MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Date Rec'd

RECEIVED MAY 31 1955

JUN - 3 1955
BUREAU OF MINES
Denver, Colorado

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

Not to be filled in by applicant

Docket No. DMEA 3845
Metal or Mineral Uranium
Date Received 6-3-55
Estimated Cost 22,190.00
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: Uranium Industries, Inc., 124 South Fourth St., P. O. Box 721, Grand Junction, Colorado. Incorporated in the state of Oklahoma. K. S. Mitry, Pres., 416 Linden, Ft. Collins, Colo.; R. C. Brown, Treas. 3742 Tejon, Denver, Colo.; C. J. Auringer, Cortez, Colo. Vice-pres.; C. H. Douglas, Sec-treas. 1380 Garfield, Denver, Colo. Roy L. Wright, Director, 1130 Texas, Grand Junction, Colo.

(*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 School Section No. 36, Grand County, Utah, Township Twenty-six (26) South, Range Twenty-one (21) East, Salt Lake Meridian, containing a total of 320 acres.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee, Mineral Lease No. 6537, Utah State Lease.

(*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

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

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

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

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

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

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

5. *The exploration project.*—State the mineral or minerals for which you wish to explore Uranium and Vanadium.

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

(*c*) The work will start within 20 days and be completed within 2 months from the date of an exploration project contract.

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

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

(*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)?

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated May 19, 1955

Uranium Industries, Inc.
(Applicant)

By K. S. Mittry
President

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

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

RECEIVED

JUN - 3 1955

P. O. Box 721

Accompanying paper for Form MR-103 May 19, 1955

6. Estimate of costs:

a. Independent contracts:

Drilling, per foot.....$4.50....500 ft. per hole...10 holes.....$20,250.00

For bringing drill rig and crew in to area... ..... 500.00

(Sprague and Henwood estimate)

Road building, per hour of bulldozer operations...$12.00 hr....120 hrs..1,440.00

Total....$22,190.00

7. a. Yes.

b. To furnish share of costs the Corp. is prepared to use the cash balance now existing in the First National Bank, Grand Junction, Colo. The Operator will use own bulldozer and furnish truck necessary for fuel and supplies.

COPY

Proof Read

CF JG

MINERAL LEASE NO. 6537

RECEIVED
JUN - 3 1955

UTAH STATE LEASE
FOR

APPLICATION NO. 4051

GRANT: School

URANIUM AND VANADIUM

Formerly a part of ML 5797

THIS INDENTURE OF LEASE AND AGREEMENT entered into in duplicate this 17th day of February 1955, by and between the State Land Board, acting in behalf of the State of Utah, hereinafter called the Lessor, and

URANIUM INDUSTRIES, INC.

party of the second part, hereinafter called the Lessee, under and pursuant to Title 65, Utah Code Annotated, 1953.

WITNESSETH: That the Lessor, in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to mine, remove, and dispose of all of the said minerals in, upon, or under the following described tract of land situated in Grand county, State of Utah, to-wit:

West Half (W½) of Section Thirty-six (36), Township Twenty-six (26) South, Range Twenty-one (21) East, Salt Lake Meridian,

containing a total of 320.00 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be required for all purposes reasonably incident to the mining, removal, and disposal of said minerals, according to the provisions of this lease, for a period of ten years, beginning January 2nd, first succeeding the date of issuance hereof, and as long thereafter as said minerals may be produced in commercial quantities from said lands, upon condition that at the end of each twenty (20) year period succeeding the first day of the year in which this lease is issued, such re-adjustment of terms and conditions may be made as the Lessor may determine to be necessary in the interest of the State.

ARTICLE I

It is expressly understood and agreed that this lease is granted subject in all respects to and under the conditions of the laws of the State of Utah and existing Rules and Regulations or Rules and Regulations as may be hereafter approved and adopted by the State Land Board.

ARTICLE II

It is further expressly understood and agreed that this lease covers only the mining, removal, and disposal of the minerals specified in this lease, but the Lessee shall promptly notify the Lessor of the discovery of any minerals excepting those enumerated herein.

ARTICLE III

The Lessee in consideration of the granting of the rights and privileges aforesaid, hereby covenants and agrees as follows:

FIRST: To pay to the Lessor as rental for the land covered by this lease the sum of Fifty (50) Cents per acre per annum. All such annual payments of rental to be made in advance on the 2nd day of January of each year, except the rental for the year in which this lease is issued, which is payable on the execution of this lease, such rental to be credited against the royalties as they accrue for the year.

SECOND: To pay a royalty of 12½% of the gross amount received for or the gross value of the leased substances, including the State's royalty share of any bonus received by the Lessee from the sale of the leased substances. The basis for computing the amount due to the Lessor shall be as follows:

(a) If the leased substance extracted are sold under a bonafide contract of sale the amount of money or its equivalent actually received by the owner, Lessee, or other person operating the leased premises from the sale of the leased substances less a reasonable cost, if any, of transporting the leased substances from the place where extracted to the place where under the contract of sale, the leased substances are to be delivered.

(b) If the leased substances extracted are treated at a mill, smelter, processing plant, or reduction works which receives the leased substances from independent sources and which is owned or controlled by the same interests owning or controlling the mine, such disposal shall be treated as a sale within the meaning of this section for the purpose of determining gross proceeds or otherwise, and in such determination a rate or charge for sampling, assaying, milling, smelting, or refining the leased substances therefrom shall be deducted which shall not exceed an amount to be determined by applying the same rates as are applied by such mill, smelter, or reduction works or competing works, and ores of substantially like character and in like quantities received from independent sources. In the event of controversy the Lessor shall have the power to determine such rates and charges. Transportation charges may also be deducted as provided in sub-division (a) hereof.

(c) If a mill or other reduction works is operated exclusively in connection with a mine such mill or reduction works shall be treated as a part of the mine and the cost of operating such mill or reduction works shall, for the purpose of fixing the royalty imposed by this lease, be regarded as part of the cost of mining, and the cost of assaying, sampling, smelting, refining, and transportation only shall be deducted as herein provided.

THIRD: Said royalties to be paid quarterly on or before the 15th day of the month next succeeding the quarter in which the material is produced.

FOURTH: To prepare and forward to the State Land Office, on or before the 15th day of the month next succeeding the quarter in which the material is produced, a certified statement as to the production, market, and price received on all of the leased substances disposed of from said lands, and such other additional information as the State Land Board may from time to time require.

FIFTH: That at the option of the Lessor it may require the payment of royalties in kind, F.O.B., at the lease site; the amount being 12½% of the leased substances extracted.

SIXTH: To commence actual operations upon the land included herein on or before **December 31, 1955** and thereafter to diligently operate the property in accordance with the provisions contained in this lease. Failure to so continue the operation of the land included herein for a period of more than six (6) months without prior written approval of the State Land Board shall be cause for forfeiture, and that upon the violation of this provision or any of the other terms of this lease the Lessor may at its option after thirty (30) days notice by registered mail cancel this lease. After the expiration of the said thirty (30) days and the cancellation of the lease no notice of such cancellation need be given the Lessee.

SEVENTH: To keep at the mine office clear, accurate and detailed maps on tracing cloth, on a scale not more than 50 feet to the inch, of the workings in each section of the leased lands and on the lands adjacent, and to be so arranged with reference to a public land corner that the maps can be readily and correctly superimposed, and to furnish to the Lessor annually, or upon demand, certified copies of such maps and such written statements of operations as may be called for. All surveys shall be made by a licensed engineer and all maps certified to by him.

EIGHTH: To not at any time fence any watering place upon the lands leased where the same is the only accessible and feasible source of water incident to the lands leased. Nor shall the Lessee or assigns at any time permit or contribute to the pollution of any surface or subsurface water available, naturally or otherwise, for domestic or irrigation use.

NINTH: To not sell, assign, mortgage, pledge, hypothicate, or otherwise transfer or incumber this lease or any interest therein, nor sublet any portion of the leased premises, or any of the rights and privileges herein granted, without the written consent of the Lessor being first had and obtained.

ARTICLE IV

The Lessor hereby excepts and reserves from the operation of this lease:

FIRST: The right to permit for joint or several use such easements or rights-of-way upon, through, or in the land hereby leased as may be necessary or appropriate to the working of these or other lands belonging to or administrated by the Lessor containing mineral deposits or for other use.

SECOND: The right to use, lease, sell, or otherwise dispose of the surface of said lands or any part thereof, under existing State Laws or Laws hereafter enacted, insofar as said surface is not necessary for the use of the Lessee in the mining, removal, or disposal of the leased substances therein, and to lease other mineral deposits, excepting those enumerated herein which may be contained in said lands.

ARTICLE V

Upon cancellation of this lease for any cause herein the Lessee shall be entitled to remove from the lease holdings only personal property prior to complete fulfillment of the provisions of this lease, and that improvements attached to the land such as buildings, timbering, or other construction or construction material in place, shall remain undisturbed upon the ground and the property surrendered in good usable condition.

ARTICLE VI

It is mutually understood and agreed that it shall be the responsibility of the Lessee to slope the sides of all operations of a surface nature to an angle of not less than 45° or to erect a barrier around such operation as the State Land Board may require. Such sloping or fencing shall become a normal part of the operation of the lease so as to keep pace with such operation to the extent that such operation shall not constitute a hazard.

ARTICLE VII

It is mutually understood and agreed by the parties hereto that all of the terms, covenants, conditions, and obligations in this lease contained, shall be binding upon the heirs, executors, administrators, and assigns of the Lessee.

ARTICLE VIII

It is mutually understood and agreed that the Lessee may terminate this lease at any time upon giving three (3) months notice in writing to the Lessor and upon payment of all rents and royalties and other sums due and payable to the Lessor, and upon complying with the terms of this lease with respect to the preservation of the workings in such order and condition as to permit of the continued operation of the leased premises.

ARTICLE IX

It is mutually understood and agreed by and between the parties hereto that the Lessor, its officers and agents, shall have the right at all times to go in and upon the leased lands and premises, during the term of said lease to inspect the work done and the progress thereof on said lands and the products obtained therefrom, and to post any notices on the said lands that it may deem fit and proper; and also shall permit any authorized representatives of the Lessor to examine all books and records pertaining to operations under this lease, and to make copies of and extracts from the same, if desired.

ARTICLE X

It is mutually understood and agreed that this lease is issued only under such title as the State of Utah may now hold, the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund of rentals or royalties or other monies theretofore paid to the Lessor.

ARTICLE XA

Lessee agrees to reimburse the owner or lessee of the surface of the leased premises, for actual damages thereto and injury to improvements thereon resulting from LESSEE'S operations hereunder, provided that Lessee shall not be held responsible for acts of providence or occurrences beyond LESSEE'S control.

ARTICLE XI

LESSEE agrees to observe faithfully the provisions of Title 65, Chapter 1, Section 18 Utah Code Annotated 1953.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written.

STATE OF UTAH, STATE LAND BOARD

By Lee E. Gray
EXECUTIVE SECRETARY — LESSOR

APPROVED AS TO FORM:
E. R. CALLISTER
ATTORNEY GENERAL
By Clem B. Vaughn

Uranium Industries Inc.
By K. L. Mattey Pres.
LESSEE

STATE OF UTAH
COUNTY OF Salt Lake } ss.

On the 28 day of March 1955, personally appeared before me Lee E. Gray who being by me duly sworn did say that he is the Executive Secretary of the State Land Board of the State of Utah and that said instrument was signed in behalf of said Board by resolution of the Board, and said Lee E. Gray acknowledged to me that said Board executed the same in behalf of the State of Utah.

Given under my hand and seal this 28 day of March 1955

My commission Expires: 4/12/58

Clem B. Vaughn
Notary Public, residing at:

STATE OF UTAH
COUNTY OF } ss.

On the day of 19, personally appeared before me the signer of the above instrument, who duly acknowledged to me that executed the same.

Given under my hand and seal this day of 19

My commission Expires:

Notary Public, residing at:

STATE OF UTAH
COUNTY OF Emery } ss.

On the 21 day of March 1953, personally appeared before me K. L. Mattey who being by me duly sworn did say that he is an officer of Uranium Industries Inc. and that said instrument was signed in behalf of said corporation by resolution of its Board of Directors, and said K. L. Mattey acknowledged to me that said corporation executed the same.

Given under my hand and seal this 21 day of March 1955

My commission Expires: July 11—1955

O K Anderson
Notary Public, residing at: Green River Utah

Surname copy

700

Ching
Ellis

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

Mr. K. S. Mittry, President
Uranium Industries, Inc.
124 South Fourth Street
P.O. Box 721
Grand Junction, Colorado

Re: Docket No. DMEA-3845 (Uranium)
W½ of School Section 36
Grand County, Utah

Dear Mr. Mittry:

Reference is made to our letter of September 6, 1955, in which we stated that the subject docket would be considered closed unless certain information required to process the captioned application had reached this office on or before October 6. No answer to our letter having been received, we therefore inform you that the subject docket is considered closed effective as of that date.

This is without prejudice to the merits of your proposed project. We regret the necessity of this action and express appreciation for your interest in the exploration program during the period your application has been under consideration.

Sincerely yours,

Frank E. Johnson

Acting Administrator

MChing/gla
10-11-55
cc to: Admr.'s Reading File
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JCHosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA FieldTeam, Region III (2)

Surname copy

760

Ching
Ellis
Mittendorf

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

SEP - 6 1955

Uranium Industries, Inc.
12½ South Fourth Street
P. O. Box 721
Grand Junction, Colorado

Re: Docket No. DMEA-3645 (Uranium)
W½ of School Section 36
Grand County, Utah

Gentlemen:

Reference is made to our letters dated June 16 and July 25, 1955, requesting certain information necessary to process your above-docketed application.

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

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

MChing/gla
9-6-55
cc to: Admr. Reading File
Docket
Messrs. JECrawford, Rm. 3641
TNKiilsgaard, Rm. 5222
JGHosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA Field Team, Region III (2)

R.C.S.

Surname 700

Ellis
Mattendorf

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

JUL 25 1955

Uranium Industries, Inc.
124 South Fourth Street
P. O. Box 721
Grand Junction, Colorado

Re: Docket No. DMEA-3845 (Uranium)
W½ of School Section 36
Grand County, Utah

Gentlemen:

Reference is made to our letter dated June 16, 1954, relating to the captioned docket.

Action on your application is pending receipt of the information requested in the above-mentioned letter. If you are no longer interested in the processing of this application, please advise us.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

MChing:am
7-25-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5222
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA Field Team, Region III(2)

R.C.

Surname 700

Ching
Ellis
Johnson

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

Uranium Industries, Inc.
124 South Fourth Street
P. O. Box 721
Grand Junction, Colorado

JUN 16 1955

Re: Docket No. DMEA-3845(Uranium)
W½ of School Section 36
Grand County, Utah

Gentlemen:

In reviewing your application for aid in an exploration project we find the information furnished by you too incomplete to permit further processing.

Your attention is called to Articles 4 and 5 of the application form wherein various information is requested. For a proper appraisal of the merits of your application all questions should be answered. The following information is particularly important:

(1) A map or sketch, drawn to scale, of the property to be explored, showing the geology of the area, the location of faults, channels, old drill holes, mine or exploratory openings, and mineral exposures, if any. The position of the proposed drill holes should also be shown so they may be related to geological and physical features of the property.

(2) If possible submit some evidence in the form of assay certificates or radiometric readings, of uranium mineralization on your property, indicating on the map where the samples or readings were taken, and explaining the manner in which they were taken.

(3) Indicate the position of nearby producing properties, if any, and point out any possible ore trends toward your property.

It is necessary that you submit sufficient information of a kind that would ensourage further investigation by the Government. Your application, as submitted, fails to show why you think an exploration project on the property would be successful. If you do not feel qualified to assemble the necessary data, it is suggested that you secure the help of someone who is competent in such matters.

We shall be pleased to further process your application upon receipt of the requested information.

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

MChing:am
6-15-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm.3641
T. H. Kiilsgaard, Rm.5224
J. O. Hosted, Rm 3210, GSA

Mr. Ching
Code 700

R. C. G.

DMEA FT, Region III(2)

6/16/55 glr

IN REPLY REFER TO:

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

RECEIVED
JUN 16 1955

June 15, 1955

Re: DMEA-3845
Uranium Industries
Property in Grand
County, Utah
$22,190.00 - Uranium

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

This incomplete application has to do with 320 acres of school land 6 miles south of Moab, leased from the State of Utah. Somewhere on the ½ section the applicant proposes to do 5,000 feet of diamond drilling at $4.50 per foot, and $1440.00 worth of road work.

No information is given as to where the 10 holes will be drilled. The applicant should be asked for a more definitive program.

I have no data on the property or the immediate area. Nearness to other mines suggests the property may have the right formations but such is not known.

I suggest the application be referred to the Field Team.

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

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

RECEIVED
JUN 16 1955

June 15, 1955

Re: DMEA-3845
Uranium Industries
Property in Grand
County, Utah
$22,190.00 - Uranium

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

This incomplete application has to do with 380 acres of school land 6 miles south of Moab, leased from the State of Utah. Somewhere on the ¼ section the applicant proposes to do 5,000 feet of diamond drilling at $4.50 per foot, and $1440.00 worth of road work.

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N. E. Nelson

N. E. Nelson

NENelson:hlm
G-6/15/55

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

IN REPLY REFER TO:

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

RECEIVED
JUN 16 1955

June 15, 1955

Re: DMEA-3845
Uranium Industries
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From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

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N. E. Nelson

N. E. Nelson

NENelson:hlm
G-6/15/55

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

IN REPLY REFER TO:

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

RECEIVED
JUN 16 1955

June 15, 1955

Re: DMEA-3845
Uranium Industries
Property in Grand
County, Utah
$22,190.00 - Uranium

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

From: N. E. Nelson, U. S. Geological Survey

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This incomplete application has to do with 320 acres of school land 6 miles south of Moab, leased from the State of Utah. Somewhere on the ½ section the applicant proposes to do 5,000 feet of diamond drilling at $4.50 per foot, and $1440.00 worth of road work.

No information is given as to where the 10 holes will be drilled. The applicant should be asked for a more definitive program.

I have no data on the property or the immediate area. Nearness to other mines suggests the property may have the right formations but much is not known.

I suggest the application be referred to the Field Team.

N. E. Nelson

N. E. Nelson

NENelson:hlm
G-6/15/55

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

6/13/55 gla

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

RECEIVED
JUN 13 1955

June 10, 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: Application for assistance, DMEA Docket 3845, Uranium Industries, Inc., Grand County, Utah

I have reviewed the attached application, Uranium Industries, Inc., Grand County, Utah, Docket 3845, and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We recommend that the application of Uranium Industries, Inc., be denied, inasmuch as it lacks information about the geology and mineralization of the property and provides insufficient data on the exploration plans of the organization.

John E Crawford
John E. Crawford

Attachment

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Attachment

John E. Crawford

June 3, 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 - 3845 Uranium Industries, Inc.

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

June 3, 1955

Uranium Industries, Inc.
124 South Fourth St.
P. O. Box 721
Grand Junction, Colorado

Subject: DMEA 3845
Re: Exploration Assistance

Gentlemen:

The receipt of your application dated May 19, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3845 and referred to the Rare & Miscellaneous Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

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

RECEIVED
JUN - 3 1955

224 New Customhouse
Denver 2, Colorado

May 31, 1955

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), Uranium Industries, Inc., School Section 36, Grand County, Utah

Enclosed are three copies of the subject application in the amount of $22,190.00.

Each copy of the application consists of:

1. Form MF-103
2. An estimate of costs
3. A sketch of the proposed exploration — [illegible]
4. A photostatic copy of Utah State Lease No. 6537

One copy of the application is being retained in this office.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
JUN - 3 1955

224 New Customhouse
Denver 2, Colorado

May 31, 1955

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From: Executive Officer, DMEA Field Team, Region III

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W. M. TRAVER,

Enclosures

W. M. Traver

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd
MAY 31 1955

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

RECEIVED
JUN - 3 1955
BUREAU OF MINES
Denver, Colorado

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

Not to be filled in by applicant

Docket No. DMEA 3845
Metal or Mineral Uranium
Date Received 6-3-55
Estimated Cost 22,190.00
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: Uranium Industries, Inc., 124 South Fourth St., P. O. Box 721, Grand Junction, Colorado. Incorporated in the state of Oklahoma. K. S. Mittry, Pres., 416 Linden, Ft. Collins, Colo.; R. C. Brown, Treas. 3742 Tejon, Denver, Colo.; S. J. Auringer, Cortez, Colo. Vice-pres.; G.M.Douglas, Sec-treas, 1380 Garfield, Denver, Colo. Roy L. Wright, Director, 1330 Texas, Grand Junction, Colo.

(*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 School Section No. 36, Grand County, Utah, Township Twenty-six (26) South, Range Twenty-one (21) East, Salt Lake Meridian, containing a total of 320 acres.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee, Mineral Lease No. 6537, Utah State Lease.

(*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

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

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

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

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

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

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

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

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

(*c*) The work will start within 20 days and be completed within 2 months from the date of an exploration project contract.

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

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

(*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)?

(*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 May 19, 1955

Uranium Industries, Inc.
(Applicant)

By K. S. Whitney
President

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

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

P. O. Box 721

Accompanying paper for Form MF-103

May 19, 1955

RECEIVED
JUN - 3 1955

6. Estimate of costs:

a. Independent contracts:

Drilling, per foot.....$4.50....500 ft. per hole...10 holes.....$20,250.00
For bringing drill rig and crew in to area..... 500.00
(Sprague and Henwood estimate)
Road building, per hour of bulldozer operations...$12.00 hr....120 hrs..1,440.00
Total....$22,190.00

7. a. Yes.

b. To furnish share of costs the Corp. is prepared to use the cash balance now existing in the First National Bank, Grand Junction, Colo. The Operator will use own bulldozer and furnish truck necessary for fuel and supplies.

COPY

Proof Read

CF JG

RECEIVED

JUN - 3 1955

MINERAL LEASE NO. 6537

UTAH STATE LEASE

FOR

APPLICATION NO. 4051

GRANT: School

URANIUM AND VANADIUM

Formerly a part of ML 5797

THIS INDENTURE OF LEASE AND AGREEMENT entered into in duplicate this 17th day of February 1955, by and between the State Land Board, acting in behalf of the State of Utah, hereinafter called the Lessor, and

URANIUM INDUSTRIES, INC.

party of the second part, hereinafter called the Lessee, under and pursuant to Title 65, Utah Code Annotated, 1953.

WITNESSETH: That the Lessor, in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to mine, remove, and dispose of all of the said minerals in, upon, or under the following described tract of land situated in Grand county, State of Utah, to-wit:

West Half (W½) of Section Thirty-six (36), Township Twenty-six (26) South, Range Twenty-one (21) East, Salt Lake Meridian,

containing a total of 320.00 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be required for all purposes reasonably incident to the mining, removal, and disposal of said minerals, according to the provisions of this lease, for a period of ten years, beginning January 2nd, first succeeding the date of issuance hereof, and as long thereafter as said minerals may be produced in commercial quantities from said lands, upon condition that at the end of each twenty (20) year period succeeding the first day of the year in which this lease is issued, such re-adjustment of terms and conditions may be made as the Lessor may determine to be necessary in the interest of the State.

ARTICLE I

It is expressly understood and agreed that this lease is granted subject in all respects to and under the conditions of the laws of the State of Utah and existing Rules and Regulations or Rules and Regulations as may be hereafter approved and adopted by the State Land Board.

ARTICLE II

It is further expressly understood and agreed that this lease covers only the mining, removal, and disposal of the minerals specified in this lease, but the Lessee shall promptly notify the Lessor of the discovery of any minerals excepting those enumerated herein.

ARTICLE III

The Lessee in consideration of the granting of the rights and privileges aforesaid, hereby covenants and agrees as follows:

FIRST: To pay to the Lessor as rental for the land covered by this lease the sum of Fifty (50) Cents per acre per annum. All such annual payments of rental to be made in advance on the 2nd day of January of each year, except the rental for the year in which this lease is issued, which is payable on the execution of this lease, such rental to be credited against the royalties as they accrue for the year.

SECOND: To pay a royalty of 12½% of the gross amount received for or the gross value of the leased substances, including the State's royalty share of any bonus received by the Lessee from the sale of the leased substances. The basis for computing the amount due to the Lessor shall be as follows:

(a) If the leased substance extracted are sold under a bonafide contract of sale the amount of money or its equivalent actually received by the owner, Lessee, or other person operating the leased premises from the sale of the leased substances less a reasonable cost, if any, of transporting the leased substances from the place where extracted to the place where under the contract of sale, the leased substances are to be delivered.

(b) If the leased substances extracted are treated at a mill, smelter, processing plant, or reduction works which receives the leased substances from independent sources and which is owned or controlled by the same interests owning or controlling the mine, such disposal shall be treated as a sale within the meaning of this section for the purpose of determining gross proceeds or otherwise, and in such determination a rate or charge for sampling, assaying, milling, smelting, or refining the leased substances therefrom shall be deducted which shall not exceed an amount to be determined by applying the same rates as are applied by such mill, smelter, or reduction works or competing works, and ores of substantially like character and in like quantities received from independent sources. In the event of controversy the Lessor shall have the power to determine such rates and charges. Transportation charges may also be deducted as provided in sub-division (a) hereof.

(c) If a mill or other reduction works is operated exclusively in connection with a mine such mill or reduction works shall be treated as a part of the mine and the cost of operating such mill or reduction works shall, for the purpose of fixing the royalty imposed by this lease, be regarded as part of the cost of mining, and the cost of assaying, sampling, smelting, refining, and transportation only shall be deducted as herein provided.

THIRD: Said royalties to be paid quarterly on or before the 15th day of the month next succeeding the quarter in which the material is produced.

FOURTH: To prepare and forward to the State Land Office, on or before the 15th day of the month next succeeding the quarter in which the material is produced, a certified statement as to the production, market, and price received on all of the leased substances disposed of from said lands, and such other additional information as the State Land Board may from time to time require.

FIFTH: That at the option of the Lessor it may require the payment of royalties in kind, F.O.B., at the lease-site; the amount being 12½% of the leased substances extracted.

SIXTH: To commence actual operations upon the land included herein on or before December 31, 1955 and thereafter to diligently operate the property in accordance with the provisions contained in this lease. Failure to so continue the operation of the land included herein for a period of more than six (6) months without prior written approval of the State Land Board shall be cause for forfeiture, and that upon the violation of this provision or any of the other terms of this lease the Lessor may at its option after thirty (30) days notice by registered mail cancel this lease. After the expiration of the said thirty (30) days and the cancellation of the lease no notice of such cancellation need be given the Lessee.

SEVENTH: To keep at the mine office clear, accurate and detailed maps on tracing cloth, on a scale not more than 50 feet to the inch, of the workings in each section of the leased lands and on the lands adjacent, and to be so arranged with reference to a public land corner that the maps can be readily and correctly superimposed, and to furnish to the Lessor annually, or upon demand, certified copies of such maps and such written statements of operations as may be called for. All surveys shall be made by a licensed engineer and all maps certified to by him.

EIGHTH: To not at any time fence any watering place upon the lands leased where the same is the only accessible and feasible source of water incident to the lands leased. Nor shall the Lessee or assigns at any time permit or contribute to the pollution of any surface or subsurface water available, naturally or otherwise, for domestic or irrigation use.

NINTH: To not sell, assign, mortgage, pledge, hypothicate, or otherwise transfer or incumber this lease or any interest therein, nor sublet any portion of the leased premises, or any of the rights and privileges herein granted, without the written consent of the Lessor being first had and obtained.

ARTICLE IV

The Lessor hereby excepts and reserves from the operation of this lease:

FIRST: The right to permit for joint or several use such easements or rights-of-way upon, through, or in the land hereby leased as may be necessary or appropriate to the working of these or other lands belonging to or administrated by the Lessor containing mineral deposits or for other use.

SECOND: The right to use, lease, sell, or otherwise dispose of the surface of said lands or any part thereof, under existing State Laws or Laws hereafter enacted, insofar as said surface is not necessary for the use of the Lessee in the mining, removal, or disposal of the leased substances therein, and to lease other mineral deposits, excepting those enumerated herein which may be contained in said lands.

ARTICLE V

Upon cancellation of this lease for any cause herein the Lessee shall be entitled to remove from the lease holdings only personal property prior to complete fulfillment of the provisions of this lease, and that improvements attached to the land such as buildings, timbering, or other construction or construction material in place, shall remain undisturbed upon the ground and the property surrendered in good usable condition.

ARTICLE VI

It is mutually understood and agreed that it shall be the responsibility of the Lessee to slope the sides of all operations of a surface nature to an angle of not less than 45° or to erect a barrier around such operation as the State Land Board may require. Such sloping or fencing shall become a normal part of the operation of the lease so as to keep pace with such operation to the extent that such operation shall not constitute a hazard.

ARTICLE VII

It is mutually understood and agreed by the parties hereto that all of the terms, covenants, conditions, and obligations in this lease contained, shall be binding upon the heirs, executors, administrators, and assigns of the Lessee.

ARTICLE VIII

It is mutually understood and agreed that the Lessee may terminate this lease at any time upon giving three (3) months notice in writing to the Lessor and upon payment of all rents and royalties and other sums due and payable to the Lessor, and upon complying with the terms of this lease with respect to the preservation of the workings in such order and condition as to permit of the continued operation of the leased premises.

ARTICLE IX

It is mutually understood and agreed by and between the parties hereto that the Lessor, its officers and agents, shall have the right at all times to go in and upon the leased lands and premises, during the term of said lease to inspect the work done and the progress thereof on said lands and the products obtained therefrom, and to post any notices on the said lands that it may deem fit and proper; and also shall permit any authorized representatives of the Lessor to examine all books and records pertaining to operations under this lease, and to make copies of and extracts from the same, if desired.

ARTICLE X

It is mutually understood and agreed that this lease is issued only under such title as the State of Utah may now hold, the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund of rentals or royalties or other monies theretofore paid to the Lessor.

ARTICLE XA

Lessee agrees to reimburse the owner or lessee of the surface of the leased premises, for actual damages thereto and injury to improvements thereon resulting from LESSEE'S operations hereunder, provided that Lessee shall not be held responsible for acts of providence or occurrences beyond LESSEE'S control.

ARTICLE XI

LESSEE agrees to observe faithfully the provisions of Title 69, Chapter 1, Section 18, Utah Code Annotated 1953.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written

STATE OF UTAH, STATE LAND BOARD

By Lee E. Gray
EXECUTIVE SECRETARY — LESSOR

APPROVED AS TO FORM:
E. R. CALLISTER
ATTORNEY GENERAL
By Glenn C. Haught

Uranium Industries Inc.
By K. S. Mattey Pres.
LESSEE

STATE OF UTAH
COUNTY OF Salt Lake } ss.

On the 28 day of March 1955, personally appeared before me Lee E. Gray who being by me duly sworn did say that he is the Executive Secretary of the State Land Board of the State of Utah and that said instrument was signed in behalf of said Board by resolution of the Board, and said Lee E. Gray acknowledged to me that said Board executed the same in behalf of the State of Utah.

Given under my hand and seal this 28 day of March 19 55

My commission Expires: 4/12/58

Glenn C. Haught
Notary Public, residing at:

STATE OF UTAH
COUNTY OF } ss.

On the day of 19 , personally appeared before me the signer of the above instrument, who duly acknowledged to me that executed the same.

Given under my hand and seal this day of 19

My commission Expires:

Notary Public, residing at:

STATE OF UTAH
COUNTY OF Emery } ss.

On the 21 day of March 1953, personally appeared before me K. S. Mattey who being by me duly sworn did say that he is an officer of Uranium Industries Inc. and that said instrument was signed in behalf of said corporation by resolution of its Board of Directors, and said K. S. Mattey acknowledged to me that said corporation executed the same.

Given under my hand and seal this 21 day of March 1955

My commission Expires: July 11-1955

O K Anderson
Notary Public, residing at: Green River Utah