Map

Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

307 Utah Oil Bldg

October 3, 1955

Mr. W. H. Trever
Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: DMEA 3772 (Uranium),
Proposed Exploration
Contract Ida-1856,
Bears Ears Uranium Co.
(Blue Jay Claims)
San Juan County, Utah

Dear Mr. Trever:-

Ol Jato Uranium Company, a Utah corporation, recently purchased the Blue Jay Claims from the Bears Ears Uranium Co. Ol Jato is hereby applying for the DMEA contract which has previously been considered by your office in connection with these claims.

Would you therefore please forward the necessary papers for execution by Ol Jato Uranium Company in order to expedite consideration and approval of this DMEA application.

Sincerely,

President, Ol Jato Uranium Co.

May K. Mangum

NKM:LB

Contents of the foregoing have been noted and are hereby approved.

Bears Ears Uranium Company

COPY

THERALD N. JENSEN
Attorney at Law
Price, Utah

September 29, 1955

W. M. Traver
Executive Officer
224 New Customhouse
Denver 2, Colorado

Dear Mr. Traver: Re: RMMA 3772 (Uranium), Proposed Exploration Contract Idn-2856, Bears Ears Uranium Company (Blue Jay Claims), San Juan County, Utah.

Your letter of September 12, 1955, addressed to Mr. W. R. Young has been received. Mr. Young has made a search and apparently we have never received the copies of the proposed short form exploration contract. Will you please check this matter and let me hear from you. I am one of the partners of the Bears Ears Uranium Company.

Thank you.

Very truly yours

/s/ T. N. JENSEN

TNJ/bk

cc. Mr. Max K. Mangum
Attorney at Law
Utah Oil Building
Salt Lake City 1
Utah

COPY

224 New Customhouse
Denver 2, Colorado

AIR MAIL

September 12, 1955

Mr. W. R. Young
Bears Ears Uranium Company
Blanding, Utah

RE: DMEA 3772 (Uranium), Proposed
Exploration Contract Idm-8896,
Bears Ears Uranium Company
(Blue Jay Claims), San Juan County,
Utah.

Dear Mr. Young:

On August 23, 1955, we transmitted to you for execution the Government, Division, Docket, Finance Office, and Field Team copies of the captioned proposed short form exploration contract, prepared in Washington and signed by the Administrator, pursuant to your application.

As of today, the executed copies of the contract have not been returned. Please expedite their return, properly signed; or, if you find the contract unsatisfactory to you or you are no longer interested, return them unsigned with your comments, in order that we may return them to the Washington Office for cancellation.

Very truly yours,

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

COPY

224 New Customhouse
Denver, Colorado

August 23, 1955

Mr. W. H. Young
Bears Ears Uranium Company
Blanding, Utah

Re: DMEA 5772 (Uranium), Proposed Exploration Contract IAm-8356, Bears Ears Uranium Company, (Elmo Jay Claims) San Juan County, Utah

Dear Mr. Young:

Enclosed are the Government, Division, Docket, Finance Office and Field Team copies of Proposed Exploration Contract No. IAm-8356 prepared in Washington and signed by the Administrator, DMEA, pursuant to your application.

If you find the contract satisfactory in every respect, all copies are to be signed by you as Attorney in Fact and returned to this office.

Upon receipt of the five copies properly executed the "Operator's Copy" will be forwarded to you together with instructions relative to reporting work performed under the contract. You are cautioned not to start operations, irrespective of the date of the contract, until you receive your copy of the contract and the instructions.

When you return the five copies of the contract, please advise the approximate date on or before which you will be able to start work in order that we may insert it under Article 3 of all copies of the contract.

WMT:djm
cc: Burnham
Shaw (2)
Townsend
Corresp. 8356
Duron

Enclosures

Very truly yours,

/s/ W. M. Traver

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

Suranme 700

Ching
Ellis
Talbot
Selfridge

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

AUG 18 1955

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

Re: Docket No. DMEA-3772 (Uranium)
Bears Ears Uranium Company
Blue Jay Claims
San Juan County, Utah

Dear Mr. Traver:

Enclosed are the original and five copies of a proposed short-form contract between the Government and the subject Operator, signed by the Administrator.

If you find the contract in order, it is ready for forwarding to the Operator for signature, subject to the insertion of a suitable final starting date under Article 3.

The contract was drawn on the short form since the proposed unit costs are quite reasonable.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

MChing:am
8-16-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5222
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Ching

APPROVED:

/s/ Robert W. Geehan (GCS)

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey (GCS)

Docket

Draft
MChing:sm
8-4-55

ANNEX I

The land referred to in Article 2 of the contract consists of 23 unpatented lode mining claims situated in Section 15, T. 36 S., R. 18 E., S.L.M. & B., San Juan County, Utah. The claims are shown on the attached map entitled "Figure 2 - Map of Property and Exploration ...," and are recorded at the County Courthouse at Monticello as follows:

(See Field Team report on Page 4 and first sheet attached to application)

Draft
MEking:am
8-4-55

EXHIBIT "A"

Description of the Work

The work consists of exploration by core and non-core drilling.

The drill holes shall test the favorable Shinarump Conglomerate of Upper Triassic age. Drilling depths are expected to average approximately 200 feet. The first hole shall be drilled by non-core plug bit to a depth of 25 feet and core drilled for the remainder of its depth to establish the general limits of the Chinle and Shinarump formations and the first red mudstone of the Moenkopi formation. All remaining holes shall be drilled by non-core plug bit to the top of the potentially ore-bearing Shinarump Conglomerate and then core drilled through the Shinarump formation to the first red mudstone in the Moenkopi formation. The minimum size of core shall be A X.

All core and cuttings from the cored section of drill holes shall be split and one-half properly stored for the use of the Government. The Operator's portion shall be checked radiometrically for uranium, and samples indicating significant mineralization shall be analyzed chemically for uranium.

All drill holes shall be logged geologically and probed radiometrically, and the record of such logging and probing together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports. The probing and other project work shall be done under the supervision of a competent geologist or mining engineer.

All holes shall be reamed and cased as necessary.

The work shall be done in two stages. If, in the opinion of the Government, the results of the first stage warrant further work the

Operator shall perform as much of the second stage as the Government approves in writing in advance.

The location, direction, and extent of all project work are subject to the approval of the Government.

Stage I

The work under this stage consists of the preparation of access roads and drill sites by a TD-18 bulldozer or equivalent unit, and the drilling of 12 holes aggregating 2,400 feet, more or less. The positions of these holes are indicated on the attached map entitled, "Figure 2 - Map of Property and Exploration .... ." There are two rows of six holes each, paralleling the Shinarump rim, with the holes in the second row staggered with respect to those of the first row. The rows are 200 feet apart and the holes in each row are 150 feet apart. If the 12 holes require more than 2,400 feet to reach the desired horizon the deficient footage may be transferred and deducted from Stage II footage.

Stage II

Stage II work consists of the preparation of access roads and drill sites by a TD-18 bulldozer or equivalent unit, and the drilling of a maximum of 12 holes aggregating not more than 2,400 feet as offsets to Stage I holes which show mineralization or strongly favorable geological criteria. The offset holes shall not be drilled closer than 75 feet from any previously drilled hole.

Estimated Cost of the Project

Fixed Unit Costs

Stage I

725 ft. core drilling @ $2.60/ft.	$1,885.00	
1,675 ft. non-core drilling @ $1.60/ft.	2,680.00	
2 bulldozer moves on or off property @ $37.50/move	75.00	
50 hrs. bulldozing @ $12.00/hr.	600.00	
18 hrs. drill crew standby time @ $10.00/hr.	180.00	
12 Chemical sample analyses @ $3.00/sample	36.00	
		$5,456.00

Stage II

600 ft. core drilling @ $2.60/ft.	$1,560.00	
1,800 ft. non-core drilling @ $1.60/ft.	2,880.00	
4 bulldozer moves on or off property @ $37.50/move	150.00	
50 hrs. bulldozing @ $12.00/hr.	600.00	
18 hrs. drill crew standby time @ $10.00/hr.	180.00	
22 Chemical sample analyses @ $3.00/sample	66.00	$5,436.00

Estimated total cost of the project	$10,892.00
Government participation @ 75 percent	8,169.00

MF-200A
(Revised June 1954)

Docket No. DMEA 3772

Commodity Uranium

Contract No. Idm-E 858

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

It is agreed this AUG 1 8 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] .....

Bears Ears Uranium Company, Unincorporated

whose mailing address is c/o W. R. Young, Attorney in Fact
Blanding, Utah
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....
two maps, Figures 1 an 2
The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: .....
None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: .....
None

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of .....Uranium..... The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before .....December 15, 1955..... (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $.....10,892.00..... The Government will contribute .....75..... percent of the fixed unit costs as work is performed, in a total sum not in excess of $.....8,169.00.....: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By .....

.....

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

.....

[CORPORATE SEAL]

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

7/29/55 gla

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

RECEIVED
JUL 29 1955

July 29, 1955

RECEIVED
JUL 29 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 3772, Bears Ears Uranium Company, Blue Jay claims, San Juan County, Utah

I have reviewed the Field Team report of examination, Bears Ears Uranium Company, DMEA Docket 3772; 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 for a two-stage exploration project at a total cost of $11,069.25 with Government participation at 75%.

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

John E Crawford
John E. Crawford

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

RECEIVED
JUL 2 7 1955

July 29, 1955

Memorandum

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

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

Subject: Report of Examination, DMEA Docket 3772, Bears Ears Uranium Company, Blue Jay claims, San Juan County, Utah

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

John E. Cranford

7/29/55 gla

IN REPLY REFER TO

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

RECEIVED
JUL 29 1955

July 28, 1955

Memorandum

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

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

Subject: Review of Field Team Report, Bears Ears Uranium Company, San Juan County, Utah, DMEA 3772 (Uranium).

The Field Team has examined the applicant's property and recommends a two-stage exploration project, the total cost of which is to be $11,069.25.

After reviewing the excellent Field Team report on the cited application, and noting the numerous reasons presented to justify the contract, I find myself in complete agreement with the field examiners and therefore recommend approval of the project they have proposed. The exploration project appears to have an excellent chance of making a significant discovery.

Thor H. Kiilsgaard

Thor H. Kiilsgaard

IN REPLY REFER TO:

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

RECEIVED
JUL 29

July 28, 1955

Memorandum

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

From: Thor N. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team Report, Bears Ears Uranium Company, San Juan County, Utah, DMEA 3772 (Uranium).

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Thor N. Kiilsgaard

TNKiilsgaard:iml
G-7/28/55

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

6/7/55 gla

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

RECEIVED
JUN - 7 1955

224 New Customhouse
Denver 2, Colorado

June 2, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3772 (Uranium), Bears Ears Uranium Company, (Blue Jay claims), San Juan County, Utah

Enclosed for your records are three copies of a letter from the Applicant dated May 29, 1955 which constitutes an amendment to the subject application.

A copy of the amendment to the application has been retained in our files, and copies forwarded to field personnel concerned.

Wm. Traver
W. M. Traver

Enclosures

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

ew Customhouse
er 2, Colorado

June 2, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3772 (Uranium), Bears Ears Uranium Company, (Blue Jay claims), San Juan County, Utah

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A copy of the amendment to the application has been retained in our files, and copies forwarded to field personnel concerned.

W. M. Traver

W. M. Traver

Enclosures

DMEA
Date Rec'd
JUN 1 1955
BUREAU OF MINES
Denver, Colorado

Monticello, Utah
May 29, 1955

Mr. W. M. Travers
Executive Officer DMEA Field Team
Region 111

Re: Application for DMEA
LOAN #3772
Bears Ears Uranium Co.
Blanding, Utah

RECEIVED
JUN - 7 1955

Dear Mr. Travers:

On May 18, 1955 I accompanied Mr. C. M. Harrer and Mr. Bill Williams (field team) to inspect the claims represented in our application for DMEA assistance. Through our conference in the field, we have concluded that the following amendments to our application be made.

A two state program will be carried out.
1-Core drill 12 holes approx. 200' deep to the Moenkope. Plug the first 25' of the first hole and core the balance of the remaining 175'.

The amount of coring and plugging in the balance of the 11 holes will be determined by the findings in the first hole drilled.

The holes will be spotted in two rows of six holes 150' apart east and west and 200' north and south.

The cost will be determined from bids submitted by drilling companies contacted.

2- Rent a bulldozer to build access roads and level drill sights.

$600.00 50 hours of dozer work at 12 dollars per hour
75.00 moving dozer on and off property.

3- Hire a geologist for 30 days.
$500.00
4- 500.00 Hire a supervisor for 30 days
5- 60.00 One sample from hole asseyed for U3O8 and CaCo3
6- 40. Rent pickup truck for 30 days
70.00 travel expense for one vehicle
7- 175.00 Rent a Babbel counter and probe for days
State one shall be completed in 30 days.

Stage two:
Identical to state one except add 13 more samples than in stage one.
Stage two shall be completed in 30 days after beginning.

Yours very truly,

Bears Ears Uranium Co.

Clyde Young

cc: Mr. J. T. Shaw

DMEA
Date Rec'd
JUN 1 1955
BUREAU OF MINES
Denver, Colorado

Monticello, Utah
May 29, 1955

Mr. W. M. Travers
Executive Officer DMEA Field Team
Region 111

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Bears Ears Uranium Co.

Clyde T. Young

Clyde Young

CC: Mr. J. T. Shaw

DMEA
Date Rec'd
JUN 1 1955
BUREAU OF MINES
Denver, Colorado

Monticello, Utah
May 29, 1955

Mr. W. M. Travers
Executive Officer DMEA Field Team
Region 111

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Bears Ears Uranium Co.
Blanding, Utah

RECEIVED
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Clyde Young

cc: Mr. J. T. Shaw

5/12/55 ge

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1955

224 New Customhouse
Denver 2, Colorado

May 9, 1955

Memorandum

To: J. F. Shaw (w/brochure)
W. P. Williams

From: Field Team, Region III

Subject: Docket DMEA-3772 (Uranium), Bears Ears Uranium Company, (Blue Jay claims), San Juan County, Utah

Enclosed are copies of the subject loan application for $39,600.00, its transmittal by the Chairman of the Operating Committee and memoranda to E. W. Ellis from J. E. Crawford, USBM, and E. L. Newcomb, USGS, members of the Uranium Commodity Committee.

The application consists of the following:

1. Form MF-103 with supplemental data sheets.

2. Power of attorney, appointing W. R. Young of Blanding, Utah to represent the association.

3. A contour map of the Blue Jay area on which a claim map has been superimposed.

The applicant has failed to present substantiating data to indicate favorable mineralization on the Blue Jay claims or trends into the claims. However, an analysis of the merits of the application can best be made by field examination. After the field examination is completed, suitable covering reports are required. The usual check with the Grand Junction office of the AEC should be made.

W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

WMT:pw

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1955

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Denver 2, Colorado

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W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

WMT:pw

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

Surname 700

Ching
Ellis
Kulsgaard
Guhon
Selfridge
Eggman

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

MAY - 2 1955

Bears Ears Uranium Company,
Unincorporated
c/o Mr. W. R. Young
Blanding, Utah

Re: Docket No. DMEA-3772 (Uranium)
Blue Jay Claims
San Juan County, Utah

Gentlemen:

The application for assistance in exploring the subject 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 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

Administrator

MChing:am
4-29-55
cc to: Admr. Reading File
Docket
Code 700
Mr. Ching
DMEA Field Team, Region III(2)

R.C.L.

Surname 700

Ching
Ell
Selfridge
Kjerson

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

MAY - 2 1955

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

Re: Docket No. DMEA-3772 (Uranium)
Bears Ears Uranium Company
Blue Jay Claims
San Juan County, Utah

Dear Mr. Traver:

The subject application is being referred to you for investigation, a field examination if warranted, and recommendation. We assume that a copy of the application was retained by your office.

Enclosed are two copies each of comments and recommendations by John E. Crawford and E. L. Newcomb of the Uranium Commodity Committee, dated April 18 and April 20, 1955, respectively.

Although Mr. Newcomb recommended that additional information be requested he agrees that the Applicant is not likely to supply any data that would be of significant help in evaluating this property. Consequently, an appraisal by the Field Team appears to be the most expeditious manner of handling this application.

Sincerely yours,

George C. Selfridge
By 557

Chairman, Operating Committee

Enclosures

APPROVED:
/s/ Robert W. Geehan By 557
Member, Bureau of Mines
Thor H. Kiilsgaard By 557
Member, Geological Survey

FChing:am
4-29-55
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. Ching

R.G.

4/20/55 gle

IN REPLY REFER TO:

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

April 20, 1955

APR 20 1955

Re: DMEA-3772
Bears Ears Uranium Co.
(Blue Jay Claims)
San Juan Co., Utah
$39,600 - Uranium

Memorandum

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

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

Subject: Review of application

The operator proposes to drill 24 holes to an average depth of 300 feet to explore the lower Shinarump formation.

There is insufficient data in the application to justify the proposal. Although bulldozing has been done on the Shinarump rim, there is no evidence of significant mineralization presented in the application.

Survey mapping in the Elk Ridge area of Utah has indicated that uranium-bearing channels at the top of the Moenkopi frequently contain small lenticular deposits. It is possible that some limited exploration may be warranted on the Blue Jay claims.

I recommend the applicant be requested to submit assays, radiometric survey results, and other pertinent data which indicates favorable mineralization is exposed on the Blue Jay claims.

E. L. Newcomb
E. L. Newcomb

4-27-55

In a telephone conversation with Mr. Newcomb he agreed that immediate referral of the application to the Field Team would be a satisfactory way to handle this application. ewe

IN REPLY REFER TO:

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

Defense Minerals Administration
APR 20 1955

April 20, 1955

Re: DMEA-3772
Bears Ears Uranium Co.
(Blue Jay Claims)
San Juan Co., Utah
$39,600 - Uranium

Memorandum

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

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

Subject: Review of application

The operator proposes to drill 54 holes to an average depth of 300 feet to explore the lower Shinarump formation.

There is insufficient data in the application to justify the proposal. Although bulldozing has been done on the Shinarump rim, there is no evidence of significant mineralization presented in the application.

Survey mapping in the Elk Ridge area of Utah has indicated that uranium-bearing channels at the top of the Moenkopi frequently contain small lenticular deposits. It is possible that some limited exploration may be warranted on the Blue Jay claims.

I recommend the applicant be requested to submit assays, radiometric survey results, and other pertinent data which indicates favorable mineralization is exposed on the Blue Jay claims.

E. L. Bancomb

Copy to: DMEA (3)

4/19/55 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals A
RECEIVE
APR 19 1955

April 18, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3772, Bears Ears Uranium Co., Inc.,
Blue Jay claims, San Juan County, Utah

I have reviewed the attached application of Bears Ears Uranium Company, Inc., DMEA Docket 3772, and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We suggest that the application be referred to the Field Team for examination and report and that the Field Team be requested to discuss the application with Ernest Gordon, Atomic Energy Commission, Grand Junction, Colorado.

John E. Crawford

John E. Crawford

Attachment

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

April 14, 1955
Subject: DMEA 3772
Re: Exploration Assistance
Blue Jay Claims

Boars Ears Uranium Company,
Unincorporated
C/o Mr. W. R. Young
Blanding, Utah

Dear Mr. Young:

The receipt of your application dated February 15, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3772 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

April 14, 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-3772 Bears Ears Uranium Company, Unincorporated

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

April 11, 1955

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Application of the Bears Ears Uranium Company Unincorporated, Blue Jay claims, San Juan County, Utah

Enclosed are three copies of the subject application in the amount of $39,600.00.

The application consists of:

1. Form MF-103 and accompanying answer sheets.

2. Power of attorney, appointing W. R. Young, of Blanding, Utah, to represent the association.

3. A contour map of the Blue Jay area on which a claim map has been transposed.

W. M. Traver

Enclosures

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

April 11, 1955

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Application of the Bearm Ears Uranium Company Unincorporated, Blue Jay claims, San Juan County, Utah

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W. M. TRAVER

Enclosures

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

April 11, 1955

Mr. Therold N. Jensen
Attorney-at-Law
Price, Utah

Dear Mr. Jensen:

This will acknowledge receipt of your letter dated February 27, 1955 and the application in quadruplicate on behalf of Bears Ears Uranium Company.

The application is being forwarded to our Washington office for further processing.

Very truly yours,

W. M. TRAVER

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

HMC:pw

cc: Subject
Chron
Sec.Op.Comm.
Harshman

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

APR 14 1955

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Denver 2, Colorado

April 11, 1955

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Executive Officer, DMEA
Field Team, Region III

HMC:pw

cc: Subject
Chron
Sec.Op.Comm.
Harshman

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Date Rec'd.
APR 8 1955
BUREAU OF MINES
~~Denver, Colorado~~

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

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

Not to be filled in by applicant

Docket No. 3772
Metal or Mineral Uranium
Date Received 4-14-55
Estimated Cost $39,600
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: Bears Paws Uranium Company, Unincorporated
c/o W. H. Young
Stanaing, Utah

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract The 20 unpatented mining claims owned by this association are situated in Section 15, Township 20 South, Range 12 East, Salt Lake Meridian.

(*b*) State any mine name by which the property is known. Blue Jay Claims

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise We are the owners by right of location and discovery of these claims. We have not purchased them from other.

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

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

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

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

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

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

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

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

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

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

(*c*) The work will start within 60 days and be completed within 12 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated February 15, 1955

Bears Ears Uranium Company, unincorporated
(Applicant)

By W. R. Young
Attorney in Fact

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

BEARS EARS URANIUM COMPANY
c/o W. R. Young
Blanding, Utah

1. (d). The names and addresses of the partners are: Clynn Young, Monticello, Utah; W. R. Young, Blanding, Utah; Daryle Young, Monticello, Utah; Mildruff Young, Moab, Utah; Harold Young, Mac Colorado; Daryle Redd, Monticello, Utah; DeMar Perkins, Monticello, Utah; Calvin Black, Price, Utah; Thorald N. Jensen, Price, Utah.

3. (f).

	Original Location			Circular 7		Amended Location	
Claim		Book	Page	Book	Page	Book	Page
Blue Jay	1	63	286	93	96	219	361
"	2	63	287	93	96	219	361
"	3	63	287	93	97	219	362
"	4	63	288	93	97	219	362
"	5	63	288	93	98	219	363
"	6	63	389	93	98	219	363
"	7	63	289	93	99	219	364
"	8	63	289	93	99	219	364
"	9	63	290	93	100	219	365
"	10	63	291	93	100	219	365
"	11	63	291	93	101	219	366
"	12	63	292	93	101	219	366
"	13	63	292	93	102	219	367
"	14	63	293	93	102	219	367
"	15	63	293	93	103	219	368
"	16	63	294	93	103	219	368
"	17	63	294	93	104	219	369
"	18	63	295	93	104	219	369
"	19	63	295	93	105	219	370
"	20	63	296	93	105	219	370
"	26	193	343	93	108	219	373
"	27	193	344	none			
"	28	193	344				

All reference to Book and Page are to the official records in the office of the County Recorder of San Juan County, Utah, at Monticello.

4. (a) During the month of December, 1954, applicant did bulldozer road work down to the shinarump rim (see road designated A on map submitted) and applicant stripped the contact for some 1500-2000 feet. (see the area designated B on map). The mine workings are accessible for examination purposes.

4. (b) We have not as yet produced any ore from these claims. We are unable to state the quantity of the ore reserves, but from our examination we believe there are substantial quantities of ore within the claims and that the same is of commercial grade.

4. (c) The claims are located on the shinarump rim between the Bears Ears and the Wooden Shoes on Elk Ridge some 40 miles west of Blanding, Utah. Preliminary work which has been completed has exposed some areas of radio-activity. There is one area especially which looks very favorable. There is indication of a definite channel and good mineralization. (See area C on map) Several small rocks picked up from this area were analyized and run 0.037 chemical. Our reasons for wishing to explore are to determine by continuing to strip the rim and extensive drilling, where our possible ore bodies lie. We wish to point out that drilling has been done on properties lying both to the east and west of our claims and that commercial ore has been discovered both immediately east and immediately west of our property.

4. (d) The property is accessable at all seasons of the year. By building about a mile of connecting road, we will be able to be within 50 miles from a shipping station. The property is about 40 miles from supply and residence points.

4. (e) Availability of manpower, materials supplies, equipment, and water is good. Commercial power is unavailable.

5. (b) We have one exposed mineralized channel (see point C on map) and this channel appears to be running in a general northerly direction. We plan to drill four gates of six holes each spaced 50 feet apart on their axis and 200 feet apart north and south. (see gates designated as D, E, F, and G) We plan to construct drilling access roads to the drill sites and to strip the contact starting on Blue Jay claim no. 27 and running in a general westerly direction.

5. (d) Calvin Black, one of the co-owners will hereby supervise the exploration project. He has been actively exploring for and mining uranium for a number of years and has also conducted operations under a

DMEA project in connection with other claims. Darrel Young and Clynn Young are experienced machinist and they own and operate a mine machinery shop in Monticello, Utah, and they are expert in the operation and maintenance of all types of machinery. W. R. Young has also had extensive experience in constructing roads and in the operation of heavy equipment.

Estimate of Costs:

6. (a) We propose to construct the drilling at about $3.00 per foot and we estimate that we will drill 7200 feet. We propose to construct the bulldozer work by use of a TD-18 with about 750 hours of labor at $12.00 per hour in order to construct the drill roads and to do necessary stripping. We propose to construct a compressor with compressor drills and equipment for 750 hours at $2.00 per hous and a driller and powder man for 750 hours at $2.00 per hour.

6. (b) We propose to hire geologic and engineering services at a total of $2,000.00 and our supervisory accounting and sampling work will cost $4,000.00.

POWER OF ATTORNEY

We, CLYNN YOUNG, DARREL YOUNG, MILDRUFF YOUNG, HAROLD YOUNG, DARYLE REDD, DeMAR PERKINS, CALVIN BLACK and THERALD N. JENSEN, who together with W. R. YOUNG are the sole members of Bears Ears Uranium Company, an unincorporated association, do hereby name constitute and appoint said W. R. Young of Blanding, Utah, their agent and attorney in fact to prepare and file with the Defense Minerals Exporation Administration, United States Department of the Interior, Application on form MF-103 with all supporting papers, and we hereby designate the said W. R. Young to represent our association in connection with said application and all matters pertaining thereto.

WITNESS our hands this 14th day of February, 1955.

Clyn R. Young

Darrell R. Young

DeMar Perkins

Harold Young

Daryle M. Redd

Calvin Black

W. R. Young

Therald N. Jensen

Wm H. Young

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd.
APR 8 1955

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

BUREAU OF MINES
Denver, Colorado

APR 14 1955

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. 3772
Metal or Mineral Uranium
Date Received 4-14-55
Estimated Cost $39,600
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: Bears Ears Uranium Company, unincorporated
c/o W. R. Young
Blanding, Utah

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract The 23 unpatented mining claims owned by this association are situated in Section 15, Township 36 South, Range 18 East, Salt Lake Meridian.

(*b*) State any mine name by which the property is known. Blue Jay Claims

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise We are the owners by right of location and discovery of these claims. We have not purchased them from others.

(*d*) If you submit this application, submit a copy of the lease, contract, or other document under which you control the property.

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

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

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

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

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

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

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

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

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

(*c*) The work will start within 60 days and be completed within 12 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated February 15, 1953

Sears Cars Uranium Company, unincorporated
(Applicant)

By W. R. Young
Attorney in Fact

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

BEARS EARS URANIUM COMPANY
c/o W. R. Young
Blanding, Utah

1. (d). The names and addresses of the partners are: Clynn Young, Monticello, Utah; W. R. Young, Blanding, Utah; Daryle Young, Monticello, Utah; Mildruff Young, Moab, Utah; Harold Young, Mac Colorado; Daryle Redd, Monticello, Utah; DeMar Perkins, Monticello, Utah; Calvin Black, Price, Utah; Therald N. Jensen, Price, Utah.

3. (f).

		Original Location		Circular 7		Amended Location	
Claim		Book	Page	Book	Page	Book	Page
Blue Jay	1	63	286	93	96	219	361
"	2	63	287	93	96	219	361
"	3	63	287	93	97	219	362
"	4	63	288	93	97	219	362
"	5	63	288	93	98	219	363
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"	8	63	289	93	99	219	364
"	9	63	290	93	100	219	365
"	10	63	291	93	100	219	365
"	11	63	291	93	101	219	366
"	12	63	292	93	101	219	366
"	13	63	292	93	102	219	367
"	14	63	293	93	102	219	367
"	15	63	293	93	103	219	368
"	16	63	294	93	103	219	368
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"	18	63	295	93	104	219	369
"	19	63	295	93	105	219	370
"	20	63	296	93	105	219	370
"	26	193	343	93	108	219	373
"	27	193	344	none			
"	28	193	344				

All reference to Book and Page are to the official records in the office of the County Recorder of San Juan County, Utah, at Monticello.

4. (a) During the month of December, 1954, applicant did bulldozer road work down to the shinarump rim (see road designated A on map submitted) and applicant stripped the contact for some 1500-2000 feet. (see the area designated B on map). The mine workings are accessible for examination purposes.

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WITNESS our hands this 14th day of February, 1955.

Clyn Young

Darrell Young

DeMar Perkins

Harold Young

Dayle M. Redd

Calvin Black

W. R. Young

Therald N. Jensen

M. H. Young

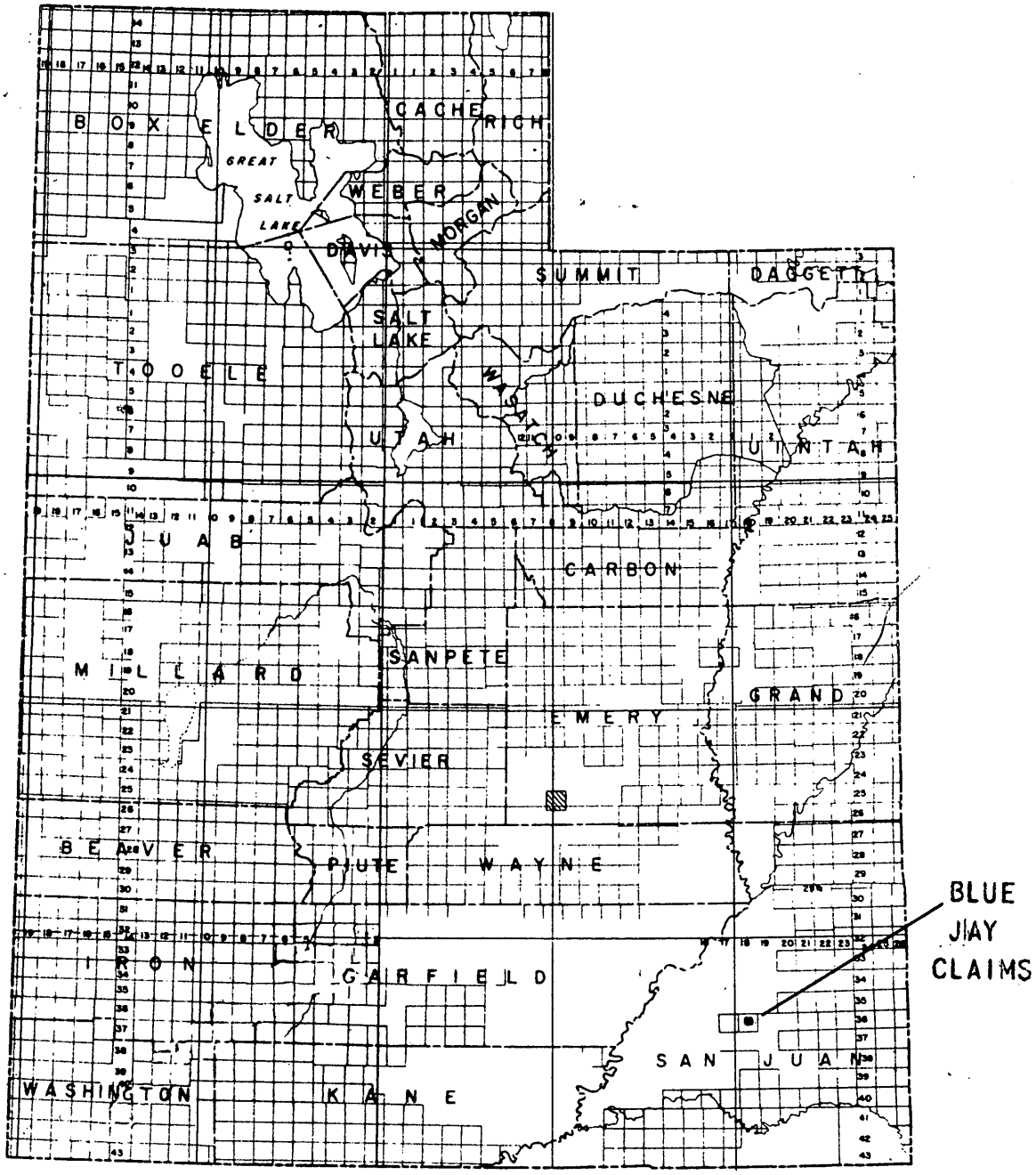
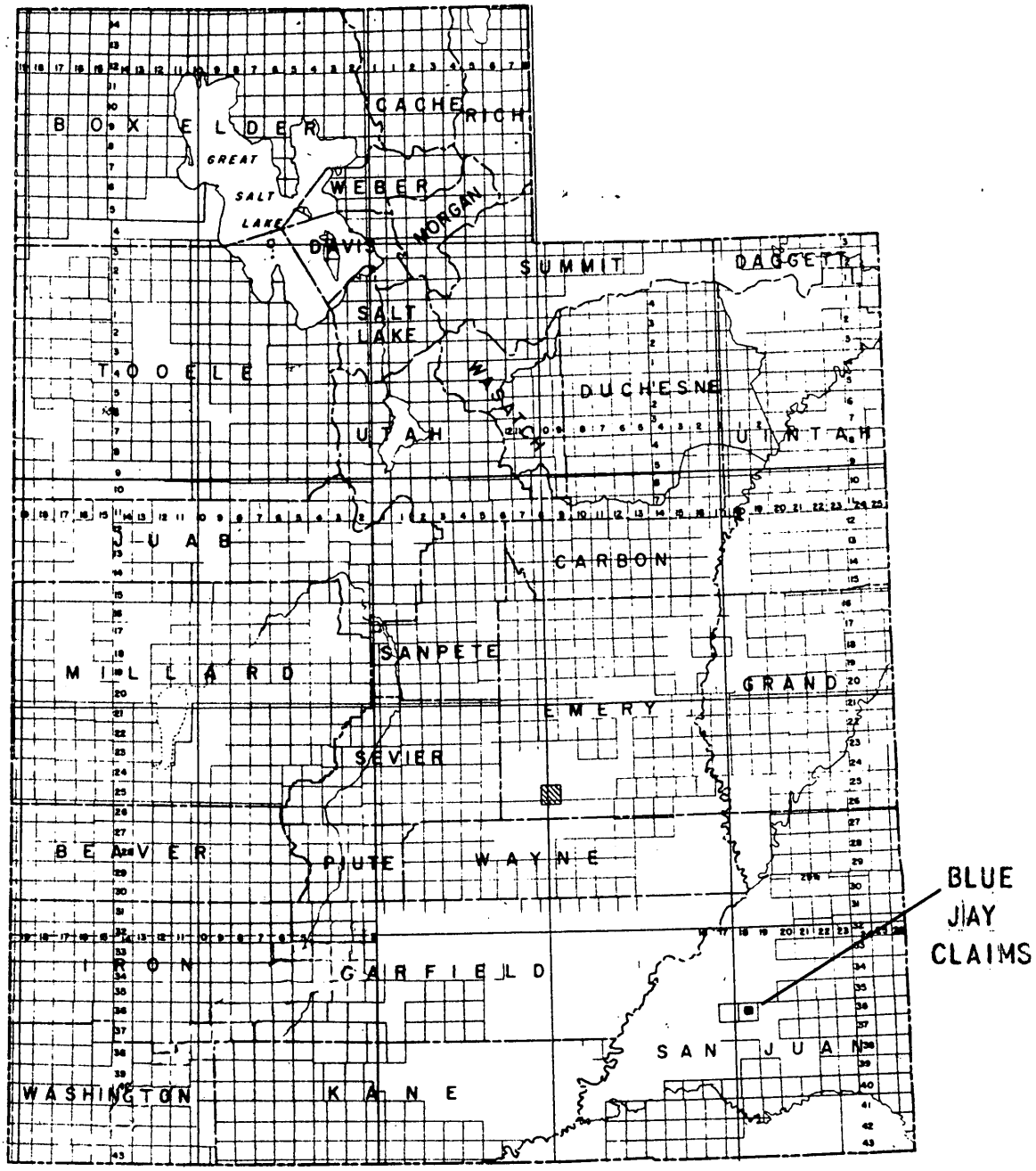


Figure 1. INDEX MAP OF UTAH SHOWING LOCATION OF BLUE JAY CLAIMS, BEARS EARS URANIUM COMPANY, SAN JUAN COUNTY, UTAH



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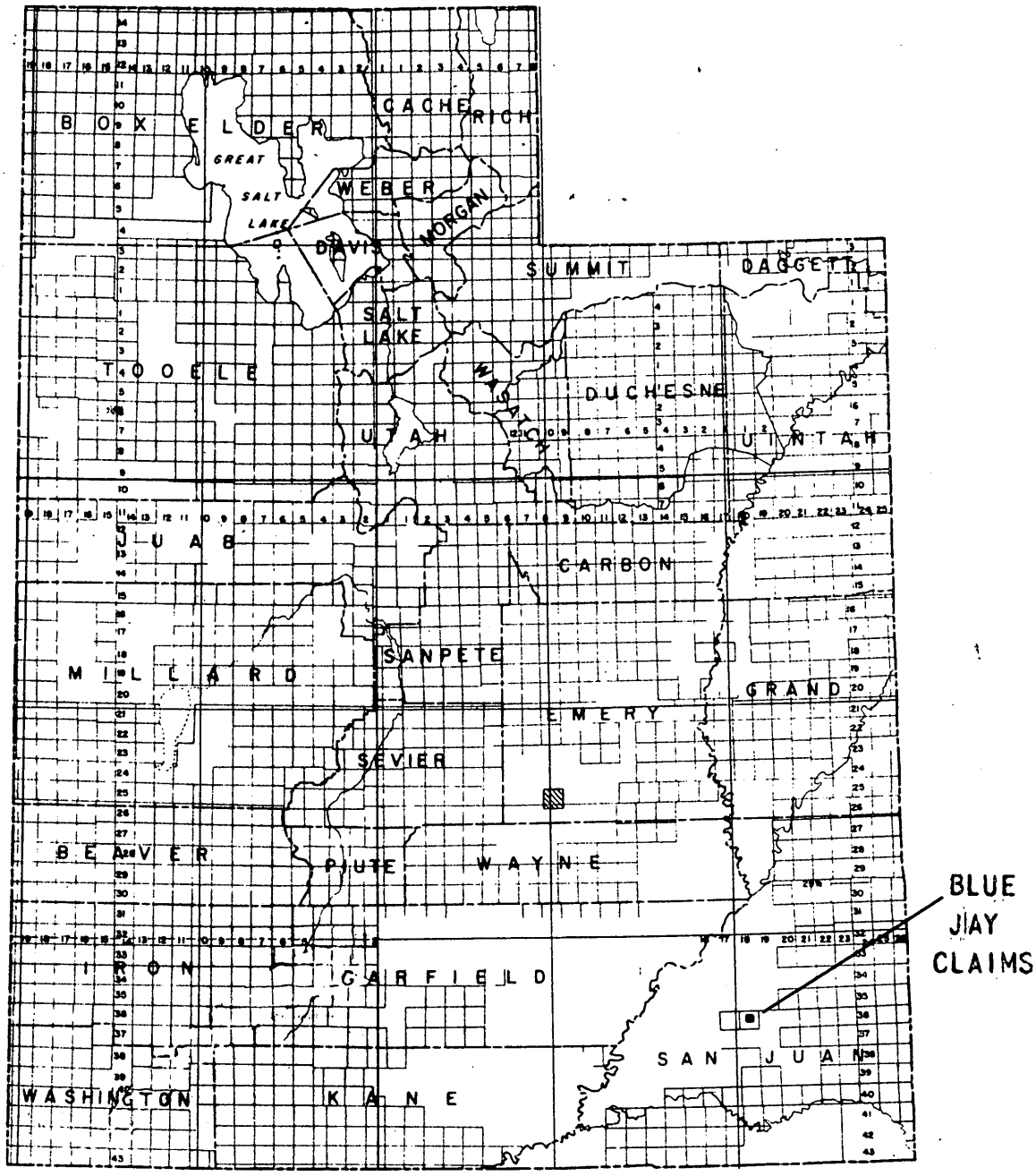
RECEIVED
JUL 18 1955



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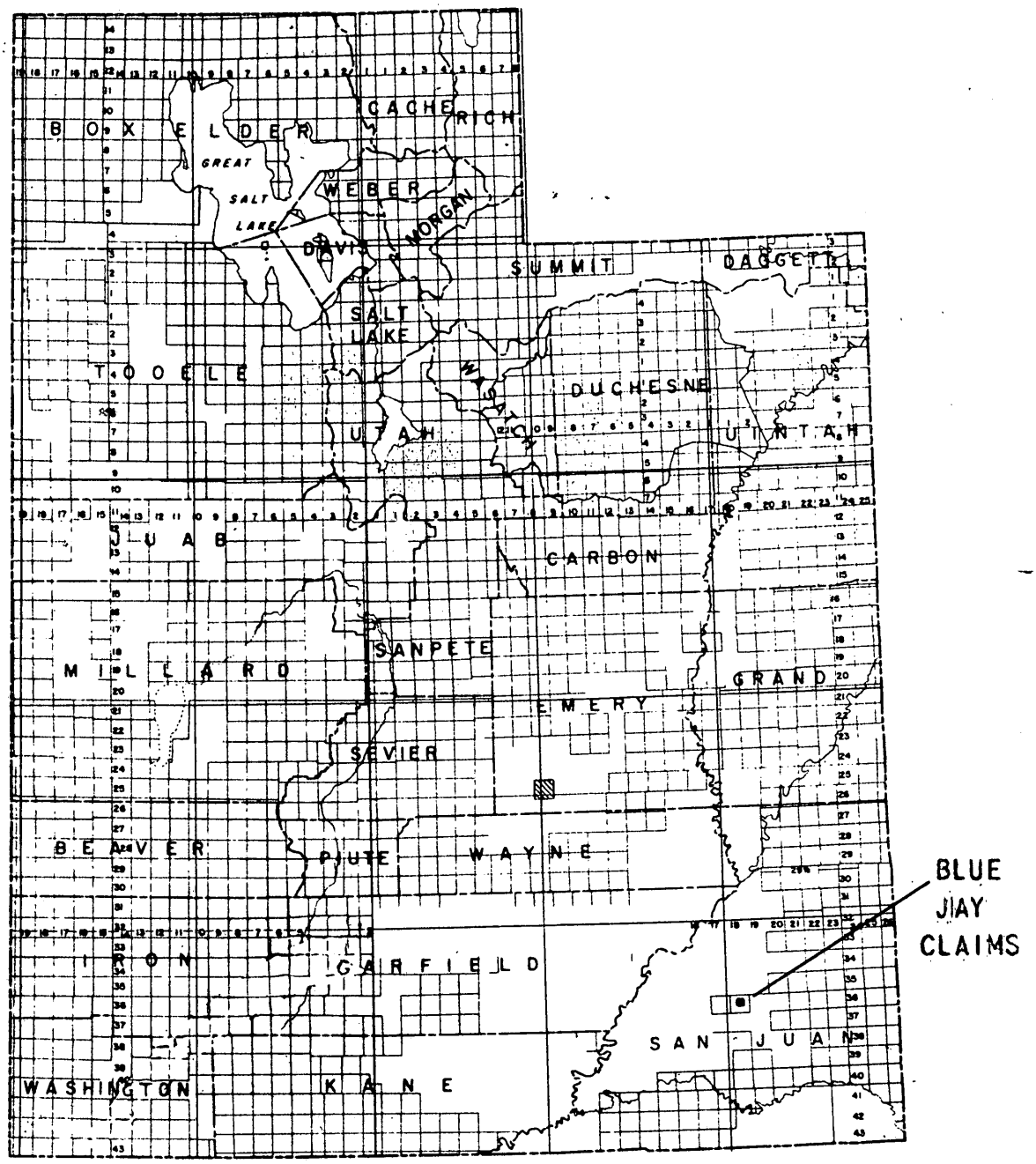

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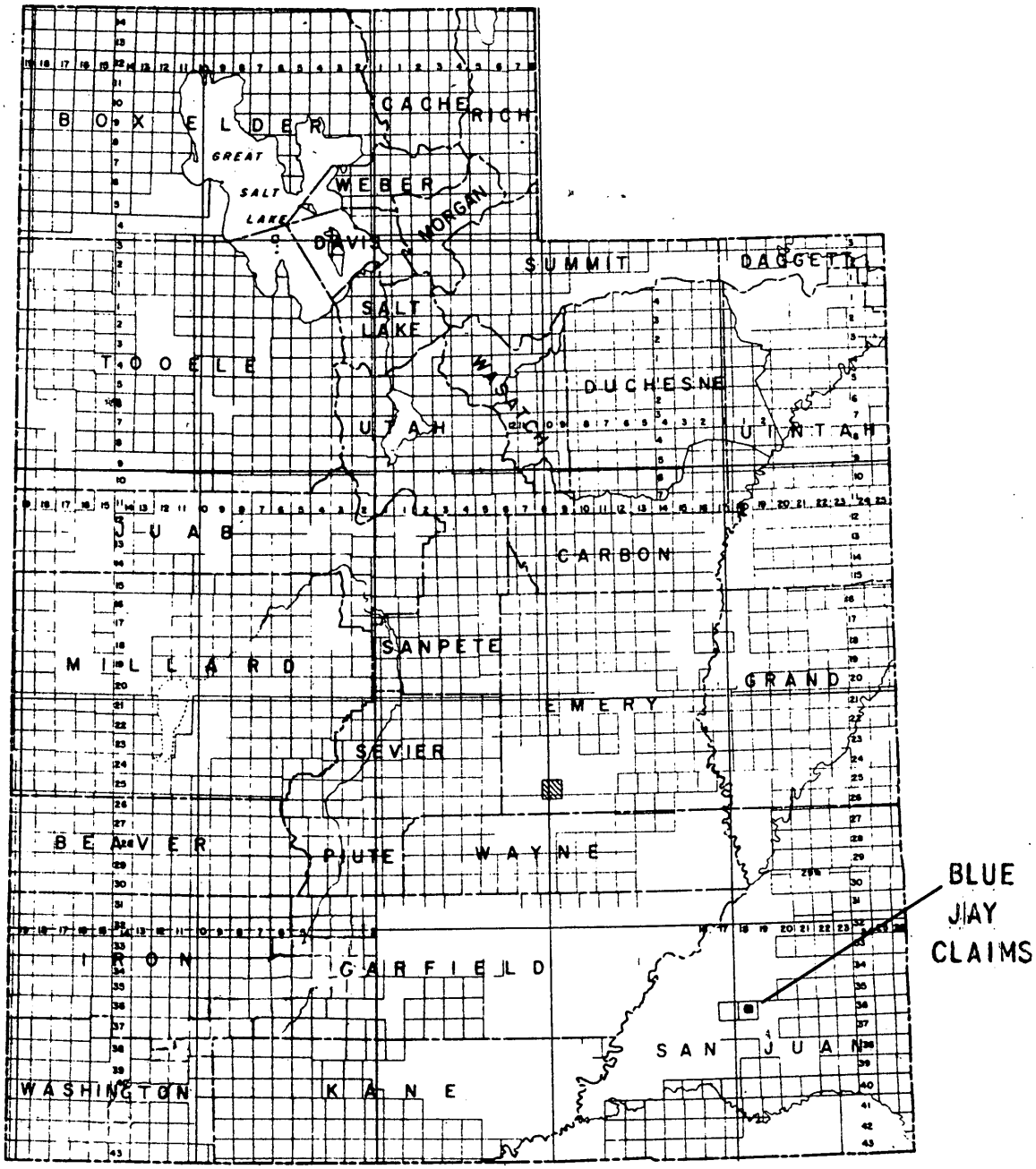

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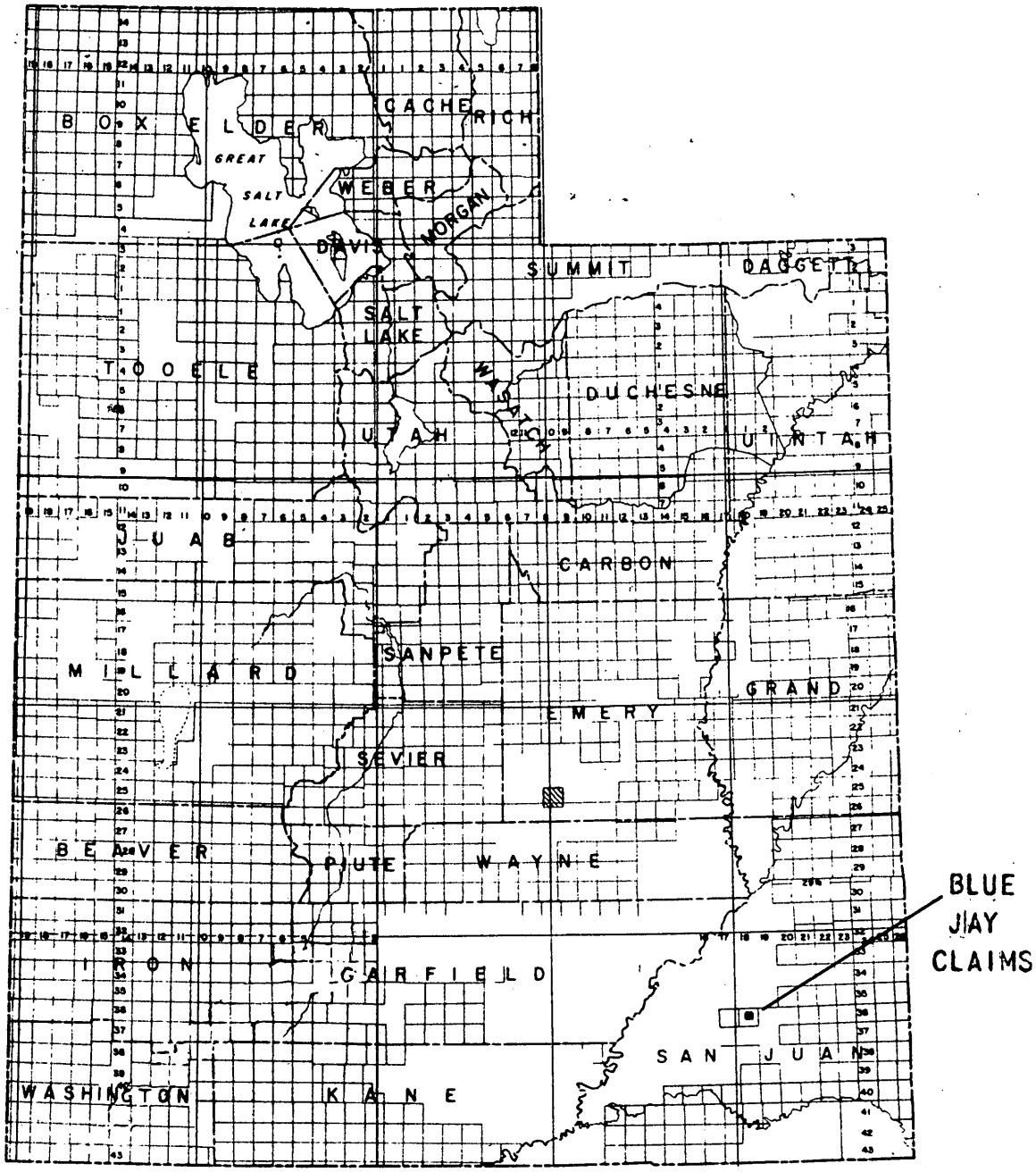

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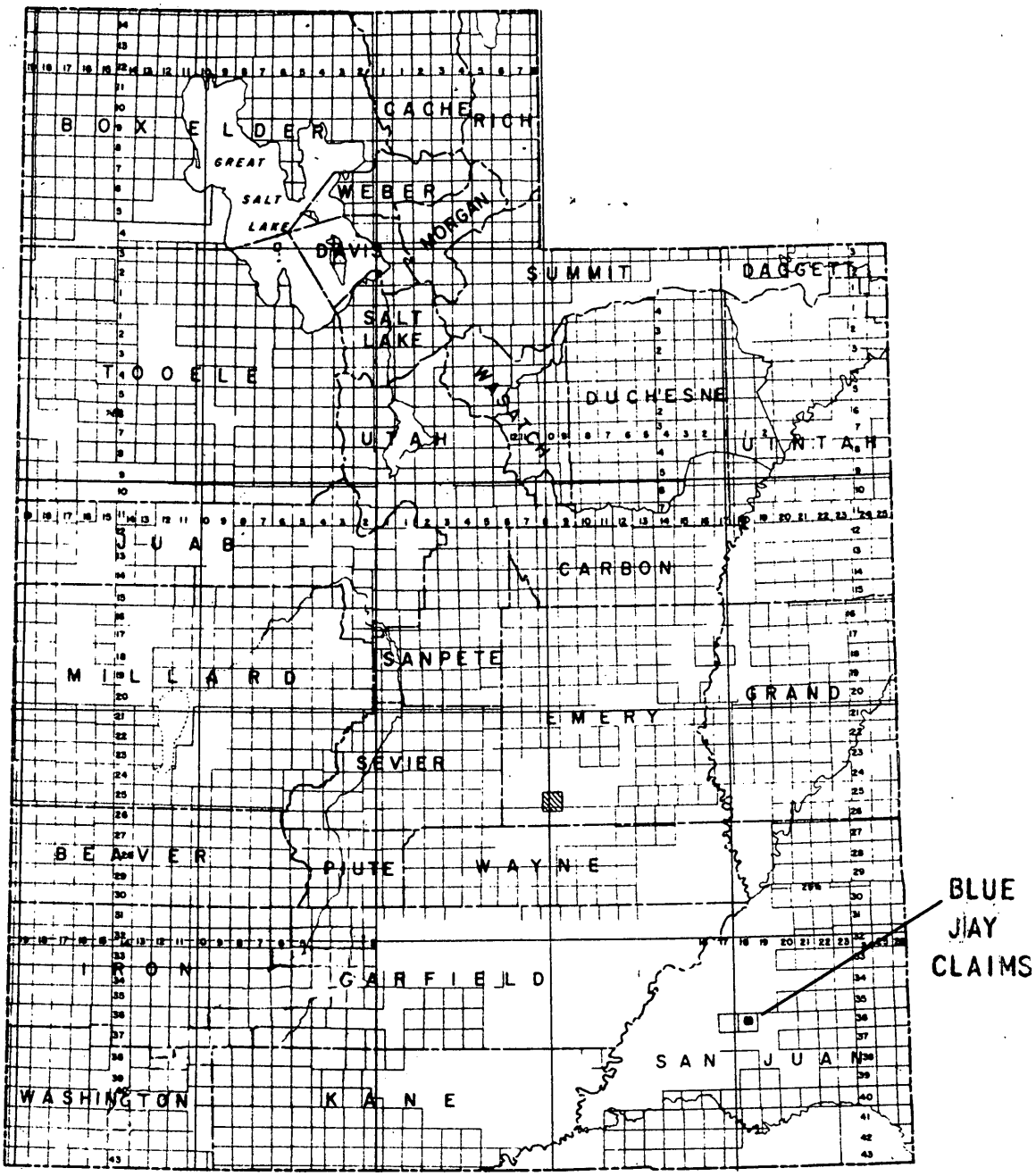

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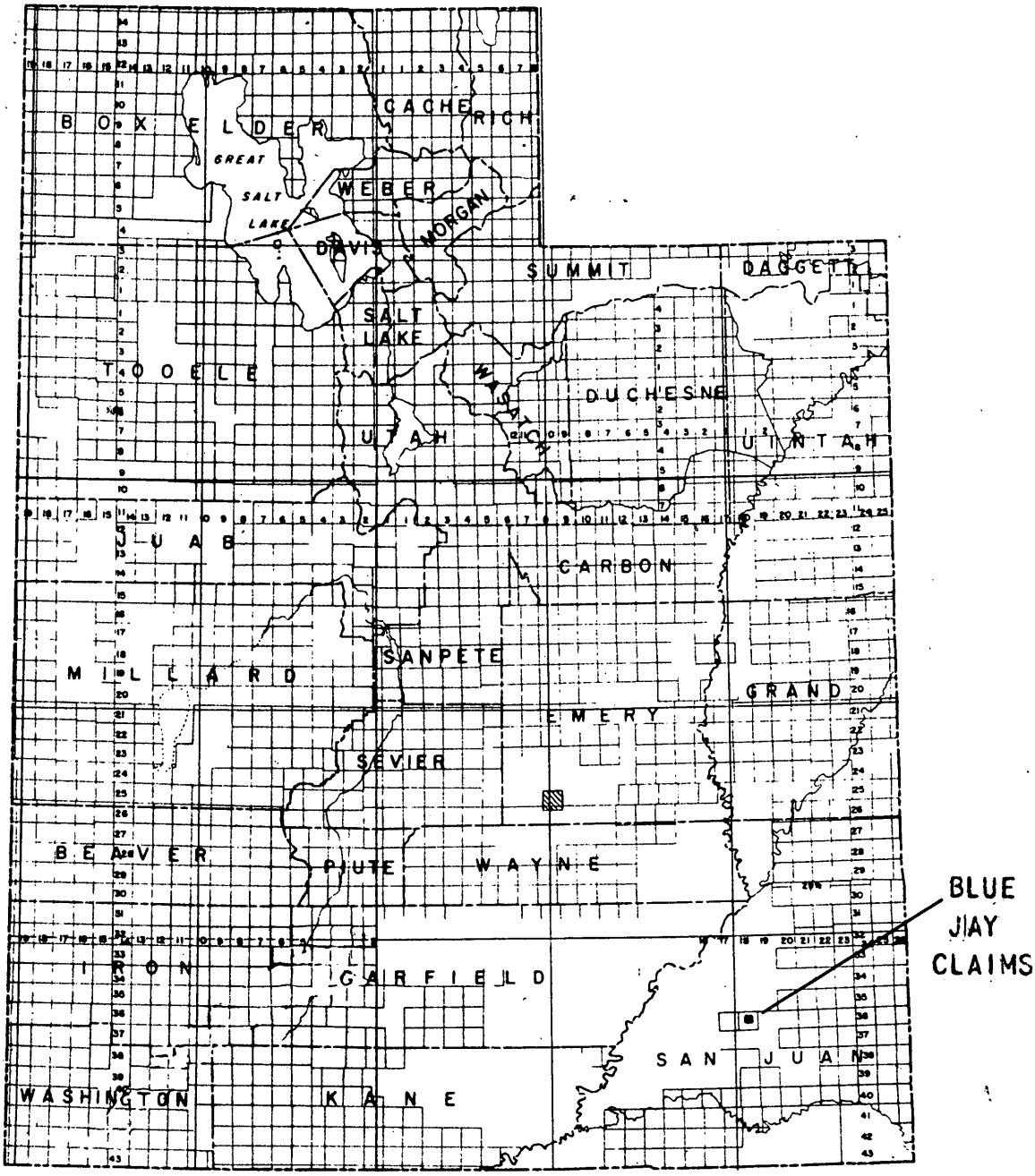
RECEIVED
JUL 13 1955



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RECEIVED
JUL 13 1955

RICH, ELTON & MANGUM
ATTORNEYS AT LAW
UTAH CO. BUILDING
SALT LAKE CITY 1, UTAH
TELEPHONE 0-0000

October 31, 1955

DMEA
FIELD TEAM

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

Re: Ol Jato Uranium Co.

Dear Mr. Traver:-

I am enclosing herewith four photostatted copies of our chain of title to the Blue Jay Claims. Ol Jato Uranium Company would appreciate your expediting the DMEA loan contract for execution by this company covering the above claims.

There are only one or two minor questions which we feel should be considered before our execution. First, we notice that the contract calls for completion of Stage One and Stage Two programs by December 15, 1955. This date would, of course, have to be extended primarily because of winter conditions. At this point we could not be certain of completing the program even if the contracts were already executed and we were on the ground working. Winter weather may well drive us off of Elk Ridge country any day now and keep us off until next spring.

The second question we would like to have some understanding on would be that we would not be required to drill all twelve holes on the first stage program. Supposing, for example, that we were fortunate enough to locate the channel and block out the edges with a lesser number of drill holes. We believe we should be privileged to use the additional footage to continue on the second stage.

I am also returning the copy of the proposed contract for Bears Ears Uranium Company which you loaned me.

Sincerely,

Mark T. Mangum

President, Ol Jato Uranium Co.

#2
#5.30
C0-13055

AUG 26 10 00 AM '55

ARVILLA E. WARREN
RECORDER, SAN JUAN COUNTY
BY _____

MINERAL DEED

BEARS EARS URANIUM COMPANY, a partnership, of Monticello, Utah, GRANTOR, for Ten Dollars and other good and valuable consideration, receipt of which is hereby acknowledged, hereby grants, bargains, quit-claims and conveys unto CALVIN BLACK, of Blanding, Utah, GRANTEE, the following identified unpatented lode mining claims situated chiefly in Section 15, Township 36 South, Range 18 East of the Salt Lake Meridian, San Juan County, Utah, more particularly described in notices recorded in the Office of the Recorder of said County as indicated below:

Name of Claim	Recording of Original Location		Recording of Notices of Lease Application Under Circular 7		Recording of Amended Notices of Location	
	Book	Page	Book	Page	Book	Page
Blue Jay No. 1	63	286	93	96	219	361
Blue Jay No. 2	63	287	93	96	219	361
Blue Jay No. 3	63	287	93	97	219	362
Blue Jay No. 4	63	288	93	97	219	362
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Blue Jay No. 26	193	343	93	108	219	373
Blue Jay No. 27	193	344				
Blue Jay No. 28	193	344				
Blue Jay No. 29	339	487				
Blue Jay No. 30	339	487				

WITNESS the hand of the grantor this 22nd day of August, 1955.

BEARS EARS URANIUM COMPANY

By _____
President

ATTEST:

_____
Secretary

STATE OF UTAH)
COUNTY OF) SS.

On this 22nd day of August, A.D. 1955, personally appeared

RICH, ELTON & MANGUM
UTAH OIL BUILDING
SALT LAKE CITY, UTAH

22

486

before me W. R. Young, President and DeMar Perkins, Secretary, who being first duly sworn by me did say that they are the President and Secretary of Bears Ears Uranium Company, a partnership; that they signed the foregoing instrument on behalf of said partnership by authority of a resolution of the partners, and said persons duly acknowledged to me that the foregoing Mineral Deed is the deed of the partnership.

My Commission Expires: 6-30-58

Deloree S. Stewart
Notary Public

Residing at Monticello, Utah

Entry No. 0-13055 486
Recorded 8/26/55 At 10 A.M. Book 56 Page 487
FEE PAID
ARVILLA E. WARREN,
San Juan County Recorder
$ 5.20 By J.P. Deputy

#3
$11.20

AUG 26 10 00 AM '55

ARVILLA E. WARREN
RECORDER, SAN JUAN COUNTY
BY _____

O-13056

MINERAL DEED

CALVIN BLACK, of Blanding, Utah, Grantor, for Ten Dollars and other good and valuable consideration, receipt of which is hereby acknowledged, hereby grants, bargains, quit-claims and conveys unto OL JATO URANIUM COMPANY, a corporation of Utah, GRANTEE, the following identified unpatented lode mining claims situated chiefly in Section 15, Township 36 South, Range 18 East of the Salt Lake Meridian, San Juan County, Utah, more particularly described in notices recorded in the Office of the Recorder of said County as indicated below:

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Blue Jay No. 29	339	487				
Blue Jay No. 30	339	487				

WITNESS the hand of the grantor this 8th day of August, 1955.

Calvin Black

STATE OF UTAH)
COUNTY OF SALT LAKE) SS.

On this 8th day of August, A.D. 1955, personally appeared before me Calvin Black, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

Lena D. Bohn
Notary Public
Residing at Salt Lak e City, Utah

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RICH, ELTON & MANGUM
UTAH OIL BUILDING
SALT LAKE CITY, UTAH

(OVER)

488

Grantee, OL JATO URANIUM COMPANY, a coporation of Utah, accepts the within quit claimed BLUE JAY claims subject to the terms and conditions recited in that certain agreement dated the 15th day of July, 1955, by and between BEARS EARS URANIUM COMPANY, a partnership, and CALVAN BLACK, a copy of which agreement is attached hereto and made a part hereof.

OL JATO URANIUM COMPANY

By Max K. Mangum
Max K. Mangum, President

ATTEST:

Karl D. Dunn
Secretary

STATE OF UTAH)
COUNTY OF) SS

A G R E E M E N T

THIS AGREEMENT dated the 15th day of July, 1955, by and between BEARS EARS URANIUM COMPANY, a partnership, the partners of which and the wives of said partners are CLYN P. YOUNG and NORMA YOUNG, husband and wife, DARROLL P. YOUNG and LEDA YOUNG, husband and wife, M. H. YOUNG and INA YOUNG, husband and wife, HAROLD YOUNG and Marjorie YOUNG, husband and wife, DeMAR PERKINS and HELEN PERKINS, husband and wife, DARYLE M. REDD and PEARL REDD, husband and wife, W. R. YOUNG and NETA YOUNG, husband and wife, CALVIN BLACK and Carolyn BLACK, husband and wife, THERALD N. JENSEN and BONNIE JENSEN, husband and wife, Sellers, and Calvin Black ~~XXXXXXXXXXXXXXXXXXXXXXXXXX~~, Blanding, Utah, Buyer,

W I T N E S S E T H

1. That for the consideration hereinafter specified Sellers agree to sell and Buyer agrees to buy the following identified unpatented lode mining claims situated chiefly in Section 15, Township 36 South, Range 18 East of the Salt Lake Meridian, San Juan County, Utah, more particularly described in notices recorded in the Office of the Recorder of said County as indicated below:

Name of Claim	Recording of Original Location		Recording of Notices of Lease Application Under Circular 7		Recording of Amended Notices of Location	
	Book	Page	Book	Page	Book	Page
Blue Jay No. 1	63	286	93	96	219	361
Blue Jay No. 2	63	287	93	96	219	361
Blue Jay No. 3	63	287	93	94	219	362
Blue Jay No. 4	63	288	93	97	219	362
Blue Jay No. 5	63	288	93	98	219	363
Blue Jay No. 6	63	289	93	98	219	363
Blue Jay No. 7	63	289	93	99	219	364
Blue Jay No. 8	63	289	93	99	219	364
Blue Jay No. 9	63	290	93	100	219	365
Blue Jay No.10	63	291	93	100	219	365
Blue Jay No.11	63	291	93	101	219	366
Blue Jay No.12	63	292	93	101	219	366

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Blue Jay No.13	63	292	93	102	219	367
Blue Jay No.14	63	293	93	102	219	367
Blue Jay No.15	63	293	93	103	219	368
Blue Jay No.16	63	294	93	103	219	368
Blue Jay No.17	63	294	93	104	219	369
Blue Jay No.18	63	295	93	104	219	369
Blue Jay No.19	63	295	93	105	219	370
Blue Jay No.20	63	296	93	105	219	370
Blue Jay No.26	193	343	93	108	219	373
Blue Jay No.27	193	344				
Blue Jay No.28	193	344				

2. The sale price for said claims is the sum of $1,000.00 for each claim, and in addition thereto Buyer shall pay to the Sellers 12.5 percent of the gross returns realized from the sale of all ores marketed from said claims. In reckoning said mill returns all costs of exploring for, extracting and transporting said ores to the point of market shall be borne by the Buyer. Any transportation allowances payable under the Atomic Energy Commission program as well as any development allowances shall belong to the Buyer and shall not be reckoned as a part of the said mill returns. Said 12.5 percent payment shall be reckoned, however, on any discovery or production bonuses payable under the said Atomic Energy Commission program. The payment of said $1,000.00 per claim shall be made upon the execution of this agreement, and the payment of the 12.5 percent of the net mill returns shall be made on the ~~XXXX~~ 25th day of each calendar month for all ores marketed in the preceding calendar month.

3. Concurrently with the payment of the said cash consideration of $1,000.00 per claim, Sellers agree to make, execute and deliver to Buyer a mineral quitclaim deed to the said mining claims.

4. Forthwith upon the execution of this agreement, Buyer agrees to enter upon said property and to commence drilling operations thereon, and to do or cause to be done such discovery and development work as may be necessary to properly determine the presence or absence of ore bodies upon said claims,

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and also such work as may be necessary to hold said claims in accordance with the assessment law requirements applicable thereto. Buyer shall seasonably post and file necessary assessment notice papers for the assessment year ending July 1, 1956, and July 1st of each year thereafter. If through prospecting of said mining property Buyer establishes the presence of an ore body which is of sufficient value to justify mining, he shall promptly thereafter begin the development of the said ore body and diligently pursue the mining thereof until the same is exhausted or until said property is reconveyed as hereinafter set forth. Buyer agrees to work and mine said property in a manner consistent with good and economic mining practices with due regard to the development and preservation of the same as mining property.

5. Buyer shall furnish Sellers with copies of any drill logs and maps made by him, and all drill holes put down by Buyer shall be plainly marked thereon for location and identification purposes. Also, Buyer shall, in a proper and reasonable manner, mark location on site of all drill holes and plug the same.

6. Buyer shall comply with all laws and regulations pertaining to the mining operations to be carried on hereunder, including the payment of all federal and state taxes and exactions levied or assessed on said mining property and in connection with the removal of ore therefrom, whether such taxes be property, occupation or other taxes; provided, that this shall not apply to any income taxes payable by Sellers on any ore mined and removed therefrom.

7. If a production tax or severance tax is levied or assessed against production from the property herein at any time during the term of this agreement, Buyer shall pay such

tax and shall withhold 12.5 percent of the same from Sellers' royalties herein as their proportionate share of said tax.

8. Buyer shall take out workmen's compensation insurance and maintain the same at all times hereunder, or comply at all times with the State regulations covering the carrying of self-insurance, if Buyer becomes a self-insurer under the laws of the State of Utah.

9. Buyer agrees to indemnify and hold Sellers harmless from any and all loss or damage, and from all claims for injury, death, loss or damage of any kind or character, and by whomsoever suffered, occasioned by or in connection with any work performed by Buyer, his agents or employees. Buyer further agrees to promptly pay all bills for labor and material incurred in Buyer's operations hereunder, and to indemnify and save Sellers harmless from all claims and liability of every kind and nature which may or might be incurred by reason of Buyer's operations hereunder. The parties shall never be considered partners generally, or in respect to any contractual or tort liability incurred hereunder.

10. Sellers or their duly designated agent, may at reasonable times enter upon said premises and descend into all mine workings for the purpose of inspecting the same at reasonable times without interference with mining operations. Sellers shall also have the right to enter upon the premises at all reasonable times for the purpose of probing any existing drill holes on said mining property.

11. Anything in this agreement to the contrary notwithstanding Buyer may, at any time, execute and deliver to Sellers or place of record in San Juan County, Utah, a reconveyance conveying his right, title and interest in said claims or any of them back to Sellers, and the execution and delivery or

recording of such reconveyance shall relieve Buyer of any duties, obligations and liabilities which he might otherwise thenceforth incur with respect to such reconveyed claims.

12. Any sum not paid when due by Buyer as herein provided shall bear interest at the rate of eight percent per annum.

13. Any notice or instrument to be given hereunder may be given by mailing the same by registered mail, postage prepaid; in the case of Sellers to be addressed as follows:

W. R. Young
Blanding, Utah

and in the case of Buyer to be addressed as follows:

Calvin Black
~~XXXXXXXXXXXXXX~~
~~XXXXXXXXX~~
Blanding, Utah

14. This agreement shall be fully assignable in whole or in part, and shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Blyn P. Young
Norma Young
Darrell P. Young
Leda Young
M H Young
Dean Perkins
Helen Perkins
Ina Young
Harold Young
Orpha C. Young
Pearl Redd
Angie M. Redd
W. R. Young
Neta Young

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Sherald M. Jensen

Dennis Jensen

Calvin Black

Carolyn Black

SELLERS

Calvin Black

BUYER

Entry No. 0-13056

Recorded 8/26/55 At 10 AM. Book 56 Page 495 488

FEE PAID

ARVILLA E. WARREN,
San Juan County Recorder

$ 11.20 By J. R. Deputy

495
10

$14.00

AUG 26 10 00 AM '55

ARVILLA E. WARREN
RECORDER, SAN JUAN COUNTY
BY _____

O-13054

MINERAL DEED

CLYN P. YOUNG and NORMA YOUNG, husband and wife of Monticello, Utah, DARROLL P. YOUNG and LEDA YOUNG, husband and wife of Monticello, Utah, M. H. YOUNG and INA YOUNG, husband and wife of Moab, Utah, HAROLD YOUNG and Marjorie YOUNG, husband and wife of Mack, Colorado, DeMAR PERKINS and HELEN PERKINS, husband and wife, of Monticello, Utah, DARYLE M. REDD and PEARL REDD, husband and wife of Monticello, Utah, W. R. YOUNG and NETA YOUNG, husband and wife of Blanding, Utah, CALVIN BLACK and Carolyn BLACK, husband and wife of Blanding, Utah, and THERALD N. JENSEN and BONNIE JENSEN, husband and wife, of Price, Utah, Grantors, for $10.00 and other good and valuable consideration, receipt of which is hereby acknowledged, hereby grant, bargain, quit claim and convey unto Calvin Black ~~xxxxxxxxxxxx~~ of Blanding, Utah, grantee, the following identified unpatented lode mining claims situated chiefly in Section 15, Township 36 South, Range 18 East of the Salt Lake Meridian, San Juan County, Utah, more particularly described in notices recorded in the Office of the Recorder of said County as indicated below:

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Blue Jay No. 5	63	288	93	98	219	363
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Blue Jay No. 7	63	289	93	99	219	364
Blue Jay No. 8	63	289	93	99	219	364
Blue Jay No. 9	63	290	93	100	219	365
Blue Jay No. 10	63	291	93	100	219	365
Blue Jay No. 11	63	291	93	101	219	366

PROOF READ

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-11

Blue Jay No. 12 63	292	93	101	219	366
Blue Jay No. 13 63	292	93	102	219	367
Blue Jay No. 14 63	293	93	102	219	367
Blue Jay No. 15 63	293	93	103	219	368
Blue Jay No. 16 63	294	93	103	219	368
Blue Jay No. 17 63	294	93	104	219	369
Blue Jay No. 18 63	295	93	104	219	369
Blue Jay No. 19 63	295	93	105	219	370
Blue Jay No. 20 63	296	93	105	219	370
Blue Jay No. 26/193	343	93	108	219	373
Blue Jay No. 27/193	344				
Blue Jay No. 28/193	344				
Blue Jay No. 29/[illegible]					
Blue Jay No. 30					

PROOF READ

WITNESS the hands of the grantors this 15th day of July, 1955.

Glyn R. Young
Norma Young
Darrell Young
Leda Young
M H Young
Ora Young

Hurd Young
Marjorie Young
Omar Perkins
Helen Perkins
Paul M. Redd
Pearl Redd
W. R. Young
Neta Young
Calvin Black
Carolyn Black
Theresa N. Seemen
Bonnie Jensen

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STATE OF UTAH)
: ss.
COUNTY OF San Juan)

Personally appeared before me this 21 day of July, 1955, CLYN P. YOUNG and NORMA YOUNG, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

F. Bennion Redd
Notary Public

My commission expires:
6-14-59

Residing at Monticello, Utah

STATE OF UTAH)
: ss.
COUNTY OF San Juan)

Personally appeared before me this 21st day of July, 1955, DARROLL P. YOUNG and LEDA YOUNG, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

F. Bennion Redd
Notary Public

My commission expires:
6-14-59

Residing at Monticello, Utah

STATE OF UTAH)
: ss.
COUNTY OF Grand)

Personally appeared before me this 23rd day of July, 1955, M. H. YOUNG and INA YOUNG, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

[illegible]
Notary Public

My commission expires:
1/18/59

Residing at Moab, Utah

STATE OF Utah)
: ss.
COUNTY OF San Juan)

Personally appeared before me this 22 day of July, 1955, HAROLD YOUNG and Marjorie YOUNG, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

[illegible]
Notary Public

My commission expires:
Aug 1958

Residing at Price Utah

STATE OF UTAH)
: ss.
COUNTY OF San Juan)

Personally appeared before me this 21st day of July, 1955, DeMAR PERKINS and HELEN PERKINS, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

F. Benmon Redd
Notary Public

My commission expires:
6-14-59

Residing at Monticello, Utah

STATE OF UTAH)
: ss.
COUNTY OF San Juan)

Personally appeared before me this 21st day of July, 1955, DARLE M. REDD and PEARL REDD, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

F. Benmon Redd
Notary Public

My commission expires:
6-14-59

Residing at Monticello, Utah

STATE OF Utah)
: ss.
COUNTY OF San Juan)

Personally appeared before me this 22nd day of July, 1955, W. R. YOUNG and NETA YOUNG, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

D. Hansen
Notary Public

My commission expires:
Aug 1, 1958

Residing at Blanding

STATE OF _____)
: ss.
COUNTY OF _____)

Personally appeared before me this 10 day of August, 1955, CALVIN BLACK and Caroline BLACK, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

Fred Wagner
Notary Public

My commission expires:
NOTARY PUBLIC, NEW JERSEY
MY COMMISSION EXPIRES JULY 20, 1960

Residing at Little Silver N.J.

STATE OF UTAH)
: ss.
COUNTY OF CARBON)

Personally appeared before me this 27 day of July, 1955, THERALD N. JENSEN and BONNIE JENSEN, husband and wife, two of the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

My commission expires:
Jan. 14, 1958

Dan C. Keller
Notary Public
Residing at Price, Utah

Entry No. 0-13054
Recorded 8/26/55 At 10 A.M. Book 56 Page 485
FEE PAID
$ 14.00 By D.R. Deputy
ARVILLA E. WARREN,
San Juan County Recorder

RECEIVED
NOV 14 1955

Government's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA-3772

Commodity Uranium

Contract No. Idm-E 856

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

It is agreed this AUG 1 5 1955 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Bears Ears Uranium Company, a partnership consisting of the persons named in Annex II.

whose mailing address is c/o W. R. Young, Attorney in Fact
Blanding, Utah,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and Annex II, & map, Figure 2.

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

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

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

16—70618-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before December 15, 1955, (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $10,892.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $8,169.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

BEARS EARS URANIUM COMPANY
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Administrator, Defense
Minerals Exploration
Administration

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
BEARS EARS URANIUM COMPANY
DOCKET NO. DMEA-3772

ANNEX I

The land referred to in Article 2 of the contract consists of 23 unpatented lode mining claims situated in Section 15, T. 36 S., R. 18 E., S.L.M. & B., San Juan County, Utah. The claims are shown on the attached map entitled "Figure 2 - Map of Property and Exploration . . .," and are recorded at the County Courthouse at Monticello as follows:

Claim		Original Book	Original Page	Amended Book	Amended Page
Blue Jay	1	63	286	219	361
"	2	63	287	219	361
"	3	63	287	219	362
"	4	63	288	219	362
"	5	63	288	219	363
"	6	63	289	219	363
"	7	63	289	219	364
"	8	63	289	219	364
"	9	63	290	219	365
"	10	63	291	219	365
"	11	63	291	219	366
"	12	63	292	219	366
"	13	63	292	219	367
"	14	63	293	219	367
"	15	63	293	219	368
"	16	63	294	219	368
"	17	63	294	219	369
"	18	63	295	219	369
"	19	63	295	219	370
"	20	63	296	219	370
"	26	193	343	219	373
"	27	193	344		
"	28	193	344		

EXPLORATION PROJECT CONTRACT
BEARS EARS URANIUM COMPANY
DOCKET NO. DMEA-3772

ANNEX II

The names and addresses of the partners under this contract are as follows:

Clynn Young, Monticello, Utah
W. R. Young, Blanding, Utah
Daryle Young, Monticello, Utah
Mildruff Young, Moab, Utah
Harold Young, Mac, Colorado
Daryle Redd, Monticello, Utah
DeMar Perkins, Monticello, Utah
Calvin Black, Price, Utah
Therald N. Jensen, Price Utah

EXPLORATION PROJECT CONTRACT
BEARS EARS URANIUM COMPANY
DOCKET NO. DMEA-3772

EXHIBIT "A"

Description of the Work

The work consists of exploration by core and non-core drilling.

The drill holes shall test the favorable Shinarump Conglomerate of Upper Triassic age. Drilling depths are expected to average approximately 200 feet. The first hole shall be drilled by non-core plug bit to a depth of 25 feet and then shall be core drilled for the remainder of its depth in order to establish the general limits of the Chinle and Shinarump formations and the first red mudstone of the Moenkopi formation. All remaining holes shall be drilled by non-core plug bit to the top of the potentially ore-bearing Shinarump Conglomerate and then shall be core drilled through the Shinarump formation to the first red mudstone in the Moenkopi formation. The minimum size of core drilling shall be AX.

All core and cuttings from the cored section of drill holes shall be split, and one-half shall be properly stored for the use of the Government. The Operator's portion of the core and cuttings shall be checked radiometrically for uranium, and samples indicating significant mineralization shall be analyzed chemically for uranium.

All drill holes shall be logged geologically and probed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports. The probing and other project work shall be done under the supervision of a competent geologist or mining engineer.

All holes shall be reamed and cased as necessary.

The work shall be done in two stages. The Operator shall perform Stage I, and shall perform as much of the

second stage as the Government approves in writing in advance, based upon the results of Stage I.

The location, inclination, direction, and extent of all work are subject to the approval of the Government.

STAGE I

The work under this stage consists of the preparation of access roads and drill sites by a TD-18 bulldozer or equivalent unit, and the drilling of 12 holes aggregating 2,400 feet, more or less. The positions of these holes are indicated on the attached map, Figure 2. There are two rows of six holes each paralleling the Shinarump rim, with the holes in the second row staggered with respect to those of the first row. The rows are 200 feet apart and the holes in each row are 150 feet apart. If the 12 holes require more than 2,400 feet to reach the desired horizon the additional footage may be transferred to Stage I and deducted from the footage described under Stage II.

STAGE II

Stage II work consists of the preparation of access roads and drill sites by a TD-18 bulldozer or equivalent unit, and the drilling of a maximum of 12 holes aggregating not more than 2,400 feet as offsets to Stage I holes which show mineralization or strongly favorable geological criteria. The offset holes shall not be drilled closer than 75 feet from any previously drilled hole.

ESTIMATED COST OF THE PROJECT

FIXED UNIT COSTS

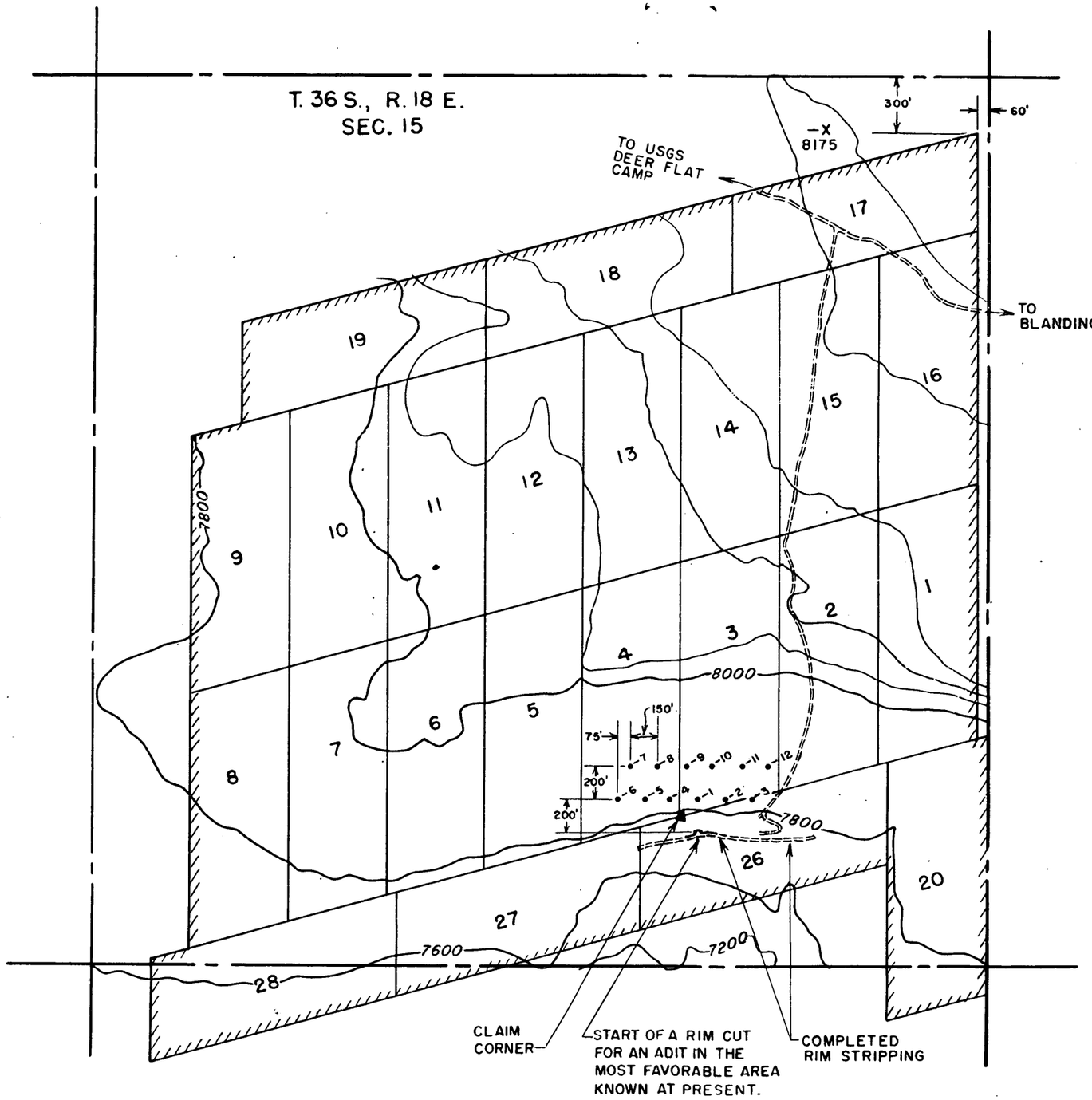
STAGE I

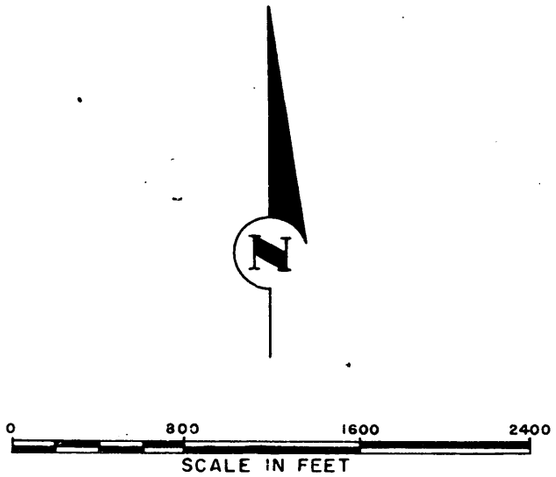
725 ft. core drilling @ $2.60/ft.	$ 1,885.00
1,675 ft. non-core drilling @ $1.60/ft.	2,680.00
2 bulldozer moves, on or off property, @ $37.50/move	75.00

50 hrs. bulldozing @ $12.00/hr.	600.00	
18 hrs. drill crew standby time @ $10.00/hr.	180.00	
12 chemical sample analyses @ $3.00/sample	36.00	$ 5,456.00

STAGE II

600 ft. core drilling @ $2.60/ft.	$ 1,560.00	
1800 ft. non-core drilling @ $1.60/ft.	2,880.00	
4 bulldozer moves on or off property @ $37.50/move	150.00	
50 hrs. bulldozing @ $12.00/hr.	600.00	
18 hrs. drill crew standby time @ $10.00/hr.	180.00	
22 chemical sample analyses @ $3.00/sample	66.00	$ 5,436.00
Estimated total cost of the project		$10,892.00
Government participation @ 75%		$ 8,169.00





LEGEND

- SECTION LINES
- BLUE JAY CLAIM LINE
- •-1 PROPOSED STAGE I DRILLING •-1 TO •-12
- 7800 CONTOURS
- ACCESS ROAD

FROM A MAP BY L. FIAEK, JULY 1954

FIGURE 2 – MAP OF PROPERTY AND EXPLORATION, BEARS EARS URANIUM COMPANY, BLUE JAY CLAIMS, SAN JUAN COUNTY, UTAH. DMEA 3772

Extra Copy

Withdrawn

MF-200A
(Revised June 1954)

Docket No. DMEA-5772

Commodity Uranium

Contract No. Idm-E 856

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

It is agreed this AUG 18 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Sears Lara Uranium Company, a partnership consisting of the persons named in Annex II,

whose mailing address is c/o E. R. Young, Attorney in Fact
Blanding, Utah,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and Annex II map, Figure 2.

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

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

(b) The Operator represents and undertakes that

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before 90 shall commence the work, and on or before December 15, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $10,892.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $8,169.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

BEARS EARS URANIUM COMPANY
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Administrator, Defense Minerals Exploration Administration

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
BEARS EARS URANIUM COMPANY
DOCKET NO. DMEA-3772

ANNEX II

The names and addresses of the partners under this contract are as follows:

Clynn Young, Monticello, Utah
W. R. Young, Blanding, Utah
Daryle Young, Monticello, Utah
Mildruff Young, Moab, Utah
Harold Young, Mac, Colorado
Daryle Redd, Monticello, Utah
DeMar Perkins, Monticello, Utah
Calvin Black, Price, Utah
Therald N. Jensen, Price Utah

DMEA-Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-5	Ching	700
9-5	Ellis	700
"	Johnson	110
		~~700~~
9/6	Q	220
		225

SEP 6 1957

Mr. Calvin Black
C & W Black Mining Co.
Box 569
Monticello, Utah

Re: Docket Nos. DMEA-3772 ~~and~~
DMEA-4120 (Uranium)
Blue Jay Claims
San Juan County, Colorado

Dear Mr. Black:

Reference is made to your letter of August 28, 1957, regarding the reopening of an old application or the submission of a new one covering the subject claims.

As you may know, our experience with this property has been very unsatisfactory in the past. Under Docket No. DMEA-3772, a contract was offered the Bears Ears Uranium Company, which at the last moment, sold the claims to you and rejected the proffered contract. You, in turn, conveyed the claims to the Ol Jato Uranium Company. The latter company then submitted a new application under Docket No. DMEA-4120. A new contract was then drawn up and forwarded to our Field Team at Denver pending receipt of a Subordination Agreement or Performance Bond in lieu thereof. A number of months passed, but the required documents were not submitted, despite repeated correspondence from our Field Team, and finally the application was considered withdrawn.

We have detailed our experience with this property because of the unusual difficulties that invariably have arisen during the processing of an application connected with it. While we have no objection to your making a new application, we wish to make the following inquiries:

1. Is it the intention of the C & W Black Mining Company to pursue the application and any exploration contract that might result from it to its final conclusion?

2. Will the C & W Black Mining Company be able to secure executed Consent to Lien and Subordination Agreement forms from all parties holding title to the land or liens or claims against it?

8623

In making out a new application, it will be necessary that you submit all the necessary legal documents showing your right to possession in the land and all royalty and other claimants against it. It is important that you submit a map showing the new drifting completed and a complete description of the results of this work, including assay certificates, if any. Four copies of all documents are required.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

MChing/izm 9-5-57
cc to: Mr. Ching
Admr.'s Reading File
THKiilsgaard, 5224
DMEA FT Reg. 3 (20 w/2 cc's of incoming letter
Docket DMEA-3772
Docket DMEA-4120

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" Chg | 700

Monticello, Utah
August 28, 1957

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

Re: DMEA Docket No. 3772
Blue Jay Claims

Dear Sir:

Over two years ago the application for assistance for mineral exploration referred to above was initiated under Bears Ears Uranium Company, by my associates and me. I went into the Military Service shortly thereafter and we sold the property to Oljato Uranium Company of which I am an officer. Oljato, from what I can find out pursued the application almost to completion and then did not finish it.

I was in Grand Junction, Colorado recently and talked to your representative, Mr. Hasler about negotiating another loan on this same property. He suggested I write to you and see if we could reopen the old application or if we should submit a new one.

We have leased the Blue Jay Claims from Oljato and would like to either reopen the old application or submit a new one. There will be some amendments to the old one we would like to make if it is used, because of further work done on this property, consisting of drifting 100 feet in the channel.. This work was completed in June of this year.

Please advise as to what would be the best procedure at your earliest convenience.

Very truly yours,

Calvin Black

Calvin Black
C & W BLACK MINING COMPANY

3-23-56

Monticello, Utah
March 15, 1956

DMEA-3772

Mr. Frank Johnson
Acting Administer
U.S.A. Dept. of Interior
Defense Minerals Exploration Adm.
Washington 25, D.C.

original unsigned proposed contract 10M-E856 (cancelled)

Dear Mr. Johnson,

Enclosed is the application for the Bears Ears Uranium DMEA application. It was just given to me by Mr. Young who found it after being lost for quite some time.

You requested this application be sent back in as per your letter of Nov. 23, 1955 to The Bears Ears Uranium Co. of Blanding, Utah. Mr. W. R. Young was the attorney in fact.

Sincerely Yours

DeMar Perkins

DeMar Perkins
Monticello, Utah
Partner.

RECEIVED
MAR 23 1956

Surname copy

700

Ching
Ellis
Chambers
Kilgaard
Geehan
Selridge
Hafstrom

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

MAR - 5 1956

Mr. W. R. Young
Attorney in Fact
Beare Earn Uranium Company
Blanding, Utah

Re: Docket No. DMEA-3772 (Uranium)
Contract No. Idm-2856
Blue Jay Claims
San Juan County, Utah

Dear Mr. Young:

Reference is made to your letter of February 13, 1956, to our Region III office, withdrawing the subject application. Accordingly, we are closing Docket No. DMEA-3772 on our records.

Sincerely yours,

C. O. Mittendorf

Administrator

Copy to: Tharald N. Jensen
Attorney at Law
Price, Utah

MChing/gla
2-29-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700, Mr. Ching
DMEA Field Team, Region III (2)

RCS

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

February 29, 1956

Memorandum

To: Robert E. Adams, Chief
Operations Control & Statistics Division

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

Subject: Docket No. DMEA-3772 (Uranium)
Contract No. Idm-E856
Bears Ears Uranium Company
Blue Jay Claims
San Juan County, Utah

The above-named docket is transmitted to you herewith, together with Docket No. DMEA-4120, Ol Jato Uranium Company. A new contract has been prepared in the latter docket, signed by the Administrator, and is to be assigned a contract number and transmitted to Region III for execution by the Operator.

You are referred to my memorandum under date of February 21, 1956, to the Associate Solicitor, Division of Mineral Resources, for details relating to the contracts involved.

If you have not already done so, Contract Idm-E856 should be cancelled simultaneously with the numbering of the contract in Docket No. DMEA-4120, Ol Jato Uranium Company. Also, you may wish to transfer certain material from Docket DMEA-3772 to Docket DMEA-4120, especially the Field Team report covering a field examination of the subject property, transmitted by the Field Team's memorandum of July 15, 1955. This report is the basis for the contract under Docket DMEA-4120, Ol Jato Uranium Company.

Ernest Wm. Ellis

Ernest Wm. Ellis.

Transferred from Docket No. DMEA-3772 to Docket No. DMEA-4120:

1. Copy of memorandum dated July 15, 1955, from Region III Field Team, and attached Report of Examination, dated June 29, 1955.

2. Copy of memorandum dated November 10, 1955, from Region III Executive Officer, with attached title documents and correspondence with Max K.Mangum, President of Ol Jato Uranium Co.

3. Copy of a letter, dated November 14, 1955, from Max K. Mangum to W. M. Traver.

2-27-56

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

RECEIVED
FEB 27 1956

224 New Customhouse
Denver 2, Colorado

February 23, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3772 (Uranium), Bears Ears Uranium Company, Blue Jay Claims, San Juan County, Utah, Proposed Exploration Project Contract Idm-E856

Supplementing material forwarded by our memorandum of February 17, 1956, we are enclosing the original and two copies of a letter, dated February 13, 1956, from W. A. Young, wherein he states that the former co-owners are no longer interested in pursuing the application for DMEA assistance.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
FEB 2 5 1956

224 New Customhouse
Denver 2, Colorado

February 23, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3772 (Uranium), Bears Ears Uranium Company, Blue Jay Claims, San Juan County, Utah, Proposed Exploration Project Contract Idm-E856

Supplementing material forwarded by our memorandum of February 17, 1956, we are enclosing the original and two copies of a letter, dated February 13, 1956, from W. A. Young, wherein he states that the former co-owners are no longer interested in pursuing the application for DMEA assistance.

W. M. Traver

Enclosures

DMEA
Date Rec'd.
FEB 23 1956
BUREAU OF MINES
Denver, Colorado

Blanding, Utah
February 13, 1956

RECEIVED
FEB 27 1956

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Gentlemen:

Re: DMEA Docket 3772 (Uranium),
Proposed Exploration Contract
Idm-E856, Bears Ears Uranium
Company, Blue Jay claims,
San Juan County, Utah

If you have not already been notified, this is to notify you that the locators of the Blue Jay claims in San Juan County, Utah, no longer desire to pursue their application for a proposed exploration contract hereinabove identified.

Very truly yours,

W. R. Young

Individually and as agent and attorney in fact for the locators of the Blue Jay claims hereinabove referred to.

DMEA
Date Rec'd
FEB 23 1956
BUREAU OF MINES
Denver, Colorado

Blanding, Utah
February 13, 1956

RECEIVED
FEB 2 1956

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Gentlemen:

Re: DMEA Docket 3772 (Uranium),
Proposed Exploration Contract
Idm-E856, Bears Ears Uranium
Company, Blue Jay claims,
San Juan County, Utah

If you have not already been notified, this is to notify you that the locators of the Blue Jay claims in San Juan County, Utah, no longer desire to pursue their application for a proposed exploration contract hereinabove identified.

Very truly yours,

W. R. Young

Individually and as agent and attorney in fact for the locators of the Blue Jay claims hereinabove referred to.

Date Rec'd

FEB 23 1956

BUREAU OF MINES
Denver, Colorado

Blanding, Utah
February 13, 1956

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

RECEIVED
FEB 1956

Gentlemen:

Re: DMEA Docket 3772 (Uranium),
Proposed Exploration Contract
Idm-2856, Bears Ears Uranium
Company, Blue Jay Claims,
San Juan County, Utah

If you have not already been notified, this is to notify you that the locators of the Blue Jay claims in San Juan County, Utah, no longer desire to pursue their application for a proposed exploration contract hereinabove identified.

Very truly yours,

W. R. Young

Individually and as agent and attorney in fact for the locators of the Blue Jay claims hereinabove referred to.

Surname copy
DMEA-3772

700

Ching
Ellis

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

February 21, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

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

Subject: Docket No. DMEA-4120 (Uranium)
Oil Jato Uranium Company
Blue Jay Claims
San Juan County, Utah

Will you kindly prepare a short-form contract between the Government and Oil Jato Uranium Company in accordance with the attached draft. The Subordination Agreement referred to is being secured by the Field Team.

Please note that Exhibit "A" is the same as that in the contract sent out to Bears Ears Uranium Company (DMEA-3772) and that the contract form, Annex I and map (Figure 2) have been modified from the Bears Ears contract. The latter contract was not executed by Bears Ears Uranium Company because the property was transferred to Oil Jato Uranium Company. The Operator's copy of the original contract under DMEA-3772 is attached for your information. The other five copies of the contract were apparently lost in the mails.

Your attention is called to the letter dated February 14, 1956, from T. N. Jensen, one of the former co-owners, and attorney for the said co-owners, to Mr. W. M. Traver, advising that the Bears Ears Uranium Company no longer desires to pursue its application for an exploration contract.

A new contract number will be assigned to the contract for the Oil Jato Uranium Company.

Ernest Wm. Ellis

Ernest Wm. Ellis

cc - Docket DMEA-3772

MChing/gla
cc to: Docket DMEA-4120
Docket DMEA-3772
Code 700
Mr. Ching

FEB 20 1956

RECEIVED
FEB 20 1956

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

224 New Customhouse
Denver 2, Colorado

February 17, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3772 (Uranium) Bears Ears Uranium Company
Blue Jay Claims, San Juan County, Utah
Proposed Exploration Project Contract Idm-E856

Enclosed are the original and two copies of letter dated February 14, 1956 from T. N. Jensen, which is in conjunction with matters discussed in the Administrator's letter of January 11, 1956 to Max K. Mangum, President, Ol Jato Uranium Company. Mr. Jensen states that the former co-owners no longer wish to pursue their application, Docket DMEA 3772, for Government assistance under the DMEA program.

Please advise us if and when the contract is rescinded so that we can clear our records.

W. M. Traver

W. M. Traver

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

RECEIVED
FEB 20 1956

224 New Customhouse
Denver 2, Colorado

February 17, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3772 (Uranium) Bears Ears Uranium Company
Blue Jay Claims, San Juan County, Utah
Proposed Exploration Project Contract Idm-8856

Enclosed are the original and two copies of letter dated February 14, 1956 from T. N. Jensen, which is in conjunction with matters discussed in the Administrator's letter of January 11, 1956 to Max K. Mangum, President, Oil Jato Uranium Company. Mr. Jensen states that the former co-owners no longer wish to pursue their application, Docket DMEA 3772, for Government assistance under the DMEA program.

Please advise us if and when the contract is rescinded so that we can clear our records.

W. M. TRAVER

W. M. Traver

THERALD N. JENSEN
ATTORNEY AT LAW
PRICE, UTAH

February 14, 1956

RECEIVED
FEB 20 1956

DMEA
Date Rec'd.
FEB 16 1956

BUREAU OF MINES
Denver, Colorado

Mr. W. M. Traver
Executive Officer DMEA
224 New Customhouse
Denver 2, Colorado

Dear Mr. Traver: Re: DMEA 3772 (Uranium), Proposed Exploration Contract Idm-E856, Bears Ears Uranium Company (Blue Jay Claims), San Juan County, Utah.

It is my understanding that Mr. W. R. Young who is acting as agent and attorney in fact for the former co-owners of the Blue Jay claims had notified you that we no longer desire to pursue our application for an exploration contract. On the off-chance that you have not been notified that we do not desire to pursue this application, will you please accept this letter as such notification. I am one of the former co-owners of said property and I am also the attorney for the said co-owners.

Very truly ~~yours~~,

T. N. Jensen

TNJ/bk

cc: Mr. Max K. Mangum
Attorney at Law
Utah Oil Building
Salt Lake City, Utah

THERALD N. JENSEN
ATTORNEY AT LAW
PRICE, UTAH

February 14, 1956

DMEA
Date Rec'd.
FEB 16 1956
BUREAU OF MINES
Denver, Colorado

Mr. W. M. Traver
Executive Officer DMEA
224 New Customhouse
Denver 2, Colorado

Dear Mr. Traver: Re: DMEA 3772 (Uranium), Proposed Exploration Contract Idm-E856, Bears Ears Uranium Company (Blue Jay Claims), San Juan County, Utah.

It is my understanding that Mr. W. R. Young who is acting as agent and attorney in fact for the former co-owners of the Blue Jay claims had notified you that we no longer desire to pursue our application for an exploration contract. On the off-chance that you have not been notified that we do not desire to pursue this application, will you please accept this letter as such notification. I am one of the former co-owners of said property and I am also the attorney for the said co-owners.

Very truly ~~yours,~~

T. N. Jensen

TNJ/bk

cc: Mr. Max K. Mangum
Attorney at Law
Utah Oil Building
Salt Lake City, Utah

THERALD N. JENSEN
ATTORNEY AT LAW
PRICE, UTAH

February 14, 1956

DMEA
Date Rec'd.
FEB 16 1956
BUREAU OF MINES
Denver, Colorado

Mr. W. M. Traver
Executive Officer DMEA
224 New Customhouse
Denver 2, Colorado

Dear Mr. Traver: Re: DMEA 3772 (Uranium), Proposed Exploration Contract Idm-E856, Bears Ears Uranium Company (Blue Jay Claims), San Juan County, Utah.

It is my understanding that Mr. W. R. Young who is acting as agent and attorney in fact for the former co-owners of the Blue Jay claims had notified you that we no longer desire to pursue our application for an exploration contract. On the off-chance that you have not been notified that we do not desire to pursue this application, will you please accept this letter as such notification. I am one of the former co-owners of said property and I am also the attorney for the said co-owners.

Very truly ~~yours~~,

T. N. Jensen

TNJ/bk

cc: Mr. Max K. Mangum
Attorney at Law
Utah Oil Building
Salt Lake City, Utah

Surname copy
DMEA-3772

700

Ching
Ellis

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

Mr. Max K. Mangum, President
Oil State Uranium Company
307 Utah Oil Building
Salt Lake City 1, Utah

JAN 11 1956

Re: Docket No. DMEA-3772 (Uranium)
Bears Ears Uranium Company
Blue Jay Claims
San Juan County, Utah

Dear Mr. Mangum:

On November 23, 1955, we wrote to Mr. W. R. Young, Attorney-in-Fact, Bears Ears Uranium Company, Blanding, Utah, reviewing our understanding of various developments in connection with the subject docket and requesting confirmation of such understanding. We also requested that the Bears Ears Uranium Company formally withdraw its application under Docket No. DMEA-3772 for aid in an exploration project.

To date we have had no reply from Mr. Young. Since the processing of your application, Docket No. DMEA-4120, cannot proceed until we receive the requested confirmation and formal withdrawal from the Bears Ears Uranium Company, it is suggested that you contact that company with a view of expediting a satisfactory reply to our letter of November 23.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/gla
1-11-56
cc to: Admr.'s Reading File
Docket DMEA-3772
Docket DMEA-4120
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA Field Team, Region III (2)

R.C.J.

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

January 5, 1956

224 New Customhouse
Denver 2, Colorado

3772

Mr. Max K. Mangum, President
Ol Jato Uranium Company
307 Utah Oil Building
Salt Lake City 1, Utah

Re: Application for DMEA Assistance, (Uranium), Blue Jay claims, San Juan County, Utah

Dear Mr. Mangum:

This will acknowledge receipt of four copies of the subject application which is being forwarded to the DMEA Washington office for their further consideration.

copy this letter in DMEA-4120

Will you please return the copy of the Proposed Exploration Project Contract Idm-E856 forwarded you with our letter of November 28, 1955.

Enclosed are the original and five copies of Form MF-201, Subordination Agreement to be signed by all persons holding interest in possible future royalty in accordance with the Agreement dated the 15th day of July, 1955. When you obtain all of the required signatures, please return all copies to this office so that we may continue to process your application.

Very truly yours,

W. M. Traver

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

RECEIVED
JAN 9 1956

Enclosures

HMC:ab
cc: Chair. Op. Comm. (2)
Harshman
Townsend
Subject
Chron.

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [redacted]
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of San Juan, State of Utah, described as[redacted]

[redacted]

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

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

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

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

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

(OVER)

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

RECEIVED
DEC - 1 1955

November 28, 1955

224 New Customhouse
Denver 2, Colorado

Mr. Max K. Mangum, President
Ol Jato Uranium Company
Utah Oil Building
Salt Lake City 1, Utah

Re: Docket DMEA 3772 (Uranium), Proposed Exploration Project Contract Idm-E 856, Bears Ears Uranium Company, (Blue Jay claims), San Juan County, Utah

Dear Mr. Mangum:

We have been advised by the Washington DMEA office that it will be necessary for Ol Jato Uranium Company to submit a new application with a tie-in to the old docket number (DMEA 3772) by reference. Enclosed are five copies of Form MF-103, the application, and you should submit this application in quadruplicate, keeping one copy for your file. Include the same property and other information consistent with the contract, copy of which is enclosed, prepared for Bears Ears Uranium Company to eliminate unnecessary delay. A new docket number will be assigned. Also please include a new starting and completion date taking into account winter conditions.

The Washington DMEA office will request the withdrawal of the old application from the Bears Ears Uranium Company. Subordination Agreements will probably be required and these agreements will be prepared in this office and forwarded to you for the proper signatures.

Please return the copy of the enclosed contract to this office.

Very truly yours,

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

By J. W. Townsend
J. W. Townsend

Enclosures

HMC:ab

cc: See. Op. Comm. (2)

Surname Copy
700

Department of the Interior

DMEA
14X4401(01) Revolving Fund,
Defense Production Act, Int.,
(Allocated Working Fund to the Office
of the Secretary)

Ching
Ellis
Martin
Nelson
Gahan
Selfridge
Johnson

T E L E T Y P E

NOV 23 1955

W. M. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REFERENCE NOVEMBER 10 AND 15 BEARS EARS URANIUM COMPANY DOCKET 3772 NECESSARY OL JATO URANIUM COMPANY SUBMIT NEW APPLICATION WITH TIE-IN TO OLD DOCKET BY REFERENCE, AND INCLUDING SAME PROPERTY AND OTHER INFORMATION CONSISTENT WITH CONTRACT AS DRAWN TO ELIMINATE UNNECESSARY DELAY. NEW DOCKET NUMBER WILL BE ASSIGNED. REQUIRE NEW COMPLETION DATE TAKING ACCOUNT WINTER CONDITIONS, AND SUBORDINATION AGREEMENT FROM ALL PARTNERS AND WIVES BEARS EARS URANIUM COMPANY. WE WILL REQUEST LATTER WITHDRAW OLD APPLICATION.

George C. Selfridge
GEORGE C. SELFRIDGE, Ex 557
CHAIRMAN, OPERATING COMMITTEE

MChing/izm 11-21-55

cc to: Admr.'s reading file
Operating Committee
Docket
Code 700
Mr. Ching
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Confirmation to Region III

Surname Copy

700

Ching
Ellis
Nelson
Gerhan
Selfridge

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

NOV 23 1955

Mr. W. R. Young
Attorney-in-Fact
Bears Ears Uranium Company
Blanding, Utah

Re: Docket No. DMEA 3772 (Uranium)
Blue Jay Claims
San Juan County, Utah

Dear Mr. Young:

It is our understanding from recent correspondence with our Field Team that:

1. The Bears Ears Uranium Company partnership has sold the Blue Jay Claims to Calvin Black who, in turn, has conveyed these claims to the Ol Jato Uranium Company;

2. Because of the foregoing transactions the Bears Ears Uranium Company is no longer interested in entering into an exploration contract on these claims, with the Defense Minerals Exploration Administration;

3. Five copies of a proposed exploration contract between the Government and Bears Ears Uranium Company were forwarded to you for signature, but were not received by you, and are presumably lost.

Please confirm the correctness of our understanding on the above three points. It is also requested that the Bears Ears Uranium Company formally withdraw its application under Docket No. DMEA-3772 for aid in an exploration project. In the event the copies of the proposed contract are found, please return them to this office.

For your information we are advising Ol Jato Uranium Company to submit a new application on the Blue Jay Claims.

Sincerely yours,

Frank E. Johnson
Administrator

MChing/izm 11-21-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Code 700
Mr. Ching
DMEA Field Team, Region III (2)

Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

R.C.

11-18-55

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

RECEIVED
NOV 17 1955

224 New Customhouse
Denver 2, Colorado

November 15, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3772 (Uranium), Proposed Exploration Project Contract Idm-E856, Bears Ears Uranium Company, (Blue Jay claims), San Juan County, Utah

In conjunction with the matter discussed in our memorandum of November 10, 1955, we are enclosing the original and three copies of a letter dated November 14, 1955, from Max K. Mangum, President, Ol Jato Uranium Company.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

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

RECEIVED
NOV 17 1955

224 New Customhouse
Denver 2, Colorado

November 15, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3772 (Uranium), Proposed Exploration Project Contract Idm-E856, Bears Ears Uranium Company, (Blue Jay claims), San Juan County, Utah

In conjunction with the matter discussed in our memorandum of November 10, 1955, we are enclosing the original and three copies of a letter dated November 14, 1955, from Max K. Mangum, President, El Jato Uranium Company.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

RECEIVED
NOV 17 1955
DMEA
Denver Region
NOV 1
BUREAU OF MINES
Denver, Colorado

RICH, ELTON & MANGUM
ATTORNEYS AT LAW
UTAH OIL BUILDING
SALT LAKE CITY 1, UTAH
TELEPHONE EL 9-8666

H. ARNOLD RICH
LEONARD W. ELTON
MAX K. MANGUM

November 14, 1955

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

Re: Docket DMEA 3772 (Uranium)
Proposed Exploration Project
Contract Idm-E856, Bears
Ears Uranium Company (Blue
Jay Claims), San Juan
County, Utah

Dear Mr. Traver:-

I sincerely hope that DMEA consideration of a loan to 01 Jato Uranium Company on the Blue Jay Claims can be expedited. Strictly speaking, we are not asking for an assigment of the Exploration Project Contract Idm-E856, since there is no such contract in existence. At least, I have been advised up until now that Bears Ears Uranium Company has never executed the contract. We have for some time been using all of our best efforts to have the proposed original and four copies of the contract returned to your office. We have no information as to whether they were ever delivered to Mr. Young, and all of our efforts to locate them have been unsuccessful. If it would expedite it in any manner, we would prefer that you consider this to be an original application by 01 Jato Uranium Company for a loan on the Blue Jay Claims, If it could be handled in this manner there would be no reason to hold us responsible for the failure of Bears Ears to locate the missing files and return same. If there are any further documents or papers which we should execute, please contact us as soon as possible.

We appreciate your help and cooperation in

RECEIVED
NOV 17 1955

this matter and trust that a loan contract can be sent out for our execution in the near future.

Sincerely,

Max K. Mangum

President, Ol Jato Uranium Co.

MKM:LB

11-14-55 [illegible]

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

224 New Customhouse
Denver 2, Colorado

November 10, 1955

RECEIVED
NOV 14 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3772 (Uranium), Proposed Exploration Project Contract Idm-E856, Bears Ears Uranium Company, (Blue Jay claims), San Juan County, Utah

Enclosed are three sets of data comprised of the following material relative to the transfer of Proposed Exploration Project Contract Idm-E856 from Bears Ears Uranium Company to Ol Jato Uranium Company:

1. Copy of correspondence relative to the loss of the original and four copies of the contract.

2. Copy of a letter from Max K. Mangum, President, Ol Jato Uranium Company, dated October 3, 1955, requesting transfer of the contract.

3. Letter from Max K. Mangum, dated October 31, 1955, with attached photostatic copies of documents pertaining to the chain of title of the property involved in the proposed contract.

4. Letter from this office to Max K. Mangum, dated November 10, 1955, acknowledging receipt of the material under item 3.

Also enclosed is the "Operator's Copy" of the Proposed Exploration Project Contract Idm-E856.

As indicated in the material under item 1, the original and four copies of the contract were forwarded to the applicant for signature as requested in your letter of August 18, 1955, but they claim that the contract was not received and the copies have not been returned to this office.

The matter is forwarded for your consideration and appropriate action, or advice to us as to how we should proceed.

W. M. Traver

By J. W. Townsend

Enclosures

Extra set

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

[illegible] New Customhouse
Denver 2, Colorado

November 10, 1955

Mr. Max K. Mangum
Gl Jato Uranium Company
c/o Rich, Elton and Mangum
Attorneys at Law
Utah Oil Building
Salt Lake City 1, Utah

Re: Docket DMEA 3772 (Uranium),
Proposed Exploration Project
Contract Dm-1856, Bears Ears
Uranium Company, (Blue Jay
claims), San Juan County, Utah

Dear Mr. Mangum:

We received your letter of October 31, 1955, with attached four photostatic copies of documents pertaining to the present ownership of the Blue Jay claims.

The matter of assignment of Proposed Exploration Project Contract Dm-1856 from Bears Ears Uranium Company to Gl Jato Uranium Company has been referred to the Washington Office, DMEA, for their consideration as such matters are not within the authority delegated to this office.

The fact that the original and four copies of the Proposed Contract have not been returned to this office may complicate matters somewhat. Every effort should be made by you and Bears Ears Uranium Company to locate the missing copies of the Contract so that they can be returned to our Washington Office for use in conjunction with your request of October 3, 1955, for transfer of the contract.

Very truly yours,

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

By J. W. Tunnell

JWT:prl
cc: Chairman, Operating Committee (3)

Original of this letter + attachd placed in DMEA-4/20

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3-23

REFERRED TO:

1. ~~700~~
2. ~~Mr~~
3. ~~Chron~~
4.

Mails + Files

FOR:

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

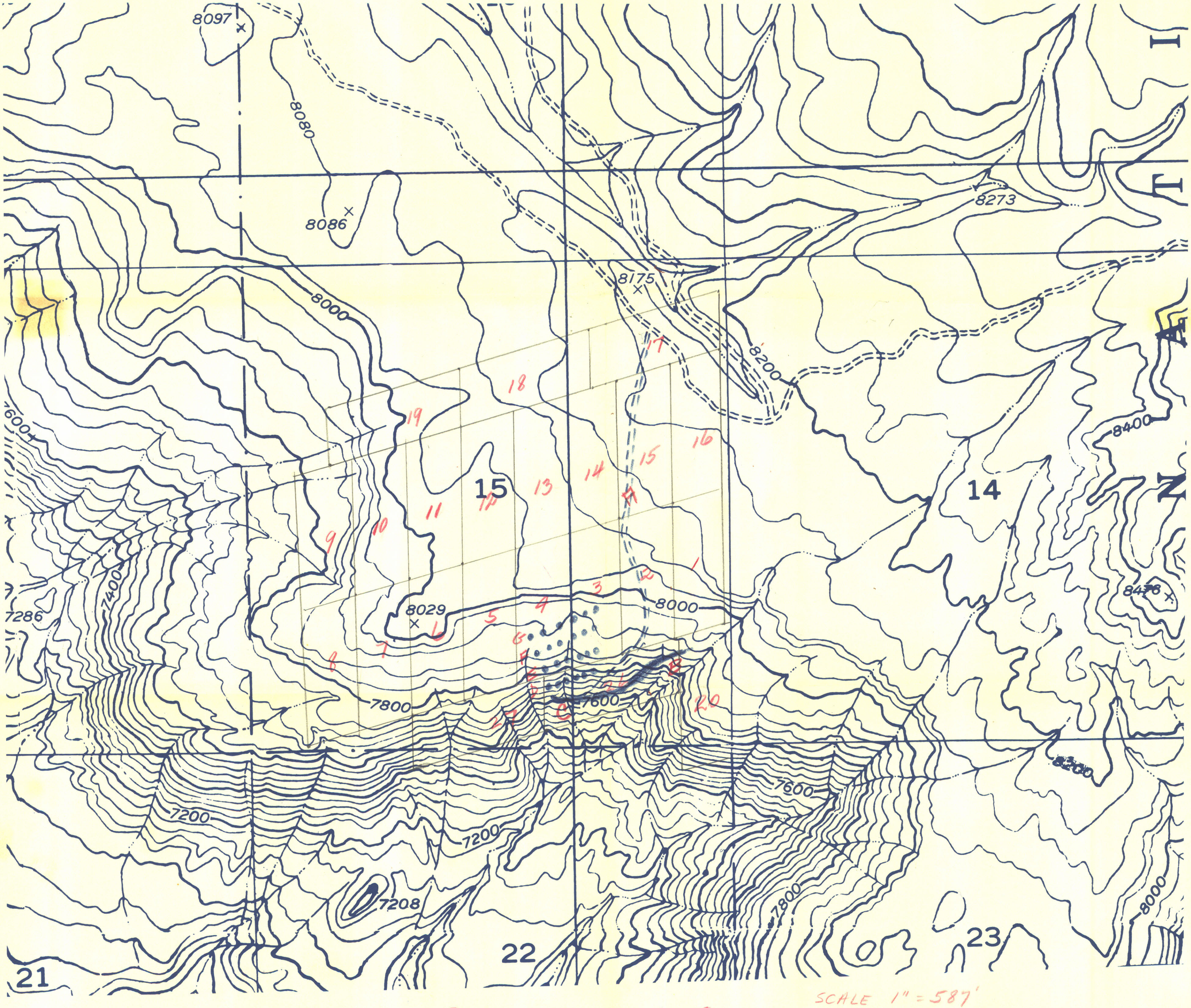
REMARKS:

Cancelled

Check (X) before the items needing attention.

Initials of sender.

GPO 16—63815-1



SCALE 1" = 587'

= BLUE JAY CLAIMS =