserves and is hereby granted the right to terminate this Lease at any time upon giving not less than thirty (30) days notice of intention so to do, provided all obligations of Lessee to Lessor are met up to such date of termination, and shall have no further liability hereon thereafter. Lessee likewise reserves and is hereby granted the right to remove Lessee's personal property and equipment from the demised premises within 20 days after such date of termination; provided that all permanent bukldings and permanent improvements such as timbering, chutes, bins and wooden stopes placed thereon by Lessee shall remain as a part of said premises.

17. On the termination of this Lease, whether by expiration, forfeiture or otherwise, the Lessee agrees to deliver to the Lessor said demised premises and property, and all equipment and property received by the Lessee from the Lessor, in good condition and state of repair and that all shafts, tunnels, levels and other workings shall be thoroughly clear of waste (except that used for stope fill) and rubbish and ready for immediate working, without demand or further notice, on the last day of the term of this Lease or any time previous thereto upon demand for forfeiture.

18. Upon the violation of any covenant or obligation herein provided by the Lessee to be kept and performed, the term of this Lease shall expire and become forfeited after thirty (30) days written notice thereof shall have been mailed to the Lessee at K. S. Mittry Construction Company, 416 Linden Street, Fort Collins,

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Colorado, if, within said 30-day period the default or defaults complained of shall not have been fully remedied and the covenants hereof not have been fully complied with; and all further rights of the Lessee hereunder shall then cease and terminate. This requirement as to notice and time before forfeiture shall include, but not by way of limitation, paragraph #2 of this Lease.

On the termination of this Lease, either by forfeiture or otherwise, the Lessor, its agents, or attorneys may immediately thereupon enter upon said premises and dispossess all persons occupying the same, using such force therefor as may be necessary and with or without process of law, or at the Option of the Lessor, said Lessee and all persons found in occupation may be proceeded against as guilty of unlawful detainer. Failure by the Lessor to exercise for any length of time any right of forfeiture given in this instrument, for any cause, shall inno event operate as a waiver of such right of forfeiture, nor shall a waiver of any obligation or covenant or of any default of the Lessee operate as a waiver of the Lessor's right to require the subsequent performance of such covenant or obligation, or its right arising from any subsequent default.

19. This Lease and all its terms, conditions and stipulations shall extent to and be binding upon the heirs, personal representatives, successors and assigns of said Lessor and said Lessee.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

Lawrence Migliaccio
(Lawrence Migliaccio)

Marie O. Migliaccio
(Mario O. Migliaccio)

Frank M Davis
(Frank Davis)

Sally Davis
(Sally Davis)

Lessors.

STEPHENS, BRAYTON & LOWE
ATTORNEYS AND COUNSELORS
SALT LAKE CITY, UTAH

K. S. MITTRY CONSTRUCTION COMPANY

K. S. Mittry

Roy L. Wright

(Roy L. Wright)

Carl H. Peterson

(Carl H. Peterson

Orvel R. Gathers

(Orvel Gathers)

Lessees.

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

On the 14th day of November, A. D., 1953, personally appeared before me Lawrence Migliaccio and Marie O. Migliaccio, his wife, and Frank Davis and Sally Davis, his wife, the signers of the foregoing instrument as Lessor therein, and duly acknowledged to me that they executed the same.

(SEAL)

Dean F. Brayton

Notary Public,
Residing at Salt Lake City, Utah.

My commission expires:
1/11/55.

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

On the 15th day of November, A. D., 1953, personally appeared before me K. S. Mittry on behalf of K. S. Mittry Construction Company, Roy L. Wright, Carl H. Peterson and Orvel Gathers, the signers of the foregoing instrument as Lessee therein, and duly acknowledged to me that they executed the same.

Gillson Hays

Notary Public,
Residing at Moab, Utah

My commission expires:
4-22-56

STEPHENS, BRAYTON & LOWE
ATTORNEYS AND COUNSELORS
SALT LAKE CITY, UTAH

MINING SUBLEASE

THIS AGREEMENT, made and entered into this 10th day of February, 1954, by and between K. S. MITTRY CONSTRUCTION COMPANY, a partnership, ROY L. WRIGHT, CARL H. PETERSON and ORVEL GATHERS, parties of the first part, hereinafter called "Lessors", and ELWIN ROBISON, party of the second part, hereinafter called "Lessee", WITNESSETH:

WHEREAS, the Lessors are the Lessees of a certain mining lease known as "Vanadium King No. 5 Mine", which is hereinafter more particularly described, by virtue of the terms of a certain written mining lease dated November 14, 1953, and entered into between Lawrence Migliaccio, Marie O. Migliaccio, Frank Davis and Sally Davis, as Lessors, and K. S. Mittry Construction Company, a partnership, Roy L. Wright, Carl H. Peterson and Orvel Gathers, as Lessees;

AND WHEREAS, the Lessee, Elwin Robison, desires to sublease a portion of said Vanadium King No. 5 Mine;

AND WHEREAS, the lessors herein have obtained the consent of Lawrence Migliaccio, Marie O. Migliaccio, Frank Davis and Sally Davis to a sublease of a portion of said mining claim;

NOW, THEREFORE, it is agreed as follows:

That the Lessors, for and in consideration of the royalties, covenants and agreements hereinafter reserved and by the Lessee to be paid, kept and performed, have granted, demised and let and by these presents do grant, demise and let unto Lessee the following described portion of Vanadium King No. 5 Mine, a lode mining claim located on what is commonly known as Temple Mountain District, Emery County, State of Utah, to-wit:

Commencing at a steel pipe set by Robert Brandon of Metropolitan Engineers, Inc., of Salt Lake City, Utah, at a point which is located South 55°38' East, 872.2 feet from U. S. Mineral Monument No. 246, located in unsurveyed Township Twenty-four (24) South, Range Eleven (11) East of the Salt Lake Base and Meridian, Emery County, Utah, near the portal of what is known as Vanadium King No. 5 Mine, and running thence West 300 feet; thence North 750 feet; thence East 1200 feet; thence South 750 feet; thence West 900 feet to place of beginning; together with such rights of way for purposes of mining operations of said properties, and the use of such surface rights on contiguous and/or adjacent claims of the Lessors as may be reasonably necessary for the mining operations of said property.

TO HAVE AND TO HOLD the same from this date and as long thereafter as uranium, vanadium or other minerals are produced therefrom.

And in consideration of such demise, said Lessee does hereby covenant with the said Lessors as follows, to-wit:

1. That the Lessee has examined the leased property and expressly accepts the same in the condition in which it now is, and agrees to take possession of said premises and all property and improvements thereon and thereafter to be responsible therefor; and at all times to cause said premises and the improvements thereon to be kept and maintained in good condition and state of repair. To operate said premises wholly as an independent contractor.

2. To commence work on said premises forthwith, and thereafter to cause said premises to be worked steadily and continuously only during the term of this lease, in a good and miner-like manner necessary to good and economical mining, conducting not less than one complete mining operation thereon; and to develop said property so as to extract therefrom the greatest

amount of ore possible, with due regard to the safe development and preservation of said premises; to cause the leased premises to be worked in the manner aforesaid, with at least ~~seventy~~ forty-five man shifts of eight hours each, each calendar month during the entire term of this lease; provided, however, that such work requirement need not be fully complied with in case of accident, break-down of equipment, fire, floods, strikes, or acts of God or nature, if due diligence is exercised in effecting the repair of any damage done thereby and work is resumed promptly after such repair.

3. To occupy and hold all cross or parallel lodes, spurs, angles or mineral deposits of any kind which may be discovered by Lessee, or any person under him, as the property of Lessors, and work the same as a part of the demised premises.

4. In all respects to comply with the laws of the United States and of the State of Utah, and with the lawful ordinances, rules, regulations, order and directions of the duly constituted Federal, State, or local authorities with respect to said property, the use and equipment thereof, and the employment of persons thereon, and to save Lessors harmless from any violation thereof.

5. To cause the workings on said premises to be, and to continue to be, well and sufficiently timbered at all proper points in a miner-like manner and to cause all old timbering to be repaired whenever it may be necessary, so as to insure the permanency of said workings; to remove no timbering and to break no ground which would injure the permanency of the workings.

6. That at all times all shafts, tunnels, levels and other workings will be kept thoroughly drained and clear of loose

rock, dirt, and rubbish, and that the main openings thereof will not be obstructed; that all waste not used as stope fill will be deposited on the dump at the surface; and that at all times the surface of said premises will be kept in good clean condition and free from rubbish of all kinds.

7. To do and perform the annual assessment work required by Federal Mining Laws upon said claim during the term hereof and to file proof thereof not later than May 1st of each year, or at least sixty days prior to the date required by such laws.

8. To indemnify and save the Lessors harmless from all claims, suits, or judgments, whether groundless or otherwise, for personal injuries to or death of any of the employees, or invitees of the Lessee, unless caused by the negligence or willful act of the Lessors. And said Lessee covenants and agrees to keep posted in at least three conspicuous places on said property, one of which shall be the mine office, a notice in the following form:

"NOTICE

Notice is hereby given to all persons performing labor or furnishing skill, material, machinery or other supplies of any kind to or in this property that the undersigned,
(names of Lessors)
the owner of said property and mine upon which this notice is posted, will not be responsible for any labor performed on or any skill, material, machinery, fixtures or supplies of any kind furnished to said property or mine, nor shall the interest of said owner be subject to any lien for the same; and all persons are hereby notified that the said mine and property have been leased to (name of Lessee).

_____

_____

_____

_____
Lessor."

9. To allow the Lessors and their agents and the owners of said claim to have at all reasonable times access to all parts of said premises for the purpose of inspecting, surveying or sampling the same and the shipments made therefrom, and access to the books and records of the Lessee for the purpose of examining the same with reference to the royalties to be paid and the other matters considered hereunder.

10. All salable ores mined from said property shall be shipped separate and apart from any other ores and sold to the processor or agency granting the most favorable terms and highest price obtainable; and only under U. S. Government licensing permit for the disposal of fissionable ores. Ores shall not be mixed in such manner as to reduce the values for determining royalty payments; but shall be mixed and shipped in such manner as to give a fair valuation of all ores mined. Any ores mined that are not then salable shall be stockpiled separately and remain the property of the Lessors; provided that if such stockpiled non-salable ores thereafter become commercial, they may then be mixed and shipped by Lessee in accordance with the terms hereof.

11. All ores shall be shipped by Lessee in the joint names of the owners of said claim, the Lessors and Lessee, and payment for ore shall be made by the processor or other agency purchasing the same to the owners of said claim, the Lessors and the Lessee respectively, as their interests are set forth herein and as set forth in the original lease from the owners of said claim to the Lessors herein, and a true copy of each of said leases to be furnished such purchaser; which purchaser is

hereby requested and authorized to furnish a settlement sheet of each such purchase to each of the parties hereto and to the owners of said claim. Royalty on all ores so mined and shipped to be paid lessors hereunder for uranium and vanadium contents, plus other minerals therein that are paid for, shall be as follows:

A royalty of 30% on ore grading uranium of 0.10 to 0.29
A royalty of 40% on ore grading uranium of 0.30 to 0.49
A royalty of 50% for all ore grading uranium of 0.50 and over.

Said royalty applies to all special payments, bonuses and all benefits or premiums paid by any purchaser and the United States Government; provided, however, that such royalty payments shall not include haulage allowance on any ores shipped which assay less than .25 of 1% in uranium oxide. It is understood that the royalty payments above described include the royalty due to the owners of said claim, and therefore the processor or purchaser shall deduct from the royalty due the Lessors hereunder the 20% royalty due the owners of the claim, and make payment to the owners in the manner specified in the lease between the owners and the Lessors herein; the processor or purchaser shall pay the balance of the royalty above described to K. S. Mittry Construction Company, at Fort Collins, Colorado.

12. The Lessors shall pay all taxes against the real property covered by this lease, and the Lessee shall pay all net proceeds and occupation taxes based on extraction of ore and any taxes that may be levied or assessed against buildings, improvements, machinery and personal property thereon, and any other taxes or charges that may be payable or arise in connection with the Lessee's operations, including Workmen's Compensation premiums,

Social Security, and unemployment contribution, it being the intent of the parties that the Lessors shall be liable for no expenses, charges, taxes or other levies except as stated hereinabove with respect to real property taxes.

13. To furnish promptly to the Lessors, on demand, such reports and information as may be necessary and proper for the Lessors to have in order to make any Federal or State reports which they may be required to render, and also to furnish to the Lessors from time to time copies of any and all maps and geological data and reports which the Lessee may make, or cause to be made, of any part of said leased premises.

14. In case the Lessee shall develop ore in properties adjacent to the leased premises and work or mine the same through the workings of the Lessors during the term of this lease, or any part thereof, the Lessee agrees to pay to the Lessors 5% of the purchase price of the ore so mined and extracted, for the privilege of moving such ore and waste in connection therewith through or across any part of the leased premises.

15. Not to sublease any part of said property nor assign this lease nor to operate in any manner in collaboration with, or mix any ores with those of, any other operators of mining property in the area in which said property is located, without the written consent of Lessors.

16. The Lessee reserves and is hereby granted the right to terminate this lease at any time upon giving not less than thirty (30) days notice of intention so to do, provided all obligations of Lessee to Lessors are met up to such date of termination, and shall have no further liability hereon thereafter. Lessee likewise reserves and is hereby granted the right

to remove Lessee's personal property and equipment from the demised premises within twenty (20) days after such date of termination; provided that all permanent buildings and permanent improvements such as timbering, chutes, bins and wooden stopes placed thereon by Lessee shall remain as a part of said premises.

17. On the termination of this Lease, whether by expiration, forfeiture or otherwise, the Lessee agrees to deliver to the Lessors said demised premises and property, and all equipment and property received by the Lessee from the Lessors, in good condition and state of repair and that all shafts, tunnels, levels and other workings shall be thoroughly clear of waste (except that used for stope fill) and rubbish and ready for immediate working, without demand or further notice, on the last day of the term of this lease or any time previous thereto upon demand for forfeiture.

18. Upon the violation of any covenant or obligation herein provided by the Lessee to be kept and performed, the term of this lease shall expire and become forfeited after thirty (30) days written notice thereof shall have been mailed to the Lessee at Box 271, Green River, Utah, if, within said thirty day period the default or defaults complained of shall not have been fully remedied and the covenants hereof not have been fully complied with, and all further rights of the Lessee hereunder shall then cease and terminate. This requirement as to notice and time of forfeiture shall include, but not by way of limitation, paragraph #2 of this lease.

On the termination of this lease, either by forfeiture or otherwise, the Lessors, their agents, or attorneys, may immediately thereupon enter upon said premises and dispossess

all persons occupying the same, using such force therefor as may be necessary and with or without process of law, or at the option of the Lessors, said Lessee and all persons found in occupation may be proceeded against as guilty of unlawful detainer. Failure by the Lessors to exercise for any length of time any right of forfeiture given in this instrument, for any cause, shall in no event operate as a waiver of such right of forfeiture, nor shall a waiver of any obligation or covenant or of any default of the Lessee operate as a waiver of the Lessors' right to require the subsequent performance of such covenant or obligation, or their right arising from any subsequent default.

19. This lease and all its terms, conditions and stipulations shall extend to and be binding upon the heirs, personal representatives, successors and assigns of said Lessors and said Lessee.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

K. S. MITTRY CONSTRUCTION COMPANY,
a partnership

By K. S. Mittry

Parties of the First Part, Lessors.

Elvin Robison
Party of the Second Part, Lessee

STATE OF Utah
COUNTY OF Emery } ss.

On the 8th day of March, A. D. 1954, personally appeared before me K. S. Mittry, on behalf of K. S. Mittry Construction Company, a partnership, Roy L. Wright, Carl H. Peterson and Orvel Gathers, the signers of the foregoing instrument as Lessors therein, and duly acknowledged to me that they executed the same.

Witness my hand and official seal.

O K Anderson
Notary Public
Residing at Green River Utah

My commission expires:
July 11-1955

STATE OF Utah
COUNTY OF Emery } ss.

On the 2nd day of March, A. D. 1954, personally appeared before me Alwin Robison, the signer of the foregoing instrument as Lessee therein, and duly acknowledged to me that he executed the same.

Witness my hand and official seal.

O K Anderson
Notary Public
Residing at Green River Utah

My commission expires:
July 11-1955

4/14/55 gla

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

224 New Customhouse
Denver 2, Colorado

April 11, 1955

Memorandum

To: Secretary to the Operating Committee

From: Field Team, Region III

Subject: Docket DMEA-3503 (Uranium), Uranium Industries, Inc., (Vanadium King claims), Emery County, Utah

Enclosed are the original and three copies of the report pertaining to the subject application. We concur in the recommendations of the field examiners for exploration in the two-stage program.

On February 7, 1955, we forwarded two sets of Owner's Consent to Lien, Form MF-203, to the applicant who has informed us that he is having difficulty obtaining the signature of one of the owners.

Also enclosed are the following:

1. Letter from K. S. Mittry, dated January 26, 1955, stating that payments have been made in full as of December 23, 1954.

2. Copy of our letter to the applicant dated Febr. 1, 1955 and a copy of his reply dated February 2, 1955.

3. A signed copy of a sublease to Elwin Robinson, dated February 10, 1954.

4. A photostat of a signed copy of a mining lease dated November 14, 1953 from the property owners to the K. S. Mittry Construction Company.

5. A photostat of a signed copy of an agreement dated June 29, 1954 between Lawrence and Marie Migliaccio et al and Uranium Industries, Inc., a Nevada corporation.

Also enclosed are nine extra copies each of Figures 1, 2, and 3 which accompanied the USGS report and nine copies of Figure 2 which accompanied the engineering report, for possible use in the contract.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

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

TRANSMITTED
APR 11 1955

January 12, 1955

Memorandum

To: Executive Officer, RMA Field Team, Region IV

From: Stephen R. Wilson

Subject: Docket No. [illegible] (Uranium), Uranium Industries, Inc., Emery County, Utah

Enclosed are the original and 10 copies of an engineering report covering examination of the subject property for RMA loan appraisal. The report was prepared by M. H. Gilbey. Also included are the original and 10 copies of a separate section, Summary, Conclusions and Recommendations, three copies each of forms [illegible] and [illegible], the brochure, and a copy of the geologic report transmitted to this office by your memorandum of November 26, 1954.

The applicant has proposed a program of road construction, drifting and vugs drilling estimated to cost $[illegible]. The examiners recommend that the drifting be eliminated and a program consisting of road construction and vugs drilling, estimated to cost $[illegible], be approved. I concur with this recommendation.

The application was discussed with members of the Atomic Energy Commission and advice obtained from this agency concerning the property.

Stephen R. Wilson
Stephen R. Wilson

Enclosures

RECEIVED

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

By R. C. Babcock and R. M. Gilboy

Uranium Industries, Inc., lessee of uranium property in the Temple Mountain area, Emery County, Utah, applied for RMA loan assistance during August 1954. The property was examined by RMA personnel October 7, 1954. Claims held under lease include the Vanadium King Nos. 1, 2, 6 and 7. All claims are unpatented.

The applicant has proposed a program of road construction, drifting and vugs drilling estimated to cost $20,000. A modified program, eliminating the drifting, is proposed by the examining personnel. The cost of this program is estimated to be $15,275.

Rocks in the area consist of the Kayenta sandstone of Jurassic age, the Wingate sandstone, Chinle formation and Shinarump conglomerate of Upper Triassic age, and the Moenkopi formation of Early and Middle Triassic age. Uranium ores are found in the Moss Back sandstone member of the Chinle formation, near the base of the formation. Ore bodies of greatest significance occur approximately 20 feet above the bottom of the Moss Back member. Mineralization of lesser importance is found approximately 40 feet above the base of the member.

The principal ore mineral is uraninite occurring with asphaltic substance. Carnotite-type oxides are found on weathered surfaces and in highly jointed rocks. The ore is dark brown to black in color.

The examining personnel believes the property has sufficient merit to justify a loan for work in the stages as outlined in the modified program. The applicant's property is considered to have promise for discovery of additional vanadium ores because of locations in the Temple Mountain ore belt and proximity to productive areas. A recommendation is made by the field engineers that a short-term contract be granted to the applicant, permitting an expenditure of $[illegible] for exploring the Vanadium King claims.

[redacted]

[redacted]

[redacted]

[redacted]

[illegible] INDUSTRIES, INC.
HENRY COUNTY, UTAH

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ILLUSTRATIONS

Fig. 1 Location map, Vanadium Industries, Inc., property, Henry County, Utah

Fig. 2 Proposed exploratory drilling on Vanadium King claims

SUMMARY

Uranium Industries, Inc., applied August 16, 1954, for Government aid in an exploratory project on uranium property in the Temple Mountain area, Emery County, Utah (fig. 1). Geological Survey and Bureau of Mines personnel examined the property October 7, 1954. The applicant has agreed to a modification of the original proposals and a RFCA loan is recommended on that basis.

The modified project is estimated to cost $26,275 and consists of road construction costing $900 and vapor drilling to the extent of 25,375 feet at $1 a foot. The applicant has the necessary equipment for the project work. Sufficient manpower is available in the area.

Four unpatented lode claims, Vanadium King Nos. 1, 3, 5 and 7, are involved in the proposed project (fig. 2). The claims are held by the applicant under a 5-year lease.

Recorded production from the claims totals 5,240 tons of ore averaging approximately 0.20 percent U_3O_8 and 0.60 percent V_2O_5. At the time of the examination, two 5-man mining operations were in progress (on claims Vanadium King Nos. 1 and 7).

Ore reserves are estimated at a few hundred tons averaging 0.20 percent U_3O_8 and 0.60 percent V_2O_5.

The nearby flat-lying formations in the immediate vicinity of the mine range in age from early Triassic to Jurassic. The ore occurs

in the Moss Back sandstone, which is the lower member of the Upper Triassic Chinle formation, and which lies directly above the Shinarump. Northeasterly striking faults, which intersect the ore horizon, are a structural characteristic of the area. Uranium mineralization is of the sandstone type and occurs in small, high-grade lenses, about 20 feet above the base of the Moss Back, along the faults, and in disseminated deposits. Uraninite is the principal uranium mineral. The lime content averages less than 1 percent.

The principal mine workings are on the Vanadium King No. 1 claim (fig. 2). From the mine entrance, these workings have been advanced to the north about 300 feet, or approximately to the midpoint of that claim. A modified room-and-pillar method of mining is used. Ground conditions are good. Workings on the Vanadium King Nos. 6 and 7 claims are small, with a production record of only 27 tons of ore.

INVESTIGATION

Uranium Industries, Inc., submitted an application dated August 18, 1954, for Government aid in an exploratory project on uranium property in Emery County, Utah. The property was examined October 7, 1954, by Raymond C. Robeck and Henry B. Ryer of the Geological Survey and M. H. Gilkey of the Bureau of Mines. Ray L. Wright, engineer in charge of the property, was present.

The applicant has proposed a project which includes both vugsen drilling and drifting, at an estimated total cost of $[illegible]. In a

modified program agreeable to the applicant, the wagon-drilling procedure is changed, the drifting is eliminated, and the estimated project cost reduced to $[illegible].

LOCATION, TOPOGRAPHY AND CLIMATE

The property is situated in Emery County, Utah, in unsurveyed T. 24 S., R. 11 E., S.L.B. & M., and on the east side of Temple Mountain, which is on the eastern flank of the San Rafael Swell (Fig. 1). Nearest source of supplies is Green River, Utah, on the Denver and Rio Grande Railroad and U. S. Highway 6-50. The property is easily reached from Green River by driving west 4 miles on U. S. 6-50, thence southwesterly 32 miles on Utah Highway 24, thence northwesterly approximately 10 miles over an unimproved uranium access road, or a total distance of 46 miles. Occasionally the last 10 miles of road is closed by "flash floods" which are fairly common in this semi-arid section of the country. From the mine to the uranium mill at Monticello, Utah, the distance is 126 miles.

Altitude at the mine workings is 5,700 feet. Exclusive of Temple Mountain, relief in the immediate vicinity is moderate. There is no timber in the area. Water for mine use is available, but water for ordinary use is hauled from the town of Green River.

The mild climate permits winter operation.

OWNERSHIP AND TITLE

The land to be benefitted by the exploration expenses of four unpatented lode claims, Vanadium King Nos. 1, 2, 6 and 7, located by J. B. Davis in January 1961. The claims are recorded at Castle Dale, the county seat of Emery County.

Recording Data

Claim	Book	Page
Vanadium King No. 1	2-7	245
" " No. 2	2-7	246
" " No. 6	2-7	248
" " No. 7	2-7	250

Owners of the property are Lawrence Highlands, Marie O. Highlands, Frank Davis, Sally Davis, Dean F. Brayton, John V. Love, Andrew R. Bailey, Thomas G. Cuthbert and E. A. Eilleen.

The property was leased November 14, 1966, to E. S. Bibley Construction Co., Ray L. Wright, Carl E. Peterson and Orval Gabbert. An assignment, dated June 18, 1974, transferred the lease to Uranium Industries, Inc., the MMA loan applicant, whose address is 101 South 4th Street, Grand Junction, Colorado. The term of the lease (subject to provisions contained in the agreement), is 5 years from November 14, 1966, and as long thereafter as uranium, vanadium or other minerals are produced from the claims.

A sublease, presently effective, and covering portions of Vanadium King claims Nos. 6 and 7, is held by Elvin Robinson. In Exhibit "C," Waiver of Conditions in Lease, executed February 9, 1956, it is stated in part: "Lessees have entered into a sub-lease of Vanadium King No. 6 with . . .," and "Lessees consent to the execution of this sublease provided all the terms of the basic lease are complied with." Presumably, this reduces to the Robinson sublease.

HISTORY AND PRODUCTION

Recorded production since the property was first located in 1941 totals 8,260 tons of ores averaging approximately 0.50 percent V_2O_5 and 0.08 percent V_2O_3. Of this total, 8,203 tons came from the main workings on the Vanadium King No. 1 claim, and 57 tons was mined from four small outcrop workings on the Vanadium King Nos. 6 and 7 claims. The major portion of the ore, or 7,605 tons, was mined from the Vanadium King No. 1 claim by Consolidated Uranium Mines, Inc., lessee during the years 1951 and 1952. Later production from this claim by the K. S. Mitry Construction Co., amounted to 1,595 tons to May 1, 1954; more recent figures are not available, but the production after May 1 is understood to have been small.

It is noted that the grade of the 57 tons of ore taken from claims Nos. 6 and 7 averages 0.40 percent V_2O_5 and 2.30 percent V_2O_3, whereas all of the ore from claim No. 1 averages approximately 0.50 percent V_2O_5 and 0.08 percent V_2O_3.

EQUIPMENT

Equipment on the property is listed below:

- 1 Gardner compressor, 600-cfm., complete with air receiver and 4-inch and 2-inch pipe
- 1 Jenger portable compressor, 125-cfm.
- 1 Caterpillar D-6 blade plows
- 1 Caterpillar D-7 with bulldozer blade
- 1 Allis-Chalmers HD-6 front-end loader
- 3 Ingersoll-Rand jackhammers and drilling machines, with 1,000 feet of air hose
- 2 Gardner-Denver jackhammers, with steel
- 2 Water tanks, 500-gallon capacity
- 1 Water tank, 250-gallon capacity
- 1 Wisconsin water pump, 2-inch
- 1 Sheet-crusher
- 6 Ore cars, 2-ton capacity
- 1 Sheet cutting machine, Model 3A
- 1 Dry chamber
- 2 Trailer houses and 2 small frame houses
- 1 Pickup truck
- Small tools and repair parts, approximately $2,000

The applicant states that a truck-mounted wagon drill with 500 cfm. compressor is available to the company.

DESCRIPTION OF THE REPORTS

Temple Mountain, which includes both a north and a south peak, rises about 1,000 feet above the surrounding area and forms a conspicuous landmark. Separating the two peaks is about 1,000 feet of Wingate formation covered to at the collapsed area. Approximate thickness of the formations exposed in the vicinity are, in descending order, the Jurassic Navajo sandstone, 80 feet; Upper Triassic Wingate sandstone, 400 feet; Upper Triassic Chinle, which varies 500 feet and

includes 25 feet of Rose Rock sandstone at the base; Upper Triassic Shinarump, 15 feet; and partly and Middle (?) Triassic Moenkopi, 700 feet. Numerous faults, apparently related to the slumping in the collapsed area, pass through the near-by Vanadium King claims in a northeasterly direction.

Two of the claims, Vanadium King No. 5 and Vanadium King No. 7, cover most of the east side of South Temple peak. On these claims, the Rose Rock, the ore-bearing member of the Chinle, is exposed as a bare, vertical cliff for an estimated total distance of 1,000 feet. The other two claims, Vanadium King Nos. 3 and 1, cover a spur and low ridge extending eastward from South Temple peak. The Rose Rock is prominently exposed on the north side of the ridge, on the Vanadium King No. 1 claim. It is here, about one-half mile east of South Temple peak, that the main mine workings are situated. Adjacent to this claim, on the south side, is the property of Consolidated Uranium Mines, Inc., from which current production amounts to several thousand tons of uranium ores a month.

On the Vanadium King Nos. 1 and 3 claims, uranium mineralization occurs in small, high-grade lenses about 30 feet above the base of the Rose Rock member, along the northeast faults intersecting the ore horizon, and in discontinuous deposits in the faulted zones. Of most importance are the lenses and the veinlike deposits along the faults.

The ore is of the asphaltic type and dark brown to black in color. Uraninite, the principal mineral, has been altered to autunite near the surface and where exposed in mine workings. Petrified wood is present, but is usually nearly barren. Only minor amounts of pyrite are present, and the calcium carbonate content averages less than 1 percent.

Migration of ore mineralization into the faults appears to be limited to short distances. Average dimensions of the 10 or 12 fault deposits mined to date seem to be about 10 feet up-dip, 20 to 25 feet in length, and 2 or 3 feet in thickness. One of the fault deposits stopes is approximately 100 feet long.

On the Vanadium King No. 8 and 7 claims, the ore occurs principally in small, high-grade lenses about 20 feet above the base of the Shoe Rock member. Mineralization of lesser importance is found about 40 feet above the base.

MINE WORKINGS

The two main mine workings on the Vanadium King No. 1 claim have penetrated the east-west ridge for a distance of approximately 300 feet from the Shoe Rock rim exposed on the north side of the east-west ridge (fig. 8). Drifts driven in a southerly direction are inclined with the ore horizon at about 5 to 10 degrees. The mining method used may be described as a modification of the room-and-pillar method, where the material left in the pillars consists of submarginal

ore and waste and constitutes about one-half of the rock in the ore zone. Most of the openings are irregular as to height, width and dimensions. The ground is dry, heavy wall, and requires little timber for support. A rock-crusher is used for transporting broken ore and waste in the present tri-cam operation.

Four small workings on the Vanadium King Nos. 6 and 7 claims extend 20 to 80 feet into the ore horizon exposed in that area (fig. 3). The adits are about 20 feet vertically above an access road constructed along the base of the Moss Bank formation. In the present operation, the ore instead use a scraper for moving broken rock from the face of the adit to an outside chute near the portal.

ORE RESERVES

The applicant states that ore reserves totaling a few hundred tons are indicated by pockets of holes on the Vanadium King Nos. 1 and 2 claims by the Consolidated Uranium Mines, Inc., during the years 1955 and 1956. Drilling records are not available. The applicant reports that, of the holes drilled on these claims to sufficient depth to penetrate the ore horizon, 15 holes have remained open and were probed, and that of these 15 holes, 6 showed commercial ore, 9 are mineralized, and one is barren.

PROPOSED DEVELOPMENT AND COSTS

As proposed by the applicant, the project is estimated to cost $[illegible],000 and consist of the following work:

Road construction, 65 bulldozer hours at $[illegible] per hour — plus work working [illegible]	$ [illegible]
Drilling, [illegible] feet at $[illegible] per foot	[illegible]
Vapor drilling, [illegible] feet at $[illegible] per foot	[illegible]
Total original estimated cost	$[illegible]

Locations of the proposed road, drift and drill holes, as originally proposed, are indicated on the map submitted with the application.

The planned road on Tungsten King claims No. 5 and 7 follows the contouring line of holes proposed for these claims. Eleven holes, spaced at 200-foot intervals along the road, would intersect the ore horizon at about 250 feet in depth. The horizontal position of the outcropping ore horizon is represented approximately by the outcrop of the two existing roads shown on the applicant's map. Estimated cost of the road work appears reasonable, considering the compact nature of the shaly material through which the major portion of the road would be built, the large size of boulders in a talus area on No. 5 claim, and the high angle of slope of the hillside.

An exploratory drift proposed by the applicant would be driven westward in the ore horizon to intersect the above-described line of drill holes at about the midpoint. The company's engineer-in-charge ap-

read that two types of exploratory work, conducted simultaneously, and, in a sense, for the same objective, are not warranted. The drifting, therefore, was eliminated from the project proposals.

The drilling originally proposed includes three holes on the north side line of Vanadium King No. 8 claim. These holes were planned with collars below the ore horizon in the Rose Bank formation, to be drilled to a depth of 200 feet for the purpose of exploring this part of the collapsed area. This drilling was eliminated from the proposed project work, as it is considered to be beyond the intended scope of MMA projects. Furthermore, it is reported that the ARC is preparing to shortly drill the collapsed area.

The major portion of the drilling is proposed for Vanadium King Nos. 1 and 2 claims. On claim No. 1, the drilling, as originally proposed, consists of 45 holes averaging 300 feet in depth and, on claim No. 2, 75 holes averaging 125 feet in depth. The holes are planned at 100-foot intervals.

By mutual agreement the originally proposed program has been changed to the following:

	Cost
Road building on Vanadium King Nos. 6 and 7 claims — (This includes 20 bulldozer hours at $15 an hour and rock work costing $400)	$ 700
Wagon drilling along proposed road on Vanadium King Nos. 6 and 7 claims, 20 holes, 200 feet average depth, spaced at not less than 50 feet — 4,000 feet at $2.5 a foot	10,000

	Feet	
Vagon drilling on Vanadium King No. 1 claim:		
1st phase - 15 holes, 200 feet average depth, spaced at approximately 200 feet = 3,000 feet at $5 a foot	———	$ 3,000
2nd phase - 25 holes spaced halfwaible holes of phase 1, 200 feet average depth, spaced at not less than 50 feet = 5,000 feet at $5 a foot	———	5,000
10 holes, 200 feet average depth, spaced at approximately 50 feet (in northeast corner of the claim) = 2,000 feet at $5 a foot	———	2,000
Vagon drilling on Vanadium King No. 2 claim:		
1st phase - 25 holes, 125 feet average depth, spaced at approximately 200 feet = 3,125 feet at $5 a foot	———	3,125
2nd phase - 50 holes spaced halfwaible holes of phase 1, 125 feet average depth, spaced at not less than 50 feet = 6,250 feet at $5 a foot	———	6,250
Total cost of proposed work	———	$35,375

The proposed vagon drilling totals 35,375 feet. The applicant states that the work will not be subcontracted.

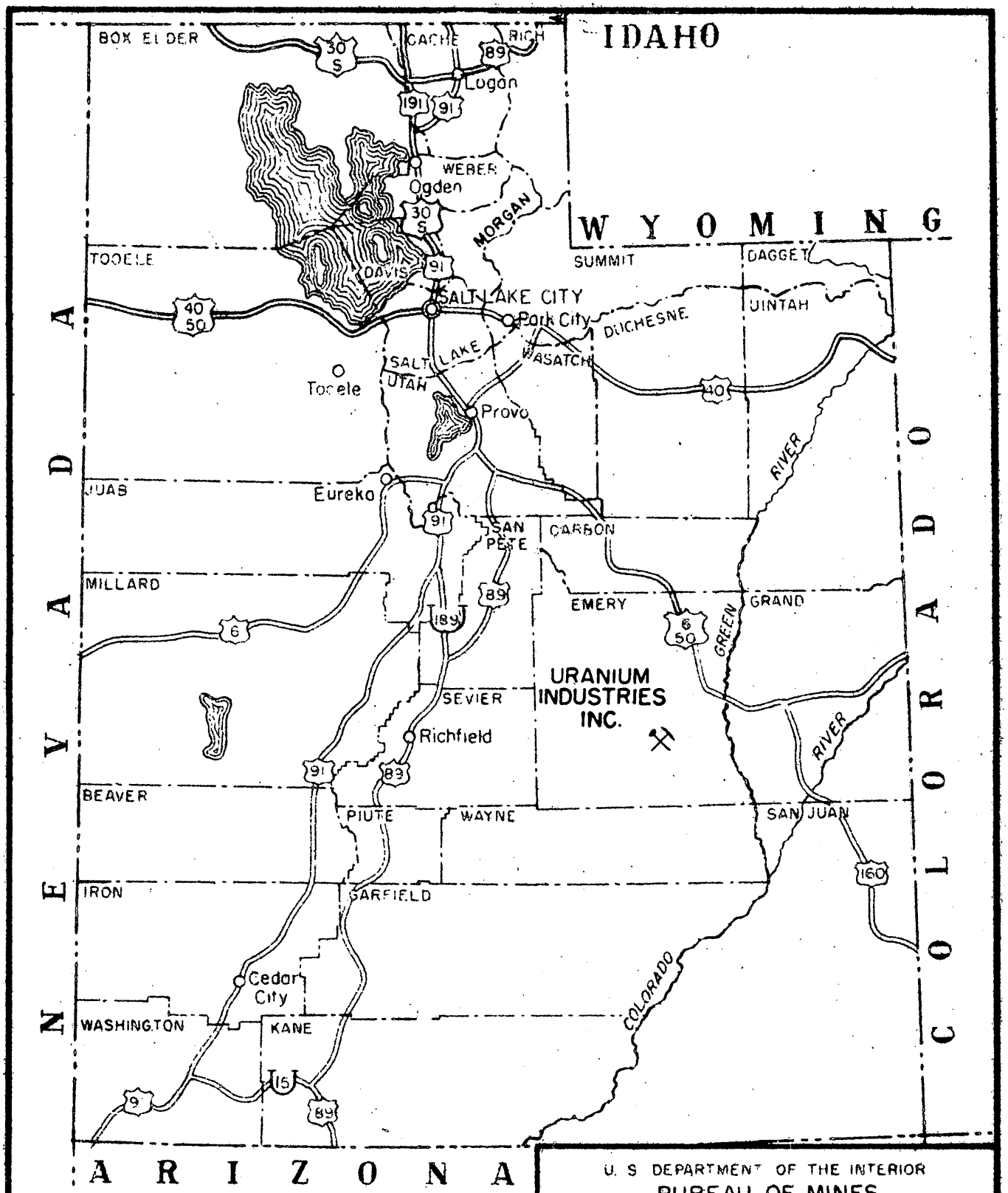
Estimated cost of the drilling, $5 a foot, is considered reasonable. According to a former general superintendent of the adjoining Consolidated Uranium Mines, Inc., property, vagon drilling ranging from 75 feet to 125 feet, and averaging about 100 feet in depth, on consolidated ground, cost that company $5 cents a foot.

CONCLUSIONS AND RECOMMENDATIONS

The proposed project is considered favorably because of the production record of the property involved and its proximity to the highly productive claims of Consolidated Uranium Mines, Inc.

The AEC has been consulted with regard to this application, and available information obtained.

It is recommended that a AEC short-form contract be prepared to provide for Government participation in the modified exploratory project described above under "Proposed Exploration and Costs."



U. S DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 1 DMEA Docket No. 3503

Location Map

URANIUM INDUSTRIES INC.

EMERY COUNTY, UTAH

ENGINEER *Millard M. Gilkey*	DATE DEC. 28, 1954
TRACED DEC., 1954; A.P.T.S.	1900-309-E
CHECKED	

Bureau Mineral Administration
RECEIVED
APR 14 1955

IN REPLY REFER TO:

TRANSMITTED
APR 11 1955

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

November 23, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 3C-3, (uranium) Uranium Industries Inc., Vanadium King claims Nos. 1, 3, 5, and 7, San Rafael Mining District, Emery County, Utah

Enclosed are 11 copies of a geologic report by Raymond C. Robeck of the U. S. Geological Survey covering the above docket.

The Vanadium King claims are located in the Temple Mountain ore belt where numerous small high grade uraninite ore bodies have been discovered. Mr. Robeck concludes that exploration is warranted and recommends a two phases program of drilling totalling 25,375 feet.

The location of Phase I holes within 100 feet of the property lines is justified by the small size of the ore bodies.

E.N. Harshman
per A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

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

TRANSMITTED
APR 11 1955

November 12, 1954

Memorandum

To: A. H. Koschmann, Supervising Geologist, DMEA Field Team, Region IV

From: Arnold L. Brokaw, District Supervisor

Subject: DMEA 3503, Uranium Industries, Inc., Vanadium King claims Nos. 1, 3, 5, and 7, San Rafael Mining District, Emery County, Utah

Transmitted herewith are eleven copies of a revised geologic report by Raymond C. Robeck, covering the above-referenced DMEA application.

As a result of field examination, Robeck concludes that favorable action is warranted on the application because the property is located in the Temple Mountain ore belt and geologic conditions are favorable for uranium ore deposits.

Although some drilling has been done on the property by private industry, no drill-hole logs, assays or other data are available. Inquiry on our part indicates that no Government drilling has been done on the property. The proposed locations of stage I drill holes are shown on revised maps which accompany the report.

We are enclosing nine extra copies of revised figure 2 accompanying Robeck's report. Figures 1 and 3 may be obtained from the original report which was transmitted to you earlier. The scale on figure 3 should be corrected to "one inch equals 20 feet", rather than the 200 shown.

W P Williams
For Arnold L. Brokaw

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 3503, Uranium Industries, Inc., Vanadium King claims Nos. 1, 3, 5, and 7, San Rafael Mining district, Emery County, Utah

Uranium

Geologic Report

by

Raymond C. Robeck
U. S. Geological Survey

November 10, 1954

DMEA 3503

INTRODUCTION AND SUMMARY

Uranium Industries, Inc., through its president, K. S. Mittry, Fort Collins, Colorado, made application on August 18, 1954, to the Defense Minerals Exploration Administration for financial aid in an exploration project for uranium. The four mining claims involved were examined in the field on October 7, 1954 by Roy L. Wright as company representative, M. M. Gilkey, U. S. Bureau of Mines representative, and R. C. Robeck, U. S. Geological Survey representative.

It is recommended that the loan be approved and a DMEA contract be prepared to provide for the exploration work.

The claims (figs. 1 and 2) are the Vanadium King Nos. 1, 3, 5, and 7 located on the northeast flank of Temple Mountain, in unsurveyed T. 24 S., R. 11 E., S.L.M. in Emery County, Utah, 47 miles by road southwest of Green River, Utah (fig. 1). The claims are easily accessible from Green River, Utah, over U. S. Highway 6-50, Utah Highway 24, and mineral access roads to Temple Mountain. Flash floods may occasionally make the area inaccessible for a few hours at a time.

According to the statements in their application and of impressions gained of the personnel on the claims, it appears that the applicant is competent to carry out his exploration proposal.

Uranium Industries, Inc., are leasing from L. Migliaccio, Marie O. Migliaccio, and Frank and Sally Davis, who by court order during 1954 were declared the owners of the claims.

The applicant has a camp for employees, consisting of three house trailers and small, temporary buildings left by previous operators. Indications are that there is or will be enough mechanical equipment on the property to carry out the proposed work.

The present and past workings (figs. 2 and 3) consist of the Rex mines Nos. 1 and 2, and other small prospect pits on Vanadium King claims Nos. 1 and 3, and four small adits on Vanadium King claims Nos. 5 and 7 (here labeled East Temple adits Nos. 1-4). The two Rex mines have been worked about 600 feet back from the outcrop. The maximum depth of workings in the East Temple adits is 80 feet in No. 2. The mines are all open and the applicant is engaged in some exploratory drifting beyond the old workings.

GEOLOGY AND ORE RESERVES

The claims are situated on the east flank of Temple Mountain which consists of three main units: North Temple Mountain and South Temple Mountain with a 1200-foot wide collapsed area between. The strategraphic section is as follows:

Age	Formation	Thickness
Jurassic (?)	Kayenta SS	50 feet
U. Triassic	Wingate SS	400 feet
	Chinle (with Moss Back sandstone at base)	300 feet
	Shinarump conglomerate	15 feet
Early and Middle (?) Triassic	Moenkopi	700 feet

The Moss Back sandstone contains the ore horizons. It consists of interfingering lenses of fine- to coarse-grained sandstone, conglomerate, and mudstone. In the vicinity of the Vanadium King claims, the Moss Back can be divided into three lithologic units. The basal unit, about 40 feet thick, consists of sandstone and conglomerate with mudstone lenses which may be present at any position within the unit. The ore is found in sandstone lenses in two horizons in this unit, approximately in the middle and near the top. The continuity of the ore bodies depends to a large extent on the lateral extent of the particular sand lens that contains the ore. The middle unit may be absent or up to 10 feet thick and consists of greenish-gray mudstone interfingering with sandstone of the basal unit. The top unit consists of 30 to 50 feet of cliff-forming sandstone and conglomerate with a few mudstone splits.

The ore minerals are mainly uraninite with some carnotite-type oxides on weathered surfaces or in much-jointed rock. The ore bodies consist of black uraninite in small lenses with only a minor halo of mineralization around the high-grade center. The high-grade material would constitute approximately a fifth to a tenth of the total volume of an average-sized, 5 by 7 foot, adit. The ore lenses are very spotty, discontinuous, and irregular in position. The uraninite ore may contain up to 80 percent U_3O_8, but in most cases would average around 5 percent U_3O_8. Slight mineralization, associated with asphalt, may average around 0.10 percent U_3O_8 around the uraninite lenses. Similar type ores are slightly more regular and richer on the Consolidated Uranium, Inc., workings adjacent, on the south, to the Vanadium King claims Nos. 1 and 3.

The claims involved in this report are in what the writer calls the Temple Mountain uranium ore belt. Immediately northeast or southwest of this belt there is practically no radioactivity, whereas within the ore belt the ore bodies are lenticular and small, but a proposal such as the applicant makes offers at least an even chance of finding enough ore bodies to make such a proposal economically feasible.

To the writer's knowledge, there does not appear to be any relationship between the origin of the uranium and the collapsed area of Temple Mountain.

The Rex and other mines on these claims known as the North workings, have produced about 8,340 tons of ore averaging 0.20 percent U_3O_8 and 0.60 percent V_2O_5.

PROPOSED EXPLORATION

The applicant states that there is plenty of manpower and materials available at current rates. The applicant proposed the following:

Road building -	900.00
Drilling, 22,100 ft. @ $1.003 per ft. - - - - - - -	22,160.00
Adit, 250 ft. @ $40.00 per ft. - - - - - - - - - -	10,000.00
Total -	$33,060.00

With the approval of all concerned, the following is proposed:

Road building - as proposed

Drilling:

Vanadium King Nos. 5 and 7

30 holes, on not less than 50-foot centers along the proposed road; (fig. 2), average depth 200 feet — 6,000 ft.

Vanadium King No. 1

1st phase - 15 holes at approximately 200-foot centers; average depth 200 feet (fig. 2) - - - - - - - - - - - -	3,000 ft.
2nd phase - 25 holes around favorable holes of phase one, but not closer than 50 feet at average depth of 200 feet - - - - - - - - - - - - - -	5,000 ft.
10 holes, on 50-foot centers at average depth of 200 feet in the northwest corner of the claim (fig. 2)	2,000 ft.

Vanadium King No. 3

1st phase - 25 holes on approximately 200-foot centers at an average depth of 125 feet (fig. 2) - - - - - - - -	3,125 ft.
2nd phase - 50 holes around favorable holes of phase one, but not closer than 50 feet - - - - - - - - - - - - -	6,250 ft.
Total footage - - - - - - - - - -	25,375 ft.

The holes are to be drilled in areas not previously drilled or where records are not available on past drilling. Any holes from past drilling which are still open down through the ore horizons have been probed by the applicant. Records of blocked holes are not available to the applicant. The claims have not been drilled by the Government.

The location of drill holes as shown in figure 2 are only tentative because of unfavorable topography. The actual locations, dependent upon practicable locations of drill-site roads, should be as close to those on the map as topographic conditions will permit.

It is recommended that DMEA approval be required prior to drilling all phase 2 holes. All holes should be logged by the operator with his Babbel counterequippped with in-hole probe. Instead of 4 months, it is recommended that the work be done in 6 months.

CONCLUSIONS AND RECOMMENDATIONS

Present workings show that the applicant's Vanadium King claims Nos. 1, 3, 5, and 7 are in the favorable Temple Mountain ore belt. From a geological point of view the modified proposal appears to offer a good chance of finding enough ore to justify the amount of the loan.

It is recommended that a DMEA contract be prepared to provide for the exploration project as outlined above.

This application has been brought to the attention of the U. S. Atomic Energy Commission, and the Commission has been asked for its help and advice in evaluating the property.

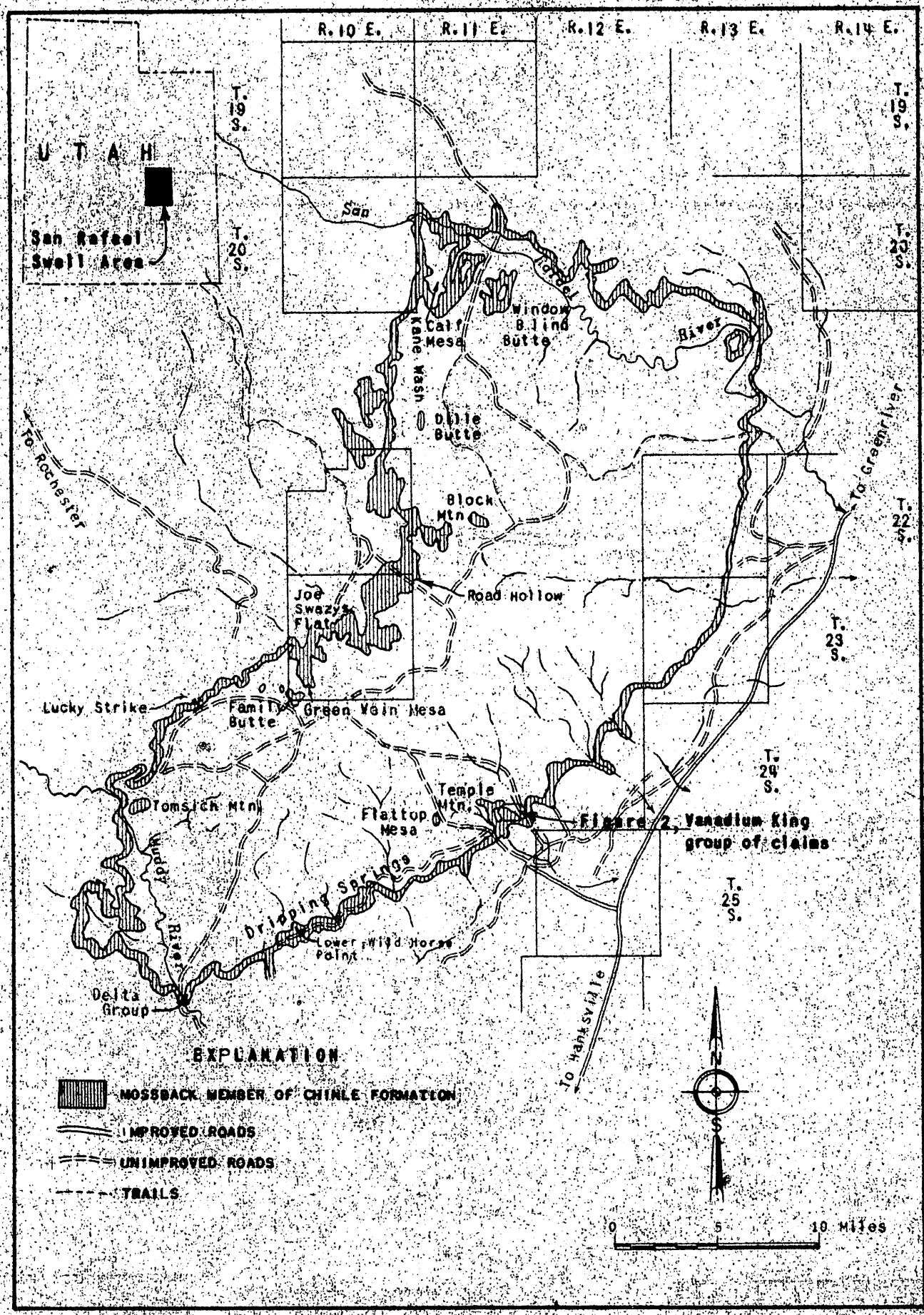


Figure 1. INDEX MAP OF SAN RAFAEL SWELL AREA SHOWING LOCATION OF VANADIUM KING GROUP OF CLAIMS, URANIUM INDUSTRIES INC., EMERY COUNTY, UTAH

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

Department of the Interior
Defense Minerals Administration
RECEIVED
SEP 24 1954

224 New Customhouse
Denver 2, Colorado

September 21, 1954

B0457

Mr. K. S. Mittry, President
Uranium Industries, Inc.
P. O. Box 721
Grand Junction, Colorado

Re: Application for DMEA Assistance (Uranium)
Uranium Industries Inc.
Vanadium King Claims Nos. 1,3,5, and 7
San Rafael Mining District
Emery County, Utah

Dear Mr. Mittry:

This will acknowledge receipt of material required to complete your application dated August 16, 1954, which was requested in our letter of August 20, 1954.

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

Yours very truly,

W H King

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

RDB:mn

cc: Docket
Administrator DMEA
S.R.Wilson
A.H.Koschmann
A. Brokaw
Chron.

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. [redacted]A-3503

ANNEX I

The land referred to in Article 2 of the Contract form consists of four (4) unpatented lode mining claims which are recorded in the office of the County Recorder, Emery County, Utah, as follows:

Claim	Book No.	Page No.
Vanadium King No. 1	J-7	241
Vanadium King No. 3	J-7	242
Vanadium King No. 5	J-7	243
Vanadium King No. 7	J-7	256

These claims are in unsurveyed T. 24 S., R. 11 E., S.L.B.&M., and are shown on the map entitled "Figure 2. Map of Vanadium King 1, 3, 5, and 7 Claims, etc., . . ." which is attached hereto and made a part hereof.

The land is held by the Operator under an assignment dated June 18, 1954, of a lease dated November 14, 1953, and under an agreement dated June 29, 1954.

Extra copies for the field team

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

EXHIBIT "A"

Description of the Work

The object of this project is the discovery of uranium ore in the Moss Back member of the Chinle formation by means of wagon-drilling.

The work shall be performed in two stages. The Operator shall perform Stage I and shall perform such work under Stage II as is approved in advance by the Government.

STAGE I

On Vanadium King claims Nos. 5 and 7, an access road shall be bulldozed, and along this road approximatley 30 holes, aggregating not to exceed 6,000 feet, shall be drilled at intervals of not less than 50 feet. The approximate locations of the road and the drill holes on Vanadium King claims Nos. 5 and 7 are indicated on the attached map, "Figure 2."

On Vanadium King claim No. 1, approximately 15 holes, aggregating not to exceed 3,000 feet, shall be drilled at intervals of approximately 200 feet. The locations of the holes are approximately indicated on the attached map, "Figure 2."

On Vanadium King claim No. 3, approximately 25 holes, aggregating not to exceed 3,125 feet, shall be drilled at intervals of approximately 200 feet. The locations of these holes are approximately indicated on the attached map, "Figure 2."

STAGE II

On Vanadium King claim No. 1, not more than 25 offset holes, aggregating not to exceed 5,000 feet, shall be drilled around holes drilled under Stage I that indicate a favorable mineralized area. The holes shall not be drilled closer than 50 feet to any other hole.

In the northwest corner of Vanadium King claim No. 1, not more than 10 holes, aggregating not to exceed 2,000 feet, shall be drilled at locations approximately indicated on the attached map, "Figure 2." These holes shall not be closer than 50 feet to any other hole.

On Vanadium King claim No. 3, not more than 50 offset holes, aggregating not to exceed 6,250 feet, shall be drilled around holes drilled under Stage I that indicated a favorable mineralized area. These holes shall not be spaced closer than 50 feet to any other hole.

GENERAL

1. All holes shall be logged by the Operator with the Company-owned Babbel counter equipped with in-hole probe.

2. No hole shall be started which cannot be completed within the maximum footage for a Stage. The Government will not contribute to the cost of any hole which does not reach the target horizon, or which cannot be probed with the Company-owned Babbel equipment.

3. A supervisor-engineer or geologist shall supervise all drilling.

4. Upon completion of Stage I, the Operator will submit five (5) copies of the following data to the Government, if such data has not been previously submitted.

(a) Drill logs and assay results of holes drilled, and a map showing the location of the holes.

(b) Location of holes proposed to be drilled under Stage II in relation to holes drilled under Stage I, and a listing showing the estimated depths of the proposed holes.

5. Certified drill logs, and certified chemical analyses, shall be submitted with the Operator's monthly progress reports.

6. The location and method of drilling, the depths of holes, the project supervisor, the location of the access road, and the method of taking and storing drill hole cuttings, are subject to Government approval.

FIXED UNIT COSTS

STAGE I

Vanadium King Nos. 5 and 7 claims

Access road - 65 bulldozer hours @ $12.00/hr.	$ 780.00	
Drilling and blasting for access road - 2 days @ $60.00/day	120.00	
6,000 feet of drilling @ $1.00/ft.	6,000.00	

Vanadium King No. 1 claim

3,000 feet of drilling @ $1.00/ft.	3,000.00	

Vanadium King No. 3 claim

3,125 feet of drilling @ $1.00/ft.	3,125.00	
70 chemical analyses for V_3O_8 & V_2O_5 @ $5.00 each	350.00	
Estimated Total Cost, Stage I		$13,375.00
Government Participation @ 75%		$10,031.25

STAGE II

Vanadium King No. 1 claim

7,000 feet of drilling @ $1.00/ft.	$ 7,000.00	

Vanadium King No. 3 claim

6,250 feet of offset drilling @ $1.00/ft.	6,250.00	

85 chemical analyses for V_3O_8 and V_2O_5 @ $5.00 each	425.00	
Estimated Total Cost, Stage II		$13,675.00
Government Participation @ 75%		$10,256.25

SUMMARY

Estimated Total Cost Stage I	$13,375.00
Estimated Total Cost Stage II	$13,675.00
Estimated Total Cost of Project	$27,050.00 1/
Government Participation @ 75%	$20,287.50

1/ The unit costs include all costs of the work whatsoever necessary for the performance of the project work.

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3. A supervisor-engineer or geologist shall supervise all drilling.

4. Upon completion of Stage I, the Operator will submit five (5) copies of the following data to the Government, if such data has not been previously submitted.

(a) Drill logs and assay results of holes drilled, and a map showing the location of the holes.

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5. Certified drill logs, and certified chemical analyses, shall be submitted with the Operator's monthly progress reports.

6. The location and method of drilling, the depths of holes, the project supervisor, the location of the access road, and the method of taking and storing drill hole cuttings, are subject to Government approval.

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Government's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3503

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Uranium Industries, Incoprorated an Oklahoma Corporation, whose mailing address is 124 South 4th Street Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Emery, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: assignment of original lessees-assignors

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title to the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of the lessors and the original lessees-assignors

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of [illegible], etc.).
[3] Write on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly [illegible] any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $27,050.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $20,287.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

URANIUM INDUSTRIES, INCORPORATED
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By .....
Administrator, Defense
Minerals Exploration
Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

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Drilling and blasting for access road - 2 days @ $60.00/day	120.00	
6,000 feet of drilling @ $1.00/ft.	6,000.00	
Vanadium King No. 1 claim		
3,000 feet of drilling @ $1.00/ft.	3,000.00	
Vanadium King No. 3 claim		
3,125 feet of drilling @ $1.00/ft.	3,125.00	
70 chemical analyses for V_3O_8 & V_2O_5 @ $5.00 each	350.00	
Estimated Total Cost, Stage I		$13,375.00
Government Participation @ 75%		$10,031.25

STAGE II

Vanadium King No. 1 claim		
7,000 feet of drilling @ $1.00/ft.	$ 7,000.00	
Vanadium King No. 3 claim		
6,250 feet of offset drilling @ $1.00/ft.	6,250.00	

85 chemical analyses for V_3O_8 and V_2O_5 @ $5.00 each	425.00	
Estimated Total Cost, Stage II		$13,675.00
Government Participation @ 75%		$10,256.25

SUMMARY

Estimated Total Cost Stage I	$13,375.00
Estimated Total Cost Stage II	$13,675.00
Estimated Total Cost of Project	$27,050.00 1/
Government Participation @ 75%	$20,287.50

1/ The unit costs include all costs of the work whatsoever necessary for the performance of the project work.

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 Emery, described ~~as follows~~/

in a lease dated the 14th day of November, 1953 and recorded in Book I of Misc. page 125-132 official record of said county

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/ Uranium Industries, Incorporated
124 South 4th Street
Grand Junction, 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 production3/ 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 mining lease dated Nov. 14, 1953 granted to K. S. Mittry Construction Co. and assigned to Uranium Industries, Inc., June 29, 1954 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. In paragraph 2, the words "the period fixed in the contract or any amendment thereof" are substituted for "ten years have".

Dated this 4th day of April, 1955.

J. A. Williams [Seal]

Ashby W. Lowe [Seal]

Andrew R. Hurley [Seal]

Dean F. Grayson (Seal)

Laurence Migliaccio (Seal)

Marie A. Migliaccio (Seal)

Thomas E. Cuthbert (Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

Operator's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3503

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Uranium Industries, Incoprorated an Oklahoma Corporation, whose mailing address is 124 South 4th Street Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Emery, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ....recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: assignment of original lessees-assignors

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of the lessors and the original lessees-assignors

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $27,050.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $20,287.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

URANIUM INDUSTRIES, INCORPORATED
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By .....
Administrator, Defense
Minerals Exploration
Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

ANNEX I

The land referred to in Article 2 of the Contract form consists of four (4) unpatented lode mining claims which are recorded in the office of the County Recorder, Emery County, Utah, as follows:

Claim	Book No.	Page No.
Vanadium King No. 1	J-7	241
Vanadium King No. 3	J-7	242
Vanadium King No. 5	J-7	243
Vanadium King No. 7	J-7	256

These claims are in unsurveyed T. 24 S., R. 11 E., S.L.B.&M., and are shown on the map entitled "Figure 2. Map of Vanadium King 1, 3, 5, and 7 Claims, etc., . . ." which is attached hereto and made a part hereof.

The land is held by the Operator under an assignment dated June 18, 1954, of a lease dated November 14, 1953, and under an agreement dated June 29, 1954.

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

EXHIBIT "A"

Description of the Work

The object of this project is the discovery of uranium ore in the Moss Back member of the Chinle formation by means of wagon-drilling.

The work shall be performed in two stages. The Operator shall perform Stage I and shall perform such work under Stage II as is approved in advance by the Government.

STAGE I

On Vanadium King claims Nos. 5 and 7, an access road shall be bulldozed, and along this road approximatley 30 holes, aggregating not to exceed 6,000 feet, shall be drilled at intervals of not less than 50 feet. The approximate locations of the road and the drill holes on Vanadium King claims Nos. 5 and 7 are indicated on the attached map, "Figure 2."

On Vanadium King claim No. 1, approximately 15 holes, aggregating not to exceed 3,000 feet, shall be drilled at intervals of approximately 200 feet. The locations of the holes are approximately indicated on the attached map, "Figure 2."

On Vanadium King claim No. 3, approximately 25 holes, aggregating not to exceed 3,125 feet, shall be drilled at intervals of approximately 200 feet. The locations of these holes are approximately indicated on the attached map, "Figure 2."

STAGE II

On Vanadium King claim No. 1, not more than 25 offset holes, aggregating not to exceed 5,000 feet, shall be drilled around holes drilled under Stage I that indicate a favorable mineralized area. The holes shall not be drilled closer than 50 feet to any other hole.

In the northwest corner of Vanadium King claim No. 1, not more than 10 holes, aggregating not to exceed 2,000 feet, shall be drilled at locations approximately indicated on the attached map, "Figure 2." These holes shall not be closer than 50 feet to any other hole.

On Vanadium King claim No. 3, not more than 50 offset holes, aggregating not to exceed 6,250 feet, shall be drilled around holes drilled under Stage I that indicated a favorable mineralized area. These holes shall not be spaced closer than 50 feet to any other hole.

GENERAL

1. All holes shall be logged by the Operator with the Company-owned Babbel counter equipped with in-hole probe.

2. No hole shall be started which cannot be completed within the maximum footage for a Stage. The Government will not contribute to the cost of any hole which does not reach the target horizon, or which cannot be probed with the Company-owned Babbel equipment.

3. A supervisor-engineer or geologist shall supervise all drilling.

4. Upon completion of Stage I, the Operator will submit five (5) copies of the following data to the Government, if such data has not been previously submitted.

(a) Drill logs and assay results of holes drilled, and a map showing the location of the holes.

(b) Location of holes proposed to be drilled under Stage II in relation to holes drilled under Stage I, and a listing showing the estimated depths of the proposed holes.

5. Certified drill logs, and certified chemical analyses, shall be submitted with the Operator's monthly progress reports.

6. The location and method of drilling, the depths of holes, the project supervisor, the location of the access road, and the method of taking and storing drill hole cuttings, are subject to Government approval.

FIXED UNIT COSTS

STAGE I

Vanadium King Nos. 5 and 7 claims		
Access road - 65 bulldozer hours @ $12.00/hr.	$ 780.00	
Drilling and blasting for access road - 2 days @ $60.00/day	120.00	
6,000 feet of drilling @ $1.00/ft.	6,000.00	
Vanadium King No. 1 claim		
3,000 feet of drilling @ $1.00/ft.	3,000.00	
Vanadium King No. 3 claim		
3,125 feet of drilling @ $1.00/ft.	3,125.00	
70 chemical analyses for V_3O_8 & V_2O_5 @ $5.00 each	350.00	
Estimated Total Cost, Stage I		$13,375.00
Government Participation @ 75%		$10,031.25

STAGE II

Vanadium King No. 1 claim		
7,000 feet of drilling @ $1.00/ft.	$ 7,000.00	
Vanadium King No. 3 claim		
6,250 feet of offset drilling @ $1.00/ft.	6,250.00	

85 chemical analyses for V_3O_8 and V_2O_5 @ $5.00 each	425.00	
Estimated Total Cost, Stage II		$13,675.00
Government Participation @ 75%		$10,256.25

SUMMARY

Estimated Total Cost Stage I	$13,375.00
Estimated Total Cost Stage II	$13,675.00
Estimated Total Cost of Project	$27,050.00 1/
Government Participation @ 75%	$20,287.50

1/ The unit costs include all costs of the work whatsoever necessary for the performance of the project work.

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 _____, County of _____, described as follows 1/

_____

_____

_____

_____

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/ _____

_____

_____

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 mining lease dated Nov. 14, 1953 granted to K. S. Mittry Construction Co. and assigned to Uranium Industries, Inc., June 29, 1954 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. In paragraph 2, the words "the period fixed in the contract or any amendment thereof" are substituted for "ten years have".

Dated this 7th day of April, 1955.

H. R. Bellows [Seal]

John W. Lowe [Seal]

Andrew R. Lusby [Seal]

Dean Fitzroy Jr. (Seal)

Lawrence Mylinacio (Seal)

Marie O. Mylinacio (Seal)

Thomas C. Cuthbert (Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

Finance Office Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3503

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Uranium Industries, Incoprorated an Oklahoma Corporation, whose mailing address is 124 South 4th Street Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Emery, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ..... recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: assignment of original lessees-assignors

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of the lessors and the original lessees-assignors

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70818-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $27,050.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $20,287.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

URANIUM INDUSTRIES, INCORPORATED
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By .....
Administrator, Defense
Minerals Exploration
Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

ANNEX I

The land referred to in Article 2 of the Contract form consists of four (4) unpatented lode mining claims which are recorded in the office of the County Recorder, Emery County, Utah, as follows:

Claim	Book No.	Page No.
Vanadium King No. 1	J-7	241
Vanadium King No. 3	J-7	242
Vanadium King No. 5	J-7	243
Vanadium King No. 7	J-7	256

These claims are in unsurveyed T. 24 S., R. 11 E., S.L.B.&M., and are shown on the map entitled "Figure 2. Map of Vanadium King 1, 3, 5, and 7 Claims, etc., . . ." which is attached hereto and made a part hereof.

The land is held by the Operator under an assignment dated June 18, 1954, of a lease dated November 14, 1953, and under an agreement dated June 29, 1954.

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

EXHIBIT "A"

Description of the Work

The object of this project is the discovery of uranium ore in the Moss Back member of the Chinle formation by means of wagon-drilling.

The work shall be performed in two stages. The Operator shall perform Stage I and shall perform such work under Stage II as is approved in advance by the Government.

STAGE I

On Vanadium King claims Nos. 5 and 7, an access road shall be bulldozed, and along this road approximatley 30 holes, aggregating not to exceed 6,000 feet, shall be drilled at intervals of not less than 50 feet. The approximate locations of the road and the drill holes on Vanadium King claims Nos. 5 and 7 are indicated on the attached map, "Figure 2."

On Vanadium King claim No. 1, approximately 15 holes, aggregating not to exceed 3,000 feet, shall be drilled at intervals of approximately 200 feet. The locations of the holes are approximately indicated on the attached map, "Figure 2."

On Vanadium King claim No. 3, approximately 25 holes, aggregating not to exceed 3,125 feet, shall be drilled at intervals of approximately 200 feet. The locations of these holes are approximately indicated on the attached map, "Figure 2."

STAGE II

On Vanadium King claim No. 1, not more than 25 offset holes, aggregating not to exceed 5,000 feet, shall be drilled around holes drilled under Stage I that indicate a favorable mineralized area. The holes shall not be drilled closer than 50 feet to any other hole.

In the northwest corner of Vanadium King claim No. 1, not more than 10 holes, aggregating not to exceed 2,000 feet, shall be drilled at locations approximately indicated on the attached map, "Figure 2." These holes shall not be closer than 50 feet to any other hole.

On Vanadium King claim No. 3, not more than 50 offset holes, aggregating not to exceed 6,250 feet, shall be drilled around holes drilled under Stage I that indicated a favorable mineralized area. These holes shall not be spaced closer than 50 feet to any other hole.

GENERAL

1. All holes shall be logged by the Operator with the Company-owned Babbel counter equipped with in-hole probe.

2. No hole shall be started which cannot be completed within the maximum footage for a Stage. The Government will not contribute to the cost of any hole which does not reach the target horizon, or which cannot be probed with the Company-owned Babbel equipment.

3. A supervisor-engineer or geologist shall supervise all drilling.

4. Upon completion of Stage I, the Operator will submit five (5) copies of the following data to the Government, if such data has not been previously submitted.

(a) Drill logs and assay results of holes drilled, and a map showing the location of the holes.

(b) Location of holes proposed to be drilled under Stage II in relation to holes drilled under Stage I, and a listing showing the estimated depths of the proposed holes.

5. Certified drill logs, and certified chemical analyses, shall be submitted with the Operator's monthly progress reports.

6. The location and method of drilling, the depths of holes, the project supervisor, the location of the access road, and the method of taking and storing drill hole cuttings, are subject to Government approval.

FIXED UNIT COSTS

STAGE I

Vanadium King Nos. 5 and 7 claims

Access road - 65 bulldozer hours @ $12.00/hr.	$ 780.00	
Drilling and blasting for access road - 2 days @ $60.00/day	120.00	
6,000 feet of drilling @ $1.00/ft.	6,000.00	
Vanadium King No. 1 claim		
3,000 feet of drilling @ $1.00/ft.	3,000.00	
Vanadium King No. 3 claim		
3,125 feet of drilling @ $1.00/ft.	3,125.00	
70 chemical analyses for V_3O_8 & V_2O_5 @ $5.00 each	350.00	
Estimated Total Cost, Stage I		$13,375.00
Government Participation @ 75%		$10,031.25

STAGE II

Vanadium King No. 1 claim

7,000 feet of drilling @ $1.00/ft.	$ 7,000.00	
Vanadium King No. 3 claim		
6,250 feet of offset drilling @ $1.00/ft.	6,250.00	

85 chemical analyses for V_3O_8 and V_2O_5 @ $5.00 each	425.00	
Estimated Total Cost, Stage II		$13,675.00
Government Participation @ 75%		$10,256.25

SUMMARY

Estimated Total Cost Stage I	$13,375.00
Estimated Total Cost Stage II	$13,675.00
Estimated Total Cost of Project	$27,050.00 1/
Government Participation @ 75%	$20,287.50

1/ The unit costs include all costs of the work whatsoever necessary for the performance of the project work.

Minerals Administration
RECEIVED
APR 13 1955

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 Emery, described ~~as follows~~/

in a lease dated the 14th day of November, 1953 and recorded in Book I of Misc. page 125-132 official record of said county

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/ Uranium Industries, Incorporated
124 South 4th Street
Grand Junction, 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 production3/ 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 _____

Dated this 7th day of April, 1955.

_____ [Seal]

_____ [Seal]

_____ [Seal]

Dean F. Brayton

Laurence Hughes

Marie O. Hughes

Thomas C. Cuthbert

Field Team Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3503

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Uranium Industries, Incorporated an Oklahoma Corporation, whose mailing address is 124 South 4th Street Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Emery, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: assignment of original lessees-assignors

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of the lessors and the original lessees-assignors

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $27,050.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $20,287.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

URANIUM INDUSTRIES, INCORPORATED
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By .....
Administrator, Defense
Minerals Exploration
Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

ANNEX I

The land referred to in Article 2 of the Contract form consists of four (4) unpatented lode mining claims which are recorded in the office of the County Recorder, Emery County, Utah, as follows:

Claim	Book No.	Page No.
Vanadium King No. 1	J-7	241
Vanadium King No. 3	J-7	242
Vanadium King No. 5	J-7	243
Vanadium King No. 7	J-7	256

These claims are in unsurveyed T. 24 S., R. 11 E., S.L.B.&M., and are shown on the map entitled "Figure 2. Map of Vanadium King 1, 3, 5, and 7 Claims, etc., . . ." which is attached hereto and made a part hereof.

The land is held by the Operator under an assignment dated June 18, 1954, of a lease dated November 14, 1953, and under an agreement dated June 29, 1954.

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

EXHIBIT "A"

Description of the Work

The object of this project is the discovery of uranium ore in the Moss Back member of the Chinle formation by means of wagon-drilling.

The work shall be performed in two stages. The Operator shall perform Stage I and shall perform such work under Stage II as is approved in advance by the Government.

STAGE I

On Vanadium King claims Nos. 5 and 7, an access road shall be bulldozed, and along this road approximatley 30 holes, aggregating not to exceed 6,000 feet, shall be drilled at intervals of not less than 50 feet. The approximate locations of the road and the drill holes on Vanadium King claims Nos. 5 and 7 are indicated on the attached map, "Figure 2."

On Vanadium King claim No. 1, approximately 15 holes, aggregating not to exceed 3,000 feet, shall be drilled at intervals of approximately 200 feet. The locations of the holes are approximately indicated on the attached map, "Figure 2."

On Vanadium King claim No. 3, approximately 25 holes, aggregating not to exceed 3,125 feet, shall be drilled at intervals of approximately 200 feet. The locations of these holes are approximately indicated on the attached map, "Figure 2."

STAGE II

On Vanadium King claim No. 1, not more than 25 offset holes, aggregating not to exceed 5,000 feet, shall be drilled around holes drilled under Stage I that indicate a favorable mineralized area. The holes shall not be drilled closer than 50 feet to any other hole.

In the northwest corner of Vanadium King claim No. 1, not more than 10 holes, aggregating not to exceed 2,000 feet, shall be drilled at locations approximately indicated on the attached map, "Figure 2." These holes shall not be closer than 50 feet to any other hole.

On Vanadium King claim No. 3, not more than 50 offset holes, aggregating not to exceed 6,250 feet, shall be drilled around holes drilled under Stage I that indicated a favorable mineralized area. These holes shall not be spaced closer than 50 feet to any other hole.

GENERAL

1. All holes shall be logged by the Operator with the Company-owned Babbel counter equipped with in-hole probe.

2. No hole shall be started which cannot be completed within the maximum footage for a Stage. The Government will not contribute to the cost of any hole which does not reach the target horizon, or which cannot be probed with the Company-owned Babbel equipment.

3. A supervisor-engineer or geologist shall supervise all drilling.

4. Upon completion of Stage I, the Operator will submit five (5) copies of the following data to the Government, if such data has not been previously submitted.

(a) Drill logs and assay results of holes drilled, and a map showing the location of the holes.

(b) Location of holes proposed to be drilled under Stage II in relation to holes drilled under Stage I, and a listing showing the estimated depths of the proposed holes.

5. Certified drill logs, and certified chemical analyses, shall be submitted with the Operator's monthly progress reports.

6. The location and method of drilling, the depths of holes, the project supervisor, the location of the access road, and the method of taking and storing drill hole cuttings, are subject to Government approval.

FIXED UNIT COSTS

STAGE I

Vanadium King Nos. 5 and 7 claims

Access road - 65 bulldozer hours @ $12.00/hr.	$ 780.00	
Drilling and blasting for access road - 2 days @ $60.00/day	120.00	
6,000 feet of drilling @ $1.00/ft.	6,000.00	
Vanadium King No. 1 claim		
3,000 feet of drilling @ $1.00/ft.	3,000.00	
Vanadium King No. 3 claim		
3,125 feet of drilling @ $1.00/ft.	3,125.00	
70 chemical analyses for V_3O_8 & V_2O_5 @ $5.00 each	350.00	
Estimated Total Cost, Stage I		$13,375.00
Government Participation @ 75%		$10,031.25

STAGE II

Vanadium King No. 1 claim

7,000 feet of drilling @ $1.00/ft.	$ 7,000.00
Vanadium King No. 3 claim	
6,250 feet of offset drilling @ $1.00/ft.	6,250.00

85 chemical analyses for V_3O_8 and V_2O_5 @ $5.00 each	425.00	
Estimated Total Cost, Stage II		$13,675.00
Government Participation @ 75%		$10,256.25

SUMMARY

Estimated Total Cost Stage I	$13,375.00
Estimated Total Cost Stage II	$13,675.00
Estimated Total Cost of Project	$27,050.00 1/
Government Participation @ 75%	$20,287.50

1/ The unit costs include all costs of the work whatsoever necessary for the performance of the project work.

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 _____, County of _____, described as follows:1/

_____

_____

_____

_____

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/_____

_____

_____

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 production3/ 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 mining lease dated Nov. 14, 1953 granted to K. S. Mittry Construction Co. and assigned to Uranium Industries, Inc., June 29, 1954 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. In paragraph 2, the words "the period fixed in the contract or any amendment thereof" are substituted for "ten years have".

Dated this 7th day of April, 1955.

[illegible] [Seal]

[illegible] [Seal]

Andrew R. Lusby [Seal]

[illegible] (Seal)

[illegible] (Seal)

[illegible] (Seal)

Thomas C. Cuthbert (Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

Docket Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3503

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Uranium Industries, Incorporated an Oklahoma Corporation, whose mailing address is 124 South 4th Street Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Emery, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ..... recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: assignment of original lessees-assignors

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of the lessors and the original lessees-assignors

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $27,050.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $20,287.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

URANIUM INDUSTRIES, INCORPORATED
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By .....
Administrator, Defense
Minerals Exploration
Administration

Rubin Hoffland
Asstd. Sol. Dir.
Murphy

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

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16—60283-1 GPO

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

ANNEX I

The land referred to in Article 2 of the Contract form consists of four (4) unpatented lode mining claims which are recorded in the office of the County Recorder, Emery County, Utah, as follows:

Claim	Book No.	Page No.
Vanadium King No. 1	J-7	241
Vanadium King No. 3	J-7	242
Vanadium King No. 5	J-7	243
Vanadium King No. 7	J-7	256

These claims are in unsurveyed T. 24 S., R. 11 E., S.L.B.&M., and are shown on the map entitled "Figure 2. Map of Vanadium King 1, 3, 5, and 7 Claims, etc., . . ." which is attached hereto and made a part hereof.

The land is held by the Operator under an assignment dated June 18, 1954, of a lease dated November 14, 1953, and under an agreement dated June 29, 1954.

EXPLORATION PROJECT CONTRACT
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EXHIBIT "A"

Description of the Work

The object of this project is the discovery of uranium ore in the Moss Back member of the Chinle formation by means of wagon-drilling.

The work shall be performed in two stages. The Operator shall perform Stage I and shall perform such work under Stage II as is approved in advance by the Government.

STAGE I

On Vanadium King claims Nos. 5 and 7, an access road shall be bulldozed, and along this road approximatley 30 holes, aggregating not to exceed 6,000 feet, shall be drilled at intervals of not less than 50 feet. The approximate locations of the road and the drill holes on Vanadium King claims Nos. 5 and 7 are indicated on the attached map, "Figure 2."

On Vanadium King claim No. 1, approximately 15 holes, aggregating not to exceed 3,000 feet, shall be drilled at intervals of approximately 200 feet. The locations of the holes are approximately indicated on the attached map, "Figure 2."

On Vanadium King claim No. 3, approximately 25 holes, aggregating not to exceed 3,125 feet, shall be drilled at intervals of approximately 200 feet. The locations of these holes are approximately indicated on the attached map, "Figure 2."

STAGE II

On Vanadium King claim No. 1, not more than 25 offset holes, aggregating not to exceed 5,000 feet, shall be drilled around holes drilled under Stage I that indicate a favorable mineralized area. The holes shall not be drilled closer than 50 feet to any other hole.

In the northwest corner of Vanadium King claim No. 1, not more than 10 holes, aggregating not to exceed 2,000 feet, shall be drilled at locations approximately indicated on the attached map, "Figure 2." These holes shall not be closer than 50 feet to any other hole.

On Vanadium King claim No. 3, not more than 50 offset holes, aggregating not to exceed 6,250 feet, shall be drilled around holes drilled under Stage I that indicated a favorable mineralized area. These holes shall not be spaced closer than 50 feet to any other hole.

GENERAL

1. All holes shall be logged by the Operator with the Company-owned Babbel counter equipped with in-hole probe.

2. No hole shall be started which cannot be completed within the maximum footage for a Stage. The Government will not contribute to the cost of any hole which does not reach the target horizon, or which cannot be probed with the Company-owned Babbel equipment.

3. A supervisor-engineer or geologist shall supervise all drilling.

4. Upon completion of Stage I, the Operator will submit five (5) copies of the following data to the Government, if such data has not been previously submitted.

(a) Drill logs and assay results of holes drilled, and a map showing the location of the holes.

(b) Location of holes proposed to be drilled under Stage II in relation to holes drilled under Stage I, and a listing showing the estimated depths of the proposed holes.

5. Certified drill logs, and certified chemical analyses, shall be submitted with the Operator's monthly progress reports.

6. The location and method of drilling, the depths of holes, the project supervisor, the location of the access road, and the method of taking and storing drill hole cuttings, are subject to Government approval.

FIXED UNIT COSTS

STAGE I

Vanadium King Nos. 5 and 7 claims

Access road - 65 bulldozer hours @ $12.00/hr.	$ 780.00	
Drilling and blasting for access road - 2 days @ $60.00/day	120.00	
6,000 feet of drilling @ $1.00/ft.	6,000.00	

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3,125 feet of drilling @ $1.00/ft.	3,125.00	
70 chemical analyses for V_3O_8 & V_2O_5 @ $5.00 each	350.00	
Estimated Total Cost, Stage I		$13,375.00
Government Participation @ 75%		$10,031.25

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7,000 feet of drilling @ $1.00/ft.	$ 7,000.00	

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Estimated Total Cost, Stage II		$13,675.00
Government Participation @ 75%		$10,256.25

SUMMARY

Estimated Total Cost Stage I	$13,375.00
Estimated Total Cost Stage II	$13,675.00
Estimated Total Cost of Project	$27,050.00 1/
Government Participation @ 75%	$20,287.50

1/ The unit costs include all costs of the work whatsoever necessary for the performance of the project work.

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 _____, County of _____, described ~~as follows:~~ 1/

_____

_____

_____

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/ _____

_____

_____

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 [illegible]

Dated this 7th day of April, 1955.

[illegible] [Seal]

John W Lowe [Seal]

Andrew R Hurley [Seal]

Dean F Brayton [Seal]

Lawrence Migliacci [Seal]

Marie O Migliacci [Seal]

Thomas E Gilbert [Seal]

[Seal]

[Seal]

[Seal]

[Seal]

[Seal]

[Seal]

Division Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 1503

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Uranium Industries, Incorporated an Oklahoma Corporation, whose mailing address is 124 South 4th Street Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Emery, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ....recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: assignment of original lessees-assignors

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of the lessors and the original lessees-assignors

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of [illegible] The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before [illegible] (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $[illegible] The Government will contribute [illegible] percent of the fixed unit costs as work is performed, in a total sum not in excess of $[illegible]: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

URANIUM INDUSTRIES, INCORPORATED
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By .....
Administrator, Defense
Minerals Exploration
Administration

Robert Hafland
Asst. Sub Admr.
Murphy

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

SURNAME

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

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Estimated Total Cost Stage II	$13,675.00
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Defense Minerals
APR 1 5 1957

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 Emery, described as ~~follows~~1/

in a lease dated the 14th day of November, 1953 and recorded in Book I of Misc. page 125-132 official record of said county

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/ Uranium Industries, Incorporated
12th South 4th Street
Grand Junction, 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 production3/ 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 [illegible]

[illegible]

Dated this 7th day of April, 1955.

W A Bellows [Seal]

John W Tower [Seal]

Andrew R Hurley [Seal]

Dean F Brayton

Lawrence N Righiccio

Marie A Righiccio

Thomas C Cuthbert

Extra Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3503

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Uranium Industries, Incoprorated an Oklahoma Corporation, whose mailing address is 124 South 4th Street Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Emery, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: assignment of original lessees-assignors

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of the lessors and the original lessees-assignors

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $27,050.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $20,287.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

URANIUM INDUSTRIES, INCORPORATED
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By .....
Administrator, Defense
Minerals Exploration
Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

ANNEX I

The land referred to in Article 2 of the Contract form consists of four (4) unpatented lode mining claims which are recorded in the office of the County Recorder, Emery County, Utah, as follows:

Claim	Book No.	Page No.
Vanadium King No. 1	J-7	241
Vanadium King No. 3	J-7	242
Vanadium King No. 5	J-7	243
Vanadium King No. 7	J-7	256

These claims are in unsurveyed T. 24 S., R. 11 E., S.L.B.&M., and are shown on the map entitled "Figure 2. Map of Vanadium King 1, 3, 5, and 7 Claims, etc., . . ." which is attached hereto and made a part hereof.

The land is held by the Operator under an assignment dated June 18, 1954, of a lease dated November 14, 1953, and under an agreement dated June 29, 1954.

EXPLORATION PROJECT CONTRACT
URANIUM INDUSTRIES, INCORPORATED
DOCKET NO. DMEA-3503

EXHIBIT "A"

Description of the Work

The object of this project is the discovery of uranium ore in the Moss Back member of the Chinle formation by means of wagon-drilling.

The work shall be performed in two stages. The Operator shall perform Stage I and shall perform such work under Stage II as is approved in advance by the Government.

STAGE I

On Vanadium King claims Nos. 5 and 7, an access road shall be bulldozed, and along this road approximatley 30 holes, aggregating not to exceed 6,000 feet, shall be drilled at intervals of not less than 50 feet. The approximate locations of the road and the drill holes on Vanadium King claims Nos. 5 and 7 are indicated on the attached map, "Figure 2."

On Vanadium King claim No. 1, approximately 15 holes, aggregating not to exceed 3,000 feet, shall be drilled at intervals of approximately 200 feet. The locations of the holes are approximately indicated on the attached map, "Figure 2."

On Vanadium King claim No. 3, approximately 25 holes, aggregating not to exceed 3,125 feet, shall be drilled at intervals of approximately 200 feet. The locations of these holes are approximately indicated on the attached map, "Figure 2."

STAGE II

On Vanadium King claim No. 1, not more than 25 offset holes, aggregating not to exceed 5,000 feet, shall be drilled around holes drilled under Stage I that indicate a favorable mineralized area. The holes shall not be drilled closer than 50 feet to any other hole.

In the northwest corner of Vanadium King claim No. 1, not more than 10 holes, aggregating not to exceed 2,000 feet, shall be drilled at locations approximately indicated on the attached map, "Figure 2." These holes shall not be closer than 50 feet to any other hole.

On Vanadium King claim No. 3, not more than 50 offset holes, aggregating not to exceed 6,250 feet, shall be drilled around holes drilled under Stage I that indicated a favorable mineralized area. These holes shall not be spaced closer than 50 feet to any other hole.

GENERAL

1. All holes shall be logged by the Operator with the Company-owned Babbel counter equipped with in-hole probe.

2. No hole shall be started which cannot be completed within the maximum footage for a Stage. The Government will not contribute to the cost of any hole which does not reach the target horizon, or which cannot be probed with the Company-owned Babbel equipment.

3. A supervisor-engineer or geologist shall supervise all drilling.

4. Upon completion of Stage I, the Operator will submit five (5) copies of the following data to the Government, if such data has not been previously submitted.

(a) Drill logs and assay results of holes drilled, and a map showing the location of the holes.

(b) Location of holes proposed to be drilled under Stage II in relation to holes drilled under Stage I, and a listing showing the estimated depths of the proposed holes.

5. Certified drill logs, and certified chemical analyses, shall be submitted with the Operator's monthly progress reports.

6. The location and method of drilling, the depths of holes, the project supervisor, the location of the access road, and the method of taking and storing drill hole cuttings, are subject to Government approval.

FIXED UNIT COSTS

STAGE I

Vanadium King Nos. 5 and 7 claims

Access road - 65 bulldozer hours @ $12.00/hr.	$ 780.00	
Drilling and blasting for access road - 2 days @ $60.00/day	120.00	
6,000 feet of drilling @ $1.00/ft.	6,000.00	

Vanadium King No. 1 claim

3,000 feet of drilling @ $1.00/ft.	3,000.00	

Vanadium King No. 3 claim

3,125 feet of drilling @ $1.00/ft.	3,125.00	
70 chemical analyses for V_3O_8 & V_2O_5 @ $5.00 each	350.00	
Estimated Total Cost, Stage I		$13,375.00
Government Participation @ 75%		$10,031.25

STAGE II

Vanadium King No. 1 claim

7,000 feet of drilling @ $1.00/ft.	$ 7,000.00	

Vanadium King No. 3 claim

6,250 feet of offset drilling @ $1.00/ft.	6,250.00	

85 chemical analyses for V_3O_8 and V_2O_5 @ $5.00 each	425.00	
Estimated Total Cost, Stage II		$13,675.00
Government Participation @ 75%		$10,256.25

SUMMARY

Estimated Total Cost Stage I	$13,375.00
Estimated Total Cost Stage II	$13,675.00
Estimated Total Cost of Project	$27,050.00 1/
Government Participation @ 75%	$20,287.50

1/ The unit costs include all costs of the work whatsoever necessary for the performance of the project work.

Surname copy 700

Murphy

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

OCT 11 1955

Mr. K. S. Mittry, President
Uranium Industries, Inc.
124 South 4th Street
P. O. Box 721
Grand Junction, Colorado

Re: Docket No. DMEA-3503 (Uranium)
Vanadium King claims
Emery County, Utah

Dear Mr. Mittry:

This will acknowledge the letter dated October 4, 1955, from your firm, signed by Mr. Roy L. Wright, in response to our inquiry of September 7. Mr. Wright advises that inasmuch as the owners of the subject claims have failed to cooperate in signing a Consent to Lien required for a DMEA contract under the above-docketed application, your firm does not feel justified in submitting a performance bond in lieu thereof.

In accordance with Mr. Wright's letter stating you wish to withdraw this application, we have closed our docket as of this date.

Sincerely yours,

Frank E. Johnson

Acting Administrator

FMMurphy/gla
10-11-55
cc to: Admr.'s Reading File
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JCHosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)

10/10/55 gla

URANIUM INDUSTRIES, INC.

124 South 4th St.

Grand Junction, Colorado

Telephone 3824

P.O. Box 721

RECEIVED OCT 7 - 1955

October 4, 1955

U. S. Department of the Interior
Defense Minerals Exploration Admin.
Washington 25, D.C.

Attention: Mr. Ernest Wm. Ellis
Chief, Rare and Miscellaneous Metals Division

Dear Mr. Ellis:

Reference is made to your letter of September 7, 1955, in regard to Docket No. DMEA-3503 (Uranium), Vanadium King Claim, Emery County, Utah.

Inasmuch as the owners of the Vanadium King Claims have failed to cooperate in signing for the above Defense Minerals Exploration Administration Loan, although they have agreed to do so, we do not feel justified in submitting a performance bond in lieu of the Owners' Consent to Lien, as the approval would be as much to the owners' benefit as ours.

Therefore, we wish to withdraw our application for said loan.

Very truly yours,

URANIUM INDUSTRIES, INC.

Roy L. Wright

By: Roy L. Wright

RLW:lw

cc: Stephens, Brayton & Lowe
Walker Bank Building
Salt Lake City, Utah

700

Same copy

Murphy
Ellis
Mattendorf

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

SEP - 7 1955

Mr. K. S. Mittry, President
Uranium Industries, Incorporated
124 South 4th Street
Grand Junction, Colorado

Re: Docket No. DMEA-3503 (Uranium)
Vanadium King claims
Emery County, Utah

Dear Mr. Mittry:

Reference is made to our letters dated May 9 and June 10, 1955, Mr. W. M. Traver's reply to Mr. Robert C. Brown's letter of June 21, and our further letter under date of June 30 with respect to the data required to process your above-docketed application.

Inasmuch as we have received no reply to our letter of June 30, we assume that you no longer desire to proceed with the application. We wish to cooperate with you in the matter of allowing ample time, but if the needed data has not been received within 30 days from the date of this letter, we will then consider the docket closed.

Sincerely yours,

SIGNED
Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FMMurphy/gla
9-6-55
cc to: Admr. Reading File
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5222
JCHosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA Field Team, Region III (2)

R.G.S.

Surname 700

Murphy-EWB
Ellis
Mitchell

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

JUN 30 1955

Mr. A. S. Mittry, President
Uranium Industries, Incorporated
124 South 4th Street
Grand Junction, Colorado

Re: Docket No. DMEA-3503 (Uranium)
Vanadium King claims
Emery County, Utah

Dear Mr. Mittry:

This will acknowledge receipt of a photostat of Mr. Brown's letter, dated June 21, 1955, addressed to the Regional Office of the Defense Minerals Exploration Administration and forwarded to this office for consideration and appropriate action.

We prefer not to hold dockets in our active file for indefinite periods of time. Therefore, will you kindly advise this office the approximate date on which we may expect to receive the documents requested in our letter of May 9th.

With regard to the mentioned performance bond, if the proposed contract is approved, the total estimated cost of the project would be $27,050.00, with 75 percent Government participation amounting to $20,287.50. This latter figure would be the amount of the performance bond we would require if you desire to submit one in lieu of the Owners' Consents to Lien.

Sincerely yours,

SIGNED
Arnest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FMurphy:am
6-30-55
cc to: Admr. Reading File
Docket
Code 700
Mr. Murphy
DMEA Field Team, Region III(2)

R.C.S.

6/28/55-glr

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

224 New Customhouse
Denver 2, Colorado

June 23, 1955

Robert C. Brown, Treasurer
Uranium Industries, Inc.
124 South Fourth Street
Grand Junction, Colorado

Re: Docket DMEA 3503 (Uranium),
Vanadium King claims, Emery County, Utah

Dear Mr. Brown:

This will acknowledge receipt of your letter dated June 21, 1955 in which you stated the difficulty you are having in obtaining owners' signatures on the Owner's Consent to Lien forms.

We are forwarding a copy of your letter to the Washington DMEA office for their consideration and appropriate action.

Very truly yours,

W. M. TRAVER

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

HMC:pw

cc: Subject
Chron
Sec.Op.Comm. (2)

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

224 New Customhouse
Denver 2, Colorado

June 23, 1955

Robert C. Brown, Treasurer
Uranium Industries, Inc.
124 South Fourth Street
Grand Junction, Colorado

Re: Docket DMEA 3503 (Uranium),
Vanadium King claims, Emery County, Utah

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We are forwarding a copy of your letter to the Washington DMEA office for their consideration and appropriate action.

Very truly yours,

W. M. TRAVER

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

HMC:pw

cc: Subject
Chron
Sec.Op.Comm. (2)

URANIUM INDUSTRIES, INC.
124 South 4th St.
Grand Junction, Colorado
Telephone 3824

June 21, 1955

DMEA
Date Rec'd
JUN 22 1955
BUREAU OF MINES
Denver, Colorado

Mr. Conners
Bureau of Mines
New Custom House
Denver, Color do

Re: Uranium Industries DMEA
Loan - No. 3503

Dear Mr. Conners:

The reason that you have not heard from us in regard to Temple Mountain drilling contract, is that since the government would require a $19,600.00 bond on this drilling contract, we have preferred to hold this up until the other signatures can be obtained. It may take us some time to do this, however we will eventually get it done. From what drilling we have done on the property we have obtained a present working schedule of an average of 60 tons per day as we now have some 17 men working on the property. However, we will advise you as soon as these other papers can obtained, thanking you I am.

Contract price $ 20,292.50

Very truly yours,

Robert C. Brown

Robert C. Brown,
Treasurer

RCB:cp

URANIUM INDUSTRIES, INC.
124 South 4th St.
GRAND JUNCTION, COLORADO
Telephone 3824

June 21, 1955

DMEA
Date Rec'd
JUN 22 1955
BUREAU OF MINES
Denver, Colorado

Mr. Conners
Bureau of Mines
New Custom House
Denver, Color do

Re: Uranium Industries DMEA
Loan - No. 3503

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Very truly yours,

Robert C. Brown

Robert C. Brown,
Treasurer

RCB:cp

Surname Code 700

Murphy
Ellis
Mittry

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

JUN 10 1955

Mr. K. C. Mittry, President
Uranium Industries, Inc.
124 South 4th Street
Grand Junction, Colorado

Re: Docket No. DMEA-3503 (Uranium)
Vanadium King claims
Emery County, Utah

Dear Mr. Mittry:

Reference is made to our letter, dated May 9, 1955, relating to the captioned docket.

Action on your application is pending receipt of the information requested in the above-mentioned letter. If you are no longer interested in the processing of this application, please advise us.

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FMurphy:am
6-9-55
cc to: Admr. Reading File
Docket
Code 700
Mr. Murphy
DMEA Field Team, Reg. III (2)

P.C.L.

Surname copy 700

Murphy
Ellis
K Johnson

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

Mr. K. S. Mittry, President
Uranium Industries, Inc.
124 South 4th Street
Grand Junction, Colorado

MAY - 9 1955

Re: Docket No. DMEA-3503 (Uranium)
Vanadium King claims
Emery County, Utah

Dear Mr. Mittry:

We are preparing a proposed contract providing for Government participation in an exploration project on the Vanadium King claims Nos. 3, 5, and 7. However, to complete this proposed contract we require the following:

1. That you have possession of the land under sub-lease to Mr. Elwin Robinson for all the purposes of the contract. Therefore, we require written evidence that you have regained possession, such as a quitclaim or assignment to your Corporation.

2. Six (6) executed copies of the Owners' Consents to Lien, signed by both Frank Davis and his wife, Sally Davis.

3. Six (6) executed copies of the Owners' Consents to Lien, signed by the original four lessee-assignors (Mittry Construction Co., a partnership - Mittry, Wright, Peterson, and Gathers.)

Referring to items 2 and 3 above, if all these signatures cannot be obtained, then in lieu of the Owners' Consents to Lien, we will accept a satisfactory performance bond covering the full amount the Government might expend if all the contemplated work on the project is completed. We are enclosing two sets (12) of the Owner's Consent to Lien forms mentioned.

We will hold the above-docketed application in abeyance for a reasonable length of time to enable you to submit the above-requested data.

FMMurphy/gla
5-9-55

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

cc to: Admr.'s Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm.5224
J. O. Hosted, Rm. 3210, GSA
Mr. Murphy (Code 700)
DMEA Field Team, Region III (2)

Enclosures

R.C.K.

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

MAY 5 1955.

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3503, Uranium Industries, Inc.

As requested in Mr. Murphy's memorandum of April 19 we have prepared the attached contract. From our review of the docket it appears that:

1. In an instrument dated November 14, 1953, Lawrence and Marie Migliaccio and Frank M. Davis and Sally Davis, leased to K. S. Mittry Construction Company (a partnership), Roy L. Wright, Carl H. Peterson and Orvil Gathers certain land described therein by metes and bounds which purportedly covers (but is not so described in the lease) Vanadium King mining claims Nos. 1, 3, 5, and 7. The lease is for a term of 5 years and so long thereafter as minerals are produced.

2. In an agreement dated June 18, 1954, the above-named lessees assigned to the applicant the November 14, 1953, lease subject to an "Undertaking" (Exhibit "B"), and a "Waiver of Conditions" (Exhibit "C"), which, the assignment recites, are attached thereto. Although these exhibits are not in the docket, correspondence in the docket indicates that they were requested by and furnished to the Executive Officer.

3. In an agreement dated February 10, 1954, the original four lessees subleased to Elwin Robison the "Vanadium King No. 5 Mine" which is described by metes and bounds in the agreement and apparently covers the Vanadium King Nos. 5 and 7 mining claims. The term of the sublease is for so long as there is production. This sublease is still outstanding.

SUMMARY

1. The applicant does not have a sufficient interest in the Vanadium claims Nos. 5 and 7, which are subject to an

outstanding sublease to Elwin Robison. Robison has executed a Consent to Lien as to his sublease, but this does not cure the fact that applicant is not entitled to possession. It must acquire the right to possession on these claims.

2. Frank and Sally Davis, part owners, did not join in the Consent to Lien. The applicant states that he cannot get "ahold of" the Davises to obtain their signatures to a Consent-to-Lien form. Thus, the Government does not presently have a lien against the interest of two of the landowners. The applicant should be required to obtain their signatures. Otherwise, either substitute security for the Consent to Lien, or waiver of this requirement must be considered, in either event, an administrative decision.

3. Consents to Lien from the original four lessee-assignors (Mittry partnership, Wright, Peterson, and Gathers), are required.

J. L. Hoffmund

J. L. Hoffmund
Acting Assistant Solicitor,
Defense Minerals

Attachment

Photo'd

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

MAY 1955

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3503, Uranium Industries, Inc.

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Attachment

HCRubin:gjb 5/5/55

Copy to: DMEA Docket
Sol. Docket
E. W. Ellis (2)
J. L. Hofflund
H. C. Rubin
Chron. File

4/21/55 gla

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
APR 21 1955

April 20, 1955

Re: DMEA-3503
Uranium Industries, Inc.
Temple Mt. District
Emery County, Utah
$26,275 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Subject: Review of Field Team report

The Field Team recommends for approval as follows: 1) $900 for road building, and 2) 25,375 feet of wagon drilling in two stages (70 holes in Stage 1 and 85 holes in Stage 2). The average depths of the holes will be 125 and 200 feet.

I concur with the general conclusion that exploration is justified on the applicant's claims. I can think, however, of a number of questions that the Field Team reports do not answer.

1) The term "Temple Mt. ore belt" is used but nowhere is it located or defined.

2) All the drilling is non-core. The 200-foot grid holes are looking for favorable ground as well as mineralization. I hope that cuttings will give adequate data.

3) What is the justification for the 10 close-spaced holes in the NW corner of Van. King No. 1?

4) Some of the holes on the Van. King No. 1 are rather close to workings of the Rex Nos. 1 and 2 mines, i.e. 35, 45, 60, 70, and 80 feet.

5) Millard Gilkey mentions 15 holes that were probed by the applicant. Where?

It appears to me that the Government may not only explore but, if Stage 1 is encouraging, may also develop the property.

Bob Trace
R. D. Trace

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1955

April 20, 1955

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Temple Mt. District
Emery County, Utah
$26,275 - Uranium

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RDTrace:hlm G-4/20/55
CC: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Nosted, 3210 GSA

R. D. Trace

IN REPLY REFER TO:

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

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 21 1955

April 20, 1955

Re: DMEA-3503
Uranium Industries, Inc.
Temple Mt. District
Emery County, Utah
$25,875 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Subject: Review of Field Team report

The Field Team recommends for approval as follows: 1) $300 for road building, and 2) 25,375 feet of wagon drilling in two stages (70 holes in Stage 1 and 85 holes in Stage 2). The average depths of the holes will be 125 and 200 feet.

I concur with the general conclusion that exploration is justified on the applicant's claims. I can think, however, of a number of questions that the Field Team reports do not answer.

1) The term "Temple Mt. ore belt" is used but nowhere is it located or defined.

2) All the drilling is non-core. The 200-foot grid holes are looking for favorable ground as well as mineralization. I hope that cuttings will give adequate data.

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RDTrace:hlm G-4/20/55
CC: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Hosted, 3210 GSA

R. D. Trace

IN REPLY REFER TO:

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

RECEIVED APR 21 1955

April 20, 1955

Re: DMEA-3503
Uranium Industries, Inc.
Temple Mt. District
Emery County, Utah
$26,275 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Subject: Review of Field Team report

The Field Team recommends for approval as follows: 1) $900 for road building, and 2) 25,375 feet of wagon drilling in two stages (70 holes in Stage 1 and 85 holes in Stage 2). The average depths of the holes will be 125 and 200 feet.

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RDTrace:hlm G-4/20/55
CC: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Hosted, 3210 GSA

R. D. Trace

4/22/55 gla

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

April 21, 1955

DEPARTMENT OF THE INTERIOR
Minerals Administration
RECEIVED
APR 22 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: Field Team report of examination, DMEA Docket 3503, Uranium Industries, Inc., Vanadium King claims, Emery County, Utah

I have reviewed the Field Team report of examination, DMEA Docket 3503, Uranium Industries, Inc., Vanadium King claims, Emery County, Utah; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We concur with the Field Team's recommendation for exploration assistance to Uranium Industries, Inc., at an estimated total cost of $33,000 with Government participation at 75 percent.

The report is being forwarded to the Chief, Division of Minerals, in accordance with the routing slip attached thereto.

John E. Crawford

John E. Crawford

April 21, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: Field Team report of examination, DMEA Docket 3503, Uranium Industries, Inc., Vanadium King claims, Emery County, Utah

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John E. Crawford

JECrawford:ds
Copy to: Division of Minerals
Branch of Rare and Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)
Files

Surname 700 Murphy

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

April 19, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Fred M. Murphy, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Proposed contract
Docket No. DMEA-3503
Uranium Industries, Inc.
Vanadium King claims
Emery County, Utah

Will you kindly prepare a short-form contract with the subject Applicant in accordance with the attached draft.

You will note that the Owners' Consent to Lien forms, attached have been signed by seven (7) of the owners, however, it lacks the signature of Sally Davis. The Applicant has endeavored to obtain the signatures of all eight (8) owners but evidently Sally Davis refuses to sign. Will we have to make the contract subject to a Performance Bond? If so, the proposed contract could be sent to the Field Team with this provision before execution.

FMM

Fred M. Murphy

Attachments

FMMurphy:am
cc to: Docket
Code 700
Mr. Murphy

4/18/55 gla

URANIUM INDUSTRIES, INC.
202 Mercantile Building
Denver 2, COLORADO
TELEPHONE 3824

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 15 1955

April 12, 1955

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket #3503

Dear Mr. Mittendorf:

I am herewith enclosing the Owner's Consent to Lien on our Company's properties in Emery County, Utah, under the name of Uranium Industries, Inc., 124 South 4th Street, Grand Junction, Colorado. We have secured all of the signatures of the owners and lessee on the property with the exception of one and this gentleman cannot be gotten ahold of to get the signature. Under Title 32A of "National Defense, Appendix" under Section 8,"Operator's property rights" it states that provided,"That the Administrator may waive any deficiencies in the operator's interest in the land when he finds such action to be in the best interest of the Government."

We have endeavored, Sir, to do our utmost to get all of the signatures-having 7 signatures out of the 8 owners'of the property. We would like to have you approve our drilling contract on this Temple Mountain property. We know, at this time from what limited amount of drilling we have done on the property without Government help- that this would provide excellent possibilities of a good mine by proving up these claims.

Kindly advise at the earliest possible time as to your findings.

Very truly yours,

Robert C. Brown by gd

Robert C. Brown, Treasurer
URANIUM INDUSTRIES, INC.

RCB:gd
Enc. 2

4/20/55 gla

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

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 14 1955

224 New Customhouse
Denver 2, Colorado

April 11, 1955

Memorandum

To: Secretary to the Operating Committee

From: Field Team, Region III

Subject: Docket DMEA-3503 (Uranium), Uranium Industries, Inc., (Vanadium King claims), Emery County, Utah

Enclosed are the original and three copies of the report pertaining to the subject application. We concur in the recommendations of the field examiners for exploration in the two-stage program.

On February 7, 1955, we forwarded two sets of Owner's Consent to Lien, Form MF-203, to the applicant who has informed us that he is having difficulty obtaining the signature of one of the owners.

Also enclosed are the following:

1. Letter from K. S. Mittry, dated January 26, 1955, stating that payments have been made in full as of December 23, 1954.

2. Copy of our letter to the applicant dated Febr. 1, 1955 and a copy of his reply dated February 2, 1955.

3. A signed copy of a sublease to Elwin Robinson, dated February 10, 1954.

4. A photostat of a signed copy of a mining lease dated November 14, 1953 from the property owners to the K. S. Mittry Construction Company.

5. A photostat of a signed copy of an agreement dated June 29, 1954 between Lawrence and Marie Migliaccio et al and Uranium Industries, Inc., a Nevada corporation.

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

Also enclosed are nine extra copies each of Figures 1, 2, and 3 which accompanied the USGS report and nine copies of Figure 2 which accompanied the engineering report, for possible use in the contract.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

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

Colorado Minerals Management
RECEIVED
APR 14 1955
TRANSMITTED
APR 11 1955

January 12, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Stephen R. Wilson

Subject: Docket No. DMEA-3503 (Uranium), Uranium Industries, Inc., Emery County, Utah

Enclosed are the original and 10 copies of an engineering report covering examination of the subject property for DMEA loan appraisal. The report was prepared by M. M. Gilkey. Also included are the original and 10 copies of a separate section, Summary, Conclusions and Recommendations, three copies each of forms 6-303 and 6-393, the brochure, and a copy of the geologic report transmitted to this office by your memorandum of November 26, 1954.

The applicant has proposed a program of road construction, drifting and wagon drilling estimated to cost $33,060. The examiners recommend that the drifting be eliminated and a program consisting of road construction and wagon drilling, estimated to cost $25,275, be approved. I concur with this recommendation.

The application was discussed with members of the Atomic Energy Commission and advice obtained from this agency concerning the property.

Stephen R. Wilson
Stephen R. Wilson

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

By R. C. Robeck and M. M. Gilkey

Uranium Industries, Inc., lessee of uranium property in the Temple Mountain area, Emery County, Utah, applied for DMEA loan assistance during August 1954. The property was examined by DMEA personnel October 7, 1954. Claims held under lease include the Vanadium King Nos. 1, 3, 5 and 7. All claims are unpatented.

The applicant has proposed a program of road construction, drifting and wagon drilling estimated to cost $33,060. A modified program, eliminating the drifting, is proposed by the examining personnel. The cost of this program is estimated to be $26,275.

Rocks in the area consist of the Kayenta sandstone of Jurassic age, the Wingate sandstone, Chinle formation and Shinarump conglomerate of Upper Triassic age, and the Moenkopi formation of Early and Middle Triassic age. Uranium ores are found in the Moss Back sandstone member of the Chinle formation, near the base of the formation. Ore bodies of greatest significance occur approximately 20 feet above the bottom of the Moss Back member. Mineralization of lesser importance is found approximately 40 feet above the base of the member.

The principal ore mineral is uraninite occurring with asphaltic substances. Carnotite-type oxides are found on weathered surfaces and in highly jointed rocks. The ore is dark brown to black in color.

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

The examining personnel believes the property has sufficient merit to justify a loan for work in two stages as outlined in the modified program. The applicant's property is considered to have promise for discovery of additional uranium ores because of location in the Temple Mountain ore belt and proximity to productive areas. A recommendation is made by the field examiners that a short-form contract be granted to the applicant, permitting an expenditure of $26,275 for exploring the Vanadium King claims.

URANIUM INDUSTRIES, INC.
EMERY COUNTY, UTAH
DMEA-3503
Uranium

Engineering Report

By M. M. Gilkey
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(Date)

URANIUM INDUSTRIES, INC.
EMERY COUNTY, UTAH

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Ownership and extent	5
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ILLUSTRATIONS

Fig. 1 Location map, Uranium Industries, Inc., property, Emery County, Utah

Fig. 2 Proposed exploratory drilling on Vanadium King claims

SUMMARY

Uranium Industries, Inc., applied August 18, 1954, for Government aid in an exploratory project on uranium property in the Temple Mountain area, Emery County, Utah (fig. 1). Geological Survey and Bureau of Mines personnel examined the property October 7, 1954. The applicant has agreed to a modification of the original proposals and a DMEA loan is recommended on that basis.

The modified project is estimated to cost $26,275 and consists of road construction costing $900 and wagon drilling to the extent of 25,375 feet at $1 a foot. The applicant has the necessary equipment for the project work. Sufficient manpower is available in the area.

Four unpatented lode claims, Vanadium King Nos. 1, 3, 5 and 7, are involved in the proposed project (fig. 2). The claims are held by the applicant under a 5-year lease.

Recorded production from the claims totals 8,340 tons of ore averaging approximately 0.20 percent U_3O_8 and 0.60 percent V_2O_5. At the time of the examination, two 2-man mining operations were in progress (on claims Vanadium King Nos. 1 and 7).

Ore reserves are estimated at a few hundred tons averaging 0.20 percent U_3O_8 and 0.60 percent V_2O_5.

The nearly flat-lying formations in the immediate vicinity of the mine range in age from early Triassic to Jurassic. The ore occurs

in the Moss Back sandstone, which is the lower member of the Upper Triassic Chinle formation, and which lies directly above the Shinarump. Southeasterly striking faults, which intersect the ore horizon, are a structural characteristic of the area. Uranium mineralization is of the asphaltic type and occurs in small, high-grade lenses, about 20 feet above the base of the Moss Back, along the faults, and in disseminated deposits. Uraninite is the principal uranium mineral. The lime content averages less than 1 percent.

The principal mine workings are on the Vanadium King No. 1 claim (fig. 2). From the rim exposure, these workings have been advanced to the south about 300 feet, or approximately to the midpoint of that claim. A modified room-and-pillar method of mining is used. Ground conditions are good. Workings on the Vanadium King Nos. 5 and 7 claims are small, with a production record of only 87 tons of ore.

INTRODUCTION

Uranium Industries, Inc., submitted an application dated August 18, 1954, for Government aid in an exploratory project on uranium property in Emery County, Utah. The property was examined October 7, 1954, by Raymond C. Robeck and Henry B. Dyer of the Geological Survey and M. M. Gilkey of the Bureau of Mines. Roy L. Wright, engineer in charge of the property, was present.

The applicant has proposed a project which includes both wagon drilling and drifting, at an estimated total cost of $33,060. In a

modified program agreeable to the applicant, the wagon-drilling procedure is changed, the drifting is eliminated, and the estimated project cost reduced to $26,275.

LOCATION, TOPOGRAPHY AND CLIMATE

The property is situated in Emery County, Utah, in unsurveyed T. 24 S., R. 11 E., S.L.B. & M., and on the east side of Temple Mountain, which is on the eastern flank of the San Rafael Swell (fig. 1). Nearest source of supplies is Green River, Utah, on the Denver and Rio Grande Railroad and U. S. Highway 6-50. The property is easily reached from Green River by driving west 4 miles on U. S. 6-50, thence southwesterly 32 miles on Utah Highway 24, thence northwesterly approximately 10 miles over an unimproved uranium access road, or a total distance of 46 miles. Occasionally the last 10 miles of road is closed by "flash floods" which are fairly common in this semiarid section of the country. From the mine to the uranium mill at Monticello, Utah, the distance is 156 miles.

Altitude at the mine workings is 5,700 feet. Exclusive of Temple Mountain, relief in the immediate vicinity is moderate. There is no timber in the area. Water for mine use is available, but water for culinary use is hauled from the town of Green River.

The mild climate permits winter operation.

OWNERSHIP AND EXTENT

The land to be benefitted by the exploration consists of four unpatented lode claims, Vanadium King Nos. 1, 3, 5 and 7, located by J. B. Davis in January 1941. The claims are recorded at Castle Dale, the county seat of Emery County.

Recording Data

Claim	Book	Page
Vanadium King No. 1	J-7	241
" " No. 3	J-7	242
" " No. 5	J-7	243
" " No. 7	J-7	256

Owners of the property are Lawrence Migliaccio, Marie O. Migliaccio, Frank Davis, Sally Davis, Dean F. Brayton, John W. Lowe, Andrew R. Hurley, Thomas C. Cuthbert and H. A. Bellows.

The property was leased November 14, 1953, to K. S. Mittry Construction Co., Roy L. Wright, Carl H. Peterson and Orvel Gathers. An assignment, dated June 18, 1954, transferred the lease to Uranium Industries, Inc., the DMEA loan applicant, whose address is 124 South 4th Street, Grand Junction, Colorado. The term of the lease (subject to provisions itemized in the agreement), is 5 years from November 14, 1953, and as long thereafter as uranium, vanadium or other minerals are produced from the claims.

A sublease, presently effective, and covering portions of Vanadium King claims Nos. 5 and 7, is held by Elwin Robinson. In Exhibit "C," Waiver of Conditions in Lease, executed February 9, 1954, it is stated in part: "Lessees have entered into a sub-lease of Vanadium King No. 5 adit . . .," and "Lessors consent to the execution of this sublease provided all the terms of the basic lease are complied with." Presumably, this refers to the Robinson sublease.

HISTORY AND PRODUCTION

Recorded production since the property was first located in 1941 totals 8,340 tons of ores averaging approximately 0.20 percent U_3O_8 and 0.60 percent V_2O_5. Of this total, 8,253 tons came from the main workings on the Vanadium King No. 1 claim, and 87 tons was mined from four small outcrop workings on the Vanadium King Nos. 5 and 7 claims. The major portion of the ore, or 7,085 tons, was mined from the Vanadium King No. 1 claim by Consolidated Uranium Mines, Inc., lessee during the years 1951 and 1952. Later production from this claim by the K. S. Mittry Construction Co., amounted to 1,255 tons to May 1, 1954; more recent figures are not available, but the production after May 1 is understood to have been small.

It is noted that the grade of the 87 tons of ore taken from claims Nos. 5 and 7 averages 0.49 percent U_3O_8 and 2.30 percent V_2O_5, whereas all of the ore from claim No. 1 averages approximately 0.20 percent U_3O_8 and 0.60 percent V_2O_5.

EQUIPMENT

Equipment on the property is listed below:

- 1 Sullivan compressor, 630-cfm., complete with air receiver and 4-inch and 2-inch pipe
- 1 Jaeger portable compressor, 125-cfm.
- 1 Caterpillar D-4 light plant
- 1 Caterpillar D-7 with bulldozer blade
- 1 Allis-Chalmers HD-5 front-end loader
- 3 Copco Pacific jacklegs and drilling machines, with 1,000 feet of air hose
- 2 Gardner-Denver jackhammers, with steel
- 2 Water tanks, 500-gallon capacity
- 1 Water tank, 300-gallon capacity
- 1 Wisconsin water pump, 2-inch
- 1 Scoot-creete
- 6 Ore cars, 2-ton capacity
- 1 Eimco mucking machine, Model 21
- 1 Joy slusher
- 2 Trailer houses and 3 small frame houses
- 1 Pickup truck
- Small tools and repair parts, approximately $2,000

The applicant states that a truck-mounted wagon drill with 500 cfm. compressor is available to the company.

DESCRIPTION OF THE DEPOSITS

Temple Mountain, which includes both a north and a south peak, rises about 1,000 feet above the surrounding area and forms a conspicuous landmark. Separating the two peaks is about 1,200 feet of broken formation referred to as the collapsed area. Approximate thickness of the formations exposed in the vicinity are, in descending order, the Jurassic Kayenta sandstone, 50 feet; Upper Triassic Wingate sandstone, 400 feet; Upper Triassic Chinle, which totals 300 feet and

includes 85 feet of Moss Back sandstone at the base; Upper Triassic Shinarump, 15 feet; and Early and Middle (?) Triassic Moenkopi, 700 feet. Numerous faults, apparently related to the slumping in the collapsed area, pass through the near-by Vanadium King claims in a southeasterly direction.

Two of the claims, Vanadium King No. 5 and Vanadium King No. 7, cover most of the east side of North Temple peak. On these claims, the Moss Back, the ore-bearing member of the Chinle, is exposed as a bare, vertical cliff for an estimated total distance of 1,000 feet. The other two claims, Vanadium King Nos. 3 and 1, cover a spur and low ridge extending eastward from South Temple peak. The Moss Back is prominently exposed on the north side of the ridge, on the Vanadium King No. 1 claim. It is here, about one-half mile east of South Temple peak, that the main mine workings are situated. Adjacent to this claim, on the south side, is the property of Consolidated Uranium Mines, Inc., from which current production amounts to several thousand tons of uranium ores a month.

On the Vanadium King Nos. 1 and 3 claims, uranium mineralization occurs in small, high-grade lenses about 20 feet above the base of the Moss Back member, along the northeast faults intersecting the ore horizon, and in disseminated deposits in the faulted zones. Of most importance are the lenses and the veinlike deposits along the faults.

The ore is of the asphaltic type and dark brown to black in color. Uraninite, the principal mineral, has been altered to carnotite near the surface and where exposed in mine workings. Petrified wood is present, but is usually nearly barren. Only minor amounts of pyrite are present, and the calcium carbonate content averages less than 1 percent.

Migration of ore mineralization into the faults appears to be limited to short distances. Average dimensions of the 10 or 12 fault deposits mined to date seem to be about 10 feet up-dip, 20 to 30 feet in length, and 2 or 3 feet in thickness. One of the fault deposit stopes is approximately 100 feet long.

On the Vanadium King Nos. 5 and 7 claims, the ore occurs principally in small, high-grade lenses about 20 feet above the base of the Moss Back member. Mineralization of lesser importance is found about 40 feet above the base.

MINE WORKINGS

The two main mine workings on the Vanadium King No. 1 claim have penetrated the east-west ridge for a distance of approximately 300 feet from the Moss Back rim exposed on the north side of the east-west ridge (fig. 2). Drifts driven in a southerly direction are inclined with the ore horizon at minus 5 to 10 degrees. The mining method used may be described as a modification of the room-and-pillar method, where the material left in the pillars consists of submarginal

ore and waste and constitutes about one-half of the rock in the ore zone. Most of the openings are irregular as to height, width and inclination. The ground is dry, breaks well, and requires little timber for support. A scoot-creete is used for transporting broken ore and waste in the present two-man operation.

Four small workings on the Vanadium King Nos. 5 and 7 claims extend 30 to 80 feet into the ore horizon exposed in that area (fig. 2). The adits are about 20 feet vertically above an access road constructed along the base of the Moss Back formation. In the present operation, the two lessees use a scraper for moving broken rock from the face of the adit to an outside chute near the portal.

ORE RESERVES

The applicant states that ore reserves totaling a few hundred tons are indicated by probing of holes on the Vanadium King Nos. 1 and 3 claims by the Consolidated Uranium Mines, Inc., during the years 1951 and 1952. Drilling records are not available. The applicant reports that, of the holes drilled on these claims to sufficient depth to penetrate the ore horizon, 15 holes have remained open and were probed, and that of these 15 holes, 5 showed commercial ore, 9 are mineralized, and one is barren.

PROPOSED EXPLORATION AND COSTS

As proposed by the applicant, the project is estimated to cost $33,060 and consist of the following work:

Road construction, 65 bulldozer hours at $12 per hour plus rock work costing $120 ---	$ 900
Drifting, 250 feet at $40 per foot ----------	10,000
Wagon drilling, 22,100 feet at $1.003 per foot ----------	22,160
Total original estimated cost ----------	$33,060

Locations of the proposed road, drift and drill holes, as originally proposed, are indicated on the map submitted with the application.

The planned road on Vanadium King claims Nos. 5 and 7 follows the semicircular line of holes proposed for those claims. Eleven holes, spaced at 200-foot intervals along the road, would intersect the ore horizon at about 200 feet in depth. The horizontal position of the outcropping ore horizon is represented approximately by the easternmost of the two existing roads shown on the applicant's map. Estimated cost of the road work appears reasonable, considering the compact nature of the shaly material through which the major portion of the road would be built, the large size of boulders in a talus area on No. 5 claim, and the high angle of slope of the hillside.

An exploratory drift proposed by the applicant would be driven westward in the ore horizon to intersect the above-described line of drill holes at about the midpoint. The company's engineer-in-charge ag-

reed that two types of exploratory work, conducted simultaneously, and, in a sense, for the same objective, are not warranted. The drifting, therefore, was eliminated from the project proposals.

The drilling originally proposed includes three holes on the north side line of Vanadium King No. 3 claim. These holes were planned with collars below the ore horizon in the Moss Back formation, to be drilled to a depth of 300 feet for the purpose of exploring this part of the collapsed area. This drilling was eliminated from the proposed project work, as it is considered to be beyond the intended scope of DMEA projects. Furthermore, it is reported that the AEC is preparing to diamond drill the collapsed area.

The major portion of the drilling is proposed for Vanadium King Nos. 1 and 3 claims. On claim No. 1, the drilling, as originally proposed, consists of 45 holes averaging 200 feet in depth and, on claim No. 3, 75 holes averaging 125 feet in depth. The holes are planned at 100-foot intervals.

By mutual agreement the originally proposed program has been changed to the following:

	Cost
Road building on Vanadium King Nos. 5 and 7 claims --- (This includes 65 bulldozer hours at $12 an hour and rock work costing $120)	$ 900
Wagon drilling along proposed road on Vanadium King Nos. 5 and 7 claims, 30 holes, 200 feet average depth, spaced at not less that 50 feet = 6,000 feet at $1 a foot --	6,000

	Cost
Wagon drilling on Vanadium King No. 1 claim:	
1st phase - 15 holes, 200 feet average depth, spaced at approximately 200 feet = 3,000 feet at $1 a foot	$ 3,000
2nd phase - 25 holes around favorable holes of phase 1, 200 feet average depth, spaced at not less than 50 feet = 5,000 feet at $1 a foot	5,000
10 holes, 200 feet average depth, spaced at approximately 50 feet (in northwest corner of the claim) = 2,000 feet at $1 a foot	2,000
Wagon drilling on Vanadium King No. 3 claim:	
1st phase - 25 holes, 125 feet average depth, spaced at approximately 200 feet = 3,125 feet at $1 a foot	3,125
2nd phase - 50 holes around favorable holes of phase 1, 125 feet average depth, spaced at not less than 50 feet = 6,250 feet at $1 a foot	6,250
Total cost of proposed work	$26,275

The proposed wagon drilling totals 25,375 feet. The applicant states that the work will not be subcontracted.

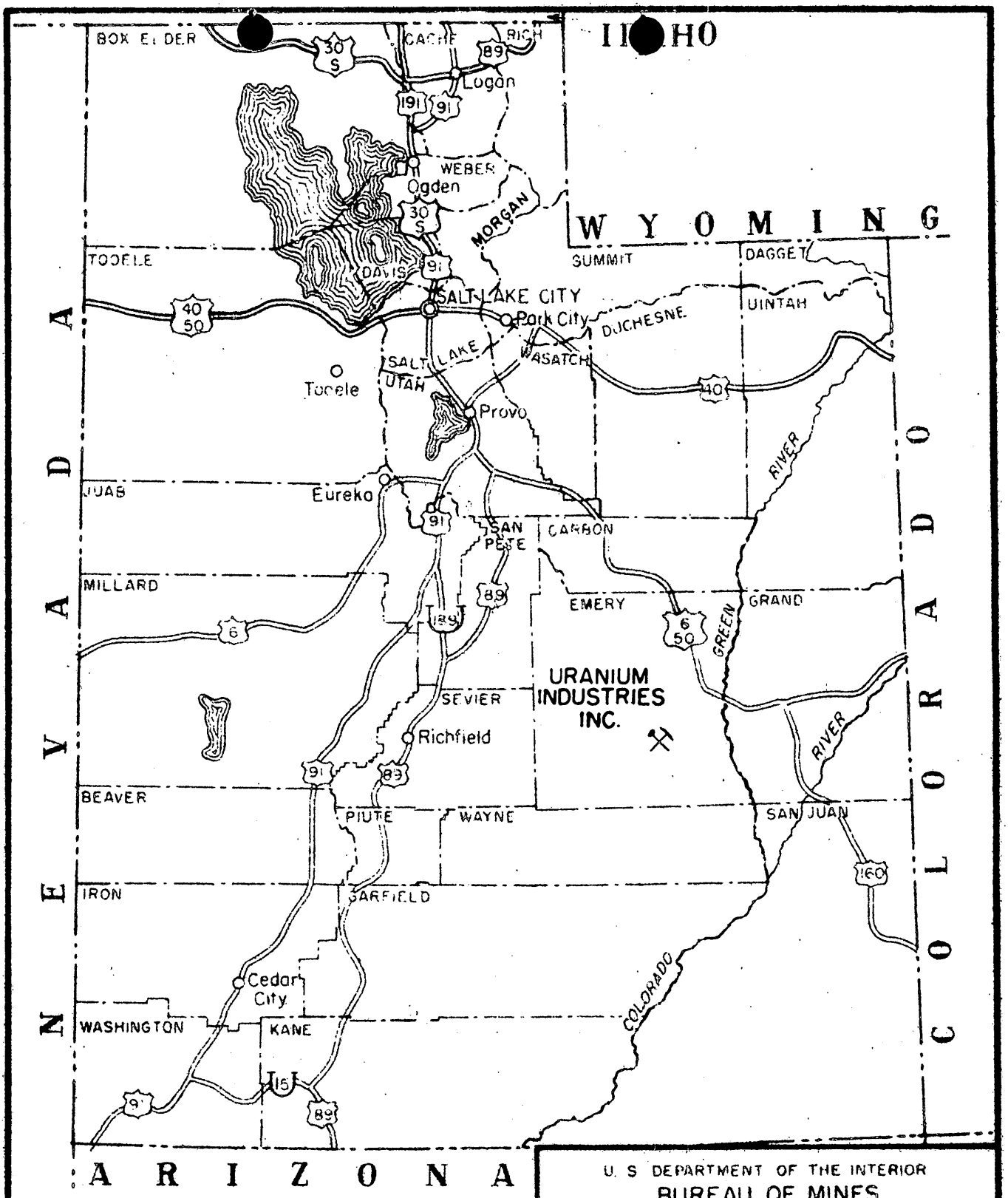
Estimated cost of the drilling, $1 a foot, is considered reasonable. According to a former general superintendent of the adjoining Consolidated Uranium Mines, Inc., property, wagon drilling ranging from 75 feet to 125 feet, and averaging about 100 feet in depth, on Consolidated ground, cost that company 85 cents a foot.

CONCLUSIONS AND RECOMMENDATIONS

The proposed project is considered favorably because of the production record of the property involved and its proximity to the highly productive claims of Consolidated Uranium Mines, Inc.

The AEC has been consulted with regard to this application, and available information obtained.

It is recommended that a DMEA short-form contract be prepared to provide for Government participation in the modified exploratory project described above under "Proposed Exploration and Costs."



U. S DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. I DMEA Docket No. 3503

Location Map

URANIUM INDUSTRIES INC.

EMERY COUNTY, UTAH

ENGINEER *Millard M. Gilkey*	DATE DEC. 28, 1954
TRACED DEC., 1954; A.P.T.S.	1900-309-E
CHECKED	

IN REPLY REFER TO:

TRANSMITTED

APR 11 1955

U.S. DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED

APR 14 1955

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

November 23, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 3503, (uranium) Uranium Industries Inc., Vanadium King claims Nos. 1, 3, 5, and 7, San Rafael Mining District, Emery County, Utah

Enclosed are 11 copies of a geologic report by Raymond C. Robeck of the U. S. Geological Survey covering the above docket.

The Vanadium King claims are located in the Temple Mountain ore belt where numerous small high grade uraninite ore bodies have been discovered. Mr. Robeck concludes that exploration is warranted and recommends a two phases program of drilling totalling 25,375 feet.

The location of Phase I holes within 100 feet of the property lines is justified by the small size of the ore bodies.

E. N. Hauschman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

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

TRANSMITTED
APR 11 1955

November 12, 1954

Memorandum

To: A. H. Koschmann, Supervising Geologist, DMEA Field Team, Region IV

From: Arnold L. Brokaw, District Supervisor

Subject: DMEA 3503, Uranium Industries, Inc., Vanadium King claims Nos. 1, 3, 5, and 7, San Rafael Mining District, Emery County, Utah

Transmitted herewith are eleven copies of a revised geologic report by Raymond C. Robeck, covering the above-referenced DMEA application.

As a result of field examination, Robeck concludes that favorable action is warranted on the application because the property is located in the Temple Mountain ore belt and geologic conditions are favorable for uranium ore deposits.

Although some drilling has been done on the property by private industry, no drill-hole logs, assays or other data are available. Inquiry on our part indicates that no Government drilling has been done on the property. The proposed locations of stage I drill holes are shown on revised maps which accompany the report.

We are enclosing nine extra copies of revised figure 2 accompanying Robeck's report. Figures 1 and 3 may be obtained from the original report which was transmitted to you earlier. The scale on figure 3 should be corrected to "one inch equals 20 feet", rather than the 200 shown.

W Williams
For Arnold L. Brokaw

WPW/mlr

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(Date)

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

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

DMEA 3503, Uranium Industries, Inc., Vanadium King claims Nos. 1, 3, 5, and 7, San Rafael Mining district, Emery County, Utah

Uranium

Geologic Report

by

Raymond C. Robeck
U. S. Geological Survey

November 10, 1954

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

DMEA 3503

INTRODUCTION AND SUMMARY

Uranium Industries, Inc., through its president, K. S. Mittry, Fort Collins, Colorado, made application on August 18, 1954, to the Defense Minerals Exploration Administration for financial aid in an exploration project for uranium. The four mining claims involved were examined in the field on October 7, 1954 by Roy L. Wright as company representative, M. M. Gilkey, U. S. Bureau of Mines representative, and R. C. Robeck, U. S. Geological Survey representative.

It is recommended that the loan be approved and a DMEA contract be prepared to provide for the exploration work.

The claims (figs. 1 and 2) are the Vanadium King Nos. 1, 3, 5, and 7 located on the northeast flank of Temple Mountain, in unsurveyed T. 24 S., R. 11 E., S.L.M. in Emery County, Utah, 47 miles by road southwest of Green River, Utah (fig. 1). The claims are easily accessible from Green River, Utah, over U. S. Highway 6-50, Utah Highway 24, and mineral access roads to Temple Mountain. Flash floods may occasionally make the area inaccessible for a few hours at a time.

According to the statements in their application and of impressions gained of the personnel on the claims, it appears that the applicant is competent to carry out his exploration proposal.

Uranium Industries, Inc., are leasing from L. Migliaccio, Marie O. Migliaccio, and Frank and Sally Davis, who by court order during 1954 were declared the owners of the claims.

The applicant has a camp for employees, consisting of three house trailers and small, temporary buildings left by previous operators. Indications are that there is or will be enough mechanical equipment on the property to carry out the proposed work.

The present and past workings (figs. 2 and 3) consist of the Rex mines Nos. 1 and 2, and other small prospect pits on Vanadium King claims Nos. 1 and 3, and four small adits on Vanadium King claims Nos. 5 and 7 (here labeled East Temple adits Nos. 1-4). The two Rex mines have been worked about 600 feet back from the outcrop. The maximum depth of workings in the East Temple adits is 80 feet in No. 2. The mines are all open and the applicant is engaged in some exploratory drifting beyond the old workings.

GEOLOGY AND ORE RESERVES

The claims are situated on the east flank of Temple Mountain which consists of three main units: North Temple Mountain and South Temple Mountain with a 1200-foot wide collapsed area between. The strategraphic section is as follows:

Age	Formation	Thickness
Jurassic (?)	Kayenta SS	50 feet
U. Triassic	Wingate SS	400 feet
	Chinle (with Moss Back sandstone at base)	300 feet
	Shinarump conglomerate	15 feet
Early and Middle (?) Triassic	Moenkopi	700 feet

The Moss Back sandstone contains the ore horizons. It consists of interfingering lenses of fine- to coarse-grained sandstone, conglomerate, and mudstone. In the vicinity of the Vanadium King claims, the Moss Back can be divided into three lithologic units. The basal unit, about 40 feet thick, consists of sandstone and conglomerate with mudstone lenses which may be present at any position within the unit. The ore is found in sandstone lenses in two horizons in this unit, approximately in the middle and near the top. The continuity of the ore bodies depends to a large extent on the lateral extent of the particular sand lens that contains the ore. The middle unit may be absent or up to 10 feet thick and consists of greenish-gray mudstone interfingering with sandstone of the basal unit. The top unit consists of 30 to 50 feet of cliff-forming sandstone and conglomerate with a few mudstone splits.

The ore minerals are mainly uraninite with some carnotite-type oxides on weathered surfaces or in much-jointed rock. The ore bodies consist of black uraninite in small lenses with only a minor halo of mineralization around the high-grade center. The high-grade material would constitute approximately a fifth to a tenth of the total volume of an average-sized, 5 by 7 foot, adit. The ore lenses are very spotty, discontinuous, and irregular in position. The uraninite ore may contain up to 80 percent U_3O_8, but in most cases would average around 5 percent U_3O_8. Slight mineralization, associated with asphalt, may average around 0.10 percent U_3O_8 around the uraninite lenses. Similar type ores are slightly more regular and richer on the Consolidated Uranium, Inc., workings adjacent, on the south, to the Vanadium King claims Nos. 1 and 3.

The claims involved in this report are in what the writer calls the Temple Mountain uranium ore belt. Immediately northeast or southwest of this belt there is practically no radioactivity, whereas within the ore belt the ore bodies are lenticular and small, but a proposal such as the applicant makes offers at least an even chance of finding enough ore bodies to make such a proposal economically feasible.

To the writer's knowledge, there does not appear to be any relationship between the origin of the uranium and the collapsed area of Temple Mountain.

The Rex and other mines on these claims known as the North workings, have produced about 8,340 tons of ore averaging 0.20 percent U_3O_8 and 0.60 percent V_2O_5.

PROPOSED EXPLORATION

The applicant states that there is plenty of manpower and materials available at current rates. The applicant proposed the following:

Road building -	900.00
Drilling, 22,100 ft. @ $1.003 per ft. - - - - - - -	22,160.00
Adit, 250 ft. @ $40.00 per ft. - - - - - - - - - -	10,000.00
Total -	$33,060.00

With the approval of all concerned, the following is proposed:

Road building - as proposed

Drilling:

Vanadium King Nos. 5 and 7

30 holes, on not less than 50-foot centers along the proposed road; (fig. 2), average depth 200 feet 6,000 ft.

Vanadium King No. 1

1st phase - 15 holes at approximately 200-foot centers; average depth 200 feet (fig. 2) - - - - - - - - - - - -	3,000 ft.
2nd phase - 25 holes around favorable holes of phase one, but not closer than 50 feet at average depth of 200 feet - - - - - - - - - - - - - - -	5,000 ft.
10 holes, on 50-foot centers at average depth of 200 feet in the northwest corner of the claim (fig. 2)	2,000 ft.

Vanadium King No. 3

1st phase - 25 holes on approximately 200-foot centers at an average depth of 125 feet (fig. 2) - - - - - - - - -	3,125 ft.
2nd phase - 50 holes around favorable holes of phase one, but not closer than 50 feet - - - - - - - - - - - - -	6,250 ft.
Total footage - - - - - - - - - -	25,375 ft.

The holes are to be drilled in areas not previously drilled or where records are not available on past drilling. Any holes from past drilling which are still open down through the ore horizons have been probed by the applicant. Records of blocked holes are not available to the applicant. The claims have not been drilled by the Government.

The location of drill holes as shown in figure 2 are only tentative because of unfavorable topography. The actual locations, dependent upon practicable locations of drill-site roads, should be as close to those on the map as topographic conditions will permit.

It is recommended that DMEA approval be required prior to drilling all phase 2 holes. All holes should be logged by the operator with his Babbel counterequippped with in-hole probe. Instead of 4 months, it is recommended that the work be done in 6 months.

CONCLUSIONS AND RECOMMENDATIONS

Present workings show that the applicant's Vanadium King claims Nos. 1, 3, 5, and 7 are in the favorable Temple Mountain ore belt. From a geological point of view the modified proposal appears to offer a good chance of finding enough ore to justify the amount of the loan.

It is recommended that a DMEA contract be prepared to provide for the exploration project as outlined above.

This application has been brought to the attention of the U. S. Atomic Energy Commission, and the Commission has been asked for its help and advice in evaluating the property.

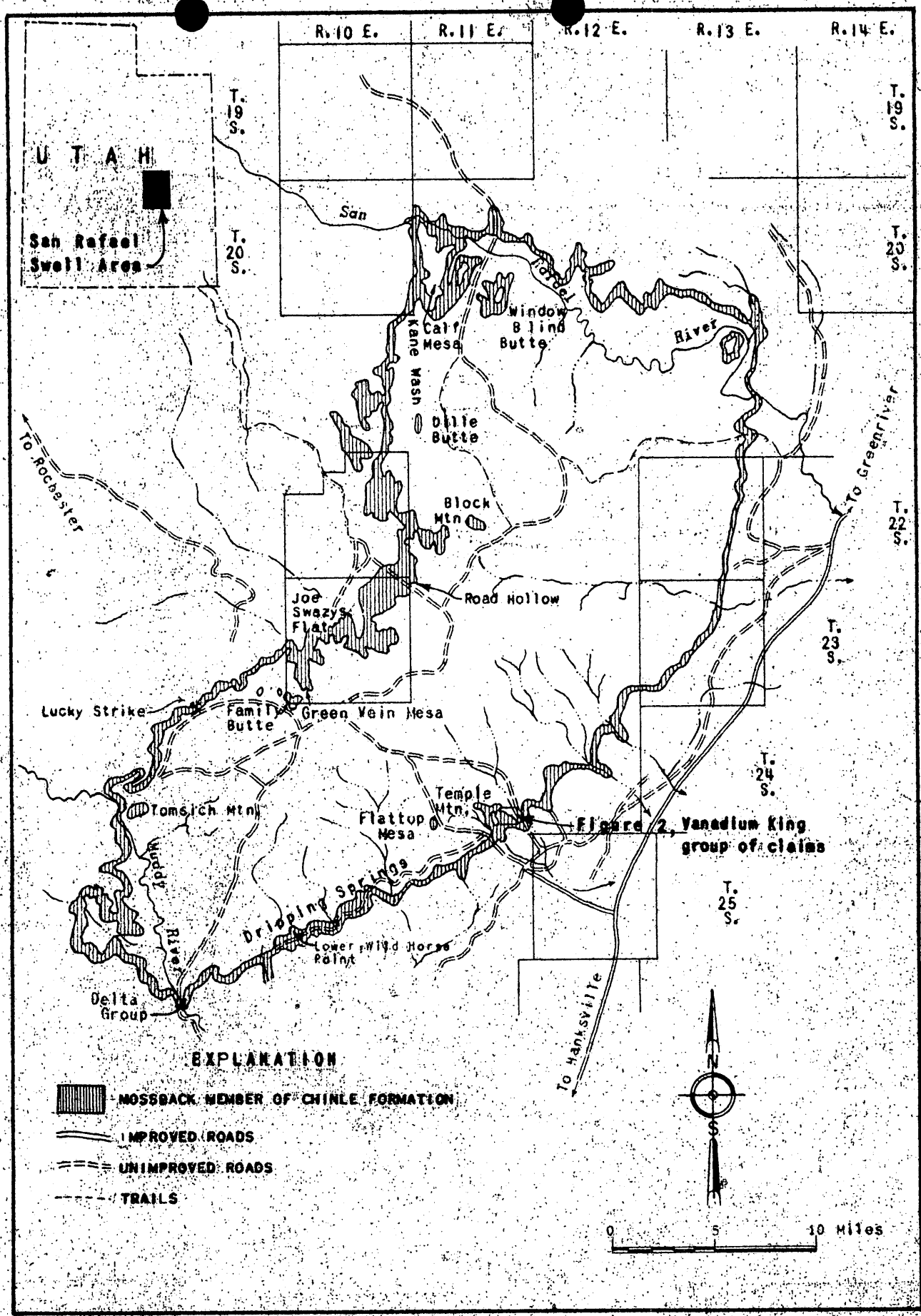


Figure 1. INDEX MAP OF SAN RAFAEL SWELL AREA SHOWING LOCATION OF VANADIUM KING GROUP OF CLAIMS, URANIUM INDUSTRIES INC., EMERY COUNTY, UTAH

February 2, 1955

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

Re: DMEA Loan #3503,
Uranium Industries, Inc.

Dear Mr. Traver:

In reference to your letter of February 1, 1955, this is to clarify the items in regard to it.

I, Mr. K. S. Mittry, has received for myself and others a total payment in the amount of $24,000.00 paid by the Assignment, dated June 18, 1954.

In reference to paragraph 2 of your letter where you inquire about the difference of an Oklahoma Corporation and a Nevada Corporation dated June 29, 1954. This is to clarify the error, whereas the contract showed a Nevada Corporation; our corporation was incorporated under the laws of Oklahoma and the Nevada corporation was a typographical error.

In reference to paragraph 3, wherein you request a signed or photostat of a signed copy of the assignment made by the original lessees to Brayton, Lowe, Hurley, Cuthbert, and Bellows. If you will check the Agreement dated June 29, 1954, in paragraph 3, which states, "Whereas, a partial assignment of said Lease has been made by them to the other parties, herein,"; that Lawrence Migliaacio assigned a partial interest in the ownership which is incorporated and all of them have then assigned this Agreement to Uranium Industries, Inc., as you will note, on signature.

Also, in reference to paragraph 4, this Agreement is actually an assignment to Uranium Industries, Inc., and the only assignment made by Brayton, Lowe, Hurley, Cuthbert, and Bellows, along with Lawrence Migliaacio and Maria Migliaacio, Fred Davis and Sally Davis, giving them partial interest in this Assignment, and as an Agreement at the same time.

If any additional information is required please contact us.

Very truly yours,

K. S. Mittry

K. S. Mittry, President

KSM:gd

224 New Customhouse
Denver 2, Colorado

February 1, 1955

Mr. K. S. Mittry, President
Uranium Industries, Inc.
124 South 4th Street
Grand Junction, Colorado

Re: Docket DMEA 3503

Dear Mr. Mittry:

Our attorney has requested the following:

(1) Has K. S. Mittry received "for himself and others" the $24,000.00 required to be paid by the assignment dated June 18, 1954. If paid, please submit evidence of payment and if not paid, who are the "others".

(2) Is the Uranium Industries, Inc. called an Oklahoma Corporation in the application, the same Uranium Industries, Inc. called a Nevada Corporation in the agreement, dated June 29, 1954.

(3) Please furnish a signed copy or a photostat of a signed copy of the assignment made by the original lessees to Brayton, Lowe, Hurley, Cuthbert, and Bellows.

(4) Please furnish a signed copy or a photostat of a signed copy of the assignment of Brayton, Lowe, Hurley, Cuthbert, and Bellows to Uranium Industries, Inc.

When we receive the above requested information, we will continue to process your application.

Yours very truly,

W. M. TRAVER

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

WMT:pw

cc: Subject
Chron
Wilson
Williams
Harshman
Sec.Op.Comm. (2)
Connors

URANIUM INDUSTRIES, INC.
124 South 4th St.
GRAND JUNCTION, COLORADO
Telephone 3824

January 26, 1955

U. S. Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Attention: W. M. Traver, Executive Officer, DMEA 3503

Dear Mr. Traver:

Reference is made to your letter of January 18, 1955, regarding our Exhibit B "Undertaking" where we agreed to pay an advance royalty of $15,000.00. This is to inform you that these payments have been made in full as of December 23, 1954.

Very truly yours,

URANIUM INDUSTRIES, INC.

By K. S. Mittry
K. S. MITTRY
President

KSM:wl

224 New Customhouse
Denver 2, Colorado

February 7, 1955

Mr. K. S. Mittry, President
Uranium Industries, Incorporated
124 South 4th Street
Grand Junction, Colorado

Re: Docket DMEA-3503

Dear Mr. Mittry:

Enclosed are two sets of Owner's Consent to Lien, Form MF-203. Each set consists of an original and six copies of Form MF-203. One set is to be signed by Elwin Robinson and the other set is to be signed by all owners of the property and those who have any interest in future possible ore production whose interests have been assigned to Uranium Industries, Incorporated.

After obtaining the necessary signatures on all copies, please forward the original and six copies of each set of Form MF-203 to this office so that we may continue to process the contract.

Very truly yours,

W. M. TRAVER

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

Enclosures

BMC:pw

cc: Subject
Chron
Connors
Administrator (2)

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

224 New Customhouse
Denver 2, Colorado

February 1, 1955

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region III

Subject: Report of Examination, DMEA Docket 3503 (Uranium), Uranium Industries, Inc., Vanadium King claim, Emery County, Utah

The application for Government assistance in exploration work estimated to cost $26,275.00 has been approved by us and a contract is being prepared.

Government participation will be 75 per cent, or $19,706.25.

Four copies of the Report of Examination and two copies of Form 3b will be forwarded with your copy of the contract.

W. M. Traver
W. M. Traver

HMC:pw

E. N. Harshman
E. N. Harshman

DMEA Field Team, Region III

224 New Customhouse
Denver 2, Colorado

February 1, 1955

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region III

Subject: Report of Examination, DMEA Docket 3503 (Uranium), Uranium Industries, Inc., Vanadium King claim, Emery County, Utah

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W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

DMEA Field Team, Region III

HMC:pw

TERIOR
stration

224 New Customhouse
Denver 2, Colorado

February 1,1955

Mr. K. S. Mittry, President
Uranium Industries, Inc.
124 South 4th Street
Grand Junction, Colorado

Re: Docket DMEA 3503

Dear Mr. Mittry:

Our attorney has requested the following:

(1) Has K. S. Mittry received "for himself and others" the $24,000.00 required to be paid by the assignment dated June 18, 1954. If paid, please submit evidence of payment and if not paid, who are the "others".

(2) Is the Uranium Industries, Inc. called an Oklahoma Corporation in the application, the same Uranium Industries, Inc. called a Nevada Corporation in the agreement, dated June 29, 1954.

(3) Please furnish a signed copy or a photostat of a signed copy of the assignment made by the original lessees to Brayton, Love, Hurley, Cuthbert, and Ballows.

(4) Please furnish a signed copy or a photostat of a signed copy of the assignment of Brayton, Love, Hurley, Cuthbert, and Ballows to Uranium Industries, Inc.

When we receive the above requested information, we will continue to process your application.

Yours very truly,

W. M. TRAVER

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

[redacted]:pw

cc: Subject
Chren
Wilson
Williams
Harshman
Sec.Op.Comm. (2)
Connors

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED

224 New Customhouse
Denver 2, Colorado

February 1,1955

Mr. K. S. Mittry, President
Uranium Industries, Inc.
124 South 4th Street
Grand Junction, Colorado

Re: Docket DMEA 3503

Dear Mr. Mittry:

Our attorney has requested the following:

(1) Has K. S. Mistry received "for himself and others" the $24,000.00 required to be paid by the assignment dated June 18, 1954. If paid, please submit evidence of payment and if not paid, who are the "others".

(2) Is the Uranium Industries, Inc. called an Oklahoma Corporation in the application, the same Uranium Industries, Inc. called a Nevada Corporation in the agreement, dated June 23, 1954.

(3) Please furnish a signed copy or a photostat of a signed copy of the assignment made by the original lessees to Brayton, Lowe, Hurley, Cuthbert, and Bellows.

(4) Please furnish a signed copy or a photostat of a signed copy of the assignment of Brayton, Lowe, Hurley, Cuthbert, and Bellows to Uranium Industries, Inc.

When we receive the above requested information, we will continue to process your application.

Yours very truly,

W. M. TRAVER

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

MMD:pw

cc: Subject
Chron
Wilson
Williams
Harshman
Sec.Op.Comm. (2)
Connors

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
SEP 27 1954

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. 3503
Metal or Mineral URANIUM
Date Received
Estimated Cost $30,060
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: Uranium Industries, Inc. an Oklahoma Corporation P.O. Box 721, Grand Junction, Colorado Officers: President - K. S. Mittry, 416 Linden St., Fort Collins, Colo. Vice President - S. J. Auringer, Cortez, Colo. Secretary - G. Douglas, Denver, Colo. Treasurer - Robert C. Brown, Merc. Bldg., Denver

(*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 Vanadium King claims 1, 3, 5 and 7 Temple Mtn. area, San Rafael Mining District, Emery County, Utah.

(*b*) State any mine name by which the property is known. Vanadium King

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

(*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 Not Applicable

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Not Patented

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

(*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 15 days and be completed within 4 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 [x] 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 8/18/, 1954

URANIUM INDUSTRIES, INC.
(Applicant)

By K. S. Mittry

K. S. Mittry, 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

[illegible] Kar Building
Denver 2, Colorado

August 20, 1954

Mr. K. S. Mittry, President
Uranium Industries, Inc.
P. O. Box [illegible]
Grand Junction, Colorado

Re: Application for AEC assistance (Uranium)
Uranium Industries Inc.
Vanadium King claims Nos. 1, 3, 5, and 7
Temple Mountain area
San Rafael Mining District
Emery County, Utah

Dear Mr. Mittry:

We hereby acknowledge receipt of your application for Government assistance to explore the Vanadium King claims for uranium.

Your application is not complete, as you have not furnished us with the book and page numbers of the claim recordings as required under Paragraph 3(f).

We would also want to know if the Vanadium King Numbers 5 and 7 are still being worked under a sub-lease by Mr. Elwin Robinson as stated in your answer to question 4(a), and if this sub-lease is still in effect. If not in effect, we will require a signed copy of an abandonment notice.

According to Paragraph 19 of this Mining Lease, under which K. S. Mittry Construction Company, et al, acquired mining rights on the subject property, no sub-lease or assignment of lease is valid without the written consent of the Lessor. We will require this written consent for the Assignment of Lease to the Uranium Industries, Incorporated, and also for the sub-lease referred to above if it is still in effect.

For our records, we also require a signed copy, or photostat of a signed copy, of the Mining Lease and the Assignment of Lease to Uranium Industries, Incorporated. One copy of these instruments will be sufficient, but the Assignment must be complete and include exhibits A, B, and C which were to be made part of the Assignment of Lease.

Your application will be held in our Denver file pending receipt of the requested information which should be sent directly to [illegible] Executive Officer, ERDA, Region IV, Room 224, Kay Centennial, Denver 2, Colorado.

Yours very truly,

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

RAB:

cc: ERDA Depot (Fr. Jim Inter [illegible], [illegible])
Lyon.
[illegible] Letter Letter

URANIUM INDUSTRIES, INC.
136 South 4th St.
GRAND JUNCTION, COLORADO
Telephone 8024

SEP 20 1954

September 7, 1954

W. H. King, Executive Officer
Defense Minerals Exploration Administration
Region IV, Room 224, New Custom House
Denver 2, Colorado

Re: Application for DMEA assistance (Uranium)
Uranium Industries, Inc.
Vanadium King claims Nos. 1, 3, 5 and 7
Temple Mountain Area
San Rafael Mining District
Emery County, Utah

Dear Sir:

Reference is made to your letter of August 20, 1954, in which you requested additional information in regard to our recent application for assistance. We enclose herewith the following information and data:

(1) Vanadium King claims located by J. B. Davis in January, 1941.

Vanadium King claims recorded at Castle Date, Utah, Emery County as follows: Vanadium King No. 1-Book J-7, page 241
" " No. 2-Book J-7, page 242
" " No. 3-Book J-7, page 242
" " No. 4-Book J-7, page 243
" " No. 5-Book J-7, page 243
" " No. 6-Book J-7, page 255
" " No. 7-Book J-7, page 256

Deed from J. B. Davis to Lawrence Migliaccio, May 27, 1952. Recorded in Book H., page 256.

Deed from J. W. and Nola Jenson to Lawrence Migliaccio, June 28, 1948. Recorded in Book A, page 251.

Lease from Lawrence and Marie Migliaccio and Frank and Sally Davis to K. S. Mittry Construction, Roy L. Wright, Carl H. Peterson and Orvel Gathers, on November 14, 1953. Recorded January 26, 1954, Book I of Mis., page 125 thru 132.

(2) Mr. Elwin Robinson's lease covering portions of Vanadium King claims Nos. 5 and 7 is still in effect and he is operating under it at the present time.

(3) Photostatic copies of Mining Lease (Exhibit A), Undertaking (Exhibit B).

Page 2

(4) Waiver of Conditions in Lease (Exhibit C).

(5) Agreement giving permission of owners for assignment of Lease to Uranium Industries, Inc..

(6). Assignment of Lease from K. S. Mittry Inc. et al to Uranium Industries, Inc.

We believe the above enclosures complete the information requested in your letter of August 20, 1981, and trust that our application for assistance can now be acted upon.

Very truly yours,

URANIUM INDUSTRIES, INC.

K. S. Mittry

K. S. Mittry

KSM:kb

URANIUM INDUSTRIES, INC.
124 South 4th St.
GRAND JUNCTION, COLORADO
Telephone 3824

August 28, 1954

U. S. Bureau of Mines
New Custom House
Denver, Colorado

Attention: Mr. John Shaw

Gentlemen:

We are enclosing herewith four (4) copies of our application on your form No. 1703 for a D. M. E. A. loan to explore some of our uranium properties in Utah. We also enclose four (4) prints of our drawing delineating our proposed program and four prints of table showing shipments of ore made from these properties, together with four (4) copies of original loans to R. J. Slatry Construction Co. of Al and four (4) copies of loans assignment to Uranium Industries, Inc.

We trust you will find everything in order. If additional information is needed please advise.

Very truly yours,
URANIUM INDUSTRIES, INC.

By James H. Stewart
James H. Stewart

JHS:cl

4. (a) At the present time mining operations are being carried out on Vanadium King claims Nos. 1 and 7. The major workings are on Vanadium King No. 1 which has two (2) drifts from which uranium and vanadium ore is being mined. The mining operations by K. S. Mittry Construction Co. were started in December, 1953, and have been carried on ever since. At the time Uranium Industries, Inc. was formed K. S. Mittry Construction Co. placed an assignment of their lease in escrow pending payment therefor by Uranium Industries, Inc. At the present time there is approximately $50,000.00 worth of mining and auxiliary equipment on the project. The mining so far has been primarily of an exploratory nature in an attempt to develop the ore bodies and has been carried on on a comparatively small scale. Enclosed drawing shows approximate location of drifts. The mines are very accessable for examination purposes being only 47 miles S.W. of Green River, Utah, and served by improved roads. A small amount of mining has been done on Vanadium King Nos. 5 and 7 under a sub-lease with Mr. Elwin Robinson.

4. (b) In the years 1951 and 1952 considerable ore was taken from Vanadium King No. 1 by Consolidated Uranium Co. who had the lease at that time. The applicant does not have these production figures however. Since K. S. Mittry Construction Co. took over operation continuous shipments have been made as is shown by the accompanying tables. It is believed a considerable reserve of ore is available, but in order to determine its extent and facilitate economical mining thereof an extensive exploratory drilling program should be initiated.

4. (c) The mining operation in the Temple Mountain area has to date been performed in the middle Traissic series, which occurs primarily in the Shinarump formation. Uraniferous asphaltite occurs as void fillings, rounded pellets, veinlike fillings, and as detrital grains in friable sandstone lenses of the Shinarump conglomerate. Carnotite, zippeite, and other secondary uranium and vanadium minerals coat asphaltite grains. Carnotite also occurs in "rolls" in sandstone that resembles the rolls described in the Morrison carnotite bodies. The asphaltite ore bodies are localized in sandstones that fill ancient stream channels. The carnotite in this district appears to have been derived from the asphalt. The asphalt in all these deposits may be mineraloid thucholite.

The Shinarump formation shows a unique lithologic feature due to its asphaltic base that distinguishes it readily from the other types of the formations. It is hard, resistant conglomeratic sandstone unit in the midst of strata that are essentially shaley and is widely distributed with uniform thickness. On Vanadium King Claim No. 1 this formation has been noted to be twelve feet thick.

This area has been heavily faulted, with the majority of faults running primarily in a Southeast direction, which starts basicly at Temple Mountain and runs through the Vanadium King Claims. The faulted zones within the area to date have produced the largest amount of ore bearing Shinarump formation. This is characteristically true in zones where noted slips have intersected the fault lines.

The upheaval dome of Temple Mountain itself, which is covered by two of the Vanadium King Claims, show three distrinct ore bearing formations of the Traissic series. The diameter of this dome measures through its center axis approximately one mile, with the dip of the ore bodies dipping inward between 8 and 20 degrees, and silling against the San Rafael Swell to the North. It is believed that this upheaval is the original source of all ore bearing formations within the Temple Mountain area, since all the proved formations South of the dome are relative.

4. (d) Accessibility of Project.
An Access road to the project was constructed under auspices of A.E.C. The mine is 47 miles S.W. of Green River, Utah, which has a railhead and facilities for dumping ore. Numerous trucking companies are available to truck the ore

4. (d) Accessibility of Project (Continued)
from the mine. The mine is located 156 miles from A.S. & R. mill at Monticello, Utah, where most of the ore mined by Mittry has been hauled by truck. The mine is 152 miles from Grand Junction, Colorado, where all types of materials and supplies for the operation are available.

4. (e) We have experienced no particular difficulty in obtaining an adequate labor supply and present expansion plans call for the installation of modern camp facilities with which it is felt we will be able to attract top caliber mining personnel. Materials and supplies are available at both Green River, Utah, and Grand Junction, Colorado. Adequate mining equipment for a considerable larger operation is on the site at the present time. Water for mining is available at the site. Drinking water is hauled from Green River. Power is supplied by a portable diesel generating plant at the site.

5. (b) See drawing.

5. (d) K. S. Mittry, president of Uranium Industries, Inc. has been in the heavy construction field 16 years and has a wealth of experience in all types of tunneling and rock drilling work. Roy Wright, engineer in charge, has been engineer in charge of many large government construction projects and is well acquainted with the problems of drilling and tunneling operations.

6. ESTIMATE OF COSTS

(a)	Independent Contracts			
	(1) Construct road on #5 and #7 claims with Bulldozer	65 Hr. @ 12.00	780.00	
	Drill and shoot rock on road		120.00	
	(2) Drive 250' exploratory drift @ 40.00/L.F.		10,000.00	
		Total 6 (a)		$10,900.00
(b)	Labor, Supervision and Consultants			
	1 Geologist	10 Wks @ 175.00	1,750.00	
	1 Engineer	16 Wks @ 150.00	2,400.00	
	1 Drill Operator	14 Wks @ 125.00	1,750.00	
	1 Drill Operator Helper	14 Wks @ 100.00	1,400.00	
		Total 6 (b)		7,300.00
(c)	Operating Materials and Supplies			
	(1) Bits and steel	22,100 L.F. @ .20	4,420.00	
	(2) Fuel, oil and grease		1,465.00	
		Total 6 (c)		5,885.00
(d)	Equipment Use Allowance			
	(Use AGC equipment ownership exp. rates)			
	Drill rig including 2 ton truck, 500 cfm compressor and wagon drill	4 Months @ 1,250.00/Mo		5,000.00
	Pickup truck	16 Wks @ 30.00/Wk		480.00
(e)	None			
(f)	None			
(g)	Miscellaneous			
	(1) Repairs and maintenance on equipment		1,465.00	
	(2) Analytical work		800.00	
	(3) Insurance and taxes		730.00	
		Total 6 (g)		2,995.00
(h)	Contingencies			500.00
		TOTAL ESTIMATED COST		$33,060.00

The above estimate of costs would result in an estimated cost of $1.003 per L.F. of drilling.

7. (b) Our share of costs in this project would be 25% of $33,060.00 or $8,265.00. This amount would be made up of $5,480.00 equipment use allowance and the balance in cash. Sufficient funds are available to take care of this.

#86093
Recorded at request of Roy L. Wright Fee Paid $9.90
Date January 26, 1954 at 9:30 A.M. Nellie B. Young Recorder Emery County,
By Deputy Book I of Misc. Page 125-132

MINING LEASE

THIS AGREEMENT, made and entered into this 14th day of November, 1953, by and between LAWRENCE MIGLIACCIO and MARIE O. MIGLIACCIO, his wife, and FRANK DAVIS and SALLY DAVIS, his wife, First Parties, hereinafter called Lessor, and K. S. MITTRY CONSTRUCTION COMPANY, a partnership, ROY L. WRIGHT, CARL H. PETERSON and ORVEL GATHERS, Second Parties, hereinafter called Lessee, WITNESSETH:

That the Lessor, for and in consideration of the royalties, covenants and agreements hereinafter reserved and by the Lessee to be paid, kept and performed, has granted, demised and let and by these presents does grant, demise and let unto Lessee the following described Lode Mining Claims located on what is commonly known as Temple Mountain District, Emery County, State of Utah, to-wit:

Commencing at a steel pipe set by Robert Brandon of Metropolitan Engineers, Inc. of Salt Lake City, Utah, at a point which is located South 66 deg. 38' East, 872.2 feet from U. S. Mineral Monument #246, located in unsurveyed Township 24 South, Range 11 East of the Salt Lake Base and Meridian, Emery County, Utah, near the portal of what is known as Vanadium King #5 Mine, and running thence West 300 feet; thence North 1500 feet; thence East 1200 feet; thence South 1500 feet; thence West 900 feet to place of beginning.

Beginning at a point which is located South 55 deg. 21' East 608.4 feet and North 453 feet from U. S. Mineral Monument #246, and running thence West 152 feet; thence North 140 feet; thence East 152 feet; thence South 140 feet to beginning.

Commencing at a steel pipe set by Robert Brandon of Metropolitan Engineers, Inc. of Salt Lake City, Utah, at a point which is located South 40 deg. 12' East, 1160.2 feet from U. S. Mineral Monument #246 located in unsurveyed Township 24 South, Range 11 East, of the Salt Lake Base and Meridian, in Emery County, Utah, and running thence South 85 deg. East 3000 feet; thence South 15 deg. East 638.7 feet; thence North 85 deg. West 3000 feet; thence North 15 deg. West 638.7 feet to place of beginning.

This lease shall cover all bins, chutes, tracks, tramway, etc., now situated thereon or now or formerly used in mining the above described area. Together with such rights of way for purposes of mining operations of said properties and the use of such surface rights on contiguous and/or adjacent claims of parties as may be reasonably necessary for the mining operations of said property.

Together with any and all materials, mineral deposits, ores and lodes within or upon said property, and all dips, spurs and angles thereof or connected therewith; and all rights, privileges, franchises, tenements, here-

ditaments and appurtenances thereunto incident or belonging, or necessary or suitable for use and enjoyment in the course of mining operations within or upon the same or any part thereof.

TO HAVE AND TO HOLD the same (subject to the other provisions hereinafter contained) for a term of five (5) years from this date and as long thereafter as uranium, vanadium or other minerals are produced therefrom.

And in consideration of such demise said Lessee does hereby covenant with the said Lessor as follows, to-wit:

1. That the Lessee has examined the leased property and expressly accepts the same in the condition in which it now is, and agrees to take possession of said premises and all property and improvements thereon and thereafter to be responsible therefor; and at all times to cause said premises and the improvements thereon to be kept and maintained in good condition and state of repair. To operate said premises wholly as an independent contractor.

2. To commence work on said premises within thirty (30) days after taking possession thereof and thereafter to cause said premises to be worked steadily and continuously only during the term of this lease in a good and minerlike manner necessary to good and economical mining, conducting not less than one complete mining operation thereon, and also conducting continuous exploration work on the northern area and within 90 days, if the exploration work shows mining operations on the northern area to be economically profitable, then to conduct an additional complete mining operation and then continue to conduct two separate and complete mining operations thereon; and to develop said property so as to extract therefrom the greatest amount of ore possible with due regard to the safe development and preservation of said premises; to cause the leased premises to be worked in the manner aforesaid, including exploration work, with at least one hundred fifty (150) man shifts of eight (8) hours each, each calendar month during the entire term of this lease; provided, however, that such work requirement need not be fully complied with in case of accident, break-down of equipment, fire, floods, strikes or Acts of God or nature if due diligence is

exercised in effecting the repair of any damage done thereby and work is resumed promptly after such repair.

3. To occupy and hold all cross or parallel lodes, spurs, angles or mineral deposits of any kind which may be discovered by Lessee, or any person under him, as the property of Lessor, and to work the same as a part of the demised premises.

4. In all respects to comply with the laws of the United States and of the State of Utah, and with the lawful ordinances, rules, regulations, order and directions of the duly constituted Federal, State, or local authorities with respect to said property, the use and equipment thereof, and the employment of persons thereon and to save Lessor harmless from any violation thereof.

5. To cause the workings on said premises to be, and to continue to be, well and sufficiently timbered at all proper points in a miner-like manner and to cause all old timbering to be repaired whenever it may be necessary, so as to insure the permanency of said workings; to remove no timbering and to break no ground which would injure the permanency of the workings.

6. That at all times all shafts, tunnels, levels and other workings will be kept thoroughly drained and clear of loose rock, dirt, and rubbish, and that the main opernings thereof will not be obstructed; that all waste not used as stope fill will be deposited on the dump at the surface; and that at all times the surface of said premises will be kept in good clean condition and free from rubbish of all kinds.

7. To do and perform the annual assessment work required by Federal Mining Laws upon said claims during the term hereof and to file proof thereof not later than May 1st of each year, or at least sixty days prior to the date required by such laws; provided that Lessee may patent said claims in the name of Lessor and after the final entry for patent has been made and the land so patented paid for by Lessee this provision shall no longer apply.

8. To indemnify and save the Lessor harmless from all claims, suits, or judgments, whether groundless or otherwise, for

personal injuries to or death of any of the employees, or invitees of the Lessee, unless caused by the negligence or willful act of the Lessor. And said Lessee covenants and agrees to keep posted in at least three conspicuous places on said property, one of which shall be the mine office, a notice in the following form:

NOTICE

Notice is hereby given to all persons performing labor or furnishing skill, material, machinery or other supplies of any kind to or in this property that the undersigned,
(names of Lessor)
the owner of said property and mine upon which this notice is posted, will not be responsible for any labor performed on or any skill, material, machinery, fixtures or supplies of any kind furnished to said property or mine, nor shall the interest of said owner be subject to any lien for the same; and all persons are hereby notified that the said mine and property have been leased to (names of Lessee).

_____

_____
Lessor.

9. To allow the Lessor and their agents to have at all reasonable times access to all parts of said premises for the purpose of inspecting, surveying or sampling the same and the shipments made therefrom and access to the books and records of the Lessee for the purpose of examining the same with reference to the royalties to be paid and the other matters considered hereunder.

10. All salable ores mined from said property shall be shipped separate and apart from any other ores and sold to the processor or agency granting the most favorable terms and highest price obtainable; and only under U. S. Government licensing permit for the disposal of fissionable ores. Ores shall not be mixed in such manner as to reduce the values for determining royalty payments; but shall be mixed and shipped in such manner as to give a fair valuation of all ores mined. Any ores mined that are not then salable shall be stockpiled separately and remain the property of the Lessor; provided that if such stockpiled non-salable ores thereafter become commercial, they may then be mixed and shipped by Lessee in accordance with the terms hereof.

11. All ores shall be shipped by Lessee in the joint names of the Lessor and Lessee and payment for ores shall be made by the processor or other agency purchasing same to the Lessor and

Lessee respectively as their interests are herein set forth, a true copy hereof to be furnished such purchaser; which is hereby requested and authorized to furnish a settlement sheet of each such purchase to each of the parties hereto. Royalty on all ores so mined and shipped to be paid Lessor is 20% on amounts received from such processor or purchaser for uranium and vanadium contents plus other minerals therein that are paid for; which 20% royalty applies to all special payments, bonuses and other benefits and premiums paid by any such purchaser or the U. S. Government. All payments due Lessor hereunder shall be made by such purchaser of said ores to the law firm of Stephens, Brayton & Lowe, or their successor firm, Walker Bank Building, Salt Lake City, Utah, for the account of Lessor, and the heirs, successors and assigns of Lessor, said law firm to make distribution of same in accordance with the then ownership of said property.

12. The Lessor shall pay all taxes against the real property covered by this Lease and the Lessee shall pay all net proceeds and occupation taxes based on extraction of ore and any taxes that may be levied or assessed against buildings, improvements, machinery and personal property thereon, and any other taxes or charges that may be payable or arise in connection with the Lessee's operations, including Workmen's Compensation premiums, Social Security, and unemployment contribution, it being the intent of the parties that the Lessor shall be liable for no expenses, charges, taxes or other levies except as stated hereinabove with respect to real property taxes.

13. To furnish promptly to the Lessor on demand such reports and information as may be necessary and proper for the Lessor to have in order to make any Federal or State reports which it may be required to render, and also to furnish to the Lessor from time to time copies of any and all maps and geological data and reports which the Lessee may make, or cause to be made, of any part of said leased premises.

14. In case the Lessee shall develop ore in properties adjacent to the leased premises and work or mine the same through

the workings of the Lessor during the term of this Lease, or any part thereof, the Lessee agrees to pay to the Lessor 5% of the purchase price of the ore sc mined and extracted for the privilege of moving such ore and waste in connection therewith through or across any part of the leased premises.

15. Not to sublease any part of said property nor assign this lease nor to operate in any manner in collaboration with, or mix any ores with those of, any other operators of mining property in the area in which said property is located, without the written consent of Lessor.

16. The Lessee reserves and is hereby granted the right to terminate this Lease at any time upon giving not less than thirty (30) days notice of intention so to do, provided all obligations of Lessee to Lessor are met up to such date of termination, and shall have no further liability hereon thereafter. Lessee likewise reserves and is hereby granted the right to remove Lessee's personal property and equipment from the demised premises within 20 days after such date of termination; provided that all permanent buildings and permanent improvements such as timbering, chutes, bins and wooden stopes placed thereon by Lessee shall remain as a part of said premises.

17. On the termination of this Lease, whether by expiration, forfeiture or otherwise, the Lessee agrees to deliver to the Lessor said demised premises and property, and all equipment and property received by the Lessee from the Lessor, in good condition and state of repair and that all shafts, tunnels, levels and other workings shall be thoroughly clear of waste (except that used for stope fill) and rubbish and ready for immediate working, without demand or further notice, on the last day of the term of this Lease or any time previous thereto upon demand for forfeiture.

18. Upon the violation of any covenant or obligation herein provided by the Lessee to be kept and performed, the term of this Lease shall expire and become forfeited after thirty (30) days written notice thereof shall have been mailed to the Lessee at K. S. Mittry Construction Company, 416 Linden Street, Fort Collins,

Colorado, if, within said 30-day period the default or defaults complained of shall not have been fully remedied and the covenants hereof not have been fully complied with; and all further rights of the Lessee hereunder shall then cease and terminate. This requirement as to notice and time before forfeiture shall include, but not by way of limitation, paragraph #2 of this Lease.

On the termination of this Lease, either by forfeiture or otherwise, the Lessor, its agents, or attorneys may immediately thereupon enter upon said premises and dispossess all persons occupying the same, using such force therefor as may be necessary and with or without process of law, or at the Option of the Lessor, said Lessee and all persons found in occupation may be proceeded against as guilty of unlawful detainer. Failure by the Lessor to exercise for any length of time any right of forfeiture given in this instrument, for any cause, shall in no event operate as a waiver of such right of forfeiture, nor shall a waiver of any obligation or covenant or of any default of the Lessee operate as a waiver of the Lessor's right to require the subsequent performance of such covenant or obligation, or its right arising from any subsequent default.

19. This Lease and all its terms, conditions and stipulations shall extent to and be binding upon the heirs, personal representatives, successors and assigns of said Lessor and said Lessee.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

/s/ Lawrence Migliaccio
(Lawrence Migliaccio)

/s/ Marie O. Migliaccio
(Marie O. Migliaccio)

/s/ Frank Davis
(Frank Davis)

/s/ Sally Davis
(Sally Davis)

Lessors.

K. S. MITTRY CONSTRUCTION COMPANY

/S/ K. S. Mittry

/S/ Roy L. Wright
(Roy L. Wright)

/S/ Carl H. Peterson
(Carl H. Peterson)

/S/ Orvel Gathers
(Orvel Gathers)

Lessees.

STATE OF UTAH)
:ss.
COUNTY OF SALT LAKE)

On the 14th day of November, A. D., 1953, personally appeared before me Lawrence Migliaccio and Marie O. Migliaccio, his wife, and Frank Davis and Sally Davis, his wife, the signers of the foregoing instrument as Lessor therein, and duly acknowledged to me that they executed the same.

(SEAL)

/S/ Dean F. Brayton
Notary Public
Residing at Salt Lake City, Utah.

My commission expires:
7/11/55.

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

On the 15th day of November, A. D., 1953, personally appeared before me K. S. Mittry on behalf of K. S. Mittry Construction Company, Roy L. Wright, Carl H. Peterson and Orvel Gathers, the signers of the foregoing instrument as Lessee therein, and duly acknowledged to me that they executed the same.

/S/ William Hayes
Notary Public,
Residing at Moab, Utah

My commission expires:
4-22-56

This is a certified true copy By James L. Stewart

ASSIGNMENT

For and in consideration of the sum of $10.00, the receipt of which is hereby confessed and acknowledged, and for the further considerations hereinafter set forth and enumerated, the undersigned, K. S. MITTRY CONSTRUCTION CO., a partnership, by K. S. Mittry, a partner, and Roy L. Wright, Carl H. Peterson, and Orvel Gathers, hereby sell, assign, set over and transfer unto URANIUM INDUSTRIES, INC., an Oklahoma corporation, with the main office at 124 South 4th Street, Grand Junction, Colorado, all of their right, title and interest in and to the instruments attached hereto, said instruments being: a Mining Lease, marked for the purpose of identification "Exhibit A"; an Undertaking, marked for the purpose of identification "Exhibit B"; and a Waiver of Conditions, marked for the purpose of identification "Exhibit C"; all such exhibits, "A", "B", and "C" being made part hereof the same as though fully set forth herein. In addition to the foregoing consideration for which this assignment is given, K. S. Mittry for himself and others, acknowledges receipt of six million shares of the capital stock of Uranium Industries, Inc.; and as a further consideration, K. S. Mittry for himself and others is to receive from Uranium Industries, Inc., from the sale of its stock to be sold in a public issue, the sum of twenty-four thousand dollars, to be paid within the time limit specified below.

In the event the foregoing conditions have not been complied with within six months from date hereof, the interest transferred by this assignment shall be reassigned to the undersigned, and anything of benefit done to or for the properties which are the subject of this assignment shall be retained by the undersigned.

By the acceptance of this assignment, Uranium Industries, Inc., agrees to comply with all the terms and conditions required of the undersigned as set forth in the attached exhibits.

IN WITNESS WHEREOF, the undersigned affix their hands and seals this 18th day of June, 1954.

K. S. MITTRY CONSTRUCTION COMPANY,
A Partnership

By /s/
K. S. Mittry, A Partner

/s/
Roy L. Wright

/s/
Carl H. Peterson

/s/
Carl H. Peterson

/s/
Orvel Gathers

The foregoing assignment read, its terms understood and agreed to this 18th day of June, 1954.

URANIUM INDUSTRIES, INC.

/s/ K. S. Mittry
President

/s/ George M. Douglas
Secretary

"CERTIFIED TRUE COPY"

James H. Stewart
James H. Stewart

RECAPITULATION OF ALL ORE MINED FROM VANADIUM KING NO.5&7 BY K. S. MITTRY CONST. CO. THROUGH 15 MAY 1954

Lot No.	Wet Weight Lbs.	H_2O	Dry Weight Lbs.	SETTLEMENT ASSAYS			CONTENTS - POUNDS		
				U_3O_8	V_2O_5	$CaCO_3$	U_3O_8	V_2O_5	$CaCO_3$
5-B-2907	15060	2.7	14653	0.25	1.21	0.71	36.63	177.30	104.04
5-B-2917	15510	3.2	15014	0.32	1.92	0.85	48.04	288.27	127.62
5-B-2937	16250	3.3	15714	0.19	1.17	0.28	29.86	183.85	44.00
5-B-2945	11950	3.1	11544	0.18	0.99	0.62	20.78	114.29	71.57
5-A-2202	14660	1.2	14484	0.21	1.09	0.54	30.42	157.88	78.21
	27280	6.3	25561	0.35	1.68		89.47	429.43	
5-B-3214	13940	1.8	13689	0.42	1.80	3.33	57.49	246.40	455.84
5-A-2414	15700	1.0	15543	0.74	3.15	0.83	115.02	489.60	129.01
5-A-2420	16710	2.0	16376	1.36	6.97	0.76	222.71	1,141.41	124.46
5-3350	15130	3.7	14570	0.79	2.78	0.76	115.10	405.05	110.73
5-3427	16930	2.8	16456	0.53	2.19	0.57	87.22	360.39	93.80
Totals	179,120		173,604	.491198	2.30056	.771457	852.74	3,993.87	1,339.28

URANIUM OXIDE (U_3O_8)

Base Price 0.491198% equals	9.82396#/ton	@ $3.50.....	$34.3839	per dry short ton
Development Allowance	9.82396#/ton	@ 0.50.....	4.9120	per dry short ton
Premium in Excess of 4#	5.82396#/ton	@ 0.75.....	4.3680	per dry short ton
Total U_3O_8 Payment.....			$43.6639	per dry short ton

VANADIUM OXIDE (V_2O_5)

Base price - 2.30056% equals 46.0112#/ton @ 0.31/lb..... 14.2635 per dry short ton

HAULAGE ALLOWANCE at $6.00 per wet ton..... 6.1860 per dry short ton

Total Mill Delivered Price.....$64.1134 per dry short ton

CERTIFICATION : This recapitulation is hereby certified to be a true and correct record of all ore shipped from Vanadium King No. 5 to United States Vanadium Company mill at Thompson, Utah during the month of April and the Climax Uranium Company mill at Grand Junction, Colorado during the months of February, April and May - 1954.

James H. Stewart

JAMES H. STEWART
Colo. Registered Professional
Engineer No. 1650

BUREAU OF MINES
1201 NORTH DIVISION STREET
SPOKANE 2, WASHINGTON

OFFICIAL BUSINESS

15 CENTS 15 15 CENTS 15 15 CENTS 15

SE 24 530PM

1954

Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

RECAPITULATION OF ALL ORE MINED FROM VANADIUM KING NO. 1 BY K. S. MITTRY CONST. CO. THROUGH 30 APRIL 1954

Lot No.	Wet Weight Lbs.	H_2O	Dry Weight Lbs.	SETTLEMENT ASSAYS			CONTENTS - POUNDS		
				U_3O_8	V_2O_5	$CaCO_3$	U_3O_8	V_2O_5	$CaCO_3$
10091	78770	4.59	75153	.09	.27	1.2	67.64	202.91	901.84
10129	106220	3.80	102183	.18	.46	0.8	183.93	470.04	817.46
10141	81510	3.59	78580	.10	.27	0.9	78.58	212.17	707.22
10152	111040	3.93	106681	.09	.31	0.9	96.01	330.71	960.13
10162	114740	4.18	109944	.14	.36	1.1	153.92	395.80	1,209.38
10170	107810	4.00	103495	.14	.39	1.0	144.89	403.63	1,034.95
10179	88240	4.65	84135	.14	.35	0.7	117.79	294.47	588.95
10198	87900	4.22	84191	.22	.44	0.5	185.22	370.44	420.96
10205	122160	5.05	115994	.22	.46	0.6	255.19	533.57	695.96
10215	113790	4.37	108822	.15	.35	0.8	163.23	380.88	870.58
10221	119530	4.51	114136	.13	.32	0.7	148.38	365.24	798.95
10230	65260	4.81	62119	.13	.34	0.9	80.75	211.20	559.07
10231	57820	4.30	55333	.21	.45	0.2	116.20	249.00	110.67
10244	64440	5.17	61108	.15	.38	0.3	91.66	232.21	183.32
10253	64120	4.91	60974	.18	.45	0.3	109.75	274.38	182.92
10267	62350	4.83	59340	.18	.43	0.6	106.81	255.16	356.04
10303	53510	4.25	51236	.19	.48	0.4	97.35	245.93	204.94
10324	28580	4.80	27208	.22	.58	0.4	59.86	157.81	108.83
10399	38550	5.10	36584	.35	.98	0.6	128.04	358.52	219.50
10437	33230	5.40	31436	.55	1.62	1.0	172.90	509.26	314.36
10550	29080	3.10	28179	.80	1.98	0.5	225.43	557.94	140.90
10634	40880	2.40	39899	1.14	2.32	2.2	454.85	925.66	877.78
10670	68610	2.59	66830	.48	.97	0.2	320.78	648.25	133.66
10710	95670	3.54	92281	.21	.65	0.7	193.79	599.83	645.97
10757	111290	3.08	107865	.19	.57	0.9	204.94	614.83	970.79
10669	34060	5.00	32357	.31	.66	0.3	100.31	213.56	97.07
10686	94030	5.27	89078	.25	.56	0.7	222.70	498.84	623.55
10766	106770	4.44	102031	.24	.58	0.9	244.87	591.78	918.28
10795	52460	3.04	50864	.15	.42	0.5	76.30	213.63	254.32
10909	81700	2.76	79447	.21	.58	0.6	166.84	460.79	476.68
11010	27960	2.00	27401	.20	.59	0.8	54.80	161.67	219.21
10814	28150	3.50	27165	.16	.38	2.3	43.46	103.23	624.80
10843	80150	3.59	77271	.21	.53	0.7	162.27	409.54	540.90
10934	83790	3.26	81055	.16	.41	0.7	129.69	332.33	567.39
11009	82540	3.30	79815	.14	.31	0.8	111.74	247.43	638.52
Totals	2,616,710		2,510,190	.209979	.519189	.755953	5,270.87	13,032.64	18,975.85

AVERAGE VALUE OF ORE MINED AND DELIVERED THROUGH APRIL 30, 1954

URANIUM OXIDE(U_3O_8)

Base Price .209979% equals 4.19958# per ton @ $3.50.....$14.6985
Development Allowance 4.19958# @ $0.50..... 2.0998
Premium in Excess of 4# U_3O_8 per ton - .19958 @ $0.75..... .1497
Total U_3O_8 Payment.....$16.9480 per dry short ton

VANADIUM OXIDE (V_2O_5)

.519189% equals 10.38378 #/ton @ $0.31/#..... 3.2190 per dry short ton

HAULAGE ALLOWANCE equals $6.00 per wet ton or..... 6.2546 per dry short ton

Total Mill Delivered Price.....$26.4216 per dry short ton

Notes : During the month of January a considerable amount of low grade ore was mined and shipped, thereby lowering the overall average value. The reason for the low grade was that it was necessary to drive quite a few feet of drift to reach better ore. Although this was of lower grade than was desired, it was still of commercial value and was shipped to defray the exploratory expenses. The effect of this low grade ore is shown from the fact that the average mill value of ore mined subsequent to January increased to $33.45 per ton.

CERTIFICATION : This recapitulation is hereby certified to be a true and correct record of all ore shipped from Vanadium King No. 1 to American Smelting and Refining Co. mill at Monticello, Utah during the months of January, February, March and April - 1954.

JAMES H. STEWART
Colo. Registered Professional
Engineer No. 1650

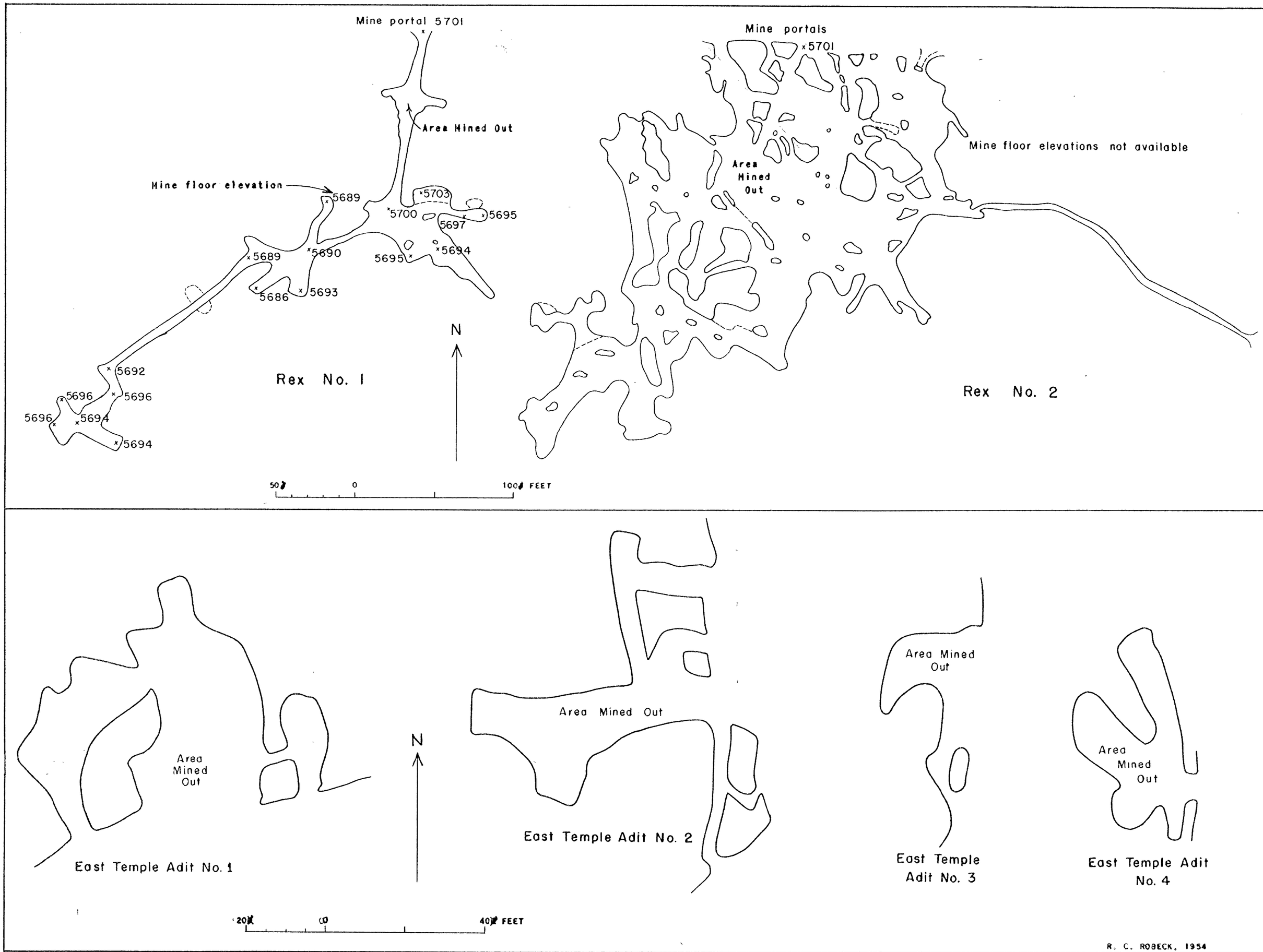


Figure 3. OUTLINES OF MINED OUT AREAS ON THE VANADIUM KING GROUP OF CLAIMS, URANIUM INDUSTRIES INC., EMERY COUNTY, UTAH

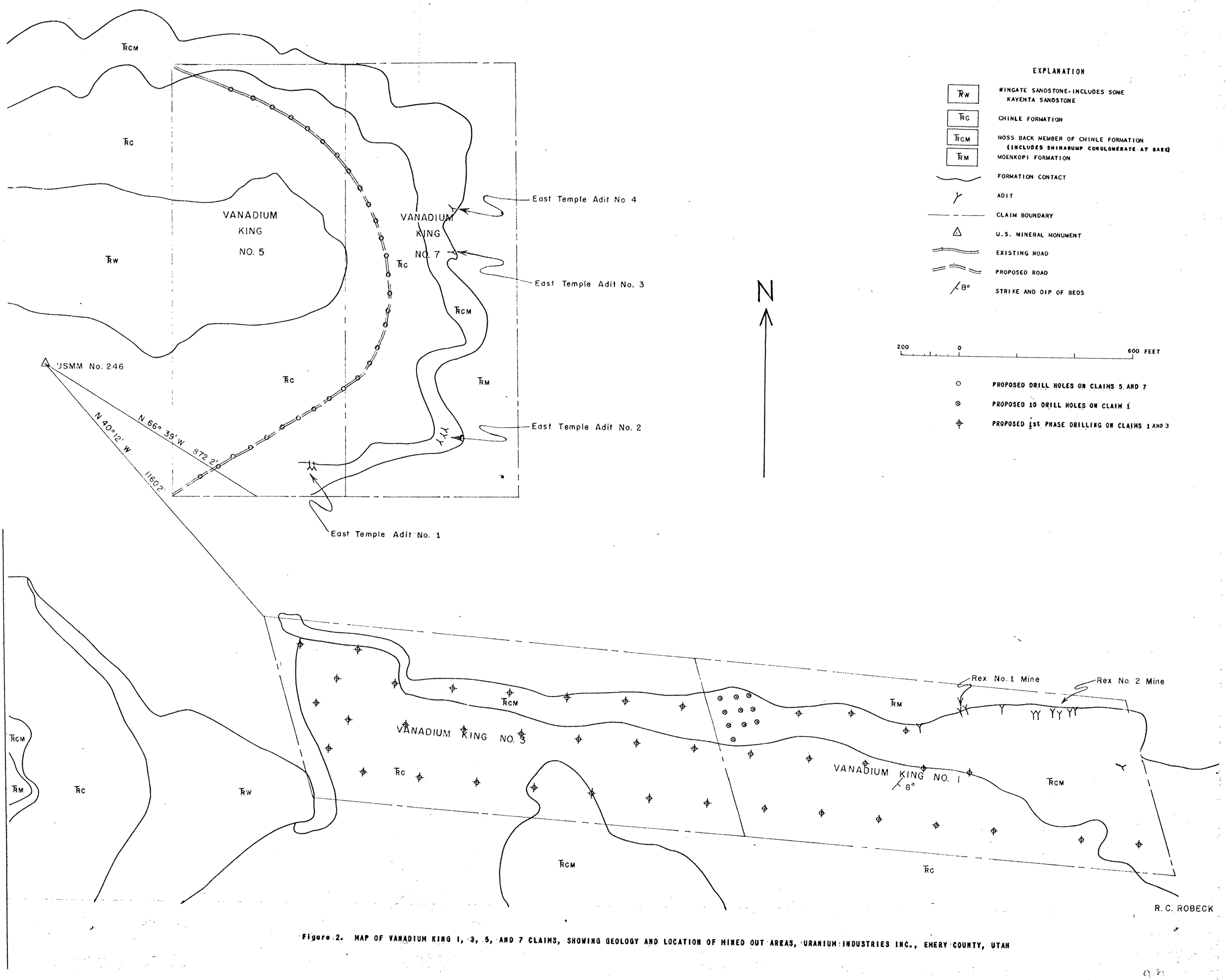
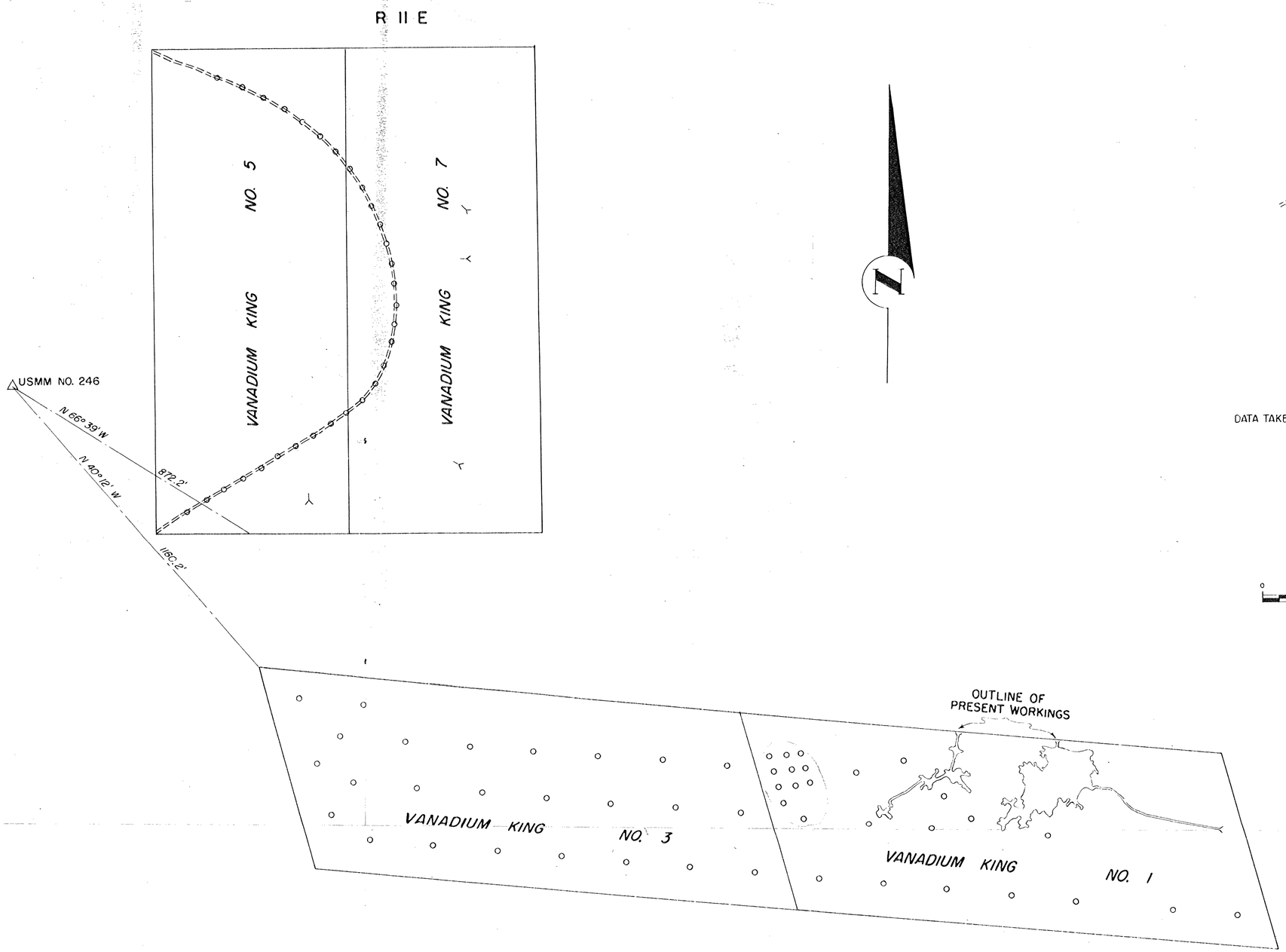


Figure 2. MAP OF VANADIUM KING 1, 3, 5, AND 7 CLAIMS, SHOWING GEOLOGY AND LOCATION OF MINED OUT AREAS, URANIUM INDUSTRIES INC., EMERY COUNTY, UTAH



LEGEND

ADIT

PROPOSED ROAD

PROPOSED DRILL HOLES (1st PHASE, ONLY, SHOWN ON CLAIMS NOS. 1 AND 3)

NOTE

DATA TAKEN FROM COMPANY AND U.S.G.S. MAPS.

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 2 DMEA Docket No. 3503

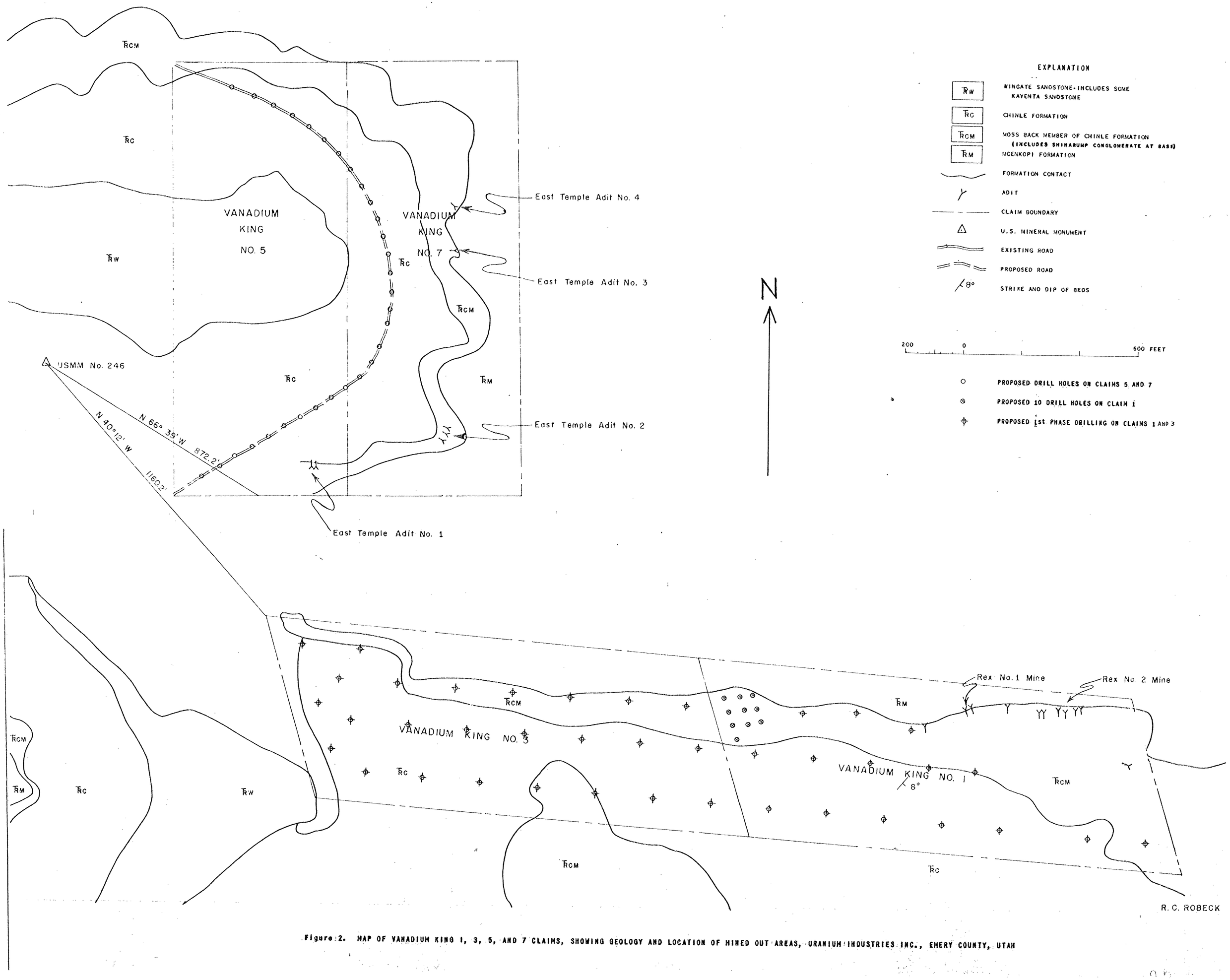
Map of Proposed Exploratory Drilling on Vanadium King Claims

URANIUM INDUSTRIES INC.

TEMPLE MOUNTAIN AREA

EMERY COUNTY, UTAH

ENGINEER: *Millard M. Gilkey*	DATE: DEC. 22, 1954
TRACED: DEC., 1954; BY: A.P.T.S.	1900 - 310 - C
CHECKED:	



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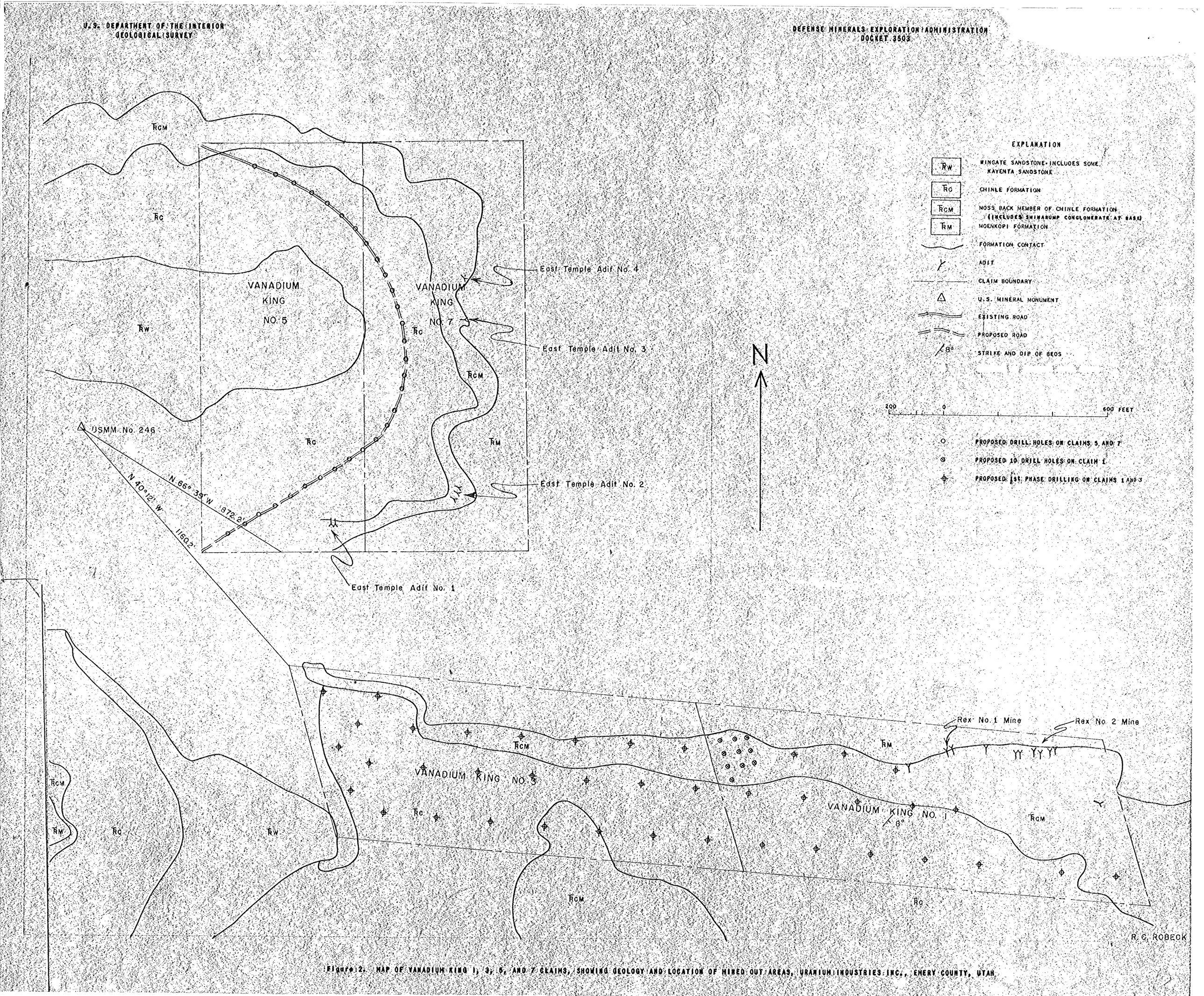

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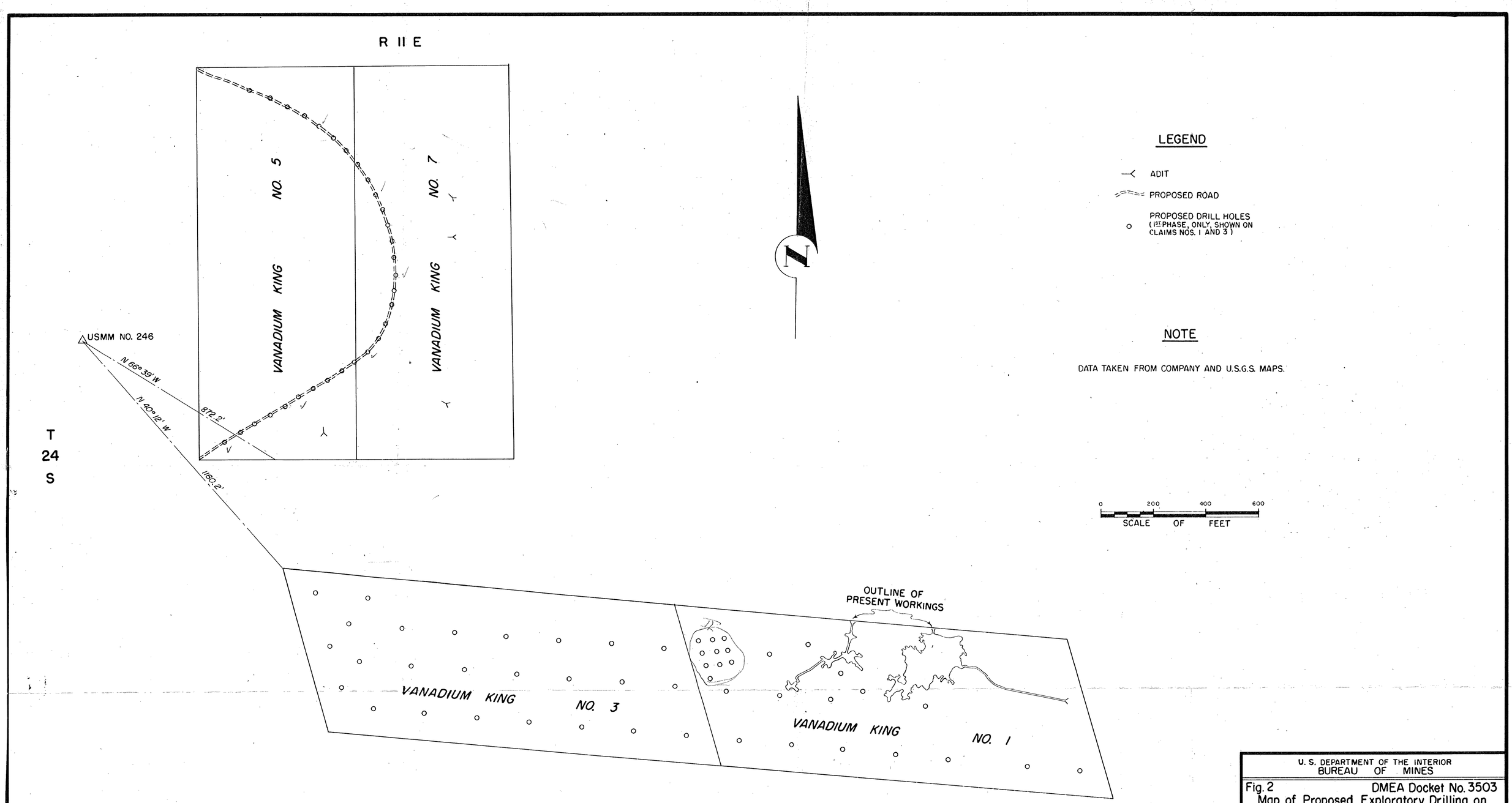

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 2 DMEA Docket No. 3503

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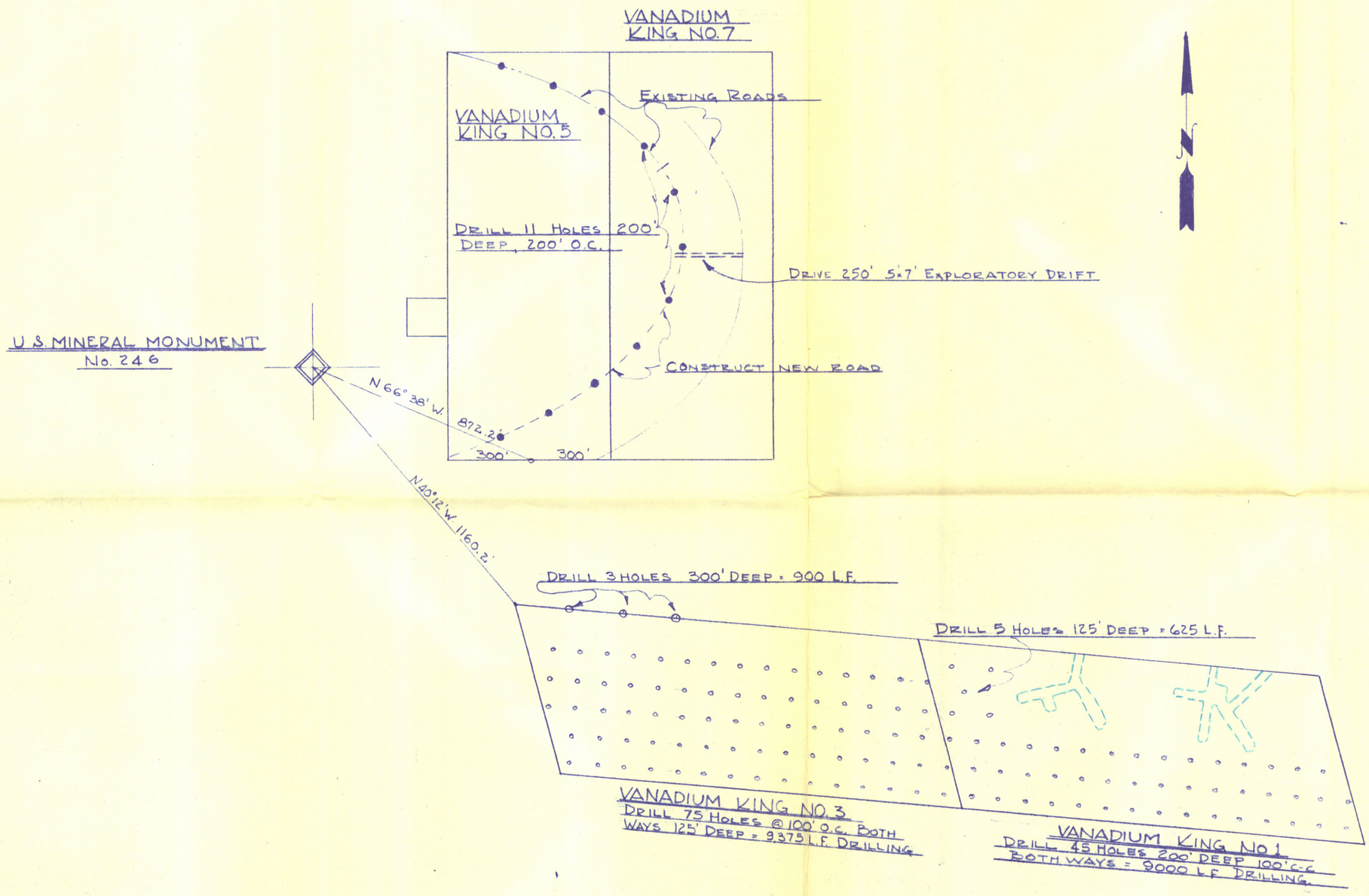

URANIUM INDUSTERIES INC.
GRAND JUNCTION, COLO.

MAP SHOWING PROPOSED EXPLORATORY PROGRAM ON VANADIUM KING CLAIMS, TEMPLE MOUNTAIN AREA, UTAH.

DATE: 8-5-54 SCALE: 1" = 300'

H.S.