DME A-3676

Note:

Hold this application in abeyance for a time pending outcome of survey drilling. See Thor Kiilsgaard's memo of June 13 in Docket DME A 3859

[illegible]

MF-203
(Revised July 1, 1953)

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/

Ed Nos. 1-9, 11-15, 25-27, 30-32, inclusive, original location certificates for which are filed in Book 81, pages 289-299, and Book 79, pages 390-397, and amended location certificates for which are filed in Book 251, pages 258-272, and 282-289, inclusive

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/ M. E. Newlove

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) 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.

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

4. Changes and added provisions

Dated this _____ day of _____, 195___.

Joe Willa Shelby [Seal]

Edward M. Lopick [Seal]

Harold A. Culp [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.

EXHIBIT #3

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or 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 final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage Royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

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

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

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

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

Interior--Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

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/

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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/ M. E. Newlove

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
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WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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Dated this _____ day of _____, 195___.

Joe Williamson [Seal]
Edward M. Lippoth [Seal]
Harold A. Lee [Seal]

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

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Interior--Duplicating Section, Washington, D. C. 47318

MF-203
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DEPARTMENT OF THE INTERIOR
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Edward M. Tippetts [Seal]
Harold A. Culy [Seal]

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was shipped by applicant? send copy to mineralogist

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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DMEA
FEB 4 1955

APPLICATION FOR DMEA PROJECT

ON THE

ED GROUP

February 4, 1955

Prepared for

M. E. NEWLOVE

Box 188

ASPEN, COLORADO

by
GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

GEO-ENGINEERING
304 MAIN STREET
GRAND JUNCTION, COLORADO

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP
PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

Defense Minerals Administration
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GEO-ENGINEERING
304 MAIN STREET
GRAND JUNCTION, COLORADO

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP,
PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

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Mining Lease to M. E. Newlove	2
Owner's Consent to Lien, Form MF--203	3

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

February 4, 1955

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP

PREPARED FOR
M. E. Newlove
Box 188
Aspen, Colorado

INTRODUCTION

This report, written by Geo-Engineering for the purpose of applying for a DMEA loan on a portion of the Ed Group of claims, is prepared for M. E. Newlove of Aspen, Colorado. DMEA FORM MF-103 has been signed and is attached as Exhibit 1. Numbers and letters in front of the headings of this report refer to parts of the MF-103.

ABSTRACT

This application is for a DMEA project contract of the short form or unit cost type. The project proposed is $33,307.00 for exploration of a group of 20 claims lying in the Elk Ridge section of the White Canyon Mining District in San Juan County, Utah. A total of 6300 feet of plug-bit and of core-drilling is proposed at a unit cost of $3.994 per foot. Additionally, 12,500 lineal feet of rim-stripping is proposed at a unit cost of $0.579 per lineal foot, and provision is made for custom assaying at $6.00 per sample, these latter two items being included in the total cost of the project but not included in calculation of the unit cost of the drilling. 25% of the total estimated expenditure or $8326.75 will be furnished by the applicant, M. E. Newlove. The Defense Minerals Exploration Administration is requested to loan the rest, or $24,980.25.

CLAIMS

The Group of claims referred to in this application lie within what appears at this time to be a mineral belt in the Shinarump formation. Extensive exploration in this inferred belt has produced some very large mines to the northeast and to the southwest of this group of claims.

The project is submitted as involving two Stages. Stage 1 provides for rim-stripping of the Moenkopi-Shinarump contact on the large amount of rim found on this group of claims. Geologic information gained from stripping will serve as a guide for drilling.

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APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP, PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

Stage II of the proposed project provides for the drilling of 6300 feet or 42 test holes of an average depth of 150 feet in and around the areas where Stage I rim-stripping has revealed favorable geology. The location of such Stage II holes will be made with the approval of the DMEA Field Team as data from the rim-stripping is accumulated and evaluated.

? why not wait for data?

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

1. Name of Applicant

(a) M. E. Newlove, Box 188, Aspen, Colorado. (Please address all correspondence regarding application to Geo-Engineering, 304 Main Street, Grand Junction, Colorado).

(b) Omitted --Applicant is an individual
(c) Omitted --not a Corporation
(d) Omitted --not a partnership

2. General

The following report, which is the complete DMEA application written in accordance with the instructions given in the DMEA Order No. 1, includes the completed form MF-103 and all of the necessary substantiating papers.

The letters and numbers used as headings for the parts of this report refer to the letters and numbers used on Form MF-103 as this report is designed to fill in the information that, due to space limitations, could not be placed on the MF-103 form.

In accordance with instruction given on Form MF-103, this report will be filed in quadruplicate at the office of Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse, Denver 2, Colorado.

3. Applicants Property Rights

(a and b) Legal Description and Name of Property

Exploration work is to be performed on twenty unpatented mining claims referred to in this report as the Ed Group. The claims are located in the unsurveyed part of Township 35 South, Range 19 East, Salt Lake Meridian, in the Elk Ridge Section of the White Canyon Mining District of San Juan County, Utah. The Claims would be in the West Half of Section 26, the East Half of Section 27, the Northeast Quarter of Section 34, and the Northwest Quarter of Section 35 if the General Land Office Grid was completed. (see Figure 1)

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304 Main Street
Grand Junction, Colorado

February 4, 1955

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP, PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

(c) Interest

Mr. M. E. Newlove has a lease on this portion of the Ed Group from Geo-Engineering, a Colorado Partnership, and Messrs. Joe Willughby and Edward M. Lippoth, all of Grand Junction, Colorado, owners of the property. A copy of this lease is included as Exhibit 2.

(d-e) Outstandings Liens

The only obligation against the property is the royalty agreement in the lease included as Exhibit No. 2. The lien of the government for money loaned by the Defense Minerals Exploration Administration is, however, consented to by Geo-Engineering and Messrs. Willoughby and Lippoth, owners, and is to remain in effect under teams set forth in Form MF-203, owners Consent to Lien. (see Exhibit No 3).

(f) Record of Title

All transactions affecting title to the claims are recorded in the office of the County Clerk and Recorder of San Juan County at Monticello, Utah. These were located and recorded as follows:

Claim Name	Location Date	Recording Date	Book	Page
Ed No 1	March 10, 1954	April 15, 1954	81	289
Ed No 2	March 10, 1954	April 15, 1954	81	289
Ed No 3	March 10, 1954	April 15, 1954	81	290
Ed No 4	March 10, 1954	April 15, 1954	81	290
Ed No 5	March 10, 1954	April 15, 1954	81	291
Ed No 6	March 10, 1954	April 15, 1954	81	291
Ed No 7	March 11, 1954	April 15, 1954	81	292
Ed No 8	March 11, 1954	April 15, 1954	81	292
Ed No 9	March 11, 1954	April 15, 1954	81	293
Ed No 11	March 11, 1954	April 15, 1954	81	295
Ed No 12	March 11, 1954	April 15, 1954	81	296
Ed No 13	March 11, 1954	April 15, 1954	81	297
Ed No 14	March 11, 1954	April 15, 1954	81	298
Ed No 15	March 11, 1954	April 15, 1954	81	299
Ed No 25	March 14, 1954	April 13, 1954	79	390
Ed No 26	March 14, 1954	April 13, 1954	79	391
Ed No 27	March 14, 1954	April 13, 1954	79	392
Ed No 30	March 14, 1954	April 13, 1954	79	395
Ed No 31	March 14, 1954	April 13, 1954	79	396
Ed No 32	March 14, 1954	April 13, 1954	79	397

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304 Main Street
Grand Junction, Colorado

February 4, 1955

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP, PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

Since these claims had been located on prior oil and gas leases, lease application was made under provisions of U. S. Atomic Energy Commission Domestic Uranium Program Circular No 7, as follows:

Claim Name	Recording Date	Book	Page
Ed No 1	April 20, 1954	83	122
Ed No 2	April 20, 1954	83	122
Ed No 3	April 20, 1954	83	123
Ed No 4	April 20, 1954	83	123
Ed No 5	April 20, 1954	83	124
Ed No 6	April 20, 1954	83	124
Ed No 7	April 20, 1954	83	125
Ed No 8	April 20, 1954	83	125
Ed No 9	April 20, 1954	83	126
Ed No 11	April 20, 1954	83	127
Ed no 12	April 20, 1954	83	127
Ed No 13	April 20, 1954	83	128
Ed No 14	April 20, 1954	83	128
Ed No 15	April 20, 1954	83	129
Ed No 25	April 13, 1954	79	414
Ed No 26	April 13, 1954	79	414
Ed No 27	April 13, 1954	79	415
Ed No 30	April 13, 1954	79	416
Ed No 31	April 13, 1954	79	417
Ed No 32	April 13, 1954	79	417

Amended location certificates under Public Law 585 were filed as follows:

Claim Name	Recording Date	Book	Page
Ed No 1	December 10, 1954	251	258
Ed No 2	December 10, 1954	251	259
Ed No 3	December 10, 1954	251	260
Ed No 4	December 10, 1954	251	261
Ed No 5	December 10, 1954	251	262
Ed No 6	December 10, 1954	251	263
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Ed No 11	December 10, 1954	251	268
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Ed No 13	December 10, 1954	251	270
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304 Main Street
Grand Junction, Colorado

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Claim Name	Recording Date	Book	Page
Ed No 27	December 10, 1954	251	284
Ed No 30	December 10, 1954	251	287
Ed No 31	December 10, 1954	251	288
Ed No 32	December 10, 1954	251	289

The following is book and page number of withdrawal of Circular 7 Lease Application.

Recording Date	Book	Page
December 17, 1954	259	491

4. Physical Description of Property

(a) Operations:

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

(b) Production and Ore Reserves

There are no known uranium deposits on the property.

(c) Geological Features

Stratigraphy: The flat narrow mesa on which the claims lie is formed by the resistant sandstone unit of the lower Chinle formation. (see Figure 2) This sandstone locally overlies the Shinarump conglomerate of late Triassic age. Drilling to the Shinarump-Moenkopi contact will test these potential ore producing horizons. Ore has been found in the Permian Cutler formation which also underlies the claims, but the cost of drilling the deep holes necessary to test this horizon would probably by prohibitive at this time.

The ore bodies of the area occur in the sandstone or conglomerate lenses which lie at the Chinle-Moenkopi contact.

Structure: This group of claims is located on the Monument Upwarp, a broad flattened anticline with a north-south axis. The northern nose and eastern flank of the anticline is called Elk Ridge.

Ore-Deposits: Known deposits of uranium minerals in these areas occur in the basal Chinle sandstones and Shinarump conglomerates that fill channels which were cut into the underlying Moenkopi formation.

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Although no deposits have been found on the Ed claims, rim-stripping along the contact between the above sandstones and conglomerates and the Moenkopi formations will probably uncover some ore, mineralized sandstone lenses, or areas of favorable geology to be used as control for the drilling, which will follow the rim-stripping.

The opinion of the consulting geologists is that the scarcity of exploration drilling in the vicinity of the claims is the reason this immediate area is not at present producing ore. Areas immediately to the north and southwest of the claims along this inferred mineral belt have been withdrawn by the Atomic Energy Commission (see Figure 1) and government explorations projects are now in progress upon them. Detailed results are, of course, not available but it is common knowledge that some ore is being discovered by both programs. Approximately 10 miles west Mr. Fendel A. Sitton, an experienced and well-known mine operator, is producing 50 tons per day from his mines on Deer Flat.

If such a belt does exist, and the consulting geologists believe that it does, the prospects for these claims are indeed good since the Steen area which contains several very large ore bodies lies to the northeast along the belt and the White Canyon area, including the fabulous Happy Jack Mine lies to the Southwest (see Figure 1).

Justification of Exploration: The claims are located in what appears to be a uranium mineral belt in the Shinarump formation similar to the belt which has been defined for the Morrison formation. Areas to the northeast and to the southwest of the property have, under extensive exploration, produced some very large mines. (see Index Map, Figure 1). Drilling programs in White Canyon and on Deer Flat have been gradually proving that the belt extends northward toward Elk Ridge. If the mineral belt exists, and applicant's consulting geologists have expressed the opinion that it does, the prospects for the property are very good. Another attractive feature is the comparatively shallow drilling depths required to test the basal Chinle sandstones and Shinarump conglomerate.

(d) Accessibility

The claims lie about 20 airline miles west of Monticello, Utah, and about 60 miles southwest of Moab, Utah. Haulage distance to the A.E.C. uranium mill at Monticello is about 47 miles----22 miles on an excellent paved highway and 25 miles over better than average mine roads.

(e) Availability of Manpower, Equipment, Supplies, etc.

Manpower and equipment for this project will be furnished by private contractors. Dependable sources of material and supplies are available at Moab and Monticello, Utah. A small amount of work on near-by springs should develop an adequate supply of water for core-drilling. Geo-Engineering, a prefessional consulting firm, will supply surveying instruments and transportation for technical personnel.

5. The Exploration Project

(a) The Mineral

The Mineral for which this project will explore is uranium.

(b) Proposed Work

Drills for the project will be provided by private drilling campanies under contract. It is estimated that it will take 6 months to complete this project with one drill. The employment of more than one drill would result in inadequate geological control, wasted footage, and an increase in exploration costs per ton of ore discovered.

The Exploration plan recommended to the Defense Exploration Administration and to Mr. M. E. Newlove is as follows:

Stage 1: Approximately 12,500 lineal foot of rim-stripping by bull-dozer should be done on this group of claims in the approximate location shown on Figure 2. This group is so situated that there is a large amount of rim available for stripping.

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

Stage 11: 42 test holes will be drilled in and around the areas where the Stage 1 rim-stripping has given favorable information. The locations of such Stage 11 holes is to be made with the approval of the DMEA Field Team as data from the rim-stripping is accumulated and evaluated. Depth of the holes is estimated to range from 130 to 170 feet with an average depth of 150 feet, the aggregate footage thus being 6300 feet.

<u>Logging and Sampling</u>: A sampler who will also act as a field assistant for surveying will be employed to supervise the logging and sampling. An accurate log will be kept by the driller, and all barren core will be arranged on the ground and properly marked so that the geologists or sampler can carefully check the driller's log. Core from each run will be carefully dropped out of the core barrel into a wooden trough. The sampler or other competent individual will then examine the core, using a field gamma ray detecting device. If any trace of mineralization is found, the complete core "run" will be arranged in a core

box with a hinged lid and kept for the geologists to properly sample the core.

Each sample will be carefully described by the geologist in a bound field book, as it is placed in the sample sack. Core losses will be prorated proportionately regardless of lithology. All samples will be sent to commercial assayers for percentage determination of U_3O_8, V_2O_5, and C_aCO_3.

Each hole will be probed and logged using field gamma-ray detecting instrument and deep-hole probe.

Geologic Control of Drilling: The applicant requests the privilege of determining the location of the drill holes in Stage 11 after studying the results of rim-stripping and, as the drilling proceeds, on information obtained from holes drilled. This would be with the approval of the DMEA Field Team.

(c) Duration of Project.

The work will start within 60 days and it is estimated will be completed within 8 months from the date of an exploration project contract. The employment of more than one drill would result in inadequate geological control, wasted footage, and an increase in exploration costs per ton of ore discovered.

(d) Ability, Operating Experience, etc.

The applicant, Mr. M. E. Newlove, a mining engineer, is a graduate of Stanford University in 1930. Prior to graduating he worked for two years as an underground miner for Anaconda Copper Mining Company in Butte, Montana. After graduating he acquired further experience in underground mining and timbering, and in underground and surface surveying, mill and cyanide operating, assaying, gold refining, sampling, geological mapping, and as shift-boss and foreman. From 1937 to 1942 he was superintendent of the North Star Mine of the Empire-Star Mines Company Ltd., located in Grass Valley, California, and operated by the Newmont Mining Corporation. From 1943 to 1951 he was General Manager of the Resurrection Mining Company located in Leadville, Colorado. This company was jointly owned by U. S. Smelting Refining and Mining Company, Hecla Mining Company and Newmont Mining Corporation, and was operated by Newmont. From 1951 to 1953 he was Managing-Director of the Nigerian Lead-Zinc Mining Company, a subsidiary of the American Smelting and Refining Co. located in West Africa.

Financial reference--Trust Department, United States National Bank, Denver, Colorado.

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

Louis P. Gaggini, who is Chief Geologist for Geo-Engineering, began working in uranium in 1941, as geologist for the Union Mines Development Corporation, a contractor for the United States Army Manhattan Engineering Project. Subsequent experience in carnotite exploration included almost two years with the Exploration Branch of the Atomic Energy Commission in Grand Junction and six months with the United States Vanadium Company. Mr. Gaggini was for two years Mining Superintendent of the Dulancy Mining Company, where he was in charge of all mining and exploration. This company is at present mining large tonnages from ore bodies which were discovered during that period. From August, 1952, to February, 1954, Mr. Gaggini was manager of the Colorado Uranium Division of the J. R. Simplot Company. During this period Mr. Gaggini successfully prepared applications for and administered for several months two large DMEA projects.

Harold A. Culp is a geologist and geophysicist and a copartner in Geo-Engineering with Mr. Gaggini and Mr. Lewis D. Anderson. Since graduating with a degree in economic geology from Oregon State College in 1941, Mr. Culp has, in addition to uranium, worked with gold, oil, copper, cobalt and tungsten; this includes 6 years' experience in metal mining and 5 years of geophysical prospecting in oil and mining. In addition to mine management for others, he has operated a mine in which he shared a 1/3 investment interest. His work has included the preparation of Defense Minerals Exploration Administration projects and, after approval of loan application by that agency, supervision of the project. During 1953-1954, Mr. Culp was project geologist and then acting superintendent of the Bull Canyon mines of the J. R. Simplot Company.

Lewis D. Anderson, mining engineer, is a graduate from the Colorado School of Mines (registered mining engineer No. 1844 in Colorado). From December, 1946, through 1948, Mr. Anderson worked as engineer and shift boss for the Resurrection Mining Company at Leadville, Colorado. From January, 1949, through April, 1950, he worked as mining engineer in the General Chemical Division of Allied Chemical and Dye. He was mine foreman of the Rico-Argentine Mining Company, Rico, Colorado, from June, 1950, to October, 1951. Mr. Anderson then accepted employment as Division Engineer for the Dulaney Mining Company in the Gateway, Dove Creek, Monticello, and Gyp Valley areas. From June, 1952, to 1954, Mr. Anderson's duties as mining engineer covered both the mining and milling of uranium-vanadium ores and included jurisdiction over the United States Vanadium Company's uranium operations in the edgemont, South Dakota area.

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6. Estimate of Costs

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

It is estimated that, of the 6 months required for this project, 1½ months will be required for rim-stripping and 4½ months for drilling. Expenses are therefore allocated on this basis in arriving at unit costs for drilling and rim-stripping.

(a) Independent Contracts

Drilling will be done by private contractors. The prices quoted by competent firms active in the uranium field are used as the basis for arriving at the drilling cost of $1.87 per foot. It is estimated that 75% of the drilling will be plug-bit, at $1.50 per foot and 25% will be cored at $3.00 per foot. Prices quoted are based upon an average drilling depth of 150 feet.

42 holes of 150 feet average depth or 6300 feet at $1.87 per foot. ----------	$11,812
Road building and drill site preparation is estimated at 10 days of bull-dozer work spread over the period of the drilling. Rental with an operator is quoted at $100 per day for 10 days----------	$ 1,000
Total Drilling and Road Site preparation	$12,812

(b) Labor, Supervision and Consultants.

Geo-Engineering will supervise and direct the operations and will act as consulting geologists for $1000 per month and expenses. A draftsman and stenographer will be provided on an hourly basis to prepare necessary project reports. A field assistant will be employed by Geo-Engineering to help with surveying and act as sampler. Such costs and expenses are estimated as follows:

	Per Month	Project
Geo-Engineering Fees	$1,000	$6,000
Expenses (other than personnel)	250	1,500
Draftsman (48 hrs. per mo. @ $3)	144	864
Steno-typist (24 hrs. per mo @ #2.20)	52.80	317
Sampler and Field Assistant	375.00	2,250
Total	$ 1,821.80	$ 10,931

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(c) Operating Materials, Supplies, etc.

	Per Month	Project
Office supplies, map and drill log reproductions for monthly reports and correspondence with DMEA, etc	$150	$900
Survey stakes, timber crayons, water bags, sample containers, etc.		25
Total	$150	$925

(d) Operating Equipment

All operating equipment will be provided by independent contractors or by Geo-Engineering	None	

(e) Rehabilitation and Repairs

None Needed	None	

(f) New Buildings, Improvements and Installation

None Needed	None	

(g) Miscellaneous

Expense for accounting and record keeping for project, etc.	$100	$600
Payroll taxes, estimated at 10% of items in (b) supra--wages of Draftman, Steno, Field Assistant	57.18	343
Total	$157.18	$943

(h) Contingencies

Drilling contractors vary the drilling charge with depth of the hole. Estimate for drilling cost is based upon an average depth of 150 feet. In event that holes must go deeper the drilling cost will exceed $1.87 per foot. Estimates for road, trail, and site construction may be inadequate in that they are based merely upon hourly rates for tractor and bull-dozer work, whereas some rock drilling and blasting may be required. 15% is added for such contingencies. Labor, supervision and consultant payments are based on monthly or hourly charges. Any event which might prolong the project will increase such costs. 10% is added to cover such contingencies. Operating materials and supplies have been estimated at a minimum. Unforeseen destruction or

consumption could easily increase these costs by 20%. Miscellaneous costs, supra are increased 50% to cover omitted items, unforseeable extra help requirements, taxes, etc.

Contingencies

15% of $12,812	(a)	$1,922
10% of 10,931	(b)	1,093
20% of 925	(c)	185
50% of 943	(g)	471
Total		$3,671

Total for Project before cost of Rim-Stripping and Assaying. $ 29,282

Analytical Work.

The cost of analytical work is not included in or covered by the drilling costs, supra, or in the cost per foot of drilling. A separate unit cost of $6.00 per sample is included in the project. It is estimated that 150 samples may be assayed. The contract price of independent assayers is $6.00 being:

U_3O_8	$3.50
V_2O_5	1.50
C_aCO_3	1.00
	$6.00

150 Assays @ $6.00 $ 900

Rim-Stripping

Estimated direct contract cost per foot.

12500 feet @ $0.25 $ 3,125

Summary of Costs

I Direct costs of drilling, including all costs of project except analytical work and rim-stripping which are shown separately:

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(a)	Drilling, Road & site, Supra	$12,812
(b)	Labor, Supervision, etc. Supra	10,931
(c)	Operating Materials, etc. Supra	925
(d)	Operating Equipment etc. Supra	None
(e)	Rehabilitation, etc. Supra	None
(f)	New Buildings, etc, Supra	None
(g)	Miscellaneous Supra	943
(h)	Contingencies, Supra	3,671
	Total	$ 29,282

II---Analytical Work

150 assays at $6.00 each	$ 900.
III--Cost of Rim-Stripping, Supra	3,125
Estimated Total for Project	$ 33,307.00
Amount to be paid by M. E. Newlove (25%)	8,326.75
Amount of Defense Minerals Exploration Administration Loan Requested:	$ 24,980.25

Unit Costs

For the purpose of calculating unit costs all items under I above except (a), Drilling, Roads & Site, were apportioned 75% to drilling and 25% to rim-stripping:

Drilling, Road & Site	$3.994 per foot
Assays	$6.00 per determination
Rim-Stripping	$0.579 per foot

Applicants Share of Cost

In accordance with Defense Minerals Exploration Administration Regulations, Applicant, M. E. Newlove, is prepared to assume 25% of the cost of this project in the following manner to wit:

The applicant will perform all of the necessary work and pay for all of the labor, materials and supplies. Reimbursement of the applicant by the DMEA will be pursuant to the summary of costs immediately hereinabove, less 25%, i.e., the amount to be loaned

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by the government will be 75% of the above shown unit costs for each of the units of work performed.

Respectfully submitted

GEO-ENGINEERING

Louis P. Gaggini
LOUIS P. GAGGINI

Lewis D. Anderson
LEWIS D. ANDERSON By Hac

Harold A. Culp
HAROLD A. CULP

GEO-ENGINEERING
304 MAIN STREET
GRAND JUNCTION, COLORADO

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP,
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SCHEDULE 1

ESTIMATE OF AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS

Explanation	Unit	No. of Units	Cost per Unit	Total cost each Item	Grand Total
Drilling Contractor					
Stage II	feet	6,300	$1.87	$11,812.00	
Road & Drill Site					
Building					
Dozer Rental & Operator	day	10	$100	1,000.00	
Stage I (rim-stripping)					
Estimate price to Contractor	foot	12,500	0.25	3,125.00	
TOTAL ESTIMATED AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS					$15,937.00

SCHEDULE 1

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APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP,
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SCHEDULE 2

ESTIMATED COSTS UNDER 6b, 6c, & 6g, MF-103

Explanation -Heading and Letter	Cost per Hour	Cost per Day	Cost per Month	Cost per Project	Unit Cost per MF-103 Heading
6 (b) Labor, Supervision & Consultants					
Geo-Engineering Fees			1,000	6,000.00	
Geo-Engineering Expense			250	1,500.00	
Draftsman 50 hrs/month	$3.00		144	864.00	
Typist 25 hrs/month	2.20		52	317.00	
Sampler & Field Assistant		15.00	375	2,250.00	
Total under 6 (b) of MF-103 (6,300)				$10,931.00	1.74
6 (c) Operating Materials & Supplies					
Office supplies, map & drill log reproductions for Monthly reports & other correspondence with DMEA			150.	900.00	
Survey stakes & other field supplies				25.00	0.147
Total under 6 (c) of MF-103 (6,300)				925.00	
6 (g) Miscellaneous					
Accounting expenses, etc.			100.	600.00	
Payroll taxes estimated at 10% of $571.80			57.18	343.00	
Total under 6 (g) of MF-103 (6,300)				$ 943.00	

ESTIMATED COSTS UNDER 6b,6c,& 6g, MF--103

SCHEDULE 2

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GRAND JUNCTION, COLORADO

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SCHEDULE 3

SUMMARY OF COSTS

	Units	No. of Units	Cost per Unit	Total Cost per Item	Grand Total
6a--Independent Contractors (sch.3)	Feet	6,300	1.87	12,812.	
6b- Labor, Supervision & Consultants (sch. 4)	Feet	6,300	1.74	10,931.	
6c- Operating MAtèrials & Supplies	Feet	6,300	0.147	925.	
6d--Operating Equipment	None				
6e--Rehabilitation & repair	None				
6f- New Building, Installations					
6g- Miscellaneous	Feet	6,300	0.06	943.	
6h- Contingencies		6,300	0.15	[illegible]	
For (a) above -15%				1,922.00	
For (b) above -15%				1,093.00	
For (c) above _20%				185.00	
For (g) above -50%				471.00	
Calculated Unit Cost	Feet	6,300	4.38		$29,282.00
Calculated Cost of Project using Unit Cost Bid and before allowance for Analytical Work & rim-stripping	Feet	6,300	4.38		
Rim-stripping	feet	12,500	0.25	3,125.00	
Anaytical Work		150	6.00	900.00	4,025.00
Total Cost of Project during DMEA Participation					33,307.00
Less 25% to be paid by M. E. Newlove					8,326.75
AMOUNT OF DMEA LOAN REQUESTED					$ 24,980.25

SUMMARY OF COSTS

SCHEDULE 3

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

RECEIVED FEB 17 1955

Not to be filled in by applicant

Docket No. 3686
Metal or Mineral Uranium
Date Received 2-17-55
Estimated Cost $33,307
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:

M. C. Newlove
Box 168
Aspen, Colorado

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

See Exhibit #2

(*b*) State any mine name by which the property is known. Ed Nos 1-9,11-15, 25-27, 30-32

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

Lessee (see Exhibit #2)

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

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

see Exhibits #2 & #3

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

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

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

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

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

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

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

.....

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

(*c*) The work will start within ...60... days and be completed within ...8... months from the date of an exploration project contract.

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

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project: Schedule 3

(*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.). Schedule 1

(*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. Schedule 2

(*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)?

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

☑ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 2/4/58, 195...

W. W. Lawlor
(Applicant)

By.....

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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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

FEB 17 1955

EXHIBIT #1

MINING LEASE AND OPTION

THIS INDENTURE, made and entered into this 28th day January, 1955 between GEO-ENGINEERING, a Colorado Partnership, JOE WILLOUGHBY and EDWARD M. LIPPOTH, all of Grand Junction, Colorado, parties of the first part hereinafter called Lessors, and M. E. NEWLOVE, Aspen, Colorado, party of the second part hereinafter called Lessee, WITNESSETH:

That Lessor, in consideration of the sum of One Thousand Dollars ($1,000.00) and other good and valuable considerations, receipt of which is hereby acknowledged, does hereby grant, demise and lease unto Lessee the following described mining claims situated in the County of San Juan, State of Utah, to wit:

Name of Claim	Original Location Certificate		O&G Lease Application Under Circular No. 7		Amended Location Certificate	
	Book	Page	Book	Page	Book	Page
Ed 1	81	289	83	122	251	258
Ed 2	81	289	83	122	251	259
Ed 3	81	290	83	123	251	260
Ed 4	81	290	83	123	251	261
Ed 5	81	291	83	124	251	262
Ed 6	81	291	83	124	251	263
Ed 7	81	292	83	125	251	264
Ed 8	81	292	83	125	251	265
Ed 9	81	293	83	126	251	266
Ed 11	81	295	83	127	251	268
Ed 12	81	296	83	127	251	269
Ed 13	81	297	83	128	251	270
Ed 14	81	298	83	128	251	271
Ed 15	81	299	83	129	251	272
Ed 25	79	390	79	414	251	282
Ed 26	79	391	79	414	251	283
Ed 27	79	392	79	415	251	284
Ed 30	79	395	79	416	251	287
Ed 31	79	396	79	417	251	288
Ed 32	79	397	79	417	251	289

To have and to hold unto Lessee for a term of ninety-nine (99) years. Lessee covenants and agress to perform such labor requirements as may be necessary to maintain valid possessory rights provided, however, that Lessee shall not be required to perform such labor or be in any way liable for its non-performance if Lessee shall, more than thirty (30) days prior to the expiration time for such performance, relinquish unto Lessor the leased property. Such relinquishment shall be by written notice to Lessor, and, if a portion of the claims shall be

EXHIBIT NO. ~~1~~ 2

relinquished, then this lease shall remain in force according to its terms as to the retained claims.

1. Lessor warrants that each of the above described claims has been located in accordance with local custom and practice, including the erection of monuments and markers, the marking of surface boundaries, and the posting and recording of notices.

2. Lessor does hereby reserve, and Lessee agrees to pay unto Lessor, a royalty of 6% of the proceeds of ores mined and sold from any of said claims, including 6% of any bonus payment paid by the Atomic Energy Commission, less, however, development and haulage allowances. All such ores shall be shipped in the joint name of Lessor and Lessee and payment of such royalties shall be made as follows: 2% to GEO-ENGINEERING, 304 Main Street, Grand Junction, Colorado; 2% to EDWARD M. LIPPOTH, 304 Main Street, Grand Junction, Colorado; and 2% to JOE WILLOUGHBY, 107 Miriam, Grand Junction, Colorado.

3. Lessee shall keep full and accurate records of all operations carried on hereunder, including drilling records, maps and assays, open to the inspection of Lessor at reasonable times, and shall permit Lessor access to said claims for inspection or for other proper purpose. Lessee shall pay Federal and State taxes imposed upon the property or upon Lessee's operations, including any production taxes.

4. Upon any relinquishment of property from this lease or upon any termination or surrender of this Lease, Lessee shall have the right within a reasonable time to remove all of his machinery, equipment and other personal property, including buildings, structures and any chattels affixed or attached to the realty, it being agreed that the title thereto shall at all times remain in Lessee.

5. Upon violation by Lessee of any of its covenants herein, the Lessor shall have the option to terminate the Lease by written notice to Lessee, and no termination or forfeiture of or under this Lease shall occur except upon such written notice. Any notice by Lessor electing to terminate this Lease as to any portion of the leased property shall state with particularity the substantial facts giving rise to such notice and shall be sent by registered mail to Lessee. Lessee shall have thirty (30) days after receipt of such notice within which to cure any default, breach or failure of performance, and, upon Lessee's failure or refusal to cure such default, breach or failure within such time, this Lease shall expire and the Lessor shall thereupon be entitled to possession. Any notice required, permitted or given hereunder shall be by registered mail, effective upon the posting thereof, directed to the last known business address of the party being notified. It is expressly agreed that Lessor's right to terminate shall be his sole and exclusive remedy for breach by Lessee of any covenant herein, and Lessor does hereby expressly waive and forego any other claim action, right or remedy.

EXHIBIT NO. # 2

I certify that original lease was signed by persons whose names are printed on the signature line of this copy and that this is a true copy of the original lease:

C. W. SNOAD

6. Lessor does hereby consent that, for or in connection with obtaining financial aid under the Defense Minerals Exploration Administration program or any similar program in aid of mining or exploration, Lessee may grant to the Federal Government or to any appropriate agency thereof a lien upon the leased property upon such terms as may be required, and Lessor does hereby agree (a) That all claims and interests of Lessor shall be subordinate to the rights of such Government or agency, and (b) That Lessor will from time to time, upon request of Lessee, immediately execute and deliver such waivers consents, subordination agreements or such other and different instruments as Lessee may deem necessary or helpful in applying for or obtaining such financial aid or to make effective the consent to lien and the subordination agreement herein contained.

7. Lessee may assign or transfer this Lease in whole or in part and may sublease all or any portion of the property hereinabove described, provided such sublease is made subject to the provisions herein contained. Lessor shall be allowed to assign or otherwise transfer this Lease or all or a fractional part of the royalties reserved hereunder, provided, however, that any such transfer or assignment of lease or royalty shall contain an appropriate provision effectively designating a single person, firm, or corporation to act as agent for all persons claiming any interest or right hereunder to receive and distribute royalty paid hereunder, and to receive any notice served by Lessee hereunder. And Lessee shall not be required to give any notice, or to make any payment other than to such agent which shall be as effective as if given or paid directly to each party in interest. Subject to the foregoing provisions of this paragraph, the privisons hereof shall inure to the benefit of and be binding upon the heirs, representatives, successors and assigns of the respective parties.

IN WITNESS WHEREOF the parties hereto have affixed their hands and seals the day and year hereinabove written.

WITNESS: Harold A. Culp

C. W. SNOAD

C. W. SNOAD

ATTEST:

C. W. SNOAD

LESSOR: Joe Willoughby

Edward M. Lippoth

GEO-ENGINEERING

by Harold A. Culp

LESSEE: M. E. NEWLOVE

by M. E. Newlove

State of Colorado)
) SS.
County of Mesa)

The foregoing instrument was acknowledged before me this 28th day of January, 1955, by Joe Willoughby, Edward M. Lippoth, Harold A. Culp, M. E. Newlove

Witness my hand and official seal:

(SEAL)

My commission expires: July 17, 1955 Patty Lou Nisley
Notary Public

EXHIBIT #2

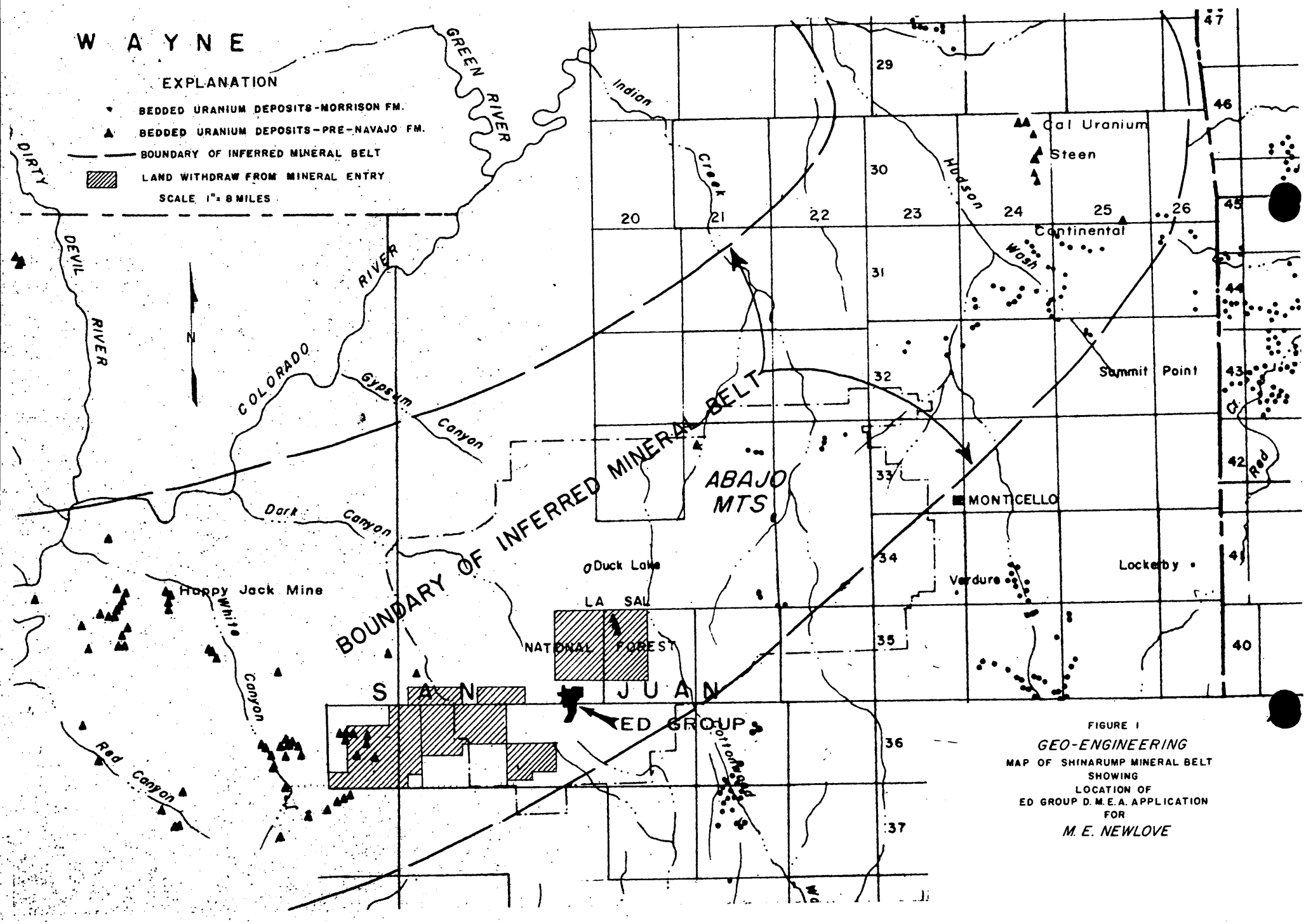
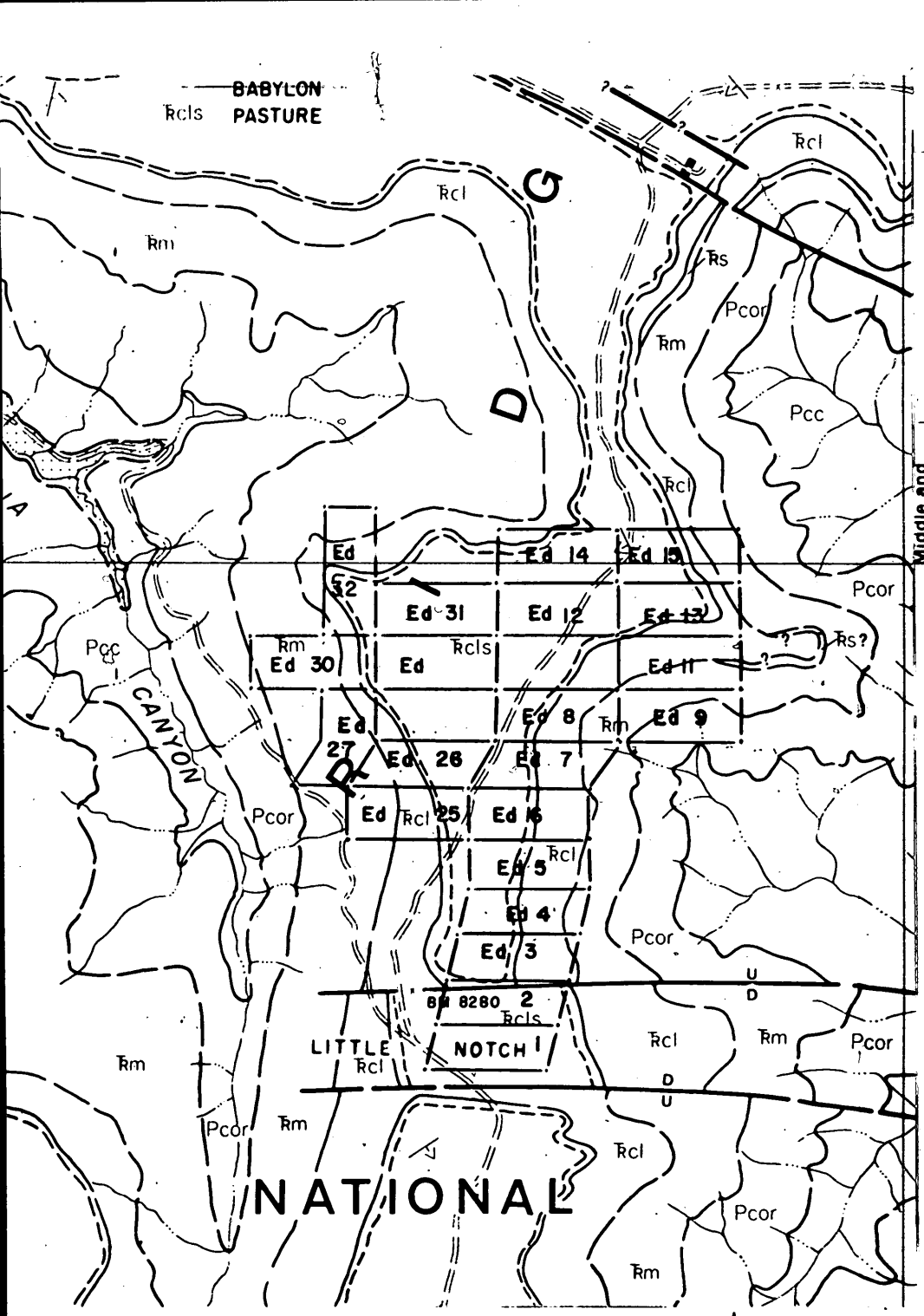


FIGURE I

GEO-ENGINEERING

MAP OF SHINARUMP MINERAL BELT SHOWING LOCATION OF ED GROUP D. M. E. A. APPLICATION FOR

M. E. NEWLOVE



GEO ENGINEERING

GEOLOGIC MAP

SHOWING

ED GROUP

D. M. E.A. APPLICATION

FOR

M. E. NEWLOVE

Scale 1" = 2000'

QUATERNARY

Qal

Alluvium

TRIASSIC

Upper Triassic

Ꞧcls / Ꞧcl

Chinle formation

sandstone unit of lower part, Ꞧcls; lower part, Ꞧcl

Ꞧs

Shinarump conglomerate

Middle and Lower Triassic

Ꞧm

Moenkopi formation

PERMIAN

Pcor / Pcc

Cutler formation

Organ Rock tongue (may include the Hoskinnini tongue), Pcor; Cedar Mesa sandstone member, Pcc

Contact

Can be located within 30 feet horizontally

Contact

Can be located within 30 to 200 feet horizontally

Contact

Cannot be located accurately, probable error greater than 200 feet horizontally

Probable contact

Conspicuous resistant bed within a formation

May be traceable only locally

U D

Fault

Dashed where approximately located

U, upthrown side; D, downthrown side

32

Approximate strike and dip of beds

Based on photo-interpretation

Strike of approximately vertical joints

Based on photo-interpretation

Docket surname copy 700

Murphy
Ellis
Kiilsgaard
Geehan
Selfridge

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

Grado Uranium Corporation
304 Main Street
Grand Junction, Colorado

OCT 28 1955

Re: Docket No. DMEA-3686 (Uranium)
Original Applicant: M. E. Newlove
Ed claims
San Juan County, Utah

Gentlemen:

Your application for aid in an exploration project and other information available to us in Washington concerning your above-named property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied without prejudice to the property. If future work on your property, such as rim stripping and/or limited drilling, or drilling on adjacent property, reveals evidence which could materially alter this opinion, be assured we will be pleased to consider a new application.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Frank E. Johnson (Sgd)

Acting Administrator

FMMurphy/gla
10/28/55
cc: Admr.'s Reading File
Operating Committee
Docket
Mr. J.E.Crawford, Rm. 3641
Mr. T.H.Kiilsgaard, Rm. 5224
Mr. J.O. Hosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)

R.G.H.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 10-26-55

REFERRED TO:

1. ~~Operating Com., Rm. 4459~~
2. Mr. Johnson, Rm. 4460
3. Mails & Files, Rm. 4450
4. ____

FOR:

____ Action	____ Recommendation
____ Approval	____ Record of ____
____ Comment	____ Referring to ____
____ Conference	____ Reply for signature of ____
____ Consideration	____ Rewriting
____ Filing	X Signature
____ Instructions	____ Suggestions
____ Investigation	____ Your information
X Initials	
X Mailing	
____ Previous correspondence	

REMARKS: ____

Check (X) before the items needing attention.

Ernest Wm. Ellis

gla *Initials of sender.*

GPO 16—63815-1

Murphy
Ellis

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

October 26, 1955

Summary of Proposed Project

Object: Denial of application for exploration aid.

Docket No.: DMEA-3686

Commodity: Uranium

Applicant: M. E. Newlove (original)
Requested change to: Urado Uranium Corporation
304 Main Street
Grand Junction, Colorado

Property: Lessee: "Ed" claims Nos. 1 through 9, 11 through 15, 25 through 27, and 30 through 32, situated in secs. 26, 27, 34, and 35, T. 35 S., R. 19 E., San Juan County, Utah

Date of application: February 4, 1955
More information requested March 7; 30-day notice, September 15; Applicant's letter October 12, 1955, requested application be kept open pending results of drilling by USGS on adjacent properties.

Amount of Application: $33,307.00

Work Proposed and Estimated Costs:

42 holes, average 150 feet in depth, 6300 feet @ $1.87/ft.	$11,812.00	
Access roads and drill sites	1,000.00	
12,500 feet rim stripping @ $0.25/ft.	3,125.00	
150 assays @ $6.00 each	900.00	
Labor, supervision, consultants	10,931.00	
Miscellaneous	943.00	
Materials and Supplies	925.00	
Contingencies	3,671.00	
Total		$33,307.00

Commodity Members' Comments (excerpts):

U. S. Geological Survey, W. P. Williams, October 18, 1955

On Elk Ridge (the area in which the "Ed" claims are located) uranium ore is found in channel fillings of the

Shinarump formation or the Moss Back sandstone.

The applicant has not shown that a thick, favorable ore host underlies the property, nor whether scour or channel structures exist on the property.

The USGS drilling program to which the applicant refers is a series of wide-spaced holes intended to test geo-botanical anomalies and to search for the pinchout of continuous Shinarump conglomerate. To the end of September, a total of 22 holes had been drilled on Elk Ridge. None penetrated ore. None were drilled on the "Ed" claims. The nearest USGS drilling is about 7,500 feet from the northeast boundary of the claims. After inquiry of the Exploration Division, USGS, Grand Junction, I find that no further drilling is planned on either the "Ed" claims or in the immediate vicinity. Consequently, the recent drilling by USGS on Elk Ridge can have no direct bearing on evaluation of the subject property.

I believe the application should be denied without prejudice. The applicant should be told that if he chooses to do some preliminary work, such as rim stripping, and if such work will show that further exploration would have a reasonable chance for success, then a new application would receive full consideration.

U. S. Bureau of Mines, J. E. Crawford, October 25, 1955.

Concurs in denial without prejudice for the same reasons as the USGS Commodity Member.

Rare and Miscellaneous Metals Division, F. M. Murphy, October 26, 1955.

This Division recommends that the subject application be denied at this time because no evidence that a geologic target exists in the claim area has been demonstrated.

If future work does indicate a favorable mineralization trend, then a new application should receive consideration.

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

10-19 55

Cap:

I concur with Williams recommendations, and deny the application without prejudice, but advise him that we will reopen the case. Possibly this decision will facilitate action on some of the other cases he is asking on.

Brock

10/19/55 gla

IN REPLY REFER TO

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

RECEIVED
OCT 19 1955

October 18, 1955

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Supplemental Review of Application, DMEA 3686, M. E. Newlove, (Urado Uranium Corporation), Ed claims, Elk Ridge, San Juan County, Utah.

The subject property is located in an area that has not been greatly explored.

The application was received by DMEA on February 17, 1955. In a letter to DMEA dated May 14, 1955, Mr. L. P. Gaggini, representative of the applicant, suggests that the application be held in abeyance until some drilling in the vicinity of the Ed claims was completed. In a letter to DMEA dated October 17, 1955, the applicant states, "We would like to keep this application open until the information from the U.S.G.S. drilling program is received."

The USGS drilling program to which the applicant refers is a series of wide-spaced holes intended to test geo-botanical anomalies and to search for the pinchout of continuous Shinarump conglomerate. To the end of September a total of 22 holes had been drilled on Elk Ridge. None penetrated ore. None were drilled on the Ed claims. The nearest USGS drilling is about 7,500 feet from the northeast boundary of the claims. After inquiry of the Exploration Division, USGS, Grand Junction, I find that no further drilling is planned either on the Ed claims or in the immediate vicinity. Consequently, the recent drilling by the USGS on Elk Ridge can have no direct bearing on evaluation of the subject property.

On Elk Ridge uranium ore is found in channel fillings of the Shinarump formation or the Mossback sandstone. The general exploration method on Elk Ridge consists of the following steps:

1) Examine the outcropping Shinarump or Mossback bench for evidences of channel or scour fill.

2) If the bench is covered by slope wash, uncover the bench by bulldozer.

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

October 25, 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: Supplemental review of application, DMEA Docket 3686, M. E. Newlove, (Urado Uranium Corporation), Ed claims, Elk Ridge, San Juan County, Utah

I have reviewed the attached information regarding the application of M. E. Newlove, DMEA Docket 3686; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The applicant, M. E. Newlove, requested DMEA aid on February 4, 1955, to explore for uranium on a group of 20 claims lying in the Elk Ridge section of the White Canyon Mining District in San Juan County, Utah. A total of 6,300 feet of plug-bit and of core-drilling, and 12,500 lineal feet of rim-stripping are proposed at an estimated cost of $33,307.00.

On October 12, 1955, a change of the applicant's name from M. E. Newlove to Urado Uranium Corporation of Colorado was requested. Accompanying the name-change request of the applicant was the desire of Urado Uranium Corp. to keep this application open until the information from the USGS drilling program in the area was completed.

The USGS drilling referred to by the applicant is approximately 1½ miles from the subject claims. No further drilling is planned by the Survey, and none of the holes drilled in the area penetrated ore.

We recommend that the application be denied without prejudice. If the applicant can justify Government participation in an exploration program by evidence other than the location of claims in proximity to a favorable area, a new application by Urado Uranium Corp. would be in order.

John E. Crawford

Attachment

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

October 25, 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: Supplemental review of application, DMEA Docket 3686, M. E. Newlove, (Urade Uranium Corporation), Ed claims, Elk Ridge, San Juan County, Utah

I have reviewed the attached information regarding the application of M. E. Newlove, DMEA Docket 3686; and I have discussed it with Joseph O. Hested, Washington representative of the Atomic Energy Commission.

The applicant, M. E. Newlove, requested DMEA aid on February 4, 1955, to explore for uranium on a group of 20 claims lying in the Elk Ridge section of the White Canyon Mining District in San Juan County, Utah. A total of 6,300 feet of plug-bit and of core-drilling, and 12,500 lineal feet of rim-stripping are proposed at an estimated cost of $33,307.00.

On October 12, 1955, a change of the applicant's name was from M. E. Newlove to Urade Uranium Corporation of Colorado was requested. Accompanying the name-change request of the applicant was the desire of Urade Uranium Corp. to keep this application open until the information from the USGS drilling program in the area was completed.

The USGS drilling referred to by the applicant is approximately 1½ miles from the subject claims. No further drilling is planned by the Survey, and none of the holes drilled in the area penetrated ore.

We recommend that the application be denied without prejudice. If the applicant can justify Government participation in an exploration program by evidence other than the location of claims in proximity to a favorable area, a new application by Urade Uranium Corp. would be in order.

John E. Crawford

Attachment

3) Examine the channel structure at the outcrop for carbonaceous material, mineralization, and anomalous radioactivity.

4) Drill lines of holes behind the outcrop of the channel filling to determine the trend of the channel and search for ore bodies.

The applicant has not demonstrated that a thick, favorable ore host underlies the property. Whether or not scour or channel structures exist on the property is not known.

I believe the application should be denied without prejudice. The applicant should be told that if he chooses to do some preliminary work, such as rim stripping, and if such work will show that further exploration would have a reasonable chance for success then a new application would receive full consideration.

W P Williams

W. P. Williams

IN REPLY REFER TO:

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

October 18, 1955

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Supplemental Review of Application, DMEA 3666, M. E. Moulove, (Wonder Uranium Corporation), Ed claims, Elk Ridge, San Juan County, Utah.

The subject property is located in an area that has not been greatly explored.

The application was received by DMEA on February 17, 1955. In a letter to DMEA dated May 14, 1955, Mr. L. P. Gaggini, representative of the applicant, suggests that the application be held in abeyance until some drilling in the vicinity of the Ed claims was completed. In a letter to DMEA dated October 18, 1955, the applicant states, "We would like to keep this application open until the information from the U.S.G.S. drilling program is received."

The USGS drilling program to which the applicant refers is a series of wide-spaced holes intended to test geo-botanical anomalies and to search for the pinchout of continuous Shinarump conglomerate. To the end of September a total of 22 holes had been drilled on Elk Ridge. None penetrated ore. None were drilled on the Ed claims. The nearest USGS drilling is about 7,500 feet from the northeast boundary of the claims. After inquiry of the Exploration Division, USGS, Grand Junction, I find that no further drilling is planned either on the Ed claims or in the immediate vicinity. Consequently, the recent drilling by the USGS on Elk Ridge can have no direct bearing on evaluation of the subject property.

On Elk Ridge uranium ore is found in channel fillings of the Shinarump formation or the Moenkopi sandstone. The general exploration method on Elk Ridge consists of the following steps:

1) Examine the outcropping Shinarump or Moenkopi bench for evidences of channel or scour fill.

2) If the bench is covered by slope wash, uncover the bench by bulldozer.

3) Examine the channel structure at the outcrop for outgassing material, mineralization, and anomalous radioactivity.

4) Drill lines of holes behind the outcrop of the channel filling to determine the trend of the channel and search for ore bodies.

The applicant has not demonstrated that a thick, favorable ore body underlies the property. Whether or not ocean or channel structures exist on the property is not known.

I believe the application should be denied without prejudice. The applicant should be told that if he chooses to do some preliminary work, such as rip stripping, and if such work will show that further explorations would have a reasonable chance for success then a new application would receive full consideration.

W. P. Williams

WPWilliams:iml
G-10/18/55

cc: Director's reading, 4212
Branch reading, 4212
DMRA (3)
Docket file
J. E. Crawford, 3641
J. O. Hosted, 3210
F. L. Kneuse, 4445

IN REPLY REFER TO:

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

RECEIVED
OCT 19 1955

October 18, 1955

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Supplemental Review of Application, DMEA 3686, M. E. Bowlove, (Uranio Uranium Corporation), 24 claims, Elk Ridge, San Juan County, Utah.

The subject property is located in an area that has not been greatly explored.

The application was received by DMEA on February 17, 1955. In a letter to DMEA dated May 14, 1955, Mr. L. F. Gaggini, representative of the applicant, suggests that the application be held in abeyance until some drilling in the vicinity of the 24 claims was completed. In a letter to DMEA dated October 14, 1955, the applicant states, "We would like to keep this application open until the information from the U.S.G.S. drilling program is received."

The USGS drilling program to which the applicant refers is a series of wide-spaced holes intended to test geo-botanical anomalies and to search for the pinchout of continuous Shinarump conglomerate. To the end of September a total of 22 holes had been drilled on Elk Ridge. None penetrated ore. None were drilled on the 24 claims. The nearest USGS drilling is about 7,500 feet from the northeast boundary of the claims. After inquiry of the Exploration Division, USGS, Grand Junction, I find that no further drilling is planned either on the 24 claims or in the immediate vicinity. Consequently, the recent drilling by the USGS on Elk Ridge can have no direct bearing on evaluation of the subject property.

On Elk Ridge uranium ore is found in channel fillings of the Shinarump formation or the Moenkopi sandstone. The general exploration method on Elk Ridge consists of the following steps:

1) Examine the outcropping Shinarump or Moenkopi bench for evidences of channel or sewer fill.

2) If the bench is covered by slope wash, uncover the bench by bulldozer.

3) Examine the channel structure at the outcrop for carbonaceous material, mineralization, and anomalous radioactivity.

4) Drill lines of holes behind the outcrop of the channel filling to determine the trend of the channel and search for ore bodies.

The applicant has not demonstrated that a thick, favorable ore bent underlies the property. Whether or not sewer or channel structures exist on the property is not known.

I believe the application should be denied without prejudice. The applicant should be told that if he chooses to do some preliminary work, such as rim stripping, and if such work will show that further exploration would have a reasonable chance for success then a new application would receive full consideration.

W. P. Williams

WPWilliams:iml
G-10/18/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641
J. O. Hosted, 3210
F. L. Knouse, 4445

IN REPLY REFER TO:

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

RECEIVED
OCT 19 1955

October 18, 1955

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Supplemental Review of Application, DMEA 3686, M. E. Moulove, (Uranio Uranium Corporation), M4 claims, Elk Ridge, San Juan County, Utah.

The subject property is located in an area that has not been greatly explored.

The application was received by DMEA on February 17, 1955. In a letter to DMEA dated May 14, 1955, Mr. L. P. Gaggini, representative of the applicant, suggests that the application be held in abeyance until some drilling in the vicinity of the M4 claims was completed. In a letter to DMEA dated October 14, 1955, the applicant states, "We would like to keep this application open until the information from the U.S.G.S. drilling program is received."

The USGS drilling program to which the applicant refers is a series of wide-spaced holes intended to test geo-botanical anomalies and to search for the pinchout of continuous Shinarump conglomerate. To the end of September a total of 22 holes had been drilled on Elk Ridge. None penetrated ore. None were drilled on the M4 claims. The nearest USGS drilling is about 7,500 feet from the northeast boundary of the claims. After inquiry of the Exploration Division, USGS, Grand Junction, I find that no further drilling is planned either on the M4 claims or in the immediate vicinity. Consequently, the recent drilling by the USGS on Elk Ridge can have no direct bearing on evaluation of the subject property.

On Elk Ridge uranium ore is found in channel fillings of the Shinarump formation or the Moenkopi sandstone. The general exploration method on Elk Ridge consists of the following steps:

1) Running the outcropping Shinarump or Moenkopi bench for evidences of channel or scour fill.

2) If the bench is covered by slope wash, uncover the bench by bulldozer.

3) Examine the channel structure at the outcrop for carbonaceous material, mineralization, and anomalous radioactivity.

4) Drill lines of holes behind the outcrop of the channel filling to determine the trend of the channel and search for ore bodies.

The applicant has not demonstrated that a thick, favorable ore body underlies the property. Whether or not gutter or channel structures exist on the property is not known.

I believe the application should be denied without prejudice. The applicant should be told that if he chooses to do some preliminary work, such as rim stripping, and if such work will show that further exploration would have a reasonable chance for success then a new application would receive full consideration.

W. P. Williams

WPWilliams:iml
G-10/18/55

cc: Director's reading, 4212
Branch reading, 4212
DMMA (3)
Docket file
J. M. Crawford, 3641
J. O. Herbed, 3210
F. L. Knouse, 4445

10/14/55 gla

URADO URANIUM CORPORATION
304 MAIN STREET • ROOM 15 • PHONE 3663
GRAND JUNCTION, COLORADO

October 12, 1955

RECEIVED
OCT 14 1955

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division
Defense Minerals Exploration Administration
United States Department of Interior
Washington 25, D. C.

Re: Docket No. DMEA-3686 (Uranium)
Ed Group of Claims
Elk Ridge Area
San Juan County, Utah

Dear Mr. Ellis:

Reference is made to your letter of September 15, 1955, concerning the above application in which you referred to the U. S. Geological Survey drilling program on Elk Ridge in the area of the Ed claims. To date, the Survey has not started drilling on these claims nor have they advised us when their drilling program will reach the claims. The Survey is now drilling both north and southwest of this Group.

We would like to have the name of the applicant changed from M. E. Newlove to Urado Uranium Corporation of Colorado with address of 304 Main Street, Grand Junction, Colorado.

Since application 3686 was submitted, the Shumway Uranium Mining Corporation, the Marcy Exploration and Mining Company and the Ransom Brothers have been shipping uranium ores from the Big Notch and North Elk Ridge area. (See accompanying Map) Exploration Associates and other companies are currently developing other properties in the same area.

South and west of the Ed Group, there are the Shumway Point, Sandy and Hideout No. 1 Mines. Climax Uranium Company has drilled on their "Road Ore" claims about two miles southwest of the Ed claims. We have no information on this drilling.

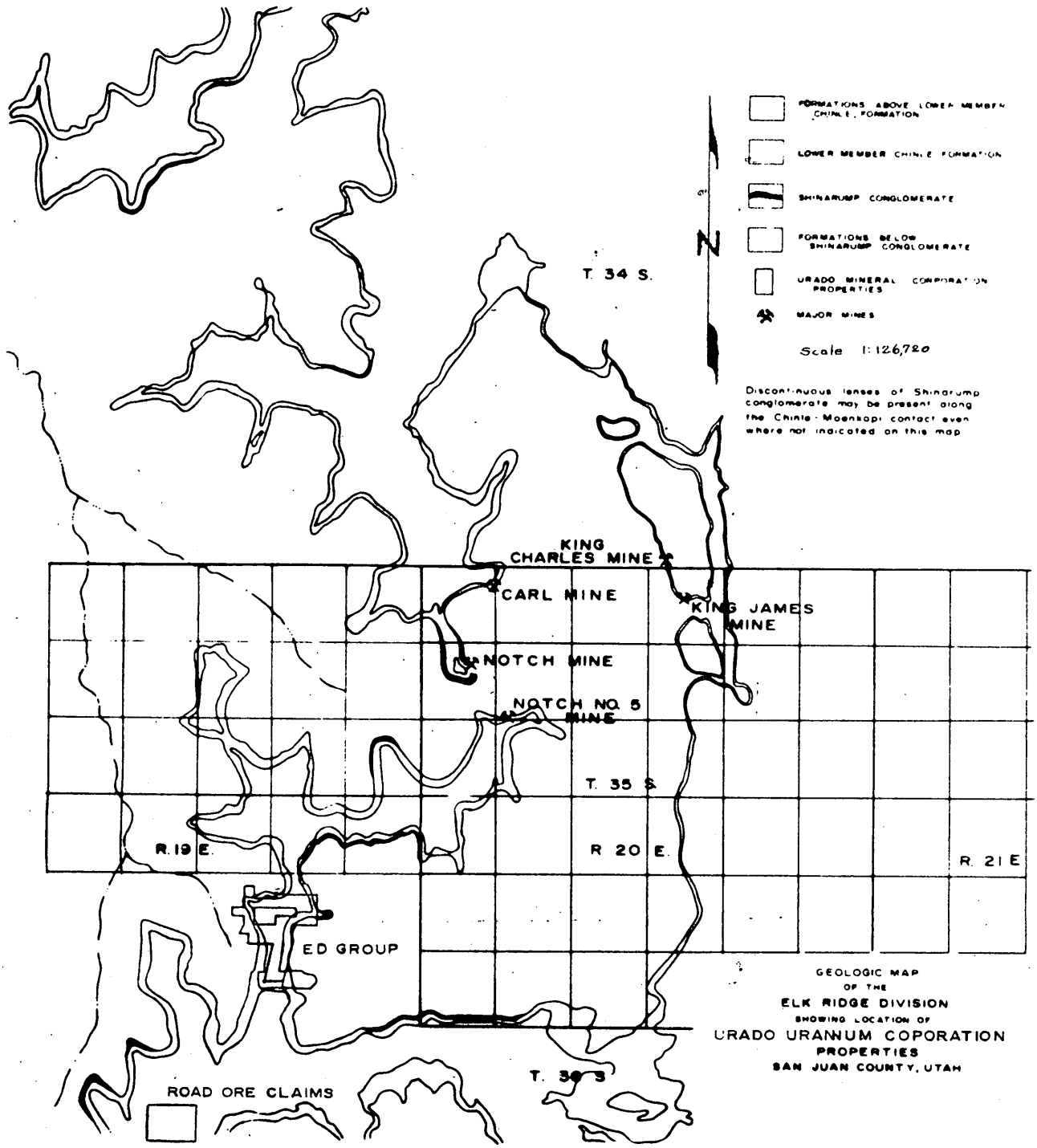
We would like to keep this application open until the information from the U.S.G.S. drilling program is received.

Very truly,

Urado Uranium Corporation

By Harold A. Culp
Harold A. Culp

HAC/zl



GEOLOGIC MAP
OF THE
ELK RIDGE DIVISION
SHOWING LOCATION OF
URADO URANIUM COPORATION
PROPERTIES
SAN JUAN COUNTY, UTAH

Surname 700

Ellis Motheudory

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

SEP 15 1955

Mr. Louis P. Gaggini
Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3686 (Uranium)
M. E. Newlove
Ed Group of claims
Elk Ridge Area
San Juan County, Utah

Dear Mr. Gaggini:

Reference is made to your letter of May 14, and our response under date of June 24, 1955, concerning the above-docketed application.

You suggested that the application be held in abeyance until the U. S. Geological Survey had completed a planned drilling program on property adjacent to the subject claims. Our letter of June 24, requested that you advise us when we might expect to receive the information to be furnished as a result of the U. S. Geological Survey drilling. We also pointed out that since the claims listed in the application had been transferred to the Urado Uranium Corporation, it was possible that you planned to change the name of the subject Applicant.

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

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

EWEllis:am
9-15-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5222
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse DMEA Field Team, Region III(2)

R.S.

Surname

F. L. Knouse
Ellis
Mittendorf

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

JUN 24 1955

Mr. Louis F. Gaggini
Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3686 (Uranium)
A. E. Newlove
Ed Group of claims
Elk Ridge Area
San Juan County, Utah

Dear Mr. Gaggini:

This is with reference to our letter of March 7, and your letter of May 14, 1955, concerning the information we require to process the subject application. It is noted that you suggest the application be held in abeyance until the U. S. Geological Survey has completed a planned drilling program on nearby property.

In this connection, please advise when we may expect to receive the information requested in our letter and the information you expect to receive as a result of the drilling by the Geological Survey. Also, since the claims listed in the application have been transferred to the Urado Uranium Corporation, do you plan to change the name of the subject Applicant? If this is your plan, a formal request should be made to make the change.

Sincerely yours,

/S/

Earnest Am. Ellis, Chief
Rare and Miscellaneous
Metals Division

FLKnouse:am
6-24-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. ~~XXXX~~ 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3219, GSA
Code 700
Mr. Knouse
DMEA Field Team, Region III)(2)

5/17/55 gla

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

May 14, 1955

United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

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

Re: Docket No. DMEA-3686 (Uranium)
M. E. Newlove
Ed Group, Elk Ridge Area
San Juan County, Utah

Dear Mr. Ellis:

Thank you for your letter of March 7, 1955 and please excuse the late reply.

We have learned that the United States Geological Survey is planning some drilling very close to these claims to check formations and to test some geobotanical anomalies which have been found on the properties. Perhaps it would be best to hold the subject application in abeyance until we have the result of this drilling which will be made available to Urado Uranium Corporation as it owns the adjacent properties.

Sincerely yours,

GEO-ENGINEERING

by Louis P. Gaggini
Louis P. Gaggini

LPG:lm

cc: Mr. John G. Liebert
Du Pont Circle Bldg
Washington, D. C.

URADO URANIUM CORPORATION
304 Main Street
Grand Junction, Colorado

May 14, 1955

United States Department of the Interior
Defense Minerals Exploration Adminstration
Washington 25, D. C.

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

Re: Docket No. DMEA-3686-(Uranium)
M. E. Newlove
Ed Group, Elk Ridge Area
San Juan County, Utah

Dear Mr. Ellis:

Reference is made to your letter of March 7, 1955.

As Mr. Gaggini probably told you when he was in Washington, I have transferred these claims to Urado Uranium Corporation of which I am president. Gaggini is writing you today regarding the action which we are going to ask the DMEA to take on this application.

Sincerely yours,

URADO URANIUM CORPORATION

by M. E. Newlove
M. E. Newlove

MEN:lm

cc: Mr. John G. Leibert
Du Pont Circle Bldg
Washington, D. C.

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

Surname copy
F. L. Knouse
Ellis
J. E. Crawford
Hiilsgaard

MAR 7 - 1955

Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3686 (Uranium)
M. E. Newlove
Ed Group of claims
Elk Ridge Area
San Juan County, Utah

Gentlemen:

Reference is made to the captioned application for Government aid to explore the subject property.

To enable us to continue with the processing of this application, we will require the following additional information:

1. A narrative description, if information is available, of nearby uranium occurrences in the geological horizon which is the objective of the proposed program. If drilling has been done on nearby properties and the results are available, they may be helpful.

2. We note that you propose under Stage I to strip with a tractor some 12,500 feet of rim rock. The location of this stripping is not shown on your map and it is not clear, in the application, if you expect to expose the basal Chinle sandstones and Shinarump conglomerate by this stripping program. Your map "Plate I. Geology from U.S.G.S. Photogeologic Quadrangle Elk Ridge II", which also outlines the boundaries of the mining claims, shows only one small exposure of the Shinarump conglomerate on this property. If there are additional exposures either on this property or nearby, such information should be added to your map and sent to us.

Any exposure of these formations on the property should be surveyed radiometrically, and if encouraging anomalies exist they should be sampled and the samples analyzed. The results of this work should be furnished as additional justification for the proposed project.

3. Four copies of a map showing the proposed rim stripping in relation to the claim boundaries, the geology, radiometric survey results, and sample data are required. If the locations of the exposures described in Item 1 cannot be shown on this map, four copies of a map, similar to Figure 1, submitted with the application, are required which show these locations.

Upon receipt of the above information we will continue with the processing of your application.

FLKnouse/gla 3-4-55
cc to: Admr.'s Reading File
Docket
Messrs. J.E.Crawford, Rm. 3641
T.H.Kiilsgaard, Rm. 5224
cc: M. E. Newlove
Box 188, Aspen, Colorado

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

J.O.Hosted,Rm.3210,GSA
Code 700
F.L.Knouse
DMEA Field Team,Reg.III(2)

3/2/55 gla.

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

February 28, 1955

Memorandum

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

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3686, M. E. Newlove, Box 188,
Aspen, Colorado

I have reviewed the application prepared by Geo-Engineering for M. E. Newlove, DMEA Docket 3686, and have reviewed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We suggest that approval of the application be withheld by DMEA. Should the applicant desire to provide some supplemental information showing evidence of uranium mineralization on the Ed group of claims, or at least present some data which would indicate that exploration on the claims for uranium is geologically practicable, it is recommended that the application be reconsidered.

J. E. Crawford
J. E. Crawford

Attachment

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

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

February 28, 1955

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J. O. Hosted (2)
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BUREAU OF MINES
WASHINGTON 25, D. C.

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J. E. Crawford

Attachment

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

3/2/55 zla

IN REPLY REFER TO:

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

February 28, 1955

Re: DMEA-3686
M. E. Newlove
Ed Group
Elk Ridge area
San Juan Co., Utah
$33,307 - Uranium
Gov't. part. $24,980.25

Memorandum

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

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

Subject: Review of application

The Ed group of claims is in the south part of the Elk Ridge area, the mapping of which was completed by the Geological Survey this last field season. The following data are quoted from preliminary reports of this work.

> TEI-490 -- "Small non-economic deposits of uranium occur (in the Elk Ridge area) in the Moenkopi formation and in the lower part of the Chinle formation, and significant deposits occur in the Shinarump conglomerate in the southern part of the area and in the Moss Back member of the Chinle formation in the northern part. . . . In the northern part of the area the Shinarump is present as discontinuous sandstone lenses filling shallow scour channels in the top of the Moenkopi. It is separated from the overlying Moss Back by about 150 feet of lower Chinle mudstone. Northward, the Shinarump pinches out, and the lower Chinle mudstone thins until the Moss Back lies upon the Moenkopi formation. The ore deposits are confined to the lower parts of scour channels cut into the Moenkopi and filled with Shinarump conglomerate or Moss Back sandstone. The deposits are small, tabular to lenticular in shape, and uranium minerals are disseminated in conglomerate or conglomeratic sandstone immediately above the top contact of the Moenkopi. Hence any channeling sandstone on top of the Moenkopi is worthy of investigation."

> TEM-714 -- "Reserves for the (upper contact of Moenkopi in south Elk Ridge) area are small and none of the deposits examined . . . are considered workable under present (1954) economic conditions."

The critical question regarding the proposed project seems to me to be: Are there on the Ed group any Shinarump conglomerate or Chinle sandstone lenses at the upper Moenkopi contact?

This is, of course, the question that Stage 1 of the project would answer. I am wondering whether or not this stage is the operator's responsibility. I am not familiar enough with the area to judge how much of this information could be obtained by the use of a counter, pick, and 20-20 vision. The maps submitted by the applicant are exact copies of part of a Survey photogeologic map of the area. This map shows only one Shinarump lense (on Ed 11); however, I doubt that this type of mapping can be sufficiently detailed so as to show small sandstone lenses. The map included in TEM-714 indicated that the area of the Ed group had not yet been critically examined for such lenses.

I am not familiar with the inferred mineral belt mentioned by the applicant. Unfortunately, this mineral belt idea is the applicant's only justification of the project. If you feel that the presence of such a belt is adequate justification, I suggest you ask the Survey and Commission Grand Junction offices for their opinion on the validity of the mineral belt. They also may have as yet unreported data on the occurrence of conglomerate or sandstone lenses at the top of the Moenkopi. Unless this mineral belt idea is better than I suspect, I lead toward asking the operator to show us where such lenses occur on his property. Perhaps a compromise of these ideas would be best. That is, ask the operator to either map at least some such lenses, or indicate that this is impossible without some dozer work. At the same time, ask the Field Team to comment on the inferred mineral belt and the feasibility of mapping and/or what they know about any possible ore-bearing lenses on the Ed group.

Incidentally: 1)the Geo-Engineering fee of $1,000 per month seems high, particularly for a 1 rig contract, and 2) regarding applicant's argument for a 1 rig contract -- I don't believe it. It is true that several rigs would create some problem. I have had such difficulties in Plateau drilling. I doubt, however, that 1 rig is the optimum.

RDTrace

R. D. Trace

IN REPLY REFER TO:

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

February 28, 1955

Re: DMEA-3686
M. E. Newlove
Ed Group
Elk Ridge area
San Juan Co., Utah
$33,307 - Uranium
Gov't. part. $24,980.25

Memorandum

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R. D. Trace

RDTrace:hlm
G-2/28/55

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

IN REPLY REFER TO:

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

February 28, 1955

Re: DMEA-3686
E. E. Rowlove
Ed Group
Elk Ridge area
San Juan Co., Utah
$33,307 - Uranium
Gov't. part. $24,980.25

Memorandum

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

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R. D. Trace

RDTrace:hlm
G-2/28/55

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

IN REPLY REFER TO:

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

February 28, 1955

Re: DMEA-3686
M. E. Barlowe
Ed Group
Elk Ridge area
San Juan Co., Utah
$33,397 - Uranium
Gov't. part. $24,980.85

Memorandum

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

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

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RDTrace:hlm
G-2/28/55

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

February 17, 1955
Subject: DMEA 3686
Re: Exploration Assistance
Ed Group

Mr. M. E. Newlove
C/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Dear Mr. Newlove:

The receipt of your application dated February 4, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3686 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

February 17, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region III.

DMEA - 3686 M. E. Newlove

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEPT. MAIL

FEB 17 1955

224 New Customhouse
Denver 2, Colorado

February 11, 1955

Memorandum

To: Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docketing for Exploration Assistance

Enclosed herewith in triplicate is MF-103 and supporting data pertaining to the following applications for Government assistance in exploration work in accordance with telephone conversation of February 11, 1955 with Chairman of the Operating Committee:

M. E. Newlove	Uranium
Blue Chip Uranium Corp.	Uranium
Gaddis Mining Co.	Uranium

W. M. Traver

Enclosures

MF-103
(Revised April 1952)

D STATES DEPARTMENT OF THE INTERIOR
UNITED STATES MINERALS EXPLORATION ADMINISTRATION

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

N FOR AID IN AN
PROJECT, PURSUANT TO
AT 1, UNDER THE DEFENSE
EXPACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3686
Metal or Mineral Uranium
Date Received 2-17-55
Estimated Cost $33,307
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals
FEB 17 1955

INSTRUCTIONS

icant.—(*a*) State here your full legal name, in the form in which you will wish to contract, and your

M. E. Newlove
Box 188
Aspen, Colorado

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

See Exhibit #2

(*b*) State any mine name by which the property is known. Ed Nos 1-9,11-15, 25-27, 30-32

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

Lessee (see Exhibit #2)

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

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

see Exhibits #2 & #3

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

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

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

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

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

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

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

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a[illegible] of any present mine workings, and the location of the proposed exploration work as relat[illegible] veins, ore-bearing beds, etc.

(*c*) The work will start within 60 days and be completed within 8 months from [illegible] project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability [illegible] ration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to [illegible] under the following headings. Add the totals under all headings to give the estimated total cost of the exploration

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contra[illegible] after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-wo[illegible] items.) State the cost of any proposed independent contracts for the performance of all or any part of the wo[illegible] terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, p[illegible] of material moved, etc.). Schedule 1

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, sala[illegible] for necessary labor, supervision and engineering and geological consultants. Schedule 2

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $5[illegible] and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is ow[illegible] and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on prese[illegible] 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)?

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 2/4/85, 195__

Lure Peccolone
(Applicant)

By

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

EXHIBIT #1

Dmea
FEB 4 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1955

APPLICATION FOR DMEA PROJECT

ON THE

ED GROUP

February 4, 1955

Prepared for

M. E. NEWLOVE

Box 188

ASPEN, COLORADO

by
GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

GEO-ENGINEERING
304 MAIN STREET
GRAND JUNCTION, COLORADO

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP,
PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

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GEO-ENGINEERING
304 MAIN STREET
GRAND JUNCTION, COLORADO

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LIST OF SCHEDULES

Title	Schedule No
Estimate to be Paid Independent Contractors	1
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Index map shown location of Ed Group	1
Geological map of Ed Group	2

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Title	Plate No.
Claim Map	1

LIST OF EXHIBITS

Title	Exhibit No.
Completed DMEA Form MF-103	1
Mining Lease to M. E. Newlove	2
Owner's Consent to Lien, Form MF--203	3

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

February 4, 1955

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP

PREPARED FOR
M. E. Newlove
Box 188
Aspen, Colorado

INTRODUCTION

This report, written by Geo-Engineering for the purpose of applying for a DMEA loan on a portion of the Ed Group of claims, is prepared for M. E. Newlove of Aspen, Colorado. DMEA FORM MF-103 has been signed and is attached as Exhibit 1. Numbers and letters in front of the headings of this report refer to parts of the MF-1o3.

ABSTRACT

This application is for a DMEA project contract of the short form or unit cost type. The project proposed is $33,307.00 for exploration of a group of 20 claims lying in the Elk Ridge section of the White Canyon Mining District in San Juan County, Utah. A total of 6300 feet of plug-bit and of core-drilling is proposed at a unit cost of $3.994 per foot. Additionally, 12,500 lineal feet of rim-stripping is proposed at a unit cost of $0.579 per lineal foot, and provision is made for custom assaying at $6.00 per sample, these latter two items being included in the total cost of the project but not included in calculation of the unit cost of the drilling. 25% of the total estimated expenditure or $8326.75 will be furnished by the applicant, M. E. Newlove. The Defense Minerals Exploration Administration is requested to loan the rest, or $24,980.25.

CLAIMS

The Group of claims referred to in this application lie within what appears at this time to be a mineral belt in the Shinarump formation. Extensive exploration in this inferred belt has produced some very large mines to the northeast and to the southwest of this group of claims.

The project is submitted as involving two Stages. Stage 1 provides for rim-stripping of the Moenkopi-Shinarump contact on the large amount of rim found on this group of claims. Geologic information gained from stripping will serve as a guide for drilling.

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Stage II of the proposed project provides for the drilling of 6300 feet or 42 test holes of an average depth of 150 feet in and around the areas where Stage I rim-stripping has revealed favorable geology. The location of such Stage II holes will be made with the approval of the DMEA Field Team as data from the rim-stripping is accumulated and evaluated.

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

1. Name of Applicant

(a) M. E. Newlove, Box 188, Aspen, Colorado. (Please address all correspondence regarding application to Geo-Engineering, 304 Main Street, Grand Junction, Colorado).

(b) Omitted --Applicant is an individual
(c) Omitted --not a Corporation
(d) Omitted --not a partnership

2. General

The following report, which is the complete DMEA application written in accordance with the instructions given in the DMEA Order No. 1, includes the completed form MF-103 and all of the necessary substantiating papers.

The letters and numbers used as headings for the parts of this report refer to the letters and numbers used on Form MF-103 as this report is designed to fill in the information that, due to space limitations, could not be placed on the MF-103 form.

In accordance with instruction given on Form MF-103, this report will be filed in quadruplicate at the office of Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse, Denver 2, Colorado.

3. Applicants Property Rights

(a and b) Legal Description and Name of Property

Exploration work is to be performed on twenty unpatented mining claims referred to in this report as the Ed Group. The claims are located in the unsurveyed part of Township 35 South, Range 19 East, Salt Lake Meridian, in the Elk Ridge Section of the White Canyon Mining District of San Juan County, Utah. The Claims would be in the West Half of Section 26, the East Half of Section 27, the Northeast Quarter of Section 34, and the Northwest Quarter of Section 35 if the General Land Office Grid was completed. (see Figure 1)

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(c) Interest

Mr. M. E. Newlove has a lease on this portion of the Ed Group from Geo-Engineering, a Colorado Partnership, and Messrs. Joe Willughby and Edward M. Lippoth, all of Grand Junction, Colorado, owners of the property. A copy of this lease is included as Exhibit 2.

(d-e) Outstandings Liens

The only obligation against the property is the royalty agreement in the lease included as Exhibit No. 2. The lien of the government for money loaned by the Defense Minerals Exploration Administration is, however, consented to by Geo-Engineering and Messrs. Willoughby and Lippoth, owners, and is to remain in effect under teams set forth in Form MF-203, owners Consent to Lien. (see Exhibit No 3).

(f) Record of Title

All transactions affecting title to the claims are recorded in the office of the County Clerk and Recorder of San Juan County at Monticello, Utah. These were located and recorded as follows:

Claim Name	Location Date	Recording Date	Book	Page
Ed No 1	March 10, 1954	April 15, 1954	81	289
Ed No 2	March 10, 1954	April 15, 1954	81	289
Ed No 3	March 10, 1954	April 15, 1954	81	290
Ed No 4	March 10, 1954	April 15, 1954	81	290
Ed No 5	March 10, 1954	April 15, 1954	81	291
Ed No 6	March 10, 1954	April 15, 1954	81	291
Ed No 7	March 11, 1954	April 15, 1954	81	292
Ed No 8	March 11, 1954	April 15, 1954	81	292
Ed No 9	March 11, 1954	April 15, 1954	81	293
Ed No 11	March 11, 1954	April 15, 1954	81	295
Ed No 12	March 11, 1954	April 15, 1954	81	296
Ed No 13	March 11, 1954	April 15, 1954	81	297
Ed No 14	March 11, 1954	April 15, 1954	81	298
Ed No 15	March 11, 1954	April 15, 1954	81	299
Ed No 25	March 14, 1954	April 13, 1954	79	390
Ed No 26	March 14, 1954	April 13, 1954	79	391
Ed No 27	March 14, 1954	April 13, 1954	79	392
Ed No 30	March 14, 1954	April 13, 1954	79	395
Ed No 31	March 14, 1954	April 13, 1954	79	396
Ed No 32	March 14, 1954	April 13, 1954	79	397

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Since these claims had been located on prior oil and gas leases, lease application was made under provisions of U. S. Atomic Energy Commission Domestic Uranium Program Circular No 7, as follows:

Claim Name	Recording Date	Book	Page
Ed No 1	April 20, 1954	83	122
Ed No 2	April 20, 1954	83	122
Ed No 3	April 20, 1954	83	123
Ed No 4	April 20, 1954	83	123
Ed No 5	April 20, 1954	83	124
Ed No 6	April 20, 1954	83	124
Ed No 7	April 20, 1954	83	125
Ed No 8	April 20, 1954	83	125
Ed No 9	April 20, 1954	83	126
Ed No 11	April 20, 1954	83	127
Ed no 12	April 20, 1954	83	127
Ed No 13	April 20, 1954	83	128
Ed No 14	April 20, 1954	83	128
Ed No 15	April 20, 1954	83	129
Ed No 25	April 13, 1954	79	414
Ed No 26	April 13, 1954	79	414
Ed No 27	April 13, 1954	79	415
Ed No 30	April 13, 1954	79	416
Ed No 31	April 13, 1954	79	417
Ed No 32	April 13, 1954	79	417

Amended location certificates under Public Law 585 were filed as follows:

Claim Name	Recording Date	Book	Page
Ed No 1	December 10, 1954	251	258
Ed No 2	December 10, 1954	251	259
Ed No 3	December 10, 1954	251	260
Ed No 4	December 10, 1954	251	261
Ed No 5	December 10, 1954	251	262
Ed No 6	December 10, 1954	251	263
Ed No 7	December 10, 1954	251	264
Ed No 8	December 10, 1954	251	265
Ed No 9	December 10, 1954	251	266
Ed No 11	December 10, 1954	251	268
Ed No 12	December 10, 1954	251	269
Ed No 13	December 10, 1954	251	270
Ed No 14	December 10, 1954	251	271
Ed No 15	December 10, 1954	251	272
Ed No 25	December 10, 1954	251	282
Ed No 26	December 10, 1954	251	283

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Claim Name	Recording Date	Book	Page
Ed No 27	December 10, 1954	251	284
Ed No 30	December 10, 1954	251	287
Ed No 31	December 10, 1954	251	288
Ed No 32	December 10, 1954	251	289

The following is book and page number of withdrawal of Circular 7 Lease Application.

Recording Date	Book	Page
December 17, 1954	259	491

4. Physical Description of Property

(a) Operations:

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

(b) Production and Ore Reserves

There are no known uranium deposits on the property.

(c) Geological Features

Stratigraphy: The flat narrow mesa on which the claims lie is formed by the resistant sandstone unit of the lower Chinle formation. (see Figure 2) This sandstone locally overlies the Shinarump conglomerate of late Triassic age. Drilling to the Shinarump-Moenkopi contact will test these potential ore producing horizons. Ore has been found in the Permian Cutler formation which also underlies the claims, but the cost of drilling the deep holes necessary to test this horizon would probably by prohibitive at this time.

The ore bodies of the area occur in the sandstone or conglomerate lenses which lie at the Chinle-Moenkopi contact.

Structure: This group of claims is located on the Monument Upwarp, a broad flattened anticline with a north-south axis. The northern nose and eastern flank of the anticline is called Elk Ridge.

Ore-Deposits: Known deposits of uranium minerals in these areas occur in the basal Chinle sandstones and Shinarump conglomerates that fill channels which were cut into the underlying Moenkopi formation.

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APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP, PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

Although no deposits have been found on the Ed claims, rim-stripping along the contact between the above sandstones and conglomerates and the Moenkopi formations will probably uncover some ore, mineralized sandstone lenses, or areas of favorable geology to be used as control for the drilling, which will follow the rim-stripping.

The opinion of the consulting geologists is that the scarcity of exploration drilling in the vicinity of the claims is the reason this immediate area is not at present producing ore. Areas immediately to the north and southwest of the claims along this inferred mineral belt have been withdrawn by the Atomic Energy Commission (see Figure 1) and government explorations projects are now in progress upon them. Detailed results are, of course, not available but it is common knowledge that some ore is being discovered by both programs. Approximately 10 miles west Mr. Fendel A. Sitton, an experienced and well-known mine operator, is producing 50 tons per day from his mines on Deer Flat.

If such a belt does exist, and the consulting geologists believe that it does, the prospects for these claims are indeed good since the Steen area which contains several very large ore bodies lies to the northeast along the belt and the White Canyon area, including the fabulous Happy Jack Mine lies to the Southwest (see Figure 1).

Justification of Exploration: The claims are located in what appears to be a uranium mineral belt in the Shinarump formation similar to the belt which has been defined for the Morrison formation. Areas to the northeast and to the southwest of the property have, under extensive exploration, produced some very large mines. (see Index Map, Figure 1). Drilling programs in White Canyon and on Deer Flat have been gradually proving that the belt extends northward toward Elk Ridge. If the mineral belt exists, and applicant's consulting geologists have expressed the opinion that it does, the prospects for the property are very good. Another attractive feature is the comparatively shallow drilling depths required to test the basal Chinle sandstones and Shinarump conglomerate.

(d) Accessibility

The claims lie about 20 airline miles west of Monticello, Utah, and about 60 miles southwest of Moab, Utah. Haulage distance to the A.E.C. uranium mill at Monticello is about 47 miles----22 miles on an excellent paved highway and 25 miles over better than average mine roads.

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(e) Availability of Manpower, Equipment, Supplies, etc.

Manpower and equipment for this project will be furnished by private contractors. Dependable sources of material and supplies are available at Moab and Monticello, Utah. A small amount of work on near-by springs should develop an adequate supply of water for core-drilling. Geo-Engineering, a prefessional consulting firm, will supply surveying instruments and transportation for technical personnel.

5. The Exploration Project

(a) The Mineral

The Mineral for which this project will explore is uranium.

(b) Proposed Work

Drills for the project will be provided by private drilling campanies under contract. It is estimated that it will take 6 months to complete this project with one drill. The employment of more than one drill would result in inadequate geological control, wasted footage, and an increase in exploration costs per ton of ore discovered.

The Exploration plan recommended to the Defense Exploration Administration and to Mr. M. E. Newlove is as follows:

Stage 1: Approximately 12,500 lineal foot of rim-stripping by bull-dozer should be done on this group of claims in the approximate location shown on Figure 2. This group is so situated that there is a large amount of rim available for stripping.

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

Stage 11: 42 test holes will be drilled in and around the areas where the Stage 1 rim-stripping has given favorable information. The locations of such Stage 11 holes is to be made with the approval of the DMEA Field Team as data from the rim-stripping is accumulated and evaluated. Depth of the holes is estimated to range from 130 to 170 feet with an average depth of 150 feet, the aggregate footage thus being 6300 feet.

Logging and Sampling: A sampler who will also act as a field assistant for surveying will be employed to supervise the logging and sampling. An accurate log will be kept by the driller, and all barren core will be arranged on the ground and properly marked so that the geologists or sampler can carefully check the driller's log. Core from each run will be carefully dropped out of the core barrel into a wooden trough. The sampler or other competent individual will then examine the core, using a field gamma ray detecting device. If any trace of mineralization is found, the complete core "run" will be arranged in a core

box with a hinged lid and kept for the geologists to properly sample the core.

Each sample will be carefully described by the geologist in a bound field book, as it is placed in the sample sack. Core losses will be prorated proportionately regardless of lithology. All samples will be sent to commercial assayers for percentage determination of U_3O_8, V_2O_5, and C_aCO_3.

Each hole will be probed and logged using field gamma-ray detecting instrument and deep-hole probe.

Geologic Control of Drilling: The applicant requests the privilege of determining the location of the drill holes in Stage 11 after studying the results of rim-stripping and, as the drilling proceeds, on information obtained from holes drilled. This would be with the approval of the DMEA Field Team.

(c) Duration of Project.

The work will start within 60 days and it is estimated will be completed within 8 months from the date of an exploration project contract. The employment of more than one drill would result in inadequate geological control, wasted footage, and an increase in exploration costs per ton of ore discovered.

(d) Ability, Operating Experience, etc.

The applicant, Mr. M. E. Newlove, a mining engineer, is a graduate of Stanford University in 1930. Prior to graduating he worked for two years as an underground miner for Anaconda Copper Mining Company in Butte, Montana. After graduating he acquired further experience in underground mining and timbering, and in underground and surface surveying, mill and cyanide operating, assaying, gold refining, sampling, geological mapping, and as shift-boss and foreman. From 1937 to 1942 he was superintendent of the North Star Mine of the Empire-Star Mines Company Ltd., located in Grass Valley, California, and operated by the Newmont Mining Corporation. From 1943 to 1951 he was General Manager of the Resurrection Mining Company located in Leadville, Colorado. This company was jointly owned by U. S. Smelting Refining and Mining Company, Hecla Mining Company and Newmont Mining Corporation, and was operated by Newmont. From 1951 to 1953 he was Managing-Director of the Nigerian Lead-Zinc Mining Company, a subsidiary of the American Smelting and Refining Co. located in West Africa.

Financial reference--Trust Department, United States National Bank, Denver, Colorado.

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP, PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

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

Louis P. Gaggini, who is Chief Geologist for Geo-Engineering, began working in uranium in 1941, as geologist for the Union Mines Development Corporation, a contractor for the United States Army Manhattan Engineering Project. Subsequent experience in carnotite exploration included almost two years with the Exploration Branch of the Atomic Energy Commission in Grand Junction and six months with the United States Vanadium Company. Mr. Gaggini was for two years Mining Superintendent of the Dulancy Mining Company, where he was in charge of all mining and exploration. This company is at present mining large tonnages from ore bodies which were discovered during that period. From August, 1952, to February, 1954, Mr. Gaggini was manager of the Colorado Uranium Division of the J. R. Simplot Company. During this period Mr. Gaggini successfully prepared applications for and administered for several months two large DMEA projects.

Harold A. Culp is a geologist and geophysicist and a copartner in Geo-Engineering with Mr. Gaggini and Mr. Lewis D. Anderson. Since graduating with a degree in economic geology from Oregon State College in 1941, Mr. Culp has, in addition to uranium, worked with gold, oil, copper, cobalt and tungsten; this includes 6 years' experience in metal mining and 5 years of geophysical prospecting in oil and mining. In addition to mine management for others, he has operated a mine in which he shared a 1/3 investment interest. His work has included the preparation of Defense Minerals Exploration Administration projects and, after approval of loan application by that agency, supervision of the project. During 1953-1954, Mr. Culp was project geologist and then acting superintendent of the Bull Canyon mines of the J. R. Simplot Company.

Lewis D. Anderson, mining engineer, is a graduate from the Colorado School of Mines (registered mining engineer No. 1844 in Colorado). From December, 1946, through 1948, Mr. Anderson worked as engineer and shift boss for the Resurrection Mining Company at Leadville, Colorado. From January, 1949, through April, 1950, he worked as mining engineer in the General Chemical Division of Allied Chemical and Dye. He was mine foreman of the Rico-Argentine Mining Company, Rico, Colorado, from June, 1950, to October, 1951. Mr. Anderson then accepted employment as Division Engineer for the Dulaney Mining Company in the Gateway, Dove Creek, Monticello, and Gyp Valley areas. From June, 1952, to 1954, Mr. Anderson's duties as mining engineer covered both the mining and milling of uranium-vanadium ores and included jurisdiction over the United States Vanadium Company's uranium operations in the edgemont, South Dakota area.

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

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6. Estimate of Costs

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

It is estimated that, of the 6 months required for this project, 1½ months will be required for rim-stripping and 4½ months for drilling. Expenses are therefore allocated on this basis in arriving at unit costs for drilling and rim-stripping.

(a) Independent Contracts

Drilling will be done by private contractors. The prices quoted by competent firms active in the uranium field are used as the basis for arriving at the drilling cost of $1.87 per foot. It is estimated that 75% of the drilling will be plug-bit, at $1.50 per foot and 25% will be cored at $3.00 per foot. Prices quoted are based upon an average drilling depth of 150 feet.

42 holes of 150 feet average depth or 6300 feet at $1.87 per foot. ----------	$11,812
Road building and drill site preparation is estimated at 10 days of bull-dozer work spread over the period of the drilling. Rental with an operator is quoted at $100 per day for 10 days----------	$ 1,000
Total Drilling and Road Site preparation	$12,812

(b) Labor, Supervision and Consultants.

Geo-Engineering will supervise and direct the operations and will act as consulting geologists for $1000 per month and expenses. A draftsman and stenographer will be provided on an hourly basis to prepare necessary project reports. A field assistant will be employed by Geo-Engineering to help with surveying and act as sampler. Such costs and expenses are estimated as follows:

	Per Month	Project
Geo-Engineering Fees	$1,000	$6,000
Expenses (other than personnel)	250	1,500
Draftsman (48 hrs. per mo. @ $3)	144	864
Steno-typist (24 hrs. per mo @ #2.20)	52.80	317
Sampler and Field Assistant	375.00	2,250
Total	$ 1,821.80	$ 10,931

Geo-Engineering
304 Main Street
Grand Junction, Colorado

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(c) Operating Materials, Supplies, etc.

	Per Month	Project
Office supplies, map and drill log reproductions for monthly reports and correspondence with DMEA, etc	$150	$900
Survey stakes, timber crayons, water bags, sample containers, etc.		25
Total	$150	$925

(d) Operating Equipment

All operating equipment will be provided by independent contractors or by Geo-Engineering — None

(e) Rehabilitation and Repairs

None Needed — None

(f) New Buildings, Improvements and Installation

None Needed — None

(g) Miscellaneous

Expense for accounting and record keeping for project, etc.	$100	$600
Payroll taxes, estimated at 10% of items in (b) supra--wages of Draftman, Steno, Field Assistant	57.18	343
Total	$157.18	$943

(h) Contingencies

Drilling contractors vary the drilling charge with depth of the hole. Estimate for drilling cost is based upon an average depth of 150 feet. In event that holes must go deeper the drilling cost will exceed $1.87 per foot. Estimates for road, trail, and site construction may be inadequate in that they are based merely upon hourly rates for tractor and bull-dozer work, whereas some rock drilling and blasting may be required. 15% is added for such contingencies. Labor, supervision and consultant payments are based on monthly or hourly charges. Any event which might prolong the project will increase such costs. 10% is added to cover such contingencies. Operating materials and supplies have been estimated at a minimum. Unforeseen destruction or

consumption could easily increase these costs by 20%. Miscellaneous costs, supra are increased 50% to cover omitted items, unforseeable extra help requirements, taxes, etc.

Contingencies

15% of $12,812	(a)	$1,922
10% of 10,931	(b)	1,093
20% of 925	(c)	185
50% of 943	(g)	471
Total		$3,671

Total for Project before cost of Rim-Stripping and Assaying. $ 29,282

Analytical Work.

The cost of analytical work is not included in or covered by the drilling costs, supra, or in the cost per foot of drilling. A separate unit cost of $6.00 per sample is included in the project. It is estimated that 150 samples may be assayed. The contract price of independent assayers is $6.00 being:

U_3O_8	$3.50
V_2O_5	1.50
C_aCO_3	1.00
	$6.00

150 Assays @ $6.00 $ 900

Rim-Stripping

Estimated direct contract cost per foot.

12500 feet @ $0.25 $ 3,125

Summary of Costs

I Direct costs of drilling, including all costs of project except analytical work and rim-stripping which are shown separately:

GEO-ENGINEERING
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APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP, PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

(a)	Drilling, Road & site, Supra	$12,812
(b)	Labor, Supervision, etc. Supra	10,931
(c)	Operating Materials, etc. Supra	925
(d)	Operating Equipment etc. Supra	None
(e)	Rehabilitation, etc. Supra	None
(f)	New Buildings, etc, Supra	None
(g)	Miscellaneous Supra	943
(h)	Contingencies, Supra	3,671
	Total	$ 29,282

II---Analytical Work

150 assays at $6.00 each	$ 900.
III--Cost of Rim-Stripping, Supra	3,125
Estimated Total for Project	$ 33,307.00
Amount to be paid by M. E. Newlove (25%)	8,326.75
Amount of Defense Minerals Exploration Administration Loan Requested:	$ 24,980.25

Unit Costs

For the purpose of calculating unit costs all items under I above except (a), Drilling, Roads & Site, were apportioned 75% to drilling and 25% to rim-stripping:

Drilling, Road & Site	$3.994 per foot
Assays	$6.00 per determination
Rim-Stripping	$0.579 per foot

Applicants Share of Cost

In accordance with Defense Minerals Exploration Administration Regulations, Applicant, M. E. Newlove, is prepared to assume 25% of the cost of this project in the following manner to wit:

The applicant will perform all of the necessary work and pay for all of the labor, materials and supplies. Reimbursement of the applicant by the DMEA will be pursuant to the summary of costs immediately hereinabove, less 25%, i.e., the amount to be loaned

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by the government will be 75% of the above shown unit costs for each of the units of work performed.

Respectfully submitted

GEO-ENGINEERING

Louis P. Gaggini
LOUIS P. GAGGINI

Lewis D. Anderson
LEWIS D. ANDERSON By HAC

Harold A. Culp
HAROLD A. CULP

GEO-ENGINEERING
304 MAIN STREET
GRAND JUNCTION, COLORADO

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP,
PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

SCHEDULE 1

ESTIMATE OF AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS

Explanation	Unit	No. of Units	Cost per Unit	Total cost each Item	Grand Total
Drilling Contractor					
Stage II	feet	6,300	$1.87	$11,812.00	
Road & Drill Site					
Building					
Dozer Rental & Operator	day	10	$100	1,000.00	
Stage I (rim-stripping)					
Estimate price to Contractor	foot	12,500	0.25	3,125.00	
TOTAL ESTIMATED AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS					$15,937.00

SCHEDULE 1

GEO-ENGINEERING
304 MAIN STREET
GRAND JUNCTION, COLORADO

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP,
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SCHEDULE 2

ESTIMATED COSTS UNDER 6b, 6c, & 6g, MF-103

Explanation -Heading and Letter	Cost per Hour	Cost per Day	Cost per Month	Cost per Project	Unit Cost per MF-103 Heading
6 (b) Labor, Supervision & Consultants					
Geo-Engineering Fees			1,000	6,000.00	
Geo-Engineering Expense			250	1,500.00	
Draftsman 50 hrs/month	$3.00		144	864.00	
Typist 25 hrs/month	2.20		52	317.00	
Sampler & Field Assistant		15.00	375	2,250.00	
Total under 6 (b) of MF-103 (6,300)				$10,931.00	1.74
6 (c) Operating Materials & Supplies					
Office supplies, map & drill log reproductions for Monthly reports & other correspondence with DMEA			150.	900.00	
Survey stakes & other field supplies				25.00	0.147
Total under 6 (c) of MF-103 (6,300)				925.00	
6 (g) Miscellaneous					
Accounting expenses, etc.			100.	600.00	
Payroll taxes estimated at 10% of $571.80			57.18	343.00	
Total under 6 (g) of MF-103 (6,300)				$ 943.00	

ESTIMATED COSTS UNDER 6b,6c,& 6g, MF--103

SCHEDULE 2

GEO-ENGINEERING
304 MAIN STREET
GRAND JUNCTION, COLORADO

APPLICATION FOR DMEA PROJECT ON A PORTION OF THE ED GROUP,
PREPARED FOR M. E. NEWLOVE, BOX 188, ASPEN, COLORADO

SCHEDULE 3

SUMMARY OF COSTS

	Units	No. of Units	Cost per Unit	Total Cost per Item	Grand Total
6a--Independent Contractors (sch.3)	Feet	6,300	1.87	12,812.	
6b- Labor, Supervision & Consultants ([illegible] 4)	Feet	6,300	1.74	10,931.	
6c- Operating MAterials & Supplies	Feet	6,300	0.147	925.	
6d--Operating Equipment	None				
6e--Rehabilitation & repair	None				
6f- New Building, Installations					
6g- Miscellaneous	Feet	6,300	0.06	943.	
6h- Contingencies		6,300	0.15	[illegible]	
For (a) above -15%				1,922.00	
For (b) above -15%				1,093.00	
For (c) above _20%				185.00	
For (g) above -50%				471.00	
Calculated Unit Cost	Feet	6,300	4.38		$29,282.00
Calculated Cost of Project using Unit Cost Bid and before allowance for Analytical Work & rim-stripping	Feet	6,300	4.38		
Rim-stripping	feet	12,500	0.25	3,125.00	
Anaytical Work		150	6.00	900.00	4,025.00
Total Cost of Project during DMEA Participation					33,307.00
Less 25% to be paid by M. E. Newlove					8,326.75
AMOUNT OF DMEA LOAN REQUESTED					$ 24,980.25

SUMMARY OF COSTS

SCHEDULE 3

MINING LEASE AND OPTION

DEPARTMENT OF THE INTERIOR
Leasing Minerals Administration

FEB 17 1955

THIS INDENTURE, made and entered into this 28th day January, 1955 between GEO-ENGINEERING, a Colorado Partnership, JOE WILLOUGHBY and EDWARD M. LIPPOTH, all of Grand Junction, Colorado, parties of the first part hereinafter called Lessors, and M. E. NEWLOVE, Aspen, Colorado, party of the second part hereinafter called Lessee, WITNESSETH:

That Lessor, in consideration of the sum of One Thousand Dollars ($1,000.00) and other good and valuable considerations, receipt of which is hereby acknowledged, does hereby grant, demise and lease unto Lessee the following described mining claims situated in the County of San Juan, State of Utah, to wit:

Name of Claim	Original Location Certificate		O&G Lease Application Under Circular No. 7		Amended Location Certificate	
	Book	Page	Book	Page	Book	Page
Ed 1	81	289	83	122	251	258
Ed 2	81	289	83	122	251	259
Ed 3	81	290	83	123	251	260
Ed 4	81	290	83	123	251	261
Ed 5	81	291	83	124	251	262
Ed 6	81	291	83	124	251	263
Ed 7	81	292	83	125	251	264
Ed 8	81	292	83	125	251	265
Ed 9	81	293	83	126	251	266
Ed 11	81	295	83	127	251	268
Ed 12	81	296	83	127	251	269
Ed 13	81	297	83	128	251	270
Ed 14	81	298	83	128	251	271
Ed 15	81	299	83	129	251	272
Ed 25	79	390	79	414	251	282
Ed 26	79	391	79	414	251	283
Ed 27	79	392	79	415	251	284
Ed 30	79	395	79	416	251	287
Ed 31	79	396	79	417	251	288
Ed 32	79	397	79	417	251	289

To have and to hold unto Lessee for a term of ninety-nine (99) years. Lessee covenants and agress to perform such labor requirements as may be necessary to maintain valid possessory rights provided, however, that Lessee shall not be required to perform such labor or be in any way liable for its non-performance if Lessee shall, more than thirty (30) days prior to the expiration time for such performance, relinquish unto Lessor the leased property. Such relinquishment shall be by written notice to Lessor, and, if a portion of the claims shall be

EXHIBIT NO. ~~4~~ 2

relinquished, then this lease shall remain in force according to its terms as to the retained claims.

1. Lessor warrants that each of the above described claims has been located in accordance with local custom and practice, including the erection of monuments and markers, the marking of surface boundaries, and the posting and recording of notices.

2. Lessor does hereby reserve, and Lessee agrees to pay unto Lessor, a royalty of 6% of the proceeds of ores mined and sold from any of said claims, including 6% of any bonus payment paid by the Atomic Energy Commission, less, however, development and haulage allowances. All such ores shall be shipped in the joint name of Lessor and Lessee and payment of such royalties shall be made as follows: 2% to GEO-ENGINEERING, 304 Main Street, Grand Junction, Colorado; 2% to EDWARD M. LIPPOTH, 304 Main Street, Grand Junction, Colorado; and 2% to JOE WILLOUGHBY, 107 Miriam, Grand Junction, Colorado.

3. Lessee shall keep full and accurate records of all operations carried on hereunder, including drilling records, maps and assays, open to the inspection of Lessor at reasonable times, and shall permit Lessor access to said claims for inspection or for other proper purpose. Lessee shall pay Federal and State taxes imposed upon the property or upon Lessee's operations, including any production taxes.

4. Upon any relinquishment of property from this lease or upon any termination or surrender of this Lease, Lessee shall have the right within a reasonable time to remove all of his machinery, equipment and other personal property, including buildings, structures and any chattels affixed or attached to the realty, it being agreed that the title thereto shall at all times remain in Lessee.

5. Upon violation by Lessee of any of its covenants herein, the Lessor shall have the option to terminate the Lease by written notice to Lessee, and no termination or forfeiture of or under this Lease shall occur except upon such written notice. Any notice by Lessor electing to terminate this Lease as to any portion of the leased property shall state with particularity the substantial facts giving rise to such notice and shall be sent by registered mail to Lessee. Lessee shall have thirty (30) days after receipt of such notice within which to cure any default, breach or failure of performance, and, upon Lessee's failure or refusal to cure such default, breach or failure within such time, this Lease shall expire and the Lessor shall thereupon be entitled to possession. Any notice required, permitted or given hereunder shall be by registered mail, effective upon the posting thereof, directed to the last known business address of the party being notified. It is expressly agreed that Lessor's right to terminate shall be his sole and exclusive remedy for breach by Lessee of any covenant herein, and Lessor does hereby expressly waive and forego any other claim action, right or remedy.

EXHIBIT NO. # 2

I certify that original lease was signed by persons whose names are printed on the signature line of this copy and that this is a true copy of the original lease:

C. W. SNOAD

6. Lessor does hereby consent that, for or in connection with obtaining financial aid under the Defense Minerals Exploration Administration program or any similar program in aid of mining or exploration, Lessee may grant to the Federal Government or to any appropriate agency thereof a lien upon the leased property upon such terms as may be required, and Lessor does hereby agree (a) That all claims and interests of Lessor shall be subordinate to the rights of such Government or agency, and (b) That Lessor will from time to time, upon request of Lessee, immediately execute and deliver such waivers consents, subordination agreements or such other and different instruments as Lessee may deem necessary or helpful in applying for or obtaining such financial aid or to make effective the consent to lien and the subordination agreement herein contained.

7. Lessee may assign or transfer this Lease in whole or in part and may sublease all or any portion of the property hereinabove described, provided such sublease is made subject to the provisions herein contained. Lessor shall be allowed to assign or otherwise transfer this Lease or all or a fractional part of the royalties reserved hereunder, provided, however, that any such transfer or assignment of lease or royalty shall contain an appropriate provision effectively designating a single person, firm, or corporation to act as agent for all persons claiming any interest or right hereunder to receive and distribute royalty paid hereunder, and to receive any notice served by Lessee hereunder. And Lessee shall not be required to give any notice, or to make any payment other than to such agent which shall be as effective as if given or paid directly to each party in interest. Subject to the foregoing provisions of this paragraph, the privisons hereof shall inure to the benefit of and be binding upon the heirs, representatives, successors and assigns of the respective parties.

IN WITNESS WHEREOF the parties hereto have affixed their hands and seals the day and year hereinabove written.

WITNESS: Harold A. Culp

C. W. SNOAD

C. W. SNOAD

ATTEST:

C. W. SNOAD

LESSOR: Joe Willoughby

Edward M. Lippoth

GEO-ENGINEERING

by Harold A. Culp

LESSEE: M. E. NEWLOVE

by M. E. Newlove

State of Colorado)
) SS.
County of Mesa)

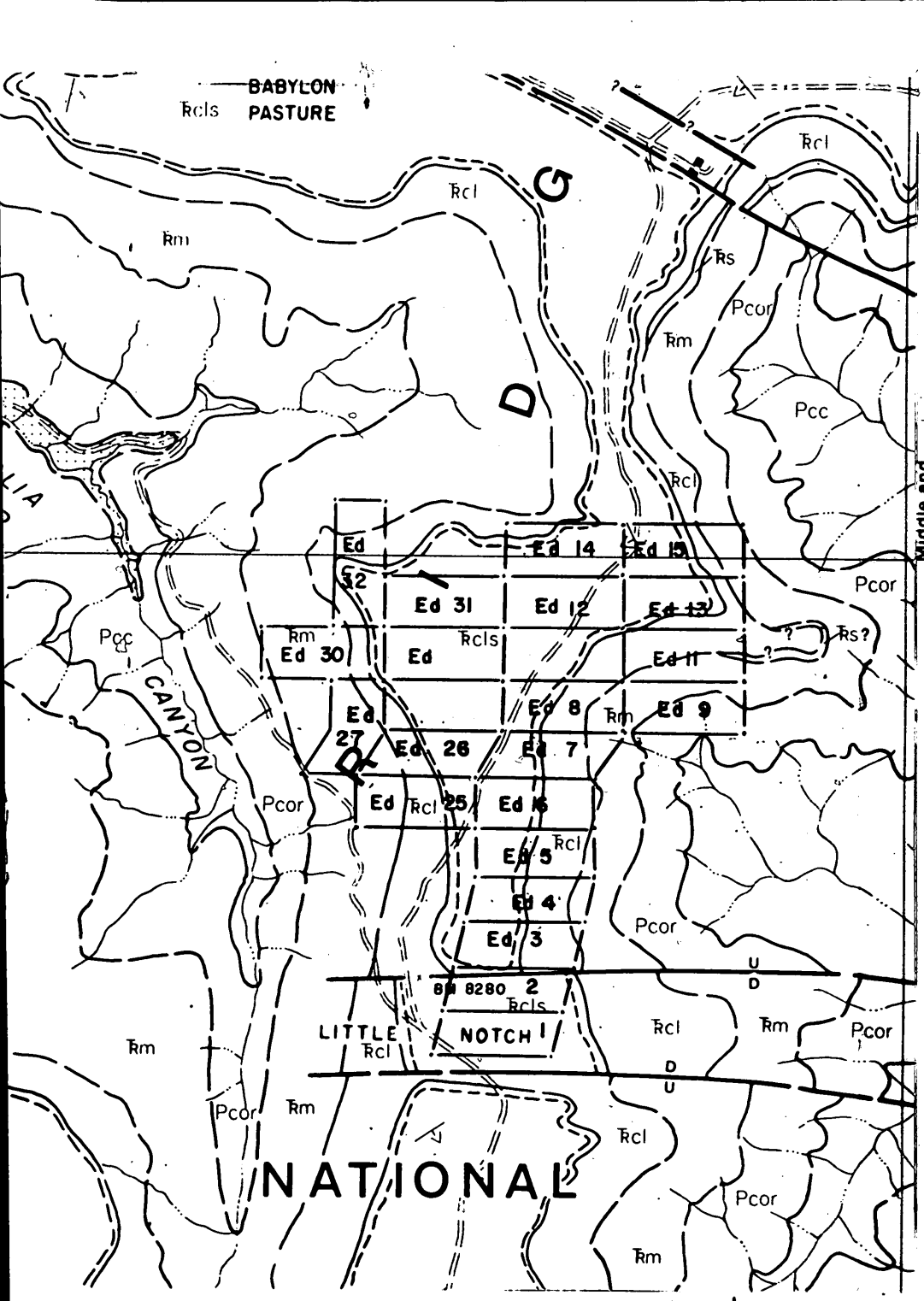
The foregoing instrument was acknowledged before me this 28th day of January, 1955, by Joe Willoughby, Edward M. Lippoth, Harold A. Culp, M. E. Newlove

Witness my hand and official seal:

(SEAL)

My commission expires: July 17, 1955 Patty Lou Nisley
Notary Public

EXHIBIT #2



Qal

Alluvium

QUATERNARY

Upper Triassic

Ꞧcls
Ꞧcl

Chinle formation

sandstone unit of lower part, Ꞧcls; lower part, Ꞧcl

Ꞧs

Shinarump conglomerate

TRIASSIC

Middle and Lower Triassic

Ꞧm

Moenkopi formation

Pcor
Pcc

Cutler formation

Organ Rock tongue (may include the Hoskinnini tongue), Pcor;

Cedar Mesa sandstone member, Pcc

PERMIAN

Contact

Can be located within 30 feet horizontally

Contact

Can be located within 30 to 200 feet horizontally

Contact

Cannot be located accurately, probable error greater than 200 feet horizontally

Probable contact

Conspicuous resistant bed within a formation

May be traceable only locally

Fault

Dashed where approximately located

U, upthrown side; D, downthrown side

Approximate strike and dip of beds

Based on photo-interpretation

Strike of approximately vertical joints

Based on photo-interpretation

GEO ENGINEERING

GEOLOGIC MAP

SHOWING

ED GROUP

B.L.M. E.A. APPLICATION

FOR

M. E. NEWLOVE

Scale 1" = 2000'

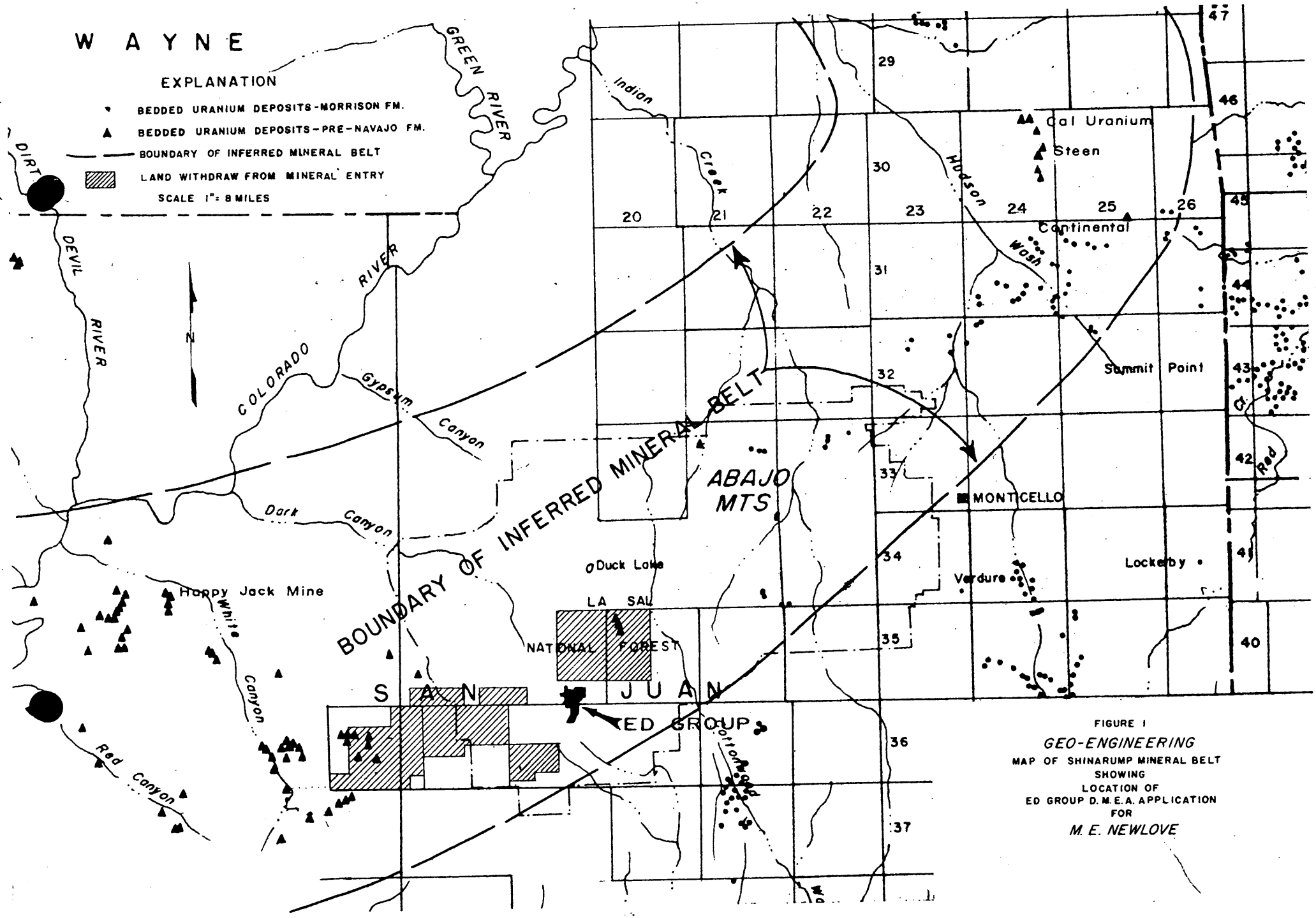


FIGURE 1

GEO-ENGINEERING

MAP OF SHINARUMP MINERAL BELT SHOWING LOCATION OF ED GROUP D.M.E.A. APPLICATION FOR

M. E. NEWLOVE

~~DEFENSE MINERALS EXPLORATION ADM.~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
~~Postoffice Box #431~~
~~Joplin, Missouri~~

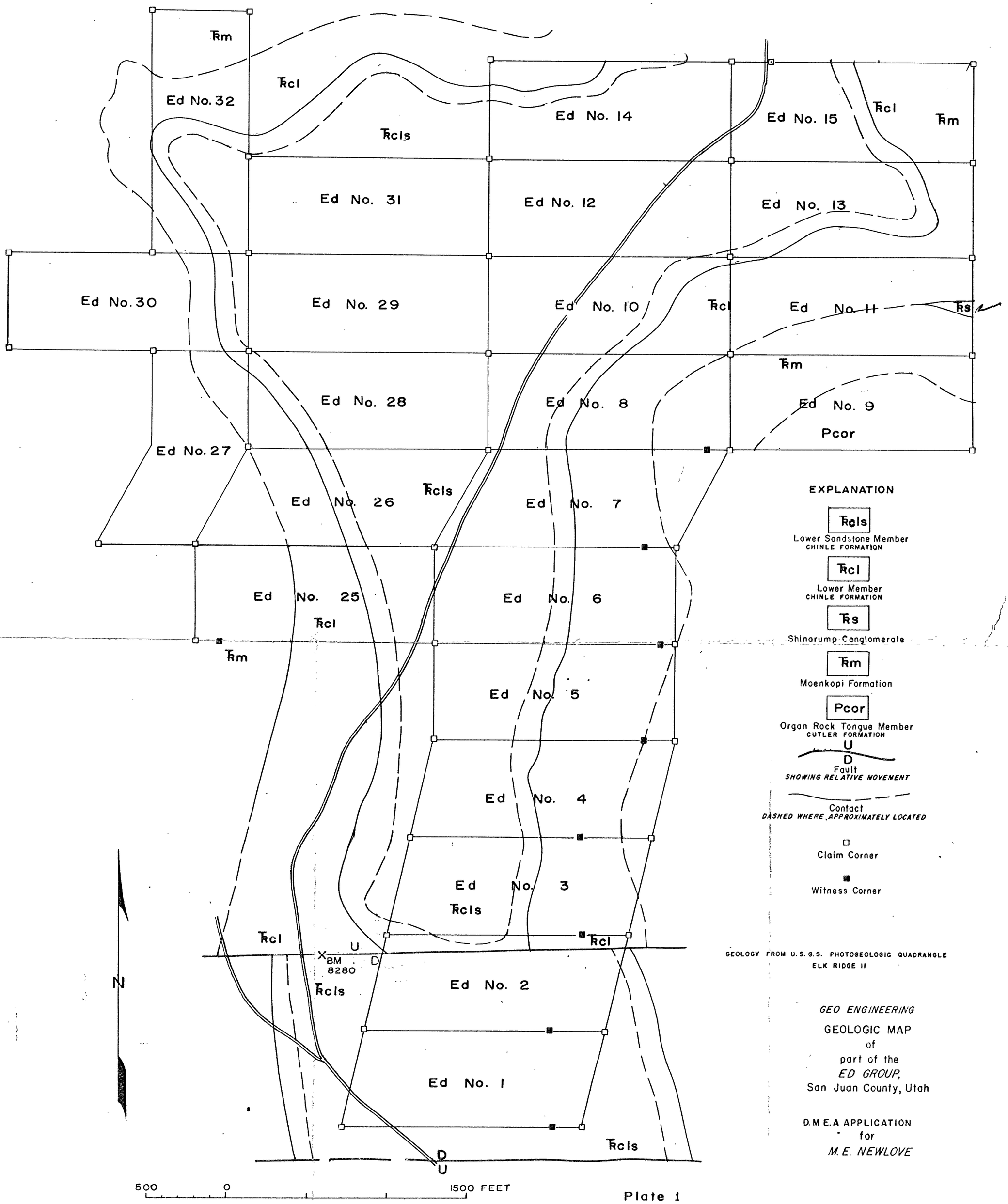
~~OFFICIAL BUSINESS~~

JOPLIN JUL 6 12 M 1954 MO.

AIR MAIL

Maps

~~DMEA Operating Committee~~
~~Department of the Interior~~
~~Washington 25, D. C.~~



GEOLOGY FROM U.S.G.S. PHOTOGEOLOGIC QUADRANGLE
ELK RIDGE II

GEO ENGINEERING

GEOLOGIC MAP
of
part of the
ED GROUP,
San Juan County, Utah

D.M.E.A APPLICATION
for
M.E. NEWLOVE

Plate 1