Form 1

DEFENSE MINERALS ADMINISTRATION
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DMA Docket No. 4325

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Exploration Project

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Routing Slip Copies to USGS, BM

To:	700	Date	6/6/56
To:	Mr. Mittenthal	Date	6-19-56
To:	Geo. Sol	Date	7-6-56
To:	Mr. Sollins	Date	7-19-56
To:	Mr. Mittenthal	Date	9-14-56
To:	"	Date	10-19-56
To:	Mr. Johnson	Date	11-27-56
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

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CONTROLLED DOCUMENT

INT.-DUP. SEC., WASH., D.C.

12/5/56

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

RECEIVED DEC 5 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

December 3, 1956

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Docket DMEA 4325 (Uranium) Cove, Danaher and McFall Claim Groups, San Juan County, Utah

Will you please forward this office a copy of Mr. Sanders' letter to you, dated November 23, 1956, in which he requested that the subject application be cancelled.

This will complete our file on the subject docket.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

2 Copies of Ap.'s letter of 11-23-56 were sent to Traver 12-5-56, per his alone request, with the other mail going this day to Traver. [illegible] (12-5-56)

700

FILE COPY
Surname:
Chang
Ellis
Johnson

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

NOV 27 1956

Mr. W. T. Sanders, Jr. for
J. P. Coleman, Trustee
McCarty and Coleman
916 Ninth Street
Wichita Falls, Texas

Re: Docket No. DMEA-4325 (Uranium)
Cove, Danaher and McFall Claim Groups
San Juan County, Utah

Dear Mr. Sanders:

This will acknowledge receipt of your letter, dated November 23, 1956, requesting that the subject application be cancelled. Accordingly, we are considering your application as having been withdrawn as of that date, and are closing our records on this case.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/izm 11-27-56
cc to: Docket
Code 700-Mr. Ching
Admr.'s Reading File
DMEA Field Team, Reg. III (2)
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

11/29/56

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

RECEIVED NOV 29 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

November 23, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4325 (Uranium), (Cove, Danaher, and McFall claim Groups), San Juan County, Utah

Reference is made to the Administrator's letter to J. P. Coleman, dated October 22, 1956, wherein thirty days from the date of the letter was given the Applicant to furnish satisfactory evidence as to property rights on the land involved with the subject application.

Inasmuch as the thirty-day period has expired, we will appreciate advice as to the status of the application.

W. M. Traver

W. M. Traver

No reply necessary. Copies of our letter of Nov. 27 to J. P. Coleman will, no doubt, have been received by Mr. Traver within a day or two.

Michael Ching

J. A. McCARTY J. P. COLEMAN

McCARTY AND COLEMAN
OIL PRODUCERS
916 NINTH STREET
WICHITA FALLS, TEXAS

November 23, 1956

RECEIVED
NOV 26 1956
D.M.E.A.

Mr. C. O. Mittendorf
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Re: Docket No. DMEA 43-25 (Uranium)
Danaher & McFall Claims
J. P. Coleman, Trustee, Applicant.

Dear Mr. Mittendorf,

In anser to your letter of October 22nd, please cancel our above referenced application for DMEA loan.

As of November 1st, the operation of the Cove Mine and our interest in the Cove, Danaher, and McFall Claims were turned over to COG Minerals Corporation with main office in the Denver Club Building, Denver, Colorado.

Yours very truly,

W. T. Sanders, Jr. for
J. P. Coleman, Trustee

WTS:cc

700

FILE COPY
Surname: Ching

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

OCT 22 1956

Mr. J. P. Coleman, Trustee
916 - 9th Street
Wichita Falls, Texas

Re: Docket No. DMEA-4325 (Uranium)
Cove, Danaher and McFall Claim Groups
San Juan County, Utah

Dear Mr. Coleman:

Reference is made to my letters of June 19, and July 20, and Ernest Wm. Ellis' letter of September 17, 1956, regarding the subject application.

We wish to cooperate with you in the matter of allowing ample time for securing the necessary property rights in the Cove claims, but we cannot hold an application in abeyance indefinitely. In view of the controversy now existing between you and Uranium King Corporation, owners of the Cove claims, in connection with operations under Docket No. DMEA-3625, the prospects of your securing the above-mentioned property rights within the near future do not appear likely.

Under these circumstances, if, within 30 days from the date of this letter, you do not furnish us with satisfactory evidence that your property rights in the Cove claims are sufficient for the purposes of an exploration project, we shall consider your application as having been withdrawn and place it in our inactive files.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/izm 10-19-56
cc to: Docket
Code 700
Mr. Ching
Admr.'s Reading File
DMEA Field Team, Reg. III (2)
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

P.S.

7/24/56 gla

J. A. McCARTY J. P. COLEMAN

McCARTY AND COLEMAN
OIL PRODUCERS
916 NINTH STREET
WICHITA FALLS, TEXAS

September 20, 1956

RECEIVED
SEP 24 1956

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

Re: Docket No. DMEA-4325 (Uranium)
Cove, Danaher and
McFall Claim Groups
San Juan County, Utah

Dear Mr. Ellis:

We have your letter of September 17, 1956 in reference to the above numbered docket. We are still interested in processing this application. Our delay is occasioned by the fact that we will be required to obtain the subordination from Uranium King Corporation relative to the Cove Claims. We feel confident that we will receive this in the near future and that we will be able to proceed shortly with this application.

Sincerely yours,

J. P. Coleman

J. P. Coleman, Trustee

JPC:cc

Surname copy

700

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

Mr. J. P. Coleman, Trustee
McCarty and Coleman
916 9th Street
Wichita Falls, Texas

Re: Docket No. DMEA-4325 (Uranium)
Cove, Danaher and
McFall Claim Groups
San Juan County, Utah

Dear Mr. Coleman:

Reference is made to the Administrator's letter, dated July 20, 1956, relating to the captioned docket.

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

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

EWEllis/gla
9-14-56
cc to: Docket
Admr.'s Reading File
Code 700, Mr. Ching
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

R.C.L.

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

140

Docket 7/17/56
Lemmon
Ching
Ellis
J.E. Johnson
Selfridge

20 JUL 1956

Mr. J. P. Coleman, Trustee
McCarty and Coleman
916 9th Street
Wichita Falls, Texas

Re: Docket No. DMEA-4325 (Uranium)
Cove, Banaber and McFall Claim Groups
San Juan County, Utah

Dear Mr. Coleman:

In our letter of June 19, we stated that your property rights with respect to the Cove Group of Claims are insufficient for the purposes of performing the exploration work on the proposed project because your right to mine is confined solely to the area within the Cairn Channel. Geologic conditions may well require exploration work to be conducted outside the Cairn Channel. We therefore stated that it would be necessary for you to obtain a lease, purchase or other form of agreement providing you a sufficient possessory interest in all of the Cove Claims for the purposes of performing exploration work required by the terms of a DMEA contract.

Your letter of June 28 does not deal with the question as to whether you have adequate possessory rights for the purposes of such exploration work but only with respect to protecting the Government's right to royalty on future production from the Cove Claims by applying your 5% interest therein on the royalty that may become due to the Government.

It is questionable whether that 5% interest would provide adequate protection of the Government's right to royalty on production from the Cove Group since your agreement with the Uranium King Corporation (dated March 10, 1955) provides in Article 10 that the net proceeds from the 5% interest "shall be expended on the tunnel or the Cove Claims for the joint benefit of both parties." This deficiency concerning protection of the Government's right to royalty could, of course, be eliminated if you furnish a Consent to Lien signed by the owners covering all of the Cove Claims, or if you furnish a bond satisfactory to the Government and executed by an acceptable surety company to protect the Government's right to receive royalties on production.

Nevertheless, such Consent to Lien or bond would not substitute for the required possessory interest, which is the right to explore in the Cove Group and not just the area comprising your tunnel

R.C.L.

easement. Accordingly, as previously mentioned, we will defer action upon your application until you furnish us with satisfactory evidence that your property rights in the Cove Claims are sufficient for the purposes of an exploration contract.

We wish to stress again that the foregoing statements are related only to the presentation of your application in proper form for consideration. Whether a contract will be approved will depend on the geologic merits of the proposed exploration, which we have not yet considered.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/PIndritz/wog
July 17, 1956
Copy to: DMEA Docket
Admin.'s Reading File
Operating Com.
T.H.Kiilsgaard, USGS
J.E.Crawford/Rm 3643
Field Team, Region III (2)
E.W.Ellis (2)
R.P.Dwyer
P.Indritz
Pending
Chron.

ROUGH DRAFT
MChing/izm
7-6-56

RECEIVED
JUL 10 1956
ASSOC. SOLICITOR
MINERAL RESOURCES

Mr. J. P. Coleman, Trustee
McCarty and Coleman
916 - 9th Street
Wichita Falls, Texas

Re: Docket No. DMEA-4325 (Uranium)
Cove, Danaher and McFall Claim Groups
San Juan County, Utah

Dear Mr. Coleman:

Reference is made to your letter of June 28, 1956, on the subject docket. While it is true that the main function of the DMEA is to promote exploration for defense minerals, including uranium, our operations are necessarily subject to certain well-defined procedures and regulations.

One such regulation requires that the operator must have, preserve, and maintain a sufficient interest in the land, as owner, lessee, or otherwise, for the purposes of performing the work specified in an exploration project contract. We note that your tunnel easement restricts your right to explore. Another requires, under certain circumstances, repayment by the operator of the Government's contribution by means of a percentage royalty on production. Naturally no exploration contract would be entered into by the Government without the assurance that such requirements will be met.

You stressed the fact that you received a 5 percent interest in the Cove Claims and would be willing to subordinate your entire 5 percent interest to any rights the Government may have to a percentage royalty on production. We note, however, that the Agreement, dated March 10, 1955, between Williston Basin Oil Exploration Company, et al., and Uranium King Corporation, et al., provides that "The net proceeds from the 5 percent interest to be conveyed to First Parties shall be

expended on the tunnel or the Cove Claims for the joint benefit of both parties." It appears that unless this stipulation is amended and you can also secure a Consent to Lien covering all of the Cove Claims from Uranium King Corporation and other owners, our requirements with respect to property rights and lien to secure the payment of royalties on production would remain unsatisfied insofar as the subject application is concerned.

We wish to stress again, that the foregoing statements are related only to the presentation of a satisfactory application. The geological merits of the proposed exploration would require separate consideration.

Sincerely yours,

Administrator

7/2/56

J. A. McCARTY J. P. COLEMAN

McCARTY AND COLEMAN
OIL PRODUCERS
916 NINTH STREET
WICHITA FALLS, TEXAS

June 28, 1956

RECEIVED
JUL 2 - 1956

Mr. C. O. Mittendorf
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Re: Docket No. DMEA-4325 (Uranium)
Cove, Danaher and McFall Claim Groups
San Juan County, Utah

Dear Mr. Mittendorf:

We have your letter of June 19 concerning the above numbered application. If I understand it correctly the main function of the DMEA is to promote exploration for defense minerals including uranium and the repayment feature of these loans is of secondary importance. I would like to summarize the situation briefly in case you might review it and be inclined to grant this application:

1. We have been engaged for over a year in drifting a tunnel along the Cairn Channel which is known to contain Uranium ore in paying quantities and have spent approximately $200,000.00 in this operation. Due to the fact that most of our claims are under a 1500' mesa it was more practical to drift under the mesa on other claims than ours in order to test our claims. Our rights to enter the Cove Claims are covered by a contract, copy of which was attached to application. In this connection please note that we received 5% interest in the Cove Claims. I believe that this 5% interest of ours is sufficient to cover the 5% that you would be entitled to on any ore found on the Cove Claims.

2. Due to the fact that Uranium King Corporation joined us in prior loans from DMEA you still have right to retain up to 5% on any future ore which might be found either in the old part of the tunnel or any part of the proposed new work on the Cove Claims;

for this reason the grant of this money applied for in DMEA 4325 would benefit the DMEA in that it would have a chance to recover past sums due under previous loans of the Cove Claims.

3. In addition to this we propose that the government have a lien both on the Cove Claims and on our claims which are covered by DMEA application 4325. We further are willing to pick up and include any remaining balance due the government from the Cove Claims and assume this balance on the Danaher and McFall claims. There are over 400 claims in the latter group and only 44 in the Cove Group.

In view of the above facts and particularly in view of the fact that we own 5% interest in the Cove Claims, we believe that you would be justified in reviewing this case again and give us a favorable answer. We would pledge our entire 5% interest in the Cove Claims.

Sincerely yours,

J. P. Coleman, Trustee

JPC:cc

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

6/29/56

June 28, 1956

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

Subject: Application for Assistance, DMEA Docket 4325, J. P. Coleman, Trustee (Cove mine), San Juan County, Utah.

I have reviewed the attached application for assistance, DMEA Docket 4325, J. P. Coleman, Trustee (Cove mine), San Juan County, Utah, dated May 30, 1956, and received in this office on June 18. I have also discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The application is for the amount of $105,000 with Government participation at 75 percent for 1,500 feet of drifting on the Cove claims, San Jaun County, Utah.

After having made a complete evaluation of the proposed exploration project, it is our suggestion that the application be forwarded to the Field Team for consideration, and that the Field Team consult with Ernest Gordon, Director for Exploration, Grand Junction Operations Office, Atomic Energy Commission, Grand Junction, Colorado.

John E. Crawford
John E. Crawford

Attachment

RECEIVED
JUN 28 1956

See our letter of June 19 to J. P. Coleman.
mc

6-26-56

IN REPLY REFER TO:

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

RECEIVED
JUN 26 1956

June 25, 1956

Memorandum

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

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

Subject: Review of application, Cove mine, San Juan Co., Utah, DMEA Docket 4325.

The applicant proposes an exploration program burdened with several uncertainties and conflicting interests that make it difficult to evaluate. Briefly, the proposal is to extend the northerly-trending Cairns Channel drift of the Cove mine for 1,500 feet at an estimated cost of $105,000.00.

The Cairns Channel drift has, in part, been driven under a DMEA contract with the Uranium King Corp., Contract Idm-E 879. Mr. J. P. Coleman, trustee for the applicant, operated the contract for the Uranium King Corporation. Coleman's rights to operate the Cove property are specified in an agreement, a copy of which accompanies the application. As the northward advance of the DMEA drift was reaching the completion point, Coleman apparently tried to induce the owners of the Cove property to further obligate their property by obtaining additional DMEA assistance, but the Cove owners would not agree to this proposal. Coleman has therefore submitted the present application in which he proposes to obligate the Danaher and McFall properties, which adjoin the Cove property to the north and which he controls, although all of the proposed work is to be done on the Cove property. (Some of the proposed drifting could be in the Danaher property, depending on how much drifting is completed between the time the application was submitted and the time a contract is let.) To offset the deletion of the Cove claims from the proposed contract, the applicant proposes to pay royalties on all Cove ore mined during project work, to the limits allowed in his agreement with the Cove people.

It is difficult to understand how DMEA could participate in a contract in which the work to be done would be on ground not obligated to terms of the contract.

In view of this situation I recommend that this application be reviewed by DMEA attorneys to determine whether DMEA could participate in the proposed venture. If not, the applicant should be informed from Washington or advised of possible corrective steps. Geologically, the proposal doesn't look too good, especially in view of the negative findings of Phase II of the completed project work. The Field Team, however, undoubtedly has ample information on the property on which to base recommendations for or against the proposed work and should be requested to submit their report, but not until the legal questions have been resolved.

T. H. Kiilsgaard

T. H. Kiilsgaard

700

FILE COPY
Surname:

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

JUN 19 1956

Mr. J. P. Coleman, Trustee
916 - 9th Street
Wichita Falls, Texas

Re: Docket No. DMEA-4325 (Uranium)
Cove, Danaher and Mc Fall Claim Groups
San Juan County, Utah

Dear Mr. Coleman:

In reviewing your application under the subject docket number, we find that your property rights with respect to the Cove group of claims are insufficient for the purposes of an exploration project under the Defense Minerals Exploration Administration.

It is now apparent that the proposed work would be principally, if not wholly, within the Cove group of claims, although you are willing to include and subordinate the Danaher and Mc Fall groups under the proposed contract. Mr. Ernest Wm. Ellis' letter of June 12, 1956, in reply to a letter from Mr. W. T. Sanders, Jr., to Mr. W. M. Traver, was written before your application under Docket No. DMEA-4325 had been reviewed. Consequently we were under the impression that most of the proposed new work would be on the Danaher and Mc Fall groups, on which your property rights appear to be sufficient for the purposes of an exploration project.

Your property rights on the Cove group of claims are based upon an Agreement, dated March 10, 1955, between Williston Basin Oil Exploration Company, et al., and Uranium King Corporation, et al. Your right to mine is confined to the area within the Cairn Channel and such right is subject to termination when the proceeds from the ore mined equals the sum of $50,000.00 or the cost of driving the tunnel to the boundary line, whichever is greater. Such limited property rights do not fully meet our requirements.

It appears that a lease, purchase or other form of agreement which gives you a sufficient interest in all of the Cove claims for the purposes of an exploration contract would be necessary to satisfy our requirements insofar as the application is concerned. This, of course, would have no bearing on the geological merits of your proposition and our eventual decision in connection with the application.

We shall hold your application under Docket No. DMEA-4325 in abeyance until you furnish us with satisfactory evidence that your property rights on the Cove claims are sufficient for the purposes of an exploration project.

Sincerely yours,

G. O. Mittendorf

Administrator

MChing/izm 6-19-56
cc to: Docket
Code 700
Mr. Ching
Admr.'s Reading File
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3643
THKilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Docket No. 3625

6-18-56.

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

RECEIVED
JUN 18 1956

224 New Customhouse
Denver 2, Colorado

June 15, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Field Team, Region III

Subject: Docket DMEA-4325 (Uranium) J. P. Coleman, Trustee, Cove Claims, McFall Group, and Danaher Group, (Cove Mine,) San Juan County, Utah

Enclosed are the original and three copies of a review of the subject application by members of the Grand Junction office, DMEA. They recommend that a field examination be made.

Until such time as the Uranium King Corporation and the group for which J. P. Coleman is trustee can resolve their differences, we see no advantage in making a field examination on this property.

Please refer to our memorandum to you dated June 12, 1956, Subject:

Docket DMEA 3625 (Uranium) Contract Idm-E879, Uranium King Corporation, (Cove group of claims) San Juan County, Utah; and

Docket DMEA 4325 (Uranium) J. P. Coleman, Trustee, (Cove Mine), San Juan County, Utah.

Apparently when Mr. Ernest Wm. Ellis wrote the letter dated June 12, 1956 to Mr. W. T. Sanders, Jr., McCarty and Coleman, 916 Ninth Street, Wichita Falls, Texas, Re:

Docket DMEA 3625 (Uranium) Contract IdmE-879, Uranium King Corporation, (Cove group of claims)

Docket DMEA 3768 (Uranium) Williston Basin Oil Exploration Company et al., (Danaher and McFall groups) All in San Juan County, Utah

he had no knowledge of DMEA 4325, J. P. Coleman, Trustee which is the application on the McFall and Danaher groups which were referred to in his letter.

On June 4, 1956 we forwarded your office the application of J. P. Coleman, Trustee, for DMEA aid on the McFall and Danaher groups.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

HW 4
HM.C.

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
RECEIVED
JUN 13 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO
DMEA
Date Rec'd.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

RECEIVED
JUN 18 1956

June 12, 1956

JUN 15 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: J. William Hasler

Subject: Recommendations for a field examination on application, DMEA 4325 (Uranium), J. P. Coleman, Trustee (Cove mine), San Juan County, Utah

The subject application has been discussed with the Bureau of Mines representative at Grand Junction, as well as the Atomic Energy Commission. We are familiar with the property, which has been examined from time to time during the process of the work on DMEA docket 3625, contract Idm-E 879, Uranium King Corporation, as it is adjacent to the Cove group of claims.

A field examination will be required to make our data current.

We will retain our copy of the application in this office until further instructions are received from Washington.

J. William Hasler
J. William Hasler,
Geologist

JWH/mlr

224 New Customhouse
Denver2, Colorado

June 12, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3625 (Uranium), Contract Idm-E879, Uranium King Corporation (Cove Group of Claims), San Juan County, Utah; Also
Docket DMEA 4325 (Uranium), J. P. Coleman, Trustee (Cove mine), San Juan County, Utah

In conjunction with the subject contract and recent supplemental application which has been docketed No. 4325, we are enclosing two copies of the Operator's letter of June 8, 1956.

It appears that some controversy has developed between Uranium King Corporation and J. P. Coleman, Trustee, which may have an important bearing in resolution of matters pertaining to Docket No. 4325.

W. M. Traver

Enclosures

Enclosures pertained to DMEA-3625
Uranium King Corporation

June 6, 1956

Mr. J. P. Coleman, Trustee & Associates
916 9th Street
Wichita Falls, Texas

Subject: DMEA-4325
Re: Exploration Assistance
Cove Mine

Dear Mr. Coleman

The receipt of your application dated May 30, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4325 and referred to the Rare & Misc. Metals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

00932

June 6, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

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

DMEA
- 4325 J. P. Coleman, Trustee

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

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

RECEIVED
JUN 1956

June 4, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Application for DMEA Aid (Uranium), J. P. Coleman, Trustee, (Cove Mine), San Juan County, Utah

Enclosed are three copies of the subject application in the amount of $105,000.00.

Docket DMEA 3625 (Uranium) Contract Idm-E879, Uranium King Corporation includes the Cove group of claims. Docket DMEA 3768 (Uranium) Williston Basin Oil Exploration Company included the Danaher groups and McFall groups. This application was closed by Mr. Mittendorf's letter dated March 26, 1956.

The subject application includes the Cove claims, McFall groups, and Danaher groups.

The Applicant requests that drifting be continued for 1,500 feet at an estimated cost of $105,000.00. However, the Applicant requests the contract be in the name of J. P. Coleman, Trustee and Associates. He was informed here that to combine the extension of the drifting with the current contract which is in the name of Uranium King Corporation that a prerequisite to that arrangement would be the assignment of that contract from Uranium King Corporation to himself and his associates. We have reason to doubt that Uranium King Corporation would be agreeable to the assignment of Contract Idm-E879.

The application states:

"The administration of business under Contract Idm-E879 has proved cumbersome and most unhandy because the contract was written

with Uranium King Corporation who is not the actual Operator. A new contract in the name of the Applicant, who is the actual Operator of the mine accomplishing the prescribed work, would have the advantage of better administrative efficiency of Operator and would insure Operator's receipt of moneys due after claims for work performed in accordance with the contract have been approved."

One copy of the application is being forwarded the Grand Junction office, DMEA, and one copy is being retained in our file.

DMEA Field Team, Region III

By W. M. Traver
Executive Officer

Enclosures

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

RECEIVED
JUN - 6 1956

June 4, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. W. Hasler

From: Field Team, Region III

Subject: Application for DMEA Aid (Uranium), J. P. Coleman, Trustee, (Cove Mine), San Juan County, Utah

Enclosed is the subject application in the amount of $105,000.00.

Please discuss this application with the Bureau of Mines representative in the Grand Junction office and the AEC and forward this office nine copies of your recommendations concerning the advisability of making a field examination.

DMEA Field Team, Region III

W. M. TRAVER,

By W. M. Traver
Executive Officer

Enclosure

WMC:ab

cc: Sec. Op. Comm. (2)
Docket
Harshman
Shaw (2)
Chron.

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

RECEIVED
JUN - 5 1956

June 4, 1956

224 New Customhouse
Denver 2, Colorado

Mr. J. F. Coleman, Trustee
916 Ninth Street
Wichita Falls, Texas

Re: Application for DMEA Aid (Uranium),
(Cove Mine), San Juan County, Utah

Dear Mr. Coleman:

This will acknowledge receipt of the captioned application.

Your application has been forwarded to the Washington office, DMEA, for further processing.

Very truly yours,

W. M. TRAVER,

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

HMC:ab

cc: Sec. Op. Comm. (2)
Docket
Harshman
Shaw (2)
Hasler
Chron.

DMEA
Date Rec'd.
JUN 4 1956
BUREAU OF MINES
Denver, Colorado

June 1, 1956

Mr. W. M. Traver
Executive Officer, DMEA
224 New Custom House Building
Denver, Colorado

Dear Mr. Traver:

We are enclosing herewith application for a new DMEA Loan in accordance with our previous conversation.

In this application we are requesting a loan directly to our group rather than working through Uranium King Corporation. As you know, through Uranium King we have had two DMEA loans covering a total of 1,000 feet of drifting in the operation we are now carrying on. This operation was started on the Cove Claims for the purpose of exploring our own claims. By the terms of this request we are asking for a loan to cover 1500 feet of drifting to be carried on in a manner similar to that we have been doing. We are proposing to impress the lien covering the loan on our own claims. Due to the fact that there is unpaid balance on the original loans the government would have the advantage of receiving loan repayments on any ore encountered prior to reaching our claims. In this connection we would be willing that any unpaid balance on the old loans could be recovered by the government from our claims also.

I hope you will see fit to recommend this loan to Washington.

With kindest regards, I am

Sincerely,

J. P. Coleman, Trustee

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUN 6 1956
DMEA
Date Rec'd

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

JUN 4 1956
BUREAU OF MINES
Denver, Colorado

Not to be filled in by applicant

Docket No. DMEA-4325
Metal or Mineral URANIUM
Date Received 6/6/56
Estimated Cost $1,05,000.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: J. P. Coleman, Trustee (acting as Trustee for McCarty & Coleman, a partnership, J. A. McCarty, Chas. P. McGaha, Jack C. Staley, and Williston Basin Oil Exploration Co., a Utah Corp. (For Williston: Pres. J. P. Coleman; V. P. J. A. McCarty; V. P. Paul A. Rothwell; Sec.-Tr. S. J. Quinney). All parties address: 916 9th St., Wichita Falls, Texas (See Enclosure 1)

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract See Enclosure 2 and Enclosure 6

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Cove Claims: by contract; McFall Groups: purchase; Danaher Groups: owner; See Enclosures 3, 4 and 5

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Cove Claims: See Enclosure 5

(*e*) If you own the land, describe any liens or encumbrances on it Danaher Claims: 4%, See Enclosure 3. McFall Claims: sliding scale royalty, See Enclosure 4.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See Enclosure 2

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

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

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

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

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

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

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

(*c*) The work will start within 40 days and be completed within 3 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated May 30, 1956

J. P. Coleman, Trustee
(Applicant)

By J P Coleman

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

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

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

Applicant: J. P. COLEMAN, TRUSTEE

Enclosures:
(1) J. P. Coleman, Trustee, agreement
(2) List of Cove, Danaher and McFall Claim Groups
(3) Danaher contract
(4) McFall contract
(5) Uranium King contract
(6) Map, Cove, Danaher & McFall Claim Groups
(7) Map, Cove Mine
(8) Map, Cove Claims
(9) Map, Cairn Channel as outlined by AEC core drilling.

The Applicant has been operating the Cove Mine in the White Canyon Mining District, San Juan County, Utah, working in accordance with Docket DMEA 3625, Contract Idm-E879, since October, 1955. As of 23 May 1956, there remains about 150 feet of drifting to be accomplished as authorized by amendment 2 to said contract. The Uranium King Corporation, which owns the Cove Claims to which Contract Idm-E879 applies, does not desire to acquire further liens against its claims in the form of the DMEA loan obligations. In an effort to accommodate the desires of Uranium King and at the same time to be able to continue exploration of the Cairn Channel to the north, Applicant herewith applies for aid in the form of a DMEA loan on the Danaher and McFall Claim Groups, which adjoin the Cove Claims on the north. See Enclosure 2 for listing of all claims involved and Enclosure 6 for map of same.

Applicant proposes herewith to subordinate all of the Danaher and McFall Claims to the new DMEA contract. Only the Cove Claims are included under Contract Idm-E879. In addition, Applicant would be agreeable to making royalty payments to the Government on the new loan at the royalty rates set out in DMEA Order 1 Amended on any ores Applicant might mine from the Cove Claims subsequent to the time the loan already obligated by Contract Idm-E879 may be completely repaid. This would satisfy the desires of Uranium King Corporation as to not further increasing the lien on the Cove Claims, and it would insure an earlier repayment of the loan should a substantial ore body be found while still drifting across the Cove Claims. Applicant has the right to mine and sell any ore found while drifting across the Cove Claims to the extent of costs. See Enclosure 5.

The administration of business under Contract Idm-E879 has proved cumbersome and most unhandy because the contract was written with Uranium King Corporation who is not the actual operator. A new contract in the name of Applicant, who is the actual operator of the mine accomplishing the prescribed work, would have the advantage of better administrative efficiency of operator and would insure operator's receipt of moneys due after claims for work performed in accordance with the contract have been approved.

It is proposed that work under a new contract would be a continuation of the work already accomplished under Contract Idm-E879, the purpose of which is to explore by drifting, crosscutting and long-hole percussion drilling the ore-bearing Shinarump Conglomerate of Upper Triassic age, northward along the Cairns Channel. The ultimate objective is to continue the work northward to the Danaher and McFall Claims in an effort to locate ore of substantial value. Enclosure 7 shows the progress of the Cove Mine as of 1 May. It is estimated that another fifteen hundred feet of drifting will complete the workings across the Cove Claims, and it is requested that the contract be written for that amount of drifting.

J. P. C
916 9th S
Wichita F

Application for aid on Danaher and McFall Claims was originally submitted on April 2, 1955, in the name of Williston Basin Oil Exploration Company et al, and subsequently assigned Docket No. DMEA 3768, files on which were later closed because of the work being conducted under Contract Idm-E879. A new application is submitted herewith because more complete information can be furnished than was available when Docket DMEA 3768 was submitted.

After careful study and consultation by Mr. B. E. Grant, management and geological consultant of Salt Lake City, Utah, it was considered the most practical method of exploring this project was by underground workings, and the project is being conducted as Mr. Grant outlined it. Exploratory drilling from the surface of the Danaher and McFall Groups was inadvisable because of the drilling depths involved (about 1400 feet), the large number of core holes required to effectively evaluate the project, and the large cost of constructing a road to the top of the Wingate.

The total invested in the operation to date is $ 189,018.91. (to May 1, 1956)

Ore receipts have been $34,700. $27,730 has been authorized under Docket DMEA 3625, Contract No. Idm-E879, of which $13,325 has been received. The operation is still an exploratory project.

Paragraph numbers that follow refer to like numbered paragraphs of Form MF-103.

4. Physical Description

4(a) An exploratory operation was commenced on the land in April, 1955. It has been operated in accordance with Docket DMEA 3625, Contract Idm-E879, since October, 1955. Enclosure 7 shows progress of the operation to May 1, 1956, and Enclosure 8 shows the workings with respect to the Cove Claims. Reference is made to the monthly progress reports under said contract for detailed reports on the operation. Operator can now progress at the rate of about 200 feet of drifting per month. Operator is working on the Cove Claims under contract agreement, owns the Danaher Groups, and is purchasing the McFall Groups. See Enclosures 3, 4 and 5 for details.

4(b) Production to May 1st totalled 1660 tons, for which receipts amounted to $34,700. The initial production bonus accumulated to May 1st will total $26,200 when paid. The Spook and Maybe mines (see Enclosure 6 for locations) are very profitable mines on the Cairns Channel, though the exact production figures are not available to Applicant.

4(c) The Cairns Channel is composed of Shinarump Conglomerate which has filled in a scour in the underlying Moenkopi. The channel was outlined by an AEC core drilling program from the vicinity of the Maybe Mine running westward and north-westward to core holes CA 70 and 71. See Enclosure 9 for channel outline. In the vicinity of the Spook Mine, the main scour of the channel has been determined by core drilling to be about 250 feet wide, and it is believed to be about that wide in the vicinity of the Cove operations.

The mineralization and ore bodies in the Cove Mine has been discontinuous so far. Ore in significant quantity has been found in the vicinity of spads 8, 15, 16-19, 24 and the largest in the room around spad A-2. See Enclosure 7. In most cases the ore deposits lay within one to two feet above the Shinarump-Moenkopi contact. As will be noted by the contact elevations inside the mine,

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

the ore bodies were found near the low points in the scour.

Applicant desires to continue exploration of the Cairns Channel northward in anticipation of locating ore in quantity that will put the whole operation on a profitable basis. Naturally it is hoped such ore will be located on the Cove Claims as well as the claims to the north owned by Applicant. It is felt there is strong probability of the Cairns Channel connecting with the Nash Car Channel. There is possibility of its connecting with the Horn on North Point 6 Channels located south of Soldier Crossing. See Enclosure 6. (Reference is made to AEC publications RME-4032 and RME 63 for information on drilling od Nash Car and Horn and North Point 6 Channels respectively.)

4(d) The operation is easily accessible via State Highway 95 from Blanding, Utah, then via a new mine access road through Fry Canyon and on westward to the Cove Claims, total distance about 72 miles from Blanding. Ore is shipped over the same access road, then over State 95 to the buying station at the Happy Jack Mine, a distance of about 25 miles. Mining supplies are available at Blanding, Monticello, Moab and Salt Lake City, Utah, at Cortez and Grand Junction, Colorado, and to a limited extent at the Fry Canyon Store. Groceries are available at the latter and at all of the towns mentioned above. Trailer facilities are available at the Fry Canyon store. Personnel working on the operation live in company-owned trailers located at Fry Spring.

4(e) Manpower, materials, supplies and equipment are readily available at all of the towns mentioned in Paragraph 4(d). Applicant generates his own power for the operation with a 20 KW diesel generator. There is sufficient water in the mine for the exploratory operation. Potable water is available at Fry Spring.

5(b) Applicant has been drifting northward along the lowest portion of the scour in the Cairns Channel, as will be noted by the contact elevations on Enclosure 7. It is proposed that the workings be continued along the Cairns Channel through the Cove Claims and into the Danaher and McFall Groups in search of ore of substantial grade and quantity. It is anticipated that the channel will continue northward, possibly bending slightly to the east.

It is requested that the contract be written to authorize drifting with an 8 ft. by 8 ft. drift, timbering where necessary, long-hole test drilling and sample analyses. It is believed the large size drift will eventually pay for itself with more working room in an extended operation of this type. It is requested the long-hole drilling include authorization for holes collared vertically one over the other, holes grouped in one vicinity, and holes drilled vertically into the back. The holes drilled one over the other are useful in determining the thickness of an ore body behind a wall and thus evaluating whether it can be profitably recovered. The same is true for close grouping of holes. It was by this means that the ore body around spad A-2 was discovered and evaluated as profitable. Holes drilled vertically into the roof are useful in determining Shinarump thickness and consequently the proximity to the center of the channel.

5(d) The Applicant and group he represents have had various mining and petroleum experience for over thirty years. They have been engaged principally in petroleum exploration and development. They have had extensive geophysical experience, having owned and operated seismic units as well as other geophysical units. Applicant and another of the group are geologists who have had mining experience previous to the present operation. They have conducted the present operation since April, 1955.

The Superintendent of the operation will be Mr. J. D. Kimsey and the engineer-geologist, Mr. W. T. Sanders, Jr. The former has had extensive mining experience throughout the West for the past fifteen years. Both men have successfully conducted the present operation since its inception.

J. P. Coleman

J. P. Coleman, Trustee
916 9th Street
Wichita Falls, Texas

6. Estimate of Costs

In order to estimate the cost of the proposed work, the figures used in the following paragraphs, in accordance with Form MF-103, are the actual costs of operation for the first four months of 1956. With these costs and a depreciation of 4% per month on the operating equipment, the cost per foot will be figured using a rate of progress of 200 ft./mo.

6(a) Independent Contracts: None.

6(b) Labor and Supervision:

Wages and salaries are at following rates:

1 Engineer-Geologist	$600.00/mo.
1 Superintendent	$650.00/mo.
1 Mechanic	$2.50/hr.
2 Lead Men	$2.37/hr.
4 Miners	$2.25/hr.

Wages and salaries for period under consideration:

Jan. '56	$ 5,172.09
Feb. '56	4,754.68
Mar. '56	5,039.32
Apr. '56	4,695.84
TOTAL Labor & Supervision	$19,631.93

6(c) Operating Materials and Supplies:

The following operating materials and supplies were used during the first four months of 1956:

Hand tools, shovels, etc.	$ 65.57
Oxygen and acetylene	35.91
Pipe fittings and bolts	73.12
Drill steel and repairs, regular	314.22
Bits, regular	92.00
Drill steel and bits, long hole, including repairs	293.35
Dynamite, caps and fuse	2,547.56
Fuel, camp	181.92
Fuel, trucks	112.16
Fuel, mine	3,771.57
Vent pipe	1,528.00
Pipe, 4"	513.08
Rail	523.79
Splice bars	77.68
Spikes	98.24
Jim Crow	15.30
Electrical supplies	11.34
Lumber	124.56
Miscellaneous items	50.47
TOTAL Operating Materials & Supplies	$ 10,429.84

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

6(d) Operating Equipment:

All equipment is owned by Operator. Following is a list of major equipment with the purchase price of each item, including tax. (Prices rounded to nearest dollar.)

Item	Cost
Compressor: Joy WL80, 435 CFM, Model 90B, (prime mover: GMC 4031-C diesel)	$ 8,670.00
Jackhammers: 2 Joy LM47 with JL48 legs	1,254.00
1 Gardner-Denver 99 w/steel, bits and equipment	1,068.77
Hoist: Joy single drum, class B-111 (prime mover: Cat. D-311 diesel, 47H.P.)	5,045.00
Generator: Caterpillar diesel, 20KW	2,805.00
Locomotive: Mancha 2-ton diesel, 24" ga.	3,781.00
Mucker: Eimco Rockershovel, Mod 12-B, pneumatic	4,200.00
Loader (for outside use): Caterpillar D-4-60 with Traxcavator HT4	12,134.00
Vent Fan: Joy, 15 H.P., Axiolvane, Series 1000 (with controller and adaptor)	1,070.00
Incline Skip: Automatic dumping, 30 cu.ft., 36" ga.	195.00
Headframe Sheave: 36" dia.	175.00
Ore Cars: Six 32 cu. ft. Card #RD-32-24 std. rocker dump, 24" ga.	2,732.00
Miners Lamps: Eight Edison R4 with rock, charger and associated equipment	678.38
Water Pump (main sump): Berkeley 1 WP, 600 GPM 3 H.P., 3 ph	311.00
Associated cable, starter, suction hose, and discharge pipe for Berkeley pump	
Sludge Pump: Chicago-Pneumatic #7, Mod. A	115.00
Welder (elec): GE, 200 amp., Mod WD42, w/running gear	475.00
Associated elec. cables, hood & misc. eqpt.	177.00
Acetylene Cutting Outfit: Presto-weld	157.00
Fuel Tanks: 2 500 gal.	141.00
Trucks: 2 Dodge Power Wagons	1,530.00
1 Ford Pickup, 3/4 ton	2,493.00
1 Diamond T flat bed	100.00

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

The following items have been purchased and installed in the mine:

Pipe: 4", iron, used 442'	$ 496.00
4", aluminum, 500'	426.00
25 victaulic couplings	79.00
Vent Pipe: 15", galvanized, 2000'	2,224.00
Rail: 30 lb., 1040'	440.00
20 lb., 3360'	1,313.00
120 pr. fishplates	60.00
1 switch	20.00
1 Jim Crow	15.00
Lumber: Used for timbering, track ties, and const. of tipple	2,214.00
EQUIPMENT TOTAL	$56,796.00

6(e) Rehabilitation and Repairs:

No rehabilitation or repairs are needed beyond normal routine maintenance. The equipment is in constant normal use and is maintained in accordance with good operating practice.

6(f) New buildings, etc:

It is not contemplated that any new buildings, fixed improvements or installations will be required in the foreseeable future.

At the time the operation was commenced, the Fry Canyon Store did not exist and there were no trailer or other living facilities in the vicinity. Operator had to set up a camp as a necessary part of the operation. The following equipment was purchased and is a part of the company-owned camp located at Fry Spring. (Prices rounded to nearest dollar.):

Item	Cost
Trailers: Seven 36' Melody Homes	$19,750.00
One 26' Terra Cruiser	1,612.00
Generator: 10 KW Kohler diesel	2,858.00
Potable Water Pump: Hawk, centrifugal, gasoline powered	301.00
Suction hose and fittings	33.00
Potable Water Tank: 550 gal. galv.	90.00
Sewer Pipe: 304' of 4" Orangeberg & fittings	146.00
CAMPTOTAL	$24,790.00

6(g) Miscellaneous: The following miscellaneous items were required during the first four months of 1956:

Routine repairs and maintenance:	
Trucks	$ 309.60
Jackhammers	219.38

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

Compressor	$ 51.00
Hoist	15.47
Locomotive	80.27
Mucking machine	44.13
Mine lamps	33.47
Payroll taxes	981.60
Insurance: (4 mo. period)	
Workmen's Compensation	847.54
Property floater	187.20
Trailers	61.75
Contractors liability (100,000/200,000)	12.34
Company vehicles	11.63
Non-owned automobile	5.15
Chemical assays	76.00
Accounting and office overhead	400.00
Office Supplies	93.32
Map reproduction	37.99
Short wave radio rental	150.00
TOTAL Miscellaneous	$3,617.84

6(h) Contingencies: The following items, not listed above, were costs of operation during the first four months of 1956:

Hauling fees, ore and supplies	$3,878.79
DMEA royalty	1,181.53
Private royalties	3,091.56
Travel expenses	1,700.00
TOTAL Contingencies	$9,851.88

SUMMARY For the period 1 January through 30 April, 1956:

6(b) Labor and Supervision	$19,631.93
6(c) Operating Materials and Supplies	10,429.84
6(g) Miscellaneous	3,617.84
6(h) Contingencies	9,851.88
Total out-of-pocket costs (4 months)	$43,531.49
Out-of-pocket costs per month	$10,882.87
6(d) Depreciation on operating equipment (4% x 56796.00)	2,191 84
6(f) Depreciation on camp equipment (4% x $24,790.00)	991.60
Total costs per month	$14,066.31
Cost per foot for 200 ft./mo.	$70.33
Cost for 1500 ft. of drifting	$105,000.00 (rounded)

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

Following is a tabulation of the total expenditures through April 30, 1956. Some minor discrepancies may be noted in certain cases between these figures and those in the paragraphs above due to differences in the manner of breaking down the costs:

Labor	$ 53,777.02
Major equipment	38,176.72
Minor & expendable equipment	13,971.45
Explosives	9,799.27
Travel expense	4,859.72
Housing	21,806.76
Hauling	6,293.25
Engineering reports	1,322.15
Fuel	9,206.53
Car Mileage	1,252.22
Lumber	2,214.21
Dozer work	204.00
Insurance	5,104.28
Truck expense	3,259.27
Miscellaneous	6,784.59
Repairs	731.23
Office overhead and accounting	3,600.00
Assays	66.00
Engineer-Geologist	3,300.00
Legal	817.80
Royalty paid	2,472.44
TOTAL	$189,018.91

Length of incline 300 feet

Total drifting through 4-30-56 2100 feet

It is estimated the incline cost $140.00 per foot, including cost of constructing the tipple, ore storage pocket, station, etc.

Cost of 300 ft. incline @ $140.00/ft.	$ 42,000.00
Cost of 2100 ft. of drifting @ $70.00/ft	147,000.00
Total	$189,000.00

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

Enclosure 1 (Re Paragraph 1(a) of Form MF-103

PARTNERSHIP AND TRUST AGREEMENT

STATE OF TEXAS }
KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF WICHITA }

THAT we, CHAS. P. McGAHA, JACK STALEY, McCARTY & COLEMAN, a partnership, WILLISTON BASIN OIL EXPLORATION COMPANY, A CORPORATION, and J. A. McCARTY have, and do by this agreement, associate ourselves together as a partnership for the purpose of transacting business. We do hereby agree that all of the property of this partnership shall be owned as follows:

CHAS. P. McGAHA	30%
JACK STALEY	20%
McCARTY & COLEMAN	20%
WILLISTON BASIN OIL EXPLORATION COMPANY	20%
J. A. McCARTY	10%

All of the property, real or personal, shall be taken and held in the name of J. P. COLEMAN, TRUSTEE, and the said J. P. Coleman is hereby appointed trustee for said partnership with full authority as J. P. Coleman, Trustee, to transact all business for said partnership of any nature, and execution of any instrument by J. P. Coleman, Trustee, concerning any partnership property or interest shall be the same as if said instruments were executed by each and all of the members of this partnership. The authority of said trustee shall include, but not be limited to, the power to buy, sell, exchange, lease and develop any kind of property. The said trustee shall open a bank account in his name and shall cause to be kept sufficient records and accounts of all properties, expenses and income handled by him as trustee for this partnership.

SIGNED, EXECUTED AND APPROVED this 15th day of April, 1955.

CHAS. P. McGAHA /s/
JACK C. STALEY /s/
MC CARTY & COLEMAN
By J. A. McCarty /s/
By J. P. Coleman /s/

ATTEST:
Mimi M. Stewart /s/
Ass't Secretary (Seal)

WILLISTON BASIN OIL EXPLORATION CO.
By J. P. Coleman /s/
President

J. A. McCARTY /s/

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

M. C. Sanders
for J. P. Coleman

Subscribed and sworn to before me this 30 day of May, 1956.

Boots Decker BOOTS DECKER
Notary Public in and for Wichita County Texas

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

RECEIVED
1953

Enclosure 2 (Re Paragraph 3(c) of Form MF-103)

The properties on which the exploratory program will be carried on are described as follows:

Cove Claims: numbers one thru 44 inclusive; said claims being located in the White Canyon Mining District and within the following legal subdivisions when surveyed:

Township 36 South, Range 16 East, Part of Section 31;
Township 37 South, Range 15 East, Part of Section One;
Township 37 South, Range 16 East, Parts of Sections 5, 6, 7 & 8.

These claims are covered by an agreement between Uranium King Corporation et al and Williston Basin Oil Exploration Company et al, copy of which is attached as Enclosure 5.

Danaher Claim Groups:

Cadillac Claims numbers one through 207 recorded in Volume 109, Pages 530 to 540, Volume 111, Pages 11 to 65, Volume 113, Pages 112 to 132 and 318 to 325.

Packard Claims numbers one thru 19; recorded in Volume 109, Pages 209 to 223.

Austin Claims numbers one thru 9; recorded in Volume 109, Pages 209 to 203.

Chrysler Claims numbers one thru 5 and numbers 34 thru 38; recorded in Volume 109, Pages 203 to 208.

Mercury Claims numbers 31 thru 42; recorded in Volume 109, Pages 197 to 203.

All the above being recorded in the Mineral Deed Records of San Juan County, Utah. See Enclosure 3.

McFall Claims Groups:

Z No. 1 to Z No. 21 inclusive, the location notices being recorded in Book 103 at Pages 17 to 27 inclusive.

Z Claim No. 22 to Z Claim 33 inclusive, the location notices being recorded in Book 117, at Pages 230 and 235 inclusive.

Q No. 1 to Q No. 24 inclusive, the location notices being recorded in Book 103 at Pages 5 to 14 inclusive.

Q No. 28 and 29 inclusive, the location notices being recorded in Book 103 at Pages 15 and 16.

Q No. 31 to Q No. 34 inclusive, the location notices being recorded in Book 103 at Pages 14, 13 and 12 respectively.

Q No. 38 and Q No. 39, the location notices being recorded in Book 103 at Pages 15 and 16 respectively.

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

The P Claim No. 1 to the P Claim No. 7 inclusive, the location notices being recorded in Book 129 at Page 394 to Page 397 respectively.

All in the office of the County Recorder of San Juan County, Utah. See Enclosure 4.

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

Enclosure 3 (Re Paragraph 3(c) of Form MF-103)

AGREEMENT OF SALE AND PURCHASE

THE STATE OF TEXAS |

COUNTY OF WICHITA |

This Agreement made and entered into this 24th day of November, 1954, by and between Jas. E. Danaher and wife Madeline Danaher and Tom H. Danaher of Wichita Falls, Texas, hereinafter called "Sellers", and Chas. P. McGaha, J. A. McCarty, J. A. McCarty and J. P. Coleman for McCarty and Coleman, Williston Basin Oil Exploration Company, a corporation, and Jack C. Staley, hereinafter called "Buyers":

Witnesseth:

In consideration of the covenants and agreements hereinafter expressed, the parties hereto, hereby mutually and severally covenant and agree as follows:

Sellers do hereby sell and convey to Buyers, and Buyers hereby purchase from Sellers in consideration of the purchase price of Forty Thousand ($40,000.00) Dollars, the receipt of which is hereby acknowledged by Sellers, subject to the terms and conditions hereinafter set out, all of the Sellers* rights, titles, claims and interests in and to the following described mining locations and mining properties, situated in the White Canyon Mining District of San Juan County, Utah, to-wit:

Cadillac Claims numbers one thru 207, dated May 15th to May 21, 1954, recorded in the mining deed records of San Juan County, Utah, in Volume 109 at Pages 530 to 540; Volume 111, Pages 1 to 65; Volume 113 at Pages 112 to 132 and at Pages 318 to 325;

Packard Claims numbers one thru 19 and Austin Claims numbers 1 thru 9, as recorded in Volume 109, at Pages 209 to 223;

Chrysler Claims numbers one thru 5 and numbers 34 thru 38, recorded in Volume 109 at Pages 203 to 208;

Mercury Claims numbers 31 thru 42 recorded in Volume 109 at Pages 197 to 203;

All of the above being recorded in the Mining Deed Records of San Juan County, Utah.

Buyers shall enter upon the properties above described and conduct exploratory and mining operations thereon to mine, remove and sell ores therefrom and Buyers shall conduct all such operations in a good and miner-like manner, all with due regard to the development and preservation of the mining property and in keeping with the applicable mining laws and regulations of the State of Utah and the United States.

Sellers hereby retain for themselves an undivided one-fourth carried interest in the above described properties subject to the following conditions:

1. Buyers agree to advance all costs of exploration work prior to mining operations.

2. After mining operations begin then the Buyers shall have the right to charge the Sellers with one-fourth the cost of all operations, and shall have the right to retain all of the income from ore sales and other income accruing to Sellers from their one-fourth interest until such charges, including one-fourth of the costs of mining and exploration, shall have been extinguished from the

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

proceeds of such income. It is understood that there shall be no personal liability on the part of the Sellers except the obligation to allow the Buyers to retain all the proceeds of their twenty-five (25%) percent of the ore sales as above set out.

In addition to the above operating interest the Sellers hereby also retain a four (4%) percent royalty interest in and to all minerals extracted from said claims. The term "four percent royalty interest" shall mean that the holder of such royalty interest shall be entitled to 4% of the gross returns from the sale of all minerals or ores extracted from the said mining claims, said returns to be based on the price received at the nearest buying station, provided such buying station is not further away than 100 miles. No exploratory or development allowance which shall be paid Buyers by any governmental agency shall be deemed to constitute a part of the gross purchase price of said ores for the purpose of determining royalties payable hereunder, but any premium or bonus payment paid to Buyers shall be deemed a part of the purchase price of said ores.

Sellers warrant that they are the owners of all rights in, to and under the above named subject mining property and their rights thereunder are not subject to any prior agreement, encumbrance, burden or restriction created by any act or instrument of Sellers or any of them. The Sellers expressly do not warrant titles to the Mercury, Austin, Chrysler and Packard Claims and Buyers accept them subject to this stipulation.

Buyers agree to do the necessary assessment work to keep the claims in good standing. However, Buyers shall have the right to relinquish any claims for any reasons, provided they notify Sellers at least sixty (60) days prior to July 1st of the year in which they may relinquish any claim in order to allow Sellers the opportunity to do such necessary assessment work should they desire to reacquire any of such claims. In such event Buyers shall reassign such claims or claim which they may desire to relinquish back to Sellers.

It is understood and agreed that if contiguous or adjoining claims are acquired by Buyers then Sellers shall have the right to acquire up to twenty-five (25%) percent interest in such claims by paying twenty-five (25%) percent of the cost of acquisition. Likewise if Sellers acquire contiguous or adjoining claims then Buyers shall have the right to acquire up to seventy-five (75%) percent in such claims by paying seventy-five (75%) percent of the cost of such claims. In either event such claims shall be subject to the carried interest provision above set out, provided that such purchases are made prior to the commencement of mining operations on the above claims or on the newly acquired claims.

In the event Buyers form a drilling company or a milling company for the purpose of prospecting said claims or milling ore from said claims, then the Sellers shall have the right to participate in such operations up to twenty-five (25%) percent by paying their percentage of the cost of such operation in the same manner as Buyers shall contribute to such operation.

Nothing herein shall be construed to create a joint venture or a partnership, and each party hereto shall own the interest set over to him as an undivided interest in severalty and shall be liable only for his proportionate part of all expenses incurred in the operations on said property described herein.

It is understood that the parties hereto will enter into such supplemental agreements as are reasonably necessary to clarify or make workable the operations contemplated herein.

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

The interests of the respective parties constituting the "Buyers" shall be as follows:

Chas. P. McGaha	30%
J. A. McCarty	10%
McCarty and Coleman	20%
Williston Basin Oil Exploration Company	20%
Jack,C. Staley	20%.

All notices to be given Sellers shall be mailed to Danaher and Danaher, 2210 Piedmont Place, Wichita Falls, Texas.

All notices to be given Buyers shall be mailed to McCarty and Coleman, 916 Ninth Street, Wichita Falls, Texas.

Witness our hands this 24th day of November, 1954.

Sellers:

/s/ Jas. E. Danaher
/s/ Madeline Danaher
/s/ Tom H. Danaher

Buyers:

/s/ Chas. P. McGaha
/s/ J. A. McCarty

McCarty and Coleman
By /s/ J. P. Coleman

Attest;
/s/ J. A. McCarty, Ass't Sec'y
(Seal)

Williston Basin Oil Exploration Company
By /s/ J. P. Coleman, President

/s/ Jack C. Staley

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

W. Bowden Jr.
for J. P. Coleman

Subscribed and sworn before me this 30 day of May, 1956.

Boots Decker BOOTS DECKER
Notary Public in and for Wichita County, Texas

J. P. Coleman
916 9th St.
Wichita Falls, Texas

Enclosure 4 (Re Paragraph 3(c) of Form MF-103)

MINING AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT made and entered into as of January 10, 1955, between G. W. McFALL and MURL C. FRANCIS, both of Grand Junction, Colorado, hereinafter called Sellers, and CHARLES P. McGAHA, J. P. COLEMAN and J. A. McCARTY doing business as MC CARTY AND COLEMAN, WILLISTON BASIN OIL EXPLORATION COMPANY, a Utah corporation, JACK C. STALEY, JAMES E. DANAHER and TOM DANAHER doing business as DANAHER AND DANAHER, hereinafter styled Buyers, whose address is 916 9th Street, Wichita Falls, Texas, their respective interests in this agreement being set forth in Schedule A attached and made a part hereof.

WITNESSETH:

Sellers are the holders of the legal title to the following named Mining Claims in the County of San Juan, State of Utah, to-wit:

Z No. 1 to Z No. 21 inclusive, the location notices being recorded in Book 103 at Pages 17 to 27 inclusive.

Z Claim No. 22 to Z Claim 33 inclusive, the location notices being recorded in Book 117 at Pages 230 and 235 inclusive.

Q No. 1 to Q No. 24 inclusive, the location notices being recorded in Book 103 at Pages 5 to 14 inclusive.

Q No. 28 and 29 inclusive, the location notices being recorded in Book 103 at Pages 15 and 16.

Q No. 31 to Q No. 34 inclusive, the location notices being recorded in Book 103 at Pages 14, 13 and 12 respectively.

Q No. 38 and Q No. 39, the location notices being recorded in Book 103 at Pages 15 and 16 respectively.

The P Claim No. 1 to the P Claim No. 7 inclusive, the location notices being recorded in Book 129 at Page 394 to Page 397 respectively.

all in the office of the County Recorder of said County.

Sellers agree to sell and Buyers agree to buy all of the above described claims upon the following terms and conditions, to-wit:

Seventy-five Hundred ($7500.00) Dollars cash upon the execution of this agreement by Sellers; Twenty-two Thousand Five Hundred ($22,500.00) Dollars within twelve (12) months thereafter, Sellers reserving an overriding royalty as hereinafter set forth.

As a further consideration for this agreement Buyers agree:

SECTION 1

To enter upon said mining claims within One Hundred Twenty (120) days from the execution of this agreement and to commence exploratory work thereon at such points and places as Buyers may select.

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

SECTION 2

In the event such drilling and exploration work in the opinion of the Buyers discloses ore bodies of sufficient size and value to justify the mining and sale thereof, Buyers shall open up the same and thereafter mine and sell the same with due and reasonable diligence except when prevented by casualties entirely beyond their control.

SECTION 3

Until such time as the title to said claims shall be conveyed to Buyers as hereinafter provided, Buyers shall carry on all drilling, exploration and mining operations in strict conformity with all applicable laws and regulations, shall carry Workmen's Compensation Insurance and shall save and keep harmless the Sellers of and from all liability of every kind and character arising out of such operations.

SECTION 4

Buyers shall keep true and accurate records of all of their drilling and mining operations including maps and assay records open to the inspection of Sellers at all reasonable times. Sellers shall have the right to go upon said mining claims at all reasonable times for the purpose of inspection, all at their sole risk.

SECTION 5

Buyers shall cause to be paid to Sellers in accordance with the schedule of prices fixed by the Atomic Energy Commission, the following royalty:

.10 to .499 U308 - 8%
.50 to .799 U308 - 10%
.8 to .999 U308 - 12%
1% to 1.999 U308 - 14%
1.2 above U308 - 18%

excluding development allowances and haulage costs except haulage costs in excess ofsuch allowance unless paid by ore Buyer and to pay similar percentages for any bonus or other premium paid by said Commission; together with Ten (10%) percent of the proceeds received from the sale of any other mineral or metals. Copies of settlement sheets shall be furnished Sellers of all ore shipments.

SECTION 6

If the exploration and development of said claims within Twelve (12) months from the execution of this agreement by Sellers does not in Buyers' sole opinion result in the disclosure of ores which may be mined and sold at a profit and Buyers do not pay said sum of $22,500.00 on or before the expiration of said 12 month period, they shall, on or before the expiration of said period notify Sellers in writing of their intention to cancel this agreement and surrender possession of said mining claims and upon receipt of such notice or upon Buyers' failing to make said payment, time being the essence thereof, this agreement shall be at an end, Sellers retaining all payments of royalty or otherwise as complete and liquidated damages hereunder and both parties relieved from any further liability one to the other.

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

SECTION 7

Should such exploratory work upon any of the mining claims result in the disclosure of minerals justifying the expenditure by Buyers of their time and money, Buyers shall do and perform the annual labor required by law for the retention of possessory rights thereon so long as this agreement may be in effect and file affidavit so showing.

SELLERS AGREE:

SECTION 1

That in the event of the payment of said sum of $22,500.00 on or before the expiration of 12 months from the execution of this agreement, they will at their charge, execute and deliver to Buyers their Mining Deed to said claims, warranting that at the time of the execution of this agreement they had a good possessory title thereto except as against the United States and reserving in said deed a perpetual royalty upon all ores produced from said claims in accordance with the royalty payments as provided in Section 5 herein and further subject to the provisions of this agreement insofar as the same be applicable to the continued payment of such reserved royalty.

SECTION 2

IT IS MUTUALLY AGREED that since the area covered by the above named mining claims has not been officially surveyed, that, if such survey should be made within said one year period and disclose that the title to any of said claims was in the State of Utah, the balance of said purchase price of $22,500.00 shall be reduced at the rate of Five Hundred ($500.00) Dollars per each claim, title to which by law is found to be in said state; it being distinctly understood and agreed that the foregoing stipulation is limited to said one year from date hereof.

Each of the terms, covenants and conditions herein shall inure to and be binding upon the respective heirs, personal representatives and assigns of the parties hereto.

WITNESS their names.

/s/ G. W. McFall
/s/ Murl C. Francis
Sellers

/s/ Chas. P. McGaha
/s/ Jack C. Staley
Danaher and Danaher
By /s/ Jas. E. Danaher

McCarty and Coleman & J. A. McCarty
By /s/ J. P. Coleman /s/ J. A. McCarty
Williston Basin Oil Exploration Company
By /s/ J. P. Coleman, President
Buyers

STATE OF COLORADO } ss
COUNTY OF MESA }

The foregoing instrument was acknowledged before me this 10th day of January 1955 by G. W. McFall and Murle C. Francis.

My commission expires April 21, 1956.

/s/ Scott W. Heckman
Notary Public

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

SCHEDULE A

Each of the Buyers named in the attached agreement has the interest expressed in the percentage opposite his name:

NAMES	PERCENTAGES
Charles P. McGaha	30% of 75%
McCarty and Coleman & J. A. McCarty	30% of 75%
Williston Basin Oil Exploration Co.	20% of 75%
Jack C. Staley	20% of 75%
Danaher and Danaher	25% of 100%

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

for J. P. Coleman

Subscribed and sworn to before me this 30 day of May, 1956.

Boots Decker BOOTS DECKER
Notary Public in and for Wichita County, Texas.

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

Enclosure 4 (Re Paragraph 3(c) of Form MF-103)

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT Made and entered into as of December 31, 1955, between G. W. McFalls and Murl C. Francis, both of Grand Junction, Colorado, hereinafter called Sellers, and Charles P. McGaha, J. P. Coleman, J. A. McCarty, Williston Basin Oil Exploration Company, a Utah corporation, Jack C. Staley, James E. Danaher and Tom Danaher, hereinafter called Buyers, whose address is 916 Ninth Street, Wichita Falls, Texas.

WITNESSETH:

As of January 10, 1955, Sellers and Buyers entered into a mining agreement of Sale and Purchase covering certain mining claims in San Juan County, State of Utah, to-wit:

Z No. 1 to Z No. 21 inclusive, the location notices being recorded in Book 103 at Pages 17 to 27 inclusive.

Z Claim No. 22 to Z Claim 33 inclusive, the location notices being recorded in Book 117 at Pages 230 to 235 inclusive.

Q No. 1 to Q No. 24 inclusive, the location notices being recorded in Book 103 at Pages 5 to 14 inclusive.

Q No. 28 and 29 inclusive, the location notices being recorded in Book 103 at Pages 15 and 16.

Q No. 31 to Q No. 34 inclusive, the location notices being recorded in Book 103 at Pages 14, 13 and 12 respectively.

Q No. 38 and Q No. 39, the location notices being recorded in Book 103 at Pages 15 and 16 respectively.

The P Claim No. 1 to the P Claim No. 7 inclusive, the location notices being recorded in Book 129 at Page 394 to Page 397 respectively.

all in the office of the County Recorder of said County.

and whereas on April 15, 1955 a Supplemental Agreement was entered into between same parties and covering the same mining claims and whereas the original agreement provided for the payment of Twenty-two Thousand Five Hundred ($22,500.00) Dollars by January 10, 1956. Now, therefore, it is agreed between the parties hereto that the Sellers will accept $2,500.00 on or before January 10, 1956 and that the remainder of the purchase price of Twenty Thousand ($20,000.00) Dollars herein referred to will be deferred for six months from January 10, 1956. It is understood that the agreement heretofore referred to will not be changed in any particular except as to the time of payment of the $20,000.00 herein referred to and that such payment is optional with the Buyers herein. In the event the Buyers do not meet the payment of Twenty Thousand ($20,000.00) Dollars by July 10, 1956, then all agreements shall terminate and Buyers shall have no further obligations to Sellers. This agreement, of course, may be changed at any time by mutual consent of all parties.

Buyers herein agree with Sellers that they will provide enough labor credits to meet the requirements of $100.00 per claim which will be required by

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

July 1, 1956 in order that said claims may be validated as of that date. This is a binding obligation of the Buyers regardless of whether or not the payment provided for on July 10, 1956 is made or not.

IN WITNESS HEREOF:

/s/ G. W. McFall
/s/ Murl C. Francis
Sellers

Chas. P. McGaha /s/
Jack C. Staley /s/
Jas. E. Danaher /s/
Tom Danaher /s/

J. A. McCarty /s/
J. P. Coleman /s/
WILLISTON BASIN OIL EXPLORATION CO.
By J. P. Coleman /s/ President
Buyers

STATE OF COLORADO }

COUNTY OF MESA }

The foregoing instrument was acknowledged before me this 3rd day of January 1956 by G. W. McFall and Murl C. Francis.

My commission expires April 21, 1956.

(Seal

/s/ Scott W. Heckman
Notary Public

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

for J. P. Coleman

Subscribed and sworn to before me this 30 day of May, 1956.

Boots Decker BOOTS DECKER
Notary Public in and for
Wichita County, Texas

J P Coleman, Trustee
916 9th St.
Wichita Falls, Texas

Enclosure 5 (Re Paragraph 3(c) of Form MF-103)

AGREEMENT

THIS AGREEMENT, made and entered into by and between WILLISTON BASIN OIL EXPLORATION COMPANY, JACK STALEY, C. P. McGAHA, J. A. McCARTY and J. P. COLEMAN, hereinafter referred to as the Parties of the First Part, and Hans J. Nielson, Burnhard Black, Francis D. Nielson and Uranium King Corporation, a corporation, hereinafter referred to as the Parties of the Second Part,

W I T N E S S E T H:

WHEREAS, The Parties of the Second Part are the owners of the following described mining claims situate in San Juan County, Utah, to-wit:

Cove 1 through 44 inclusive, said claims being located in the White canyon Mining District and within the following legal subdivisions when surveyed: Township 36 South, Range 16 East, Part of Section 31.

Township 37 South, Range 16 East, Parts of Sections 5, 6, 7 and 8.

Township 37 South, Range 15 East, Part of Section 1.

and

WHEREAS, the Parties of the First Part are the owners of mining claims in San Juan County, Utah,

The McFall claims No. Z1 through Z33.

The McFall claims No. Q1 through Q12, and the McFall claims No. Q21 through Q24, and the McFall claims No. Q28 through Q34, and the McFall claims No. Q38 and Q39.

Also the Cadillac claims No. 1 through 207.

Saidclaims being located within the following legal subdivisions when surveyed: Townships 36 and 37 South, Ranges 15 and 16 East.

WHEREAS, the claims owned by the Parties of the Second Part are located adjacent to and southerly from the claims owned by the Parties of the First Part and are lower in elevation, and it is desirable to explore and mine any mineral located in the claims owned by the Parties of the First Part from a tunnel to be driven and located on the claims owned by the Parties of the Second Part; and

WHEREAS, the Parties of the Second Part are willing to transfer and convey an easement and right of way over, through and under their claims for the purposes and upon the conditions hereinafter provided to the Parties of the First Part and for the use and benefit of the claims owned by said Parties of the First Part, said easement and right of way to include sufficient area of the surface to enable First Party to erect buildings, dump and store ore or waste, and to enable First Parties to conduct other operations on said surface area necessary or convenient for the complete use and enjoyment of the tunnel right of way herein agreed to be conveyed; and

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

WHEREAS, the Parties of the First Part are willing to expend the sum of not less than Fifty Thousand ($50,000.00) Dollars for the driving of the tunnel hereinafter provided for;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, it is mutually agreed as follows:

1. The Parties of the Second Part hereby grant and convey to the Parties of the First Part, their successors and assigns, a perpetual easement and right of way over and across and under the property described above, owned or possessed by the Parties of the Second Part. Said Second Parties further agree to execute and deliver to the Parties of the First Part a good and sufficient deed conveying said tunnel easement and right of way, together with an easement and right of way over the surface area hereinafter described sufficient to enable First Parties to erect buildings, including but not limited to boarding and lodging houses, store or dump waste ore or any and other materials, supplies and machinery or equipment used or useful in its mining operations. Said conveyance shall be executed and delivered as soon as First Parties have expended the sum of not less than Fifty Thousand ($50,000.00) Dollars under the terms and provisions of this agreement. Said First Parties shall be entitled to said conveyance upon said expenditure notwithstanding all or part of said sum has been recaptured by First Parties from ore sales as herein provided. Said right of way shall commence at a point on the surface of the ground overlying the Cairn Channel on the property of the Second Parties to be determined by the Parties of the First Part provided said tunnel entry shall be located within two hundred (200) feet of A.E.C. drill hole No. C.A.-58. The tunnel right of way shall follow the course of said Cairn Channel in a general northerly direction toward the property owned by the First Parties and shall include an underground space of sufficient width and height to permit the Parties of the First Part to drive an underground tunnel with an inside measurement of eight feet by eight feet, together with necessary turnouts and overexcavations. The right of way and easement to be granted by Second Parties to First Parties shall include a right of way and easement to the surface rights exclusive of mineral rights over and upon twenty (20) acres of land to be selected and surveyed by First parties provided said twenty (20) acres shall include the tunnel entry.

2. First Parties agree that they will drive a tunnel from the surface area hereinabove described and follow the Cairn Channel in a general northerly direction and toward the boundary of the property owned by the Parties of the First Part. First Parties will drive said tunnel from said point of origin until it has reached the boundary of their said property, or until First Parties have expended the sum of Fifty Thousand ($50,000.00) Dollars upon said tunnel, whichever event first occurs. It is understood and agreed that First Parties may, at their sole discretion and option, drive said tunnel as far as into and beyond the boundary of their own property as they desire and that the conveyance by the Second Parties to First Parties shall transfer and convey the right at any time hereafter to drive said tunnel from the point of commencement toward or to or beyond the boundary of the property owned by First Parties; provided, always, that First Parties may at their option and discretion stop further construction work on said tunnel when they have expended the sum of Fifty Thousand ($50,000.00) Dollars, even though all or part of said sum has been recaptured by First Parties from the sale of ores from land of Second Parties.

3. First Parties agree to commence construction of said tunnel within sixty (60) days from the date hereofand to complete the expenditure of not less than Fifty Thousand ($50,000.00) Dollars upon said construction on or before March 1, 1956.

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

4. It is agreed that First Parties shall have the right to dump and store ore and waste and locate buildings, machinery, improvements and other structures, or make such other use of the surface area over which a right of way and easement is to be granted, as shall be necessary or convenient for the mining operations to be conducted by First Parties either on the property owned by First Parties or on the property owned by Second Parties; provided, that Second Parties shall have a right of ingress and egress to and from said tunnel over the surface area described above, and Second Parties' use of said right of ingress and egress shall not interfere with the prior rights of First Parties.

5. First Parties shall have the right to mine and remove and sell any ore encountered in the driving of said tunnel and including any ore which may be discovered within the Cairn Channel, through which said tunnel is to be driven. First Parties may conduct such exploration, mining and development work outside of the area of said tunnel but within the Cairn Channel as in their sole discretion seems proper.

6. First Parties shall keep accurate books showing the costs of their mining and driving of said tunnel, which books shall be open to inspection by Second Parties' representative at all reasonable times. First Parties shall also keep accurate account of the amount received from the sale of ores mined upon property owned by Second Parties, and when First Parties have received sufficient income from the sale of such ores to reimburse them in full for the expenditures made in mining said ore and in driving said tunnel to a point upon the boundary line between the property owned by First Parties and the property owned by Second Parties, the right of First Parties to receive the money from ores mined on property owned by Second Parties shall terminate.

7. It is agreed that Second Parties are obligated to pay a 15% overriding royalty to certain third parties. Second Parties will notify First Parties in writing of the names and interests of the royalty holders and First Parties will pay such royalty to said holders and said royalties shall be an item in First Parties' cost of operation. The royalty is to be 15% of base price, bonuses and premiums, excluding development allowance and hauling allowance.

8. First Parties and their successors and assigns in the ownership of the mining property hereinbefore described and belonging to First Parties and Second Parties and their successors and assigns in the property hereinbefore described and belonging to Second Parties shall, upon the completion of said tunnel to said boundary line, have equal rights of mining their respective properties through said tunnel and shall share the expense of maintenance and repair of said tunnel equally.

9. It is understood and agreed that First Parties shall have the right of possession and use of said tunnel so long as they are working diligently to complete the same to the boundary of said properties, and during such period First Parties shall have the right to mine and remove and sell ore developed in the driving of said tunnel, or any lateral therefrom, provided that when and if First Parties have mined ores from said tunnel and located upon properties owned by Second Parties, and the proceeds from said ore have equalled the sum of Fifty Thousand ($50,000.00) Dollars or the sum of the cost of driving said tunnel to said boundary line, whichever is greater, the right of said First Parties to mine and sell ores located on land belonging to Second Parties shall terminate. In the event Parties of the Second Part commence mining operations in or through the tunnel during the time the tunnel is being advanced through ground owned by Second Parties such mining operations will be carried on so as not to unreasonably interfere with First Parties operations.

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

10. Second Parties agree that they will transfer and convey to First Parties an undivided 5% interest in the claims described above and belonging to Second Parties, and said conveyance shall be included in the deed hereinbefore described and identified. At the time of the conveyance of said 5% interest and the other rights and easements hereinbefore described, an accurate description of the course and direction and distance of the tunnel then completed shall be included in said deed; provided, however, that in the event said tunnel has not been completed to said boundary line said deed shall convey the right to thereafter complete the same even though the course and distance and direction of said uncompleted portion of said tunnel cannot be accurately described. The net proceeds from the 5% interest to be conveyed to First Parties shall be expended on the tunnel or the Cove claims for the joint benefit of both parties.

11. In consideration of the mutual benefits to be received by the parties hereto, it is mutually agreed that any and all ores and minerals within the common surface boundaries of the parties hereto, extended downward vertically, shall belong to the respective owners of the surface of such claims.

12. The Parties of the First Part agree to cause all work, development and mining to be done in a careful and miner-like manner and to conform in all respects with the mining laws and regulations of the State of Utah.

13. It is understood and agreed that the Parties of the First Part shall have the right to construct and maintain roads, power lines, pipe lines and to use the same for any proper use in connection with the mining and removal and marketing of ores from said tunnel and from property owned by First Parties, such roadsand lines to afford access to and from the public highway and the mining properties hereinbefore described. The Parties of the Second Part shall also have the right to use said roads, provided that they will pay their proper share of the upkeep and maintenance of the same.

14. The First Parties shall keep the premises conveyed free and clear of liens for labor done or performed or materials furnished to it for the development or operation thereof.

15. Second Parties represent and warrant that they have good possessory title to the mining claims hereinabove described and that they have good and valid right to convey the easement and rights to be conveyed pursuant to this agreement.

16. It is agreed that either party or each party may apply for a D. M. E. A. loan and the D. M. E. A. may require the consents of each party for such loan. It is agreed that each party will give such consent and will assent to the necessary requirements of the D. M. E. A. in order to effect such loans.

17. Notices for First Parties shall be mailed registered mail to McCarty and Coleman, 916 9th Street, Wichita Falls, Texas, and to Second Parties to Uranium King Corporation, 423 Ness Building, Salt Lake City, Utah.

18. These presents shall inure to the benefit of and be binding upon the respective heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have caused these presents to be signed and delivered pursuant to resolutions of the Boards of Directors of the respective corporations, and the signatures of the individual parties hereto have been respectively affixed, this 10 day of March, 1955.

ATTEST: Asst.
Mimi M. Stewart,/Secretary (Seal)

WILLISTON BASIN OIL EXPLORATION CO
By J. P. Coleman

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

/s/ J. A. McCarty
/s/ J. P. Coleman
/s/ Jack C. Staley
/s/ Chas. P. McGaha
Parties of the First Part

/s/ Hans J. Nielson /s/ Belva W. Nielson
/s/ Burnhard Black /s/ Lela Black
/s/ Francis D. Nielson /s/ Velda J. Nielson
URANIUM KING CORPORATION
By Geo. H. Taylor /s/
Parties of the Second Part

/s/ Joseph Sherman, Secretary
(Seal)

STATE OF TEXAS
ss.
COUNTY OF WICHITA

On the 26th day of April, 1955, personally appeared before me J. P. Colemanand Mimi M. Stewart who being by me duly sworn did say, each for himself, that he, the said J. P. Coleman, is President, and he, the said Mimi M. Stewart, is the Asitant Secretary of Williston Basin Oil Exploration Company, and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said J. P. Coleman and Mimi M. Stewart each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

(Seal)
My commission expires 6-1-55

/s/ Nina S. Breeze, Notary Public
Residing at Wichita Falls, Texas

STATE OF UTAH
ss.
COUNTY OF SALT LAKE

On the 10th day of March, 1955, personally appeared before me George H. Taylor and Joseph Sherman who being by me duly sworn did say, each for himself, that he, the said George H. Taylor is President, and he, the said Joseph Sherman is the secretary of Uranium King Corporation and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said George H. Taylorand Joseph Sherman each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

(Seal)
My commission expires
August 25, 1957

/s/ Hubert B. Maw, Notary Public,
Residing at Salt Lake City, Utah

STATE OF UTAH
ss.
COUNTY OF SALT LAKE

On the 10th day of March, 1955, personally appeared before me Hans J. Nielson, Burnhard Black and Francis D. Nielson and each of their wives, the signers of the above foregoing instrument, who duly acknowledged to me that they executed the same.

(Seal)
My commission expires
August 25, 1957

/s/ Herbert B. Maw, Notary Public
Residing at Salt Lake City, Utah

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas

Enclosure 5 (Re Paragraph 3(c) of Form MF-103)

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STATE OF TEXAS

ss.

COUNTY OF WICHITA

On the 27th day of April, 1955, personally appeared before me Jack C. Staley and Chas. P. McGaha, signers of the above foregoing instrument, who duly acknowledged to me that they executed the same.

(Seal)
My commission expires June 1, 1955

/s/ Jimmie Lou Baggett, Notary Public in and for Wichita County

STATE OF TEXAS

ss

COUNTY OF WICHITA

On the 27th day of April, 1955, personally appeared before me J. P. Coleman and J. A. McCarty, signers of the above foregoing instrument, who duly acknowledged to me that they executed the same.

(Seal)
My commission expires June 1, 1955

/s/ Mimi M. Brown, Notary Public in and for Wichita County, Texas

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

for J. P. Coleman

Subscribed and sworn to before me this 30 day of May, 1956.

Boots Decker BOOTS DECKER
Notary Public in and for
Wichita County, Texas

J. P. Coleman, Trustee
916 9th St.
Wichita Falls, Texas