DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 1096

DMEA NO. 4597

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [x] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes and Powers of Attorney (3)
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [x] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [x] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. _____ : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 15 1966

Memorandum

To: Director, U.S. Geological Survey

From: Assistant Director, Audit Operations,
Contract and Grant Audit, Office of Survey and Review

Subject: Royalty Review of Contract IDM-E1096
Docket No. DMEA-4597 (Uranium)
Strategic Minerals Exploration Company (Operator)
Ella Mine
San Juan County, Utah, and
Montrose County, Colorado

Pursuant to a request dated September 27, 1966, from the Chief, Office of Minerals Exploration, we have made a royalty review of Contract IDM-E1096, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, U.S. Geological Survey. Four copies of the report of royalty review are attached.

No exceptions have been taken with respect to the royalty settlements received by the Government; however, it is noted that OME files do not disclose the reason for there being no royalty settlements for the period February through May 1966 and subsequent to June 1966. It is understood that this matter will be investigated by OME representatives prior to June 3, 1967, when the royalty repayment period expires, unless the small amount ($672.02) of the Government participation in the exploration costs currently outstanding is repaid prior to that date.

Donald R. Mopsey

Enclosures

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Royalty Review - Contract IDM-E1096
Docket No. DMEA-4597 (Uranium)
Strategic Minerals Exploration Company (Operator)
Ella Mine
San Juan County, Utah, and Montrose County, Colorado

Report Issued: December 1966

An examination of the cash receipts records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to royalty due to the Government under provisions of the subject minerals exploration contract was made at Washington, D.C., on December 9, 1966.

This contract, dated June 3, 1957, was entered into by the Defense Minerals Exploration Administration, the predecessor of OME. The contract provided that certain exploration work would be performed by the Operator and that the Government would participate in 75 percent of accepted costs of the work. On April 4, 1958, the Government issued a certification of discovery or development in connection with this exploration project. Thus, the Government is entitled to royalty on the value of any production of minerals from the property for a period of 10 years from the date of the contract (until June 3, 1967) or until the amount of the Government's participation in the exploration costs has been repaid without interest, whichever occurs first. The Government's participation in the exploration costs amounted to $8,933.28.

Royalty reviews made by OME auditors found that $3,963.66 had been paid to the Government by April 30, 1965, and the present review has been limited to the period subsequent to that date. It was found that the production and sales arrangement in effect April 30, 1965, was continued and that at the time of this review royalty had been received as provided in the contract on settlements made for the period through January 1966 and for the month of June 1966. A brief tabulation of the production and sales indicated

by the settlement sheets applicable to the period under review and to date, follows:

Item	April 1955 through June 1966	To Date
Short dry tons of ore	5,195.77	8,273.06
Pounds of vanadium (V_2O_5)	69,130	136,412
Pounds of uranium (U_3O_8)	18,717.14	33,258.96
Value		
V_2O_5	$21,287.16	$42,828.52
U_3O_8	57,821.07	108,932.31
Development allowance	9,354.08	16,625.01
Totals	$88,462.31	$168,385.84
Royalty due	$ 4,297.60	$ 8,261.26
Royalty paid	4,297.60	8,261.26

No exceptions have been taken with respect to the royalty settlements received in connection with this exploration project.

C. E. Fisher

C. E. Fisher, Auditor

Reviewed By:

Dwight E. Savage

Dwight E. Savage, Office of Survey and Review

MMS FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. (2) Mr. Selfridge		
2. (1.) Mr. Johnson	8/5	JEJ
3.		
4.		
5.		ZOO
FROM: Mr. Fisher		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

Instructions Your information

REMARKS:

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

MAY 5 1965

Memorandum

To: Acting Field Officer, Region III

From: Contract Administration and Audit Division /s/ C. E. Fisher

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

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

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

(b) One copy for the Operator; and

(c) One copy for your files.

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

Enclosure

CEFisher:fh
5/5/65

cc: Docket
Fiscal Section
CA & A Division
Director's reading file

23263

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E1096, Docket DMEA-4597 (Uranium), dated June 3, 1957, with

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Ella claim and fraction located in San Juan County, Utah, and Montrose County, Colorado, during the period June 1, 1962, through April 30, 1965.

A certification of discovery or development was issued on April 4, 1958, and, in accordance with Article 8 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 18, 1957, indicated accepted costs under the exploration contract amounting to $11,911.04 with the Government's contribution on a 75 percent basis being $8,933.28.

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

This review found the total sales subject to the Government's royalty for the period to be $79,923.53. Royalty payable to the Government at the rates specified in the contract is $3,963.66.

A prior Report of Royalty Review found no sales subject to the Government's royalty through May 31, 1962. Accordingly, as of May 31, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

As of April 30, 1965, the royalty account of this project was found to be:

Total Royalty Payable	$3,963.66
Total Royalty Paid	3,963.66
Balance of Royalty Due	$ -0-

C. E. Fisher

C. E. Fisher, OME Auditor

May 4, 1965

Strategic Minerals Exploration Company DMEA-4597

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

ntract provides that the Operator, as principal if the producer surety if not the producer, shall pay to the Government a percent- oyalty on all minerals produced from the land thereunder. The ator is a partnership consisting of John I. Schumacher, Mrs. Charles Schumacher, Philip K. Schumacher, Dr. James Smith, and John Will, with e first named being the managing partner and agent of the partnership in ll matters pertaining to the contract.

The land under the contract consists of Ella unpatented lode mining claim in sec. 28, T. 28 S., R. 26 E., S.L.B.M., and the Ella fraction in sec. 10, T. 47 N., R. 20 W., N.M.P.M., La Sal Creek Area, Paradox Mining District. At the time the contract was executed, the Operator was in possession of the Ella claim by virtue of a December 26, 1956, lease from the Mid-Continent Uranium Corp., Uranium Center Building, Grand Junction, Colorado. In consideration of the contract the lessor executed a Consent to Lien and Subordination Agreement on May 2, 1957. This document refers to not only the Ella claim and fraction but also the Joan and La Ray claims.

Exploration work under the contract started on June 26, 1957, and was completed September 13, 1957. No ore was produced during the exploration period. A later examination of the property and replies by the Operator and the landowner to inquiries on MME Forms 63 have disclosed no production from the Ella claim and fraction through April 1964. The Operator terminated its lease on April 30, 1959.

By indenture entered into on May 24, 1963, Mid-Continent Uraniun Corp. leased the property subject to this exploration contract to Shumway and Dade, 215 Landsdown, Grand Junction, Colorado, for a period of 3 years with option to extend the term through 1970. This lease provided that the Government's royalty should be paid from the amount of the landowners royalty provided in the lease.

Shipments of ore by the lessee to Vanadium Corporation of America, Shiprock, N. M., started in May 1964. The purchaser of the ore has withheld the Government's royalty from settlements and has paid proper royalty to the Government, supported by copies of monthly settlement sheets, through March 1965. A summary of these settlements follows:

STATUS OF PROJECT, SCOPE OF REVIEW (CONT'D)
AND REASONS THEREFOR

	Quantity	Value
Ore	3,077.29 SDT	-0-
V_2O_5	67,282 lbs.	$21,541.36
U_3O_8	14,541.82 lbs.	51,111.24
Development Allowance		7,270.93
Total		$79,923.53
Royalty Payable and Paid		$ 3,963.66

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

(1) The files indicate that all sales of production from the property have been reported and proper royalty thereon paid; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E1096, Docket DMEA-4597 (uranium), dated June 3, 1957, with

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Ella claim and fraction located in San Juan County, Utah, and Montrose County, Colorado, during the period June 18, 1959, through May 31, 1962.

A certification of discovery or development was issued on April 4, 1958, and, in accordance with Article 8 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 18, 1957, indicated accepted costs under the exploration contract amounting to $11,911.04 with the Government's contribution on a 75 percent basis being $8,933.28.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through June 17, 1959. Accordingly, as of May 31, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert
E. D. Talbert, OME Auditor

July 5, 1962

Idm-81096 Strategic Minerals Exploration Company DMEA-4597

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The Operator is a partnership consisting of John I. Schumacher, Mrs. Charles P. Schumacher, Philip K. Schumacher, Dr. James Smith, and John Will, with the first named being the managing partner and agent of the partnership in all matters pertaining to the contract.

The land under the contract consists of Ella unpatented lode mining claim in sec. 28, T. 28 S., R. 26 E., S.L.B.M., and the Ella fraction in sec. 10, T. 47 N., R. 20 W., N.M.P.M., La Sal Creek Area, Paradox Mining District. At the time the contract was executed the Operator was in possession of the Ella claim by virtue of a December 26, 1956, lease from the Mid-Continent Uranium Corp., Uranium Center Building, Grand Junction, Colorado. In consideration of the contract the lessor executed a Consent to Lien and Subordination Agreement on May 2, 1957. This document refers to not only the Ella claim and fraction but also the Joan and La Ray claims.

Exploration work under the contract started on June 26, 1957, and was completed September 13, 1957. No ore was produced during the exploration period. A later examination of the property and replies by the Operator and the landowner to inquiries on MME Forms 63 have disclosed no production from the Ella claim and fraction. The Operator terminated its lease on April 30, 1959.

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

(1) The files contain no evidence of any production from the property under the contract; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract Em-E1096, Docket No. DMRA 4597, dated June 3, 1957, with

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Uranium, from property referred to as Joan, Lalay and Kila Claims, located in San Juan County, Utah and Montrose County, Colorado, during the period June 3, 1957 to June 17, 1959.

A Certification of Discovery or Development was issued on April 4, 1958, and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of Final Cost Audit dated November 18, 1957, indicated accepted costs under the exploration contract amounting to $11,911.04, with the Government's contribution on a 75 percent basis being $8933.28.

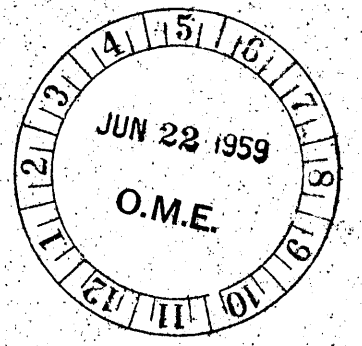
No royalty has been paid to the Government to date in connection with this contract.

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

(a) According to the Field Team's Report of certified project for the period June 3, 1957 to June 30, 1958, operation ceased about September 30, 1957; no ore has been shipped since June 3, 1957, (The date of the exploration contract). Subsequent semi-annual report of Field Team for period July 1 to December 31, 1958, indicated the property inactive, and no operations or ore shipments are anticipated in 1959.

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

June 17, 1959



Donald T. Finch
Donald T. Finch
OME Auditor

Docket copy

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

To: Strategic Minerals Exploration Company
P. O. Box 1048
Grand Junction, Colorado

Pursuant to the provisions of Exploration Project Contract No. Ida-21096, dated June 3, 1957, (Docket No. DMEA-4597), hereinafter called the "Contract," between the Strategic Minerals Exploration Company, a partnership composed of the following: Mrs. Charles P. Schmuecher, Claire G. Schmuecher, Dr. James G. Schmuecher, Paul J. Schmuecher, John I. Schmuecher, Philip K. Schmuecher, Dr. James Smith, and John Hill, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

Widespread surface drilling in the southern part of the Hile claim intersected uranium and vanadium mineralized bodies of ore grade in sedimentary rocks of Jurassic age.

FLKnouse 12-19-57 APR 4 1958
cc to:
Mid-Continent Uranium Company
Uranium Center Building
Grand Junction, Colorado
Contract Adm. & Audit Division
DMEA Field Team, Region III (2)
Finance Office
Docket
Jesse C. Johnson
Director, Division of Raw Materials, AEC
Admr.'s Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
Spurlock, AEC, Grand Junction
Dec'd Lit.
T. H. Killsgaard, Rm. 5224
Mr. Knouse

THE UNITED STATES OF AMERICA

By C. Mittenzwey
Administrator, Strategic Minerals
Exploration Administration

Knouse
Ellis
Long
Mehrzer
Chandler
Selby
Johnson

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/31/67		110
		120
		220

JUL 31 1967

Strategic Minerals Exploration Company
c/o John I. Schumacher
P. O. Box 1808
Grand Junction, Colorado 81501

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Nila Claim
San Juan County, Utah, and
Montrose County, Colorado
Contract Idm-81096

Gentlemen:

By the terms of the subject Exploration Project Contract, and the certification of discovery or development dated April 4, 1958, all minerals mined or produced from June 3, 1957, to June 3, 1967, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

FRANK E. JOHNSON (gfa)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copies to:
Mid-Continent Uranium Corp., 204 Uranium Center Building, Grand Junction, Colorado 81501
Shumway and Dade Mining Co., 721 South 7th, Grand Junction, Colo. 81501

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
OME Region III
120M
Budget & Finance

GLAult/a 7-31-67

23263

April 4, 1958

Ellis

JUSTIFICATION FOR CERTIFICATION

Docket No. DMEA-4597 (Uranium)
Contract No. Idm-E1096
Strategic Minerals Exploration Co.
Joan, LaRay, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado

The field examiners recommend certification of the project based on the possibility of leasing the adjoining claim and continuing exploration, or the ore discovered may be mined as a cooperative venture covering adjoining claims. The Field Team does not recommend certification, based on spotty nature of mineralization encountered at various horizons, but leaves decision to Washington.

Field examiners estimate an inferred reserve in three drill holes - form an equilateral triangle 250 feet apart - of 1,241 tons containing 0.48 percent U_3O_8 and 1.27 percent V_2O_5. The ore bodies are 244 to 312 feet below the surface. These ore bodies could probably be mined by drilling a 250-foot, 36" diameter Calyx-drill hole and driving 350 feet of drifting, or by an access 800-foot crosscut or drift from the adjoining property. However, before such a program is initiated by the Operator, it should drill offset holes to further delineate the ore bodies.

A rough estimate of the cost to do this work follows:

Estimated Mining Cost

By sinking shaft:

250-foot, 36" diameter Calyx-drill hole @ $50.00/ft.	$12,500.00
350-ft. drifting @ $35.00/ft. ?	12,225.00
1,241 tons - mining cost @ $9.00/ton	11,169.00
Total estimated cost	$35,894.00

By drifting or crosscutting from adjoining property:

800 ft. drifting and crosscutting @ $35.00/ft.	$28,000.00
1,241 tons - mining cost @ $9.00/ton	11,169.00
Total estimated cost	$39,169.00

Estimated Gross Value of Ore	Per Ton Value
9.6 #U_3O_8/ton @ \$7.00*/lb. =	\$67.20
25.4 #V_2O_5/ton @ \$0.31/lb. =	7.87
Total value/ton	\$75.07

\$75.07 x 1241 tons = \$93,161.00 gross ore value

Less estimated mining cost	35,894.00	
Indicated gross profit before tax, etc.	\$57,267.00	
Indicated DMEA royalty, 5% of	\$93,161.00 =	\$4,658.00

Therefore, the writer recommends that the project be certified as a discovery or development.

* Includes bonus payments

F. L. Knouse

F. L. Knouse

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

DMEA RECEIVED NOV		
DATE		CODE
11-22	Chamberlin	800
25	[illegible]	100
"	[illegible]	110
		120
"	[illegible]	700

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

pertaining to Exploration Project Contract No. Idm-E1096, Docket No. DMEA-4597, for the months of June, 1957 to September, 1957, inclusive, covering a project for the exploration of Uranium on property known as Joan, LaRay and Ella Claims, located in San Juan County, Utah, and Montrose County, Colorado.

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

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

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

Total cost as billed by Contractor		$11,911.04
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$11,911.04

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eight thousand, nine hundred thirty-three and 28/100ths Dollars is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount Payable to Operator	$ 8,933.28
Amount Reimbursed	8,433.29
Balance Due Operator	$ 499.99

see Reg. III memo 12/5/57

Donald T. Finch
Donald T. Finch, Auditor.

November 18, 1957

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

STRATEGIC MINERALS EXPLORATION COMPANY

Contract Idm-E1096 Docket IMEA-4597

(a) The Monthly Reports were supported by documentary proof of that portion ($10,827.90) of the costs which covered work performed at unit rates under independent contract (per summary attached);

(b) The balance ($1083.14) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

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

STRATEGIC MINERALS EXPLORATION COMPANY

Contract Idm-E1096 Docket IMEA-4597

SUMMARY OF WORK PERFORMED UNDER INDEPENDENT CONTRACT

28 hours of bulldozing @ $12.00		$ 336.00	
3,290 ft. of non-core drilling @ $1.75		5,757.50	
903 ft. of core drilling @ $4.00	$3,612.00		
244 ft. of core drilling @ $4.60	1,122.40	4,734.40	
Total Cost of Independent Contract			$10,827.90

SUMMARY OF FIXED UNIT COSTS

Incidental allowance 4,437 ft. @ 22¢	$ 976.14	
79 core boxes @ $1.00 each	79.00	
7 chemical analyses @ $4.00	28.00	
Total Fixed Unit Costs		$ 1,083.14
Total Accepted Costs		$11,911.04

POWER OF ATTORNEY

We, the undersigned members of a partnership consisting of Mrs. Charles P. Schumacher, Claire C. Schumacher, Dr. James C. Schumacher, Paul J. Schumacher, John I. Schumacher, Philip K. Schumacher, Dr. James Smith, and John Will, doing business as Strategic Minerals Exploration Company, do hereby appoint John I. Schumacher, Managing Partner to act as the Agent of said partnership in all matters connected with an Application on Form MF-103, Application for Aid in an Exploration Project, under the United States Department of the Interior, Defense Minerals Exploration Administration program, which has been docketed DMEA No. 4597; and should the Applicant enter into a Contract with the Government as a result of said Application, said Agent is authorized to sign the Contract, submit all necessary reports and information required, to receive and to receipt for any monies that are now or may hereafter become due to said partnership doing business as Strategic Minerals Exploration Company by reason of said Docket No. DMEA 4597.

Executed this 24th day of June, 1957.

James J. Smith M.D.
Dr. James Smith

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 1 1957

DATE	INITIALS	CODE

POWER OF ATTORNEY

We, the undersigned members of a partnership consisting of Mrs. Charles P. Schumacher, Claire C. Schumacher, Dr. James C. Schumacher, Paul J. Schumacher, John I. Schumacher, Philip K. Schumacher, Dr. James Smith, and John Will, doing business as Strategic Minerals Exploration Company, do hereby appoint John I. Schumacher, Managing Partner to act as the Agent of said partnership in all matters connected with an Application on Form MF-103, Application for Aid in an Exploration Project, under the United States Department of the Interior, Defense Minerals Exploration Administration program, which has been docketed DMEA No. 4597; and should the Applicant enter into a Contract with the Government as a result of said Application, said Agent is authorized to sign the Contract, submit all necessary reports and information required, to receive and to receipt for any monies that are now or may hereafter become due to said partnership doing business as Strategic Minerals Exploration Company by reason of said Docket No. DMEA 4597.

Executed this 24th day of June, 1957.

Philip K. Schumacher

Philip K. Schumacher

EXTRA COPY
D M E A
RECEIVED
DATE | INITIALS | CODE
1957

POWER OF ATTORNEY

We, the undersigned members of a partnership consisting of Mrs. Charles P. Schumacher, Claire C. Schumacher, Dr. James C. Schumacher, Paul J. Schumacher, John I. Schumacher, Philip K. Schumacher, Dr. James Smith, and John Will, doing business as Strategic Minerals Exploration Company, do hereby appoint John I. Schumacher, Managing Partner to act as the Agent of said partnership in all matters connected with an Application on Form MF-103, Application for Aid in an Exploration Project, under the United States Department of the Interior, Defense Minerals Exploration Administration program, which has been docketed DMEA No. 4597; and should the Applicant enter into a Contract with the Government as a result of said Application, said Agent is authorized to sign the Contract, submit all necessary reports and information required, to receive and to receipt for any monies that are now or may hereafter become due to said partnership doing business as Strategic Minerals Exploration Company by reason of said Docket No.DMEA 4597.

Executed this 28 day of June, 1957.

Mrs. Charles P. Schumacher
Mrs. Charles P. Schumacher

Claire C. Schumacher
Claire C. Schumacher

Dr. James C. Schumacher
Dr. James C. Schumacher

Paul J. Schumacher
Paul J. Schumacher

John I. Schumacher
JOHN I. SCHUMACHER

John Will
JOHN WILL

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DMEA
RECEIVED JUL 1 1957

DATE	INITIALS	CODE

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DMEA
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DATE	INITIALS	CODE

Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4597

Commodity Uranium

Contract No. Idm-E 1096

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 3 JUN 1957 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] STRATEGIC MINERALS EXPLORATION COMPANY, a partnership composed of the following: Mrs. Charles P. Schumacher, Claire C. Schumacher, Dr. James C. Schumacher, Paul J. Schumacher, John I. Schumacher, Philip K. Schumacher, Dr. James Smith, and John Will, whose mailing address is P. O. Box 1648, Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map (Figure 4).

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] Fee interest subject to paramount title of United States. in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] ..... recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty of 12½% of gross receipts from the sale of minerals, payable to lessors.

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien and Subordination Agreement of the Mid-Continent Uranium Corporation, dated May 2, 1957.

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before July 15, 1957 shall commence the work, and on or before October 1, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work ~~or shall have incurred allowable costs (see Article 8) in a sum not less than the estimated total allowable cost set forth in Exhibit "A"~~. See Article 13.

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $13,500.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $10,125.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; ~~but except for any such necessary excesses in categories, subcategories, or items thereunder, the Operator is not obligated to incur more than his agreed percentage of the estimated total allowable cost of the work.~~ **See Article 13.**

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums. **See Article 13.**

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 8. **See Article 13.**

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work."

(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(c) Categories (2) through (7) of Article 6(a) are deleted.

(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the contract.

(e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

Long
Hunter
"Appd. Sol. Off."

Murphy
Ellis
Chambers
Selfridge

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mittendorf
Administrator, Defense Minerals
Exploration Administration

STRATEGIC MINERALS EXPLORATION COMPANY
(Operator)

By John T. Schmacher
MANAGING PARTNER.

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
STRATEGIC MINERALS EXPLORATION COMPANY
DOCKET NO. DMEA-4597

ANNEX I

The land referred to in Article 2 of the contract consists of the Ella unpatented lode mining claim in sec. 28, T. 28 S., R. 26 E., S.L.B.M., San Juan County, Utah; and the Ella Fraction in sec. 10, T. 47 N., R. 20 W., N.M.P.M., Montrose County, Colorado. The land is shown on the attached map entitled "Figure 4.--Map Showing Proposed DMEA Stage I Holes, Ella Claim . . .," attached hereto and made part hereof.

The original notice of location of the Ella claim is recorded in Book 15, Page 166, in the Office of the County Recorder of San Juan County, Utah. The notice of location of the Ella Fraction is recorded in Book 447, Page 383, in the Office of the County Recorder of Montrose County, Colorado.

The Operator is in possession of the land by virtue of a lease dated December 26, 1956, from the Mid-Continent Uranium Corporation. The lessor's Consent to Lien and Subordination Agreement is attached.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1096
Contract Date 9 JUN 1957

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of San Juan, State of Montrose, State of Colorado Utah, and the County of described ~~xxxxxxxxxx~~ in lode mining claim location certificates, recorded in the official records of said counties as follows:

Name of Claim	Book	Page	County
Joan	15	183	San Juan County, Utah
La Ray	15	172	San Juan County, Utah
Ella	15	166	San Juan County, Utah
Ella (Fraction)	--	--	Montrose County, Colo.

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

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None - except lease dated December 26, 1956, between Mid-Continent Uranium Corp. as lessor, and Strategic Minerals Exploration Company as lessee.

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No. ____")

Dated this 2nd day of May, 1957.

MID-CONTINENT URANIUM CORP.	[Seal]	Uranium Center Building	[Address]
By Norman E. Ebbley, Vice President	[Seal]	Grand Junction, Colorado	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Mark D. Dunn certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Norman E. Ebbley who signed this agreement was then Vice President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Mark D. Dunn

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
STRATEGIC MINERALS EXPLORATION COMPANY
DOCKET NO. DMEA-4597

EXHIBIT "A"

General Provisions:

The work consists of exploration by core and non-core drilling from the surface to test the potential ore-bearing sandstone in the upper portion of the Salt Wash member of the Morrison formation.

Each hole shall be drilled non-core to approximately the contact of the Brushy Basin-Salt Wash members of the Morrison formation and then core drilled not less than 3 feet nor more than 10 feet into the underlying red mudstone base of the upper potential ore-bearing sandstone bed of the Salt Wash member. Drilling depths are estimated to average 340 feet while the cored sections of the holes are estimated to average 85 feet. The minimum size of core shall be BX. All holes shall be reamed and cased as necessary. No payment shall be made for an incompleted hole.

All core and cuttings from the cored section of drill holes shall be saved and checked for radioactivity. Cored sections indicating significant mineralization shall be split into halves, and one half of the drill core shall be analyzed chemically for uranium and vanadium; the other half of the drill core and one half of the cuttings from the mineralized section shall be furnished to the Government upon request. All the remaining core and cuttings shall be properly labeled and stored pending the Government's final inspection.

All drill holes shall be logged geologically and probed for radioactivity and four copies of each log shall be furnished to the Government with the Operator's monthly reports. No hole shall be drilled closer than 100 feet to the outer boundary of the land described in Annex I.

Bulldozing work shall be performed with a D-7 Caterpillar dozer, or equivalent unit of any other make.

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

The project shall be supervised at all times by a qualified geologist or mining engineer who shall direct or perform the required surveying, mapping, sampling, drill hole logging, and prepare the reports required pursuant to the contract.

Description of the Work

Prepare access roads and drill sites and drill not in excess of fourteen (14) holes in the southern half of the Ella claim, at the locations shown on map, Figure 4, referred to in Annex I. No hole drilled shall be closer than approximately 150 feet to any other hole drilled under the contract, or to holes DD2 and LC 406 shown on the map.

Not in excess of 28 hours of bulldozer time, 3,570 feet of non-core drilling, and 1,190 feet of core drilling, shall be performed; and not more than 117 core boxes shall be purchased, nor more than 60 samples shall be chemically analyzed for their U_3O_8 and V_2O_5 content under the contract.

Estimated Cost of the Project

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites 28 hours @ $12.00/hr.	$ 336.00	
Drilling, non-core:		
0-200 foot depths, 2,800 feet @ $1.75/ft.	4,900.00	
200-400 foot depths, 770 feet @ $2.00/ft.	1,540.00	
Drilling, core:		
200-300 foot depths, 630 feet @ $4.00/ft.	2,520.00	
300-400 foot depths, 560 feet @ $5.00/ft.	2,800.00	$12,096.00
Categories (2) through (7)	None	

Fixed Unit Costs: (See Article 13)

Incidental allowance[1/] for each foot of drill hole completed 4,760 feet @ $0.22/ft.	1,047.20	

117 cardboard core boxes @ $1.00/each	$ 117.00	
Chemical analyses for U_3O_8 and V_2O_5 content of 60 samples @ $4.00/sample	240.00	$ 1,404.20
Total Estimated Cost of Project (rounded)		$13,500.00
Government Participation @ 75%		$10,125.00

1/ Includes all costs whatsoever that are not included in the estimates for Category (1) Independent Contracts, and for core boxes and chemical analyses under Fixed Unit Costs, and includes such items as supervision, technical services, labor, payroll taxes, supplies, transportation, rental of radioactivity logging units, depreciation of the Operator's equipment, etc., which would otherwise be allowable under Categories (2) through (7) of the contract.

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
APRIL 1957
DOCKET 4597

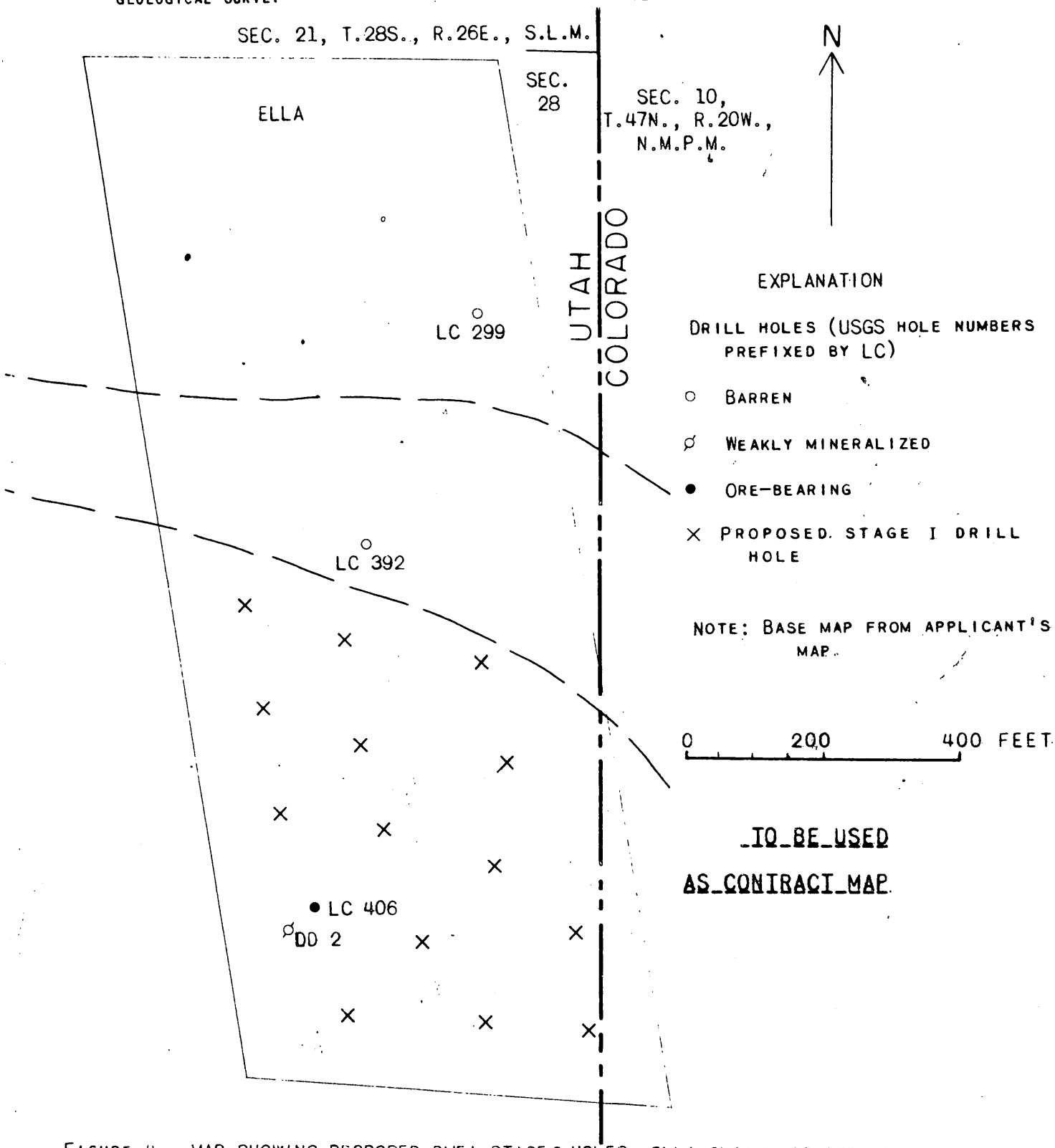

FIGURE 4.—MAP SHOWING PROPOSED DMEA STAGE I HOLES, ELLA CLAIM, STRATEGIC MINERALS EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO

EXTRA COPY
D M E A
RECEIVED MAY 2 1957

DATE	INITIALS	CODE

OFFICIAL FILE COPY
D.M.E.A.
RECEIVED JA 7 1957
DATE | INITIAL | CODE

MINING LEASE

THIS INDENTURE, made and entered into this 26th day of December, 1956, in the City of Grand Junction, County of Mesa and State of Colorado, by and between MID-CONTINENT URANIUM CORP., a Colorado corporation, with offices in Grand Junction, Colorado, hereinafter referred to as "Lessor", and Mary D. Schumacher, James C. Schumacher, Paul J. Schumacher, Claire E. Schumacher, Phillip Schumacher, John Will, James J. Smith and John I. Schumacher, general partners doing business as Strategic Minerals Exploration Company of Grand Junction, Colorado, hereinafter referred to as "Lessees";

WITNESSETH:

WHEREAS, the lessor is the owner of the unpatented mining claims fully hereinafter described; and,

WHEREAS, the lessees are desirous of leasing the unpatented mining claims hereinafter more fully described for the purpose of conducting an exploration, development and mining program thereon upon the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the royalties, covenants and agreements hereinafter expressed to be paid, kept and performed by the lessees, the lessor has leased, let and demised and by these presents does lease, let and demise unto the lessees, the following unpatented mining claims situate in the County of San Juan, State of Utah, and the County of Montrose, State of Colorado, more particularly described as follows, to-wit:

NAME OF CLAIMS	LOCATION CERTIFICATE RECORDED IN SAN JUAN COUNTY, UTAH BOOK	PAGE
Lion Canyon No. 1	31	173
Lion Canyon No. 2	31	174
Lion Canyon No. 3	31	175
Lion Canyon No. 4	31	176
Lion Canyon No. 5	31	177
Lion Canyon No. 6	31	178
Lion Canyon No. 7	31	179
Lion Canyon No. 8	31	180
Lion Canyon No. 9	31	181
Lion Canyon No. 10	31	182
Lion Canyon No. 11	31	183
Lion Canyon No. 12	31	184
Lion Canyon No. 13	333	241
Lion Canyon No. 14	333	242
Ella	15	166
LaRay	15	172
Joan	15	183
Peggy	15	185
Gem No. 1	105	351
Gem No. 2	105	352
Gem No. 3	105	352
Gem No. 4	105	353
Gem No. 5	105	353
Gem No. 6	105	354
Gem No. 7	105	354
Unicorn No. 1	85	302
Unicorn No. 2	85	302
Unicorn No. 3	85	303
Unicorn No. 4	85	303
Unicorn No. 5	85	304
Unicorn No. 6	85	304
Unicorn No. 7	85	305
Unicorn No. 8	85	305
Unicorn No. 9	85	306
Unicorn No. 10	85	306

NAME OF CLAIM	LOCATION CERTIFICATE RECORDED IN MONTROSE COUNTY, COLORADO BOOK	PAGE
Dolores	360	302
Nellie	360	302
Owl No. 1	376	458
Owl No. 2	376	459
Owl No. 3	376	460
Owl No. 4	376	461
Owl No. 5	376	462
Owl No. 6	376	463
Owl No. 7	376	464
Owl No. 8	376	465
Owl No. 9	376	466
Owl No. 10	376	467
Owl No. 11	376	468
Owl No. 12	376	469

TO HAVE AND TO HOLD: unto the said lessees for the full term of three years commencing the 26TH day of DECEMBER, 1956, and ending the 26TH day of DECEMBER, 1959, unless sooner terminated, for the purpose of working, developing and mining the above-described premises in a workman-like manner and to extract and remove all ores and minerals which may be encountered in, on or under the said demised premises.

In the event the lessees shall fully perform the terms and conditions of this agreement, the lessees shall have the right and option to renew this lease for a period of three years from and after the date of the termination of the original term.

The lessees, in consideration of this lease, do hereby agree as follows;

1. To pay to the lessor 12 1/2% of the gross value of all ores, metals and minerals mined and sold from the unpatented mining claims during the term hereof. The gross value of ores, metals and minerals shall mean the value determined by Domestic Uranium Circular No. 5, any superseding governmental regulation, or the value paid by the mill, smelter or ore-purchasing station purchasing said ore, together with any and all production and/or development allowances, but excluding haulage allowances which haulage allowance shall be and remain the sole property of the lessees. Lessees shall instruct all purchasers of ore mined from said premises to pay the said 12 1/2% royalty of the gross values of ores, metals and minerals mined from the said premises, directly to the lessor and to furnish copies to the lessor of all settlement sheets covering ores mined from said premises.

2. To do and perform an exploration program consisting of a minimum of five drill holes per year drilled to a depth sufficient to adequately test probable ore-bearing formations, which exploration drilling shall be concentrated on the Ella, LaRay, Joan, Peggy, Dolores and Nellie unpatented mining claims. The lessees shall perform all necessary annual labor upon the demised premises and file proofs thereof at least sixty days prior to June 30th of each year and shall present satisfactory evidence to the lessor of the performance of said annual labor and the filing of said proofs

thereof, at least sixty days prior to June 30th of each year.

3. To enter upon the said demised premises forthwith and to commence and continue an exploration, development and mining program upon said premises in a manner consistent with good and economical exploration, development and mining practices so as to take out the greatest amount of ore possible with due regard to the development and preservation of the demised properties as workable mining properties, and with due regard to the provisions of this lease.

4. To properly and sufficiently timber the mine or mines at all points in accordance with good mining practice and to repair all old timbering wherever it may become necessary.

5. To, at all times, perform all mining operations, exploration operations and development operations in a manner consistent with good safety standards and full compliance with good health and safety laws, rules and regulations of the Federal, State and Local Governments. To keep all drifts, tunnels, shafts, winzes and other workings thoroughly drained and clear of loose rock and rubbish and in safe and secure condition, unless prevented from doing so from extraordinary mining casualty, and to leave the floor of all crosscut and other workings in good, even and unobstructed condition at all times and to stow no waste underground nor fill in any stopes without the written consent of the lessor.

6. To keep proper records of (a) shifts worked, (b) tonnage and grade of ore mined and (c) development and exploration work performed, and to permit the lessor or its representative, to inspect the aforementioned records at all reasonable times and to submit written reports to the lessor relating to said matters upon the request of the lessor.

7. To promptly pay all bills or expenses incurred by the lessees in connection with their operation of the demises premises, and to forthwith post, and at all times keep posted, in conspicuous places upon the premises, notices stating that the premises are leased to the lessees by the lessor

and that the right, title and interest of the lessor shall not be subject to any lien or encumbrance arising from the lessees operation, use or occupancy of the premises; and that the lessor shall not be liable for any claim arising from the lessees operation, under this lease.

8. To indemnify and save harmless the lessor against all claims and demands whatsoever arising from the lessees operation, use or occupancy hereunder, including, but not limited to death and injuries to persons and damage to property.

9. To, before commencing work hereunder and at all times during the term hereof, insure to each and every employee working in or on the demised premises the compensation provided for in and by each and every statute applicable with respect to Workmen's Compensation and/or employer's liability and/or unemployment compensation; that the lessees will pay and discharge or otherwise dispose of any and all claims, suits, actions and demands of any nature whatsoever for injury to persons, including death resulting therefrom, and loss or damage to property caused by or arising in connection with lessees operations under this lease; and that the lessees will procure and maintain during the period this lease is in effect, public liability insurance in a reputable and financially responsible insurance company or companies properly safeguarding the lessor against liability for injuries to persons, including injuries resulting in death and loss and damage to property, in amounts acceptable to the lessors; and that the lessees will furnish to the lessor written certification from insurance carriers, or from appropriate governmental authorities, establishing that said insurance of employees and of public liability have been procured and are being properly maintained. All such insurance policies shall provide that in the event of cancellation thereof, written notice of cancellation shall be given to the lessor at least five days prior to the effective date of such cancellation.

10. To promptly pay all taxes and assessments levied against the said demised premises on account of the production of ore under the lease; provided, however, that the lessor shall promptly, upon being furnished with evidence of such payment of taxes by the lessees, reimburse the lessees for 12 1/2% of such taxes and assessments. All other taxes and assessments, except as

provided herein, shall be borne by and shall be promptly paid by the lessees.

11. To permit the lessor to enter upon the demised premises, at all reasonable times, for the purpose of inspection, survey, mapping or otherwise.

12. To not assign this lease nor any interest therein without first obtaining the written consent of the lessor to any such assignment.

13. To mine and deliver the ore from said demised premises so as to preserve the greatest value thereof and to not "highgrade" the ore, that is, not to mine and deliver the better grade ore and leave ore of lower but commercial grade unmined to the loss or detriment of the lessor.

14. To, in the event the lessees have fully and faithfully performed each and every term and condition hereof and desire to exercise the option to renew this lease as set forth herein, notify the lessor in writing at least sixty days prior to the expiration of the term hereof of the leessee's election to extend the term of this lease for a period of three years as hereinbefore set forth.

15. To, upon the termination of this lease, deliver the demised premises to the lessor with appurtenances and all improvements in good order and condition; provided however that the lessees shall have the right to remove from the demised premises any such buildings, structures and machinery as may have been placed thereon by the lessees, within sixty days after the termination of this lease. The mine timbering, track and rail, under no circumstances shall be removed by the lessees. If the lessees shall fail to remove any such buildings, structures or machinery from the demised premises within the said sixty days from and after the termination of this lease, the same shall become and remain the property of the lessor.

16. The time shall be of the essence and the lessor may terminate this lease upon violation of the lessees of any of the covenants or agreements herein contained by giving to the lessees thirty days written notice, addressed to them or each of them at their addresses, hereinable stated, of such violation;

provided, however, that during such thirty days period, the lessee shall have the right to correct and to remedy the said violation. In the event the lessees fail to correct and remedy said violation, within the said thirty-day period, this lease shall be terminated and the lessees shall forthwith remove all machinery, equipment, tools and implements owned by them, and shall have no right of access thereafter to the said premises, and the lessor may enter upon the said premises and dispossess all persons occupying the same with, or without force, and with, or without, process of law.

17. That if a proceeding in bankruptcy, receivership, or insolvency shall be instituted or filed by or against the lessees, or any of them as bankrupts, defendants, or insolvents, or if the lessees or any of them shall enter into any arrangement or composition with creditors, then, in any of such events, this lease shall be terminated and the lessees shall forthwith remove all machinery, equipment, tools, and implements owned by them, and shall have no right of access thereafter to the said premises.

18. It is mutually understood and agreed that this lease is granted only under such title as the lessor may now hold or hereafter acquire and that in the event the lessor shall hereafter be divested of such title, the lessor shall not be liable for any damages sustained by the lessees, nor shall the lessees attempt to hold the lessor liable in damages or otherwise on account of the lessee's possession thereof being destroyed or interrupted.

19. It is understood and agreed between the parties hereto that easements have heretofore been granted by the Lessor to J. R. Munro, D. G. Son and E. L. Hess for the purpose of constructing and maintaining a tunnel, a road and improvements upon a portion of the above-described Joan unpatented mining claim, and to Rice Development Company for the purpose of constructing and maintaining a tunnel upon a portion of the above-described Joan unpatented mining claim, and that this lease is subject to the terms and conditions of said easements.

20. It is mutually agreed by and between the parties that, in the event the Lessee shall make application to the Defense Minerals Exploration Administration for aid in an exploration project to be conducted upon the demised property,

the Lessor shall execute such instruments as shall be required of it to be executed by the said Administration in aid of said application and the Lessor shall not do or perform any act which shall cause said application to be denied.

IT IS FURTHER MUTUALLY AGREED by and between the parties hereto as follows:

21. In the event the exploration and development operation carried on by the Lessee upon the above-described unpatented mining claims discloses an ore body, the Lessor shall have the right and option, in lieu of the royalty payable to the Lessor by the Lessee as hereinbefore set forth, to receive from the Lessee a royalty of fifty (50%) per cent of the net value of all ore produced and sold from the ore body or bodies so developed; said option may be exercised at any time during the term of this lease or any renewal or extension thereof by the Lessor in the manner following:

(a) The Lessor may pay to the Lessee either (1) all exploration and development costs incurred by the Lessee in developing an ore body in the event the Lessee is successful in obtaining an exploration project loan from the Defense Minerals Exploration Administration, or, (2) double the amount of exploration and development costs incurred by the Lessee in developing an ore body in the event the Lessee is not successful in obtaining an exploration project loan from the Defense Minerals Exploration Administration.

(b) Exploration and development costs shall mean all reasonable costs incurred by the Lessee which are directly attributable to actual exploration and development work performed upon the demised premises. All costs incurred by the Lessee which are items of general overhead, administration and interest shall not be considered exploration and development costs.

(c) If the Lessee has been conducting a mining operation upon an ore body, or ore bodies, developed by it under this lease prior to the Lessor's exercising the option herein granted it, it is understood that the Lessee shall bear all mining costs incurred by it, and the Lessor shall retain all royalties received by it from the Lessee

to the date the option is exercised by the Lessor.

(d) "Net value" shall mean the value received for ore mined and sold from said ore body or ore bodies, including any and all bonuses and/or premiums, development allowances and haulage allowances less the reasonable cost of mining said ore and less the reasonable cost of exploration and development work incurred in extending and further developing the said ore body or ore bodies.

(e) The Lessee shall pay the royalty due the Lessor hereunder by the 5th and 20th days of each month, and shall keep accurate records of all exploration, development and mining costs incurred by it for said ore body or ore bodies, and shall submit to the Lessor a written report of said costs on the 5th and 20th days of each month, together with a settlement sheet on all ore sold by the Lessee under this agreement.

22. The Lessor shall have the right to accept or fail to accept the option set forth in Paragraph 21 as to exploration and development work carried on by the Lessee in an area or areas not a part of ore body or ore bodies upon which the Lessor has previously exercised the option granted it under Paragraph 21 hereof.

23. The Lessee shall not be relieved from the performance of any of the terms and conditions of this lease, in the event the Lessor exercised the option herein set forth, except where the terms of said option are contrary to, or inconsistent with, the other terms and conditions of this lease agreement.

24. The Lessee shall have the right to terminate this lease agreement by notifying the lessor in writing 60 days in advance. However, in no case may the lessor terminate the lease agreement during the 60 day period prior to June 30th of any year, unless the lessee has performed all necessary annual labor and has presented satisfactory evidence to the lessor of the performance of said annual labor and the filing of said proofs thereof.

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

MID-CONTINENT URANIUM CORP.

By _____
Lessor

ATTEST:

_____
Secretary

STRATEGIC MINERALS EXPLORATION CO.

By _____
General Partner
Lessee

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

OFFICIAL FILE COPY
D M E A
RECEIVED JAN 7 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

January 4, 1957

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium) Strategic Minerals Exploration Company (Joan, La Ray, Ella claims) San Juan County, Utah and Montrose County, Colorado.

Enclosed are the original and one copy of the subject application in the amount of $46,649.60. One copy of the application is being forwarded the Grand Junction Office, DMEA, for their review and recommendations and one copy is being retained in our file.

While the Applicant has not submitted three drilling bids, he has listed bids from three drilling contractors.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

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

224 New Customhouse
Denver 2, Colorado

January 4, 1957

Memorandum

To: J. W. Hasler

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium) Strategic Minerals Exploration Company (Joan, La Ray, Ella claims) San Juan County, Utah, and Montrose County, Colorado

Enclosed is the subject application in the amount of $46,649.60.

Will you 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 joint recommendations concerning the advisability of making a field examination.

DMEA Field Team, Region III

Original signed by
W. M. TRAVER

By W. M. Traver
Executive Officer

Enclosures
HMC:ytl
cc
Sec. Op. Comm. (2)
Harshman
Shaw (2)
Subject
Chron.

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

224 New Customhouse
Denver 2, Colorado

JAN 14 1957
DMEA
RECEIVED JAN 7 1957

DATE	INITIALS	CODE

Mr. John I. Schumacher
Strategic Minerals Exploration Co.
P. O. Box 1648
Grand Junction, Colorado

Re: Application for DMEA Aid (Uranium) Strategic Minerals Exploration Company (Joan, La Ray, Ella Claims) San Juan County, Utah, and Montrose County, Colorado

Dear Mr. Schumacker:

This will acknowledge receipt of your letter dated January 3, 1957 and the four copies of the captioned application.

This is to advise that your application has been placed in line for further processing.

Yours very truly,

Original signed by
W. M. TRAVER

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

HMC:ytl
cc
Sec. Op. Comm. (2)
Harshman
Hasler
Shaw (2)
Subject
Chron.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DMEA
DEPARTMENT OF THE INTERIOR

JAN 4 1957
REGION III
DENVER, COLORADO

RECEIVED
JAN 7 1957
D.M.E.A.

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

Not to be filled in by applicant

Docket No. DMEA-4597
Metal or Mineral Uranium
Date Received 1-7-57
Estimated Cost $46,649.60
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: Strategic Minerals Exploration Company
P.O. Box 1648
Grand Junction, Colorado

(*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. Partnership

(*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 3 unpatented mining claims situated in Section 28, T 28 S, R 26 E, S.L.M., San Juan County, Utah and Section 10, T 47 N, R 20 W, N.M.P.M., Montrose County, Colorado.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee

(*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. Lease submitted with application

(*e*) If you own the land, describe any liens or encumbrances on it

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

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. See attached report

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

(*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. See attached report

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

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

16—66551-1

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

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

(*c*) The work will start within 30 days and be completed within 4 months from the date of an exploration project contract.

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

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.). See attached report

(*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. See attached report

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

(*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. See attached report

(*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. None

(*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. See attached report

(*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. See attached report

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated January 3, 1957

STRATEGIC MINERALS EXPLORATION CO.
(Applicant)

By John I. Schumacher

JOHN I. SCHUMACHER, Managing Partner

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

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

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INSTRUCTIONS

1. (a) Strategic Minerals Exploration Company
P.O. Box 1648
Grand Junction, Colorado

(b) Partnership

(c) Not applicable

(d) Below is listed the name and address of each partner in Strategic Minerals Exploration Company:

Name of each partner	Address
Mrs. Charles P. Schumacher	15 Wonderly, Dayton, Ohio
Claire C. Schumacher	15 Wonderly, Dayton, Ohio
Dr. James C. Schumacher	100 Schantz Ave., Dayton, Ohio
Paul J. Schumacher	5316 Markey Rd., Dayton, Ohio
John I. Schumacher	678 20½ Rd., Grand Junction, Colorado
Philip K. Schumacher	27 Knob Hill Drive, Virginia, Minn.
Dr. James Smith	1423 North 122nd St., Milwaukee, Wisconsin
John Will	7688 Normandy Lane, Dayton, Ohio

2. See attached report

3. (a) See Form MF-103

(b) None

(c) Lessee

(d) Lease Agreement

(e) None

(f)

Claim Name	Original Location Book	Page
Joan	15	183
La Ray	15	172
Ella	15	166

Recorded in San Juan County, Utah

4. (a) See attached report

(b) " " "
(c) " " "
(d) " " "
(e) " " "

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 2048
Grand Junction, Colorado

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DATE	INITIALS	CODE

5. (a) Uranium and Vanadium

(b) See attached report

(c) See Form MF-103

(d) Experience of applicant

John I. Schumacher,

1943 - Degree in Mining Engineering, University of Alaska
1943 -1944 - U.S. Bureau of Mines, Assistant Project Engineer
Phelps Dodge Corporation -Test Engineer Morenci, Arizona
1944- 1946 - U.S. Army
1946- 1948 - U.S. Bureau of Mines-Project Engineer
1948- 1951 - U. S. Geological Survey-Colorado Plateau Project-Chief Engineer
1951-Present- Consulting for various mining companies.
Managing Partner, Strategic Minerals Exploration Co.
Operation Ringtail Mine, Yellow Cat Mining District.

Harold C. Anderson

1944-1945	National Lead Co.-Metallurgist
1948-1953	Bomerang Mining Co.-Partner, Mining and Leasing
1954-Present	Strategic Minerals Exploration Co. Engineer

6. Estimate of costs

All costs are computed on the basis of the exploration project continuing for four months (See attached report for details)

(a) Independent Contracts

(1) Drilling	Total Cost	Cost per foot
15,360 feet at $2.61	$40,089.60	2.61
(2) Bulldozer work		
150 hrs. at $12/hr.	1,800.00	.12

(b) Engineering & Geology

1 engineer-geologist Salary & subsistence	2,700.00	.17

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 1248
Grand Junction, Colorado

(continued-Est. of cost)		Total Cost	Cost per foot
(c)	Assaying & Probing	755.00	.05
(d)	Vehicle use	480.00	.03
(e)	None		
(f)	None		
(g)	Accounting 4 mos. at $120/mo.	480.00	.03
(h)	Contingencies -Standby time		
	1/2 hr. per hole for probing at $15/hr.	345.00	.02
	TOTAL	$46,649.60	$ 3.03

7. (a) Yes

(b) Money

Government 75% participation	$ 34,987.20
Strategic Minerals Exploration 25% participation	11,662.40

STRATEGIC MINERALS EXPLORATION CO.

by _____
JOHN I. SCHUMACHER

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DATE	INITIALS	CODE

THE JOAN, LA RAY AND ELLA CLAIMS

LA SAL CREEK AREA, PARADOX MINING DISTRICT

Montrose County, Colorado

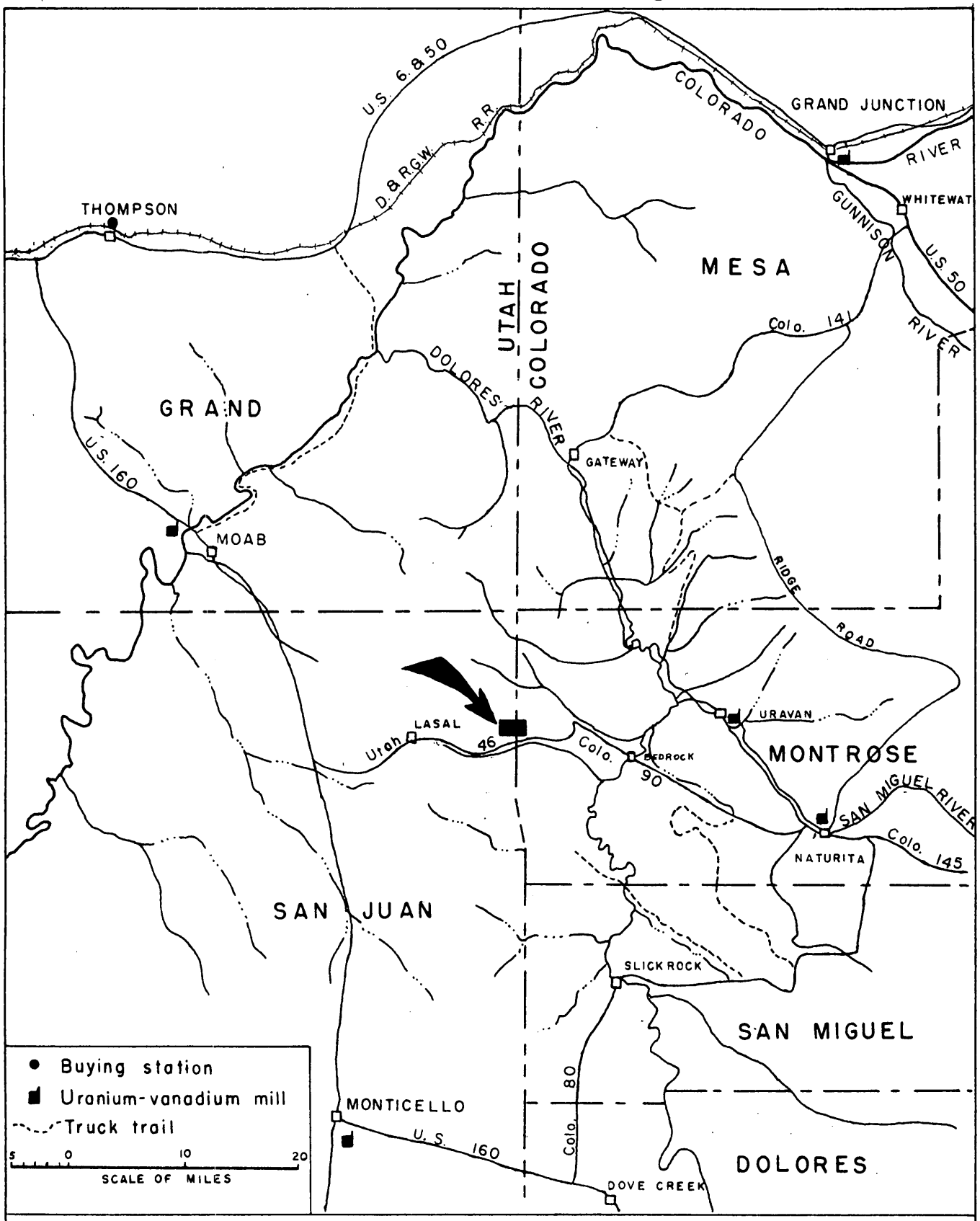
San Juan County, Utah

Strategic Minerals Exploration Company

John I. Schumacher

Harold C. Anderson

January 3, 1957



INDEX MAP OF PART OF THE COLORADO PLATEAU

FIG. 1 LOCATION OF LA SAL CREEK AREA

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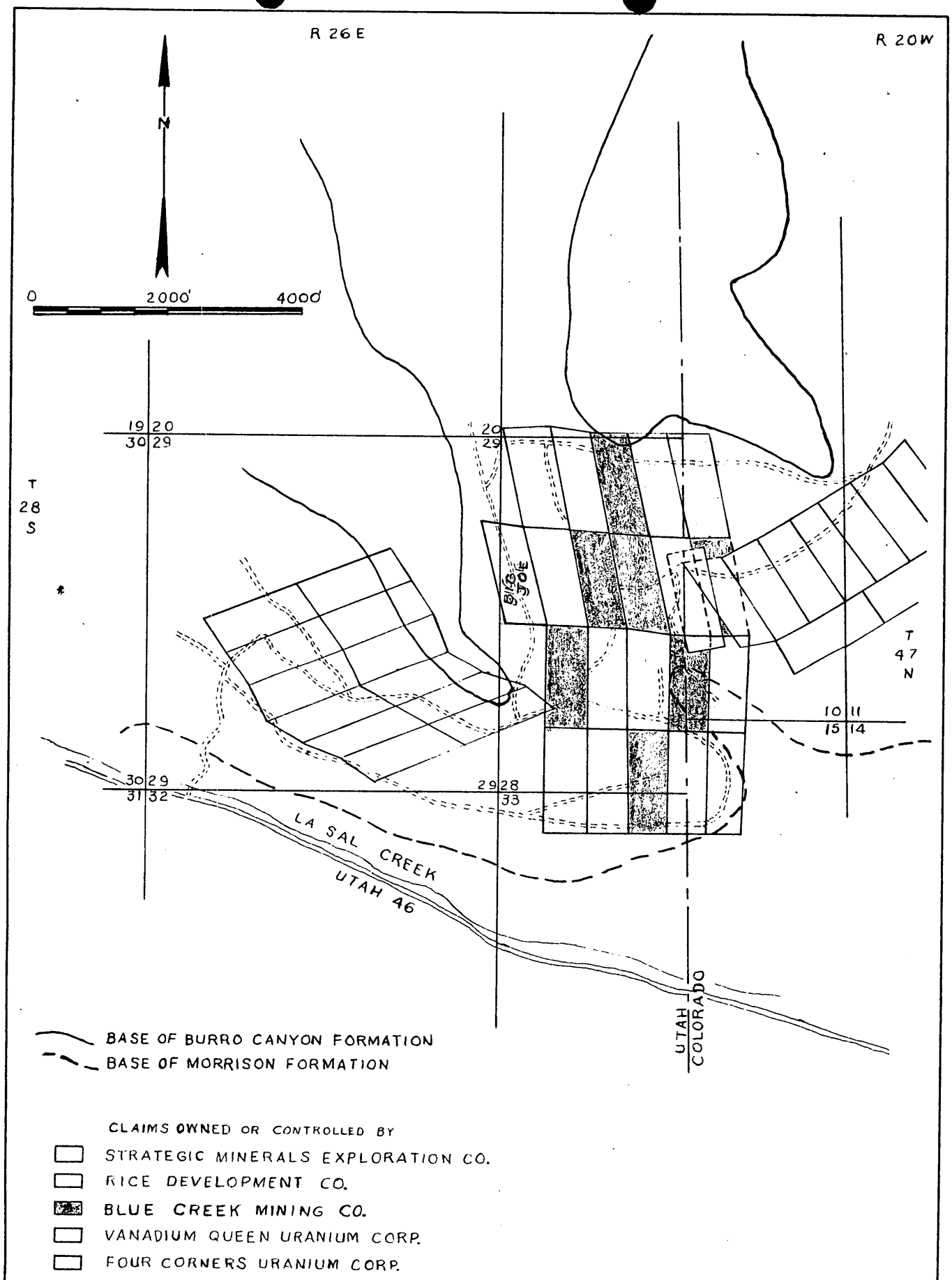

FIG. 2 CLAIM MAP, LA SAL CREEK AREA

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FORM MF-10

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

Introduction

The property concerned in this report consists of three unpatented mining claims in the La Sal Creek area of San Juan County, Utah and Montrose County, Colorado. The claims are owned by Mid-Continent Uranium Corporation and are held under lease agreement by Strategic Minerals Exploration Company.

The U.S. Geological Survey and private industry have discovered several large commercial ore bodies by drilling in the La Sal Creek Area. These deposits have a northwesterly trend and the overall trend of the favorable mineralized ground is in a northeasterly direction. Strategic Minerals Exploration Company's leases are along this favorable trend of mineralization.

A drilling program as outlined in this report should discover commercial ore comparable to the known deposits. An application for government assistance in conducting an exploration program is submitted with this report.

Location and Physiography

This group of three claims is located on the Utah-Colorado border in the Paradox Mining District, La Sal Creek area in Section 28, T 28 S, R 26 E, S.L.M., San Juan County, Utah, and Section 10, T 47 N, R 20 W, N.M.P.M., Montrose County, Colorado. The claims are approximately two miles from Utah State Highway 46 and Colorado Highway 90,

(continued - Location and Physiography)

which is an all-weather improved gravel road. Numerous drill roads built by the U.S. Geological Survey traverse the area.

The property is approximately 46 miles from Moab, Utah and 34 miles from Uravan, Colorado. Uranium mills are located at Moab and Monticello, Utah and Grand Junction, Uravan, and Naturita, Colorado. Mining supplies and equipment are available at all of these towns.

The La Sal Creek area is typical of the "canyon and mesa" country of the Colorado Plateau. The climate is characterized by hot summers and cold winters with light rainfall. The area in the vicinity of the property ranges in elevation from 6000 feet to 7100 feet and is mostly covered with cedar and pinon trees. Water from La Sal Creek is plentiful for domestic, mining, and drilling use.

Property and Title

The property discussed in this report consists of the following unpatented mining claims recorded in the San Juan County court house as follows:

Claim Name	Original Location	
	Book	Page
Joan	15	183
La Ray	15	172
Ella	15	166

The above mining claims were originally located on September 12 and 13, 1952 by Mr. Wade Shupe. The claims are presently owned by Mid-Continent Corporation

(continued - Property and Title)

with no over-riding royalty. The assessment work for the year ending June 30, 1956 was completed and affidavits filed in the office of county recorder. The property is now held under lease agreement by Strategic Minerals Exploration Company. A copy of this agreement is attached.

As shown on the attached claim map, the overall area is covered by a block of 20 claims, that has a checker-board arrangement, as far as ownership is concerned. In most cases each individual claim is bounded by claims of other ownership. There are no known conflicts on the property.

General Geology

The La Sal Creek area is on the south dipping slope of the Paradox anticline near its junction with the intrusive La Sal Mountains. Dip of the beds in the immediate vicinity of the claims is from one to three degrees in a southerly direction. Formations exposed range from the Jurassic Navajo sandstone in lower La Sal Creek to the Cretaceous Mancos shale on the upper benches. The ore occurs in the Salt Wash sandstone member of the Jurassic Morrison formation. The Salt Wash member consists of thick lenticular sandstone channels interbedded with red and gray mudstone. The most favorable horizon for ore deposits is in the thick upper sandstone lens of this unit.

(continued - General Geology)

The ore occurs as large lenticular masses within the thicker part of the sandstone channels. The long axis of the individual ore bodies lies in a northwesterly direction, while the trend of the favorable mineralized zone lies in a northeasterly direction. From the drilling carried out by the U. S. Geological Survey, this favorable zone of mineralization crosses through the Vanadium Queen property and progresses on through the Rice Development Company, Blue Creek Mines, and Strategic Minerals Exploration Company property.

Exploration

The U. S. Geological Survey has drilled a total of nine holes on the Joan, La Ray, and Ella claims. Mid-Continent completed two holes, both of which were mineralized. Of the total of eleven holes, five are mineralized and one No. L.C. 406 has 1.8 feet of 0.237 percent U_3O_8 and 3.17 percent V_2O_5. The attached summary of drill logs shows results of exploratory drilling.

Producing Properties in La Sal Creek Area

Vanadium Queen owned by Vanadium Queen Uranium Corporation has a long record of uranium and vanadium production. It is estimated that this mine produced 15,000 tons of ore prior to 1948. Records of production from 1948 to 1953 are not available. Production from 1953 to the present is approximately 11,650 tons, averaging 0.35 U_3O_8 and 2.76

(Continued - Producing Properties in La Sal Creek Area)

V_2O_5. Indicated and inferred reserves are calculated at 24,000 tons at slightly higher grade.

Grey Dawn mine has produced steadily since 1951; however, no record of production is available.

Firefly mine owned by Stocks is being operated by Harley Gardner under lease agreement. Original reserves are reported to be as much as 25,000 tons.

Blue Creek Mining Company is producing ore from the Black Hat claim. Original reserves calculated by the authors showed 3995 tons of indicated reserves with an average grade of 0.28 U_3O_8 and 1.17 V_2O_5. Inferred reserves totaled 6308 tons of the same grade. Considerable drilling has been done on this property since the above reserves were calculated; however, the results of this recent exploration is not known. The ore bodies are now being developed by a drift from the rim.

Rice Development Company is presently developing an ore body on the Blue Cap claim. A total of 19 holes were drilled on the Blue Cap and Little Joe claims during April and May 1956. Of these holes, six were in ore and four were mineralized. Ore calculations show approximately 3000 tons of 0.30% U_3O_8 and 2.48% V_2O_5 indicated reserves. Reserves of approximately 3000 tons of 0.66% U_3O_8 and 4.63% V_2O_5 are inferred on the Little Joe claim; however, more drilling is necessary to prove this ore body. A drift is being driven across the Joan claim to develop the ore body on the Blue Cap claim.

Strategic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

(continued - Producing Properties in La Sal Creek Area)

Gramlich Claims, now owned by Four Corners Uranium Corporation, have had a long record of production. It is believed that ore bodies on the Marjorie Ann, Evening Star and Morning Star claims would each exceed 5000 tons.

Exploration Plans

The proposed project consists of drilling in two stages. Drilling depths are based on U. S. Geological Survey drill logs. Collar elevations are taken from the contour map of the area by Norman Platt. Amount of core drilling per hole is based on the ore sandstone thickness of the U.S.G.S. holes.

Stage I

A total of 26 holes are planned for the first stage. Four of these holes will be on the Joan claim to explore for an extension of the ore body on the Blue Cap claim. Drilling depths will vary from 110 feet to 210 feet with a total footage of 340 feet of non-core and 340 feet of core drilling.

Ten holes are planned on the La Ray claim on approximately 200 foot centers excepting the area where a U.S.G.S. drill hole completes the grid pattern. The footage for these holes would be 3100 feet of non-core drilling and 750 feet of core drilling.

Twelve holes are planned for the Ella claim on the same spacing as the La Ray. The total footage would be 3100 feet of non-core drilling and 1080 feet of core drilling.

Total Stage I

Non-Core drilling	6490 feet
Core drilling	2170 feet
Total	8660 feet

Stage II

Stage II drilling would be to offset and block out ore located by previous Stage I drilling and to offset hole L.C. 406 which is in ore. It is estimated that 20 holes would be required for Stage II to be drilled on 100 foot intervals. Using the average depths from Stage I drilling, a total footage of 6700 feet would be required.

Total Stage II

Non-Core drilling	5000 feet
Core drilling	1700 feet
Total	6700 feet

Summary of Drilling

Non-Core drilling	11490 feet
Core drilling	3870 feet
Total	15360 feet

Drilling Bids

Below are listed bids from three drilling contractors for core and non-core drilling at various depths:

Interval	Sprague & Henwood		Minerals Eng.		Leon Whatley	
	Core	Non-Core	Core	Non-Core	Core	Non-Core
0- 100	4.00	2.00	3.75	1.65	4.00	1.75
100-200	4.00	2.00	4.00	1.95	4.00	1.75
200-300	4.50	2.25	4.45	2.15	4.00	2.00
300-400	5.00	2.25	4.95	2.45	5.00	2.00
400-500	5.50		5.75		5.00	

Using the above figures, an average cost for the three contractors is $2.61 per foot.

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box [illegible]48
Grand Junction, Colorado

Cost of Project

All costs are calculated on an assumed length of four months for the project.

(1) Contract Drilling:	
15360 feet at $2.61 per foot	$ 40,089.60
(2) Drill Site Preparation:	
150 hrs. for bulldozer at $12/hr.	1,000.00
(3) Engineering & Geology:	2,400.00
1 engineer-geologist 4 mo. at $600	300.00
Subsistence $3.00/day for 4 mo.	
(4) Assaying & Probing:	
50 samples at $5.00	250.00
Counter & Probe rental at $100/mo.	400.00
Core boxes 100 at $1.05	105.00
(5) Vehicle mileage:	
4800 miles at $.10 per mile	480.00
)6(Accounting & Office supplies	480.00
(7) Contingencies -Standby Time:	
30 min/hole at $15.00/hr.	345.00

Summary of Costs

	Total	Per foot
Contract drilling	$40,089.60	$ 2.61
Bulldozer	1,800.00	.12
Engineering	2,700.00	.17
Assaying, Probing & Core boxes	755.00	.05
Vehicle use	480.00	.03
Accounting, etc.	480.00	.03
Contingencies	345.00	.02
	$46,649.60	3.03

Labor and Living Conditions

All drilling and bulldozer work will be on a contract basis with the contractors furnishing all living facilities for their personnel. The engineer will be furnished by Strategic Minerals Exploration Company at a wage of $600 per month with a subsistence allowance of $3.00 per day while in the field. Suitable facilities for all personnel can be arranged at one of the nearby mining camps.

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 648
Grand Junction, Colorado

Conclusions

The property is located favorably in the La Sal Creek area which has shown substantial production of uranium-vanadium ores. Drilling by the U.S. Geological Survey and private industry shows a favorable zone of mineralization crossing the property. Limited drilling on the claims shows favorable sandstone thickness and mineralization with one hole in ore. Additional drilling appears warranted considered the physical location of the property with respect to ore deposits in the area.

JOHN I. SCHUMACHER
Mining Engineer

HAROLD C. ANDERSON
Mining Engineer

FORM MF-103

Strategic Minerals Exploration Co.
P.O. Box 1[illegible]8
Grand Junction, Colorado

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SUMMARY OF DIAMOND DRILL HOLE LOGS

I. U. S. Geological Survey Diamond Drilling:

Hole	Claim	Hole Depth	Classification	Ore Sandstone Thickness	Remarks
LC-262	Joan	175.2	Semi-favorable	66'	Barren
LC-297	La Ray	413.5	Unfavorable	11'	Weakly mnlz.
LC-378	La Ray	313.0	Unfavorable	40'	Barren
LC-379	La Ray	410.0	Semi-favorable	32'	Barren
LC-381A	La Ray	371.0	Semi-favorable	52'	weakly mnlz.
LC-396	La Ray	349.0	Semi-favorable	56'	Barren
LC-299	Ella	390.0	Unfavorable	15'	Barren
LC-392	Ella	345.0	Semi-favorable	31'	weakly mnlz.
LC-406	Ella	302.5	Favorable	74'	Ore

II. Mid-Continent Uranium Corp. Diamond Drilling:

DD-6	La Ray	415.0	Favorable	58'	weakly mnlz.
DD-2	Ella	303.0	Favorable	78'	weakly mnlz.

RECAP OF ASSAY INFORMATION

Hole No.	Base	Thickness	U_3O_8	V_2O_5
LC-406	240.3	1.2	0.026	0.1
	240.9	0.3	0.014	0.1
	242.7	1.5	0.068	0.20
	243.6	0.9	0.42	2.48
	244.5	0.9	0.053	3.85
	280.4	0.2	0.071	1.23

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator **Strategic Minerals Exploration Company**		Actual Cost	✓
State **Colorado**		Agreed Unit Cost	~~$~~ 7th
Final Report of Audit		Commodity **Uranium**	Docket No. DMEA-4597
Final Report of Review	x		Contract No. Idm-E1096

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Non-core	3570'	$7225.40	3290'	$6481.30	$6481.30
Drilling (Specify) Core-BX	1190'	5698.80	1147'	5065.74	5067.74
Surface Excavation					
Underground Excavation					
Roads and Trails Bulldozing		336.00		336.00	336.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) 60 chain analyses		240.00		28.00	28.00
Totals (Rounded)		$13500.00		$11,911.04	*$11,911.04

* Net cost total must agree with final report of audit or review.

Prepared by Kuoure Date 4-10-57

31398

DOCKET COPY

Project Summary Report

By: F.L. Knouse April 11, 1958

Ellis

1. Docket No. DMEA-4597 (Uranium)
Contract No. Idm-E1096

Operator - Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Property - Consists of one unpatented lode mining claim (Ella) in sec. 28, T. 28 S., R. 26 E., San Juan County, Utah. The southwest corner of the claim extends into Montrose County, Colorado.

Property rights - Operator leased the claim from the owner, Mid-Continent Uranium Corporation. A Consent to Lien and Subordination Agreement, dated May 2, 1957, signed by the owner, is attached to the contract.

2. Contract dated June 3, 1957.

Project work was started June 26, 1957, and was completed September 13, 1957.

Work Authorized

Consisted of drilling 14 core and non-core holes spaced 150 feet apart from the surface on the south part of the Ella claim to test the upper potential uranium ore-bearing sandstone bed of the Salt Wash member - Morrison formation. Drilling depths ranged from 225 to 340 feet deep, and the core section of the holes through the potential ore-bearing horizon averaged about 82 feet.

Estimated and completed cost of the project work

Work Authorized		Work Completed	
Actual Cost	Est.Cost.	Units	Cost
2800 ft. non-core drilling from 0-200 ft. depth @ $1.75/ft.	$4,900.00	2,790	$4,882.50
770 ft. non-core drilling from 200-400 ft. depth @ $2.00/ft.	1,540.00	500*	875.00
630 ft. core drilling from 200-300 ft. depth @ $4.00/ft.	2,530.00	903	3,612.00
560 ft. core drilling from 300-400 ft. depth @ $5.00/ft.	2,800.00	**244	1,122.40
28 hrs. bulldozing @12.00 hr.	336.00	28	336.00
Fixed Unit Costs			
4,760.ft. @ $0.22/ft.	1,047.20	4,437'	976.14
117 core boxes @ $1.00 each	117.00	79	79.00
60 sample chemical analyses @ $4.00/sample	240.00	7	28.00
Total Estimated Cost of Project	$13,500.00		$11,911.04
Government Participation @ 75%	$10,125.00		$8,933.28

* drilling done @ $1.75/ft. rate.
** drilling done @ $4.60/ft. rate.

Note: 14 holes were completed, aggregating 3,290 ft. of non-core and 1,147 feet of core drilling.

Amendments - None

Termination Agreement - not necessary; all contract work, 14 drill hoes, were completed.

Final Reports - Operator's, dated November 11, 1957, re--received in Division November 18, 1957.

Field Team's, dated March, 1958, received in Division April 3, 1958.

3. Audit Report of Review, dated November 18, 1957.

Total cost as billed by Contractor		$11,911.04
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$11,911.04
Government Participation @ 75%		$8,933.28

4. Certification, dated April 4, 1958

Field examiners recommended certification' Field Team did not concur. USGS commodity member concurred, but USBM did not concur. Writer recommended certification.

Production -

None before or during the DMEA project.

Ore Reserves (inferred)

	Grade Percent		
	U_3O_8	V_2O_5	Tons
Ella claim	0.48	1.27	1241

5. Comments -

Contract work was well managed and the drilling performed by the subcontractor was satisfactory. The Operator submitted satisfactory monthly reports, including a final geological and engineering report.

Uranium deposits in the vicinity occur within the top sandstone unit of the Salt Wash member and form an easterly-trending belt about 1,000 feet wide and several miles long. This belt crosses the southern half of the Ella claim where the ore-bearing sandstone lies at a depth of about 250 feet. One hole drilled by the USGS on the southern part of the Ella claim penetrated 1.8 feet of material containing 0.235% U_3O_8 and 3.11% V_2O_5 and a nearby hole is mineralized. Other nearby known ore bodies in this belt range from 3,000 to 50,000 tons. The project was established to explore this belt on the southern half of the Ella claim by drilling 14 holes from surface on a grid spacing of 150 feet. By USGS standards, two of the holes drilled penetrated ore-grade material; eight are mineralized and four are barren.

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator		Actual Cost	
State		Agreed Unit Cost	
Final Report of Audit		Commodity	Docket No.
Final Report of Review			Contract No.

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals					*

* Net cost total must agree with final report of audit or review.

Prepared by _____ Date _____

31398

The proposed work, together with the hole drilled by the USGS, resulted in the discovery of an inferred reserve of 1,241 tons containing 0.48% U_3O_8 and 1.27% V_2O_5.

Participation by the Government in further exploration on the property is not recommended. However, further drilling to delineate the ore bodies in the favorable belt or on adjoining property appears to be justified so that a larger area may be consolidated for mining.

F. L. Knouse

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/31/67		110
		120
		220

JUL 31 1967

Mid-Continent Uranium Corp.
204 Uranium Center Building
Grand Junction, Colorado 81501

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and
Montrose County, Colorado
Contract Idm-81096

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement executed May 2, 1957, by Norman E. Ebbley, vice president of your company, under the Defense Minerals Exploration Administration program.

Sincerely yours,

FRANK E. JOHNSON (glu)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

Copy with enclosure to:
Shumway and Dede Mining Co.,
721 South 7th
Grand Junction, Colorado 81501

cc: Director's Reading File
Division file
Econ. Geol. file
OME Docket
OME Reading File
OME Region III
120M

GLAult/a 7-31-67

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 24 1967

INITIALS	CODE
	120
	110
	120

July 20, 1967

MEMORANDUM

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

Transmitted herewith is a copy of a letter from the Atomic Energy Commission in reply to my request dated June 20, 1967 pertaining to possible production data from the subject property.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OFFICE
GRAND JUNCTION, COLORADO 81501

IN REPLY REFER TO: MP:ASJT

July 18, 1967

OME Region III
RECEIVED
JUL 19 1967
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Fderal Center
Denver, Colorado 80225

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

Dear Mr. Hasler:

As requested by your letter of June 20, 1967, we have checked the production records for the Ella claim referred to above, and we find that there was no production from this claim from February 1967 through June 1967.

Very truly yours,

Don R. Hill, Director
Mining Division

Office of Minerals Exploration

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 23 1967
INITIALS CODE
gla 120 M
~~110~~
120 M (file)

June 20, 1967

Mr. Don R. Hill, Director
Mining Division
United States Atomic Energy Commission
Grand Junction Office
Grand Junction, Colorado 81501

Subject: DMRA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

Dear Mr. Hill:

As the repayment period for the subject contract expired June 3, 1967, will you please furnish us a report on any production made from February 1967 to June 3, 1967.

Sincerely yours,

J. William Hasler

J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME (2)
Hasler chron
OME chron
E1096

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/15		110
		220

MAY 15 1967

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: DMRA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

Enclosed is a copy of a memorandum dated May 8, 1967, from the Field Officer, Region III, concurring in the facts stated in the Report of Royalty Review issued in December 1966, on the subject contract. Also enclosed is a copy of the report.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region III
120-M

FEJohnson/bih 5/15/67

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

May 8, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
12 1967
INITIALS | CODE
120M
110
120K
120M

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah and Montrose County, Colorado

I have reviewed the December 1966 Report of Royalty Review on the subject docket and concur in the facts stated therein. Since this report is for the record only I am retaining the copy you sent for my files.

J. W. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/4		110
5/4/67	Kirkham	120
		220

MAY 4 1967

Memorandum

To: Field Officer, OME Region III

From: Chief, Office of Minerals Exploration

Subject: DMSA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, California
Contract Idm-E1096

The report of AEC dated March 23, 1967, on production from the Ella Claim apparently takes care of the exceptions in the Report of Royalty Review issued in December 1966 on the subject contract. Therefore, we should be furnished promptly with your memorandum of concurrence or non-concurrence in the report.

As the repayment period for the subject contract expires June 3, 1967, please check with AEC at that time on any production made from February 1967 to June 3, 1967, and furnish a report thereon.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
120-M
130
FEJohnson/bih 5/4/67

23263

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/31		110
		220

MAR 31 1967

Memorandum

To: Field Officer, OME Region III

From: Chief, Office of Minerals Exploration

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah and Montrose County, California
Contract Idm-E1096

We have your memorandum of March 27, 1967, enclosing a copy of a letter to you dated March 23, 1967, from AEC reporting on production from land under the subject contract. Our records are in agreement with the report.

Please furnish us with two copies of a memorandum affirming your concurrence, or non-concurrence, in the facts as stated in the Report of Review on this contract sent to you December 23, 1966.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file

FEJohnson /bih 3/31/67

43683

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 30 1967
INITIALS | CODE
110

March 27, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah and Montrose County, Colorado
Contract Idm-E1096

Transmitted herewith is a copy of a letter dated March 23, 1967 in response to our inquiry of March 15, 1967, regarding production data pertaining to the above-stated contract.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Copy of this sent to Wash
3-27-67

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OFFICE
GRAND JUNCTION, COLORADO 81501

OME Region III
RECEIVED
MAR 27 1967
Denver, Colorado

IN REPLY REFER TO: MP:ASJT

March 23, 1967

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Department of the Interior
Geological Survey
Denver Federal Center
Denver, Colorado 80225

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Co.
Ella Claim
San Juan County, Utah and Montrose County, Colo.
Contract Idm-E1096

Dear Mr. Hasler:

In response to your letter of March 15, 1967 to Gene Grutt, the following production data is submitted pertaining to the Ella mine, in Montrose County, Colorado.

Month	Dry Tons	$\%U_3O_8$	Lbs. U_3O_8	$\%V_2O_5$	Lbs. V_2O_5
Jan. 1966	154.40	0.218	673.87	0.98	3,011
Feb. 1966	Adjustment		3.15		(4)
June, 1966	302.47	0.202	1,224.35	0.67	4,027
Total 1966	456.87		1,901.37		7,034
Jan. 1967	0		0		0
Feb. 1967	0		0		0

Very truly yours,

Don R. Hill, Director
Mining Division

Office of Minerals Exploration

MAR 20 1967

MINERALS CODE

120 MO
HK 120 BOK
220

March 15, 1967

Mr. Eugene W. Grutt, Jr.
Director, Resource Investigation Division
United States Atomic Energy Commission
Grand Junction, Colorado 81502

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Kila Claim
San Juan County, Utah and Montrose County, Colo.
Contract Idm-X1096

Dear Gene:

Our records show that during the year 1966, the only production reported and royalties paid thereon, was for the month of June on the above-stated contract.

We would appreciate it if you will have your records checked, and send us the breakdown on the total production from the Kila mine for the year 1966 and for January and February of 1967.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MEClark:mc;3/15/67

cc: Chief, OME
Hasler chron
OME chron
AEC-Ore production records
1096

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/22		110
		120
		220

DEC 2 3 1966

Memorandum

To: OME Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and
Montrose County, Colorado
Contract Idm-E1096

Enclosed is a copy of a Report of Royalty Review covering the subject contract. This report is for record purposes only and a copy is not provided for the Operator.

If you concur in the facts as stated therein, two copies of a memorandum affirming your concurrence should be furnished this office. If for any reason you do not concur, the report should be returned with your comments.

During the year 1966, the only production reported and royalties paid thereon, was for the month of June. A check with the AEC should be made on total production from the Ella mine for the year 1966.

FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file - 130 and 120-M
Chief, Budget and Finance/Room 5417

EEJohnson/bih 12/22/66

23263

OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY

TO: Budget and Finance

FROM: Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 22 1966
INITIALS CODE

- ABSTRACT OF REMITTANCES -

Date	Amount	Bank, City and State	Name of Remitter	Docket & Contract Numbers	Purpose
6/					220
7/22/66	$297.77	First Natl Bank Durango, Colo.	Vanadium Corp. of America	DMEA 4597 E-1096	Royalty for Strategic Minerals.

REMARKS: (List smelter or mill lot numbers covered by royalties)

7/22/66
Date Prepared

C. Curtin
Person Preparing Abstract

Date Received

Person Receiving Remittance

Vanadium Corporation of America

Navajo Mill
Shiprock, New Mexico

6-0-15

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLO.

Deliveries to NAVAJO Mill Claim Name ELLA Period June 1966

Settlement covering various lots beginning No 13518 Ending No. 13622

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
658090		604928	.67	.202		4027	1224.35	
NET WEIGHT TONS		DRY WEIGHT TONS						
329.045		302.464						

V2O5 .67 % 4027 lbs. at .26 Per Lb $ 1047.02

U3O8 .202 % 1224.35 lbs. at 3.50 Per Lb. $ 4285.23

Contents at 4 lbs per ton 1209.86 lbs.

Premium for lbs. in excess of 4 lbs per ton 14.49 lbs at 75c Per Lb. $ 10.87

Content at 10 lbs. per ton lbs.

Premium for lbs. in excess of 10 lbs. per ton lbs. at 25c Per Lb $

Total Value U3O8 $ 4296.10

Development Allowance 1224.35 lbs. at 50c Per Lb. $ $ 612.18

VCA Ore Purchase Schedule:

V2O5 Premium $

U3O8 Premium $

$

TOTAL GROSS VALUE $ 5955.30

Less Royalty Withheld $

Less Accounts Receivable Dade & Shumway Mining $ 2479.02 $ <2479.02>

TOTAL NET PAYMENT $ 3476.28

VO. NO. 4913.12 $ <2479.02> TO: DADE & SHUMWAY MINING CO. BOX 967 GRAND JCT., COLO. (82½%)

VO. NO. $ TO:

VO. NO. 744.41 $ — TO: MID-CONTINENT URANIUM CORP. 215 North 5th GRAND JCT., COLO. (12½%)

VO. NO. $ TO:

VO. NO. 297.77 $ — TO: U. S. GEOLOGICAL SURVEY Washington, D.C. 20242 (5 %)

VO. NO. $ TO: (2) Mail to: Branch of Budget and Finance)

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby transfer to the Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files.

Vanadium Corporation of America

Navajo Mill
Shiprock, New Mexico

6-0-15

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLO.

Deliveries to NAVAJO Mill Claim Name ELLA Period June 1966

Settlement covering various lots beginning No. 13518 Ending No. 13622

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
658090		604928	.67	.202		4027	1224.35	
NET WEIGHT TONS		DRY WEIGHT TONS						
329.045		302.464						

V2O5 .67 % 4027 lbs. at .26 Per Lb. $ 1047.02

U3O8 .202 % 1224.35 lbs. at 3.50 Per Lb $ 4285.23

Contents at 4 lbs. per ton 1209.86 lbs.

Premium for lbs. in excess of 4 lbs per ton 14.49 lbs. at 75c. Per Lb $ 10.87

Content at 10 lbs. per ton lbs.

Premium for lbs. in excess of 10 lbs. per ton lbs. at 25c Per Lb $

Total Value U3O8 $ 4296.10

Development Allowance 1224.35 lbs. at 50c Per Lb $ $ 612.18

VCA Ore Purchase Schedule:

V2O5 Premium $

U3O8 Premium $

$

TOTAL GROSS VALUE $ 5955.30

Less Royalty Withheld $

Less Accounts Receivable Dade & Shumway Mining $ 2479.02 $ <2479.02>

TOTAL NET PAYMENT $ 3476.28

VO. NO. 4913.12 $ <2479.02> TO DADE & SHUMWAY MINING CO. BOX 967 GRAND JCT., COLO. (82½%)

VO. NO. $ TO

VO. NO. 744.41 $ — TO MID-CONTINENT URANIUM CORP. 215 North 5th GRAND JCT., COLO. (12½%)

VO. NO. $ TO

VO. NO. 297.77 $ — TO U. S. GEOLOGICAL SURVEY Washington, D.C. 20242 (5 %)

VO. NO. $ TO (2) Mail to: Branch of Budget and Finance)

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby transfer to the Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement

Seller or Agent

Please Sign and Return One Copy for VCA Files.

Vanadium Corporation of America

Navajo Mill
Shiprock, New Mexico

1-0-12

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLO.

Deliveries to NAVAJO Mill Clean Name ELLA Date Jan 1966

Settlement covering various lots beginning No 12906 Ending No 13012

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	ACCEPTED	
356580		308807	.97	.219	3007	677.02
NET WEIGHT TONS		DRY WEIGHT TONS				
178.290		154.4035				

V205 ... .97 %	3007	lbs at	.31		932.17
U308 ... .219 %	677.02	lbs at	3.50	2369.57	
Contents at 4 lbs per ton	617.61	lbs			
Premium for lbs in excess of 4 lbs per ton	59.41	lbs at	75c	44.56	
Content at 10 lbs per ton		lbs			
Premium for lbs in excess of 10 lbs per ton		lbs at	25		
Total Value U308					2414.13
Development Allowance	677.02	lbs at	50.		338.51
VCA Ore Purchase Schedule					
V205 Premium					
U308 Premium					
TOTAL GROSS VALUE					3684.81
Less Royalty Withheld					
Less Accounts Receivable					
TOTAL NET PAYMENT					3684.81

VO. NO 67970 $ 3039.97 TO DADE & SHUMWAY MINING CO. BOX 967 GRAND JCT., COLO. (82½%)
VO. NO $ TO
VO. NO. 68225 $ 460.60 TO MID-CONTINENT URANIUM CORP. 215 North 5th GRAND JCT., COLO (12½%)
VO. NO. $ TO
VO. NO 68226 $ 184.24 TO U. S. GEOLOGICAL SURVEY Washington, D.C. 20242 (5 %)
VO. NO. $ TO (Mail to: Branch of Budget and Finance)

I certify that I am the lawful owner or an authorized Representative of the Lawful Owner [illegible] legal right to deliver the same to the Vanadium Corporation of America. I hereby [illegible] of the date of delivery of the ore, all my right, title and interest in and to said ore [illegible] the event my right to convey title is contested for any reason, I will accept the amount [illegible]

Seller or Agent

Please Sign and Return One Copy for Your Files

JOHN I. SCHUMACHER
REGISTERED MINING ENGINEER
GRAND JUNCTION, COLORADO
81501

OFFICE PHONE 242-5499

P. O. BOX 1648 XXX 1808

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 25 1966
INITIALS | CODE
8/26 | 120
JEJ | 110

August 22, 1966

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
U.S. Department of the Interior
Geological Survey
Washington, D. C. 20242

Your letter of August 17, 1966

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Co.
Ella Claim
San Juan County, Utah, and
Montrose County, Colorado.
Contract Idm-E1096

Gentlemen:

Please be advised that this property is owned by Mid-Continent Uranium Corp., 204 Uranium Center Building, Grand Junction, Colorado and is leased to Shumway and Dade Mining Co., 721 South 7th, Grand Junction, Colorado and Strategic Minerals Exploration Company has no interest in the property or its operation.

The information which you requested could be obtained from the above companies.

Very truly yours,

John I. Schumacher

John I. Schumacher

Encl.

JIS:gw

8/26/66
Roy. Requested general
appraisal - 6/3/67
Jack Roy. Please work
Jack 11 00
Jack 11 00 Jack
JEJ
6P-8933.28
Reg 8261.26
672.02

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

August 17, 1966

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Co.
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **December 1965** , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since **December 1965** , has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____	_____	_____
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

DETACH STATEMENT BEFORE DEPOSITING

OO PROOF	DATE	INVOICE NUMBER	AMOUNT OF INVOICE	DISCOUNT	ACCOUNTS RECEIVABLE	PREVIOUS BALANCE	BALANCE DUE
	DEC 31 65	12 25.00	797.56		OFFICIAL COPY O. M. E. RECEIVED JAN 18 1966 INITIALS CODE		797.56

ELLA
4597
E 1096
Strategic Minerals & Co.

VANADIUM CORPORATION OF AMERICA
P. O. BOX 757
SHIPROCK, NEW MEXICO

VOUCHER NO. 68024

Vanadium Corporation of America

12-0-25

Navajo Mill
Shiprock, New Mexico

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLO.

Deliveries to NAVAJO Mill Claim Name ELLA Period Dec 1965

Settlement covering various lots beginning No 12775 Ending No 12876

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	CONTAINED V2O5	CONTAINED U3O8
1448480		1263994	1.10	.225	13932	2848.04
NET WEIGHT TONS		DRY WEIGHT TONS				
724.240		631.9970				

V2O5	1.10 %	13932	lbs at	.31	Per Lb		$ 4318.92
U3O8	.225 %	2848.04	lbs. at	3.50	Per Lb	$ 9968.14	
Contents at 4 lbs per ton		2527.99	lbs				
Premium for lbs in excess of 4 lbs per ton		320.05	lbs at	75c	Per Lb	$ 240.04	
Content at 10 lbs. per ton			lbs				
Premium for lbs in excess of 10 lbs per ton			lbs at	25c	Per Lb	$	
Total Value U3O8							$ 10208.18
Development Allowance		2848.04	lbs at	50c	Per Lb	$	$ 1424.02
VCA Ore Purchase Schedule:							
V2O5 Premium							$
U3O8 Premium							$
							$
TOTAL GROSS VALUE							$ 15,951.12
Less Royalty Withheld						$	
Less Accounts Receivable						$ 13,159.67	$ 13,159.67
TOTAL NET PAYMENT							$ 2791.45

VO. NO.	$ — 0 —	TO	DADE & SHUMWAY MINING CO. BOX 967 GRAND JCT., COLO.
VO. NO	$	TO	(82½%)
VO NO. 68023	$ 1993.89	TO	MID-CONTINENT URANIUM CORP. 215 North 5th GRAND JCT., COLO.
VO. NO.	$	TO	(12½%)
VO. NO 68024	$ 797.56	TO	U. S. GEOLOGICAL SURVEY Washington, D.C. 20242 (5 %)
VO. NO.	$	TO	(Mail to: Branch of Budget and Finance)

I certify that I am the lawful owner or authorized Representative of the Lawful Owner of the [illegible] sold on this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby [illegible] of the date of delivery of the ore all my right, title and interest in and to said ore. I agree to [illegible] Vanadium Corporation of America [illegible] the event my right to convey title is contested for any reason I will accept the amount as shown [illegible] Total Gross Value in this settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files

08107.9

RECEIVED
U.S. GEOLOGICAL SURVEY
JAN 17 3 47 PM '66
BUDGET&FINANCE

Vanadium Corporation of America

12-0-25

Navajo Mill
Shiprock, New Mexico

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLO.

Deliveries to NAVAJO Mill Claim Name ELLA Period Dec 1965

Settlement covering various lots beginning No 12775 Ending No 12876

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	%	CONTAINED V2O5	CONTAINED U3O8	CONTAINED CaO3
1448480		1263994	1.10	.225		13932	2848.04	
NET WEIGHT TONS		DRY WEIGHT TONS						
724.240		631.9970						

V2O5	1.10 %	13932	lbs at	.31	Per Lb			$ 4318.92
U3O8	.225 %	2848.04	lbs at	3.50	Per Lb	$ 9968.14		
Contents at 4 lbs per ton		2527.99	lbs					
Premium for lbs in excess of 4 lbs per ton		320.05	lbs at	75c	Per Lb	$ 240.04		
Content at 10 lbs per ton			lbs					
Premium for lbs in excess of 10 lbs per ton			lbs at	25c	Per Lb	$		
Total Value U3O8								$ 10208.18
Development Allowance		2848.04	lbs at	50c	Per Lb	$		$ 1424.02
VCA Ore Purchase Schedule								
V2O5 Premium								$
U3O8 Premium								$
								$
TOTAL GROSS VALUE								$ 15,951.12
Less Royalty Withheld						$		
Less Accounts Receivable						$ 13,159.67		$ 13,159.67
TOTAL NET PAYMENT								$ 2791.45

VO NO.	$	— 0 —	TO	DADE & SHUMWAY MINING CO. BOX 967 GRAND JCT., COLO.
VO. NO	$		TO	(82½%)
VO NO. 68023	$	1993.89	TO	MID-CONTINENT URANIUM CORP. 215 North 5th GRAND JCT., COLO.
VO. NO	$		TO	(12½%)
VO. NO 68024	$	797.56	TO	U. S. GEOLOGICAL SURVEY Washington, D.C. 20242 (5 %)
VO. NO.	$		TO.	(Mail to: Branch of Budget and Finance)

I certify that I am the lawful owner or authorized Representative of the Lawful Owner of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby [illegible] the Vanadium Corporation of America [illegible] of the date of delivery of the ore, all my right, title and interest in and to said ore. In the event the Vanadium Corporation of America [illegible] the event my right to convey title is contested for any reason I will accept the amount as shown [illegible] Total Gross Value in full settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files

11-0-21

Vanadium Corporation of America

Navajo Mill
Shiprock, New Mexico

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLO.

Deliveries to NAVAJO Mill Claim Name ELLA Period Nov. 1965

Settlement covering various lots beginning No 12689 Ending No 12735

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	CONTAINED POUNDS U3O8	CONTAINED POUNDS CaCO3
493230		431197	1.24	.247		5348	1062.92	
NET WEIGHT TONS		DRY WEIGHT TONS						
246.615		215.5985						

V2O5	1.24 %	5348	lbs at	.31	Per Lb		$ 1657.88
U3O8	.247 %	1062.92	lbs. at	3.50	Per Lb.	$ 3720.22	
Contents at 4 lbs per ton		862.39	lbs				
Premium for lbs in excess of 4 lbs per ton		200.53	lbs at	75c	Per Lb	$ 150.40	
Content at 10 lbs per ton			lbs				
Premium for lbs. in excess of 10 lbs per ton			lbs at	25c	Per Lb	$	
Total Value U3O8							$ 3870.62
Development Allowance		1062.92	lbs at	50c	Per Lb	$	$ 531.46

VCA Ore Purchase Schedule.

V2O5 Premium	215.5985 @ $.27		$ 58.21
U3O8 Premium			$
			$
TOTAL GROSS VALUE			$ 6118.17
Less Royalty Withheld		$	
Less Accounts Receivable	Dade + Shumway	$ 3447.71	$ 3447.71
TOTAL NET PAYMENT			$ 2670.46

VO. NO. 67589	$ 1599.78	TO: DADE & SHUMWAY MINING CO. BOX 967 GRAND JCT., COLO.	
VO. NO.	$	TO: (82½%)	
VO. NO. 67590	$ 764.77	TO: MID-CONTINENT URANIUM CORP. 215 North 5th GRAND JCT., COLO.	
VO. NO.	$	TO: (12½%)	
VO. NO. 67591	$ 305.91	TO: U. S. GEOLOGICAL SURVEY Washington, D.C. 20242	(5 %)
VO. NO.	$	TO: (Mail to: Branch of Budget and Finance)	

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby transfer to the Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement

Seller or Agent

Please Sign and Return One Copy for VCA Files

Vanadium Corporation of America

10- 0 - 24

Navajo Mill
Shiprock, New Mexico

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLO.

Deliveries to NAVAJO Mill Claim Name ELLA Period OCT. 1965

Settlement covering various lots beginning No 12519 Ending No 12547

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaO	CONTAINED POUNDS V2O5	CONTAINED POUNDS U3O8	CONTAINED POUNDS CaO
323410		282704	.56	.208		1589	589.28	
NET WEIGHT TONS		DRY WEIGHT TONS						
161.705		141.3520						

V2O5	.56 %	1589	lbs at	.31	Per Lb			$ 492.59
U3O8	.208 %	589.28	lbs. at	3.50	Per Lb	$ 2062.48		
Contents at 4 lbs. per ton		565.41	lbs.					
Premium for lbs in excess of 4 lbs per ton		23.87	lbs at	75c	Per Lb	$ 17.90		
Content at 10 lbs. per ton			lbs					
Premium for lbs. in excess of 10 lbs. per ton			lbs at	25c	Per Lb	$		
Total Value U308								$ 2080.38
Development Allowance		589.28	lbs. at	50c	Per Lb	$		$ 294.64
VCA Ore Purchase Schedule:								
V205 Premium								$
U308 Premium								$
								$
TOTAL GROSS VALUE								$ 2867.61
Less Royalty Withheld						$		
Less Accounts Receivable		Dade & Shumway				$ 2122.70		$ 2122.70
TOTAL NET PAYMENT								$ 744.91

VO NO. 66956 $ 243.08 TO: DADE & SHUMWAY MINING CO. BOX 967 GRAND JCT., COLO. (82½%)
VO NO. $ TO:
VO NO. 66969 $ 358.45 TO: MID-CONTINENT URANIUM CORP. 215 North 5th GRAND JCT., COLO. (12½%)
VO NO. $ TO:
VO NO. 66970 $ 143.38 TO: U. S. GEOLOGICAL SURVEY Washington, D.C. 20242 (5 %)
VO NO. $ TO: (Mail to: Branch of Budget and Finance)

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the ore described in this settlement, that I have legal right to deliver the same to the Vanadium Corporation of America. I hereby [illegible] the Vanadium Corporation of America [illegible] of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to give Vanadium Corporation of America [illegible] the event my right to convey title is contested for any reason. I will accept the amount as shown [illegible] Total Gross Value in full settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files

Vanadium Corporation of America

Navajo Mill
Shiprock, New Mexico

CUSTOM ORE SETTLEMENT SHEET

T-0-15

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLO.

Deliveries to NAVAJO Mill Claim Name ELLA Period September 19[illegible]

Settlement covering various lots beginning No 12384 Ending No 12474

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	CONTAINED V2O5	CONTAINED U3O8
916250		816163	.55	.181	4494	1476.54
NET WEIGHT TONS		DRY WEIGHT TONS				
458.125		408.0815				

V2O5	.55 %	4494	lbs at	.31	Per Lb		$ 1393.14
U3O8	.181 %	1476.54	lbs. at	3.12	Per Lb	$ 4606.80	
Contents at 4 lbs per ton			lbs				
Premium for lbs in excess of 4 lbs per ton			lbs at	75c	Per Lb	$	
Content at 10 lbs per ton			lbs				
Premium for lbs. in excess of 10 lbs per ton			lbs at	25c	Per Lb	$	
Total Value U3O8							$ 4606.80
Development Allowance		1476.54	lbs at	50c	Per Lb	$	$ 738.27

VCA Ore Purchase Schedule:

V2O5 Premium	$
U3O8 Premium	$
	$
TOTAL GROSS VALUE	$ 6738.21
Less Royalty Withheld	$
Less Accounts Receivable Dade & Shumway	$ 5559.02 $ <5559.02>
TOTAL NET PAYMENT	$ 1179.19

VO. NO.	$	TO:	DADE & SHUMWAY MINING CO. BOX 967 GRAND JCT., COLO.
VO. NO	$	TO:	(82½%)
VO. NO 66764	$ 842.28	TO:	MID-CONTINENT URANIUM CORP. 215 North 5th GRAND JCT., COLO.
VO. NO.	$	TO:	(12½%)
VO. NO 66765	$ 336.91	TO:	U. S. GEOLOGICAL SURVEY Washington, D.C. 20242 (5 %)
VO. NO.	$	TO:	(Mail to: Branch of Budget and Finance)

I certify that I am the lawful owner or authorized Representative of the lawful Owner of the ore described in this settlement [illegible] legal right to deliver the same to the Vanadium Corporation of America. I hereby [illegible] Vanadium Corporation of [illegible] of the date of delivery of the ore all my right, title and interest in and to said ore [illegible] the event my right to convey title is contested for any reason I will accept the amount [illegible] shown above as "Total Gross Value" [illegible]

Seller or Agent

Please Sign and Return One Copy for VCA Files

Vanadium Corporation of America

8-0-8

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period Aug 1965

Settlement covering various lots beginning No 12252 Ending No 12331

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
1323040		1194166	.61	.145		7262	1728.32	
NET WEIGHT TONS		DRY WEIGHT TONS						
661.520		597.0830						

V2O5	.61 %	7262	lbs at	.31	Per Lb.		$ 2251.22
U3O8	.145 %	1728.32	lbs. at	2.40	Per Lb.	$ 4147.97	
Contents at 4 lbs. per ton			lbs.				
Premium for lbs. in excess of 4 lbs. per ton			lbs. at	75c	Per Lb.	$	
Content at 10 lbs. per ton			lbs.				
Premium for lbs. in excess of 10 lbs. per ton			lbs. at	25c	Per Lb.	$	
Total Value U308							$ 4147.97
Development Allowance		1728.32	lbs at	50c	Per Lb.	$	$ 864.16
VCA Ore Purchase Schedule.							
V2O5 Premium							$
U308 Premium							$
							$
TOTAL GROSS VALUE							$ 7263.35
Less Royalty Withheld						$	
Less Accounts Receivable		Dade & Shumway				$ 5992.26	$ 5992.26
TOTAL NET PAYMENT							$ 1271.09

VO. NO.	$ — 0 —	TO	DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)
VO. NO.	$	TO:	
VO. NO. 66319	$ 907.92	TO	MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)
VO. NO.	$	TO	
VO. NO. 66320	$ 363.17	TO	OFFICE OF MINERALS EXPLORATION OMB Region III, Rm. 20
VO. NO.	$	TO	Denver Federal Center, Denver, Colo. 80225 (5 %) (2 copies - white, green)

I certify that I am the lawful owner or authorized representative of the Mineral Owner, of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby transfer to the Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files

Vanadium Corporation of America

7-0-5

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name EL/A Period July 1965

Settlement covering various lots beginning No. 12082 Ending No. 12199

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	CONTAINED V2O5	CONTAINED U3O8
796310		724562	.37	.153	2680	1107.22
NET WEIGHT TONS		DRY WEIGHT TONS				
398.155		362.2810				

V2O5	.37 %	2680	lbs at	.31	Per Lb		$ 830.80
U3O8	.153 %	1107.22	lbs at	2.56	Per Lb	$ 2834.48	
Contents at 4 lbs. per ton			lbs				
Premium for lbs. in excess of 4 lbs. per ton			lbs at	75c	Per Lb	$	
Content at 10 lbs. per ton			lbs				
Premium for lbs. in excess of 10 lbs. per ton			lbs at	25c	Per Lb	$	
Total Value U3O8						4597	$ 2834.48
Development Allowance		1107.22	lbs at	50c	Per Lb	$	$ 553.61
VCA Ore Purchase Schedule							
V2O5 Premium							$
U3O8 Premium							$
							$
TOTAL GROSS VALUE							$ 4218.89
Less Royalty Withheld						$	
Less Accounts Receivable			Dade + Shumway			$ 3480.59	$ 3480.59
TOTAL NET PAYMENT							$ 738.30

VO NO.	$ — 0 —	TO DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)
VO NO	$	TO:
VO NO 65933	$ 527.36	TO MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)
VO NO.	$	TO
VO NO 65947	$ 210.94	TO OFFICE OF MINERALS EXPLORATION GPO Region II, Bldg. 20
VO NO.	$	TO Denver Federal Center, Denver, Colo. 80225 (5%)

[illegible] of the [illegible] described in this settlement sheet and have legal right to deliver the [illegible] to Vanadium Corporation of America [illegible] of the [illegible] and the [illegible] right to convey title to contested [illegible] Vanadium Corporation of America [illegible] the [illegible] right to convey title to contested [illegible] will [illegible] shown above on "Total Gross Value" in this settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files

Vanadium Corporation of America

6-0-10

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period June, 1965

Settlement covering various lots beginning No 11991 Ending No 12054

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
1422910		1288619	.35	.138		4457	1773.30	
NET WEIGHT TONS		DRY WEIGHT TONS						
711.355		644.3095						

OME
DEPARTMENT OF THE INTERIOR
1965
REGION III
DENVER, COLORADO

V2O5	.35 %	4457 lbs. at	.31	Per Lb		$ 1381.67	
U3O8	.138 %	1773.30 lbs. at	2.26	Per Lb.	$ 4007.66		
Contents at 4 lbs. per ton		lbs					
Premium for lbs. in excess of 4 lbs. per ton		lbs at	75c	Per Lb.	$		
Content at 10 lbs. per ton		lbs.					
Premium for lbs. in excess of 10 lbs. per ton		lbs at	25c	Per Lb	$		
Total Value U3O8						$ 4007.66	
Development Allowance	1773.30	lbs at	50c	Per Lb	$	$ 886.65	
VCA Ore Purchase Schedule							
V2O5 Premium						$	
U3O8 Premium						$	
						$	
TOTAL GROSS VALUE						$ 6275.98	
Less Royalty Withheld					$		
Less Accounts Receivable	Dade & Shumway				$ 1634.45	$ 1634.45	
TOTAL NET PAYMENT						$ 4641.53	

Strategic Minerals
2906

VO. NO. 65318 $ 3543.23 TO: DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82 1/2)
VO. NO. $ TO:
VO. NO. 65319 $ 910.02 TO: MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (14 1/2)
VO. NO. $ TO
VO. NO. 65320 $ 188.28 TO: OFFICE OF MINERALS EXPLORATION OME Region III, Tldr. 20
VO. NO. $ TO: Denver Federal Center, Denver, Colo. 80225 (3 %)
(2 copies-settlement)

I certify that I am the legal owner or authorized agent of the Owner of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby transfer to the Vanadium Corporation of America effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files

5-0-10

Vanadium Corporation of America

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period May 1965

Settlement covering various lots beginning No 11812 Ending No. 11937

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
2219540		2003351	.48	.163		9646	3272.19	
NET WEIGHT TONS		DRY WEIGHT TONS						
1109.770		1001.6755						

V2O5	.48	%	9646	lbs. at	.31	Per Lb	$ 2990.26
U3O8	.163	%	3272.19	lbs. at	2.76	Per Lb. $ 9031.24	
Contents at 4 lbs. per ton				lbs			
Premium for lbs in excess of 4 lbs per ton				lbs at	75c	Per Lb $	
Content at 10 lbs per ton				lbs.			
Premium for lbs. in excess of 10 lbs per ton				lbs at	25c	Per Lb	
Total Value U308							$ 9031.24
Development Allowance			3272.19	lbs at	50c	Per Lb $	$ 1636.10
VCA Ore Purchase Schedule							
V2O5 Premium							$
U308 Premium							$
							$
TOTAL GROSS VALUE							$ 13,657.60
Less Royalty Withheld						$	
Less Accounts Receivable				Dade & Shumway		$ 11,267.52	$ 11,267.52
TOTAL NET PAYMENT							$ 2390.08

VO. NO.	$	— 0 —	TO: DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)
VO. NO.	$		TO:
VO. NO. 64865	$	1707.20	TO: MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)
VO. NO.	$		TO:
VO. NO. 64866	$	682.88	TO: OFFICE OF MINERALS EXPLORATION OME Region III, Bldg. 20
VO. NO.	$		TO: Denver Federal Center, Denver, Colo. 80225 (5 %)

(2 copies settlement)

I certify that I am the lawful owner or authorized representative of the lawful Owner of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby transfer to the Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount shown above as "Total Gross Value" in full settlement.

4597 C 1996 Strategic Minerals Seller or Agent

Please Sign and Return One Copy for VCA Files

OME DEPARTMENT OF THE INTERIOR JUN 18 1965 REGION III DENVER, COLORADO

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

May 27, 1965

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E 1096

Gentlemen:

Enclosed is a copy of the Report of Royalty Review dated May 4, 1965 on the subject contract.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

H. M. C. (5-27-65)
cc: G. C. Selfridge
C. E. Fisher
E 1096
Chron

120 m
120
220

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

May 27, 1965

Memorandum

To: Fiscal Section
Office of Management Operations
Office of the Secretary
Department of the Interior
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: DMRA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E 1096

Enclosed is the original Report of Royalty Review dated May 4, 1965 on the subject contract.

ORIGINAL SIGNED BY

Hugh M. Connors

H.M.C. (5-27-65)
cc: G. C. Selfridge
C. E. Fisher
E 1096
Chron

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
1. 120M		
2. 120		
3.		
4.		
5.		
FROM: CA & A Division	5/24	

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

This error was discovered here in Washington on May 18. Mr. Fisher telephoned Mr. Connors asking him to make the correction but he had already mailed the reports back to Washington. The reports are being returned to Mr. Connors as of this date.

AMA

INT.-DUP. SEC., WASH., D.C. M56300-62

TES
INTERIOR
PLORATION

l Center
25

May 18, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 24 1965

INITIALS	CODE
	800
	120 M
	120
	220

Audit Division

Region III

ion Company

Montrose County, Colorado

gures in your Report of
t.

lty paid is $3,963.66

If I am wrong return the Reports and I will distribute them.

Hugh M. Connors

Hugh M. Connors

H. M. C. (5-18-65)
cc: G. C. Selfridge
E 1096
Chron

4597

Vanadium Corporation of America

4-0-14

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period 4/1-4/30/65

Settlement covering various lots beginning No 11621 Ending No 11768

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	CONTAINED POUNDS U3O8	CONTAINED POUNDS CaCO3
1640110		1473051	.86	.200		12688	2948.96	
NET WEIGHT TONS		DRY WEIGHT TONS						
820.055		736.5255						

V205	.86 %	12688	lbs. at	.31	Per Lb		$ 3933.28
U308	.200 %	2948.96	lbs. at	3.50	Per Lb	$ 10,321.36	
Contents at 4 lbs per ton		2946.10	lbs				
Premium for lbs. in excess of 4 lbs per ton		2.86	lbs at	75c	Per Lb	$ 2.15	
Content at 10 lbs per ton			lbs				
Premium for lbs. in excess of 10 lbs per ton			lbs. at	25c	Per Lb	$	
Total Value U308							$ 10,323.51
Development Allowance		2948.96	lbs. at	50c	Per Lb	$	$ 1474.48
VCA Ore Purchase Schedule							
V205 Premium							$
U308 Premium							$
							$
TOTAL GROSS VALUE							$ 15,731.27
Less Royalty Withheld						$	
Less Accounts Receivable		Dade + Shumway Mining				$ 12,978.30	$ 12,978.30
TOTAL NET PAYMENT							$ 2752.97

E 1076 Strategic Minerals

VO. NO.	$ — 0 —	TO	DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)
VO. NO	$	TO	
VO. NO. 64145	$ 1966.41	TO	MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)
VO. NO.	$	TO	
VO. NO 64146	$ 786.56	TO	OFFICE OF MINERALS EXPLORATION GSA Region VI, Bldg. 20 Denver Federal Center, Denver, Colo. 80225 (5%)
VO. NO.	$	TO	

ama

[illegible]

Seller or Agent

Please Sign and Return One Copy for VCA Files

4597

4-0-10

Vanadium Corporation of America

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Clean Name ELLA Period Mar. 1965

Settlement covering various lots beginning No 11444 Ending No 11594

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V205	% U308	% CaCO	CONTAINED POUNDS V205	CONTAINED POUNDS U308	CONTAINED POUNDS CaCO
1056550		968928	1.27	.197		12260	1911.70	
NET WEIGHT TONS		DRY WEIGHT TONS						
528.275		484.4640						

V205	1.27 %	12260	lbs. at	.31	Per Lb		$ 3800.60
U308	.197 %	1911.70	lbs. at	3.44	Per Lb	$ 6576.25	
Contents at 4 lbs per ton			lbs				
Premium for lbs in excess of 4 lbs per ton			lbs at	75c	Per Lb	$	
Content at 10 lbs per ton			lbs				
Premium for lbs in excess of 10 lbs per ton			lbs at	25c	Per Lb	$	
Total Value U308							$ 6576.25
Development Allowance		1911.70	lbs at	50c	Per Lb	$	$ 955.85
VCA Ore Purchase Schedule							
V205 Premium							$
U308 Premium							$
							$
TOTAL GROSS VALUE							$ 11,332.70
Less Royalty Withheld						$	
Less Accounts Receivable		Dade & Shumway				$ 8087.23	$ 8,087.23
TOTAL NET PAYMENT							$ 3,245.47

VO NO. 63961 $ 1262.24 TO DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)
VO NO $ TO
VO. NO. 63962 $ 1416.59 TO MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)
VO NO $ TO
VO. NO 63963 $ 566.64 TO OFFICE OF MINERALS EXPLORATION Off. Region III, Plac. 20
VO. NO. $ 66 TO Denver Federal Center, Denver, Colo. 80225 (5 %)

[illegible] right to deliver the [illegible] Vanadium Corporation of America, Office [illegible] the date of [illegible] of the original [illegible] and to make [illegible] to Vanadium Corporation of America and the [illegible] the Grant [illegible] right to receive title as contained for any [illegible] will accept the [illegible] above as Total Gross Value in full settlement.

E 1096 [illegible] Seller or Agent

Please Sign and Return One Copy for VCA Files

OME
DEPARTMENT OF THE INTERIOR
APR 1 1965
REGION III
DENVER, COLORADO

Vanadium Corporation of America

2-0-38

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period Feb 1965

Settlement covering various lots beginning No 11308 Ending No 11359

NET WEIGHT POUNDS		DRY WEIGHT POUNDS	V205	U308		CONTAINED POUNDS V205	U308	CaO3
546530		481535	.89	.202		4286 4294	972.70 974.32	
NET WEIGHT TONS		DRY WEIGHT TONS						
273.265		240.7675						

V205	.89 %	4286 4294	lbs. at	.31	Per Lb			1328.66 $ 1331.14
U308	.202 %	972.70 974.32	lbs. at	3.50	Per Lb.	$	3409.45 3410.12	
Contents at 4 lbs. per ton		963.07	lbs					
Premium for lbs. in excess of 4 lbs. per ton		11.25	lbs. at	75c	Per Lb.	$	8.44	
Content at 10 lbs. per ton			lbs.					
Premium for lbs. in excess of 10 lbs. per ton			lbs. at	25c	Per Lb	$		
Total Value U308								3412.89 $ 3418.56
Development Allowance		974.32	lbs. at	50c	Per Lb	$		$ 487.16
VCA Ore Purchase Schedule								
V205 Premium								$
U308 Premium								$
								$ 5228.71
TOTAL GROSS VALUE								$ 5236.86
Less Royalty Withheld						$		
Less Accounts Receivable		Dade & Shumway				$	1686.59	$ 1686.59
TOTAL NET PAYMENT								$ 3550.27

VO. NO. 63463	$ 2633.82	TO DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)	
VO. NO.	$	TO.	
VO. NO. 63464	$ 654.61	TO MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)	
VO. NO.	$	TO.	
VO. NO. 63465	$ 261.84	TO OFFICE OF MINERALS EXPLORATION Grand Region, Bldg. 20 Denver Federal Center, Denver, Colo. 80225 (5 %)	
VO. NO.	$		

amt

I certify that I am the [illegible] of the Vanadium Corporation of America, and that I have the legal right to deliver the [illegible] to Vanadium Corporation of America, and that I have the legal right to convey title to contents of the ore and [illegible] of the date of delivery of the ore, all liens, mortgages and encumbrances thereon, and that I have to save Vanadium Corporation of America harmless in the event the right to convey title to contents of the ore and [illegible] shall occur. The [illegible] shown above as "Total Gross Value" in full settlement.

E 1076 Shoshone Minerals

Seller or Agent

Please Sign and Return One Copy for VCA Files

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 22 1965
INITIALS | CODE

Vanadium Corporation of America

1-0-34

P. O. BOX 757 [redacted] SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period Jan 1965

Settlement covering various lots beginning No. 11193 Ending No. —

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
200510		180582	1.20	.279		2167	503.82	
NET WEIGHT TONS		DRY WEIGHT TONS						
100.255		90.2910						

V2O5	1.20 %	2167	lbs. at	.31	Per Lb.		$	671.77
U3O8	.279 %	503.82	lbs. at	3.50	Per Lb.	$ 1763.37		
Contents at 4 lbs. per ton		361.16	lbs.					
Premium for lbs. in excess of 4 lbs. per ton		142.66	lbs. at	75c	Per Lb.	$ 107.00		
Content at 10 lbs. per ton			lbs.					
Premium for lbs. in excess of 10 lbs. per ton			lbs. at	25c	Per Lb.	$		
Total Value U3O8							$	1870.37
Development Allowance		503.82	lbs. at	50c	Per Lb.	$	$	251.91
VCA Ore Purchase Schedule:								
V2O5 Premium		90.2910 tons @ $ .15					$	13.54
U3O8 Premium		DMEA 4597					$	
							$	
TOTAL GROSS VALUE		E1096 Strategic Minerals					$	2807.59
Less Royalty Withheld						$		
Less Accounts Receivable		Dade & Shumway				$ 413.20	$	413.20
TOTAL NET PAYMENT							$	2394.39

VO NO. 63264 $ 1903.06 TO DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82%)
VO NO. $ TO:
VO NO. 63265 $ 350.95 TO MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)
VO NO. $ TO:
VO NO. 63266 $ 140.38 TO OFFICE OF MINERALS EXPLORATION GSA Region 8I, Bldg. 20
VO NO. $ TO Denver Federal Center, Denver, Colo. 80225 (5%)

amd

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby transfer to Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files

4597

Vanadium Corporation of America

12-0-3

P. O. BOX 757 [redacted] SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period Dec 1964

Settlement covering various lots beginning No 11059 Ending No 11119

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	CONTAINED POUNDS U3O8	CONTAINED POUNDS CaCO3
1755470		1600291	1.21	.285		19339	4566.51	
NET WEIGHT TONS		DRY WEIGHT TONS						
877.735		800.1455						

V2O5	1.21 %	19339	lbs at	.31	Per Lb		$ 5995.09
U3O8	.285 %	4566.51	lbs at	3.50	Per Lb	$ 15982.79	
Contents at 4 lbs per ton		3200.58	lbs				
Premium for lbs in excess of 4 lbs per ton		1365.93	lbs at	75c	Per Lb	$ 1024.45	
Content at 10 lbs per ton			lbs				
Premium for lbs. in excess of 10 lbs per ton			lbs at	25	Per Lb	$	
Total Value U3O8							$ 17007.24
Development Allowance		4566.51	lbs at	50c	Per Lb	$	$ 2283.26
VCA Ore Purchase Schedule							
V2O5 Premium		800.1455 ton @		.18¢			$ 144.03
U3O8 Premium							$
							$
TOTAL GROSS VALUE							$ 25,429.62
Less Royalty Withheld						$	
Less Accounts Receivable		Dade + Shumway				$ 10313.70	<10313.70>
TOTAL NET PAYMENT							$ 15,115.92

VC NO. 62713 $ 10,665.74 TO DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82 8)
VC NO $ TO:
VC NO. 62714 $ 3178.70 TO MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12 8)
VC NO. $ TO
VC NO 62259 $ 1271.48 TO OFFICE OF MINERALS EXPLORATION GAB Region III, Bldg. 20
VC NO. $ Denver Federal Center, Denver, Colo. 80225 (5 8)

I certify that I am the legal owner and/or authorized agent of the Land Owner, of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I hereby transfer to the Vanadium Corporation of America, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vanadium Corporation of America harmless in the event my right to convey title is contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement.

E 1016 Strategic Minerals

Seller or Agent

Please Sign and Return One Copy for VCA Files

Vanadium Corporation of America

11-0-44

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Delivered to NAVAJO Mill Claim Name ELLA Period NOV, 1964

Settlement covering various lots beginning No 10944 Ending No 11015

GROSS WEIGHT POUNDS	H2O	DRY WEIGHT POUNDS	[illegible]	V2O5	[illegible]	CONTAINED V2O5	CONTAINED U3O8	POUNDS CaCO3
1071160		977484	1.39	.280		13591	2741.18	
NET WEIGHT TONS		DRY WEIGHT TONS						
535.58		488.7420						

V205 1.39 % 13591 lbs at 31 Per Lb = 4213.21

U308 .280 % 2741.18 lbs at 3.50 Per Lb = 9594.13

Contents at 4 lbs per ton 1954.97 lbs

Premium for lbs in excess of 4 lbs per ton 786.21 lbs at [illegible] Per Lb = 589.66

Content at 10 lbs per ton lbs

Premium for lbs in excess of 10 lbs per ton lbs at [illegible] Per Lb =

Total Value U308 = 10183.79

Development Allowance 2741.18 lbs at 50% Per Lb = 1370.59

VCA Ore Purchase Schedule

V2O5 Premium 488.7420 ton @ .72 = 351.89

U308 Premium =

TOTAL GROSS VALUE = 16119.48

Less Royalty Withheld $

Less Accounts Receivable $

TOTAL NET PAYMENT = 16119.48

VC NO 62539 $ 13,298.57 TO DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)

VC NO $ TO

VC NO. 62539 $ 2014.94 TO MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)

VC NO. $

VC NO 62540 $ 805.97 TO OFFICE OF MINERALS EXPLORATION Off Region II, Dep. 20 Denver Federal Center, Denver, Colo. 80225 (5%)

[illegible]

Strategic Minerals E1096

4597

Please Sign and Return One Copy for VCA Files

ME Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/16	Fisher	800
	Belanger	120
11/17	Johnson	100
11/17	[illegible]	100
		220

NOV 1 7 1964

Vanadium Corporation of America

Shiprock, New Mexico

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Co.
Ella Claim
San Juan County, Utah, and
Montrose County, Colorado
Contract Idm-E1096

Gentlemen:

Receipt is acknowledged of your check No. 60835, amount $473.06, covering royalty due to the Government under provisions of the referenced contract.

It is noted that you have reduced your payment in the amount of $6.50 and have included that amount in your payment to Mid-Continent Uranium Corporation to adjust the overpayment of royalty in connection with the September 1964 settlement.

In the future will you please make the remittances to the Acting Field Officer, OME Region III, Building 20, Denver Federal Center, Denver, Colorado 80225, accompanied by two copies of the pertinent settlement sheets.

Sincerely yours,

[illegible], Jr.

Acting Director

cc: Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado 81501

CEFISHER:fh/11/16/64
cc: Director's reading file
CA & A Division
Reg. III
Docket

23263

ME Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		800
	Selfridge	130
11/17	Johnson	110
4		100
		220

NOV 1 7 1964

Memorandum

To: Chief, Fiscal Section
Office of Management Operations
Office of the Secretary

From: Contract Administration and Audit Division CEF

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

Enclosed for deposit to the subject DMEA account under symbol 14X4401 as a royalty receipt is Vanadium Corporation of America check No. 60835 drawn under date of November 13, 1964, in the amount of $473.06 on the First National Bank, Durango, Colorado.

This payment covers 5% royalty on the $9,591.20 gross proceeds on Vanadium Corporation of America settlement sheet for October 1964 on lots 10851 through 10904, less $6.50 overpaid in connection with September 1964 settlement by that Company.

Enclosure

CEFISHER:fh
11/16/64

cc: ~~Docket~~
Director's reading file
CA & A Division
Reg. III ~~(w/c of settlement sheet)~~

23263

DETACH STATEMENT BEFORE DEPOSITING

	OO PROOF	DATE	INVOICE NUMBER	AMOUNT OF INVOICE	DISCOUNT	ACCOUNTS RECEIVABLE	PREVIOUS BALANCE	BALANCE DUE
EL LA		OCT 31 64	10, .16	473.06				473.06

VANADIUM CORPORATION OF AMERICA

P. O. BOX 757
SHIPROCK, NEW MEXICO

VOUCHER NO. 60835

10-0-16

Vanadium Corporation of America

P. O. BOX 757 [redacted] SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period Oct, 1964

Settlement covering various lots beginning No 10851 Ending No 10904

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% U3O8	% CaCO3	CONTAINED POUNDS V2O5	CONTAINED POUNDS U3O8	CONTAINED POUNDS CaCO3
604440		553898	1.36	.301		7507	1667.45	
NET WEIGHT TONS		DRY WEIGHT TONS						
302.22		276.9490						

V205	1.36 %	7507	lbs at	31	Per Lb			$ 2327.17
U308	.301 %	1667.45	lbs at	3.50	Per Lb.	$ 5836.08		
	Contents at 4 lbs per ton	1107.80	lbs					
	Premium for lbs in excess of 4 lbs. per ton	559.65	lbs at	75c	Per Lb	$ 419.74		
	Content at 10 lbs per ton		lbs					
	Premium for lbs in excess of 10 lbs per ton		lbs at	25c	Per Lb	$		
	Total Value U308							$ 6255.82
Development Allowance		1667.45	lbs at	50c	Per Lb	$		$ 833.73
VCA Ore Purchase Schedule								
	V205 Premium	276.9490 tons @ .63						$ 174.48
	U308 Premium							$
								$
TOTAL GROSS VALUE								$ 9591.20
Less Royalty Withheld						$		
Less Accounts Receivable						$		$
TOTAL NET PAYMENT								$ 9591.20

VO. NO 60833 $ 7912.74 TO: DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)
VO. NO $ TO:
VO. NO. 60834 $ 1205.40 TO: MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo
VO. NO. $ TO: (1198.90 + 6.50) (12½%)
VO. NO 60835 $ 473.06 TO: OFFICE OF MINERALS EXPLORATION Washington 25, D.C. (5 %)
VO. NO. $ TO: (479.56 less 6.50)

I represent that I am the owner or authorized Representative of the lawful owner of the ore described in this settlement sheet and have legal right to deliver the same to the Vanadium Corporation of America. I agree that the Vanadium Corporation of America, after lapse of one day after receipt of the ore, all navigation, title and interest in and to said ore shall vest in Vanadium Corporation of America free and clear of all rights to convey title to contested for any reason. I will accept the amount as shown above as "Total Gross Value" in full settlement.

Seller or Agent

Please Sign and Return One Copy for VCA Files

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 20 1964

DATE	INITIALS	[illegible]
		8 CC

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/20	Fisher	800
10/20	Murphy	120M
	Selbrede	120
10/20	Johnson	110
		100
		220

Mr. John E. Danielson
Office Manager
Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado 81501

OCT 2 0 1964

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Co.
Ella Claim
San Juan County, Utah, and
Montrose County, Colorado
Contract Idm-E1096

Dear Mr. Danielson:

Reference is made to your letter dated July 29, 1964, to Vanadium Corporation of America.

The schedule of royalty deductions applicable to DMEA contracts is as follows:

Value of Ore	Royalty Deduction
Less than $8.50 per ton	1½%
$8.50 to $8.99 " "	2%
9.00 to 9.49 " "	2½%
9.50 to 9.99 " "	3%
10.00 to 10.49 " "	3½%
10.50 to 10.99 " "	4%
11.00 to 11.49 " "	4½%
Over $11.50 " "	5%

It is noted that VCA settlement for September 1964 related to 140.8325 SDT of ore with a gross value of $1,300.62 on which royalty at 3 percent has been paid in the amount of $39.02. The value per SDT in this instance is $9.24 SDT, the correct royalty rate is 2½ percent, and the royalty properly payable is $32.52. Appropriate adjustment may be made on a subsequent settlement if you wish.

Sincerely yours,

CEFisher/ama 10-20-64

George Fumich, Jr.
Acting Director

cc:
Docket
Director's Reading File
CA & A Division
Region III

23263

Vanadium Corporation of America

P. O. BOX 757 [redacted] SHIPROCK, NEW MEXICO 9-2-64

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mail Class Name ELLA Period Sept. 1964

Settlement covering vouchers beginning No. 10694 Ending No. 10755

NET WEIGHT POUNDS		DRY WEIGHT POUNDS				CONTAINED POUNDS V205	U308	V2O3
302460		281665	0.53	.122		1488	343.99	

NET WEIGHT TONS	DRY WEIGHT TONS
151.23	140.8325

V205 0.53 1488 lbs at 31 Per Lb $ 461.28

U308 .122 343.99 lbs at 1.94 Per Lb $ 667.34

Contents at 4 lbs per ton lbs

Premium for lbs in excess of 4 lbs per ton lbs at 7c Per Lb $

Content at 10 lbs per ton lbs

Premium for lbs in excess of 10 lbs per ton lbs at 25c Per Lb $

Total Value U308 $ 667.34

Development Allowance 343.99 lbs at 50c Per Lb $ $ 172.00

VCA Ore Purchase Schedule

V2O5 Premium $

U308 Premium $

$

TOTAL GROSS VALUE $ 1300.62

Less Royalty, Withheld $

Less Amounts Receivable $ $

TOTAL NET PAYMENT $ 1300.62

VO NO 60640 $ 1073.01 TO DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)

VO NO $ TO

VO NO 60641 $ 188.59 TO MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (14½%)

VO NO $ TO

VO NO 60642 $ * 39.02 TO OFFICE OF MINERALS EXPLORATION [redacted] OME Region III (3 %)

VO NO. $ TO Bldg 20, Denver Federal Center, Denver Colorado - 80225

[illegible]

*A/B # 32.52 @ 2½%
68¢

Seller or Agent

Please Sign and Return One Copy for VCA Files

E1096
Heritage Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 19 1954

DATE	INITIALS	

4597

Vanadium Corporation of America

8-0-8

P. O. BOX 757 [redacted] SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Delivered to NAVAJO Mill Circuit Name ELLA Period Aug 1964

Settlement covers ore lots beginning No. 10546 Ending No. 10626

Net Weight Pounds		Dry Weight Pounds	V2O5	U3O8	Contained V2O5 Pounds	Contained U3O8 Pounds
351550		325686	0.49	.170	1612	552.45

Net Weight Tons: 175.775 Dry Weight Tons: 162.8430

V2O5 0.49 1612 lbs. at .31 Per Lb. $ 499.72

U3O8 .170 552.45 lbs. at 2.90 Per Lb. $ 1602.11

Contents at 4 lbs. per ton lbs.

Premium for lbs. in excess of 4 lbs. per ton lbs. at .75 Per Lb. $

Content at 10 lbs. per ton lbs.

Premium for lbs. in excess of 10 lbs. per ton lbs. at 25 Per Lb. $

Total Value U3O8 $ 1602.11

Prepayment Allowance 552.45 lbs. at 50% Per Lb. $ $ 276.23

VCA Ore Purchase Schedule

V2O5 Premium $

U3O8 Premium $

$

TOTAL GROSS VALUE $ 2378.06

Less Royalty Withheld $

Less Accounts Receivable Dade & Shumway $ 1961.90 $ <1961.90>

TOTAL NET PAYMENT $ 416.16

E1096 Strategic Minerals

VO. NO	—	$ 00.00	TO	DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (32½%)
VO. NO		$	TO	
VO. NO	60392	$ 297.26	TO	MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)
VO. NO		$	TO	
VO. NO	60393	$ 118.90	TO	OFFICE OF MINERALS EXPLORATION Region III [redacted] (5 %)
VO. NO.		$	TO	Bldg. 20 Denver Federal Center, Denver Colorado 80225

amer

Collector's Agent

Please Sign and Return One Copy for VCA Files

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		220

AUG 17 1964

Memorandum

To: Chief, Fiscal Section
Office of Management Operations
Office of the Secretary

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

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Lila Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

Enclosed for deposit to the subject DMEA account under symbol 14X4401 as a royalty receipt is Vanadium Corporation of America check no. 66,354 drawn under date of August 14, 1964, in the amount of $70.86 on the First National Bank, Durango, Colorado.

This payment covers 5% royalty on the $1,417.15 gross proceeds on Vanadium Corporation of America settlement sheet for July 1964 on lots 10426 through 10500.

Enclosure

EDTalbert/ama 8-17-64

cc:
Docket
Director's Reading File
CA & A Division
Reg. III (w/c of settlement sheet)

23263

Vanadium Corporation of America

P. O. BOX 757 SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchase [illegible] DADE & SHUMWAY MINING CO. [illegible] GRAND JUNCTION, COLORADO

Delivery [illegible] NAVAJO Mill [illegible] ELLA Period July 1964

Settlement [illegible] Beginning No 10426 Ending No 10500

WET WEIGHT POUNDS		DRY WEIGHT POUNDS					
210 300		196 79	.75	.156		1476	307.56

NET WET TON	DRY WEIGHT TONS
105.150	98.3395

V205 .75 1476 lbs at .31 Per Lb 457.56

U308 .156 307.56 lbs. at 2.62 Per Lb $ 805.81

Contents at 4 lbs. per ton lbs.

Premium for [illegible] excess of 4 lbs. per ton lbs. at 7c Per Lb $

Content at 12 lbs. per ton lbs.

Premium [illegible] excess [illegible] lbs. per ton lbs. at 2c Per Lb $

Total Value [illegible] $ 805.81

Development Allowance 307.56 lbs at 50c Per Lb $ $ 153.78

VCA Ore Purchase Schedule

V205 Premium $

U308 Premium $

$

TOTAL GROSS VALUE $ 1417.15

Less Royalty, Wolcott $

Less Accounts Receivable $ $

TOTAL NET PAYMENT $ 1417.15

VOUCHER NO. 59811	$ 1169.15	TO:	DADE & SHUMWAY MINING CO. Box 967 Grand Jct., Colo. (82½%)
VOUCHER NO.	$	TO:	
VOUCHER NO. 59812	$ 177.14	TO:	MID-CONTINENT URANIUM CORP. 215 North 5th Grand Jct., Colo (12½%)
VOUCHER NO.	$	TO:	
VOUCHER NO. 59813	$ 70.86	TO:	OFFICE OF MINERALS EXPLORATION Washington 25, D.C. (5 %)
VOUCHER NO.	$	TO:	

[illegible]

Seller or Agent

Please Sign and Return One Copy for VCA Files

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 17 1964

DATE	INITIALS	CODE
		800

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/3	Talbert	800
8/3	Murphy	120
	Stillwage	120
8/3	Johnson	110
3	[illegible]	100
		220

AUG 3 1964

Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado 81501

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Eila Claim
San Juan County, Utah, and
Montrose County, Colorado
Contract Idm-K1096

Gentlemen:

Receipt is acknowledged of your July 29, 1964, check no. 8019 in the amount of $215.51, one copy of the settlement sheet covering May 1964 ore shipments, and a copy of your July 29 letter to Vanadium Corporation of America, all as enclosed with your letter of the same date to this office.

We are pleased to learn that you are now shipping from the property under the contract and that we may expect further royalty payments. Although the percentage royalty is properly payable to the Office of Minerals Exploration, the remittances should be mailed to the Acting Field Officer, OME Region III, Building 20, Denver Federal Center, Denver, Colorado 80225, and should be accompanied by two copies of the pertinent settlement sheets.

Please amend your instructions to the buyer accordingly.

Sincerely yours,

George Fumich, Jr.

(ph)

Acting Director

EDTalbert/ama 8-3-64

cc:
Docket
Director's Reading File
CA & A Division
Region III

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		220

AUG 3 1964

Memorandum

To: Chief, Fiscal Section
Office of Management Operations
Office of the Secretary

(Signed) E. D. Talbert

From: Chief, Contract Administration and Audit Division

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

Attached for deposit to the subject DMEA account under symbol 14X4401 as a royalty receipt is Mid-Continent Uranium Corp. check no. 8019 drawn under date of July 29, 1964, in the amount of $215.51 on the Bank of Denver, Denver, Colorado.

This payment covers 5% royalty on the $4,310.25 gross proceeds on Vanadium Corporation of America settlement sheet for May 1964 on lots 9807 through 10144.

Enclosure

EDTalbert/ama 8-3-64

cc:
Docket
Director's Reading File
CA & A Division
Reg. III (w/c of settlement sheet & inc. ltr.)

23263

DETACH STATEMENT BEFORE DEPOSITING

OO PROOF	DATE	INVOICE NUMBER	AMOUNT OF INVOICE	DISCOUNT	ACCOUNTS RECEIVABLE	PREVIOUS BALANCE	BALANCE DUE
	JUL 31 64	7. .03	70.86				70.86

ELLA

VANADIUM CORPORATION OF AMERICA

P. O. BOX 757
SHIPROCK, NEW MEXICO

VOUCHER NO. 59813

FIFTH & ROOD

AREA CODE 303
PHONE 242-1280

MID-CONTINENT URANIUM CORP.
URANIUM CENTER BUILDING
GRAND JUNCTION, COLORADO
81501

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 31 1964

DATE	INITIALS	CODE
8/3	EW	800
		120
July 29, 1964		

Office of Minerals Exploration
Washington 25, D. C.

Re: Docket No. DMEA-4597 (Uranium)
Contract No. Idm-E1096
Joan, LaRay and Ella Claims
San Juan County, Utah and
Montrose County, Colorado

Gentlemen:

Enclosed is our Check No. 8019 in the amount of $215.51, covering a five percent royalty repayment on the above subject DMEA loan, from the ore shipped from this property during May, 1964. Also enclosed is a copy of the settlement sheet covering this shipment. This is the first ore we have shipped from this property.

We are making arrangements for the ore buyer to deduct this royalty from the settlements and to remit directly to you. For your information a copy of our letter to the ore buyer is enclosed.

Very truly yours,

MID-CONTINENT URANIUM CORP.

John E. Danielson
Office Manager

Encl.

JED:gw

NAME

Mid-Continent Uranium Corp.

PERIOD ENDING	REG. HOURS	EARNED REG. HRS.	O. T. HRS.	O. T. EARNINGS	TOTAL EARNINGS	DEDUCTIONS					NET AMOUNT
						F. I. C. A.	F. W. TAX	S. W. TAX			

FOR WAGES TO AND INCLUDING ABOVE DATE

DATE	DESCRIPTION	TOTAL	DEDUCTIONS	REMITTANCE
	Re: Docket No. DMEA-4597 (Uranium) Contract No. Idm-E1096 Joan, La Ray and Ella Claims San Juan County, Utah and Montrose County, Colorado 5% of May, 1964 Shipments Per Attached Settlement Sheet			215.51

COLORADO PRINTING CO., GRAND JUNCTION

PLEASE DETACH AND RETAIN THIS VOUCHER. IT IS THE ONLY RECORD YOU WILL RECEIVE.

Vanadium Corporation of America

5-0-5

SHIPROCK, NEW MEXICO

CUSTOM ORE SETTLEMENT SHEET

Purchased from DADE & SHUMWAY MINING CO. Address GRAND JUNCTION, COLORADO

Deliveries to NAVAJO Mill Claim Name ELLA Period May 1964

Settlement covering various lots beginning No 9807 Ending No. 10144

NET WEIGHT POUNDS	% H2O	DRY WEIGHT POUNDS	% V2O5	% P	% CaCO3	CONTAINED POUNDS V2O5	U3O8	CaCO3
637070		587831	.60	.165		3548	972.84	
NET WEIGHT TONS		DRY WEIGHT TONS						
318.535		293.9155						

V2O5 .60 3548 lbs at .31 Per Lb $ 1099.88

U3O8 .165 972.84 lbs at 2.80 Per Lb. $ 2723.95

Contents at 4 lbs per ton lbs

Penalty for lbs in excess
per ton lbs at 75c Per Lb. $

10 lbs per ton lbs

lbs in excess
per ton lbs at 25c Per Lb. $

Total Value U3O8 $ 2723.95

Development Allowance 972.84 lbs at 50c Per Lb $ 486.42

VCA Ore Purchase Schedule:

V2O5 Premium $

U3O8 Premium $

TOTAL GROSS VALUE $ 0.25

Less Penalty Withheld

Less Accounts Receivable Dade & Shumway $ 3555.96 $ 3555.96

TOTAL NET PAYMENT 754.29

VO. NO — $ TO DADE & SHUMWAY MINING CO. 215 Landsdown R... Junctio

VO. NO $ TO: Colorado ( )

VO. NO 56720 $ 754.29 TO: Mid-Continent Uranium Corp. 215 North 5th ..., Col

VO. NO $ TO: ( )

VO. NO $ TO:

VO. NO $ TO:

The undersigned owner or authorized representative of the land ... hereby sells to the Vanadium Corporation of America, ... all my right, title and interest in and to ... If any title is contested for any reason, I will accept the ...

Seller or Agent

Please Sign and Return One Copy for VCA Files

July 29, 1964

Mr. Page Edwards
Vanadium Corporation of America
Shiprock, New Mexico

Dear Mr. Edwards:

Reference is made to our letter of June 11, 1964 and to your letter of June 16, 1964 regarding the ore that is being shipped to you from our Ella Claim covered by your Ore Purchase Contract No. 72.

Since this claim is subject to a Defense Minerals Exploration Administration (now Office of Minerals Exploration) loan in the amount of $8,933.28, it will be necessary for you to make royalty deductions from the ore settlements for the Office of Minerals Exploration until the amount of the loan has been repaid. The schedule for this royalty deduction is as follows:

Value of Ore	Royalty Deduction
$ 0.00 to $ 8.00 per ton	1½% of Gross
8.01 to 8.50 per ton	2 % of Gross
8.51 to 9.00 per ton	2½% of Gross
9.01 to 9.50 per ton	3 % of Gross
9.51 to 10.00 per ton	3½% of Gross
10.01 to 10.50 per ton	4 % of Gross
10.51 to 11.00 per ton	4½% of Gross
Over $11.00 per ton	5 % of Gross

The basis for the royalty is the gross price paid for the ore including all bonuses and allowances. This basis includes the hauling allowance, if it is actually paid to seller in the event the ore is not purchased F.O.B. the mine. The checks are to be made payable and mailed to the Office of Minerals Exploration, Washington 25, D.C. A copy of the settlement sheet must accompany the check and a reference should be made to "Docket No. DMEA-4597 (Uranium), Contract No. Idm-E 1096, Joan, LaRoy, and Ella Claims, San Juan County, Utah and Montrose County, Colorado" on the check stub.

The amount of the royalty paid to the Office of Minerals Exploration is to be deducted from Mid-Continent Uranium Corp. 17-1/2% royalty stated in the "Ore Settlement Liquidation Instructions" which was filed with your office by Dade & Schumway. You may start the royalty deduction from the current settlement as we will settle with OME on the previous shipments.

Very truly yours,

MID-CONTINENT URANIUM CORP.

John E. Danielson
Office Manager

JED:gw

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 16 1962
DATE | INITIALS
7/16 | 500
220

July 11, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4597 (Uranium)
Contract Idm-E1096
Strategic Minerals Exploration Company
(Ella Claim)
San Juan County, Utah, and Montrose County, Colorado

Attached is the original Report of Royalty Review on the subject property dated July 5, 1962 covering the period June 18, 1959, through May 31, 1962.

TMR

Original signed by
for
Hugh M. Connors

Attachments

TMR/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E1096
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

JUL 5 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Ella Claim
San Juan County, Utah, and Montrose County, Colorado
Contract Idm-E1096

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

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

(b) One copy for your files.

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

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

Enclosures

EDTalbert/ama 7-5-62

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

43683

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since January 11, 1961, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since January 11, 1961, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name John E. Davidson Title Office Manager

Address Uranium Center Building, Grand Junction, Colorado Date May 31, 1962

4511

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

MAY 21 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 14 1962

DATE	INITIALS	
6/4		800
6/6		100
6-7		500
6-7		500
		220

Re: DMEA-4597 (Uranium)
Strategic Minerals Exploration Co.
Joan, La Ray, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado
Contract Idm-E1096

Mid-Continent Uranium Corporation
Uranium Center Building
Grand Junction, Colorado

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Willis R. Griswold

Willis R. Griswold, Chief
Division of Minerals

MID-CONTINENT URANIUM CORP.
URANIUM CENTER BUILDING
GRAND JUNCTION, COLORADO

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 16 1961

DATE	INITIALS	CODE
1-16	gad	VVO
1/16	[illegible]	800
~~1/17~~	~~Murphy~~	~~VOO~~
	OME	220

January 11, 1961

Mr. Hugh M. Connors, Acting Field Officer, OME
Region III
United States Department of Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4597 (Uranium)
Contract No. Idm-E1096
Strategic Minerals Exploration Company
(Joan, LaRay & Ella claims)
San Juan County, Utah
Montrose County, Colorado

Dear Buck:

Johnny Schumacher gave me your letter of January 6, 1961 regarding the above DMEA contract.

I am enclosing a copy of Schumacher's release of his lease on those claims and also a copy he sent to Mr. Townsend relative to this matter, dated February 2, 1960. At the present time the Ella claim is not being worked, although we are negotiating a possible lease on the property with Blue Creek Mining Company. As you may know, the most practical method to develop the Ella ore body would be through the Blue Creek Mining Company tunnel which has it's adit on the Joan claim which also belongs to Mid-Continent. During the past year or so, we have had several people interested in developing the Ella ore body but can do nothing as long as Blue Creek is still operating through their tunnel.

In the event that active mining is started on the Ella claim, we will advise you immediately.

Best regards.

Yours very truly,

MID-CONTINENT URANIUM CORP.

Norman E. Ebbley, General Manager

NEE:vc

Encl:
W.O. (2) 1-13-61

OFFICIAL FILE COPY
RECEIVED JAN 16 1961
DATE | INITIALS

Strategic Minerals Expl. Co.
P.O. Box 1648
Grand Junction, Colorado
April 30, 1959

Mr. Herman Dolle
Mid-Continent Uranium Corp.
Uranium Center Bldg.
Grand Junction, Colorado

Dear Duff:

Please be advised that effective immediately Strategic Minerals Exploration Company is hereby terminating lease agreement dated 26th day of December 1956 covering the following claims:

Ella
Lion Canyon Nos. 1 to 14
Ray
Joan
Peggy
Jim Nos. 1 to 7
Unicorn Nos. 1 to 10
Delores
Nellie
Owl Nos. 1 to 12

The drilling logs, sampling information and map showing location of drill holes and a brief report describing other work which would apply toward assessment work for the years 1958 and 1959 have already been submitted to you at a previous date.

Should you need additional information on these claims, I will be glad to assist you in getting it.

Sincerely,

John I. Schumacher

JOHN I. SCHUMACHER

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 16 1961

DATE	INITIALS	SERIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
February 2, 1960

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket No. DMEA 4597 (Uranium)
Contract No. Ign-M1096
(Joan, Lafay & Ella claims)
San Juan County, Utah
Montrose County, Colorado

Gentlemen:

In reference to the "Certification by the United States of America of a Discovery or Development under an exploration Project Contract" and the instructions in the Washington Office letter of transmittal of the Certification on the captioned project, please indicate your answer to the following questions and return one copy of the questionnaire immediately to this office.

Very truly yours,

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

1. Has the property been sub-leased or any change made in ownership other than this office has been notified? Yes ___ No ✓. If yes, please furnish details of the transaction on a separate sheet and include a true or signed copy of any instrument that was executed in conjunction with the matter. [illegible]

2. Has there been production from the land subordinated under the referenced contract since ~~January 1, 1959~~ ? Yes ___ No ✓ If yes, and shipments made, who was the purchaser? _____

3. Is any of the following material stockpiled? Yes ___ No ___.

(a) Ore, Tons _____ Estimated grade _____
(b) Concentrates, lbs. _____ Estimated grade _____
(c) Low grade ore, tons _____ Estimated grade _____
Place stockpiled _____

[illegible]

Signed _____

Title _____ Date _____

OFFICIAL FILE COPY O. M. E RECEIVED JAN 13 1961		
DATE	INITIALS	
1-13	gad	VVO
1/13	[illegible]	800
1/13	Murphy	500
		220

Building 20 - Federal Center
Denver 25, Colorado

January 16, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

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

Subject: Docket No. DMFA 4852 (Uranium)
Contract No. E1180
Rex Uranium Corporation
(Renegade et al. claims)
Montrose County, Colorado

This responds to your memorandum of January 4, 1961 on the subject contract. I requested payment of $2,304.51 from Mr. Scanlon in past due royalty on January 5, 1961.

Attached are two copies of the Check Sheet of the Examining Engineer and the information thereon is probably worthless. This property has not been inspected since February 18, 1959. When the Check Sheet of the Examining Engineers was originated, we had men in the field all the time and could supply accurate and detailed information. I don't see how it will be possible to make the inspections of the certified projects that should be made with the staff we now have.

Following is a list of certified projects that are badly in need of an inspection which I hope to make as soon as I receive a reply from the Allied Mission Oil Company, Inc., to my letter of November 9, 1960 regarding the amount of commingled ore.

	E [illegible]	David Dorwick	(Uranium)
	E 1072	Vanadium Queen Uranium Corp.	(Uranium)
4597	E 1096	Strategic Minerals Exploration Co.	(Uranium)
	E 1180	Rex Uranium Corporation	(Uranium)

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED 1961 9 JAN

DATE	INITIALS	
1-9	gad	NVO
1/9	[illegible]	800
1/9	Murphy	500
		220

January 6, 1961

Mr. John Schumacher
1155 Cannison Street
Grand Junction, Colorado

Re: Docket No. DMEA 4597 (Uranium)
Contract No. Idm-E1096
Strategic Minerals Exploration Company
(Joan, Lakey & Ella claims)
San Juan County, Utah
Montrose County, Colorado

Dear John:

I enjoyed your visit to this office and I hope you will drop by often when you are in Denver.

I forgot to ask you who is operating the Ella claim. Will you please give me his name and address and also I would like a copy of his lease. If you will send me your copy of the lease I will photostat it and return your copy to you.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations OME
Royalty Corres. E1096
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 8 1960

DATE	INITIALS	CODE
2-8	gad	220
2/8	[illegible]	800
		500
		225

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

February 2, 1960

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket No. ~~SMEA 4397~~ (Uranium)
Contract No. Idm-E1096
(Joan, Lelay & Ella claims)
San Juan County, Utah
Montrose County, Colorado

Gentlemen:

In reference to the "Certification by the United States of America of a Discovery or Development under an exploration Project Contract" and the instructions in the Washington Office letter of transmittal of the Certification on the captioned project, please indicate your answer to the following questions and return one copy of the questionnaire immediately to this office.

Very truly yours,

Original signed by

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

1. Has the property been sub-leased or any change made in ownership other than this office has been notified? Yes ___ No___. If yes, please furnish details of the transaction on a separate sheet and include a true or signed copy of any instrument that was executed in conjunction with the matter.

2. Has there been production from the land subordinated under the referenced contract since ~~January 1, 1959~~? Yes___ No___. If yes, and shipments made, who was the purchaser? _____

3. Is any of the following material stockpiled? Yes___ No___.

(a) Ore, Tons _____ Estimated grade _____
(b) Concentrates, lbs. _____ Estimated grade _____
(c) Low grade ore, tons _____ Estimated grade _____
Place stockpiled _____

Signed _____

Title _____ Date _____

HMC:ltm cc: Chmn. Op. Comm. Roy. Corres. E1096 Chron.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/23	a	220
		700
		225

JUN 23 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Contract No. Idm-E1096

Your Report of Royalty Review on the subject contract is acceptable and distribution of the regional copies is authorized.

EDTalbert/ama
June 22, 1959

Copy to: Docket
Director's Reading File
Code 800

43683

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/15/58	Ellis	700
4/15/58	Jellinek	120
"	Johnson	110
"	Blackwelder	100
		220
		700

APR 16 1958

Mr. Jesse C. Johnson
Director, Division of Raw Materials
Atomic Energy Commission
1717 H Street, N. W., Rm. 800
Washington 25, D. C.

Re: Docket No. DMEA-4597 (Uranium)
Contract No. Idm-K1096
Strategic Minerals Exploration Company
Joan, La Ray, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Johnson:

The information promised in my letter of April 7, regarding the subject exploration project, follows:

The contract was dated June 3, 1957, and covered an exploration program estimated to cost $13,500.00, with Government participation at 75 percent, or $10,125.00. Project contract work started June 26, 1957, and was completed September 13, 1957. Fourteen widely-spaced holes were drilled on the property, aggregating 4,437 feet of drilling. The net cost of the drilling and related work was $11,911.04, and the Government's participation was 75 percent, or $8,933.28.

The project work was confined to the Ella unpatented lode mining claim in section 28, T. 26 S., R. 26 E., S.L.M. & B., San Juan County, Utah.

As a result of the exploration work, there were discovered the following estimated reserves:

Ore Reserves (Inferred)
Grade Percent

	U_3O_8	V_2O_5	Tons
Ella Claim	0.48	1.27	1,241

A certification of discovery or development was issued April 4, 1958, and a copy was sent to you on April 7, 1958.

FLKnouse/izm/gla 4-15-58
cc to: Admr.'s Reading File
Frank E. Johnson
Field Team, Region III (2)
cc: Elton Youngberg
W/cc of certification

Sincerely yours,

Administrator

8623

~~THKillegaard, Rm. 5224~~
Frank D. Lamb, Rm. 3608
FLKnouse

OFFICIAL FILE COPY
DMEA
RECEIVED APR 9 1958

DATE	INITIALS	CODE
4-9	C	237
4/10	FLK	7C

IN REPLY REFER TO:

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

April 8, 1958

Re: DMEA 4597, Idm-E1096
Strategic Minerals Exploration Company
Ella Claim
San Juan Co., Utah and Montrose Co., Colo.
Uranium

Memorandum

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

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

Subject: Review of Field Team Final Report

The contract, granted June 3, 1957, authorized the expenditure of $13,500.00 on the exploration by drilling of a claim underlain by the Salt Wash member of the Morrison formation (Jurassic). Part of the claim falls within a twisty semi-defined favorably regarded belt within which are developed uranium deposits and ore holes drilled by the U. S. Geological Survey.

All of the 14 holes authorized were drilled at a cost of $11,911.04 to which amount the Government contributed $8,933.28. Ore grade material was found in 2 holes. A third hole, USGS LC 408, is also an ore hole and the 3 ore holes are offset by 5 weakly mineralized holes, but a barren hole centers the 3 ore holes and it is not permissible to infer a triangular ore body having the 3 ore holes at the apices. Instead 4 one-drill-hole indicated bodies are inferred. (One hole cut two ore bodies.) The examiners estimate the reserves at 1,241 tons of 0.48% U_3O_8 and 1.27% V_2O_5 material. As the ore is about 250 feet below the surface, its development will probably be deferred until ore is found on adjoining properties and a consolidated mining project is evolved.

The operator requested termination of the contract November 4, 1957. Certification was recommended by the examiners November 29, 1957. The Field Team did not concur. The accrued royalty is $8,933.28. Until informed the cost of carrying the account will probably greatly exceed the amount that is likely to be recovered, I agree with the opinion of the examiners.

I recommend that the project be certified.

N. E. Nelson

N. E. Nelson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/19	Knouse	700
12/20	Ellis	700
	Long	140
	Sawyer	140
12-26	Chamberlin	800
4/4	Sellers	130
12/27	Lamb	130
12/27	Nelson	130
1.	Jones	110
4/4	Mittendorf	100
4/7		220
4/4/58	Kilsgaard	700 (130)

APR 7 1958

INTERIOR DEPT.
DEC 20 1957
Rec. 12-26
SOLICITOR

Mr. John I. Schumacher
Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket No. DMEA-4597 (Uranium)
Contract No. Idm-E1096
Joan, La Ray, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Schumacher:

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

By the terms of the Exploration Project Contract and of the certification, all minerals mined or produced from June 3, 1957, to June 3, 1967, are subject to the Government's percentage royalty as set forth in the contract until the sum of $8,933.28 is repaid to the Government.

Payments should be made to the Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

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

Sincerely yours,

C. O. Mittendorf
Administrator

cc: Mid-Continent Uranium Company

Enclosure

FLKnouse/gla
12-19-57

cc to: Admr.'s Reading File
Frank E. Johnson
Operating Committee
cc: Mr. Knouse
Frank D. Lamb, Rm. 3608
T. H. Killsgaard, Rm. 5224
DMEA Field Team, Region III (2)
Contract Adm. & Audit Division

8623

MEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/19	Knouse	700
12/20	Ellis	700
	Long	140
	Evelyn	140
12-24	Christensen	800
4/4	Lebedze	130
12/27	Lamb	130
12/27	Nelson	130
"	Johnson	110
	G.H. Mittendorf	100
		220
		700

APR 7 1958 Rec 12-24

Mr. Norman E. Ebbley, Vice President
Mid-Continent Uranium Corp.
Uranium Center Building
Grand Junction, Colorado

Re: Docket No. DMEA-4597 (Uranium)
Contract No. Idm-E1096
Strategic Minerals Exploration Company
Joan, La Ray, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Ebbley:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on May 2, 1957. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

FLKnouse/gla
12-19-57
cc to: Admr.'s Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Field Team, Region III (2)
F. L. Knouse

8623

MEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/19	Kappell	700
12/20	Ellis	700
	Long	140
	Hughes	140
Rec 12-26 12-26	Chadwick	800
4/4	Selbridge	130
12/27	Lamb	130
12/27	Nelson	130
"	Johnson	110
4/4	Mittendorf	100
		220
		700

APR 7 1958

Mr. Jesse C. Johnson
Director, Division of Raw Materials
Atomic Energy Commission
1717 H Street, N. W., Room 800
Washington 25, D. C.

Re: Docket No. DMEA-4597 (Uranium)
Contract No. Idm-E1096
Strategic Minerals Exploration Company
Joan, La Ray, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Johnson:

I am enclosing one copy of a certification of discovery or development relating to the subject exploration contract.

The final report of the Field Team has not been completed. Accordingly, we will supply additional information for your records upon receipt of this report.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

FLKnouse/gla
12-19-57
cc to: Admr.'s Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Field Team, Region III (2)
F. L. Knouse

8623

DMEA RECEIVED APR 3 1958		
DATE	INITIALS	CODE
4/3	C	220
4/4	[illegible]	700

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

Date April 2, 1958

DMEA Docket No. 4597
DMEA Contract No. Idm-E1096
Commodity Uranium
Name of Applicant Strategic Minerals Explo. Co.
Name of property Ella claim
Location of property San Juan County, Utah
Estimated cost of project $11,911.04

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of Final Report
(Application, Field Team Report, etc.)

1. Date of subject document: 3/26/58. 2. Date received by reviewer: 4/1/58

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked 'yes' above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐
   i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary) Issuance of certificate of discovery or development not recommended.

12/20/57

Borderline. We would be in better position after seeing Final F.T. Report. Why not hold up awhile – have 4½ months to go. Needle F.T. for report in about 60 days. Might know then if adjacent ground acquired.

certification & action

FORM 6 REFERENCE SLIP

12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

		INITIALS	DATE
1.	~~TCC~~	Cam	4/2
2.	~~TCC~~		
3.	~~TCC~~	Cam	4/3
4.	TCC Krause		

TO:

FROM:

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
March 26, 1958

RECEIVED MAR 28 1958

DATE	INITIALS	CODE
3/28	C	220
3/28	ey	130
"	FED	110
3/31	SHB	130
3/31	C	220
4/3	Kuause	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4597 (Uranium), Contract No. Idm-E1096, Strategic Minerals Exploration Company (Ella claim), San Juan County, Utah, and Montrose County, Colorado - FINAL SUMMARY REPORT

Enclosed are three copies of a Joint Final Geologic and Engineering Report, dated March 1958, by N. L. Archbold, Geologist, Geological Survey, and M. H. Salsbury, Mining Engineer, Bureau of Mines, pertaining to operations under the subject contract.

The original and one copy of the Operator's Final Report were forwarded by memorandum of November 15, 1957.

Final payment to the Operator was processed by this office November 26, 1957 in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated November 18, 1957.

Acceptable units of work completed under the contract consisted of 28 hours of bulldozing time to prepare access roads and drill sites, and the drilling of 14 holes aggregating 3,290 feet of non-core drilling and 1,147 feet of core drilling. Incident to the drilling, accepted costs consisted of incidental allowance on 4,437 feet of drilling, purchase of 79 core boxes, and chemical analysis of 7 samples for U_3O_8 content; all at a total accepted cost of $11,911.04, toward which the Government contributed 75 percent, or $8,933.28.

Because of the small inferred tonnage and spotty nature of the mineralization encountered at various horizons, the issuing of a Certificate of Discovery or Development as a result of the

FINAL FT REPORT

Revised by
DMEA OPERATING COMMITTEE
3-31-58
(date)

exploration work performed was not recommended by this office. However, the matter appeared to involve DMEA policy and data pertaining thereto was forwarded by memorandum of November 29, 1957 for consideration by the Washington Office.

By E. N. Harshman
E. N. Harshman
Acting Executive Officer

Enclosures

Hmc 3-25-58
MASTER FILE COPY
DMEA
RECEIVED MAR 28 1958

ID	INITIALS	CODE
3/31	2/B	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY EXAMINING TEAM
REGION III

DMEA 4597

Contract Idm-E 1096

Strategic Minerals Exploration Company

Ella claim

San Juan County, Utah and Montrose County, Colorado

Uranium

Joint Final Geologic and Engineering Report

by

N. L. Archbold
U. S. Geological Survey

M. H. Salsbury
U. S. Bureau of Mines

March 1958

Reviewed by
DMEA OPERATING COMMITTEE
3-31-58
(date)

DMEA 4597
CONTRACT Idm-E 1096
STRATEGIC MINERALS EXPLORATION COMPANY
ELLA CLAIM
SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO

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Joint Final Geologic and Engineering Report

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Conclusions and Recommendations	3
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DMEA 4597
CONTRACT Idm-E 1096
STRATEGIC MINERALS EXPLORATION COMPANY
ELLA CLAIM
SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO

INTRODUCTION

Summary

Strategic Minerals Exploration Company, P. O. Box 1648, Grand Junction, Colorado, a partnership of 8 individuals, applied on January 4, 1957 for Government assistance in exploration for uranium on 3 mining claims in the La Sal Creek area of San Juan County, Utah and Montrose County, Colorado.

The estimated cost of the applicant's proposed exploration program was $46,649.60. Government participation at 75 percent would have been $34,987.20.

A field examination was made on February 26, 1957 by an examining team consisting of M. H. Salsbury, U. S. Bureau of Mines, and W. B. Gazdik, U. S. Geological Survey. They were accompanied by John I. Schumacher, the managing partner for the applicant.

Uranium deposits, in the vicinity of the property, occur within the top sandstone unit of the Salt Wash member of the Morrison formation of Jurassic age and form an easterly trending belt about 1,000 feet wide and several miles long along the north side of LaSal Creek. This belt crosses the southern half of one claim where the ore-bearing sandstone unit lies at a depth of about 250 feet.

The applicant's property rights consist of a lease on located claims owned by the Mid-Continent Uranium Corporation. The claim locations appeared

to be valid and the title satisfactory.

The applicant proposed to explore all three claims, but the La Ray claim and part of the Joan claim were located outside of the mineralized belt which had been delimited by previous Geological Survey drilling. The mineralized belt crossed the southern half of the third claim, the Ella, and the Geological Survey had drilled one ore-hole on the claim.

The applicant proposed to drill a grid pattern on 200-foot centers covering the north half of the Joan claim and the southerly two-thirds of the LaRay and Ella claims. A second stage of drilling to offset mineralized holes on 100-foot centers was also proposed.

The only area on which exploration was considered to be justified was the south half of the Ella claim. The northern part of the Joan claim was within the favorable area, but it had been explored underground through an adit tunnel driven to reach an adjoining property, and further exploration did not appear to be justified.

The examining team recommended exploration requiring two stages of drilling with an estimated 5,100 feet of non-core and 1,700 feet of core drilling in 20 holes on approximately 200-foot centers (Stage I) and 100-foot centers (Stage II). The maximum cost would have been $20,422.00.

Because of the small area involved, the Washington DMEA office considered that the recommended 2-stage program was too elaborate and the cost of supervision for the time probably required to complete the program would be excessive because only one drill rig could be used advantageously. In accordance with Washington's suggestions, the program was revised to one stage with an estimated 3,570 feet of non-core drilling and 1,190 feet of

core drilling in 14 holes on 150-foot minimum centers, based on use of 2 drill rigs. The maximum cost was $13,500.00 with Government participation at 75 percent being $10,125.00. Contract Idm-E 1096, incorporating these specifications, was signed on June 3, 1957.

Project work was started on June 26, 1957 and completed September 13, 1957. A total of 3,290 feet of non-core drilling and 1,147 feet of core drilling in 14 holes was completed. Two holes penetrated ore grade material, five others are mineralized, and 7 are barren as evaluated by the operator. By Geological Survey standards two holes contain ore, 8 are mineralized, and 4 are barren.

The operator requested termination of the project on November 4, 1957. Inasmuch as the maximum amount of work allowed by the contract had been performed termination was automatic.

The operator rendered a final report on November 11, 1957 and the Audit and Contract Division rendered a Report of Review dated November 18, 1957. The total accepted cost of the project was $11,911.04. The Government's share with 75 percent participation was $8,933.28.

CONCLUSIONS AND RECOMMENDATIONS

The project resulted in discovery of ore-grade material in 2 holes which, with 1 previously drilled U.S.G.S. ore hole, form an equilateral triangle 250 feet on a side. However, a fourth barren hole was drilled in the center of the triangle. The operator did not consider that a reserve calculation was justified on the basis of drilling results. The DMEA examiners

agree that there is little likelihood of a continuous or nearly continuous ore body between the three ore holes. Nevertheless an inferred reserve has been calculated by taking a circular area 50 feet in diameter around each of three ore holes and a circle 20 feet in diameter at another horizon in one of them, thus arriving at an inferred tonnage of 1,241 tons of ore containing 0.48 percent U_3O_8 and 1.27 percent V_2O_5. ore value $41.42/ton w/o bonus ore value $51,400.00 w/o bonus

The ore is apparently of a spotty nature, occurs at different horizons, and does not in itself justify a mining operation at the depth of the occurrence. However, it may eventually be mined in a coopperative venture covering adjoining claims which also have an ore potential. The operator states in the final report that an effort will be made to lease the adjoining claims and continue exploration of the unit as a whole. For this reason certification of the project as a discovery has been recommended by the DMEA examiners. The DMEA Field Team, Region III has recommended that no certification be made. As of the date of this report, the Washington office DMEA has not made a certification.

The project work was well managed and drilling performance by Sprague and Henwood, Inc., the sub-contractor, was satisfactory.

Participation by the Government in any further work on the property is not recommended. Further exploration by private parties appears to be justified if a larger area within the favorable belt can be assembled in one project.

LOCATION

The Ella claim, subordinated for the DMEA project, lies mainly in sec. 28, T. 28 S., R. 26 E., SLM, San Juan County, Utah along the Utah-Colorado state line (fig. 1). The southeast corner of the claim is in Montrose County, Colorado.

The drilling area is on a dissected bench capped by Brushy Basin sediments where preparation of drill sites was comparatively easy. A few holes had to be relocated because of the presence of isolated Burro Canyon sandstone boulders. The climate of the region is moderate and surface operations are normally feasible nine months of the year, subject to few delays from adverse weather. However, in the exceptionally wet summer of 1957, there were several periods of a week or more when drilling operations were completely suspended because of deep mud and there were delays because of poor road conditions throughout the project.

The Ella claim is in the LaSal Creek area, easily accessible from Moab, Utah, over 34 miles of hard-surfaced roads and 16 miles of gravelled roads. The nearest major source of supplies is Grand Junction, Colorado, 115 miles northeast of Moab. Treatment plants for uranium-vanadium ores are at Uravan, Colorado, 50 miles distant, Moticello, Utah, 60 miles distant, and Grand Junction.

PROPERTY

The Ella claim was located as one of a contiguous group of claims by J. B. Crowley, Willis Crowley and Wade Shupe on September 12, 1952 and recorded on page 166 of Book 15 of the San Juan County records. The several locators divided the claims after a disagreement, and, because the comparative worth of the claims was unknown, contiguous claims were not apportioned to one individual. Ownership was therefore badly split up and eventually was vested in three different companies. The Ella claim, and the Joan and LaRay claims, on which DMEA exploration was proposed, were purchased by John I. Schumacher who sold them to Mid-Continent Uranium Corporation, from whom the present operator holds a lease. The operator's property rights appear to be valid and were considered satisfactory for the protection of the Government's interest.

HISTORY

Vanadium has been mined in the LaSal Creek area since before World War I, but the current activity dates from 1948. Extensive drilling exploration has been done both by private operators and by the Geological Survey, and at least 6 substantial ore deposits and many other smaller ones have been found. A number of mines are in operation currently. Total production from mines within 2 miles of the Ella claim is around 50,000 tons to date and is continuing.

Most deposits mined to date have been developed through adit tunnels driven from the Salt Wash outcrops above LaSal Creek and tributary canyons.

All of the operations are small, from a few tons to 25 tons per day, and actual mining is done by advancing headings the full width of the ore body where this is possible, with a change to the usual room and pillar methods in the larger sections. Rocker shovels, scraper loading and hand shoveling are all used. Track haulage is generally used with hand tramming or small compressed air, battery or diesel locomotives.

Where individual deposits occur at different levels within the same sandstone unit, sub levels must be used to mine them.

Ore deposits such as those on the Ella claim are too far from the rim to permit development by adit tunnel unless they can be worked in conjunction with other deposits. Otherwise, a shaft operation is required, provided the ore body is large enough to justify one.

GEOLOGY

The Ella claim lies in an area of gently folded sedimentary rocks, bounded on the northeast by the Paradox salt anticline, on the southwest by the Lisbon Valley salt anticline, and on the northwest by the LaSal Mountain intrusives. In ascending order, the sedimentary formations exposed in the vicinity of the Ella claim consist of the Navajo, Carmel, Entrada, Summerville, and Morrison formations of Jurassic age and the Burro Canyon and Dakota formations of Cretaceous age. DMEA exploration on the Ella claim was concerned solely with the Morrison formation, thus only the Morrison formation will be described.

The Morrison formation is divided into 2 members, the Salt Wash member and the overlying Brushy Basin member. The Salt Wash member is about 350 feet thick, and is composed of reddish brown mudstone with interbedded, lenticular, light red to light gray, quartzose sandstone layers. At the top of the Salt Wash member, broadly lenticular sandstones are interconnected so as to form a persistent but complex layer of sandstone and intercalated mudstone seams. This sandstone layer, at the top of the Salt Wash member, contains nearly all the significant uranium deposits and is referred to as the "ore-bearing sandstone". The ore-bearing sandstone ranges up to 100 feet in thickness; it may be a single, massive unit or be split into two or more parts by interbedded mudstone layers which range up to 30 feet in thickness.

Figure 2 shows the complex nature of the ore-bearing sandstone on the southern part of the Ella claim. Here, drill hole data indicate that 3 superposed sandstone lenses constitute the ore-bearing sandstone. The upper lens is about 30 feet thick on the southern part of the Ella claim and appears to pinch out to the north about in the middle of the claim. The middle sandstone lens is about 30 feet thick along the west side of the Ella claim and pinches out near the east side of the claim. To the north, the middle lens merges with the underlying lens. The bottom sandstone lens is present over the entire southern part of the claim and reaches a maximum thickness of about 45 feet, near the southeast corner of the claim. In the southwestern part of the claim the three lenses are separated by mudstone layers which range from a thin film to about 10 feet in thickness, but in

the southeastern part of the claim, where the middle lens is absent, the upper and lower lenses are separated by as much as 30 feet of mudstone. Because the middle and the lower sandstone lenses merge they are considered as parts of the same unit. The ore-bearing sandstone then, consists of two parts, an upper sandstone and a lower sandstone, the lower sandstone being composed of two closely associated lenses. Both the upper and the lower sandstones have undergone uranium mineralization.

The overlying Brushy Basin member of the Morrison formation is about 350 feet thick. It consists of bentonitic red-brown and green-gray mudstone with minor interbedded lenses of varicolored conglomeratic sandstone.

The Ella claim is located near the axis of a gentle fold, the LaSal Creek syncline (fig. 3). On the property, sedimentary formations are nearly horizontal, though dips up to 3 degrees southward are recorded a short distance to the north of the property.

There are no faults known on the Ella claim, but a zone of major faulting occurs along the flank of the Paradox salt anticline, about 3 miles northeast of the property.

ORE DEPOSITS AND RESERVES

Significant, known uranium deposits in the LaSal Creek area occur in the top sandstone layer, "ore-bearing sandstone", of the Morrison formation. Commonly the ore-bearing sandstone is a single unit; however, where it is divided into 2 or more parts, such as on the Ella claim, any of the parts may contain uranium ore deposits.

In the LaSal Creek area most major known uranium deposits lie within a discontinuous northeasterly trending belt several miles long and about 1,000 feet wide. Part of this favorable belt crosses the southern end of the Ella claim (fig. 3). Within this belt the ore deposits range in size from small pods containing a few tons of ore to large tabular bodies containing 30,000 tons of ore. No large ore deposits occur on the Ella claim, but drill holes have penetrated at least 4 small pods of ore. Inferred ore reserves in these 4 pods are tabulated in table 1. The Ella claim contains an inferred 1,241 tons of ore averaging 0.48 percent U_3O_8 and 1.27 percent V_2O_5. The reserves are contained in 4 small ore deposits (fig. 2). Two of the deposits occur near the base of the bottom unit of the ore-bearing sandstone; one deposit occurs near the top of the bottom unit; and one deposit occurs near the middle of the top unit of the ore-bearing sandstone.

Because the uranium-vanadium deposits are rather deeply buried and are below the ground water table, they probably consist of minerals in which the uranium and vanadium are in a low valent state. The major minerals are probably uraninite, montroseite, corvusite, and coffinite. Uranium-vanadium minerals occur as impregnations of the sandstone and may partly replace small masses of mudstone.

In their exploratory drilling project in the LaSal Creek area, members of the U. S. Geological Survey found that the following features were useful guides to ore deposits:

1) Ore-bearing sandstone with an aggregate sandstone thickness of 30 or more feet, and light gray to light brown in color rather than light red.

2) Presence of carbonaceous material in the sandstone.

3) Presence of greenish gray mudstone, both within the ore-bearing sandstone as pebbles and seams, and at the top or base of the sandstone.

The best indication of favorableness for the occurrence of ore deposits is obtained by using all the guides together; however, the thickness of greenish-gray mudstone at the base of the mineralized sandstone appears to be the best single guide in the LaSal Creek area. Lithologic logs of holes drilled in the LaSal Creek area by DMEA show that for barren holes the basal greenish mudstone ranges from 0 to 3.2 feet in thickness and averages 0.8 feet in thickness. For mineralized holes the basal greenish gray mudstone ranges from 0.4 to 4.4 feet in thickness and averages 1.8 feet. In ore holes (1 foot or more of material containing at least 0.20 percent U_3O_8) the basal greenish gray mudstone ranges from 0.2 to 7.7 feet in thickness and averages 3.3 feet. While the range in thickness of the basal greenish gray mudstone is too large to assign definite limits of favorableness, any hole penetrating 2.5 feet or more of greenish gray mudstone at the base of the ore-bearing sandstone should be regarded as being potentially close to an ore deposit.

THE PROJECT

The drilling project incorporated in the contract consisted of 14 holes on approximately 150-foot centers in the south half of the Ella claim (fig. 2). These holes, together with a privately drilled hole and one Geological Survey hole, forma complete grid on 150-foot centers covering the known favorable area as determined by previous Geological Survey drilling on the Ella and nearby claims.

The operator proposed a drilling project covering portions of the Joan, LaRay, and Ella claims but the program recommended by the examining team confined the project to the more favorable portions of the Ella claim. The other claims were largely in areas which were considered unfavorable on the basis of Geological Survey drilling. A small favorable area of the Joan claim had already been explored by a tunnel and further exploration by drilling was not considered to be justified.

The program recommended by the DMEA examiners was in two stages requiring a maximum of 20 holes averaging about 340 feet in depth, with hole spacing in Stage I of 200 feet. Because of the small size of the project, employment of more than one drill rig in a two-stage operation was not feasible, and the Washington DMEA office preferred a single stage with 14 holes on 150-foot centers for which 2 drill rigs might be employed, with a resultant reduction of cost for a smaller program and a shorter period of operation. The operator agreed to the revision and the contract was set up for 14 holes requiring an estimated 3,570 feet of non-core drilling and 1,190 feet of core drilling.

The 14 holes were drilled between June 26, 1957 and September 13, 1957. The time required for completion, $2\frac{1}{2}$ months, was double the estimated time because of inclement weather.

The operator reported 2 ore holes, 5 mineralized holes and 7 barren holes. The ore holes were grouped with a previously drilled Geological Survey ore hole, but, on a hole spacing of 250 feet, continuous mineralization between holes could not be assumed in a Salt Wash deposit. Data on each hole is tabulated in table 2.

All holes were cored in the potential ore-bearing horizon with good core recovery, and were logged by the operator. The operator's logging results and those on 12 of 14 holes logged by the DMEA gamma-ray unit verified coring data.

Table 3 in the annex is a summary of factual data.

Following is a log of the project:

Application for assistance under Docket No. DMEA 4597 made	January 4, 1957
Field examination made	February 26, 1957
Contract Idm-E 1096 signed	June 3, 1957
Project work started	June 26, 1957
Project work completed	September 13, 1957
Operator requested termination (not required)	November 4, 1957
Operator's final report submitted	November 11, 1957
Report of Review by DMEA Contract and Audit Division	November 18, 1957

Certification of Discovery has not been issued to date. Certification was recommended by the DMEA examiners on November 29, 1957, but, because of the small inferred reserves and spotty mineralization, the Field Team, Region III, did not concur.

Table 1.--Inferred ore reserves on the Ella claim.

Drill hole 1/	Inferred area of ore	Depth to base of ore	Thickness in feet	$\%U_3O_8$	$\%V_2O_5$	Volume= Area x Total Thickness	Tonnage= Volume/14	Weighted Avg. U_3O_8	Weighted Avg. V_2O_5
LC-406	Circle with 25' radius = 1964 sq. feet	244.5	1.5 0.9 0.9 3.3	0.068 0.42 0.053	0.20 2.48 3.85	6,481	463	0.13	1.82
EL-3	Circle with 25' radius 1964 sq. feet	298.4	3.9	0.48	0.23	7,660	547	0.48	0.23
EL-10	Circle with 10' radius = 314 sq. feet (High grade indicates area is very small)	263.0	2.8	3.94	7.35	879	63	3.94	7.35
	Circle with 25' radius = 1964 sq. feet.	312.5	1.2	0.14	0.83	2,357	168	0.14	0.83
			Total inferred reserves				1,241	0.48	1.27

1/ Hole locations shown on figure 4, stratigraphic position of ore shown on figure 2.

Table 2.--Summary of DMEA drill holes on the Ella claim.

Hole No.	Classification	Collar Elev.	Depth to top and base of ss unit	Depth to base	Chemical Assays Thickness in feet	$\%U_3O_8$	$\%V_2O_5$	Non-core depth	Total depth
1	semifavorable	6861.9	208.7-236.9		Barren			195.0	300.0
	semifavorable		247.3-296.9		Barren				
2	semifavorable	6872.8	211.6-237.5		Barren				
	semifavorable		245.4-294.0	289.9	0.5	0.14	0.44	210.0	305.0
3	favorable	6885.3	? -254.5		Barren			230.0	305.0
	favorable		276.9-298.4	294.5	3.9	0.04	nil		
				298.4	3.9	0.48	0.23		
4	semifavorable	6853.9	? -223.2		Barren			195.0	298.0
	favorable		229.8-282.7	275.5	0.2	0.66	0.06		
5	semifavorable	6869.1	? -239.2		Barren			215.0	295.0
	favorable		267.6-287.8	Weakly mineralized; no assays					
6	semifavorable	6863.1	? -225.3		Barren			210.0	305.0
	favorable			Weakly mineralized; no assays					
7	favorable	6886.9	? -251.1		Barren			235.0	305.0
	favorable		254.2-301.1		Barren				
8	favorable	6894.8	? -263.8	259.5	0.5	0.06	nil	240.0	320.0
	semifavorable		291.2-310.1		barren				

Table 2. (con't.)

Hole No.	Classification	Collar Elev.	Depth to top and base of ss unit	Depth to base	Thickness in feet	$\%U_3O_8$	$\%V_2O_5$	Non-core depth	Total depth
9	favorable	6894.3	? -265.8	Weakly mineralized; no assays				240.0	319.0
	semifavorable		295.1-314.5	Barren					
10	favorable	6906.2	? -271.2	263.0	2.8	3.94	7.35	250.0	325.0
	favorable		288.2-317.4	312.5	1.2	0.14	0.83		
11	unfavorable	6922.6	265.2-281.4	Barren				265.0	345.0
	semifavorable		306.0-336.7	Weakly mineralized; no assays					
12	favorable	6933.4	299.1-343.0	Barren				295.0	349.0
13	semifavorable	6928.5	304.6-340.3	Barren				270.0	350.0
14	favorable	6892.7	? -252.5	Weakly mineralized; no assays				240.0	316.0
	favorable		258.7-306.0	Barren					

Table 3.--Summary of Factual Data, Docket No. DMEA 4597,
Contract Idm-E 1096, Strategic Minerals Exploration Company

Contract Items	Unit	Unit Cost	CLAIMED Units	CLAIMED Cost	ACCEPTED Units	ACCEPTED Cost	CONTRACT MAXIMUMS No. Units	CONTRACT MAXIMUMS Unit Price	CONTRACT MAXIMUMS Cost
Independent contracts	holes		14		14		14		
Bulldozing	hours	$12.00	28	$ 336.00	28	$ 336.00	28	$12.00	$ 336.00
Drilling, non-core									
0-200 ft. range	foot	1.75	2790	4,882.50	3290	5,757.50	2800	1.75	4,900.00
200-400 ft.range 1/	foot	1.75	500	875.00			770	2.00	1,540.00
Drilling, core									
200-300 ft.range	foot	4.00	903	3,612.00	903	3,612.00	630	4.00	2,520.00
300-400 ft.range	foot	4.60	244	1,122.40	244	1,122.40	560	4.60	2,800.00
Fixed Unit Costs									
Incidental allowance	foot	0.22	4437	976.14	4437	976.14	4760	0.22	1,047.20
Core boxes	each	1.00	79	79.00	79	79.00	117	1.00	117.00
Chemical analyses for U_3O_8 and V_2O_5	each	4.00	7	28.00	7	28.00	60	4.00	240.00
Totals for project				$11,904.04		$11,911.04			$13,500.00(rounded)
Government participation at 75%						$ 8,933.28			$10,125.00

1/ Non-core drilling in the 200-400 foot range was claimed at $1.75 per foot instead of $2.00.

Calculated overall cost of drilling, per foot -- $2.68

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1958
DOCKET 4597

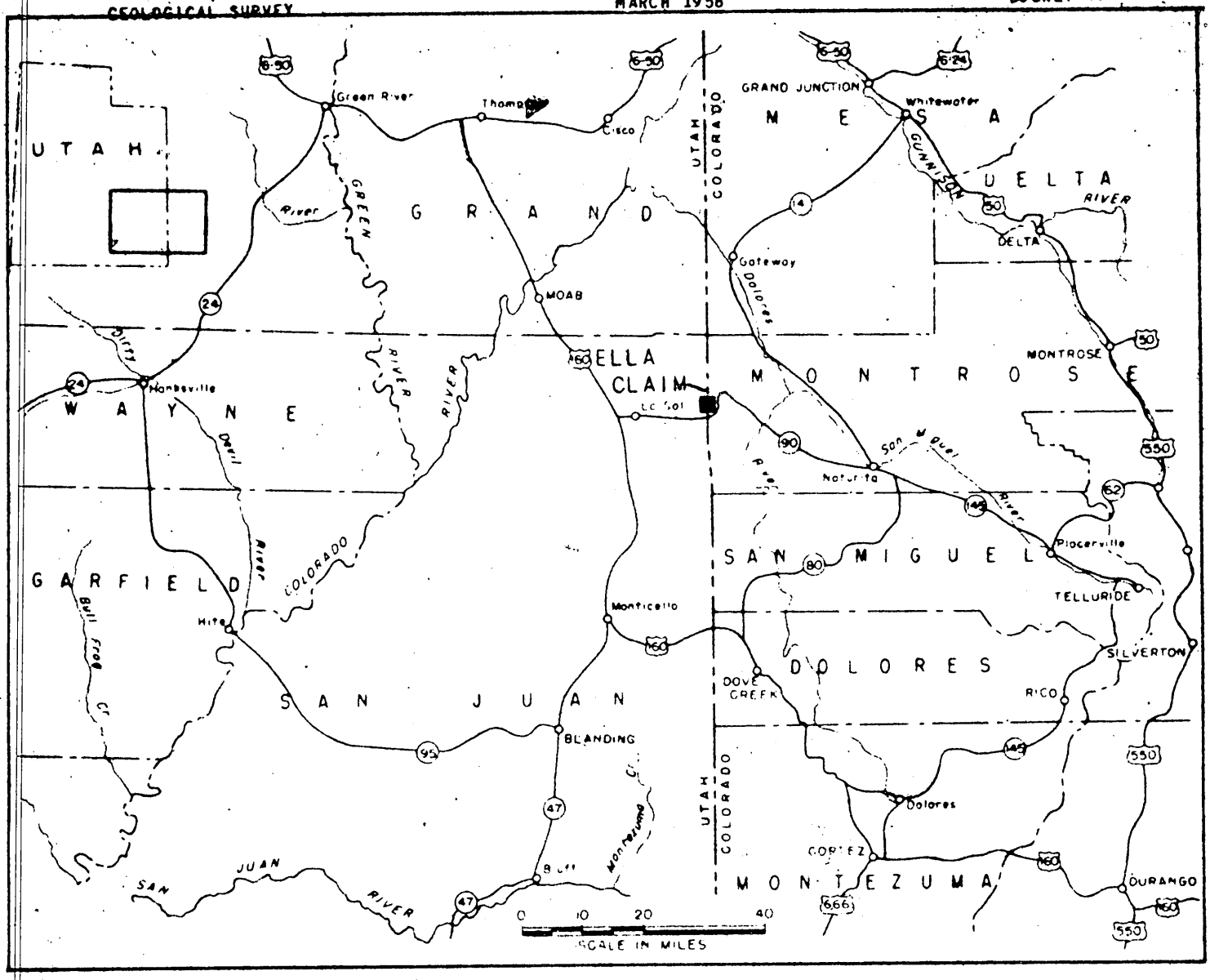

FIGURE 1.--LOCATION OF ELLA CLAIM, STRATEGIC MINERALS EXPLORATION CO., SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO.

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RECEIVED MAR 28 1958.

DATE	INITIALS	CODE

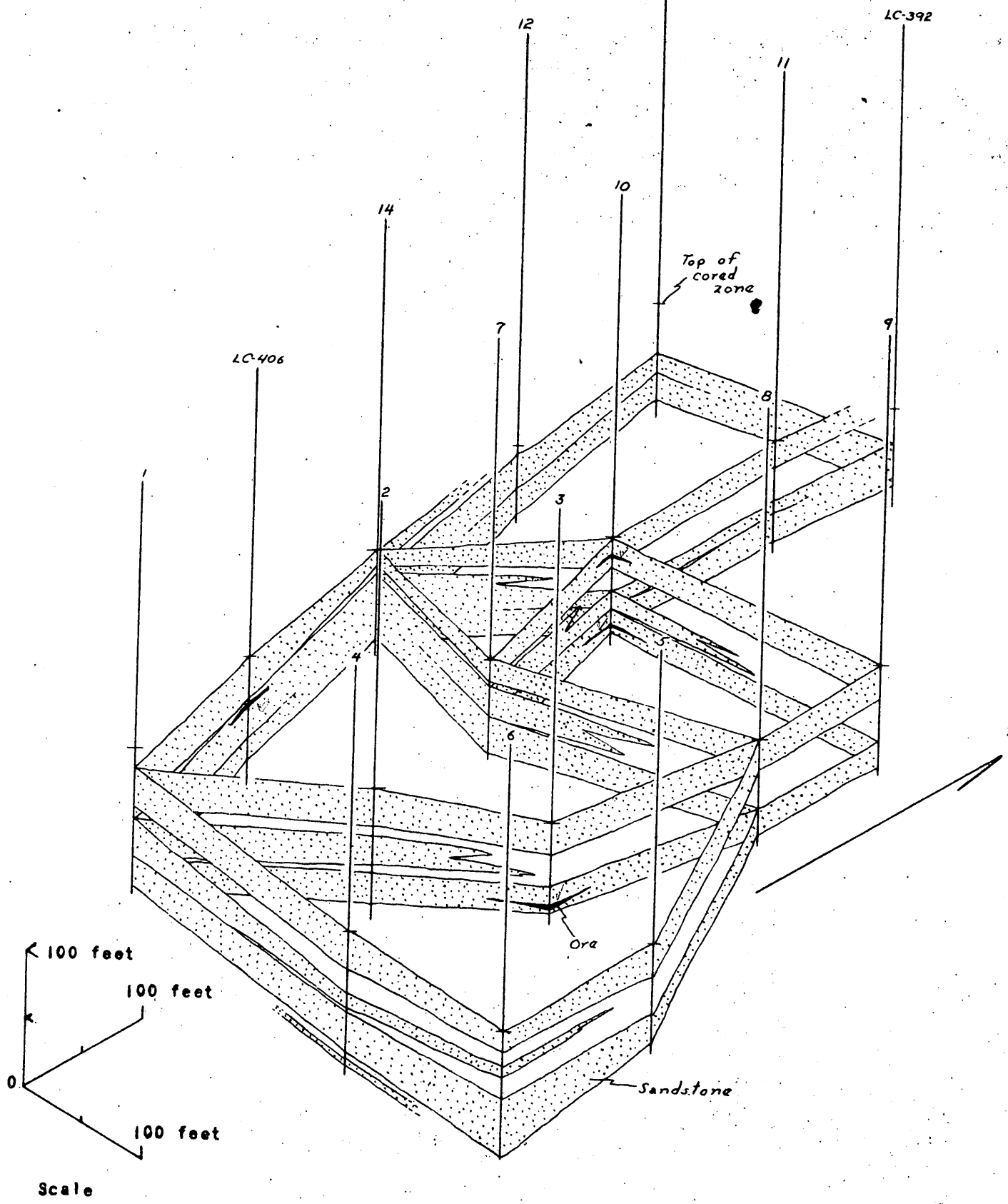

Figure 2.--FENCE DIAGRAM SHOWING NATURE OF THE ORE-BEARING SANDSTONE AND POSITION OF ORE DEPOSITS ON THE SOUTHERN PART OF THE ELLA CLAIM, STRATEGIC MINERALS EXPLORATION CO., SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO

RECEIVED MAR 28 1958
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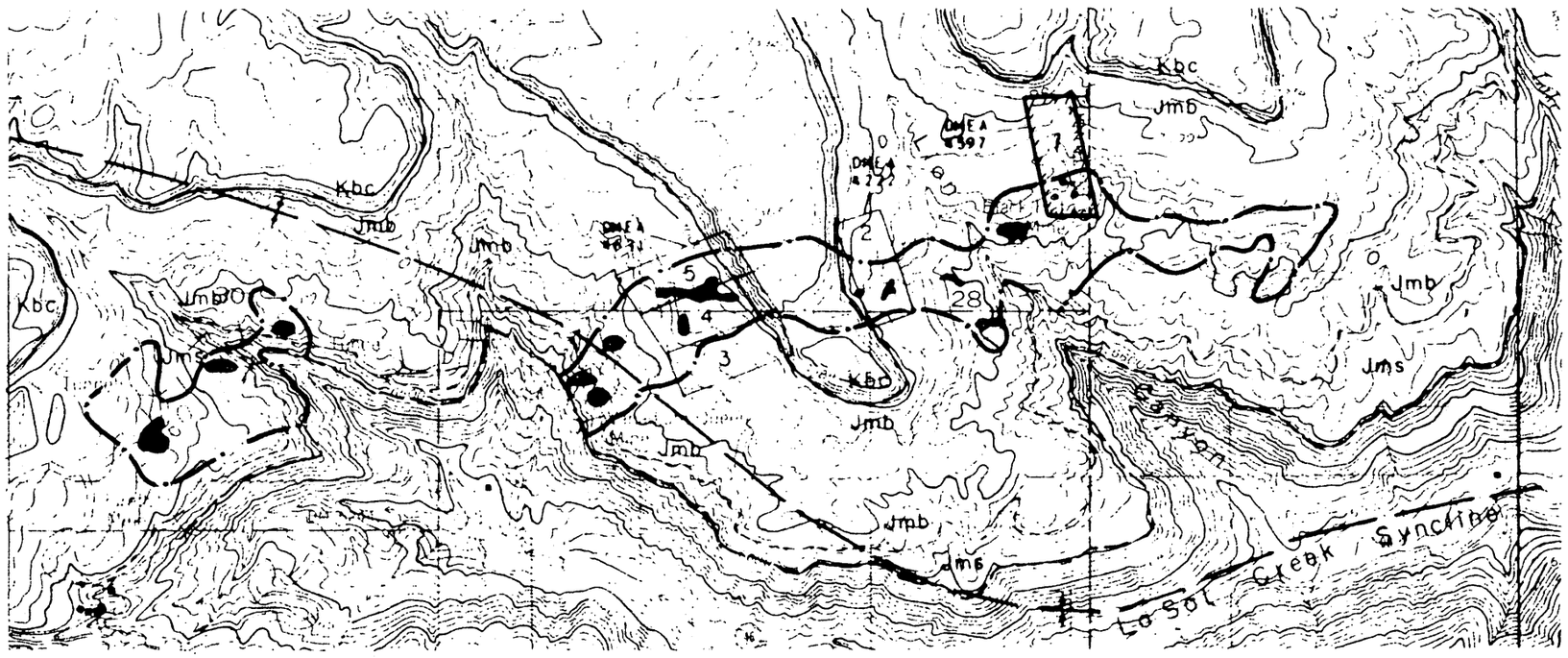
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1958 DOCKET 4597

UTAH COLORADO



T. 28 S., R. 26 E. S.L.M. T. 47 N., R. 20 W. N.M.P.M.

1000 0 4000 FEET

claim names

1-Ella 2-Big Joe 3-Vanadium Queen 3 4-Vanadium Queen 10 5-Vanadium Queen 9

EXPLANATION

Kbc / Jmb
APPROXIMATE CONTACT BETWEEN BURRO CANYON FORMATION AND BRUSHY BASIN MEMBER OF THE MORRISON FORMATION

Jmb / Jms
APPROXIMATE CONTACT BETWEEN BRUSHY BASIN AND SALT WASH MEMBERS OF THE MORRISON FORMATION

APPROXIMATE BASE OF ORE-BEARING SANDSTONE

APPROXIMATE AREA FAVORABLE FOR THE OCCURRENCE OF URANIUM DEPOSITS

URANIUM ORE DEPOSIT

Note: BASE FROM U.S.G.S. MT. PEALE 1 SE TOPOGRAPHIC QUADRANGLE. CLAIM BOUNDARIES FROM OPERATORS MAPS. GEOLOGY FROM PUBLISHED AND UNPUBLISHED U.S.G.S. MAPS BY W.D. CARTER.

FIGURE 3.—GENERAL GEOLOGY AND LOCATION OF ORE DEPOSITS IN THE VICINITY OF THE ELLA CLAIM, STRATEGIC MINERALS EXPLORATION CO., SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO.

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DATE	INITIALS	CODE

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1958
DOCKET #597

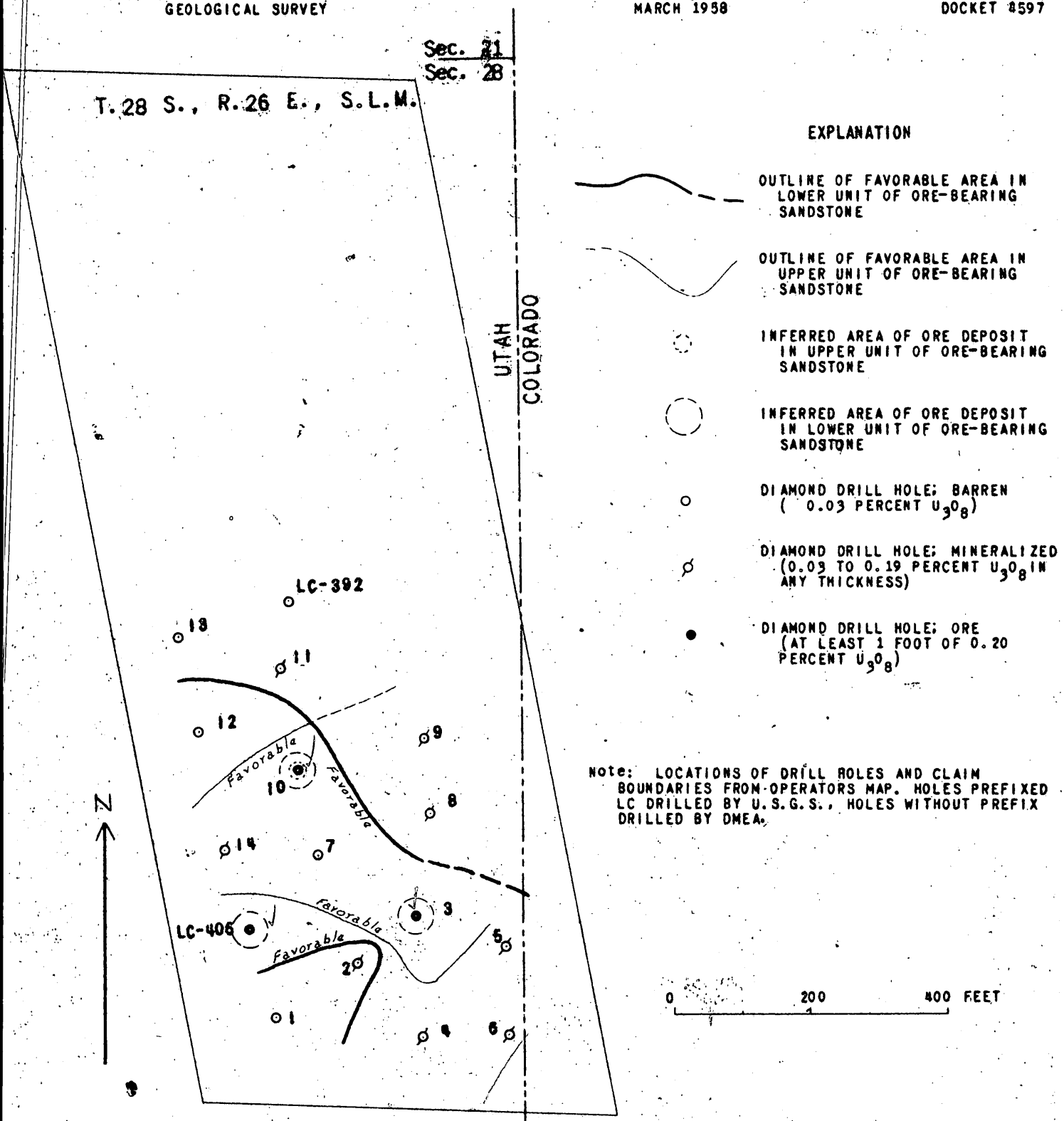

FIGURE 4.--ELLA CLAIM, SHOWING LOCATION OF DRILL HOLES, FAVORABLE GROUND, AND ORE DEPOSITS; STRATEGIC MINERALS EXPLORATION CO., SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLO.

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
March 7, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 10 1958

DATE	INITIALS	CODE
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3/11	~~Knowd~~	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4597 (Uranium) Contract Idm-E1096 Strategic Minerals Exploration Co., (Joan, La Ray, and Ella claims) San Juan County, Utah and Montrose County, Colorado

Your letter of February 28, 1958, regarding the subject project was received in this office on March 6, 1958.

The Field Team's Final Report on the subject project should be mailed from this office between March 24, and March 28, 1958.

W H King.
W. H. King

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Kuoum	700
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2/28	[illegible]	130
"	Johnson	110
"	[illegible]	100
		[illegible]
3/3	C	230
		700

FEB 28 1958

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

Re: Docket No. DMEA-4597 (Uranium)
Contract No. Idm-41096
Strategic Minerals Exploration Co.
Joan, La Ray, and Lila Claims
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. King:

Please advise when we may expect to receive the Field Team's Final Report on the subject project.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (24B)

APPROVED:

Frank D. Lamb (24B)
Member, Bureau of Mines

Thor H. Kiilsgaard (24B)
Member, Geological Survey

FLKnouse/izm 2-27-58
cc: Mr. Knouse
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

IN REPLY REFER TO:

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

December 11, 1957
Re: DMEA 4597 Idm-E1096
Strategic Minerals Expl. Co.
Ella Claim
San Juan County, Utah and
Montrose County, Colorado
Uranium

Memorandum

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

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

Subject: Review of memo of examiners concerning certification

In view of the locations and intersections of ore grade material in 2 holes out of 14 and mineralization in 8 other holes and ore grade material in a previously drilled hole (USGS), I concur with the recommendation of the examiners that the project be certified.

Without more holes, which appear warranted, it is not possible to assign significant tonnages to the intersections, but, in my opinion, sufficient ore may be inferred to justify the certification.

N. E. Nelson

N. E. Nelson

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

Date December 10, 1957

DMEA Docket No. 4597
DMEA Contract No. Idm-E1096
Commodity Uranium
Name of applicant Strategic Minerals Exploration Co.
Name of property Ella claim
Location of property San Juan County, Utah
Estimated cost of project

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: 11/29/57. 2. Date received by reviewer: 12/9/57.

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs ☐
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
      i. Consult with Mr. _____ at _____ AEC office.
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐

10. Remarks: (Use back of page if necessary) Project be certified as a discovery or development.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

December 5, 1957

COPY
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Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4597 (Uranium) Contract Idm-E1096, Strategic Minerals Exploration Company (Ella claim) San Juan County, Utah, and Montrose County, Colorado - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated November 26, 1957, relative to final payment under the terms of the subject contract.

W H King
W. H. King

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957
DATE
CODE

224 New Customhouse
Denver 2, Colorado

November 26, 1957

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4597 (Uranium) Contract Idm-E1096, Strategic Minerals Exploration Company (Ella claim) San Juan County, Utah and Montrose County, Colorado - FINAL PAYMENT

Reference is made to our memorandum of October 28, 1957, whereby we transmitted the final Form MF-104, Operator's Monthly Report and Voucher for the month of September 1957, and requested that you withhold the amount of $500.00 from reimbursement to the Operator pending resolution of matters prerequisite to closing the account.

The Operator's final report has been received, therefore we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated November 18, 1957.

Basis for Final Payment

Total accepted cost	$11,911.04
Government participation at 75 percent	8,933.28
Total prior payments	8,433.29
Balance due the Operator	$ 499.99

Original signed by
E. N. HARSHMAN

E. N. Harshman

JDC:jy

cc: Chm. Op. Comm. (2)
DMEA,DFC
MF-104 file, Reg. III
Harshman
Hasler
DMEA,G.Jct.
Townsend
Corres. file
Chron.

$499.99
3/5
12/2/57 DMA 58-66

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 12/2

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. Division
6. ~~Docket Control Mails and Files~~

7. 700

Note comments in report regarding:

1. Question regarding
2. Certification
3.
4.

and take appropriate action.

- - - - - - - - -

Action taken by Division:

Robert E. Adams

IN REPLY REFER TO:
MINERAL DEPOSITS
DMEA
RECEIVED
NOV 27 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

DMEA
NOV 27 1957
REGION III
DENVER, COLORADO

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RECEIVED DEC 2 1957
DATE | INITIALS | CODE

November 26, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
J. William Hasler

From: M. H. Salsbury
N. L. Archbold

Subject: DMEA Docket No. 4597 (Uranium), Contract No. Idm-E 1096, Strategic Minerals Exploration Co. (Ella claim), San Juan County, Utah and Montrose County, Colo. Recommendation for certification.

Work under the subject contract was completed on September 13, 1957. The work consisted of 14 holes as originally specified in the contract. Of the 14 holes, 2 penetrated material of ore grade and thickness, 8 penetrated mineralized rock, and 4 were in barren ground. One earlier exploratory hole (LC-406), drilled by the U. S. Geological Survey, also penetrated ore. The following is a summary of the ore holes:

Hole No.	Depth to base of ore	Thickness	Percent U_3O_8	Percent V_2O_5
EL-3	298.4 feet	3.9 feet	0.48	0.23
EL-10	263.0	2.8	3.94	7.35
	312.5	1.2	0.14	0.83
LC-406	242.7	1.5	0.068	0.20
	243.6	0.9	0.42	2.48
	244.5	0.9	0.053	3.85

The ore is apparently of a spotty nature and occurs at various horizons. A continuous ore body between the ore holes cannot be inferred. However an inferred reserve of 1,241 tons of ore containing 0.48 percent U_3O_8 and 1.27 percent V_2O_5 is calculated on the Ella claim.

The inferred reserves do not warrant a separate mining program; however, it is possible that the ore will eventually be mined as a cooperative venture to exploit the small deposits on the Ella and adjacent claims through extension of present underground workings in the area.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

November 29, 1957

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DMEA
RECEIVED DEC 2 1957

DATE	INITIALS	CODE
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Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4597 (Uranium), Contract No. Idm-E1096
Strategic Minerals Exploration Company (Ella claim)
San Juan County, Utah, and Montrose County, Colorado

Enclosed are the original and two copies of a joint memorandum dated November 26, 1957, from M. H. Salsbury, Mining Engineer, Bureau of Mines, and N. L. Archbold, Geologist, Geological Survey, pertaining to the issuing of a Certification of Discovery or Development as a result of the work performed under the DMEA contract.

On the basis of the ore grade mineralization encountered in the two DMEA holes, the Field Examiners recommend that the project be certified as a discovery or development.

The matter appears to involve DMEA policy; however, certification of the project is not recommended by this office because of the small inferred tonnage and spotty nature of the mineralization at various horizons, which make it doubtful that a mining operation would ever be warranted.

JW Townsend
For E. N. Harshman

Enc.

Because DMEA drilling has resulted in the discovery of a significant amount of ore, a Certification of Discovery is recommended.

M. H. Salsbury

M. H. Salsbury,
Mining Engineer

N. L. Archbold

N. L. Archbold,
Geologist

NLA/bh

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

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NOV 22 1957

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

Re: Report of Review
Idm-E1096, DMEA-4597
Strategic Minerals
Exploration Company

Dear Mr. Finch:

The recently submitted copies of your Report of Review covering the above-cited project are accepted and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
November 22, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

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224 New Customhouse
Denver 2, Colorado

November 15, 1957

Memorandum

To: T. H. Brading, DMEA Auditor, Region III

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4597 (Uranium), Contract No. Idm-E1096, Strategic Minerals Exploration Company (Joan, LaRay, and Ella claims), San Juan County, Utah, and Montrose County, Colorado

The work provided for under the subject contract has been completed and the Operator has rendered a final accounting and final report as required by the contract. Therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit, or Report of Review of reported project costs, whichever the case indicates.

Acceptable units of work or service completed on a Fixed Unit Cost basis are as follows:

Incidental allowance -----	4,437 feet of drilling
Core boxes ----------	79
Chemical analyses --------	7.

The sum of $500.00 was withheld from reimbursement to the Operator in processing the final accounting report, which was for the month of September, 1957.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JWT:prl

cc: Chmn. Op. Comm. (2)
Harshman
Corres. file
Townsend
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

November 15, 1957

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Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4597 (Uranium), Contract No. Idm-E1096, Strategic Minerals Exploration Company (Joan, LaRay, and Ella claims), San Juan County, Utah, and Montrose County, Colorado

Enclosed are the original and one copy of the final report submitted by the Operator pertaining to work completed under the subject contract.

E. N. Harshman

E. N. Harshman

Enclosures

DMEA
DEPARTMENT OF THE INTERIOR
NOV 15 1957
REGION III
DENVER, COLORADO

FINAL REPORT

Operator:

Strategic Minerals Exploration Co.
P. O. Box 1648, Grand Junction, Colorado

Docket No. DMEA 4597
Contract No. Idm-E 1096
Minerals: Uranium

November 11, 1957

Authorized work to be performed under this contract on the Ella claim, located in San Juan County, Utah, and the Ella Fraction in Montrose County, Colorado, consisted of 3,570 feet of plug-bit drilling, 1190 feet of core drilling, and 28 hours of bull-dozer work. In addition, the following fixed-cost items were provided for: an incidental allowance of $0.22 per foot of drilling completed, 60 chemical sample analyses at $4.00 per sample, and 117 card board core boxes at $1.00 each.

The estimated total cost of the project was $13,500.20. The government's share of the cost at 75% participation amounted to $10,125.15. All work was to be completed on or before October 1, 1957.

This project was started on June 26, 1957 and completed on the 13th of September. On November 4, the Strategic Minerals Exploration Company advised the DMEA by letter that it had completed the work and requested that the contract be terminated.

The completed work consisted of 3290 feet of plug-bit drilling, 1147 feet of core drilling and 28 hours of bull-dozer work. A total of 79 core boxes were used, 7 samples were analyzed, and the incidental allowance was charged for 4437 feet of completed drilling. The total cost of the project was $11,911.04, and the government's share amounted to $8,933.28.

Working conditions encountered were normal except for exceptionally heavy rainfall which slowed operations.

The results of the work are presented in tabulated form under: Recap of DMEA Diamond Drill Data, Recap of Ore and Mineralized DMEA Holes, and a Summary of DMEA Sample Assay Data which are part of this report. The accompanying map shows the location of the completed ore holes.

The DMEA drilling showed the ore-bearing sandstone to contain an interbedded red mudstone split of varying thickness. It is probable that this mudstone, to some extent, controlled ore deposition. The areas in which the sandstones thicken, and where the mudstone split pinches out are thought to be relatively favorable exploration possibilities. The geometric fence diagram suggests the presence of such an area to the west of diamond drill hole LC 406.

OPS FINAL REPORT

Docket No. DMEA 4597
Contract No. Idm-E 1096
Minerals: Uranium

November 11, 1957

Although 3 of the 14 holes contained ore-grade material, it is not possible to calculate any ore reserves on the basis of the presently known data.

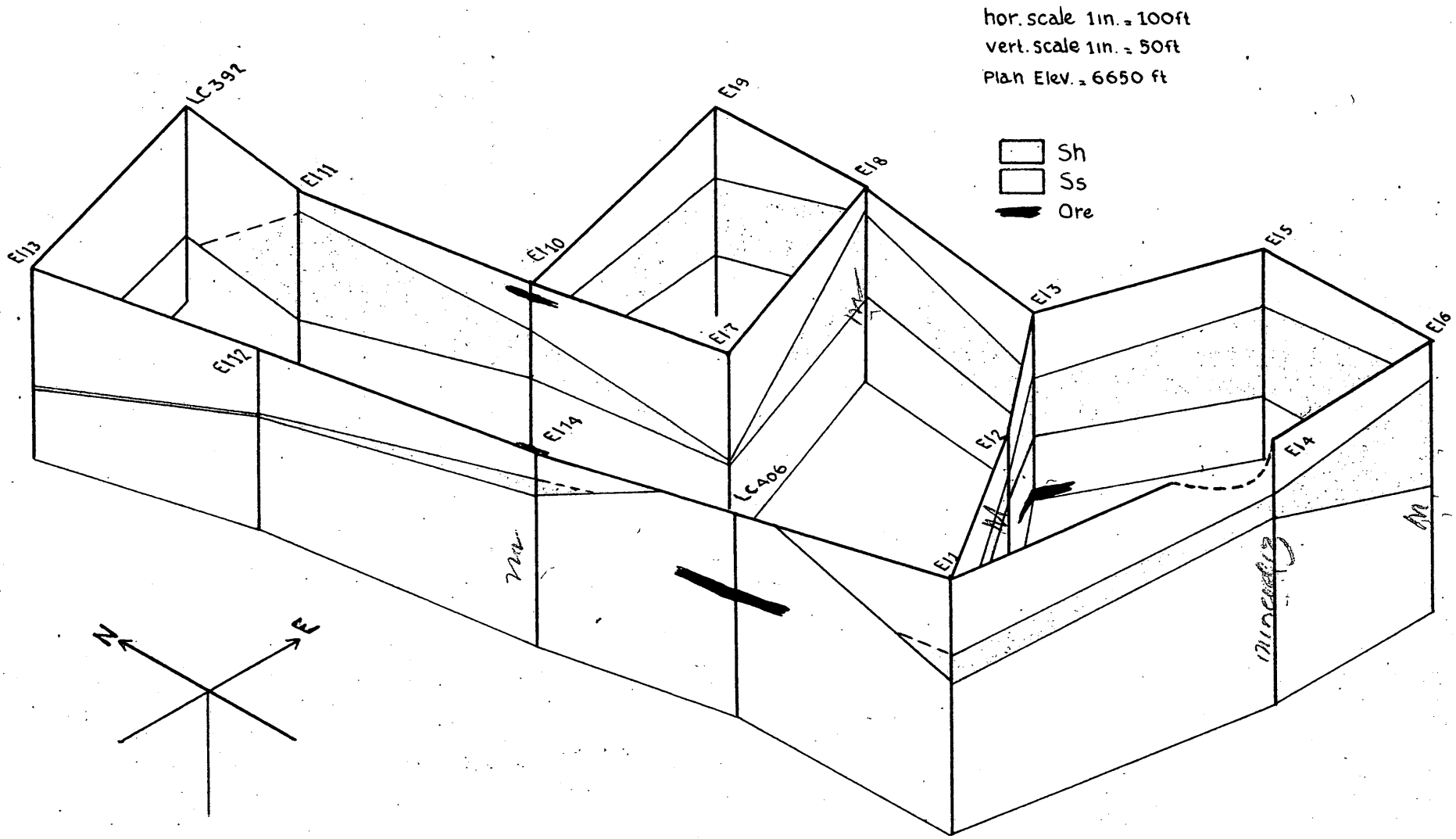
The Strategic Minerals Exploration Company has been negotiating the leasing of additional ground adjacent to the Ella, and, if successful, they would consider doing more work next year to attempt to prove reserves.

STRATEGIC MINERALS EXPLORATION CO.

BY: R. A. Hildebrand

R. A. Hildebrand, Geological Engineer

Isometric Diagram



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DMEA
RECEIVED NOV 18 1957

DATE	INITIALS	CODE

RECAP OF DMEA DIAMOND DRILL DATA

Strategic Minerals Exploration Company
Docket No. DMEA 4597

Hole No.	Depth	Plug	Core	Ore SS	Favor.	Remarks
El 1	300	195	105	247 - 297	Fav 11	Barren
El 2	305	210	95	245 - 294	Semif 8	Mineralized
El 3	305	230	75	277 - 298	Semif 8	Ore
El 4	298	195	103	230 - 293	Fav 11	Mineralized
El 5	295	215	80	268 - 290	Fav 11	Barren
El 6	305	210	95	260 - 303	Fav 13	Mineralized
El 7	305	235	70	235 - 301	Fav 12	Barren
El 8	320	240	80	291 - 310	Semif 10	Mineralized
El 9	319	240	79	295 - 315	Semif 9	Barren
El 10	325	250	75	288 - 317	Semif 8	Ore
El 11	345	265	80	306 - 337	Semif 9	Barren
El 12	349	295	54	299 - 343	Fav 12	Barren
El 13	350	270	80	305 - 344	Semif 10	Barren
El 14	316	240	76	240 - 306	Fav 13	Mineralized
TOTALS	4,437	3,290	1,147			

SUMMARY OF DMEA SAMPLE ASSAY DATA

Strategic Minerals Exploration Co.
Docket No. DMEA 4597

Hole No.	Sample No.	Interval	Feet	% U_3O_8	% V_2O_5
EL - 2	E 1	289.4 - 289.9	0.5	0.14	0.44
EL - 3	E 2	290.6 - 294.5	3.9	0.04	Nil
EL - 3	E 3	294.5 - 298.4	3.9	0.48	0.23
EL - 4	E 4	275.3 - 275.5	0.2	0.66	0.06
EL - 10	E 5	260.2 - 263.0	2.8	3.94	7.35
EL - 10	E 6	311.3 - 312.5	1.2	0.14	0.83
EL - 8	E 7	259.0 - 259.5	0.5	0.06	Nil
EL - 14	E 8	246.9 - 246.4	0.5	0.08	0.06

RECAP OF ORE AND MINERALIZED DMEA HOLES

Strategic Minerals Exploration Co.
DOCKET NO. DMEA 4597

ORE HOLES:

Hole No.	Depth	Feet	% U_3O_8	% V_2O_5
EL 3	298.4 - 294.5	3.9	0.48	0.23
EL 10	263.0 - 260.2	2.8	3.94	7.35
	312.5 - 311.3	1.2	0.14	0.83

MINERALIZED HOLES:

EL 2	289.9 - 289.4	0.5	0.14	0.44
EL 4	275.5 - 275.3	0.2	0.66	0.06
EL 6	290.0 - 286.0	4.0	0.03	No Assay
EL 8	259.5 - 259.0	0.5	0.06	Nil
EL 14	248.2 - 246.0	2.2	0.046	No Assay

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DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE
11/1	C	220
11/1	[illegible]	800
11-4	[illegible]	700

224 New Customhouse
Denver 2, Colorado
October 29, 1957

Mr. John I. Schumacher, Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket DMEA-4597 (Uranium)
Contract Idm-E1096
Strategic Minerals Exploration Company
(Joan, La Ray, and Ella claims)
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Schumacher:

Form MF-104, Operator's Monthly Report and Voucher, for September, 1957, has been received in this office and is being processed for payment.

All authorized work under the contract has been completed, therefore an amount of $500.00 is withheld from reimbursement to Strategic Minerals Exploration Company, pending resolution of matters prerequisite to closing the account, which includes:

1. Rendering to the Government a final report as required under Article 7(c) of the contract form.

2. Release to this office of an Audit Report or Report of Review of the reported project costs by the Contract Administration and Audit Division, DMEA.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh
cc: Chmn. Op. Comm. (2)
DMEA, Dfc
Harshman
Hasler
Townsend
DMEA, G.Jct.
Corres.file,Reg.III
Chron

Ella claim, [illegible]
San Juan County, Utah
DMEA Docket No. 4597

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
Ella#6	305.0	210.0	203.0	303.0	234.9	236.8	1.9	250			<.005	
					251.1	251.8	0.7	320			<.010	
					253.7	255.1	1.4	260			<.010	
					261.4	262.8	1.4	300			<.010	
					263.7	268.1	4.4	260			<.005	
					268.1	272.8	4.7	560			.012	
					272.8	274.0	1.2	2400			.066	
					274.0	275.7	1.7	760			.017	
					275.7	276.6	0.9	600			.018	
					276.6	278.6	2.0	300			.005	
					278.6	280.1	1.5	1000 R73			.026	
					280.1	286.0	5.9	420			<.010	
					286.0	288.0	2.0	900 R74			.017	
					288.0	289.0	1.0	3100			0.10	
					289.0	289.7	0.7	1200			.035	
					289.7	290.3	1.6	320			<.010	
Ella#7	305.0	230.0	194.0	304.0	246.7	249.3	2.6	400			<.010	
					250.4	252.0	1.6	390			<.010	
					254.2	256.5	1.3	340			<.010	
					297.1	298.5	1.4	330			<.010	
					299.9	301.0	1.1	240			<.005	
Ella#8	315.0	240.0	203.0	313.0	241.3	242.2	0.9	430			.011	
					252.0	253.1	1.1	380			<.010	
					253.1	255.5	2.4	220			<.005	
					255.5	258.1	2.6	2100			.047	
					258.1	259.0	0.9	3700			0.14	
					263.2	264.0	0.8	380			.010	
					287.7	289.1	1.4	240			<.005	

* From top to bottom depths

Drawn circled
memo 10/4/57

Contract 10M-E 1096

Att. Finance

Strategic Minerals
Ella claim, LaSal Creek
San Juan County, Utah
DMEA Docket 4597

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
Ella#9	319.0	230.0	218.0-318.0	239.6-241.4	1.8	300			<.010	
				241.4-243.0	1.6	720			.016	
				249.8-251.3	1.5	300			<.010	
				257.4-258.2	0.8	1400			.038	
				264.2-265.4	1.2	400			<.010	
				265.4-266.9	1.5	280			<.005	
Ella#10	325.0	240.0	212.3-323.0	250.1-252.0	1.9	280			<.005	
				256.4-257.3	0.9	2300			.072	
				257.3-259.2	1.9	1800			.04	
				259.2-260.0	0.8	100000+			10.0+	off scale on RF5
				260.0-262.1	2.1	1100			.021	
				262.1-262.9	0.8	2200			.072	
				262.9-263.5	0.6	1300			.047	
				263.5-265.7	2.2	2800			.068	
				265.7-268.6	2.9	240			<.005	
				268.6-269.5	0.9	2900			0.10	
				310.1-311.6	1.5	5100			0.18	
				311.6-312.3	0.7	1800			.063	
Ella-11	345.0	260BX	242.8-343.0	305.3-306.1	0.8	790			.029	
				306.1-307.0	0.9	400			.010	
				308.1-309.1	1.0	400			<.010	
				313.3-314.2	0.9	240			<.010	
Ella-13	350.0	260BX	220.0-348.0	Barren -- logged before hole was bottomed						
Ella-14	302.0	none	198.3-298.5	246.1-247.1	1.0	2400			.064	
				247.1-247.5	0.4	1000			.060	
				247.5-248.3	0.8	1600			.047	
				248.3-249.8	1.5	450			<.010	
				249.8-250.9	1.1	400			.010	
			FIRST STAGE COMPLETED							

* From top to bottom depths

Strategic Minerals Exp. Co.
Ella claim
San Juan County, Utah
DMEA Docket No. 4597

FLR 4597

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$
Ella 1	295.0	190.0	160.0-290.0	191.4-192.3	0.9	250			<.010
				194.3-195.3	0.9	310			<.010
				274.0-274.8	0.8	270			<.010
Ella 3	305.0	230.0	202.1-302.3	207.8-208.7	0.9	310			<.010
				239.2-240.3	1.1	580			.016
				240.3-241.0	0.7	400			.012
				243.7-245.5	1.8	260			<.005
				278.4-279.7	1.3	970			.026
				279.7-281.1	1.4	300			<.010
				283.7-284.5	0.8	770			.023
				285.0-286.2	1.2	460			.011
				286.2-289.8	3.6	300			.005
				289.8-291.1	1.3	6000 R÷5			0.20
				291.1-291.9	0.8	23000			0.83
				291.9-293.2	1.3	3200			.094
				293.2-295.8	2.6	420			<.010
				295.8-296.7	0.9	1800			.051
				296.7-297.8	1.1	500			.013
				297.8-299.1	1.3	380			<.010
Ella 4	285.0	195.0	174.0-284.0	222.7-223.5	0.8	820			.03
				254.1-254.8	0.7	330			<.010
				257.3-259.4	2.1	420			<.010
				264.2-267.6	3.4	580			.012
				267.6-271.5	3.9	440			<.010
				271.5-272.7	1.2	840			.024
				272.7-275.2	2.5	270			<.005
				275.2-275.9	0.7	4500			0.18
				275.9-278.7	2.8	400			<.010
				278.7-280.8	2.1	660			.014
				280.8-282.6	1.8	340			<.010
				282.6-283.4	0.8	2800			0.10

* From top to bottom depths

Docket DMA-4597 (Ella) Contract No. [illegible]
Geometric Industrial Engineering Company (Ella Claim)
San Juan County, Utah.

Recd w/memo of 8-11-57

FINAL DISTRIBUTION

MADE OCT 31 1957

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
[illegible]
Administrative Audit Difference Statement

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

Date: October 30, 1957
Payee's
Reference: October 1957

DMEA-4597

Gentlemen:

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

Amount Claimed $ [illegible]

Difference $

Amount Approved $ [illegible]

The reason for the difference was due to:

Withheld: $500.00 pending resolution of matters prerequisite to closing the account.

EXTRA COPY
DMEA
RECEIVED NOV 4 1957

DATE	INITIALS	CODE
11/4	gb	220
11	[illegible]	[illegible]
11-4	[illegible]	700

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

224 New Customhouse
Denver 2, Colorado
October 23, 1957

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4597 (Uranium) Contract Idm-E1096
Strategic Minerals Exploration Company (Ella claim)
San Juan County, Utah and Montrose County, Colorado -
Operator's Monthly Progress Report for the month of
September, 1957

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of the bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

<u>Withhold</u> an amount of $500.00 pending resolution of matters which are prerequisite to closing the account. The project was completed on September 16, 1957.

Reconciliation with Amount Reported by the Operator on Form MF-104 for September, 1957

Amount reported on Form MF-104 for September, 1957----------	$3,520.70
Government participation at 75 percent----------	2,640.52
Amount to be withheld----------	500.00
Balance due the Operator----------	$2,140.52

Remarks:

Date of Report----------October 9, 1957
Date Received in Field Office--------October 15, 1957
Date Received in Region Office-------October 23, 1957

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JDC:hmh

cc: Chmn. Op.Comm. (2))
DMEA, DFC) w/complete report
MF-104 file, Reg. III)
Harshman)
Hasler) w/copy of Engr's
Townsend) report
DMEA, G. Jet)
Chron

DMEA
DEPARTMENT OF THE INTERIOR
OCT 23 1957
REGION III
DENVER, COLORADO

P.O. Box 360
Grand Junction, Colo.

October 22, 1957

Memorandum

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

From: M. H. Salsbury

Subject: Docket No. DMEA 4597 (Uranium), contract Idm-E 1096, Strategic Minerals Exploration Company (Ella claim), San Juan County, Utah and Montrose County, Colorado. Progress report for September 1957.

The subject project was inspected on October 2, 1957 by M. H. Salsbury and N. L. Archbold, accompanied by John I. Schumacher representing the operator.

Claim is made in September 1957 for items covering 1,070 feet of non-core drilling and 290 feet of core-drilling in four drill holes as follows:

Actual Cost Items		
Independent contracts		
Non-core drilling,		
0-200 foot range - 800 feet at $1.75 per foot	$1,400.00	
200-400 foot range - 270 feet at 1.75 per foot	472.50	
Core drilling		
200-300 foot range - 130 feet at $4.00 per foot	520.00	
300-400 foot range - 160 feet at $4.60 per foot	736.00	
Bulldozing 6 hours at $12.00 per hour	72.00	
Fixed Unit Cost Items		
Incidental allowance for 1,360 feet of drilling completed at $0.22 per foot	299.20	
21 core boxes at $1.00 each	21.00	
Total claimed in September 1957		$3,520.70

The claims are supported by invoices from drilling and bulldozing contractors, are in accordance with contract terms, and do not exceed contract maximums except that core drilling depths were less than estimated so that the footage drilled in the 200-300 foot range exceeded the maximum footage allowed in that range by 273 feet. However, the footage drilled in the 300-400 foot range was 316 feet less than the maximum footage allowance, so that total core drilling is 43 feet less than the combined allowance maximum.

Drilling is billed at less than, or not exceeding, contract maximums. The core boxes claimed checked the actual number of boxes used as verified in the field.

Of the four holes drilled hole No. El 14 was classed as mineralized, and holes El 11, El 12, and El 13 were barren.

Following is a summary of drilling results:

Hole Depths						Significant Mineralization				
Hole No.	Non-core feet	Core feet	Total claimed	Depth probed in feet by Opr.	Depth probed in feet By DMEA	Depth in feet from	to	Inter-val	%eU_3O_8	By whom deter-mined
El 11	265	80	345	345	343.0	Barren				Operator
						305.3	306.1	0.8	0.029	DMEA
El 12	295	54	349	349	--	Barren				Operator
El 13	270	80	350	348	348.0	Barren				Operator
						Barren				DMEA
EL 14	240	76	316	316	298.5	246.0	247.2	1.2	0.06	Operator
						247.2	248.2	1.0	0.03	
						246.1	247.1	1.0	0.064	DMEA
						247.1	247.5	0.4	0.060	
						247.5	248.3	0.8	0.047	
Totals	1070	290	1360							

The cores from the four holes were examined by the DMEA inspector, checked with the drilling footages claimed, and are in accordance with contract terms. All core is BX size. Holes were bottomed in from 4.8 to 7.6 feet of mottled red-green mudstone. All holes were drilled approximately on the sites designated in the subject contract, with a maximum deviation of 20 feet. Holes were not less than 150 feet from any previously drilled hole and not less than 100 feet from outer boundaries of the property, except that, by scaling, hole No. El 11 appears to be 95 feet from an outer boundary. Location of holes as drilled was determined by the operator's transit survey. All holes are considered by the DMEA inspector to be in accordance with contract terms.

Approved exploration under the subject contract has been completed.

The operator has submitted, in quintuplicate, MF-104 and MF-104-A forms, narrative report, map drill logs with radiometric probing results entered thereon, together with one copy each of invoices for drilling and bulldozing. Monthly and cumulative totals are correctly entered on the MF-104 and MF-104-A forms, signed by John I. Schumacher, Managing Partner.

Payment of $2,640.53, or 75 percent of the amount claimed in September 1957, $3,520.70, is recommended for approval.

M. H. Salsbury
M. H. Salsbury,
Mining Engineer.

MHS/mlr

Form DMEA-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DMEA
DEPARTMENT OF THE INTERIOR
OCT 14 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 57 Docket No. DMEA 4597 Contract No. Idm-E-1096
Operator's Name Strategic Minerals Exploration Co. Minerals
Address P.O.Box 1648, Grand Junction, Colorado Uranium

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes (200-300	Ft	$ 520.00	130	3612.00	903	$ 4.00	630	$ 4.00
Drilling: Core (300-400	Ft	736.00	160	1122.40	244	4.60	560	5.00
Plug Churn 0-200	Ft	1400.00	800	4882.50	2790	1.75	2800	1.75
Plug Auger 200-400	Ft	472.50	270	875.00	500	1.75	770	2.00
Sampling Inc.Allow	Ft	299.20	1360	976.14	4437	0.22	4760	0.22
Testing Analyses	Ea	-	0	28.00	7	4.00	60	4.00
Bulldozing	Hr	72.00	6	336.00	28	12.00	28	12.00
Roads and Trails								
Core Boxes	Ea	21.00	21	79.00	79	1.00	117	1.00
TOTAL DISTRIBUTED COSTS		$3520.70		$ 11911.04				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$3520.70		$ 11911.04				$ 13500.00

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

REMARKS:

Date Oct.9, 1957 Operator Strategic Minerals Exploration Co.

Per John I. Schumacher Title Managing Partner

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

(Instructions on reverse)

(For Government use only)

RECEIVED NOV 4 1957 D.M.E.A.

DMEA
DEPARTMENT OF THE INTERIOR
OCT 23 1957
REGION III
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

MF-104 (Rev.)
April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1957 Docket No. DMEA 4597 Contract No. IDM-E-1096
Operator's Name Strategic Minerals Exploration Co. Minerals Uranium
Address Box 1648, Grand Junction, Colorado
Contract Amount, $ 13,500.00 Government Participation: 75 % Amount, $ 10,125.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Non Core						
Drilling 0-200	1400.00	3482.50	4882.50			
~~Bulldozing~~ 200-400	472.50	402.50	875.00			
~~XXXXXXXX~~ Core						
~~XXXXX~~ 200-300	520.00	3092.00	3612.00			
300-400	736.00	386.40	1122.40			
(2) Labor and Supervision:						
~~XXXXX~~ Bulldozing	72.00	264.00	336.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-	28.00	28.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Incidental Allow.	299.20	676.94	976.14			
Core Boxes	21.00	58.00	79.00			
TOTALS	$3520.70	$8390.34	$11911.04	3520.70	8390.34	11,911.04

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

Date Oct 9 1957 *Payee Strategic Minerals Exploration Co.

Per John I. Schmacher Title Managing Partner

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

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

(Instructions on reverse)

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

2140.53

Signature
(Authorized Certifying Officer)

Date 10/30/57 Vou. No. DMA 58-52
(See other side)

Note: Withhold 500.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMEI 096 in accordance with the terms of the contract.

Signature M. B. Kalbaugh #24053 Title Mining Engineer Date 10-21-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Hardman Title acting Executive Officer Date OCT 28 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STRATEGIC MINERALS EXPLORATION CO.
P.O. Box 1848
Grand Junction, Colorado

MONTHLY PROGRESS REPORT SEPTEMBER 1957
Contract Idm-E-1096
Docket No. 4597

Factual Data	September	To Date
Drill Holes Completed	4	14
Footage Cored	290	1147
Footage Plugged	1360	3290
Total Footage	1360	4437
Drill Sites Completed	1	14
Road Building Footage	320	3970
Hours Bulldozer Work	6	28
Ore Holes	-	2
Mineralized Holes	2	4
Barren Holes	2	8

Narrative

The work under this contract was completed on September 16, 1957. The results of the work proved favorable although only a small tonnage of ore is shown. The operator plans to drill additional holes on this trend provided the adjoining ground can be leased.

A final report with reserve calculations will be completed within the next two weeks.

STRATEGIC MINERALS EXPLORATION CO.

John I. Schumacher

John I. Schumacher, Managing Partner

JIS:gw

STRATEGIC MINERALS EXPLORATION CO.

ELLA DMEA 4597

SUMMARY OF SAMPLE ANALYSES DATA

Sample No.	Hole No.	Interval	Ft.	% U_3O_8	% V_2O_5
E 1	EL 2	289.4 - 289.9	0.5	0.14	0.44
E 2	EL 3	294.5 - 298.4	3.9	0.48	0.28
E 3	EL 3	290.6 - 294.5	3.9	0.04	Nil
E 4	EL 4	275.3 - 275.5	0.2	0.66	0.06
E 5	EL 10	260.2 - 263.0	2.8	3.94	7.35
E 6	EL 10	311.3 - 312.5	1.2	0.14	0.82
E 7	EL 8	259.0 - 259.5	0.5	0.06	Nil

SUMMARY STAGE I - SEPTEMBER, 1957 DRILLING

STRATEGIC MINERALS EXPLORATION CO.
DMEA 4597

Hole No.	TD	Plug	Core	SS	SS Th.	Rating
				209-237	28	Barren
EL 1	300	195	105	247-297	50	Favorable 11
				212-238	26	Mineralized
EL 2	305	210	95	245-294	49	Semifaverable 8
						Ore
				230-255	25	Semifaverable 8
EL 3	305	230	75	277-298	21	Semifaverable 8
						Mineralized
				195-223	28	Semifaverable 8
EL 4	298	195	103	230-293	63	Favorable 11
						Barren
				215-239	24	Unfaverable 5
EL 5	295	215	80	268-290	22	Favorable 11
						Barren
				210-225	14	Unfaverable 0
EL 6	305	210	95	260-303	43	Favorable 13
						Barren
EL 7	305	235	70	235-301	66	Favorable
						Barren
				240-264	24	Semifaverable 8
EL 8	320	240	80	291-310	19	Semifaverable 10
						Barren
				240-269	29	Semifaverable 10
EL 9	319	240	79	295-315	20	Semifaverable 9
						Ore
				250-271	21	Semifaverable 9
EL 10	325	250	75	288-317	29	Semifaverable 8
						Barren
				265-281	16	Unfaverable 4
EL 11	345	265	80	306-337	31	Semifaverable 9
						Barren
EL 12	349	295	54	299-343	44	Favorable 12
						Barren
EL 13	350	270	80	305-344	39	Semifaverable 10
						Mineralized
EL 14	316	240	76	240-306	66	Favorable 13
	1960	1070	290			
Totals September, 1957						
	4437	3290	1147			
Cumulative Totals						

9/9 9/9 11 Q 220 800 ~~FLK~~ 700

224 New Customhouse
Denver 2, Colorado
September 4, 1957

y. John I. Schumacher, Managing Partner
trategic Minerals Exploration Company
. O. Box 1648
Grand Junction, Colorado

Re: Docket DMEA-4597 (Uranium)
Contract Idm-E1096
Strategic Minerals Exploration
Company
(Ella claims)
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Schumacher:

Form MF-104, Operator's Monthly Report and Voucher, for July, 195, has been received in this office and is being processed for payment.

The allowable cost for 50 card board core boxes was reported on Form MF-104, however, only 12 of the core boxes were used during the period. The reported cost for the excess core boxes is disallowed. You may report the cost of only those core boxes which are used during the reporting period regardless of when the core boxes were actually purchased.

You will be further advised of the above disallowance by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III. Please make the necessary adjustment of units and cost of the disallowed core boxes when preparing your next report on Voucher and Accounting Forms MF-104 and MF-104A.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh
cc: Chmn. Op. Comm.(2)
Harshman
Hasler
DMEA, DFC
DMEA, G.Jct.
Townsend
Corres.file, Reg.III
Chron

58-39

EXTRA COPY DMEA RECEIVED OCT 2 1957		
DATE	INITIALS	CODE
10/2	[illegible]	110
10/2	[illegible]	700
MEMORANDUM		

FINAL DISTRIBUTION MADE SEP 30 1957

224 New Customhouse
Denver 2, Colorado

September 26, 1957

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4597 (Uranium) Contract Idm-E1096, Strategic Minerals Exploration Company (Ella claim) San Juan County, Utah, and Montrose County, Colorado, Operator's Monthly Progress Report for the month of August, 1957

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

The contract stipulates that the holes shall be spaced not less than approximately 150 feet from any other hole drilled under the contract or from holes LC-406 and BD-2. Holes EL-3, EL-6 and EL-8 could not be drilled at the exact locations indicated on the map, Figure 4, attached to the contract because of physical conditions. The DMEA engineer and geologist conclude that the holes, as drilled, serve as well as if drilled at the specified locations, therefore, under the circumstances the drilling of the holes at the revised locations is approved.

Two of the holes drilled during August did not penetrate the required minimum distance of three feet into red mudstone. As good stratigraphic control was maintained, and all required information was obtained, the holes are acceptable to the Government.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for August, 1957, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report----------September 9, 1957
Date Received in Field Office----------September 12, 1957
Date Received in Region Office----------September 17, 1957

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures

JDC,hmh

cc: Chem. Op. Comm. (2)
DMEA, DPC
MF-104 file, Reg. III
Harshman)
DMEA, G.Jct.) w/copy of
Hasler) Engr's report
Townsend)
Chron

DMEA
DEPARTMENT OF THE INTERIOR

SEP 17 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

September 16, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: M. H. Salsbury

Subject: Docket No. DMEA 4597 (Uranium), Contract Idm-S 1096, Strategic Minerals Exploration Company (Ella claim), San Juan County, Utah and Montrose County, Colorado.— Progress report for August 1957

The subject project was inspected on September 5, 1957 by M. H. Salsbury accompanied by R. A. Hildebrand representing the operator.

Claim is made in August 1957 for items covering 1,815 feet of non-core drilling and 657 feet of core drilling in 8 drill holes as follows:

Actual Cost Items

Independent Contracts

non-core drilling	
0-200 foot range-1595 ft. at $1.75/ft.	$2,791.25
200-400 foot range- 220 ft. at $1.75/ft.	385.00
core drilling	
200-300 foot range- 578 ft. at $4.00/ft.	2,312.00
300-400 foot range- 79 ft. at $4.60/ft.	363.40

Fixed Unit Cost Items

Incidental allowance for 2472 ft. of drilling completed at $0.22/ft.	543.84
46 core boxes at $1.00 each	46.00
sample analyses for U_3O_8 and V_2O_5, 7 at $4.00/ea	28.00
Total claimed in August 1957	$6,469.49

The claims are supported by an invoice from the drilling contractor and by certified assay certificates, and are in accordance with contract terms, and within contract maximums.

Drilling is billed at less than or not exceeding contract maximums. The core boxes claimed check the actual number of boxes used, as verified in the field.

Of the 8 holes completed, holes nos. EL3 and EL10 penetrated ore-grade material, hole no. EL4 was mineralized and other holes were barren, as classified by the operator. Probing by the DMEA Barnaby unit shows hole nos. EL6 and EL8 to be mineralized as well.

Following is a summary of drilling results:

Hole No.	HOLE DEPTHS non-core feet	core feet	Total claimed	Depth Probed by Operator feet	DMEA feet	SIGNIFICANT MINERALIZATION Depth in feet from	to	interval	% U_3O_8 or eU_3O_8(R)	% V_2O_5	By whom sampled
EL3	230	75	305	305	302.3	290.6	294.5	3.9	0.04	#11	Operator
						291.0	294.0	3.0	0.50 R		Operator
						294.0	298.0	4.0	0.06 R		Operator
						294.5	298.4	3.9	0.48	0.23	Operator
					302.3	289.6	291.1	1.3	0.20 R		DMEA
						291.1	291.9	0.8	0.83 R		DMEA
						291.9	293.2	1.3	0.094R		DMEA
						295.8	296.7	0.9	0.051R		DMEA
EL4	195	103	298	298.0	284.0	275.0	276.0	1.0	0.04 R		Operator
						275.3	275.5	0.2	0.66	0.06	Operator
						283.5	284.5	1.0	0.03 R		Operator
						275.2	275.9	0.7	0.18 R		DMEA
						282.6	283.4	0.8	0.10 R		DMEA
EL5	215	80	295	295.0		287.3	287.6	0.3	0.03 R		Operator
EL6	210	95	305	305.0	303.0	286.0	290.0	4.0	0.03 R		Operator
						272.6	274.0	1.2	0.066 R		DMEA
						288.0	289.0	1.0	0.10 R		DMEA
EL7	235	70	305	305.0	304.0				Barren		Operator
									<0.010 R		DMEA
EL8	240	80	320	319.0	313.0	255.5	258.0	2.5	0.05 R		Operator
						258.0	259.0	1.0	0.13 R		Operator
						259.0	259.5	0.5	0.06		Operator
						255.5	258.1	2.6	0.047 R		DMEA
						258.1	259.0	0.9	0.13 R		DMEA

Hole No.	HOLE DEPTHS non-core feet	core feet	Total claimed	Depth Probed by Operator feet	DMEA feet	SIGNIFICANT MINERALIZATION Depth in feet from	to	interval	$\%U_3O_8$ or eU_3O_8(R)	% V_2O_5	By whom sampled
EL9	240	79	319	319.0	318.0	241.5	243.0	1.5	0.02R		Operator
						257.0	258.5	1.5	0.04R		Operator
						264.0	267.0	3.0	0.01R		Operator
						257.4	258.2	0.8	0.038R		DMEA
EL10	250	75	325	325.0	323.0	260.0	262.0	2.0	0.85R ✓		Operator
						260.2	263.0	2.8	3.94 ✓	7.35	Operator
						262.0	265.0	5.0	0.04R		Operator
						311.3	312.5	1.2	0.14 ✓	0.83	Operator
						312.0	314.0	2.0	0.07R		Operator
						256.4	257.3	0.9	0.072R		DMEA
						257.3	259.2	1.9	0.04R		DMEA
						259.2	260.0	0.8	1/ >10.00R		DMEA
						260.0	262.1	2.1	0.021R		DMEA
						262.1	262.9	0.8	0.072R		DMEA
						263.5	265.7	2.2	0.068R		DMEA
						268.6	269.5	0.9	0.10R ✓		DMEA
						310.1	311.6	1.5	0.18R ✓		DMEA
						311.6	312.3	0.7	0.63R ✓		DMEA
Totals	1,815.0	657.0	2,472.0								

1/ >= more than

The cores from the 8 holes were examined by the DMEA inspector, checked with the drilling footages claimed, and are in accordance with contract terms. All core is BX size. Holes were bottomed in from 0.9 to 6.8 feet of red mudstone or mottled red green mudstone. While the contract calls for bottoming in a minimum of 3 feet and a maximum of 10 feet of red mudstone, all holes are considered to have been bottomed satisfactorily because good control had been established and all holes but hole no. EL7 penetrated the 2 known sandstone lenses separated by a mudstone split, and were bottomed in the mudstone underlying the lower sandstone lens. Hole nos. 4, 5, 6, 7, and 10 are all located 20-30 feet westerly or southwesterly from the locations specified in the contract map but are in correct relation to each other, conform to the desired drilling pattern, and are more than 100 feet from any claim boundary. Sites for hole nos. 3, 8, and 9 were laid out by reference to Geological Survey hole no. LC 392, which, according to the operator's survey, is 55 feet south of the location shown on the contract map. To keep the specified relationship to hole no. LC 392, hole no. EL9 should have been 240 feet southeast of it. Hole EL9 was located at the most northerly site possible. The presence of large boulders immediately north of the drill site made the next feasible site too far north and in unfavorable ground. In attempting to locate hole nos. EL3, EL6, and EL8 at feasible sites, keep the required hole pattern, and also maintain the specified minimum distances between holes and to property boundaries, the operator finally settled on locations for the three holes which are less than the minimum specified distance from hole nos. EL2, EL4, and #L9 respectively. The DMEA geologist concurs in the conclusion that the holes as drilled serve as well as holes drilled at the specified locations, and payment for all holes is recommended for approval.

The operator has submitted in quintuplicate a narrative report, map, drill logs for 8 holes with radiometric probing results recorded thereon, together with one copy each of sub-contractor's invoice for drilling and certified assay certificates for 7 samples assayed for U_3O_8 and V_2O_5. Monthly and cumulative totals are correctly entered on the MF-104 and MF-104A forms, and take into account a previous disallowance. The narrative report is signed by R. H. Hildebrand, geological engineer, and MF-104 forms by John I. Schumacher, managing partner.

Payment of $4,852.12 or 75 percent of the amount claimed in August 1957, $6,469.49, is recommended for approval.

M. R. Salsbury
M. R. Salsbury,
Mining Engineer

MRS/bh

// Hole No. EL-7 is also deep enough. The mudstone split is not present.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~September~~ August 195 57 Docket No. DMEA 4597 Contract No. IDM - E-1096
Operator's Name Strategic Minerals Exploration Company Minerals Uranium
Address P. O. Box 1648, Grand Junction, Colorado
Contract Amount, $ 13,500.00 Government Participation: 75 % Amount, $ 10,125.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Non-Core						
Drilling 0 - 200	$ 2,791.25	$ 691.25	$ 3,482.50			
~~Bulldozing~~ 200-400	385.00	17.50	402.50			
~~Crosscutting~~ Core						
~~Drifting~~ 200 - 300	2,312.00	780.00	3,092.00			
300 - 400	363.40	23.00	386.40			
(2) Labor and Supervision:						
Labor Bulldozing	-	264.00	264.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	$ 28.00	-	28.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Incidental Allowance	543.84	133.10	676.94			
Core Boxes	46.00	[50.00]				
(Less disallowance)		12.00	58.00			
TOTALS	$ 6,469.49	1,920.85	$8,390.34	6,469.49	1,920.85	8,390.34

DMEA
DEPARTMENT OF THE INTERIOR
SEP 17 1957
REGION III
DENVER, COLORADO

EXTRA COPY
DMEA
RECEIVED 1957

DATE	INITIALS	CODE

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 8 *Payee Strategic Minerals Exploration Co
Per John A. Schmaltz Title Managing Partner

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

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

(Instructions on reverse)

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

$ 4852.12

Signature RBC
(Authorized Certifying Officer)

Date 9-27-57 Vou. No. DMA-58-39
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMEA 96 in accordance with the terms of the contract.

Signature W. R. Lehmann 4852-12 Title Mining Engineer Date 9-16-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: alternate acting

Signature J. W. Marsh Title Executive Officer Date SEP 26 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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COLORADO PLATEAU
DISTRICT - DMEA
SEP 12 1957
U. S. GEOLOGICAL
SURVEY
GRAND JUNCTION
COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 57 Docket No. DMEA 4597 Contract No. Ida-E 1096

Operator's Name Strategic Minerals Exploration Company Minerals Uranium

Address P. O. Box 1648, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
~~Winzes~~ Core 200 - 300	ft	$ 2312.00	578	$ 3,092.00	773	$4.00	630	$4.00
Drilling: Core 300 - 400	ft	363.40	79	386.40	84	4.60	560	5.00
Plug ~~Churn~~ 0 - 200	ft	2791.25	1595	3,482.50	1990	1.75	2800	1.75
Plug ~~Auger~~ 200 - 400	ft	385.00	220	402.50	230	1.75	770	2.00
Incidental Allowance	ft	543.84	2472	676.94	3077	0.22	4760	0.22
Sample Analyses	Sample	28.00	7	28.00	7	4.00	60	4.00
~~Test Pits~~ Bulldozing	hr	-	-	264.00	22	12.00	28	12.00
Roads and Trails								
Core Boxes	ea	46.00	46	58.00	58	1.00	117	1.00
TOTAL DISTRIBUTED COSTS		$6,469.49		$ 8,390.34				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$6,469.49		$ 8,390.34				

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

REMARKS: M.R.A.

Date Sept. 9, 1957 Operator Strategic Minerals Exploration Company

Per John D. Schmacher Title Managing Partner

DMEA
DEPARTMENT OF THE INTERIOR
SEP 17 1957
REGION III
DENVER, COLORADO

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

(Instructions on reverse)

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(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

SUMMARY STAGE I - AUGUST 1957 DRILLING

STRATEGIC MINERALS EXPLORATION CO.
DMEA 4597

Hole No.	TD	Plug	Core	SS	SS Th.	Rating
						Ore
				230-255	25	Semifavorable 8
EL 3	305	230	75	277-298	21	Semifavorable 8
						Mineralized
				195-223	28	Semifavorable 8
EL 4	298	195	103	230-293	63	Favorable 11
						Barren
				215-239	24	Unfavorable 5
EL 5	295	215	80	268-290	22	Favorable 11
						Barren
				210-225	14	Unfavorable 0
EL 6	305	210	95	260-303	43	Favorable 13
						Barren
EL 7	305	235	70	235-301	66	Favorable
						Barren
				240-264	24	Semifavorable 8
EL 8	320	240	80	291-310	19	Semifavorable 10
						Barren
				240-269	29	Semifavorable 10
EL9	319	240	79	295-315	20	Semifavorable 9
						Ore
				250-271	21	Semifavorable 9
EL 10	325	250	75	288-317	29	Semifavorable 8

STRATEGIC MINERALS EXPLORATION CO.

ELLA DMEA 4597

SUMMARY OF SAMPLE ANALYSES DATA

Sample No.	Hole No.	Interval	Ft.	% U_3O_8	% V_2O_5
E 1	EL2	289.4 - 289.9	0.5	0.14	0.44
E 2	EL3	294.5 - 298.4	3.9	0.48	0.23
E 3	EL3	290.6 - 294.5	3.9	0.04	Nil
E 4	EL4	275.3 - 275.5	0.2	0.66	0.06
E 5	EL 10	260.2 - 263.0	2.8	3.94	7.35
E 6	EL 10	211.3 - 212.5	1.2	0.14	0.23
E 7	EL 8	259.0 - 259.5	0.5	0.06	Nil

STRATEGIC MINERALS EXPLORATION CO.
P. O. Box 1648
Grand Junction, Colorado

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MONTHLY PROGRESS REPORT AUGUST 1957

Contract Idn - E 1896

Docket No. DMEA 4597

Factual Data:	August	Totals to Date
Drill holes completed	8	10
Footage Cored	657	857
Footage Plugged	1815	2220
Total footage (Core & Plug)	2472	3077
Drill Sites Completed	-	13
Road Building Footage	-	3650
Hours Bulldozer work	-	22
Ore Holes	2	2
Mineralized Holes	1	2
Barren Holes	5	6

Narrative:

Work under this contract is now 55% completed. For the remaining 4 holes to be drilled 333 feet of coring and 1380 feet of plugging are authorized. It is possible that completion of the 4 remaining holes may require a little more core footage than is now authorized. However, unused authorized plug footage will more than offset the increase in coring costs.

STRATEGIC MINERALS EXPLORATION CO.

BY R. A. Hildebrand

R. A. Hildebrand, Geological Engineer

RAH:gw

DRILL LOG

Stratmegic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. ELLA #3 DATE August 2, 1957 CLAIM NAME Ella

Colar Elev. 6885.3 Location 162911 N 17972 E

Summary of Log Semifavorable 8 Semifavorable 8, Ore OBSS 230 - 258 277 - 298 Thick 25 21

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	230.0			RB			No Core
230.0	240.0	10.0	40%	SS	LBR	F	Core Ground, Washed out
240.0	241.0	1.0		SS	GY BK	F	A; CBN
241.0	254.5	13.5		SS	LBR	MF - F	
254.5	257.7	3.2		MS	D GY		
257.7	276.9	19.2		MS	R GN		Tight SS RIBS
276.9	285.0	8.1		SS	L BR	F	A; R; GN; INT
285.0	285.1	0.1		MS	BK		
285.1	290.6	5.4		SS	L GY	F	
290.6	294.5	3.9	89%	SS	GY	F	A, CBN Sample
294.5	298.4	3.9	97%	SS	GY	F	Sample
298.4	302.4	2.6		MS/ST	DGY		
302.4	305.0	2.6		MS	R GN		

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SAMPLE		LAB ASSAY %		INTERVAL		PROBE
Base	Thick	U_3O_8	V_2O_5	Base	Thick	U_3O_8
294.5	3.9	0.04	Nil	291.0	291.0	Barren
298.4	3.9	0.48	0.23	294.0	3.0	0.50
				298.0	4.0	0.06
				305.0	7.0	Barren

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. Ella #3

DRILL LOG

Strategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella #4 DATE August 12, 1957 CLAIM NAME Ella

Colar Elev. 6853.9 Location 162735 N 17979 E

Summary of Log Semifavorable 8 195-223 28
Favorable 11, mineralized 230-798 Thick 63

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	195.0			PB			No Core
195.0	209.0	14.0		SS	LR LBR	MF	A; R; SM, P S; GN, SMS 204.5
209.0	223.2	14.2	73%	SS	LGY	F	S; GN; SM S; CBN
							Core Loss 210-215 SS
223.2	223.9	0.7		MS	GY		
223.9	279.8	5.9		MS/ST	RGN		
229.8	251.0	21.2		SS	LGY	F	S; R; GN; INT S; GN, P
251.0	254.3	3.3		MS	RGN		
254.3	254.4	0.1		ST	GN		
254.4	265.0	10.6		SS	LGY	VF	S; GN; FM Silty
265.0	275.3	10.3		SS	LGY	F	S; Gy, P S; CBN
275.3	275.5	0.2	100%	SS	LGY	F	Sample
275.5	282.7	7.2		SS	LGY	F	A; CBN
282.7	283.6	0.9		MS	GY		
283.6	285.5	1.9		MS/ST	GY GN		
285.5	287.3	1.8		SS	L GY	F	
287.3	287.5	0.2		MS	GN		
287.5	292.5	5.0		SS	L GY	F	S; CBN S; Gy; P
292.5	293.1	0.6		MS	GY		
293.1	298.0	4.9		MS	R GN		

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SAMPLE		LAB ASSAY %		INTERVAL		PROBE
Base	Thick	U_3O_8	V_2O_5	Base	Thick	U_3O_8
275.5	0.2	0.66	0.06	275.0	275.0	Barren
				276.0	1.0	0.04
				283.5	7.5	Barren
				284.5	1.0	0.03
				298.0	13.5	Barren

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. Ella #4

Dtrategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella #5 DATE August 15, 1957 CLAIM NAME Ella

Colar Elev. 6869.1 Location 162866 N 18105 E

Summary of Log Unfavorable 5 215 - 239 24
Favorable 11, Barren OBSS 268 - 290 Thick 22

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	215.0			PB			No Core
215.0	239.2	24.2		SS	LBR LGY	MF	S; GN; G, SM
239.2	239.6	0.4		ST	GN		
239.6	266.7	27.3		MS	R GN		
266.7	267.6	0.9		MS/SS	GN GY		
267.6	270.3	3.7		SS	GY	F	S; GN; INT Hard
270.3	270.6	0.3		MS	GY GN		
270.6	287.8	20.2		SS	LGY GY	F	S; CBN S; GN; SM, FM
287.8	289.4	1.6		MS/ST	GN GY		
289.4	290.4	1.0		SS	L GY	F	Hard Limey
290.4	295.0	4.6		MS	R GN		

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SAMPLE Base	SAMPLE Thick	LAB ASSAY % U_3O_8	LAB ASSAY % V_2O_5	INTERVAL Base	INTERVAL Thick	PROBE U_3O_8
				287.3	287.3	Barren
				287.6	0.3	0.03
				295.0	7.4	Barren

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. Ella #5

DRILL LOG

Strategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella #6 DATE August 15, 1957 CLAIM NAME Ella

Colar Elev. 6863.1 Location 162738 N 18109 E

Summary of Log Unfavorable 0 Favorable 13, Barren OBSS 210 - 225, 260 - 303 Thick 15, 43

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	210.0			PB			No Core
210.0	225.3	15.3		SS	LR LBR	MF	A; R; INT A; MN Stain
225.3	236.7	11.4	61%	MS	R GN		
236.7	245.0	8.3		SS	LGY	F	S; GN; S
245.0	245.2	0.2		ST	GN		
245.2	259.4	14.2		MS	R GN		Hard SS RIBS
259.4	259.9	0.5		MS	GN		
259.9	264.4	4.5		SS	GN GY	F	A; GN; INT. Silty
264.4	286.0	21.6		SS	L GY	F	S; GY; G, P S; CBN
286.0	290.2	4.2		SS	L GY	F	A; GY; Int. A; CBN
290.2	290.5	0.3		MS	GN		
290.5	303.4	12.9		SS	L GY	F	S; GY; P Hard
303.4	304.1	0.7		MS	GN		
304.1	305.0	0.9		MS	R		

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SAMPLE Base	SAMPLE Thick	LAB ASSAY % U_3O_8	LAB ASSAY % V_2O_5	INTERVAL Base	INTERVAL Thick	PROBE U_3O_8
				286.0	286.0	Barren
				290.0	4.0	0.03
				305.0	15.0	Barren

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

DRILL LOG

Strategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella #7 DATE August 20, 1957 CLAIM NAME Ella

Colar Elev. 6886.9 Location 163000 N 17829 E

Summary of Log Favorable 12, Barren OBSS 235 - 301 Thick 66

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	235.0			PB			No Core
235.0	251.1	16.1		SS	L GY	MF	S; CBN S; GY; P, SM
251.1	254.2	3.1		MS/ST	GN		
254.2	258.0	3.8		SS	L GY	VF	S; GN; INT
258.0	270.0	12.0		SS	L GY	F	S; GN, G, INT Frac 265.0-265.8
270.0	274.5	4.5		SS	L GY	F	A; GN; SM, P
274.5	275.2	0.7		MS	R GN		
275.2	275.3	0.1		MS	GN		
275.3	278.7	3.4		SS	L GY	F	S; CBN S; GN, FM
278.7	279.2	0.5		MS	R GN		Silty
279.2	285.0	5.8		SS	L BR	VF	A; R; FM, INT
285.0	295.1	10.1		SS	L GY	F	S; GN; FM
295.1	301.1	6.0		SS	GY	F	S; GY; P
301.1	302.3	1.2		MS	D GY		
302.3	305.0	2.7		MS	R GN		SS RIBS

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SAMPLE		LAB ASSAY %		INTERVAL		PROBE
Base	Thick	U_3O_8	V_2O_5	Base	Thick	U_3O_8
				305.0	305.0	Barren

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown

DRILL LOG

Strategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella #8 DATE August 21, 1957 CLAIM NAME Ella

Colar Elev. 6894.8 Location 163060 N 17995 E

Summary of Log
Semifavorable 8 240 - 264 24
Semifavorable 10, Barren OBSS 291 - 310 Thick 19

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	240.0			PB			No Core
240.0	252.5	12.5		SS	LGY LBR	MF	S; CBN S; GN; SM, FM Soft
252.5	252.9	0.4		MS	GN		
252.9	259.0	6.1		SS	LBR LGY	F	S; GN, G
259.0	259.5	0.5		SS	L GY	F	Sample
259.5	263.8	4.3		SS	LBR LGY	F	S, GN, G
263.8	264.8	1.0		MS	GN		
264.8	265.3	0.5		ST/SS	GN		
265.3	291.2	25.9		MS	R GN		SS/ST RIBS
291.2	296.7	5.5		SS	LR	F	P; R; INT
296.7	310.1	13.4		SS	L GY	F	S; CBN S; GN; P
310.1	311.3	1.2		ST	GN		Hard
311.3	316.1	4.8		ST/SS	R GY		SS RIBS; Hard
316.1	320.0	3.9		MS	R GN		Mott

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SAMPLE Base	SAMPLE Thick	LAB ASSAY % U_3O_8	LAB ASSAY % V_2O_5	INTERVAL Base	INTERVAL Thick	PROBE U_3O_8
259.5	0.5	0.06	Nil	255.5	255.5	Barren
				258.0	2.5	0.05
				259.0	1.0	0.13
				319.0	60.0	Barren

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. Ella #8

DRILL LOG

Strategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella #9 DATE August 27, 1957 CLAIM NAME Ella

Colar Elev. 6894.3 Location 163172 N 17988 E

Summary of Log Semi-favorable 9 295 - 315 20
Semi-favorable 10, Barren OBSS 240 - 269 Thick 29

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	240.0			PB			No Core
240.0	257.6	17.6		SS	L GY	F	S; CBN S; R, GN; SM, FM
257.6	258.5	0.9		MS	BK		A; CBN
258.5	265.6	7.1		SS	LGY GY	F	S; CBN S; GN; SM, FM
265.6	265.8	0.2		SS	GY	F	A; CBN
265.8	269.0	4.4		MS/ST	GN GY		Sandy
269.0	294.3	25.3		MS	R GN		SS RIBS
294.3	295.1	0.8		MS	GN		
295.1	309.8	14.7		SS			S; GY; SM, FM
309.8	311.1	1.3		MS/ST	R,GN		
311.1	314.5	3.4		SS	L GY	F	Hard
314.5	319.0	4.5		MS	R GN		

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SAMPLE		LAB ASSAY %		INTERVAL		PROBE
Base	Thick	U_3O_8	V_2O_5	Base	Thick	U_3O_8
				241.5	241.5	barren
				243.0	1.5	0.02
				257.0	14.0	barren
				258.0	1.0	0.04
				264.0	5.5	barren
				267.0	3.0	0.01
				[illegible]	[illegible]	barren

Abbreviations
CC [illegible]
SS [illegible]
VS [illegible]
S [illegible]
F [illegible]
V [illegible]
C [illegible]
W [illegible]
B [illegible]
R [illegible]
GN [illegible]
M [illegible]

DRILL LOG

Strategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella #10 DATE August 24, 1957 CLAIM NAME Ella

Colar Elev. 6906.2 Location 163126 N 17799 E

Summary of Log Semifavorable 8 / Semifavorable 9, Ore OBSS 288 - 317 / 250 - 271 Thick 29 / 21

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	250.0			PB			No Core
250.0	252.7	2.7		SS	L GY	F	S; GN; G
252.7	253.9	1.2		MS	GN		
253.9	260.2	6.3		SS	L GY	F	A; GN; FMS; S; CBN, Soft
260.2	263.0	2.8	93%	SS	BK GY	MF	Sample
263.0	271.2	8.2		SS	GY	F	S; CBN A; GN; G, FM
271.2	272.4	1.2		ST/MS	GN GY		
272.4	277.1	4.7		SS/ST	GN GY		
277.1	288.2	11.1		MS	R GN		Sandy
288.2	299.6	11.4		SS	L GY	F	S; CBN S; GN; FM
299.6	300.8	1.2		MS/ST	R GN		
300.8	311.3	10.5		SS	L GY	VF	S; GN; INT
311.3	312.5	1.2		SS	GY	F	Sample
312.5	317.4	4.9		SS	GY	F	S; CBN S; GN; G Hard
317.4	318.2	0.8		MS/ST	GN		
318.2	325.0	6.8		MS	R GN		

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RECEIVED OCT 2 1957
DATE | INITIALS | CODE
PROBE

SAMPLE Base	SAMPLE Thick	LAB ASSAY % U_3O_8	LAB ASSAY % V_2O_5	INTERVAL Base	INTERVAL Thick	U_3O_8
263.0	2.8	3.94	7.35	266.0	260.0	Barren
312.5	1.2	0.14	0.83	262.0	2.0	0.85
				267.0	5.0	0.04
				312.0	45.0	Barren
				314.0	2.0	0.07
				325.0	11.0	Barren

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. Ella #10

FINAL DISTRIBUTION

MADE SEP 6 1957

4597

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
[redacted]
Administrative Audit Difference Statement

[redacted]

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

[redacted]

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

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

[redacted] $[redacted]

[redacted] $[redacted]

[redacted] $[redacted]

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

EXTRA COPY
DATA
RECEIVED 1957

DATE		CODE
9/9	FEJ	110
	~~7/11~~	~~700~~

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

Very sincerely yours,

N. E. Stokes
Audit Section

224 New Customhouse
Denver 2, Colorado

September 4, 1957

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4597 (Uranium) Contract Idm-E1096
Strategic Minerals Exploration Company (Ella claim)
San Juan County, Utah and Montrose County, Colorado -
Operator's Monthly Progress Report for the month of
July, 1957 (Actually covers period from June 26 -
July 31, 1957)

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Except as otherwise noted below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Disallowance, Core Boxes

The Operator has reported the cost for 50 cardboard core boxes, however, only 12 boxes were used during the period. The reported cost for the excess core boxes is to be disallowed as follows:

Amount reported, 50 core boxes at $1.00 each	$ 50.00
Allowable cost, 12 core boxes at $1.00 each	12.00
Amount to be disallowed	$ 38.00

Reconciliation with Amount Reported by the Operator on Form MF-104 for June 26-July 31, 1957

Amount reported on Form MF-104	$1,958.85
Amount to be disallowed	38.00
Total accepted cost	$1,920.85
Government participation at 75 percent	$1,440.64

Remarks:

Date of Report----------August 14, 1957
Date Received in Field Office----------August 22, 1957
Date Received in Region Office----------August 27, 1957

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:hmh
cc: Chmn. Op. Comm. (2)) w/copy of
DMEA,DFC) complete
MF-104 file, Reg.III) report
Harshman)
Hasler) w/copy of Engr's
DMEA,G.Jct.) report
Townsend)
Chron

DMEA
DEPARTMENT OF THE INTERIOR
AUG 28 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

August 27, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: M. H. Salsbury

Subject: Docket No. DMEA 4597 (Uranium), Contract Idm-E 1096, Strategic Minerals Exploration Company (Ella claim), San Juan County, Utah and Montrose County, Colorado. -- Progress report for July 1957 (covers period June 26, 1957 to July 31, 1957).

The subject property was inspected on August 7, 1957 by M. H. Salsbury accompanied by John I. Schumacher and R. A. Hildebrand representing the operator.

At the time of the inspection roads and drillsites for all but one hole had been prepared and 3 drill holes had been completed, of which 2 are claimed in July 1957. A D-7 bulldozer was employed.

Claim is made for items covering 405 feet of non-core drilling and 200 feet of core drilling in holes nos. EL 1 and 2 as follows:

Actual Cost Items

Independent Contracts		
non-core drilling		
0-200 foot range 395 feet at $1.75/ft.	$ 691.25	
200-400 foot range 10 feet at $1.75/ft.	17.50	
core drilling		
200-300 foot range 195 feet at $4.00/ft.	780.00	
300-400 foot range 5 feet at $4.60/ft.	23.00	
Bulldozing 22 hours at $12.00/hr.	264.00	

Fixed Unit Cost Items

Incidental allowance for 605 feet of drilling completed at $0.22 per foot	133.10	
50 core boxes at $1.00 each	50.00	
Total claimed in July 1957		$1,958.85

The claims are supported by invoices from bulldozing and drilling contractors and are in accordance with contract terms. Drilling is billed and claimed at unit prices less than or not exceeding contract maximums. The core boxes were furnished by the drilling contractor at $

Mr. Schumacher and Mr. Hildebrand each devote part time to the project for the equivalent of one full time geologist.

Payment of $1,469.14, or 75 percent of the amount claimed in June-July 1957, $1,958.85, is recommended for approval.

M. H. Salsbury,
Mining Engineer

MHS/bh

each but are claimed at $1.00 each, the fixed cost unit price in the subject contract. Only 12 of the boxes were used for the two holes reported. Of the two holes completed, hole no. EL 1 was barren and favorable, and hole no. EL 2 was mineralized and semifavorable using a point system for evaluation. Following is a summary of drilling results.

Hole No.	non core depth ft.	core depth ft.	Total dep. claimed ft.	Depth Probing by opr.	DMEA	MINERALIZATION Depth in feet from to	interval	% U_3O_8	% V_2O_5	by whom sampled
EL 1	195	105	300	305	290	191.4-192.3	0.9	<.010eU_3O_8 1/		DMEA
						194.3-195.3	1.0	<.010eU_3O_8		DMEA
						274.0-274.8	0.8	<.010eU_3O_8		DMEA
						0 - 300		barren		operator
EL 2	210	95	305	305		0 - 291	291.	barren		operator
						291.0-291.5	0.5	.10eU_3O_8		"
						291.5-305.0	13.5	barren		"
						289.4-289.5	0.5	0.14 U_3O_8	0.44 V_2O_5	"

1/ radiometric result. <= less than

Hole no. EL 1 was probed by a DMEA Barnaby unit with essentially negative results.

According to the geologic logs, hole no. EL 1 was bottomed in 2 feet of variegated red-green mudstone, and EL 2 in 2 feet of red mudstone below 10 feet of variegated red-gray mudstone. By examination of the core the DMEA inspector determined that the bottom 3 feet of core in hole no. EL 1 and the bottom 10 feet of core in hole no. EL 2 are predominantly red and the holes are considered to have been bottomed correctly. The subject contract calls for a minimum penetration of 3 feet and a maximum penetration of 10 feet into red mudstone underlying the potential ore horizon. Hole locations are in accordance with contract specifications. Core recovery was good and drilling footages claimed have been checked by comparison with geologic and driller's logs and inspection of the core in the field.

The operator has submitted in quintuplicate a narrative report, drill logs for 2 holes, with probing results shown thereon, and a map, together with one copy each of sub-contractor's invoices covering bulldozing, drilling, and core boxes, and driller's logs for 2 holes. Chemical analyses have been made but not claimed.

Monthly totals are correctly entered on the MF-104 and MF-104A forms, signed by John I. Schumacher, managing partner for the operator.

Form [illegible]-104 (Rev.)
(A[illegible]052)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1957 Docket No. DMEA [illegible] Contract No. [illegible] 1006
Operator's Name Uranium Minerals Exploration Co.
Minerals [illegible]
Address [illegible] 1660, Grand Junction, Colorado
Contract Amount, $[illegible] Government Participation [illegible] % Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	691.25	0	691.25			
Bulldozing	17.50	0	17.50			
Crosscutting	700.00	0	700.00			
Drifting	33.00	0	33.00			
Bulldozing	266.00	0	266.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Core Boxes	50.00	0	50.00			
Geologist Office	183.10	0	183.10			
(8) Contingencies (specify):						
TOTALS	1920.85		1920.85	1,920.85	—	1,920.85

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

Date Aug. 30, 1957 *Payee Geotronic Minerals Exploration Company

By John J. Schumacher Title President

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

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

(Instructions on reverse)

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

$1440.64

Signature [illegible]
(Authorized Certifying Officer)

Date 9/5/57 Voucher DMA 58-28
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdMF 1096 in accordance with the terms of the contract.

Signature M. R. Salsbury $14614 Title Mining Engineer Date 8-27-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title acting Executive Officer Date SEP 4 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form [illegible]F-104A
(A[illegible] 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1957 Docket No. DMEA [illegible] Contract No. [illegible] 1090
Operator's Name Uranerals Minerals Exploration Company Minerals [illegible]
Address Box 10[illegible], Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes [illegible]	Foot	730.00	183	730.00	183	4.00	630	4.00
Drilling: Core [illegible]	Foot	22.00	5	22.00	5	4.40	300	5.00
Churn [illegible]	Foot	691.25	395	691.25	395	1.75	[illegible]	1.75
Auger [illegible]	Foot	17.50	10	17.50	10	1.75	770	2.00
Stripping [illegible]	Cu. Yds.	58.[illegible]	58	58.00	58	1.00	117	1.50
Trenching								
Test Pits [illegible]	Sq. Ft.	0	0	0	0	-	60	4.00
Roads and Trails [illegible]	Mi.	264.00	22	264.00	22	12.00	20	12.00
Incidental [illegible]	Foot	133.10	665	133.10	665	0.20	3760	0.20
TOTAL DISTRIBUTED COSTS		1960.00		1960.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1960.00		1960.00				

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

Date August 7, 1957 Operator Uranerals Minerals Exploration Co.

Per John T. Schmacker Title Managing Partner

REMARKS: M.26 S.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

Strategic Minerals Exploration Co.
P.O. Box 1640
Grand Junction, Colorado

MONTHLY PROGRESS REPORT JULY 1957
CONTRACT Idm-E 1096
DOCKET NO. DMEA 4597

Factual Data:

	July	Total To-date
Drill holes completed	2	2
Footage core	200	200
Footage plug	405	405
Total footage (core & plug)	605	605
Drill sites completed	13	13
Road building footage	3650	3650
Hours bulldozer work	22	22
Ore holes	0	0
Mineralized holes	1	1
Barren holes	1	1

Narrative

Work on this contract started on June 26, 1957 with the bulldozing of the drill sites. It required 22 hours of bulldozer time to complete the access roads and 13 drill sites. One drill site is not completed at this time as to build it would have required drilling and blasting. If later drilling indicates that this site is the most logical, construction would be justified, if not another site would be less expensive and more practical to construct.

The spacing of some of the holes is a little closer than that shown on the contract map because the location on the map of the U.S.G.S. Hole LC-392 was inaccurate. Relocating LC-392 on the map restricted the favorable zone thus making the closer spacing unavoidable.

Strat[illegible]ic Minerals Exploration Co.
P.O. Box 1648
Grand Junction, Colorado

(continued - Narrative)

One rig started drilling on July 15, 1957 and completed 2 holes to-date. Heavy rains caused some loss of time, but completion ahead of schedule is anticipated as another drill will be moved in.

John I. Schumacher

JOHN I. SCHUMACHER
Registered Mining Engineer

SUMMARY DRILLING AREA 4597
STRATEGIC MINERALS EXPLORATION COMPANY

Hole No.	TD	Plug	Core	SS	SS (Thickness)	Rating
El 1	300	195	105	209-237 247-297	28 50	Barren Fav 11
El 2	305	210	95	212-238 245-294	26 49	Mineralized SemiF 8
Totals Completed	605	405	200			

STRATEGIC MINERALS EXPLORATION CO.
DMEA 4597

ASSAY DATA

Sample No.	Hole No.	Interval	Ft.	$\%U_3O_8$	$\%V_2O_5$	Lab.
E 1	E1 2	289.4-289.9	0.5	0.14	0.44	Brown

DRILL LOG

Strategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella # 1 DATE July 24, 1956 CLAIM NAME Ella

Colar Elev. 6861.9 Location 162766 N 17762 E

Summary of Log Favorable 11 OBSS 209-237 247-297 Thick 28 50

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	195.0			PB			No core
195.0	208.4	13.4		MS	R Gn		SS Ribs less 2.0 ft.
208.4	208.7	0.3		MS	Gn		
208.7	236.9	28.2		SS	LGy	MF	S;Gn;G,Sm
236.9	237.7	0.8		MS	Gn		
237.7	247.3	9.6		MS	R Gn		Mott.
247.3	265.0	17.7		SS	LBr	MF	S;CBN S;Gn;Sm
265.0	275.4	10.4		SS	LGy	MF-M	269.5-269.6 R MS Seam
275.4	276.3	0.9		ST	Gn		
276.3	296.9	20.6		SS	LGy	MF	S;Gn;P at base
296.9	297.5	0.6		MS	GnGy		
297.5	300.0	2.0		MS	R Gn		

SAMPLE		LAB ASSAY %		INTERVAL		PROBE
Base	Thick	U_3O_8	V_2O_5	Base	Thick	U_3O_8
				300.0	190.0	Barren

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. Ella # 1

DRILL LOG

Strategic Minerals Exploration Co.
Name of Company

DRILL HOLE NO. Ella # 2 DATE July 31, 1957 CLAIM NAME Ella

Colar Elev. 6872.8 Location 17887 N 162845 E

Summary of Log Semi-Favorable 8 OBSS 212-238 / 245-294 Thick 26 / 49

TOP	BASE	THICK	CORE	ROCK	COLOR	GRAIN	REMARKS
0.0	210.0			PB			No core
210.0	211.6	1.6		MS	R Gn		
211.6	217.0	5.4		SS	Lr	F	Hard
217.0	222.2	5.2		SS	LGy	F	S;R,C;P 218.2
222.2	237.5	15.3	50%	SS	LGy	M-MF	S;Gn;G,P Cong 226-230
237.5	237.9	0.4		ST	Gn		
237.9	245.4	7.5		MS	R Gn		
245.4	247.0	1.6		SS	R Gn	MF	A;R,Gn MS Gns
247.0	266.6	19.6		SS	LBr	M-MF	S;Gn;P,SMS lower 4.0 ft.
266.6	270.5	3.9		SS MS	R Gy		Several MS splits less 1.0
270.5	272.5	2.0		ST	Gy		Sandy
272.5	287.0	14.5		SS	L Gy	F	
287.0	289.4	2.4		SS	Gy	F	
289.4	289.9	0.5	100%	SS	Gy	F	Sample
289.9	291.9	2.0		SS	Gy	F	
291.9	292.3	0.4		MS	Gy		
292.3	294.0	1.7		SS	Gy	F	S;R;int.
294.0	304.0	10.0		MS SS	R Gy		
304.0	305.0	1.0		MS	R		

SAMPLE		LAB ASSAY %		INTERVAL		PROBE
Base	Thick	U_3O_8	V_2O_5	Base	Thick	U_3O_8
289.9	0.5	0.14	0.44	291.5	0.5	0.10

Abbreviations

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. Ella # 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 1 1957

DATE	INITIALS	CODE
7/1	C	220
7/"	~~FLR~~	700

June 28, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4597 (Uranium), Contract No. Idm-E1096, Strategic Minerals Exploration Company (Joan, La Ray, and Ella claims), San Juan County, Utah, and Montrose County, Colorado

Enclosed are two sets of Power of Attorney, comprised of three instruments each, that have been executed by the partners doing business as Strategic Minerals Exploration Company, designating John I. Schumacher as the managing partner to act as the Agent of said partnership in all matters connected with Docket No. DMEA 4597, Contract No. Idm-E1096.

Copies of the Power of Attorney instruments have been distributed to the Finance Office, Region III, and to others concerned.

W H King
W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

June 25, 1957

COPY
DMEA
RECEIVED JUN 28 1957

DATE	INITIALS	CODE
6-28	C	220
6/28	B	215
"	~~FLK~~	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4597 (Uranium), Contract No. Idm-E1096, Strategic Minerals Exploration Company (Joan, La Ray, and Ella claims), San Juan County, Utah, and Montrose County, Colorado

Enclosed are the Government's, Division, and Audit copies of Exploration Project Contract No. Idm-E1096, which was forwarded by your letter of June 3, 1957 for insertion of the book and page number of the Ella Fraction claim in Annex I, insertion of a suitable starting date under Article 3, and signature by an authorized representative of the Company.

Also enclosed are three copies of the Operator's letter of June 22, 1957 by which the executed copies of the contract were returned to this office, and wherein it is stated that the partnership agreement states that John I. Schumacher can execute papers as managing partner.

In addition, enclosed are three copies of a letter from this office, dated June 25, 1957, whereby we forwarded the "Operator's Copy" of the contract, blank report forms, and instructions relative to corresponding with this office in matters pertaining to operations under the contract.

The contract, dated June 3, 1957, provides for work estimated to cost $13,500.00, toward which the Government will contribute 75%, or an amount not in excess of $10,125.00.

Copies of the contract have been distributed to the Finance Office, Region III, and to others concerned.

W H King

W. H. King

224 New Customhouse
Denver 2, Colorado

June 25, 1957

CERTIFIED MAIL

Mr. John I. Schumacher, Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

DMEA
RECEIVED JUN 28 1957
DATE | CODE

Re: Docket No. DMEA 4597 (Uranium)
Contract No. Idm-21096
Strategic Minerals Exploration Company
(Joan, La Ray, and Ella claims)
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Schumacher:

Enclosed herewith is the Operator's Copy of Exploration Project Contract No. Idm-21096, Docket No. DMEA 4597.

Also enclosed are six copies of Form MF-104, Operator's Monthly Report and Voucher, and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to

Defense Minerals Exploration Administration
P. O. Box 360
Grand Junction, Colorado.

The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form. Each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of Forms MF-104 and MF-104A will be forwarded to you each month on the receipt of your report for the prior month.

The U. S. Geological Survey and the U. S. Bureau of Mines maintain a field office in the A.E.C. Compound at Grand Junction, Colorado. DSSA representatives of the two Services can be contacted as follows:

J. W. Hasler, Geologist, Geological Survey;
N. K. Salsbury, Mining Engineer, Bureau of Mines;

Telephone, Grand Junction, Chapel 3-2110,
Extensions 272 or 282;

P. O. Address, Box 360,
Grand Junction, Colorado.

For your information and in reply to many questions that have been asked, after Forms NF-104 and NF-104A are received, an engineer will check progress on the project and review your accounts, after which the report forms will be forwarded to this office for administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on either the field representatives or this office for assistance.

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent and the required records made a part of your claim for reimbursement.

The contract is prepared on form NF-200, and under its provisions and as outlined in Exhibit "A" of the contract, the allowable costs are a combination of actual costs with a maximum average unit cost established for work under Category (1) and fixed unit costs for performing the remaining items of work or services. Under the provisions of Exhibit "A", the work under Category (1) is to be performed by subcontract. The costs recorded under item (1) on Form NF-104 for such work must be supported each month by a signed or certified copy of the billing from the subcontractor. Amounts reported on the basis of the "Fixed Unit Costs" require no documentation, as they are otherwise verified.

In the event you desire to perform the work under Category (1) on company account instead of subcontracting it, as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only. Such requests are not to be incorporated in your narrative report accompanying monthly progress report Forms MF-104 and MF-104A.

The locations of holes to be drilled are indicated on the map, "Figure 4," attached to the contract. Should conditions encountered necessitate or make desirable a change in the location of any of the holes, approval of this office for the change must be obtained prior to performance of the drilling. Otherwise, the drilling may not be acceptable for reimbursement to you under the terms of the contract.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

Enclosures

JWT:prl

cc: Chan.Op.Comm.-3
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DPC
DMEA/Gr. Jct.
Hasler
Townsend
Corres. file
Chron.

FILE COPY
DMEA
RECEIVED JUN 28 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
JUN 24 1957
REGION III
DENVER, COLORADO

Strategic Minerals Expl. Co.
P.O. Box 1648
Grand Junction, Colorado
June 22, 1957

Mr. W. H. King
Executive Officer, DMEA
U.S. Bureau of Mines
224 New Customhouse
Denver, Colorado

Re: Docket No. DMEA 4597(uranium)
Strategic Minerals Expl. Co.
(Joan, La Ray, and Ella claims)
San Juan County, Utah, and
Montrose County, Colorado-
Proposed Exploration Project
Contract No. Idm-E1096

Dear Sir:

Inclosed are the five (5) executed copies on Contract No. Idm-E 1096. The contract appears to be in order and is satisfactory with us.

Although the partnership agreement states that John I. Schumacher can execute such papers as Managing Partner, we have prepared new Power of Attorney forms to be signed by all partners. These, however, will be forwarded to you in several days as the partners are in the east.

Thanking you very much for your cooperation and speed with which this application was processed, I remain.

Sincerely,

John I. Schumacher

JOHN I. SCHUMACHER
for Strategic Minerals Exploration Co.

224 New Customhouse
Denver 2, Colorado

June 17, 1957

CERTIFIED MAIL

Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket No. DMEA 4597 (Uranium)
Strategic Minerals Exploration Company
(Joan, La Ray, and Nila claims)
San Juan County, Utah, and
Montrose County, Colorado -
Proposed Exploration Project
Contract No. Idm-E1096

Gentlemen:

Enclosed are the Government's, Division, Audit, Finance Office, and Field Team copies of proposed Exploration Project Contract No. Idm-E1096, which has been prepared pursuant to your Application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the Contract is satisfactory, all copies are to be signed by a representative of the Company authorized to sign such an instrument, the signer's title inserted, the signature attested to by the Secretary of the Company, the corporate seal affixed, if such is in existence, and all copies promptly returned to this office.

In the event the Contract is not satisfactory, all copies are to be returned promptly to this office, together with your comments on or objections to the Contract.

Your attention is especially directed to three provisions in the Contract:

1. The Government will not contribute to the costs of any of the work that is provided for in the Contract which is performed prior to the date of the Contract.

2. The Contract requires completion of the exploration work by the date fixed therefor. Approval must be obtained from this office for any suspension of work which may result in failure to complete the work by the date specified.

3. Royalty is due the Government on all production from the land described in the Contract, beginning on the date of the Contract.

If the Contract is satisfactory, and upon return of all copies properly signed, the "Operator's Copy" of the Contract will be forwarded to you, together with blank report forms and instructions relative to reporting on work performed under the Contract. Also, instructions will be given as to the procedure to be followed in corresponding with this office in matters concerning operations under the Contract.

It is noted that the Application, Form MF-103, was signed by John I. Schumacher as Managing Partner. If the Contract is to be signed by a person as the managing partner, please submit four certified true copies of the instrument by which that person was designated by the remaining partners as the managing partner of the partnership.

If a power of attorney or appropriate instrument has not been executed to designate one person as the managing partner, we are enclosing a sample form of a Power of Attorney which contains the provisions desired by the Government.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

Enclosures

JWT:prl

cc: Chem.Op.Comm.-2)
Harshman)
DMEA/DFC) w/copy of Operator's
DMEA/G.J.) letter of June 14.
Hasler)
Townsend)
Docket)
Chron.

(Sample Form)

POWER OF ATTORNEY

We, the undersigned members of a partnership consisting of Mrs. Charles P. Schumacher, Claire C. Schumacher, Dr. James C. Schumacher, Paul J. Schumacher, John I. Schumacher, Philip K. Schumacher, Dr. James Smith, and John Will, doing business as Strategic Minerals Exploration Company, do hereby appoint _____ _____ to act as the Agent of said partnership in all matters connected with an Application on Form MF-103, Application for Aid in an Exploration Project, under the United States Department of the Interior, Defense Minerals Exploration Administration program, which has been docketed DMEA No. 4597; and should the Applicant enter into a Contract with the Government as a result of said Application, said Agent is authorized to sign the Contract, submit all necessary reports and information required, to receive and to receipt for any monies that are now or may hereafter become due to said partnership doing business as Strategic Minerals Exploration Company by reason of said Docket No. DMEA 4597.

Executed this _____ day of _____, 1957.

_____
Mrs. Charles P. Schumacher

_____
Claire C. Schumacher

_____
Dr. James C. Schumacher

_____
Paul J. Schumacher

_____
John I. Schumacher

_____
Philip K. Schumacher

_____
Dr. James Smith

_____
John Will

DMEA
ARTMENT OF THE INTERIOR
JUN 17 1957
REGION III
DENVER, COLORADO

Strategic Minerals Expl. Co.
P.O. Box 1648
Grand Junction, Colorado
June 14, 1957

U. S. Dept. of the Interior
DMEA Office
224 New Customhouse
Denver 2, Colorado

Attention: E. N. Harshman

Re: Docket DMEA-4597 (Uranium)
Strategic Minerals Expl. Co.
(Joan, La Ray, and Ella claims)
San Juan County, Utah and Montrose County, Colorado
Proposed Expl. Project Contract
Idm-E1096

Dear Sir:

Please be advised that the Ella Fraction claim recorded in Montrose County, Colorado, April 24, 1957 is recorded in Book 447, Page 383.

If I can be of further assistance, please do not hesitate to write.

Sincerely,

John I. Schumacher

JOHN I. SCHUMACHER
for Strategic Minerals Exploration Co.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 21 1957

DATE	INITIALS	CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/29	Murphy	700
5/29	Ellis	700
5-29	Chambers	800
6/3	GCS	130
		700
"	Whitehead	100
6/4	C	220

JUN - 3 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Joan, La Ray, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Harshman:

Enclosed are the original and five copies of a proposed long-form contract signed by the Administrator for the Government. Attached to each contract form MF-200 are Annex I (1 page), form MF-205 executed by Mid-Continent Uranium Corporation, Exhibit "A" (3 pages), and a map Figure 4. Also enclosed are two extra copies of Annex I, Exhibit "A," and the map for Field Team use.

Please insert the book and page numbers in Annex I, if the Ella Fraction has been recorded.

If you and the Applicant find the proposed contract in order, please insert in Article 3 of the contract form the date work shall commence, then have an authorized representative of the company sign the original and all copies. Thereafter, kindly distribute the copies in the usual manner.

If any part of the proposed contract does not meet with your approval and the Applicant's and cannot be amended within your delegated authority, then the original and all copies, including the extra copies, are to be returned to this office with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Enclosures
APPROVED:

Frank D. Lamb (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

FMMurphy/izm 5-29-57
cc to: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 10 1957

DATE	INITIALS	CODE
5/10	C	220
"	Ellis (Kyford)	700

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

Date May 9, 1957

DMEA Docket No. 4597
DMEA Contract No.
Commodity Uranium
Name of applicant Strategic Minerals Expl. Co.
Name of property Joan, La Ray, Ella Fraction Claims
Location of property San Juan County, Utah & Montrose Cty., Colo.
Estimated cost of project $13,498.20

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Member
Uranium Commodity Committee

JP

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: 4/30/57. 2. Date received by reviewer: 56/57

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors meeting special consideration:
- a. Location ☐
- b. Ownership ☐
- c. Evidence of mineralization ☐
- d. Geology ☐
- e. Proposed exploration method ☐
- f. Alternate exploration method ☐
- g. Costs ☐
- h. _____ ☐

9. Action advised:
- a. Obtain information from applicant ☐
- b. Refer to Field Team ☐
- c. Denial ☐
- d. Agree with Field Team ☒
  - 1. Consult with Mr. _____ at _____ AEC office.
- e. Disagree with Field Team ☐
- f. Suggest alternate plan ☐
- g. Request another examination ☐
- h. Approval ☒

10. Remarks: (Use back of page if necessary)

IN REPLY REFER TO:

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

May 8, 1957

Re: DMEA 4597
Strategic Minerals Exploration Company
LaRay, Ella and Joan Claims
San Juan County, Utah and
Montrose County, Colorado
Appl. Est. $46,649.60
Rec'd " 13,486.20
Uranium

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring, by drilling, 3 non-contigious claims.

The examiners conclude work in the vicinity of Hole LC 406 is warranted and recommend a program, the estimated cost of which is $13,486.20. Hole LC 406 is an ore hole drilled by the U. S. Geological Survey.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 8 1957

DATE	INITIALS	CODE
5/8	C	220
5/9	Kyonac	700

DRAFT
FMMurphy/izm
(for FLKnouse)
5-8-57

MF-200
(Revised June 1954)

Docket No. DMEA 4597

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Strategic Minerals Exploration Company, a partnership composed of the following: Mrs. Charles P. Schumacher, Claire C. Schumacher, Dr. James C. Schumacher, Paul J. Schumacher, John I. Schumacher, Phillip K. Schumacher, Dr. James Smith and John Will, whose mailing address is P. O. Box 1648 Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map (Figure 4)

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: .....

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien andSubordination of the Mid-Continent Uranium Corporation, dated May 2, 1957

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 1, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 13,500.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 10,125.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stage of work."
(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.
(c) Categories (2) through (7) of Article 6(a) are deleted.
(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.
(e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."
(f) ~~Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator. Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract.~~

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

.....
(Operator)

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

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EXPLORATION PROJECT CONTRACT
STRATEGIC MINERALS EXPLORATION COMPANY
DOCKET NO. DMEA-4597

ANNEX I

The land referred to in Article 2 of the Contract form consists of the Ella unpatented lode mining claim in sec. 28, T. 28 S., R. 26 E., S.L.B.M, San Juan County, Utah; and the Ella Fraction in sec. 10, T. 47 N., R. 20 W., N.M.P.M., Montrose County, Colorado. The land is shown on the attached map entitled "Figure 4.—Map Showing Proposed DMEA Stage I Holes, Ella Claim,——," attached hereto and made part hereof.

The original notice of location of the Ella claim is recorded in Book 15, Page 166 in the Office of the County Recorder of San Juan County, Utah. The notice of location of the Ella Fraction is recorded in Book ____, Page ___ in the Office of the County Recorder of Montrose County, Colorado.

EXPLORATION PROJECT CONTRACT
STRATEGIC MINERALS EXPLORATION COMPANY
DOCKET NO. DMEA-4597

EXHIBIT "A"

General Provisions:

The work consists of exploration by core and non-core drilling to test the potential ore-bearing sandstone in the upper portion of the Salt Wash member of the Morrison formation.

Each hole shall be drilled non-core to approximately the contact of the Brushy Basin-Salt Wash members of the Morrison formation and then core drilled through the uppermost sandstone bed and bottomed in not less than 3 feet and not more than 10 feet in the underlying red mudstone base of the upper ore-bearing sandstone bed of the Salt Wash member. Drilling depths are estimated to average 340 feet while the cored sections of the holes are estimated to average 85 feet. The minimum size of core shall be BX. All holes shall be reamed and cased as necessary. No payment shall be made for an uncompleted hole.

All core and cuttings from the cored section of drill holes shall be saved and checked for radioactivity. Cored sections indicating significant radioactivity shall be split and one half of the drill core shall be analyzed chemically for uranium and vanadium; the other half of the drill core and one half of the cuttings from the mineralized section shall be furnished to the Government upon request. All the remaining core and cuttings shall be properly labeled and stored pending the Government's final inspection.

All drill holes shall be logged geologically and probed for radioactivity and four copies of each log furnished to the Government with the Operator's monthly reports. No hole shall be drilled closer than 100 feet to the outside boundary of the land described in Article 2 of the Contract.

Bulldozing work shall be performed with a D-7 Caterpillar dozer, or equivalent unit of any other make.

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

The project shall be supervised at all times by a qualified mining geologist or mining engineer who shall direct or perform the required surveying, mapping, sampling, drill hole logging, and prepare the reports pursuant to the Contract.

Description of the Work

The work shall consist of bulldozing access roads and drill sites and drilling not in excess of fourteen (14) holes in the southern half of the Ella claim, at thelocations shown on map, Figure 4, referred to in Annex I. No hole drilled shall be closer than approximately 150 feet to any other hole drilled under the Contract, or to holes DD2 and LC 406 shown on the map.

Not in excess of 28 hours of bulldozing access roads and drill sites; 3,570 feet of non-core drilling; and 1,190 feet of core drilling, shall be performed; and not more than 117 core boxes shall be purchased; nor more than 60 samples shall be chemically analyzed for their U_3O_8 and V_2O_5 content under the Contract.

Estimated Cost of the Project

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites,	
28 hrs. @ $12/hr.	$336.00
Drilling, non-core:	
0-200 foot depths, 2,800 ft. @ $1.75/ft.	4,900.00
200-400 foot depths, 770 ft. @ $2/ft.	1,540.00

Drilling core:		
200-300 foot depths, 630 ft. @ $4/ft.	$2,520.00	
300-400 foot depths, 560 ft. @ $5/ft.	2,800.00	$12,096.00
Categories (2) through (7)	None	
Fixed Unit Costs:		
Incidental allowance[1/] for each foot of drill hole completed, 4,760 ft. @ $0.22/ft.	1,047.20	
117 carton core boxes @ $1/each	117.00	
Chemical analyses for U_3O_8 and V_2O_5 content of 60 samples @ $4/sample	240.00	$1,404.20
Total Estimated Cost of Project (rounded)		$13,500.00
Government Participation @ 75%		$10,125.00

1/ Includes all costs whatsoever that are not included in the estimates for Category (1) Independent Contracts, and for core boxes and chemical analyses under Fixed Unit Costs, and includes such items as supervision, technical services, labor, payroll taxes, supplies, transportation, rental of radioactivity logging units, depreciation of the Operator's equipment, etc., which would otherwise be allowable under Categories (2) through (7) of the Contract.

Denver, Colorado

DMEA, Bureau of Mines

TELETYPE

xxxxxxxxxxxxxxxxxxxxxxxxxx

J. W. Hasler

May 2, 1957

Re DMEA-4597, Strategic Minerals Exploration Co. Instruct Applicant Subordination Agreement necessary only on Ella and Ella fraction claims.

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer

CONFIRMATION
MHM:jy
cc: Chm. Op. Comm. (2)
Harshman
Konselman

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DMEA
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Form 7
(56)

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Date	Surname	Code
5-1	Ellis	700
5/1	Selfridge	130
5/1	Johnson	110
"	Whitteudorf	100
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		700
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Lamb
Kiilsgaard

MAY - 1 1957

Department of the Interior

DMEA
14X1401(01) Revolving Fund
Defense Production Act,
Interior (Transfer to Office of
Secretary)

T E L E T Y P E

E. N. HARSHMAN
ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION 3
224 NEW CUSTOMHOUSE BUILDING
DENVER, COLORADO

REURTT APRIL 30 DMEA 4597, STRATEGIC MINERALS EXPLORATION COMPANY. YES, OBTAIN CONSENT TO LIEN AND SUBORDINATION AGREEMENT ON DMEA AND DMEA FRACTION CLAIMS ONLY.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (SCS)

EWELLIS (FLK) 5-1-57
cc to: Mr. Ellis
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Confirmation Copy to Reg. 3

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

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RECEIVED MAY 2 1957

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April 30, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4597 (Uranium) Strategic Minerals Exploration Company (Joan, La Ray, Ella and Ella Fraction Claims) San Juan County, Utah and Montrose County, Colorado

Enclosed are the original and three copies of a joint memorandum by W. B. Gazdik, U. S. Geological Survey and M. H. Salsburg, U. S. Bureau of Mines in which a single-stage exploration program on the subject property is outlined. Cost estimates are included.

This program of exploration is a revision of the original two-stage program recommended in a Field Team report transmitted by our letter of April 10, 1957. The revision was made at our suggestion after a telephone conversation with F. L. Knouse on April 23, 1957, at which time he pointed out that certain savings would result from the revision.

We concur with the program outlined in the enclosed memorandum.

Nine extra copies of Figure 4 are enclosed for use in preparation of the contract.

For clarification of the Applicant's property rights on that portion of the Ella Claim in Montrose County, Colorado, please refer to our letter to you dated April 24, 1957, and related correspondence.

E. N. Harshman

E. N. Harshman

Enclosures

F.T. RECOMM.

Reviewed by
DMEA OPERATING COMMITTEE
5/6/57
(date)

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
RECEIVED
APR 29 1957
U. S.
GEOLOGICAL SURVEY,
DENVER, COLORADO

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

DMEA
DEPARTMENT OF THE INTERIOR
APR 30 1957
REGION III
DENVER, COLORADO

EXTRA COPY
DMEA
RECEIVED MAY 2 1957

DATE	INITIALS	CODE

April 26, 1957

Memorandum

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

Through: E. N. Harshman
John F. Shaw
J. William Hasler

From: M. H. Salsbury
W. B. Gazdik

Subject: Docket No. DMEA 4597 (Uranium), Strategic Minerals Exploration Company, Joan, LaRay and Ella claims, San Juan County, Utah--Revision of proposed work.

In accordance with a suggestion from the Washington DMEA office, the exploration plan on the subject property originally recommended by the examining team has been revised from a two-stage to a single stage program. The applicant's representative, Mr. John I. Schumacher, has been consulted on the change and is agreeable to it and also to planning the operation on the basis of employing two drill rigs instead of one.

The original drilling plan was patterned after one used on a DMEA project on a nearby property where geological conditions were similar except depth of the ore horizon, which averaged 400 feet (Docket No. DMEA 4597, Contract No. Idm-E 1003). A comparable area was explored by means of 8 Stage I holes to complete a pattern of drilling which utilized previously drilled holes on approximately 200-foot centers. Stage I drilling justified 6 Stage II holes. The total footage approved for payment was 4,508 feet of non-core drilling and 1,201 feet of core drilling.

However, the change suggested by the Washington office would not materially affect the purpose of the original drilling pattern on the subject project and would result in a lower cost because supervision would be less, inasmuch as the time for completion would be shortened. A revised cost estimate based on a single stage project is therefore furnished.

The new drilling plan requires 14 holes on a minimum spacing of 150 feet with holes as shown on figure 4 attached which is suitable for a contract map and should replace the original figure 4. The average depth of hole remains as before, 340 feet, with average coring per hole

Reviewed by
DMEA OPERATING COMMITTEE
5/6/57
(date)

of 85 feet; requiring an estimated 3,570 feet of non-core drilling and 1,190 feet of core drilling. With operation of two drill rigs one shift per day, 25 days per month, the actual drilling time required for completion is 24 days (100 feet per drill per shift). An additional 6 days is allowed for surveying and preparation of drill sites, a total of 30 days or 1.2 months.

The following cost estimate is based on the bid submitted by Leon Whately as in the original estimate:

Estimated time for completion:	1.2 months
Estimated number of holes:	14
Estimated footage - non-core:	3,570
Estimated footage - core:	1,190
	4760

(1) Independent contracts

Bulldozing for roads and drill sites, 28 hours at $12.00/hr.	$ 336.00	
Total bulldozing		$ 336.00
Drilling, non-core		
0-200 range, 2800 ft. at $1.75/ft.	4,900.00	
200-400 " , 770 ft. at $2.00/ft.	1,540.00	
Total non-core drilling, 3,570 feet		6,440.00
Drilling, core		
200-300 range, 630 ft. at $4.00	2,520.00	
300-400 " , 560 ft. at $5.00	2,800.00	
Total core drilling, 1,190 ft.		5,320.00
Total drilling, 4760 ft.	$11,760.00	
Total Independent Contracts		$12,096.00

(2) Labor, Supervision and Technical Services

Labor	none	
Supervision and Technical Services		
1 geologist-engineer, full-time for 1.2 months at $600.00/mo.	$ 720.00	
Total labor, supervision and technical services		$ 720.00

BREAKDOWN OF COSTS

Distributed as to type of drilling

Item	Units	Sub Total	Total	Non-core 80 %	Core 20 %
(1) Independent contracts					
Bulldozing	28		$ 336.00	$ 268.80	$ 67.20
Non-core drilling	3,570		6,440.00	6,440.00	
Core drilling	1,190		5,320.00		5,320.00
(2) Labor, supervision, and technical services	1.2 mos.	$ 720.00	720.00	576.00	144.00
(3) Materials and supplies					
Core boxes for 1,190 ft of core	119 ea.		119.00		119.00
Other		80.00	80.00	64.00	16.00
(4) Operating equipment	1.2 mos.	166.00	166.00	132.80	33.20
(7) Miscellaneous					
Chemical analyses			224.00		224.00
Other		93.20	93.20	74.56	18.64
Total for project			$13,498.20	$7,556.16	$5,942.04

Total, less independent contracts, core boxes and chem. analyses $1,059.20

Calculated overall cost, non-core drilling $\frac{\$7,556.16}{3570 \text{ ft.}}$ or $2.12 per foot

Calculated overall cost, core drilling $\frac{\$5,942.00}{1190 \text{ ft.}}$ or $4.99 per foot

Calculated overall cost, all drilling $\frac{\$13,498.20}{4760 \text{ ft.}}$ or $2.84 per foot

Calculated cost of items under (2), (3), (4), and (7), which go to make up incidental allowance less chemical analyses, core boxes $\frac{\$1,059.20}{4760 \text{ ft.}}$ or $0.22/ft.

(3) Operating Materials and Supplies

119 core boxes for 1,190 ft. of core at $1.00 each	$ 119.00	
Gasoline, oil and repairs for field vehicle, 1.2 mos. at $50/mo.	60.00	
Survey, accounting, and office supplies for 1 mo. at $20/mo.	20.00	
Total operating materials and supplies		$ 199.00

(4) Operating Equipment

Purchased	none	
Rental Counter and probe for 1.2 mos. at $100.00/mo.	120.00	
Depreciation Pickup - value, $1,800.00 Transit - value, 500.00 Total $2,300.00 Depreciated on 60 mo. basis for 1.2 mos.	46.00	
Total operating equipment		$ 166.00

(5) Miscellaneous

Accounting, 2 mos. at $25/mo.	50.00	
Sampling and analyses, 56 samples (maximum) for U_3O_8 and V_2O_5 at $4.00 each	224.00	
Compensation ins., payroll taxes, etc., on salaries of geologist-engineer, 6% of $720.00	43.20	
Total Miscellaneous		317.20

Total for project $13,498.20

Summary of Costs Suggested for Contract Use*

Contract Item	Unit	Unit Cost	Units	Cost
Actual Costs				
Bulldozing	hour	$12.00	28	$ 336.00
Non-core drilling				
0-200 ft range	foot	1.75	2,800	4,900.00
200-400 ft range	foot	2.00	770	1,540.00
Core drilling				
200-300 ft range	foot	4.00	630	2,520.00
300-400 ft range	foot	5.00	560	2,800.00
Fixed Costs				
Core boxes	each	1.00	119	119.00
Chem. analyses for U_3O_8 and V_2O_5	each	4.00	56	224.00
Incidental allowance	foot	.22	4,760	1,047.20
Total for project				$13,486.20
Government participation at 75 percent				10,114.65

* Recommendations on substitution of D-6 for D-7 tractor-dozer and for interchange of drilling footage as given under "Conclusions and Recommendations" should be considered in writing a contract.

The applicant has filed a location on the fraction of the Ella claim which is in Montrose County, Colorado to correct the failure of the original locators to do so and has forwarded filing data to the DMEA Field Team. A full claim was not filed on because another claim, the "W. C." adjoins the Ella claim on the east, being one of the group of which the Ella originally was a part, located by J. B. Crowley, Willis Crowley, and Wade Shupe in September 1952. (See section in examination report on "Ownership".)

M. H. Salsbury
M. H. Salsbury
Bureau ~~of Mines~~

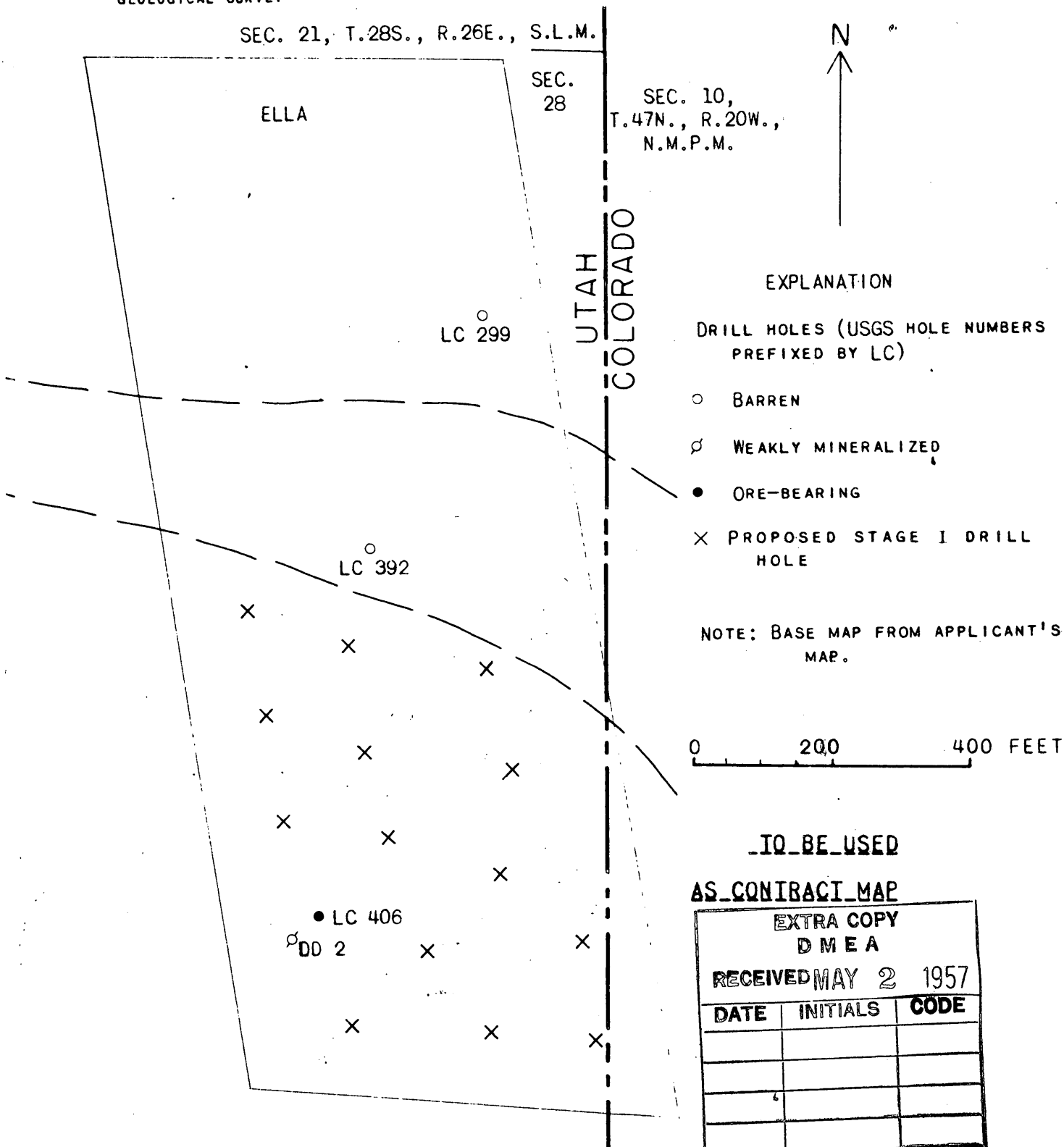
W. B. Gazdik
W. B. Gazdik
Geological Survey

MHS/bh

Enclosures
24 copies fig. 4

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
APRIL 1957
DOCKET 4597



TO BE USED
AS CONTRACT MAP

EXTRA COPY
DMEA
RECEIVED MAY 2 1957

DATE	INITIALS	CODE

FIGURE 4.—MAP SHOWING PROPOSED DMEA STAGE I HOLES, ELLA CLAIM, STRATEGIC MINERALS EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO

DMEA

DN 235 BUR MINES 4-30-57 4-21

CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT 4-26-57, DOCKET DMEA-4597, STRATEGIC MINERALS EXPLORATION CO. EXAMINATION REPORT RECOMMENDS SUBORDINATION OF ELLA AND ELLA FRACTION CAXX CLAIMS ONLY. DO YOU CONCUR/

1/ /Q/

E N HARSHMAN, ACTING EXECUTIVE OFFICER

The answer to this T.T. is yes which is obvious from F.T. recommendation & Knowles' telephone ~~call~~ conversation with Harshman on April 23.

E.W.R.

Denver, Colorado

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MAY 1 8 12 AM '57
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

DMEA

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	Knouse	700

DN 235 BUR MINES 4-29-57 4-18

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE DMEA-4597, STRATEGIC MINERALS EXPLORATION CO. IN RESPONSE TO PHONE REQUEST FOXX OF F. L. KNOUSE APRIL 23,1957, WE ARE FORWARDING TOMORROW REVISED SINGLE STAGE PROGRAM OF 14 HOLES ON 150 FOOT CENTERS, ESTIMATED TOTAL COST $13,486.

E N HARSHMAN, ACTING EXEC. OFFICER

Denver, Colorado

APR 30 7 57 AM '57

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

OFFICIAL FILE COPY
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RECEIVED 1957

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224 New Customhouse
Denver 2, Colorado

April 29, 1957

Mr. John I. Schumacher, Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket DMEA 4597 (Uranium)
Strategic Minerals Exploration Company (Joan, La Ray and Ella Claims) San Juan County, Utah and Montrose County, Colorado

Dear Mr. Schumacher:

Enclosed are seven MF-205 Forms, CONSENT TO LIEN and SUBORDINATION AGREEMENT, pertinent to the further processing of your application for Government aid in a proposed exploration project on the Joan, La Ray, Ella and Ella Fraction Lode Mining Claims.

You are requested to prepare the forms for execution by Mid-Continent Uranium Corp. by supplying the appropriate information in the blank spaces provided.

You are then requested to obtain on all forms the signature of an officer of Mid-Continent Uranium Corp. duly authorized to sign such instrument, have the corporate seal affixed and send the original and five copies of the executed form directly to Mr. C. O. Mittendorf, Administrator, DMEA, Washington 25, D. C. You may wish to retain the seventh form for your file.

Original signed by
E. N. HARSHMAN

By E. N. Harshman
Acting Executive Officer

Enclosures

MHM:eh
cc: Chairman, Op. Comm. (2)
Harshman
Konselman (2)
Hasler
Docket
Chron.

224 New Customhouse
Denver 2, Colorado

April 29, 1957

EXTRA COPY
D M E A
RECEIVED 1957

DATE	INITIALS	CODE

Mr. John I. Schumacher, Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket DMEA 4597 (Uranium)
Strategic Minerals Exploration
Company (Joan, La Ray and Ella
Claims) San Juan County, Utah
and Montrose County, Colorado

Dear Mr. Schumacher:

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Original signed by
E. N. HARSHMAN

By E. N. Harshman
Acting Executive Officer

Enclosures

MEM:eh
cc: Chairman, Op. Comm. (2)
Harshman
Konselman (2)
Hasler
Docket
Chron.

A Form 7
2-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/26	Knouse	700
4/26	Elkin	700
4/26	Selfridge	130
"	Johnson	110
		~~700~~
		~~700~~
		700
4/29	C	220

APR 26 1957

DEPARTMENT OF THE INTERIOR

DMA

Lamb
Williams

14X4401(01) Revolving Fund
Defence Production Act, Interior
(Transfer to Office of Secretary)

TELETYPE

E. N. HARSHMAN
ACTING EXECUTIVE OFFICER
DMA FIELD TEAM, REGION 3
224 NEW CUSTOMHOUSE BUILDING
DENVER, COLORADO

REQUEST JANUARY 28 DMA 4597 STRATEGIC MINERALS EXPLORATION COMPANY. PLEASE REQUEST APPLICANT TO OBTAIN A CONSENT TO LIEN AND SUBORDINATION AGREEMENT FROM THE MID-CONTINENT URANIUM CORPORATION AND FORWARD HERE.

George C. Selfridge
CHAIRMAN, OPERATING COMMITTEE (24B)

FLKnouse/izm 4-26-57
cc to: Mr. Knouse
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Confirmation copy to Reg. 3

8623

OFFICIAL FILE COPY DMEA RECEIVED APR 25 1957		
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[illegible]
[illegible]
[illegible]
[illegible]ington 25, D. C.

[illegible] April 24, 1957

DMEA Project No. 4597
DMEA Contract No. [illegible]
Commodity Uranium
Name of applicant: Strategic Minerals Expl. Co.
Name of property: Joan, La Ray, and Ella claims
Location of property: San Juan County, Utah & Montrose Co., Colo.
Estimated cost of project: $20,422.00

Ernest William Ellis, DMAE Member
Uranium Commodity Committee
James Paone, Bureau of Mines Alternate Member
Uranium Commodity Committee

[illegible]

Field Team Report
(Application, Field Team Report, etc.)

[illegible] 4/57. Date received [illegible]: 4/22/57

[illegible] reports on this property known to reviewer: Yes [ ] No [ ]

[illegible] reports on mining prospection known to reviewer: Yes [ ] No [ ]

[illegible] data available on past production: Yes [ ] No [ ]

[illegible] pertinent factors known to reviewer: Yes [ ] No [ ]

[illegible] items marked yes above:

[illegible] to be needing special consideration:

a. Location [ ]
b. Morality [ ]
c. Evidence of Mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs [ ]
h. _____ [ ]

[illegible] advised:

a. Obtain information from applicant [ ]
b. Refer to Field Team [ ]
c. Denial [ ]
d. Agree with Field Team [x]
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request [illegible] examination [ ]
h. Approval [x]
i. Consult with Mr. _____ at _____ [illegible] office.

[illegible]: (Use back of page if necessary)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED APR 26 1957

DATE	INITIALS	CODE
4/26	C	220
4/26	[illegible]	700

AIR MAIL

April 24, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4597 (Uranium) Strategic Minerals Exploration Company (Joan, La Ray and Ella Claims) San Juan County, Utah and Montrose County, Colorado

Enclosed is a copy of the Notice of Location with map for the Ella Fraction Claim as recorded at the Courthouse, Montrose County, Colorado.

The enclosure is submitted in response to the comments made in a memorandum to you of April 10, 1957, and in reply to our letter to the applicant of the same date.

We are sending one copy of this notice to Mr. Harshman's office to be included as part of the Survey's copy of the application. Two copies of the notice are being retained in our file.

E. N. Harshman

E. N. Harshman

Enclosure

NOTICE OF LOCATION

Know All Men By These Presents, That Mid-Continent Uranium Corp.

has located the Ella Fraction lode mining claim, and by this certificate, and by right of discovery and location, claim ..... feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law ..... feet on said vein running ..... from the center of the discovery ..... and ..... feet running ..... from the center of the discovery ..... together with ..... feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in LaSal Mining District, County of Montrose, and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at ~~Corner No. 1~~ The Discovery Monument, thence due South, 10 feet to South end center; thence N 87° 45'W to corner No. 1; thence due North on Colorado-Utah State Line 717 feet to Corner No. 2; thence S 10° 25' E, 739 feet to corner # 3; thence N 87° 45' W, 69 feet to South end Center; thence due North 10 feet to point of beginning. Corner No. 2 is 790 feet due South of the N1/4 corner S 28, S, R 26 E, SLM, Utah. The Ella Fraction is that portion of the Ella claim filed in B 15, P 172 San Juan County, Utah that lies in Montrose County, Colorado. Corner No. 3 of the Ella Fraction is common to the SE corner of the Ella claim.

Said lode was discovered on the 19th day of April, A. D. 19 57

and located on the 19th day of April, A. D. 1957

Dated this 22nd day of April, A. D. 1957

MID CONTINENT URANIUM CORP. [SEAL]

John I. Schumacher [SEAL]

John I. Schumacher, Agent

[SEAL]

[SEAL]

[SEAL]

[SEAL]

RECEIVED
DATE
ORIGINAL FILE

(THIS MAP MUST BE ATTACHED TO LOCATION CERTIFICATE)

MAP OF Ella Fraction LODE

attached to and hereby made a part of the Location Certificate, which map is prepared from an actual field survey of said Lode Claim.

1. Name and Address of Discoverer of Claim:

Name Mid-Continent Uranium Corp.

Address Room 205, Uranium Center Bldg., Grand Jct., Colo.

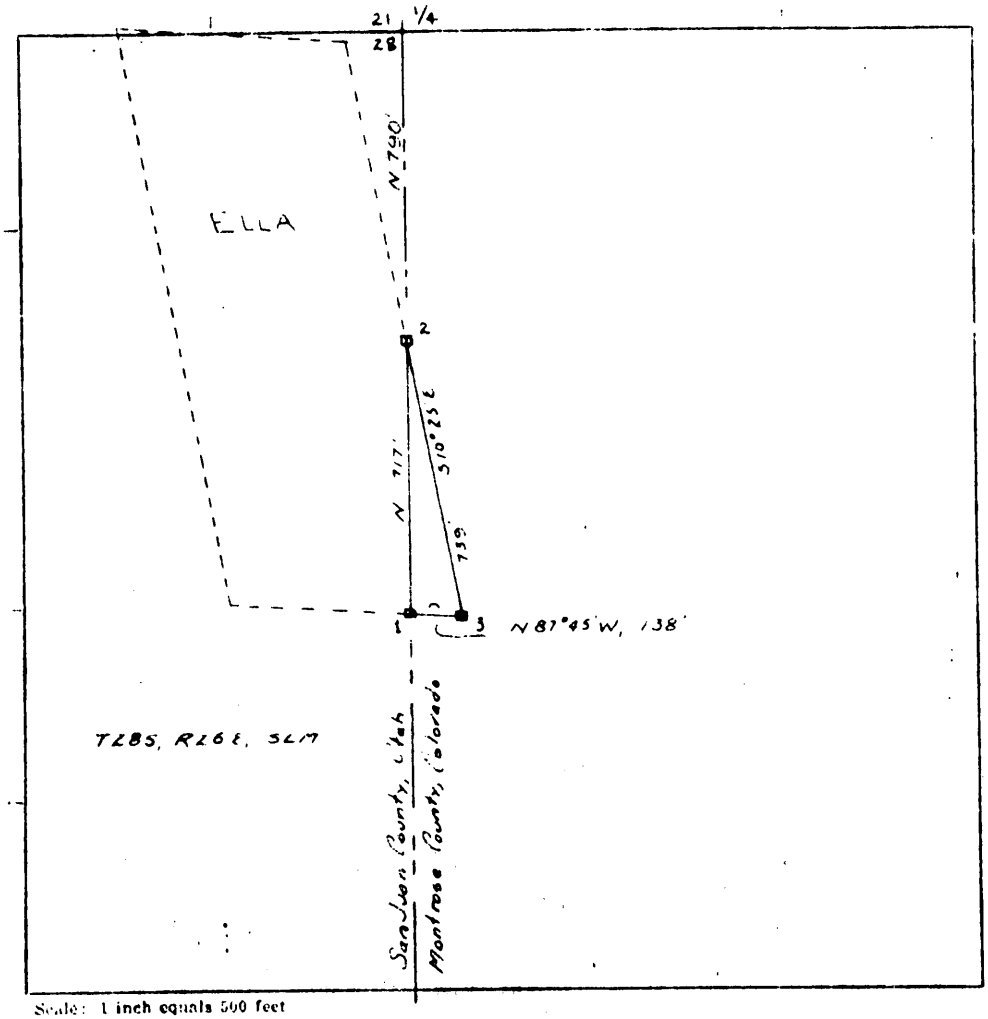
Grand Jct.,- CH3-1280. Denver- Ac2-2711

2. Legal Subdivision of the land upon which the claim is located, if such land is surveyed

Quarter of Section 10, Township 47N, Range 20W

of the NMPM Meridian, in the County of Montrose, State of Colorado.

3. The claim pattern with courses and distances of the boundary lines is as follows:



Scale: 1 inch equals 500 feet

Dated at Grand Junction, Colorado, this 19th day of April, 19 57.

MID-CONTINENT URANIUM CORP. (SEAL)

Agent. John I. Schumacher (SEAL)

LOCATOR

(THE CLAIM PATTERN MUST REFER TO THE NEAREST SECTION OR QUARTER SECTION CORNER OF PUBLIC LAND SURVEY, IF SURVEYED, OR TO A PERMANENT MONUMENT, IF NOT SURVEYED, BY WHICH THE CLAIM ON THE GROUND CAN BE READILY AND ACCURATELY ASCERTAINED.)

92-22-6A—Colorado Revised Statutes.

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D M E A
RECEIVED APR 26 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
APR 24 1957
REGION III
DENVER, COLORADO

Strategic Minerals Exp. Co.
P.O. Box 1648
Grand Junction, Colorado
April 22, 1957

Mr. J.W. Townsend
Alt. Acting Executive
Officer, DMEA Field Team
224 New Customhouse
Denver 2, Colorado

RE: Docket DMEA-4597(Uranium)
Strategic Minerals Exp. Co.
(Joan, La Ray & Ella Claims)
San Juan County, Utah and
Montrose County, Colorado

Dear Jim:

I thank you for calling to our attention the fact that part of the Ella claim which lies in the State of Colorado was not recorded.

We have checked the ground and have filed the claim in Montrose County on this portion.

Attached herewith is a copy of the location notice and a description of the portion that lies in Colorado. It will probably be several days before we receive the recorded copy from the county recorder at Montrose.

Thank you for your assistance in this matter and if I can be of further help, please do not hesitate to write.

Sincerely,

John I. Schumacher

JOHN I. SCHUMACHER

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DMEA
RECEIVED APR 26 1957

DATE	INITIALS	CODE

PROTOCOL TO
W.C.
Encl 1

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

April 23, 1957

Memorandum

To: File

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Telephone call to E. N. Harshman
Docket No. DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
JoAn, LaRay, and Ella Claims
San Juan County, Utah and
Montrose County, Colorado

Knouse: We have studied over and discussed the Field Team report and recommended program and wondered how you fellows would feel about a one stage program of drilling on 150-foot centers in the south half of the Ella claims. The near-by drilling indicated only thin mineralization up to 1.5 feet thick, and with hole depths averaging 340 feet, we are reluctant to approve a program of drilling closer than on 150-foot centers.

Harshman: I get your point and feel, as I remember the details of the geology etc., that such a program would have our approval. I will talk this over with Hasler and the boys and will send you our revised thinking shortly.

Knouse: The revised program will change your cost estimate. Possibly the drilling could be done with two drill rigs, thereby reducing the overhead cost.

Harshman: Yes, I see no reason why that could not be done since the work will be in one stage. We will spot the new holes locations and send you revised maps and a revised cost estimate.

You will note a part of the claims are in Colorado, and was never recorded in Colorado. We have asked the Applicant to clear up this question. However, if he has any difficulty resolving this question we will recommend deleting the part of the claims in Colorado.

Knouse: Let us know what has been done and we will be governed accordingly.

Also, many thanks, we will be expecting to hear from you SOON.

F. L. Knouse

F. L. Knouse

IN REPLY R

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

April 19, 1957
Re: DMEA Docket 4597 (Uranium)
Strategic Minerals Exploration Co.
San Juan County, Utah and
Montrose County, Colorado

Memorandum

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

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

Subject: Review of Field Team report

The Field Team recommends approval of a modified exploration project, all of the work to be done on the Ella claim. The project is to consist of a maximum of 20 holes of non-core and core drilling, the estimated cost totaling $20,422.00.

Excellent reasons are given by the Field Team for not drilling in the three claims presented by the applicant, and also why property adjoining the Ella claim cannot be subordinated to contract terms.

I concur with the Field Team and recommend approval of the program they have proposed. As a precautionary measure, the contract might state that any property adjoining the Ella claim, which might be benefited by the DMEA project and which might come under the control of the applicant during the time the contract is in force, be made liable to contract terms.

T. H. Kiilsgaard

T. H. Kiilsgaard

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224 New Customhouse
Denver 2, Colorado

April 10, 1957

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Mr. John I. Schumacher, Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
(Joan, La Ray and Ella claims)
San Juan County, Utah and
Montrose County, Colorado

Dear Mr. Schumacher:

In processing your application, we note that the Ella claim is shown to lie partly in Utah and partly in Colorado. The Ella claim, however, is indicated to be recorded only in the county records of San Juan County, Utah. This leaves that portion of the Ella claim lying in Colorado as not recorded.

Before we can process your application further, you are requested to submit to this office either the Montrose County book and page numbers of the claim location covering the Ella fraction lying in Montrose County, Colorado, or the legal description of that portion of the Ella claim lying in Colorado, which is to be excluded from the land proposed for subordination in the original application.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive
Officer, DMEA Field Team,
Region III

MHM:jy
cc: Sec. Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Docket 4597
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

April 10, 1957

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RECEIVED APR 15 1957

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DMEA		

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 4597 (Uranium) Strategic Minerals Exploration Company (Joan, La Ray, and Ella Claims) San Juan County, Utah and Montrose County, Colorado

Enclosed are the original and three copies of the Joint Report of Examination on the subject property by M. H. Salsbury, USBM, and W. B. Gazdick, USGS.

It was found that sufficient drilling and underground exploration with negative results had been done to exclude two of the three claims first proposed for subordination. The Ella Claim, however, was found to lie in a more favorable area and is believed to merit exploration.

The field examiners conclude that the geologic probability for making a significant discovery is sufficiently promising to justify Government participation. Accordingly, they recommend that the application be approved to which the Field Team concurs.

While Figure 2 of the report shows the Ella Claim to lie entirely in the State of Utah, Figures 3 and 4 of the report show the Ella Claim to lie partly in Utah and partly in Colorado. We assume Figures 3 and 4 to be accurate and incidentally, are in agreement with the Applicant as attested to by the map (Fig. 2) attached to the application. We note from the application, however, that the Ella Claim is indicated to be recorded only in the County records of San Juan County, Utah. This leaves that portion of the Ella Claim lying in Colorado as not recorded.

ON-SITE EXAM

Reviewed by
DMEA OPERATING COMMITTEE
4-19-57
(date)

This fact needs clarification so we are requesting the Applicant to immediately supply us with either the Montrose County book and page numbers of the claim location covering the Ella fraction lying in Montrose County, Colorado, or the legal description of that portion of the Ella Claim lying in Colorado which is not to be included in the land proposed for subordination.

If the Applicant fails to provide the foregoing data, the field examiners and the Field Team are agreeable to and recommend that the application be approved with the following revisions:

1. The location of the three southernmost holes in the east fence of holes proposed for Stage I drilling be moved in a westerly direction to be a minimum of 100 feet from the Colorado-Utah state line.
2. Stage II drilling offsets would place no hole location closer than 100 feet to the Colorado-Utah state line.

You may wish to review this report while the Applicant is attempting to secure the requested data.

Also enclosed are nine extra copies of Figure 4 of the report for possible use in the preparation of the contract.

By J. W. Townsend
Alternate Acting Executive Officer

Enclosures

TRANSMITTED

APR 10 1957

DMEA

DEPARTMENT OF THE INTERIOR

APR 8 - 1957

REGION III

DENVER, COLORADO

MINERAL DEPOSITS

IN REPLY REFER TO:

DMEA

RECEIVED

MAR 27 1957

U. S.

GEOLOGICAL SURVEY

DENVER, COLORADO

UNITED STATES

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Box 360

Grand Junction, Colorado

March 26, 1957

Memorandum

To: E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III

From: J. William Hasler

Through: E. N. Harshman
J. F. Shaw

Subject: Transmittal of joint geologic and engineering report, DMEA docket 4597 (Uranium), Strategic Minerals Exploration Company, Joan, LaRay and Ella claims, San Juan County, Utah and Montrose County, Colorado

The Strategic Minerals Exploration Company, Grand Junction, Colorado, applied for government assistance to explore for uranium on three mining claims; namely, the Joan, LaRay and Ella claims in the La Sal Creek area, San Juan County, Utah and Montrose County, Colorado. The application was referred to the field and an examination was made on February 26, 1957 by M. H. Salsbury, U. S. Bureau of Mines, and W. B. Gazdik, U. S. Geological Survey, accompanied by Mr. John I. Schumacher representing the applicant.

Considerable private and government drilling has been done in the area and the applicant's claims are found to lie in a favorable and semifavorable belt trending northwesterly across the La Sal Creek area. However, two of the claims, the Joan and LaRay lie outside the favorable belt and are in the Morrison Salt Wash sandstone that is apparently unfavorable for ore. It is, however, recommended that a limited amount of exploration be completed on the south two-thirds of the Ella claim which does lie in a favorable zone.

The examining team recommends a drilling project estimated to require 5,100 feet of non-core drilling and 1,700 feet of core drilling with a maximum of 20 holes. The estimated cost will be 20,422, of which the government participation at 75 percent will be $15,316.50. In conjunction with the recommendations of the examining team that an exploration contract be awarded for work on the Ella claim.

The Atomic Energy Commission was consulted relative to the appraisal of the property, as well as members of the Geological Survey who have conducted exploration work in the area.

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Reviewed by
DMEA OPERATING COMMITTEE
4-19-57

DMEA 4597 3/26/1957

Enclosed are 12 copies of figures 2 and 3 for inclusion in the joint report of examination and 24 copies of figure 4 to be used in the preparation of a contract, as well as for inclusion in the joint geologic and engineering report.

Enclosed also is the applicant's material which was furnished with the application.

J. William Hasler

J. William Hasler,
Geologist

JWH/mlr

Enclosures

FOR UNITED STATES GOVERNMENT USE ONLY

TRANSMITTED

APR 10 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

JOINT REPORT OF EXAMINATION BY EXAMINING TEAM
REGION III

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DMEA
RECEIVED APR 15 1957

DATE	INITIALS	CODE
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DMEA 4597

STRATEGIC MINERALS EXPLORATION COMPANY

Joan, LaRay, and Ella Claims

San Juan County, Utah and Montrose County, Colorado

Uranium

Joint Engineering and Geologic Report

By

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Reviewed by
DMEA OPERATING COMMITTEE
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STRATEGIC MINERALS EXPLORATION COMPANY
JOAN, LaRAY, AND ELLA CLAIMS
SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO

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STRATEGIC MINERALS EXPLORATION COMPANY
JOAN, LaRAY, AND ELLA CLAIMS
SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO

INTRODUCTION AND SUMMARY

On January 4, 1957, Strategic Minerals Exploration Company, P. O. Box 1648, Grand Junction, Colorado, applied for Government assistance in exploring for uranium on three unpatented mining claims, the Joan, LaRay, and Ella, on La Sal Creek, in San Juan County, Utah and Montrose County, Colorado.

A two-stage exploration program, requiring an estimated 16,490 feet of non-core and 5,570 feet of core drilling, in a maximum of 46 holes, from 110 feet to 380 feet deep, has been proposed at a cost of $46,649.60. Government participation at 75 percent would be $34,987.20.

A field examination was made on February 26, 1957, by a DMEA examining team consisting of M. H. Salsbury, U. S. Bureau of Mines, and W. B. Gazdik, U. S. Geological Survey, accompanied by John I. Schumacher, representing the applicant.

The rocks exposed on the claims consist mostly of the Brushy Basin and the underlying Salt Wash member of the Morrison formation. Huge Burro Canyon boulders are present locally on the Brushy Basin slope. Known uranium deposits in the area occur in lenticular sandstone beds in the upper part of the Salt Wash member. The deposits range in size from a few tons to as much as 30,000 tons, and are confined to a favorable belt that trends northeast and passes in part through the Ella claim.

The applicant's property rights appear to be satisfactory. The fact that the three claims are not contiguous and that the applicant has not been able to lease adjoining claims that are under other ownership is a disadvantage.

Based on previous drilling on the property, done by the Geological Survey and privately, it is concluded that there is ground favorable and semi-favorable for the occurrence of uranium-vanadium mineralization on the Ella claim and exploration dy drilling is justified. The Joan and LaRay claims are outside the favorable belt and exploration is not being recommended because prior drilling indicated the geologically unfavorable nature of the ground underlying these claims.

It is recommended that a drilling project covering the southern two-thirds of the Ella claim be approved at an estimated cost of $20,422.00 in which Government participation at 75 percent would be $15,316.50.

A two-stage project requiring an estimated 5,100 feet of non-core drilling and 1,700 feet of core drilling in a maximum of 20 holes is proposed.

ACKNOWLEDGMENTS

The applicant submitted a well-documented brochure with a detailed cost estimate supported by bids from three drilling contractors.

Geological Survey reports on Government drilling projects and geologic field studies in the La Sal Creek area were utilized. W. D. Carter, project chief for the Geological Survey in the area, was consulted. Additional information on production and ore reserves was obtained through the Atomic Energy Commission. Comments of DMEA personnel in the Washington office, especially those concerning the possibility of including more claims in the project, were noted and considered.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Joan, LaRay, and Ella claims are three of a group of 20 claims covering a Salt Wash rim and a Brushy Basin bench on the north side of, and overlooking, La Sal Creek, in secs. 28, T. 28 S., R. 26 E., S.L.M., San Juan County, Utah, and a small area in sec. 10, T. 47 N., R. 20 W., N.M.P.M., Montrose County, Colorado (fig. 1). Access to the proposed drilling area, most of it on the bench, is comparatively easy. The climate of the region, which is at an altitude of 6,000 to 6,500 feet, is moderate, except for occasional violent storms that may occur at any season. There may be extremes of temperature in either summer or winter. Surface operations are feasible nine months of the year but are normally inadvisable in late winter and early spring.

The La Sal Creek area is reached easily from Moab, Utah, over 34 miles of hard-surfaced Utah Highways 160 and 46, and 16 miles of graveled road. The proposed drilling area is 2 miles from Utah Highway 46 over a steep, poorly graded access road, nearly impassable under wet or thawing conditions. The nearest supply center is Moab, Utah. More complete stocks of mining supplies and equipment are available in Grand Junction, Colorado, 115 miles northeast of Moab. Nearer markets for La Sal Creek ores are at treatment plants at Uravan, Colorado, 50 miles distant, Naturita, Colorado, 38 miles, Monticello, Utah, 60 miles, and Moab, Utah, but because of the high vanadium content of the ores, shipments are sometimes made to the Climax Uranium Company plant at Grand Junction and the Vanadium Corporation of America plant at Durango, Colorado, 110 miles distant. In those cases the buyers may pay the hauling charges as an inducement to the producer to ship to them.

There are no unusual problems of access, supply, power or water.

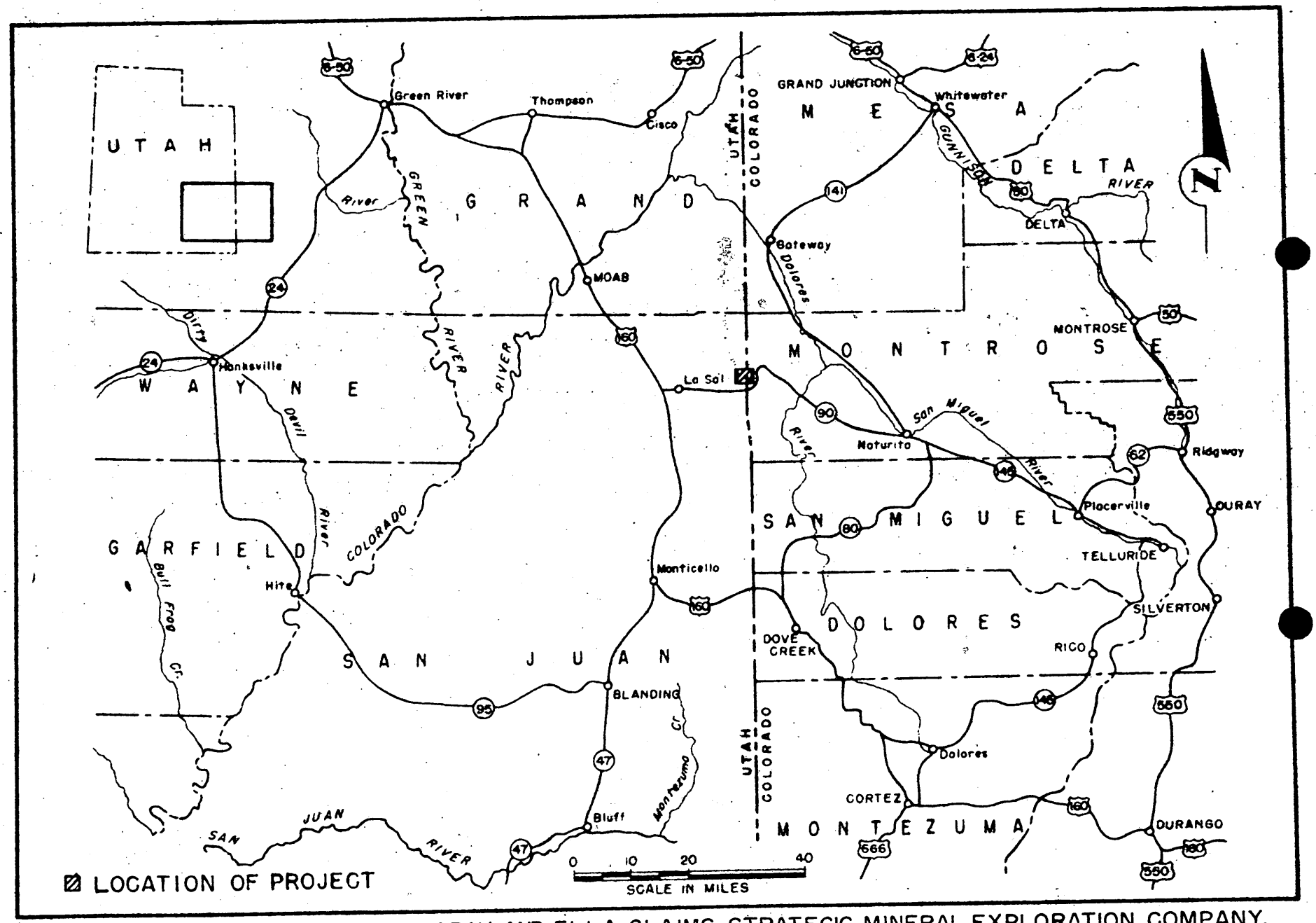

FIGURE I - LOCATION MAP, JOAN, LARAY AND ELLA CLAIMS, STRATEGIC MINERAL EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO. DMEA 4597

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LABOR AND LIVING CONDITIONS

Drilling exploration in the area is usually carried on by contractors who furnish their own equipment, labor, and camp facilities. There are excellent campsites and domestic water supplies on La Sal Creek. A reasonably adequate supply of labor for mining operations is available.

HISTORY, PRODUCTION AND OWNERSHIP

Mining for vanadium in the La Sal Creek area dates from World War I. Recent increases in activity date from about 1948. Producing mines in the immediate area to the west are the Vanadium Queen, Gray Dawn, and Firefly. To the east, and within the same ore trend, are the Evening Star, Morning Star and Marjorie Ann. Ore bodies have been outlined by drilling on the Little Joe, Blue Cap, Big Joe, Black Hat, Lion, and May claims, all within the block of claims which includes the applicant's property. The Big Joe claim was explored with Government-assisted exploration under Docket No. DMEA 4222, Contract Idm-E1003. Exploration resulted in discovery of a small ore body which has not been developed. Ore bodies on the Black Hat, Lion, May, Little Joe and Blue Cap claims are currently being developed but are not in production. This development is being carried on through two adits whose portals are in a Salt Wash outcrop at the northeast corner of the applicant's Joan claim and have been driven through the north end of the Joan claim under an agreement with Mid-Continent Uranium Corporation.

Production from various properties shown on figures 2 and 3 through December 31, 1956, as compiled by the Atomic Energy Commission, is as follows:

Claim		Dry Tons	Content percent U_3O_8	Content percent V_2O_5
Firefly		14,942	0.36	2.48
Vanadium Queen	2/	14,357	0.33	2.57
Grey Dawn		3,787	0.37	1.71
Evening Star		6,919	0.23	1.99
Morning Star		1,111	0.22	1.55
Marjory Ann		5,670	0.28	1.35
Black Hat	1/	686	0.32	2.17

1/ Not mined from recent discoveries
2/ Does not include production prior to 1948

The Joan, LaRay, and Ella claims are in a contiguous group of 20 claims located jointly by J. B. Crowley, Willis Crowley and Wade Shupe in sec. 28, T. 28 S., R. 20 E., Salt Lake meridian, San Juan County, Utah, and sec. 10, T. 47 N., R. 20 W., New Mexico principal meridian, Montrose County, Colorado. The three claims in the proposed project are in Utah except for a small area in the southeast corner of the Ella claim (fig. 3). The claims were originally located on September 12 and 13, 1952, and recorded in the San Juan County records as follows:

Claim Name	Original Location Book	Page
Joan	15	183
La Ray	15	172
Ella	15	166

As the result of a disagreement among the three locators, the claim group was divided. The potential worth of the property was unknown, and to avoid the possibility that one individual would acquire claims of greater value, contiguous claims were not apportioned to one partner except in a single instance.

The Joan, LaRay and Ella claims are among those assigned to Wade Shupe and later acquired by John I. Schumacher. Schumacher sold the claims to Mid-Continent Uranium Corporation. They are part of a large number of claims which were leased to Strategic Minerals Exploration Company on December 26, 1956. The Joan, LaRay, and Ella claims are not contiguous to any of the other Strategic Minerals Exploration Company claims, or to each other.

The applicant has furnished a copy of the lease from Mid-Continent Uranium Corporation to Strategic Minerals Exploration Company, but documents or recording data on earlier transactions affecting the property were not included. The applicant states that previous transfers of the property were outright sales and that only the applicant, as lessee, and Mid-Continent Uranium Corporation (which as lessor, is entitled to a 12 1/2 percent royalty on gross production) are concerned in the DMEA application. A clause in the lease agreement provides that the lessor will subordinate the claims in the event of a DMEA exploration contract.

The applicant states that the claims have been accurately surveyed and there are no conflicts with adjoining claims. Maps made in connection with Geological Survey projects and a brief inspection on the ground substantiate this statement. The fact that the Joan, LaRay, Ella, and adjoining claims were all located at the same time and by the same group makes the possibility of conflicts unlikely insofar as claims within the block are concerned.

Strategic Minerals Exploration Company is a partnership made up of eight individuals with John I. Schumacher as managing partner. A list of the partners, with their addresses, follows. If their interests are other than equal, it is not so stated in the application.

Partner	Address
Mrs. Charles P. Schumacher	15 Wonderly, Dayton, Ohio
Claire C. Schumacher	15 Wonderly, Dayton, Ohio
Dr. James C. Schumacher	100 Schantz Ave., Dayton, Ohio
Paul J. Schumacher	5316 Markey Road, Dayton, Ohio
John I. Schumacher	P. O. Box 1648, Grand Junction, Colo.
Phillip K. Schumacher	27 Knob Hill Drive, Virginia, Minn.
Dr. James Smith	1423 N. 122nd St., Milwaukee, Wis.
John Will	7688 Normandy Lane, Dayton, Ohio

The Jean claim is subject to an easement granted operators of adjoining claims for the purpose of constructing tunnels across the claim.

Assessment work for the year ending June 30, 1956, has been done and affadavits recorded.

The applicant states that unsuccessful attempts have been made to lease other claims adjoining those in the proposed project. Eventually, it is hoped that some additional ground can be obtained. The Cottonwood claim, owned by the Rice Development Company, and the Lion claim, owned by the Blue Creek Mining Company might be of interest as they would, together with the LaRay and Ella claims, complete a solid block. Other desirable claims are being developed by other operators and probably cannot be obtained at this time.

Exploration being recommended by the examining team is confined to the Ella claim. Subordination of only this one claim therefore appears to be necessary.

PRESENT STATUS

Exploration and Development

Exploration work on the property to date consists of 9 holes on the Joan, LaRay, and Ella claims drilled by the Geological Survey and 2 holes drilled by Mid-Continent Uranium Corporation. (Tables 1 and 2 and fig. 3). Of these, 5 were mineralized and 1, No. L.C. 406 on the Ella claim, penetrated 1.8 feet of material containing 0.235 percent U_3O_8 and 3.11 percent V_2O_5. There has been considerable drilling both by the Geological Survey and privately on adjoining claims (Table 1 and 2 and fig. 3).

The only underground work consists of the adits driven across the north end of the Joan claim by operators of adjoining claims. No ore was found in this work.

Mining Equipment and Other Facilities

The applicant does not have drilling equipment but plans to do all exploration by contract drilling.

TABLE 1

Summary of Drill Hole Data (figure 2)

Hole No.	Collar Elevations	Thickness of Obss (feet)	Depth to Top of OBSS-feet	Total Depth (feet)	USGS Classification	Remarks
LC286	6803	80	165	254	Favorable	Mineralized
LC291	6972	45	340	394	Favorable	Mineralized
LC295	7003	15	360	486	Unfavorable	Barren
LC299	6974	15	354	390	Unfavorable	Barren
LC316	6798	78	156	244	Favorable	Ore
LC317	6794	77	157	240	Favorable	Mineralized
LC318	6808	72	173	254	Favorable	Barren
LC366	6826	31	224	272	Semi-favorable	Barren
LC367	6847	46	251	306	Favorable	Mineralized
LC385	6948	59	310	379	Favorable	Mineralized
LC392	6914	31	299	345	Semi-favorable	Barren
LC394	6949	77	294	383	Favorable	Ore
LC406	6862	74	210	303	Favorable	Ore
DD2	—	58	225	303	Favorable	Mineralized

TABLE 2

Summary of assay data from holes drilled on and in the vicinity of the Ella claim.

Hole	Thickness (feet)	Base	$\%U_3O_8$ (chem)	$\%V_2O_5$ (chem.)
286	0.6	225.4	0.96	<0.10
	0.6	226.0	0.03	<0.10
291	0.3	371.7	0.05	0.18
316	1.2	194.4	0.12	0.10
317	0.3	203.6	0.05	0.20
	1.0	204.6	0.03	0.26
	0.4	205.0	0.03	<0.10
367	0.3	292.4	0.23	0.24
	0.4	292.8	0.02	0.29
385	0.4	317.0	0.06	0.22
394	0.3	362.6	0.05	<0.10
	0.3	362.9	0.25	0.27
	0.6	363.5	0.06	0.12
	0.3	363.8	0.36	0.15
	1.3	365.1	0.04	<0.10
406	1.5	242.7	0.07	0.20
	0.9	243.6	0.42	2.48
	0.9	244.5	0.05	3.85
	0.2	280.4	0.07	1.23

GEOLOGY

The applicant's claims are located on the southwest flank of the Paradox salt anticline near its junction with the LaSal Mountains. The rocks exposed in the area consist of sedimentary formations that range in age from Jurassic to Cretaceous and dip about 1° to 3° to the southwest. These formations in ascending order are the Jurassic Navajo, Carmel, Entrada, Summerville and Morrison formations and the Cretaceous Burro Canyon and Dakota formations. Erosional remnants of the Burro Canyon and Dakota formations are preserved north and west of the applicant's claims, which lie wholly on the Morrison outcrop.

The Morrison formation consists of the Salt Wash member and the overlying Brushy Basin member. Significant uranium deposits in the area are confined to the uppermost sandstone beds of the Salt Wash member. The Salt Wash member averages about 350 feet in thickness and consists of fluvial sandstone, siltstone and mudstone beds. About 50 percent of the Salt Wash is made up of sandstone beds although the ratio of sandstone to siltstone and mudstone varies considerably within short distances. Generally, 3 to 5 light gray to light brown, broadly lenticular sandstone beds, 15 or more feet thick, are present along the outcrop. Such sandstone beds are a few hundred to thousands of feet in horizontal extent. The uppermost, ore-bearing sandstone is crossbedded, medium to medium-fine grained, and ranges in thickness from 15 to 95 feet. Locally the sandstone is quartzitic, and contains varying amounts of limonite, disseminated pyrite, and carbonaceous material. Cut and fill structures, ripple marks, current lineations, and rill marks suggest that the ore-bearing sandstone was deposited under fluvial conditions. Mudstone and siltstone in contact with the ore-bearing sandstone are generally red, reddish-brown, green or gray.

Interstitial clay, clay pellets, and relatively thin seams of mudstone are included in the sandstone. The contact of the Salt Wash member with the overlying Brushy Basin member is gradational, although there is a marked contrast in the overall appearance of the two members on the outcrop. The ore-bearing sandstone is not exposed on the applicant's property except on the northeastern part of the Joan claim.

The overlying Brushy Basin member consists of variegated shale and mudstone beds that range from white to pastel shades of red, blue, and green. These fine-grained sediments are interbedded with sandstone and conglomeratic beds. The Brushy Basin member crops out over most of the applicant's property, where it ranges in thickness from a few feet on the Joan claim to as much as 400 feet on the LaRay and Ella claims to the north. Huge Burro Canyon boulders are locally scattered over the Brushy Basin slope.

ORE DEPOSITS

Most of the significant uranium deposits in the La Sal Creek area are confined to a rather discontinuous favorable belt that trends northeasterly from the Firefly mine on the west to the Evening Star mine on the east (fig. 2). The belt was defined by USGS and private drilling, and extends in part through the applicant's Ella claim.

Ore bodies in the belt range in size from small irregular masses containing a few tons of ore, to large tabular masses containing as much as 30,000 tons.

Mineralized rock lies essentially parallel to the sandstone beds, but does not follow the bedding in detail. In some deposits, the highest grade ore occurs in sharply bounded elongate concretionary structures or "rolls" which cross bedding planes. A single ore deposit may consist of a cluster of ore bodies generally connected by seams of mineralized material.

Mineralized rock at or near the surface is sandstone, impregnated with carnotite and its calcium analogue tyuyamunite. Metatyuyamunite, rauvite, pascoite and hewettite have also been identified in the oxidized ores. Less oxidized minerals including uraninite, montroseite and corvusite are found at greater depths.

The origin of the ore and factors that controlled its localization are little understood. Primary sedimentary structures in the ore-bearing sandstone apparently are closely related to localization of ore. It does not appear that origin and localization of uranium deposits are related to fractures. Apparently fractures served as avenues for secondary migration of small amounts of uranium leached from early ore minerals by ground-water solutions but such minerals are not important sources of ore.

The largest mine in the vicinity of the applicant's claims is the Vanadium Queen mine located about 4,000 feet to the southwest. The mine was examined in detail during the course of the field examination. Mineralized material in the Vanadium Queen mine occurs in a sandstone bed ranging from 15 to 80 feet thick in the upper part of the Salt Wash member. Both "roll" type and tabular shaped ore bodies are being mined. The long axes of the "rolls" trend generally east and southeast. Individual "rolls" range in thickness from 1 to 8 feet, 2 to 15 feet in width, and 10 to 75 feet or more in length. The long axis of the tabular shaped ore bodies also trend essentially southeast.

Geologic features and habits of ore deposits useful in exploring for uranium have been recognized through drilling experience and geologic studies. The following geologic criteria were used by the Geological Survey to explore for uranium deposits in the La Sal Creek area:

(1) mudstone and siltstone in contact with ore-bearing sandstone is green or grayish-green instead of red or reddish-brown.

(2) The ore-bearing sandstone contains thin discontinuous, green mudstone lenses, mudstone pebbles and abundant carbonaceous fragments.

(3) The ore-bearing sandstone is light gray or light brown and is medium- to medium-fine grained.

(4) The ore-bearing sandstone contains limonite stains or disseminated pyrite.

(5) The ore bodies occur in the thicker parts of the sandstone, but do not exhibit a detailed relationship to the thickness of the sandstone.

(6) In the vicinity of ore deposits a relatively high gamma-ray anomaly at the base of the ore-bearing sandstone offers a larger target than the ore deposit.

ORE RESERVES

Following are current ore reserves on properties near the Joan, LaRay and Ella claims as carried by the Atomic Energy Commission Ore Reserves Section, and as reported by the applicant.

Claim	Production Dry Tons	1/ AEC Reserve Dry Tons	percent U_3O_8	percent V_2O_5	2/ Reserve reptd. by applicant Dry Tons	percent U_3O_8	percent V_2O_5
Vanadium Queen (group)	14,357	9,300	0.26	3.09	25,650	0.40	3.76
Gray Dawn	3,787	1,013	0.27	0.55			
Big Joe	none	1,962 4/	0.286	2.25	5,000		
Blue Cap	none	1,496	0.20	2.50	3,000	0.30	2.45
Little Joe	none	—			3,000	0.66	4.63
Black Hat-May	686	18,210	0.32	1.05	3/ 10,303	0.28	1.17
Morning Star	1,111	104	0.20	1.11			
Evening Star	6,919	4,742	0.20	1.88			
Marjory Ann	5,670	401	0.31	1.36			

1/ Includes former indicated and inferred reserve categories.

2/ Includes operator's classifications of proven and probable ore.

3/ Does not include possible reserves, as result of recent exploration.

4/ Reserve estimate made by operator under Docket No. DMEA 4222.

Atomic Energy Commission reserve figures are in general more conservative than those quoted by the applicant. On either basis, the conclusion is reached that the ore potential of ground within the mineralized trend is good.

PROPOSED EXPLORATION

The exploration plan proposed by the applicant calls for a drilling program in two stages with 26 holes in Stage I to form, with holes already drilled, a grid on 200-foot centers on the north end of the Joan claim and the southerly two-thirds of the La Ray and Ella claims. The depth of holes averages 365 feet with 75 and 90 feet of coring per hole on the LaRay and Ella claims and with 85 feet of coring on the Joan claim. The estimated footage required is 6,490 feet

of non-core drilling and 2,170 feet of core drilling.

Stage II would require an estimated 5,000 feet of non-core drilling and 1,700 feet of core drilling in a maximum of 20 off set holes on 100-foot centers around mineralized or ore holes in Stage I.

The applicant's cost estimate, based on the average of three drilling bids, totals $46,649.60, or $3.03 per foot. Government participation would be $34,987.20.

During the examination it was brought out that the adit recently completed across the north end of the Joan claim has accomplished to a large extent the exploration proposed in this area by the applicant. Mineralization encountered was slight. This result, together with the fact that the Joan claim is south of the projected trend, in ground classed as unfavorable, indicates that further exploration of the Joan claim by drilling is not justified (figures 2 and 3).

The LaRay claim is also in unfavorable ground north of the projected ore trend (figure 2). Enough drilling has been done on the LaRay and adjoining claims to indicate definitely that the sandstones are geologically unfavorable for uranium ore. Further exploration here is not considered to be justified.

The part of the Ella claim in favorable and semifavorable areas, as shown by previous Geological Survey drilling (fig. 3), is believed to justify exploration. The boundary between favorable and semifavorable areas is not necessarily as sharply defined or as uniform as is indicated by the line drawn to separate the areas. Some of the semifavorable area shown is therefore considered to be worth exploring.

The southernmost holes, on the Ella claim, 10 in number, proposed by the applicant are therefore recommended for a DMEA project. They are shown in figures 3 and 4.

The applicant quoted drilling bids from three drilling contractors, Sprague and Henwood, Minerals Engineering Company and Leon Whatley. Copies of the actual bids were not furnished with the application but were furnished later. A letter quoting a rental rate for a Geiger counter and probe was also submitted.

Recommended Exploration

The recommended program will require an estimated 2,550 feet of non-core drilling and 850 feet of core drilling in 10 holes averaging 340 feet deep in Stage I at locations shown in figures 3 and 4. Stage II would require a maximum of 2,550 feet of non-core drilling and 850 feet of core drilling in a maximum of 10 holes as offsets of Stage I holes which are mineralized and/or favorable. Stage II holes would be a minimum of 100 feet from any Stage I holes, other previously drilled holes, or the claim boundaries. The maximum number of offset holes which could be authorized around one Stage I hole would be 4, but because of limitations imposed by the proximity of claim boundaries, one or two Stage I holes at the most would require as many as 4 offsets.

The examining team's cost estimate is based on employment of one drill rig one shift per day, 25 days per month. Average footage per shift including non-core and core drilling is estimated at 100 feet. On this basis, Stages I and II would each require 34 days or 1.36 months. To allow for preliminary work such as surveying and bulldozing, and evaluation of drilling and planning of Stage II work, 1.5 months per stage is being allowed.

A comparison of the cost of drilling only based on the three bids from contractors follows:

Bidder	Non-Core Interval in feet	Non-Core No. feet	Non-Core Rate per ft.	Non-Core Total	Core Interval in ft.	Core No. ft.	Core Rate per ft.	Core Total
Sprague and Henwood	0-200	2,000	$2.00	$4,000.00	200-300	450	$4.50	$2,025.00
	200-400	550	2.25	1,237.50	300-500	400	5.00	2,000.00
Totals		2,550 ft		$5,237.50		850 ft.		$4,025.00
Totals for Stage I — $9,262.50								
Minerals Engineering	0-100	1,000	$1.65	$1,650.00	200-300	450	$4.45	$2,002.50
	100-200	1,000	1.95	1,950.00	300-400	400	4.95	1,980.00
	200-300	550	2.15	1,182.50				
Totals		2,550 ft.		$4,782.50		850 ft.		$3,982.50
Total for Stage I — $8,765.00								
Leon Whatley	0-200	2,000	$1.75	$3,500.00	200-300	450	$4.00	$1,800.00
	200-400	550	2.00	1,100.00	300-400	400	5.00	2,000.00
Totals		2,550 ft.		$4,600.00		850 ft.		$3,800.00
Total for Stage I — $8,400.00								

The following cost estimate is based on the bid by Leon Whately.

Stage I

Estimated time for completion:		1.5 months
Estimated number of holes	:	10
Estimated footage - non-core	:	2,550
Estimated footage - core	:	850

(1) Independent Contracts:

Bulldozing for roads and drill sites 20 hours at $12.00/hr. w/D7-tractor	$ 240.00
Drilling, non-core 0-200 ft. range at 2,000 ft. at $1.75	3,500.00
Drilling, non-core 200-400 ft. range 550 ft. at $2.00	1,100.00
Drilling, core 200-300 ft. range 450 ft. at $4.00	1,800.00
Drilling, core 300-400 ft. range 400 ft. at $5.00	2,000.00
Total Independent Contracts	$ 8,640.00

Stage I (cont.)

(2) Labor, Supervision and Technical Services:

Labor	None	
Supervision and Technical Services 1 geologist-engineer full-time for 1.5 months at $600.00 per month	$ 900.00	
Total Labor, Supervision and Technical Services		$ 900.00

(3) Operating Materials and Supplies:

85 coreboxes for 850 feet of core at $1.00 each	$ 85.00	
Gasoline, oil and repairs for 1 field vehicle for field use 1.5 mos. at $50.00 per month	75.00	
Surveying, accounting and office supplies for 1.5 months at $20.00 per month	30.00	
Total Operating Materials and Supplies		$ 190.00

(4) Operating Equipment:

Purchased	None	
Rental - counter and probe 1.5 mos. at $100.00 per month	$ 150.00	
Depreciation items - 1 jeep or pick-up - $1,800.00 Value 1 transit - 500.00 Value $2,300.00 Total Value Depreciated on 60 mo. basis $2,300.00 / 60 or $38.33 per mo. for 1.5 mos.	57.50	
Total Operating Equipment		$ 207.50

(7) Miscellaneous:

Accounting 2 mos. at $25.00 per mo.	$ 50.00	
Sampling and analyses, maximum of 40 samples analyzed for U_3O_8, V_2O_5, at $4.00 each	160.00	
Compensation insurance, payroll taxes, etc., on salaries of geologist-engineer for 1.5 mos. at 6 percent of $900.00	54.00	
Total Miscellaneous		$ 264.00
Total Stage I		$10,201.50

Stage II

Estimated time for completion:		1.5 months
Estimated number of holes	:	10
Estimated footage - non-core	:	2,550 ft.
Estimated footage - core	:	850 ft.

Cost estimate for Stage II is identical with Stage I.

Total for Stage II	$10,201.50	
Total for project		$20,403.00

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BREAKDOWN OF COSTS

Distributed as to type of drilling

Items	Units	Sub-Total	Total	Non-core 80 percent	Core 20 percent
(1) Independent Contracts					
Bulldozing	40 hours		$ 480.00	$ 384.00	$ 96.00
Non-core drilling	5,100 feet		9,200.00	9,200.00	
Core drilling	1,700 feet		7,600.00		7,600.00
(2) Labor, Supervision and Technical Services	3 months	$ 1,800.00	1,800.00	1,440.00	360.00
(3) Materials and Supplies					
Core boxes for 1,700 ft. of core	170 each		170.00		170.00
Other		210.00	210.00	168.00	42.00
(4) Operating Equipment	3 months	415.00	415.00	332.00	83.00
(7) Miscellaneous					
Chemical analyses	80 each		320.00		320.00
Other	3 months	208.00	208.00	166.40	41.60
Total for project			$20,403.00	$11,690.40	$ 8,712.60

Total less independent contracts, core boxes and chem. analyses. $ 2,633.00

Calculated overall cost non-core drilling $\frac{\$11,690.40}{5,100 \text{ ft.}}$ or $2.29 per foot

Calculated overall cost core drilling $\frac{\$ 8,712.60}{1,700 \text{ ft.}}$ or $5.13 per foot

Calculated overall cost all drilling $\frac{\$20,403.00}{6,800 \text{ ft.}}$ or $3.00 per foot

Calculated cost of items under (2), (3), (4), and (7) which go to make up "Incidental Allowance" but not including chemical analyses and core boxes $2,633.00 over 6,800 ft. or $0.39 per foot.

Summary of Costs Suggested for Contract Use

Contract Item	Unit	Unit Cost	Stage I Units	Stage I Cost	Stage II Units	Stage II Cost	Total Units	Total Cost
Actual Costs								
Bulldozing	hour	$12.00	20	$ 240.00	20	$ 240.00	40	$ 480.00
Non-core drilling								
0-200 ft. range	foot	1.75	2,000	3,500.00	2,000	3,500.00	4,000	7,000.00
200-400 ft. range	foot	2.00	550	1,100.00	550	1,100.00	1,100	2,200.00
Core Drilling								
200-300 ft. range	foot	4.00	450	1,800.00	450	1,800.00	900	3,600.00
300-400 ft. range	foot	5.00	400	2,000.00	400	2,000.00	800	4,000.00
Fixed Costs								
Core boxes	each	1.00	85	85.00	85	85.00	170	170.00
Chem analyses for U_3O_8-V_2O_5	each	4.00*	40	160.00	40	160.00	80	320.00
Incidental allow.	foot	.39	3,400	1,326.00	3,400	1,326.00	6,800	2,652.00
Total Stage I				$10,211.00				
Total Stage II						$10,211.00		
Total for project								$20,422.00
Government participation								$15,316.50

*Schedule of prices for chemical analyses at Smith Laboratory, Moab, Utah

CONCLUSIONS AND RECOMMENDATIONS

Based on a large amount of Geological Survey as well as private drilling, it is concluded that the southern part of the Ella claim is located in a geologically favorable area parts of which contain known ore bodies large enough to justify the cost of exploration and development. The Joan and LaRay claims are outside of the geologically favorable area and their exploration is not recommended.

If ore bodies should be found on the Ella claim as a result of drilling exploration, they probably would be mined through arrangement with the owners of adjoining claims rather than as an independent operation. This is the situation which has developed on the Big Joe claim which was explored under Docket No. DMEA 4222, Contract Idm-E1003. The ore reserve found on the Big Joe claim was not large enough to justify an independent mining operation, but probably will be mined eventually in conjunction with an operation on an adjoining claim.

It is recommended that a contract for a two-stage drilling project be approved on the Ella claim. An estimated 5,100 feet of non-core drilling and 1,700 feet of core drilling in a maximum of 20 holes is proposed at a maximum cost of $20,422.00. Government participation at 75 percent would be $15,316.50. Proposed hole locations for Stage I are shown in figures 3 and 4. Figure 4 is included for use as a contract map. Specifications for location of holes and a suggested summary of contract items are included in this report under "Recommended Exploration".

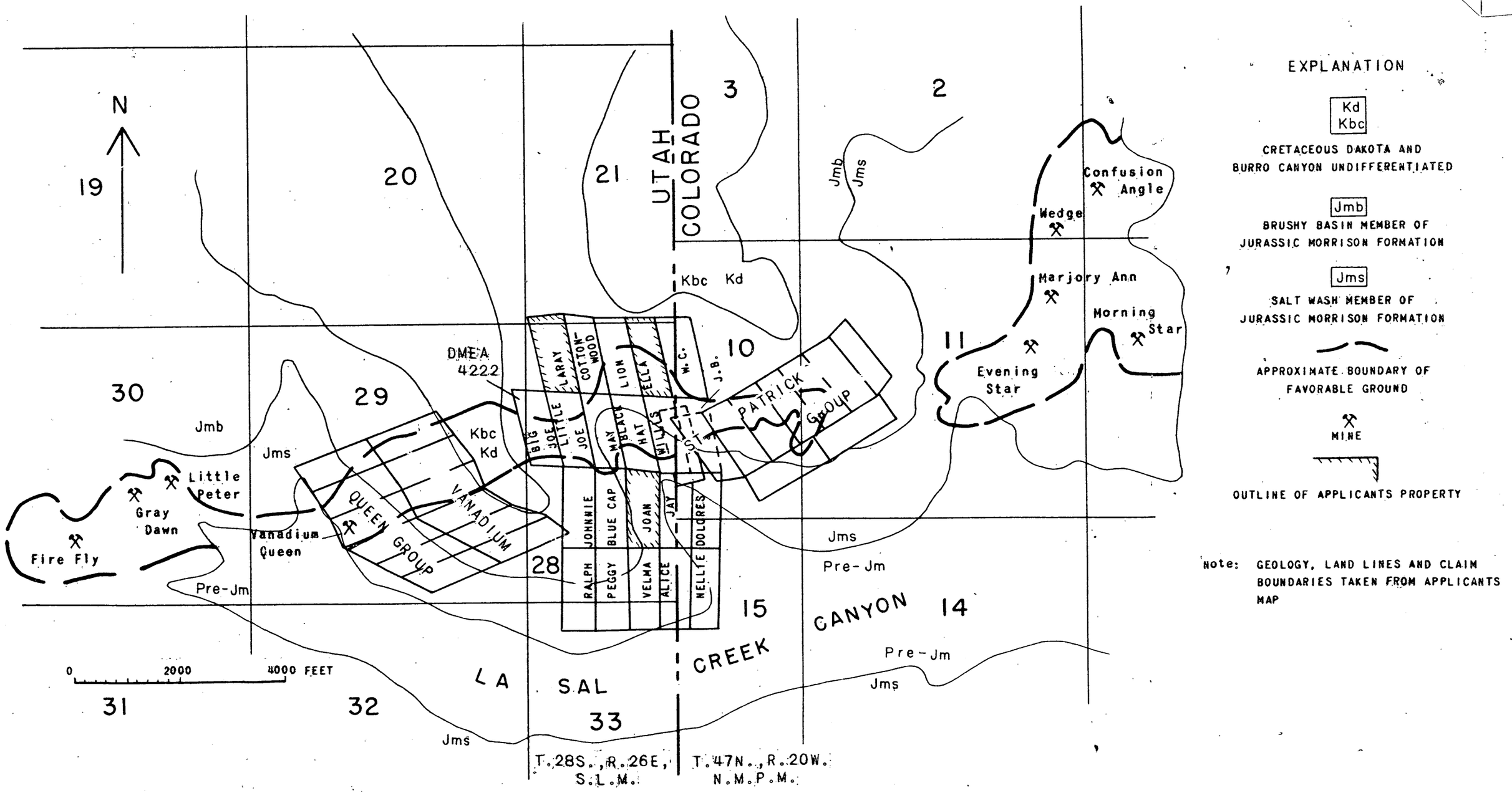
The usual provisions covering minimum size of core (BX)-storing, and preservation of core, radiometric probing, chemical analyses of mineralized core, full-time employment of a geologist-engineer as a field supervisor, minimum hole spacing and hole bottoming depths should be included.

Holes should be drilled non-core to the inferred Brushy Basin-Salt Wash contact. On entering the Salt Wash member the holes should be cored through the uppermost ore-bearing sandstone beds ranging up to 80 feet in thickness and should bottom in not less than 3 feet and not more than 10 feet of the red mudstone which marks the base of the upper ore-bearing sandstone beds of the Salt Wash member of the Morrison formation.

It is recommended that the exchange of drilling footage within a stage and transfer of drilling footage, core boxes, and bulldozing from Stage II to Stage I be permitted with prior Government approval. It is also recommended that substitution of a D-6 tractor or equivalent, for a D-7 tractor or equivalent be permitted with prior Government approval, at a rate not to exceed $10.00 per hour.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1957 DOCKET 4597



EXPLANATION

Kd
Kbc

CRETACEOUS DAKOTA AND BURRO CANYON UNDIFFERENTIATED

Jmb

BRUSHY BASIN MEMBER OF JURASSIC MORRISON FORMATION

Jms

SALT WASH MEMBER OF JURASSIC MORRISON FORMATION

APPROXIMATE BOUNDARY OF FAVORABLE GROUND

MINE

OUTLINE OF APPLICANTS PROPERTY

Note: GEOLOGY, LAND LINES AND CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

FIGURE 2.--SKETCH MAP SHOWING GEOLOGY, MINES, FAVORABLE GROUND AND CLAIMS IN THE VICINITY OF APPLICANTS PROPERTY, STRATEGIC MINERALS EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH, AND MONTROSE COUNTY, COLORADO.

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DATE	INITIALS	CODE

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1957 DOCKET 4597

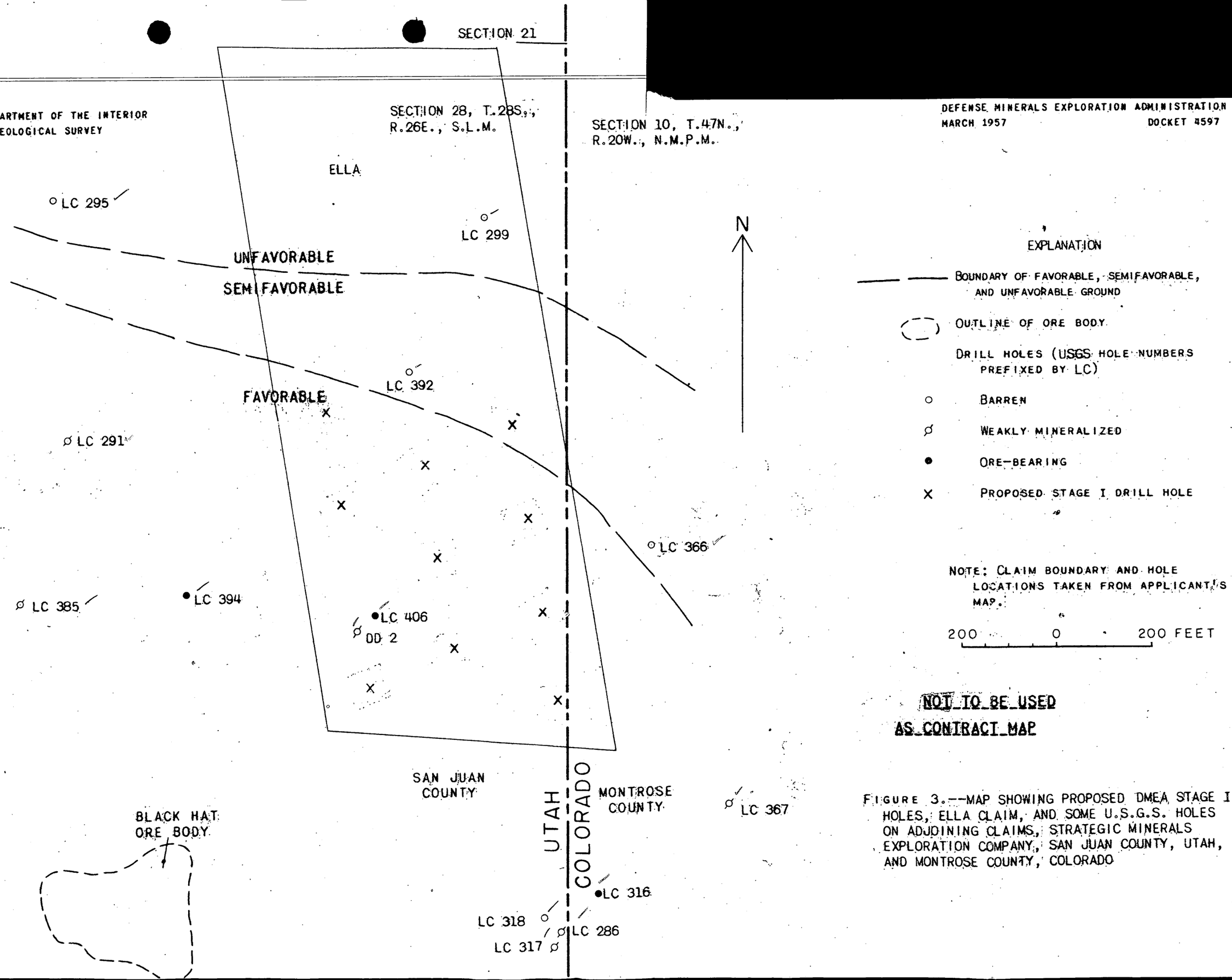

FIGURE 3.--MAP SHOWING PROPOSED DMEA STAGE I HOLES, ELLA CLAIM, AND SOME U.S.G.S. HOLES ON ADJOINING CLAIMS, STRATEGIC MINERALS EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH, AND MONTROSE COUNTY, COLORADO

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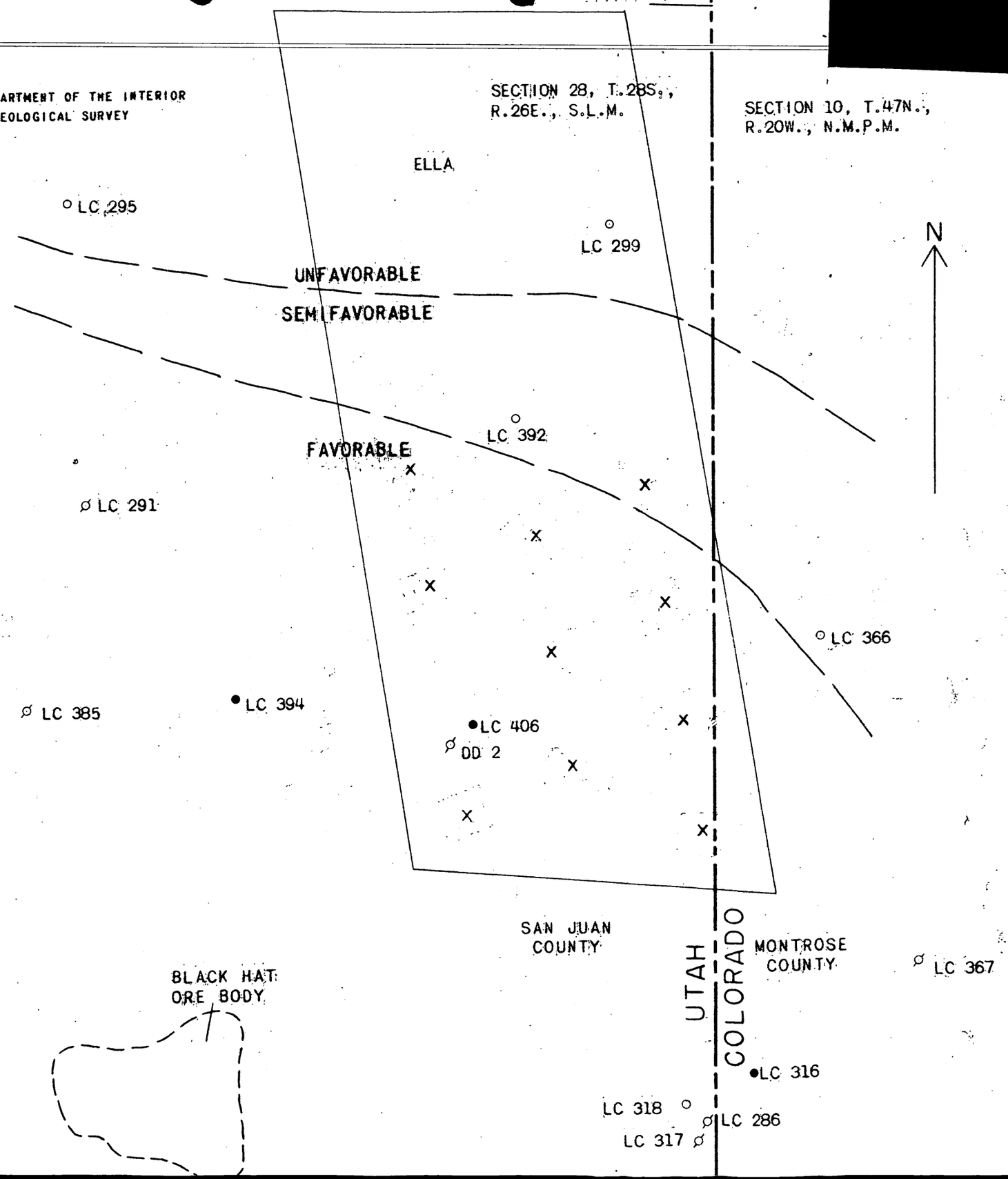
DATE	INITIALS	CODE

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1957 DOCKET #597



EXPLANATION

Boundary of favorable, semifavorable, and unfavorable ground

Outline of ore body

Drill holes (USGS hole numbers prefixed by LC)

- ○ Barren
- ⌀ Weakly mineralized
- ● Ore-bearing
- X Proposed stage I drill hole

NOTE: Claim boundary and hole locations taken from applicant's map.

200 0 200 FEET

NOT TO BE USED AS CONTRACT MAP

FIGURE 3.--MAP SHOWING PROPOSED DMEA STAGE I HOLES, ELLA CLAIM, AND SOME U.S.G.S. HOLES ON ADJOINING CLAIMS, STRATEGIC MINERALS EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH, AND MONTROSE COUNTY, COLORADO

OFFICIAL FILE COPY
D M E A
RECEIVED APR 15 1957

DATE	INITIALS	CODE

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GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1957 DOCKET 4597

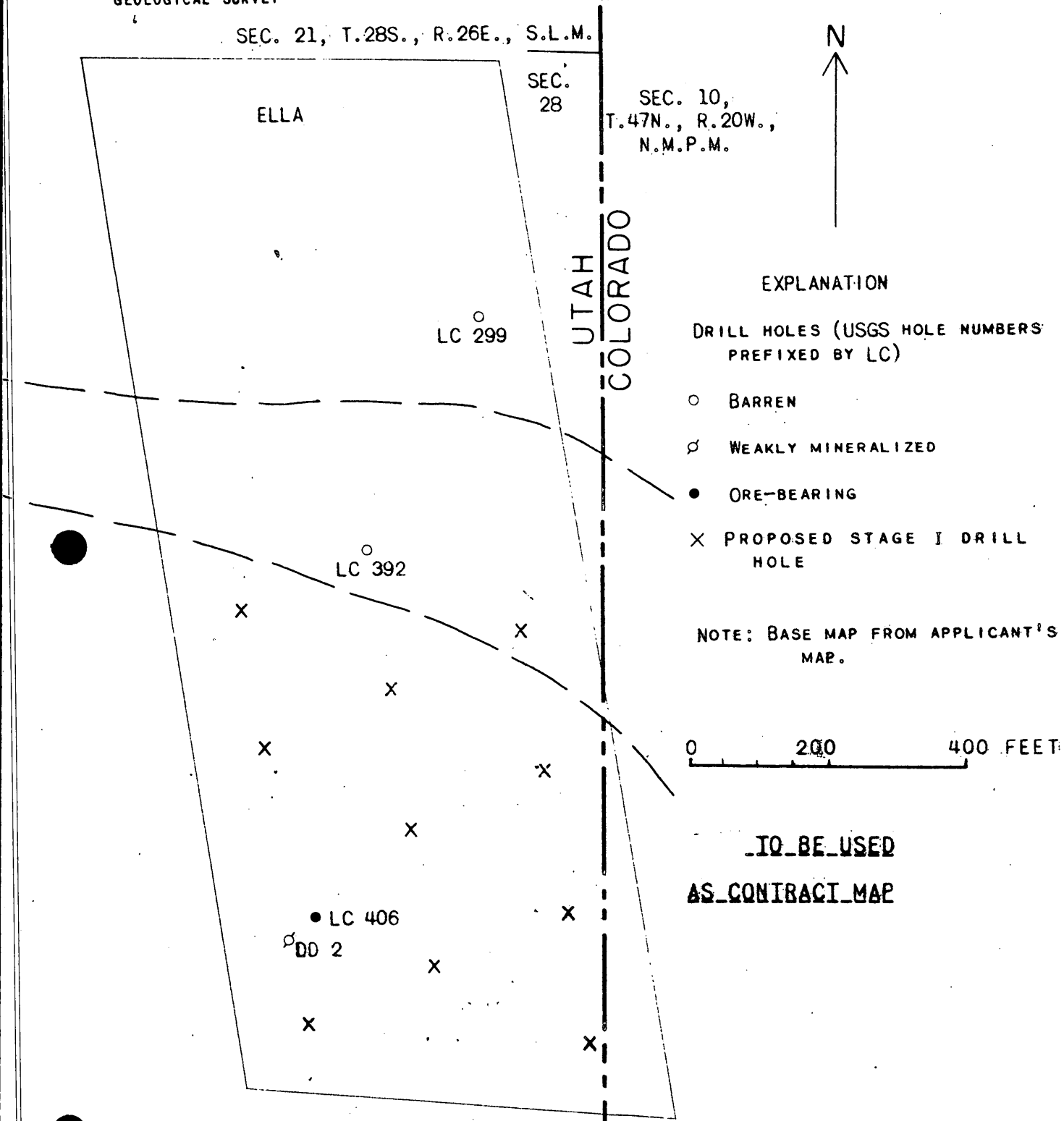

FIGURE 4.—MAP SHOWING PROPOSED DMEA STAGE I HOLES, ELLA CLAIM, STRATEGIC MINERALS EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO

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D M E A
RECEIVED APR 15 1957

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado

February 5, 1957

DMEA
DEPARTMENT OF THE INTERIOR
FEB 6 1957
REGION III
DENVER, COLORADO

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Superintendent, Denver Experiment Station, Reg. III

Subject: Docket No. DMEA 4597 (Uranium) Strategic Minerals Exploration Company (Joan, La Ray, and Ella claims) San Juan County, Utah and Montrose County, Colorado

The application for Strategic Minerals Exploration Company, Docket DMEA 4597 in the amount of $46,649.60 was received in this office on February 4, 1957.

A field examination will be made and suitable report prepared by an engineer from the Grand Junction or Denver office.

W. H. KING

W. H. King

cc: W. M. Traver (2)
E. N. Harshman
J. W. Hasler
M. H. Salabury
J. F. Shaw

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DMEA
RECEIVED FEB 11 1957

DATE	INITIALS	CODE
2/12	C	220
"	[illegible]	700

Sec(2)

OFFICIAL FILE COPY
D M E A
RECEIVED 1957

DATE	INITIALS	CODE
2/4	C	220
2-4	[illegible]	700

224 New Customhouse
Denver 2, Colorado

February 1, 1957

Memorandum

To: W. H. King (2) (w/c Appl. Chmn. Letter & Memoranda)
J. W. Hasler (w/c Chmn. Letter & Memoranda)

From: DMEA Field Team, Region III

Subject: Docket No. DMEA-4597 (Uranium) Strategic Minerals Exploration Company (Joan, La Ray, and Ella claims) San Juan County, Utah, and Montrose County, Colorado

Enclosed are a copy of the subject application in the amount of $46,649.60, its transmittal to the Executive Officer from the Chairman of the Operating Committee for referral to the field and review memoranda by James Paone, USBM, and N. E. Nelson, USGS. A field examination and covering Report of Examination are requested.

In accordance with the last paragraph of the Chairman's letter, please ascertain if adjoining land will be benefited by the exploration in the event a project is indicated, and also advise this office in advance regarding all claims involved so we may proceed to obtain required 205 Forms from either Mid-Continent Uranium Corporation or others.

Please return the Bureau of Mines copy of the application with your report of examination.

DMEA Field Team, Region III

Original signed by
W. M. TRAVER

By W. M. Traver
Executive Officer

Enclosures
WMT:eh
cc: Sec. Op. Comm. (2)
Harshman) w/c Chmn. Letter
Docket 4597) & Memoranda
Chron.

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
1-25	Knouse	700
1-25	[illegible]	700
1/28	Selfridge	130
"	[illegible]	110
"	[illegible]	100
		225

JAN 28 1957

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

Re: Docket No. DMEA-4597 (Uranium)
Strategic Minerals Exploration Company
Joan, La Ray, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Traver:

The captioned application is referred to your office for a field examination and report on the proposed project.

Enclosed are copies of memoranda, dated January 22 and 23, 1957, from Mr. N. E. Nelson, USGS, and Mr. James Thono, USBM, respectively, relating to the proposed project. Also enclosed for the use of the Field Team is an extra copy of the application.

If the Field Team recommends an exploration program, please instruct the Applicant to obtain and forward a Consent to Lien and Subordination Agreement executed by the Mid-Continent Uranium Corporation. Also, if the Applicant controls any adjoining or near-by land that will be benefited by the recommended work, it should be included in the application and the necessary additional information submitted.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

Frank D. Lamb (FDL)
Member, Bureau of Mines

N. E. Nelson (NEN)
Member, Geological Survey

FLKnouse/gla/izm 1-25-57
cc to: Code 700
Mr. Knouse
Admr's Reading File
Operating Committee
Messrs. JECrawford, 3643
THKiilsgaard, 5224
JKratchman, AEC

8623

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
1-25	Kuoyer	700
1-25	[illegible]	700
1/28	Selfridge	130
"	Schman	110
"	[illegible]	100
1-29	CW	220

Lamb
Kelson
700

JAN 28 1957

Mr. John I. Schumacher, Managing Partner
Strategic Minerals Exploration Company
P. O. Box 1648
Grand Junction, Colorado

Re: Docket No. DMEA-4597 (Uranium)
Joan, La Ray, and Ella Claims
San Juan County, Utah, and
Montrose County, Colorado

Dear Mr. Schumacher:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred for a field examination to:

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

The Regional Office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

E. O. Mittendorf (fw)

Administrator

FLKnouse/gla/izm 1-25-57
cc to: Doc Code 700
Mr. Knouse
Admr.'s Reading File
DMEA FT Reg. 3 (2)

P.C.S.
8623

OFFICIAL FILE COPY DMEA RECEIVED JAN 24 1957		
DATE	INITIALS	CODE
1-24	CW	220
1-24	Ellis	700
1-24	Knauss	700

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

Date January 23, 1957

DMEA Docket No. 4597
DMEA Contract No.
Commodity Uranium
Name of applicant Strategic Minerals Expl. Co.
Name of property Joan, LaRay & Ella claims
Location of property San Juan, Utah & Montrose Cos., Colo.
Estimated cost of project $46,649.60

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Alternate Member JP
Uranium Commodity Committee

Subject: Review of Application
(Application, Field Team Report, etc.)

1. Date of subject document: 1/14/57. 2. Date received by reviewer: 1/16/57.

3. Prior reports on this property known to reviewer: Yes [ ] No [x]

4. Prior reports on nearby properties known to reviewer: Yes [x] No [ ]

5. Information available on past production: Yes [ ] No [x]

6. Other pertinent factors known to reviewer: Yes [ ] No [x]

7. Explain items marked yes above:

DMEA Docket 4222 Radium King Mines, Inc.

8. Factors needing special consideration:
- a. Location [ ]
- b. Ownership [ ]
- c. Evidence of mineralization [ ]
- d. Geology [ ]
- e. Proposed exploration method [ ]
- f. Alternate exploration method [ ]
- g. Costs [ ]
- h. _____ [ ]

9. Action advised:
- a. Obtain information from applicant [ ]
- b. Refer to Field Team [x]
- c. Denial [ ]
- d. Agree with Field Team [ ]
- e. Disagree with Field Team [ ]
- f. Suggest alternate plan [ ]
- g. Request another examination [ ]
- h. Approval [ ]
- i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary) Mr. Jack Kratchman, Washington representative of theAtomic Energy Commission, assisted in the review.

IN REPLY REFER TO:

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

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DMEA
RECEIVED JAN 24 1957

DATE	INITIALS	CODE
1-24	C	220
1-24	Ellis	700 complete
1-24	K. Boast	700
	✓	

January 22, 1957

Re: DMEA 4597
Strategic Minerals Exploration Company
LaRay, Ella and Joan claims
San Juan County, Utah and Montrose County, Colorado
$46,649.60 - Uranium

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring by drilling 3 non-contigious claims. The claims are located in a well prospected area now dotted with small to medium sized producing mines.

Eleven drill holes have been drilled in the property, one of which, LC-406 on the Ella Claim, is classed as an ore hole. Five holes are 'mineralized'. The ore hole showed:

1.8 feet of 0.237% U_3O_8 and 3.17% V_2O_5

The reviewers of the application and the Field Team consider an examination of the claims is warranted.

I agree and recommend that the application be referred to the Field Team.

N. E. Nelson

N. E. Nelson

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 16 1957

DATE	INITIALS	CODE
1-16	CW	220
1-16	Ellis	700

224 New Customhouse
Denver 2, Colorado

~~January 14, 1957~~

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Docket DMEA 4597 (Uranium) Strategic Minerals Exploration Company (Joan, LaRay and Ella claims) San Juan County, Utah and Montrose County, Colorado

Enclosed are the original and three copies of a joint review of the subject application by members of the Grand Junction office, DMEA. The reviewers conclude that the southern half of the Ella and La Ray claims may warrant exploration. They recommend that a field examination be made on the subject property. We concur in this recommendation.

DMEA Field Team, Region III

By W. M. Traver
Executive Officer

Enclosures

4597

IN REPLY REFER TO:
MINERAL DEPOSITS

DMEA
RECEIVED
JAN 11 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR

JAN 11 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

January 10, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 16 1957

DATE	INITIALS	CODE
	EWH	

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman

From: J. William Hasler
M. H. Salsbury

Subject: Strategic Minerals Exploration Company (Uranium) Review relative to advisability of field examination on the Joan, La Ray and Ella claims, La Sal Creek area, (Paradox mining district), San Juan County, Utah, and Montrose County, Colorado

The Strategic Minerals Exploration Company has applied to the Defense Minerals Exploration Administration for aid to explore the above-mentioned claims that lie in section 8, T. 28 S., R. 26 E., SLM, San Juan County, Utah, and in section 10, T. 47 N., R. 20 W., NMPM, Montrose County, Colorado. The claims are presently owned by Mid-Continent Corporation and are under lease and agreement by the Strategic Minerals Exploration Company.

The claims lie on the south flank of the Paradox anticline and beds in the area dip from one to three degrees south. Ore deposits in the area are found in the upper part of the Salt Wash member of the Morrison formation of Jurassic age and occur as large, lenticular masses in thickened portions of Salt Wash sandstone.

The U. S. Geological Survey drilled nine holes on the Joan, La Ray, and Ella claims and the Mid-Continent Corporation drilled two holes. Of the eleven holes drilled, five were mineralized and one penetrated ore-grade material. The claims under consideration lie immediately east of the Big Jo claim which has recently been drilled under DMEA docket 4222, Radium King Mines, Inc., contract Idm-E 1003. The drilling under this contract has discovered one small ore body that may be considered to be of commercial grade and size.

The La Sal Creek area, as a whole, has been a good producer of uranium and vanadium ore and in a conversation with W. D. Carter, project geologist, U. S. Geological Survey for the La Sal Creek area, it is concluded that the southern half of the Ella and La Ray claims appear to be rather interesting; however, the Joan claims are not worthy of additional

exploration. Apparently the Strategic Minerals Company wishes to test the Joan group of claims in the light of a possible adit to claims that lie farther west.

Under the present circumstances it is deemed advisable to make a field examination on the subject property.

J. William Hasler

J. William Hasler,
Geological Survey

M. H. Salsbury by HJP

M. H. Salsbury,
Bureau of Mines

JWH/mlr

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

January 8, 1957

Strategic Minerals Exploration Co.
P. O. Box 1646
Grand Junction, Colorado

Subject: DMEA-4597

Gentlemen:

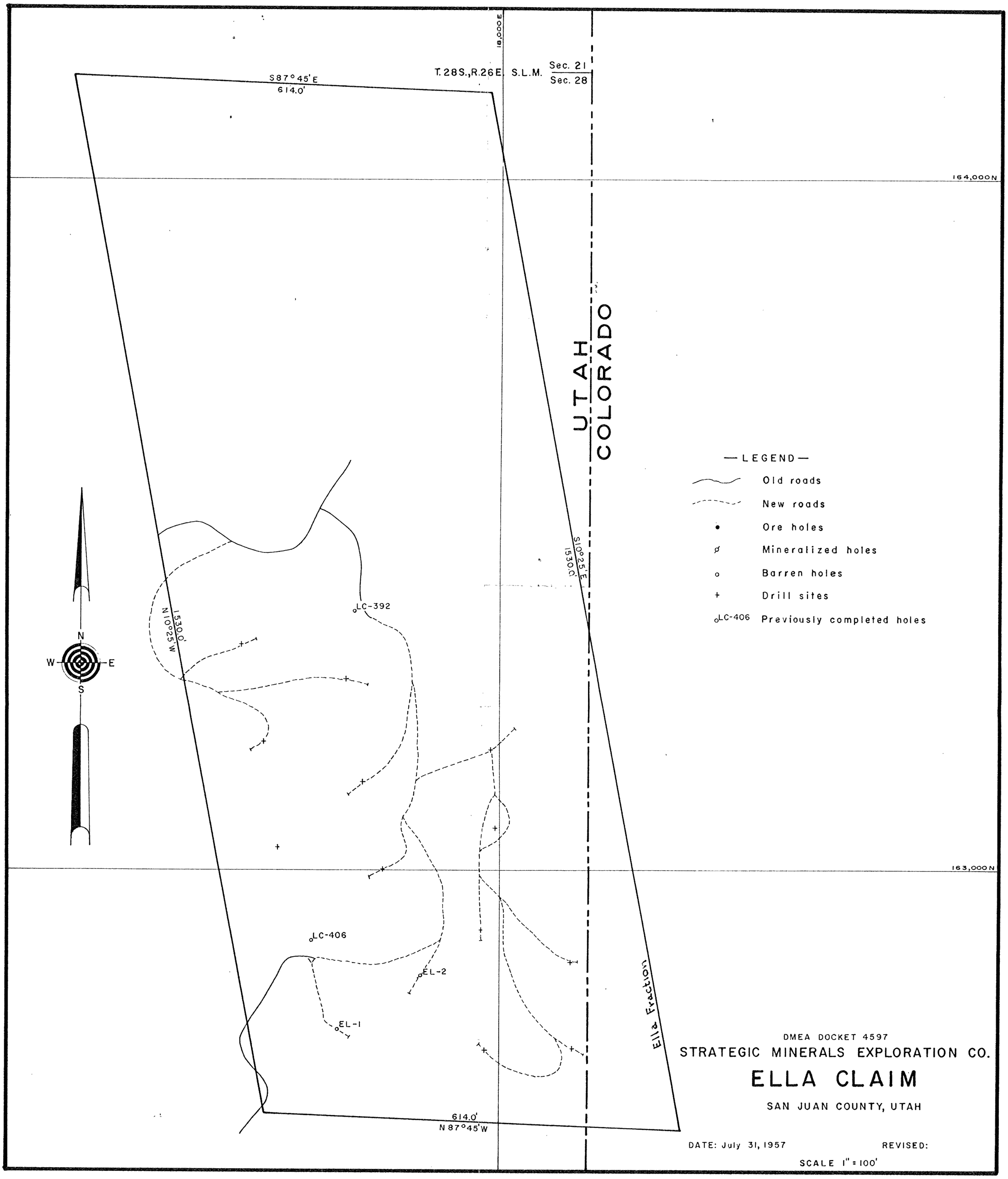
Your application for exploration assistance, dated January 3, 1957 submitted to our office at Denver, Colorado has been assigned Docket Number DMEA-4597 and referred to the Rare & Miscellaneous Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:
Code 700
Region III

6816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COLORADO
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163,000 N
LC-406
EL-2
EL-1
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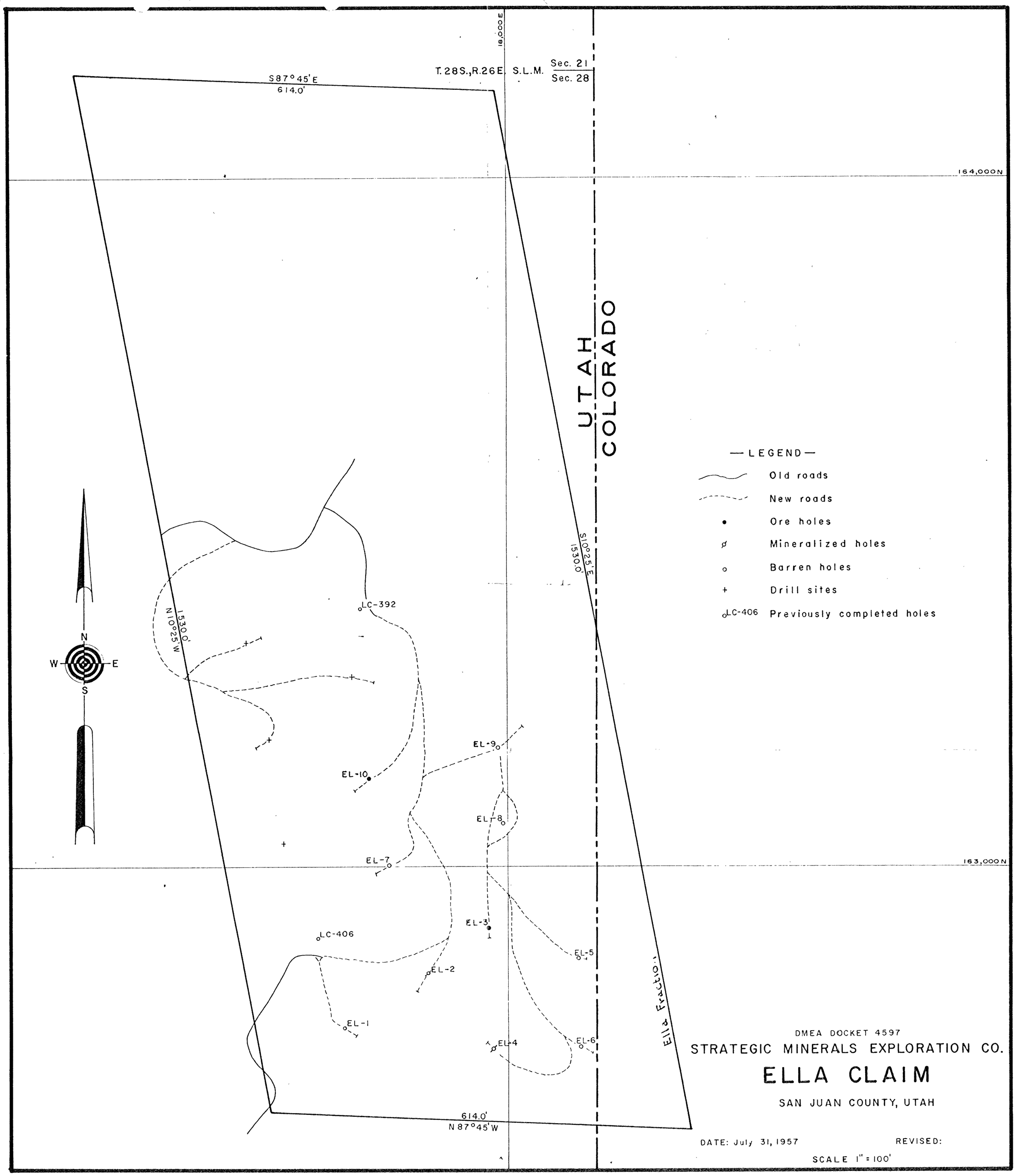
614.0'
N 87° 45' W
— LEGEND —
Old roads
New roads
Ore holes
Mineralized holes
Barren holes
Drill sites
LC-406 Previously completed holes
DMEA DOCKET 4597
STRATEGIC MINERALS EXPLORATION CO.
ELLA CLAIM
SAN JUAN COUNTY, UTAH
DATE: July 31, 1957
REVISED:
SCALE 1" = 100'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EL-10
EL-8
EL-7
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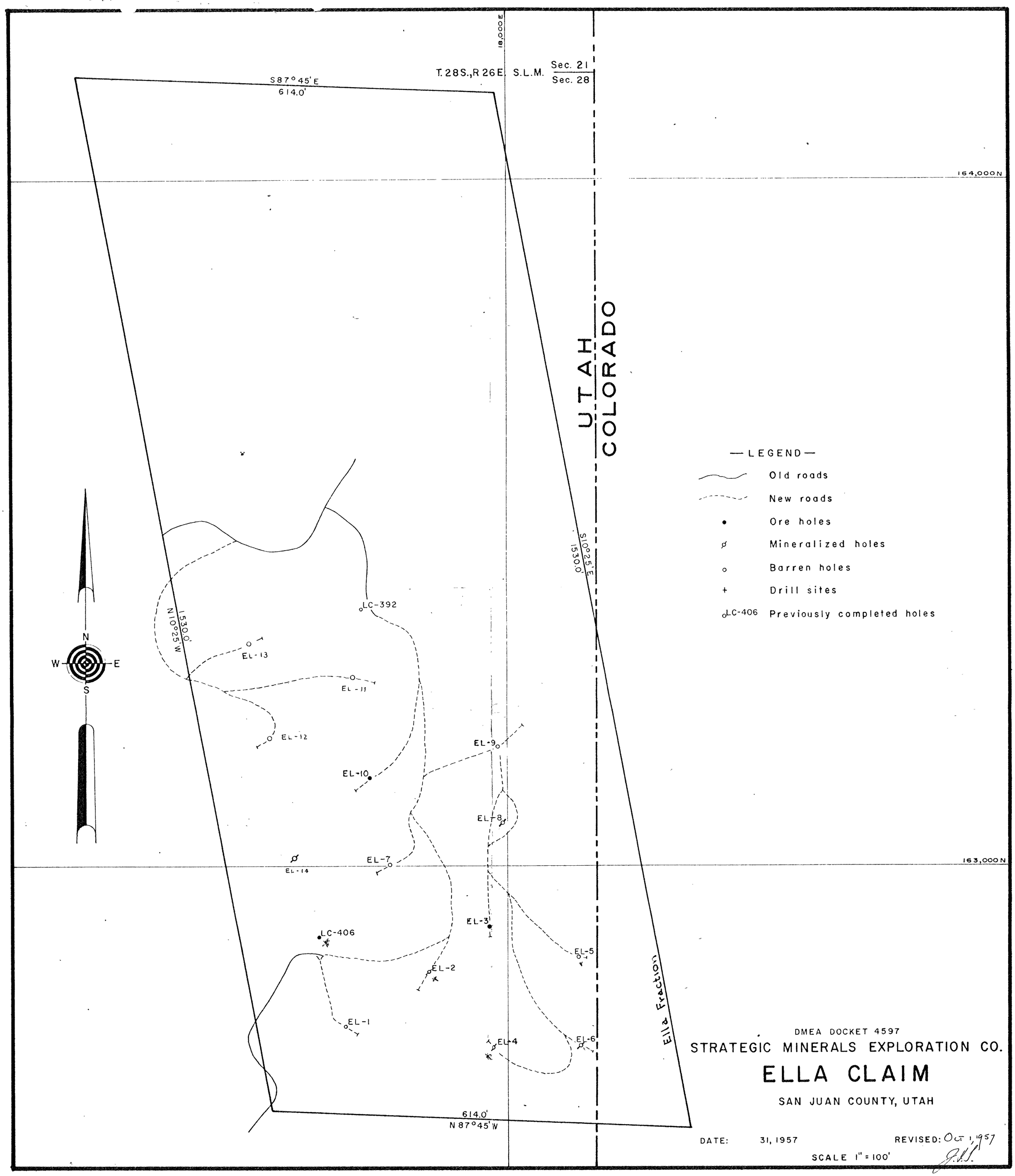
EL-3
LC-406
EL-5
EL-2
EL-1
EL-4
EL-6
Ella Fraction
614.0'
N 87° 45' W
— LEGEND —
Old roads
New roads
Ore holes
Mineralized holes
Barren holes
Drill sites
LC-406 Previously completed holes
DMEA DOCKET 4597
STRATEGIC MINERALS EXPLORATION CO.
ELLA CLAIM
SAN JUAN COUNTY, UTAH
DATE: July 31, 1957
REVISED:
SCALE 1" = 100'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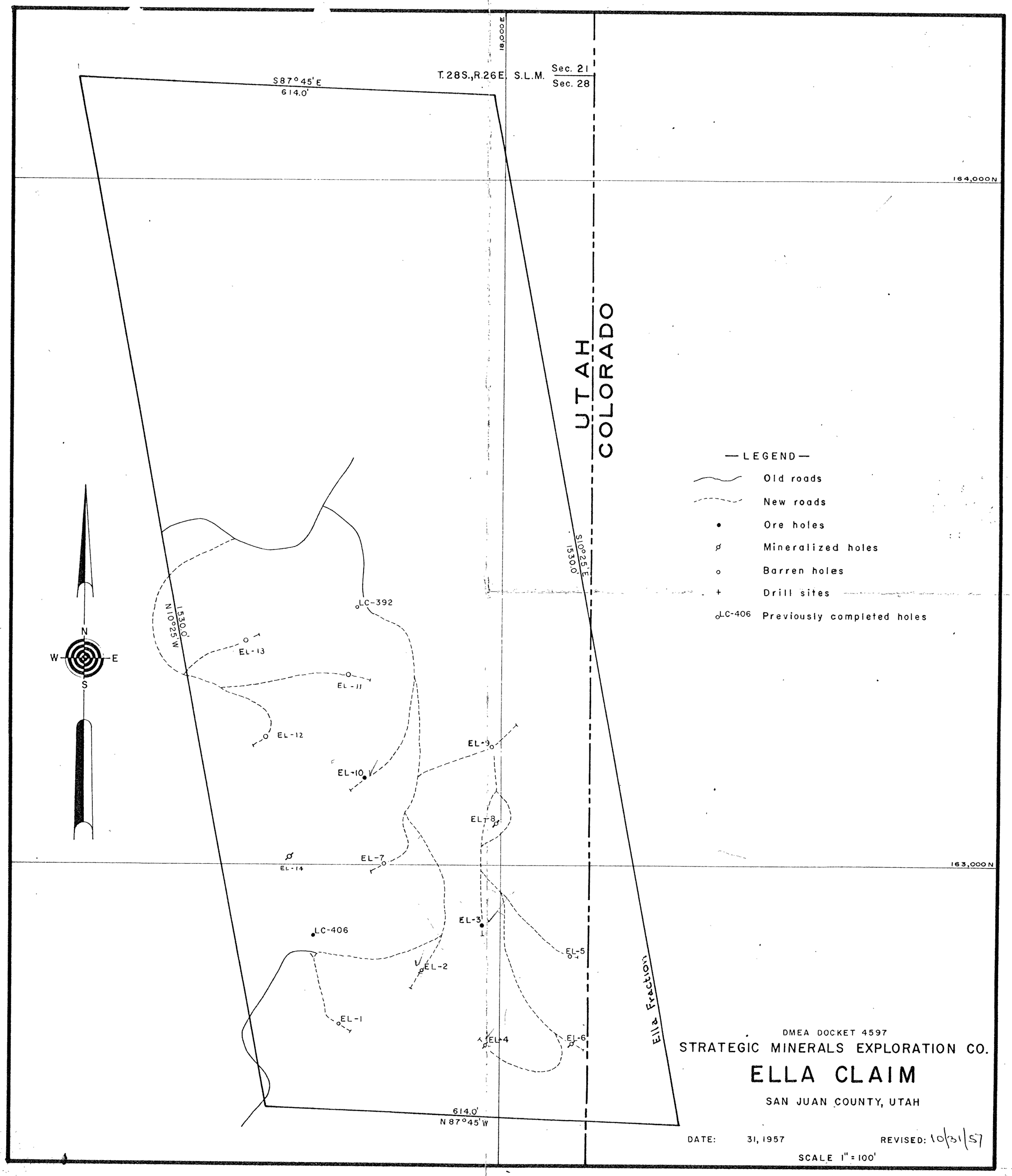
T. 28 S., R 26 E. S.L.M.
Sec. 21
Sec. 28
S 87° 45' E
614.0'
164,000 N
UTAH
COLORADO
S 10° 25' E
1530.0'
LC-392
1530.0'
N 10° 25' W
EL-13
EL-11
EL-12
EL-9
EL-10
EL-8
EL-7
EL-14
163,000 N
EL-3
LC-406
EL-5
EL-2
EL-1
EL-4
EL-6
Ella Fraction
614.0'
N 87° 45' W
N
W
E
S
— LEGEND —
Old roads
New roads
Ore holes
Mineralized holes
Barren holes
Drill sites
LC-406 Previously completed holes
DMEA DOCKET 4597
STRATEGIC MINERALS EXPLORATION CO.
ELLA CLAIM
SAN JUAN COUNTY, UTAH
DATE: 31, 1957
REVISED: Oct 1, 1957
SCALE 1" = 100'



DMEA DOCKET 4597

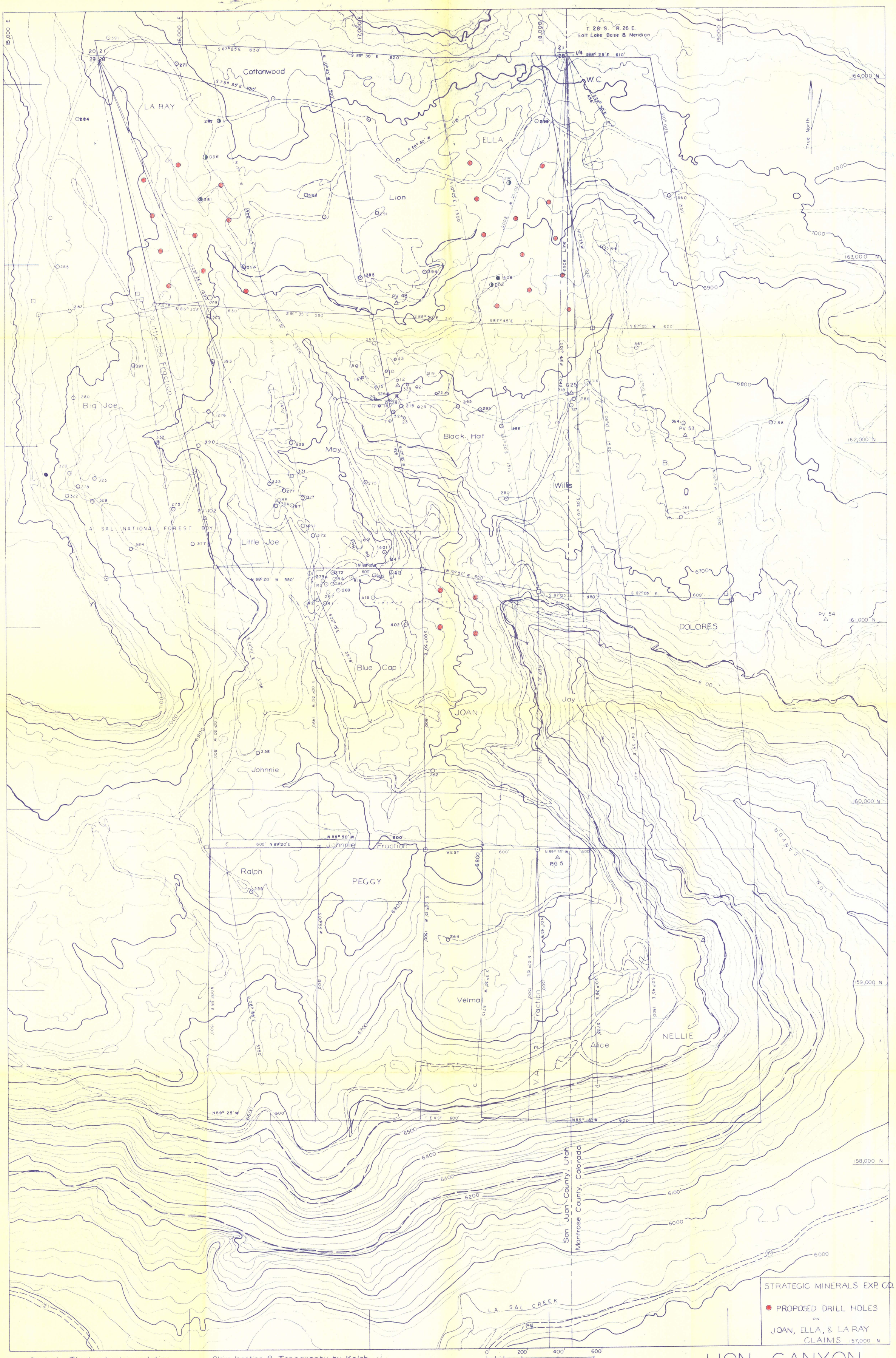
STRATEGIC MINERALS EXPLORATION CO.

ELLA CLAIM

SAN JUAN COUNTY, UTAH

DATE: 31, 1957 REVISED: 10/31/57

SCALE 1" = 100'



Control: Third order triangulation
(U.S.G.S. triangulation)
○ - Drill holes prefixed L.C.

Claim location & Topography by Kelsh
Plotter from aerial photographs
taken March 22, 1956 by
N. B. Platt.
Mapped by Norman B Platt

Contour interval = 20 ft.
Datum is mean sea level
Drafted by R. T. Sheets

LION CANYON CLAIM PLAT