rname copy 700

Ching
Ellis

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

NOV 1 0 1955

Mr. Louis F. Caggini
Apex Uranium, Incorporated
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Dockets Nos. DMEA-3633
and DMEA-3645 (Uranium)
Acme-Sheen Groups
San Juan County, Utah

Dear Mr. Caggini:

Reference is made to Ernest Wm. Ellis' letter of July 29, 1955, to you regarding a revised application covering the Acme-Sheen Groups of claims.

Inasmuch as three months have now elapsed and we have not received the revised application, we assume that you no longer desire to proceed with the application. Accordingly, we are considering the subject dockets as closed, effective as of the date of this letter.

In the event you wish to submit a new application covering the subject claims, we shall assign a new docket number to such application.

Sincerely yours,

E. O. Mittendorf

Administrator

MChing/gla
11-9-55
cc to: Admr.'s Reading File
Docket No. DMEA-3633
Docket No. DMEA-3645
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA Field Team, Region III (2)

R.C.G.

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

September 2, 1955

Memorandum

To: Mr. Ellis

From: Grace L. Ault

Re: DMEA-3751, National Exploration Co. (Geo-Engineering)
DMEA-3633, Apex Uranium, Inc.
DMEA-3645, Apex Uranium, Inc.
DMEA-3722, Apex Uranium, Inc.

During your absence today at noon, Mr. Louis Caggini of Geo-Engineering telephoned from New York City, especially with respect to Docket DMEA-3751, National Exploration Company. Over Mr. Mittendorf's signature, we had advised them that the docket would be closed within 30 days from the date of our letter, August 3, 1955. He said the time was up today, and because he was in New York they could not, of course, get the information in by the deadline. I told him that as long as we had assurance that information would be submitted, the closing date was flexible and that the docket would be held open.

He said to tell you that he would be in the East for three weeks, and during that time he expects to make a trip to Washington, and would drop in to talk with you.

With respect to the first two Apex dockets listed above, he said he had submitted a new application to Apex Uranium for approval and signature, and he thought it should be coming along shortly.

On the last named Apex docket, Region III has conducted the field examination (he did not give the date), and he thought the report would be coming in before too long.

Grace Ault

Grace Ault

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

JUL 29 1955

Surname copies
Ellis

Mr. Louis P. Caggini
Apex Uranium, Incorporated
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket Nos. DMEA-3633 and
DMEA-3645 (Uranium)
Acme-Sheen Groups
San Juan County, Utah

Dear Mr. Caggini:

This will acknowledge receipt of Mr. Lewis D. Anderson's letter, dated July 5, 1955, wherein it is noted that you are presently revising the above-named applications which formerly included the Acme-Sheen Groups as well as the Pilot-Lace Groups. Now that just the latter Groups are covered under Docket DMEA-3722 only, the Acme-Sheen Groups will be included in one or both of the two dockets referred to above. Before submitting the revised application, please make sure it is complete in every detail, including Form MF-103. Furthermore, if a completely new application is submitted, it will be easier to process. The old docket numbers may then be discontinued and a new docket number assigned. This would save much confusion.

Mr. Anderson requests additional time after the thirty-day deadline of July 9, as was established by our letter of June 9, 1955. Accordingly, we will hold the subject dockets open for a reasonable time. It will be appreciated, however, if you will keep us informed as to the time we may expect the revised application, as we do not like to keep the applications in our active file indefinitely.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

EWEllis/gla 7-27-55
cc to: Admr.'s Reading File
Docket DMEA-3633
Docket DMEA-3645
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700

DMEA FT, Region III (2)

R.S.K.

GEO-ENGINEERING
304 Main Street - Room 15
Grand Junction, Colorado

July 5, 1955

Mr. Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division
Defense Minerals Exploration Administration
U. S. Department of Interior
Washington 25, D. C.

Re: Docket No. DMEA 3722,
3633 and 3645
Pilot-Lace, Acme-Sheen Groups
San Juan County, Utah

Dear Mr. Ellis:

In reply to your letter of June 9, 1955, pertaining to the above Docket Numbers, we are forwarding the revised Pilot and Lace Groups DMEA application. This revised application will keep the Pilot and Lace Claims in their respective group.

On the revised Acme and Sheen Group application, we would like an extension on the time for its completion. Some exploratory drilling was done on these claims during the last part of June, 1955. We have not been able to obtain the completed radio-metric logs on these holes.

We will appreciate a time extension on the Acme and Sheen application, so that we may more fully comply with your request for additional information as set forth in your letter of January 27, 1955. That information has been obtained by doing more ground work in the form of assessment work.

Respectfully yours,

GEO-ENGINEERING

By Lewis D. Anderson
Lewis D. Anderson

LDA/ep

cc: William Dowdle
1804 South Pearl
Denver, Colorado

c
o
p
y

Surname

3645

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

JUN - 9 1955

Mr. Louis F. Magrini
Apex Uranium, Incorporated
c/o Geo-Engineering
334 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3633 (Uranium)
Shown and Pilot Groups
San Juan County, Utah

Dear Mr. Magrini:

This refers to our letter dated January 27, in which we requested additional information pertaining to the captioned application. Your letter of March 7 replied in part, but lacked the maps we requested, which would be shown the approximate location of the proposed drilling and other important data.

You will recall that you telephoned the writer from Montrose, Colorado, on March 22, regarding a number of applications prepared by your firm. During this conversation it was brought to our attention the difficulty we were having with the processing of the subject application due to the lack of sufficient information; also, you were informed the same difficulty was encountered in processing the two other Apex Uranium applications (Docket Nos. DMEA-3645 and DMEA-3722). You stated you would be in Washington, D. C., in April and we could discuss the three cases at that time.

The meeting was held in my office on April 15, and a very interesting discussion was had on the three applications and other pending cases, as well as the subject of Colorado Plateau activity in general. At that time you stated you would file two new applications covering the four groups of claims with the claims of each group retained in its respective group and not separated with part in one application and part in another application, as is the case at present. Included with the new applications, it was understood, would be the proper maps and other information requested in our letter of January 27.

Inasmuch as we have not received the new applications and supporting data, we assume that you no longer desire to proceed with the applications. We wish to cooperate with you in the matter of allowing ample time, but if the needed data has not been received

R.C.

within thirty days from the date of this letter, we will then consider the dockets closed.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

Copy to: Mr. Lawrence M. Schwab, President
Apex Uranium, Incorporated
718 Majestic Building
Denver, Colorado

EWEllis:am
6-8-55
cc to: Admr. Reading File
Docket - DMEA-3633
" - DMEA-3645
" - DMEA-3722
Messrs. J. E. Crawford, Rm. 3641
T. H. Killagnard, Rm. 5224
J. O. Hested, Rm. 3210, GSA
Code 700
DMEA Field Team, Region III, (2)

Docket DMEA-3645

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

April 29, 1955

Memorandum

To: Files

From: Ernest Wm. Ellis

Subject: Apex Uranium, Inc. applications (Uranium) docketed as follows:

Date application received		
January 10, 1955	-	DMEA-3633, Queen and Pilot Groups
January 21, 1955	-	DMEA-3645, Ace and Acme Groups
March 11, 1955	-	DMEA-3722, Pilot, Ace, and Acme groups

First of all, see our letter of January 27 in Docket No. DMEA-3633, and the Applicant's reply dated March 7, 1955. Note also that Mr. Louis Caggini of Geo-Engineering (Applicant's representative) stated that maps were being prepared, etc, etc. He also stated he would be in Washington "some time after March 12."

On March 22, Mr. Caggini phoned from Montrose, Colorado. He called re status of W. A. Greer, Docket No. DMEA-3555. I told him the Field Team report had just been received and application was being processed accordingly. I told him we were having trouble with the three subject Apex Uranium, Inc. applications. I explained that we were awaiting the information requested in our letter of January 27. Mr. Caggini replied that probably they would combine the three applications. He stated he would be in Washington "right after the 1st of April" and would discuss the subject applications together with the other applications ("Urado", etc.) filed by Geo-Engineering at that time. He asked us to withhold action until his arrival.

Mr. Caggini arrived in our office on April 15. We had a long discussion with him on uranium exploration on the Colorado Plateau (present Allin, Murphy, and Ching). We told him the Greer and Western Oil Fields(DMEA-3614) contracts were being drawn up. We also discussed the Urado applications (DMEA-3719 and DMEA-3721) (*) and told him these were being referred to the Field Team.

However, Caggini was informed that the three subject Apex Uranium cases were still awaiting the map (or maps). He stated he would re-file two applications covering the four groups of claims shown in the three applications and would submit maps and other data, to be

(*) DMEA-3719 and DMEA-3721 were referred to Region III April 22 and 25, respectively. A third Urado application, DMEA-3706, was referred to Region III on March 18, 1955

substituted for the three subject applications. As of this date (April 29) nothing further has been received.

Recommendation: Wait for a week or so and then if nothing further is heard from Geo-Engineering, write the usual warning letter.

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

EWEllis/glm
4-29-55
cc to: Mr. Mittendorf (4)
Copy in each Apex file

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

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

MAR 29 1955

Docket file DMEA-3645
Apex Uranium

Re: Docket No. DMEA-3633 (Uranium)
Apex Uranium, Inc.
Sheen and Pilot Groups
San Juan County, Utah

Dear Mr. Traver:

Reference is made to your memorandum of March 21, in which you recommend that the captioned docket be closed since you assume that we have received no reply to our letter of January 27, 1955.

For your information, we received a letter, dated March 7, from Mr. Louis P. Gaggini of Geo-Engineering which partly replied to our January letter. The letter also stated that a map was being prepared showing the approximate locations of drill holes and giving the justification therefor. Mr. Gaggini stated in the letter that he planned to be in Washington some time after March 12. We are also withholding action on the other two Apex Uranium applications (Dockets Nos. DMEA-3645 and DMEA-3722). You will note that the three applications intermingle parts of the same groups of claims.

On March 22, Mr. Gaggini telephoned from Montrose, Colorado. We told him of the difficulty we were having with the three Apex Uranium applications, to which he replied that possibly now all three would be combined into one application. He asked us to withhold action until we heard further in the matter. He furthermore stated that he expected to arrive in Washington right after April 1st.

The chief purpose of Mr. Gaggini's call on March 22 was to ascertain the delay in processing the W. A. Greer application (Docket No. DMEA-3555). We told him that the field reports had been received and were being studied. However, now that a project is contemplated, we find we do not have the proper Owner's Consent to Lien and Subordination Agreement mentioned in our field referral letter of November 19, 1954. We are writing for these documents.

Sincerely yours,

APPROVED:

George C. Selfridge
Chairman, Operating Committee (2/B)

J. H. Hedges (2/B)
Member, Bureau of Mines

/s/ R. D. Lange (2/B)
Member, Geological Survey

Copies in following dockets:
DMEA-3633
DMEA-3645
DMEA-3722 DMEA-3555

EWEllis/gla
cc: Admr.'s Reading File
Operating Committee
Code 700

Messrs. J.E.Crawford, Rm. 3641
T.H.Killsgaard, Rm. 5224
J.O.Hosted, Rm. 3210, GSA

R.C.G.

1/28/55
Jla

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 28 1955

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

January 27, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee,

Subject: DMEA Docket 3645, Apex Uranium, Inc., 718 Majestic Building, Denver, Colorado

I have reviewed the application included in the subject docket and have discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

We agree with the Executive Officer, DMEA Field Team, Region III, that the attached application be returned to the Apex Uranium Company for lack of evidence that exploration assistance is warranted.

John E. Crawford
John E. Crawford

Attachment

Copy to: Branch of Rare and Precious Metals
Division of Minerals
J. O. Hosted (2)
J. E. Crawford
F i l e s

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

RECEIVED
JAN 28 1955

January 27, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee,

Subject: DMEA Docket 3645, Apex Uranium, Inc., 718 Majestic Building, Denver, Colorado

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We agree with the Executive Officer, DMEA Field Team, Region III, that the attached application be returned to the Apex Uranium Company for lack of evidence that exploration assistance is warranted.

John E. Crawford

Attachment

Copy to: Branch of Rare and Precious Metals
Division of Minerals
J. O. Hosted (2)
J. E. Crawford
F i l e s

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

Lease Minerals Administration
RECEIVED
JAN 28 1955

January 27, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee,

Subject: DMEA Docket 3645, Apex Uranium, Inc., 718 Majestic Building, Denver, Colorado

I have reviewed the application included in the subject docket and have discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

We agree with the Executive Officer, DMEA Field Team, Region III, that the attached application be returned to the Apex Uranium Company for lack of evidence that exploration assistance is warranted.

John E. Crawford

Attachment

Copy to: Branch of Rare and Precious Metals
Division of Minerals
J. O. Hosted (2)
J. E. Crawford
F i l e s

1/27/55 glc

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

January 26, 1955

Re: DMEA-3645
Apex Uranium, Inc.
(Lace & Acme Claim Groups)
San Juan Co., Utah
$205,776.50
Uranium

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicant has proposed a two-stage project of rim stripping and drilling to explore for uranium deposits in the Shinarump formation.

Stage I will include:

1.) 4100 feet of rim stripping along Shinarump-Moenkopi contact.

2.) 300 holes (ranging in depth from 50-150 feet).

Stage II will include:

1.) 300 holes (average depth of 100 feet).

The application states there are no mine workings on the property and no exploratory work has been done. It is reasonable to assume no aggressive prospecting has been undertaken on the Lace and Acme claims.

The proposed program is planned as prospecting which may evolve, if successful, into a major exploration program. The possibility that the applicant's claims may be in a significant mineral belt in the Shinarump formation is not sufficient justification for the extensive program presently planned by the consulting partnership, Geo-Engineering.

This application is similar in its presentation to the previous application, DMEA-3633, which was submitted by Apex Uranium, Inc. and prepared by Geo-Engineering on the Pilot and Sheen claim groups. The claim groups in both applications are in the same immediate area.

I recommend this application be denied. If at some future time the operator's prospecting and preliminary exploration work discloses evidence of significant uranium mineralization in the Shinarump on his property, then further consideration of possible DMEA assistance will be justified.

E. L. Newcomb

E. L. Newcomb

IN REPLY REFER TO:

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

JAN 27

January 26, 1955

Re: DMMA-3645
Apex Uranium, Inc.
(Lace & Acme Claim Groups)
San Juan Co., Utah
$805,776.50
Uranium

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicant has proposed a two-stage project of rim stripping and drilling to explore for uranium deposits in the Shinarump formation.

Stage I will include:

1.) 4100 feet of rim stripping along Shinarump-Moenkopi contact.

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The proposed program is planned as prospecting which may evolve, if successful, into a major exploration program. The possibility that the applicant's claims may be in a significant mineral belt in the Shinarump formation is not sufficient justification for the extensive program presently planned by the consulting partnership, Geo-Engineering.

This application is similar in its presentation to the previous application, DMMA-3633, which was submitted by Apex Uranium, Inc. and prepared by Geo-Engineering on the Pilot and Sheen claim groups. The claim groups in both applications are in the same immediate area.

I recommend this application be denied. If at some future time the operator's prospecting and preliminary exploration work discloses evidence of significant uranium mineralization in the Shinarump on his property, then further consideration of possible DMEA assistance will be justified.

E. L. Newcomb

ELNewcomb:hlm
G-1/26/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior

IN REPLY REFER TO:

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

PRESIDENT OF THE UNITED
Defense Minerals Administration
RECEIVED
JAN 27 1955

January 26, 1955

Re: DMEA-3643
Apex Uranium, Inc.
(Lace & Acme Claim Groups)
San Juan Co., Utah
$205,776.50
Uranium

Memorandum

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

From: E. L. Hassemb, U. S. Geological Survey

Subject: Review of application

The applicant has proposed a two-stage project of rim stripping and drilling to explore for uranium deposits in the Shinarump formation.

Stage I will include:

1.) 4100 feet of rim stripping along Shinarump-Moenkopi contact.

2.) 300 holes (ranging in depth from 50-150 feet).

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1.) 300 holes (average depth of 100 feet).

The application states there are no mine workings on the property and no exploratory work has been done. It is reasonable to assume no aggressive prospecting has been undertaken on the Lace and Acme claims.

The proposed program is planned as prospecting which may evolve, if successful, into a major exploration program. The possibility that the applicant's claims may be in a significant mineral belt in the Shinarump formation is not sufficient justification for the extensive program presently planned by the consulting partnership, Geo-Engineering.

This application is similar in its presentation to the previous application, DMEA-3633, which was submitted by Apex Uranium, Inc. and prepared by Geo-Engineering on the Pilot and Shean claim groups. The claim groups in both applications are in the same immediate area.

I recommend this application be denied. If at some future time the operator's prospecting and preliminary exploration work discloses evidence of significant uranium mineralization in the Shinarump on his property, then further consideration of possible DMEA assistance will be justified.

E. L. Newcomb

ELNewcomb:hlm
G-1/26/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. H. Crawford, 3641 Interior

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1955

January 26, 1955

Re: DMEA-3645
Apex Uranium, Inc.
(Lace & Acme Claim Groups)
San Juan Co., Utah
$805,776.50
Uranium

Memorandum:

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

From: R. L. Hawkins, U. S. Geological Survey

Subject: Review of application

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The application states there are no mine workings on the property and no exploratory work has been done. It is reasonable to assume no aggressive prospecting has been undertaken on the Lace and Acme claims.

The proposed program is planned as prospecting which may evolve, if successful, into a major exploration program. The possibility that the applicant's claims may be in a significant mineral belt in the Shinarump formation is not sufficient justification for the extensive program presently planned by the consulting partnership, Geo-Engineering.

This application is similar in its presentation to the previous application, DMEA-3633, which was submitted by Apex Uranium, Inc. and prepared by Geo-Engineering on the Pilot and Sheen claim groups. The claim groups in both applications are in the same immediate area.

I recommend this application be denied. If at some future time the operator's prospecting and preliminary exploration work discloses evidence of significant uranium mineralization in the shinarump on his property, then further consideration of possible DMEA assistance will be justified.

E. L. Newcomb

ELNewcomb:blm
G-1/26/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior

January 24, 1955
Subject: DMEA 3645
Re: Exploration Assistance
Lace and Acme Groups

Apex Uranium, Inc.
718 Majestic Building
Denver, Colorado

Gentlemen:

The receipt of your application dated December 28, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3645 and referred to the Rare and Miscellaneous Metals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

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

224 New Customhouse
Denver 2, Colorado

January 20, 1955

Memorandum

To: Secretary, to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance, (Uranium), Apex Uranium, Inc., Lace and Acme groups of claims, Elk Ridge Mining District, San Juan County, Utah

Enclosed are the four copies of the subject application for Government assistance in the full amount of $205,776.50.

The fact that no target areas exist on the property (uranium mineralization not having been established) places this application in the category of prospecting.

NO! EWE.

We recommend the entire application be returned to the applicant and Apex Uranium Inc. be required to do the necessary preliminary prospecting to establish target areas after which an exploration program can be logically formulated and application resubmitted.

W. M. Traver

RDB:pw

W. M. Traver

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 3645
Metal or Mineral Uranium
Date Received 1-24-55
Estimated Cost $205,776.50
Participation (Government %)

RECEIVED JAN 24 1955

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: Apex Uranium, Inc. (Colorado corporation)
718 Majestic Building
Denver, Colorado
Officers' names and addresses attached

(*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 Lessee of lode mining claims, see attached material.
Copy of lease attached as exhibit.

(*b*) State any mine name by which the property is known. Claim groups only - Acme & Lace groups

(*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. See Exhibit 2, copy of lease.

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See attached material, p. 4, par. 3.

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

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

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

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

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

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Par. 4(a) to (e) See attached material pp. 5-6.

Paragraph 5(a) to (e) - See attached material pp. 1-5.

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

(*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 ..... days and be completed within ..... 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. Par. 5(a) to (d) rpt.

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?

☒ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated December 23, 195[illegible]

[illegible]
(Applicant)

By Harry Schwab
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

APPLICATION

for

DAMA PROJECT

on

LACE and ACME GROUPS

for

APEX URANIUM, INC.
718 Majestic Building
Denver, Colorado

Geo-Engineering, 804 Main Street, Grand Junction, Colorado

Application for AEC Project on the Lace and Acme Groups Prepared for Apex Uranium, Inc., 718 Majestic Building, Denver, Colorado

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Geo-Engineering, 304 Main Street, Grand Junction, Colorado

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SCHEDULES

1. Drill Hole Depth
2. Drilling Summary
3. Estimates of Amounts to be Paid to Independent Contractors
4. Other Costs
5. Summary of Costs and Calculation of Unit Costs

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EXHIBITS

Exhibit No. 1. Executed Form MF-103
Exhibit No. 2. Copy of Lease (locators to applicant)
Exhibit No. 3. Owner's Executed Consent to Lien, Form MF-203

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MAPS AND PLATES

Figure 1. Index Map
Plate I. Claim Map - Lace Group
Plate II. Claim Map - Acme Group

GEO-ENGINEERING
304 Main Street
Grand Junction, Colo.

December 23, 1954

APPLICATION FOR DMEA PROJECT ON ELK RIDGE
AND ACME GROUPS

Prepared for

APEX URANIUM, INC.
718 Majestic Building
Denver, Colorado

INTRODUCTION.

This application, prepared by Geo-Engineering is for the purpose of obtaining a DMEA project loan on two groups of claims, totaling 15 claims in the Elk Ridge area of San Juan County, Utah, for the applicant, Apex Uranium, Inc.

DMEA form EF-103 has been executed and is attached as Exhibit 1. Numbering (and lettering) of the paragraphs of this Report refer to and correspond with the paragraphs of Form EF-103.

ABSTRACT.

This application is for a DMEA project contract of the short form or unit cost type. The project proposed is $205,776.50 for exploration of 15 claims lying in two groups in the Elk Ridge (unorganized) Mining District in San Juan County, Utah. A total of 60,000 feet of drilling, including 12,000 feet of core drilling, is proposed at a unit cost of $3.2267 per foot. Additionally, 3,200 lineal feet of rim-stripping is proposed on the Ace claims and 900 feet of rim-stripping is proposed on the Acme group at a unit cost of $1.21 per lineal foot; and provision is made for custom assaying at $6.00 per sample, these latter items being included in the total cost of the project but not included in calculation of the unit cost of the drilling. 25% of the total estimated expenditure or $51,444.12 will be furnished by the applicant, Apex Uranium, Inc. The Defense Minerals Exploration Administration is requested to loan the rest, or $154,332.38.

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Lace and Acme Groups Prepared for Apex Uranium, Inc., 718 Majestic Building, Denver, Colorado

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The claim groups referred to lie within what appears at this time to be a mineral belt in the Shinarump formation. Extensive exploration in such inferred belt has produced some very large mines to the northeast and to the southwest.

The project is submitted as involving two Stages. Stage I provides for rim-stripping of the Moenkopi Shinarump* contact followed by drilling along the trend of all channels exposed thereby. Where rim-stripping is not available, Stage I holes will be in wide spaced grid pattern. The project provides for 300 Stage I holes. Average depth of the holes is estimated at 100 feet. As the program advances and more information becomes available the holes will be located with approval of the DMEA field team where the geology appears most favorable.

Stage II of the proposed project provides for the drilling of an additional 30,000 feet, 300 holes, average depth 100 feet, to be located with the approval of the DMEA Field Team in areas where the Stage I operations produce evidence of mineralization or favorable geology.

Drilling to date in the area indicates that moisture and clay will preclude wagon drilling. Rotary drilling with air or water is contemplated. Approximately 40% of the holes will be cored, averaging 50 feet of coring per hole. Thus approximately 20% of the entire footage will be cored.

Personnel of Geo-Engineering will act as consulting geologists and will supervise the execution of the project.

---

* As here used, the term "Shinarump formation" includes all of the cap rock forming sandstones that lie at the base of the Chinle formation or between the Chinle and Moenkopi formations. The units which have by some been called "Mossback", "Chinle X" and "Commission Sandstone" are all included here in the term "Shinarump formation".

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Paragraph 1. Name of applicant, etc.

(a) APEX URANIUM, INC.
718 Majestic Building, Denver, Colorado

(b) Applicant is a Colorado corporation, duly qualified to do business in Colorado and in process of qualifying to do business in the State of Utah.

(c) Officers of the corporation (and also the directors) are:

Lawrence M. Schwab, President
901 Sherman Street, Denver, Colorado

Wm. A. Dowdle
2490 South Lincoln Street, Denver, Colorado

Homer F. Woehrmyer, Vice-President
2379 Forest Street, Denver, Colorado

NOTE:

As above stated, Geo-Engineering will be in active charge of the project for applicant. It is therefore requested that correspondence regarding this application be addressed to:

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

(d) Not applicable.

Paragraph 2. Not applicable.

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Paragraph 3. Applicant's property rights, etc.

(a) Legal Description.

Lode mining claims in Elk Ridge (unorganized) Mining District in San Juan County, Utah, referred to as the Lace and Acme Groups, as follows:

Lace #15 to #24, inclusive (10 claims). (See location map, Plate I). Location certificates recorded Book 109, pp. 40-44, and re-recorded Book 195, pp. 440-445.

Acme #24 to #28, inclusive (5 claims). (See location map, Plate II) Location certificates recorded Book 93, pp. 373-375.

Location of both groups shown on attached Index Map (Figure 1).

Applicant holds lease on 15 additional claims in immediate area, described in application dated December 20, 1954, for DMEA project similar hereto. Applicant also holds option to lease 20 claims described in application for DMEA project being prepared to to be submitted currently.

(b) Name of property.

Property has no name other than the claim names and is herein referred to as the Lace and Acme Groups.

(c) Applicant's interest in property.

Applicant holds a lease upon the above described 15 claims from Lyle F. Campbell and Julian S. Simpson, both of Grand Junction, Colorado. Lease (copy) attached hereto as Exhibit 2.

(d) Lease - copy attached, Exhibit 2.

Consent to Lien, Form MF-203, executed by owners-lessors, is attached hereto as Exhibit 3.

(e) Liens - None.

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(f) Land consists of unpatented claims. Location certificates recorded, San Juan County, Utah, in the names of the above-mentioned lessors as above stated under item (a). Photo copies will be furnished by applicant on request.

Paragraph 4. Physical Description of Property.

(a) Operations, etc.

There are no mine workings and there has been no exploratory work on the property.

(b) Production, Reserves.

There are no known deposits on the property.

(c) Geologic Features and Justification for Exploration.

The claims are located in what appears to be a uranium mineral belt in the Shinarump formation similar to the belt which has been defined for the Morrison formation. Areas to the northeast and to the southwest of the property have, under extensive exploration, produced some very large mines. (See Index Map, Figure 1). Drilling programs in White Canyon and on Deer Flat have been gradually proving the belt northward toward Elk Ridge. Rim-stripping on neighboring claims (owned by Lance Engineering, Grand Junction, Colorado) has exposed several mineralized sandstone lenses which have not to date been explored. If the inferred mineral belt exists, and applicant's consulting geologists have expressed the opinion that it does, the prospects for this property are very good. Relatively shallow drilling depths justify systematic exploration.

Geology Stratigraphy: The two groups of claims are located on the Monument Upwarp, a broad flattened anticline with a north-south axis. Elk Ridge is the northern nose and eastern flank of the anticline.

The resistant Shinarump formation of late Triassic age is the only economically important ore-bearing formation underlying the two groups. Ore has been found in the Permian Cutler formation which also underlies the claims. Exploration of this formation is not included in this project because of the prohibitive drilling depths. (Note: As here used the term "Shinarump formation" includes all of the cap rock forming sandstones that lie at the base of the Chinle formation or between the Chinle and Moenkopi formations. The units which have by some been called "Moss back", "Chinle D" and "Commission Sandstone" are all included here in the term "Shinarump formation".)

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The Lace claims lie on a broad flat mesa from which erosion has stripped all of the post-Shinarump formations leaving a clean Shinarump cap rock upon which drill sites may be prepared with minimum effort and expense. On the Acme group the drills will stand on a northeasterly dipping bench formed by the resistant Shinarump formation and site preparation will be relatively inexpensive.

(d) Accessability

The claims lie about 20 airline miles west of Monticello, Utah, and about 55 miles southwest of Moab. Haulage distance to the A.E.C. plant at Monticello is about 35 miles - 10 miles on an excellent paved highway and 25 miles over better than average mine roads. Moab and Monticello have adequate mine supply houses.

(e) Availability of Manpower, etc.

Manpower, skilled in performing the type of drilling and exploration planned, is readily available in the area. Dependable sources of material and supplies are also available. Equipment will be furnished by private contractors.

Geo-Engineering, a professional engineering firm, will supply surveying instruments and transportation for technical personnel.

Paragraph 5. The exploration project.

(a) The mineral for which this project will explore is Uranium.

(b) Proposed work, etc.

The Exploration Plan recommended to the Defense Exploration Administration and to Apex Uranium, Inc., is as follows:

Stage I:

Approximately 3,200 lineal feet of rim-stripping by bulldozer should be done on the Lace claims in the approximate location shown on Plate I; and approximately 900 lineal feet on the Acme claims in the approximate location shown on Plate II.

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Radiometric surveys to be made in areas where it is not feasible to expose the contact rim by stripping.

Drilling of 300 proposed holes at sites to be selected and submitted to the DMA field team for approval as data from rim-stripping is obtained. Depth of the holes is estimated to range from 50 feet to 150 feet and the average depth of such 300 holes is estimated to be 100 feet, the aggregate footage thus being 30,000 feet.

State II:

Drilling of 300 additional test holes following the usual pattern of fifty foot spacing in and around the areas where the Stage I stripping and drilling has revealed favorable geology. Locations of such Stage II holes to be made with the approval of the DMA field team as data from the preliminary work is accumulated and evaluated. Estimated depths of the Stage II holes is the same as for Stage I drilling, i.e., 100 feet per hole, and the proposed 300 holes will thus involve an aggregate of 30,000 feet.

Geologic Control of Drilling.

Applicant's consulting geologists will maintain close geologic control over the drilling and will locate and relocate proposed drill sites, with prior DMA approval, in the light of continually developing information.

Logging and Sampling.

A sampler who will also act as a field assistant for surveying will be employed to do the logging and sampling. An accurate log will be maintained by the driller. Barren core will be arranged on the ground or otherwise preserved and properly identified so that the geologist or sampler can carefully check the driller's log. Core from each run will be carefully dropped out of the core barrel into a wooden trough and will be carefully examined by the sampler or other competent individual, using a field gamma ray detecting device. If any trace of mineralization is found, the complete core "run" will be arranged in a core box provided with a hinged lid and will be properly preserved until the geologist can properly sample the same. Core losses will be prorated proportionately regardless of lithology. Each sample will be carefully described by the geologist in a bound field book, as it is placed in the sample sack. All

samples will be sent to commercial assayers for percentage determination of U_3O_8, V_2O_5, and $CaCO_3$. In addition, all holes will be checked by probe by sampler, geologist or other competent individual.

(c) Duration of Project.

The work will start within 90 days from the date of an exploration contract. It is estimated that it will require 18 months to complete this project with one drill. The employment of more than one drill would result in inadequate geological control, wasted footage and an increase in exploration costs per ton of ore discovered.

(d) Ability, Operating Experience, etc.

Applicant's president, Mr. Schwab, is President and general manager of International Fire Insurance Company; Mr. Dowdle is President and general manager of the Dowdle Sheet Metal Company; and Mr. Moehrayer is President and General Manager of the Moehrayer Printing Company. Such officers and directors have demonstrated successful business management of their respective companies, and are experienced executives.

Geo-Engineering, a firm of professional engineers and geologists, with offices conveniently located at Norwood, Colorado, and at Grand Junction will act as consultants to Apex for this project. A brief description of the experience background of the three general partners of Geo-Engineering is given below.

Louis P. Gaggini, who is Chief Geologist for Geo-Engineering, began working in uranium in 1941, as geologist for the Union Mines Development Corporation, a contractor for the United States Army Manhattan Engineering Project. Subsequent experience in carnotite exploration included almost two years with the Exploration Branch of the Atomic Energy Commission in Grand Junction and six months with the United States Vanadium Company. Mr. Gaggini was for two years mining superintendent of the Dulaney Mining Company, where he was in charge of all mining and exploration. This company is at present mining large tonnages from ore bodies which were discovered during that period. From August 1952 to February 1953, Mr. Gaggini was manager of the Colorado Uranium Division of the J. R. Simplot Company. During this period Mr. Gaggini successfully prepared applications for and administered for several months two large DMEA projects.

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Lace and Acme Groups Prepared for Apex Uranium, Inc., 713 Majestic Building, Denver, Colorado

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Harold A. Culp is a geologist and geophysicist and a co-partner in Geo-Engineering with Mr. Gaggini and Mr. Lewis D. Anderson. Since graduating with a degree in economic geology from Oregon State College in 1941, Mr. Culp has, in addition to uranium, worked with gold, oil, copper, cobalt and tungsten; this includes 6 years' experience in metal mining and 3 years of geophysical prospecting in oil and mining. In addition to mine management for others, he has operated a mine in which he shared a 1/3 investment interest. His work has included the preparation of Defense Mineral Exploration Administration projects and, after approval of loan applications by that agency, supervision of the project. During 1953-54, Mr. Culp was project geologist and then acting superintendent of the Bull Canyon mines of the J. R. Simplot Company.

Lewis D. Anderson, mining engineer, is a graduate from the Colorado School of Mines (registered mining engineer #1844 in Colorado). From December 1946 through 1948, Mr. Anderson worked as engineer and shift boss for the Resurrection Mining Company at Leadville, Colorado. From January 1949 through April 1950, he worked as mining engineer in the General Chemical Division of Allied Chemical and Dye. He was mine foreman of the Rico-Argentine Mining Company, Rico, Colorado, from June 1950 to October 1951. Mr. Anderson then accepted employment as Division Engineer for the Dulaney Mining Company in the Gateway, Dove Creek, Monticello, and Gyp Valley area. From June 1952 to 1954, Mr. Anderson's duties as mining engineer covered both the mining and milling of uranium-vanadium ores and included jurisdiction over the United States Vanadium Company's uranium operations in the Edgemont, South Dakota area.

Paragraph 6. Estimate of Costs.

Applicant requests that this exploration project contract be placed upon a unit cost basis. Costs of the project are calculated in terms of the cost per foot of drilling, except for the costs of sample analysis and of rim-stripping, reflected by separate units of cost.

Geo-Engineering, 804 Main Street, Grand Junction, Colorado

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DETAIL OF COSTS OF PROJECT

(a) Independent Contracts.

Drilling will be done by qualified private contractors. The prices quoted by competent firms active in the uranium field are used as the unit cost in estimating the drilling at $2.00 per foot. Such cost is estimated upon the basis of an average drilling depth of 100 feet, assuming maximum depth of 150 feet. The prices quoted for hole depths 0' to 200' are $2.00 per foot for drilling (rotary rig with air or water as may be required) and $2.25 for coring. It is estimated that 40% of the holes will be cored and that there will be 50 feet of coring in each hole cored. The project provides for 300 Stage I holes and 300 Stage II holes, being a total of 600 holes of 100 feet average depth, or 60,000 feet, making a drilling cost of $122,000.00. See Schedules 1, 2 and 3.

Road building and drill site preparation is estimated at sixty days of bulldozer work spread over the period of the drilling. Rental, with an operator, is quoted at $100 per day. Because many hole locations will be made after evaluating results of previous drilling, it will be necessary to transport the equipment to the project several times. A minimum of six such trips at $100 per round trip is believed necessary. See Schedule 3.

(b) Labor, Supervision and Consultants.

Geo-Engineering will supervise, direct and act as consulting geologists for $1,000 per month and expenses. A draftsman and a stenographer will be provided on an hourly basis to prepare necessary project reports. A field assistant will be employed by Geo-Engineering or Apex Uranium, Inc. to help with surveying and act as sampler. Such costs and expenses are estimated at $32,792.40 for the project. See Schedule 4, Item 6(b).

(c) Operating Materials, Supplies, etc.

Expenses for office supplies, map and drill log reproductions for monthly reports and correspondence with AEC, etc., are estimated at $150.00 per month, or $2,700.00 for the project. Expenses for survey stakes, timber crayons, water bags, sample containers, etc., are estimated at $100.00 for the project. See Schedule 4, Item 6(c).

(d) Operating Equipment.

All operating equipment will be provided by independent contractors or by Geo-Engineering.

(e) Rehabilitation and Repairs.

None needed.

(f) New Buildings, Improvements and Installations.

Rental of one trailer house for field office and quartering supervisory personnel at $50.00 per month for 18 months is included in the estimated cost of the project. Schedule 4, Item 6(f).

(g) Miscellaneous.

Expense of Apex Uranium, Inc. for accounting and record keeping for project, etc. is estimated at $100.00 per month. Additional expenses for payroll taxes, estimated at 10% of items in (b) supra - wages of draftsman, steno, field assistant, are included at $57.10 per month. Schedule 4, Item 6(g).

(h) Contingencies.

Drilling contractors vary the drilling charge with depth of the hole. Estimate for drilling cost is based upon an average depth of 100 feet. However, it is probable that few, if any, holes will be less than 50 to 75 feet while many may exceed 100 or even 150 feet. In such event, the drilling cost will exceed $2.05 per foot. Estimates for road, trail and site construction may be inadequate in that they are based merely upon hourly rates for tractor and bulldozer work, whereas some rock drilling and blasting may be required. 15% is added for such contingencies. Labor, supervision and consultant payments are based on monthly or hourly

charges. Any event which might prolong the project will increase such costs. 10% is added to cover such contingencies. Operating materials and supplies have been estimated at a minimum. Unforseen destruction or consumption could easily increase these costs by 20%. Miscellaneous costs, supra, are increased 30% to cover omitted items, unforseeable extra help requirements, taxes, etc. Schedule 4, Item 3(h).

Analytical Work.

The cost of analytical work is not included in or covered by the drilling costs, supra, or in the cost per foot of drilling. A separate unit cost of $6.00 per sample is included in the project. It is estimated that 1200 samples may be assayed. The contract price of independent assayers is $6.00 being:

U_3O_8	$3.50
V_2O_5	1.50
$CaCO_3$	1.00
	$6.00

It is estimated that the project will require an average of 2 assays per hole or analysis of 1200 samples at $6.00 each.

Rim-Stripping.

Rim-stripping will be done by qualified private contractors. The prices quoted in the area by competent firms for operator and rental of heavy equipment are $150.00 per day. It is estimated that approximately 3,200 feet of rim-stripping in the Lace group will require 25 days, and 900 feet on the Acme group will require 6 days. One day each way is allowed for moving on and off the property. Costs and unit costs per lineal foot are estimated at 31 days plus two moving days, or 33 days at $150.00 per day. The approximate locations of rim-stripping are shown on Plates I and II.

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Summary of Costs (From Schedule 5)

I.	Costs of drilling, including all costs of project except analytical work and rim-stripping, shown separately - - - - - - - - - - -		$195,615.50
	Calculated unit cost: 60,000 feet drilling at $3.2267 per foot		
II.	Analytical Work, - contract unit cost 1200 samples at $6.00 each		7,200.00
III.	Cost of Rim-stripping:		
	Lace Group - 3,200 feet at $1.21 - - -	$3,872.00	
	Acme Group - 900 feet at $1.21 - - -	1,089.00	4,961.00
	TOTAL FOR PROJECT		$205,776.50
	Amount to be paid by Apex Uranium, Inc. (25%)		$ 51,444.12
	Amount of Defense Minerals Exploration Administration Loan Requested		$154,332.38

(Note: Detail of estimated costs shown on Schedules 1, 2, 3 and 4, and Summary shown on Schedule 5.)

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

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Paragraph 7. Applicant's Share of Cost.

In accordance with the Defense Minerals Exploration Administration Regulations, applicant, Apex Uranium, Inc., is prepared to assume 25% of the cost of this project in the following manner, to-wit:

The company will perform all of the necessary work and pay for all of the labor, materials and supplies. Reimbursement of the company by the DMEA will be pursuant to the Summary of Costs immediately hereinabove, less 25%, i.e., the amount to be loaned by the Government will be 75% of the above shown unit costs for each of the units of work performed.

Respectfully submitted as a part of "Application for Aid in an Exploration Project" upon Form AF-103, attached hereto and made a part hereof.

APEX URANIUM, INC.

By Larry Church
President

Application prepared, approved and recommended by:

Geo-Engineering (a partnership)
Louis P. Gaggini
Harold F. Culp
Lewis D. Anderson

By Louis P. Gaggini

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Lace and Acme Groups Prepared for Apex Uranium, Inc., 718 Majestic Building, Denver, Colorado

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Schedule 1.

DRILL HOLE DEPTH

It is estimated that drilling depths will range from 50 to 150 feet and will average 100 feet. Stage I drilling proposes 300 holes, average depth 100 feet:

Stage I Drilling:

300 holes - average depth 100 feet (est'd.)--- total		30,000 feet

Stage II Drilling:

300 holes - average depth 100 feet (est'd.)--- total		30,000 feet
	TOTAL PROJECT	60,000 feet

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Lace and Acme Groups Prepared for Apex Uranium, Inc., 713 Majestic Building, Denver, Colorado

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Schedule 2.

DRILLING SUMMARY

	Holes	Est. Depth per Hole	Est. Non Core Drilling per Hole	Est. Coring per Hole
Stage I:	120	100'	50'	50'
	180	100'	100'	0'
Stage II:	120	100'	50'	50'
	180	100'	100'	0'
Total	600			

	Holes	Est. Total Feet Drilling	Est. Non Core Drilling	Est. Core Drilling
Stage I:	120	12,000	6,000	6,000
	180	18,000	18,000	-0-
Stage II:	120	12,000	6,000	6,000
	180	18,000	18,000	-0-
		60,000	48,000	12,000
Price per foot		$2.05	$2.00	$2.25
Cost		$123,000.00	$96,000.00	$27,000.00

Geo-Engineering, 504 Main Street, Grand Junction, Colorado

Application for SMA Project on the Lace and Cone Groups Prepared for Apex Uranium, Inc., 713 Majestic Building, Denver, Colorado

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Schedule 3.

ESTIMATES OF AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS (excluding Rim-Stripping & Analysis).

Explanation	Units	No. of Units	Cost/Unit	Total Cost/Item	Grand Total
Drilling Contractor:					
Stage I Drilling (See Schedule 2)					
300 holes @ 100 feet	feet	(30,000)			
non-core drilling	feet	24,000	$ 2.00	$48,000.00	
core drilling	feet	6,000	2.25	13,500.00	
Stage II Drilling (See Schedule 2)					
300 holes @ 100 feet	feet	(30,000)			
Non-Core drilling	feet	24,000	2.00	48,000.00	
Core drilling	feet	6,000	2.25	13,500.00	
Total Drilling		60,000		$123,000.00	$123,000.00
Bulldozer & Tractor Contractor:					
Moving on & off property	Rd. trip	6	$100.00	600.00	
Rental with operator	Day	60	100.00	6,000.00	
					6,600.00
Total stimated to be paid to Independent Contractors	feet	60,000	2.16		$129,600.00

(Note: Amounts to be paid Contractors for Rim-Stripping and analytical work are shown separately. See Schedule 5).

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Lace and Acme Groups Prepared for Apex Uranium, Inc., 718 Majestic Building, Denver, Colorado

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Schedule 4 - Other Costs

Item & MF-103 heading letter	Cost per Month	Cost Project	Unit Cost 60,000 ft.
6(b) Labor, Supervision & Consultants.			
Geo-Engineering fees	$1,000.00	$18,000.00	
Expenses (other than personnel	250.00	4,500.00	
Draftsman (48 hrs. per mo. @ $3.00)	144.00	2,592.00	
Steno-typist (24 hrs. per mo. @ $2.20)	52.80	950.40	
Sampler - Field Assistant	375.00	6,750.00	
Total, Item 6(b)	$1,821.80	$32,792.40	.5465
6(c) Operating Materials, Supplies, Etc.			
Office supplies, map and drill log reproductions for monthly reports and correspondence with DMEA, etc.	150.00	2,700.00	
Survey stakes, timber crayons, water bags, sample containers, etc.		100.00	
Total, Item 6(c)		$ 2,800.00	.0466
6(d) Operating Equipment.			
All operating equipment will be provided by independent contractors or by Geo-Engineering		None	
6(e) Rehabilitation and Repairs.			
None needed		None	
6(f) New Buildings, Improvements and Installations.			
Rental of one trailer house	50.00	900.00	.015

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for EMA Project on the Lace and Acme Groups Prepared for Apex Uranium, Inc., 718 Majestic Building, Denver, Colorado

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Schedule 4 - cont'd.

Item & MF-103 heading letter	Cost per Month	Cost Project	Unit Cost 60,000 ft.
6(g) Miscellaneous.			
Expense for accounting and record keeping for project, etc.	$100.00	$1,800.00	
Payroll taxes, estimated at 10% of items in (b) supra - wages of Draftsman, Steno, Field Assistant	57.18	1,029.24	
Total, Item 6(g)	$157.18	$2,829.24	.0471

6(h) Contingencies.

15% of	$129,600.00	$19,440.00	(Sched. 3)
10% of	32,792.40	3,279.24	(Item 6(b))
20% of	2,800.00	560.00	(Item 6(c))
50% of	2,829.24	1,414.62	(Item 6(g))
Total, Item 6(h)		$24,693.86	$24,693.86	.4115

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Recapitulation, Schedule 4

Item	Cost Project	Unit Cost
6(b)	$32,792.40	$0.5465
6(c)	2,800.00	0.0466
6(d)	none	
6(e)	none	
6(f)	900.00	0.0150
6(g)	2,829.24	0.0471
6(h)	24,693.86	0.4115
	$64,015.50	$1.0667

Schedule 4 - cont'd.

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMMA Project on the Lace and Acme Groups Prepared for Apex Uranium, Inc., 713 Majestic Building, Denver, Colorado

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Schedule 5.

Summary of Costs and Calculation of Unit Costs

Letter Heading	Description of Item	No. of Units	Unit Cost	Cost Project
6(a)	Drilling - Independent Contractor See Schedule III	60,000 feet	$2.1600	$129,600.00
6(b)	Labor, Supervision & Consultants See Item 6(b) Schedule 4	"	0.5465	32,792.40
6(c)	Operating Materials, Supplies See Item 6(c) Schedule 4	"	0.0466	2,800.00
6(d)	Operating Equipment, Etc. See Item 6(d) Schedule 4	"		none
6(e)	Rehabilitation and Repairs See Item 6(e) Schedule 4	"		none
6(f)	New Buildings, Etc. See Item 6(f) Schedule 4	"	0.0150	900.00
6(g)	Miscellaneous See Item 6(g) Schedule 4	"	0.0471	2,829.24
6(h)	Contingencies See Item 6(h) Schedule 4	"	0.4115	24,693.86
	Total Project and Calculated Unit Cost Before Rim-Stripping and Analytical Work	60,000 feet	$3.2267	$193,615.50
	Analytical	1200 samples @	$6.00	7,200.00
	Rim-Stripping: Lace group	3,200 feet @	$1.21	3,872.00
	Acme group	900 feet @	$1.21	1,089.00
	Total Project			$205,776.50

Schedule 5.

MINING LEASE

THIS AGREEMENT, made and entered into in duplicate as of November 15, 1954, between LYLE F. CAMPBELL and JULIAN E. SIMPSON, of Grand Junction, Colorado, hereinafter called Lessors, and APEX URANIUM, INC., 718 Majestic Building, Denver, Colorado, hereinafter called Lessee, WITNESSETH:

That the Lessors, in consideration of the sum of Three Thousand Dollars ($3000.00), receipt of which is hereby acknowledged, and of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed and by the Lessee to be kept and performed, hereby grant, demise and lease to Lessee the following described lode mining claims in Elk Ridge (unorganized) Mining District, County of San Juan, State of Utah, the Location Certificates thereof being duly of record in the office of said County as follows:

NAME OF CLAIM	RECORDED BOOK	RECORDED PAGE	RE-RECORDED BOOK	RE-RECORDED PAGE
Lace 15	109	40	195	440
Lace 16	109	40	195	441
Lace 17	109	41	195	441
Lace 18	109	41	195	442
Lace 19	109	42	195	442
Lace 20	109	42	195	443
Lace 21	109	43	195	443
Lace 22	109	43	195	444
Lace 23	109	44	195	444
Lace 24	109	44	195	445
Acme 24	93	373		
Acme 25	93	374		
Acme 26	93	374		
Acme 27	93	375		
Acme 28	93	375		

TO HAVE AND TO HOLD Unto Lessee for a term of five (5) years from the date hereof, and thereafter so long as merchantable ores are mined and sold from any of said mining claims, unless sooner forfeited through the violations of any covenant herein required to be performed by Lessee, with a right to surrender this lease as hereinafter set forth.

In consideration of such lease, LESSEE COVENANTS AND AGREES With Lessors as follows, to wit:

1. To enter upon said mining claims and to do and perform exploration and development work by expending a minimum of Three Thousand Dollars ($3000.00) each six (6) months and, if commercial ores are discovered, to mine and ship ores of a minimum value of Three Thousand Dollars ($3000.00) each six (6) months period; it being understood and agreed that if Lessee is unable to mine ores of Three Thousand Dollars ($3000.00) in value during each six (6) months, but shall mine some ores, it shall expend in exploration and development to make up the difference between the value of such ores and said minimum of Three Thousand Dollars ($3000.00). The first six (6) months period shall commence on November 15, 1954.

2. To cause to be paid to Lessors a royalty of fifteen per cent (15%) of the proceeds of ores mined and sold from any of said claims, including fifteen per cent (15%) of any bonus payment paid by the Atomic Energy Commission, less, HOWEVER, development and haulage allowances. All such ores shall be shipped in the joint names of Lessors and Lessee and payment of such royalties shall be made as follows: 10.5% to Lyle F. Campbell, Box 1698, Grand Junction, Colorado, and 4.5% to Julian L. Simpson, Box 127, Grand Junction, Colorado.

3. To keep full and accurate records of all operations carried on hereunder, including drilling records, maps and assays, open to inspection of Lessors, or their agent, at all reasonable times, and to permit Lessors, or their agent, full and free access to said claims for the purpose of inspection and otherwise. To furnish Lessors with true copies of all drilling records, maps, assays, and other relevant information with respect to Lessee's mining operations.

To make Lessors, or their agent, a written report, within thirty (30) days after the end of each six (6) months period, showing gross value of ores shipped and cost of development work performed during such period.

4. To carry on all mining operations in strict conformity with all laws and regulations pertaining to such operations, to carry Workman's Compensation Insurance, and to pay all State and Federal taxes and exactions under operations hereunder, including any production taxes, and to save and keep harmless Lessors from any and all liability of every kind and character arising out of Lessee's mining operations hereunder.

5. To post notices at or near workings upon said mining claims, reciting in substance that all mining operations are being carried on and conducted by Lessee, and that Lessors will not be liable for any claims or acts of any kind or character arising out of Lessee's work hereunder.

6. So long as this lease may be in effect, to do and perform within the time prescribed by law the annual labor required for the retention of possessory rights upon said mining claims, and to make and file affidavits so stating, beginning with the period ending June 30, 1955; all of such work and expenditure to be completed on or before June 1 of each year.

MUTUAL COVENANTS

IT IS MUTUALLY AGREED That Lessee shall have the right to surrender this lease at any time upon giving Lessors at least thirty (30) days written notice of such intention to surrender, sent by registered mail to Lyle F. Campbell, Box 1698, Grand Junction, Colorado; and upon such surrender or cancellation as hereinafter provided, Lessee shall have the right, within a reasonable time, to remove all of its machinery, equipment and personal property from said lands, and, upon surrender or cancellation Lessee shall leave all excavations made by it in such condition that the removal of wast materials should not be required in order to continue mining at such point or points.

IT IS FURTHER AGREED That Lessee shall have the right to assign or sublet this lease, or any part or portion of said mining claims, without first obtaining consent of Lessors thereto; provided however, that such assignment or sublease shall not be valid until fifteen (15) days after Lessee has delivered a fully executed, true copy of such assignment or sublease to Lessors.

IT IS FURTHER AGREED That Lessors will execute the Owner's Consent to Lien in order that Lessee may obtain a Defense Minerals Exploration Administration loan, however it being understood and agreed that any royalty payment to the United States shall, in no event, reduce the royalty payment heretofore specified to be paid by Lessee.

IT IS FINALLY AGREED That upon violation by Lessee of any of the covenants in the foregoing lease, the term of this lease shall, at the option of Lessors, expire, and the same and said mining claims shall become forfeited to Lessors, and Lessors, or their agent, may thereupon enter upon said premises and dispossess all persons occupying the same, or, at the option of Lessors, Lessee and all persons found in occupation thereof, may be proceeded against as guilty of unlawful detainer, PROVIDED HOWEVER, that if said lease is forfeited upon the election of Lessors by reason of the failure of Lessee to perform the covenants thereof, Lessors shall give Lessee at least twenty (20) days notice in writing, by registered mail sent to Lessee at 718 Majestic Building, Denver, Colorado; notifying it of such failure to perform and setting out in said notice the substantial facts as to any such default or breach, and, upon failure or refusal by Lessee to cure and correct such defaults within twenty (20) days from the receipt of such notice, Lessee shall surrender and deliver up the possession of all of said premises and its rights under this lease shall thereupon cease and determine.

All of the provisions herein contained shall inure to and be binding upon the heirs and personal representatives of Lessors and Lessee and their lawful assigns.

WITNESS Their names:

Lyle F. Campbell

Lyle F. Campbell

Julian E. Simpson

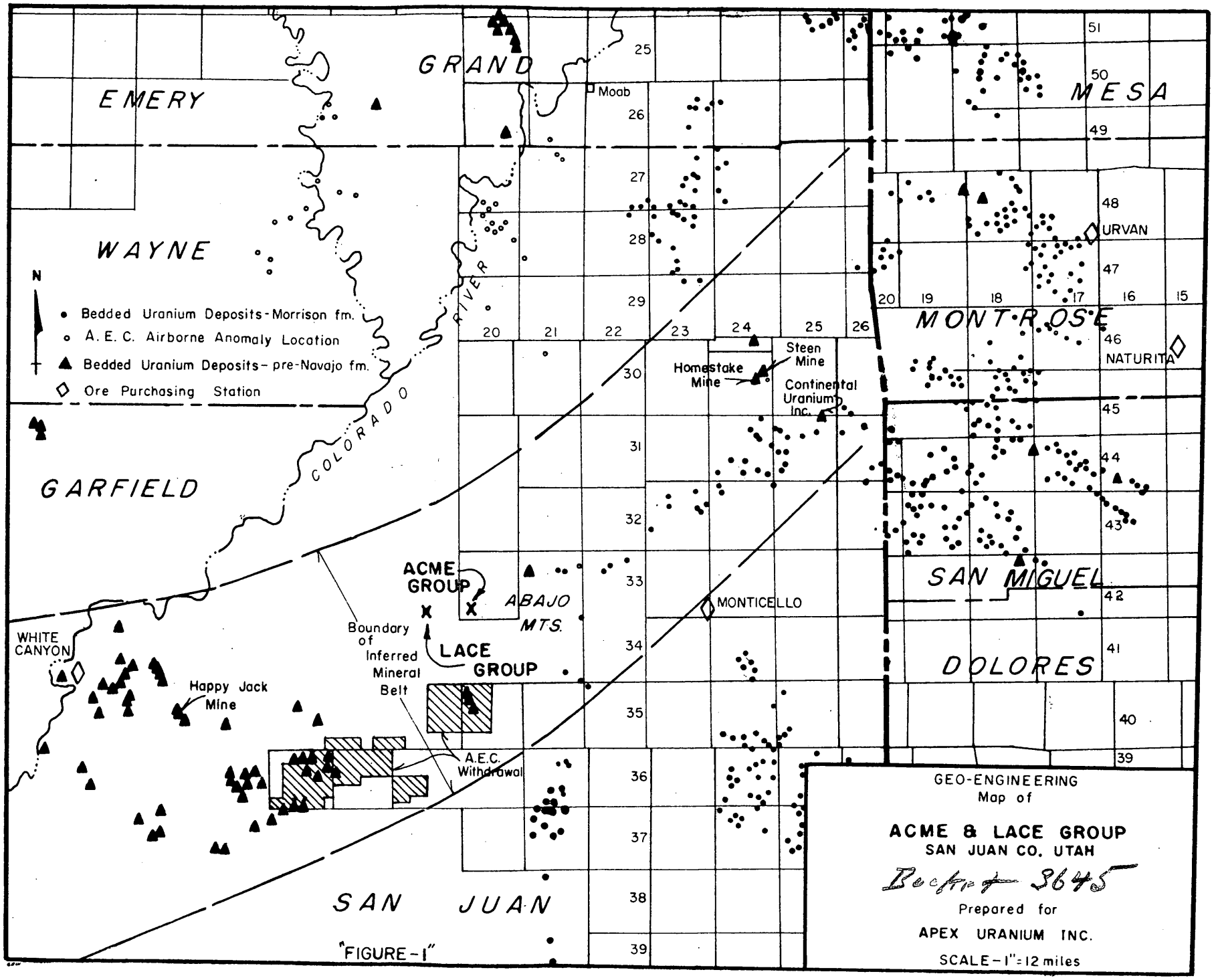
Julian E. Simpson
(Lessors)

APEX URANIUM, INC.

BY W. R. Goodee
President
Thereunto duly authorized.

ATTEST:

By Karl Jeanes
Secretary


GRAND
EMERY
WAYNE
GARFIELD
SAN JUAN
MESA
MONTROSE
SAN MIGUEL
DOLORES
COLORADO RIVER
Moab
URVAN
NATURITA
MONTICELLO
Homestake Mine
Steen Mine
Continental Uranium Inc.
ACME GROUP
LACE GROUP
ABAJO MTS.
Boundary of Inferred Mineral Belt
A.E.C. Withdrawal
WHITE CANYON
Happy Jack Mine
N
Bedded Uranium Deposits-Morrison fm.
A. E. C. Airborne Anomaly Location
Bedded Uranium Deposits- pre-Navajo fm.
Ore Purchasing Station
GEO-ENGINEERING
Map of
ACME & LACE GROUP
SAN JUAN CO. UTAH
Bechtel 3645
Prepared for
APEX URANIUM INC.
SCALE-1"=12 miles

"FIGURE-1"

COR. 2, LACE 15 IS APPROX.
28' SOUTH AND 12,030' WEST
OF THE N.W. COR. OF SEC. 31,
T33S., R20E., S.L.M.

GEO-ENGINEERING
CLAIM MAP

LACE GROUP

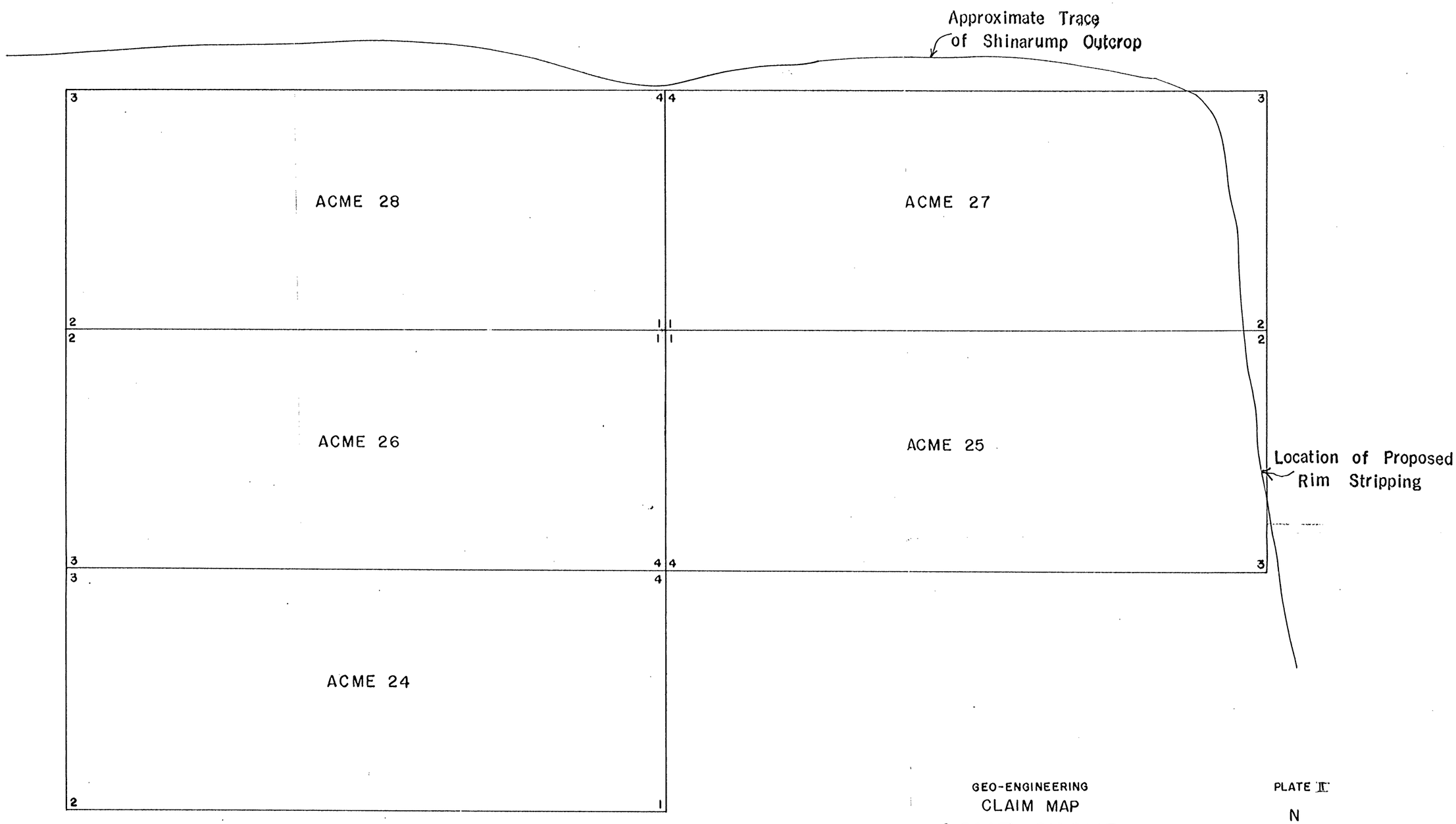
15-24
SAN JUAN COUNTY,
UTAH

SCALE — 1" = 200 FEET

PREPARED FOR
APEX URANIUM INC.
D.M.E.A. APPLICATION 3645

PLATE I

N



COR. 3, ACME 28 IS APPROX.
560' SOUTH AND 300' EAST
OF THE N.W. COR. OF SEC. 29,
T33S., R20E., S.L.M.

GEO-ENGINEERING
CLAIM MAP

ACME GROUP

24–28
SAN JUAN COUNTY,
UTAH

SCALE — 1" = 200 FEET

PREPARED FOR
APEX URANIUM INC.
D.M.E.A. APPLICATION 36145

PLATE II

N