OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E928, Docket DMEA-3962 (uranium), dated March 9, 1956, with

Norbute Corporation
and its assignee
L. H. Wilkerson
and his assignee
Arthur R. Shumway, Lawrence C. Davis,
and Truman Goode
d/b/a Ringtail Mining Company
P. O. Box 1644
Moab, Utah

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Utah Mineral Lease No. 3971 in sec. 36, T. 22 S., R. 21 E., S.L.M., located in Grand County, Utah, during the period April 1, 1961, through May 14, 1964.

A certification of discovery or development was issued on July 6, 1956, and, in accordance with Article 8 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 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. A Report of Review dated August 16, 1956, indicated accepted costs under the exploration contract amounting to $11,520.31 with the Government's contribution on a 75 percent basis being $8,640.23.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through March 31, 1961, to be $112,278.51. The royalty account as of March 31, 1961, was:

Total Royalty Payable	$5,567.21
Total Royalty Paid	5,567.21
Balance of Royalty Due	$ -0-

As of May 14, 1964, the royalty account of this project was found to be:

Total Royalty Payable	$5,567.21
Total Royalty Paid	5,567.21
Balance of Royalty Due	$ -0-

June 3, 1964

E. D. Talbert, OME Auditor

Idm-E928 Norbute Corporation DMEA-3962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator (Norbute Corporation, 405 Park Avenue, New York 22, N. Y.), as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land was leased from the State of Utah. In lieu of a consent to lien, the Operator provided a performance bond executed by the Indemnity Insurance Company of North America as surety.

Exploration work under the contract was completed during May 1956. There was no production during the exploration period, but production thereafter resulted in shipments by the Operator and its successors in interest through August 1958. These sales, aggregating 3,904.696 tons of ore containing 18,325.43 lbs. U_3O_8 and 99,223.98 lbs. V_2O_5, are set forth in Exhibit "A" attached to an April 19, 1961, Report of Royalty Review.

On March 8, 1957, the Operator (Norbute) assigned its mineral lease to the Ringtail Corporation, its wholly owned subsidiary. On August 14, 1957, the latter corporation assigned its lease to L. H. Wilkerson, d/b/a Dola Belle Mining Company, Box 3, Thompson, Utah. On April 18, 1958, after Wilkerson had provided a performance bond issued by the Indemnity Insurance Company of North America on March 9, 1958, the Government executed a Consent to Assignment and specifically released both the Operator (Norbute) and the Assignor (Ringtail Corporation) from all the provisions of the exploration contract.

On January 8, 1959, Mr. Wilkerson assigned the mineral lease to Arthur R. Shumway, Lawrence C. Davis, and Truman Goode, d/b/a Ringtail Mining Company, who furnished a performance bond issued by the National Surety Corporation on January 8, 1959. By letter dated April 22, 1959, addressed to Haynie, Hotchkiss, & Golden, attorneys at law, with copies to the Operator (Norbute), the Assignor (L. H. Wilkerson), and the Assignee (Ringtail Mining Company), the Government consented to the assignment without releasing the Assignor (L. H. Wilkerson) from any of the provisions of the contract.

Since 1959 Arthur R. Shumway has made three requests for cancellation of the performance bond. On the other hand, Mr. Shumway has failed to reply to MME Forms 63 and letters, the last on January 10, 1964, inquiring as to changes in property status and production. Investigations by the Acting Field Officer, OME Region III, have

established, however, that no ore has been mined since August 1958 from the area subordinated under the contract.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(a) The files indicate that no production from the property under the contract occurred during the period covered by this review; and

(b) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

June 5, 1964

EXTRA COPY O. M. E RECEIVED JUN 8 1964		
DATE	INITIALS	CODE
		800

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary
Department of the Interior
Washington, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-3962 (Uranium)
Norbute Corporation
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah
Contract Idm-N928

Attached is the original Report of Royalty Review dated June 3, 1964 on the subject contract.

ORIGINAL SIGNED BY
Hugh M. Connors

cc: G. C. Selfridge
E. D. Talbert
N928
Chron

JUN 3 1964

Memorandum

To: Acting Field Officer, Region III

(Signed) E. D. Talbert

From: Chief, Contract Administration and Audit Division

Subject: DMEA-3962 (Uranium)
Norbute Corporation
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah
Contract Idm-E928

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 6-3-64

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

EXTRA COPY
O. M. E.
RECEIVED MAY 20 1964
DATE May 18, 1964 CODE
800

Mr. T. S. Ary, Land Manager
Union Carbide Corporation
P. O. Box 1049
Grand Junction, Colo. 81502

Subject: DMEA-3962 (Uranium)
Sec. 36, T. 22 S., R. 21 E. (Ringtail)
Grand County, Utah
Contract Idm-E928

Dear Mr. Ary:

Thank you for your letter of May 15, 1964 regarding settlement sheets for Ringtail.

I have now determined the Ringtail ore in question did not come from land subordinated to the Government, so I will not need copies of the settlement sheets.

Very truly yours,

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: E. F. DeLucas
G. C. Selfridge
E. D. Talbert
E928
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

EXTRA COPY

May 14, 1964

RECEIVED		
DATE		
		80U

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: DMEA-3962 (Uranium)
Norbute Corporation
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah
Contract Idm-E928

The Grand Junction AEC Field Office advised that ore from the entire Section 36 is "Ringtail Ore" for their records.

Their working map of this Section 36 shows that the last ore mined from the subordinated area was in August 1958. This checks our royalty record.

The Ringtail shaft is east of the subordinated area and most of the production has come from that part of Section 36 south of the shaft and east of the subordinated area. This area is presently being worked by Anthony Pene and M. D. Lile.

It is my belief that all royalty has been paid on ore produced from the subordinated area but the next time I am in the Yellow Cat area I intend to visit this property.

ORIGINAL SIGNED BY

Hugh M. Connors

cc: OME 3962
E928
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

April 22, 1964

EXTRA COPY
O. M. E.
RECEIVE Apr 27
DATE
800

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: DMEA-3962 (Uranium)
Norbute Corporation
Sec. 36, T. 22 S., R. 21 E. (Ringtail?)
Grand County, Utah
Contract Idm-E928

In response to your memorandum of April 14, 1964 on the subject contract I have done a considerable amount of detective work as you will note from the attached copies of letters.

I note that the claim "Ringtail" is shown as the source of ore on old settlement sheets. I also note that the Consent to Assignment signed by Mr. Nittendorf April 18, 1958 mentions Ringtail Corporation as the "Assignor."

I plan to visit the AEC field personnel on April 30, 1964 in Grand Junction and will determine if the Ringtail ore mentioned in the attached letters actually came from Sec. 36. I believe it did but I want definite proof.

The contract makes no mention of a Ringtail Claim.

Hugh M. Connors

cc: E. D. Talbert
E928
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

April 22, 1964

Mr. Albert Zikenbary
Climax Uranium Co.
P. O. Box 989
Grand Junction, Colorado

Re: DMEA-3962 (Uranium)
Sec. 36, T. 22 S., R. 21 E. (Ringtail)
Grand County, Utah
Contract Idm-E928

Dear Mr. Zikenbary:

Mr. Fess Anthony, Jr. shipped ore to your mill from the subject property in September 1963. He possibly has made shipments since that time.

Will you please forward this office two copies of each settlement sheet for all ore shipped to your mill from this property including September 1963 to the present time.

Very truly yours,

Hugh M. Connors
Acting Field Officer, ORE

cc: G. C. Selfridge (2)
E928
Chron

Bldg. 20 - Denver Federal Center

April 22, 1964

Mr. Allan Jones
Manager Operations Office
Atomic Energy Commission
Grand Junction, Colorado

Re: DMMA-3962 (Uranium)
Sec. 36, T. 22 S., R. 21 E. (Ringtail)
Grand County, Utah
Contract Idm-E928

Dear Mr. Jones:

The following shipments of ore were made from the subject property to your mill at Monticello, Utah in 1960:

Shipper	Ringtail Claim	Month	Dry tons	lbs. U_3O_8	lbs. V_2O_5
Ringtail Mining Co.	"	March	67.83	352.73	1,479.00
Ray Shumway	"	February	10.84	15.18	87.00
Ray Shumway	"	February	22.07	158.90	803.00
Ringtail Mining Co.	"	April	35.91	158.01	725.00

Will you please advise where I may obtain two copies of each settlement sheet for the above listed ore?

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OMM

cc: G. C. Selfridge (2)
E928
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

April 22, 1964

Union Carbide & Nuclear Co.
P. O. Box 1049
Grand Junction, Colorado

Re: DMEA-3962 (Uranium)
Sec. 36, T. 22 S., R. 21 E. (Ringtail)
Grand County, Utah
Contract Idm-E928

Gentlemen:

The Ringtail Mining Company shipped ore to your mills as follows:

	Month	Dry tons	lbs. U_3O_8	lbs. V_2O_5
1959	January	91.71	487.88	1,960.34
	February	192.87	1,295.94	5,418.27
	March	47.67	390.93	1,020.24
	March	126.21	858.41	3,690.87
	April	10.86	62.97	310.52
	April	134.58	735.54	2,626.36
	May	132.28	634.08	2,447.91
	May	27.56	148.82	633.85
	July (Rifle)	55.45	188.52	665.37
	July	28.26	90.44	327.85
	July	69.65	311.66	1,079.00
1960	January	52.83	285.60	1,389.97

Will you please forward this office two copies of each settlement sheet for the above listed shipments?

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME

cc: G. C. Selfridge (2)
E928
Chron

JAN 10 1964

Mr. Arthur Ray Shumway
Box 1644
Moab, Utah

Re: IMMA-3962 (Uranium)
Morbuta Corporation
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah
Contract Idu-E928

Dear Mr. Shumway:

By letter dated January 3 you express the opinion that a change is in order as to the principal under the surety bond on the referenced contract. This bond, No. M-6043377 of the National Surety Corporation, names the Ringtail Mining Company as principal and was issued to assure the payment of the Government's percentage royalty under the contract.

As was pointed out to you in our December 19, 1961, reply to your December 12, 1961, letter of inquiry, the referenced contract provides for payment to the Government of a royalty on all production from the land described in the contract until March 9, 1966, or full repayment of the Government's contribution under the contract, whichever occurs first. The Government may release the surety under the bond only after one or the other of these contractual conditions is met. As to who pays the bond premium, that is a matter between you and your partners, the present lessee, and the bonding company.

In our December 19, 1961, letter we requested your submission of two copies of each settlement sheet, together with remittance of royalty thereon, for all sales of production after August 30, 1958. On March 23, 1962, and November 21, 1962, we sent to you our MMS Form 63 inquiring as to whether there had been (a) a change in ownership, lease, or sublease, and (b) any production from the land. The last set of forms was sent by registered mail and we held a receipt of delivery executed by Dick Shumway on November 30, 1962. On February 6, 1963, we addressed a letter to you requesting the prompt execution and return of the forms. To date none of our inquiries have been acknowledged by you, although your present inquiry states that "another company has the lease and is working it".

Enclosed are three copies of our MMX Form 63 requesting information on changes in property status and production since January 8, 1959. Your cooperation in answering the questions on this form and returning two copies is solicited.

Sincerely yours,

George Fumich,

Acting Director

Enclosures

EDTalbert/ama 1-9-64

cc:
Docket
Director's Reading File
CA & A Division
Region III (w/cy inc. ltr.)

JAN 15 1962

The Fund Insurance Companies
P. O. Box 5030
Denver 17, Colorado

Your Re: Bond No. M-6043577
Our Re: DMEA-3962 (Uranium)
Norbute Corporation
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah
Contract Idm-8928

Gentlemen:

We have received a copy of your Bond-Burglary Department's January 9 letter addressed to Mr. Ray Shumway regarding the referenced bond. The last sentence of the second paragraph of your letter indicates the possibility of a misunderstanding.

The purpose of the referenced bond is to secure payment to the Government of a percentage royalty on minerals produced from the land under the contract until the Government's contribution is repaid or until March 9, 1966, whichever occurs first. Neither of these conditions has been met as of this date and, therefore, the bond may not be released even though the mine presently may not be operating.

No royalty has been paid since prior to the date of the bond. The last paragraph of our December 19, 1961, letter to Mr. Shumway was a request for an accounting of sales of production and, if any, for payment of the royalty due thereon.

Sincerely yours,

George Fumich, Jr.

Director

cc: Mr. Ray Shumway
P. O. Box 1644, Moab, Utah
Citizens Insurance Company
4th and Rood Ave., Grand Junction, Colo.

EDTalbert/ama
January 15, 1962

cc: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region III (2)

DEC 19 1961

Mr. Ray Shumway
Box 1644
Moab, Utah

Re: UMRA-3962 (Uranium)
Norbuta Corporation
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah
Contract Idm-3928

Dear Mr. Shumway:

Receipt is acknowledged of your December 12 letter of inquiry with which you enclosed (1) a photostat of a July 14, 1960, letter addressed to this office by The Fund Insurance Companies, (2) the original of a November 27, 1961, letter addressed to the Bureau of Land Management's Salt Lake City office by the Citizens Insurance Company, and (3) the original of a December 1, 1961, letter to Arthur R. Shumway from the Bureau of Land Management.

Your three submissions, together with a copy of this office's July 20, 1960, reply to the July 14, 1960, letter from The Fund Insurance Companies, are returned herewith. I believe our letter to The Fund Insurance Companies gives the information you desire regarding that surety's bond no. M-6043577, under which the principal is Ringtail Mining Company, a partnership composed of Arthur R. Shumway, Lawrence C. Davis, and Truman Goode.

Your letter states that it has been nearly two years since the mine has operated. On the other hand, the last royalty received by the Government covered an August 30, 1958, settlement by Union Carbide Nuclear Company with Dola Belle Mining Company under liquidation number 8436. Your prompt submission of two copies of each settlement sheet, together with the Government's percentage royalty due thereon, for all sales of production between August 30, 1958, and the date of final shipment before cessation of operations, is requested.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

cc: The Fund Insurance Companies w/cy 7/20/60 ltr.
P. O. Box 5030, Denver 17, Colorado
Citizens Insurance Company w/cy 7/20/60 ltr.
4th & Reed Ave., Grand Junction, Colorado

cc: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region III (2) w/cys incoming ltr.

EDTalbert/ama
12-18-61

~~OFFICIAL FILE~~ COPY
O. M. E.
RECEIVED APR 27 1961

DATE	INITIALS	
		800

Building 20 - Federal Center
Denver 25, Colorado

April 25, 1961

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. [illegible]-3962 (Uranium)
Contract [illegible]
Morbuto Corporation
(Utah Mineral Lease No. 5971)
Grand County, Utah

Attached is the original Report of Royalty Review on the subject property dated April 19, 1961 covering the period February 7, 1958, through March 31, 1961.

Original signed by

Hugh M. Connors

Attachments

HMC/lm
cc: Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E928
Chron

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract No. Idm-8928, Docket No. DMEA-3962 (uranium), dated March 9, 1956, with

Norbute Corporation
405 Park Avenue
New York 22, New York

and subsequent assignees, for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as part of Utah Mineral Lease No. 3971 located in Sec. 36, T. 22 S., R. 21 E., S.L.M., Grand County, Utah, during the period February 7, 1958, through March 31, 1961.

A certification of discovery or development was issued on July 6, 1956, and, in accordance with Article 8 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 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. A Report of Review dated August 16, 1956, indicated accepted costs under the exploration contract amounting to $11,520.31 with the Government's contribution, on a 75 percent basis, being $8,640.23.

The status of the project, the scope of review, and the reasons therefor are stated on the following pages.

This review found the total reported sales of uranium-vanadium for the period to be $45,555.70. Royalty paid the Government at rates specified in the contract amounted to $2,250.06.

A prior Report of Royalty Review found the reported sales through February 6, 1958, to be $66,742.81 which added to the reported sales for this subsequent period make a total of $112,278.51. The royalty account as of February 6, 1958, was:

Total Royalty Due	$3,337.15
Total Royalty Paid	3,337.15
Balance of Royalty Due	$ -0-

At March 31, 1961, the royalty account of this project was found to be:

Total Royalty Due	$5,587.21
Total Royalty Paid	5,587.21
Balance of Royalty Due	$ -0-

April 19, 1961

E. O. Talbert, OMM Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Title to the land described in Article 2 of the contract is vested in the State of Utah. At the time the contract was executed, the Operator had the right of possession by assignment from Strategic Minerals Exploration Company, a partnership, of Grand Junction, Colorado. In lieu of a consent to lien, the Operator provided a performance bond in the penal sum of $33,750.00 with the Indemnity Insurance Company of North America as surety. The penal sum of the bond was reduced on March 11, 1957, to $8,582.84, the amount of the Government's contribution less royalty payments to that date.

On March 8, 1957, the Operator assigned its mineral lease to the Ringtail Corporation, its wholly owned subsidiary; however, from March 1957 until June 1957, the property was operated by L. H. Wilkerson, d/b/a Dola Belle Mining, Box 3, Thompson, Utah, on a trial basis. During the latter month, the Ringtail Corporation sold to Wilkerson all fixed assets on the property and assigned the mineral lease to him. The assignment was rewritten on August 14, 1957; Wilkerson provided a performance bond executed by the Indemnity Insurance Company of North America on March 9, 1958, in the penal sum of $5,000.00, the amount of the Government's contribution less the approximate royalty payments to that date; and the Government executed a Consent to Assignment on April 18, 1958. This Consent to Assignment specifically released both the Assignor (Ringtail Corporation) and the Operator (Norbute Corporation) from any and all terms, provisions, and conditions of the exploration project contract.

On January 8, 1959, L. H. Wilkerson assigned the mineral lease to Arthur Roy Shumway, Lawrence C. Davis, and Truman Goode, d/b/a Ringtail Mining Company, P. O. Box 312, Moab, Utah. By letter dated April 22, 1959, addressed to Haynie, Hotchkiss & Golden, attorneys at law, with copies to the original Operator (Norbute Corporation), the Assignor (L. H. Wilkerson), and the Assignee (Ringtail Mining Company), the Government consented to the assignment without releasing the Assignor from any of the terms, provisions, or conditions of the contract. This consent was in consideration of a performance bond in the penal sum of $5,000.00 executed on January 8, 1959, by the Ringtail Mining Company as principal and the National Surety Corporation as surety.

Sales during the period of January 10, 1957, to May 31, 1957, of production from Utah Mineral Lease No. 3971 were made on an f.o.b. receiving station basis to the Climax Uranium Company in the name

of Norbute Corporation. Sales during the period of June 16, 1957, to June 30, 1958, were made on an f.o.b. mine basis to Climax Uranium Company in the name of L. H. Wilkerson. Thereafter, until August 31, 1958, sales were made on an f.o.b. receiving station basis to Union Carbide Nuclear Company in the name of Dola Belle Mining Company.

A 5% royalty on the entire gross proceeds was paid to the Government on all sales to Climax Uranium Company; however, the 5% royalty paid on subsequent sales to Union Carbide Nuclear Company was based on gross proceeds exclusive of haulage allowance. Additional royalty of $46.74, calculated to be payable on these sales, was requested of L. H. Wilkerson by the Acting Executive Officer, OME Region III, in a letter dated September 25, 1958.

In an October 1, 1958, reply to the request for payment of the additional royalty, Mr. Wilkerson stated:

> "Since my purchase of the Ringtail mine, Section 36, T 22 S, R 21 E, I have faithfully paid the government 5% of the gross proceeds of all ore mined from this property. During this period I have not at any time, mined as much as one ounce of ore from the D.M.E.A. loan property, yet I have paid the government the sum of $3,902.00 since purchasing the property and $1,180.64, for the three months period previous to the purchasing of said property, which by all rights should never have been paid since I was not mining D.M.E.A. property.
>
> Under the circumstances, due to the insecure sales of my ore I no longer find it expedient to continue these payments at this time. If and when D.M.E.A. property should be mined let me assure you the payments would begin at once".

In verification of Mr. Wilkerson's assertion, two representatives of the Region III Field Team examined the workings on October 7, 1958. By memorandum dated October 21, 1958, they reported that: (1) mine maps indicated mining from subordinated land of only 300 tons of ore and that during the period of January to June 1957; (2) such ore was commingled with ore from unsubordinated ground; (3) the reserve was essentially depleted by the removal of the 300 tons of ore; (4) the workings were abandoned before June 30, 1957; (5) examination of the workings disclosed that the stope and incline were completely flooded and appeared to have been flooded for months; and (6) the active mining area was south of the shaft and not on subordinated land.

Mr. Wilkerson's assertion was further confirmed by the Norbute Corporation in a letter dated February 20, 1959, which stated in part:

> "The block of ground subject to the exploration loan was never really mined; but it was our decision to repay this obligation from all production from this property and Mr. Wilkerson had agreed to that condition when the lease was turned over to him".

Such agreement, however, was not incorporated in the August 14, 1957, assignment of the mineral lease and a letter dated February 25, 1959, from Norbute Corporation states that such agreement was only "a very definite understanding".

In view of the foregoing conditions, this review has accepted the royalty paid to date as being applicable as repayment of the Government's contribution, with neither overpayment nor balance due being stated. However, in the event that Mr. Wilkerson should initiate a claim for and insist on a refund, the Government's position is stated in the following paragraph of the Operating Committee's January 30, 1959, letter to the Executive Officer, OME Field Team, Region III:

> "We have been advised by our Legal Division that Mr. Wilkerson is entitled to a refund on royalty payments made after the Government consented /April 18, 1958/ to the assignment of the land and lease, provided that Mr. Wilkerson submits a claim for the specific amount and recites the facts on which the claim is based".

In addition to a thorough review of the files, I have recomputed and tabulated the ore settlements covering all reported sales. The tabulation is filed with my audit work-papers. A summary thereof, by the several producers and pertinent periods of operation, is attached as Exhibit "A". No A.E.C. production bonus is indicated as such was fully liquidated prior to the date of the exploration project contract.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The reported production, on which royalty has been paid, is far in excess of the production from the land subordinated under the contract;
(2) The files do not indicate any production from the land under the contract since June 1957; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

This review has been made for OME record purposes only and no distribution to the original Operator or subsequent Assignees is authorized.

APR 21 1961

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-3962 (Uranium)
Norbute Corporation
Utah Mineral Lease No. 3971
Grand County, Utah
Contract Idm-8938

The original and one copy of a Report of Royalty Review covering the subject contract are attached. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and
(b) One copy for your files.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and copy should be returned to this Division with your comments.

Please note that no copy has been furnished for the Operator. This report is for OME record purposes only and, under no circumstances, should a copy be furnished to either the original Operator or any of the subsequent Assignees.

Attachments

EDTalbert/ama
April 20, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rethrock

Exhibit "A"

Idu-E928 | Summary of Reported Sales and Royalty Paid | DMRA-3962

Sales Period	Jan. 10, 1957 to Feb. 28, 1957	Mar. 31, 1957 to May 31, 1957	June 16, 1957 to Mar. 31, 1958	Apr. 1, 1958 to June 30, 1958	July 21, 1958 to Aug. 31, 1958	Totals
Seller	Morbute	Morbute	Wilkerson	Wilkerson	Dola Belle	
Purchaser	Climax	Climax	Climax	Climax	Union Carbide	
Dry Weight: Pounds	483,650	1,619,512	3,910,610	1,104,412	691,408	7,809,592
Tons	241.825	809.656	1,955.305	552.206	345.704	3,904.696
Average Assays: U_3O_8	.2952	.2019	.2249	.2536	.2939	.2547
V_2O_5	1.4022	1.3021	1.2287	1.2490	1.3762	1.2706
Contents, Pounds: U_3O_8	1,427.71	3,268.77	8,796.23	2,800.69	2,032.03	18,325.43
V_2O_5	6,781.62	21,084.38	48,048.74	13,794.38	9,514.86	99,223.98
Payments:						
U_3O_8 Base	$4,996.99	$10,467.64	$30,496.10	$ 9,802.42	$ 7,112.12	$ 62,875.27
Development Allowance	715.86	1,634.40	4,398.15	1,400.35	1,016.03	9,162.79
Premiums	345.26	283.99	774.74	443.92	486.92	2,334.83
Haulage	1,520.99	4,090.53	-	-	934.64	7,146.16
V_2O_5	2,102.30	6,536.16	14,895.10	4,276.26	2,949.64	30,759.46
Total	$9,679.40	$25,612.72	$50,564.09	$15,922.95	$12,499.35	$112,278.51
Average Value per Ton	$ 40.03	$ 29.16	$ 25.86	$ 28.84	$ 36.16	$ 28.75
Average Royalty Rate	5%	5%	5%	5%	5%	5%
Royalty Payable	$ 483.97	$ 1,180.64	$ 2,528.21	$ 796.15	$ 624.98	$ 5,613.95
Royalty Paid	483.97	1,180.64	2,528.21	796.15	578.24	5,567.21
Balance Due	$ -	$ -	$ -	$ -	$ 46.74	$ 46.74

Note: All royalty for the sales periods of Jan. 10, 1957, through Mar. 31, 1958, was received by the Government prior to April 18, 1958, the date of the Government's consent to assignment of the lease to L. H. Wilkerson; and all royalty for the sales periods of Apr. 1, 1958, through Aug. 31, 1958, was received after April 18, 1958.

JUL 20 1960

Mr. A. P. McIntyre
Bond Department
The Fund Insurance Companies
833 East 18th Avenue
P.O. Box 9030
Denver 17, Colorado

Your Re: Bond No. M-6043577

Our Re: DMMA-3962 (Uranium)
L. N. Wilkerson, Assignee
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah
Contract Idm-E928

Dear Mr. McIntyre:

In reply to your letter dated July 14, 1960, you are advised that the above referenced contract, on which National Surety Corporation issued a performance bond, has not been completed and the bond may not be terminated at this time.

Article 8 of the contract, dated March 9, 1956, provides for the payment of a royalty to the Government on production from the land described in the contract during a period of 10 years from the date of the contract or until the entire amount of the Government's advance toward exploration costs under the contract has been fully repaid, whichever occurs first. Liability under the performance bond will terminate when either condition is met.

This office has no record of any change, by payment of royalty or otherwise, in the status of this contract since January 8, 1959, the date of the performance bond.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

CEFisher/fw-7/19/60

cc: Docket
Director's Read File
Reg. III, w/2 cc McIntyre letter
GAA Division
Chron.

EXTRA COPY O. T. E. RECEIVED MAR 2 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

February 25, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMMA 3962 (Uranium), Contract No. Ida-E928
L. H. Wilkerson, Assignee
Grand County, Utah

Your letter of February 17, 1959 clarified the situation for us as it existed on February 2, 1959 when we wrote you, but ensuing events lead us to believe that this office should not answer Mr. Wilkerson's letter of December 17, 1958 unless advised to do so by you.

The property has been assigned by Mr. Wilkerson to a new individual, as noted in the copy of a letter to the Administrator from Frankel & Company, dated January 29, 1959, which will necessitate a new performance bond from the new assignee.

A letter from Mr. Abbott Charles, Norbute Corporation, of February 20, 1959, copies of which were forwarded you February 24, 1959, indicate that Mr. Wilkerson may cancel his request for a refund of royalties paid the Government.

Under these circumstances we will defer action in the matter for the time being unless instructed otherwise by you.

Original signed by
J. W. TOWNSEND

J. W. Townsend

HMC/ff
cc: Harshman
Hasler
Robertson
Royalty file, E928
Chron.

EXTRA COPY O. M. E. RECEIVED MAR 2 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

February 27, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 3962 (Uranium), Contract Idm-E928, School Section 36, T. 22 S., R. 21 W., L. H. Wilkerson, Assignee, Grand County, Utah

Supplementing our memorandum to you dated February 25, 1959, enclosed are two copies of the following:

1. Letter dated February 24, 1959 from B. C. Deringer to Messrs. Arthur R. Shumway, Lawrence C. Davis and Truman Good, who apparently are the new assignees of the property.

2. Letter from B. C. Deringer to the Executive Officer, Region III, dated February 25, 1959.

3. Our reply dated February 27, 1959 to Mr. Deringer's letter.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

HMC/ff

cc: Harshman)
Robertson) w/copies of letters.
Hasler)
Royalty file, E928
Chron.

Norbute Corporation
P.O. Box 1700
Grand Junction, Colorado

EXTRA COPY
C. M. E.
RECEIVED MAR 2 1959

DATE	INITIALS	CODE

OME
DEPARTMENT OF THE INTERIOR

February 24, 1959

FEB 26 1959
REGION III
DENVER, COLORADO

Messrs Arthur R. Shumway
Lawrence C. Davis
Truman Good
Ringtail Mining Company
P. O. Box 312
Moab, Utah

Gentlemen:

In 1956 this corporation secured a DMEA loan in the amount of $8,640.23 of which $5,567.21 was repaid the government from gross sales of ore from the Ringtail property leaving an unpaid balance of $3,073.02 as of Dec. 31, 1958.

This corporation feels that, if the mining fraternity is to receive the full support of such government agencies as the DMEA and now OME, that every effort should be made to repay government loans that are made on such favorable terms as those made by DMEA. I am sure that you agree in principle.

The instrument that assigned this property to L. H. Wilkerson recognized this DMEA loan together with the obligation of repayment. It also provides that a good and sufficient bond as required by the United States of America (DMEA) would be substituted for the one then posted by Norbute Corporation which was fulfilled by Wilkerson. This bond, however, must be renewed by the 7th of March in order to maintain a clear title to the State lease.

We understand that you gentlemen have purchased the assignment which we had made to Wilkerson and are now carrying on mining operations on the Ringtail property. In checking on payments of the loan, we find that the last was made in August, 1958. It is our understanding that the provisions of the original contract with DMEA together with the provisions of the assignment under which the lease was conveyed to Wilkerson should be fulfilled [illegible] you have a satisfactory and clear working lease therefor.

Will you, therefore, secure a bond from a bonding company of your choice for the amount of the unpaid balance of $3,073.02 together with a copy of the assignment conveying the lease from Wilkerson to you and [illegible] documents to Mr. J. W. Townsend, Executive Director, OME Field [illegible] 224 New Customhouse, Denver 2, Colorado.

At the time of receiving the assignment from Wilkerson, [illegible] pay the DMEA loan from the [illegible] of all ore [illegible] lease on which is operated by the Ringtail Mining Company.

[illegible] you [illegible] of course, will be to

Very sincerely yours,

/s/ D. C. Deringer, Vice President
Western Mining Division

cc: Mr. Townsend

NORBUTE CORPORATION

Western Mining Division: URANIUM CENTER BUILDING, P.O. BOX 1700, GRAND JUNCTION, COLORADO—CHapel 3-0297

OME
DEPARTMENT OF THE INTERIOR
FEB 26 1959
REGION III
DENVER, COLORADO

EXTRA COPY

February 25, 1959

RECEIVED MAR 2 1959

DATE	INITIALS	CODE

Mr. J. W. Townsend, Executive Officer
OME Field Team, Region III
New Customhouse
Denver, Colorado

Re: Docket No. DMEA 3962 (Uranium)
Contract No. Idm-E928
L. H. Wilkerson, Assignee
Grand County, Utah

Dear Mr. Townsend:

I am taking the liberty of thanking you for your letter of February 24th addressed to Mr. Abbott Charles on the above subject as I wish to take the opportunity to make a few comments thereon.

As you may remember, the contract called for retirement of the loan from production only on a restricted area of this section. Notwithstanding, it has been the policy of Norbute, which has been expressed to you on other occasions, to repay the loan from all ores regardless of what area on the School Section was responsible for the production.

According to the information we have in this office, $5,567.21 has been the amount repaid leaving an unpaid balance of $3,073.02 still due as of December 1st, 1958. We are also informed that no new payments toward the loan have been made since last August, 1958 although we understand that shipments were made from the School Section. Out of the $5,567.21, Norbute was responsible for the repayment of approximately 50%. It is particularly distressing to us to learn that this loan is not being retired in the manner in which we had agreed with Wilkerson at the time the assignment of the School Section was made to him, and it is even more distressing to learn that Wilkerson has applied for a refund on amounts previously paid, supposedly including those of Norbute, toward the retirement, particularly, in view of the fact that we had a very definite understanding with Wilkerson that he would follow out the policy that had been established by Norbute previously to this assignment. To what point we can put pressure on the new assignees for continuing the Norbute policy, I am not certain. It would seem to me, however, that some method should be found to continue the policy of repayment from all ores regardless of source in as much as it was incorporated by Norbute in the assignment to Wilkerson.

Furthermore, it appears to me that Norbute has a justifiable point in insisting that no refund be considered inasmuch as Norbute definitely contributed a portion of this retirement of the loan.

I would more than appreciate it if you would feel free to render any comments on this issue as you may see fit together with any procedure or advice that you may care to render.

Very sincerely yours,

W. L. Boarman, Vice President
Western Mining Division

DCP:

EXTRA COPY
O. M. E.
RECEIVED MAR 2 1959
CODE

224 New Customhouse
Denver 2, Colorado

February 27, 1959

Mr. B. C. Doringer, Vice President
Western Mining Division
Borkate Corporation
P. O. Box 1700
Grand Junction, Colorado

Re: Docket DMRA 3962 (Uranium),
Contract IBm-3928, School Section 36,
T. 22 S., R. 21 W., L. E. Wilharnm,
Assignee, Grand County, Utah

Dear Mr. Doringer:

Thank you for your letter of February 25, 1959 and the copy of your letter of February 24 to Messrs. Shumway, Davis and Good. Your attitude toward the loan repayment on the captioned contract is most commendable.

All correspondence pertaining to the new assignee and royalty refund have been referred to the Washington office of OME for advice; therefore we are unable to make any commitments at this time.

Very truly yours,

J. W. Townsend
Executive Officer
OME Field Team, Region III

JWC/ff

cc: Chem. Op. Comm.
Marshman
Robertson
Wasler
Royalty file, 3928
Chron.

EXTRA COPY
O. M. E.
RECEIVED FEB 27 1959

DATE	INITIALS	CODE
		800

February 24, 1959

Mr. Abbott Charles, Manager
Western Mining Division
Norbute Corporation
P. O. Box 1700
Grand Junction, Colorado

Re: Docket No. DMEA 3962 (Uranium)
Contract No. Idm-E928
L. H. Wilkerson, Assignee
Grand County, Utah

Dear Mr. Charles:

Thank you for your letter dated February 20, 1959, regarding the captioned contract.

Mr. Wilkerson has not written this office to cancel his request for a refund on royalty payments and a decision is pending regarding the requested refund of royalty payments.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer
OME Field Team, Region III

HMC/ff
cc: Chmn. Op. Comm. (2)
Harshman
Hasler
Robertson
Royalty File E-928
Chron.

NORBUT

Western Mining Di[illegible] MINIUM CENTER BUILDING [illegible]

RECEIVED		
DATE	INITIALS	CODES

Mr. J. W. Townsend, Executive Officer
Oil, Gas and Mineral Board
224 New Customhouse
Denver 2, Colorado

Re: Section [illegible]
Carbonate [illegible]
[illegible] Wilkerson, Assignee
Sec. [illegible], T. [illegible] S., R. [illegible]
Grand County, Utah

Dear Mr. Townsend:

Mr. Wilkerson was in our office early last month and mentioned that he was selling the Mineral Fund. He also mentioned that he had requested refund of some of the money paid on the DMEA loan.

The block of ground subject to the exploration loan was never really mined, but it was our decision to apply that obligation from all production from this property and Mr. Wilkerson had agreed to that condition when the loans were turned over to us. After hearing of our annoyance at his requesting a refund, Mr. Wilkerson stated that he would write to you that day and withdraw his application for refunds. Today, I phoned the local Bureau of Land Management Exploration and learned that there has been no cancellation of the request of record here.

I would like to request a statement from you as to whether Wilkerson has written to you cancelling this request and whether there has been any documentation made concerning it to date. Speaking for Norbute Corporation, I naturally very strongly object to Mr. Wilkerson's request.

Very truly yours,

[signature]

[illegible], President
Colorado Mining Division

[illegible]

EXTRA COPY
O. M. E.
RECEIVED FEB 6 1959
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado

February 2, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA-3962 (Uranium), Contract No. IAm-8928
L. H. Wilkerson, Assignee, Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah

Further clarification of your letter dated January 30, 1959, is requested before we proceed.

We understand from the third paragraph of your letter that Mr. Wilkerson is entitled to a refund on royalty payments made after April 18, 1958, provided he submits a claim and recites the facts. The royalty payments made after April 18, 1958 started with Liquidation No. 4452 dated May 9, 1958. We are not clear what Liquidation No. 3619, mentioned in the last paragraph on Page 2 of your letter, has to do with a possible refund of royalties to Mr. Wilkerson.

The answer to your question regarding amounts paid in royalties on ore produced from subordinated ground since the assignment of the land and lease is none. E. F. Robertson and J. W. Shaler of the Grand Junction Office, OME, checked the subject property on October 1, 1958 and their memorandum report dated October 21, 1958 states, "Mr. Wilkerson has not mined any ore from subordinated ground since acquiring the Ring Tail property".

We will not write to Mr. Wilkerson or to the Climax Uranium Company until we receive the requested clarification of your letter.

Original signed by
J. W. TOWNSEND

J. W. Townsend

BMC/ff

cc: D. T. Finch
Harshman
Royalty File, E928
Chron.

Contract Division

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

JAN 30 1959

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3962 (Uranium)
Contract No. Idm-[illegible]
L. H. Wilkerson, Assignee
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah

Dear Mr. Townsend:

Your memorandum of December 23, 1958, and other data regarding the royalty question pertaining to the subject contract have been reviewed by the Washington staff.

Norbute Corporation, through its subsidiary, Ringtail Corporation, assigned the land covered by Utah State Land Board Mineral Lease No. 3071 to Mr. Wilkerson on August 14, 1957. The assignment was approved by the Utah State Land Board on December 24, 1957, and by the Administrator of the Defense Minerals Exploration Administration on April 10, 1958. With this approval, it was agreed to reduce the Performance Bond submitted when the contract was signed to equal the amount of Government participation under the contract, less the amount paid in royalties to the time of assignment. The sum owed was $8,840.23 and the royalties paid to February, 1958, amounted to $3,532.33. Therefore, a bond in the sum of $5,000.00, with Mr. Wilkerson as principal, was accepted.

We have been advised by our Legal Division that Mr. Wilkerson is entitled to a refund on royalty payments made after the Government consented to the assignment of the land and lease, provided that Mr. Wilkerson submits a claim for a specific amount and recites the facts on which the claim is based.

According to the Field Team's semiannual reports on the subject property, Mr. Wilkerson made no attempt to stockpile or otherwise separate production subject to DMMA royalty. Previous royalty payments and mine Bureau's letters, including one dated February 26, 1956, by D. E. Berenger to the Executive Director, Region III, indicated that Mr. Wilkerson would repay the DMMA participation by paying royalty on all ore mined in order to retire the lease as soon as possible. Therefore, Mr. Wilkerson's request came as a surprise.

According to our settlement sheets submitted, Metalite Corporation received its last settlement on liquidation No. 3391 on ore received from May 1 to May 11, 1957. Metalite paid the Government the sum of $1,064.82 in royalties on these liquidations.

From then on all settlements were paid to Mr. Wilkerson and he made the following royalty payments:

Ore received June through August 31, 1957, liquidations 3458, 3530, and 3619, royalty paid -- $[illegible].

Ore received September 1 - April 30, 1958, liquidations 3682, 3751, 3778, [illegible], [illegible], [illegible], [illegible], and [illegible], royalty paid -- $1,[illegible].

Ore received May 1 to September 30, 1958, liquidations [illegible], [illegible], [illegible], [illegible], and [illegible], royalty paid -- $1,[illegible].

The date of assignment of the lease and lease is August 14, 1957, and our Government's approval of the assignment is dated April 16, 1958. Liquidation numbers July and [illegible] include a number of lots received for the full month for each of the above dates respectively. Therefore, will you kindly ascertain the dates when each lot under these liquidations were received by Climax Uranium Company. Also, if possible, ascertain and advise this office the amounts paid in royalties on ore produced from unpatented mineral claims the assignment of the lease and lease.

Before any payment can be made, [illegible] will be required to submit a new [illegible] and upon the Government's acceptance under the contract [illegible] Mr. [illegible] should be so advised.

Sincerely yours,

George G. Solbrig

Chairman, Accounting Committee

APPROVED:

C. I. BAROCH

[illegible]

N. E. Nelson

[illegible]

Copy to: Donald T. Finch, Auditor, Region III
[illegible]/[illegible] 1/26/[illegible]
cc: Director's reading file
Accounting Committee
DAV. of Contract Adm. & Audit
Mr. Murphy
Mr. Long
Mr. [illegible]

224 New Customhouse
Denver 2, Colorado
October 24, 1958

E 00

Mr. L. H. Wilkerson
Dola Belle Mining
Box 3
Thompson, Utah

Re: Docket No. DMRA 3962 (Uranium)
Contract I4m-E928
L. H. Wilkerson, Assignee
(School Sec. 36, T. 22 S.,
R. 21 E.)
Grand County, Utah

Dear Mr. Wilkerson:

Thank you for your letter of October 1, which clarified the misunderstanding regarding the royalty due on the captioned property.

Will you please advise this office when mining operations are again resumed on that portion of the property which has been subordinated to the Government.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
OME Field Team, Region III

HMC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Robertson, OME/GJ
Hasler
Royalty file, E928
Chron

OME
DEPARTMENT OF THE INTERIOR
OCT 6 - 1958
REGION III
DENVER COLORADO

October 1, 1958

United States Department of the Interior
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Attn: Mr. E. N. Harshman

Property file E-92

Dear Mr. Harshman:

In reply to your letter of September 25, please rest assured that the "Dola Bello Mining" and "L. H. Wilkerson", are one and the same.

Since my purchase of the Ringtail mine, Section 36, T 22 S, R 21 E, I have faithfully paid the government 5% of the gross proceeds of all ore mined from this property. During this period I have not at any time, mined as much as one ounce of ore from the D.M.E.A. loan property, yet I have paid to the government the sum of $3,902.60 since purchasing the property and $1,180.64, for the three months period previous to the purchasing of said property, which by all rights should never have been paid since I was not mining D.M.E.A. property.

Under the circumstances, due to the insecure sales of my ore I no longer find it expedient to continue these payments at this time. If and when D.M.E.A. property should be mined let me assure you the payments would begin at once.

Union Carbide Nuclear Company have so been informed, they are no longer to withhold payments for the D.M.E.A. loan, until either myself or your government engineers should inform them the property in question is being mined, and they in turn shall start withholding payments again.

Mr. Harry F. Robertson of your Grand Junction office, will be at the Ringtail mine on October 7th. for the purpose of inspecting said mine. I am sure that in his report to you, the above claims will be substantiated. In the future, please feel free to send your government engineers to inspect this mine at anytime you so desire, they will be given in all due respect the curtosy and consideration due them.

I remain.

Sincerelly,

L. H. Wilkerson

L. H. Wilkerson
Dola Bello Mining
Box 3
Thompson, Utah

CC: H. F. Robertson

OME UNITED STATES
DEPARTMENT OF THE INTERIOR
DEPARTMENT OF THE INTERIOR
OCT 22 1958 GEOLOGICAL SURVEY
REGION III P. O. Box 300
DENVER, COLORADO Grand Junction, Colorado

MINERAL DEPOSITS
IN REPLY REFER TO:
O M E
RECEIVED
OCT 22 1958
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

October 21, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Region III

From: H. F. Robertson
J. W. Hesler

Subject: Docket No. DMEA 3962 (Uranium), Contract Idm-E 928, L. H. Wilkerson, Assignee (sec. 36, T. 22 S., R. 21 E.) Grand County, Utah. Payment of royalty on ore from the Ringtail mine

On October 1, 1958, the subject operator informed the OME, Region III, that royalty on uranium ore produced from the Ringtail mine would no longer be paid since the production was not coming from property subordinated under Contract Idm-E 928. In order to verify the above statement, this office arranged a meeting with Mr. Wilkerson at the property on October 7, 1958, for the purpose of checking the underground workings.

Current mine maps, kept by the Norbute Corporation and Mr. Wilkerson, indicate that the only mining done on the subordinated ground was performed during the period January-July 1957 and amounted to approximately 300 tons. The ore was taken from a small stope near the bottom of the incline. Production from subordinated and unsubordinated ground was not segregated and royalty was paid on all shipments made from the Ringtail mine during the period. The mining of the 300 tons of ore essentially depleted the reserve and the workings were abandoned sometime before June 30, 1957. The Norbute Corporation then assigned the Ringtail property to Mr. Wilkerson, effective August 14, 1957. Since acquiring the mine, Mr. Wilkerson has confined his mining operations to the unsubordinated area south of the shaft but has continued paying the Government's royalty on all ore produced from the mine.

After checking all available mine maps, the examining team went into the underground workings for a physical check on the mining operations. A Brunton-tape survey was made, extending from the Ringtail shaft, northwesterly to the top of the incline. The stope and incline are completely flooded and, from the appearance of the track, pipe, etc., have been flooded for many months. The east boundary of the subordinated property crosses the workings at about the top of the incline. Further checking verified the statement that the currently active mining area is located south of the shaft and is not on subordinated property.

In conclusion, the results of our investigation indicate that Mr. Wilkerson has not mined any ore from subordinated ground since acquiring the Ringtail property. From the appearance of the drift and incline (as far as we could actually go) leading to the subordinated ground, the workings have been abandoned for many months and the approximately 300 tons produced by the Esgrete Corporation during January-June 1957 appears to comprise the entire production on which the Government's royalty was legally due.

During a recent conversation with officials of the Fortune Corporation, it was learned that when Mr. Wilkerson was assigned the Ringtail property there was an unwritten agreement that Wilkerson would pay the RFCA loan as rapidly as possible from all production from sec. 36, T. 22 S., R. 21 E. This memorandum points out that royalty payment was due from approximately 300 tons of ore which was produced from subordinated ground. The operator stated that he wishes to suspend further payments to RFCA due to unstable marketing conditions in the area. Whether or not the operator wishes a refund of all royalty payments on production from unsubordinated ground is a matter to be resolved.

H. F. Robertson
H. F. Robertson
Mining Engineer

J. William Hasler
J. William Hasler
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
P. O. Box 360
Grand Junction, Colorado

OME
DEPARTMENT OF THE INTERIOR
OCT 3 - 1958
REGION III
DENVER, COLORADO

October 2, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Region III

From: H. F. Robertson

Subject: Docket No. DMEA 3962 (Uranium), Contract Idm-E 928
L. H. Wilkerson, Assignee (Sec. 36, T. 22 S., R. 21 E.)
Grand County, Utah.
Payment of royalty

Mr. Wilkerson was in this office on October 1, 1958, for a conference regarding your letter to him dated September 25, 1958. We were informed at that time that all current production (including that concerned by your letter) is being mined from unsubordinated ground and that the purchaser would be instructed to stop deducting the 5 percent DMEA royalty as of October 1, 1958. If and when mining of the DMEA ore is resumed, the royalty will again be paid.

Mr. Hasler and I made arrangements with Mr. Wilkerson to meet him at the Ringtail mine on October 7, 1958. At that time we will ascertain whether or not the current production is from subordinated ground and will write an appropriate memorandum regarding our findings.

H. F. Robertson

H. F. Robertson
Mining Engineer

OME
DEPARTMENT OF THE INTERIOR
OCT 6 - 1958
REGION III
DENVER COLORADO
800

October 1,1958

United States Department of the Interior
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Attn: Mr. E. N. Harshman

Dear Mr. Harshman:

In reply to your letter of September 25, please rest assured that the "Dola Belle Mining" and "L. H. Wilkerson", are one and the same.

Since my purchase of the Ringtail mine, Section 36, T 22 S, R 21 E, I have faithfully paid the government 5% of the gross proceeds of all ore mined from this property. During this period I have not at any time, mined as much as one ounce of ore from the D.M.E.A. loan property, yet I have paid to the government the sum of $3,902.60 since purchasing the property and $1,180.64, for the three months period previous to the purchasing of said property, which by all rights should never have been paid since I was not mining D.M.E.A. property.

Under the circumstances, due to the insecure sales of my ore I no longer find it expedient to continue these payments at this time. If and when D.M.E.A. property should be mined let me assure you the payments would begin at once.

Union Carbide Nuclear Company have so been informed, they are no longer to withhold payments for the D.M.E.A. loan, until either myself or your government engineers should inform them the property in question is being mined, and they in turn shall start withholding payments again.

Mr. Harry F. Robertson of your Grand Junction office, will be at the Ringtail mine on October 7th. for the purpose of inspecting said mine. I am sure that in his report to you, the above claims will be substantiated. In the future, please feel free to send your government engineers to inspect this mine at anytime you so desire, they will be given in all due respect the curtosy and consideration due them.

I remain.

Sincerelly,

L. H. Wilkerson

L. H. Wilkerson
Dola Belle Mining
Box 3
Thompson, Utah

CC: H. F. Robertson

OME
DEPARTMENT OF THE INTERIOR
OCT 3 - 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

October 2, 1958

EXTRA COPY
O. M. E.
RECEIVED OCT 10 1958

DATE	INITIALS	CODE

Memorandum

To: Acting Executive Officer, OME Field Team, Region

From: H. F. Robertson

Subject: Docket No. DMEA 3962 (Uranium), Contract Idm-E 928
L. H. Wilkerson, Assignee (Sec. 36, T. 22 S., R. 21 E.)
Grand County, Utah.
Payment of royalty

Mr. Wilkerson was in this office on October 1, 1958, for a conference regarding your letter to him dated September 25, 1958. We were informed at that time that all current production (including that concerned by your letter) is being mined from unsubordinated ground and that the purchaser would be instructed to stop deducting the 5 percent DMEA royalty as of October 1, 1958. If and when mining of the DMEA ore is resumed, the royalty will again be paid.

Mr. Hasler and I made arrangements with Mr. Wilkerson to meet him at the Ringtail mine on October 7, 1958. At that time we will ascertain whether or not the current production is from subordinated ground and will write an appropriate memorandum regarding our findings.

H. F. Robertson

H. F. Robertson
Mining Engineer

224 Key Customhouse
Denver 2, Colorado
Sept. 25, 1958

800

Mr. L. E. Wilkerson
P. O. Box 3
Thompson, Utah

Re: Docket No. [illegible] 3962 (Uranium)
Contract Ida-[illegible]
L. E. Wilkerson, Assignee
(Sec. 36, T 22 S, R 21 E)
Grand County, Utah

Dear Mr. Wilkerson:

Royalties and copies of settlement sheets for the below listed production have been received in this office, which result in a net underpayment of $46.74, as follows:

Liquidation No.	Dry Tons	Royalty Due	Royalty Payment
8275	117.273	$187.91	$172.09
8355	80.873	177.64	166.79
8436	147.559	259.43	239.36
		$624.98	$578.24

Total Royalty due----------$624.98
Total Royalty paid---------- 578.24
Balance Royalties due----------$ 46.74

The underpayment in each instance is due to the haulage allowance being omitted in calculating royalties due. Article 8(c) of the contract stipulates that royalties shall be based on the value of production sold, including any bonuses, premiums, allowances or other benefits. Accordingly, a check in the amount of $46.74, as additional royalties due on this production is to be sent to the

Executive Officer
GMX Field Team, Region III
224 Key Customhouse
Denver 2, Colorado.

We note that the production covered by the above listed liquidation numbers have been bought of Bola Bulla Mining Company. Inasmuch as it is required that the Government's interests be protected in the transfer of any land covered by the contract, please also provide this office with a copy of the legal instrument whereby Bola Bulla Mining Company gained interest in land subject to the Government's royalties.

Very truly yours,

Original

E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
CMK Field Team, Region XXI

MEM:hmh

cc: Chma. Op. Comm. (2)
Royalty file, E928
Robertson, CMK/G.Jct.
Chron

For Certificate of Deposit No. 44, dated September 15, 1958, giving royalty payment of $239.36, see E-440.

TRIPLICATE
Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.
Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

8/29/58 (Date sent)

36 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 244.10

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 244.10		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bennett
(Authorized signature)

SEP 2 - 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

E-928	Wilkerson (Norbute)	$166.79
E-1030	Grapevine Mining	77.31
		$244.10

For Certificate of Deposit No. 30, dated August 19, 1958, giving royalty payment of $172.09, see E-445.

E-928

For Certificate of Deposit No. 7, dated July 14, 1958, giving royalty payment of $222.68, see E-440.

E-928

For Certificate of Deposit No. 141, dated June 12, 1958, giving royalty payment of $306.05, see E-440.

E-928

For Certificate of Deposit No. 133, dated May 13, 1958, giving royalty payment of $267.42, see E-4.

For Certificate of Deposit No. 118, dated April 14, 1958, giving royalty payment of $326.95, see E-4.

E-928

For Certificate of Deposit No. 104A, dated March 12, 1958, giving royalty payment of $237.93, see E-440.

For Certificate of Deposit No. 92, dated February 12, 1958, giving royalty payment of $290.79, see E-597.

DMEA
RECEIVED MAR 7

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region III, Denver, Colorado, pertaining to Contract Idm-[illegible], Docket No. DMEA 3962 (Uranium) dated March 9, 1956, including Termination Agreement dated July 27, 1956, with

L. H. Wilkerson, Assignee,
Norbute Corporation
P. O. Box 3
Thompson, Utah.

for the purpose of determining the amount of royalties due the United States Government on the sale of Uranium-Vanadium ores produced from mining operations on Utah Lease No. 3971, Sec. 36, T 22 S, R 21 E, located in Grand County, Utah, commonly referred to as the Ringtail Mine during the period March 9, 1956 through February 6, 1958.

The status of the project, scope of the review and reasons therefor are stated on Page 2.

My review established the total sales of Uranium-Vanadium ores for this period to be $66,742.81. (See Schedule I, attached.) Royalty due the United States Government at the contract rate of 5% is $3,337.15. The royalty paid and balance due are as follows:

Total Royalty Due	$3,337.15
Total Royalty Paid	3,337.15
Balance of Royalty Due	$ 0.00

March 4, 1958

Donald T. Finch

Donald T. Finch, Auditor

STATUS OF THE PROJECT, DESCRIPTION OF REVIEW
AND REASONS THEREFOR

Contract Idm-E928 Docket DMEA 3962

The original contractor was Norbute Corporation who assigned its interest in the operations to L. H. Wilkerson sometime in June, 1957.

A Certificate of Discovery or Development was issued July 6, 1956, and in accordance with the contract, royalty is payable on all minerals mined or produced from the land described in Annex I, Article 2 of the contract during a maximum period of 10 years from the date of the contract. A Report of Review in lieu of a final audit, dated August 16, 1956, by T. H. Brading, indicated accepted costs under the Exploration Contract amounting to $11,520.31, with the Government's contribution on a 75 percent basis being $8,640.23.

My review included a tabulation and recomputation of all ore settlement sheets in the files of the Executive Officer, DMEA Field Team, Region III, for the period March 9, 1956 through February 6, 1958, and correspondence with the Chief of Accounting Branch, Finance Division, Field Operations Office, Atomic Energy Commission, Grand Junction, Colorado. The producers' sales reported to DMEA were reconciled with the production records maintained by A.E.C. Royalties paid were reconciled with the DMEA Finance Office, Denver, Colorado. It was noted during the review that sales by L. H. Wilkerson, Assignee, were on the basis of F.O.B. the mine.

A conference with the Examining Engineer disclosed indications that the original contractor and the assignee have elected to report and pay royalty on all production from the Ringtail Mine even though part of such production might be exempt from DMEA royalties. The reconciliation of production reported to DMEA with A.E.C. records tend to confirm the foregoing indications. Since production reported by the original operator and the assignee do not show any segregation of production between that subject to royalty and that which might be exempt, this report reflects royalty due DMEA on all reported production.

The review was made in lieu of an on-site audit of the producers' accounts and records for the following reasons: -

(a) All reported production was reconciled with records of the Atomic Energy Commission.

(b) The Examining Engineer is of the opinion that all sales of production are accounted for.

(c) The administrative cost to the Government of an on-site audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

SCHEDULE I

L. N. WILKERSON, ASSIGNEE
NORBUTE CORPORATION

CONTRACT NO. Idm-E928 DOCKET NO. DMEA 3962

Summary of Production, Sales and DMEA Royalties
W. ½ SEC. 36, T. 22 S., R. 21 E., Salt Lake B. & M.
Grand County, Utah

	Norbute Corporation	L.N. Wilkerson	Total
Period	3/9/56 to 6/6/57	6/7/57 to 2/6/58	3/9/56 to 2/6/58
Purchaser	Climax Uranium Company	Climax Uranium Company	Climax Uranium Company
Gross Weight, Pounds	2,300,560	2,794,140	5,094,700
Dry Weight, Pounds	2,102,962	2,587,191	4,690,153
Dry Weight, Tons	1051.48	1293.59	2345.07
Average Assays			
Uranium (U_3O_8)	.223	.223	.223
Vanadium (V_2O_5)	1.325	1.265	1.292
Pounds, U_3O_8	4,696.48	5,772.89	10,469.52
Base Payment U_3O_8	$15,464.63	$19,914.40	$35,379.03
Development Allowance	$ 2,348.26	$ 2,886.47	$ 5,234.73
Premiums			
Excess of 4 lbs. U_3O_8 per Ton			
Excess lbs. of U_3O_8	839.00	676.78	1,515.78
Payment at 75¢ per excess lb. U_3O_8	$ 629.25	$ 507.59	$ 1,136.84
Haulage Allowance			
Wet Tons	1,150.28	1,397.07	2,547.35
Per Ton	5.40	F.O.B. Mine	2.44
Haulage Allowance	$ 6,211.52	None	$ 6,211.52
Pounds V_2O_5	27,866.00	32,716.88	60,582.88
Payment V_2O_5	$ 8,638.46	$10,142.23	$18,780.69
* Total Value Subject to DMEA Royalties	$33,292.12	$33,450.69	$66,742.81
Average Value per Dry Ton	$ 31.66	$ 25.86	$ 28.46
Average DMEA Royalty Percentage	5%	5%	5%
DMEA Royalties Due	$ 1,664.61	$ 1,672.54	$ 3,337.15
DMEA Royalties Paid	$ 1,664.61	$ 1,672.54	$ 3,337.15
Balance DMEA Royalties Due	$ 0.00	$ 0.00	$ 0.00

The last Liquidation Settlement Sheet in above is Climax Uranium Company No. 3860, dated January 7, 1958. The last Certificate of Deposit is CD 58-78, dated January 14, 1958.

* A.E.C. production bonus was all utilized prior to DMEA contract date.

Check Sheet of Examining Engineer

Operator's Name L. W. Wilkerson, Assignee
Norbute Corporation

Address P. O. Box 3

Thompson, Utah

Exploration Contract No. Idm-E928 Docket No. DMEA 3962

		Check One Yes	Check One No
1. (a)	Does the Operator stockpile ore subject to royalty repayment?		✓
(b)	If so, is segregation and identification procedure adequate?		
2. (a)	Does Operator commingle production subject to DMEA royalties with exempt production?		✓
(b)	If so, do you consider the allocation of the commingled production equitable?		
3. (a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		✓
(b)	If so, are adequate records maintained on such material to protect the Government's interest?	✗	
4.	Do you consider the assay controls in effect are adequate?	✓	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	✓	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	✓	
7.	Does the Operator buy from or sell to other Operators?		✓

8. Comment on any item 2 (b) to 6 if answer is No.

2(a) Operators representative states that DMEA royalty is being paid on all production from the property whether subordinated or not

Date 2-6-58

Mining Engineer

MAR 1 3 1958

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: First Report of Royalty Review
Norbute Corporation
Contract No. Idm-[illegible]
Docket No. DMEA-3962

Dear Mr. Finch:

Your Report of Royalty Review covering the above-cited project is acceptable. You are authorized to make normal distribution.

The matter of assignment of interest to L. H. Wilkerson by Norbute Corporation is with the legal department for drafting of the appropriate document.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

CEFisher/ama
March 13, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

March 5, 1958

COPY
DMEA
RECEIVED MAR 7 1958

		CODE
3/7	C	220
	6.6p	800

Mr. J. L. Chambers, Director
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: First Report of Royalty Review
Norbute Corporation
Contract No. Idm-E928
Docket No. DMEA 3962

Dear Mr. Chambers:

Attached are three copies of First Report of Royalty Review with two copies of Check Sheet of Examining Engineer, which are submitted for your approval.

According to the files of the Executive Officer, letters dated July 17, 1957, and October 8, 1957, addressed to the Norbute Corporation by the Administrator, requesting copy of the assignment of interest to L. H. Wilkerson by Norbute Corporation remain unanswered.

This information is submitted with the thought your office might wish to instigate a follow-up on the matter.

Very truly yours,

Donald T. Finch

Donald T. Finch, Auditor

Encls.

224 New Customhouse
Denver 2, Colorado

March 5, 1958

Mr. J. L. Chambers, Director
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: First Report of Royalty Review
Norbute Corporation
Contract No. Idm-E928
Docket No. DMEA 3962

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This information is submitted with the thought your office might wish to instigate a follow-up on the matter.

Very truly yours,

Donald T. Finch

Donald T. Finch, Auditor

Encls.

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

Re: Docket No. DMEA-3962 (Uranium)
Contract No. Idm-5928
Norbute Corporation
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah

Dear Mr. King:

A review of the ore settlement liquidations relating to the subject contract show that beginning with the July 3, 1957, liquidation number 3458 no haulage allowance is credited, whereas in the prior liquidations, ending with number 3391, a haulage allowance is shown.

It appears that the change occurred when L. H. Wilkerson became the miler instead of Norbute Corporation. Will you kindly investigate this matter and advise this office.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Director, Bureau of Mines

Thor H. Kiilsgaard

Director, Geological Survey

FMMurphy/gla
2-21-58
cc to: Admr.'s Reading File
Operating Committee
FMMurphy/gla
Contract Adm. & Audit Div.

E-928

For Certificate of Deposit No. 78, dated January 14, 1958, giving royalty payment of $186.80, see E-440.

E-928

For Certificate of Deposit No. 69, dated December 12, 1957, giving royalty payment of $242.07, see E-440.

For Certificate of Deposit No. 56, dated November 13, 1957, giving royalty payment of $208.08, see E-597.

E-928

For Certificate of Deposit No. 43, dated October 14, 1957, giving royalty payment of $206.69, see E-440.

For Certificate of Deposit No. 32, dated September 12, 1957, giving royalty payment of $295.11, see E-440.

E-928

For Certificate of Deposit No. 17, dated August 13, 1957, giving royalty payment of $369.93, see E-381.

For Certificate of Deposit No. 6, dated July 12, 1957, giving royalty payment of $163.86, see E-408.

E-928

For Certificate of Deposit No. 166, dated June 12, 1957, giving royalty payment of $350.24, see E-440.

For Certificate of Deposit No. 155, dated May 14, 1957, giving royalty payment of $403.52, see E-440.

E-928

For Certificate of Deposit No. 144, dated April 16, 1957, giving royalty payment of $426.88, see E-360.

For Certificate of Deposit No. 133, dated March 27, 1957, giving royalty payment of $299.16, see E-440.

E-928

For Certificate of Deposit No. 125, dated March 13, 1957, giving royalty payment of $127.42, see E-408.

For Certificate of Deposit No. 108, dated February 13, 1957, giving royalty payment of $57.39, see E-395.

DEPARTMENT OF MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Morbute Corporation
P. O. Box 1700
Grand Junction, Colorado

pertaining to Exploration Project Contract No. Idm-2988, Docket No. DMEA-3962, for the months of April and May, 1956, and Termination Agreement dated July 27, 1956, covering a project for the exploration of Uranium on property known as School Section 36, T. 22 S., R. 21 W., located in Grand County, Utah.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer, DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;

(b) the monthly reports were supported by documentary proof of the costs claimed under the contract provisions for contribution by the Government on the basis of actual costs incurred;

(c) a major portion ($9,479.77) of the costs incurred covered work performed at unit rates under independent contract; and

(d) the balance ($2,040.54) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs for work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$11,544.31
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$24.00	
Herewith	0.00	24.00
Total Accepted Cost		$11,520.31

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eight thousand, six hundred forty, and 23/100ths Dollars

** $8,640.23 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

August 16, 1956

T. H. Breding, Auditor

SCHEDULE OF EXCEPTIONS

MORBURN CORPORATION.

Contract No. I4m-8928 Docket No. IMEA-3962

Stage I of contract allowed 22 hours of bulldozing @ $12.00 per hour	$264.00
Operator claimed 24 hours of bulldozing @ $12.00 per hour	288.00
Excess of 2 hours @ $12.00 per hour disallowed	$ 24.00

R H Moberg

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

AUG 22 1956

Mr. Thomas K. Breding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Reports of Review
Uranium Prospectors, Ltd.
Ida-2577, DMEA-3987
and
Mortate Corporation
Ida-2926, DMEA-3962

Dear Mr. Breding:

Receipt is acknowledged of your Reports of Review covering the above-cited projects.

The Reports are acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

WBerovics/Wb
August 22, 1956

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

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

RECEIVED
SEP 1 3 1956

224 New Customhouse
Denver 2, Colorado

August 28, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3962 (Uranium) Contract Idm-E928, Norbute Corporation (School Section 36, T22S, R21W) Grand County, Utah - FINAL PAYMENT

Reference is made to our memorandum of June 21, 1956, whereby we transmitted the final Form MF-104, Operator's Monthly Report and Voucher, for the month of May, 1956 and instructed you to withhold the amount of $500.00 from reimbursement to the Operator pending resolution of matters relative to closing the account.

The Operator's final report has been received; therefore, we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of contract expenditures by the Contract Administration and Audit Division, dated August 16, 1956, which was released to this office August 27, 1956.

Basis for Final Payment

Total Accepted Cost -	$11,520.31
Government Participation at 75 Percent- - - - - - -	8,640.23
Total Prior Payments- - - - - - - - - - - - - - - - - -	8,140.23
Balance due the Operator	$ 500.00

$500.00

9/4/56 DMA 57-27

W. M. TRAVER

W. M. Traver

JDC:jy
cc: Corresp. E928
MF-104 File E796
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Chron.

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

RECEIVED
SEP 13 1956

224 New Customhouse
Denver 2, Colorado

September 7, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3962 (Uranium) Contract Idm-E928, Norbute Corporation (School Section 36, T22S, R21W) Grand County, Utah - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated August 28, 1956, relative to final payment under the terms of the subject contract.

W. M. Traver

W. M. Traver

Enclosures

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
JUN 27 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 195 5 Docket No. DMEA 3962 Contract No. Ida E-928
Operator's Name Norbute Corporation Minerals Uranium
Address Box 1700, Grand Junction, Colo.
Contract Amount, $45,000.00 Government Participation: 75 % Amount, $33,750.00
~~45,000.00~~

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	$3,785.33	$5,070.44	$8,855.77			
Bulldozing	360.00	288.00	648.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	110.97	188.16	299.13			
Payroll Taxes						
Liability Insurance						
Incidental Allowance	739.98	1,001.43	1,741.41			
(8) Contingencies (specify):						
TOTALS	4,996.28	6,548.03	11,544.31	4,972.28	6,548.03	11,520.31

I certify that the above bill is correct and just and that payment therefor has not been received.

Date June 18, 1957 *Payee Norbute Corp

Per Vernon T. Dow Title Mine Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Note: With hold $500.00

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$3229.21

Signature (Authorized Certifying Officer)

Date 6/25/56 Voucher DMEA 56-124

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMEA 928 in accordance with the terms of the contract.

Signature Carl Baker ($3,747.21) Title Mining Engineer Date 6/11/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Johnson Title Executive Officer Date JUN 21 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 27 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3982 Contract No. Ion-3928
Operator's Name Norbute Corporation Minerals Uranium
Address Box 1700, Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	$ 989.33	482.6	$2,194.32	1070.4	2.05	3,235	$ 3.15
Drilling: Churn non-core	foot	3,796.00	1084.0	6,661.45	6734.3	1.41	10,035	1.82
Drilling: Auger								
Sampling and analysis	each	220.97	23	399.13	82	4.82	105	5.00
Trenching								
Test Pits								
Roads and Trails Bulldozing hrs.		360.00	30	648.00	54	12.00	53	12.00
Incidental allowance	feet	793.00	2646.6	1,741.41	5804.7	0.30	13,248	0.30
Total Distributed Costs		$4,996.23		$11,544.31				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$4,996.23		$11,544.31				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date June 18, 1956 Operator NORBUTE CORPORATION

Per Vernon F. Dow Title Mine Manager

Remarks:

NOTE.—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.

(Instructions on reverse)

(For Government use only) Earl Belan

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc.". The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION MADE JUN 25 1956

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

RECEIVED JUN 27 1956

Administrative Audit Difference Statement

Date: [illegible]
Payee's Reference: [illegible]

[illegible]

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [illegible]

Difference $ [illegible]

Amount Approved $ [illegible]

The reason for the difference was due to:

[illegible]

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

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

JUN 27 1956

224 New Customhouse
Denver 2, Colorado

June 21, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3942 (Uranium) Contract Idm-E928, Morbate Corporation (School Sec. 36, T22S, R21W) Grand County, Utah - Operator's Monthly Progress Report for the month of May, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

<u>Disallow</u> an amount of $24.00, the cost of two hours bulldozing at $12.00 per hour. The contract allowance for this item was exceeded by two hours.

<u>Withhold</u> an amount of $500.00 pending additional work. If no further work is approved by the Government and performed by the Operator, continue to hold the amount pending resolution of matters relative to closing the account. The presently approved work has been completed, and the Operator requested termination on May 28, 1956.

Remarks

Date of Report----------June 18, 1956
Date Received in Field Office---------- June 19, 1956
Date Received in Region Office---------- June 20, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JBC:jy
cc: MF-104 File E928
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report
Chron.

DMEA
Date Rec'd.

JUN 20 1956

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
June 12, 1956

Memorandum

DMEA
Date Rec'd.

JUN 12 1956

BUREAU OF MINES
Denver, Colorado

To: Executive Officer, DMEA Field Team, Region III

From: Carl Balser
Through: John F. Shaw
Supervising Mining Engineer

Subject: DMEA 3962 (Uranium), Contract Ida-3028, Kerbate Corporation, (School Section 36), Grand County, Utah -- Progress Report for May 1956.

Drilling progress was inspected on June 4, 1956. Drilling of Stage III holes was completed on May 10 and the operator requested that the contract be terminated on May 18, 1956. The following holes were drilled in May:

Hole	Footage Non-Core	Footage Core	Footage Total	% Core Rec'd.	Uranium Mineralization
I-27	205	70.5	275.5		246.5'-247.3'-0.08%, 247.3'-247.8'-0.06% 247.8'-248.6'-0.08%, 248.6'-249.4'-0.15%
I-28	215	54.7	269.7		251.0'-252.8'-0.08%
I-29	212	44.0	256.0		234.2'-235.6'-0.08%, 235.6'-237.9'-0.08% 252.8'-253.7'-0.08%
I-30	212	59.2	271.2		232.6'-233.7'-0.07%, 233.7'-234.5'-0.01% 237.6'-238.2'-0.03%, 244.8'-243.7'-0.07% 299.4'-260.2'-0.06%
I-31	220	47.3	267.3		239.9'-240.4'-0.09%, 240.4'-241.5'-0.14% 244.1'-246.0'-0.04%, 246.0'-247.2'-0.09%
I-32	225	28.4	253.4		249.3'-250.7'-0.08%
I-33	235	59.2	294.2		slightly mineralized Ou
I-34	230	74.5	304.5		" " "
I-35	230	44.8	274.8		253.6'-255.0'-0.04%
Stage II Total	(9)	1,984	482.6	2,466.6	
Previous	(2)	420	104.5	524.5	
Total Stage III	(11)	2,404.0	587.1	2,991.1	
Stage I Holes	(11)	2,330.3	483.3	2,813.6	
Total	(22)	4,734.3	1,070.4	5,804.7	

The cost of 1800 feet of non-core drilling at $1.40 per ft. is $2,520.00; the cost of 184 feet of non-core drilling at $1.50 per ft. is $276.00; the cost of 482.6 feet of core drilling at $2.05 per ft. is $989.33; the cost of 30 hours of bulldozing at $12.00 per hour is $360.00; the cost of 23 chemical assay at $4.82. is $110.97 and the incidental allowance for 2,466.6 feet of drilling at $0.30 per ft. is $739.98 or a total of $4,996.28.

Payment of 75 percent of the amount claimed or $3,747.21 is valid.

The drillers' logs have been retained at this office.

It is recommended that the sum of $300.00 be withheld from the operator's May payment pending receipt of his final report.

The Stage III drilling costs follow:

487.1 feet of core drilling at $2.05 a foot	$1,283.55	
2200.0 ft. of non-core drilling at $1.40/ft.	3,080.00	
204.0 ft. of non-core drilling at $1.50/ft.	306.00	
Incidental allowance, 2991.1 ft. at $0.30/ft.	897.33	
36 chemical assays at $4.82. each	173.69	
32 hours bulldozing at $12.00 per hour	384.00	
Total cost for Stage III drilling		$6,044.57
Total cost for Stage I drilling		5,499.74
Total cost for project		$11,544.31
Government participation 75%, or		$8,658.23

The contract allows for 24.68 percent cored in Stage I plus Stage III. Actual core drilled amounted to 18.44 percent. Overall core recovery was 97.2 percent. All core was of BX size.

Carl Balser

Carl Balser
Mining Engineer

cc 6
Mm-2928
Chron.

CB/sh

RECEIVED
JUN 27 1956

May 18, 1956

NORBUTE CORPORATION
Box 1700
Grand Junction, Colo.

Re: Docket DMEA 3962 (Uranium)
Contract No. Idm. E 928

Mr. John F. Shaw
U. S. Bureau of Mines
Room 137, Building 20
Denver Federal Center
Denver 2, Colorado

Dear Mr. Shaw:

Enclosed herewith is a report covering diamond drilling during the month of May and our request for termination of drilling under Docket DMEA 3962, Contract No. Idm E-928.

Also enclosed are maps, contract driller reports, copies of geologic logs, results of radiometric probing, chemical assays returns, invoices for the drilling, invoices for the bulldozer work, invoices for chemical analysis and copies of Forms 104 and 104A.

Very truly yours,

Vernon T. Dow

Vernon T. Dow, Mine Manager

VTD/b
Enc.

May 18, 1956

NORBUTE CORPORATION
P. O. Box 1700
Grand Junction, Colorado

REPORT ON D.M.E.A. DIAMOND DRILLING
for the month of May, 1956, in
Section 36, T 22 S, R 21 E, S. L. M.
Grand County, Utah

During the month of May the bulldozer work for the third stage of drilling was completed with a total of thirty hours of work.

Drilling under the third stage was finished May 10, with nine holes being completed during the month. Of the nine holes completed, one (X-31) was an ore hole, six were mineralized (X-27, X-29, X-30. X-32. X-33 and X-35) one hole (X-35) was slightly mineralized, and one hole (X-28) was barren. (See map Plage 5 amended).

Drilling to date has proven the existence of a mineralized channel, with a concentration of uranium and vanadium minerals in the vicinity of drill holes X-6 and X-31. These holes are considered ore holes according to U. S. G. S. and A. E. C. definition (1.0 feet of 0.10% U_3O_8), but ore of this grade and thickness can not be economically mined.

One ore hole (X-25) which is in the vicinity of ore holes YC-880 and YC-884 drilled by the U. S. G. S., has added 600 tons of ore with a grade of 0.37% U_3O_8 and 1.18% V_2O_5 to the ore body. This ore can be economically mined.

In light of the results obtained from the first and third stages of drilling, we do not deem it advisable to drill the proposed second stage, and are asking that our D.M.E.A. contract be terminated.

Below is a table showing hole numbers, footage drilled solid bit and footage cored.

Third Stage Drilling May, 1956

Hole No.	Solid bit (no core)	Coring	Total
X-27	205.0	70.5	275.5
X-28	215.0	54.7	269.7
X-29	212.0	44.0	256.0
X-30	212.0	59.2	271.2
X-31	220.0	47.3	267.3
X-32	225.0	28.4	253.4
X-33	235.0	59.2	294.2
X-34	230.0	74.5	304.5
X-35	230.0	44.8	274.8
Totals	1,984.0	482.6	2,466.6

Below is a table showing drilling costs for May.

Stage 3

Independent contracts

30 hours bulldozing @ $12.00 per hour	$ 360.00	
1800 feet non-core drilling @ $1.40 per foot	2,520.00	
184 feet " " " @ $1.50 " "	276.00	
482.6 " core drilling @ $2.05 per foot	989.33	
		$4,145.33

Fixed Unit Costs

" 23 samples analyzed chemically for U_3O_8 and V_2O_5 @ $4.83 per sample	110.97

Incidental Allowance

2,466.6 feet @ $0.30 per foot	739.98
Total amount spent during May	$4,996.28
Amount previously spent in April	6,548.03
TOTAL AMOUNT SPENT	$11,544.31

Vernon T. Dow

MORBUTE CORPORATION D.M.E.A.

Probed by V. Dow Minerals Counter No. 127

Hole No.		Depth	E. U_3O_8	
X-27	5- 2-56	0 to 245.9	0.00	Mineralized hole
		246.0	0.02	
		246.4	0.05	
		246.6	0.10	
		246.8	0.06	
		247.0 to 247.3	0.05	
		247.4	0.06	
		247.6	0.07	
		247.8	0.10	
		248.0	0.13	
		248.2	0.14	
		248.5	0.14	
		248.6	0.12	
		248.7	0.12	
		248.8	0.12	
		248.9	0.10	
		249.0	0.10	
		249.2	0.08	
		249.6	0.04	
		249.8	0.02	
		249.8 to 275.5	0.00	
X-28	5- 2-56	0 to 269.7	0.00	Barren
X-29	5- 3-56	0 to 235.9	0.00	Mineralized hole
		236.0	0.06	
		236.1 to 241.1	0.00	
		241.1 to 241.9	0.00	
		242.0	0.04	
		242.6	0.02	
		242.7 to 253.3	0.00	
		253.3	0.02	
		253.9	0.08	
		254.3	0.07	
		254.4	0.03	
		254.4 to 256.0	0.00	

NORBUTE CORPORATION D. M. E. A.

Probed by V. Dow Minerals Counter No. 127

Hole No.		Depth	E. U_3O_8		
X-30	5- 8-56	233.5	0.02	Mineralized	
		234.0	0.06		
		234.4	0.12		
		234.6	0.12		
		234.8	0.06		
		235.3	0.04		
		237.0	0.00		
		239.0	0.02		
		241.5	0.02		
		242.8	0.06		
		243.4	0.04		
		244.0	0.04		
		244.8	0.06		
		245.1	0.10		
		245.2	0.12		
		245.6	0.08		
		246.0	0.06		
		246.4	0.04		
		246.4 to 271.9	0.00		
X-31	5-10-56	0 to 239.6	0.00	Ore hole	
		239.7	0.04		
		239.8	0.08		
		240.0	0.12		
		240.2	0.14		
		240.4	0.12		
		240.6	0.16		
		240.8	0.18		
		241.0	0.14		
		241.2	0.14		
		241.4	0.06		
		241.8	0.04		
		242.0	0.00		
		242.4	0.04		
		242.6	0.10		
		242.8	0.20		
		243.0	0.28		
		243.2	0.32		
		243.4	0.26		
		243.6	0.22		
		243.8	0.16		
		244.0	0.06		
		244.2-246.0	0.00	247.8	0.02
		246.2	0.04	248.04 to 267.3	0.00
		246.8	0.08		
		247.0	0.10		
		247.4	0.06		
		247.6	0.04		

MORBUTE CORPORATION D.M.E.A.

Probed by V. Dow Minerals Counter No. 127

Hole No.		Depth	E. U_3O_8	
X-32	5-10-56	0 to 247.4	0.00	Mineralized hole
		247.5	0.04	
		247.6	0.08	
		247.8	0.12	
		248.0	0.28	
		248.2	0.22	
		248.4	0.16	
		248.6	0.12	
		248.8	0.04	
		250.00	0.00	
		251.0 to 275.5	0.00	
X-33	5- 8-56	0 to 250.8	0.00	Mineralized
		250.9	0.04	
		251.5	0.04	
		251.9	0.06	
		252.3	0.04	
		252.5	0.00	
		252.6 to 294.2	0.00	
X-34	5- 9-56	0 to 267.0	0.00	Slightly mineralized
		267.1	0.04	
		267.4	0.04	
		267.5	0.02	
		267.6 to 286.8	0.00	
		286.9	0.02	
		287.4	0.04	
		287.6	0.02	
		287.7 to 298.4	0.00	
		298.5	0.02	
		299.0	0.02	
		299.6	0.02	
		299.8	0.00	
		299.9 to 304.5	0.00	
X-35	5- 9-56	0 to 252.0	0.00	Mineralized hole
		252.1	0.04	
		252.8	0.06	
		253.4	0.08	
		253.6	0.10	
		253.8	0.12	
		253.9	0.13	
		254.1	0.10	
		254.7	0.06	
		255.0	0.02	
		255.2 to 274.8	0.00	

HUNTINGTON, W. VA. | INVOICE | BIRMINGHAM, ALA.

B. H. MOTT & SONS, INC.

CORE DRILLING CONTRACTORS AND MANUFACTURERS

830 EIGHTH AVENUE

HUNTINGTON, W. VA.

RECEIVED
JUN 27 1956

TESTING
COAL, CLAY AND MINERAL PROPERTIES
FOUNDATION TESTING
PRESSURE GROUTING
LARGE DIA. HOLES

DATE
MAY 17, 1956

CONTRACT
OMCA

NO.

TERMS: NET

TO
Climax Molybdenum Corporation
Climax Center Building
Grand Junction, Colorado

DIAMOND CORE DRILLING

Item	Feet	Unit Price	Total
1	1039.0	$1.40	$1454.60
2	184.0	1.50	276.00
5	452.6	2.05	929.33
7	7 hours	10.00	70.00

For holes # 27, 28, 29, 30, 31, 32, 33, 34, 35 — $3735.33

DMCA Rental
VD

INVOICES ARE MAILED AS PER CONTRACT TERMS, OR UPON THE COMPLETION OF EACH HOLE, IF TERMINATED AT A DEPTH OF MORE THAN FIVE HUNDRED FEET.

B. H. MOTT & SONS, INC.
John C. McCloughly
BY

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

CERTIFICATE OF ANALYSIS

TO

Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado

Date 5-12-56
Order No. 6589-S

Material: Ore Samples - 14
Received: 5-11-56
For: Analysis

Lab. No.	Your No.	Description	%U_3O_8	%V_2O_5	%$CaCO_3$
6589-1	X-30	232.6-233.7	0.07	0.26	
6589-2	"	233.7-234.5	0.01	Nil	
6589-3	"	237.6-238.2	0.03	0.02	
6589-4	"	244.8-245.7	0.03	Nil	
6589-5	"	259.4-260.2	0.06	0.07	
6589-6	X-31	239.9-240.4	0.05	1.01	
6589-7	"	240.4-241.5	0.14	0.51	
6589-8	"	244.1-245.1	0.03	0.06	
6589-9	"	245.1-246.0	0.05	0.12	
6589-10	"	246.0-247.2	0.03	0.13	
6589-11	X-32	249.3-250.0	0.02	0.49	
6589-12	"	250.0-250.7	0.01	0.16	
6589-13	X-35	253.6-254.4	0.05	0.01	
6589-14	"	254.4-255.0	0.02	Nil	

Analyst.

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

CERTIFICATE OF ANALYSIS

TO

Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado

Date 5-8-56
Order No. 6547-S

Material: Ore Samples - 9
Received: 5-7-56
For: Analysis

Lab. No.	Your No.	Description	%U_3O_8	%V_2O_5	%$CaCO_3$
6547-1	Hole X 27	246.5-247.3	0.02	0.31	
6547-2	"	247.3-247.8	0.06	2.00	
6547-3	"	247.8-248.6	0.02	1.03	
6547-4	"	248.6-249.4	0.15	0.86	
6547-5	Hole X 28	251.0-251.7	0.02	0.44	
6547-6	"	251.7-252.8	0.02	0.11	
6547-7	Hole X 29	234.2-235.6	0.02	0.04	
6547-8	"	235.6-237.9	0.01	Nil	
6547-9	"	252.8-253.7	0.02	0.03	

Analyst.

THE BROWN LABORATORY, Grand Junction, Colo.
2263 Broadway
Phone 1543-W

Entry Date 5-7-56
Order No.
Requisition No.

Our Order No. 6547-S

INVOICE

Invoice No. 6547-S
Invoice Date 5-8-56

CHARGED TO Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado

SENT TO Same

Instructions Uranium & Vanadium Determinations

Terms From Invoice Date

Quantity	Description	Unit Price	Discount	Extension
9	Uranium Determinations	3.50		31.50
9	Vanadium "	1.50		13.50
				45.00
	Discount - Less on U_3O_8		5%	1.58
				$ 43.42

G. M. E. A Kingtat
V.L.

THE BROWN LABORATORY, Grand Junction, Colo.
2263 Broadway
Phone 1543-W

Entry Date 5-3-56
Order No.
Requisition No.

Our Order No. 6518-S

INVOICE

Invoice No. 6518-S
Invoice Date 5-4-56

CHARGED TO Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado

SENT TO Same

Instructions Uranium & Vanadium Determinations

Terms From Invoice Date

Quantity	Description	Unit Price	Discount	Extension
13	Uranium Determinations	3.50		45.50
13	Vanadium "	1.50		19.50
				65.00
	Discount Less on U_3O_8		5%	2.28
				$ 62.72

D M & a Kingtail
V.D.

THE BROWN LABORATORY, Grand Junction, Colo.
2263 Broadway
Phone 1543-W

Entry Date 5-11-56
Order No.
Requisition No.

Our Order No. 6589-S

INVOICE

Invoice No. 6589-S
Invoice Date 5-12-56

CHARGED TO Nerbute Corp.
P. O. Box 1700
Grand Junction, Colorado

SENT TO Same

Instructions Uranium & Vanadium Determinations

Terms From Invoice Date

	Quantity	Description	Unit Price	Discount	Extension	
	14	Uranium Determinations	3.50		49.00	
	14	Vanadium "	1.50		21.00	
					70.00	
		Discount - Loss on U_3O_8		5%	2.45	
					$ 67.55	

Oil Well Locations

Roads

K. L. ETTER Construction Co.

1637 Gunnison Blvd.—Phone 0547-J1
GRAND JUNCTION, COLORADO
P. O. BOX 924

RECEIVED MAY 10 1956

JUN 27 1956

Date May 9 1956

TO MOKEUTE CORPORATION
BOX 1700
Address GRAND JUNCTION, COLO.

RINGTAIL MINE YELLOW CAT AREA

Date	Hours	Description	Amount
		D7 BULLDOZER WITH OPERATOR	
4-30	2	Moving tractor to job	
5-1	7	Work on Drill Sites and Roads	
5-2	7	" " " " " "	
5-3	8	" " " " " "	
5-8	4	" " " " " "	
5-9	2	Moving tractor from job	
	30	TOTAL @ $ 12.00 Per Hour -	$ 360.00
		D.M.E.A. Ringtail V.C.	
		ck 719 5-17-56 TB	
		Total	$ 360.00

ORADO PRINTING CO.

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-35 ( )
Inclination Vert Bearing
Total depth 274.8
Collar elev. 4861 T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T. 22S R. 21E
Co., State Grand, Utah

Claim School Section
Date completed 5-9-56
Date logged 5-10-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable ; OBSS from 234.3 to 270.9 thick 36.6 ; SS color Gy Br DGy ; MS Gy Gr ; Cbn. Some

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		230.0	230.0								solid bit No Core
230.0	4.3	234.3	4.3	100	MS St	Gy					
234.3	18.2	252.6	18.3	99.5	SS	Gy LBr	F MF	Lim.	No	Gr Gy	
252.6	1.3	253.9	1.3	100	SS	DGy	MF	Lim V_2O_5	Abund	Gy	
253.9	17.0	270.9	17.0	100	SS	Gy LBr	MF	Lim	No		
270.9	3.9	274.8	3.9	100	MS St	Gy Gr			No		sandy

230.0

274.8

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est.			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5
253.6																
254.4	0.8	0.05	0.01													
255.0	0.6	0.02	Nil													

*Assays marked "e" are from lab gamma-ray readings

GPO 8350 41

Hole No.

RECEIVED JUN 27 1956

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-34 ( )
Inclination Vert Bearing
Total depth 304.5
Collar elev. 4873 T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec 36 T. 22S R. 21E
Co., State Grand Utah

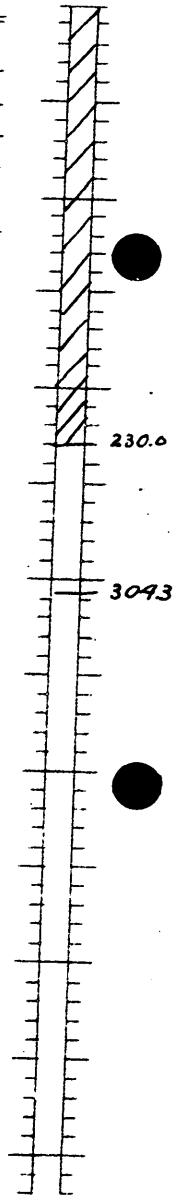
Claim School Section
Date completed May 9, 1956
Date logged May 10, 1956
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable ; OBSS from 249.6 to 297.5 thick 47.9 ; SS color Gy ; MS Gy Gr Rd ; Cbn. Some

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		230.0	230.0	–							
230.0	15.9	249.6	19.6	81.1	MS St	Rd Gy Gr					Solid bit No-Core
249.6	14.7	264.3	14.7	100	SS	Gy	F-MF	MS. Cbn streaks	yes	A	
264.3	33.2	297.5	33.2	100	SS	Gy D Gy	MF	Cbn	yes	Gy	
297.5	6.7	304.5	7.0	95.7	MS St	Gy Gr				Gy Gr	Cbn streaks Sandy

Graphic log



Sample		Lab assay (%)			Sample		Lab assay (%)		
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$

Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole No.

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-33 ( )
Inclination Vert. Bearing
Total depth 294.2
Collar elev. 4859 T P
Area Yellow Cat

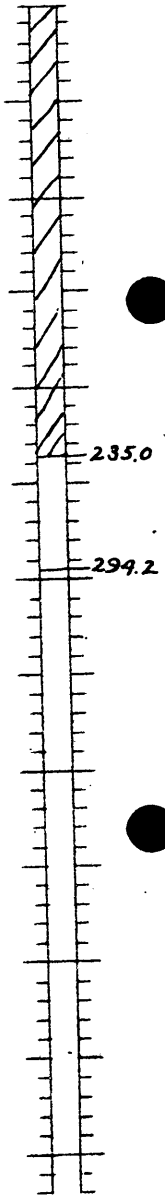
Map coord (T)
Map coord (P)
Sec. 36 T. 22S R. 21E
Co., State Grand Utah

Claim School Section
Date completed 5-8-56
Date logged 5-8-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS semi fav.; OBSS from 238.5 to 287.2 thick 48.7'; SS color Gy LGy DGy; MS Gr Gy; Cbn. Some

Graphic log



DRILL LOG Depth	Rec ft.	LITHOLOGIC LOG Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0	—	235.0	235.0	—							[illegible]
235.0	3.5	238.5	3.5	100	MS St	Gr Gy					Altered
238.5	10.5	249.2	10.7	98.1	SS	LGy	F-MF		No	Gy Gr	
249.2	29.9	279.2	30.0	99.6	SS	Gy DGy	MF	Lim Cbn	Some	Gy	Cbn streaks 251 to 262
279.2	8.0	287.2	8.0	100	SS	Gy	MF		No	Gy	
287.2	7.0	294.2	7.0	100	MS	Gr Gy					A

Sample Base	Sample Thick	Lab assay (%) U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Sample Base	Sample Thick	Lab assay (%) U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Interval Base	Interval Thick	γ-ray %e U_3O_8	γ-ray (%e) or Field est Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

GPO 9350 41

Hole No.

GEOLOGIC AND ASSAY LOGS *Norbute Corp*

Drill-hole No. X-32 ( )
Inclination Vert Bearing
Total depth 253.4
Collar elev. 4860 T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T. 22S R. 21E
Co., State Grand Utah

Claim School Section
Date completed 5-10-56
Date logged 5-10-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable ; OBSS from 236.0 to 249.6 thick 13.6 ; SS color DGy Br Gy ; MS Gy Gr A ; Cbn. yes

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		225.0	225.0								Solid bit No Core
225.0	11.0	236.0	11.0	100	St MS	Rd Gy					
236.0	7.8	244.0	8.0	97.5	SS	Gy	MF			None	
244.0	3.8	249.6	5.6	67.9	SS	DGy Gy	MF	Lim. Cbn	yes	Gy	
249.6	3.8	253.4	3.8	100	MS St	Gy					sandy

225.0
253.4

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5
249.3																
250.0	0.7	0.02	0.49													
250.7	0.7	0.01	0.16													

*Assays marked "e" are from lab gamma-ray readings

GPO 8450-41

Hole No.

RECEIVED JUN 27 1956

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-31 ( )
Inclination Vert. Bearing
Total depth 267.3
Collar elev 4858' T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S R. 21E
Co., State Grand Utah

Claim School Section
Date completed 5-10-56
Date logged 5-10-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4 SS Favorable; OBSS from 231.6 to 260.8 thick 29.2; SS color Gy Br; MS A Rd Gr Gy; Cbn. Yes

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		220.0	220.0								
220.0	10.9	231.6	11.6	93.9	MS Sl	Rd Gr Gy					Solid bit No Core
231.6	8.3	239.9	8.3	100	SS	Gy Br	MF		No		A
239.9	10.3	250.2	10.3	100	SS	DGy br	MF	Lim cbn	A	Gy	
250.2	10.6	260.8	10.6	100	SS	Br Gy	MF	Lim cbn	S	Gy	
260.8	6.4	267.3	6.5	98	MS	Gy Gr					A Sandy

220.0

267.3

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5
239.9																
240.4	0.5	0.05	1.01													
241.5	1.1	0.14	0.51													
244.1																
245.1	1.0	0.03	0.06													
246.0	0.9	0.05	0.12													
247.2	1.2	0.03	0.13													

*Assays marked "e" are from lab gamma-ray readings

GPO 835041

Hole No.

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X - 30 ( )
Inclination Vert. Bearing
Total depth 271.2
Collar elev. 4848.5 T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T. 22S R. 21E
Co., State Grand, Utah

Claim School Section
Date completed 5-8-56
Date logged 5-8-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable OBSS from 219.2 to 266.5 thick 47.3 ; SS color LGy Gy DGy ; MS Gr Gy ; Cbn. Some

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's	Cbn	MS in SS	Remarks
0.0		212.0	212.0	—							Solid bit - No Core
212.0	6.9	219.2	7.2	95.8	MS St	Rd Gy Gr					A
219.2	8.7	227.9	8.7	100	SS	Ltgy Gy	F	A M S	No	Gr-Gy A	
227.9	15.4	244.5	16.6	92.7	SS	Gy DGy	MF	Lim. Cbn.	S	Gr A	A
244.5	21.9	266.5	22.0	99.5	SS	Gy DGy	MF	Lim Cbn	S	Gy Gr A	
266.5	4.7	271.2	4.7	100	MS St	Gr Gy					A Sandy

212.0

271.2

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5
232.6																
233.7	1.1	0.07	0.26													
234.5	0.8	0.01	Nil													
237.6																
238.2	0.6	0.03	0.02													
244.8																
245.7	0.9	0.03	Nil													
259.4																
260.2	0.8	0.06	0.07													

*Assays marked [illegible] are from [illegible] ay readings

GPO 8350 41

Hole No.

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-29 ( )
Inclination Vert. Bearing
Total depth 256.0
Collar elev. 9854 T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T. 22S R. 21E
Co., State Grand Utah

Claim School Section
Date completed 5-3-56
Date logged 5-4-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable; OBSS from 223.0 to 253.8 thick 30.8; SS color LGy Gy DGy; MS Rd Gr Gy; Cbn. Abundant

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		212.0	212.0								Solid bit No Core
212.0	10.4	223.0	11.0	99.5	MS-St	Rd Gr Gy					A sandy
223.0	10.0	234.2	11.2	89.3	SS	Gy LGy	F MF		No	Gr-Gy	
234.2	9.7	244.0	9.8	98.0	SS	Gy DGy	MF	Lim. Cbn	yes	Gr A	Cbn streaks Numerous
244.0	9.7	253.8	9.8	98.0	SS	DGy Gy	F-MF	Lim Cbn	yes		
253.8	2.1	256.0	2.2	95.4	MS	Gr					A Sandy

212.0

256.0

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5
234.2																
235.6	1.4	0.02	0.04													
237.9	2.3	0.01	Nil													
252.8																
253.7	0.9	0.02	0.03													

*Assays marked "e" are from lab gamma-ray readings

GPO 8150-41

Hole No

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-28 ( )
Inclination Vert. Bearing
Total depth 269.7
Collar elev. 4862 T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S R. 21E
Co., State Grand Utah

Claim School Section
Date completed 5-2-56
Date logged 5-3-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable ; OBSS from 218.0 to 263.0 thick 45.0 ; SS color LGy Gy DGy ; MS AGy Gr. ; Cbn. Some

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		215.0	215.0								Solid bit No Core
215.0	3.0	218.0	3.0	100	MS St	Gy Gr					A
218.0	26.7	244.7	26.7	100	SS	LGy Gy	F-MF	Limonite	No	AGr	
244.7	18.2	263.0	18.3	99.0	SS	Gy DGy	MF	Cbn, Lim	S	Gr A	V_2O_5 Minerals
263.0	6.4	269.7	6.7	97.4	MS St	Gy Gr					A

215.0

269.7

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5
251.0																
251.7	0.7	0.02	0.44													
252.8	1.1	0.02	0.11													

*Assays marked "e" are from lab gamma-ray readings

GPO 8350 41

Hole No.

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-27 ( )
Inclination Vert. Bearing
Total depth 275.5
Collar elev. 4843 T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec 36 T. 22S R. 21E
Co., State Grand - Utah

Claim School Section
Date completed 5-2
Date logged 5-2
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Semi favorable ; OBSS from 210.0 to 272.5 thick 62.5 ; SS color LGy Gy ; MS AGr Gy ; Cbn. Some

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		205.0	205.0								Solid bit No Core
205.0	5.0	210.0	5.0	100	MS	Gy Gr					A
210.0	34.7	245.5	35.0	99.1	SS	LGy Gy	F-MF		No	AGr Gy	
245.5	26.0	272.5	27.0	94.1	SS	Gy	MF	Cbn V_2O_5	S	AGr-Gy	V_2O_5 Minerals
272.5	2.6	275.5	3.0	86.7	St MS	Gy Gr					sandy MS Altered

205.0

275.5

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5
246.5																
247.3	0.8'	0.02	0.31													
247.8	0.5	0.06	2.00													
248.6	0.8	0.02	1.03													
249.4	0.8	0.15	0.86													

*Assays marked "e" are from lab gamma-ray readings

GPO 8350 41

Hole No.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
JUN - 4 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 195 6 Docket No. DMEA 3962 Contract No. Idm E-928
Operator's Name Norbute Corporation Minerals Uranium
Address P. O. Box 1700, Grand Junction, Colo.
Contract Amount, $ 45,000.00 Government Participation: 75 % Amount, $ 33,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5,070.44		5,070.44			
Bulldozing	288.00		288.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	188.16		188.16			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Incidental Allowance	1,001.43		1,001.43			
(8) Contingencies (specify):						
TOTALS	6,548.03		6,548.03	6,548.03	—	6,548.03

I certify that the above bill is correct and just and that payment therefor has not been received.

Date May 7, 1956 *Payee Norbute Corporation

Per Vernon T. Dow Title Mine Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4911.02

Signature [illegible]
(Authorized Certifying Officer)

Date 5/31/56 Vou. No. DMA 56-115

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tbm-4928 in accordance with the terms of the contract.

Signature [illegible] ($4,911.02) Title [illegible] Date 5/11/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date MAY 29 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JUN 4 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 6 Docket No. DMEA 3962 Contract No. Ida-2928
Operator's Name Norbute Corporation Minerals
Address Box 1700, Grand Junction, Colorado

	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Stage									
	Drifting								
	Crosscutting								
	Raising								
	Shafts								
	Winzes			483.3		483.3			
1	Drilling: Core	feet	$ 990.77	4,888	$ 990.77	4,888	32.05	825	53.15
1	" non-core	"	3,275.45	2330.3	3,275.45	2330.3	1.41	2085	1.82
3	" core	"	214.22	104.5	214.22	104.5	2.05	2400	3.15
3	" non-core	"	590.00	420.0	590.00	420.0	1.40	7968	1.82
1	" sample analy	each	125.44	26	125.44	26	4.83	25	5.00
3	" analysis	"	62.72	13	62.72	13	4.83	80	5.00
1	Roads and Trails bulldozing	hr	288.00	24	288.00	24	12.00	22	12.00
1 & 3	Incidental all.	ft	1001.43	3338.1	1,001.43	3338.1	0.30	13,248	0.30
	TOTAL DISTRIBUTED COSTS		$6,548.03		$6,548.03				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
	Initial Rehabilitation and Repairs								
	New Buildings, Improvements, etc.								
	TOTAL COSTS		$6,548.03		$6,548.03				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 7, 1956 Operator Norbute Corporation

Per Vernon T. Dow Title Mine Manager

REMARKS:

→ NOTE.—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.

(Instructions on reverse)

(For Government use only)

Earl Belser

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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

224 New Customhouse
Denver 2, Colorado

FINAL DISTRIBUTION

MADE JUN 1 1956

May 18, 1956

RECEIVED
JUN 4 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3962 (Uranium) Contract Idm-E928, Morbute Corporation (School Section 36, T 22 S, R 21 W) Grand County, Utah - Operator's Monthly Progress Report for the month of April, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

The Operator has reported 24 hours of bulldozing under Stage I, whereas the contract allows only 22 hours. The examining engineer has indicated that a portion of the bulldozing was performed on Stage III work, therefore, the excess two hours has been tentatively allowed under Stage III. The Operator has been requested to make proper distribution in his next report.

The total non-core footage reported under Stage I exceeds the total estimated non-core footage provided for Stage I. However,

as the aggregate total non-core and core footage does not exceed the aggregate total non-core and core footage provided for the stage, the variation is deemed allowable.

Remarks

Date of Report----------May 7, 1956
Date Received in Field Office---------- May 9, 1956
Date Received in Region Office--------- May 15, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E928
See. Op. Comm. (2)
Shaw (2)
Chron.

DMEA
Date Rec'd.
MAY 15 1956
BUREAU OF MINES
Denver, Colorado

May 11, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region XIX

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3962 (Uranium) Contract Xm-2328
Morbute Corporation (School Section 36)
Grand County, Utah - Progress report for April, 1956

Drilling progress was inspected on April 30, 1956.

The ore occurs in the fourth or lower sandstone rim of the Salt Wash. The individual contractor is F. H. Mott and Sons. Equipment consists of a diesel driven Davey rotary with chain pulldown and two Sullivan No. 22 rigs. Actual drilling began on April 5, 1956. The drills were not in operation on the day of the inspection. The following holes were completed in April:

PHASE I

Hole	Footage Non-core	Footage Core	Footage Total	% Core Recovery	Remarks
X-1	200.0	56.8	256.8	96.0	225'-226' - 0.02% U_3O_8 226'-227' - 0.09% " 227'-256.4'-0.01% "
X-2	200.0	23.4	223.4	99.5	Barren
X-3	220.0	63.1	283.1	99.5	249.5'-251.3'-.0195% U_3O_8
X-4	200.0	43.8	243.8	97.0	233.4'-233.8'-.03% "
X-5	221.0	43.8	264.8	95.4	Barren
X-6	212.0	56.3	268.3	98.9	241.5'-243.3'-.03% U_3O_8 243.3'-245.0'-.12% " 253.0'-253.6'-.08% "
X-7	216.0	36.6	252.6	96.1	Barren
X-8	230.0	53.2	283.2	89.2	253.0'-253.8'-.01% U_3O_8 253.8'-254.2'-.17% " 254.2'-255.6'-.01% "
X-9	230.0	33.8	263.8	97.3	Barren
X-10	220.0	39.5	259.5	97.3	240.7'-241.3'-.12% U_3O_8 241.3'-242.3'-.01% "
X-11	221.1	19.0	240.1	100.0	Barren
Tl	2,330.1	483.3	2,813.4	Core equals 17.18% of total drilled	

STAGE III

X-65	225.0	52.0	267.0	82.3	235.4'-236.0'-.06% 5.0
					236.0'-238.7'-.67% "
					238.7'-243.0'-.83% "
X-66	264.0	52.5	277.5	160.0	331.8'-333.0'-.036% "
2	489.0	104.5	544.5		% Core equals 19.92

Grand Total

13	2,790.3	587.8	3,338.1	% Core equals 17.61

A total of 26 chemical assays were made from Stage I cores and 13 chemical assays from Stage III cores. All cores taken were of "BX" size. Two hours of bulldozing has been taken from Stage III to allow for the cores showing on the 104's, over the Stage I allowance. Actually several Stage III drill sites had been prepared during April and two holes were completed.

The actual costs of Stage I drilling follows:

483.3 feet of core drilling at $2.05/ft.	$990.77
2,330.3 feet of non-core drilling at $1.41/ft.	3,283.43
20 hours bulldozing at $12.00/hr.	240.00
Incidental allowance 2,813.6 feet at $.30/ft.	844.08
26 assays at $4.83 each	125.58
	5,483.86

The cost of 587.8 feet of core drilling at $2.05 a foot is $1,204.99. The cost of 2,330.3 feet of non-core drilling at $1.41 a foot is given as $3,283.43. The cost of 400 feet of non-core drilling at $1.40 a foot is given as $560.00. The cost of incidental allowance for 3,338.1 feet of drilling at $.30 a foot is $1,001.43. The cost of 24 hours of bulldozing at $12.00 an hour is $288.00, and the cost of 39 chemical assays at $4.83 each is given as $188.16, or a total of $6,342.03. Some of the above calculations are in error but the total is correct.

Payment of 75 percent of the above amount, or $4,931.02 is recommended.

A number of mistakes were noticed in 1944:
Non-core drilling 2330.3 ft. at $1.41 equals $3,285.72 not $3,283.43
Non-core drilling 400 ft. at $1.40 equals 560.00 not 560.00
2730.3 ft. $3,845.72

However, Mott and Son's statement for the month has:
2600.0 ft. at $1.40 or $3,640.00
130.3 ft. at $1.90 or 247.43
2730.3 ft. $3,887.43

The figure $4.83 each for chemical analyses is rough and the applicant's figure of $188.16 is $.21 low but is used. Brown's statements could not be followed.

The driller's logs were retained in this office.

Carl Belaew
Carl Belaew
Mining Engineer

RECEIVED
MAY 14 1956

May 8, 1956

Norbute Corporation
P. O. Box 1700
Grand Junction, Colorado

Re: Docket DMEA 3962 (Uranium)
Contract No. Idm-E 922

Mr. John F. Shaw
U. S. Bureau of Mines
Room 137, Building 20
Denver Federal Center
Denver 2, Colorado

Dear Mr. Shaw:

Enclosed herewith is a report covering diamond drilling during the month of April under Docket DMEA 3962, Contract No. Idm-E928.

Also included are maps, contract driller reports, copies of geologic logs, results of radiometric probing, chemical assay returns, invoices for the drilling, invoices for the bulldozer work, invoices for assaying, and copies of Forms 104 and 104A.

Very truly yours,

Vernon T. Dow

Vernon T. Dow
Mine Manager

VTD/b
Enc.

Norbute Corporation
P. O. Box 1700
Grand Junction, Colo.

REPORT ON D.M.E.A. DIAMOND DRILLING
for the month of April, 1956
in Section 36
T.22 S., R.21 E., S.L.M.
Grand County, Utah

RECEIVED

The bulldozer work for the construction of a reservoir, drill roads and drill sites for the first stage of drilling was contracted to the Etter Construction Company of Grand Junction, Colorado. A D-7 Caterpillar bulldozer was used for this work, commencing March 23, 1956, and being completed on March 26, 1956, with a total of 24 hours of work. This is two hours more than is allowed under the first stage.

The drilling under this contract was contracted to B. H. Mott and Sons of Grand Junction, Colorado, and Huntington, West Virginia. Drilling commenced on April 5, 1956, with one rotary drill in operation. This drill has done all of the solid-bit drilling. One diamond drill was put in operation on April 12, 1956, and another on April 17, 1956. The eleven holes of the first stage of drilling were completed on April 26, 1956.

The results of the first stage of drilling justified the drilling of eleven holes offsetting the ore and mineralized holes found in the first stage. This third stage of drilling was approved April 24, 1956, and work under this stage was begun April 25, 1956. At the end of April, two holes drilled under the third stage had been completed.

Of the eleven holes completed under the first stage of drilling, one (x-6) was an ore hole, four were mineralized (X-1, X-22, X-3 and X-8), one (X-4) was weakly mineralized, and five (X-2, X-22, X-5, X-7 and X-9) were barren. See map Plage 5 amended.

Norbute Corporation
P. O. Box 1700
Grand Junction, Colo.

Of the two holes completed under the third stage of drilling, one (X-25) an offset from drill hole X-1 was an ore hole and the other (X-26) was a mineralized hole.

Drilling under the first stage indicated the presence of a well defined, steep walled channel in which the Salt Wash sand filling has all the criteria necessary for the deposition of uranium ore, namely a pesous sandstone, mudstone alteration, presence of abundant carbon, iron staining and the presence of uranium and vanadium minerals in the sandstone. This Salt Wash channel extends into the area included in the proposed second stage of drilling.

Below is a table showing hole numbers, footage drilled solid bit and footage cored.

First Stage Drilling - April, 1956

Hole No.	Solid bit (no core)	Coring	Total
X-1	200.0'	50.8'	250.8'
X-2	200.0	23.4	223.4
X-22	200.0	59.5	259.5
X-23	201.3	19.0	220.3
X-3	220.0	63.1	283.1
X-4	200.00	43.8	243.8
X-5	221.0	43.8	264.8
X-6	212.0	56.3	268.3
X-7	216.0	36.6	252.6
X-8	230.00	53.2	283.2
X-9	230.0	33.8	263.8
Totals	2,330.3	483.3	2,813.6

Second Stage Drilling - April, 1956

X-25	215.0	52.0	267.0
X-26	205.0	52.5	257.5
Totals	420.0	104.5	524.5
Totals (Stage 1 and Stage 3)	2,750.3	587.8	3,338.1

Below is a table showing the cost of drilling to date.

Stage 1 (completed)

Independent contracts:

24 hours (22 allowable) bulldozing @ $12.00/hr.	$288.00	
2200 feet non-core drilling @ $1.40/ft.	3080.00	
130.3 feet non-core drilling @ $1.50/ft.	195.45	
483.3 feet core drilling @ $2.05/ft.	990.77	
		$ 4,554.22

Fixed Unit Costs

26 samples analysed chemically for U_3O_8 and V_2O_5 @ $4.83/ sample	125.44
Incidental allowance 2813.6feet @ $0.30/ft	844.08
Total Cost Stage 1	$5,523.74
Estimated cost Stage 1	7,613.05

Stage 3 (incomplete)

Independent contracts

Bulldozing incomplete		
400 feet non-core drilling @ $1.40/ft	$ 560.00	
20 " " " @ $1.50/ft	30.00	
104.5 " core drilling @ $2.05/ft	214.22	
		$ 804.22

Fixed Unit Costs

13 samples analysed chemically for U_3O_8 and V_2O_5 @ $4.83/sample	62.72
Incidental allowance - 524.5 feet @ $0.30/ft.	157.35
Total amount spent on Stage 3	$1,024.29

Vernon T. Dow

MORBUTE DMEA Hole X-25 4-27-56

Probed by V. Dow 4th scale Mineral Counter No. 127

Depth	E U_3O_8
0-235.0'	0.00
235.0 - 236.0	0.04
236.0 - 236.4	0.08
236.4 -	0.12
236.5	0.16
236.6	0.22
236.7	0.36
236.8	0.40
237.0	0.60
237.1	0.80
237.2	0.95
237.4	1.00
237.6	0.90
237.8	0.95
238.0	1.00+
238.2	1.00+
238.4	1.00
238.6	0.95
238.8	1.00
239.0	0.90
239.2	0.60
239.4	0.42
239.6	0.54
239.8	0.42
240.0	0.36
240.2	0.14
240.4	0.10
240.6	0.08
240.8	0.06
241.0	0.04
241.2 to 252.0	0.02
252.4	0.10
252.6	0.06
252.8	0.06
253.0	0.06
253.1	0.08 (0.04)
254.0	0.02
254.0 to 267.4	0.00

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MAY 4 1956

Norbute Corporation DMEA Hole X-26 4-28-56

Probed by V. Dow Minerals Counter No. 127

Depth	E U_3O_8	
0 - 231.0	0.00	Mineralized hole
231.2	0.06	
231.4	0.08	
231.6	0.08	
231.8	0.04	
232.0	0.06	
232.4	0.05	
232.6	0.04	
232.8	0.02	
233.0	0.00	
233.0 - 234.4	0.00	
234.5	0.06	
234.6	0.08	
234.8	0.10	
235.0	0.06	
235.2	0.02	
235.6	0.00	
235.6 -257.5	0000	

RADIOMETRIC LOGS

MORBUTE CORPORATION DMEA

Probed by V. Dow 4th scale Minerals Counter #127

	Depth	E. U_3O_8	
Hole X-1 - 4-13-56	0 to 225.0'	Barren	Mineralized hole
	225.0	0.02	
	225.5	0.02	
	226.0	0.06	
	226.5	0.06	
	227.0	0.08	
	227.3	0.12	
	227.5	0.12	
	227.8	0.15	
	228.0	0.13	
	228.4	0.15	
	228.7	0.06	
	228.9	0.02	
	229.0 to 251.0	0.00	Probed to 251.0'
Hole X-2 - 4-14-56	0 to 223.4	0.00	Barren hole Probed to 223.4'
Hole X-22 - 4-16-56	0 to 240.7'	0.00	Mineralized hole
	240.7	0.02	
	241.4	0.10	
	241.6	0.16	
	242.0	0.12	
	242.3	0.08	
	242.3 to 243.0	0.02	
	243.0 to 244.2	0.03	
	244.2	0.04	
	244.3	0.00	
	250.8	0.02	
	250.8 to 259.5	0.00	Probed to 259.5'
Hole X-23 - 4-16-56	0 to 220.3	no count	Barren Probed to 220.3'
Hole X-3 - 4-16-56	0 to 249.4'	0.00	Mineralized hole
	249.5 to 250.0	0.04	
	250.0 to 250.8	0.03	
	250.8 to 251.3	0006	
	251.4	0.02	
	251.4 to 283.1	0.00	Probed to 283.1'

RADIOMETRIC LOGS

MORBUTE CORPORATION DMEA

Probed by V. Dow 4th scale Minerals Counter #127

	Depth	E U_3O_8	
Hole X-4 - 4-18-56	0 to 233.1'	0.00	Weakly mineralized
	233.1	0.02	
	233.8	0.05	
	234.0	0.02	
	234.0 to 244.8	0.00	Probed to 244.8'
Hole X-5 4-18-56	0 to 264.8'	0.00	Probed to 264.8' Barren hole
Hole X-6 - 4-19-56	0 to 242.0'	0.00	Ore hole
	242.5	0.02	
	242.6	0.04	
	242.7	0.02	
	242.8	0.04	
	242.9 to 243.7	0.06	
	243.7 to 244.0	0.08	
	244.1	0.10	
	244.2 to 244.4	0.12	
	244.5 to 244.6	0.14	
	244.7	0.15	
	244.8	0.16	
	244.9	0.17	
	245.0 to 245.3	0.18	
	245.3 to 245.5	0.20	
	245.6	0.22	
	245.7	0.18	
	245.7 to 245.9	0.15	
	246.0	0.10	
	246.1	0.04	
	246.2 to 252.1	0.02	
	252.2 to 252.3	0.04	
	252.4	0.06	
	252.5	0.10	
	252.6	0.16	
	252.7	0.18	
	252.8 to 252.9	0.22	
	253.0	0.20	
	253.1 to 253.3	0.08	
	253.6	0.02	
	253.7 to 268.3	0.02	Probed to 268.3'

RADIOMETRIC LOGS

NORBUTE CORPORATION DMEA

Probed by V. Dow 4th scale Minerals Counter #127

	Depth	E. U_3O_8	
Hole X-7 - 4-19-56	0 to 252.8	0.00	Barren Hole
Hole X-8 - 4-20-56	0 to 253.3'	0.00	Mineralized hole
	253.4	0.02	
	253.6	0.06	
	253.8	0.04	
	253.9 to 254.3	0.04	
	254.6	0.08	
	254.7	0.10	
	254.8	0.14	
	254.9	0.18	
	255.0	0.24	
	255.1	0.24	
	255.2	0.20	
	255.3	0.10	
	255.4	0.10	
	255.5 to 255.8	0.08	
	255.9	0.04	
	256.0	0.02	
	256.0 to 283.2'	0.00	Probed to 283.2'
Hole X-9 - 4-21-56	0 to 263.8'	0.00	Barren hole

HUNTINGTON, W. VA. INVOICE BIRMINGHAM, ALA.

B. H. MOTT & SONS, INC.

CORE DRILLING CONTRACTORS AND MANUFACTURERS

210 FIRST NATIONAL BANK BLDG.

GRAND JUNCTION, COLO.

RECEIVED JUN 4 1956

TESTING
COAL, CLAY AND MINERAL PROPERTIES
FOUNDATION TESTING
PRESSURE GROUTING
LARGE DIA. HOLES

DATE
MAY 1, 1956

CONTRACT
DMEA

NO.

TERMS: NET

TO MORDUTE CORPORATION
URANIUM CENTER BUILDING
GRAND JUNCTION, COLORADO

DIAMOND CORE DRILLING

ITEM 1	2600.0 FEET	$1.40	$3,640.00
ITEM 2	150.3	1.50	225.45
ITEM 5	587.8	2.05	1,204.99
ITEM 7	5 3/4 HOURS	10.00	57.50
			$5,127.94

FOR HOLES X 1, 2, 3, 4, 5, 6, 7, 8, 9, 22, 23, 25, 26

D. M. C. a Ringtail
V.D.

INVOICES ARE MAILED AS PER CONTRACT TERMS, OR UPON THE COMPLETION OF EACH HOLE, IF TERMINATED AT A DEPTH OF MORE THAN FIVE HUNDRED FEET.

B. H. MOTT & SONS, INC.

BY JOHN C. McELDOWNEY

STATEMENT

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO
4-30-56

Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado

Overdue invoices render all invoices due and subject to sight draft.
Legal rate of interest charged on past due accounts

Invoice Number	Terms and Memoranda	Date	DEBITS Assays	DEBITS Other	Credits	Balance
			BALANCE FORWARD →			
6396-S		4-18-56	43.42			43.42
6410-S		4-20-56	43.42			86.84
6431-S		4-23	38.60			$ 125.44

Ringtail L.M.E.a
V.L.

THE BROWN LABORATORY

Keep For Your Record. Your Check Is Sufficient Receipt

Last Amount In This Column Is Your Balance

THE B[illegible]WN LABORATORY, Grand Junction [illegible]olo.
2263 Broadway
Phone 1543-W

Entry Date 4-18-56
Order No.
Requisition No.

Our Order No. 6396-B

INVOICE

Invoice No. 6396-S
Invoice Date 4-19-56

CHARGED TO Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado

SENT TO Same

RECEIVED
APR 4 1956

Instructions Uranium & Vanadium Determinations

Terms From Invoice Date

	Quantity	Description	Unit Price	Discount	Extension
	9	Uranium Determinations -	3.50		31.50
	9	Vanadium "	1.50		13.50
					45.00
		Discount - Less		5%	1.58
					$ 43.42

Kingtail & Mr. E. C.
V. C.

THE BROWN LABORATORY, Grand Junction, Colo.
2263 Broadway
Phone 1543-W

Entry Date 4-20-56
Order No.
Requisition No.

Our Order No. 6410-S

INVOICE

Invoice No. 6410-S
Invoice Date 4-21-56

CHARGED TO

Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado
Same

SENT TO

Instructions

Uranium & Vanadium Determinations

Terms From Invoice Date

Quantity	Description	Unit Price	Discount	Extension
9	Uranium Determinations	3.50		31.50
9	Vanadium "	1.50		13.50
				45.00
	Discount - Less		5%	1.58
				$ 43.42

King Coil & M. E. a
V. a

THE BROWN LABORATORY, Grand Junction, Colo.
2263 Broadway
Phone 1543-W

Entry Date 4-23-56
Order No.
Requisition No.

Our Order No. 6431-S

INVOICE

Invoice No. 6431-S
Invoice Date 4-24-56

CHARGED TO Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado

SENT TO Same

Instructions Uranium & Vanadium Determinations

Terms From Invoice Date

Quantity	Description	Unit Price	Discount	Extension
8	Uranium Determinations	3.50		28.00
8	Vanadium "	1.50		12.00
				$ 40.00
	Discount ~~Less on U3O8~~ Less on U. & V. @ 5%			1.40
				$ 38.60

THE BROWN LABORATORY
2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT PHONE 1543-W

CERTIFICATE OF ANALYSIS

TO

Norbute Corp.
P. O. Box 1700
Grand Junction, Colorado

Date 5-4-56
Order No. 6518-S

Material: Ore samples - 13
Received: 5-3-56
For: Analysis

Lab. No.	Your No.	Description	%U_3O_8	%V_2O_5	%$CaCO_3$
6518-1	Hole X 25	235.4-235.6	0.04	0.07	
6518-2	"	235.8-236.0	0.05	1.11	
6518-3	"	236.0-236.3	0.12	0.88	
6518-4	"	236.3-237.0	0.79	0.70	
6518-5	"	237.0-238.0	0.81	0.35	
6518-6	"	238.0-238.7	0.58	2.98	
6518-7	"	238.7-240.0	0.03	0.54	
6518-8	"	240.0-240.7	0.04	0.78	
6518-9	"	240.7-241.7	0.02	0.07	
6518-10	"	252.0-252.8	0.04	Nil	
6518-11	X 26	231.2-232.5	0.04	0.70	
6518-12	"	232.5-234.0	0.02	0.06	
6518-13	"	234.0-235.0	0.06	Nil	

Ringtail DMCC
V.C.

Analyst.

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

CERTIFICATE OF ANALYSIS

TO

Norbute Corporation
P. O. Box 1700
Grand Junction, Colorado

Date: 4-21-56

Order No.: 6410-S

Material: Ore samples 9

Received: 4-20-56

For: Analysis

Lab. No.	Your No.	Description	%U_3O_8	%V_2O_5	%$CaCO_3$
6410-1	241.8 - 242.6-	X-6	0.03	0.02	
6410-2	242.6 - 243.3	"	0.03	0.02	
6410-3	243.3 - 244.1	"	0.10	0.07	
6410-4	244.1 - 245.0	"	0.15	0.47	
6410-5	245.0 - 246.0	"	0.01	0.07	
6410-6	252.1 - 252.6	"	0.01	0.51	
6410-7	253.2 - 253.6	"	0.28	0.11	
6410-8	253.6 - 254.6	"	0.01	0.01	
6410-9	254.6 - 255.3	"	0.01	0.02	

Analyst.

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

CERTIFICATE OF ANALYSIS

TO

Norbute Corpo
P& O& Box 1700
Grand Junction, Colorado

Date: 4-19-56
Order No.: 6386-S

Material: Ore Samples-9
Received: 4-18-56
For: Analysis

Lab. No.	Your No.	Description	%U_3O_8	%V_2O_5	%$CaCO_3$
6396-1	X-1	225.0-226.0	0.02	0.73	
6396-2	X-1	226.0-227.0	0.09	0.56	
6396-3	X-1	227.0-228.4	0.01	0.02	
6396-4	X-3	249.5-250.0	0.02	0.09	
6396-5	X-3	250.0-250.8	0.01	0.55	
6396-6	X-3	250.8 - 251.3	0.05	0.07	
6396-7	X-4	233.4 - 233.8	0.03	0.24	
6396-8	X-22	240.7 - 241.3	0.18	Nil	
6396-9	X-22	241.3 - 242.3	0.01	Nil	

W. D. Brown
3
Analyst.

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

CERTIFICATE OF ANALYSIS

TO

Norbute Corp.
P. O. Box 1700
Grand Junction, Colo.

Date: 4-24-56

Order No.: ~~XXXXXX~~ 6431-S

Material: Ore samples 8
Received: 4-23-56
For: Analysis

Lab. No.	Your No.	Description	%U_3O_8	%V_2O_5	%$CaCO_3$
6431-1	x-6	241.9 242.9	0.02	Nil	
6431-2	X-8	253.0 - 253.2-	0.01	0.02	
6431-3	x-8	253.2 253.6	0.01	0.02	
6431-4	x-8	253.6 253.8	0.01	Nil	
6431-5	x-8	253.8 254.2	0.17	0.05	
6431-6	x-8	254.2 254.6	0.01	0.02	
6431-7	x-8	254.6 255.2-	0.01	Nil	
6431-8	x-8	255.2 255.8	Trace	Nil	

W. D. Brown
Analyst.

GEOLOGIC AND ASSAY LOGS *Norbute Corp*

Drill-hole No. X-23 ( )
Inclination _____ Bearing _____
Total depth 220.3
Collar elev. _____ T 4846 P
Area Yellow Cat

Map coord.(T) _____
Map coord (P) _____
Sec. 36 T 22S R 21E
Co., State Grand, Utah

Claim School Section
Date completed 4-17-56
Date logged 4-18-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Unfavorable OBSS from 200.0 to 216.1 thick 16.1 ; SS color Gy LGy ; MS Gy Gr ; Cbn. N

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's	Cr	MS in SS	Remarks
0.0		201.3	201.3								Plug bit No Core
201.3	14.9	216.2	14.9	100	SS	Gy LGy	F MF	L	N	Gr Gy	
216.2	4.1	220.3	4.1	100	MS St	Gy			N		sandy

220.3

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ ray (%eq) or Field est			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%eq U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole No. X-23

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X - 22 ( )
Inclination Vert Bearing
Total depth 259.5
Collar elev. T 4841.6 P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec 36 T. 22S R 21E
Co. State Grand Utah

Claim School Section
Date completed 4-16-56
Date logged 4-16-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable OBSS from 208.1 to 249.3 thick 41.1 ; SS color Lt Gy Gy ; MS Gr Gy Rd Cbn S

Graphic log

259.5'

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		200.0	200.0								Plug bit No Core
200.0	7.0'	208.1	8.1	86.4	Ms St	R Gy Gr			N	Gr	Sandy A-Gr
208.1	21.4	229.5	21.4	100	SS	LGy	F-MF		N	A Gr gy	
229.5	11.0	240.5	11.0	100	SS	LGy	MF	Limonite	N	Gr Gy	
240.5	0.4	240.9	0.4	100	MS	Br	MF	"	N		
240.9	8.4	249.3	8.4	100	SS	Gy	MF	" Cbn	S	None	sulphides in cbn
249.3	10.1	259.5	10.2	99	MS-St	Gy Gr Rd					sandy

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ ray (%e) or field est			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole No. X-22

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-9 ( )
Inclination Vert Bearing
Total depth 263.8
Collar elev. T 4866 P
Area Yellow Cat

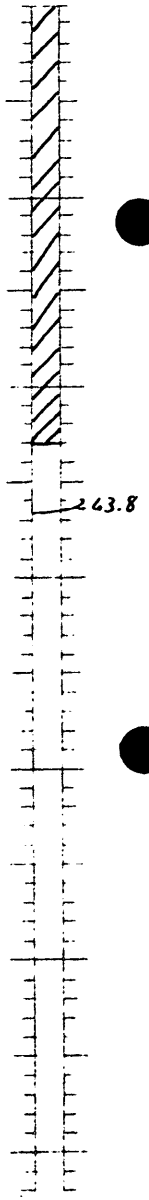
Map coord (T)
Map coord (P)
Sec 36 T 22S R 21E
Co., State Grand, Utah

Claim School Section
Date completed 4-21-56
Date logged 4-21-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Unfavorable: OBSS from 233.0 to 257.3 thick 24.3 : SS co or Br. Gy : MS Gy Rd Cbn No

Graphic log



DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		230.0	230.0								Solid bit - No Core
230.0	3.0	233.0	3.0	100	Ms	Rd Gr					
233.0	24.3	257.3	24.3	100	SS	Br Gr	F MF	Limonite	N	Gr - Gy	
257.3	6.5	263.8	6.5	100	MSSt	Gy Rd					Sandy

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8*	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8*	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole No. X-9

GEOLOGIC AND ASSAY LOGS *Norbute Corp*

Drill-hole No. X-8 ( )
Inclination Vert Bearing
Total depth 268.2
Collar elev T 4864 P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec 36 T 22S R 21E
Co State Grand, Utah

Claim School Section
Date completed 4-20-56
Date logged 4-20-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable, OBSS from 239.8 to 281.0 thick 41.2 SS color Gy LGy, MS Gr Gy Cbn Abundant

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		230.0	230.0								Solid bit. No Core
230.0	9.2	239.8	9.8	94	MSSt	R Gr Gy					sandy
239.8	11.5	253.0	13.2	87	SS	L Gy Gy	MF F	Limonite	S	AGr Gy	Cbn Bands Numerous
253.0	14.7	268.2	15.2	97	SS	DGy Gy	MF	L sulphides	A	Gr Gy	" " " sulphide in Cbn
268.2	11.5	281.0	12.8	90	SS	Gy DGy	MF	L	A	Gr Gy	" " "
281.0	2.2	283.2	2.2	100	MS St	Gy Gr					sandy

283.2

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ ray (%eq) or Field est.			
Base	Thick	U_3O_8*	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8*	V_2O_5/Cu	$CaCO_3$	Base	Thick	%eq U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole No. X-8

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-7 ( )
Inclination Vert Bearing
Total depth 252.6
Collar elev. ( ) 4866 P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S R 21E
Co State Grand, Utah

Claim School Section
Date completed 4-19-56
Date logged 4-20-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Unfavorable OBSS from 221.5 to 245.8 thick 24.3 SS color Gy L Gy MS A Gy Gr Cbn. Some

Graphic log

252.6

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access Min's	Cbn	MS in SS	Remarks
0.0		216.0	216.0								Solid bit - No Core
216.0	5.5	221.5	5.5	100	MS St	Rd Gy Gr					sandy
221.5	22.9	245.8	24.3	95	SS	Gy L Gy	F-MF	Limonite stain	S	Gr-Gy	sparse Cbn str.
245.8	6.8	252.6	6.8	100	MS St	Gy Blk Rd			N		sandy

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ ray (%e) or Field est			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole no. X-7

GEOLOGIC AND ASSAY LOGS Norbute Corp

Drill-hole No. X-6 ( )
Inclination Vert. Bearing
Total depth 268.3
Collar elev. T 4859.5 P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S R 21E
Co. State Grand Utah

Claim School Section
Date completed 4-19-56
Date logged 4-20-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable ; OBSS from 230.7 to 255.4 thick 24.7' ; SS co or Gy LGy ; MS GyGrRd ; Cbn. Abundant

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		212.0	212.0								Plug bit No Core
212.0	18.6	230.7	18.7	99	MS SL	RdGyGr					A sandy
230.7	7.0	237.7	7.0	100	SS	LGy Gy	F	Limonite	N	Gr Gy	
237.7	17.7	255.4	17.7	100	SS	Gy LGy	MF	Limonite Sulphides	A	A Gr	Sulphides in Cbn
255.4	12.9	268.3	12.9	96	MS	Gy Gr Rd					Sandy

268.3

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ ray	γ-ray (%eq) or Field est.			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	% eq U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked * are from Large Scale Assay Laboratory

Hole No. X-6

GEOLOGIC AND ASSAY LOGS *Norbute Corp*

Drill-hole No. X - 5 ( )
Inclination Vert Bearing
Total depth 264.8
Collar elev T 4863.6 P
Area Yellow Cat

Map coord (I
Map coord (P
Sec 36 T 22S R 21E
Co State Grand Utah

Claim School Section
Date completed 4-18-56
Date logged 4-18-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Unfavorable OBSS from 224.5 to 252.5 thick 28.0 ; SS color Gy LGy ; MS GyGrBlkRd Cbn. yes

Graphic log

264.8

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		221.0	221.0								Solid bit - No Core
221.0	4.5	224.5	4.5	100	MS	Gy-Gr			N		sandy
224.5	26.9	252.5	28.0	96.1	SS	Gy LGy	F MF	Limonite Cbn	S	Gr Gy	Cbn streaks abundant
252.5	12.3	264.8	12.3	100	MS SL	Gy BlK Rd			N		sandy

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

* Assays marked "e" are from lab gamma-ray readings

Hole No. X-5

GEOLOGIC AND ASSAY LOGS *Norbute Corp*

Drill-hole No. X - 4 ( )
Inclination Vert Bearing
Total depth 243.8
Collar elev. T 4854 P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S R 21E
Co. State Grand, Utah

Claim School Section
Date completed 4-18-56
Date logged 4-18-56
Logged by V. Dow

Rev
Ed

Summary of log 4th SS semi Favorable OBSS from 205.9 to 233.0 thick 27.1' ; SS color Gy LGy ; MS GrGyBlRd ; Cbn. S

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		200.0	200.0								solid bit - No Core
200.0	5.9	205.9	5.9	100	MS	Gy Gr			N		
205.9	25.8	233.0	27.1	95.2	SS	LGy Gy	F MF	Limonite	S	Gr Gy	.4' .06 U_3O_8 count
233.0	10.0	243.0	10.0	100	MS SL	GrGyBlRd			N		sandy

243.0

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ ray	γ-ray (%e) or Field test			
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole No. X - 4

GEOLOGIC AND ASSAY LOGS *Norbute Corp*

Drill-hole No. X-3 ( )
Inclination Vert Bearing
Total depth 283.1
Collar elev. T 4860 P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S R 21E
Co., State Grand Utah

Claim School Section
Date completed 4-17-56
Date logged 4-18-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable ; OBSS from 222.0 to 278.5 thick 56.5' ; SS color Gy L Gy ; MS AGr-Gy ; Cbn. S

Graphic log

283.1'

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		220.0	220.0								Plug bit No Core
220.0	2.0	222.0	2.0	100	St	W	F	N	N		
222.0	27.5	249.5	27.5	100	SS	Gy L Gy	F MF	Limonite	N	Gr Gy	Limonite Mottled
249.5	7.5	257.0	7.5	100	SS	DGy Gy	MF		S	Gy Gr	Sparce Cbn (V2O5)
257.0	0.8	257.8	0.8	100	Ms	Gy		–	S		
257.8	20.7	278.5	20.7	100	SS	Gy	MF F	L	N	Gr Gy	
278.5	4.6	283.1	4.6	100	Ms St	Gy Gr Rd			N		Sandy

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ ray	γ-ray (%eq) or Field eq			
Base	Thick	U_3O_8*	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8*	V_2O_5/Cu	$CaCO_3$	Base	Thick	%eq U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked e' are from lab gamma-ray readings

Hole No. X-3

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

Drill-hole No. X-2 ( )
Inclination Vert Bearing
Total depth 223.4
Collar elev. T 4848 P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S R 21E
Co., State Grand, Utah

Claim School Section
Date completed 4-14-56
Date logged 4-17-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Unfavorable: OBSS from 200.0 to 216.4 thick 16.4 ; SS color Gy-Br ; MS A Gy Gr ; Cbn. N

Graphic log

223.4

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		200.0	200.0								Plug bit No Core
200.0	8.4	208.4	8.4	100	SS	LGy	MF-F		N	A Gr	
208.4	8.0	216.4	8.0	100	SS	Gy Br	MF-C	L	N	Gr Gy	
216.4	6.9	223.4	7.0	98.6	MS	Gy Gr			-		sandy

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole No. X-2

GEOLOGIC AND ASSAY LOGS *Norbute Corp*

Drill hole No. X - 1 ( )
Inclination Vert Bearing
Total depth 250.8
Collar elev. T 4844 P
Area Yellow cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S R 21E
Co State Grand, Utah

Claim School Section
Date completed 4-13-56
Date logged 4-16-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable OBSS from 206.0 to 243.2 thick 37.2' SS color Gy ; MS Gy Gr Cbn. Yes

Graphic log

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access Min's.	Cbn	MS in SS	Remarks
0.0		200.0	200.0								
200.0	4.5	206.0	6.0	75.0	MS	Gy Gr					Plug bit No core
206.0	4.0	210.0	4.0	100	SS	L Gy	MF F		N	A Gr	
210.0	14.0	224.0	14.0	100	SS	Gy-Br	MF	L.	N	A Gr Gy	
224.0	10.3	234.3	10.3	100	SS	Gy Br	MF	L	S	N	carbon streaks V_2O_5
234.3	0.3	234.6	0.3	100	Coal	Blk	—	Gyp P	A	—	cbn sulphides in CBN
234.6	4.4	239.0	4.4	100	SS	Gy Br	MF	L	N	Gn Gy	
239.0	4.2	243.2	4.2	100	SS	Gy br	MF	L	N	N	
243.2	7.6	250.8	7.6	100	SS	Gy Gr Rd	—		N		sandy

250.8

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%eq)			Field est
Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8 *	V_2O_5/Cu	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked "e" are from lab gamma-ray readings

Hole No. X - 1

GEOLOGIC AND ASSAY LOGS *Norbute Corp*

Drill-hole No. X-25 ( )
Inclination Vert
Total depth 267.0
Collar elev. 4857 P
Area Yellow Cat

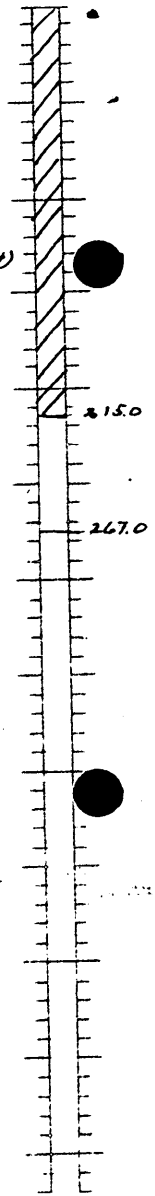
Map coord (T)
Map coord (P)
Sec. 36 T 22S R 21E
Co State Grand Utah

Claim School Section
Date completed 4-27-56
Date logged 4-28-56
Logged by V. Dow

Rev		
Ed		

Summary of log 4th SS Favorable ; OBSS from 215.6 to 261.0 thick 45.4 . SS color Gy L.Gy BlK ; MS GyGr ; Cbn. Abundant

Graphic log



DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Cbn	MS in SS	Remarks
0.0		215.0	215.0								Solid bit No core
215.0	0.6	215.6	0.6	100	MS	GyGr					Altered
215.6	7.0	229.0	13.4	52	S.S	LGy Gy	MF-F	None	N	None	Ground Core - Defective Core spring
229.0	5.0	234.0	5.0	100	SS	LGy Gy	MF	Limonite	N	Gr-Gy	
234.0	8.2	244.0	10.0	82.0%	SS	LGy Gy BlK	MF	Cbn pyrite 1/2% min Limonite	A		Lost 1.8' core in ore zone - (Very Soft)
244.0	17.0	261.0	17.0	100	SS	LGy Gy	MF	Cbn	S	Gr Gy	Abd. Cbn at 252.4 to 252.8
261.0	4.8	267.0	6.0	80	Ms	Gy Gr					A sandy

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval		γ-ray	γ-ray (%e) or Field est			
Base	Thick	U_3O_8	V_2O_5	[illegible]	Base	Thick	U_3O_8	V_2O_5	$CaCO_3$	Base	Thick	%e U_3O_8	Base	Thick	U_3O_8	V_2O_5

*Assays marked [illegible] radiometric equivalent readings

Hole No.

GEOLOGIC AND ASSAY LOGS *Norbute Corp.*

[redacted]

Drill hole No. X-26 ( )
Inclination Vert Bearing
Total depth 257.5
Collar el. 4844 T P
Area Yellow Cat

Map coord (T)
Map coord (P)
Sec. 36 T 22S P 21E
Co. State Grand, Utah

Claim School Section
Date completed 4-28-56
Date logged 4-30-56
Logged by V. Dow

Summary of log 4th SS Favorable ; OBSS from 205.0 to 252.5 thick 47.5 ; SS color Gy-LGy DGy ; MS gy gn Cav some

Graphic log

205.0

257.5

DRILL LOG		LITHOLOGIC LOG									
Depth	Rec ft.	Base	Thick	Rec %	Rock	Color	Grain	Access. Min's.	Clin	MS in SS	Remarks
0.0		205.0	205.0								Solid bit No Core
205.0	28.8	233.8	28.8	100	SS	Gy LGy	F-M F		No	A Gy Gr	
233.8	18.7	252.5	18.7	100	SS	Gy DGy Blk	M F	Lim Cbn V2O5	S	Gr Gy A	
252.5	5.0	257.5	5.0	100	MS	Gr Gy					A Sandy

Sample		Lab assay (%)			Sample		Lab assay (%)			Interval			γ ray			γ ray			Product
Base	Thick	U_3O_8	V_2O_5/Cu	$CaCO_3$	Base	Thick	U_3O_8	V_2O_5/Cu	$CaCO_3$	Base	Thick	%	Base	Thick				

*Assays marked "e" are from [illegible] gamma ray readings

Oil Well Locations

Roads

K. L. ETTER Construction Co.

1637 Gunnison Blvd.—Phone 0547-J1
GRAND JUNCTION, COLORADO
P. O. BOX 924

Date April 10 1956

TO NORBUTE CORPORATION
BOX 1700
Address GRAND JUNCTION, COLORADO

RINGTAIL MINE YELLOW CAT AREA

Date	Hours	Description	Amount
		INTERNATIONAL TD18A WITH OPERATOR	
3-24	2	Moving tractor to job	
3-24	6	Roads and drill sites	
3-25	11	Roads and drill sites	
3-26	5	Roads and drill sites	
	24	TOTAL @ $ 12.00 Per Hour -	$ 288.00
		Total	$ 288.00

L.M. E. A. Ringtail 533

ck # 670
1951

COLORADO PRINTING CO.

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

APR 22 1959

Haynie, Hotchkiss & Golden
Attorneys at Law
200 North Sixth Street
Grand Junction, Colorado

Re: Docket No. DMRA-3962 (Uranium)
Ringtail Mining Company, Assignee
Sec. 36, T. 22 S., R. 21 E.
Grand County, Utah
Contract No. Idm-8988

Gentlemen:

This is to acknowledge your letter, dated March 31, 1959, transmitting (1) an Assignment of the lease on the above-referenced property by L. H. Wilkerson to Arthur Roy Shumway, Lawrence C. Davis, and Truman Goode, (2) a copy of the State of Utah State Land Board's letter, dated February 18, 1959, approving the assignment of the subject land, and (3) a copy of the Performance Bond, dated January 8, 1959, by the National Surety Corporation with Ringtail Mining Company as principal.

We note that although the Assignment runs to the three individuals named, the bond names Ringtail Mining Company as principal, and is executed by Ringtail Mining Company, apparently by the three individuals although the word "by" does not appear before their names. In spite of these formal defects, we believe the record is sufficiently clear to show that the three individuals are doing business as Ringtail Mining Company and have assumed all of the obligations under the subject exploration contract.

In view of the above the Government hereby consents to the aforementioned assignment, but without releasing the Assignor from any of the terms, provisions, or conditions of the contract. The bond of Mr. Wilkerson and the Indemnity Insurance Company of North America has been released by letter of even date herewith to Frankel and Company, Inc.

Sincerely yours,

Frank E. Johnson

Acting Director

cc: L. H. Wilkerson
Ringtail Mining Company
Norbute Corporation

cc: Director's reading file
Div. of Contract Adm. and Audit
OME Field Team, Reg. III (2) w/2cc Haynie, Hotchkiss & Golden ltr. 3/31/59

FMMurphy/gla 4/13/59
JLHoffland/hm 4/20/59

Auditor's copy

CONSENT TO ASSIGNMENT

WHEREAS, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter referred to as the "Government", and Norbute Corporation, a Minnesota corporation, entered into Exploration Project Contract No. 14m-[illegible] (Docket No. DMEA-3[illegible]), dated March 9, 1956, hereinafter referred to as the "Contract"; and

WHEREAS, the Contract was terminated on May 11, 1956, and certified on July 6, 1956; and

WHEREAS, on March 8, 1957, Norbute Corporation transferred Utah State Mineral Lease #3071, the land therein described, being the subject of the Contract to a wholly owned subsidiary, the Ringtail Corporation, a Delaware corporation, hereinafter referred to as the "Assignor"; and

WHEREAS, L. H. Wilmarson, an individual whose mailing address is P. O. Box 3, Thompson, Utah, hereinafter referred to as the "Assignee" has acquired the Assignor's interest in the said land by an assignment dated August 14, 1957, and approved by the Utah State Land Board on December 24, 1957;

NOW THEREFORE, the Government, this 18th day of April, 1958, being satisfied that the terms of the Assignment adequately preserve its right to a percentage royalty on production, and in consideration of the bond posted by the Assignee, hereby consents to the aforementioned assignment and releases the Assignor and the Norbute Corporation, from any and all terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By C. M. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Norbute Corporation
P. O. Box 1700
Grand Junction, Colorado

Pursuant to the provisions of Exploration Project Contract No. Idm-E928, dated March 9, 1956, (Docket No. DMEA-3962), hereinafter called the "contract," between Norbute Corporation, a Minnesota corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Drilling performed under the contract resulted in the discovery of uranium-vanadium ore in sandstone of the Salt Wash member of the Jurassic Morrison formation.

Dated: JUL 6 - 1956

FMMurphy/gla
6-27-56
cc to: Operator (original)
Indemnity Insurance Company of North America
Contract Adm. and Audit Division
DMEA Field Team, Region III (2)
Finance Office
Rare and Misc. Metals Division
Docket
Admr.'s Reading File
Operating Committee
Robert W. Geehan, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
F. E. Johnson
F. M. Murphy

THE UNITED STATES OF AMERICA

By C D Mattendorf
Administrator, Defense Minerals
Exploration Administration

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

[redacted]
P. O. Box [redacted]
Grand Junction, Colorado

JUL 6 - 1956

Re: Contract No. [redacted] (Uranium)
Contract No. [redacted]
Sec. [redacted], T. [redacted] S., R. [redacted] W.
Grand County, Utah

Gentlemen:

Enclosed is a "Certification by the United States of Receipt of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract, and of the certification, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract, from March 9, 1954, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum of $8,666.36 (subject to credit) is repaid, or until March 9, 1964, whichever comes first.

Payments should be made to Mr. W. M. Trover, Executive Officer, DMEA Field Team, Region III, [redacted] Rio Grande Building, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances required by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Trover of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. Trover at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf

Enclosure
as ment

Administrator

Indemnity Insurance Company
of North America

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

JUL 6 - 1956

Indemnity Insurance Company
of North America
99 John Street
New York 38, New York

Re: Docket No. [illegible] (Uranium)
Contract No. [illegible]
Fortuna Corporation
Sec. [illegible], T. [illegible] S., R. [illegible] E.
Grand County, Utah

Gentlemen:

For your information, a certification of discovery or development has been issued to the Operator as a result of the exploration program under the above-referenced contract.

The property as set forth in the contract is the same property referred to in Performance Bond No. [illegible], executed by your company on March 9, [illegible].

We are enclosing the following for your records:

1. A copy of a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract."

2. A copy of a transmittal letter to Fortuna Corporation.

Sincerely yours,

G. O. Mittendorf

Administrator

Enclosures

[illegible] 6-27-56
cc [illegible]
Operating Committee
[illegible]
[illegible]
Field Team, Region III (2)
[illegible]
[illegible] Division
Contract Adm. & Audit Division
[illegible]
[illegible]

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

FEB 20 1958

Mr. Kenneth Kriegel
Assistant to the President
Norbute Corporation
363 Madison Avenue
New York 17, New York

Re: Docket No. DMEA-1062 (Uranium)
Contract No. Ism-492
Sec. 36, T. 22 S., R. 2 E.
Grand County, Utah

Dear Mr. Kriegel:

Will you kindly refer to my letters of July 17 and October 8, 1957, relating to the subject Contract. To date we have not received your reply.

It would be to your best interest that the matters mentioned in your letter of July 1, 1957 and my response be resolved as soon as possible, as the cost of the Performance Bond may be reduced considerably.

The bond which your corporation is now carrying in the amount of $8,582.84 is in excess of the remaining interest of $5,303.06 which the Government retains under the Contract as of January 1, 1958. Therefore, the bond may be reduced to this amount, less any additional royalties received since the first of the year.

If the assignment of your Contract to Mr. Wilkerson is approved by the Government, then the bond required from the assignee will be only for the amount that has not been repaid at the date of approval.

Sincerely yours,

O. C. Ulsteen

Administrator

FMMurphy/RWLong:md 2/12/58
CC: DMEA Docket
Adm. Reading File
~~Operat. Com.~~
T. H. Killagard, USGS
Jay L. Chambers
Field Team, Reg. 3 (2)
R. W. Long
R. P. Dwyer

Mr. Ellis
Mr. Higbie

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

Mr. [illegible]
Assistant to the President
[illegible] Corporation
[illegible] Madison Avenue
New York 35, New York

Re: Docket No. [illegible] (Premium)
[illegible] Corporation
Sec. [illegible], T. [illegible] S., R. [illegible] W.
[illegible] County, Utah
Contract No. [illegible]

Dear Mr. [illegible]:

Your letter of July 1, 1957, advises that on June 14, 1957, [illegible] Corporation assigned its interest in the land which was the subject of the above-referenced contract to a Mr. L. E. Wilkerson, [illegible], Utah.

You state that Mr. Wilkerson has agreed to assume [illegible]'s obligations with respect to the DMEA loan, and you request advice as procedure to be followed permitting [illegible] to consent the performance bond.

Article 2(d) of the DMEA contract provides in part ". . . the Operator shall neither transfer, convey, nor encumber the land nor any right, title, or interest therein, . . . without expressly referring to and providing in the instrument of conveyance, . . . for the preservation of the Government's right to a percentage royalty on production and then for the payment thereof."

Accordingly, we should like to have a copy of the assignment containing provisions preserving the Government's rights. If the assignment is found to conform to the requirements of the contract and is accompanied by the new bond, we would authorize cancellation of the present bond.

Sincerely yours,

C. O. Little, Jr.

Administrator

Wilcox/cmf
7/16/57
Copy to: DMEA Docket
Adm. Reading File
Field Team, Reg. XII(E)
E. W. Hills
J. L. Chambers
R. F. Dyer
R. W. Long
chron.
pending

Indemnity Insurance Company of North America

New York Office

99 John Street, New York 38, N. Y.

TELEPHONE NUMBER
BEEKMAN 3-5010

Rider to be attached to and form a part of Bond Number 252,218

on behalf of NORBUTE CORPORATION
(Name)

383 Madison Avenue, New York, N.Y. (Principal),
(Address)

and in favor of U. S. A. (Obligee),

executed by the INDEMNITY INSURANCE COMPANY OF NORTH AMERICA, as Surety, in the amount of THIRTY THREE THOUSAND SEVEN HUNDRED FIFTY & 00/100 ($33,750.) Dollars, effective March 9th, 1956

The Principal and the Indemnity Insurance Company of North America hereby consent to changing the said bond as follows:

Bond Penalty Reduced to: $8,582.84

Nothing herein contained shall vary, alter or extend any provision or condition of the bond other than as above stated.

Signed, Sealed and dated this 11th day of March 19 57

NORBUTE CORPORATION

By [signature]

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA

By [signature]
V. J. Stahl - Res. Vice Pres. & Res. Agent
State of N.Y.

Attest [signature]
E. Ferro - Res. Asst. Secy.

Exec. in Trip.

5082 Printed in USA

Government's Copy

RECEIVED
JUL 30 1956

TERMINATION AGREEMENT

It is agreed this 27th day of July, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Norbute Corporation, hereinafter called the "Operator," parties to Exploration Project Contract Idm-E928, Docket No. DMEA-3962, dated March 9, 1956, hereinafter called the "Contract," that:

1. Effective May 11, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account, and shall preserve records of the project work as required by the Contract.

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and liens for its payment are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

By W. M. Shaver
Executive Officer
DMEA Field Team, Region III

NORBUTE CORPORATION

By [signature]

Title President

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

RECEIVED
MAY 14 1956

[redacted]
Denver 2, Colorado

May [redacted]

Mr. [redacted] Manager
Uranium Mining Division
Climax Uranium
P. O. Box [redacted]
Grand Junction, Colorado

Re: Contract [redacted] (Uranium)
Contract [redacted]
Climax Uranium
(Jim Gang of Claims)
Grand County, Utah

Dear Mr. [redacted]:

In reference to your request of April [redacted], 1956, and confirming verbal approval by the [redacted] Field Team, Region [redacted], of April [redacted], 1956, the following holes will be drilled under the provisions applicable to work under Stage [redacted] of the contract:

Holes Nos. [redacted] to [redacted], inclusive, shown in all, will be drilled as alternate to Holes Nos. [redacted], [redacted] and [redacted], at the locations indicated by the symbol [redacted] on the map entitled, "Figure [redacted]. Sketch Map of Part of Sections [redacted], T. [redacted] S., R. [redacted] E., [redacted], Showing Drill Holes and Location of Authorized Stage [redacted] Drill Holes, Climax Uranium, Jim Gang Area, Grand County, Utah," which is attached hereto and made a part of this work approval.

Holes on your request for approval of drilling under Stage [redacted] of the contract will be deferred until the results of the above authorized Stage [redacted] drilling are known.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the fixed work cost of any item of work, nor any item of allowable cost which is separately designated "maximum."

Very truly yours,

[redacted] Field Team, Region [redacted]

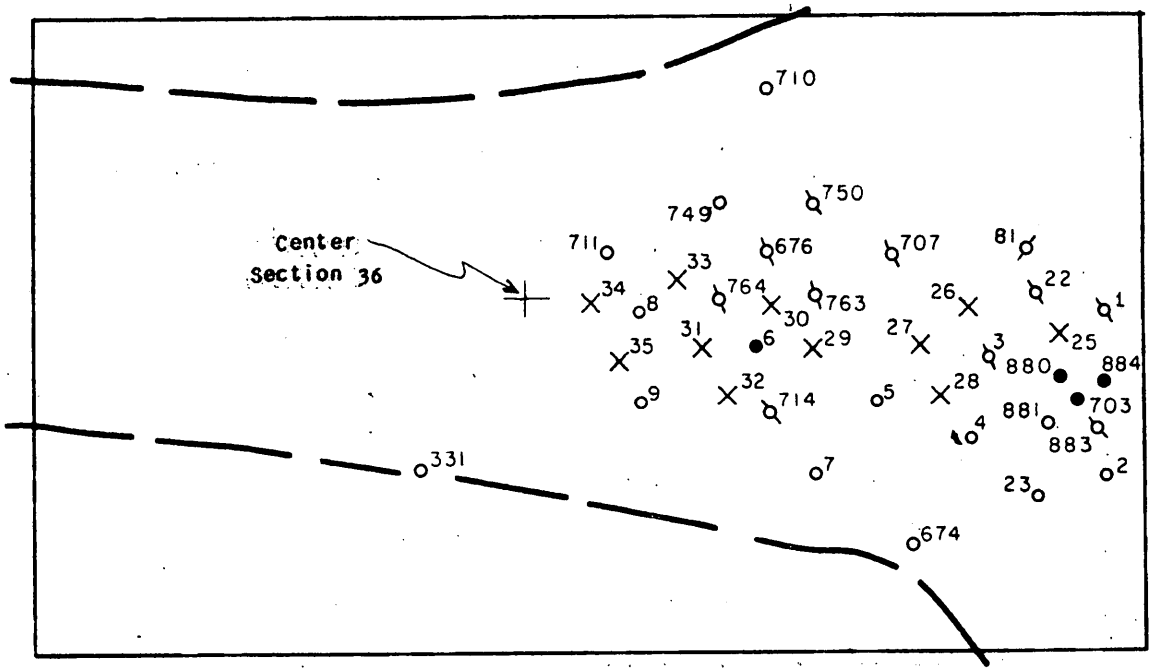
W. M. Jones
[redacted]

[redacted]
[redacted]

JMJ:[redacted]
cc: [redacted], Spec. Team. (4)
Finance Office, Reg. [redacted]
Contract file
[redacted]
[redacted]
[redacted] (2)
[redacted]
Surveys. file
[redacted]

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
APRIL 1956
DOCKET 3962
CONTRACT idm-E 928



PART OF SECTION 36, T. 22 S., R. 21 E., S.L.M.

EXPLANATION

BOUNDARY OF INDICATED CHANNEL

DRILL HOLES. (HOLE 81, AND THOSE OVER 300 DRILLED BY U.S. GEOLOGICAL SURVEY; HOLES NUMBERED 23 AND UNDER ARE DMEA STAGE I HOLES)

o2 BARREN

3 WEAKLY MINERALIZED

●6 ORE BEARING

X33 LOCATION AND NUMBER OF STAGE III DRILL HOLE SITE AUTHORIZED BY DMEA

N

Note; GEOLOGY AND LOCATION OF DRILL HOLES FROM APPLICANTS MAP.

300 0 900 FEET

FIGURE 1. SKETCH MAP OF PART OF SECTION 36, T.22S.,R.21E., S.L.M., SHOWING DRILL HOLES AND LOCATION OF AUTHORIZED STAGE III DRILL HOLES, NORBUTE CORPORATION, YELLOW CAT AREA, GRAND COUNTY, UTAH.

RECEIVED
MAY 14 1956

IN REPLY REFER TO:
MINERAL DEPOSITS
DMEA
RECEIVED
MAY 3 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 300
Grand Junction, Colorado

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U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

April 27, 1956

DMEA
Date Rec'd.
MAY 7 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. F. Shaw
E. N. Harshman

From: M. E. Salsbury
Frank M. Byers, Jr.,

Subject: DMEA docket 3962 (Uranium) contract Idm-E 928, Morbute Corporation (John's group of claims), Grand County, Utah. Authorization of stage III drilling.

On April 23, 1956, the subject operator, in a letter to the Executive Officer, DMEA Field Team, Region III, requested authorization of work under stages II and III of contract Idm-E 928. Complete results of drilling done to date, together with maps, were presented. Authorization of 12 holes (Nos. X-10 through X-21) under stage II, and 13 stage III, offsetting mineralized holes drilled in stage I, holes (Nos. X-24 through X-36) was requested.

Eleven holes completing stage I have been drilled, of which hole No. X-5 penetrated material of ore grade as verified by analyses of the core as well as probing, holes Nos. X-1, X-22, and X-8 were mineralized, and hole X-B was weakly mineralized. The prefix X- is omitted from the designations on the accompanying illustration (fig. 1) and in the remainder of this memorandum in order to avoid confusion of X's on the illustration.

Following are comparisons of chemical analyses and probing results:

Hole No. (X prefix omitted)	Non-core depth in feet	Cored depth in feet	Total depth in feet	Mineralization depth from to	thickness feet	Chemical analysis percent U_3O_8	V_2O_5	Radiometric percent eU_3O_8
1	200.0	50.8	250.8	225.0-226.0	1.0	0.02	0.73	
				226.0-227.0	1.0	0.09	0.56	
				227.3-228.4	1.1			0.12-0.15
2	200.0	23.4	223.4	Barren				
22	200.0	59.5	259.5	240.7-241.3	0.6	0.18	nil	
				241.4-242.0	0.6			0.10-0.16
23	201.3	19.0	220.3	Barren				
3	220.0	63.1	283.1	249.5-251.3	1.8	0.027	0.24	0.03-0.06
4	200.0	43.8	243.8	233.4-233.8	0.4	0.03	0.24	0.02-0.05
5	221.0	43.8	264.8	Barren				
6	212.0	56.3	268.3	243.3-245.0	1.7	0.125	0.27	
				244.1-246.0	1.9			0.10-0.22
				253.2-253.6	0.4	0.28	0.11	
				252.5-253.0	0.5			0.10-0.22
7	216.0	36.6	252.6	Barren				
8	230.0	53.2	283.2	254.7-255.3	0.6	--		0.10-0.24
9	230.0	33.8	263.8	Barren				
Totals 11 holes	2330.3	483.3	2813.5					

The operator had established good control of depths to the ore horizon and was able to keep coring to a minimum. As a result, the allowable maximum for non-core drilling in stage I was exceeded, but was not reached for core drilling. This can be adjusted by the terms of the contract which permit use of drilling footage from other stages.

It is recommended that holes Nos. 25 to 35 inclusive, as shown on figure 1 attached, 11 holes in all, be authorized as offset holes at a minimum of 75 feet from previously drilled holes as provided in stage III of the subject contract. The holes being offset are X-3, X-6, and X-8. Hole No. X-24 is not recommended because it appears to be in an area which has already been tested with negative results. Hole No. X-36 is not recommended because it was found, on checking the records, that Geological Survey hole 764 had been completed through the ore horizon at the designated site, and the operator's information that the hole number was actually 704 was in error. (Rejected holes X-24 and X-36 are shown on operator's map, but not on accompanying map.)

It is also recommended that stage II drilling, which has been requested, be deferred until completion of the stage III drilling authorized but not yet drilled.

The recommended stage III holes were authorized by the Denver DMEA office on April 25, 1956, in a phone conference, and the operator was notified the same day.

F. M. Byers, Jr.
F. M. Byers, Jr.,
U. S. Geological Survey

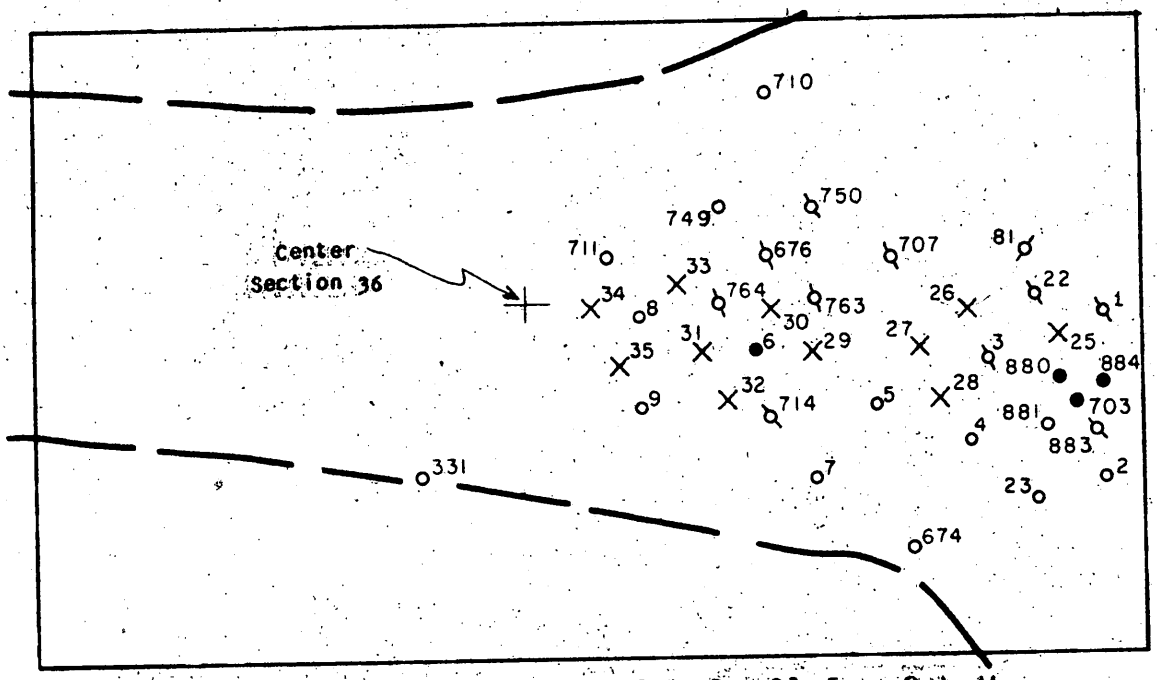
M. H. Salsbury
M. H. Salsbury
U. S. Bureau of Mines

MHS/mlr

Enclosure

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
APRIL 1956
DOCKET 3962
CONTRACT Idm-E 928



PART OF SECTION 36, T. 22 S., R. 21 E., S.L.M.

EXPLANATION

BOUNDARY OF INDICATED CHANNEL

DRILL HOLES. (HOLE 81, AND THOSE OVER 300 DRILLED BY U.S. GEOLOGICAL SURVEY; HOLES NUMBERED 23 AND UNDER ARE DMEA STAGE I HOLES)

o2 BARREN

3 WEAKLY MINERALIZED

●6 ORE BEARING

X33 LOCATION AND NUMBER OF STAGE III DRILL HOLE SITE AUTHORIZED BY DMEA

N

Note: GEOLOGY AND LOCATION OF DRILL HOLES FROM APPLICANTS MAP.

300 0 900 FEET

FIGURE 1. SKETCH MAP OF PART OF SECTION 36, T.22S., R.21E., S.L.M., SHOWING DRILL HOLES AND LOCATION OF AUTHORIZED STAGE III DRILL HOLES, NORBUTE CORPORATION, YELLOW CAT AREA, GRAND COUNTY, UTAH.

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MAY 14 1953

Contract No. Idm-E [illegible]

Docket No. [illegible]

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
March 9, 1956	III	Colorado	Uranium

Name and Address of Operator: Norbute Corporation
P. O. Box 1703
Grand Junction, Colorado

	Reserve	Obligation
Prior Amount	0	$33,750.00
Increase	0	0
Decrease	0	25,109.77
Revised Amount	0	$ 8,640.23

Remarks:

(Name)
Allen S. Bakke, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 8/30/56

98963

Government's copy

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MAR 8 0 1956

MF-200
(Revised June 1954)

Docket No. DMEA - 3962

Commodity Uranium

Contract No. Idm-E 928

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this MAR 9 1956 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] NORBUTE CORPORATION, a Minnesota corporation, whose mailing address is P. O. Box 1700 Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and 2 maps (Figures 1 and 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 ~~xxxxxx~~ Utah, County of Grand, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of the mineral ~~xxx~~ rights to uranium and vanadium in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [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: Royalty payments to State of Utah on mineral production.

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: **Surety Company's Performance Bond is attached to the Government and DMEA Docket copies of this contract, in lieu of the Consent to Lien.**

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of **Uranium** The work to be performed is described in Exhibit "A." The Operator on or before April 15, 1956, shall commence the work, and on or before **October 1, 1956** (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work, ~~or shall have incurred allowable costs (see Article 8) in a sum not less than the estimated total allowable cost set forth in Exhibit "A"~~ **except as otherwise provided in Exhibit "A" with respect to stages of 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) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $45,000.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $33,750.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work. **See Article 13.**

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

See Article 13.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) Categories (2) through (7) of Article 6(a) are deleted.

(b) To the extent that costs are set forth in Exhibit "A" as "Fixed Unit Costs," they are in lieu of the actual costs that otherwise would be allowable costs of the project under Article 6 of the contract. The Government will contribute to the Fixed Unit Costs, as they accrue, on the basis of units of work actually performed. The Fixed Unit Costs include all costs of the work necessary to complete the project.

(c) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mitchenor

Administrator, Defense Minerals Exploration Administration

NORBUTE CORPORATION
(Operator)

By Nicolas M Salgo

President

I, N. Newman Clark Jr., certify that I am the secretary of the corporation named as Operator herein; that Nicolas M. Salgo who signed this contract on behalf of the Operator, was then President 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.

N. Newman Clark Jr.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
NORBUTE CORPORATION
DOCKET NO. DMEA-3962

ANNEX I

Title to the land referrred to in Article 2 of the Contract is vested in the State of Utah. The land is situated in section 36, Township 22 South, Range 21 East, Salt Lake Base and Meridian, Grand County, Utah, and is described by metes and bounds as follows:

> "Beginning at a point 420 feet north of the center point of said section 36, thence 960 feet east to the northeast corner; thence south 970 feet to the southeast corner; thence west 1,730 feet to the southwest corner; thence north 970 feet to the northwest corner; thence east 770 feet to the point of beginning."

The approximate location of the area, above-described, is shown on map "Figure I - Sketch Map of Section 36, T. 22 S., R. 21 E., S.L.M. . . . .," attached hereto and made a part hereof.

Norbute Corporation has the right of possession of the above-described land by assignment from Strategic Minerals Exploration Company, approved by letter of the State of Utah Land Board dated February 25, 1955, of Utah State Uranium and Vanadium Mineral Lease, Mineral Lease No. 3971.

EXPLORATION PROJECT CONTRACT
NORBUTE CORPORATION
DOCKET NO. DMEA-3962

EXHIBIT "A"

Description of the Work

General Provisions:

The object of this project is to explore, by means of drilling, for uranium ore deposits which might occur in the lowermost sandstone unit of the Salt Wash member of the Jurassic Morrison formation.

The holes shall be drilled noncore to the inferred upper contact of the potential ore-bearing sandstone unit and then core drilled, recovering not less than BX size core, through the lower contact of this sandstone unit. It is estimated that 75 feet of each hole will be core-drilled.

Sections of the drill core showing significant uranium shall be split. One-half of the split core shall be analyzed for its U_3O_8 and V_2O_5 content. The remainder shall be stored, for Government use, with the rest of the core, in boxes properly labeled as to drill hole number. Markers shall be placed in the sections of core to indicate the depth represented.

All holes shall be logged and probed for radioactivity, and records of such logging and probing, together with the assay certificates of the core samples, shall be submitted with the Operator's monthly progress report.

Bulldozing shall be done with a D-7 Caterpillar tractor or equivalent unit.

The project work shall be performed with competent engineering and supervision.

The extent and method of sampling and logging drill holes, the manner of storing drill core, and the location and depth of the drill holes are all subject to Government approval.

The work shall be divided into three stages. The Operator shall perform all the work in Stage I, and shall perform so much of the work under Stages II and III as is approved in advance in writing by the Government.

Stage I

Stage I consists of drilling not in excess of 11 holes, totaling an estimated 2,065 feet of noncore and 825 feet of core drilling. The approximate locations of the holes are indicated by an X with the numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 22, and 23, on a map entitled "Figure 2. Sketch Map of Part of Section 36, T. 22 S., R. 21 E., S.L.M. Showing . . . Location of Proposed Stage I Drill Holes . . .," attached hereto and made a part hereof.

Not in excess of 22 hours of bulldozer work shall be performed on access roads to drill sites, and not more than 25 samples shall be analyzed for their U_3O_8 and V_2O_5 content under this Stage I.

If the footage estimated for Stage I is not sufficient to complete the 11 holes, then with prior written approval by the Government a part of the drill footage and cost allowed for Stage III may be used.

Stage II

Stage II consists of drilling not in excess of 12 holes, totaling an estimated 3,660 feet of noncore and 900 feet of core drilling. The approximate locations of the holes are indicated by an X with the numbers 10 through 21 inclusive, on the map Figure 2 described under Stage I.

Not in excess of 36 hours of bulldozer work shall be performed on access roads to drill sites, and not in excess of 30 samples shall be analyzed for their U_3O_8 and V_2O_5 content under this Stage II.

If the footage estimated for Stage II is not sufficient to complete the number of holes authorized under this stage, then with prior written approval by the Government a part of the drill footage and cost allowed for Stage III may be used to complete such holes.

Stage III

Stage III consists of drilling not in excess of 32 holes as offsets to holes drilled under either Stage I or Stage II that penetrated rock containing significant uranium mineralization, as approved in writing in advance by the Government. No hole under this Stage shall be drilled closer than approximately 75 feet to any other drill hole, nor closer than 100 feet to the outer boundaries of the land described in Article 2 of the contract.

Not in excess of 7,968 feet of noncore and 2,400 feet of core drilling, less any drill footage transferred to either Stage I or Stage II, shall be performed under this Stage III of the contract.

Not in excess of 30 hours of bulldozer work shall be performed on access roads to drill sites, and not in excess of 80 samples shall be analyzed for their U_3O_8 and V_2O_5 content under this Stage III.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

22 hours bulldozing @ $12.00/hr.	$ 264.00
2,065 feet noncore drilling @ $1.82/ft.	3,758.30
825 feet core drilling @ $3.15/ft.	2,598.75

Categories (2) through (7)

None

Fixed Unit Costs (See Article 13)

25 samples analyzed chemically for U_3O_8 and V_2O_5 @ $5.00/sample	125.00
Incidental allowance for each foot of drilling completed, 2,890 feet @ $0.30/ft.	867.00

Estimated Total Cost Stage I $ 7,613.05

Stage II

Actual Costs

Category (1) Independent Contracts

36 hours bulldozing @ $12.00/hr.	432.00

3,660 feet noncore drilling @ $1.82/ft.	$ 6,661.20	
900 feet core drilling @ $3.15/ft.	2,835.00	

Categories (2) through (7)

None

Fixed Unit Costs (See Article 13)

30 samples analyzed chemically for U_3O_8 and V_2O_5 @ $5.00/sample	150.00	
Incidental allowance for each foot of drilling completed, 4,560 feet @ $0.30/ft.	1,368.00	
Estimated Total Cost Stage II		$11,446.20

Stage III

Actual Costs

Category (1) Independent Contracts

30 hours bulldozing @ $12.00/hr.	360.00	
7,968 feet noncore drilling @ $1.82/ft.	14,501.76	
2,400 feet core drilling @ $3.15/ft.	7,560.00	

Categories (2) through (7)

None

Fixed Unit Costs (See Article 13)

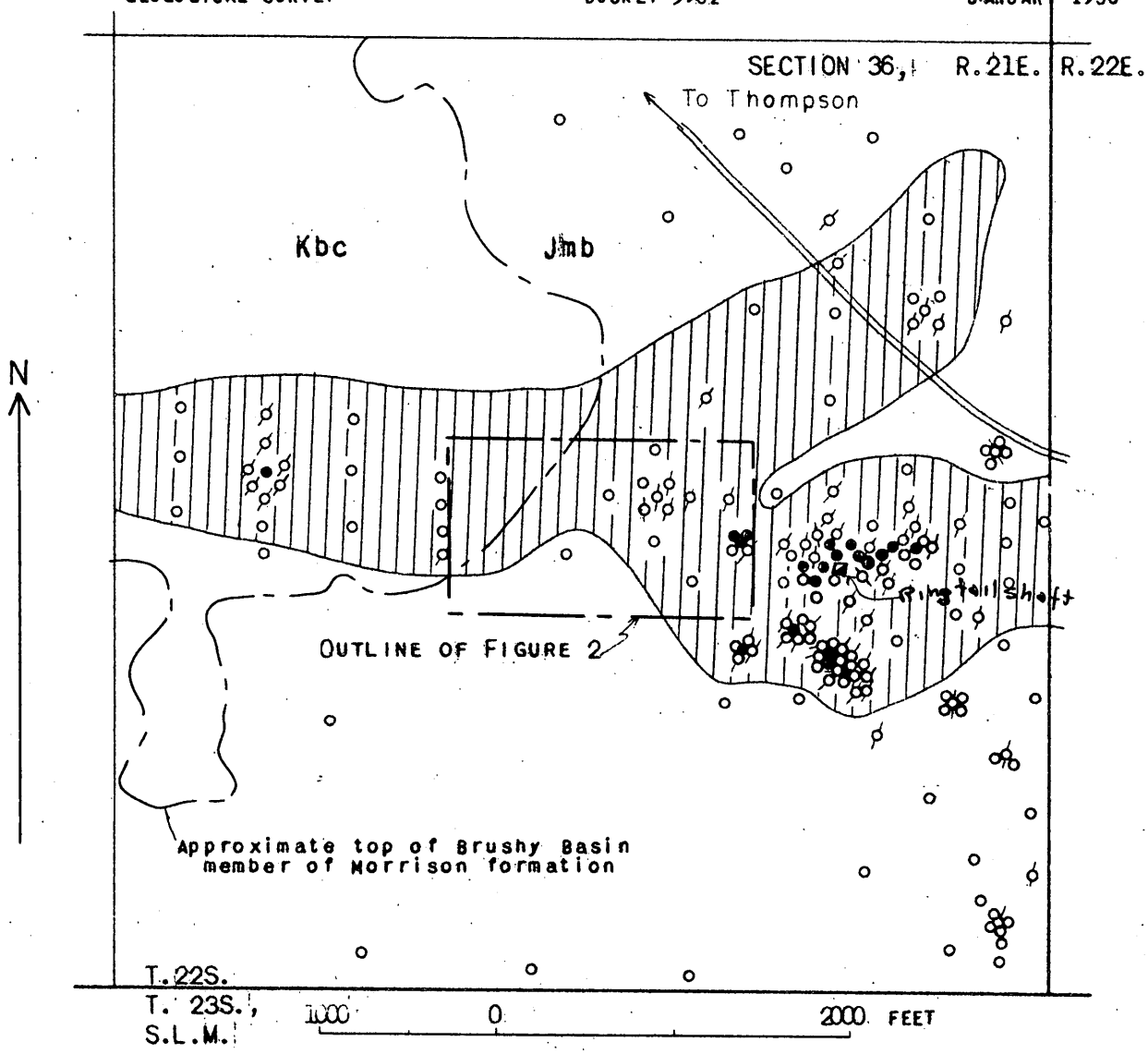
80 samples analyzed chemically for U_3O_8 and V_2O_5 @ $5.00/sample	400.00	
Incidental allowance for each foot of drilling completed, 10,368 feet @ $0.30/ft.	3,110.40	
Estimated Total Cost Stage III		$25,932.16

SUMMARY

Estimated Total Cost, Stage I	$7,613.05	
Estimated Total Cost, Stage II	11,446.20	
Estimated Total Cost, Stage III	25,932.16	
Total Estimated Cost of Project (rounded)		$45,000.00
Government Participation @ 75 percent		$33,750.00

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3962
JANUARY 1956



EXPLANATION

Kbc	CRETACEOUS BURRO CANYON FORMATION
Jmb	JURASSIC BRUSHY BASIN MEMBER OF MORRISON FORMATION
	GROUND UNDERLAIN BY FAVORABLE NO. 3 ORE-BEARING SANDSTONE OF SALT WASH MEMBER OF MORRISON FORMATION

DRILL HOLES, U.S. GEOLOGICAL SURVEY

o	BARREN
ø	MINERALIZED
●	ORE-BEARING

Note: BASE FROM U.S. GEOLOGICAL SURVEY REPORT MAP.

FIGURE 1. SKETCH MAP OF SECTION 36, T. 22 S., R. 21 E., S.L.M., SHOWING GEOLOGY, U.S. GEOLOGICAL SURVEY DRILLING, AND AREA OF AMENDED APPLICATION, NORBUTE CORPORATION, YELLOW CAT AREA, GRAND COUNTY, UTAH.

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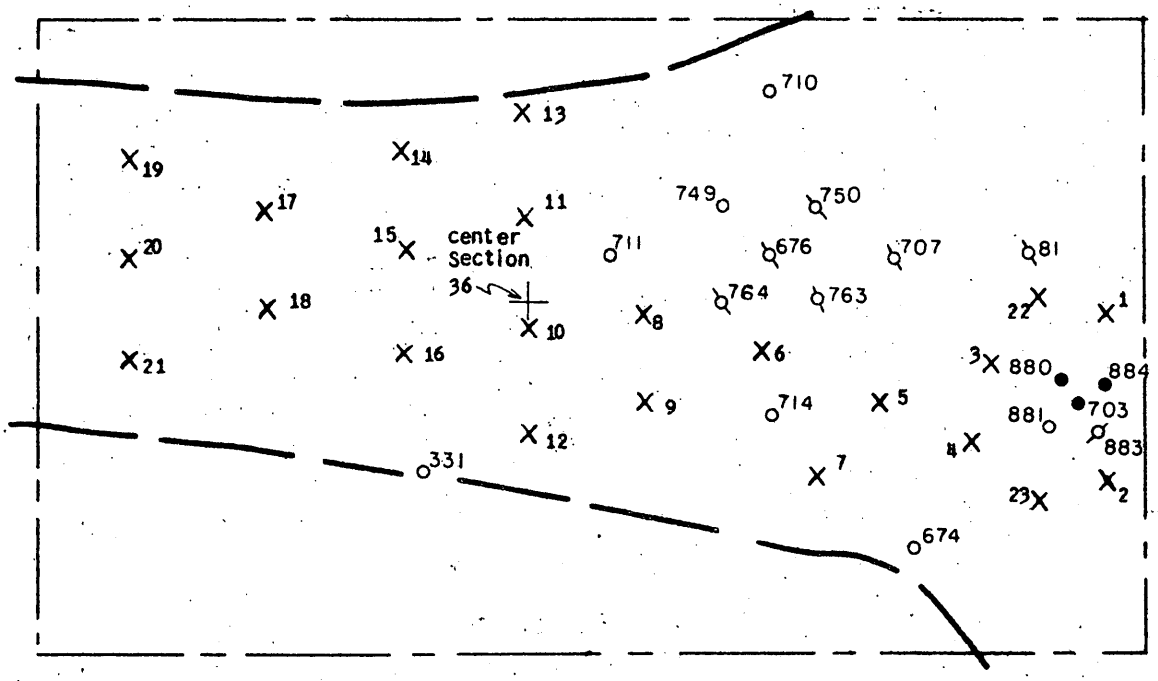
U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3962
JANUARY 1956



SECTION 36, T. 22 S., R. 21 E., S.L.M.

N

EXPLANATION

AREA OF AMENDED APPLICATION

BOUNDARY OF INDICATED CHANNEL

DRILL HOLES, U.S. GEOLOGICAL SURVEY.

711 BARREN

764 WEAKLY MINERALIZED

703 ORE-BEARING

X_{12} LOCATION OF PROPOSED STAGE I DRILL HOLE

Note: GEOLOGY, BOUNDARY OF AMENDED APPLICATION AND LOCATION OF DRILL HOLES FROM APPLICANTS MAP.

300 0 900 FEET

FIGURE 2. SKETCH MAP OF PART OF SECTION 36, T. 22 S., R. 21 E., S.L.M., SHOWING U.S. GEOLOGICAL SURVEY DRILLING AND LOCATION OF PROPOSED STAGE I DRILL HOLES, NORBUTE CORPORATION, YELLOW CAT AREA, GRAND COUNTY, UTAH.

RECEIVED
FEB 20 1956

RECEIVED
MAR 8 0 1933

STANDARD FORM 25
REVISED NOVEMBER 1950
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

PERFORMANCE BOND

(See Instructions on Reverse)

DATE BOND EXECUTED
March 9, 1956

PRINCIPAL NORBUTE CORPORATION, a corporation organized & existing under the laws of the State of Minnesota

SURETY INDEMNITY INSURANCE COMPANY OF NORTH AMERICA, a corporation organized & existing under the laws of the State of Pennsylvania

PENAL SUM OF BOND (*express in words and figures*)	CONTRACT NO.	DATE OF CONTRACT
THIRTY THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS ($33,750.)	Idm-E928 Docket No. DMEA 3962	March 9, 1956

KNOW ALL MEN BY THESE PRESENTS, That we, the **PRINCIPAL** and **SURETY** above named, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of the amount stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the Government, numbered and dated as shown above and hereto attached;

NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

In Presence of:

WITNESS		INDIVIDUAL PRINCIPAL	
1.	as to		[SEAL]
2.	as to		[SEAL]
3.	as to		[SEAL]
4.	as to		[SEAL]

WITNESS		INDIVIDUAL SURETY	
1.	as to		[SEAL]
2.	as to		[SEAL]

Attest:

H. Newman Clark Jr.

CORPORATE PRINCIPAL
NORBUTE CORPORATION

BUSINESS ADDRESS
383 Madison Ave., New York 17, N.Y.

BY

TITLE

AFFIX CORPORATE SEAL

Bond #252,218 Ex. in trip.

Attest:

Anna Kocak

Anna Kocak,
Res. Assistant Secretary

CORPORATE SURETY INDEMNITY INSURANCE COMPANY OF NORTH AMERICA

BUSINESS ADDRESS
99 John St., New York 38, N.Y.

BY

TITLE V. J. Stahl,
Resident Vice President

AFFIX CORPORATE SEAL

STANDARD FORM 25
NOVEMBER 1950 EDITION

16—30441-2

The rate of premium on this bond is $7.50 per thousand. on contract price

Total amount of premium charged, $ 253.13

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, H. Newman Clark Jr., certify that I am the ..... secretary of the corporation named as principal in the within bond; that Nicolas M. Silgo, who signed the said bond on behalf of the principal, was then President of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

RECEIVED
MAR 29 1956

H. Newman Clark Jr. [CORPORATE SEAL]

INSTRUCTIONS

1. This form shall be used for construction work or the furnishing of supplies or services, whenever a performance bond is required. There shall be no deviation from this form except as authorized by the General Services Administration.

2. The surety on the bond may be any corporation authorized by the Secretary of the Treasury to act as surety, or two responsible individual sureties. Where individual sureties are used, this bond must be accompanied by a completed Affidavit of Individual Surety for each individual surety (Standard Form 28).

3. The name, including full Christian name, and business or residence address of each individual party to the bond shall be inserted in the space provided therefor, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the space provided therefor, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the space provided therefor, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

6. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form herein provided. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

7. The date of this bond must not be prior to the date of the instrument in connection with which it is given.

U. S. GOVERNMENT PRINTING OFFICE 16—30441-2

Docket No. 3962

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 928

Date of Contract ~~or amendment~~: March 9, 1956

Name and Address of Operator:

Norbute Corporation
P. O. Box 1700
Grand Junction, Colorado

Amount of Government participation $33,750.00

Percent of Government participation 75 %

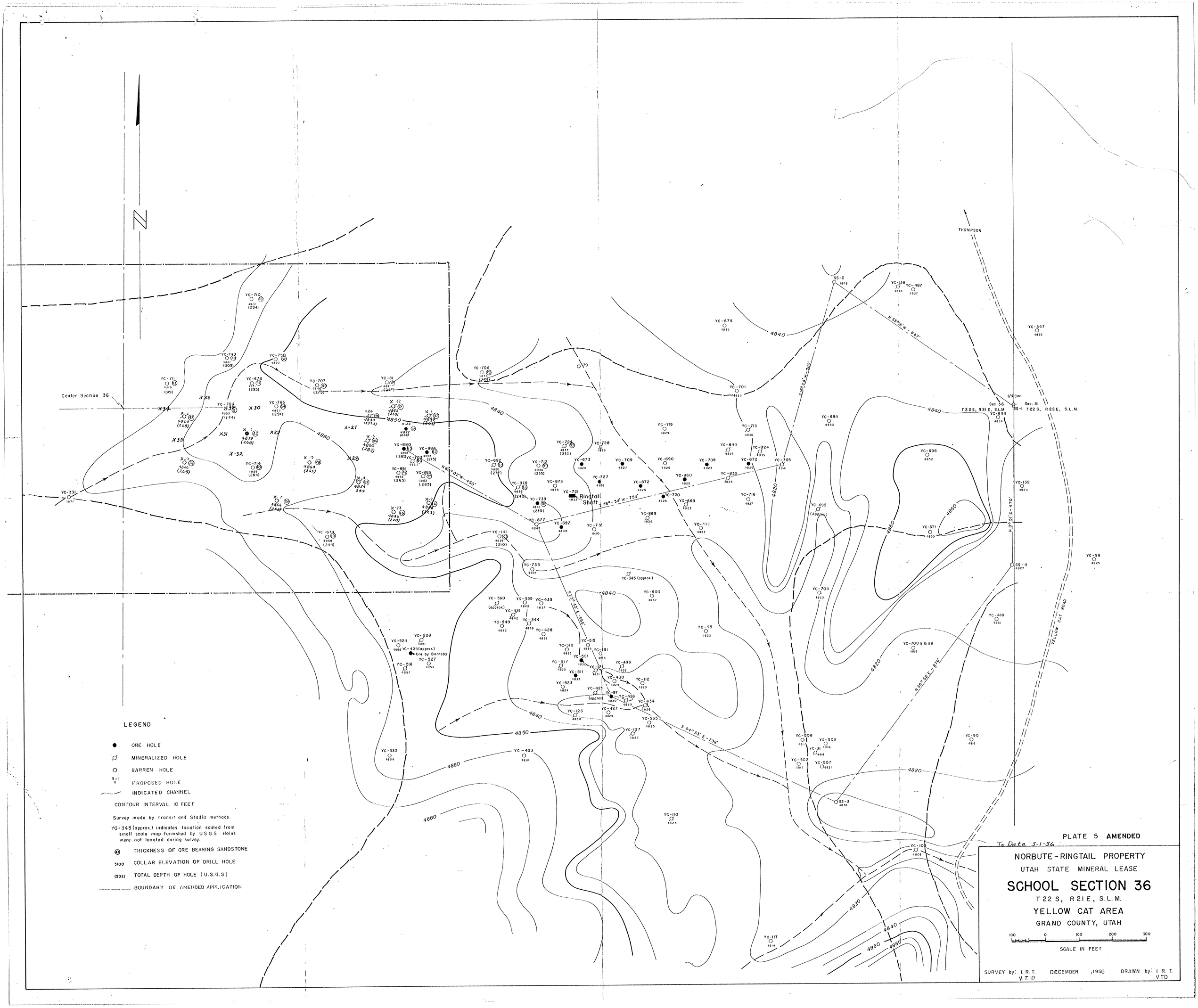
Region: III State: Colorado

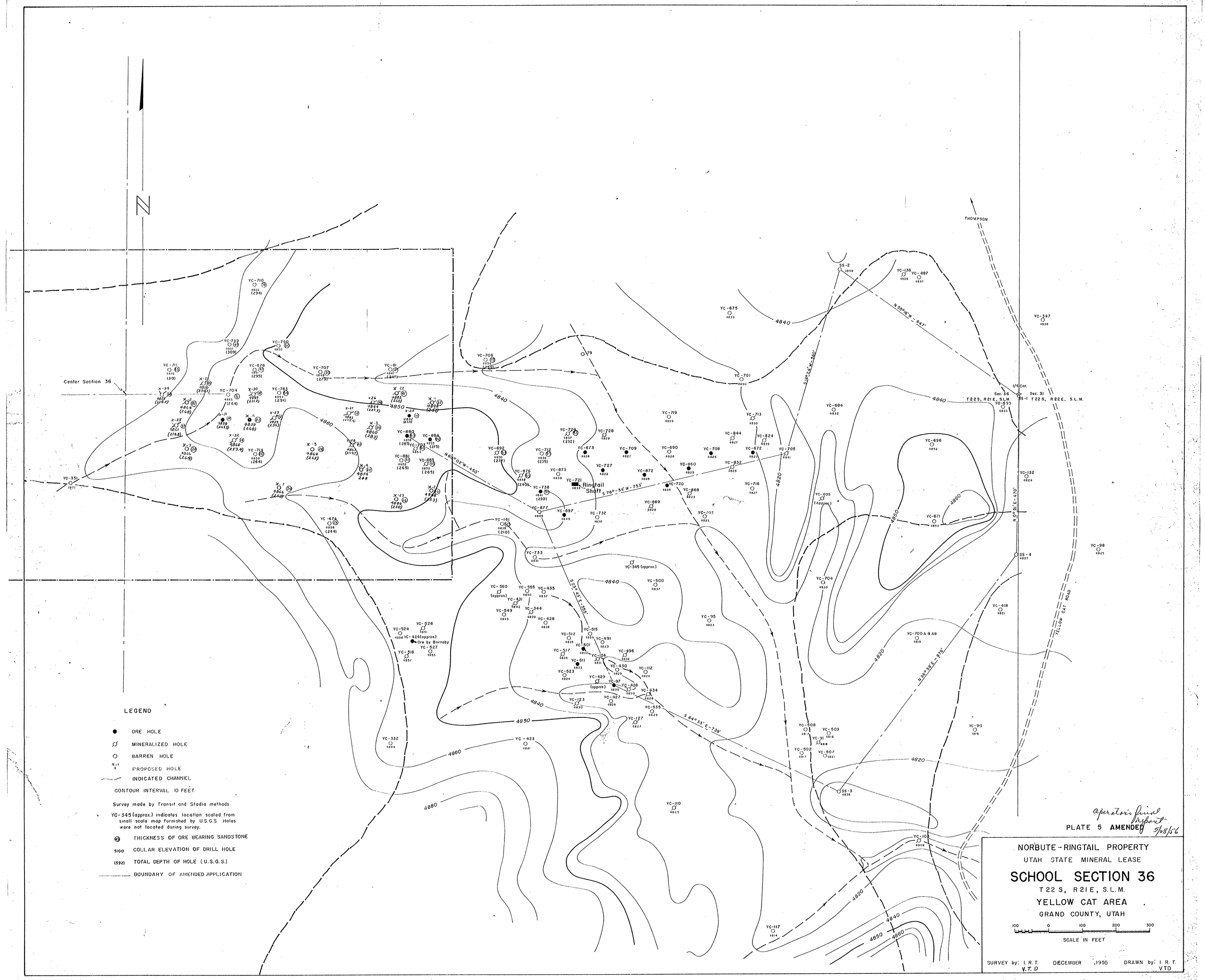
E. K. Talbot
(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 3/9/56

54458


N
Center Section 36
THOMPSON
Ringtail Shaft
1/4 Cor.
Sec. 36
Sec. 31
T22S, R21E, SLM
T22S, R22E, S.L.M.
YELLOW CAT ROAD
N 55°16' W - 647'
S 82°24' W - 560'
N 61°02' W - 450'
S 76° 34' W - 753'
N 0° 51' E - 470'
N 36° 58' E - 878'
S 64° 33' E - 738'
S 39° 43' E - 255'
Ore by Barnaby
LEGEND
ORE HOLE
MINERALIZED HOLE
BARREN HOLE
PROPOSED HOLE
INDICATED CHANNEL
CONTOUR INTERVAL 10 FEET
Survey made by Transit and Stadia methods.
YC-345 (approx.) indicates location scaled from small scale map furnished by U.S.G.S. Holes were not located during survey.
THICKNESS OF ORE BEARING SANDSTONE
5100 COLLAR ELEVATION OF DRILL HOLE
(592) TOTAL DEPTH OF HOLE (U.S.G.S.)
BOUNDARY OF AMENDED APPLICATION
PLATE 5 AMENDED
To Date 5-1-56
NORBUTE-RINGTAIL PROPERTY
UTAH STATE MINERAL LEASE
SCHOOL SECTION 36
T22S, R21E, S.L.M.
YELLOW CAT AREA
GRAND COUNTY, UTAH
100 0 100 200 300
SCALE IN FEET
SURVEY by: I.R.T. V.T.D
DECEMBER, 1955
DRAWN by: I.R.T. VTD


N
Center Section 36
THOMPSON
YELLOW CAT ROAD
Ringtail Shaft
1/4 Cor.
Sec. 36
Sec. 31
T 22 S, R 21 E, S.L.M.
T 22 S, R 22 E, S.L.M.
N 55°18' W - 847'
S 76° - 34' W - 753'
N 86°02' W - 430'
S 29°24' W - 565'
S 29°43' E - 565'
S 64°33' E - 738'
N 36°58' E - 976'
N 0°51' E - 470'
4840
4850
4860
4880
4820
LEGEND
ORE HOLE
MINERALIZED HOLE
BARREN HOLE
R-1 X PROPOSED HOLE
INDICATED CHANNEL
CONTOUR INTERVAL 10 FEET
Survey made by Transit and Stadia methods.
YC-345 (approx.) indicates location scaled from small scale map furnished by U.S.G.S. Holes were not located during survey.
THICKNESS OF ORE BEARING SANDSTONE
5100 COLLAR ELEVATION OF DRILL HOLE
(592) TOTAL DEPTH OF HOLE (U.S.G.S.)
BOUNDARY OF AMENDED APPLICATION
Operator's final report 5/28/56
PLATE 5 AMENDED
NORBUTE - RINGTAIL PROPERTY
UTAH STATE MINERAL LEASE
SCHOOL SECTION 36
T 22 S, R 21 E, S.L.M.
YELLOW CAT AREA
GRAND COUNTY, UTAH
100 0 100 200 300
SCALE IN FEET
SURVEY by: I. R. T. V. T. D
DECEMBER 1955
DRAWN by: I. R. T. VTD