[illegible] Corporation, Inc.
and [illegible], Clark and [illegible], Inc.
P. O. Box [illegible]
[illegible], Texas

Re: Patent No. [illegible] (Deceased)
[illegible] and Chemical [illegible] process
[illegible]

Gentlemen:

Your application for aid in the exploitation project and other information available to us in handling or disposing your unexploited property have been received.

Projects approved by the Defense Materials Exploitation Administration must, in the judgment, show ultimate promise of producing quantities of materials which are considered critical and which significantly improve the national supply position for the Defense Materials Program.

Careful study of all the information, although it shows several of your inventions which are noted as the subject of patents, indicates to us that the probability of producing sufficient quantities of your patented processes to run economically appears to be very [illegible]. In view of this situation, we regret to advise you that we cannot, at this time, approve your application for exploitation assistance in detail.

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

Sincerely yours,

Administrator

Photographed
5-23-55
cc Ret. Adm. Reading File
Operating Committee
Chrono
Source. J. L. Crawford, Jr. [illegible]
L. E. [illegible]
J. H. Burnsight, [illegible]
Code 700
Mr. Murphy
DMA Field Team, Region XXX(2)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.
Date Rec'd. FEB 16 1955

Department of the Interior
Defense Minerals Administration
RECEIVED
FEB 24 1955
BUREAU OF MINES
Denver, Colorado

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

Not to be filled in by applicant

Docket No. 3697
Metal or Mineral Uranium
Date Received 2-24-55
Estimated Cost $27,109.21
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: THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC., P. O. BOX 267, Phone 206 GRAHAM, TEXAS.

(*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. REFER TO ATTACHED SHEET #1

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. REFER TO ATTACHED SHEET #1

(*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 REFER TO ATTACHED SHEET #2

(*b*) State any mine name by which the property is known. REFER TO ATTACHED SHEET #3

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise REFER TO ATTACHED SHEET #3

(*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. OWNER

(*e*) If you own the land, describe any liens or encumbrances on it REFER TO ATTACHED SHEET #3

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. REFER TO ATTACHED SHEET #3

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

(*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. REFER TO ATTACHED SHEET #4

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. REFER TO ATTACHED SHEET #4

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. REFER TO ATTACHED SHEET #4

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

(*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. REFER TO ATTACHED SHEET #5

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract. REFER TO ATTACHED SHEET #5

(*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. REFER TO ATTACHED SHEET #6

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

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). REFER TO ATTACHED SHEET #7

(*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. REFER TO ATTACHED SHEET #8

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. REFER TO ATTACHED SHEET #9

(*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. REFER TO ATTACHED SHEET #10

(*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. REFER TO ATTACHED SHEET #11

(*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. SHEET #11

(*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. REFER TO ATTACHED SHEET #11

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above. REFER TO ATTACHED SHEET #11

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)? REFER TO ATTACHED SHEET #12

(*b*) How do you propose to furnish your share of the costs? REFER TO ATTACHED SHEET #12

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated ....., 195...

ATTEST:

T. A. WRIGHT, SECRETARY-TREASURER.

ATTEST:

SPENCER B. FLINT, SECRETARY.

THE SURPLUS URANIUM CO., INC.
(Applicant)

By RAY C. CLARK, PRESIDENT.

WRIGHT, CLARK & SENKEL, INC.

BY T. A. WRIGHT, PRESIDENT.

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

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

RECEIVED

1. NAME OF APPLICANT

(a) The Surplus Uranium Co., Inc.
Box 568
Monticello, Utah

(ALL CORRESPONDENCE SHOULD BE ADDRESSED TO P. O. BOX 267, GRAHAM, TEXAS.)

The Surplus Uranium Co., Inc. was organized and incorporated under the laws of the state of Utah.

Ray C. Clark, President, Box 267, Graham, Texas
Wesley Senkel, Vice-President, Box 267, Graham, Texas
T. A. Wright, Sec. & Treas., Box 267, Graham, Texas

Wright, Clark & Senkel, Inc.
Box 267, Graham, Texas

Wright, Clark & Senkel, Inc. was organized and incorporated under the laws of the state of Texas.

T. A. Wright, President & Treasurer
Wesley Senkel, Vice-President
Spencer Flint, Secretary
Ray C. Clark, Vice-President

(d) Joint venture of the above corporations.

3. (a) Seventeen claims and three fractions, unpatented, which make the Dixie and Glenwood Groups, located in Sections 19, 24, 25, & 30, T 37 S, R 24 & 25 E, San Juan County, Utah. Surveyed by San Jaun Surveying Service, Monticello, Utah, July 1954 by Frank S. Sherer, Registered Land Surveyor #1361.

CLAIM & NUMBER	PAGE	BOOK
Dixie #2	411	253
Dixie #3	417	"
Dixie #4	418	"
Dixie #5	418	"
Dixie #6	412	"
Dixie #7	412	"
Dixie #8	419	"
Dixie #9	419	"
Dixie #10	420	"
Dixie #11	420	"
Dixie #12	421	"
Dixie #13 (fraction)	413	"
Dixie #14 (fraction)	413	"
Dixie #15 (fraction)	414	"
Glenwood #1	414	"
Glenwood #2	415	"
Glenwood #3	415	"
Glenwood #4	416	"
Glenwood #5	416	"
Glenwood #6	417	"

Total of 17 claims and 3 fractions substantiated by maps in geological report.

3. (b) Dixie Mine #1 - Located on Dixie Claim #2, length of tunnel 30'.
Dixie Mine #2 - Located on Dixie Claim #2, length of tunnel 28'.
Dixie Mine #3 - Located on Dixie Claim #3, length of tunnel 15'.

(c) Ownership as follows:

The Surplus Uranium Co., Inc. 50%
Wright, Clark & Senkel, Inc. 50%
No encumbrances

(d)

(e) No leins or encumbrances.

(f) All claims with book and page numbers listed under instruction #3(a).

THE SURPLUS URANIUM CO., INC., & WRIGHT, CLARK & SENKEL, INC.
P. O. BOX 267,
GRAHAM, TEXAS.

4. (a) Physical description is included in geological report which is attached to this application. All mining and other operations are described in geologist report and were conducted by the present owner. Accessibility of mine workings discussed in question #4(d).

(b) Past production - 13,960 lbs. net ore
See ore settlement sheet attached.
Ore reserve unknown, grade and quantities unknown.

(c) Geologic features of the property covered by geological report. Reasons for wishing to explore is based on the geologist recommendation, our own observations and money spent to date. We feel that question is adequately answered in "Foreword" of geologist's report.
NOTE: Please accept geological report as part of this application, and not to be returned. Maps and sketches are a part of geologic report.

(d) These properties lay 35 miles south from shipping, supply, and resident point, Monticello, Utah. Access roads consist of 5 miles paved highway (State Highway 47), thence east and south 30 miles (good graveled road maintained by county) in Montezuma Canyon, thence northeast 1 mile graded road to mines in the base of Monument Canyon.

(e) Man power is available and adequate. Material and supplies and equipment available in Monticello, Utah, our point of headquarters and residence. We have access to water from flowing well located 1½ miles from center of operations. Water can be used for culinary or commercial uses and at no cost. All power used in this area is from mobile power units.

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

5. THE EXPLORATION PROJECT

(a) Uranium bearing ores.

(b) Proposed work

(1) Extension of access roads to drill sites as recommended in geological report, Pages 2 and 3.

(2) Drilling, probing and/or coring holes of sufficient depth and spacing to cover requirements of geological recommendations. (See drill site plat in attached geologic report.)

(c) Work will start in 30 days and will be completed in 24 months or less.

5. (d) Operating experience and background

(1) RAY C. CLARK - President of the Surplus Uranium Co., Inc. will be directly responsible for all exploration work of this project. He has had 36 years oil and mining experience. Mr. Clark's extensive experience has consisted of the drilling, producing and secondary recovery work of oil and gas wells. He has, in the past, been engaged in drilling contracting of deep oil wells for major oil companies in north, central, and west Texas, and in the production of oil and gas wells owned by Wright, Clark & Senkel, Inc., of which he is Vice-President. During the past 26 years he has acted in a supervisory capacity in the oil and mining industries. These many years of varied experience in these two industries have given him the knowledge and ability to cope with the situation at hand. He is noted for his ingenuity, tenacity and accomplishments. For the past several months he has directed preparations for and exploration of the work done this far on this proposed project.

(2) R. L. SHINGLER, JR. has had varied oil field experience and was working as a driller and drilling crew foreman on an 8000 ft. capacity drilling rig for the firm of Wright, Clark and Senkel, Inc. until he was transferred to the mining division to act as superintendent of mines in Utah. Mr. Shingler, after finishing school, served 3 years as a commissioned officer and pilot in the U. S. Air Force. After separation in 1945 he commenced his work for W. C. & S., Inc. After 3 years of working in the different phases of drilling work, he was chosen to act as driller on a rig of $250,000.00 evaluation and worked in this capacity until transferred to the mining division in 1954. He is noted for his resourcefulness and ability with things mechanical, and good labor relations with men under his supervision. His past drilling and mining experience qualifies him in supervising the road building, drilling, probing and coring of this proposed project.

6. ESTIMATE OF COST

(a) Independent Contracts

(1) Bulldozier work for access roads. Contract.
Size and Type: D-7 Caterpillar with 12' angle blade. Located at Monticello, Utah, 35 miles from job. Contractor: G. R. Lewis, Aztec, N.M.
Contractor to furnish dozier and operator and all fuel, supplies, repairs and replacements of his equipment for a flat rate of $12.00 per hour.
Estimated hours: 200 ———————— $ 2,400.00

Bulldozier transportation to and from job.
Contract haul. ———————— 300.00
$ 2,700.00

(2) Drilling, probing and/or coring. Contract.
Size and Type: Mayhew 1000 Drilling Rig for plug drilling and coring. Located at Monticello, Utah. Contractor: Stewart Uranium Drilling Co., Inc.
Contractor to furnish as equipment:
1 - Mayhew 1000 Drilling Rig
1 - Truck mounted Air Compressor
1 - 750 gal. Water Tank
1 - Pickup Service Truck

Contractor will furnish operator and helper, all bits, drilling mud, and other necessary items for flat rate of $2.00 per foot for plug drilling.
Estimated footage: 5600 ———————— $11,200.00

Flat rate of $4.00 per foot for coring.
Estimated footage: 1000 ———————— 4,000.00

Flat rate of $7.50 per hour for stand-by time while holes are being probed.
Estimated hours: 16 ———————— 120.00

Flat rate of $10.00 per hour for reconditioning holes, reaming and pulling cores.
Estimated hours: 32 ———————— 320.00
$15,640.00

6. (b) Labor, supervision and consultants

(1)	Superintendent and his transportation at flat rates of $4.00 per hour. Estimated hours: 320 ----------	$ 1,280.00
(2)	Geologist and his transportation and expenses at a flat rate of $125.00 per day. Estimated days: 30 ----------	3,750.00
(3)	Engineer and his transportation and expenses at a flat rate of $125.00 per day. Estimated days: 10 ----------	1,250.00
(4)	Operator for drilling and shooting equipment at $2.10 per hour. Estimated hours: 96 ----------	201.60
(5)	Helper at $1.85 per hour. Estimated hours: 96 ----------	177.60
		$ 6,659.20

6. (c) Operating materials and supplies

Supplies to build access roads to drill sites.

(1)	10 Cases dynamite @ $10.42 per case -----	$ 104.20
(2)	100 Drill bits @ $ .21 each ----------	21.00
(3)	100 Electric dynamite caps @ $ .24 each --	24.00
(4)	5 gal. Jackhammer oil @ $2.00 per gal. --	10.00
(5)	24 qts. S.A.E. 20W. Motor oil @ $ .40 per quart ----------	9.60
		$ 168.80

6. (d) Operating equipment (Furnished by operator on contract basis)

(1) 1 - 125 C.F.M. Leroi Air Compressor

(2) 1 - 45 lb. Cleveland Jackhammer

(3) 1 - 30 shot Maximum Electric Detonater

This equipment located at Bluff, Utah, 45 miles from job.

Operator to furnish air compressor, jackhammer, detonater and all accessories including fuel, repairs and replacements to his equipment for a flat rate of $5.90 per hour.
Estimated hours: 96 ---------- $ 566.40

Transportation to job. Contract haul. --- 35.00
601.40

(4) 1 - 1954 Willys, 1 ton, 4 wheel drive pickup truck, to be used in moving air compressor accessories and supplies and for transportation of crews to and from job and general use at $2.00 per hour 8 hours a day.
Estimated days: 40 ---------- 640.00

(5) 1 - 18' House Trailer in good repair and well equipped to be used as office on the project by the supervisor and consultants, to be furnished by operator for a flat rate of $1.00 per day.
Estimated days: 40 ---------- 40.00

Trailer located at Bluff, Utah. Transportation one way to job, 45 miles. --------- 25.00
$ 1,306.40

NOTE:
Above equipment is owned and will be furnished by operator.
Use-allowance based on above flat rate.
Costs as shown above to be paid proportionately , government 75%, operator 25%.

6. (e) Rehabilitation and repairs

None

(f) New buildings, improvements, installations

None

(g) Miscellaneous

Cost of repairs to and maintenance of operating equipment. None--allowances for above have been made by operator in his flat rate charges.

(1) Analytical work

Cost of analytical work.
Allowances were made in geologist and engineer cost.

(2)	Accounting Estimated cost ----------		$ 100.00
(3)	Workmen's Compensation Insurance		14.90
(4)	Employer's Liability Insurance		2.09
(5)	Payroll Taxes	F.I.C.A. 7.58 UTAH U.C. 10.24	17.82

(h) Contingencies
Estimated cost ---------- 500.00

634.81

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

7. (a) Operator is prepared to furnish his share of cost.

(b) We propose to furnish our share of the costs in cash, to be paid as required in DMEA order #1.

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

	SUMMARY OF INSTRUCTION #6	UNIT COST
Unit A	1. Bulldozier Work Estimated cost including transportation	$ 2,700.00
	2. Drilling & Coring Estimated cost	15,640.00
Unit B.	1. Labor, Supervision, & Consultant Estimated Cost	6,659.20
Unit C.	1. Operating Materials & Supplies Estimated Cost	168.80
Unit D.	1. Operating Equipment (Furnished by operator on contract basis) Estimated Cost	1,306.40
Unit E.	1. Rehabilitation & Repairs	None
Unit F.	1. New Buildings, Improvement & Installations	None
Unit G.	Miscellaneous	
	1. Analytical Work	None
	2. Accounting Estimated Cost	100.00
	3. Workmen Compensation Insurance	14.90
	4. Employers Liability Insurance	2.09
	5. Pay Roll Taxes	17.82
Unit H.	1. Contingencies Estimated Cost	500.00
	TOTAL COST OF PROPOSED PROJECT	$ 27,109.21

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

Form No. VW51—C1

VANADIUM CORPORATION OF AMERICA

SETTLEMENT SHEET

SHEET NO. 1 LICENSE NO. P-1892 DATE 8-26/11-15-54, 195

SHIPPED BY Surplus Uran. Co. & Wright, Clark & Senkel, Inc. MINE OWNER Surplus Uran. Co.& Wright, Clark & Senkel, Inc

ADDRESS Graham, Texas NAME OF MINE OR LEASE Dixie No. 2

LEASED TO LEASED FROM

ADDRESS ADDRESS TYPE OF ORE Carn. C-1 d

Lot No.	Gross Wt.	% H_2O	Net Weight	% $CaCo_3$	% V_2O_5	Lbs. V_2O_5	Per Lb. V_2O_5	Value V_2O_5	% U_3O_8	Lbs. U_3O_8	Per Lb U_3O_8	Value U_3O_8	Devel. Allow.	Value Total	Accts. Rec.	Balance	Lbs. $CaCo_3$
42725	14130	1.2	13960	6.2	1.50	209	.31	64.79	.100	13.96	1.50	20.94	6.98	85.31			
	Lime Penalty 6.98 tons @ 1.06							7.40									
								57.39									
	Hauling 7.065 tons x 100 miles = 706.50 ton miles @ .064													42.39			
														127.70		127.70	

OKAY TO SETTLE PER J. W. B.

CHECK NO. 6131 11-24-54 $ 127.70 TO: Surplus Uranium Company and Wright, Clark & Senkel, Inc.

CHECK NO. $ Box 267

CHECK NO. $ Graham, Texas

CHECK NO. $

CHECK NO. $ cc: Ray C. Clark Huntsville, Utah

CHECK NO. $

I hereby certify that the ore described above and sold is from the DIXIE NO. 2 Mine, and that I have authority from its owner to remove and sell the same, that said ore is not encumbered by any liens or attachments and receipt of payment in full is hereby acknowledged.

Vendor

By

DIXIE AND GLENWOOD CLAIMS

San Juan County, Utah

for

The Surplus Uranium Company

Graham, Texas

FOREWORD

The purpose of this report is to outline briefly the geologic conditions existing in the Dixie and Glenwood Group of claims and to evaluate these conditions with respect to further exploration for uranium-bearing ~~ores~~.

The Salt Wash sandstone member of the Morrison formation, which is the chief uranium producing formation in the Colorado Plateau is present in at least 85%, and probably 100%, of the territory held by The Surplus Uranium Company.

As of this date, it is apparent that thousands of dollars have been invested in the initial procurement of these claims, preliminary surveys, purchase of mechanized and mining equipment, and the construction of roads and trails.

Inasmuch as the Dixie and Glenwood Claims lie within the bounds of the Colorado Plateau, it should be mentioned that this physiographic province is today, and has long been, the principal source of uranium production. It is here that our greatest domestic reserves are contained and the most prolific discoveries have been made in recent years of intense exploration. In realizing that exploration has been heavily concentrated here, it also appears that, until another area is found having comparable possibilities, the Colorado Plateau will continue to hold the greatest opportunities for future discoveries of uranium reserves. Numerous formations have been found to bear uranium in more than average quantities and no one dares to predict where and under what conditions uranium can or cannot occur.

DIXIE AND GLENWOOD CLAIMS

The Dixie and Glenwood Claims are located near the junction of Monument and Montezuma Canyons in Sections 19 and 30, T37S-R25E, and Sections 24 and 25, T37S-R24E, San Juan County, Utah. This area is approximately twenty-five miles south-southeast from the town of Monticello, Utah. Within this group of twenty claims are the Dixie #2 through #15 and the Glenwood #1 through #6.

Access to the claims is afforded by State highway #47 and a good gravel road. More than one mile of bulldozed trails have been constructed within the claims. An ore-buying station and a qualified uranium mill are located at Monticello, Utah.

This staked area presents a surface consisting of relatively horizontal (several degrees dip to the south) beds of Salt Wash sandstone and shale of the Lower Morrison formation of Upper Jurassic Age. An undetermined amount of Quaternary fill forms the valley floor in the central part of the area. To the east and west of this locale there exists a massive section of Salt Wash which is presented as several distinct vertical cliffs and shaly slopes. A ten-foot exposure of buff-colored sandstone was observed at the base of the valley wall. It is believed this is one of the beds of lower Salt Wash, and, due to insufficient outcrops, cannot be identified as the top of the Bluff sandstone which underlies the Salt Wash in this vicinity.

From a uranium-vanadium standpoint, the Salt Wash member of Lower Morrison is the predominant geologic section in the area. This sandstone appears in a series of thick, resistant ledges and broad benches. Although red and gray shales and mudstones are interbedded with the sandstone, the latter is prevalent throughout this member and ranges in color from a nearly white to gray, light buff and rusty red. The sandstone is chiefly fine to medium-fine grained, crossbedded and which appears as fluviatile origin. This strata also varies in thickness, in that, lensing or pinchouts occur, and, on occasions, other beds occupying the same stratigraphic position may wedge in. This is particularly evident in the vicinity of the Dixie Mines #1 and #2.

An estimate of exposed Salt Wash ranges from 400 to 450 feet thick whereas a total thickness may approach 600 feet. Although no definite contact is discernible, it appears the Salt Wash merges into the Westwater Canyon sandstone of mid-Morrison near the rim of the mesa in the extreme eastern part of the claims. Above this caprock of Westwater Canyon (?) is the Brushy Basin shale member of Upper Morrison. No outcrops of this latter member exist in the Dixie and Glenwood Claims,

however, several exposures can be observed from one to several miles to the north, east and south of the claims' locale.

Within the confines of the claims, there is a minimum of three distinct sandstone beds; two of these form benches above and to the east of the Dixie Mines #1 and #2, and also west of the Dixie Mine #3.

It is worthy to note that occurrences of uranium (U_3O_8) and vanadium (V_2O_5) have been discovered in the three above mentioned mines; the tunnels having penetrated the cliff-face approximately thirty feet. The mineralization ranges from one to two feet in thickness in the Dixie Mines #1 and #2, and is chiefly vanadium with remnants of radioactive and carbonaceous logs and fossil plant material. As the mineralized bed approached a pinch-out status, approximately twenty 30-foot holes were drilled, in a crescent shaped pattern, on the bench above mines #1 and #2. A radioactive probe analysis of these holes showed no major evidence of uranium ore. Although this confirms a pinchout, there, nevertheless, exists favorable possibilities of ore being at either a greater depth, through a lower Salt Wash bench, and/or further to the east. This condition also prevails below and westward of Dixie Mine #3. It is an established fact that vanadium and uranium occur in the same zones. In this respect, approximately fifteen vanadium outcrops of minor magnitude have been discovered within the limits of the Dixie and Glenwood Claims. These are located in the west and central part of Dixie #11 and #12, eastern portion of Dixie #6, northern part of Glenwood #3, and in the southern sector of Glenwood #2.

A closer study of the generalized cross section and the plat showing the Salt Wash benches will aid in understanding the feasibility of uranium ore being present in sectors further removed from the cliff-face, or tunnel entrance. This is also true with respect to mineralized bodies being encountered at varying levels and at different localities within the bounds of the claims. Producing mines are located several miles to the east and north of this group of claims. An exposure of high grade uranium ore is also situated approximately one-half mile west of the Dixie Claim #10; additional exploration and development are necessary to establish more firmly the quantity of ore.

One generally accepted theory of Salt Wash deposition suggests that the rivers entered the area from the west and southwest and, in all probability, were comparatively straight. It is therefore recommended that a minimum of four holes be drilled to depths of at least 350 feet, or through the Salt Wash, at intervals of 400 to 600 feet, commencing at the south center of Glenwood #4 thence west-northwestward. It is also recommended that a minimum of five holes be drilled to 250-300

feet, or through the Salt Wash, at intervals of 400 to 600 feet, commencing on the bench near the southeast corner of Dixie Claim #4, thence north-northwest to Dixie Claim #7. For further evaluation of these properties, it is suggested several holes be drilled to depths of 500 to 550 feet on the uppermost bench in the eastern part of Dixie Claims #8 through #12.

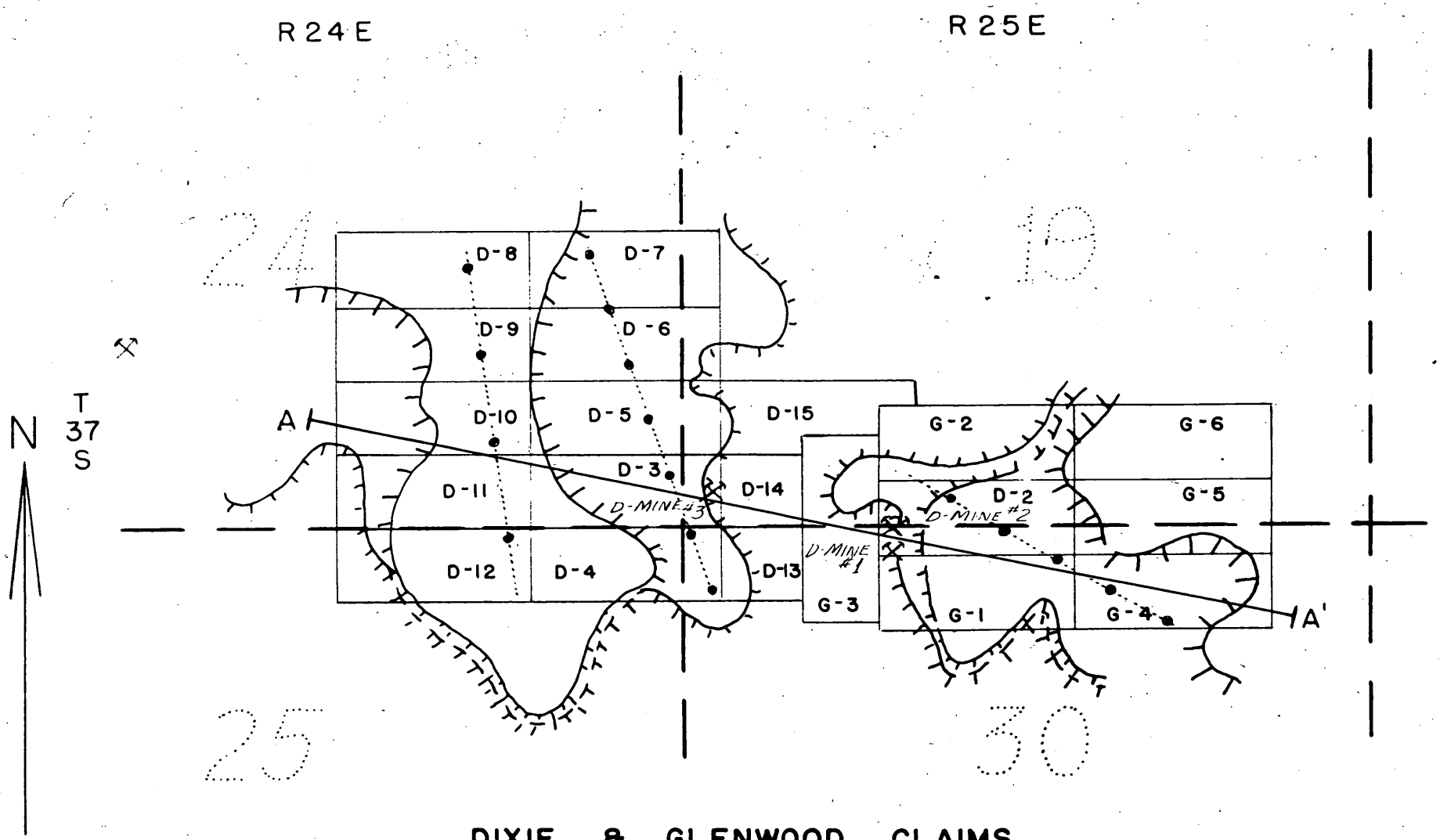
In conclusion, it is suggested that a constant check of the drill cuttings with a geiger counter be conducted, followed by a thorough radioactive probe analysis. Should mineralization in economic quantities be discovered, it is further recommended that a carefully planned core-drilling program ensue to evaluate and establish the areal extent of ore-bodies.

Respectfully submitted,

Richard H. Benish

Richard H. Benish
Geologist

Date: Oct. 23, 1954



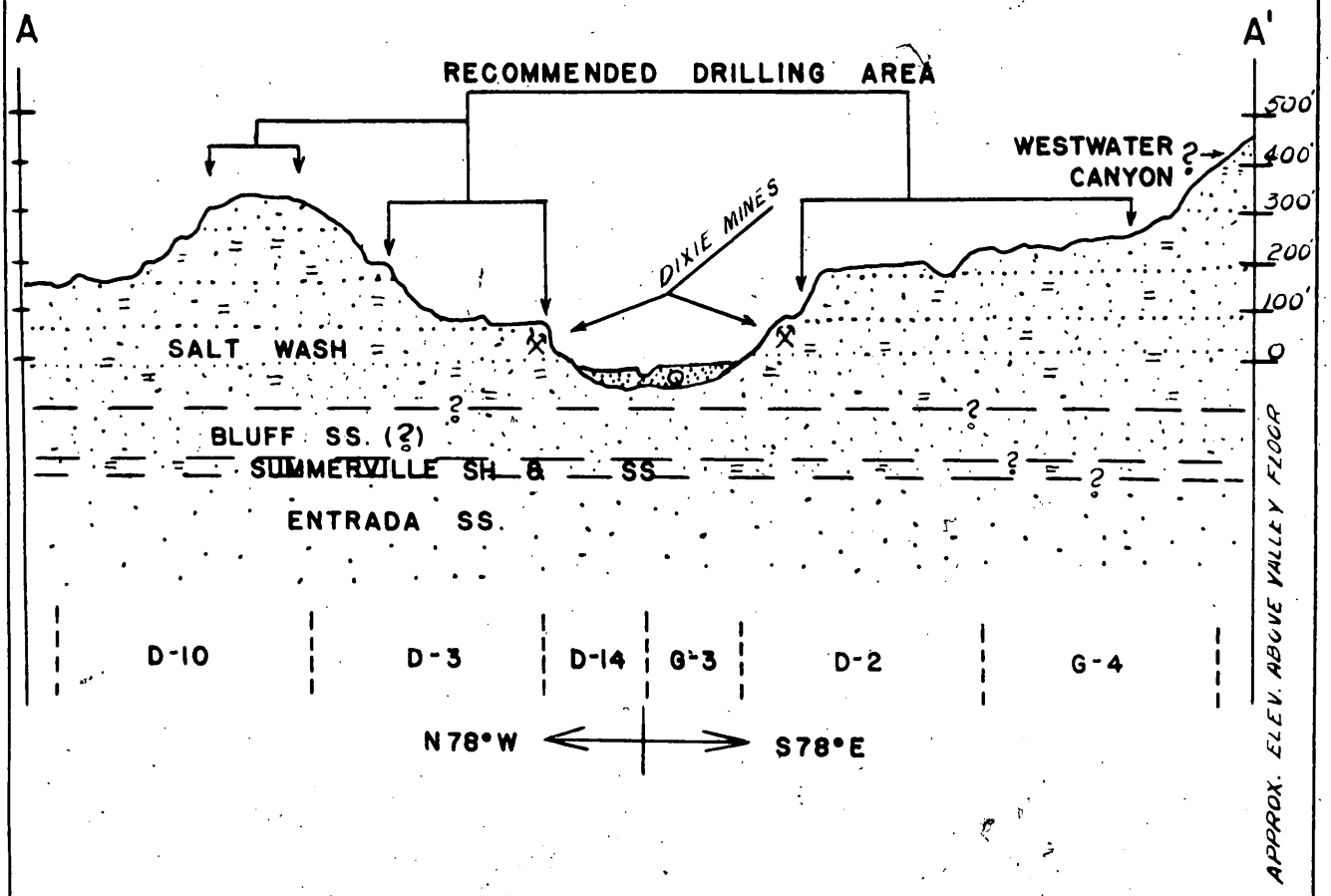
DIXIE & GLENWOOD CLAIMS

SAN JUAN COUNTY, UTAH

● = PROPOSED DRILLING SITES
⚒ = MINE
D = DIXIE
G = GLENWOOD
= CLIFF FACE

THE SURPLUS URANIUM CO., & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

SCALE: 1" = 1200'



GENERALIZED CROSS SECTION

OF

DIXIE & GLENWOOD CLAIMS

SAN JUAN COUNTY, UTAH

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

Richard H. Benish, Consulting Geologist-Geophysicist
Age 39, married, one daughter, age 9;
1985 South Fillmore Street, Denver 10, Colorado

Education: Bachelor of Philosophy degree in Geology from University of Wisconsin - 1940

Employment: March, 1940 through September, 1942
Petty Geophysical Engineering Company
San Antonio, Texas
Duties: Geologist, seismologist, surveyor, etc.
Type of work: Oil exploration in Texas, Louisiana, Mississippi, West Virginia and Pennsylvania

February, 1946 to October, 1951
Rogers-Ray, Inc., Houston, Texas
Type of work: Supervisor of field seismic parties doing oil exploration in Texas, North Dakota, Alberta and Saskatchewan

October, 1951 to July 1, 1954
Rogers Geophysical Company, Houston, Texas
Duties: Geologist-geophysicist
Type of work: Supervisor and manager of Rocky Mountain Division; seismic parties doing oil exploration and investigations of uranium exploration; Colorado, Utah, Wyoming, Montana

Past four and one-half years in Rocky Mountain Area and Canada; coordinating geology with geophysics; contact work with oil company officials; arranging of both seismic and drilling contracts, and, more recently, geologic investigations of uranium.

Military Service: Naval Officer (Lieut.) in charge of communications and navigation aboard a U. S. vessel in the Pacific Ocean Areas.

Activities: American Association of Petroleum Geologists
Rocky Mountain Association of Geologists
Society of Exploration Geophysicists
Denver Geophysical Society

Surname 700

Murphy
Ellis
Kiilsgaard
Hedges
Selbridge
Johnson

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

JUN - 9 1955

The Surplus Uranium Company, Inc.
and Wright, Clark and Senkel, Inc.
P. O. Box 267
Graham, Texas

Re: Docket No. DMEA-3697 (Uranium)
Dixie and Glenwood claim groups
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, although a minor amount of uranium mineralization was noted on the subject property, 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.

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

FMMurphy:am
5-23-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III(2)

RCH.

(Docket Copy) 700

Murphy

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.

May 26, 1955

Summary of Proposed Project

Object: Denial of application for an exploration project.

Docket No.: DMEA-3697

Commodity: Uranium

Applicant: The Surplus Uranium Co., Inc. and
Wright, Clark and Senkel, Inc.
P. O. Box 267
Graham, Texas

Property: Dixie and Glenwood Groups
Owners - 17 unpatented claims and 3 fractions in Secs. 24 and 25 T. 37S., R. 24E., and Secs. 19 and 30., T. 37S., R. 25E., S.L.B.&M., San Juan County, Utah

Date of Application: Undated. (received February 24, 1955)

Referred to Field Team: March 11, 1955

Received Field Team report: May 16, 1955

Amount of Application: $27,109.21

Work Proposed: 16 rotary drilled holes aggregating 6,600 feet.

Estimated Cost of Work Proposed:

1) Independent Contracts.

Roads and drillsites; bulldozing	$2,700.00
Plug bit drilling 5,600 ft. @ $200	11,200.00
Core drilling 1,000 ft. @ $4.00	4,000.00
Stand-by time, 16 hrs. @ $7.50/hr.	120.00
Pulling cores, reaming, etc.	320.00
	$18,340.00

2)	Labor and Supervision	$6,659.20
3)	Operating materials and supplies	168.80
4)	Operating equipment rental	1,306.40
5)	Miscellaneous	134.81
6)	Contingencies	500.00
	Total Estimated Cost	$27,109.21

Field Team's report of examination and recommendation:

"The Salt Wash of Montezuma Canyon has been thoroughly explored in recent years and exploration activity in the area is intense at present. No discoveries of important size have recently been made; the best mines of the area have all been known and operated during and since World War II. The best deposits in the Montezuma Canyon area all occur in sandstone lenses 80 to 100 feet thick, though all thick lenses do not contain large deposits. The largest group of mines in the area, in middle Montezuma Canyon about 20 miles north of the subject claims has produced about 4,600 tons of ore. The Bradford Canyon group of mines about 5 miles northwest of the subject claims has produced slightly over 1,000 tons of ore. Nearly all of the uranium deposits in the Montezuma Canyon area have contained only a few tons of low grade or sub-ore grade material concentrated along diastems within the Salt Wash lenses and also concentrated by wood and trashy material."

"The top of the mineralized sand lens at the D-1 and D-2 'mines' forms a bench several hundred feet behind the adits. This bench forms a good site for a jackhammer drilling project which could adequately test the possible occurrence of one or more ore bodies which, though small, might be mineable because of the shallow depth and economy, with which they could be explored. A small program of this type would adequately test the uranium potential of the property.".....

Field Team's Conclusions and Recommendations:

"The mineralized outcrops on the Dixie-Glenwood group appear to be similar to most of the mineralized outcrops in the Montezuma Canyon area and therefore probably do not represent an economic ore body. Also, the sandstone lens which is only about 15 feet thick and is underlain by 20 feet of red siltstone appears too thin to be considered favorable for the occurrence of a major ore body. Thus it appears that little or no possibility exists that there is a significant ore body on the property and it is recommended that the application be denied."

Commodity Committee Members' Comments:

U. S. Geological Survey - R. D. Trace, May 20, 1955

Concurs in denial.

U. S. Bureau of Mines - J. E. Crawford - May 27, 1955

After discussing with Joseph O. Hosted, Washington AEC representative, concurs in Field Team's recommendation that application be denied.

Rare and Miscellaneous Metals Division - F. M. Murphy
May 23, 1955

A careful study of the Field Team's "Report of Examination" indicates that the deep wide-spaced drill holes proposed by the Applicant would not result in the discovery of significant deposits of uranium ore. Therefore, this Division concurs with the Field Team's recommendation that the subject application be denied.

Ernest Wm. Ellis

Ernest Wm. Ellis

1-2-55
Dm

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

RECEIVED
MAY 31 1955

May 27, 1955

Memorandum

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

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

Subject: Report of Examination, DMEA Docket 3697, Surplus Uranium Co., Inc. (Glenwood and Dixie groups), San Juan County, Utah

I have reviewed the Field Team report of examination, Surplus Uranium Co., Inc., DMEA Docket 3697; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We concur with the recommendation of the Field Team that the application be denied.

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

John E. Crawford

John E. Crawford

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

May 27, 1955

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

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Uranium Commodity Committee

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

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John E. Crawford

5/23/55 gla

IN REPLY REFER TO:

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

May 20, 1955

Re: DMEA-3697
Surplus Uran. Co., Inc.
Glenwood & Dixie Groups
Montezuma Canyon area
San Juan County, Utah
$27,109.21 - Uranium

Memorandum

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

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

Subject: Review of Field Team report

I concur with the Field Team in recommending that the subject application be denied.

The denial is based on 1) the unfavorable character of the Salt Wash lithology and 2) the poor record of the area.

T. K. Lilegaard
FOR: R. D. Trace

IN REPLY REFER TO:

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

May 20, 1955

Re: DMEA-3597
Surplus Uran. Co.,
Inc.
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R. D. Trace

RDTrace:hlm
G-5/20/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Nosted, 3210 GSA

IN REPLY REFER TO:

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

May 20, 1955

Re: DMEA-3697
Surplus Uran. Co., Inc.
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WASHINGTON 25, D. C.

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G-5/20/55

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DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. G. Mosted, 3210 GSA

5/23/55 gla

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

224 New Customhouse
Denver 2, Colorado

May 12, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Report of Examination, DMEA Docket 3697 (Uranium), Surplus Uranium Co., Inc. (Glenwood and Dixie groups), San Juan County, Utah

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

We concur in the recommendation of the field examiners that the application be denied.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
5-20-55
(date)

TRANSMITTED
MAY 12 1955

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
May 3, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Docket DMEA 3697, (Uranium), Glenwood and Dixie groups, Surplus Uranium Company, Inc., San Juan County, Utah

Enclosed are the original and ten copies of a "Summary, Conclusions, and Recommendations" by Randall T. Chew III, geologist, and Carl Balser, mining engineer, and the original and ten copies of an engineering report by Carl Balser covering docket DMEA 3697.

The Surplus Uranium Company, Inc., applied for exploration assistance in the amount of $27,109.21, to explore the Glenwood and Dixie groups by 6,600 feet of rotary drilling. The field examination was made on April 5, 1955, by an examining team from the Geological Survey and the Bureau of Mines. The examining team concluded that there was little likelihood of a significant amount of uranium being discovered by the proposed exploration.

It is recommended that the application be denied.

John F. Shaw

John F. Shaw

Enclosures

cc 10
DMEA 3697
Chron

JFS/cm

Reviewed by
DMEA OPERATING COMMITTEE
5-20-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

Defense Minerals Administration
MAY 1 3 1955

DMEA 3697, Glenwood and Dixie Groups

Surplus Uranium Company, Inc.

San Juan County, Utah

Uranium

Randall T. Chew III, Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

April 27, 1955

Reviewed by
DMEA OPERATING COMMITTEE
5-20-55
(date)

DMEA 3697

GLENWOOD AND DIXIE GROUPS
SURPLUS URANIUM COMPANY, INC.
SAN JUAN COUNTY, UTAH

Summary, Conclusions, and Recommendations

By Randall T. Chew III
Geologist
Geological Survey

Carl Belser
Mining Engineer
Bureau of Mines

DMEA OPERATING OFFICE
5-20-55
(date)

TRANSMITTED
MAY 12 1955

DMEA 3697

GLENWOOD AND DIXIE GROUPS
SURPLUS URANIUM COMPANY, INC.
SAN JUAN COUNTY, UTAH

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Randall T. Chew III and Carl Belser

Surplus Uranium Company, Inc., Ray C. Clark, president, Box 267, Graham, Texas, has applied for Defense Minerals Exploration Administration aid in a project estimated to cost $27,109.21, to explore the Glenwood and Dixie groups by 6,600 feet of rotary drilling.

A field investigation was made on April 5, 1955, by an examining team from the Geological Survey and the Bureau of Mines. Ray C. Clark, president of the Surplus Uranium Company, Inc., accompanied the team and represented the applicant.

The Glenwood and Dixie groups are in Montezuma Canyon in secs. 24 and 25, T. 37 S., R. 24 E., Salt Lake meridian, and secs. 19 and 30, T. 37 S., R. 25 E., Salt Lake meridian, San Juan County, Utah.

The exposed rocks on the property consist mostly of the Salt Wash member of the Morrison formation of the Upper Jurassic with some of the overlying Westwater Canyon member outcropping on the extreme east end of the claim group.

Sandstone forms about 50 percent of the Salt Wash member in the Montezuma Canyon area. In areas where minable ore deposits occur, the sandstone lenses thicken and may coalesce to form from 70 to 90 percent of the Salt Wash. There are hundreds of vanadium occurrences known in the Montezuma Canyon area, but none appear to contain large

tonnages of uranium ore or to be exceptionally high in grade. They occur scattered at random throughout the Salt Wash sandstone. The Salt Wash member on the Glenwood-Dixie claims appears to be about average for the area. About 7 tons of low grade uranium ore have been shipped from the 4 short adits on the claims.

Because sandstone lenses are thin, and because the history of the entire Montezuma Canyon area has been adverse to the discovery of substantial ore bodies, the examining team recommended that the application be denied.

DMEA 3697

GLENWOOD AND DIXIE GROUPS
SURPLUS URANIUM COMPANY, INC.
SAN JUAN COUNTY, UTAH

Engineering Report

By Carl Belser
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
5-20-55
(date)

DMEA 3697

GLENWOOD AND DIXIE GROUPS
SURPLUS URANIUM COMPANY, INC.
SAN JUAN COUNTY, UTAH

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Estimated cost of project	5
Estimated cost of rotary drilling	5
Summary cost of project	7
Conclusions	7
Recommendations	7

ILLUSTRATIONS

Figure	Follows page
1. Location map, Glenwood and Dixie groups, Surplus Uranium Company, Inc., San Juan County, Utah	2
2. Claim map, showing proposed exploration, Glenwood and Dixie groups, Surplus Uranium Company, Inc., San Juan County, Utah	2

DMEA 3697

GLENWOOD AND DIXIE GROUPS
SURPLUS URANIUM COMPANY, INC.
SAN JUAN COUNTY, UTAH

ENGINEERING REPORT

By

Carl Belser

INTRODUCTION

Surplus Uranium Company, Inc., Box 267, Graham, Texas, on February 15, 1955, submitted an application for Defense Minerals Exploration Administration assistance on the Glenwood and Dixie groups of claims in San Juan County, Utah. The application, DMEA 3697, requested aid in completing 6,600 feet of rotary drilling at an estimated cost of $27,109.21. This proposed exploration was to test the Salt Wash member of the Morrison formation for uranium mineralization.

A joint field inspection was made by a Geological Survey and Bureau of Mines examining team on April 5, 1955. The examining team, as a result of their investigations, recommended that the application be denied.

ACKNOWLEDGMENTS

Ray C. Clark, president of Surplus Uranium Company, Inc., accompanied the examining team and represented the applicant.

W. P. Williams, geologist, Colorado Plateau District, Geological Survey, Grand Junction, Colorado, assigned Randall T. Chew III,

geologist, to make the examination as the Geological Survey member of the team.

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

LOCATION, TOPOGRAPHY, AND CLIMATE

The Glenwood and Dixie groups consist of seventeen 600- by 1500-foot unpatented claims and 3 unpatented fractions in secs. 24 and 25, T. 37 S., R. 24 E., Salt Lake meridian and secs. 19 and 30, T. 37 S., R. 25 E., Salt Lake meridian, San Juan County, Utah (figs. 1 and 2).

The claims are near the confluence of Monument and Montezuma canyons at estimated altitudes of from 4,700 feet to 5,100 feet.

Monticello, Utah, is 35 miles northwesterly from the claims and is reached over a winding road which is graded for the first 20 miles, graveled for the next 10, and paved for the last 5 miles. Moab and Thompson, Utah, are, respectively, 58 and 94 miles north of Monticello over U. S. Highway 160.

Labor, supplies, and light equipment can be obtained in Monticello and Moab. The nearest railroad is the Denver and Rio Grande Western at Thompson. Native timber and dimension lumber can be purchased at Moab and Monticello. Water for drilling purposes can be hauled from a nearby well, and water for domestic purposes can be trucked from Monticello. Ore buying depots are at Monticello and Moab.

Rainfall is light and the country is classed as semi-arid. Mining can be carried on throughout the year, but traffic on dirt and access roads becomes disrupted with heavy rains and spring thaws.

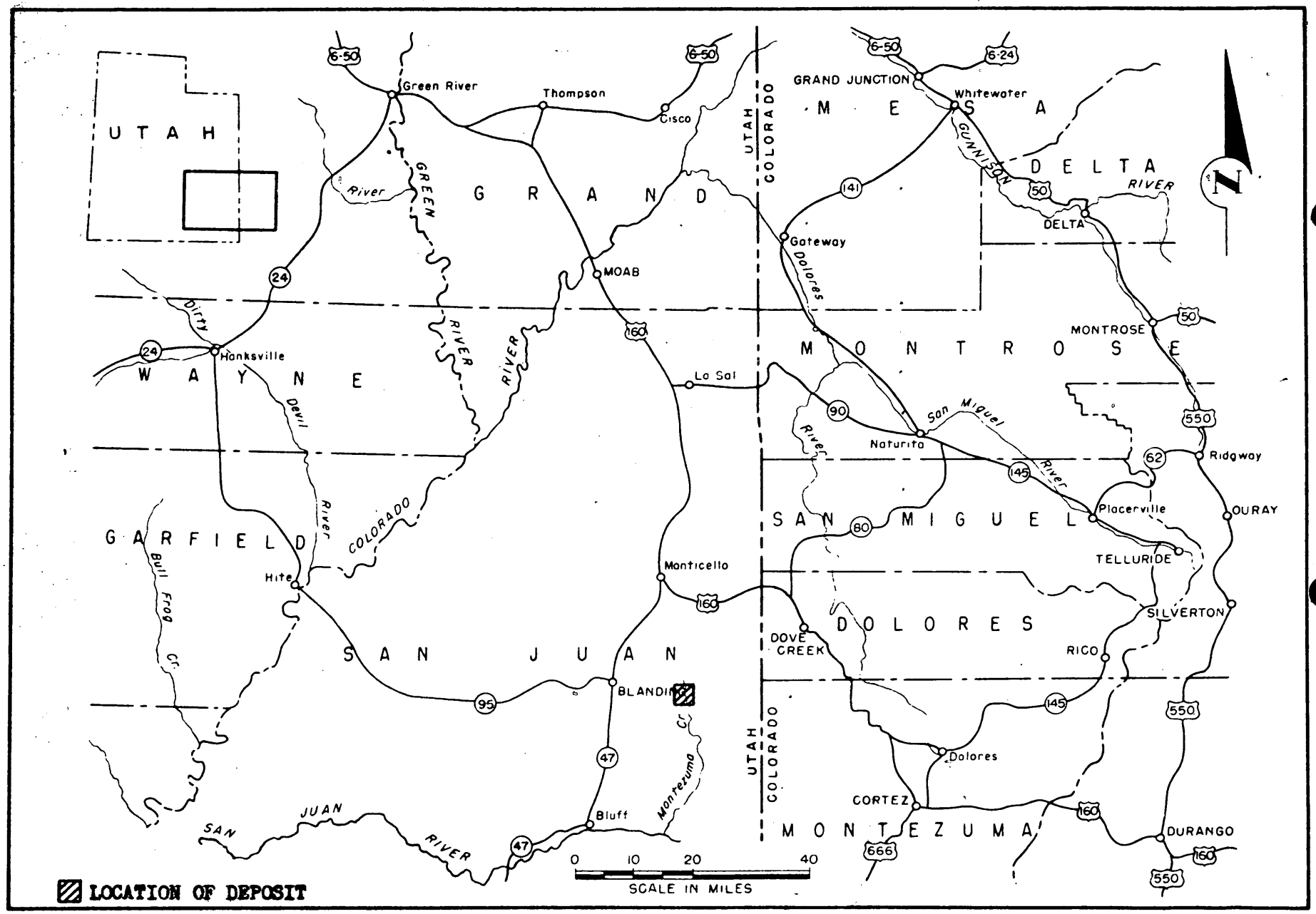


FIGURE 1 - LOCATION MAP, GLENWOOD AND DIXIE GROUPS, SURPLUS URANIUM COMPANY, INC., SAN JUAN COUNTY, UTAH. DMEA 3697

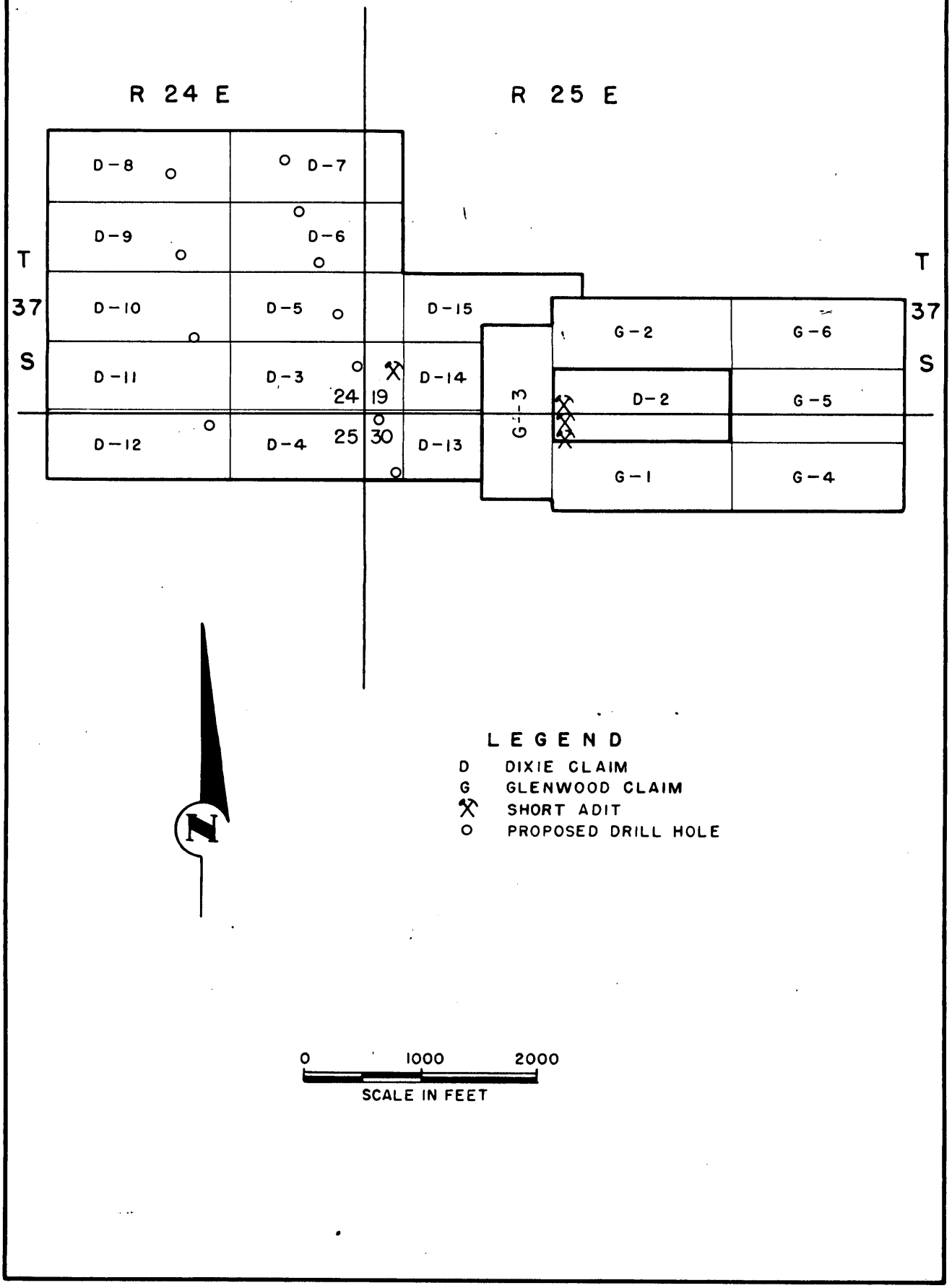


FIGURE 2 – CLAM MAP, SHOWING PROPOSED EXPLORATION, GLENWOOD AND DIXIE GROUPS, SURPLUS URANIUM COMPANY, INC., SAN JUAN COUNTY, UTAH. DMEA 3697

HISTORY AND PRODUCTION

Prospecting for vanadium became active in Montezuma Canyon after the road was built during World War II and again following the introduction of the Government buying schedules in 1948. The Glenwood and Dixie claims were bought from Ray Vogeley by Wright, Clark, and Senkel, Inc., (Surplus Uranium Company, Inc.) in 1954, and some access roads, a small amount of long-hole drilling, and four short adits, aggregating 100 feet in length, have been completed by the present owners. In driving these adits, 13,960 dry pounds of ore containing 0.100 percent U_3O_8 and 1.50 percent V_2O_5, were saved and shipped. The ore contained 6.2 percent $CaCO_3$. The best uranium mineralization is in the three small adits on the Dixie No. 2 claim. Just to the east of these adits a number of holes have been drilled into the uranium-mineralized sandstone lens, but only one hole penetrated uranium mineralization.

OWNERSHIP AND EXTENT

The property consists of 20 unpatented claims in a solid block in secs. 24 and 25, T. 37 S., R. 24 E., Salt Lake meridian and secs. 19 and 30, T. 37 S., R. 25 E., Salt Lake meridian, San Juan County, Utah (fig. 2).

The claims were purchased from Ray Vogeley by the present owners in 1954, surveyed by the San Juan Surveying Service in July 1954, and recorded in the office of the County Recorder of San Juan County, Utah, as follows:

Claim	Book	Page	Date Recorded	Date Discovered	Locator
Dixie No. 2	253	411	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 3	253	417	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 4	253	418	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 5	253	418	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 6	253	412	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 7	253	412	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 8	253	419	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 9	253	419	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 10	253	420	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 11	253	420	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 12	253	421	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 13 Fr.	253	413	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 14 Fr.	253	413	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Dixie No. 15 Fr.	253	414	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Glenwood No. 1	253	414	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Glenwood No. 2	253	415	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Glenwood No. 3	253	415	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Glenwood No. 4	253	416	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Glenwood No. 5	253	416	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.
Glenwood No. 6	253	417	12/11/54	11/15/54	Wright, Clark, and Senkel, Inc.

Ownership of the claims is stated by the applicant to be:

Surplus Uranium Company, Inc. - 50 percent.
Wright, Clark, and Senkel, Inc. - 50 percent.

DESCRIPTION OF DEPOSITS

The exposed rocks on the Glenwood and Dixie claim groups are mostly of the Salt Wash member of the Morrison formation of Jurassic age with some rocks of the overlying Westwater Canyon member on the extreme eastern portion of the claim block.

The known uranium mineralization occurs near the bottom of a flat-dipping sandstone lens from 20 to 30 feet thick. The best exposure is in the adits on the Dixie No. 2 claim where the vanadium-uranium mineralization ranges from zero to 16 inches in thickness and is underlain by a green mudstone. Cover over the adits is light and the area to the

east has been drilled from surface. Only one hole is reported to have penetrated uranium mineralization.

MINABLE ORE RESERVES

There are no known minable ore reserves on the property.

PRESENT STATUS

Exploration and Development

Exploration and development consists of four short adits aggregating about 100 feet in length and a number of short wagon-drill holes.

Mining and Milling Equipment and Other Facilities

There is no mining or milling equipment on the property. Facilities consist of three access roads.

PROPOSED EXPLORATION

The applicant proposed to explore the Salt Wash member with 6,600 feet (16 holes) of rotary drilling.

The total overall cost was estimated at $27,109.21.

ESTIMATED COST OF PROJECT

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

Estimated Cost of Rotary Drilling

Independent contracts

Bulldozing roads and drill sites - 200 hours at $12.00/hr. and $300.00 transportation	$ 2,700.00	
Plug-bit drilling - 5,600 feet at $2.00/ft.	11,200.00	
Core drilling - 1,000 feet at $4.00/ft.	4,000.00	
Stand-by time - 16 hours at $7.50/hr.	120.00	
Reconditioning holes, pulling cores, reaming - 32 hours at $10.00/hr.	320.00	
Total independent contracts		$18,340.00

Labor and supervision		
Labor		
Operator for drilling and shooting equipment - 96 hours at $2.10/hr.	$ 201.60	
Operator's helper - 96 hours at $1.85/hr.	177.60	
Supervision		
Superintendent - 320 hours at $4.00/hr.	1,280.00	
Geologist - 30 days at $125.00/day	3,750.00	
Engineer - 10 days at $125.00/day	1,250.00	
Total labor and supervision		$6,659.20
Operating materials and supplies		
Dynamite - 10 cases at $10.42/case	104.20	
Drill bits - 100 at $0.21/each	21.00	
Electric detonators - 100 at $0.24/each	24.00	
Jackhammer oil - 5 gallons at $2.00/gal.	10.00	
Motor oil - 24 quarts at $0.40/quart	9.60	
Total operating materials and supplies		168.80
Operating equipment		
Rental		
1 - 125-c. f. m. Leroi air compressor, 1 - 45-pound Cleveland jackhammer, and 1 - 30-shot electric detonator, fuel, replacements to equipment, etc. - 96 hours at $5.90/hr., plus $35.00 transportation	601.40	
1 - 1954 Willys 1-ton truck - 40 days at $16.00/day	640.00	
1 - 18-foot house trailer - 40 days at $1.00/day, plus $25.00 transportation	65.00	
Total operating equipment		1,306.40
Initial rehabilitation and repairs		
None		
New buildings, improvements, etc.		
None		
Miscellaneous		
Analytical work (shown under engineering and geological supervision)		
Accounting - (estimated)	100.00	
Liability and compensation insurance and payroll taxes	34.81	
Total miscellaneous		134.81
Contingencies (estimated)		500.00
Total estimated cost for 6,600 feet of rotary drilling		$27,109.21
Average cost per foot of drilling		$ 4.11

Many of the applicant's costs are too high and total costs could be reduced by about $6,000.00. Moreover, it is doubtfull if the entire Salt Wash formation would need to be drilled in each hole.

SUMMARY COST OF PROJECT

(Applicant's estimate)

6,600 feet of rotary drilling at $4.11 per foot	- $27,126.00
Government participation, 75 percent	- 20,344.50

CONCLUSIONS

The grade of the 7 tons of ore shipped from the adits (0.11 percent U_3O_8) is low, the sandstone lens in which it occurred is thin, and good channels are not discernible. The history of mining in Montezuma Canyon is not conducive for the expectation of substantial deposits of uranium ore.

RECOMMENDATIONS

It is recommended that the application be denied.

/cm

IN REPLY REFER TO:
DMEA

Date Rec'd.
MAY 6 1955
BUREAU OF MINES
Denver, Colorado

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

May 5, 1955

TRANSMITTED
MAY 12 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3697 (Uranium), The Surplus Uranium Company, Dixie and Glenwood claim groups, San Juan County, Utah

Enclosed herewith are 10 copies of a geologic report by R. T. Chew, III, covering a field examination of the subject property.

Located in the vicinity of Montezuma Canyon, the claims are in an area of many small, scattered deposits of marginal to submarginal grade ore. Chew concludes that the lithologic conditions on the property appear to be unfavorable for the occurrence of a significant amount of uranium ore and, therefore, recommends that the application be denied.

I concur.

for DRMacLaren
E. N. Harshman
Member, Field Team

Enclosures (10)

DRMacLaren:arh

RECEIVED BY
DMEA [illegible]
5-20-55
(8860)

MINERAL DEPOSITS
DMEA
RECEIVED
MAY 4 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STAGES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. BOX 360
Grand Junction, Colorado

April 25, 1955

Memorandum

To: E. N. Harshman

From: W. P. Williams

Subject: DMEA 3697, The Surplus Uranium Company, Dixie and Glenwood claim groups, San Juan County, Utah

Transmitted herewith are eleven copies of a geologic report by R. T. Chew III covering a field examination of the above referenced property.

The property is located in the vicinity of Montezuma Canyon. The Montezuma Canyon region is noted for small scattered uranium deposits of marginal or low grade. Lithologic conditions on the property appear unfavorable for the occurrence of significant uranium ore body. Chew recommends that the application for DMEA assistance be denied. I concur with Chew's recommendation.

Mr. Louis Garbrecht in the Atomic Energy Commission, Grand Junction Operations Office was asked for advice in evaluating the property.

We are returning to you herewith the brochure covering this application.

WWilliams

W. P. Williams
Geologist

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
5-20-55
(date)

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

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

DMEA 3697, The Surplus Uranium Company, Dixie and Glenwood claim groups, San Juan County, Utah

Uranium

Geologic Report

by

R. T. Chew III
U. S. Geological Survey

April 1955

Reviewed by
DMEA OPERATING COMMITTEE
5-20-55
(date)

DMEA 3697

INTRODUCTION AND SUMMARY

The Surplus Uranium Co., P. O. Box 267, Graham, Texas, requested DMEA aid in an exploration program on the Dixie-Glenwood group (Dixie Nos. 2-15, Glenwood Nos. 1-6) located in secs. 19 and 30, T. 37 S., R. 25 E., and secs. 24 and 25, T. 37 S., R. 24 E., San Juan County, 31 miles southeast of Monticello, Utah. The property is in Monument Canyon about one mile above the junction with Montezuma Canyon (figs. 1 and 2). The proposed project consisted of about 16 diamond-drill holes totaling about 6,600 feet and the necessary bulldozer work and other expenses. The project would cost $27,109.21 of which the Government's share would be $20,331.90.

The property was inspected on April 5, 1955, by R. T. Chew III and Carl Belser representing the U. S. Geological Survey and the U. S. Bureau of Mines respectively and Ray Clark representing the applicants.

Literally hundreds of uranium-vanadium occurrences are known in the Montezuma Canyon area where these claims are located. Most of these occurrences contain a few tons of marginal or sub-ore grade uranium and low-grade vanadium ore. Several small uranium shows exist on the Dixie-Glenwood group. About 7 tons of ore blended from three adits have been shipped that contained 0.10 percent U_3O_8, 1.50 percent V_2O_5, and 6.2 percent lime. However, lithologic conditions appear unfavorable for the occurrence of an economic ore body and it is recommended that the application be denied.

GEOLOGY AND ORE DEPOSITS

The Dixie-Glenwood claims are very near or at the top of the Salt Wash member of the Morrison formation. In the Montezuma Canyon area the Salt Wash is over 300 feet thick and thickens to the north and east to over 400 feet thick in Cross Canyon. It consists of a series of sandstone lenses separated by reddish-brown siltstones. The sandstone lenses are gray-white to buff. They average about 30 feet thick but range in thickness from a knife edge to over 100 feet thick and are more persistent in the Montezuma Canyon area than elsewhere on the Colorado Plateau.

In lower Monument Canyon the Salt Wash is overlain by at least 250 feet of the Westwater Canyon member of the Morrison. This sand is essentially similar to the Salt Wash but can be differentiated by its more yellow color on the weathered outcrop.

The Dixie-Glenwood group is located in what appears to be the top Salt Wash lens. The lens is about 15 feet thick, several thousand feet long and does not form an obvious channel on the claims. The sandstone is medium-grained, is composed of about 95 percent quartz and 5 percent orange chert and contains abundant limonite specks. The upper 5 feet is poorly bedded and crossbedded sand. The lower 10 feet contains abundant interbedded siltstone seams and galls and a few conglomerate lenses less than 5 feet long and 1 foot thick. The sandstone lens is underlain by red thin-bedded siltstone about 20 feet thick. The top 1 foot of the siltstone is altered to a green color.

The D-1 and D-2 "mines" and the original discovery adit on the Dixie No. 2 claim are all in the same mineralized zone, and are only about 30 feet apart. Each adit is 10 to 20 feet long. The mineralized zone is about 75 feet long and ranges in thickness from a knife edge to about 10 inches. It is apparently localized along and below a diastem. Black vanadium minerals impregnate the sandstone immediately under the diastem and some yellow uranium minerals occur along fracture surfaces. The mineralized zone is thickest for about four feet under a siltstone pebble conglomerate; and it is sub-ore grade throughout most of its length as tested in the field with a scintillometer. In the D-2 adit, the mineralized zone fades and disappears about 4 feet in from the portal. A mineralized tree more than 8 feet long occurs in the sandstone above the mineralized horizon, and some vanadium minerals impregnate the sandstone adjacent to the tree. At the portal of the D-1 "mine" the mineralized zone is 1 to 2 feet thick but of sub-ore grade. The drift, which was driven below the mineralized zone, shows no radioactivity.

Coalified and charcoal wood and bone are common in the sand below the mineralized zone but are rarely mineralized.

The D-3 "mine" an adit about 10 feet long contains a 1-foot-thick zone about 75 feet long which contains black and gray vanadium minerals at the same horizon as the D-1 and D-2. This zone is not sufficiently radioactive to indicate the presence of uranium ore. It is underlain by 5 feet of limonite-impregnated sandstone which is in turn underlain by 1 to 2 feet of limonite-impregnated siltstone. Below the limonite-impregnated zone the siltstone is red though about 1 foot is altered to green immediately under the limonitic zone. Away from the mineralized area the Salt Wash sand is red.

Other similar but smaller vanadium occurrences are reported to occur on the Dixie-Glenwood group. A few of these were visited but none appear to be significant.

About 7 tons of ore containing 0.10 percent U_3O_8, 1.50 percent V_2O_5 and 6.2 percent lime have been shipped from this property. The shipment represented a blending of material from all three "mines". About 5 tons of ore are stockpiled at the D-2. Less than 10 more tons are in sight in the D-1 and D-2 together and no uranium ore is in sight at the D-3. The ore zone appears to pinch out within a few feet of the surface in all the adits. The applicant has drilled a line of about 10 jackhammer holes 20 feet deep about 50 feet behind the workings. The holes are deep enough to test the mineralized zone exposed in the adits, but none of the holes showed mineralization except one on the north end of the line which showed 14 inches of ore grade radioactivity.

Uranium ore occurs in many zones in the Salt Wash in the Montezuma Canyon area but most of the ore is concentrated in the upper third of the unit. This concentration in the upper third is also typical for many Salt Wash deposits elsewhere on the Colorado Plateau. Less than a hundred feet of the upper Salt Wash is exposed at the Dixie-Glenwood claims. Farther south down Montezuma Canyon erosion has cut less and less into the Morrison until in most places the lowest unit exposed is the Brushy Basin member.

The Salt Wash of Montezuma Canyon has been thoroughly explored in recent years and exploration activity in the area is intense at the present. No discoveries of important size have recently been made; the best mines of the area have all been known and operated during and since World War II. The best deposits in the Montezuma Canyon area All occur in sandstone lenses 80 to 100 feet thick, though all thick lenses do not contain large deposits. The largest group of mines in the area, in middle Montezuma Canyon about 20 miles north of the subject claims has produced about 4,600 tons of ore. The Bradford Canyon group of mines about 5 miles northwest of the subject claims has produced slightly over 1,000 tons of ore. Nearly all of the uranium deposits in the Montezuma Canyon area have have contained only a few tons of low grade or sub-ore grade material concentrated along diastems within the Salt Wash lenses and also concentrated by wood and trashy material.

The top of the mineralized sand lens at the D-1 and D-2 "mines" forms a bench for several hundred feet behind the adits. This bench forms a good site for a jackhammer drilling project which could adequately test the possible occurrence of one or more ore bodies which, though small, might be minable because of the shallow depth and economy, with which they could be explored. A small program of this type would adequately test the uranium potential of the property.

PROPOSED EXPLORATION

The applicant proposed a drilling program consisting of about 16 diamond-drill holes in three irregular lines with the holes about 400 feet apart covering all the claims listed in the Application for Aid. The project would consist of about 6,600 feet of drilling along with the necessary bulldozer work and other expenses. The project would cost $27,109.21 of which the Governments share would be $20,331.90. Some of the access roads are already built but more bulldozer work and blasting would be necessary to reach some of the proposed sites on the Westwater Canyon sandstone.

CONCLUSIONS AND RECOMMENDATIONS

The mineralized outcrops on the Dixie-Glenwood group appear to be similar to most of the mineralized outcrops in the Montezuma Canyon area and therefore probably do not represent an economic ore body. Also, the sandstone lens which is only about 15 feet thick and is underlain by 20 feet of red siltstone appears too thin to be considered favorable for the occurrence of a major ore body. Thus it appears that little or no possibility exists that there is a significant ore body on the property and it is recommended that the application be denied.

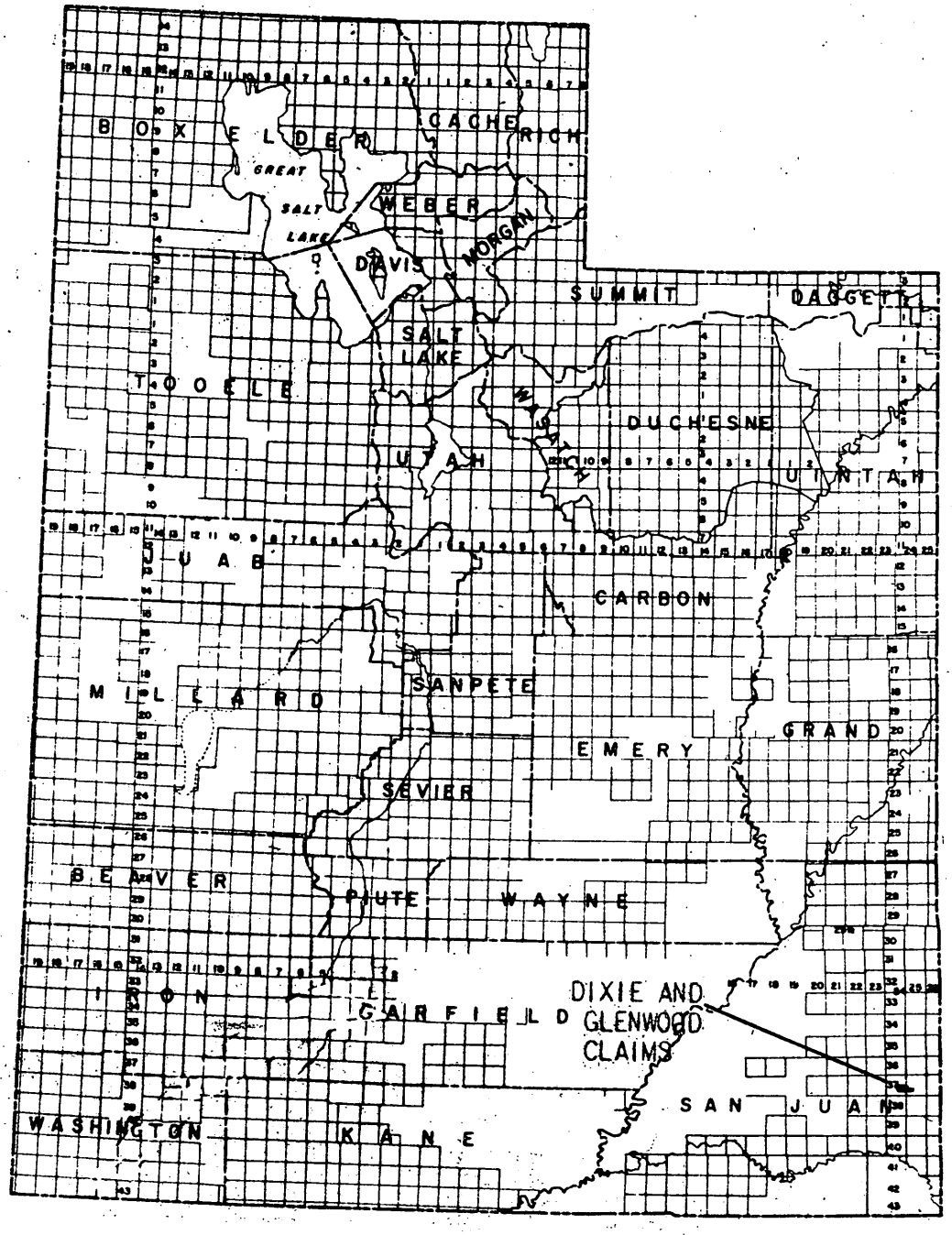


Figure 1. INDEX MAP OF UTAH SHOWING LOCATION OF THE DIXIE AND GLENWOOD CLAIMS, SURPLUS URANIUM COMPANY, AND WRIGHT, CLARK AND SENKEL, INC., SAN JUAN COUNTY, UTAH

Surname 700

Murphy
Ellis
Kulsgaard
Hedges
Martin

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

MAR 11 1955

The Surplus Uranium Co., Inc., and
Wright, Clark and Senkel, Inc.
P. O. Box 267
Graham, Texas

Re: Docket No. DMEA-3697 (Uranium)
Dixie and Glenwood claim groups
San Juan County, Utah

Gentlemen:

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

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

The Regional Office will contact you in regard to your project if additional information is required.

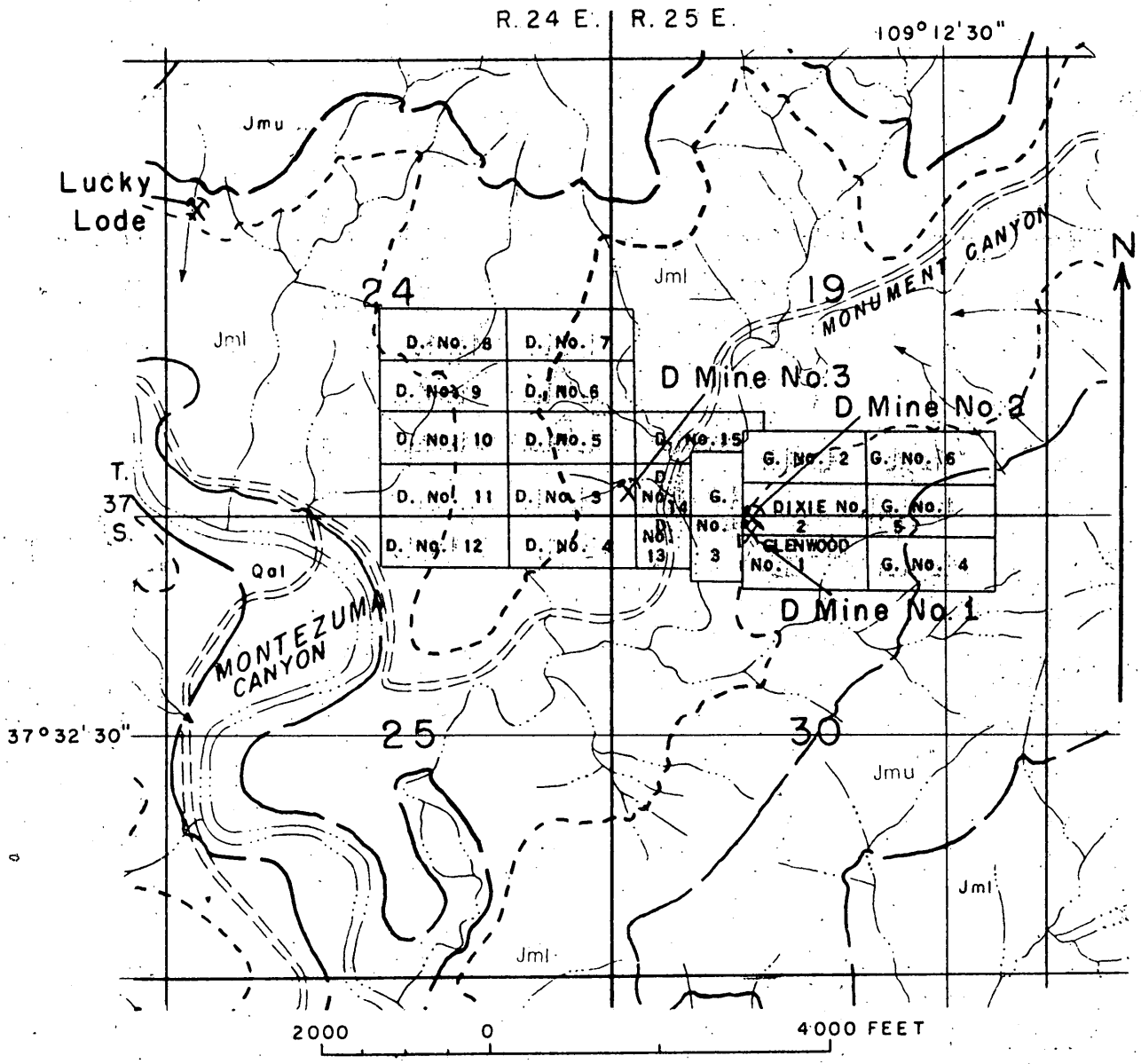
Sincerely yours,

C. O. Mittendorf (fw)

Administrator

FMMurphy:am
3-10-55
cc to: Admr. Reading File
Docket
Code 700
Mr. Murphy
DMEA Field Team, Region III(2)

R.G.H.



EXPLANATION

Qal — ALLUVIUM

Jmu / Jml — JURASSIC MORRISON FORMATION
BRUSHY BASIN SHALE MEMBER (Jmu). WESTWATER CANYON MEMBER, RECAPTURE MEMBER, AND SALT WASH SANDSTONE MEMBER UNDIVIDED (Jml). DASHED LINE IN Jml SHOWS POSITION OF CARNOTITE-BEARING SANDSTONE

FORMATION CONTACT

Note: BASE FROM U.S. GEOLOGICAL SURVEY PHOTOGEOLOGIC QUADRANGLE MAP VERDURE 15

Figure 2. GEOLOGIC MAP OF THE DIXIE AND GLENWOOD CLAIMS AND VICINITY, SURPLUS URANIUM COMPANY, AND WRIGHT, CLARK AND SENKEL, INC., SAN JUAN COUNTY, UTAH

Surname 700
Murphy
Ellis
Martin

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

MAR 11 1955

Mr. [illegible] Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3697 (Uranium)
The Surplus Uranium Co., Inc.,
and Wright, Clark and Senkel, Inc.,
Dixie and Glenwood claim groups
San Juan County, Utah

Dear Mr. Traver:

The captioned application is referred to Region III Field Team for a field examination and recommendation. A copy of the application was retained by your office.

Enclosed are copies of memoranda from John E. Crawford, dated March 1, and R. D. Trace, dated March 7, 1955, members of the Uranium Commodity Committee.

We note that the estimated costs of a few of the proposed work items are quite high, especially those for access roads to drill sites and supervision.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (SWB)

Enclosures

APPROVED:

J. H. Hedges

Member, Bureau of Mines (SWB)

Thor H. Kiilsgaard

Member, Geological Survey (SWB)

FMMurphy:am
3-9-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm.3210,GSA
Code 700
Mr. Murphy

R.L.S.

3/8/55 gla

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 8 - 1955

March 7, 1955

Re: DMEA-3697
The Surplus Uran.
Co., Inc.
Dixie & Glenwood Group
Montezuma Canyon area
San Juan Co., Utah
$27,109.21 - Uranium

Memorandum

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

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

Subject: Review of application

According to USGS Map MF 16, the Montezuma Canyon area contains many and generally small uranium deposits in the Salt Wash member of the Morrison formation.

Three short adits have been driven on the applicant's claims; seven tons of low grade ore was produced from one adit. Apparently the "ore" in all 3 adits was uneconomic; also, development type drilling in front of the adits' faces was not encouraging.

The known mineralization justifies an examination of the area. Unless, however, the Field Team indicates that, say rim outcrops and other data suggest a fairly substantial block of "favorable" ground -- I doubt that little if any exploration would be worthwhile. The targets may be too tiny.

Incidentally, Photogeologic Map Verdure 15 covers the area.

Bob Trace
R. D. Trace

IN REPLY REFER TO:

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

MAR 8 1955

March 7, 1955

Re: DMEA-3497
The Surplus Uran.
Co., Inc.
Dixie & Glenwood Group
Montezuma Canyon area
San Juan Co., Utah
$27,109.21 - Uranium

Memorandum

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

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

Subject: Review of application

According to USGS Map MF 16, the Montezuma Canyon area contains many and generally small uranium deposits in the Salt Wash member of the Morrison formation.

Three short adits have been driven on the applicant's claims; seven tons of low grade ore was produced from one adit. Apparently the "ore" in all 3 adits was uneconomic; also, development type drilling in front of the adits' faces was not encouraging.

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Incidentally, Photogeologic Map Verdure 15 covers the area.

R. D. Trace

RDTrace:hlm
G-3/7/55

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

3/2/55 gla

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

March 1, 1955

RECEIVED
MAR 1 - 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3697, Surplus Uranium Co., Inc., and Wright, Clark and Senkel, Inc.

I have reviewed the application of Surplus Uranium Company, Inc., and Wright, Clark and Senkel, Inc., a joint venture, DMEA Docket 3697. The application was discussed with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We recommend that the application be referred to the Field Team for examination and report, and suggest that the Field Team consult with Ernest Gordon, Atomic Energy Commission, Grand Junction, Colorado, about the geologic favorability of the area included in the applicant's claims.

John E. Crawford

John E. Crawford

Attachment

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

February 24, 1955
Subject: DMEA 3697
Re: Exploration Assistance
Dixie and Glenwood Groups
San Juan County, Utah

The Surplus Uranium Co., Inc. &
Wright, Clark & Senkel, Inc.
P. O. Box 267
Graham, Texas

Gentlemen:

The receipt of your application dated (not dated) for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3697 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 24, 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 - 3697 The Surplus Uranium Co., Inc. & Wright, Clark & Senkel, Inc.

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

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

224 New Customhouse
Denver 2, Colorado

February 21, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), The Surplus Uranium Co., Dixie and Glenwood Claim groups, (Dixie mine), San Juan County, Utah

Enclosed are three copies of the subject application for Government assistance to explore the applicant's property for uranium at an estimated cost of $27,109.21. One copy of the application has been retained in this office.

W. M. Traver

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

February 21, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), The Surplus Uranium Co., Dixie and Glenwood Claim groups, (Dixie mine), San Juan County, Utah

Enclosed are three copies of the subject application for Government assistance to explore the applicant's property for uranium at an estimated cost of $27,109.21. One copy of the application has been retained in this office.

W. M. Traver

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd.
FEB 16 1955

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

RECEIVED

BUREAU OF MINES

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

Not to be filled in by applicant.

Docket No. 3697
Metal or Mineral Uranium
Date Received 2-24-55
Estimated Cost $27,109.21
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: THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC., P. O. BOX 267, Phone 2016 GRAHAM, TEXAS.

(*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. REFER TO ATTACHED SHEET #1

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. REFER TO ATTACHED SHEET #1

(*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 REFER TO ATTACHED SHEET #2

(*b*) State any mine name by which the property is known. REFER TO ATTACHED SHEET #3

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise REFER TO ATTACHED SHEET #3

(*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. OWNER

(*e*) If you own the land, describe any liens or encumbrances on it REFER TO ATTACHED SHEET #3

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. REFER TO ATTACHED SHEET #3

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

(*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. REFER TO ATTACHED SHEET #4

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. REFER TO ATTACHED SHEET #4

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. REFER TO ATTACHED SHEET #4

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

(*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. REFER TO ATTACHED SHEET #5

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract. REFER TO ATTACHED SHEET #5

(*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. REFER TO ATTACHED SHEET #6

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

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). REFER TO ATTACHED SHEET #7

(*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. REFER TO ATTACHED SHEET #8

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. REFER TO ATTACHED SHEET #9

(*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. REFER TO ATTACHED SHEET #10

(*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. REFER TO ATTACHED SHEET #11

(*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. SHEET #11

(*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. REFER TO ATTACHED SHEET #11

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above. REFER TO ATTACHED SHEET #11

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)? REFER TO ATTACHED SHEET #12

(*b*) How do you propose to furnish your share of the costs? REFER TO ATTACHED SHEET #12

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated ....., 195--

ATTEST:

T. A. WRIGHT, SECRETARY-TREASURER.

THE SURPLUS URANIUM CO., INC.
(Applicant)

By RAY C. CLARK, PRESIDENT.

ATTEST:

SPENCER B. FLINT, SECRETARY.

WRIGHT, CLARK & SENKEL, INC.

BY T. A. WRIGHT, PRESIDENT.

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

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

RECEIVED

1. NAME OF APPLICANT

(a) The Surplus Uranium Co., Inc.
Box 568
Monticello, Utah

(ALL CORRESPONDENCE SHOULD BE ADDRESSED TO P. O. BOX 267, GRAHAM, TEXAS.)

The Surplus Uranium Co., Inc. was organized and incorporated under the laws of the state of Utah.

Ray C. Clark, President, Box 267, Graham, Texas
Wesley Senkel, Vice-President, Box 267, Graham, Texas
T. A. Wright, Sec. & Treas., Box 267, Graham, Texas

Wright, Clark & Senkel, Inc.
Box 267, Graham, Texas

Wright, Clark & Senkel, Inc. was organized and incorporated under the laws of the state of Texas.

T. A. Wright, President & Treasurer
Wesley Senkel, Vice-President
Spencer Flint, Secretary
Ray C. Clark, Vice-President

(d) Joint venture of the above corporations.

3. (a) Seventeen claims and three fractions, unpatented, which make the Dixie and Glenwood Groups, located in Sections 19, 24, 25, & 30, T 37 S, R 24 & 25 E, San Juan County, Utah. Surveyed by San Jaun Surveying Service, Monticello, Utah, July 1954 by Frank S. Sherer, Registered Land Surveyor #1361.

CLAIM & NUMBER	PAGE	BOOK
Dixie #2	411	253
Dixie #3	417	"
Dixie #4	418	"
Dixie #5	418	"
Dixie #6	412	"
Dixie #7	412	"
Dixie #8	419	"
Dixie #9	419	"
Dixie #10	420	"
Dixie #11	420	"
Dixie #12	421	"
Dixie #13 (fraction)	413	"
Dixie #14 (fraction)	413	"
Dixie #15 (fraction)	414	"
Glenwood #1	414	"
Glenwood #2	415	"
Glenwood #3	415	"
Glenwood #4	416	"
Glenwood #5	416	"
Glenwood #6	417	"

Total of 17 claims and 3 fractions substantiated by maps in geological report.

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

3. (b) Dixie Mine #1 - Located on Dixie Claim #2, length of tunnel 30'.
Dixie Mine #2 - Located on Dixie Claim #2, length of tunnel 28'.
Dixie Mine #3 - Located on Dixie Claim #3, length of tunnel 15'.

(c) Ownership as follows:

The Surplus Uranium Co., Inc. 50%
Wright, Clark & Senkel, Inc. 50%
No encumbrances

(d)

(e) No leins or encumbrances.

(f) All claims with book and page numbers listed under instruction #3(a).

THE SURPLUS URANIUM CO., INC., & WRIGHT, CLARK & SENKEL, INC.
P. O. BOX 267,
GRAHAM, TEXAS.

4. (a) Physical description is included in geological report which is attached to this application. All mining and other operations are described in geologist report and were conducted by the present owner. Accessibility of mine workings discussed in question #4(d).

(b) Past production - 13,960 lbs. net ore
See ore settlement sheet attached.
Ore reserve unknown, grade and quantities unknown.

(c) Geologic features of the property covered by geological report. Reasons for wishing to explore is based on the geologist recommendation, our own observations and money spent to date. We feel that question is adequately answered in "Foreword" of geologist's report.
NOTE: Please accept geological report as part of this application, and not to be returned. Maps and sketches are a part of geologic report.

(d) These properties lay 35 miles south from shipping, supply, and resident point, Monticello, Utah. Access roads consist of 5 miles paved highway (State Highway 47), thence east and south 30 miles (good graveled road maintained by county) in Montezuma Canyon, thence northeast 1 mile graded road to mines in the base of Monument Canyon.

(e) Man power is available and adequate. Material and supplies and equipment available in Monticello, Utah, our point of headquarters and residence. We have access to water from flowing well located 1½ miles from center of operations. Water can be used for culinary or commercial uses and at no cost. All power used in this area is from mobile power units.

5. THE EXPLORATION PROJECT

(a) Uranium bearing ores.

(b) Proposed work

(1) Extension of access roads to drill sites as recommended in geological report, Pages 2 and 3.

(2) Drilling, probing and/or coring holes of sufficient depth and spacing to cover requirements of geological recommendations. (See drill site plat in attached geologic report.)

(c) Work will start in 30 days and will be completed in 24 months or less.

5. (d) Operating experience and background

(1) RAY C. CLARK - President of the Surplus Uranium Co., Inc. will be directly responsible for all exploration work of this project. He has had 36 years oil and mining experience. Mr. Clark's extensive experience has consisted of the drilling, producing and secondary recovery work of oil and gas wells. He has, in the past, been engaged in drilling contracting of deep oil wells for major oil companies in north, central, and west Texas, and in the production of oil and gas wells owned by Wright, Clark & Senkel, Inc., of which he is Vice-President. During the past 26 years he has acted in a supervisory capacity in the oil and mining industries. These many years of varied experience in these two industries have given him the knowledge and ability to cope with the situation at hand. He is noted for his ingenuity, tenacity and accomplishments. For the past several months he has directed preparations for and exploration of the work done this far on this proposed project.

(2) R. L. SHINGLER, JR. has had varied oil field experience and was working as a driller and drilling crew foreman on an 8000 ft. capacity drilling rig for the firm of Wright, Clark and Senkel, Inc. until he was transferred to the mining division to act as superintendent of mines in Utah. Mr. Shingler, after finishing school, served 3 years as a commissioned officer and pilot in the U. S. Air Force. After separation in 1945 he commenced his work for W. C. & S., Inc. After 3 years of working in the different phases of drilling work, he was chosen to act as driller on a rig of $250,000.00 evaluation and worked in this capacity until transferred to the mining division in 1954. He is noted for his resourcefulness and ability with things mechanical, and good labor relations with men under his supervision. His past drilling and mining experience qualifies him in supervising the road building, drilling, probing and coring of this proposed project.

6. ESTIMATE OF COST

(a) Independent Contracts

(1) Bulldozier work for access roads. Contract.
Size and Type: D-7 Caterpillar with 12' angle blade. Located at Monticello, Utah, 35 miles from job. Contractor: G. R. Lewis, Aztec, N.M.
Contractor to furnish dozier and operator and all fuel, supplies, repairs and replacements of his equipment for a flat rate of $12.00 per hour.
Estimated hours: 200 ———————————— $ 2,400.00

Bulldozier transportation to and from job.
Contract haul. ———————————— 300.00
$ 2,700.00

(2) Drilling, probing and/or coring. Contract.
Size and Type: Mayhew 1000 Drilling Rig for plug drilling and coring. Located at Monticello, Utah. Contractor: Stewart Uranium Drilling Co., Inc.
Contractor to furnish as equipment:
1 - Mayhew 1000 Drilling Rig
1 - Truck mounted Air Compressor
1 - 750 gal. Water Tank
1 - Pickup Service Truck

Contractor will furnish operator and helper, all bits, drilling mud, and other necessary items for flat rate of $2.00 per foot for plug drilling.
Estimated footage: 5600 ———————————— $11,200.00

Flat rate of $4.00 per foot for coring.
Estimated footage: 1000 ———————————— 4,000.00

Flat rate of $7.50 per hour for stand-by time while holes are being probed.
Estimated hours: 16 ———————————— 120.00

Flat rate of $10.00 per hour for reconditioning holes, reaming and pulling cores.
Estimated hours: 32 ———————————— 320.00
$15,640.00

6. (b) Labor, supervision and consultants

(1)	Superintendent and his transportation at flat rates of $4.00 per hour. Estimated hours: 320 ----------	$ 1,280.00
(2)	Geologist and his transportation and expenses at a flat rate of $125.00 per day. Estimated days: 30 ----------	3,750.00
(3)	Engineer and his transportation and expenses at a flat rate of $125.00 per day. Estimated days: 10 ----------	1,250.00
(4)	Operator for drilling and shooting equipment at $2.10 per hour. Estimated hours: 96 ----------	201.60
(5)	Helper at $1.85 per hour. Estimated hours: 96 ----------	177.60
		$ 6,659.20

6. (c) Operating materials and supplies

Supplies to build access roads to drill sites.

(1)	10 Cases dynamite @ $10.42 per case -----	$ 104.20
(2)	100 Drill bits @ $ .21 each ----------	21.00
(3)	100 Electric dynamite caps @ $ .24 each --	24.00
(4)	5 gal. Jackhammer oil @ $2.00 per gal. --	10.00
(5)	24 qts. S.A.E. 20W. Motor oil @ $ .40 per quart ----------	9.60
		$ 168.80

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

6. (d) Operating equipment (Furnished by operator on contract basis)

(1) 1 - 125 C.F.M. Leroi Air Compressor

(2) 1 - 45 lb. Cleveland Jackhammer

(3) 1 - 30 shot Maximum Electric Detonater

This equipment located at Bluff, Utah, 45 miles from job.

Operator to furnish air compressor, jackhammer, detonater and all accessories including fuel, repairs and replacements to his equipment for a flat rate of $5.90 per hour.
Estimated hours: 96 ---------- $ 566.40

Transportation to job. Contract haul. --- 35.00
601.40

(4) 1 - 1954 Willys, 1 ton, 4 wheel drive pickup truck, to be used in moving air compressor accessories and supplies and for transportation of crews to and from job and general use at $2.00 per hour 8 hours a day.
Estimated days: 40 ---------- 640.00

(5) 1 - 18' House Trailer in good repair and well equipped to be used as office on the project by the supervisor and consultants, to be furnished by operator for a flat rate of $1.00 per day.
Estimated days: 40 ---------- 40.00

Trailer located at Bluff, Utah. Transportation one way to job, 45 miles. --------- 25.00
$ 1,306.40

NOTE:
Above equipment is owned and will be furnished by operator.
Use-allowance based on above flat rate.
Costs as shown above to be paid proportionately , government 75%, operator 25%.

6. (e) Rehabilitation and repairs

None

(f) New buildings, improvements, installations

None

(g) Miscellaneous

Cost of repairs to and maintenance of operating equipment. None--allowances for above have been made by operator in his flat rate charges.

(1) Analytical work

Cost of analytical work.
Allowances were made in geologist and engineer cost.

(2)	Accounting Estimated cost ----------		$ 100.00
(3)	Workmen's Compensation Insurance		14.90
(4)	Employer's Liability Insurance		2.09
(5)	Payroll Taxes	F.I.C.A. 7.58 UTAH U.C. 10.24	17.82

(h) Contingencies
Estimated cost ---------- 500.00

634.81

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

7. (a) Operator is prepared to furnish his share of cost.

(b) We propose to furnish our share of the costs in cash, to be paid as required in DMEA order #1.

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

	SUMMARY OF INSTRUCTION #6	UNIT COST
Unit A	1. Bulldozier Work Estimated cost including transportation	$ 2,700.00
	2. Drilling & Coring Estimated cost	15,640.00
Unit B.	1. Labor, Supervision, & Consultant Estimated Cost	6,659.20
Unit C.	1. Operating Materials & Supplies Estimated Cost	168.80
Unit D.	1. Operating Equipment (Furnished by operator on contract basis) Estimated Cost	1,306.40
Unit E.	1. Rehabilitation & Repairs	None
Unit F.	1. New Buildings, Improvement & Installations	None
Unit G.	Miscellaneous	
	1. Analytical Work	None
	2. Accounting Estimated Cost	100.00
	3. Workmen Compensation Insurance	14.90
	4. Employers Liability Insurance	2.09
	5. Pay Roll Taxes	17.82
Unit H.	1. Contingencies Estimated Cost	500.00
	TOTAL COST OF PROPOSED PROJECT	$ 27,109.21

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

Form No. VW51—C1

VANADIUM CORPORATION OF AMERICA

SETTLEMENT SHEET

SHEET NO. 1 LICENSE NO. P-1892 DATE 8-28/11-15-54, 195

SHIPPED BY Surplus Uran. Co. & Wright, Clark & Senkel, Inc. MINE OWNER Surplus Uran. Co.& Wright, Clark & Senkel, Inc.

ADDRESS Graham, Texas NAME OF MINE OR LEASE Dixie No. 2

LEASED TO LEASED FROM

ADDRESS ADDRESS TYPE OF ORE Carn. C-1 d

Lot No.	Gross Wt.	% H_2O	Net Weight	% $CaCo_3$	% V_2O_5	Lbs. V_2O_5	Per Lb. V_2O_5	Value V_2O_5	% U_3O_8	Lbs. U_3O_8	Per Lb U_3O_8	Value U_3O_8	Devel. Allow.	Value Total	Accts. Rec.	Balance	Lbs. $CaCo_3$
42725	14130	1.2	13960	6.2	1.50	209	.31	64.79	.100	13.96	1.50	20.94	6.98	85.31			
	Lime Penalty 6.98 tons @ 1.06							7.40									
								57.39									
	Hauling 7.065 tons x 100 miles = 706.50 ton miles @ .064													42.39			
														127.70		127.70	

OKAY TO SETTLE PER J. W. B.

CHECK NO. 6131 11-26-54 $ 127.70 TO: Surplus Uranium Company and Wright, Clark & Senkel, Inc.
CHECK NO. $ Box 267
CHECK NO. $ Graham, Texas
CHECK NO. $
CHECK NO. $ cc: Ray C. Clark Monticello, Utah
CHECK NO. $

I hereby certify that the ore described above and sold is from the DIXIE NO. 2 Mine, and that I have authority from its owner to remove and sell the same, that said ore is not encumbered by any liens or attachments and receipt of payment in full is hereby acknowledged.

Vendor

By

DIXIE AND GLENWOOD CLAIMS

San Juan County, Utah

for

The Surplus Uranium Company

Graham, Texas

FOREWORD

The purpose of this report is to outline briefly the geologic conditions existing in the Dixie and Glenwood Group of claims and to evaluate these conditions with respect to further exploration for uranium-bearing ores.

The Salt Wash sandstone member of the Morrison formation, which is the chief uranium producing formation in the Colorado Plateau is present in at least 85%, and probably 100%, of the territory held by The Surplus Uranium Company.

As of this date, it is apparent that thousands of dollars have been invested in the initial procurement of these claims, preliminary surveys, purchase of mechanized and mining equipment, and the construction of roads and trails.

Inasmuch as the Dixie and Glenwood Claims lie within the bounds of the Colorado Plateau, it should be mentioned that this physiographic province is today, and has long been, the principal source of uranium production. It is here that our greatest domestic reserves are contained and the most prolific discoveries have been made in recent years of intense exploration. In realizing that exploration has been heavily concentrated here, it also appears that, until another area is found having comparable possibilities, the Colorado Plateau will continue to hold the greatest opportunities for future discoveries of uranium reserves. Numerous formations have been found to bear uranium in more than average quantities and no one dares to predict where and under what conditions uranium can or cannot occur.

DIXIE AND GLENWOOD CLAIMS

The Dixie and Glenwood Claims are located near the junction of Monument and Montezuma Canyons in Sections 19 and 30, T37S-R25E, and Sections 24 and 25, T37S-R24E, San Juan County, Utah. This area is approximately twenty-five miles south-southeast from the town of Monticello, Utah. Within this group of twenty claims are the Dixie #2 through #15 and the Glenwood #1 through #6.

Access to the claims is afforded by State highway #47 and a good gravel road. More than one mile of bulldozed trails have been constructed within the claims. An ore-buying station and a qualified uranium mill are located at Monticello, Utah.

This staked area presents a surface consisting of relatively horizontal (several degrees dip to the south) beds of Salt Wash sandstone and shale of the Lower Morrison formation of Upper Jurassic Age. An undetermined amount of Quaternary fill forms the valley floor in the central part of the area. To the east and west of this locale there exists a massive section of Salt Wash which is presented as several distinct vertical cliffs and shaly slopes. A ten-foot exposure of buff-colored sandstone was observed at the base of the valley wall. It is believed this is one of the beds of lower Salt Wash, and, due to insufficient outcrops, cannot be identified as the top of the Bluff sandstone which underlies the Salt Wash in this vicinity.

From a uranium-vanadium standpoint, the Salt Wash member of Lower Morrison is the predominant geologic section in the area. This sandstone appears in a series of thick, resistant ledges and broad benches. Although red and gray shales and mudstones are interbedded with the sandstone, the latter is prevalent throughout this member and ranges in color from a nearly white to gray, light buff and rusty red. The sandstone is chiefly fine to medium-fine grained, crossbedded and which appears as fluviatile origin. This strata also varies in thickness, in that, lensing or pinchouts occur, and, on occasions, other beds occupying the same stratigraphic position may wedge in. This is particularly evident in the vicinity of the Dixie Mines #1 and #2.

An estimate of exposed Salt Wash ranges from 400 to 450 feet thick whereas a total thickness may approach 600 feet. Although no definite contact is discernible, it appears the Salt Wash merges into the Westwater Canyon sandstone of mid-Morrison near the rim of the mesa in the extreme eastern part of the claims. Above this caprock of Westwater Canyon (?) is the Brushy Basin shale member of Upper Morrison. No outcrops of this latter member exist in the Dixie and Glenwood Claims,

however, several exposures can be observed from one to several miles to the north, east and south of the claims' locale.

Within the confines of the claims, there is a minimum of three distinct sandstone beds; two of these form benches above and to the east of the Dixie Mines #1 and #2, and also west of the Dixie Mine #3.

It is worthy to note that occurrences of uranium (U_3O_8) and vanadium (V_2O_5) have been discovered in the three above mentioned mines; the tunnels having penetrated the cliff-face approximately thirty feet. The mineralization ranges from one to two feet in thickness in the Dixie Mines #1 and #2, and is chiefly vanadium with remnants of radioactive and carbonaceous logs and fossil plant material. As the mineralized bed approached a pinch-out status, approximately twenty 30-foot holes were drilled, in a crescent shaped pattern, on the bench above mines #1 and #2. A radioactive probe analysis of these holes showed no major evidence of uranium ore. Although this confirms a pinchout, there, nevertheless, exists favorable possibilities of ore being at either a greater depth, through a lower Salt Wash bench, and/or further to the east. This condition also prevails below and westward of Dixie Mine #3. It is an established fact that vanadium and uranium occur in the same zones. In this respect, approximately fifteen vanadium outcrops of minor magnitude have been discovered within the limits of the Dixie and Glenwood Claims. These are located in the west and central part of Dixie #11 and #12, eastern portion of Dixie #6, northern part of Glenwood #3, and in the southern sector of Glenwood #2.

A closer study of the generalized cross section and the plat showing the Salt Wash benches will aid in understanding the feasibility of uranium ore being present in sectors further removed from the cliff-face, or tunnel entrance. This is also true with respect to mineralized bodies being encountered at varying levels and at different localities within the bounds of the claims. Producing mines are located several miles to the east and north of this group of claims. An exposure of high grade uranium ore is also situated approximately one-half mile west of the Dixie Claim #10; additional exploration and development are necessary to establish more firmly the quantity of ore.

One generally accepted theory of Salt Wash deposition suggests that the rivers entered the area from the west and southwest and, in all probability, were comparatively straight. It is therefore recommended that a minimum of four holes be drilled to depths of at least 350 feet, or through the Salt Wash, at intervals of 400 to 600 feet, commencing at the south center of Glenwood #4 thence west-northwestward. It is also recommended that a minimum of five holes be drilled to 250-300

feet, or through the Salt Wash, at intervals of 400 to 600 feet, commencing on the bench near the southeast corner of Dixie Claim #4, thence north-northwest to Dixie Claim #7. For further evaluation of these properties, it is suggested several holes be drilled to depths of 500 to 550 feet on the uppermost bench in the eastern part of Dixie Claims #8 through #12.

In conclusion, it is suggested that a constant check of the drill cuttings with a geiger counter be conducted, followed by a thorough radioactive probe analysis. Should mineralization in economic quantities be discovered, it is further recommended that a carefully planned core-drilling program ensue to evaluate and establish the areal extent of ore-bodies.

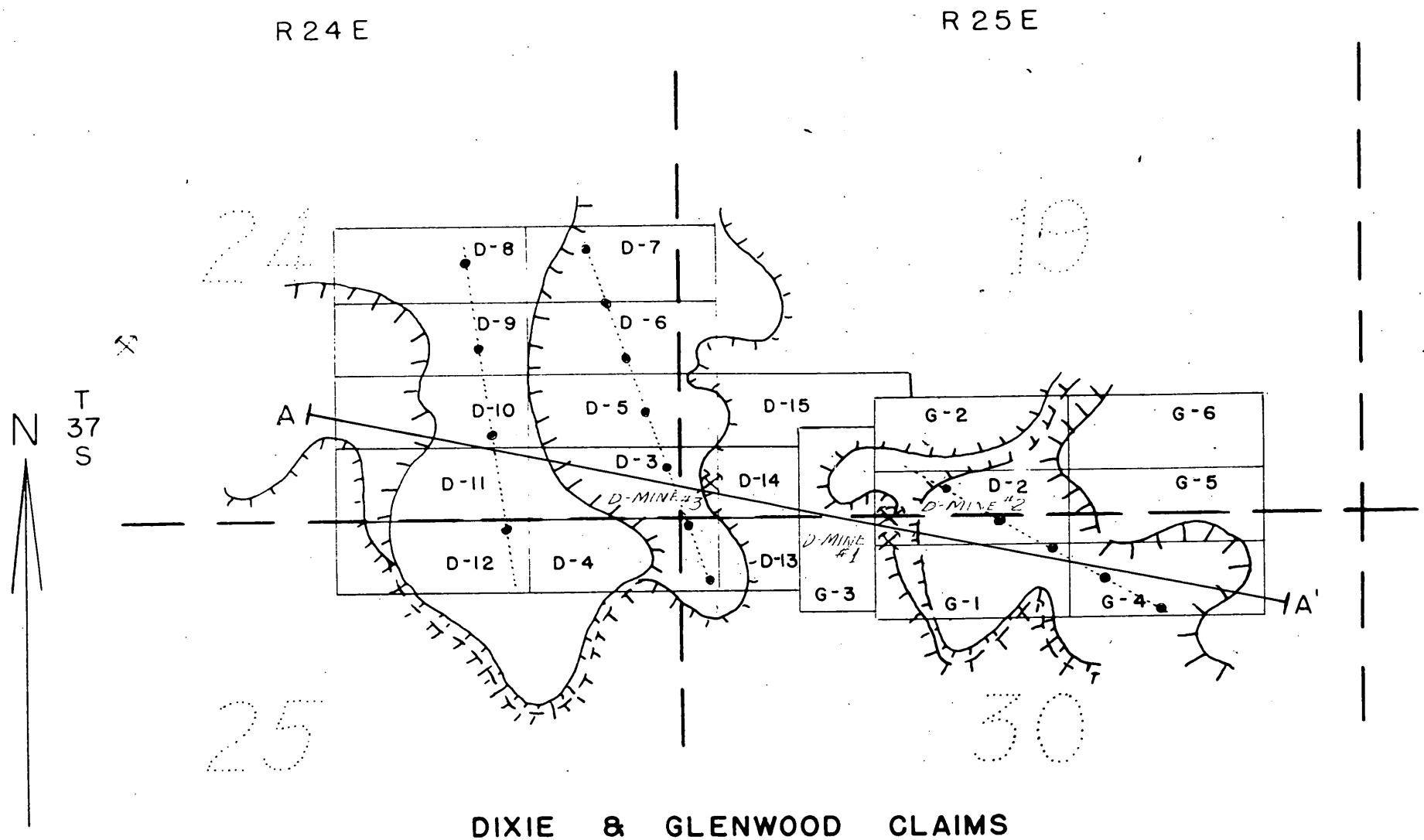
Respectfully submitted,

Richard H. Benish

Richard H. Benish
Geologist

Date: Oct. 25, 1954

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.



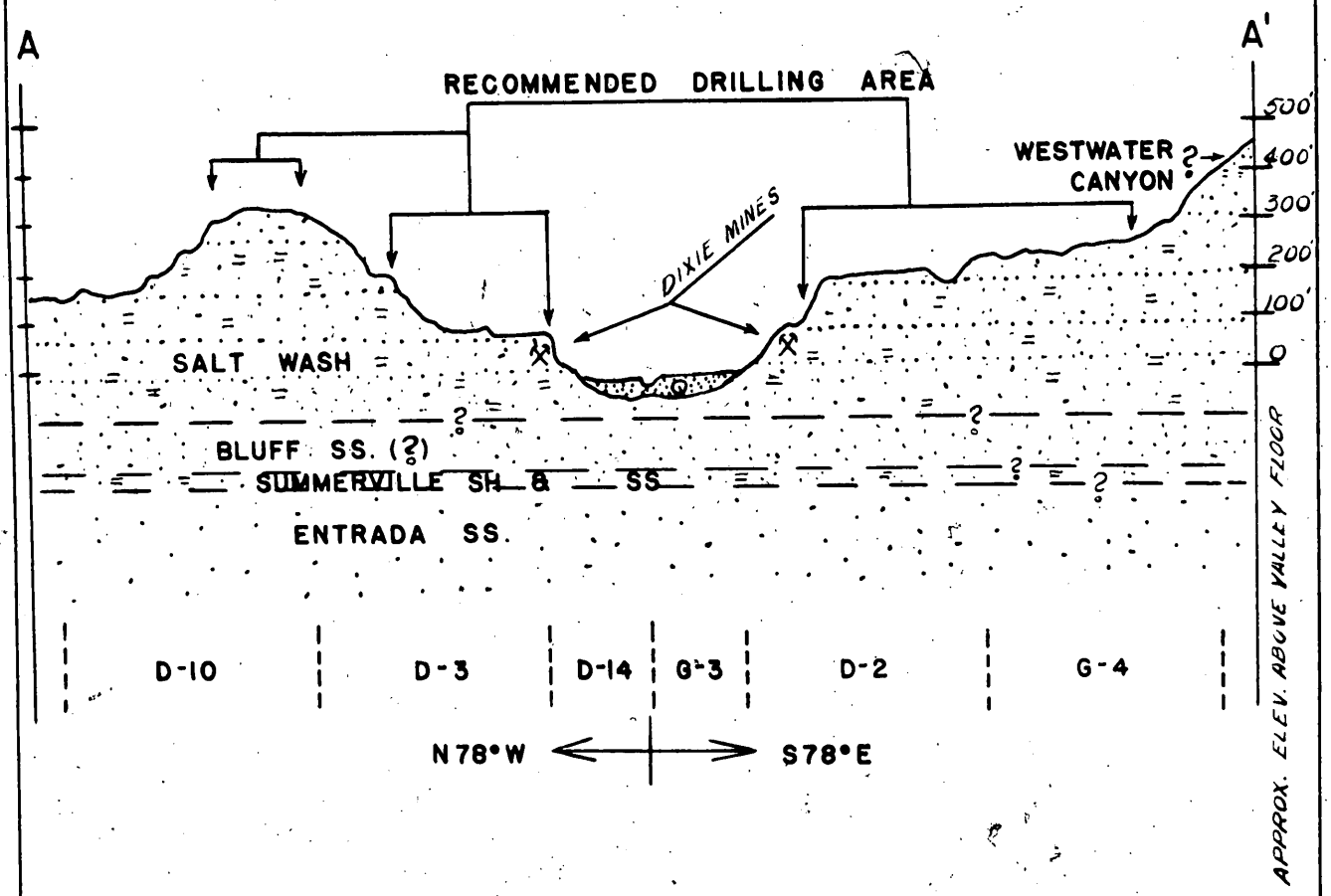
DIXIE & GLENWOOD CLAIMS

SAN JUAN COUNTY, UTAH

● = PROPOSED DRILLING SITES
⚒ = MINE
D = DIXIE
G = GLENWOOD
= CLIFF FACE

THE SURPLUS URANIUM CO., & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

SCALE: 1" = 1200'



GENERALIZED CROSS SECTION

OF

DIXIE & GLENWOOD CLAIMS

SAN JUAN COUNTY, UTAH

THE SURPLUS URANIUM CO., INC. & WRIGHT, CLARK & SENKEL, INC.,
P. O. BOX 267,
GRAHAM, TEXAS.

Richard H. Benish, Consulting Geologist-Geophysicist
Age 39, married, one daughter, age 9;
1985 South Fillmore Street, Denver 10, Colorado

Education: Bachelor of Philosophy degree in Geology from University of Wisconsin - 1940

Employment:

March, 1940 through September, 1942
Petty Geophysical Engineering Company
San Antonio, Texas
Duties: Geologist, seismologist, surveyor, etc.
Type of work: Oil exploration in Texas, Louisiana, Mississippi, West Virginia and Pennsylvania

February, 1946 to October, 1951
Rogers-Ray, Inc., Houston, Texas
Type of work: Supervisor of field seismic parties doing oil exploration in Texas, North Dakota, Alberta and Saskatchewan

October, 1951 to July 1, 1954
Rogers Geophysical Company, Houston, Texas
Duties: Geologist-geophysicist
Type of work: Supervisor and manager of Rocky Mountain Division; seismic parties doing oil exploration and investigations of uranium exploration; Colorado, Utah, Wyoming, Montana

Past four and one-half years in Rocky Mountain Area and Canada; coordinating geology with geophysics; contact work with oil company officials; arranging of both seismic and drilling contracts, and, more recently, geologic investigations of uranium.

Military Service: Naval Officer (Lieut.) in charge of communications and navigation aboard a U. S. vessel in the Pacific Ocean Areas.

Activities:
American Association of Petroleum Geologists
Rocky Mountain Association of Geologists
Society of Exploration Geophysicists
Denver Geophysical Society