Phone EX 8-5515

DMEA 3648

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	1/24/55
2	CONTRACT	DATE	7/16/55
3	TERMINATION AGREEMENT	DATE	
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS	DATE	
	RECISSION AGREEMENT	"	8-24-55

Docket copy

RECEIVED
SEP 26 1955

RESCISSION AGREEMENT

It is agreed this 24th day of August, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Utah Premier Uranium Company that Contract Idm-E841 (Docket No. DMEA-3648), dated July 18, 1955, shall be and is hereby rescinded as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever one party to the other, the same as if said contract had never been entered into.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitchell
Administrator, Defense Minerals
Exploration Administration

Robin
Hoffland
Appd. Sol. Off.
Murphy
Ellis
Talbot
Selfridge

UTAH PREMIER URANIUM COMPANY

By Richard Bancroft
president

Docket Copy

a

MF-200
(Revised June 1954)

Docket No. DMEA - 3648

Commodity Uranium

Contract No. Idm-E 841

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this JUL 18 1955 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] Utah Premier Uranium Company, a Utah Corporation

whose mailing address is 516 Continental Bank Bldg. Salt Lake City, Utah

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-200), the attached Exhibit "A," Annex I, and a map.

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 San Juan, 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] lease, [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: 15% interest in lease held by H. Evan Roberts

(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

[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."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of lessors, and Consent to Lien and Subordination Agreement of H. Evan Roberts.

(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 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(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 August 31, 1955 shall commence the work, and on or before December 31, 1955 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *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.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $25,400.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $19,050.00: *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 or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(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. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9. And see Article 13.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved 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 detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and 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 related costs incurred.

(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 8. *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 7) 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 therof 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 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *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: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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.

(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: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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 10 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 11. *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 12. *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 13. *Changes and added provisions.*—

To the extent that costs are set forth in Exhibit "A" as "Fixed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable under Article 6 of the contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitchendorf

Administrator, Defense Minerals Exploration Administration

UTAH PREMIER URANIUM COMPANY
(Operator)

By Martin Weisler

Attorney in Fact

Appd. Sol. Off.
Murphy
Ching
Talbot
Selfridge
Fleming

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—70617-1

EXPLORATION PROJECT CONTRACT
UTAH PREMIER URANIUM COMPANY
DOCKET NO. DMEA-3648

ANNEX I

The land referred to in Article 2 of this contract consists of 34 unpatented lode mining claims located in Secs. 29, 30, 31, and 32, T. 30 S., R. 25 E., S. L. B. & M., San Juan County, Utah. The claims are shown on a map "Figure 2. Geologic Map Showing Utah Premier Claims . . .," attached hereto and made a part hereof, and are recorded in the San Juan County Recording Office as follows:

Claim	Original Location		Amended Location	
	Book	Page	Book	Page
High Point	25	8	241	488
" " No. 1	19	145	241	488
" " No. 2	19	146	241	489
" " Fraction	47	490	241	487
Crooked Wash	19	306	241	486
" " Fraction	47	490	241	487
Paramount No. 1	19	140	243	3
" No. 2	19	141	243	3
" No. 3	19	141	243	4
" No. 4	19	142	243	4
" No. 5	19	142	243	5
" No. 6	19	143	243	5
" No. 1 Fraction	49	105	243	9
Silver Pot	23	57	241	483
" " No. 2	23	58	241	483
" " No. 3	23	59	241	484
" " No. 4	23	59	241	484
" " No. 5	23	60	241	485
Old Crow No. 3	23	31	241	500
" " No. 7 Fraction	47	488	243	1
" " No. 8 "	47	488	243	1
" " No. 9 "	47	489	243	2
" " No. 10 "	47	489	243	2
Brigham Tea No. 6	23	34	241	493
" " No. 8 Fraction	47	492	241	494
" " No. 9 "	47	492	241	494

Claim	Original Location		Amended Location	
	Book	Page	Book	Page
Brigham Tea No. 10 Fraction	47	493	241	495
Fair Hope	23	23	241	481
" " Fraction	47	491	241	482
" " No. 1 Fraction	97	454	241	481
Lost Canyon No. 1	29	279	241	480
" " No. 2	29	279	241	480
" " No. 3 Fraction	47	494	241	485
" " No. 4 Fraction	47	494	241	486

The Operator is in possession under an Agreement dated June 13, 1955, between G. O. Patterson et al., H. Evan Roberts, and the Operator, and the Operator represents and undertakes that there are no outstanding interests in the land other than those held by G. O. Patterson et al., and H. Evan Roberts, as disclosed to the Government.

EXPLORATION PROJECT CONTRACT
UTAH PREMIER URANIUM COMPANY
DOCKET NO. DMEA-3648

EXHIBIT "A"

Description of the Work

The object of this project is to explore the basal member of the Chinle formation for deposits of uranium ore by means of drilling. The depths of the holes are expected to range from 50 feet in Stage I, near the mineralized outcrop, to 400 feet farther back from the rim.

The work shall be performed in three (3) successive stages. The Operator shall perform all the work under Stage I, and so much of each of the following stages as is approved in advance in writing by the Government, based upon the results obtained in the previously completed stage or stages.

STAGE I

Stage I consists of bulldozing access roads, leveling eight (8) drill sites, and drilling eight (8) holes. The area in which these holes shall be drilled is indicated on the attached Figure 2, and covers part of the Crooked Wash, Crooked Wash Fraction, High Point, and High Point No. 1 claims.

The holes under Stage I shall be drilled to follow favorable mineralization or structural trends indicated by surface exposures and by other holes drilled during this stage, i. e., the thickening of the basal member of the Chinle formation to the southwest of Stage I drilling area, etc. No hole shall be drilled closer than 50 feet to nor more distant than 250 feet from any other drill hole.

Not in excess of sixteen (16) chemical analyses shall be made to determine the U_3O_8 and V_2O_5 content of samples procured from Stage I drilling.

STAGE II

Stage II consists of bulldozing access roads and leveling not to exceed thirteen (13) drill sites. The approximate

locations of the drill sites are shown on attached Figure 2. However, the exact location and direction of the drill-hole lines may be altered, with Government approval, based upon results obtained from Stage I drilling.

Not in excess of thirteen (13) holes shall be drilled on two lines spaced about 3,000 feet apart. The holes along each line shall be drilled at intervals of approximately 500 feet.

Not in excess of twenty-six (26) chemical analyses shall be made to determine the U_3O_8 and V_2O_5 content of samples procured from Stage II drilling.

STAGE III

Stage III consists of bulldozing access roads and leveling not to exceed nine (9) drill sites at locations approved by the Government in the vicinity of favorable and/or mineralized holes drilled during the previous stages. No hole drilled in this Stage III shall be closer than 50 feet to any other hole.

Not in excess of nine (9) holes shall be drilled, and not in excess of eighteen (18) chemical analyses shall be made to determine the U_3O_8 and V_2O_5 content of samples procured, during this Stage III.

GENERAL PROVISIONS

1. No hole drilled under this contract shall be closer than 100 feet to the outer boundaries of the land described in Annex I.

2. A supervising geologist or mining engineer and one helper shall be employed full time while work is in progress under this contract.

3. The location of drill holes and access roads, the method of drilling, and the method of taking and storing samples are subject to Government approval.

4. All drill holes shall be logged and records of such logging, together with certified assay results of samples,

shall be submitted to the Government with the Operator's monthly progress report.

5. Mineralized portions of the core shall be split. The Operator shall use one-half of the core for assay purposes, and the other half shall be stored for Government use with the rest of the core in boxes properly labeled as to drill-hole number. Markers indicating the hole depth represented shall be placed in the sections of core. If feasible, the length of core used for an individual sample should not exceed 12 inches. If no core is recovered in an inferred mineralized section of a drill hole, then the cuttings or sludge procured shall be analyzed for its U_3O_8 and V_2O_5 content.

6. All holes shall be core drilled from a point approximately 45 feet above the inferred elevation of the contact of the Chinle formation and the underlying Moenkopi formation, and shall bottom BX core size or larger, at least 5 feet below the contact. The Government will not contribute to the cost of any unfinished hole.

ESTIMATED COSTS OF THE PROJECT 1/

STAGE I (8 holes)

ACTUAL COSTS

Category (1) Independent Contracts

(1) Access roads and leveling drill sites; D-6 bulldozer or equivalent 2/, 5 days @ $100/day	$ 500.00	
(2) 1,100 feet of non-core drilling @ $1.50/ft.	1,650.00	
(3) 500 feet of core drilling @ $3.50/ft.	1,750.00	$ 3,900.00

1/ & 2/ See page 5.

FIXED UNIT COSTS 3/

(4) Incidental allowance for each foot of drilling completed . . . 1,600 feet @ $0.50/ft.	$ 800.00	
(5) 16 chemical analyses for U_3O_8 and V_2O_5 @ $5/each sample	80.00	$ 880.00
		$ 4,780.00

STAGE II (13 holes)

ACTUAL COSTS

Category (1) Independent Contracts

(1) Access roads and leveling drill sites; D-6 bulldozer or equivalent 2/, 10 days @ $100/day	$ 1,000.00	
(2) 4,550 feet of non-core drilling @ $1.50/ft.	6,825.00	
(3) 650 feet of core drilling @ $3.50/ft.	2,275.00	$10,100.00

FIXED UNIT COSTS 3/

(4) Incidental allowance for each foot of drilling completed . . . 5,200 feet @ $0.50/ft.	$ 2,600.00	
(5) 26 chemical analyses for U_3O_8 and V_2O_5 @ $5/each sample	130.00	$ 2,730.00
		$12,830.00

STAGE III (9 holes)

ACTUAL COSTS

Category (1) Independent Contracts

(1) Access roads and leveling drill sites; D-6 bulldozer or equivalent 2/, 4 days @ $100/day	$ 400.00	

(2) 2,750 feet of non-core drilling @ $1.50/ft.	$ 4,125.00	
(3) 450 feet of core drilling @ $3.50/ft.	1,575.00	$ 6,100.00

FIXED UNIT COSTS 3/

(4) Incidental allowance for each foot of drilling completed . . . 3,200 feet @ $0.50/ft.	$ 1,600.00	
(5) 18 chemical analyses for U_3O_8 and V_2O_5 @ $5/each sample	90.00	$ 1,690.00
		$ 7,790.00

S U M M A R Y

Estimated Total Cost Stage I	$ 4,780.00
Estimated Total Cost Stage II	$12,830.00
Estimated Total Cost Stage III	$ 7,790.00
Estimated Total Cost of the Project	$25,400.00
Government Participation @ 75%	$19,050.00

1/ Categories (2) through (7) of Actual Costs under Article 6 of the contract form do not apply to this contract.

2/ Includes all access road and leveling drill site costs whatsoever.

3/ The Government will contribute to the fixed unit costs of analyses and "incidental allowance" as they accrue, in lieu of actual costs. The "Incidental Allowance" covers all costs of the project whatsoever that are not included in the estimates for bulldozing, drilling, and the fixed unit cost for analyses, and includes such items as supervision, labor, engineering, materials, supplies, etc.

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of San Juan, State of Utah, described as follows:1/

See attached schedule

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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.

(OVER)

Dated this 28th day of May, 1955

_____ [Seal]

H. Evan Roberts [Seal]

_____ [Seal]

I, _____, certify that I am the _____ _____, (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

UTAH PREMIER URANIUM COMPANY

DOCKET NO. DMEA-3648

ANNEX I

The land referred to in this Subordination Agreement consists of 34 unpatented lode mining claims in Secs. 29, 30, 31 and 32, T. 30 S., R. 25 E., S. L. B. & M., San Juan County, Utah, as follows:

Claims	Claims
High Point	Brigham Tea No. 6
" " No. 1	" " " 8 Fraction
" " " 2	" " " 9 "
" " Fraction	" " " 10 "
Crooked Wash	
" " Fraction	Fair Hope
	" " Fraction
Paramount No. 1	" " No. 1 Fraction
" " 2	
" " 3	Lost Canyon No. 1
" " 4	" " " 2
" " 5	" " " 3 Fraction
" " 6	" " " 4 "
" " 1 Fraction	
Silver Pot	
" " No. 2	
" " " 3	
" " " 4	
" " " 5	(Total 34 claims)
Old Crow No. 3	
" " " 7 Fraction	
" " " 8 "	
" " " 9 "	
" " " 10 "	

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows:1/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

_____

_____

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

---

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 6th day of July, 1957.

John L. Bellew [Seal]

John B. Marshall [Seal]

G. O. Patterson [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ President or Vice President, etc., for said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

STATE OF OHIO }
COUNTY OF CUYAHOGA } ss:

On the 6th day of July, 1957 before me the undersigned, a Notary Public in and for said County and State, personally appeared RICHARD V. [illegible], who states that on July 5, 1957, he personally saw G. O. PATTERSON, JOHN B. MARSHALL and JOHN L. BELLEW affix their signatures to this instrument (Lessor's Consent to Lien) and that he knows them to be the same three persons whose signatures appear on the instrument.

Acknowledged:

Richard V. Bennett
Richard V. Bennett

My Commission Expires

April 21, 1957

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

Kathryn C. Bradford
Notary Public in and for said County and State

Interior—Duplicating Section, Washington, D. C. 81088

UTAH PREMIER URANIUM COMPANY

DOCKET NO. DMEA-3648

EXHIBIT A

The land referred to in this Consent to Lien consists of 34 unpatented lode mining claims in Secs. 29, 30, 31 and 32, T. 30 S., R. 25 E., S. L. B. & M., San Juan County, Utah, as follows:

Claims	Claims
High Point	Brigham Tea No. 6
" " No. 1	" " " 8 Fraction
" " " 2	" " " 9 "
" " Fraction	" " " 10 "
Crooked Wash	Fair Hope
" " Fraction	" " Fraction
Paramount No. 1	" " No. 1 Fraction
" " 2	Lost Canyon No. 1
" " 3	" " " 2
" " 4	" " " 3 Fraction
" " 5	" " " 4
" " 6	
" " 1 Fraction	
Silver Dot	
" " No. 2	
" " " 3	
" " " 4	
" " " 5	
Old Crow No. 3	
" " " 7 Fraction	
" " " 8 "	
" " " 9 "	
" " " 10 "	

(Total 34 claims)

(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described as "EAST PARAMOUNT" or "UTAH-PREMIER" group, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof 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 UTAH PREMIER URANIUM COMPANY, 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 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.

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

4. Changes and added provisions None

Dated this 17th day of June, 1955.

S. Leroy Roberts (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 San Juan, described as ~~follows~~ 1/ as "East Paramount" or "Premier" group, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

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/ Utah Premier Uranium Company

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 None

Dated this 19th day of February, 1955.

G O Patterson [Seal]

John B Marshall [Seal]

John L Ballou [Seal]

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

On the 2nd day of April, 1955 before me the undersigned, a Notary Public in and for said County and State, personally appeared RICHARD Y. BENNION, who swears that on February 19th, 1955, he personally saw G. O. PATTERSON, JOHN B. MARSHALL and JOHN L. BALLOU affix their signatures to this instrument (owner's consent to lien) and that he knows them to be the same three persons whose signatures appear on the instrument.

Acknowledged:

Richard Y. Bennion

Richard Y. Bennion

WITNESS, my hand and official seal

Notary Public in and for said County and State

My Commission Expires:

12/3/56

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described ~~as~~ ~~follows~~: 1/ as "East Paramount" or "Premier" group, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

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/ Utah Premier Uranium Company

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 None

Dated this 19th day of February, 1955.

G O Patterson [Seal]

John B Marshall [Seal]

John L. Ballou [Seal]

STATE OF UTAH)
)SS.
COUNTY OF SALT LAKE)

On the 2nd day of April, 1955 before me the undersigned, a Notary Public in and for said County and State, personally appeared RICHARD Y. BENNION, who swears that on February 19th, 1955, he personally saw G. O. PATTERSON, JOHN B. MARSHALL and JOHN L. BALLOU affix their signatures to this instrument (owner's consent to lien) and that he knows them to be the same three persons whose signatures appear on the instrument.

Acknowledged:

Richard Y Bennion

Richard Y. Bennion

WITNESS, my hand and official seal

Notary Public in and for said County and State

My Commission Expires:

12/3/58

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described ~~as~~ ~~follows~~ 1/ as "East Paramount" or "Premier" group, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

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/ Utah Premier Uranium Company

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 None

Dated this 19th day of February, 1955.

G O Patterson [Seal]

John B Marshall [Seal]

John L Ballou [Seal]

STATE OF UTAH)
)SS.
COUNTY OF SALT LAKE)

On the 2nd day of April, 1955 before me the undersigned, a Notary Public in and for said County and State, personally appeared RICHARD Y. BENNION, who swears that on February 19th, 1955, he personally saw G. O. PATTERSON, JOHN B. MARSHALL and JOHN L. BALLOU affix their signatures to this instrument (owner's consent to lien) and that he knows them to be the same three persons whose signatures appear on the instrument.

Acknowledged:

Richard Y. Bennion
Richard Y. Bennion

WITNESS, my hand and official seal

Notary Public in and for said County and State

My Commission Expires:
12/3/56

(Known as (Paramount Claims)

3648

Utah Premier

Original Locators.

G. O. Patterson
John L. Ballou
John B. Marshall

→ Lease agreement Nov. 4, 1953 to H. Evan Roberts

Applic. made for A.E.C. lease

H. Evan Roberts → sept. 28, 1954 sells, signs, and transfers 3648 Premier claims 85% interest to Utah Premier for $35,000 plus right to buy 600,000 shares @ 5¢ each, plus overriding Royalty of 4% to 8% (based on value of ore sold) [illegible] royalty [illegible]

Require:

1. Copy of A.E.C. lease
2. Owners Consent to lease signed by.
   G. O. Patterson
   John L. Ballou
   John B. Marshall
   H. Evan Roberts
3. Subordination agreement ~~Royalty~~ overriding royalty so.

(Red B. Dixon ?)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah County of San Juan, described as follows: 1/ "East Paramount" or "Utah Premier" group more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof 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/ Utah Premier Uranium Company hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into the 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 which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/ $_____, or ten years have elapsed from the date of the contract.

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.

Dated this 13th day of June 1955.

Apache Uranium Corp (Seal)

By Stanford R. Mahney, Pres (Seal)

_____ (Seal)

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.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

(1) One and one-half (1-1/2) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1-1/2) percent of any such net amounts, plus one-half (1/2) percent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1-1/2) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3-1/2) percent.)

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

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

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

Title to and Disposition of Property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

OWNER'S CONSENT TO LIEN

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

"East Paramount" or "Utah Premier" group more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof

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/

Utah Premier Uranium Company

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into the 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 which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/ $_____, or ten years have elapsed from the date of the contract.

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.

Dated this 13th day of June, 19 55.

Apache Uranium Corp. (Seal)

By Stanford R. Mahoney Pres (Seal)

(Seal)

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.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

(1) One and one-half (1-1/2) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1-1/2) percent of any such net amounts, plus one-half (1/2) percent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1-1/2) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3-1/2) percent.)

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

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

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

Title to and Disposition of Property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

OWNER'S CONSENT TO LIEN

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

East Aramount or Utah Premier group more particularly described in Exhibit A attached hereto and by this reference made a part hereof

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/

Utah Premier Uranium Company

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into the 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 which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/ $_____, or ten years have elapsed from the date of the contract.

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.

Dated this 12th day of June, 1955.

Apache Uranium Corp (Seal)

by Stanford R. Mahaney Pres. (Seal)

_____ (Seal)

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.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

(1) One and one-half (1-1/2) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1-1/2) percent of any such net amounts, plus one-half (1/2) percent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1-1/2) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3-1/2) percent.)

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

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

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

Title to and Disposition of Property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

OWNER'S CONSENT TO LIEN

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

"East Paramount" or "Utah Premier" group more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof

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/

Utah Premier Uranium Company

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into the 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 which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/ $_____, or ten years have elapsed from the date of the contract.

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.

Dated this 13th day of June, 19 55.

Apache Uranium Corp. (Seal)

by Stanford R. Mahoney, Pres. (Seal)

_____ (Seal)

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.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

(1) One and one-half (1-1/2) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1-1/2) percent of any such net amounts, plus one-half (1/2) percent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1-1/2) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3-1/2) percent.)

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

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

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

Title to and Disposition of Property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

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 Garfield, described as follows: 1/

East Paramount [illegible] Utah corner group more particularly described in exhibit [illegible] attached hereto and by this reference made a part hereof

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/

Utah Corner Uranium Company

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into the 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 which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/ $_____, or ten years have elapsed from the date of the contract.

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.

Dated this 13th day of June, 19 55.

Apache Uranium Corp. (Seal)

by Stanford R. Mahoney Pres. (Seal)

_____ (Seal)

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.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

(1) One and one-half (1-1/2) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1-1/2) percent of any such net amounts, plus one-half (1/2) percent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1-1/2) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3-1/2) percent.)

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

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

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

Title to and Disposition of Property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED
SEP 26 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

September 20, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3648 (Uranium), Contract Idm-E841, Utah Premier Uranium Company, San Juan County, Utah.

Enclosed are the Government's, Division, and Docket copies of the Rescission Agreement that have been signed by the Operator as requested by your letter dated August 25, 1955. Other copies have been distributed in the usual manner.

W. M. Traver

W. M. Traver

Enclosures

Surname copy

Murphy 700

Ellis

Talbot Selfridge

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

AUG 25 1955

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

Re: Docket No. DMEA-36h8 (Uranium)
Contract No. Idm-E8h1
Utah Premier Group
San Juan County, Utah

Dear Mr. Traver:

Enclosed are the original and five copies of an agreement to rescind the captioned contract before any actions have been taken or costs incurred thereunder. Also, enclosed are two copies of a telegram, received August 22, from Mr. Richard Y. Bennion, which is self-explanatory.

If the Field Team concurs in this agreement, will you have Mr. Bennion, President of Utah Premier Uranium Company, sign the original and all copies, and thereafter kindly make the usual distribution.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JLB)

Enclosures

cc: ~~Mr. Nathan Sachs~~
~~1220 Vermont Avenue, N.W.~~
~~Washington, D.C.~~

APPROVED:

/s/ Robert W. Geehan (JLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

FMMurphy/gla
8-23-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JCHosted, Rm. 3210, GSA
Code 700
Mr. Murphy

R.C.S.

Surname copy

Department of the Interior

DMEA

21-11-08(61) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to the Office of the Secy.)

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

RICHARD Y. BENNION, PRESIDENT
UTAH PREMIER URANIUM CO.
516 CONTINENTAL BANK BUILDING
SALT LAKE CITY, UTAH

RECEIPT AUGUST THIRTY REGARDING CONTRACT DPM-[illegible], DOCKET DMEA-3648 UTAH PREMIER GROUP, SAN JUAN COUNTY, UTAH. AN AGREEMENT RESCINDING THIS CONTRACT SIGNED BY THE GOVERNMENT WILL BE FORWARDED SHORTLY FOR YOUR SIGNATURE.

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR

cc: Nathan Wechsler, Attorney
Utah Premier Uranium Company
1010 Vermont Avenue, N. W.
Washington, D. C.

Confirmation to Utah Premier Uranium Company

FMMurphy/gla
8-22-55
cc to: Admr.'s Reading File
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5221
JOHosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)

Note:
The contract was signed by Nathan Weschler, attorney for the Company. However, the DMER Legal Division (Mr Robin) believes this Rescission Agreement should be signed by the President of the Company

Murphy

8/22/55 ga

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

SENDER WAITING! WESTERN UNION Answer by WIRE SENDER WAITING (6286(54))

1220

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at the place of origin. Time of receipt is STANDARD TIME at point of destination

OA445 LJ358

AM 12 27

L SLB536 LONG NL PD AR=SALT LAKE CITY UTAH 19=

C O MITTENDORF, ADMINISTRATOR UNITED STATES

DEPT OF INTERIOR=DEFENSE MINERALS EXPLORATIONS

ADMINISTRATION WASHDC=

UTAH PREMIER URANIUM COMPANY RESPECTFULLY REQUESTS RELEASE FROM GOVERNMENT LOAN DOCKET NUMBER DMEA-3648 UTAH PREMIER GROUP SAN JUAN COUNTY UTAH PHILLIPS PETROLEUM COMPANY HAS OFFERED TO DRILL A MINIMUM OF 20,000 FEET ON OUR PROPERTY BY DECEMBER 31 OF THIS YEAR WITH AN ADDITIONAL 25,000 FEET IF FINDINGS WARRANT SUCH NO GOVERNMENT DISBURSEMENTS HAVE BEEN MADE TO OUR COMPANY TO DATE NEGOTIATIONS FOR THIS LARGE SCALE EXPLORATION AND DEVELOPMENT OF OUR PROPERTY ARE PENDING THIS RELEASE PLEASE CONSIDER THIS WIRE AS YOUR AUTHORITY TO RELEASE US FROM OUR GOVERNMENT LOAN KINDLY NOTIFY US BY RETURN WIRE OF YOUR DECISION IMMEDIATELY RESPECTFULLY=

RICHARD Y BENNION PRES UTAH PREMIER URANIUM CO=

RECEIVED

AUG 2 1955

DMEA-3648 20,000 31 25,000=..

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

RECEIVED
JUL 27 1955

224 New Customhouse
Denver, Colorado

July 25, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA 3643, Contract Idm-E841 (Uranium), Utah Premier Uranium Company, San Juan County, Utah

Attached please find the Finance Office copy of the subject contract, prepared in the DMEA Washington office and forwarded to the Operator on July 18, 1955.

The contract dated July 18, 1955 is in effect.

W. M. Traver

Enclosure

WMT:dja

cc: Subject
Chron
Ch.Op.Comm.(2)
Harshman) w/copy
Shaw (2)) of
Hasler) contract
Townsend

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

RECEIVED
JUL 27 1955

224 New Customhouse
Denver, Colorado

July 25, 1955

Utah Premier Uranium Company
516 Continental Bank Building
Salt Lake City, Utah

Re: Docket DMEA 3648 (Uranium)
Contract Idm-E841
San Juan County, Utah

Gentlemen:

You were furnished with the Operator's copy of the referenced Exploration Project Contract on July 18, 1955 by DMEA Administrator C. O. Mittendorf, Washington, D. C.

Enclosed herewith are six copies of Form MF-104, "Operator's Monthly Report and Voucher" and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report". At the completion of the first calendar month of operation and monthly thereafter you are required to submit five copies of the forms to Mr. John F. Shaw, U. S. Bureau of Mines, Room 137, Building 20, Denver Federal Center, Denver 2, Colorado. The sixth form is for your records.

Please note that the monthly report requires a narrative report which should be accompanied by maps or sketches. The narrative report must be signed by the operator. The monthly report will not be processed for payment unless accompanied by a narrative report. Additional copies of Forms MF-104 and MF-104A will be forwarded to you as required.

For your information and in reply to many questions that have been asked, after Forms MF-104 and MF-104A are received, an engineer will check progress and approve your accounts, after which it will be sent to the Regional Office, Region III, U. S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for auditing and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the costs. If you have any difficulty in completing these forms and the reports, please call on Mr. Shaw or this office for assistance. Two engineers have been stationed at Grand Junction in the U. S. Geological Survey building and are available for consultation with regard to operating and reporting procedure. It is suggested that you contact Mr. M. H. Salsbury at telephone number 3000, Extension 287.

In the matter of your claim for reimbursement of drilling costs, reimbursement to you under the terms of the contract will be on the basis of a hole or holes completed to the objective, therefore your monthly report should include only such holes that are completed.

Under the provisions of the contract the unit cost established for each item of work under Category (1) for all stages are allowable maximum unit costs which cannot be exceeded. The actual cost of each item of work under Category (1) must be documented in conformance with the instructions in the next to the last paragraph on the reverse side of Form MF-104. The actual cost up to the allowable maximum unit cost established, and as supported by the documentation, will be the basis for reimbursement to you under the terms of the contract.

When Stage I has been completed, you should request approval from this office of the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, complete with a map showing the location of the holes drilled under Stage I, the proposed location of holes to be drilled under Stage II and the results of the work performed under Stage I, including assay returns and any other pertinent data which will be of value to the Government in evaluating the work performed under Stage I. The same applies to Stage III after completion of Stage II. You should anticipate a suspension of operations between stages of work to enable the Government geologist and engineer to evaluate the results of the work performed and make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA or the DMEA Field Team, Region III, which is comprised of E. N. Harshman, U. S. Geological Survey member, and W. M. Traver, U. S. Bureau of Mines member.

No oral statement of any person shall modify or otherwise affect the terms or conditions of this contract.

It is a regulation that reimbursement for the cost of the work accomplished prior to the date of the contract will not be allowed. It is also a requirement that you notify this office in writing the date work actually commences under the contract, with a copy of your letter to Mr. Shaw.

Very truly yours,

W. M. Traver

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

WMT:dja
cc: Subject
Chron
Chman.Op.Comm.(2)✓
Enclosures

Harshman
Amend.File
Hasler
Shaw (2)
Townsend

700

Surname copy

Murphy
Chind
Talbot
Selfridge
Fahrner
Mittendorf

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

JUL 1 8 1955

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

Re: Docket No. DMEA-3648 (Uranium)
Utah Premier Uranium Company
Utah Premier Group
San Juan County, Utah

Dear Mr. Traver:

Enclosed for distribution and administration are the executed copies (Field Team and Finance Officer) of a contract between the Government and Utah Premier Uranium Company. Also enclosed are copies of a memorandum from T. H. Kiilsgaard, dated June 3, 1955, member of the Uranium Commodity Committee.

The field examiners recommended a contract to explore the subject property. However, the Field Team did not concur in this recommendation.

A meeting was held in Washington to discuss the feasibility of granting a contract to explore the subject property. The results of this meeting are recorded in Mr. Kiilsgaard's memorandum. This memorandum also recommends combining the Stage I and II work proposed by the field examiners. We concur in Mr. Kiilsgaard's recommendations.

Other than the above change, the subject contract follows the field examiners' recommendations. Therefore, to expedite the finalizing of this application, the contract has been executed here, without being transmitted through the Field Team, since the representative of the company who is authorized to sign the contract is stationed in Washington.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

Noted: /s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

FMMurphy/gla
7/8/55

Code 700
Mr. Murphy

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA

R.C.S.

700

Surname copy

Murphy
Ching
Talbot
Kiilsgaard
noted Gelhon
Selfridge
Johnson

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

JUL 1 8 1955

Mr. Nathan Wechsler, Attorney
Utah Premier Uranium Company
1010 Vermont Avenue, N. W.
Washington, D. C.

Re: Docket No. DMEA-3648 (Uranium)
Utah Premier Group
San Juan County, Utah

Dear Mr. Wechsler:

The Operator's executed copy of a contract to explore the captioned property is handed to you herewith. Prior to commencing work, you are requested to contact Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Mr. Traver will instruct you in the reporting procedures and other requirements as are set forth in the contract.

Sincerely yours,

C. O. Mittendorf

Administrator

FMMurphy/gla
7-8-55
cc to: Admr.'s Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)

R.C.S.

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

JUN 29 1955

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3648, Utah Premier Uranium Co. (Uranium)

Pursuant to Mr. Murphy's memorandum of June 21, we have drafted the attached contract.

It is noted that included among the latest documents submitted by the applicant concerning its interest in the land is an Owner's Consent to Lien of the Apache Uranium Corporation. There are no papers in the docket that indicate Apache has any interest in the land and we understand from Mr. Murphy that while Apache at an earlier date was negotiating for an interest in the land, it does not have any present interest therein or the right to obtain one.

The "Owner's Consent to Lien" of Patterson et al., attached to the contract, refers to land described in an Annex I attached to the Consent. However, no Annex I is attached. Therefore, prior to execution of the contract, a new Consent to Lien should be required, on the latest form, to replace the present one.

Note: New O.C.L's received and attached. July 8, 1955

Henry C. Rubin
Henry C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

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

JUN 29 1955

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3648, Utah Premier Uranium Co. (Uranium)

Pursuant to Mr. Murphy's memorandum of June 21, we have drafted the attached contract.

It is noted that included among the latest documents submitted by the applicant concerning its interest in the land is an Owner's Consent to Lien of the Apache Uranium Corporation. There are no papers in the docket that indicate Apache has any interest in the land and we understand from Mr. Murphy that while Apache at an earlier date was negotiating for an interest in the land, it does not have any present interest therein or the right to obtain one.

The "Owner's Consent to Lien" of Patterson et al., attached to the contract, refers to land described in an Annex I attached to the Consent. However, no Annex I is attached. Therefore, prior to execution of the contract, a new Consent to Lien should be required, on the latest form, to replace the present one.

Henry C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

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

May 20, 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: Report of Examination, DMEA Docket 3648 (Uranium), Utah Premier Uranium Company, (Utah Premier group), San Juan County, Utah

I have reviewed the Field Team report of examination of the Utah Premier group of claims, Utah Premier Uranium Company, DMEA Docket 3648. Mr. Joseph O. Hosted, Washington representative of the Atomic Energy Commission, also studied the report and we have discussed it together.

Mr. Hosted and I agree with the Field Team that there appears to be insufficient evidence of significant targets to warrant granting an exploration contract to the Utah Premier Company.

We concur that the application of this organization be denied without prejudice.

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

John E. Crawford

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

May 20, 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: Report of Examination, DMEA Docket 3648 (Uranium), Utah Premier Uranium Company, (Utah Premier group), San Juan County, Utah

I have reviewed the Field Team report of examination of the Utah Premier group of claims, Utah Premier Uranium Company, DMEA Docket 3648. Mr. Joseph O. Hosted, Washington representative of the Atomic Energy Commission, also studied the report and we have discussed it together.

Mr. Hosted and I agree with the Field Team that there appears to be insufficient evidence of significant targets to warrant granting an exploration contract to the Utah Premier Company.

We concur that the application of this organization be denied without prejudice.

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

John E. Crawford

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

JUN 29 1955

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3648, Utah Premier Uranium Co. (Uranium)

Pursuant to Mr. Murphy's memorandum of June 21, we have drafted the attached contract.

It is noted that included among the latest documents submitted by the applicant concerning its interest in the land is an Owner's Consent to Lien of the Apache Uranium Corporation. There are no papers in the docket that indicate Apache has any interest in the land and we understand from Mr. Murphy that while Apache at an earlier date was negotiating for an interest in the land, it does not have any present interest therein or the right to obtain one.

The "Owner's Consent to Lien" of Patterson et al., attached to the contract, refers to land described in an Annex I attached to the Consent. However, no Annex I is attached. Therefore, prior to execution of the contract, a new Consent to Lien should be required, on the latest form, to replace the present one.

/S/ Henry C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

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

Surname 700

Murphy
Ellis

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

June 21, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

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

Subject: Proposed Contract
Utah Premier Uranium Company
Docket No. DMEA-3648 (Uranium)
Utah Premier claim groups
San Juan County, Utah

This docket was referred to your office on June 2; however, the application as submitted, lacked essential legal documents in regard to the property rights. The docket was returned to this Division, with your memorandum, dated June 6, detailing the papers required.

The Applicant has now submitted this additional data. (see note in file) If you find the papers in order, will you kindly prepare a long-form contract in accordance with the attached draft.

F M M

F. M. Murphy

Attachments

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

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

JUN - 6 19[illegible]

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3648 (Uranium), Utah Premier Uranium Company, Utah Premier claim groups, San Juan County, Utah

In connection with the request in Mr. Murphy's memorandum dated June 2 to prepare a contract covering the subject project, we have reviewed the property holdings of the applicant as disclosed in the docket.

The applicant's interest in the land referred to in Annex I appears to us to be as follows:

1. In an agreement executed November 4, 1953, G. O. Patterson, John L. Ballou, and John B. Marshall granted to H. Evan Roberts the exclusive right to mine, "whether by a direct lease from the Atomic Energy Commission or whether by a lease from the Atomic Energy Commission to the first parties which is assigned . . ." The agreement recites that it is subject to prior Government oil and gas leases and the rights of Rod P. Dixon or his assignees under an agreement dated September 14, 1953, as amended October 6, 1953. The agreement also provides that the grantors will do anything necessary, including transfer of title to Roberts or his assignee subject to the material conditions of the agreement if necessary. In addition to the claims listed in this agreement the lessors undertook to convey any later acquired claims "within the outer perimeter of said mining property herein specifically referred to."

In an addendum to this agreement Rod P. Dixon and his Assignees apparently waived their interests in the agreements with Dixon referred to above, probably for some consideration which does not appear on the face of the document.

2. In an agreement dated September 25, 1954, H. Evan Roberts granted an option to Richard Y. Bennion, Richard L. Warner, Don W. Mulliner, Keith C. Brown, Gordon F. Jensen, Adam M. Duncan, and John C. Sharp to acquire an undivided 85 percent of his interest in certain of the claims listed in the agreement.

The option agreement required that a corporation be organized prior to September 29, 1954, and that if so, an agreement would be entered into with that corporation concerning mining of the claims above mentioned.

3. In an agreement dated September 28, 1954, executed pursuant to the agreement discussed in paragraph 2 above, the applicant (corporation) agreed to buy Roberts 85-percent interest in claims therein listed which are subject of the proposed contract for the subject project. Roberts has retained a 15-percent interest in the mining agreement with Patterson.

This agreement recites that it is subject to a prior (date unknown) agreement with Republic Uranium Company in certain listed claims at least one of which, the Brigham Tea No. 6, is the subject of this subject proposed contract.

The agreement also provides for payment of an overriding royalty to a Grant H. Bagley or some other person designated by Roberts as Trustee, the beneficiary of the trust not being disclosed.(The Trust might be for the benefit of Rod P. Dixon and assignees who waived their interests. See paragraph 1 above. However, this is only a surmise.)

The docket contains an Owner's Consent to Lien executed by the landowners; and a Subordination Agreement executed by Roberts.

COMMENTS

From our review of the matter, it seems to us that:

a. The basic Patterson et al. lease of November 4, 1953, would seem to grant the landowners rights in an AEC lease when acquired. Therefore, it seems to us that if such a lease

was granted, we should be furnished a copy of it. If it was not granted, and the landowners validated their locations pursuant to Public Law 585, a new lease is required including the latest recording data.

b. We do not have any recording data for the claims located subsequent to the date of the Patterson lease (the outer perimeter claims).

c. Assuming that the question of the basic lease is resolved, if Mr. Roberts retains an interest in the leasehold as he has done in the present agreement with the applicant, we would require his Consent to Lien as well as the Subordination Agreement which he has already executed.

d. As the Brigham Tea No. 6 claim is subject to a prior agreement between Roberts and Republic Uranium Company, the claim should either be deleted from the subject project or the rights thereto acquired by the applicant and evidence thereof furnished to the Government. It is not now properly the subject of an exploration contract.

e. A Subordination Agreement is required from the beneficiaries of the trust referred to above, if they are different from parties who have already signed a Consent to Lien or Subordination Agreement.

As the questions concerning the applicant's interest in the land are complex and as there are several substantial matters to be clarified, we have not prepared a contract as requested and are returning the docket herewith until these matters are clarified.

H. C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Attachment

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

June 22, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

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

Subject: Proposed Contract
Utah Premier Uranium Company
Docket No. DMEA-3648 (Uranium)
Utah Premier claim groups
San Juan County, Utah

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

Please note our letter, dated May 23, for the applicant requesting various documents. Mr. Wechsler, has submitted 3 signed copies of the Owner's Consent to Lien, and advised this office, during an interview that he would submit the other documents as soon as possible.

Fred M Murphy

Fred M. Murphy

Attachment

RECEIVED
JUN 2 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Am 6-6-50

IN REPLY REFER TO:

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

RECEIVED
JUN - 6 1955

June 3, 1955

Memorandum

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

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team reports, DMEA Docket 3648 (Uranium), Utah Premier Co., San Juan Co., Utah, and DMEA Docket 3545, Republic Uranium Company, San Juan Co., Utah

Field examiners have recommended a contract for the cited property but the Field Team has not concurred and have instead recommended denial. The Field Team based their denial largely on the fact that the adjoining Republic property (DMEA Docket 3545) had been recommended for denial by field examiners; therefore, in an effort to be consistent, the Field Team believed the Premier property also should be denied. On the other hand, field examiners recommended the Premier for approval solely on the fact that this property had a small outcrop of ore, whereas the Republic did not.

After reading all information available on both the Republic and Premier properties the writer asked for a policy decision from DMEA as to further processing of these applications, this request being based on the fact that the adjoining properties were more or less in the center of the Big Indian uranium district and that a decision affecting one should also affect the other. At the subsequent policy meeting attended by Frank Johnson, George Selfridge, and Fred Murphy of DMEA, and the writer it was decided that because of the geographical and geological location both properties should be judged together. The writer recommended approval of a contract on the Premier property, but of a project not broken into as many stages as proposed by the field examiners. This opinion was shared by the other members present. At the meeting it was also learned the Republic Company had asked that action on their application be withheld pending their obtaining further information from work now in progress. This, of course, momentarily erased the problem and it is now hoped that proposed work on the Premier will give results that will be of use in further evaluating the Republic, if and when further processing of that application is requested.

Although exploration of the Premier property has been recommended, the initial part of the project proposed by the field examiners does not appear to be too practical. In the first place it would be difficult to get a drilling contractor to undertake a job that might be concluded at the conclusion of the 250 feet of drilling allowed in Stage I. Further, it would appear that Stage II drilling is too integrated with Stage I to be set aside as a separate stage. I recommend that 1000 feet of drilling be alloted to testing the area behind the mineralized outcrop, this drilling from sites approved by the Government and the Operator, and to be designated in the contract as Stage I. Stage III and IV could be as proposed by the field except that they would ~~not~~ be Stages II and III in the contract.

T. H. Kiilsgaard

T. H. Kiilsgaard

5/23/55 gla

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

May 20, 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: Report of Examination, DMEA Docket 3648 (Uranium), Utah Premier Uranium Company, (Utah Premier group), San Juan County, Utah

I have reviewed the Field Team report of examination of the Utah Premier group of claims, Utah Premier Uranium Company, DMEA Docket 3648. Mr. Joseph O. Hosted, Washington representative of the Atomic Energy Commission, also studied the report and we have discussed it together.

Mr. Hosted and I agree with the Field Team that there appears to be insufficient evidence of significant targets to warrant granting an exploration contract to the Utah Premier Company.

We concur that the application of this organization be denied without prejudice.

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

John E. Crawford

John E. Crawford

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

Memorandum JUN - 6 1955.

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3648 (Uranium), Utah Premier Uranium Company, Utah Premier claim groups, San Juan County, Utah

In connection with the request in Mr. Murphy's memorandum dated June 2 to prepare a contract covering the subject project, we have reviewed the property holdings of the applicant as disclosed in the docket.

The applicant's interest in the land referred to in Annex I appears to us to be as follows:

1. In an agreement executed November 4, 1953, G. O. Patterson, John L. Ballou, and John B. Marshall granted to H. Evan Roberts the exclusive right to mine, "whether by a direct lease from the Atomic Energy Commission or whether by a lease from the Atomic Energy Commission to the first parties which is assigned . . ." The agreement recites that it is subject to prior Government oil and gas leases and the rights of Rod P. Dixon or his assignees under an agreement dated September 14, 1953, as amended October 6, 1953. The agreement also provides that the grantors will do anything necessary, including transfer of title to Roberts or his assignee subject to the material conditions of the agreement if necessary. In addition to the claims listed in this agreement the lessors undertook to convey any later acquired claims "within the outer perimeter of said mining property herein specifically referred to."

In an addendum to this agreement Rod P. Dixon and his Assignees apparently waived their interests in the agreements with Dixon referred to above, probably for some consideration which does not appear on the face of the document.

2. In an agreement dated September 25, 1954, H. Evan Roberts granted an option to Richard Y. Bennion, Richard L. Warner, Don W. Mulliner, Keith C. Brown, Gordon F. Jensen, Adam M. Duncan, and John C. Sharp to acquire an undivided 85 percent of his interest in certain of the claims listed in the agreement.

The option agreement required that a corporation be organized prior to September 29, 1954, and that if so, an agreement would be entered into with that corporation concerning mining of the claims above mentioned.

3. In an agreement dated September 28, 1954, executed pursuant to the agreement discussed in paragraph 2 above, the applicant (corporation) agreed to buy Roberts 85-percent interest in claims therein listed which are subject of the proposed contract for the subject project. Roberts has retained a 15-percent interest in the mining agreement with Patterson.

This agreement recites that it is subject to a prior (date unknown) agreement with Republic Uranium Company in certain listed claims at least one of which, the Brigham Tea No. 6, is the subject of this subject proposed contract.

The agreement also provides for payment of an overriding royalty to a Grant H. Bagley or some other person designated by Roberts as Trustee, the beneficiary of the trust not being disclosed.(The Trust might be for the benefit of Rod P. Dixon and assignees who waived their interests. See paragraph 1 above. However, this is only a surmise.)

The docket contains an Owner's Consent to Lien executed by the landowners; and a Subordination Agreement executed by Roberts.

COMMENTS

From our review of the matter, it seems to us that:

a. The basic Patterson et al. lease of November 4, 1953, would seem to grant the landowners rights in an AEC lease when acquired. Therefore, it seems to us that if such a lease

was granted, we should be furnished a copy of it. If it was not granted, and the landowners validated their locations pursuant to Public Law 585, a new lease is required including the latest recording data.

b. We do not have any recording data for the claims located subsequent to the date of the Patterson lease (the outer perimeter claims).

c. Assuming that the question of the basic lease is resolved, if Mr. Roberts retains an interest in the leasehold as he has done in the present agreement with the applicant, we would require his Consent to Lien as well as the Subordination Agreement which he has already executed.

d. As the Brigham Tea No. 6 claim is subject to a prior agreement between Roberts and Republic Uranium Company, the claim should either be deleted from the subject project or the rights thereto acquired by the applicant and evidence thereof furnished to the Government. It is not now properly the subject of an exploration contract.

e. A Subordination Agreement is required from the beneficiaries of the trust referred to above, if they are different from parties who have already signed a Consent to Lien or Subordination Agreement.

As the questions concerning the applicant's interest in the land are complex and as there are several substantial matters to be clarified, we have not prepared a contract as requested and are returning the docket herewith until these matters are clarified.

s/H. C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Attachment

HCRubin:gjb 6/6/55
Copy to: DMEA Docket
Sol. Docket
E. W. Ellis (2)
J. L. Hofflund
H. C. Rubin
Chron. File

Surname 700

Murphy
Ellis

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

June 2, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

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

Subject: Proposed Contract
Utah Premier Uranium Company
Docket No. DMEA-3648 (Uranium)
Utah Premier claim groups
San Juan County, Utah

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

Please note our letter, dated May 23, for the applicant requesting various documents. Mr. Wechsler, has submitted 3 signed copies of the Owner's Consent to Lien, and advised this office, during an interview that he would submit the other documents as soon as possible.

FMMurphy

Fred M. Murphy

Attachment

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

~~SAMPLE~~
~~McMurphy~~/gla
5-20-55

EXPLORATION PROJECT CONTRACT

UTAH PREMIER URANIUM COMPANY

DOCKET NO. DMEA-3648

ANNEX I

The land referred to in ~~this~~ Article 2 of the contract consists of 34 unpatented lode mining claims in Secs. 30 and 31, T. 30 S., R. 25 E., S. L. B. & M., San Juan County, Utah, as follows:

Claims

High Point
" " No. 1
" " " 2
" " Fraction

Crooked Wash
" " Fraction

Paramount No. 1
" " 2
" " 3
" " 4
" " 5
" " 6
" " 1 Fraction

Silver Pot
" " No. 2
" " " 3
" " " 4
" " " 5

Old Crow No. 3
" " " 7 Fraction
" " " 8 "
" " " 9 "
" " " 10 "

Claims

Brigham Tea No. 6
" " " 8 Fraction
" " " 9 "
" " " 10 "

Fair Hope
" " Fraction
" " No. 1 Fraction

Lost Canyon No. 1
" " " 2
" " " 3 Fraction
" " " 4 "

(Total 34 claims)

New claim list sent to DOE

DRAFT
5/23/55
Revised 6/2[illegible]
FMMurphy/gla

Docket

EXPLORATION PROJECT CONTRACT
UTAH PREMIER URANIUM COMPANY
DOCKET NO. DMEA-3648

EXHIBIT "A"

Description of the Work

The object of this project is to explore, ~~by drilling~~, for deposits of uranium ore, the basal member of the Chinle formation. The depths of the holes will range from 50 feet in Stage I, near the mineralized outcrop, to 400 feet farther back from the rim.

The work shall be performed in three (3) successive stages. The Operator shall perform all the work under Stage I and so much of each following stage as is approved in advance in writing by the Government based upon the results obtained in the previously completed stage or stages.

STAGE I

Stage I shall consist of bulldozing access roads, leveling eight (8) drill sites, and drilling eight (8) holes from these sites. The area in which these holes will be drilled is indicated on map entitled Figure 2, and covers part of the Crooked Wash, Crooked Wash Fraction, High Point, and High ~~Point~~ Point No. 1 claims.

The holes under Stage I shall be drilled to follow favorable mineralization or structural trends indicated by surface exposures and by other holes drilled during this stage, i.e., the thickening of the basal member of the Chinle formation to the southwest of Stage I drilling area, etc. No hole shall be drilled closer than 50 feet or more distant than 250 feet to any other drill hole.

Not in excess of sixteen (16) chemical analyses shall be made to determine the U_3O_8 and V_2O_5 content of samples procured from Stage I drilling.

STAGE II

Stage II shall consist of bulldozing accessroads and leveling thirteen (13) drill sites. The approximate locations of the drill sites are shown on map Figure 2. However, the exact location and direction of the drill-hole lines may be altered with Government approval because of information obtained in Stage I drilling.

Not in excess of thirteen (13) holes shall be drilled on two lines spaced about 3,000 feet apart. The holes along each line shall be drilled at intervals of approximately 500 feet.

Not in excess of twenty-six (26) chemical analyses shall be made to determine the U_3O_8 and V_2O_5 content of samples procured from Stage II drilling.

STAGE III

Stage III shall consist of bulldozing access roads and leveling nine (9) drill sites at approved locations in the vicinity of favorable and/or mineralized holes drilled during the previous stages. No hole drilled in this Stage III shall be closer than 50 feet to any other hole.

Not in excess of Nine (9) holes shall be drilled, nor in excess of eighteen (18) chemical analyses to determine the U_3O_8 and V_2O_5 content of samples procured shall be performed during this Stage III.

General Provisions

1. No hole drilled under this contract shall be closer than 100 feet to the outer boundaries of the claim groups mentioned in Annex I.

2. A supervising geologist or mining engineer and one helper shall be employed full time while work is in progress under this contract.

3. The location of drill holes and access roads, the method of drilling, and the method of taking and storing samples shall be subject to Government approval.

4. All drill holes shall be logged and records of such logging, together with certified assay results of samples, shall be submitted to the Government with the Operator's monthly progress report.

5. Mineralized portions of the core shall be split, the Operator using one-half for assay purposes. The other half shall be stored for Government use with the rest of the core in boxes properly labeled as to drill-hole number. Markers indicating the depth represented shall be placed in the sections of core. If feasible, the length of core used for an individual sample should not exceed 12 inches. If no core is recovered in an inferred mineralized section of a drill hole, then the cuttings or sludge procured shall

be analyzed for its U_3O_8 and V_2O_5 content.

6. All holes shall be core drilled ~~for the last~~ from a point approximately 45 feet above the inferred elevation of the contact of the Chinle formation and the underlying Moenkopi formation, and shall bottom BX core size or larger, at least 5 feet below the contact. Furthermore, the Government will not reimburse the Operator for any uncompleted hole.

Estimated Costs of the Project

STAGE I (8 holes)

Category (1) Independent Contracts 1/

(1) Access roads and leveling drill sites; D-6 bulldozer or equivalent 2/, 5 days @ $100/day	$500.00
(2) 1,100 feet of non-core drilling @ $1.50/ft.	1,650.00

(1[illegible]50[illegible]feet of core-drilling @ $3[illegible]/f[illegible] $1,750.00

Fixed Unit Costs 3/

(4) Incidental allowance 4/ for each foot of drilling completed ... 1600 feet @ $0.50/ft. 800.00

(5) 16 chemical analyses for U_3O_8 xxx and V_2O_5 @ $5/each sample 80.00

$ 4,780.00

STAGE II (13holes)

Category (1) Independent Contracts 1/

(1) Access roads and leveling drill sites; D-6 bulldozer or equivalent 2/ 10 days @ $100/day 1,000.00

(2) 4,550 feet of non-core drilling @ $1.50/ft. 6,825.00

(3) 650 feet of core-drilling @ $3.50/ft. 2,275.00

Fixed Unit Costs 3/

(4) Incidental allowance 4/ for each foot of drilling completed ..... 5,200 feet @ $0.50/ft. 2,600.00

(5) 26 chemical analyses for U_3O_8 and V_2O_5 @ $5/each sample 130.00

12,830.00

STAGE III (9 holes)

Category (1) Independent Contracts

(1) Accessroads and leveling drill sites; D-6 bulldozer or equivalent 2/ 4 days @ $100/day 400.00

(2) 2,750 feetof non-core drilling

@ $1.50/ft. $4,125.00

(3) 450 feet of core-drilling

@ $3.50/ft. 1,575.00

Fixed Unit Costs 3/

(4) Incidental allowance 4/ for

each foot of drilling completed

.....3,200 feet @ $0.50/ft. 1,600.00

(5) 18 chemical analyses for U_3O_8

and V_2O_5 @ $5/each sample 90.00

$7,790.00

1/ Actual Costs (Categories (2) through (7) of Article 6 of the contract form do not apply to this contract.

2/ Includes all access road and leveling drill site costs whatsoever, such as operator, moving bulldozer on and off property, etc.

3/ The Government will contribute to the fixed unit costs of analyses and "incidental allowance" 4/ as they accrue, in lieu of actual costs. ~~These costs of work whatsoever except the costs of bulldozing and drilling, to which the Government will contribute on the basis of actual costs.~~

4/ The "Incidental Allowance" covers all costs of the project whatsoever that are not included in the estimates for bulldozing, drilling, and the fixed unit cost for analyses, and includes such items as supervision, engineering, materials, supplies, etc.

S U M M A R Y

Total Agreed Unit Costs of Stage I	$4,780.00	
" " " " " " II	12,830.00	
" " " " " " III	7,790.00	
Total Agreed Unit Costs of the Project		$25,400.00
Government Participation @ 75%		$19,050.00

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

May 23, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

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

Subject: Proposed Contract
Utah Premier Uranium Company
Docket No. DMEA-3648 (Uranium)
Utah Premier claim groups
San Juan County, Utah

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

Please note our letter, dated May 23, for the applicant requesting various documents. Mr. Wechsler, has submitted 3 signed copies of the Owner's Consent to Lien, and advised this office, during an interview that he would submit the other documents as soon as possible.

all-rec.
OK.

Fred M. Murphy

Attachment

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

5/20/55 gla

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

Defense Minerals Administration
MAY 16 1955

224 New Customhouse
Denver 2, Colorado

May 12, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Report of Examination, DMEA Docket 3648 (Uranium), Utah Premier Uranium Company, (Utah Premier group), San Juan County, Utah

Enclosed are the original and three copies of the report pertaining to the above application.

The report recommends approval of a four stage program of exploration on the Utah Premier claim group and denial of the request for exploration on the adjoining Paramount claims of the Republic Uranium Company (DMEA Docket 3545). The geologic setting of the two properties is similar and we do not believe that the presence of one very limited mineralized outcrop on the Utah Premier property, or the absence of such an outcrop on the Republic Uranium property is of great significance.

Although both properties lie in an area which may contain large uranium deposits, geologic conditions favorable to such deposits were not observed in the outcrops or drill holes on either property. Drilling on the Utah Premier property (5 holes), on the Republic Uranium property (2 holes), and immediately east of the Utah Premier property (about 12 holes) failed to expose ore on mineralized ground.

We conclude that there is insufficient evidence of significant targets to warrant exploration on either property and we recommend that both the Utah Premier application (DMEA Docket 3648) and the Republic Uranium application (DMEA Docket 3545) be denied without prejudice. Should the applicants do the additional prospecting necessary to establish the presence of significant exploration targets on the claim, revised applications can be accepted.

Reviewed by
DMEA
5-18-55

Should the Washington DMEA staff feel that the small mineralized outcrop is significant, we recommend that Stage I and II of the proposed program on the Utah Premier property be approved and that the Republic Uranium Company be notified that if they can expose similar evidence of mineralization on their property favorable consideration will be given to exploration on their claims.

Nine extra copies of Figure 2 of the Survey report are attached.

W. M. Traver

E. N. Harshman

Enclosures

DMEA
Date Rec'd.

MAY 2 1955

BUREAU OF MINES
Denver, Colorado

Region III

TRANSMITTED
MAY 12 1955

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado

April 29, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Docket No. DMEA 3648, Utah Premier Group, Utah Premier Uranium Company, San Juan County, Utah

Enclosed are the original and 11 copies of a summary, conclusions, and recommendations by Gordon W. Weir, geologist, and Carl Belser, mining engineer, and the original and 11 copies of an engineering report by Carl Belser covering the application of the Utah Premier Uranium Co., Docket No. DMEA 3648. The Utah Premier Uranium Co. applied for exploration assistance in the amount of $172,920.00 to explore the Utah Premier group by 32,600 feet of diamond drilling. Field examination was made on March 23, 1955, by an examining team from the Geological Survey and Bureau of Mines. A small exposure of uranium mineralization occurs on the Crooked Wash claim. The examining team believes that a small amount of exploration is warranted near the mineralized exposure. If the results prove favorable, it should be followed by more extensive exploration. It is recommended that the Government enter into a contract with the applicant consisting of 10,000 feet of diamond drilling in four stages to be performed at an estimated cost of $25,636.50. The amount of Government participation at 75 percent would be $19,227.38.

John F. Shaw

John F. Shaw

cc: 11 w/orig
DMEA 3648
Chron

JFS/mh

5-18-55

MAY 16 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3648, Utah Premier Group
Utah Premier Uranium Company
San Juan County, Utah

Uranium

Gordon W. Weir, Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

April 22, 1955

5-18-55

MAY 1 6 1955

DMEA 3648
UTAH PREMIER GROUP
UTAH PREMIER URANIUM COMPANY
SAN JUAN COUNTY, UTAH

Summary, Conclusions, and Recommendations

By Gordon W. Weir
Geologist
Geological Survey

Carl Belser
Mining Engineer
Bureau of Mines

5-18-55

TRANSMITTED
MAY 12 1955

DMEA 3648
UTAH PREMIER GROUP
UTAH PREMIER URANIUM COMPANY
SAN JUAN COUNTY, UTAH

MAY 16 1955

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Gordon W. Weir and Carl Belser

Utah Premier Uranium Company, Richard Y. Bennion, president, 516 Continental Bank Building, Salt Lake City, Utah, has applied for Defense Minerals Exploration Administration aid in a $172,920.00 project to explore the Utah Premier group by 32,600 feet of diamond drilling.

A field investigation was made on March 23, 1955, by an examining team from the Geological Survey and the Bureau of Mines. John Q. St. Clair, mining geologist, accompanied the team and represented the applicant.

The Utah Premier group is on the west flank of the Lisbon Valley anticline in secs. 30 and 31, T. 30 S., R. 25 E., Salt Lake meridian, San Juan County, Utah.

The exposed rocks are Cutler formation of Permian age along the eastern edge of the claims, overlain by about 400 feet of Triassic Chinle formation and topped by Wingate and Kayenta formations of the Lower Jurassic. The escarpments face northeasterly and the formations dip from 6 to 8 degrees southwest. The only known ore horizon on the claims is in the basal Chinle. The Chinle-Cutler contact is well exposed on the Crooked Wash claim where a fairly coarse basal Chinle, containing a little carbonaceous trash rests upon one to three feet of grey mudstone which in turn rests upon the red Cutler sandstone.

On the Crooked Wash claim the mudstone is slightly radioactive and a small area can be explored with short holes.

The applicant's proposal called for 32,600 feet of diamond drilling at a total estimated cost of $172,920.00. The drilling was to be done in three stages containing 6,600 feet, 19,500 feet, and 6,500 feet, respectively. The examining team recommends that present drilling be limited to a four-stage program consisting of 10,000 feet of diamond drilling at a total estimated cost of $25,636.50. Government participation at 75 percent would be $19,227.38.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 16 1955

DMEA 3648
UTAH PREMIER GROUP
UTAH PREMIER URANIUM COMPANY
SAN JUAN COUNTY, UTAH

Engineering Report

By Carl Belser
Mining Engineer
Bureau of Mines

5-18-55

DMEA 3648
UTAH PREMIER GROUP
UTAH PREMIER URANIUM COMPANY
SAN JUAN COUNTY, UTAH

CONTENTS

Engineering report

	Page
Introduction	1
Acknowledgments	1
Location, topography, and climate	2
History and production	3
Ownership and extent	3
Description of deposits	5
Minable ore reserves	5
Present status	5
Exploration and development	5
Mining and milling equipment and other facilities	5
Proposed exploration	6
Estimated cost of project	7
Estimated cost of diamond drilling	7
Summary cost of project	18
Conclusions	19
Recommendations	19

ILLUSTRATIONS

Figure	Follows Page
1. Location map, Utah Premier group, Utah Premier Uranium Company, San Juan County, Utah DMEA 3648	2
2. Area map, Utah Premier group, Utah Premier Uranium Company, San Juan County, Utah. DMEA 3648	2

DMEA 3648
UTAH PREMIER GROUP
UTAH PREMIER URANIUM COMPANY
SAN JUAN COUNTY, UTAH

ENGINEERING REPORT

By

Carl Belser

INTRODUCTION

Utah Premier Uranium Company, 516 Continental Bank Building, Salt Lake City, Utah, on January 21, 1955, submitted an application for Defense Minerals Exploration Administration assistance on the Utah Premier group of claims in San Juan County, Utah. The application, DMEA 3648, requested aid in completing 32,600 feet of diamond drilling at an estimated cost of $172,980.00. Government participation at 75 percent would be $129,735.00. This proposed exploration was to test the basal member of the Chinle formation for Uranium mineralization.

A joint field inspection was made by a Geological Survey and Bureau of Mines examining team on March 23, 1955. The examining team, as a result of their investigations, recommended Government assistance in a very modified drilling project calling for 250 feet of first stage drilling, 1,350 feet of second stage drilling, 5,200 feet of third stage drilling, and 3,200 feet of fourth stage drilling at a total estimated cost of $25,636.50. Government participation at 75 percent would be $19,227.38.

ACKNOWLEDGMENTS

John Q. St. Clair, mining geologist, accompanied the examining team and represented the applicant.

W. P. Williams, Geologist, Colorado Plateau District, Geological Survey, Grand Junction, Colorado, assigned Gordon W. Weir, geologist, to make the examination as the Geological Survey member of the team. Weir was accompanied by C. L. Dodson and W. P. Williams, geologists.

The Atomic Energy Commission was consulted regarding the area before the examination was made.

LOCATION, TOPOGRAPHY, AND CLIMATE

The Utah Premier group consists of 34 unpatented claims in secs. 30 and 31, T. 30 S., R. 25 E., Salt Lake meridian, San Juan County, Utah.

The claims are several miles down the southwest flank of the Lisbon Valley anticline and cover almost all of one hill and portions of two other hills. (Figs. 1 and 2).

A fair 3-mile access road connects with a county road which junctions with U. S. highway 160 about 10 miles to the southwest. From the highway junction, Monticello, Utah is 24 miles south, Moab, Utah is 34 miles north, and Thompson on the Denver and Rio Grande Western railroad is 73 miles north.

Labor, supplies, and light equipment can be obtained in Monticello and Moab. The nearest railroad is at Thompson, Utah. Native timber and dimension lumber can be purchased at Moab and Monticello. Water for drilling purposes can be hauled from Dry Valley, and water for domestic purposes can be hauled from Moab or Monticello. Ore buying depots are at Thompson, Moab, and Monticello.

Altitudes, at the property, range from about 6,200 feet to 7,000 feet. Rainfall is light and the country is classed as semi-arid. Mining can be carried on throughout the year but traffic on the access roads becomes disrupted with heavy rains and spring thaws.

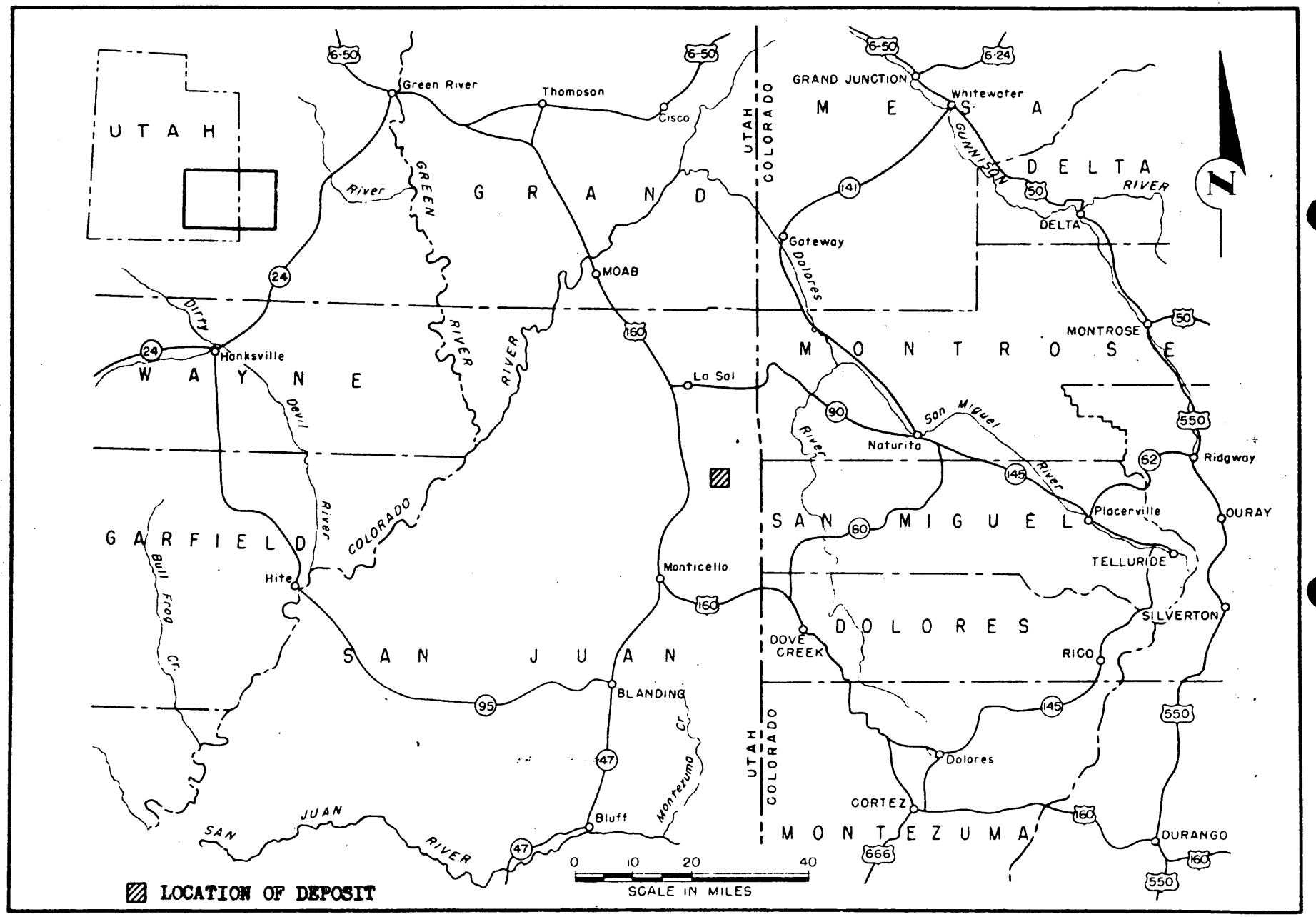


FIGURE 1 - LOCATION MAP, UTAH PREMIER GROUP, UTAH PREMIER URANIUM COMPANY, SAN JUAN COUNTY, UTAH.

DMEA 3648

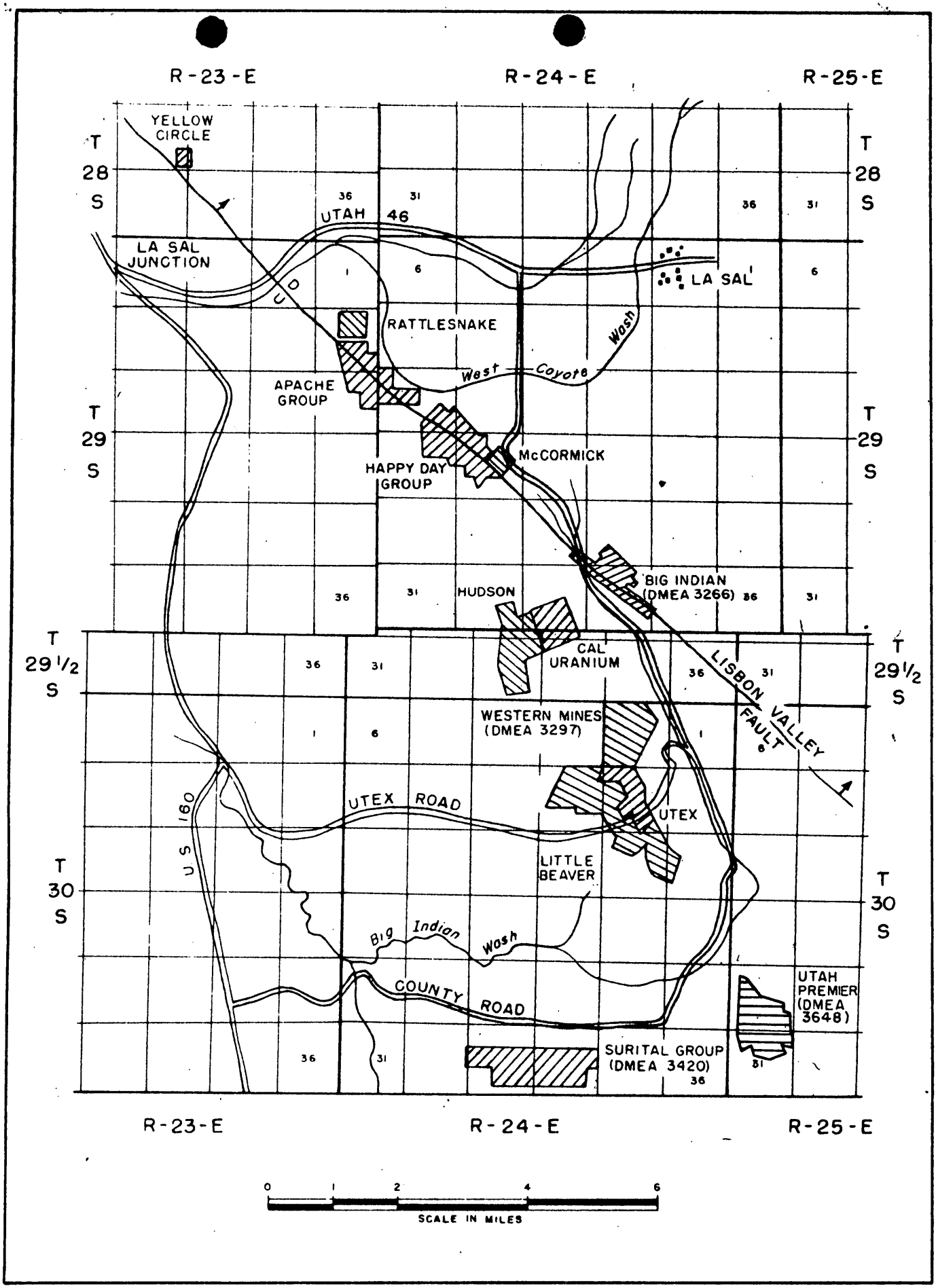


FIGURE 2 - AREA MAP, UTAH PREMIER GROUP, UTAH PREMIER URANIUM COMPANY, SAN JUAN COUNTY, UTAH. DMEA 3648

HISTORY AND PRODUCTION

Until the discovery of uranium in the basal Chinle formation in 1952 the area was considered to be barren of uranium mineralization. The Atomic Energy Commission drilled three holes on the property in August and September, 1953. These holes were considered as barren and the cores have been destroyed. The claims were located in 1953 and outside of the holes drilled by A. E. C., no work has been done on the property.

OWNERSHIP AND EXTENT

The property consists of 34 unpatented claims in a solid block located in secs. 30 and 31, T. 30 S., R. 25 E., Salt Lake meridian. The claims are recorded in the office of the County Recorder of San Juan County, Utah as follows:

Claim	Book	Page	Date Recorded	Discovery Date	Locator
Brigham Tea #6	23	34	3/23/53	3/18/53	Patterson, Marshall, and Ballou
Brigham Tea #8 Fr.	47	492	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Brigham Tea #9 Fr.	47	492	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Brigham Tea #10 Fr.	47	492	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Crooked Wash	19	306	5/27/53	5/16/53	Patterson, Marshall, and Ballou
Crooked Wash Fr.	47	490	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Fair Hope	23	23	3/23/53	3/18/53	Patterson, Marshall, and Ballou
Fair Hope Fr.	47	491	1/15/54	12/8/53	Patterson, Marshall, and Ballou
Fair Hope #1 Fr.	97	454?			Patterson, Marshall, and Ballou
High Point	25	8			
High Point #1	19	145			
High Point #2	19	146			
High Point Fr.	47	490			

Claim	Book	Page	Date Recorded	Discovery Date	Locator
Lost Canyon #1	29	279	7/8/53	7/3/53	Patterson, Marshall, and Ballou
Lost Canyon #2	29	279	7/8/53	7/3/53	Patterson, Marshall, and Ballou
Lost Canyon #3 Fr.	47	494	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Lost Canyon #4 Fr.	47	494	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Old Crow #3	23	31	3/23/53	3/21/53	Patterson, Marshall, and Ballou
Old Crow #7 Fr.	47	488	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Old Crow #8 Fr.	47	488	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Old Crow #9 Fr.	47	489	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Old Crow #10 Fr.	47	489	1/15/54	12/18/53	Patterson, Marshall, and Ballou
Paramount #1	19	140	2/3/53	1/14/53	Patterson, Marshall, and Ballou
Paramount #2	19	141	2/3/53	1/14/53	Patterson, Marshall, and Ballou
Paramount #3	19	141	2/3/53	1/19/53	Patterson, Marshall, and Ballou
Paramount #4	19	142	2/3/53	1/29/53	Patterson, Marshall, and Ballou
Paramount #5	19	142	2/3/53	1/29/53	Patterson, Marshall, and Ballou
Paramount #6	19	143	2/3/53	1/29/53	Patterson, Marshall, and Ballou
Paramount #1 Fr.	49	105	1/18/54	12/20/53	Patterson, Marshall, and Ballou
Silver Pot	23	57	3/27/53	3/10/53	Lyle & Clara Francis
Silver Pot #2	23	58	3/27/53	3/10/53	Lyle & Clara Francis
Silver Pot #3	23	59	3/27/53	3/10/53	Lyle & Clara Francis
Silver Pot #4	23	59	3/27/53	3/10/53	Lyle & Clara Francis
Silver Pot #5	23	60	3/27/53	3/10/53	Lyle & Clara Francis

An agreement between G. O. Patterson, John L. Ballou, and John B. Marshall, parties of the first part and H. Evan Roberts, party of the second part was entered into on November 4, 1953 for a 5-year lease with the right of extension on 58 unpatented uranium claims.

An agreement to purchase 85 percent of the rights of H. Evan Roberts in 34 of the claims was made on September 28, 1954 between H. Evan Roberts and the Utah Premier Uranium Company.

Outside of the three drill holes put down by the A. E. C. in September, 1953, there appears to be no work done on the claims although the lease calls for 1,650 feet of drilling, or its equivalent, per month.

DESCRIPTION OF DEPOSITS

The exposed rocks on the Utah Premier claims range from the Cutler formation of Permian age, through the 400-foot thick Chinle formation of Triassic age, to the Wingate and Kayenta formations of the Lower Jurassic. The only known ore occurrence is in the basal member of the Chinle formation.

Three holes drilled through the basal Chinle by the A. E. C. did not show any ore. A small area in the basal Chinle on the Crooked Wash claim shows radioactivity as does the mudstone directly beneath. The basal Chinle is porous and contains some carbonaceous trash. The mudstone is light grey. No production has been made from nearby mines.

MINABLE ORE RESERVES

There are no known minable ore reserves on the property.

PRESENT STATUS

Exploration and Development

With the exception of the three A. E. C. holes, no exploration or development work has been done on the property to date.

Mining and Milling Equipment and Other Facilities

There is no mining or milling equipment or other facilities on the property.

PROPOSED EXPLORATION

The applicant proposed to explore the basal Chinle with 32,600 feet of diamond drilling to be drilled in three stages. Stage I consisted of 6,600 feet (15 holes) of diamond drilling. Stage II consisted of 19,500 feet (51 holes) of diamond drilling spaced on a 500-foot grid pattern. Stage III consisted of 6,500 feet of diamond drilling to delineate ore found in Stage I and Stage II drilling.

The total overall cost was estimated at $172,920.00.

The examining team does not believe that the property warrants a large drilling program at this time and suggests a four-stage drilling program as follows:

Stage I

250 feet of core drilling at an estimated cost of $1,380.00

Stage II

1,350 feet of diamond drilling at an estimated cost of $4,080.00

Stage III

5,200 feet of diamond drilling at an estimated cost of $12,356.50

Stage IV

3,200 feet of diamond drilling of offset holes at an estimated cost of $7,820.00

Total estimated cost of project	$25,636.50
Government participation, 75 percent	$19,227.38

The location of Stages I, II, and III are shown on figure 2 of the geological report.

ESTIMATED COST OF PROJECT

The application, as submitted, included the following estimated costs:

Estimated Cost of Diamond Drilling

The applicant's estimated costs follow:

Independent contracts		
32,600 feet of diamond drilling at $4.00 per foot	$130,400.00	
Bulldozing - clearing drill sites, roads, etc.	3,500.00	
Total independent contracts		$133,900.00
Labor and supervision		
Labor 2 men at $300 per month for 3 months	$ 1,800.00	
Geologist 3 months at $600.00 per month	1,800.00	
Clerk 3 months at $300.00 per month	900.00	
Superintendent 3 months at $600.00 per month	1,800.00	
Consultants	2,000.00	
Total labor and supervision		$ 8,300.00
Operating material and supplies		
(Lumped)	$ 2,000.00	
Total operating material and supplies		$ 2,000.00
Operating equipment		
1 - 3/4 ton truck (4 wheel drive)	$ 4,000.00	
1 - jeep station wagon	3,000.00	
Total operating equipment		$ 7,000.00
Initial rehabilitation and repairs		
None		
New buildings, improvements, etc.		
1 Butler building with core storage	$ 2,000.00	
Total new buildings, improvements, etc.		$ 2,000.00

Miscellaneous

(Lumped)	$ 3,000.00	
Assaying 200 assays at $5.00 each	1,000.00	
Total miscellaneous		$ 4,000.00

Contingencies

Contingencies (10 percent)	$ 15,720.00	
Total contingencies		$ 15,720.00
Total estimated diamond drilling costs		$172,920.00
Average cost per foot for 32,600 feet of drilling		$ 5.30

Engineer's Estimated Cost of Modified Project

The examining team's modified program, which was agreed to by Mr. St. Clair, recommends 10,000 feet of diamond drilling to be drilled in four stages. Stage I has an estimated 250 feet (5 holes) of core drill holes, Stage II 1,350 feet (6 holes) of drilling, Stage III 5,200 feet (13 holes) of drilling, and Stage IV 3,200 feet (9 holes) of offset holes. Each of the holes in Stages II, III, and IV to be cored their bottom 40 to 60 feet.

Estimated Cost of Drilling

Stage I

Core Drilling

Independent contracts

250 feet of BX or larger core drilling at $2.50 per foot	$ 625.00	
Bulldozing roads and drillsites 2 days at $100.00 per day	200.00	
Total independent contracts		$ 825.00

Labor and supervision		
Labor		
1 sampler-helper. 1/3 month at $360.00 per month	$ 120.00	
Supervision		
1 geologist-engineer. 1/3 month at $700.00 per month	233.33	
Total labor and supervision		$ 353.33
Operating material and supplies		
28 gallons gasoline at 33¢ per gal.	$ 9.24	
13 wooden core boxes at $5.00 each	65.00	
Survey stakes	3.00	
Total operating material and supplies		$ 77.24
Operating equipment		
Depreciation		
1 jeep station wagon, value $2,400.00, for 1/3 month at $40.00 per month	$ 13.33	
Rental		
1 transit, etc. $45.00 per month, 1/3 month	15.00	
Total operating equipment		$ 28.33
Initial rehabilitation and repairs		
None		
New buildings, improvements, etc.		
None		
Miscellaneous		
Accounting. 1/3 month at $60.00 per month	$ 20.00	
Liability and compensation insurance and payroll taxes. 5 percent of $373.33	18.67	
Maintenance of jeep, 1/3 month at $25.00 per month	8.33	
Total miscellaneous		$ 47.00
Total estimated cost of 250 feet of core drilling		**$1,330.90**
Cost per foot		$ 5.32

Time for completion		10 days

Stage II

Non-Core Drilling

Independent contracts

1,050 feet of non-core drilling at $2.00 per foot	$ 2,100.00	
Bulldozing roads and drillsites. 70 percent of 3 days bulldozing at $100.00 per day	210.00	
Total independent contracts		$ 2,310.00

Labor and supervision

Labor		
1 sampler-helper. 70 percent of 1/2 month at $360.00 per month	$ 126.00	
Supervision		
1 engineer-geologist. 70 percent of 1/2 month at $700.00 per month	245.00	
Total labor and supervision		$ 371.00

Operating materials and supplies

70 percent of 42 gals. gasoline at 32¢ per gal.	$ 9.41	
Survey stakes. 70 percent of $3.00	2.10	
Total operating materials and supplies		$ 11.51

Operating equipment

Depreciation		
1 jeep station wagon, value $2,400.00. 70 percent of 1/2 month at $40.00 per month	$ 14.00	
Rental		
1 transit, etc. 70 percent of 1/2 month at $45.00 per month	15.75	
Total operating equipment		$ 29.75

Initial rehabilitation and repairs

None

New buildings, improvements, etc.

None

Miscellaneous

Accounting. 70 percent of 1/2 month at $60.00 per month	$ 21.00	
Liability and compensation insurance and payroll taxes. 5 percent of $392.00	19.60	
Maintenance of jeep. 70 percent of $12.50	8.75	
Total miscellaneous		$ 49.35
Total estimated cost of 1,050 feet of non-core drilling		$ 2,771.61
Cost per foot		$ 2.64

Core Drilling

Independent contracts

300 feet of BX or larger core drilling at $3.00 per foot	$ 900.00	
Bulldozing roads and drill sites. 30 percent of 3 days at $100.00 per day	90.00	
Total independent contracts		$ 990.00

Labor and supervision

Labor		
1 sampler-helper. 30 percent of 1/2 month at $360.00 per month	$ 54.00	
Supervision		
1 engineer-geologist. 30 percent of 1/2 month at $700.00 per month	105.00	
Total labor and supervision		$ 159.00

Operating material and supplies

30 percent of 42 gallons of gasoline at 32¢ per gal.	$ 4.03	
Survey stakes. 30 percent of $3.00	.90	
10 wooden core boxes at $5.00 each	50.00	
Total operating material and supplies		$ 54.93

Operating equipment		
Depreciation		
1 jeep station wagon, value $2,400.00. 30 percent of 1/2 month at $40.00 per month	$ 6.00	
Rental		
1 transit, etc. 30 percent of 1/2 month at $45.00 per month	6.75	
Total operating equipment		$ 12.75
Initial rehabilitation and repairs		
None		
New buildings, improvements, etc.		
None		
Miscellaneous		
Accounting. 30 percent of 1/2 month at $60.00 per month	$ 9.00	
Liability and compensation insurance and payroll taxes. 5 percent of $168.00	8.40	
Maintenance of jeep. 30 percent of $12.50	3.75	
Total miscellaneous		$ 21.15
Total estimated cost of 300 feet of core drilling		$ 1,237.83
Cost per foot		$ 4.16

Stage III

Non-Core Drilling		
Independent contracts		
4,550 feet of non-core drilling at $1.75 per foot	$ 7,962.50	
Bulldozing roads and drill sites. 80 percent of 10 days at $100.00 per day	800.00	
Total independent contracts		$ 8,762.50

Labor and supervision		
Labor		
1 sampler-helper. 80 percent of 1 month at $360.00 per month	$ 288.00	
Supervision		
1 engineer-geologist. (half time on job) 80 percent of 1/2 month at $700.00 per month	280.00	
Total labor and supervision		$ 568.00
Operating materials and supplies		
80 percent of 84 gallons of gasoline at 32¢ per gal.	$ 21.50	
Survey stakes. 80 percent of $3.00	2.40	
Total operating materials and supplies		$ 23.90
Operating equipment		
Depreciation		
1 jeep station wagon, value $2,400.00. 80 percent of 1 month at $40.00 per month	$ 32.00	
Rental		
1 transit, etc. 80 percent of 1 month at $45.00 per month	36.00	
Total operating equipment		$ 68.00
Initial rehabilitation and repairs		
None		
New buildings, improvements, etc.		
None		
Miscellaneous		
Accounting. 80 percent of 1 month at $60.00 per month	$ 48.00	
Liability and compensation insurance and payroll taxes. 5 percent of $616.00	30.80	
Maintenance of jeep. 80 percent of $25.00	20.00	
Total miscellaneous		$ 98.80

Total estimated cost of 4,550 feet of non-core drilling		$ 9,521.20
Cost per foot		$ 2.09

Core Drilling

Independent contracts

650 feet of BX or larger core drilling at $3.50 per foot	$ 2,275.00	
Bulldozing roads and drill sites. 20 percent of 10 days at $100.00 per day	200.00	
Total independent contracts		$ 2,475.00

Labor and supervision

Labor		
1 sampler-helper. 20 percent of 1 month at $360.00 per month	$ 72.00	
Supervision		
1 engineer-geologist (half time on job). 20 percent of 1/2 month at $700.00 per month	70.00	
Total labor and supervision		$ 142.00

Operating materials and supplies

20 percent of 84 gallons gasoline at 32¢ per gal.	$ 5.38	
Survey stakes. 20 percent of $3.00	.60	
10 wooden core boxes at $5.00 each	50.00	
Total operating materials and supplies		$ 55.98

Operating equipment

Depreciation		
1 jeep station wagon, value $2,400.00. 20 percent of 1 month at $40.00 per month	$ 8.00	
Rental		
1 transit, etc. 20 percent of 1 month at $45.00 per month	9.00	
Total operating equipment		$ 17.00

Initial rehabilitation and repairs

None

New buildings, improvements, etc.

None

Miscellaneous

Accounting. 20 percent of 1 month at $60.00 per month	$ 12.00	
Liability and compensation insurance, and payroll taxes. 5 percent of $154.00	7.70	
Maintenance of jeep. 20 percent of 1 month at $25.00 per month	5.00	
Total miscellaneous		$ 24.70
Total estimated cost of 650 feet of core drilling		$ 2,714.68
Cost per foot		$ 4.18

Stage IV

Non-Core Drilling

Independent contracts

2,750 feet of non-core drilling at $1.75 per foot	$ 4,812.50	
Bulldozing roads and drill sites. 80 percent of 4 days at $100.00 per day	320.00	
Total independent contracts		$ 5,132.50

Labor and supervision

Labor		
1 sampler-helper. 80 percent of 1 month at $360.00 per month	$ 288.00	
Supervision		
1 engineer-geologist (half time on job). 80 percent of 1/2 month at $700.00 per month	280.00	
Total labor and supervision		$ 568.00

Operating materials and supplies		
80 percent of 84 gallons gasoline at 32¢ per gal.	$ 21.50	
Survey stakes. 80 percent of $2.00	1.60	
Total operating materials and supplies		$ 23.10
Operating equipment		
Depreciation		
1 jeep station wagon, value $2,400.00. 80 percent of 1 month at $40.00 per month	$ 32.00	
Rental		
1 transit, etc. 80 percent of 1 month at $45.00 per month	36.00	
Total operating equipment		$ 68.00
Initial rehabilitation and repairs		
None		
New buildings, improvements, etc.		
None		
Miscellaneous		
Accounting. 80 percent of 1 month at $60.00 per month	$ 48.00	
Liability and compensation insurance and payroll taxes. 5 percent of $616.00	30.80	
Maintenance of jeep. 80 percent of 1 month at $25.00 per month	20.00	
Total miscellaneous		$ 98.80
Total estimated cost of 2,750 feet of non-core drilling		$ 5,890.40
Cost per foot		$ 2.14

Core Drilling

Independent contracts

450 feet of core drilling at $3.50 per foot	$ 1,575.00	
Bulldozing roads and drill sites. 20 percent of 4 days at $100.00 per day	80.00	
Total independent contracts		$ 1,655.00

Labor and supervision

Labor		
1 sampler-helper. 20 percent of 1 month at $360.00 per month	$ 72.00	
Supervision		
1 engineer-geologist (half time on job). 20 percent of 1/2 month at $700.00 per month	70.00	
Total labor and supervision		$ 142.00

Operating materials and supplies

20 percent of 84 gallons gasoline at 32¢ per gal.	$ 5.38	
Survey stakes. 20 percent of $2.00	.40	
Core boxes - none		
Total operating materials and supplies		$ 5.78

Operating equipment

Depreciation		
1 jeep station wagon, value $2,400.00. 20 percent of 1 month at $40.00 per month	$ 8.00	
Rental		
1 transit, etc. 20 percent of 1 month at $45.00 per month	9.00	
Total operating equipment		$ 17.00

Initial rehabilitation and repairs

None

New buildings, improvements, etc.

None

Miscellaneous

Accounting. 20 percent of 1 month at $60.00 per month	$ 12.00	
Liability and compensation insurance and payroll taxes. 5 percent of $154.00	7.70	
Maintenance of jeep. 20 percent of 1 month at $25.00 per month	5.00	
Total miscellaneous		$ 24.70
Total estimated cost of 450 feet of core drilling		$1,844.48
Cost per foot		$ 4.10

SUMMARY COST OF PROJECT

Stage I

250 feet of BX (or larger) coring at $5.32 a foot	$ 1,330.00
10 assays at $5.00 each	50.00
Total estimated cost of Stage I	$ 1,380.00

Stage II

1,050 feet of non-core drilling at $2.64 a foot	$ 2,772.00
300 feet of core drilling at $4.16 a foot	1,248.00
12 assays at $5.00 each	60.00
Total estimated cost of Stage II	$ 4,080.00

Stage III

4,550 feet of non-core drilling at $2.09 a foot	$ 9,509.50
650 feet of core drilling at $4.18 a foot	2,717.00
26 assays at $5.00 each	130.00
Total estimated cost of Stage III	$12,356.50

Stage IV

2,750 feet of non-core drilling at $2.14 a foot	$ 5,885.00
450 feet of core drilling at $4.10 a foot	1,845.00
18 assays at $5.00 each	90.00
Total estimated cost of Stage IV	$ 7,820.00
Total estimated cost of project	$25,636.50
Government participation - 75 percent	$19,227.38
Time required for completion	3 months

CONCLUSIONS

Although no uranium ore has been developed on the property the Utah Premier group lies but three miles south of an area noted for large uranium ore deposits. A small exposure of uranium mineralization is located on the Crooked Wash claim. The examining team believes that the property merits a small amount of exploration near the uranium mineralized exposure, followed by more extensive exploration provided that the preliminary exploration proves favorable.

RECOMMENDATIONS

It is recommended that a short-form contract be prepared for a four-stage program consisting of:

Stage I

Core drilling a maximum of 250 feet (5 holes) near the uranium mineralized exposure on the Crooked Wash claim, located as shown on figure 2 of the geological report, and chemical assaying a maximum of 10 samples. The recommended cost of 250 feet of core drilling is $5.32 a foot or $1,330.00. The recommended cost of 10 chemical assays is $5.00 each or $50.00. The recommended total cost of Stage I is $1,380.00.

Stage II

Non-core drilling a maximum of 1,050 feet (6 holes), located as shown on figure 2 of the geological report, core drilling a maximum of 300 feet (the bottom 40 to 60 feet of the 6 holes mentioned above) and chemical assaying a maximum of 12 samples. The recommended cost of 1,050 feet of non-core drilling is $2.64 a foot or $2,772.00, the recommended cost of 300 feet of core drilling is $4.16 a foot or $1,248.00, and the recommended cost of 12 chemical assays is $5.00 each or $60.00. The recommended total cost of Stage II is $4,080.00.

Stage III

Non-core drilling a maximum of 4,550 feet (13 holes), located as shown on figure 2 of the geological report, core drilling a maximum of 650 feet (the bottom 40 to 60 feet of the 13 holes mentioned above), and the chemical assaying of a maximum of 26 samples. The recommended cost for 4,550 feet of non-core drilling is $2.09 a foot or $9,509.50, the recommended cost for 650 feet of core drilling is $4.18 a foot or $2,717.00, and the recommended cost for 26 chemical assays is $5.00 each or $130.00. The recommended total cost of Stage III is $12,356.50.

Stage IV

Non-core drilling a maximum of 2,750 feet (9 holes), of offset drilling to delineate ore found by previous drilling, core drilling a maximum of 450 feet (the bottom 40 to 60 feet of the 9 holes mentioned above), and the chemical assaying of a maximum of 18 samples. The recommended cost for 2,750 feet of non-core drilling is $2.14 a foot or $5,885.00, the recommended cost for 450 feet of core drilling is $4.10 a foot or $1,845.00, and the recommended cost of 18 chemical assays is $5.00 each or $90.00. The recommended total cost for Stage IV is $7,820.00.

The recommended total cost for the entire project is $25,636.50.

Government participation - 75 percent $19,227.38.

General recommendations for all four stages

All holes are to be cored their bottom 40 (minimum) to 60 (maximum) feet and should be cored AX size or larger. All holes should be bottomed at the end of the first coring run showing sediments of the Cutler formation. All cores will be boxed and marked as to hole

number and footage and properly stored for examination by the Government. All holes will be logged their entire depth with suitable radioactivity detection instruments. All mineralized core will be split by the operator and submitted for chemical analysis for U_3O_8, V_2O_5, and $CaCO_3$. A split of all core; barren, mineralized, or ore, will be retained for use of the Government.

At the completion of work authorized under each stage, and before work under the successive stage will be authorized, the operator will furnish the Government an accurate map showing the locations, hole numbers, and collar elevations of all holes drilled under the particular stage and accompanied by lithologic logs and radioactivity survey logs of the holes drilled, certified by the operator as being correct. After each stage of work is completed, data submitted to the Government will be evaluated by the Government before the next stage of work is begun. No stage of the work will be started without prior authorization by the DMEA Field Team, Region III. Drillers daily drilling reports will be submitted with the 104 forms.

/mh

DMEA
Date Rec'd
MAY 10 1955
BUREAU OF MINES
Denver, Colorado

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

May 9, 1955

TRANSMITTED
MAY 12 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3648 (Uranium), Utah Premier Uranium Company, Utah Premier claim group, San Juan County, Utah

Enclosed are 10 copies of a geologic report by G. W. Weir of the U. S. Geological Survey on the subject application, and 9 extra copies of the maps accompanying the report.

The claims lie in an area known to contain large deposits of uranium ore. Although there is only one small outcrop of mineralized rock on the property, Weir concludes that the property may contain large deposits of uranium ore. He recommends that a reduced program acceptable to the applicant, providing for a total of 10,000 feet of drilling set up in 4 stages, be approved.

In an annex to this report Weir refers to an application by the Republic Uranium Company (DMEA Docket 3545) for assistance to explore the Paramount claims adjoining those of the Utah Premier group. Although the geologic setting of the two groups is the same, Weir recommends that the Republic Uranium Company application (Docket 3545) be denied without prejudice because the Paramount claims show no evidence of mineralization.

It appears that a reconciliation of the two recommendations may be necessary.

DRMacLaren
for E. N. Harshman
Member, Field Team

Enclosures (28)

DRMacLaren:arh

5-18-55

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

April 25, 1955

Memorandum

To: E. N. Harshman

From: W. P. Williams

Subject: DMEA 3648, Utah Premier Uranium Company, Utah Premier group of claims, San Juan County, Utah

Transmitted herewith are eleven copies of a geologic report by G. W. Weir covering the field examination of the above referenced property.

The Utah Premier claims have a small outcrop of mineralized rock and the claims lie in a mining area that is known to contain large uranium ore deposits. Geologic conditions and the proposed exploration program are similar to other successful exploration programs that were based on similar limited evidence of mineralization. Weir recommends that a DMEA contract be approved to provide for a total of about 10 thousand feet of drilling in four stages. Stages 1 and 2 are on a very moderate scale and I concur with Weir's recommendation.

Messrs. Y. W. Isachesen and H. M. Dahl, geologists Atomic Energy Commission, Grand Junction Operations Office, were asked for information and advice in evaluating the property.

We are enclosing nine extra copies of the maps accompanying Weir's report. Also returned herewith is the brochure covering this application.

W P Williams

W. P. Williams
Geologist

Enclosures

5-18-55

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

MAY 16 1955

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

DMEA 3648, Utah Premier Uranium Company, Utah Premier group of claims, San Juan County, Utah

Uranium

Geologic Report

by

G. W. Weir
U. S. Geological Survey

April 1955

Reviewed by
DMEA OPERATING COMMITTEE
5-18-55
(date)

INTRODUCTION AND SUMMARY

The Utah Premier Uranium Company, Salt Lake City, Utah, has applied to the Defense Minerals Exploration Administration for a loan to explore for uranium by drilling the basal part of the Chinle formation underlying the Utah Premier group of claims. The group of claims lies in parts of secs. 29, 30, 31, and 32, T. 30 S., R. 25 E., S.L.P.M., San Juan County, Utah (fig. 1). The property was examined on March 23, 1955, by Messrs. Carl Beiser, U. S. Bureau of Mines, and G. W. Weir, C. L. Dodson, and W. P. Williams, U. S. Geological Survey, accompanied by Mr. John Q. St. Clair, acting for the applicants. The applicants' program and copies of logs made by geologists of the Atomic Energy Commission of holes previously drilled on the property were reviewed with Messrs. Y. W. Isachsen and H. M. Dahl, AEC geologists.

The applicants proposed a drilling program of three stages: Stage 1) 20 holes located on a 1,000-foot grid, stage 2) 51 holes located on a 500-foot grid; stage 3) supplementary drilling to outline mineralized and ore zones. Surface stripping or trenching or a series of shallow holes behind a small mineralized outcrop on the Crooked Wash claim was also planned. Total drilling footage required for the program was estimated by the applicants to be about 32,600 feet and total cost was estimated to be $172,920.

Because the Utah Premier group has a small outcrop of mineralized rock and because it lies in a mining area that is known to contain large deposits of uranium ore, the examining team recommends that a loan be granted for the exploration of the property. The risks involved in the proposed exploration program are large, but the program is similar to the successful exploration programs in the area based on similar limited evidence of mineralization. The examining team proposes that the applicant's program be modified to consist of four stages. The objectives of stage 1 and 2 are to determine by relatively shallow drilling the approximate extent of uranium ore lying behind the mineralized outcrop on the property and to find similar relatively shallow ore bodies in the same general area. The objectives of stages 3 and 4 are to find and to determine the approximate extent of more deeply buried presumably larger ore bodies. Stage 1 consists of drilling 5 holes on 100-foot centers at specified locations behind the mineralized outcrop, requiring an estimated 250 feet. Stage 2 consists of drilling a maximum of 6 holes on 50- to 250-foot spacing in a designated area farther away from the mineralized outcrop requiring an estimated 1,350 feet. Stage 3 consists of drilling two lines of holes about 2,500 feet apart with holes in each line about 500 feet apart requiring an estimated 5,200 feet. Stage 4 consists of offset drilling of mineralized and ore holes found by previous work requiring an estimated 3,200 feet. Total maximum footage for the entire project is estimated to be 10,000 feet. Mr. Belser, Bureau of Mines, will submit a separate report on the engineering and cost aspects of the proposed program.

GEOLOGY

The general geologic setting of the Utah Premier group of claims is shown in figure 2. The contacts shown on the map are only approximate in places.

Stratigraphy.--The Cutler formation of Permian age is the oldest formation exposed on the property. It consists mainly of red, purple, and brown mudstone and red, purple, and white sandstone and conglomerate. The Cutler formation is overlain unconformably by the Chinle formation. The contact is exposed on the Crooked Wash claim though it is not shown on the geologic map (fig. 2). The Chinle-Cutler contact can generally be recognized in drill core by the first appearance of red and brown rocks below the contrasting green mudstone and gray sandstone of the Chinle formation.

The Chinle formation of Upper Triassic age in the chief ore-bearing formation in the mining area. The Chinle is estimated to be about 350-400 feet thick. It consists of red and green mudstone and red and gray sandstone, siltstone, and conglomeratic sandstone and rests unconformably on the Cutler formation. Large uranium ore deposits are known to occur in an ill-defined basal member that is probably equivalent to the Moss Back member of the Chinle to the west. The basal member consists of gray and greenish-gray sandstone, sandy siltstone and conglomeratic sandstone with green mudstone. The basal member, here called the lower Chinle, ranges from a knife-edge to more than 10 feet along the outcrop on the company claims. The Chinle formation and especially the lower Chinle are believed to possibly thicken southwesterly away from the outcrop.

The Wingate sandstone of Upper Triassic age overlies the Chinle formation, possibly with small local unconformity. The Wingate is a massive crossbedded, fine-grained, orange sandstone. It is estimated to attain a full thickness of about 350 feet, but over most of the property part of the formation has been removed and an average thickness of the remaining Wingate is estimated to be about 200 feet.

The Kayenta formation of Lower Jurassic(?) age conformably overlies the Wingate formation. It consists mainly of interstratified red mudstone and sandstone. The full thickness of the Kayenta is about 250 feet but probably only the basal 150 feet is exposed on the property.

Quaternary fine-grained orange-brown alluvium covers about one-fourth of the property. The thickness of this material on the property was not determined but exposures nearby suggest that it may generally exceed 15 feet.

Structure.--The Utah Premier group of claims are on the southwest flank of the Lisbon Valley anticline. The Lisbon Valley anticline is believed to be underlain by a thickened roll of salt in the Paradox member of the Hermosa formation of Pennsylvanian age. The anticline probably existed as a structural and topographic high since the late Paleozoic; probably all nearly Mesozoic formations are slightly thinner near the axis of the structure. The beds on the property strike about N. 55° W.; dips decrease from about 14° S.W. near the north part of the property to about 6° S.W. on the south part of the property. No faults are known on or near the property, but the Wingate sandstone shows a well-developed set of vertical joints that trends northwesterly about parallel with the strike of the beds.

APPRAISAL OF THE URANIUM ORE POTENTIAL

One small outcrop of mineralized material on the Utah Premier group of claims is known to the writer. This outcrop is located in the north-central part of the Crooked Wash claim (fig. 2). The mineralized material seen in place was slightly less than one foot thick and a few feet wide. Exposures were poor, however, and the full width of the deposit may be significantly larger. The applicant reports two assays of this material:

No. 2196-1	Detrital material from slope below mineralized outcrop	0.05% U_3O_8,	0.97% V_2O_5
No. 2196-2	Grab sample from mineralized outcrop	0.30% U_3O_8,	1.56% V_2O_5, 3.3% $CaCO_3$

These data suggest that the average mineralized material of the outcrop would be of ore grade (more than 0.10% U_3O_8 or 1.00% V_2O_5), though it is not of ore thickness (one foot or more).

The mineralized material occurs in the lower Chinle in a lenticular medium-grained arkosic sandstone a few feet above the Chinle-Cutler contact. The ore-bearing sandstone is about 10 feet thick near the mineralized outcrop and thins abruptly to about 2 to 4 feet about 100 feet west and about 50 feet east of the mineralized outcrop. Probably the lens is elongate in a southeasterly to southwesterly direction. Most ore bodies in the mining area are rudely elongate, parallel to the structural contours or sedimentation trends, which in this area are practically coincident.

The mineralized outcrop and thickness and lithology of the ore-bearing bed is similar to those observed by the writer at the Service Berry and Divide claims about 3 miles east of the outcrop. The Service Berry mine is estimated to have produced about 400 tons of uranium ore; the Divide claims, about 200 tons. Thus the writer judges that the most likely exploration target size in and near the mineralized outcrop is a uranium ore body measurable in a few to several hundreds of tons. Such ore bodies, if found, probably would be minable at the relatively shallow depths encountered on the Crooked Wash and immediately adjacent claims; more important, the finding of such ore bodies would suggest the possibility of finding larger ore bodies in the more deeply buried ground farther back from the outcrop.

The appraisal of the more deeply buried ground in the Utah Premier group is difficult. Five holes drilled near the rim are barren. Because the ore-bearing sandstone is thicker in holes BW-101 and BW-103, they were judged by AEC geologists to be relatively more favorable than holes BW-102, BW-104, and R-2. Stage 3 of the proposed exploration is planned to test the deeply buried ground southerly from the relatively favorable holes BW-101 and BW-103.

Although the Utah Premier group lies in a mining area noted for the frequency of large uranium deposits commonly measurable in tens of thousands of tons, known large ore deposits are not close to the property. The nearest known large deposits are the North American Co. deposit and C. A. Steen's Utex Co. (Mi Vida mine) deposit about 3-1/2 miles northwest of the Utah Premier group. The Continental Uranium Co. School section no. 36 deposit, also large-sized, lies about 4-1/2 miles east of the Utah Premier group. Two holes drilled on the neighboring claims (the Republic group) immediately west were barren. An unknown number of holes (perhaps about a dozen) drilled on the property (Queen Esther group, School Section 32) immediately east of the Utah Premier group also are believed to be barren. In the examining geologist's opinion the area between Steen's Mi Vida mine and the Continental Uranium School sec. 36 mine is too little explored to give cause for a ngegative appraisal of the ground.

Geologists of the Atomic Energy Commission have noted that the significant ore deposits as presently known with only a few exceptions all lie between the elevations 6,200 and 6,700 feet. These contours enclose a belt slightly more than one-half mile wide. There are probably several hypotheses to explain this apparent structural control; one mentioned by AEC geologists is that uranium ore may be restricted to the former position of an oil pool bounded by water at the 6,200-foot level and by gas at the 6,700-foot level. The apparent structural control is an interpretation based on all currently available drill hole information by AEC geologists; they note that future deep drilling may result in a revision of the pattern of ore deposits. The significance of this interpretation for the Utah Premier group is that practically all of the Utah Premier group lies south of the belt enclosing most known ore deposits; that is, most of the group lies below the 6,200-foot contour. Thus, current interpretation of drilling data by AEC geologists suggests that the Utah Premier group is unlikely to contain large uranium deposits.

Large uranium deposits in the area are restricted to relatively thicker portions of the Chinle formation. No large deposits have been found where the lower Chinle is less than 30-35 feet thick. This minimum favorable thickness contrasts with observed thicknesses at the outcrop on the Utah Premier group which probably average less than 10 feet. There is suggestive evidence at several outcrops in the mining area that the Chinle formation thickens away from the Lisbon Valley anticline, and the writer hypothesizes that the lower Chinle has this thickening. By this hypothesis the southern part of the Utah Premier group would be much more favorable for large ore deposits than the claims near the outcrop. Furthermore, evidence of mineralization near the rim is interpreted by the writer as suggesting that much of the Utah Premier group may have been subject to the influence of mineralizing solutions and that the thicker lower Chinle may contain significant ore deposits.

To review and summarize, the following points, which are largely interpretative, are believed by the writer to support the recommendation for the drilling program subsequently described:

1) A mineralized outcrop on the property suggests that small deposits may be found in an area close to the rim.

2) The ore-bearing unit is believed to thicken away from the rim and to be able to accommodate large uranium deposits in the deeper ground.

3) The mineralized outcrop suggests that much of the area may have been exposed to the influence of mineralizing solutions and the significant ore bodies may be found in the thicker more deeply buried ore-bearing unit away from the rim.

4) The five holes drilled in relatively shallow ground do not constitute an adequate test of the property.

On the other hand, the following points, which are also largely interpretative, support a recommendation for denial of the proposed exploration:

1) There is no definite evidence that the mineralized outcrop is part of an ore body or definitely indicates ground favorable for significant ore deposits.

2) There is no definite evidence on the property that the ore-bearing unit thickens away from the outcrop.

3) The group of claims lies outside a belt based on structural contours that contains most all known large deposits.

4) The five holes drilled on the property show no mineralized rock and give no definite evidence of the presence of ground favorable for significant ore deposits.

The examining geologist gives more weight to those arguments favoring the possibility of significant ore deposits existing on the property and, therefore, recommends that a loan be granted for the exploration of the Utah Premier group of claims.

The risks involved in the proposed exploration on the Utah Premier group of claims is large but the proposed program is similar to successful exploration programs in the area based on similar limited evidence of mineralization. It is a puzzling peculiarity of the area that though large ore bodies are relatively common, none have been developed from exposures at the outcrop. Small mineralized outcrops do occur in the same general area that large ore bodies are found, but it is almost certain that none of these mineralized outcrops are connected continuously with the large ore bodies found a few hundred to more than a thousand feet back of the rim. It is on this general relationship that the writer believed that the mineralized outcrop on the Crooked Wash claim does not indicate the presence of a large ore body near that outcrop, but that the mineralized outcrop does suggest that much of the Utah Premier group may have been exposed to the influence of mineralizing solutions and that large ore bodies may be found in the more deeply buried probably thicker ore-bearing unit away from the rim.

PROPOSED EXPLORATION

The applicant's proposal is described briefly on page 1. The examining team believes the program should be revised first to determine trends and widths of mineralized rock and ground favorable for ore deposits and second to determine the linear extent of ore deposits. Mr. John Q. St. Clair, acting for the applicant concurs in this opinion and agrees to the alternate program described below.

The proposed exploration consists of diamond drilling in four stages. The objectives of stages 1 and 2 are to find and partly delineate uranium ore bodies in an area near the outcrop of mineralized rock on the Crooked Wash claim. The objectives of stages 3 and 4 are to find and partly delineate uranium ore bodies in more deeply buried ground.

Stage 1 consists of drilling 5 holes on about 100-foot centers at specified locations behind the mineralized outcrop on the Crooked Wash claim. The recommended locations of stage 1 holes are shown on figure 2. Hole depths are estimated to range from about 35 to 60 feet and to average about 50 feet. Total estimated required footage for stage 1 drilling is 250 feet.

Stage 2 drilling consists of drilling a maximum of 6 holes on 50-250 foot spacing from other holes in a designated area near the mineralized outcrop on the Crooked Wash claim. The recommended area for stage 2 drilling is shown on figure 2. Hole depths are estimated to range from about 50 feet to 350 feet and to average about 225 feet. Total estimated required footage for stage 2 drilling is 1,350 feet.

Stage 3 drilling consists of drilling two lines of holes about 2,000 feet apart with holes in each line spaced about 500 feet apart. (The 500-foot spacing is the estimated average width of larger ore deposits in the mining area; generally they are much longer than wide.) It is estimated that 13 holes will be required. The recommended locations of stage 3 holes are shown on figure 2. Hole depths are estimated to range from about 100 feet to 600 feet and to average about 400 feet. Total estimated required footage from stage 3 drilling is 5,200 feet.

Stage 4 drilling consists of offset drilling of mineralized and ore holes found by previous work. Footage allotted to stage 4 is 3,200 feet probably permitting about 8 offset holes.

Total estimated footage for the entire program is estimated to be 10,000 feet. Total footage cored for the entire program is estimated to be about 1,500-2,000 feet.

The following general considerations apply to the entire exploration program:

All holes will be cored their bottom 40 (minimum) to 60 (maximum) feet. All holes will be bottomed at the end of the first coring run showing sediments of the Cutler formation. All cores will be boxed and marked as to hole number and footage and properly stored for examination by the Government. All holes will be logged their entire depth by suitable radioactivity detection instruments. All mineralized core will be split by the Operator and submitted for chemical analysis for U_3O_8, V_2O_5, and $CaCO_3$. A split of all core--barren, mineralized or ore--will be retained for the use of the Government.

At the completion of work authorized under each stage and before work under the successive stage will be authorized the Operator will furnish the Government an accurate map showing the locations, hole numbers, and collar elevations of all holes drilled under the particular stage accompanied by lithologic logs and radioactivity survey logs of the holes drilled, certified by the Operator as being correct. After each stage of work is completed, data submitted by the applicant will be evaluated by the Government before the next stage of work is begun. No stage of the work will be started without prior authorization by the DMEA Field Team, Region III.

SUMMARY AND RECOMMENDATIONS

The examining geologist recommends that a loan be granted for exploration of the Utah Premier group of claims. Although no uranium ore is presently known on the property, the group lies in an area noted for large uranium deposits, contains a small mineralized outcrop, and may potentially contain large uranium ore deposits. The examining geologist, recommends that a DMEA contract be approved to provide for an exploration program as outlined above. The above exploration program has been reviewed and verbally approved by Mr. John Q. St. Clair acting for the applicants.

ANNEX

The Republic Uranium Company has applied (DMEA 3545) for a loan to explore the Paramount claims which adjoining on the west the Utah Premier group. The geologic setting of the Paramount claims is similar to that of the Utah Premier group. However, the Utah Premier group has some evidence of mineralization; the Paramount claims have none. Therefore it is recommended that the application for a loan to explore the Paramount claims be denied without predjudice because of the lack of positive evidence of mineralization.

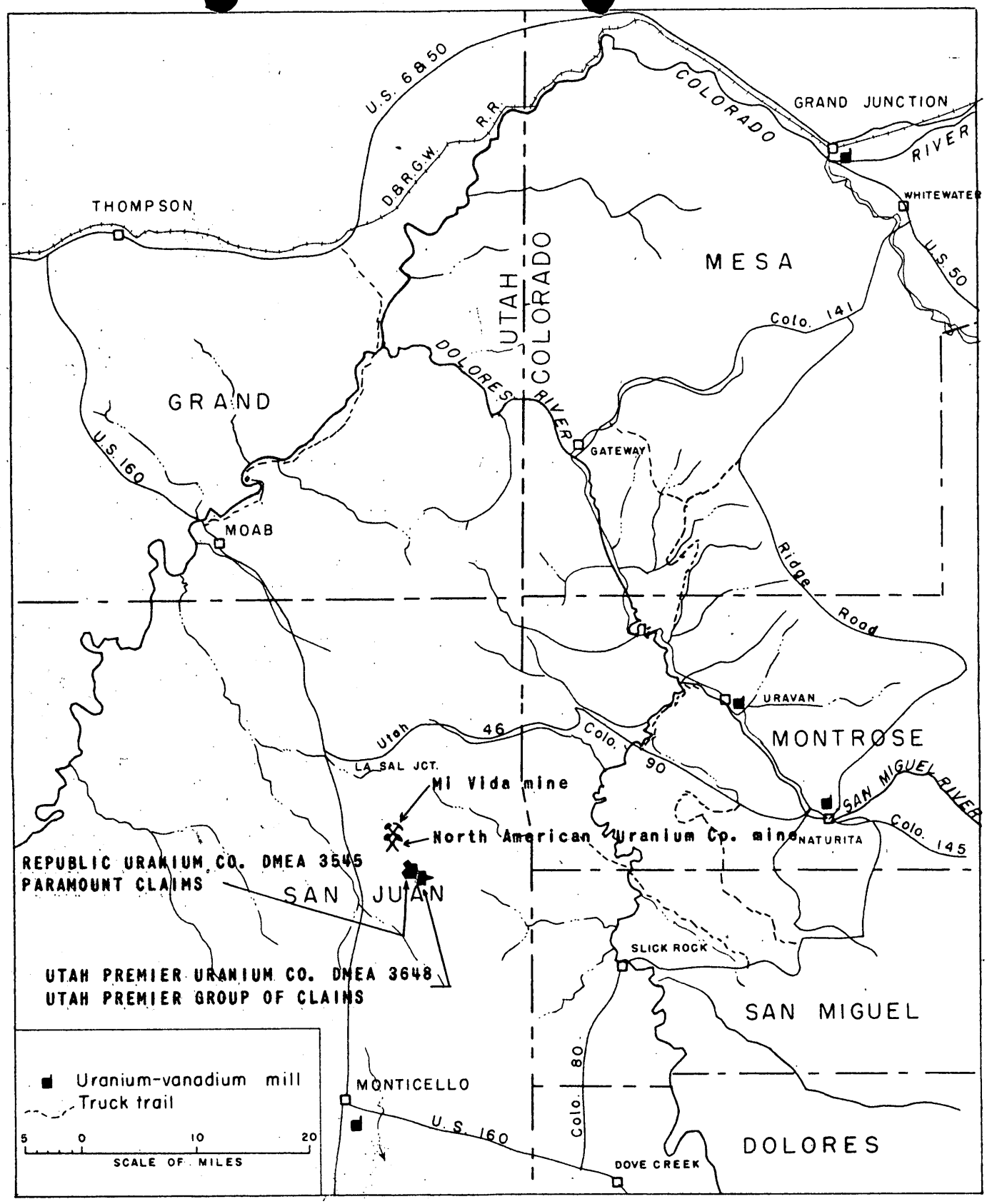


Figure 1. INDEX MAP OF PART OF COLORADO PLATEAU SHOWING LOCATION OF UTAH PREMIER URANIUM CO. PROPERTY AND REPUBLIC URANIUM CO. PROPERTY, SAN JUAN COUNTY, UTAH

Surname

Murphy
Ellis
Mattendorf

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

MAY 23 1955

Mr. Nathan Wechsler, Attorney
Utah Premier Uranium Company
1010 Vermont Avenue, N. W.
Washington, D. C.

Re: Docket No. DMEA-3648 (Uranium)
Utah Premier Group
San Juan County, Utah

Dear Mr. Wechsler:

Final consideration is being given to the subject application. However, we lack the following documents, required by the Government to protect its interest in the event a contract is finalized:

1. A copy of the Atomic Energy Commission's lease.

2. Six executed copies of a Consent to Lien signed by the owners.

3. Six executed copies of a Subordination Agreement covering any overriding royalties due the sublessor.

We are enclosing one set each (six copies) of the Owner's Consent to Lien and Subordination Agreement forms. Also, a sample copy of the forms and the Annex I, which should be attached to each executed copy of these forms.

To assist us in processing the subject application will you kindly submit the above-requested documents as soon as possible.

Sincerely yours,

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

Enclosures

FMMurphy:am
5-20-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
DMEA Field Office, Reg. III(2)

Mr. Murphy

4/4/55 gla

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

224 New Customhouse
Denver 2, Colorado

April 1, 1955

Memorandum

To: J. F. Shaw
W. P. Williams

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3545 (Uranium), Republic Uranium Company, Inc. (Paramount claim)
and
Docket DMEA 3648 (Uranium), Utah Premier Uranium Company (Utah Premier group,
San Juan County, Utah

Attached is a copy of a letter from the Chairman of the Operating Committee dated March 29, 1955 with reference to both of the subject dockets which is self-explanatory.

Docket DMEA 3545 was referred to the Geological Survey November 9, 1954. A memorandum by W. P. Williams dated January 14, 1955, with covering transmittal by E. N.Harshman of January 26, 1955 was forwarded to Washington by the Region III Field Team January 27, 1955 and copies distributed.

Docket DMEA-3648 wasreferred to the field February 24 and weekly reports indicate a joint field examination was made March 23, 1955.

You may find it pertinent to make some reference to both applicationsin your reports on the last mentioned docket in view of the subject memo and the copy of the Acting Chairman of the Operating Committee's transmitted letter of the docket under date of February 21, 1955.

/s/ W. M. Traver

W. M. Traver

Enclosure

WMT/JP
cc Subject (DMEA 3545)
Subject (DMEA 3648)
Chron
Harshman w/encl
Chairman, Op. Comm.

copy

700

Surname copy

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

MAR 29 1955

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
221 New Custom-house Building
Denver 2, Colorado

Re: Docket No. DMEA-3545 (Uranium)
Republic Uranium Company, Inc.
Paramount claims
San Juan County, Utah

Dear Mr. Traver:

In your memorandum of March 21, concerning the captioned docket, you requested information as to the present status of the subject application.

We are withholding action pending the Field Team report on the Utah Premier Uranium Company's application, Docket No. DMEA-3648. This application was referred to the Field Team on February 21. You will note the last paragraph of the field referral letter suggests that the field examiners give further consideration to the Paramount claims of the subject application since the two groups of claims are adjoining. You will also note that both companies have the same Washington representative.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

S/ R. D. Trace

Member, Geological Survey

EWEllis/gla
3-25-55
cc to: Admr. Reading File
Operating Committee
Docket DMEA-3545
Docket DMEA-3648
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700

R.C.S.

Surname copy
Murphy
J I Klosowski
Kuiloga and
Hedges
Martin

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

FEB 21 1955

Utah Premier Uranium Company
c/o Mr. Nathan Wechsler
1010 Vermont Avenue, N. W.
Washington, D. C.

Re: Docket No. DMEA-3648 (Uranium)
Utah Premier Group
San Juan County, Utah

Gentlemen:

The application for assistance in exploring your property, under the above-captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred for a field examination to the Executive Officer of Region III at the following address:

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

The Regional Office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

Frank E. Johnson by EEW
ACTING Administrator

EWEllis/gla
2-16-55
cc to: Admr.'s Reading File
Docket
Code 700
DMEA Field Team, Region III (2)

R.C.G.

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

Surname copy
Murphy
F L Wilson
Martin
R Johnson

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

FEB 21 1955

Re: Docket No. DMEA-3648 (Uranium)
Utah Premier Uranium Company
Utah Premier Group
San Juan County, Utah

Dear Mr. Traver:

The subject application is referred to Region III Field Team for a field examination and recommendation. A copy of the application was forwarded to your office on January 25.

Enclosed are copies of memoranda from John E. Crawford, dated January 27, and E. L. Newcomb, dated January 31, 1955, members of the Uranium Commodity Committee. However, these memoranda were written prior to receipt of additional information (Addendum I) on exposed mineralization. A copy of this report is enclosed for your file. The Commodity Committee have received their copies of said report.

Since the Paramount claims of the Republic Uranium Co., Inc., (Docket No. DMEA-3545 - uranium) adjoin the Utah Premier Group, probably the field examiners should give some attention to the fact in order to pick up any additional information which might be helpful in reaching a decision on both proposed projects.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures5

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

EWEllis/gla
2-16-55
cc to: Admr.'s Reading File
Operating Committee
Docket DMEA-3648
Docket DMEA-3545
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J.O. Hosted, Rm. 3210 GSA
Code 700

R.C.K.

2/2/55-gla

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 1 1955

January 31, 1955

Re: DMEA-3648
Utah Premier Uranium Company
(Utah Premier Claim Group)
San Juan Co., Utah
$172,920 - 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 three-stage program of drilling to explore the bottom of the Chinle formation and through the contact with the underlying Cutler formation.

Stage I -- 1,000 foot grid pattern
20 holes -- (150-600 feet) -- 7,350 feet

Stage II -- 500 foot grid pattern
51 holes -- (150-600 feet) -- 19,500 feet

Stage III -- 50 foot offset holes
unspecified number of holes -- 6,525 feet
Three-stage total -- 33,375 feet

There have been five holes drilled on the applicant's claims. Four of the holes were drilled by the A.E.C. and the fifth hole by the lessor. However, in describing the results of the previous drilling the operator's consultant, Mr. St. Clair limits his discussion to three holes, BW-101, 102 and 103. No mention is made of results obtained in holes BW-104 or R-2.

Holes BW-101, 102 and 103 apparently did not cut any mineralization and there appears to be some doubt as to whether any favorable beds were encountered by this drilling. Mr. St. Clair has stated that the A.E.C. geologist in the Big Indian Wash area has regarded the drill results on the Utah Premier claims as unfavorable when compared to criteria of favorable holes in the productive areas farther north in the Lisbon Valley-Big Indian Wash district. Radiometric logging did not indicate the presence of mineralization in

the BW holes. It is Mr. St. Clair's contention that favorable gray coloration and the presence of a 7 foot sandstone-conglomerate horizon in two holes may be significant evidence which justifies further exploration.

Although we are familiar with the unfavorable results from three of five holes on the property, it is possible that other A.E.C. holes have been drilled in the area near the Utah Premier claims. A review of the drilling results in the immediate area may indicate that some further drilling is warranted.

I recommend this application be referred to the Field Team for their review and recommendations.

E. L. Newcomb

E. L. Newcomb

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1 1955

January 31, 1955

Re: DMEA-3648
Utah Premier Uranium Company
(Utah Premier Claim Group)
San Juan Co., Utah
$172,980 - Uranium

Memorandum

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

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

Subject: Review of application

The applicant has proposed a three-stage program of drilling to explore the bottom of the Chinle formation and through the contact with the underlying Cutler formation.

Stage I -- 1,000 foot grid pattern
20 holes -- (150-600 feet) -- 7,150 feet

Stage II -- 500 foot grid pattern
51 holes -- (150-600 feet) -- 19,500 feet

Stage III -- 50 feet offset holes
unspecified number of holes -- 6,[illegible] feet
Three-stage total -- 33,375 feet

There have been five holes drilled on the applicant's claims. Four of the holes were drilled by the A.E.C. and the fifth hole by the lessee. However, in describing the results of the previous drilling the operator's consultant, Mr. St. Clair limits his discussion to three holes BW-101, 102 and 103. No mention is made of results obtained in holes BW-104 or R-2.

Holes BW-101, 102 and 103 apparently did not cut any mineralization and there appears to be some doubt as to whether any favorable beds were encountered by this drilling. Mr. St. Clair has stated that the A.E.C. geologist in the Big Indian Wash area has regarded the drill results on the Utah Premier claims as unfavorable when compared to criteria of favorable holes in the productive areas farther north in the Lisbon Valley-Big Indian Wash district. Radiometric logging did not indicate the presence of mineralization in

the BW holes. It is Mr. St. Clair's contention that favorable gray coloration and the presence of a 7 feet sandstone-conglomerate horizon in two holes may be significant evidence which justifies further exploration.

Although we are familiar with the unfavorable results from three of five holes on the property, it is possible that other A.E.C. holes have been drilled in the area near the Utah Premier claims. A review of the drilling results in the immediate area may indicate that some further drilling is warranted.

I recommend this application be referred to the Field Team for their review and recommendations.

E. L. Newcomb

ELNewcomb:hlm
G-1/31/55

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

1/28/55-gla

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

January 27, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 28 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 3648, Utah Premier Uranium Company, 516 Continental Bank Building, Salt Lake City, Utah

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 recommend that the attached application be returned to the Utah Premier Uranium Co. for more definite proof of uranium mineralization. Specifically, that mineralization briefly mentioned on page 7 of the supplementary data attached to the application, and also mentioned so enthusiastically in the attached stock offering circular, should be expounded. The Securities Exchange Commission could by law, I presume, require substantiation of such a statement as made in the offering circular.

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

January 25, 1955
Subject: DMEA 3648
Re: Exploration Assistance
Utah Premier Group

Utah Premier Uranium Company
C/o Mr. Nathan Wechsler
1010 Vermont Avenue, NW.
Washington, D. C.

Gentlemen:

The receipt of your application dated January 21, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3648 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

Utah Premier Uranium Company
C/o Mr. Nathan Wechsler
1010 Vermont Avenue, NW.
Washington, D. C.

use this address

MF-103
(Revised April 1952)

JAN 24 1955

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. 3648
Metal or Mineral Uranium-Vanadium
Date Received 1-24-55
Estimated Cost $172,920
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: Utah Premier Uranium Company
516 Continental Bank Building
Salt Lake City, Utah

(*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. See Report

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

(*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
See Report

(*b*) State any mine name by which the property is known. See Report

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
See Report

(*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 Report

(*e*) If you own the land, describe any liens or encumbrances on it See Report

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See Report

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.

16—66551-1

For (4) above - See Report

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

Uranium-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. See Report

(*c*) The work will start within 30 days and be completed within 3 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. See Report

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated January 21, 1951

Utah Premier Uranium Company
(Applicant)

By Charles Nichols
Power of Attorney

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

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That Utah Premier Uranium Company, of Salt Lake City, a Utah Mining Corporation, does hereby make, constitute and appoint, NATHAN WECHSLER, his agents and attorneys our true and lawful attorney to appear for us and represent us before the United States Department of Interior, Defense Minerals Exploration Administration, in connection with any matters involving application for aid in an exploration project in which we are a party, giving our said attorney full power to do everything whatsoever requisite and necessary to be done in these matters, and to execute all agreements in these matters, as fully as the undersigned might do if done in their own capacity, with full power of substitution and revocation, at any time subsequent to the date hereof and prior to the revocation hereof.

It is requested that all communications addressed to the undersigned, regarding any matter in which the said attorney is hereby authorized to act, be addressed to:

Mr. Nathan Wechsler
1010 Vermont Avenue, N.W.
Washington, D. C.

Phone EX 3-5515

All powers of attorney for this purpose heretofore filed or executed by us are hereby revoked.

IN WITNESS WHEREOF, we have hereunto set our hand and seal this 10th day of November, 1954.

UTAH PREMIER URANIUM COMPANY

By Richard Y. Beunion
President

STATE OF UTAH)
COUNTY OF Salt Lake) ss.

On the 10th day of November, A.D., 1954, personally appeared before me Richard Y. Beunion who, being by me duly sworn, did say that he is the president of Utah Premier Uranium Company, and that said instrument was signed in behalf of said Corporation by authority of action taken by Board of Directors dated 10/9/54 ~~its by-laws,~~ and said Richard Y. Beunion acknowledged to me that said Corporation executed the same.

Witness my hand and notarial seal this 10th day of November

My Commission Expires:
June 30, 1958

Nathan Wechsler
Notary Public

DMEA-3648

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

ADDENDUM I

REPORT ACCOMPANYING APPLICATION TO DMEA

The property of this company was visited on February 1, 1955, for the purpose of examining the reported mineralized zone on the Crooked Wash claim. Because of adverse weather conditions, and the presence of detrital cover, the examination was limited to a Chinle outcrop positioned stratigraphically in the lower one-half of this formation.

A grab sample taken from the location indicated by the red circle on the attached map gave the following chemical assay results:

Lab. No.	$\%U_3O_8$	$\%V_2O_5$	$\%CaCO_3$
2196-2	0.30	1.56	3.3

The outcrop from which this sample was recovered appeared to be in place.

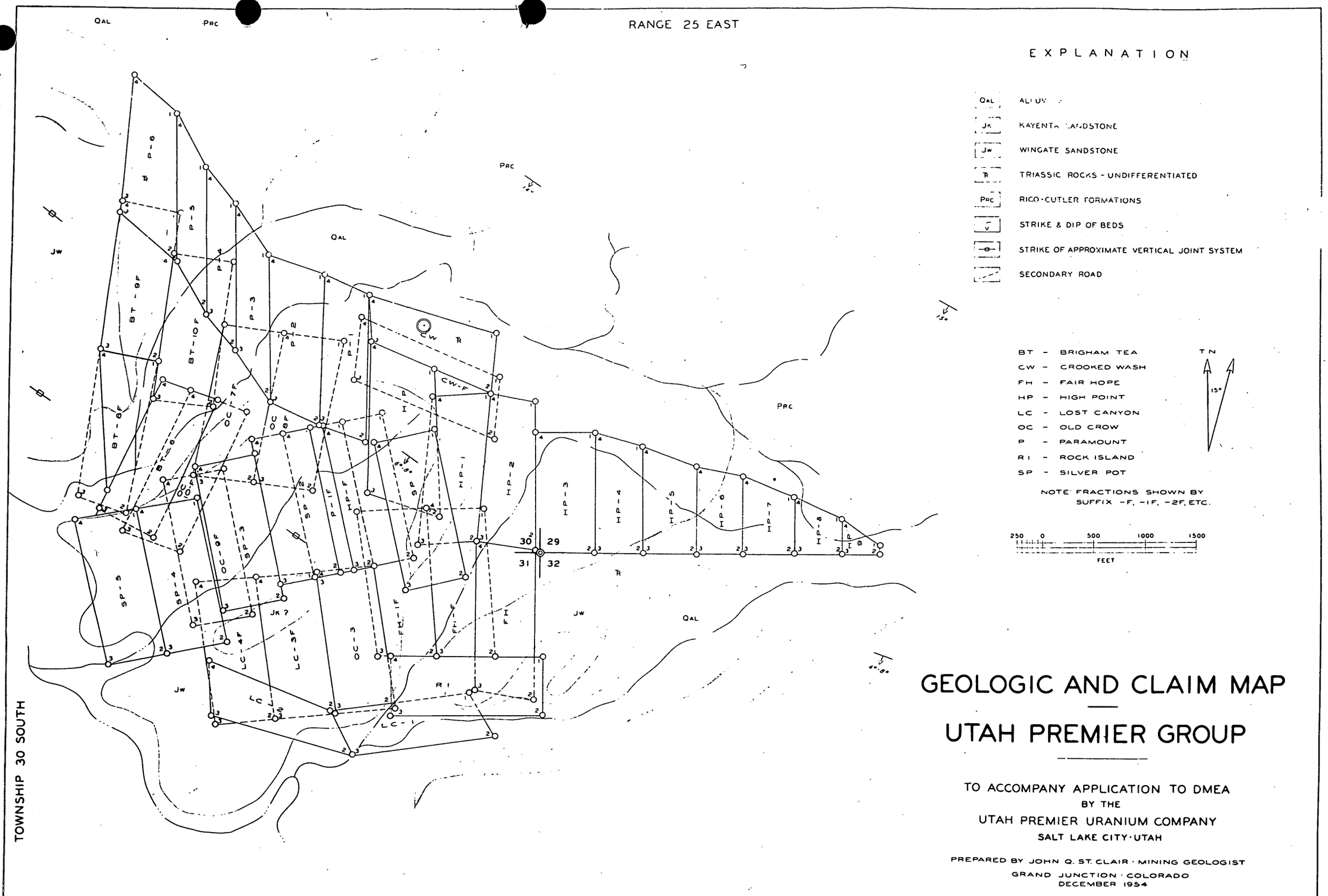
A second sample (No. 2196-1), obtained from detrital material on the slope below the outcrop, assayed chemically as follows:

Lab. No.	$\%U_3O_8$	$\%V_2O_5$
2196-1	0.05	0.97

The uranium mineral observed in this weathered sample occurred as a surface coating on the bedding planes. Both samples carried abundant carbonaceous material. Sample No. 2196-2 is ore grade and well within the lime penalty limit.

As suggested in my report accompanying the application to DMEA, this area should be opened up by surface stripping and by shallow drill holes to the south of the outcrop.

John Q. St. Clair
Mining Geologist
Grand Junction, Colorado


RANGE 25 EAST
TOWNSHIP 30 SOUTH
EXPLANATION
QAL ALLUVIUM
JK KAYENTA SANDSTONE
JW WINGATE SANDSTONE
TR TRIASSIC ROCKS - UNDIFFERENTIATED
PRC RICO-CUTLER FORMATIONS
STRIKE & DIP OF BEDS
STRIKE OF APPROXIMATE VERTICAL JOINT SYSTEM
SECONDARY ROAD
BT - BRIGHAM TEA
CW - CROOKED WASH
FH - FAIR HOPE
HP - HIGH POINT
LC - LOST CANYON
OC - OLD CROW
P - PARAMOUNT
RI - ROCK ISLAND
SP - SILVER POT
NOTE: FRACTIONS SHOWN BY SUFFIX -F, -1F, -2F, ETC.
TN
15°
250 0 500 1000 1500
FEET
30 29
31 32
GEOLOGIC AND CLAIM MAP
UTAH PREMIER GROUP
TO ACCOMPANY APPLICATION TO DMEA
BY THE
UTAH PREMIER URANIUM COMPANY
SALT LAKE CITY · UTAH
PREPARED BY JOHN Q. ST. CLAIR · MINING GEOLOGIST
GRAND JUNCTION · COLORADO
DECEMBER 1954

THE BROWN LABORATORY

ROUTE 3
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

CERTIFICATE OF ANALYSIS

To John St Clair
439.5 Main Street
Grand Junction, Colorado

Date 2-5-55

Material: Ore Samples - 2
Received: 2-4-55
For: Uranium, Vanadium & Lime Determinations

Order No. 2196-S

Lab. No.	Your No.	Description	Result		
			% $CaCO_3$	% V_2O_5	% U_3O_8
2196-1	Large Rock			0.97	0.05
2196-2	Small Rocks		3.3	1.56	0.30

Analyst.

REPORT ACCOMPANYING APPLICATION TO DMEA

BY

UTAH PREMIER URANIUM COMPANY

Prepared by:
John Q. St. Clair
Mining Geologist
Grand Junction, Colorado
December 1954

CONTENTS

Section		Page
I.	Name of Applicant	1
II.	Property Rights	2
III.	Physical Description	4
	A. History	4
	B. Geologic Setting	4
	C. Structure	5
	D. Mineralization	6
	E. Accessibility	7
	F. Topography and Climate	8
IV.	The Exploration Project	9
	A. Objective	9
	B. Proposed Work - Drilling	9
	C. Proposed Work - Stripping	13
V.	Estimation of Costs	14
VI.	Operating Experience and Background of Applicant	16

ILLUSTRATIONS

Plate	Following Page
1. Possible Holes on 100-Foot and 500-Foot Grid Spacing	(Front Cover)
2. Location Map	2
3. Stratigraphic Section	5
4. Geologic and Claim Map	(In Pocket)

APPENDIX

Mining Agreement	18
Geoprofessional Services, Inc.	18

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

REPORT ACCOMPANYING APPLICATION TO DMEA

1. NAME OF APPLICANT

(a) The applicant is the Utah Premier Uranium Company, 516 Continental Bank Building, Salt Lake City, Utah.

(b) The Utah Premier Uranium Company is a corporation organized in and doing business under the laws of the State of Utah.

(c) The following are the titles, names and addresses of officers:

(1) President:

Richard Y. Bennion
1580 Downington Avenue
Salt Lake City, Utah

(2) Vice-President and Director:

Richard L. Warner
1856 Princeton Avenue
Salt Lake City, Utah

(3) Secretary and Director:

Keith C. Brown
2662 Verona Circle
Salt Lake City, Utah

(4) Treasure and Director:

Donald W. Mulliner
1904 Princeton Avenue
Salt Lake City, Utah

(5) Director:

Gordon F. Jensen
11 "A" Street
Salt Lake City, Utah

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

(6) Director:

John C. Sharp
5066 Holladay Blvd.
Salt Lake City, Utah

(7) General Counsel:

Adam M. Duncan
1323 Bryan Avenue
Salt Lake City, Utah

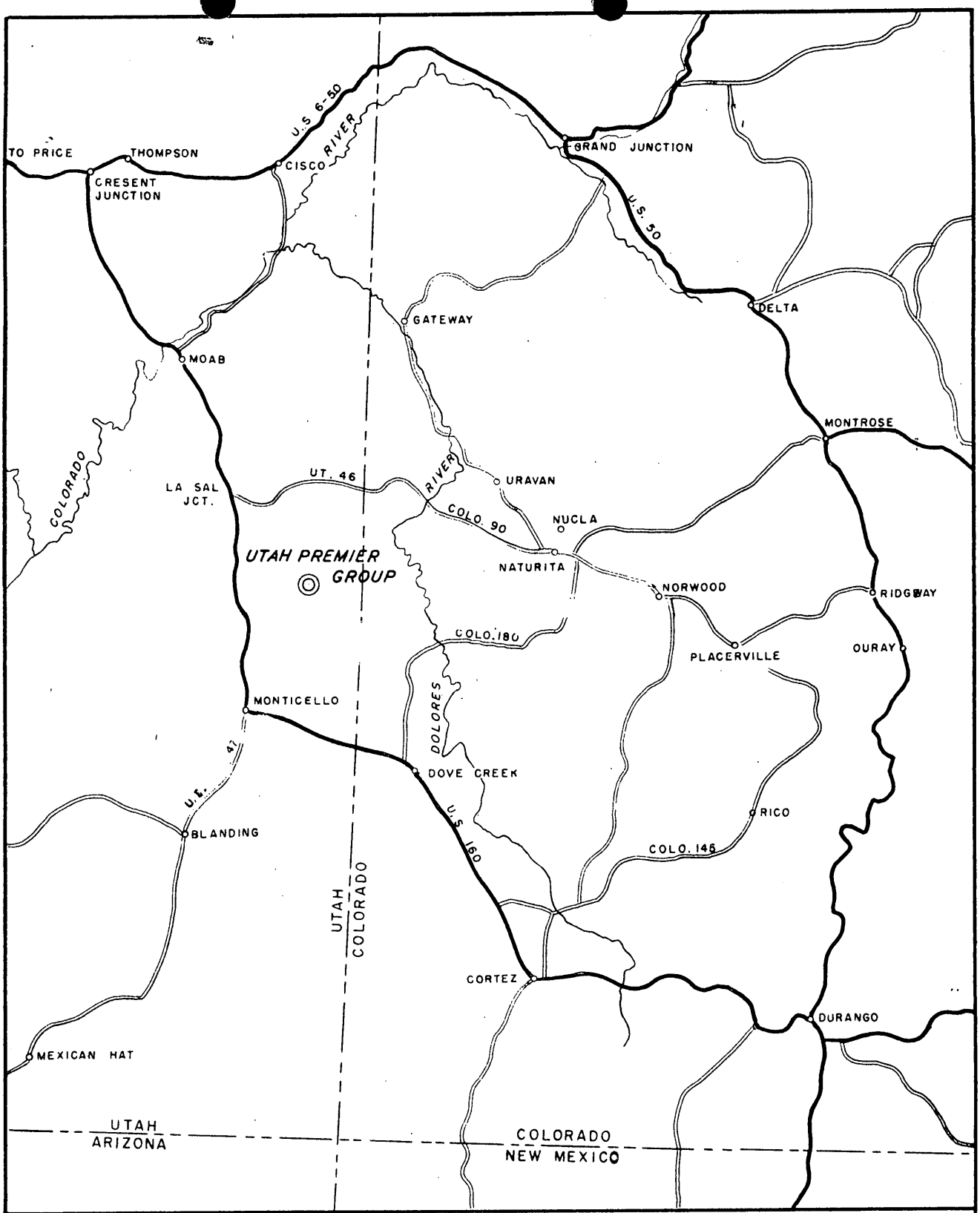
II. PROPERTY RIGHTS

The mining claims held by the applicant are located in Sections 29, 30, 31 and 32, Township 30 South, Range 25 East of the Salt Lake Meridian, San Juan County, Utah. The area is known as the Big Indian Mining District.

The names of the claims and the recording data are as follows:

Name of Claim	Book	Page
Brigham Tea # 6	23	34
Brigham Tea # 8 Fraction	47	492
Brigham Tea # 9 Fraction	47	492
Brigham Tea # 10 Fraction	47	493
Crooked Wash	19	306
Crooked Wash Fraction	47	490
Fair Hope	23	23
Fair Hope Fraction	47	491
Fair Hope # 1 Fraction	97	454
High Point	25	8
High Point # 1	19	145
High Point # 2	19	146
High Point Fraction	47	490

(13)



EXPLANATION

PAVED ROAD

IMPROVED ROADS

MAIN RIVERS

CITIES & LEADING TOWNS

10 0 20 40

MILES

LOCATION MAP

TO ACCOMPANY REPORT TO DMEA

UTAH PREMIER URANIUM COMPANY

JOHN Q. ST. CLAIR MINING GEOLOGIST

GRAND JUNCTION, COLO. DEC. 1954

PLATE 1

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

II. PROPERTY RIGHTS (cont',d)

Name of Claim	Book	Page
Lost Canyon # 1	29	279
Lost Canyon # 2	29	279
Lost Canyon # 3 Fraction	47	494
Lost Canyon # 4 Fraction	47	494
Old Crow # 3	23	31
Old Crow # 7 Fraction	47	488
Old Crow # 8 Fraction	47	488
Old Crow # 9 Fraction	47	489
Old Crow # 10 Fraction	47	489
Paramount # 1	19	140
Paramount # 2	19	141
Paramount # 3	19	141
Paramount # 4	19	142
Paramount # 5	19	142
Paramount # 6	19	143
Paramount # 1 Fraction	49	105
Silver Pot	23	57
Silver Pot # 2	23	58
Silver Pot # 3	23	59
Silver Pot # 4	23	59
Silver Pot # 5	23	60

The positions of the claims are shown in Plate 4 of this application. Further details of the applicant's interest in the above lands and any liens and encumbrances thereon may be obtained by reference to the photostatic copy of the agreement between the applicant and H. Evan Roberts, dated the 28th day of September 1954 (Exhibit "A"), together with Exhibit "B" which forms part thereof.

The property represents a portion of the Paramount Group of claims, but for purposes of this report it shall be designated as the Utah Premier Group.

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

III. PHYSICAL DESCRIPTION

A. History

At the time of submitting this application, no exploration or development work is being carried out on the above described claims.

The Atomic Energy Commission drilled three holes on the property in August and September 1953. (Refer to Plate 4 for positions of these holes.)

According to the records available, no mining operations have been conducted on these claims in the past.

B. Geologic Setting

The stratigraphic section in the claim area includes sedimentary rock formations of Permian, Triassic, Jurassic and Quaternary ages. (See Plate 4). These same formations are exposed along the west wall of Big Indian Wash which forms a prominent topographic feature in the area.

The Cutler formation of Permian age, represented in the upper part by mudstones, siltstones, thin white marls and lenses of coarse-grained arkosic sandstones (which carry deposits of uranium-vanadium ore) is the oldest sedimentary series in the immediate area.

The Chinle formation of Triassic age, overlying unconformably the Cutler formation, is the ore-bearing unit, and is composed largely of varigated mudstones, siltstones, conglomerates and fine- to- medium-

grained cross-bedded sandstones. Mudstones are prominent in the upper part of the formation and may be associated with cross-bedded sandstones and thin beds of conglomerate. At the base of the Chinle formation in the Big Indian Wash area occurs a resistant sandstone and conglomerate horizon which represents the ore-bearing unit. The conglomerate may contain pebbles of limestone, sandstone and siltstone, while the sandstone is composed largely of quartz, mica and calcareous mud pellets. This ore zone, where studied in the producing mines to the northwest and to the southeast of Utah Premier, occurs in the lower forty feet of the Chinle formation. The thickness of the Chinle, as determined by the Atomic Energy Commission to the east of the Utah Premier property, will vary from 350 to 400 feet.

The Wingate formation of Jarassic age, with an average thickness of 350 feet, overlies the Chinle, and is composed of massive aeolian sandstone which weathers to prominent vertical cliffs throughout the district.

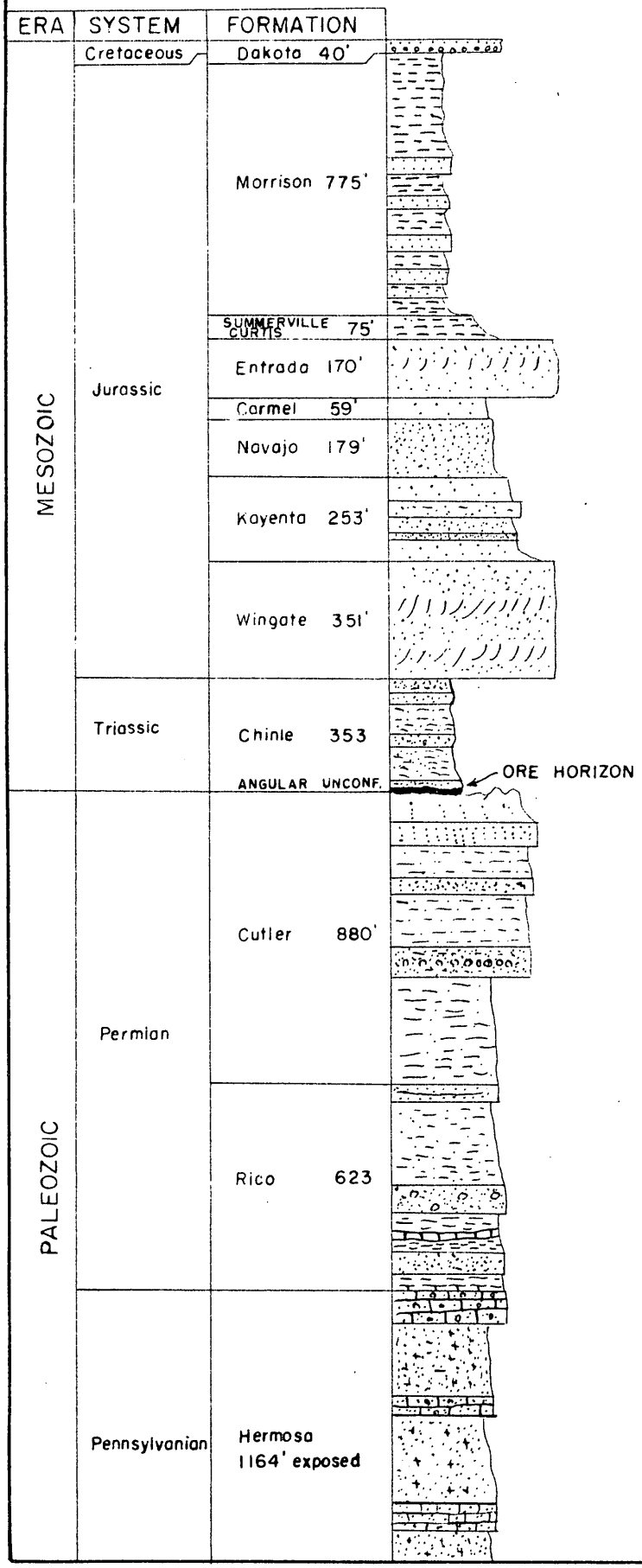
The Kayenta formation of Jurassic age is represented by a small outcrop in Section 31 where it overlies the Wingate formation. The complete section of the Kayenta has a thickness of about 250 feet.

Unconsolidated alluvium deposits of Quaternary age cover the older rocks along the valley floors.

The stratigraphic sequence is shown in Plate 3.

C. Structure

The formations described in the preceding section, with the exception of the alluvium deposits, occur as continuous outcrops to the



STRATIGRAPHIC SECTION
South Big Indian Wash

Vertical Scale 1 inch = 500 feet

After A.E.C. data

PLATE 3

northwest and southeast along the west side of Big Indian Wash which is positioned on the southwest flank of the Lisbon Valley anticline, a major regional structural feature.

Within the limits of the Utah Premier group of claims, the Triassic and Jurassic formations dip to the southwest at angles from 4 to 8 degrees. The underlying Permian beds dip in the same general direction, but at angles of 14 degrees or more.

It may be pointed out that the structural and stratigraphic conditions of the formations in the vicinity of the Utah Premier property are essentially the same as those present in the mines located less than three mines to the northwest.

D. Mineralization

Radiometric reconnaisance work carried out by the Atomic Energy Commission indicates that a mineralized zone of approximately 100 feet in length is present along the talus covered outcrop of the Chinle formation in Crooked Wash and Paramount # 1 claims. The character and thickness of this mineralized zone cannot be determined until the talus and detrital material are removed by stripping or trenching. It is considered that the mineralization occurs in a host rock of lenticular sandstone. This section of the property, therefore, deserves first attention in any future exploration program.

In August and September 1953, the Atomic Energy Commission drilled three holes (Nos. BW 101, BW 102, BW 103) on the property, and their locations are shown on Plate 4. Since the cores recovered in this drilling have been destroyed, interpretations of the

results must be made from the drill logs prepared by the Commission. As will be observed by referring to the location map, the three holes were widely spaced along the strike of the formation, and, therefore, it is not possible to make close correlations between holes. It may be further noted that these holes do not permit any interpretations down dip, or generally toward the southwest.

It is the opinion of the Atomic Energy Commission's geologist in the Big Indian Wash district that these holes, at least individually, are unfavorable when compared to their present conception of favorable holes drilled in the producing areas to the north. The gamma log of each hole shows no mineralization. All of the holes, however, showed favorable gray coloration of the Chinle sediments, and two holes (BW 101 and BW 102) intersected a 7-foot sandstone-conglomerate horizon in the basal part of the formation.

E. Accessibility

The property may be reached by U. S. Highway 160, southeast from Moab, Utah, for a distance of 24.5 miles, then eastward by a

county gravel road for 5.1 miles, and finally by an unimproved dirt road for 4.1 miles. Entry to the property is also afforded by following U. S. Highway 160 for 22 miles southeast of Moab, 7.7 miles east by Utah State Highway 46, and 12.3 miles south by winding dirt road. Unimproved roads to the area are usually passable throughout the year, except after heavy rains and during spring thaws.

Although Moab and Monticello, Utah, are within convenient driving distances of the claims, residence quarters are difficult to obtain. Trailer camps, such as those maintained by government agencies and others in the area, provide better accommodations for employees.

F. Topography and Climate

The topographic features of the district have been controlled largely by structure. The Wingate formation, for example, forms essentially a dip slope to the west and southwest in the vicinity of the property and elsewhere in the area. In the northeastern section of the claim group and where streams have eroded the formations to the level of the valley floor, the topography is flat lying. The escarpments facing eastward are capped by the Wingate formation.

The climate is arid and temperatures above 100 degrees F. in the summer and below freezing in the winter may be expected. Snows to depths of two feet may occasionally fall in the area, but usually average six inches.

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

IV. THE EXPLORATION PROJECT

A. Objective

The objective of the exploration program is the discovery of uranium-vanadium ore.

B. Proposed Work - Drilling

Reference to Plate 1 and overlay (front cover) will show the areal extent of the Utah Premier group of claims and the number of holes required to prospect the area on 1000-foot and 500-foot grid coordinates. The positions of the grids in relation to the geology is purely arbitrary at this stage, but serves as a convenient basis for estimating the maximum number of holes and the drilling footages involves. No consideration has been given to topography or other factors which may influence the actual locations of the holes as the work progresses. As a further aid in estimating the total drilling footages, the claim area has been divided into three areas (See Plate 1) based on the estimated average depth of hole required to reach the Triassic-Permian contact. This division takes into account in a rough way the thickness and dip of the formations to be penetrated and the approximate elevations of the holes.

The drilling program can be developed on a three phase basis, the work in each succeeding phase being dependent on the results achieved in the preceding phase.

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

Phase 1 - Holes in this phase would be located on a 1000-foot grid system, and the total number of holes and the estimated footage are as follows:

Phase 1 - 1000-foot Grid System

Area	Number of Holes	Average Depth	Total Footage
1	5	150 ft.	750 ft.
2	8	300	2400
3	7	600	4200
Totals	20		7350 feet

In this phase, as well as in Phase 2, it will be remembered that five holes have been previously drilled in Area 1, and, if the information obtained in this work is acceptable and final, the above footage of 7350 feet will be reduced by, say, 750 feet, leaving a balance of 6600 feet to be drilled in Areas 2 and 3. For purposes of this report, this latter footage figure will be used.

Data obtained in Phase 1 drilling will help to establish within close limits the depths where coring of the Chinle should be commenced in later holes, and will assist in obtaining a better understanding of the subsurface geologic conditions, especially those related to thickness, characteristics and mineralization of the formation. This work may indicate broad ore-channel trends.

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

If the Chinle formation underlying the claim area compares with that found in the producing mines to the north, it may be expected that 50 to 60 feet of coring will be necessary in each hole; this interval is found in the lower part of the Chinle and upper 5 to 10 feet of the Cutler. Cores should not be smaller than BX size.

Radiometric drill-hole logging would be carried out in all stages of the program, and facilities would be made available for core analysis and study during the course of the operations.

Phase 2 - The overlay of Plate 1 shows the possible number of holes required to explore the property on a 500-foot grid spacing. Assuming for estimation purposes that such a program were considered necessary, the footages and holes to be drilled may be calculated as follows:

Phase 2 - 500-foot Grid System

Area	Number of Holes	Average Depth	Total Footage
1	16	150 ft.	2400 ft.
2	13	300	3900
3	22	600	13200
Totals	51		19500 feet

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

Summary of Phases 1 and 2

A recapitultion of the drilling data for the first two phases is as follows:

Phase	Number of Holes	Footage
1	15	6600 ft.
2	51	19500
Totals	66	26100 feet

If no favorable indications of mineralization, or actual ore, were discovered in this amount of drilling, Phase 3 would automatically fall away. However, if reasons existed for drilling additional holes on, say, a 250-foot grid in favorable areas, Phase 3 would become effective.

Phase 3 - Drilling in this phase would be for the purpose of outlining mineralized and ore zones; the holes, in some cases, may be spaced at intervals of 50 feet or less. While it is hard to anticipate the amount of drilling to be done at this stage in the program, it is assumed that 25 percent more drilling may be necessary to outline likely areas, and on this basis an additional 6525 feet would be required.

Summary of Phases 1, 2 and 3

According to the above estimates, a total of approximately 32,600 feet of drilling would be necessary to complete the maximum

possible footage under the proposed program.

C. Proposed Work - Surface Stripping

As mentioned previously, the mineralized outcrop on the Crooked Wash and Paramount # 1 claims should be carefully investigated by either surface stripping or trenching, or both. A series of shallow prospect holes immediately back of the outcrop might be required to test this mineralized section. A detailed radiometric survey, correlated with chemically assayed samples, would be essential. Costs for this work have been included in the estimates which are given in the following section of this report.

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

V. ESTIMATION OF COSTS

Costs for the program have been projected on a three-months period for purposes of estimation, and the total drilling footage figure of 32,600 feet has been used as a basis for the calculations. The costs of stripping and outlining the mineralized zone in the east central claim area will be included in the overall estimates.

Phases 1, 2 and 3

(1) Independent Contracts

(a)	32,600 feet of drilling @ $4.00 per foot (includes waiting time, casings left in hole, delays, etc.)	$ 130,400
(b)	Clearing drill sites, bull-dozing, trenching, etc.	3,500
(c)	Assaying (200 samples @ $5.00 ea.)	1,000
	Sub-total	$ 134, 900

(2) Labor, Supervision and Consultants

(a)	Common Labor: 2 men at $300 per month ($600 x 3)	$ 1,800
(b)	Geologist ($600 per month x 3)	1,800
(c)	Office - 1 Recording Clerk ($300 per month x 3)	900
(d)	Superintendent ($600 per month x 3)	1,800
(e)	Consultants - Mining Engineering & Geology	2,000
	Sub-total	$ 8,300

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

V. ESTIMATION OF COSTS (cont'd)

(3) Operating Equipment

(a)	Truck (4 wheel drive, 3/5 ton)	$ 4,000
(b)	Jeep Station Wagon	3,000
	Sub-total	$ 7,000

(4)	Buildings - 1 Butler Building with core storage facilities, equipment, etc.	$ 2,000
(5)	Operating Material & Supplies	$ 2,000
(6)	Miscellaneous	$ 3,000

Summary of Estimated Costs

(1)	Independent Contracts	$ 134,900
(2)	Labor, Supervision & Consultants	8,300
(3)	Operating Equipment	7,000
(4)	Buildings	2,000
(5)	Operating Materials and Supplies	2,000
(6)	Miscellaneous	3,000
		$ 157,200
(7)	Add 10 % Contingencies	15,720
	Total Estimated Cost of Project	$ 172,920

VI. OPERATING EXPERIENCE AND BACKGROUND OF APPLICANT

The applicant as a Company has had no previous experience in exploration drilling. The backgrounds of the Officers and Directors of the Company are as follows:

Richard Y. Bennion, Director and President, is co-owner and general manager of Bennion's Boyd Park Jewelers, 166 South Main Street, Salt Lake City.

Richard L. Warner, Director and Vice-President, is general sales manager for Bennett Motor Company, Salt Lake City.

Keith C. Brown, Director and Secretary, owns and operates Brown Distributing Company, dealing in wholesale furniture and floor coverings.

Donald W. Mulliner, Director and Treasurer, is a practicing Certified Public Accountant with offices in the Continental Bank Bldg., Salt Lake City.

Gordon F. Jensen, Director, is a physics graduate and is affiliated with Jensen Construction Company of Salt Lake City.

John C. Sharp, Director, is engaged in the insurance business and is sole owner of the Sharp Insurance Agency, Utah Oil Building, Salt Lake City, Utah.

Adam M. Duncan, General Counsel for the Company, is a practicing attorney with offices at 223 Phillips Petroleum Building.

The applicants have authorized Mr. John Q. St. Clair, Mining Geologist, Grand Junction, Colorado to prepare this application to the DMEA.

Utah Premier Uranium Co.,
516 Continental Bank Bldg.,
Salt Lake City, Utah

His background and operating experience are as follows:

Education:	University of Minnesota University of Oklahoma B. S. Geology, 1934 (Phi Beta Kappa)
1924 - 1934	Experience as diamond drill runner and diamond setter and superintendent of drilling operations.
1934 - 1935	Superintendent of Diamond Drilling, East African Goldfields, Lt., Lupa Goldfield Tanganyika, East Africa
1936 - 1939	Consultant on Exploration and Diamond Drilling for New Consolidated Gold Fields, Ltd., Nigel Gold Mining Company, Ltd., South Roodepoort Main Reef Areas, Ltd., and other companies on the Rand, South Africa.
1939 - 1945	(Except for one and one-half years in the armed forces) Director of Research, New Consolidated Gold Fields - Boart Products Diamond Research Laboratory, Johannesburg; also Superintendent of Diamond Drilling Operations, New Consolidated Gold Fields, Ltd.
1945 - 1948	Manager, Boart Products, South Africa, Ltd., and Director, South African Diamond Crowns, Ltd., Johannesburg.
1948 - 1951	Licenced Diamond Dealer, Johannesburg; also Director, St. Clair Exploration Company (Pty) Ltd.
1951 - 1954	Consulting Mining Geologist

APPENDIX

OPTION AGREEMENT

FOR AND IN CONSIDERATION of the sum of Ten Dollars ($10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned H. EVAN ROBERTS does hereby grant to RICHARD Y. BE[illegible]ION, RICHARD L. WARNER, JON W. [illegible]LLIKER, KEITH C. BROWN, GORDON F. JENSEN, ALA[illegible] DUNCAN, and JOHN C. SHARP, hereinafter referred to as "optionees", an option to acquire an undivided [illegible] of the interest of H. Evan Roberts in and to the following unpatented mining claims located in the Big Indian Mining District, San Juan County, Utah, which interest was acquired by Roberts pursuant to an agreement between him and G. O. Paterson, et al., dated November 4, 19[illegible]3, with which both parties are familiar. The claims which are the subject of this Option are as follows:

High Point
High Point #1
High Point #2
High Point Fraction

Crooked Wash
Crooked Wash Fraction

Paramount #1
Paramount #2
Paramount #3
Paramount #4
Paramount #5
Paramount #6
Paramount #1 Fraction

Silver Pot
Silver Pot [illegible]
Silver Pot [illegible]
Silver Pot [illegible]
Silver Pot [illegible]

Old Crow #3
Old Crow #[illegible] Fraction
Old Crow [illegible] Fraction
Old Crow [illegible] Fraction
Old Crow [illegible] Fraction

[illegible]
[illegible] Fraction
[illegible] Fraction
[illegible] Fraction

Fair Hope
Fair Hope Fraction
Fair Hope #1 Fraction

Lost Canyon #1
Lost Canyon #2
Lost Canyon #3 Fraction
Lost Canyon #4 Fraction

This option is granted upon the following terms and conditions:

(a) On or before Tuesday, September 28, 1954, Optionees shall pay or cause to be paid to Roberts the sum of Twenty Five Thousand Dollars ($25,000.00) cash.

(b) Optionees shall forthwith organize a Utah mining corporation, which said corporation shall be capitalized for $170,000.00, divided into 17,000,000 shares of stock of a par value of 1¢ per share. Thereafter and prior to September ~~28~~ 29th, 1954, the said corporation shall enter into an agreement with Roberts, in Salt Lake City, Utah, copy of which is hereto attached and marked Exhibit "A".

(c) In the event of the failure of Optionees or Assigns to perform any of the foregoing terms or conditions by them to be respectively performed, this option shall become null and void and shall be of no further force or effect.

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement in the State of Utah this 7th day of Sept, 1954.

H. EVAN ROBERTS

RICHARD T. BENNION

[illegible]

[illegible] 28th [illegible]

September [illegible] UTAH Premier Uranium Company [illegible] a corporation organized and existing under and by virtue of the laws of the State of Utah, hereinafter referred to as "Buyer", and [illegible], hereinafter referred to as "Seller"

[illegible]

[illegible], the Seller entered into a written agreement with [illegible], John [illegible] Allen and John [illegible] Russell on the 4th day of November, 19[illegible], which agreement is attached hereto and made a part hereof and identified as Exhibit "A"; and

[illegible], after the execution of said agreement on November 4, 19[illegible] a survey was made of all of the said claims referred to therein, at which time it was ascertained that in the area covered by said claims there were certain gaps and overlaps and therefore in accordance with paragraph 16 of said agreement, additional and new claims were filed thereon by the Lessors referred to in said agreement and said new claims are subject to the terms, conditions and provisions of said agreement in the same way as the other claims which are particularly specified in said agreement inasmuch as they are within the outer perimeter of said mining property.

WHEREAS, Seller desires to transfer and assign to Buyer and Buyer desires to acquire from Seller 85% of the

interest of Seller in the [illegible] hereinafter described [illegible] mining claims, some of which are particularly described in said [illegible] and some of which are claims created as a result after the execution of said agreement, subject to the terms, provisions and conditions of said agreement.

[illegible], therefore, it is mutually agreed by and between the parties as follows, to wit:

1. Seller agrees to sell, assign and transfer to Buyer and Buyer agrees to purchase from Seller an undivided [illegible]% of the right, title and interest of Seller in and to the following described mining claims located in the [illegible] Indian Mining District, San Juan County, State of Utah, subject to the terms, conditions and provisions of said agreement marked Exhibit "[illegible]", to wit:

High Point
High Point #1
High Point #2
High Point Fraction

Crooked Wash
Crooked Wash Fraction

Paramount #1
Paramount #2
Paramount #3
Paramount #4
Paramount #5
Paramount #6
Paramount #1 Fraction

Silver Pot
Silver Pot #2
Silver Pot #3
Silver Pot #[illegible]
Silver Pot #5

Old Crow #3
Old Crow #7 Fraction
Old Crow #8 Fraction
Old Crow #9 Fraction
Old Crow #10 Fraction

Brigham Tea #6
Brigham Tea #8 Fraction
Brigham Tea #9 Fraction
Brigham Tea #10 Fraction

Fair Hope
Fair Hope Fraction
Fair Hope #1 Fraction

Lost Canyon #1
Lost Canyon #2
Lost Canyon #3 Fraction
Lost Canyon #4 Fraction

2. Buyer shall forthwith transfer to seller on its books 600,000 shares of its common capital stock and deliver to Seller as soon as possible thereafter a stock certificate or certificates therefor. Buyer further agrees to reserve an additional 600,000 shares of its stock which may be purchased at 5¢ per share by Seller, at any time within 36 months from date hereof. In addition and as soon as available from proceeds of public offering Buyer agrees to pay to Seller the sum of $35,000.00. It is expressly understood and agreed that in the event said payment of $35,000.00 and said transfer of stock is not made by Buyer on or before December 10, 1964, this agreement shall be null and void and of no further force or effect, and Seller shall be required to refund within ten (10) days thereafter the sum of $10,000.00 the balance of $10,000.00 received by Seller to be retained by him as consideration for the execution of this agreement.

3. Buyer agrees to commence drilling on the [illegible] of the agreement identified as [illegible] on or before January 10, 1965 on the following basis: [illegible] per month until [illegible] equivalent [illegible] or [illegible]. Seller [illegible] drill additional [illegible] commitments, [illegible], or to hold the [illegible] shares.

Buyer shall be solely responsible for the performance of all of said [illegible] and [illegible] equivalent [illegible] shall be under the control of [illegible]. [illegible]

It is understood and agreed that in the event the said claims covered by said agreement between Roberts and Republic Uranium Co. are released from the effect of said agreement between Roberts and Republic Uranium Company by reason of the default of Republic Uranium Company or otherwise, and the interest thereof of Republic Uranium Company terminates, reverts or is returned to Roberts, then and in such event Roberts [illegible] after [illegible] and interest [illegible] Uranium Co., [illegible]

or effectuating the retransfer and reassignment to Seller of all the right, title and interest of Buyer in and to the said claims or to cure the right, title or interest of Seller in and from the effect of this agreement.

[illegible]

7. Buyer agrees to pay all bills promptly on or before the 10th day of the month following the month in which they accrue. Buyer agrees at all times, while in possession of said property or while this agreement is in effect, to comply with all applicable laws of the State of Utah, including the Workmen's Compensation Act and with all applicable laws of the United States of America and to keep said properties free and clear from any and all claims or forfeitures. [illegible] said property at all times [illegible] or claims, especially, but not by way of limitation, liens of mechanics or materialmen.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] to said [illegible] and continuing during the term and existence of said agreement, a copy of which is attached hereto marked Exhibit "B", or any agreement in substitute thereof pursuant to which Buyer thereunto Seller shall be entitled to mine and operate the claims covered by this agreement.

[illegible] the sale of the equipment and transfer by Seller to Buyer of the interest in said claims be otherwise approved by [illegible] to Cuddle Lumber Company or [illegible] provided in the agreement, then and in such event, [illegible] the obligation of Buyer hereunder to make advance payments of $[illegible].00 each, towards the payments of $[illegible] under said agreement with Patterson, et al., a copy of which is attached hereto marked Exhibit "C", Buyer shall be obligated to pay the royalties referred to in this

by registered first class mail.

12. Any communications to Seller shall be addressed to him at:

[illegible] Drive
[illegible]
[illegible]

Any communications to [illegible] shall be addressed to it at:

516 Continental Bank Bldg
Salt Lake City, Utah

[illegible]

Richard Kennedy
President

[illegible]

STATE OF UTAH)
COUNTY OF SALT LAKE) ss.

On the 28 day of September, 1958, personally appeared before me Richard G. Benson, who, being by me duly sworn, did say that he is the President of Utah Premier Uranium Company and that said [illegible] was signed in behalf of said [illegible] by authority of a duly passed resolution [illegible] the [illegible] and said [illegible] acknowledged to me that said [illegible] executed the same.

Esther Duncan

June 30 1958

28 September

Esther Duncan

June 30, 1958

[illegible] to as "First Parties", and R. Evan Roberts of the [illegible]

[illegible]

[illegible list of claims]

[illegible] consideration has been made by First Parties [illegible] acquisition lease [illegible] party on which the said [illegible] [illegible].

It is the desire and intention of the parties that [illegible] right to occupy [illegible] claims [illegible] (5) years [illegible] so long [illegible] mining, [illegible] conducted [illegible] from the Atomic Energy Commission to First Parties [illegible] by First Parties to Second Party or by [illegible] from First Parties to Second Party or others, etc. Accordingly, [illegible] that in mind, it is hereby covenanted [illegible] by and between the parties as follows:

1. First Parties have represented and do hereby represent that the claims are validly located, subject to oil and gas leases issued by the United States of America, assignable and saleable, subject to the rules and regulation of the Atomic Energy Commission, and that all of them are free and clear of any right or claim on the part of any other person whomsoever except only [illegible] DIXON OR HIS ASSIGNEES by virtue of that [illegible] agreement between First Parties and said [illegible] Dixon dated [illegible], as amended October 6th, [illegible], and except only as to about [illegible] claims as to which there may be some [illegible] that the outside limits thereof are over-extended. In the latter connection First Parties represent that the [illegible] does not exceed the area of one single claim of twenty acres [illegible]. As to any defects of any sort whatsoever in the title to any of the claims it is understood and agreed that First Parties [illegible] will take all necessary steps to remove said defects so that all of the claims will be free and clear and valid as expeditiously as possible.

EXHIBIT "[illegible]"

[illegible] concurrently with the execution of this Agreement Second [illegible] to First Parties the sum of $10,000.00, receipt of [illegible] acknowledged. As soon as the lease from the Atomic [illegible] to First Parties, or as soon as First Parties [illegible] Atomic Energy Commission to produce [illegible] claims. First Parties will immediately [illegible] Second Party. [illegible] additional sum of [illegible] said sum of [illegible] operation [illegible] in the opinion of Second [illegible] drilling whatever [illegible] of said sum of [illegible] and all drilling [illegible] shall have full [illegible] property [illegible] unless otherwise limited by [illegible]

[illegible] to First Parties [illegible] by Second Party to [illegible]

[illegible] installments [illegible] January [illegible] 195[illegible] through December [illegible] $[illegible].00 [illegible] shall be paid on January [illegible], [illegible] 1957, [illegible] Second Party shall pay [illegible] First [illegible] shall have the exclusive right to operate [illegible] payment of 10[illegible] [illegible] re- [illegible] said mining claims. [illegible] days after [illegible] by [illegible] ore.

[illegible] Parties [illegible] Second Party [illegible] file [illegible] other [illegible] of the United States and/or of the State [illegible] such sum [illegible] necessary, and in such [illegible] to see that the [illegible] and that the required [illegible] First [illegible] and Second [illegible] the cost thereof shall be paid by [illegible]

[illegible] notice of this agreement to the Atomic [illegible] with all due diligence to [illegible] which may be necessary in order to obtain said lease [illegible] Atomic Energy Commission or do anything else which will permit [illegible] to be operated and the ore therein to be produced and sold [illegible] as possible.

[illegible] by this lease [illegible] by Second Party in accordance with standard [illegible]

First Parties [illegible] shall be entitled to [illegible] Second Party pertaining to said mining properties [illegible] inspect the mining operations or drilling [illegible] performed upon said property [illegible] provided that such data shall be revealed [illegible] without the express permission in writing of Second [illegible]

[illegible] during the term of this Agreement Second Party, [illegible] may cancel the same by giving notice in [illegible] to First Parties, or any of them. In such event [illegible] shall [illegible] null and void and of no further effect or ex- [illegible] Second Party shall nevertheless be required to pay any of said [illegible] then due and payable. Second Party shall then, upon re- [illegible] of First Parties, [illegible] execute and deliver to First Parties any [illegible] documents necessary to clear the title of First Parties [illegible] effect of this agreement.

[illegible] upon the termination of this agreement for any reason whatsoever [illegible] Party may, within a reasonable time, not to exceed six (6) [illegible] remove from the above described premises all engines, tools, machinery, railroad tracks, structures, and other property, real or personal, erected or placed by Second Party upon or in its said premises.

[illegible] Second Party agrees to promptly and fully pay for any materials [illegible] request of Second Party may be furnished by any person what-

[illegible] the work that may be done upon or in said premises under this agreement by Second Party and Second Party will save said premises free and harmless from any [illegible] of all of all liens and liabilities of any kind by reason of the materials and labor furnished [illegible] at the request of Second Party, or by reason of any act or omissions on the part of Second Party, in connection with the [illegible] and will carry adequate Workmen's Compensation Insurance.

11. Second Party shall be entitled to forty-five (45) days [illegible] notice of any default or violation of any of the terms of this agreement, or if Second Party shall fail to remedy the same within the time [illegible] said notice, then at the option of First Parties or First Parties shall have the right to reenter upon the premises and [illegible] possession thereof, and may terminate the agreement.

12. Any notice referred to in this agreement may be given by First Parties by serving a copy thereof personally or by mailing it to the [illegible] at

[illegible]
[illegible],

and upon Second Party by serving a copy thereof personally or by mailing it to Second Party at

[illegible] Avenue
Los Angeles [illegible] California

or to such other address [illegible] either party may hereafter give to the other in writing.

13. Second Party shall commence drilling by March 1, 1956, and thereafter shall carry [illegible] at 160 feet per month until [illegible] feet shall have been [illegible] either in one hole or in a number of holes; provide [illegible] shaft [illegible] and [illegible] drilling operations, the cost of which drilling or cleaning [illegible] 160 [illegible] until the [illegible] of 2[illegible] feet of [illegible] has been reached.

14. [illegible] Second Party [illegible] the benefits of Second Party's [illegible] and [illegible] by [illegible] Second Party [illegible] the [illegible] First Parties [illegible] agreement, [illegible] Second Party shall be [illegible] and [illegible] modifications thereof shall be the sole obligation and liability of the [illegible].

15. In the event it shall hereafter appear appropriate to Second Party in order to carry out the intent and purpose of this agreement that Second Party or [illegible] the owner of [illegible] or [illegible] or of present [illegible] mining between the parties shall be established, First Parties [illegible] execute and deliver any and all instruments or documents required by Second Party [illegible], provided only that the material terms herein, and particularly those with respect to payments to be made to First Parties, remain the same, subject to any modification in that regard that may be required by reason of any governmental law, rule or regulation with respect thereto.

16. All [illegible] claims hereafter located by either First Parties or Second Party or their respective agents or assigns within the outer exterior of said mining property herein specifically referred to shall be subject to the terms and conditions hereof.

IN WITNESS WHEREOF, the parties have executed this [illegible] at [illegible] in the City of Los Angeles, County of [illegible], State of California, this [illegible] day of November, 1955.

[illegible]
C. [illegible] RSON

[illegible]
JOHN [illegible]

[illegible]
[illegible] WISHAN

[illegible] OF PARTIES

[illegible]
[illegible] LOS [illegible]

[illegible] OF PARTIES

STATE OF UTAH)
COUNTY OF GRAND) ss

On November 4th, 1953, before me, the undersigned, a Notary Public in and for said County and State, personally appeared before me C. G. PATTERSON, JOHN L. BALLOU, JOHN B. MARSHALL AND M. EVAN ROBERTS known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.
Witness my hand and official seal

Emma M. Dalton
~~Notary Public~~ County Recorder (Seal)
Residing in Grand County

The foregoing Agreement supplants and takes the place of that certain Agreement by and between First Parties above referred to and Rod P. Dixon dated September 14th, 1953, as supplemented by an extension agreement between the parties dated October 6th, 1953, a part of which has been assigned by Dixon to P. W. Christiansen and which by Dixon and Christiansen has been jointly assigned completely to M. Evan Roberts.
Dated this 4th day of November, 1953.

C. G. Patterson
C. G. PATTERSON

John L. Ballou
JOHN L. BALLOU

John B. Marshall
JOHN B. MARSHALL

Rod P. Dixon
ROD P. DIXON

P. W. Christiansen
P. W. CHRISTIANSEN

M. Evan Roberts
M. EVAN ROBERTS

STATE OF UTAH)
COUNTY OF GRAND) ss.
On this 4th day of November, 1953, before me, the undersigned, a Notary Public in and for said County and State, personally appeared before me C. G. PATTERSON, JOHN B. MARSHALL, JOHN L. BALLOU, ROD P. DIXON, ~~P. W. Christiansen~~, AND M. EVAN ROBERTS, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.
Witness my hand and official seal.

Emma M. Dalton (Seal)
~~Notary Public~~ County Recorder
Residing in Grand County.

[illegible] s/ P. W. Christiansen
On the 4th day of November, 1953, before me, the undersigned, a Notary Public in and for said County and State, personally appeared P. W. Christiansen, known to me to be the party who signed the above document with that name and who acknowledged to me that he executed said document.
Witness my hand and official seal:
November 4th, 1953

Jos. F. Ringholz
Notary Public
Residing in Salt Lake County

[illegible]

EXHIBIT "A"

GEOPROFESSIONAL SERVICES, INC.
Suite 203 - Brockbank Building
141 East Second South Street - Salt Lake City, Utah

October 13, 1954

Utah Premier Uranium Company
516 Continental Bank Bldg.,
Salt Lake City, Utah

Gentlemen:

Enclosed is our report, with maps and cross-sections, on your group of claims known as the Utah Premier Group, which are located in the Big Indian District, San Juan County, Utah.

Your properties are situated within a mineralized belt in which occur several of the largest uranium ore deposits on the Colorado Plateau. They are essentially unexplored but possess a very high speculative value. It is our opinion that properties located within the Big Indian mineral belt are potentially the most valuable in Utah.

It is a pleasure to recommend that these properties be completely explored. A properly supervised and carefully planned drilling program offers very good chances of success.

If at the time you begin your exploration program we can be of further service to you, feel free to call upon us.

Very truly yours,

GEOPROFESSIONAL SERVICES, INC.

A. J. EARDLEY

Report on the Utah Premier Group

San Juan County, Utah

INTRODUCTION

The Utah Premier Group consists of about 34 claims and fractions located in the Big Indian District, San Juan County, Utah. They are situated about 3½ miles southeast of the famous Mi Vida ore body, which is owned and operated by Charles A. Steen and the Utex Mining Co., and about 4 miles northwest of the Continental Uranium Company ore body, commonly known as the Jones Ore Body. In addition to these major ore discoveries are the Cal. Uranium, Atlas, Hudson, Williams, Gooseberry and several other smaller ore bodies. Refer to the accompanying geologic map for specific locations.

The Utah Premier claims lie in the central part of the southwest limb of the Big Indian anticline and immediately west of the Lisbon Valley. They are located within a mineralized belt which includes several large and relatively rich uranium ore bodies.

GEOLOGY

The general geologic setting of the area under consideration is shown on the accompanying geologic map. The Chinle "D" member of the Chinle Formation underlies more than 90 per cent of the Utah Premier claims. This unit is considered to be most favorable as a host rock for uranium mineralization as indicated by the occurrence of the large ore bodies to the northwest and southeast of the Utah Premier properties. Overlying the Chinle unit is a sequence of red beds and aeolian sandstones referred to as the Wingate, Kayenta and Navajo formations. Rocks of Permian Age occur immediately below the Chinle formation.

The occurrence of uranium ore is generally restricted to the sandy and silty units in the basal part of the Chinle formation. The uranium mineralization is concentrated within paleochannels, which developed during the time of deposition of the formation. Surface outcrops of the Chinle "D" member in the east-central part of the Utah Premier Group contain several zones of uranium mineralization. The radiometric highs discovered in this area are centered in and around this mineralization. The location of the individual mineralized zones within the channels and the specific patterns of the channels cannot at present be predicted; however, experience has shown that the ore bodies tend to occur in clusters or groups and in linear or arcuate belts or "trends."

The depth to the ore horizon within the boundaries of the Utah Premier Group will range from 50 feet to slightly more than 700 feet. The average depth to the ore "horizon" will be approximately 350 feet. Access roads, for use in drilling operations, can be constructed to essentially all parts of the property with a minimum of effort and expense.

CONCLUSIONS

(1) The Utah Premier Group lies within a mineralized belt or trend in which are located some of the largest uranium ore bodies in North America.

(2) They are located in an area where the structural and stratigraphic conditions are essentially identical to those present within the Big Indian District.

(3) The favorable ore-bearing sedimentary unit (Chinle D) underlies more than 90 per cent of the Utah Premier properties.

(4) Uranium mineralization, of considerable intensity, occurs at the outcrop on a part of the east central claims.

(5) The average depth to the ore "horizon" is approximately 350 feet, thus development costs can be held to a minimum.

(6) Experience in the Big Indian District has shown that the geologic environment in that area is conducive to the development of unusually large and high grade ore bodies as well as smaller ore bodies as indicated in the first paragraph of this report.

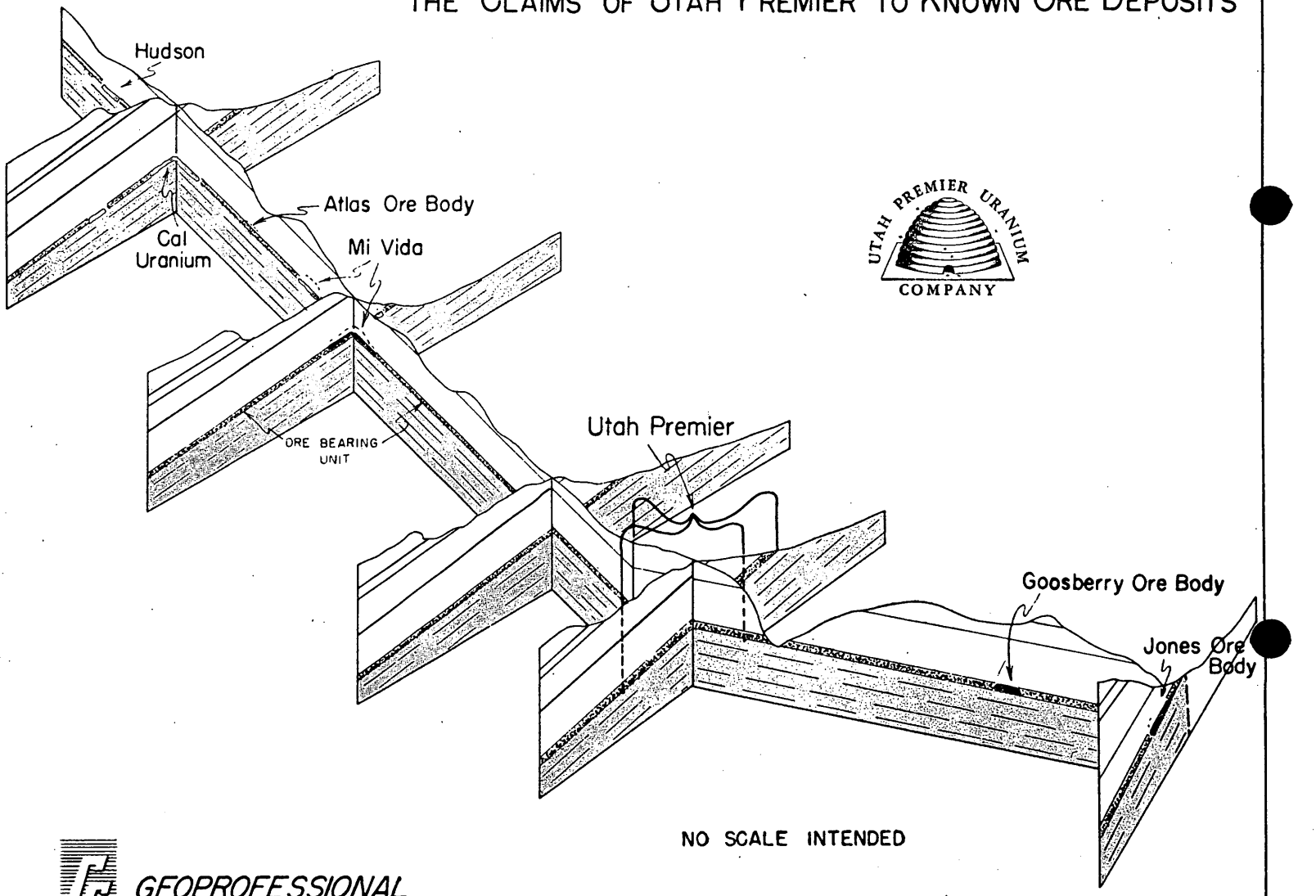
The combination of the above described conditions gives these properties a very high speculative value, consequently they warrant a very complete exploration program.

Submitted by:

GEOPROFESSIONAL SERVICES, INC.

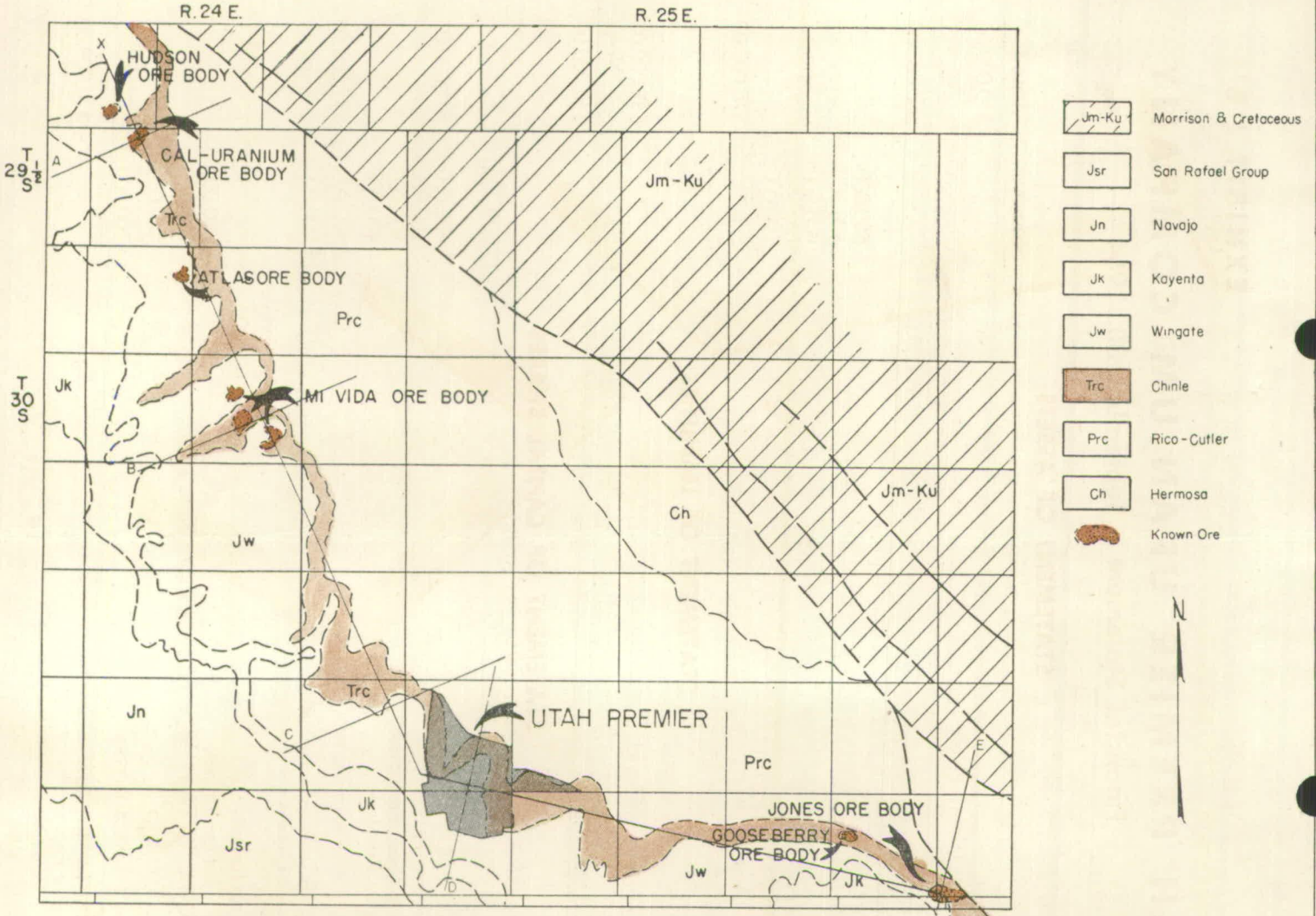
A. J. EARDLEY
F. W. CHRISTIANSEN
NORMAN C. WILLIAMS

Schematic Drawing Showing Relationship of the Claims of Utah Premier to Known Ore Deposits



UTAH PREMIER URANIUM COMPANY

GEOPROFESSIONAL SERVICES, INC.



GEOLOGIC MAP OF THE BIG INDIAN MINING DISTRICT
SHOWING LOCATION OF THE UTAH PREMIER

UTAH PREMIER URANIUM COMPANY

0 SCALE 5 Miles

GEOPROFESSIONAL SERVICES, INC.

EXHIBIT "B"

UTAH PREMIER URANIUM COMPANY

Financial Statement - September 30, 1954

STATEMENT OF ASSETS

		Shares	Amount
Cash on deposit			$10,000.00
Interest in Mining Claims (Note 1):			
Cash Paid	$25,000.00		
Contract Payable	35,000.00		$60,000.00
Capital Stock Issued:			
To Purchase Option		500,000	
To Purchase Royalties		400,000	
		900,000	
Prepaid for Services:			
To Underwriter		100,000	
TOTAL ASSETS			$70,000.00

STATEMENT OF LIABILITIES

Current:	
Contract Payable (Note 1)	$35,000.00
Fixed	None
TOTAL LIABILITIES	$35,000.00

STATEMENT OF CAPITAL SHARES

Common Capital Stock (Par value, $0.01 per share)			
Authorized		17,000,000	
Issued:			
For Cash ($0.02½ Per Share)		1,400,000	$35,000.00
For Underwriting Services		100,000	
For Option (See "Properties")		500,000	
To Purchase Royalties		400,000	
TOTAL ISSUED AND OUTSTANDING		2,400,000	$35,000.00
Unissued		14,600,000	
Reserved Under Option			
To Underwriter	200,000		
To H. Evan Roberts	600,000		
TOTAL UNDER OPTION		800,000	
Reserved to Complete Payment on Properties (See Note 1)		600,000	
TOTAL RESERVED		1,400,000	
BALANCE UNCOMMITTED		13,200,000	
TOTAL LIABILITIES AND CAPITAL			$70,000.00

UTAH PREMIER URANIUM COMPANY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

September 27, 1954 to September 30, 1954

Cash Received — from sale of Capital Stock	$35,000.00
Cash Disbursed — Payment for Properties	25,000.00
BALANCE, SEPTEMBER 30, 1954	$10,000.00

NOTE 1: In the event the public offering is successful and the Company desires to complete payment for its property interest, an additional $35,000 cash and 600,000 shares of Capital Stock will be paid to H. Evan Roberts on or before December 10, 1954. In the event the Company shall determine not to complete the transaction with Roberts, or shall be financially unable to do so, a sum of $10,000 shall be returned to the Company by Roberts and the balance ($15,000.00) be deemed a forfeiture to Roberts. The Company has also agreed to pay deferred rentals to the locators in the amount of $17,000 per year for four years commencing January 10, 1955, which sums will be paid only if the Company is producing or reasonably expects to produce commercial ore from the properties involved during the next four years.

UTAH PREMIER URANIUM COMPANY

OFFERING

Prospectus

UTAH PREMIER URANIUM COMPANY

UTAH PREMIER URANIUM COMPANY

NOVEMBER 3, 1954

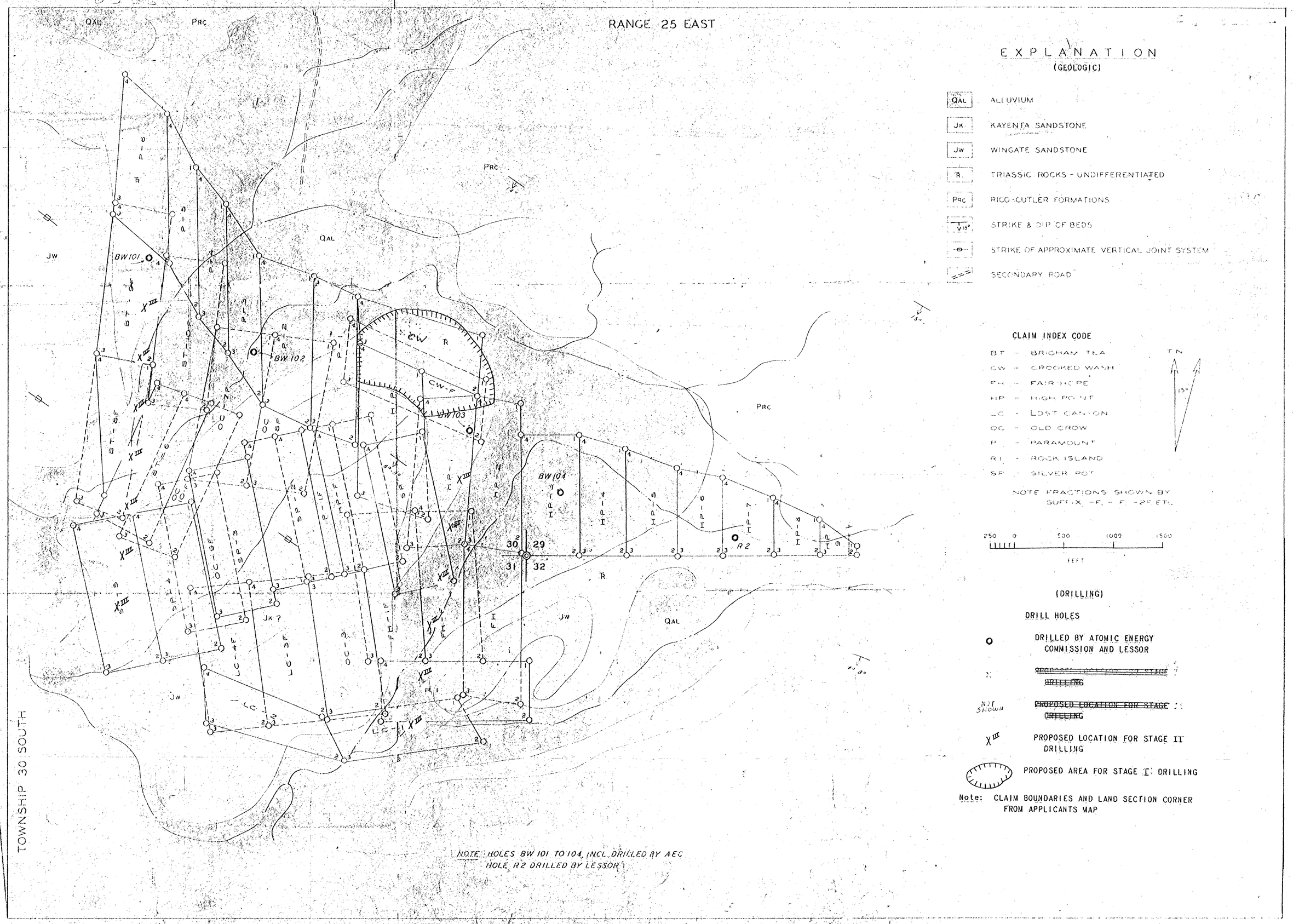


Figure 2. GEOLOGIC MAP SHOWING UTAH PREMIER CLAIMS, LISBON VALLEY DISTRICT, SAN JUAN COUNTY, UTAH

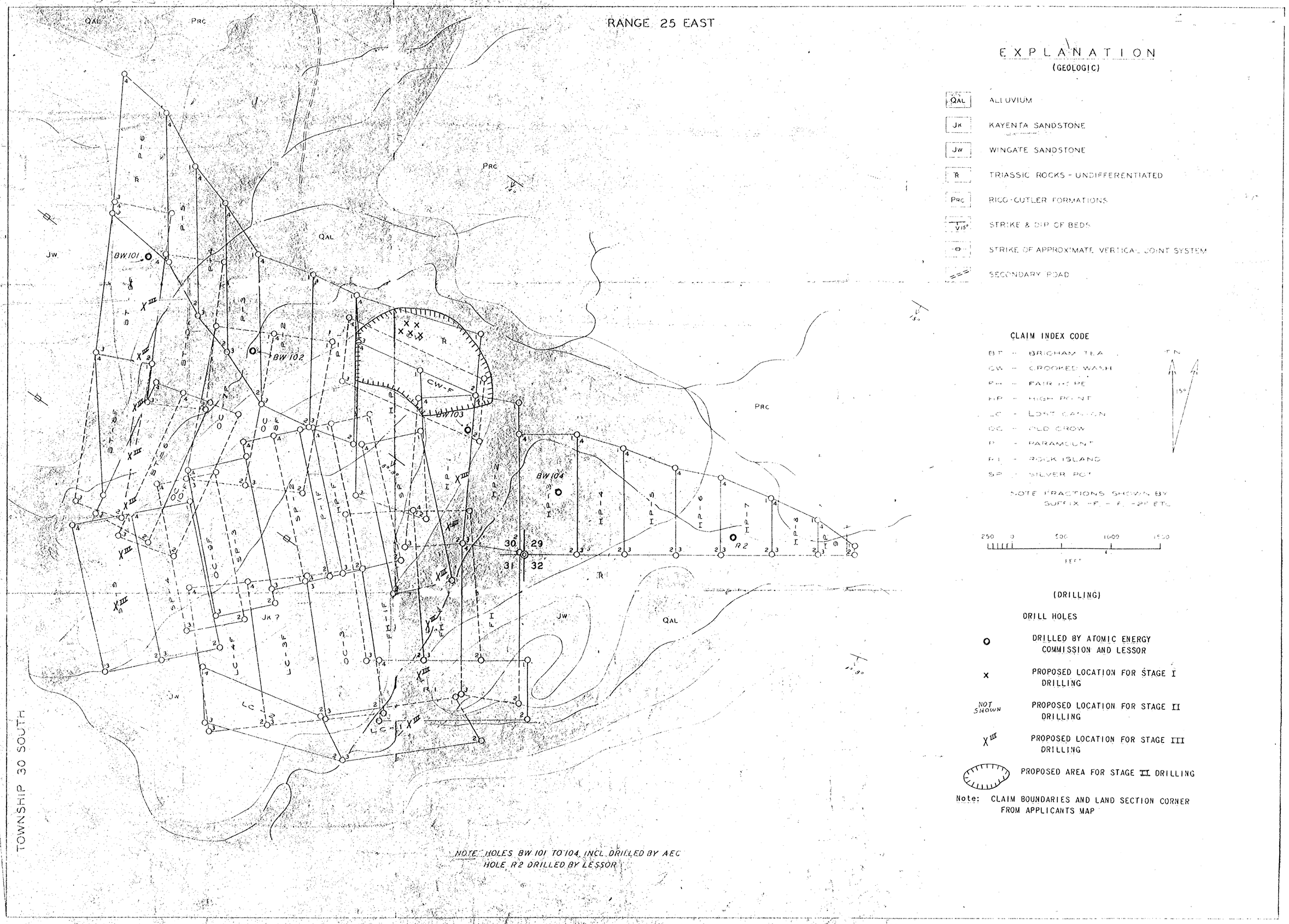


Figure 2. GEOLOGIC MAP SHOWING UTAH PREMIER CLAIMS, LISBON VALLEY DISTRICT, SAN JUAN COUNTY, UTAH