IMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

IMEA NO. 4603

Application (Denied
(Withdrawn ✓
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
Report of Review
Termination Notice or Agreement
Recision Notice
Assignment of Contract
Contract Amendments (latest on top)
Contract with all exhibits and annexes
Owner's Consent to Lien
Subordination Agreement
✓ Leases and assignments of leases
✓ Application and attachments
(3) ✓ Envelope for maps

Right Side

Project summary
Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report (Tab)
Operator's Final Report
(2R) Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

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

2 separate envelopes in 1 expansion folder

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

9779

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BURTON F. REYNOLDS DRILLING

P. O. BOX 635 — GRANTS, NEW MEXICO

July I9, I957

Mr. Carl I. Dismant
Box T 458
Monticello, Utah

Dear Sir,

I understand you desire a drilling bid on property located in the Waterfall canyon area, Monticello, Utah. I would like to submit the following bid.

1. Plug drilling to 300' depth-$I.20
2. Any road work at location work to be done by you.
3. Any water to be furnished by you.

I have rigs available for this work at the present time and can start work any time. I would appreciate your consideration of this bid.

Sincerely yours,
Burton F. Reynolds
Burton F. Reynolds

CREEL DRILLING
BOX 1008
ALBUQUERQUE, NEW MEXICO
TELEPHONE 8-2383

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DATE	INITIALS	CODE

Mr. Carl I. Dismant
Post Office Box 7
Monticello, Utah

Dear Mr. Dismant:

We understand that you are accepting bids for shot hole drilling in the Waterfall Canyon Area in Utah. If this information is correct will you please place the following bid in your files.

0-400 feet $1.30 top to bottom for a minimum of 50,000 feet.

All water and location work plus any necessary road work to the location to be furnished by you.

We have rigs and equipment to do custom drilling from 0 to 3000 feet.

Yours truly,

Henry Creel Reynolds

HENRY CREEL REYNOLDS

19 July 1957

P. O. Box ~~747~~ 233

PHONE ~~1584-R~~ At. 7-4447

D. & W. DRILLING CO.

CORING & EXPLORING URANIUM

~~GALLUP~~, NEW MEXICO

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DATE	INITIALS	CODE

Grants,
July - 20, 1957

Mr. Carl Quimont
P.O. Box 7
Monticello, Utah.

Dear Sir:

Please accept the following bid on your property at Water Fall Canyon Area in Utah, approximately 20 miles north and 10 miles east of Monticello, Utah.

We submit the following bid;

0 - 300 feet - $1.15, Top to Bottom,

with a minimum of 50,000 feet.

All Water and location work to be furnished by you. We have equipment available to take care of this work.

Thanking you for the opportunity to bid on this drilling.

Sincerly Yours.
Earl Dunmore.
P.O. Box 233
Grants, N. Mex.

Phone - Atwater - 7-4447

AMENDMENT TO LEASE

WHEREAS, Molybdenum Corporation of America granted to Carl I. Dismant a lease on its Dry Valley mining property in San Juan County, Utah, dated September 10, 1953; and

WHEREAS, Dismant has been in operation of the mine since that time and the lease is in full effect and in good standing, but it develops that additional capital is necessary for the proper operation of the plant;

THEREFORE, Dismant has made arrangements with Atomic Resources Corporation for such financing.

Molybdenum Corporation of America hereby extends said lease to March 31, 1962, but said extension will not become effective until Atomic Resources Corporation has fulfilled the following requirements:

(1) Atomic Resources Corporation has put into operation a processing mill, the cost of which willnot be less than $60,000.00, with a capacity of not less than 60 tons per twenty-four hours;

(2) Atomic Resources Corporation has spent $100,000.00 for exploration and development of any ore discoveries found by such exploration in compliance with the following changes of Paragraph 2 of the original lease:

> Not less than $50,000.00 within the first year after date of assignment by Dismant to Atomic Resources Corporation, and not less than $6,000.00 each quarter thereafter until the full $100,000.00 has been expended during which time the requirement of monthly man-shifts shall be omitted.

On failure of Atomic Resources Corporation to comply with the foregoing, it will re-assign said lease to Dismant.

Nothing in the foregoing shall be a waiver of any requirements in the lease as to performance of annual labor.

After a period of three years, Paragraph 2 of the original lease will again become effective with the following modifications:

> "That the work requirements will be considered in quarters instead of on a monthly basis, or 450 man-shifts must be completed during each quarter".

In consideration of the agreement for extension of the lease herein, consent is hereby given by Molybdenum Corporation of America to the assignment by Carl I. Diamant of said lease to Atomic Resources Corporation provided however, upon such assignment Paragraph 13 of the original lease relating to royalties shall be changed as follows:

> "10 percent royalty on all money received from mill, refinery, or government purchasing depot on all ores and concentrates produced from the property and shipped thereto. Mill, smelter or government returns shall include net returns plus any government bonus that might be obtained but not including development allowance or haulage allowance paid to the shipper".

At the end of the extension of this lease, March 31, 1962, the lessee shall have the option of renewal of said lease for a period of 4 years, until March 31, 1966 with all terms and conditions of the original lease and any amendments thereto shall remain in full force and effect with the exception that Paragraph 13 of the original lease relating to royalty payments shall be changed after March 31, 1962, to read as follows:

> "10 percent royalty on all money received from mill, refinery or government purchasing depot on all concentrates:
>
> "10 percent royalty on all money received from mill, refinery or government purchasing depot on all crude ores up to and including $40.00 net value per dry ton of 2,000 lbs., and 15 percent on all crude ores having a value over $40.00 per dry ton of 2,000 lbs. Mill, smelter or government returns shall include net returns from mill, refinery or government purchasing depot, plus any government bonus paid but not including any development or haulage allowance paid by such plant".

Royalty payments will be made to lessor by lessee on or before the 20th day of each month on all money received for shipments of ore made the previous month.

Lessee shall have the right to remove any and all equipment, machinery and buildings placed on said property by lessee within six months after the termination of this agreement.

MOLYBDENUM CORPORATION OF AMERICA

Attest: /s/ Wm. B. Kuntz By /s/ Marx Hirsch
President
(Lessor)

(Seal)

/s/ Carl I. Dismant
Carl I. Dismant
(Lessee)

Date: July 21, 1955

AGREEMENT made this 26 day of May, 1955, by and between ATOMIC RESOURCES CORPORATION, a Nevada corporation, of 3918 Harry Hines Boulevard, Dallas, Texas (hereinafter referred to as "Atomic Resources"), CARL I. DISMANT, of 3037 Birch Street, Denver 7, Colorado (hereinafter referred to as "Dismant"), and SANTA FE WESTERN GAS & URANIUM CORPORATION, a Delaware corporation, of 1022 Park Avenue, S.W., Albuquerque, New Mexico (hereinafter referred to as "Santa Fe").

In consideration of Five Thousand Dollars paid to Dismant by Atomic Resources upon the execution hereof, receipt whereof is hereby acknowledged, and of the mutual covenants and agreements contained herein, the parties hereto covenant and agree as follows:

1. Dismant represents and warrants that he is the owner of Fifty and one-half percent. (50.5%) of the entire interest in four unpatented mining claims known as Kay D, Gillman Fraction, Dime Fraction, and Bertha M, and Fifty and one-half per cent. (50.5%) of the interest as lessee of twenty-nine unpatented mining claims under a lease dated September 30, 1953, from Molybdenum Corporation of America recorded in Book 13, Pages 447, 448 and 449 in the Office of the Recorder of San Juan County, Utah, all of said claims being located in the Dry Valley Mining District, San Juan County, Utah.

2. Santa Fe represents and warrants that it is the owner of Forty-nine and one-half per cent. (49.5%) of the entire interest in said four unpatented mining claims and of the interest of the

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lessee of said twenty-nine unpatented mining claims referred to in paragraph "1" hereof.

3. Dismant represents and warrants that said lease dated September 10, 1953, is in good standing; that he will do all things necessary to keep said lease in good standing until expiration of the sixty-day period referred to in paragraph "8" hereof or until termination of this agreement pursuant to paragraph "5" hereof; that good and merchantable title to said twenty-nine mining claims is vested in said Molybdenum Corporation of America and is subject only to said lease dated September 10, 1953, and further that his ownership of said four claims and his interest as lessee under said lease in said twenty-nine claims is subject only to the agreement dated June 22, 1954, between Santa Fe and Dismant by which his interest in all of the aforesaid properties was reduced to Fifty and one-half per cent. (50.5%) thereof by the conveyance to Santa Fe under said agreement of Forty-nine and one-half per cent. (49.5%) of his interest therein.

4. Dismant undertakes and agrees to use his best efforts immediately or as soon as is practicable to obtain an extension of the term of said lease dated September 10, 1953, from the present expiration date of September 15, 1958, to a date at least five years from the date of this agreement, upon terms not less favorable to the lessee than those of the existing lease. Said extension of said lease shall be in valid and recordable form. In addition, Dismant will use his best efforts to obtain the written consent of Molybdenum Corporation of America to the

transfer of rights and interests with respect to said mining claims as provided under his agreement with Santa Fe, dated June 22, 1954, and to the transactions contemplated under this agreement.

5. In the event that Dismant is unable to obtain the extension of the term of the lease and the consent referred to in paragraph "4" hereof within thirty days after the date hereof, this agreement shall terminate and Dismant shall return to Atomic Resources the $5,000 paid upon the signing hereof.

6. Dismant hereby gives and grants to Atomic Resources, its successors and assigns the exclusive right, privilege and option of purchasing, subject to the terms of said lease dated September 10, 1953, and of any such agreement extending the term of said lease, upon the terms and conditions hereinafter set forth, all of his right, title and interest in and to all mining claims owned by Molybdenum Corporation of America in the Dry Valley Mining District, San Juan County, Utah, on September 10, 1953, including the following:

Name of Claim	Recorded in the Office of the Recorder of San Juan County	
	Book	Page
Geneva	R	330
Roanoke	R	329
Gillman (also Gilman)	R	330 (112)
Dime	R	356
Logan	R	354
Good Hope	R	329
November	R	328
Dugway No. 1	R	543
V205	R1	65
Dugway No. 2	R	543
U308	R1	65
Bee	R	455
Red Match	R	455
Red Patch	R	544

Name of Claim	Recorded in the Office of the Recorder of San Juan County	
	Book	Page
Happy Jack No. 1	R	450
Happy Jack No. 2	R	450
Sunnyside	R	341
Valley View	R	342
Midvale	R	368
Neighbor	R	348
Coleman	R	367
Midway	R	368
Friscoe No. 1	T2	600
Friscoe No. 3	R1	526
Woodrow Wilson	L	432
Sunset	R	367
Woodrow Wilson No. 1	L	
Friscoe Spring Millsite	L	199
South Canyon Spring Millsite	T2	391

held by him under the aforesaid lease from Molybdenum Corporation of America dated September 10, 1953, and all his right, title and interest in and to four unpatented mining claims owned by him, known as KayD, Gilman Fraction, Dime Fraction and Bertha M, located in said Dry Valley Mining District.

7. Santa Fe gives and grants to Atomic Resources, its successors and assigns, the exclusive right, privilege and option of purchasing upon the terms and conditions hereinafter set forth 9.5% of all its right, title and interest in and to all of the mining claims (thereby reducing the interest of Santa Fe in said properties from 49.5% to 40%).

8. Immediately upon obtaining the extension of said lease dated September 10, 1953, as provided in paragraph "4" hereof, Dismant shall give Atomic Resources written notice by registered mail of such extension and shall deliver with such written notice a copy of the agreements or documents providing for such extension

and consenting to the agreement with Santa Fe dated June 22, 1954 and to the transaction contemplated under this agreement. Atomic Resources shall have the right to enter upon any of the properties covered by the aforesaid claims with its employees and equipment and at its expense to drill, explore, and take samples from said properties for a period of sixty days thereafter. Dismant will cooperate with Atomic Resources in connection with its exploration and will make available to Atomic Resources all information in his possession relating to said properties, and Atomic Resources will use reasonable care to avoid undue interference with operation of the properties.

9. The option may be exercised by Atomic Resources by giving to Dismant and to Santa Fe, respectively, written notice by registered mail at or prior to the expiration of said sixty-day period referred to in paragraph "8" hereof and by payment to Dismant of the additional sum of $65,000.00 for the 50½% interest and by payment to Santa Fe of $10.00 and other good and valuable consideration.

10. Immediately upon the exercise of said option Atomic Resources will enter into the performance of the obligations of the lessee pursuant to the terms of said lease dated September 10, 1953 (or pursuant to the terms of the extended lease, not more burdensome to the lessee than those of the said existing lease) and will indemnify Dismant and save him harmless from any claim or liability by reason of Atomic Resources' operation of the properties as aforesaid.

11. Five (5) days after mailing of written notice together with certified check to Dismant, and mailing notice to Santa Fe by Atomic Resources, that Atomic Resources has exercised its option as aforesaid, all mining operations by Dismant and Santa Fe shall cease and all ore on the claims above described shall become the property of Atomic Resources, except ore in the loading bins, if any, which ore shall be shipped for the account of Dismant and Santa Fe.

12. After exercise of its option under paragraph "9" hereof, Atomic Resources agrees to build an up-grading mill substantially in accordance with recommendations of Denver Equipment Company dated January 21, 1955, as heretofore exhibited to Atomic Resources, or in its discretion, another type of mill for the purpose of up-grading, beneficiating or concentrating uranium ores, at a cost of not less than $60,000.00, or such greater amount as in its sole discretion Atomic Resources may deem advisable.

13. After exercise of its option under paragraph "9" hereof, Atomic Resources agrees that it will expend a minimum of $50,000.00 for exploration and development of the aforesaid properties and may spend such greater amount for such purposes as in its sole discretion it deems appropriate; however, any sums expended for exploration, drilling or other purposes during the option period shall be applied against the minimum amount of $50,000.00 referred to above.

14. Atomic Resources shall be reimbursed for all of its expenditures made pursuant to paragraphs "12" and "13" hereof out of the first available net profits as such expenditures are

made from time to time. Net profits realized from the operation of the properties in excess of amounts needed for such reimbursement of expenditures by Atomic Resources shall be distributed as follows:

Atomic Resources	60.0%
Santa Fe	31.5%
Dismant	8.5%

such distributions to be made on June 30th of each year out of available funds after reasonable provision not exceeding $50,000.00 is made for operating and anticipated financial needs in the development and operation of the properties.

15. Atomic Resources shall be the manager and operator of the aforesaid properties on behalf of the several parties hereto and shall be reimbursed for all expenses reasonably incurred in connection with such operation. Personnel who are officers or employees of Atomic Resources shall receive reasonable compensation out of the proceeds of the operation of the properties for services actually rendered with respect to such operations. Dismant and Santa Fe shall at all times have access to the operating records pertaining to the property.

16. Nothing herein contained shall constitute the parties hereto co-adventurers or co-partners with respect to the transactions contemplated hereunder or any part thereof.

17. By execution of this agreement, Dismant and Santa Fe, respectively, waive any and all rights or claims against each other pursuant to paragraph "10" of the aforesaid agreement between them dated June 22, 1954, insofar as such rights or claims might in any manner affect Atomic Resources or its operation of the properties above described.

18. Any notice provided for by this agreement or given in connection with the agreement may be given by registered mail addressed to the address hereinabove set forth for each of the parties or to such changed address as may be established by written notice so addressed and mailed by any party to each of the other parties.

19. The parties hereto will execute and deliver such further documents as may be reasonably required to carry out the intent and purposes of this agreement.

20. This agreement shall be binding upon and shall inure to the benefit of the parties, their heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties, respectively, hereto have set their hands and seals the day and year first above written.

ATOMIC RESOURCES CORPORATION

(Corporate Seal) Attest:

By /s/ Merle Becker
President

/s/ Richard P. Brooks
Secretary

/s/ Carl I. Dismant (L.S.)
Carl I. Dismant

_____ (L.S.)

SANTA FE WESTERN GAS & URANIUM CORPORATION

(Corporate Seal) Attest:

By /s/ E. W. Brown
President

/s/ Lowell E. White
Secretary

COPY

CONTRACT AND AGREEMENT

THIS CONTRACT AND AGREEMENT, made and executed in triplicate this 22nd day of June, 1954, by and between SANTA FE WESTERN GAS AND OIL COMPANY, a Delaware corporation, of 1022 Park Avenue, SW, Albuquerque, New Mexico, hereinafter called "Western", and CARL I. DISMANT, of 3037 Birch Street, Denver 7, Colorado, hereinafter called "Dismant, WITNESSETH:

For and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable considerations, and subject to the terms, provisions, and conditions hereinafter set forth, the parties contract and agree as follows:

1. By these presents the parties hereto enter into a joint venture to be known as "Dismant Uranium Mines" to purchase, locate, lease, or otherwise acquire, mines, mining claims, mining rights, and lands and any interest therein, and explore, work, exercise, develop, and turn to account the same; to quarry, mine, smelt, refine, dress, amalgamate, and prepare for market, ore metal and mineral substances of all kinds, and to carry on any other operations or business which may seem necessary, convenient, or incidental to any of the objects of the company; to buy, sell, manufacture, and deal in minerals, plants, machinery, implements, conveniences, provisions, and things capable of being used in connection with the mining or other operations of this joint venture, or required by workmen and others employed by the company; to construct, carry out, maintain, improve, manage, work, control, and superintend, any roads, ways, railways, bridges, reservoirs, watercourses, aqueducts, wharves, furnaces, mills, crushing works, hydraulic works, factories, warehouses, and other works and conveniences which may seem necessary, convenient, or incidental to any object of the company and to contribute to subsidize, or otherwise aid or take part in any such operations.

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2. Dismant contracts and agrees to sell to Western, and Western contracts and agrees to purchase forty-nine and one-half percent (49½%) of Dismant's interests in and to a mining lease, dated September 10, 1953, from Molybdenum Corporation of America of twenty-nine (29) unpatented mining claims in the Dry Valley Mining District of San Juan County, Utah, which consists of the groups of claims known as the Waterfall Group, Wilson Group, Sunset Claim, and Frisco Group and 4 unpatented mining claims owned by Dismant, known as Kay D, Gillman Fraction, Dime Fraction, and Bertha M, together with a forty-nine and one-half percent (49½%) interest in and to all machinery and equipment owned by Dismant which is now being used in connection with the operation of said thirty-three mines. Said lease is filed of record in the office of the County Clerk of San Juan County, Utah, and reference is made to those records for the full and complete legal description of the same. The interests of the parties in and to these thirty-three claims shall be assets of the joint venture, together with all machinery and equipment of the parties, or either party, which is being used in connection with the mining operations now being conducted on any or all of these thirty-three claims. Dismant represents that said lease dated September 10, 1953, carries and is subject to a ten percent (10%) royalty payable to and for the benefit of the said Molybdenum Corporation of America. Other assets of the joint venture shall be such other claims, mining interests, and equipment as may hereafter be acquired by the parties.

3. In consideration of the above specified interest, Western contracts and agrees to pay to Dismant as his separate property, the sum of Sixteen Thousand and no/100 Dollars ($16,000.00) cash, and issue in his name or his nominee, fifty thousand (50,000) shares of the common stock of Western, and to furnish to the joint venture the sum of Thirty-four Thousand and no/100 Dollars ($34,000.00) cash to be used as operating capital of the joint venture and which will become an asset of the joint venture.

4. This joint venture shall commence operation and become effective as soon as clearance is received by Western from the Federal Securities Exchange Commission of an amended prospectus to be filed

with said Commission by Western. As of that date all bills and accounts in connection with the present operation of said thirty-three claims, shallbe paid in full by Dismant, with the exception of a balance due on a contract or note for the purchase of a mine shuttle car, which shall be assumed and paid by the joint venture. Coincident with the commencement date of this joint venture, Western contracts and agrees to pay the considerations specified above in paragraph numbered 3. The cutoff date for all shipments of ore from the claims shall be as of midnight on the date of such clearance by Federal Securities Exchange Commission of said amended prospectus, payments for all ore shipped prior to that date shall belong to Dismant and payments for ore shipped thereafter shall be for the benefit of the joint venture.

5. It is specifically contracted and agreed that this agreement is subject to the objections, if any, of the Federal Securities Exchange Commission. It is further contracted and agreed that if said amended prospectus is not cleared by the SEC within thirty (30) days from and after the date of filing of the same with SEC, this contract and agreement shall be null and void and of no further force and effect, with all parties releasing the other of and from all liabilities and obligations otherwise arising hereunder.

6. The operating management of Dismant Uranium Mines shall consist of Dismant and the President of Western, or his designated nominee, with each of said two individuals having an equal voice in the management of the joint venture. The parties hereto and their representatives agree to cooperate with each other in all respects concerning the business of said joint venture, but in the event of a dispute or failure to agree, a mutually acceptable third party shall be designated to serve as an arbitrator, and in the event the parties cannot agree on such third party, such person shall be designated and appointed upon petition by either party by the presiding Judge of Second Judicial District Court in and for the County of Bernalillo, State of New Mexico.

7. The profits or losses resulting from the operation of the joint venture shall be divided or borne between the parties in

proportion to their respective ownership interests in and to the joint venture, which initially is 49½% to or by Western and 50½% to or by Dismant. The profits shall be distributed in proportion to the interests owned as the operating management of the joint venture may from time to time determine.

8. In the event of the death of Dismant, an option is hereby given to Western for the purchase of an additional one percent (1%) interest in said joint venture for the sum of Ten Dollars ($10.00) cash, with said option to be exercised by Western within ninety (90) days from and after the demise of Dismant, or within ninety (90) days after the death of Dismant is legally established, whichever first occurs. The effect of the exercise of such option will be that Western will then own 50½% of the interest in said joint venture, and the heirs, executors, and/or administrators of Dismant will then own 49½%.

9. Dismant specifically contracts and agrees that none of the stock to be issued to him in Western shall be sold to any third party unless in every instance Western has first been given written notice of such proposed sale and has been given an opportunity for a period of thirty (30) days thereafter to purchase for itself, its nominees or assigns, such stock as is proposed to be sold at the same price and upon the same terms and conditions as to payment offered by such third party less any sales commission.

10. In no event shall either of the parties hereto sell any part or all of their interests in said joint venture to any third party unless in every instance the other party hereto has been given written notice of such proposed sale and has been given an opportunity for a period of thirty (30) days thereafter to purchase for itself, its nominees or assigns, such interest as is proposed to be sold at the same price and upon the same terms and conditions as to payment offered by such third party less any sales commission. There shall be attached to such notice a duplicate, original bona fide offer from such third party to purchase the premises, and a duplicate bona fide written acceptance of such offer subject only to the other party's hereto prior right to purchase such interest. Should any sale, transfer, or pledge

be made by either party hereto or its interest in the joint venture, or any part thereof, neither the joint venture nor the other party hereto shall be required to recognize the transferee or pledgee of such interest. The sole right of any such transferee or pledgee shall be to receive from the joint venture from time to time any distributions which the assignor of such interest would have been entitled to receive but for such sale, transfer, or pledge.

11. Dismant represents and certifies that said lease dated September 10, 1953, is in good standing and that good and merchantable title to said twenty-nine mining claims is vested in the said Molybdenum Corporation of America, and the same is subject only to said sub-lease to John W. Hargrove on the Sunset, Valley View, and Sunnyside claims, for a period of one year and that Dismant is the owner of the four unpatented claims contiguous to Molybdenum Corporation of America claims.

12. Full and complete books of account of the joint venture shall at all times be kept and maintained at such places and places as may from time to time be designated by the operating management. The parties hereto shall have the right to examine the books and records of the joint venture at any and all times during reasonable business hours and to make copies of any part or all of the same.

13. This agreement shall remain in full force and effect until terminated by written agreement of the parties hereto, or until the operating management shall determine that the purposes of the joint venture have been fully accomplished. Upon termination of this agreement, the parties shall proceed with the orderly liquidation of any joint-venture assets then remaining, and after the payment of all costs and expenses of such liquidation, and of all liabilities and indebtedness of the joint venture, and if the respective parties have not received income equal to all cash contributed as capital to the joint venture, then the difference between the amounts contributed and the amounts of income received shall be paid to the parties entitled thereto, and the assets remaining or the proceeds therefrom shall be

distributed to the parties in proportion to their then ownership of said joint venture.

14. This contract and agreement shall be binding upon the heirs, executors, administrators, and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed and caused this instrument to be executed on the day and year first above written.

SANTA FE WESTERN GAS AND OIL COMPANY

ATTEST:

/s/ Lowell E. White
Secretary

By /s/ Caswell Silver
President

(Corporate Seal)

/s/ Carl I. Dismant
Carl I. Dismant

A C K N O W L E D G M E N T

STATE OF COLORADO)
) ss.
City and County of Denver)

On the 24th day of June, A.D. 1954, personally appeared before me CARL I. DISMANT, the signer of the above instrument, who duly acknowledged to me that he executed the same.

Notary Public

My Commission expires:

STATE OF NEW MEXICO)
) ss.
County of Bernalillo)

On the 24th day of June, A.D. 1954, personally appeared before me CASWELL SILVER, who being by me duly sworn, did say that he is the President of Santa Fe Western Gas and Oil Company and that said instrument was signed in behalf of said corporation by authority of its Board of Directors and said Caswell Silver acknowledged to me that said corporation executed the same.

/s/ Harry O. Morris
Notary Public

My Commission Expires:
6/17/55
(Seal)

C O P Y

C O P Y

STATE OF COLORADO }
CITY AND COUNTY OF DENVER } SS.

AFFIDAVIT

CARL I. DISMANT being first duly sworn upon his oath according to law deposes and says:

1. That he is the Lessee under the terms of that certain lease dated the 10th day of September, 1953, in which the Molybdenum Corporation of America is the Lessor, which said Mining Lease grants unto the Lessee the right to extract and mine minerals from all mining claims owned by the said Molybdenum Corporation of America, located in the Dry Valley Mining District, County of San Juan, State of Utah, which said Mining Lease is duly recorded in Book 13 at Page: 447, 448, 449, of the records in the Clerk and Recorder's Office of San Juan County, Utah.

2. That the following listed claims, together with their location page Book and Page in the records of San Juan County, Utah, are the duly listed claims of record owned by the Molybdenum Corporation of America, and leased to the said Lessee and affiant hereunder, under the terms of said Lease :

Geneva	Book R	Page 330
Roanoke	Book R	" 329
Gillman also Gilman	Book R	" 330 (112)
Dime	Book R	" 356
Logan	Book R	" 354
Good Hope	Book R	" 329
November	Book R	" 328
Dugway No. 1	Book R	" 543
V_2O_5	Book R1	" 65
Dugway No. 2	Book R	" 543
U_3O_8	Book R1	" 65
Bee	Book R	" 455
Red Match	Book R	" 455
Red Patch	Book R	" 544
Happy Jack No. 1	Book R	" 450
Happy Jack No. 2	Book R	" 450
Sunnyside	Book R	" 341
Valley Vie	Book R	" 342
Midvale	Book R	" 368

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x-Neighbor

Neighbor	Book R	~~366~~Page 548
Coleman	Book R	Page 367
Midway	Book R	368
Frisco No. 1	Book T2	Page 500
~~Frisco No. 3~~	Book R1	Page 526
Woodrow Wilson	Book L	Page 432
Sunset	Book R	" 367
Woodrow Wilson No. 1	Book L	433
~~Frisco Spring Millsite~~	Book L	" 199
~~South Canyon Spring Millsite~~	Book T2	" 391

The above claims are all in the Dry Valley Mining District.

Also the E.½, N.W.¼, Sec. 35, Township 30, S.R. 24 E. (160 Acres)

3. That said Lease likewise contains any and all other claims owned by the Molybdenum Corporation of America in the Dry Valley Mining District, in San Juan County, State of Utah, not specifically designated in this affidavit, and that the said Lessee is the duly designated Lessee thereof under the terms of said Lease.

Further affiant saith not.

/s/ Carl I. Dismant

Subscribed and sworn to before me this 9th day of October, A. D. 1953.

My Commission expires November 12, 1956.

(Seal)

/s/ Martha Welpton
Notary Public

Entry No. E-9216 442
Recorded 10-14-53 at 9:50 A.M. Book 19, Page 443
Fee Paid San Juan County Recorder
$ 6.90 /s/ Arvilla E. Warren
Dep.

E-8757

MINING LEASE

THIS AGREEMENT AND LEASE made this 10th day of September 1953, between Molybdenum Corporation of America,

of 500 Fifth Avenue, New York City, of the first part, hereinafter called the "Lessor", and Carl I. Dismant

of 3037 Birch Street, Denver 7, Colorado, of the second part, hereinafter called the "Lessee".

WITNESSETH, That for and in consideration of the rents, royalties, covenants and agreements hereinafter expressed to be paid, kept and performed by the Lessee, the Lessor has granted, let and demised, and by these presents does grant, let and demise, unto the Lessee all of the right, title and interest of the Lessor in and to the following described mining property and premises, situated in the Dry Valley Mining District, County of San Juan State of Utah to-wit:

All Mining Claims of record of Molybdenum Corporation of America in the Dry Valley Mining District, County of San Juan, State of Utah.

TO HAVE AND TO HOLD the demised premises unto the Lessee, with the right to mine, extract and remove ore therefrom and to sell and dispose of the same as-hereinafter provided for the term of five years, commencing at Noon on the 15th day of September, 1953 and ending at Noon on the 15th day of September, 1958, subject to the terms and conditions of this agreement, unless sooner forfeited or determined through the violation of any of the terms, conditions, covenants or agreements hereinafter against the Lessee expressed or reserved.

The Lessee, for and in consideration of the demise of said premises, hereby covenants and agrees with the Lessor as follows:

1. To enter upon said premises on the first day of the term hereof, and to work the same in a thorough and minerlike manner so as to take out the greatest amount of ore possible, with due regard to the development and preservation of said premises as a workable mining property and to the unworked ground for future continued mining operations, and to the other covenants hereinafter expressed.

To work and mine the demised premises steadily and continuously from the first day of the term hereof with a force of at least men working at least Sixty, eight-hour shifts per month during the first six months and 100 shifts per month during the following six months and 150 shifts each month thereafter.

3. Any time after two and one-half years has elapsed or before the expiration of the lease if lessee believes that additional time is necessary for the extraction of ore which has been developed, both parties agree to carry on negotiations for possible extension of lease for a term of years to be mutually agreed upon at such time.

3-a. In addition, work will be performed by lessee as outlined in letter dated August 18, 1953 to Mr. Marx Hirsch, President of Molybdenum Corporation, signed by Carl I. Dismant, Lessee.

3.b To repair and replace all old timbering upon the demised premises wherever it may become necessary and to well and sufficiently timber said mine and mining premises wherever proper and nessessary in accordance with good and safe mining practices.

4. To keep and hold as the property of the Lessor all cross and parallel lodes, spurs or mineral deposits of every kind and nature that may be uncovered, disclosed or discovered on or within the demised premises by the Lessee, or by any person employed by, through or under the Lessee, or by any person in privity with such Lessee, with the privilege to the Lessee of working the same as part and parcel of the demised premises.

5. To at all times keep the drifts, shafts, tunnels and all other workings on the demised premises thoroughly drained and clear of loose rock and rubbish; to stow no waste underground without the written consent of the Lessor; and to properly care for all dumpings and tailings and prevent their accumulation upon any part of the demised premises remaining unworked.

6. To do no underhand steping below the bottom of any working level or winze; to do no stoping or breaking of ore rock within feet of any working shaft; to make all shafts at least three and one-half (3½) feet by seven (7) feet in the clear, all drifts and tunnels at least six (6) feet high by three and one-half (3½) feet wide in the clear, and all winzes and raises at least three and one-half (3½) feet by seven (7) feet in the clear.

7. To allow the Lessor, and his agents, from time to time and at any time, to enter upon and into all parts of the demised premises for the purpose of inspection, survey, taking ore samples, or otherwise; and to give to the Lessor such assistance as may be necessary or proper to accomplish any such inspection, survey, sampling or otherwise.

8. To keep true and accurate record showing all ore taken from said premises and from which part thereof, the disposition thereof, the amount received therefrom, and a record of all assays of ore taken from said premises, together with complete maps of all development as the work progresses; said accounts, records and maps shall be open to the inspection of the Lessor, or his agents, al all times during ordinary business hours, and the Lessor shall have the privilege of making extracts therefrom or copies thereof.

9. To make no assignment of this lease, or any interest hereunder, nor to sublet the whole or any part of the demised premises, without the written consent of the Lessor first had and obtained, and to allow no party not in privity with the parties hereto to take or hold possession of the demised premises, or any part thereof, under any pretext whatsoever, except as shown in provision 13-A below.

10. To promptly pay for all labor, material and supplies to be done for, or furnished to, the Lessee, or any person or persons under him or in privity with him upon said premises; and if any lien be filed, or if the Lessee shall become insolvent or bankrupt, or make an assignment for the benefit of creditors, or if any part of the pay roll, or any other indebtedness incurred in connection with the operations of the Lessee shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the Lessor, may, at his election, declare a forfeiture of this lease, as hereinafter provided.

11. To indemnify and save harmless the Lessor from any and all liability for any accident, injury of loss to any property, or to any party or parties whatsoever, arising out of, or incurred in connection with the operation or mining of the demised premises for any reason whatsoever. To carry a proper amount of Workman's compensation insurance for the purposes aforesaid, and to comply with all of the rules and regulations of any public or governmental authority having supervision or jurisdiction over the demised premises and the operations thereon.

12. To pay, or cause to be paid, during the term hereof, any and all taxes assessed upon the demised premises, the improvements thereon and the ores mined and shipped therefrom, beginning with the taxes for the year 1954.

13. To allow and pay to the Lessor, as royalty upon all ores mined, shipped or sold from the demised premises in any manner during the term hereof the following (it being expressly understood and agreed that the lessor reserves unto himself the property and right of property in and to all ores mined and extracted from the demised premises during the the term hereof), to-wit:

10% royalty on all money received from the mill, refinery, or Government purchasing depot, to which the ore may be shipped, after deducting hauling charges from the growy amount. In the event the Government reimburses all of the hauling charges, no deduction will be made for such hauling. Only actual out-of-pocket money for hauling charges will be deducted from net mill, refinery or Government settlements.

It is understood that Vanadium Corporation will have the right to be offered the ore produced from such lease, providing the price or gross amount to be paid for the ore will be equal or greater than the price which can be obtained from otherm sources. If Vanadium Corporation does not want the ore or will not meet the price to be paid by other purchasers, then lessee has the right to sell to purchaser that will pay the most money.

All settlements to be made upon the smelter, mill or sampler net assay values, deducting therefrom only the actual cost of transportation and treatment.

13-A Lessee reserves the right to transfer the lease to a company or Corporation of his choosing for the operation of the property. Any transfers of later date will only be made as specified in Paragraph 9.

13-B Lessee agrees to pay lessor the sum of $2,000.00 which is to be considered as advance royalty for the first year of operation. In the event that royalties as stated above exceed the $2,000.00 for the first year, then the lessor will receive the excess of this amount in the usual manner.

14. To preserve and redeliver to the Lessor quiet and peaceable possession of the demised premises, with the appurtenances and all improvements, machinery and buildings thereon in good order and condition, with all drifts, shafts, tunnels and passages thoroughly clear of Loose rocks and rubbish and drained, and the ground and mines ready for immediate continued working and mining, without demand or further notice, at the date of the expiration hereof, or at any time previous thereto, upon demand, upon the termination or forfeiture hereof; purtenances and material, used or installed by the Lessee on the demised premises shall thereupon revert to and become the property of the Lessor.

Upon the failure of the Lessee to keep and fulfill any and all agreements and covenants herein expressed or implied, then and in that event it shall be lawful for the Lessor, his agents or attorneys, to declare the term hereof ended and this lease null, void and of no further force or effect, and with or without notice or process of law to enter upon and take possession of the demised premises and dispossess all persons occupying the same, with or without force, or, at the option of the Lessor, the Lessee and all persons found in occupation or possession may be proceeded against as being guilty of unlawful detainer.

Any notice given by the Lessor shall be deemed sufficiently served and shall be held to be Binding upon the Lessee or any person holding or claiming to hold any interest in the demised premises through or under the Lessee, if the same is deposited post paid in a United States Post Office, addressed to the Lessee at

Time is of the essence of this agreement, and this lease shall be appropriately construed to include each of the above-named Lessors and Lessees, whether one or more and whether individuals, associations or corporations, and the terms and conditions hereof shall extend to, and be binding upon, the heirs, executors, administrators, successors and assigns of the parties hereto.

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

MOLYBDENUM CORPORATION OF AMERICA (SEAL)

By /s/ Max Hirsch (SEAL)
Mars Hirsch, President
Lessor

SEAL OF MOLYBDENUM CORP.

ATTEST:

/s/ _____ Kuntz
SECRETARY

/s/ Carl I. Dismant (SEAL) (SEAL)
Carl I. Dismant

ENTRY NO. * E-8757

Recorded 3 - 10 - 58 At 11:45 AM
Book 13 Page 447, 448, 449
Fee Paid $ 7.30
San Juan County Recorder
/S/ Arvilla E. Warren
E. C. R.

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

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RECEIVED JAN 11 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

January 9, 1957

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium) Atomic Resources Corporation (Waterfall Group) San Juan County, Utah

Enclosed are the original and one copy of the subject application in the amount of $81,995.00. 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.

No copy of the lease to Carl I. Dismant was submitted with the application. Also, no copy of Dismant's assignment of part of his interest in the lease to Santa Fe Western Gas & Uranium Corporation, or copy of the amended agreement between Molybdenum Corporation and Dismant have been submitted.

The application proposes work in two stages. Stage I in the amount of $12,250.00 is for surveying, sampling, geology, and mine rehabilitation; none of which is exploration. The proposal for Stage II includes drilling, but no drilling bids have been submitted. It appears that the Applicant proposes to use his own drilling rigs at an independent contract price of $1.10 per foot plus rental on the drill rigs.

You will remember that Carl I. Dismant is the former operator of the Bachelor Development Company, DMA 1243X, Contract Idm-E86.

One copy of an Exploration and Evaluation Program on the Dismant lease properties by Chapman and Wood was presented

with the application, with the request that it be returned as soon as possible. This report is being forwarded the Grand Junction Office, DMEA for their use in preparing their recommendations.

DMEA Field Team, Region III

E. N. Harshman

E. N. Harshman
Acting Executive Officer

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 11 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

January 9, 1957

Memorandum

To: J. W. Hasler

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium) Atomic Resources Corporation (Waterfall Group) San Juan County, Utah

Enclosed is the subject application in the amount of $81,995.00. Will you please discuss this application with the Bureau of Mines representative in the Grand Junction Office, DMEA, and the AEC and forward this office nine copies of your joint recommendations concerning the advisability of making a field examination.

Also enclosed with your copy of the application is the only copy of a report by Chapman and Wood on the Dismant Lease properties. The Applicant has requested that this report be returned to him as soon as possible. When this report has served its purpose, will you please return it to this office.

DMEA Field Team, Region III

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer

Enclosures

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

ATOMIC RESOURCES CORPORATION
523 THIRD STREET, N.W.
ALBUQUERQUE, NEW MEXICO

December 31, 1956

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 11 1957

DATE	INITIALS	CODE

Mr. John F. Shaw
Supervising Mining Engineer
U. S. Bureau of Mines
Building 20
Denver Federal Center
Denver 2, Colorado

Dear Mr. Shaw:

Enclosed herewith is the application of the Atomic Resources Corporation to the D.M.E.A. for an exploratory loan on its Waterfall Property.

The data in this application is arranged as follows:

1. Regular form MF-103.
2. Detailed answers to questions in MF-103.
3. "Outline of Proposed DMEA Exploration Program and Costs."
4. Index, claim group and claim maps of the property.

Under separate cover, by registered mail, I am sending you our only copy of the Chapman and Wood Report, March, 1955. This can be used for verification of the status of the property. Please return as soon as possible.

In addition, we have logs of the holes drilled by Atomic Resources in the summer of 1955, the logs of the holes drilled by Chapman and Wood, and pulp samples of the Chapman and Wood drilling. If you desire this data also, let me know.

I trust that this application is complete and, if not, that you will inform me promptly of the additional data required.

Very truly yours,

ATOMIC RESOURCES CORPORATION

M. Howard Milligan

M. Howard Milligan
Mining Geologist

MHM/ms

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

DMEA
DEPARTMENT OF THE INTERIOR
JAN 7 1957
REGION III
DENVER, COLORADO

RECEIVED JAN 11 1957 D.M.E.A.

Not to be filled in by applicant

Serial No. 4603
Metal or Mineral Uranium
Date Received 1-11-57
Estimated Cost $81,995
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: Atomic Resources Corporation
[illegible] Third Street N.W.
Albuquerque, N.M.

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

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

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

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

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

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

(*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.

(*e*) If you own the land, describe any liens or encumbrances on it No

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

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

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

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

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

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

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

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

(*c*) The work will start within 10 days and be completed within 6 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated January 4, 1957

Atomic Resources Corp.
(Applicant)

By James V. Reynolds, Pres.
523 Third St. N.W.

Albuquerque, New Mexico

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

ATOMIC RESOURCES CORPORATION

523 THIRD STREET, N.W.
ALBUQUERQUE, NEW MEXICO

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 11 1957

DATE	INITIALS	CODE

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

MF-103 - Revised April, 1952

(Details on Questions)

1. Name of Applicant:
   (a) Atomic Resources Corporation
   523 Third Street N.W.
   Albuquerque, New Mexico

   (b) Atomic Resources Corporation
   Incorporated in the State of Nevada, U.S.A.

   (c) Officers of the Corporation:
   President - James V. Reynolds
   523 Third Street N.W.
   Albuquerque, New Mexico

   Secretary - R. P. Brooks
   2300 Reagan St.
   Dallas, Texas

   Treasurer - John R. Less
   2300 Reagan St.
   Dallas, Texas

   (d) Partnership: No

3. Applicant's Property Rights:

   (a) The claims controlled by Atomic Resources Corporation known collectively as the Waterfall Group, lie in the following Township, Range and Section; see also the index map (Map No. 1).

   Waterfall Claims: Geneva, Roanoke, Gilman, Dime, Logan, Goodhope, November, U308, V205, Bee, Red Match, Red Patch - T31S, R24E, Secs. 1 and 12, T31S, R25E, Secs. 6,7,8 and 9. 12

   Woodrow Wilson Claims: #1 and #2, T31S, R24E, Secs. 3, 10 and 11. ? 2

   Sunset Claim: T31S, R25E, Sec. 30. 1

   Frisco Group: (Midway) Frisco #2, Neighbor, Coleman, ~~Hornet~~ (Midvale) T31S, R24E, Sec. 25 and 36. 5

   Happy Jack: #1 and #2, T32S, R23E, Sec. 1. 2

Atomic Resources Corporation
523 Third Street, N.W.
Albuquerque, N.M.

(b) Name of Property:
Waterfall Group

(c) Our interest in land: Lessee

(d) How do you control the property:

The history of the ownership of the Waterfall Group as far as we are interested is thus: The Waterfall Group was purchased by the Molybdenum Corporation of America in 1932. On September 10, 1953, that Corporation leased the property to Carl I. Dismant, but this lease is not presented here. In the middle of 1954, Dismant assigned part of his interest in the lease to Santa Fe Western Gas and Uranium Corporation, but that agreement is not presented here. On May 26, 1955, Dismant and Santa Fe assigned part of their respective interests in the lease to Atomic Resources Corporation and the agreement between Santa Fe and Atomic Resources is herewith submitted as Document No. 1. On July 21, 1955 Molybdenum Corporation and Dismant amended their agreement, but it is not presented here. On March 21, 1956 Molybdenum Corporation, Dismant, Santa Fe, and Atomic Resources amended the various prior agreements and that agreement is presented here as Document No. 2. On July 25, 1956 Santa Fe quit claimed certain claims to Atomic Resources and that agreement is presented here as Document No. 3.

June

Documents Nos. 1, 2, and 3 are attached at the end of this report.

(e) Are you the land owner: No

(f) The following unpatented claims are recorded in the office of the Recorder of San Juan County, Utah:

Name of the Claim	Book	Page
1. Geneva	R	330
~~2. Geneva No. 2~~		
3. Roanoke	R	329
4. Roanoke No. 2	213	265
5. Gilman	R	330
6. Gilman Fraction	37	511
~~7. Gilman No. 2~~	213	264
8. Gilman No. 3	213	264
9. Dime	R	356
10. Dime Fraction	37	511
11. C.I.D.	39	261
12. Bertha M.	39	261
13. Kay D.	37	410
14. Logan	R	354
15. Goodhope	R	329
16. November	R	328
17. U_3O_8 (Dugway No. 2)	R - 1	65

Atom[illegible] Resources Corporation
523 Third Street, N.W.
Albuquerque, N.M.

18.	V_2O_5 (Dugway No. 1)	R-1	65
19.	Bee	R	455
20.	Red Patch	R	544
21.	Red Match	R	455
22.	Woodrow Wilson	L	432
23.	Woodrow No. 1	L	
24.	Sunnyside	R	341
25.	Valley View	R	342
26.	Neighbor	R	548
27.	Coleman	R	367
28.	Midvale (Hornet)	R	368
29.	Midway (Frisco No. 2)	R	368
30.	Frisco No. 1	T-2	600
~~31.~~	~~Frisco No. 3~~	R-1	526
32.	Sunset	R	367
33.	Happy Jack No. 1	R	450
34.	Happy Jack No. 2	R	450
~~35.~~	~~Frisco Spring Millsite~~	L	199
~~36.~~	~~South Canyon Spring Millsite~~	T-2	391

31

4. Physical Description:

(a) Almost all of these claims were located in 1913 - 1915, and except for the Jack Pot claims (2) and the U_3O_8 and V_2O_5 all of them have had some production from small or large mine workings. This can be seen on the Waterfall Group Map (#2) and the individual maps of all the claims in that group (Nos. 3 - 14) also maps of the Wilson, Sunset, Frisco, and Happy Jack Claims (Nos. 15, 17, 16, 18).

Atomic Resources Corporation
523 Third Street N.W.
Albuquerque, N.M.

In the accompanying report of Chapman & Wood is given a summary of the past history and production of this property.

During the summer of 1955 we conducted a two month exploratory drilling campaign on the property and in September 1955 we purchased a major interest in the Dismant Uranium Lease. In December, 1955 the firm of Chapman and Wood, a consulting engineering firm in Albuquerque, was contracted to further survey and explore the property. We have also stripped a large portion of the Gilman ore body and have built a 100 ton up-grading mill on the property. We have all the necessary equipment for production that is needed: front end loaders, compressors, hammers, trucks, etc.

At this time all of the mine workings except the Happy Jack are accessible for examination purposes.

(b) There is no current production. We have stockpiled 200 tons of ore at the mill site and 40 tons of concentrate. The ore reserves are given in the Chapman and Wood Report of March 1956 and are as follows:

Direct shipping ore: 13,170 Tons @ .270% U308 and 1.26% V205

Mill Grade ore: 15,000 Tons @ .152% U308 and 0.79% V205

Geologically inferred ore:
(a) 4,000 Tons @ .20% U308 and 1.0% V205
(b) 2,700 Tons @ .157% U308 and 1.70% V205
(c) 4,400 Tons @ .044% U308 and 1.64% V205

Dumps: 12,095 Tons @ .033% U308 and 0.56% V205

Total All Categories:

51,365 Tons @ .149% U308 and 0.99% V205

Past production is not accurately known, but has been estimated to total from $3,000,000 to $10,000,000.

(c) The deposits on this property are typical flat-lying uranium-vanadium ore bodies in the upper sandstone unit of the Salt Wash formation in southwestern Utah. The geology is fully described in the Chapman and Wood report. Included with this report are all the maps that have been made to date, pertinent to this project.

Our reason for desiring further exploration is that about 70% of the acreage of the claims has not been explored at all. Evidence of this is shown on the claim maps.

(d) Access roads:
There are access roads to every claim and roads traversing every claim; a small amount of road work for drill sites will be required.

The nearest ore buyer, the custom uranium mill at Monticello, is thirty miles away, eleven miles of fair and good dirt roads, and nineteen miles of paved highway.

Supplies for mining and milling can be had out of Denver, Colorado, generally, while small items can be purchased locally in Monticello. Residence can be obtained in Monticello and the company has at this time two trailers at the mill site.

(e) It is believed that the supervisory engineering will be handled by personnel of A.R.C. presently on their pay roll; a geologist, two laborers, and a part-time secretary will be the only additional personnel that have to be hired. No large purchases or maintenance of equipment are planned. Water is available at the mill site, and no power is required on this project.

5. The Exploration Project:
(a) Uranium-vanadium
(b) Proposed work: See report and maps.
(c) The work will start within ten days and be completed within 190 days from the date of an exploration project contract.
(d) Atomic Resources Corporation has been actively engaged in mineral exploration and mining for the past year on the Waterfall property, at its Tonituk Mine near Shiprock, New Mexico, and at its Kachina Mine near Cameron, Arizona. It has at this time the following qualified mining personnel on its payroll:

1. Carl I. Dismant, age 60±, graduate mining engineer of the Colorado School of Mines, E.M. and Registered Professional Engineer in Colorado.
2. Mason Rankin, age 49±, graduate mining engineer of the Colorado School of Mines, E. M. and Registered Professional Engineer in Colorado.
3. M. Howard Milligan, age 38, graduate of the University of New Mexico, B.S. in Geology and Registered Professional Engineer in New Mexico.

6. Estimate of costs: (See also "Outline of Proposed DMEA Exploration Program and Costs").

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(a) Independent Contracts:

1. Surveying - 50 days work @ $100.00 per day	$ 5,000.00
2. Drilling - 36,000 ft. @ $1.10 per foot	39,600.00
	$ 44,600.00

(b) Labor, Supervision, Consultants (4½ mos.):

Labor, 2 men	$ 2,275.00	
Supervisor - Salary and Expenses	3,600.00	
Geologist - Salary	2,700.00	
Secretary - part-time -$100.00 per mo.	450.00	
		$ 9,025.00

(c) Operating materials and supplies: These will be handled on a cost basis. It is not anticipated that items under this category will amount to much in that the geological work will require hardly any materials and sampling program will need only sample sacks, tags, sharp moils and single jacks. We have at the property numerous small items of equipment that can be used in connection with the project. The inventory available at the project site is taken from the Chapman and Wood report and is appended hereto. $ 500.00

(d) Operating Equipment: The equipment we have will be rented at rates based on published rates of The National Machinery Dealers Association applicable to this area. We have on the property at this time the following equipment that could conceivably be used on the exploration project:

1. 1 - Dodge, World War II, personnel carrier
2. 1 - Dodge pickup
3. 1 - Ford 1956 pickup
4. 1 - Chevrolet 9 passenger carry-all

Allowance for the above @ .12¢ per mile, 150 miles per day - 125 days $ 2,250.00

5. 2 - 250 C.F.M. portable compressor, Chicago-Pneumatic, 1950 rental for above @ $337.00 for gasoline, or $422.00 for deisal per mo.
6. 1 - 300 ft. Failing rotary drill, jeep mounted and 1 - 250 C.F.M. compressor, supplying operator, fuel, bits, etc. @ $27.50 per hour, 600 hours on drilling program $16,500.00
7. 1 - 1955 Drott International bulldozer
   1 - TD9 International loader
   Rate - $8.50 per hour, 2 months, 125 hours, includes enough hours to take in mobilization charge $ 1,060.00

(e) Rehabilitation and repairs: Re-open Happy Jack Mine, Labor and supplies $ 1,500.00

Atomic Resources Corp.
523 Third Street, N.W.
Albuquerque, N.M.

(f) New buildings, improvements, installations:

Office rental	$ 675.00

(g) Miscellaneous:

Assaying:	Mine samples - 150 @ $4.50	$ 225.00	
	Rotary Cuttings 250 @ $4.50	$ 1,125.00	
	Core - $4.50	225.00	
	Total		$ 1,575.00

Babbel drill hole probes (owned by the corporation) Charge per month - @ $75.00, 2½ months	190.00
Workmen's Compensation at a combined rate of $1.33 per $100.00 of payroll	120.00

Repairs and maintenance: The mileage charge in the use of vehicles will take care of all repairs and maintenance; the same is true for rental of all other machinery and equipment.

(h) Contingencies:

For this size project we are allotting	4,000.00

7. (a) We are prepared to furnish our share of the costs of the proposed project.

(b) Our share of the costs will be handled as follows:

The total project cost will be $81,995.00 and at the 75:25 ratio of contribution we will have to furnish $20,499.00 or the equivalent in services and rental of equipment. We calculate that on the rental of our drill rig and bulldozer ($17,560.00) that we have a return of 1/3 or $5,850.00, on the use of the vehicles ($2,250.00) a return of ½ or $1,125.00 and a return of ½ on the use of the Babbel probe - $95.00 for a total return of $7,070.00. The remainder of our contribution - $13,429. will be furnished in cash.

ATOMIC RESOURCES CORPORATION
523 THIRD STREET, N.W.
ALBUQUERQUE, NEW MEXICO

January 2, 1957

OUTLINE OF PROPOSED D M E A EXPLORATION PROGRAM AND COSTS

Atomic Resources Corporation desires to use its exploration loan in two steps. The first, to complete the surveying of its claims (claim corners, topography, and mine workings), the necessary geological mapping, and mine sampling. The second step, based on the detailed information gained from the first, is a drilling campaign designed to fulfill the minimum exploratory requirements that the known mineralization on these claims demands. The cost of Step No. 1 is $12,250 and the cost of Step No. 2 is $69,745 -- a total of $81,995.00.

The drilling recommendations of Chapman and Wood, at the conclusion of their project, other than underground work is as follows:

1. Sunset Claim between old workings and adjacent shaft.
2. Frisco Group
   Mineralized area indicated by old drilling on the Midvale Claim and the flanks of prominent re-entrants on the Neighbor, Coleman and Frisco No. 2.
3. Waterfall
   Drill flanks of prominent re-entrants on November and Logan Claims. Drill area indicated as possible ore extension on the Dime.

In addition to these recommendations I could add several more; however, I think that the outline below and a review of the maps will indicate sufficiently well the exploratory program we have in mind.

The costs and duration of these steps are summarized below:

STEP NO. 1: Duration two months

1.	Survey 11 claims on contract basis @ $100.00 per day		$5000.00
2.	Geology - 33 claims		$1200.00
3.	Mine Sampling - 2 claims,		
	50 samples @ $4.50 ---	$225.00	
	Labor	275.00	$ 500.00
4.	Re-open mine (includes labor, equipment, material)		$1500.00
5.	Office rental - $150.00 per mo. for 2 mos.		$ 300.00
	Part-time secretary - $100.00 per mo. for 2 mos.		$ 200.00
6.	Vehicles @ 12¢ per mile, 150 miles per day, 50 days		$ 900.00
7.	Personnel: Supervisory Engineer		$1600.00
	Items duplicated above:		
	Geologist	$1200.00	
	2 mine samplers	$ 275.00	
	1 part-time secretary	$200.00	
	Workmen's compensation, etc.		$ 50.00
		Grand Total	$12,250.00

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STEP NO. 2: Duration two and one-half months

1.	Drilling - contract: 2 rigs, 30 feet p.h. ea, 600 hrs. ea., 36,000 ft., @ $1.10 per foot	$39,600.00
	Rental equipment: 1 rotary rig, 25 feet p.h., 600 hrs., 15,000 ft. @ $27.50 p.h.	$16,500.00
2.	Personnel: Supervisory Engineer salary and expenses	$ 2,000.00
	1 geologist	$ 1,500.00
	2 helpers	$ 2,000.00
	1 part-time secretary	$ 250.00
	Workmen's compensation, etc.	$ 70.00
3.	Assaying - Rotary cuttings 250 @ $4.50	$ 1,125.00
	Core 50 @ $4.50	$ 225.00
	Probe rental - $75.00 per mo. 2½ mos.	$ 190.00
4.	Office rental - $150.00 per mo., 2½ mos.	$ 375.00
5.	Vehicles @ 12¢ per mile, 150 miles per day, 75 days	$ 1,350.00
6.	Rental equipment, includes fuel and operator: Bulldozer, $8.50 per hour, 125 hours	$ 1,060.00
7.	Operating material	$ 500.00
8.	Contingencies	$ 3,000.00
	Grand Total	$69,745.00
	Total of Steps Nos. 1 and 2	$81,995.00

DETAILS OF PROGRAM

STEP NO. 1

1. Happy Jack Claims (2): Corners of claims unknown. Mine quite productive from sandstone lense in the Brushy Basin, high in vanadium. Main entrance caved, but inclined shaft open and has water in bottom. Recommend survey property, geology, topography, reopen mine if possible, survey and sample underground workings.

Cost:	Surface Survey - 6 days	$ 600.00
	Reopen Mine	$1,500.00
	Survey mine workings - 4 days	$ 400.00
	Sample workings	$ 500.00
	Geology	$ 100.00
	Indirect cost	$ 600.00
	Total	$3,700.00

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2. Jackpot Claims (2): Corners of claims unknown, no maps. Very little or no mining done on these claims. Recommend: survey property, geology, topography.

Cost:	Survey		$ 500.00
	Geology		$ 100.00
	Indirect costs		$ 250.00
		Total	$ 850.00

3. Sunset Claim (1): Fair map of surface available; workings surveyed well and sampled; corners not exactly known; Utoco reports ore body immediately adjacent. Fair past production. Recommend: survey to produce adequate map and tie in previous mine sampling.

Cost:	Survey - 4 days		$ 400.00
	Geology		$ 50.00
	Indirect costs		$ 140.00
		Total	$ 590.00

4. Frisco Group Claims (4): Fair past production, old maps available, but only fair. Recommend: survey of surface and underground, and tie in previous mine sampling, topography, geology.

Cost:	Survey - 18 days		$1,800.00
	Survey mine workings - 6 days		$ 600.00
	Geology		$ 200.00
	Indirect costs		$ 940.00
		Total	$3,540.00

5. Woodrow Wilson Group (2): Good past production; area around mine has been drilled, boundaries of claims unknown. Recommend survey of claims to determine what acreage in claims is unexplored.

Cost:	Survey - 3 days		$ 300.00
		Total	$ 300.00

6. Waterfall Group (15):

Geneva Claim:

Geology		$ 60.00
Indirect costs		170.00
	Total	$ 230.00

Roanoke Claim:

Geology		$ 60.00
Indirect Costs		170.00
	Total	$ 230.00

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Gilman Claim:		
Geology		$ 60.00
Indirect costs		170.00
	Total	$ 230.00
Dime Claim:		
Geology		$ 75.00
Indirect costs		210.00
	Total	$ 285.00
Logan Claim:		
Geology		$ 75.00
Indirect costs		210.00
	Total	$ 285.00
Goodhope Claim:		
Geology		$ 60.00
Indirect costs		170.00
	Total	$ 230.00
November Claim:-		
Geology		$ 60.00
Indirect costs		170.00
	Total	$ 230.00
U_3O_8 Claim:		
Geology		$ 60.00
Survey		200.00
Indirect costs		170.00
	Total	$ 430.00
V_2O_5 Claim:		
Geology		$ 60.00
Survey		200.00
Indirect costs		170.00
	Total	$ 430.00
Bee Claim:		
Geology		$ 60.00
Indirect costs		170.00
	Total	$ 230.00
Red Patch Claim:		
Geology		$ 60.00
Indirect Costs		170.00
	Total	$ 230.00
Red Match Claim:		
Geology		$ 60.00
Indirect costs		170.00
	Total	$ 230.00
	GRAND TOTAL	$ 12,250.00

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Note: The use of the word "geology" is intended to mean geologic mapping necessary to delineate the upper ore-bearing sandstone unit of the Salt Wash formation, the position and color of the clays in conjunction with that unit - whether bleached by mineralization or not - and especially the major fracture systems seen in the mine workings along with the ore trend. It is believed that this work will give us the control needed to place effectively the exploratory drill holes; and that the work will only take from 1 - 3 days per claim.

STEP NO. 2

The following footage allocations are an attempt at this time to distribute adequately the approximate 50,900 feet of drill hole among the various claims that require it based on my first hand familiarity with the property. The allocations are arrived at arbitrarily on the assumption that each hole will be 100 feet deep which permits 509 holes to be distributed.

Happy Jack	44	holes
Frisco Group	79	"
Sunset Claim	26	"
Jackpot Claims	35	"
Geneva Claim	50	"
Roanoke Claim	25	"
Gilman Claim	25	"
Dime Claim	75	"
Logan Claim	75	"
Goodhope Claim	3	"
November Claim	11	"
U_3O_8 Claim	19	"
V_2O_5 Claim	19	"
Bee Claim	7	"
Red Match Claim	8	"
Red Patch Claim	8	"
Total	509	holes @ 100 ft. per hole = 50,900 ft.

The following are the estimated costs of STEP NO. 2 work on each claim separated into the drilling costs at $1.10 per foot and an indirect cost which is equal to the STEP NO. 2 unit cost of $1.37 per foot, minus $1.10 which is 27¢ per foot of hole.

1. Happy Jack Claims:

Drill 44 holes, 4,400 feet	$4,850.00
Indirect costs	1,188.00
Total	$ 6,038.00

2. Frisco Group:

Drill 79 holes, 7900 feet	$8,700.00
Indirect costs	2,133.00
Total	$ 10,833.00

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3. Sunset Claim:		
Drill 26 holes, 2600 feet		$2,860.00
Indirect Costs		702.00
	Total	$3,562.00
4. Jackpot Claims:		
Drill 35 holes, 3500 feet		$3,850.00
Indirect costs		945.00
	Total	$4,795.00
5. Geneva Claim:		
Drill 50 holes, 5000 feet		$5,500.00
Indirect costs		1,350.00
	Total	$6,850.00
6. Roanoke Claim:		
Drill 25 holes		$2,750.00
Indirect costs		675.00
	Total	$3,425.00
7. Gilman Claim:		
Drill 25 holes, 2500 feet		$2,750.00
Indirect costs		675.00
	Total	$3,425.00
8. Dime Claim:		
Drill 75 holes, 7500 feet		$8,250.00
Indirect costs		2,025.00
	Total	$10,275.00
9. Logan Claim:		
Drill 75 holes, 7500 feet		$8,250.00
Indirect costs		2,025.00
		$10,275.00
10. Goodhope Claim:		
Drill 3 holes, 300 feet		$ 330.00
Indirect costs		83.00
	Total	$ 413.00
11. November Claim:		
Drill 11 holes, 1100 feet		$1,210.00
Indirect costs		297.00
	Total	$1,507.00
12. U_3O_8 Claim:		
Drill 19 holes, 1900 feet		$2,090.00
Indirect costs		513.00
	Total	$2,603.00

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13. V_2O_5 Claim:

Drill 19 holes, 1900 feet		$2,090.00
Indirect costs		513.00
	Total	$2,603.00

14. Bee Claim:

Drill 7 holes, 700 feet		$ 770.00
Indirect costs		179.00
	Total	$ 949.00

15. Red Match Claim:

Drill 8 holes, 800 feet		$ 880.00
Indirect costs		216.00
	Total	$1,096.00

16. Red Patch Claims:

Drill 8 holes, 800 feet		$ 880.00
Indirect costs		216.00
	Total	$ 1,096.00

STEP NO. 2 Grand Total $69,745.00

The following is a resume of BTEP NO. 1 and STEP No. 2 costs on each claim or group of claims:

1. Happy Jack:

Step No. 1 costs		$3,700.00
Step No. 2 costs		6,038.00
	Total	$9,738.00

2. Jackpot Claims:

Step No. 1 costs		$ 850.00
Step No. 2 costs		4,795.00
	Total	$5,645.00

3. Sunset Claim:

Step No. 1 costs		$ 590.00
Step No. 2 costs		3,562.00
	Total	$ 4,152.00

4. Frisco Group:

Step No. 1 costs		$3,540.00
Step No. 2 costs		10,833.00
	Total	$14,373.00

5. Woodrow Wilson Group:

Step No. 1 cots		$ 300.00
	Total=	$ 300.00

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6. Geneva Claim:		
Step No. 1 costs		$ 230.00
Step No. 2 costs		6,850.00
	Total	$ 7,080.00
7. Roanoke Claim:		
Step No. 1 costs		$ 230.00
Step No. 2 costs		3,425.00
	Total	$3,655.00
8. Gilman Claim:		
Step No. 1 costs		$ 230.00
Step No. 2 costs		3,425.00
	Total	$3,655.00
9. Dime Claim:		
Step No. 1 costs		$ 285.00
Step No. 2 costs		10,275.00
	Total	$10,560.00
10. Logan Claim:		
Step No. 1 costs		$ 285.00
Step No. 2 oosts		10,275.00
	Total	$10,560.00
11. Goodhope Claim:		
Step No. 1 costs		$ 230.00
Step No. 2 costs		413.00
	Total	$ 643.00
12. November Claim:		
Step No. 1 costs		$ 230.00
Step No. 2 costs		1,507.00
	Total	$1,737.00
13. U_3O_8 Claim:		
Step No. 1 costs		$ 430.00
Step No. 2 costs		2,603.00
	Total	$3,033.00
14. V_2O_5 Claim:		
Step No. 1 costs		$ 430.00
Step No. 2 costs		2,603.00
	Total	$3,033.00
15. Bee Claim:		
Step No. 1 costs		$ 230.00
Step No. 2 costs		949.00
	Total	$1,179.00

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Albuquerque, N.M.

16. Red Patch Claim:

Step No. 1 costs		$ 230.00
Step No. 2 costs		1,096.00
	Total	$ 1,326.00

17. Red Match Claim:

Step No. 1 costs		$ 230.00
Step No. 2 costs		1,096.00
	Total	$ 1,326.00

Grand Total	$81,995.00

Document #1
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523-32 1/5 th. Ow. Wl.
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Jul 11 9 38 AM '56

ASSIGNMENT

For and in consideration of the sum of One Dollar ($1.00), receipt of which is hereby acknowledged, and further pursuant to the terms of that certain Agreement dated May 26, 1955 by and between Atomic Resources Corporation a Nevada corporation, 3918 Harry Hines Boulevard, Dallas, Texas, Carl I. Dismant, 3037 Birch Street, Denver 7, Colorado, and Santa Fe Western Gas and Uranium Corporation, a Delaware corporation, 1022 Park Avenue S.W., Albuquerque, New Mexico, we the undersigned corporation, Santa Fe Western Gas & Uranium Corporation, hereby sell, assign and transfer and set over all of our right, title, and interest in and to 9.5% of the entire interest, which leaves this assignee the owner of an undivided 40% of the entire interest, in and to that certain mining lease dated September 10, 1953 and the amendment thereto dated July 21, 1955, said lease being between Molybdenum Corporation of America and Carl I. Dismant and being recorded in Book 13 at pages 447, 448, and 449 in the office of the Recorder of San Juan County, Utah, and covering all mining claims of record of Molybdenum Corporation of America in the Dry Valley Mining District, County of San Juan, State of Utah, including but not limited to the following list of claims:

Name of Claim	Recorded in the Office of the Recorder of San Juan County	
	Book	Page
•Geneva	R	330
•Roanoke	R	329
•Gillman (also Gilman)	R	330 (112)
•Dime	R	356
•Logan	R	354
•Good Hope	R	329
•November	R	328
•Dugway No. 1	R	543
.V205	R1	65

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Name of Claim	Recorded in the Office of the Recorder of San Juan County Book	Page
•Dugway No. 2	R	543
•U308	R1	65
•Bee	R	455
•Red Match	R	455
•Red Patch	R	544
•Happy Jack No. 1	R	450
•Happy Jack No. 2	R	450
•Sunnyside	R	341
•Valley View	R	342
•Midvale (Hornet)	R	368
•Neighbor	R	548
•Coleman	R	367
•Midway (Frisco No. 2)	R	368
•Friscoe No. 1	T2	600
~~•Friscoe No. 3~~	R1	526
•Woodrow Wilson	L	432
•Sunset	R	367
•Woodrow No. 1	L	
•Friscoe Spring Millsite	L	199
•South Canyon Spring Millsite	T2	391

The Assignee hereunder, however, reserves only a 31.5% interest instead of a 40% interest in the net profits, the other 8.5% being reserved in Carl I. Dismant and Kay Dismant, his wife, realized from the operation of the properties in excess of amounts needed for such reimbursement of expenditures by Atomic Resources Corporation in accordance with the terms of the lease and Paragraphs 12 and 13 of the Agreement above referred to dated May 26, 1955, the distributions of said net profit to be made on June 30th of each year out of available funds after reasonable provision not exceeding $50,000.00 is made for operating and anticipated financial needs in the development and operation of the properties. The interest in net profits herein provided for is in full satisfaction of any sums to which this assignee might be entitled as a result of it's 40% undivided interest in the entire lease.

This Assignment is made in conjunction with and at the same time a similar Assignment is being made to Atomic Resources Corporation by Carl I. Dismant and Kay Dismant, his wife, of a 50.5% interest in and to the aforesaid lease.

WITNESSETH WHEREOF, we have hereunto set our hands and seals on this 24th. day of May, 1956.

SANTA FE WESTERN GAS & URANIUM CORP.

By: President

ATTEST:

Secretary

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December 17, 1927
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STATE OF NEW MEXICO)
) ss.
County of Bernalillo)

On this 24th. day of May, 1956, personally appeared before me E. W. BROWN who, being by me duly sworn did say that he is the President of Santa Fe Western Gas & Uranium Corporation, a Delaware corporation, and that said instrument was signed in behalf of said corporation by authority of it's bylaws and by resolution of it's Board of Directors and the said E. W. BROWN acknowledged to me that said corporation executed the same.

AGNES COOMBS NOTARY PUBLIC SANTA FE COUNTY, N.M.

Agnes Coombs
Notary Public

My commission expires:
August 13, 1958

Entry No. 95046 293
Recorded 7-11-56 At 9 38 M. Book 128 Page 293
FEE PAID
ARVILLA E. WARREN.
San Juan County Recorder
$ 9.80 By AP Deputy

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December 17, 1973
By C. Thibodaux
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Albuquerque, New Mexico

Document #2
Atomic Res. Corp.
523 - 3rd St. N.W.
ABQ - N.M.

AGREEMENT made as of the 21st day of March, 1956, by and between MOLYBDENUM CORPORATION OF AMERICA, of 500 Fifth Avenue, New York, New York ("Molybdenum"), ATOMIC RESOURCES CORPORATION, of 3918 Harry Hines Boulevard, Dallas, Texas ("Atomic Resources"), CARL I. DISMANT, of 3037 Birch Street, Denver 7, Colorado ("Dismant"), and SANTA FE WESTERN GAS & URANIUM CORPORATION, of 1022 Park Avenue, S. W., Albuquerque, New Mexico ("Santa Fe").

WHEREAS Molybdenum and Dismant entered into a certain Mining Lease dated September 10, 1953 with respect to Mining Claims owned by Molybdenum in the Dry Valley Mining District, County of San Juan, State of Utah, and an amendment to said Lease dated July 21, 1955; and

WHEREAS Atomic Resources, Dismant and Santa Fe entered into an agreement dated May 26, 1955 with respect to the aforesaid Claims; and

WHEREAS the parties hereto desire to amend the aforesaid documents as hereinafter set forth;

NOW THEREFORE in consideration of the mutual covenants contained herein the respective parties hereto covenant and agree as follows:

1. Molybdenum hereby confirms that the aforesaid lease and amendment thereof is intended to and shall be deemed to cover and include all Mining Claims in the Dry Valley Mining District, County of San Juan, State of Utah, of which Molybdenum is, purports or claims to be the owner, of record or otherwise.

2. Dismant and Atomic Resources agree that any further Claims, contiguous to the Claims referred to in paragraph 1 hereof which were owned or were

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purported to be owned by Molybdenum as of September 10, 1953, which have been or hereafter may be located by Dismant or Atomic Resources shall be assigned to or held for Molybdenum, as it may elect, and shall be subject to the aforesaid Mining Lease dated September 10, 1953, the agreement dated July 21, 1955 amending said Mining Lease, and the agreement dated May 26, 1955, and to this agreement to the same extent as the aforesaid Mining Claims owned or claimed to be owned by Molybdenum as of September 10, 1953.

3. The provisions contained in said Mining Lease dated September 10, 1953 and said amendment dated July 21, 1955 shall be amended as follows:

a) Molybdenum shall not be entitled to any royalty until the gross receipts (calculated on the basis upon which gross receipts would have been computed to determine royalty due under said agreement of amendment dated July 21, 1955, page 2) from the Dry Valley Mining Claims have aggregated $500,000.

b) After the gross receipts, as referred to in subparagraph (a) of this paragraph 3, shall have reached $500,000, royalty shall be paid to Molybdenum upon gross receipts in excess of $500,000 in an amount equal to one-half of the royalty provided for in said agreement of amendment dated July 21, 1955 (page 2).

4. The agreement dated May 26, 1955 between Atomic Resources Corporation, Dismant and Santa Fe shall be deemed amended to provide that from the first $500,000 of gross receipts from the Dry Valley Mining Claims, calculated as hereinabove indicated, Atomic Resources shall receive Ten per cent of such gross

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Albuquerque, New Mexico

receipts; and from such gross receipts from said Dry Valley Mining Claims in excess of $500,000, Atomic Resources shall receive Five per cent of such gross receipts, all free and clear of any claim by Dismant or Santa Fe, prior to the computation of the respective percentage interests of Atomic Resources, Dismant and Santa Fe in said Dry Valley Mining Claims as provided in said agreement dated May 26, 1955.

5. Except as herein specifically amended the aforesaid Mining Lease dated September 10, 1953 and agreements dated July 21, 1955 and May 26, 1955 are hereby ratified and confirmed by the respective parties to said Lease and said agreements.

IN WITNESS WHEREOF the respective parties hereto have set their respective hands and seals as of the day first above written.

(Corporate Seal)

Attest:

Asst Secretary

MOLYBDENUM CORPORATION OF AMERICA

By _____ Pres

(Corporate Seal)

Attest:

Richard P. Brooks
Secretary

ATOMIC RESOURCES CORPORATION

By _____
President

_____ L.S.
Carl I. Dismant

(Corporate Seal)

Attest:

Lowell E. White
Secretary

SANTA FE WESTERN GAS & URANIUM CORPORATION

By _____
President

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ment examined by us this date.
Assembly 17, 1976
By A. F. Kuhlmann
ALBUQUERQUE BLUEPRINT CO.
518 Fourth St. NW
Albuquerque, New Mexico

STATE OF Colorado)
: SS.:
COUNTY OF Denver)

On the 24th day of March A.D., 1956, personally appeared before me CARL I. DISMANT, the signer of the above instrument, who duly acknowledged to me that he executed the same.

Hazel H. Brown
Notary Public

My Commission expires June 3, 1959

STATE OF New Mexico)
: SS.:
COUNTY OF Bernalillo)

On this 23rd day of March A.D., 1956, personally appeared before me E. W. Brown, who being by me duly sworn, did say that he is the President of SANTA FE WESTERN GAS & URANIUM CORPORATION, and that said instrument was signed in behalf of said corporation by authority of its by-laws, and said E. W. Brown acknowledged to me that said corporation executed the same.

My Commission Expires Oct. 14, 1958

Stella Lafinette
Notary Public

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December 17, 1957
By ---------- T. H. Kirkpatrick
ALBUQUERQUE BLUEPRINT CO.
518 Fourth St., NW
Albuquerque, New Mexico

STATE OF New York
COUNTY OF New York SS.:

On this 22nd day of March A.D., 1956, personally appeared before me Mary Hirsch who being by me duly sworn, did say that he is the President of MOLYBDENUM CORPORATION OF AMERICA, and that said instrument was signed in behalf of said corporation by authority of its by-laws, and said Mary Hirsch acknowledged to me that said corporation executed the same.

Gertrude F. Brown
Notary Public

GERTRUDE F. BROWN
Notary Public, New York County
Qualified in New York County
Commission Expires March 30, 1956

STATE OF Texas)
: SS.:
COUNTY OF Dallas)

On this 21 day of March A.D., 1956, personally appeared before me Merle Becker, who being by me duly sworn, did say that he is the President of ATOMIC RESOURCES CORPORATION, and that said instrument was signed in behalf of said corporation by authority of its by-laws, and said Merle Becker acknowledged to me that said corporation executed the same.

Monte Draeger
Notary Public
Monte Draeger - Dallas County, Texas
My Commission Expires 6/1/57

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December 7, 1979
By G. L. Kirkpatrick
ALBUQUERQUE BLUEPRINT CO.
518 Fourth St., NW
Albuquerque, New Mexico

Document #3
Atomic Res. Corp.
523 - 3rd St. N.W.
ABQ - N.M.

4.0

Jul 11 9 38 AM '56

9 5045

QUITCLAIM DEED

THIS INDENTURE made this 25th day of June, in the year or our Lord One Thousand Nine Hundred and Fifty-six, between SANTA FE WESTERN GAS & URANIUM CORPORATION, a Delaware corporation, Albuquerque, New Mexico, party of the first part, and ATOMIC RESOURCES CORPORATION, a Nevada corporation, Dallas, Texas, party of the second part,

W I T N E S S E T H:

That party of the first part, for and in consideration of the sum of $1.00 lawful money of the United States of America, to it in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, remised, released and forever quitclaimed unto the said party of the second part, and to its successors and assigns, the following named unpatented mining claims and mill sites situated in an unknown mining district of San Juan County, State of Utah, and as described in the location certificates and of record in the office of the County Recorder of San Juan County, State of Utah:

	San Juan County Recorders Office	
Name of Claim	Book	Page
•Gilman Fraction	37	511
•Bertha M.	39	261
•Kay D.	37	410
•Gilman 2	213	264
•Gilman 3	213	264
•Roanoke 2	213	265
•C. I. D.	39	261
•Dime Fraction	37	511

Together with all the dips, spurs and angles, and also all the metals, ores, gold and silver-bearing quartz, rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and also alland singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof; and also all the estate, right, title, interest, property possession, claim and demand whatsoever, as well in law as in equity, of the said party of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD all and singular the said premises, together with the appurtenances and privileges thereto incident, unto the said party of the second part, its successors and assigns forever.

Dg

We hereby certify that this photographic reproduction is a true copy of a document examined by us this date.
July 17, 1976
By C. A. Kuspatrick
ALBUQUERQUE BLUEPRINT CO.
618 Fourth St. NW
Albuquerque, New Mexico

Grantors reserve in themselves a 31.5% interest in the net profits realized from the operation of said properties in excess of amounts needed for reimbursement of expenditures by Atomic Resources Corporation in accordance with the terms of the lease and paragraphs 12 and 13 of the agreement dated May 26, 1955, the distribution of said net profits to be made on June 30 of each year out of available funds, after reasonable provision not exceeding $50,000.00 is made for operating and anticipated financial needs in the development and operation of the properties, said net profits to be in full and complete satisfaction of any right it might have as the owner of an undivided 40% interest in the entire claims.

In the event of forfeiture of the lease by Atomic Resources Corporation, the above claims shall be returned to the grantors in the same manner as the claims under lease from Molybdenum Corporation of America.

Grantors represent that the interest being conveyed by this deed represents an undivided 9.5% interest in the entire claims.

IN WITNESS WHEREOF, the said party of the first part has hereunto set its hand and seal this 25th day of June, 1956.

SANTA FE WESTERN GAS & URANIUM CORPORATION

By E. W. Brown
President

STATE OF NEW MEXICO
COUNTY OF BERNALILLO ...ss

On this 25th day of June, 1956, personally appeared before me E. W. Brown who, being by me duly sworn did say that he is the President of Santa Fe Western Gas & Uranium Corporation, a Delaware corporation, and that said instrument was signed in behalf of said corporation by authority of its by-laws and by resolution of its Board of Directors, and the said E. W. Brown acknowledged to me that said corporation executed the same.

Agnes Coombs
NOTARY PUBLIC

My commission expires: Aug. 13, 1958.

Entry No. 9 30 45 291
Recorded 7-11-56 At 9 38 M. Book 28 Page 292
FEE PAID
$4.00 By
ARVILLA E. WARREN.
San Juan County Recorder
Deputy

292

We hereby certify that this photographic reproduction is a true copy of a document examined by us this date. 1956

By ALBUQUERQUE BLUEPRINT CO.
518 Fourth St., NW
Albuquerque, New Mexico

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DMEA
RECEIVED JAN 11 1957
DATE | INITIALS | FILE

Atomic Resources Corporation
523 Third Street N.W.
Albuquerque, New Mexico

EQUIPMENT

The following list of equipment is owned by Atomic Resources Corporation at the prices given below:

2	C.P. Compressors, 160 cu. ft. mounted on rubber tires, Ser. Nos. 160-2-50164 and 160-2-50447	$ 4,000.00
1	Jackhammer, Mod. S-55, Gardner-Denver, Serial Number Y 895	175.00
1	Jackhammer , Ingersol Rand, Mod. 39	75.00
1	Jackhammer, Gardner-Denver, Mod. S-48, Serial number 182767	200.00
1	Stoper, Gardner-Denver, Ser. No. 945	100.00
1	Shuttle Car, 1-1/2 ton cap. Ser. #AG 11269	1,750.00
1	Truck, Pickup, 3/4 Ton, Studebaker, 1953 Engine No. 6R19614	750.00
1	Truck, 1-1/2 ton, 1946 Studebaker, 2 speed rear end, Engine No. 3M 12181	350.00
1	Truck, 1-1/2 ton, 1942 International with steel dump bed, Mod. K-5, Engine No. S68797 Colo.	500.00
1	Caterpillar Tractor, RD-4, Ser. No. 4G5046W	1,400.00
2	Jacklegs, 4', (1 Ingersol-Rand, 1 Western Mine Supply)	180.00
3	Wheelbarrows, rubber tired	66.00
1	Wheelbarrow, gasoline powered	200.00
1	Acetylene Torch	115.00
2	Air Receivers, 1 - 3'x8', 1-2-1/2'x9'	250.00
4	Tanks, water	160.00
3	Hoses, Air)	
3	Hoses, Water)	90.00
	Pipe with Fittings, 200' 2", 200' 1-1/2", 200' 1"	200.00
1	Tank, Water (320 gals.)	62.00
	Rail, 17 pieces, 30#	125.00
6	Oilers (Line)	72.00
	Miscellaneous Tools, used:	

12 picks	$12.00
6 Timber saws	21.00
2 Pipe Dies 1/2 to 3/4 & 3/4 to 2"	15.00
10 shovels	12.50
2 hand saws	5.00
4 bars	8.00
1 pipe cutter, 2-1/2"	4.00
4 axes	15.00
3 double jacks	6.00
2 wrenches,) Stillson 36")	
2 wrenches,) Stillson 24")	
2 wrenches,) Stillson 18")	12.50
1 hand level	2.00
2 cap crimpers	2.00
2 wrenches, 12" Crescent	4.00
12 drums, 50 gal.	24.00
	144.00
TOTAL	$10,964.00

[illegible] New Customhouse
Denver 2, Colorado

May 15, 1958

19 C 220 225

Mr. J. V. Reynolds, President
Atomic Resources Corporation
383 Third Street, N. W.
Albuquerque, N. M.

Re: Docket No. DMEA 4603 (Uranium)
(Waterfall Group)
San Juan County, Utah

Dear Mr. Reynolds:

At the request of the Washington Office, DMEA, enclosed is the copy of the Exploration and Valuation Program on the Element Lease Properties by Chapman and Wood. Also enclosed are two sets of the following:

MAP No.		MAP No.	
1	Index map of Waterfall Group Claims	10	V_3O_8 Claim
2	Index map of Waterfall Claims	11	V_2O_5 Claim
3	Geneva Claim	12	Ace Claim
4	Remuda Claim	12A	Ace underground workings
4A	Remuda underground workings	13	Red Patch Claim
5	Gilman Claim	14	Red Patch Claim
5A	Gilman underground workings	14A	Red Patch underground workings
6	Nine Claim	15	Woodrow Wilson Mine
6A	Nine underground workings	16	Prince Group Claims
7	Logan Claim	16A	Prince No. 2 Claim
7A	Logan underground workings	16B	Mitvale and Neighbor Claims
8	Goodhope Claim	17	Sunset Claim
8A	Goodhope underground workings	18	Happy Jack Mine
9	November Claim		

Very truly yours,

Original signed by
E. N. HARSHMAN

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

Encls.
HMC:bh
cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Hasler
Salsbury
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/2	Ching	700
5/2	Ellis	700
5/2	Johnson	110
"	Mittendorf	100
5/2	C	220
		220

MAY 2 1958

Mr. J. V. Reynolds, President
Atomic Resources Corporation
523 Third Street, N.W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Reynolds:

In accordance with your letter of April 29, 1958, we are considering the subject application as having been withdrawn as of the date of your letter, and are placing it in our inactive files.

We are retaining one set of maps and exhibits for our official files. The other sets are distributed in the field. By a copy of this letter, we are requesting our Executive Officer at Denver to return them to you.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/izm 5-2-58
cc: Mr. Ching
Admr.'s Reading File
DMEA FT Reg. 3 (2)

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED 5
DATE
5/5 C 220
" Chrono 700
225

AIR MAIL

May 2, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4603 (Uranium) Atomic Resources Corporation (Waterfall group, et al.) San Juan County, Utah

With respect to your letter of February 28, 1958 to the subject applicant, I was informed by our Grand Junction office this afternoon that they have had no reply from Mr. Dismant. No reply has been received in this office.

Accordingly, if no reply has been received by you, it is our recommendation that the applicant be advised immediately that his application is considered as having been withdrawn.

E. N. Harshman

E. N. Harshman

See our letter of May 2.
mc.

ATOMIC RESOURCES CORPORATION
523 THIRD STREET, N.W.
ALBUQUERQUE, NEW MEXICO

DMEA
RECEIVED MAY 1 1958

DATE	INITIALS	CODE
5/1	C	220
11	Ching	700

April 29, 1958

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

Re: Docket D.M.E.A. 4603
Waterfall Group
San Juan County, Utah

Dear Mr. Mittendorf:

Please be advised that the Atomic Resources Corporation hereby withdraws its application #DMEA 4603 for a drilling program on the Waterfall group in San Juan County, Utah.

It will be appreciated if you will return the maps and exhibits sent you to our Albuquerque office.

Yours truly,

ATOMIC RESOURCES CORPORATION

J.V. Reynolds

J.V. Reynolds
President

JVR:mb

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Ching	700
2/27	Ellis	700
"	Johnson	110
"	Greenbaum	100
2/28		220
		700

FEB 28 1958

Mr. Carl I. Dismant, Manager
Atomic Resources Corporation
523 Third Street, N.W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Dismant:

In accordance with your request of February 25, we will hold your application open until May 1, 1958. If we do not receive your amended program on or before that date, we will consider your application as having been withdrawn.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Copy to: Carl I. Dismant
P. O. Box 458
Monticello, Utah

MChing/izm 2-27-58
cc: Mr. Ching
Admr.'s Reading File
DMEA FT Reg. 3 (2) w/2cc's of incoming letter

8623

ATOMIC RESOURCES CORPORATION

~~XXXXXXXXXXXXXXXXXXXX~~
~~ALBUQUERQUE, NEW MEXICO~~

DMEA
RECEIVED FEB 26 1958

DATE	INITIALS	CODE
2/26	C	220
"	[illegible]	700

P. O. Box 458
Monticello, Utah

February 25, 1958

Re: Docket DMEA 4603
Waterfall Group, SanJuan County, Utah

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

Dear Mr. Mittendorf:

In reference to your recent letter, wish to advise that we are still interested in filing an amended application but because of inclement weather we have been unable to do the necessary field work in connection with the drill hole locations on the Valley View - Sunnyside, Sunset and Frisco groups of claims.

We therefore request an additional 60 days trusting that the weather conditions will become more favorable for doing the necessary field work, so an amended application may be filed.

Very truly yours,

Atomic Resources Corporation

Earl H. Diamant

Manager.

Form 7

OFFICIAL FILE COPY

Date	Surname	Code
1-30	Ching	700
1-30	Ellis	700
"	Johnson	110
"	Mittendorf	100
1/31	C	220
		700

Mr. Carl I. Dismant, Manager
Atomic Resources Corporation
523 Third Street, N.W.
Albuquerque, New Mexico

JAN 30 1958

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Dismant:

Referring to your letter of November 29, 1957, to Mr. L. N. Harshman, please advise when we may expect to receive the amended application.

As you know, we cannot indefinitely postpone action on an application. Therefore, if we do not receive the supplemental information referred to in your letter within 30 days from the date of this letter, we will assume that you are no longer interested in proceeding with your application, and will consider it as having been withdrawn.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Copy to: Mr. James V. Reynolds, President
Atomic Resources Corporation

MChing/izm 1-30-58
cc: Mr. Ching
Admr.'s Reading File
THKiilsgaard, 5224
DMEA FT Reg. 3 (2)

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

January 24, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 27 1958

DATE		CODE
1-27	C	220
		700

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4603 (Uranium) Atomic Resources Corp. (Waterfall group, et al.) San Juan County, Utah

A review of our file indicates we have carried the subject docket in an active status since January 7, 1957. The applicant's letter to us, dated November 29, 1957, stated that maps showing drill locations would be forwarded this office, but as yet they have not been received.

We recommend another letter from the Administrator to the applicant, similar to the one the Acting Administrator wrote the applicant on September 17, 1957, which gave the applicant thirty days' notice.

W. H. King
Executive Officer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION III

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOM HOUSE
DENVER 2, COLORADO

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DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE
1/14	Copy	100
	FJ	110
1-14	[illegible]	700
	Copy	

January 10, 1957

file → DMEA 4603

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Regional Director, Region III

Subject: Application for DMEA aid, Atomic Resources Corporation

It has been called to my attention that a DMEA application has been made for the Atomic Resources Corporation, Waterfall Group, San Juan County, Utah.

Pb-Zn ?

The applicant is Carl I. Dismant. This is the same man that was mixed up with the Bachelor Development Company, Contract Idm-E86. This is also the same man who falsified statements and used his wife's name as doing engineering services while he was an employee of the Reconstruction Finance Corporation.

I strongly recommend that you examine this carefully in view of the facts presented in this memorandum and a review of the correspondence that is undoubtedly filed under Contract Idm-E86.

J. H. East, Jr.

J. H. East, Jr.

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RECEIVED DEC 9 1957
DATE | INITIALS | CODE
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UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

December 5, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4603 (Uranium) Atomic Resources Corporation (Waterfall group et al) San Juan County, Utah

Enclosed are the original and two copies of a letter dated November 29, 1957, from the Manager of the subject Applicant stating that an amendment to the application will be prepared.

When the maps and other amended data mentioned in the attached letter are received in this office, they will be forwarded to those now holding copies of the original application.

W H King
W. H. King
Executive Officer

(3)

WPK
HMC

ATOMIC RESOURCES CORPORATION

523 THIRD STREET, N.W.
ALBUQUERQUE, NEW MEXICO

DMEA
DEPARTMENT OF THE INTERIOR
DEC 2 - 1957
REGION III
DENVER, COLORADO

P. O. Box 458
Monticello, Utah

November 29, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957

DATE	INITIALS	CODE

Mr. E. N. Harshman
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Atomic Resources Corp.
DMEA 4603

Dear Mr. Harshman:

This has reference to the recent examination of our property in San Juan County, Utah by your officials, at which time they indicated it might be more advantageous to take smaller areas of the property and explore such areas rather than take in the whole group.

The contemplated changes have been discussed with the President and officials of Atomic Resources Corporation and it is agreed that we will amend our original application to cover only three areas, namely the Sunnyside-Valley View, Sunset and Frisco group.

Detailed maps will be prepared showing where the contemplated holes should be drilled and these will be forwarded to you as soon as they are completed.

The main producing areas, such as the Waterfall and Wilson will not be included in the application for exploration. The exact amount of this amendment will be determined when the maps are finished and the amount of drilling is determined.

Very truly yours,

Atomic Resources Corporation

Carl I. Dismant

Carl I. Dismant, Manager

cc: M.H.Salsbury
J. V. Reynolds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

November 13, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 18 1957

DATE	INITIALS	CODE
11/19	C	220
		700

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4603 (Uranium) Atomic Resources Corporation (Waterfall group et al) San Juan County, Utah

Enclosed are the original and two copies of a joint memorandum report on the subject property by M. H. Salsbury, USBM., and D. P. Elston, USGS.

Mr. Dismant, who represented the Applicant corporation, is the former Operator on DMA 1243X Bachelor Development Company, Contract Idm-E86. The examiners explained to him that a definite drilling plan supported by evidence to justify it will be required by DMEA.

We recommend that this application be held in abeyance for a reasonable time to allow the Applicant to obtain the decision of the company management to either withdraw the application or present a definite exploration program.

E. N. Harshman

E. N. Harshman
Acting Executive Officer

Hold in abeyance as recommended.

mc.

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
RECEIVED
NOV 8 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

DMEA
NOV 12 1957
REGION III
DENVER, COLORADO

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

November 7, 1957

Memorandum

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

Through: E. N. Harshman
J. William Hasler

From: M. H. Salsbury
D. P. Elston

Subject: Docket No. DMEA 4603 (Uranium), Atomic Resources Corporation (Waterfall group et al), San Juan County, Utah.

The subject property was examined on October 30 and 31, 1957 in company with Carl I. Dismant, general manager for the applicant. Five of six areas in which exploration has been proposed were visited.

Drilling exploration of practically all unexplored portions of the various claim groups has been proposed, but no specific drilling plan for any area was made in the application. Apparently the proposed exploration has not been based on geologic study or the results of drilling and other exploration accomplished to date. The criterion for the evaluation of the areas to be drilled appears to have been solely that of proximity to areas in which ore bodies have been found, and the possibility of finding extensions of these ore bodies, or similar ones in parallel trends. The inclusion of all unexplored ground in the drilling areas suggests that the fact that the ground is unexplored is the largest factor in the applicant's planning. However, parts of areas listed as unexplored actually have been tested to some degree, the records of which have been lost, are inadequate, or are not available to the applicant.

The claims have a long history of operation and exploration. In a period of over thirty years a large amount of drilling has been done. Most underground development has been confined to areas easily accessible from the Salt Wash rim outcrops. It will be noted that most of the claims controlled by the applicant lie along outcrops and therefore much of the property area is only one claim in width with portions covering ground from which the ore-bearing sandstone has been eroded.

Official ~~EXTRA~~ COPY
DMEA
RECEIVED NOV 12 1957

DATE		

The subject application was assembled by an engineer who is no longer connected with the applicant corporation, and Mr. Dismant was not too familiar with its content. He is reluctant to include in the proposed DMEA project areas from which production is coming, or in which reserves have been developed. To eliminate these areas within the Waterfall group, the largest individual area of the subject property, would result in a number of small non-contiguous sub-areas being considered for exploration. This would be undesirable and Mr. Dismant has proposed withdrawing at least the major part of the Waterfall group from the application and confining most of the exploration to some or all of the other five groups.

It was explained to him that the applicant must present a definite drilling plan supported by evidence to justify it, and he has taken the matter under consideration with a view to making definite proposals. It should be noted that Mr. Dismant personally is not too favorably disposed toward DMEA assisted exploration on the property and it is possible that the application may be withdrawn, depending of course, upon the decision of the company stockholders or management.

The unexplored areas have some potential. There are, however, a number of adverse factors to be considered:

(1) Exclusion of the Waterfall group would eliminate the best area in the applicant's holdings.

(2) The usual limitation of DMEA drill holes not being within 100 feet of property boundaries would prevent exploration of any favorable areas near the side of the claims away from the rim.

(3) There has been a considerable amount of drilling done in the past of which there is no record, or in which no uranium content was determined and vanadium mineralization was estimated by appearance and thickness of ore beds. The normal DMEA limitations for minimum distance of Government assisted drill holes from previous drill holes would preclude exploration of some areas which are essentially unexplored. The fact that these areas have been drilled but not developed further, may mean only that the vanadium values were not sufficient to justify mining at the time.

(4) The low average content of uranium in overall recorded production (generally less than 0.20 percent U_3O_8) from most of the deposits contrasted with a higher uranium content for small tonnages from parts of individual deposits suggests that selective mining must be practiced to maintain a shippable grade of uranium ore and that the uranium content of the deposits as a whole may be too low to be of interest at this time although it may be in the future.

(5) The ore bodies are small, generally with long dimensions of a hundred feet or less and widths of a few feet to fifty feet. However, these deposits are clustered so that individual mines commonly have intersected several ore bodies. The layers of ore minerals pinch and swell abruptly, and vary considerably in the grade of uranium and vanadium and in the ratio of V_2O_5 to U_3O_8. In places, individual layers of ore minerals that are of ore grade and thickness are interconnected by layers of weakly mineralized rock; elsewhere, the layers in a cluster are not interconnected and range as much as 25 to 30 feet in stratigraphic position. The erratic distribution of ore grade uranium within the layers of mineralized rock, and the stratigraphic variability of the layers of ore minerals within the host rock necessitate the drilling of holes on closely-spaced centers of about 25 feet in order to establish indicated reserves in much of the area.

The applicant proposed to accomplish the preliminary work necessary for planning the exploration by geologic study and surveying as a first stage in the DMEA project, but was advised that such preliminary work was not a DMEA function and withdrew this phase of the work.

M. H. Salsbury,
Mining Engineer

D. P. Elston,
Geologist

MHS/bh

224 New Customhouse
Denver 2, Colorado

October 25, 1957

10/28 gb 2220
700

Memorandum

To: M. H. Salsbury
J. W. Hasler

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4603 (Uranium) Atomic Resources Corp. (Waterfall group) San Juan County, Utah

Enclosed as a supplement to the subject application is the following material recently received from the Washington Office, DMEA:

1. Map, Atomic Resources Corp., Dry Valley, Utah

2. Claim Map, Molybdenum Corp. of America, leased to Atomic Resources Corp.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

MHM:jy

cc: Sec. Op. Comm. (2)
Harshman
DMEA/DFC
Docket 4603
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 21 1957
10/21 C 220
700

224 New Customhouse
Denver 2, Colorado

October 18, 1957

Memorandum

To: M. H. Salsbury) W/enclosures, Items 1-13 Below
J. W. Hasler) " " 2-13 "

From: DMEA Field Team, Region III

Subject: Docket DMEA 4603 (Uranium) Atomic Resources Corporation (Waterfall group) San Juan County, Utah

Enclosed is the following material relating to the subject docket:

1. Copy of application for Government assistance in exploration work under the DMEA program.
2. Memorandum of Review from James Paone, USBM, dated January 23, 1957.
3. Memorandum of Review from W. P. Williams, USGS, dated October 8, 1957.
4. Letter of transmittal of the foregoing to this office, dated October 15, 1957, from the Chairman, Operating Committee, DMEA.
5. Copy of letter dated July 3, 1957, from the Applicant to the Administrator.
6. Copy of letter dated September 9, 1957, from the Applicant to the Administrator.
7. One set of bids from three drilling contractors.
8. Copy of Affidavit dated October 9, 1953, by Carl I. Dismant.
9. Copy of Mining Lease dated September 10, 1953.
10. Copy of Contract and Agreement dated July 22, 1954.
11. Copy of Amendment to Lease dated July 21, 1955.
12. Copy of Agreement dated May 26, 1955.
13. Routing Control Sheet.

A field examination of the property and a joint report of findings and recommendations pertaining to the Applicant's work proposal are requested. As you will see in reviewing the material under items 2-12 there are a number of things that must be resolved in conjunction with the field examination.

As noted in the last paragraph of the Chairman's letter under item 4, if you recommend that the Government enter into a contract with the Applicant it should be advised that Consent to Lien and Subordination Agreement forms must be executed by the parties concerned.

If the field examiners recommend Government participation in the proposed exploration program, please submit eleven extra copies of each map used in the joint report which show the land to be subordinated and the location and extent of recommended work, relative to property boundaries.

The Bureau of Mines' copy of the application should not be returned to this office, but is to be kept for the Examining Engineer's file. The Routing Control Sheet, however, is to be completed, detached from the application, and forwarded to the Executive Officer with the Joint Examination Report. The Survey's copy of the application is to be returned to Mr. Harshman's office.

E. N. Harshman
Acting Executive Officer

Enclosures

JWT:eh

cc: Sec. Op. Comm. (2)
Harshman W/enclosures, Items 2-12
DMEA/DFC
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/17	Ching	700
10/17	Ellis	700
10/18	GCS	130
"	Johnson	110
"	Gatenbury	100
10/21	GB	220
		700

OCT 18 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4603 (Uranium)
Atomic Resources Corporation
Waterfall Group
San Juan County, Utah

Dear Mr. Harshman:

Further to our letter of October 14, 1957, regarding the subject application, we are enclosing 3 copies each of two claim maps recently received from the Applicant.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GB)

Enclosures

APPROVED:

Frank D. Lamb (GB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GB)
Member, Geological Survey

MChing/izm 10-17-57
cc: Mr. Ching
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/14	Ching	700
10/14	Ellis	700
10/14	Selfridge	130
	[illegible]	110
	Mittendorf	100
10/15	BO	220
		700
10/14	Williams	130
10/14	Lamb	(130)

OCT 14 1957

Mr. James V. Reynolds, President
Atomic Resources Corp.
523 Third Street, N. W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Reynolds:

We acknowledge receipt of Mr. Dismant's letter of September 9, 1957, submitting copies of Contract and Agreement, dated June 22, 1954; Amendment, dated July 21, 1955; Agreement, dated May 26, 1955; and three drilling bids. Mr. Dismant stated that four copies of a claim map showing the claims held under lease from the Molybdenum Corporation and four copies of a claim map of the Wilson group were being forwarded under separate cover. These have not been received to date.

Your application is now being referred to Mr. E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if additional information is required and an examination is to be made. Any assistance you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

cc: Mr. Carl I. Dismant, Manager
P. O. Box 458
Monticello, Utah

MChing/gla 10-14-57
cc to: Admr.'s Reading File
Mr. Ching
DMEA Field Team, Region III (2)

8623

(12-5[illegible]) 7

OFFICIAL FILE COPY

Date	Surname	Code
10/14	Chiang	700
10/14	Ellis	700
10/14	GCL	130
	Jensen	110
"	Fletcher	100
10/5	B	220
		700

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

OCT 14 1957

Re: Docket No. DMEA-4603 (Uranium)
Atomic Resources Corporation
Waterfall Group
San Juan County, Utah

Dear Mr. Harshman:

The subject application is being referred to you for investigation, a field examination if warranted, and recommendations.

Enclosed for your information are memoranda, dated January 23 and October 8, 1957, by James Paone, USBM, and W. P. Williams, USGS, respectively, relating to the application. Also enclosed, for the use of the Field Team, are one copy of the application and the following supplemental material submitted by the Applicant:

1. Three copies of a letter, dated July 3, 1957, from the Applicant to the Administrator.

2. Three copies of a letter, dated September 9, 1957, from the Applicant to the Administrator.

3. Three sets of bids from three drilling contractors.

4. One copy of an Affidavit, dated October 9, 1953, byCarl I. Dismant.

5. One copy of a Mining Lease, dated September 10, 1953.

6. One copy of a Contract and Agreement, dated June 22, 1954.

7. One copy of an Amendment to Lease, dated July 21, 1955.

8. One copy of an Agreement, dated May 26, 1955.

8623

The Applicant's letter of September 9 advised that additional claim maps were being forwarded. These maps have not been received to date, but copies will be forwarded to you when received.

The number and composition of the claims that are to be included in the proposed project are still unclear. Applicant's letter of July 3 explained that the Frisco No. 3 claim should not be listed as a valid claim but included the Frisco No. 1 as one of five Frisco-group claims. However, the letter of September 9 stated that the Frisco No. 1 should not be included in the list of valid claims. There are other inconsistencies which have not been clarified by the Applicant.

You will note that the letter of July 3 modified the application by eliminating Step No. 1 in the proposed work program. Because of the rather confused picture presented by the Applicant with respect to the property involved, the Field Team may find it necessary to modify the areas to be examined and covered by the proposed project.

In the event a contract is recommended, the Applicant should be advised that Consent to Lien and Subordination Agreement forms must be executed by the Molybdenum Corporation of America, Santa Fe Western Gas and Uranium Corporation, and Carl I. Dismant and Kay Dismant, his wife.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

MChing/gla 10-14-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, Rm. 5224
Mr. Ching

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

W. P. Williams

Member, Geological Survey

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

OFFICIAL FILE COPY
IN REPLY REFER TO:
DMEA
RECEIVED OCT 9 1957

DATE	INITIALS	CODE
10/9	B	220
"	[illegible]	700

October 8, 1957

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 4603, Atomic Resources Corporation (uranium), Waterfall claims, San Juan County, Utah

The applicant proposes to explore for undiscovered uranium ore deposits in the Salt Wash sands on the old Waterfall claims.

The applicant's proposal is set up in two steps, of which the first step is surveying, geologic mapping, etc. The second step is a drilling project consisting of a total of 50,900 feet of drilling. The first step would not constitute exploration.

The applicant was asked for more information several months ago, and some additional material was received; but the application is still incomplete. I do not believe, however, that much could be gained by requesting more information of the applicant. Instead, I recommend that the application be referred to the Field Team for field examination should they consider such necessary and suitable report.

W. P. Williams

W. P. Williams

ATOMIC RESOURCES CORPORATION
523 Third St., N.W.
~~515 CENTRAL AVENUE, N.E.~~
ALBUQUERQUE, NEW MEXICO

P. O. Box 458
Monticello, Utah

September 30, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 1 1957

DATE	INITIALS	CODE
10/1	B	220
11	Ching	700

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

Re: Docket DMEA 4603
Waterfall Group
San Juan County, Utah

Dear Mr. Mittendorf:

In reference to your letter of July 15, ~~we are en-~~ closing 2 copies each of the following:

1. Contract and Agreement dated June 22, 1954 - wherein Santa Fe Western Gas & Uranium Corp., received its interest from Carl I. Dismant.

2. Amendment dated July 21, 1955

3. Agreement dated May 26, 1955

Also enclosed are three bids for the proposed drilling. Under separate cover we are forwarding four copies of a claim map showing the claims held under lease from Molybdenum Corporation of America, which we believe will be satisfactory for your needs. Also four copies of a claim map of the Wilson group.

As explained in our earlier letter, Frisco No. 1 may or may not have any value in reference to the claims and should not be included in the list of valid claims.

Very truly yours,

ATOMIC RESOURCES CORPORATION

By Carl I. Dismant
Carl I. Dismant, Manager

Enclosures

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-17	Ching	700
9-17	Ellis	700
		~~110~~
9/18	C	220
		700

SEP 17 1957

Mr. Carl I. Dismant, Manager
Atomic Resources Corporation
523 Third Street, N.W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Dismant:

Reference is made to our letters of July 15 and August 16, 1957, relating to the captioned docket.

We wish to cooperate with you fully in allowing ample time to supply the required information; however, we cannot indefinitely postpone action on an application. Therefore, if we do not receive the required information within 30 days from the date of this letter, we will assume that you are no longer interested in proceeding with your application, and will consider it as having been withdrawn.

Sincerely yours,

Frank E. Johnson
(Ryes)
Acting Administrator

MChing/izm 9-17-57
cc: Mr. Ching
Admr.'s Reading File
DMEA FT Reg. 3 (2)
THKiilsgaard, 5224

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/15	Ching	700
8/15	Knouse	700
		~~100~~
8/16	P.	220
		700

AUG 16 1957

Mr. Carl I. Dismant, Manager
Atomic Resources Corporation
523 Third Street, N. W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Dismant:

Reference is made to the Administrator's letter, dated July 15, 1957, relating to the captioned docket.

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

Sincerely yours,

SIGNED

F. L. Knouse, Acting Director
Division of Rare and
Miscellaneous Metals

MChing/gla
8-15-57
cc to: Admr.'s Reading File
Code 700, Mr. Ching
THKiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/12	Ching	700
"	Kovach	700
"	[illegible]	110
15	[illegible]	100
7/16	C	220
		700

JUL 15 1957

Mr. Carl I. Dismant, Manager
Atomic Resources Corporation
523 Third Street, N. W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Dismant:

We have received your letter of July 3, 1957, with enclosures, in answer to ours of January 31 and June 6 to Mr. James V. Reynolds.

While a number of the questions raised in our letter of January 31 have been clarified, there remain the following:

1. Inasmuch as the Atomic Resources Corporation holds only a partial interest in the subject property, where does it derive its authority to carry out the proposed exploration project? The answer to this question may lie in the Agreement, dated May 26, 1955, copies of which were not furnished with your application. This illustrates the necessity of supplying this office with two copies each of all leases, assignments, amendments, and agreements that have a bearing on the ownership, control, royalty or other rights in relation to the property, as requested in our letter of January 31, 1957. Among the documents which should be furnished are: (1) the assignment (1954) of part of the lease to Santa Fe Western Gas and Uranium Corporation by Carl I. Dismant, (2) the amendment, dated July 21, 1955, to the lease, and (3) the agreement, dated May 26, 1955, mentioned above.

2. The maps supplied with your original application do not include claim maps of the Happy Jack Nos. 1 and 2, Sunnyside, Valley View, Frisco No. 1, Woodrow Wilson, and Woodrow Wilson No. 1 claims. Please supply four copies of each of these claim maps.

3. It is suggested that you secure three bids for the proposed drilling and forward same to this office.

8623

Upon receipt of the information listed above, we shall be pleased to continue the processing of your application.

Sincerely yours,

C. O. Litt[illegible] (for)

Administrator

MChing/gla
7-12-57
cc to: Admr.'s Reading File
Code 700, Mr. Ching
THKiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)

ATOMIC RESOURCES CORPORATION

~~XXXXXXXXXXXXXXXXXXXX~~ 523 Third St., N.W.
ALBUQUERQUE, NEW MEXICO

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 8 1957

DATE	INITIALS	CODE
7-9	C	220
"	Ching	700

July 3, 1957

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

Re: Docket No. DMEA 4603 ~~(Uranium)~~
Waterfall Group
San Juan County, Utah

Dear Mr. Mittendorf:

Your letter of June 6, addressed to Mr. J. V. Reynolds has been referred to me. I wish to advise that the information requested by your office in reference to the technical data, was supplied with the original application and such maps are on file at the Denver office of DMEA. ?

However, the information requested in reference to the Woodrow Wilson claims, is as follows:

Woodrow Wilson, recorded in Book L, Page 432
Woodrow Wilson No. 1, recorded in Book L, Page 433
in San Juan County, Utah.

There is no such claim as Woodrow Wilson No. 2 held by this company.

In reference to the claims under lease, the Frisco group consists of the Midvale, Neighbor, Coleman, Midway, Frisco No. 1 Also included is the Frisco No. 3 which may or may not be a valid claim, but is not taken into account when listing the valid claims of the property.

In addition, the Waterfall Group consists of: The Geneva, Roanoke, Gilman, Dime, Logan, Good Hope, November, V_2O_5, U_3O_8, Bee, Red Match, Red Patch. Dugway No. 1 and Dugway No. 2 were at one time relocated by the V_2O_5 and U_3O_8 claims, however, there is a strip of ground on the front of the claims which is covered by the Dugways, and not covered by the V_2O_5s, and therefore have been carried on the books over many years.

There are also the Happy Jack No. 1 and Happy Jack No. 2, Sunnyside and Valley View, and the Sunset claims. These are the original claims belonging to Molybdenum Corporation of America. However, under various locations of later dates the Gilman Fraction, the Bertha M and Kay D, Gilman No. 3, Roanoke 2, C.I.D. and Dime Fraction have been located. This makes a total of 31 claims which are under this present ownership.

In regard to your statement that most of the work which we have outlined to be done in No. 1 step does not conform with your exploration program, we hereby modify our application by eliminating Step No. 1 in the amount of $11,400, making a total expenditure of $70,595.00.

The drilling program as set up in the original application is only a portion of the drilling that is necessary for the project. However, we have been informed that when this step is completed that additional applications can be filed to complete the necessary work if the drilling has been satisfactory.

Enclosed is a copy of Lease and Agreement between Carl I. Dismant and Molybdenum Corporation of America. You have in your files copies of the transfer of lease to Atomic Resources Corporation.

Very truly yours,

Atomic Resources Corporation

Carl I. Dismant

Carl I. Dismant, Manager

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/4	Ching	700
6/5	Ellis	700
6	Mittendorf	100
6/6	C	220
		700

JUN - 6 1957

Mr. James V. Reynolds, President
Atomic Resources Corporation
523 Third Street, N. W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Reynolds:

Reference is made to our letter of May 6, 1957, requesting additional information concerning the subject application for exploration assistance.

We wish to cooperate with you fully in allowing ample time to supply the requested information; however, we cannot indefinitely postpone action on an application. Therefore, if we do not receive the requested information within 30 days from the date of this letter, we will assume that you are no longer interested in proceeding with your application, and we will consider it as having been withdrawn.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

MChing/gla
6-4-57
cc to: Admr.'s Reading File
THKiilsgaard, Rm. 5224
Code 700, Mr. Ching
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/3	Ching	700
5/6	Ellis	700
"	Mathews	100
5/6	C	220
		700
		700

MAY - 6 1957

Mr. James V. Reynolds, President
Atomic Resources Corporation
523 Third Street, N. W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Reynolds:

Further processing of your application is pending receipt of the information and modifications referred to in our letter of January 31 and in your reply of February 11, 1957.

Please advise us promptly of the status of your preparatory work and of your intentions regarding this application.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

MChing/gla
5-3-57
cc to: Admr.'s Reading File
Code 700, Mr. Ching
THKiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)

8623

ATOMIC RESOURCES CORPORATION
523 THIRD STREET, N.W.
ALBUQUERQUE, NEW MEXICO

OFFICIAL FILE COPY
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RECEIVED FEB 13 1957

DATE	INITIALS	CODE
2-13	C	220
"	Ching	700

February 11, 1957

Defense Minerals Exploration Administration
Washington 25, D.C.

Re: Docket - No. DMEA
4603 (uranium)
Waterfall Group
San Juan County, Utah

Attention: Ernest W. Ellis, Chief
Rare & Miscl. Metals Division

Gentlemen:

We thank you for your letter of January 31, 1957 and will prepare a supplement to the present application with the modifications suggested.

Yours truly,

ATOMIC RESOURCES CORPORATION

J.V. Reynolds

J.V. Reynolds
President

JVR:mb

No action required.
2 Copies to Field Team.
MEQ.

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
1-31	Ching	700
1-31	Ellis	700
"	Johnson	110
"	Hetherington	100
1-31	C	220

700

JAN 31 1957

Mr. James V. Reynolds, President
Atomic Resources Corporation
523 Third Street N. W.
Albuquerque, New Mexico

Re: Docket No. DMEA-4603 (Uranium)
Waterfall Group
San Juan County, Utah

Dear Mr. Reynolds:

We have reviewed your application for aid in an exploration project and suggest that you supply the additional information and modify the application as indicated hereinafter.

1. We find the information supplied in relation to the property rights somewhat ambiguous and inadequate for our purposes. Under 3(a) of the application form, 21 claims are listed whereas under 3(f) there are 36 claims. Please advise which list is to be covered by the proposed project. If the list under 3(f) is to be used please supply the book and page numbers for the Geneva No. 2 claim and the page number for the Woodrow No. 1 claim. Also, please advise which two names are correct, namely Woodrow Wilson and Woodrow No. 1 or Woodrow Wilson No. 1 and Woodrow Wilson No. 2.

   We note that of the 36 claims listed under 3(f), 8 are included in the Quitclaim Deed, dated June 25, 1956, and 27 in the Assignment, dated May 24, 1956, (assuming that the Dugway No. 1 claim is the same as the V_2O_5 and the Dugway No. 2 is the same as the U_3O_8). This would leave the Geneva No. 2 claim unaccounted for.

   As the prospective operator under this application, the Atomic Resources Corporation must have a sufficient possessory interest in the land for the purposes of an exploration project. The information supplied with the application does not show that you have such an interest, nor does it show the outstanding claims or liens against the property. To remedy this deficiency it is requested that you supply this office with two copies each of all leases, assignments, amendments and agreements that have a bearing on the ownership, control, royalty or other rights in relation to the property. As you probably know, before an exploration contract can be

8623

approved a Consent to Lien and Subordination Agreement form must be signed by all owners, other than the operator, and by holders of any claims or liens against the property.

2. In connection with the proposed program of exploration we find that most of the work outlined in Step No. 1 is work that ordinarily should be done by the Applicant prior to a DMEA project. In view of the considerable amount of work that has been done on these claims and the large amount of information already available you may find it possible, with a little additional preliminary work, to modify your application to satisfy our requirements. The basic requirements in this case are reliable claim maps showing all the claims to be subordinated, and a concrete program of exploratory drilling (possibly in stages) with well-defined targets or objectives. Usually, if the work is done in stages, the proposed locations of the first-stage holes should be shown on the maps, and provisions should be made in later stages for offsetting or extending favorable showings of the earlier stages.

If you agree that such a modification is possible please so advise this office and proceed to prepare a supplement to the present application. Two copies of the supplement should be sent to this office and two copies to Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. If the application is then found satisfactory, the Field Team will be requested to schedule a field examination of the property. As a result of such examination and discussions with your engineers and geologists, your proposed program may be subject to further modification if a project is approved.

Sincerely yours,

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

MChing/izm 1-31-57
cc to: Code 700
Mr. Ching
DMEA FT Reg. 3 (2)
Admr.'s Reading File
Messrs. JECrawford, 3643
THKiilsgaard, 5224
JKratchman, AEC

OFFICIAL FILE COPY DMEA RECEIVED JAN 24 1957		
DATE	INITIALS	CODE
1-24	cw	220
1-24	~~[illegible]~~	700
	Ching	700

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

Date January 23, 1957

DMEA Docket No. 4603
DMEA Contract No.
Commodity Uranium
Name of applicant Atomic Resources Corp.
Name of property Waterfall Group
Location of property San Juan County, Utah
Estimated cost of project $12,250.00

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Alternate Member
Uranium Commodity Committee

Subject: Review of Application
(Application, Field Team Report, etc.)

1. Date of subject document: 1/9/57. 2. Date received by reviewer: 1/16/57.

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 ☐
   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, Kratchman, Washington representative of the Atomic Energy Commission, assisted in the review.

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

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DMEA
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DATE	INITIALS	CODE
1-25	C	220
1-25	Chiang	700

224 New Customhouse
Denver 2, Colorado

~~January 23, 1957~~

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Docket DMEA 4603 (Uranium) Atomic Resources Corp. (Waterfall group) San Juan County, Utah.

Enclosed are the original and three copies of a review of the subject application by members of the Grand Junction Office, DMEA.

On the basis of the past history of the property, they recommend that a field examination be made. But since the surveying, mapping, and sampling proposed by the Applicant as Stage I, they believe that this work should precede a field examination by DMEA. We concur with the field in this belief that the Applicant's initial step is essential for a proper evaluation of the property, and should be done at the Applicant's expense since none of the work in this stage could be classed as exploration as defined in DMEA Order No. 1.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
RECEIVED
JAN 22 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
JAN 23 1957
REGION III
DENVER, COLORADO

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DATE	INITIALS	CODE

January 21, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. William Hasler
E. N. Harshman

From: W. B. Gazdik
M. H. Salsbury

Subject: Recommendation for field examination, DMEA docket 4603 (Uranium) Atomic Resources Corporation (Waterfall group), San Juan County, Utah

The Atomic Resources Corporation has applied for DMEA assistance to explore for uranium on 36 claims located in the Dry Valley area of the Monticello Mining District. The first stage consists of sampling, surveying, geological work, and mine rehabilitation, costing an estimated $12,250.00. The second stage includes 509 drill holes totaling 50,900 feet and costing an estimated $69,745.00. A definite drilling plan has not been worked out, but presumably would be based on results of the proposed first stage. The total proposed cost of the program is $81,995.00. As pointed out in E. N. Harshman's memorandum to the Operating Committee, dated January 9, 1957, none of the proposed stage I work can be classed as exploration. No bids by independent drill contractors were presented, and ownership data appears to be incomplete.

The applicant's property has a production history dating back to the early 1920's. Known ore deposits are characteristically high in vanadium and low in uranium content, consequently most of the mines were worked for vanadium ore. The Union Mines Development Corporation estimated that the Wilson, Waterfall and Frisco groups produced 25,000 to 45,000 tons of ore through 1944. R. P. Fischer, USGS geologist who mapped the applicant's Happy Jack mine before it became inaccessible estimated that the mine produced about 1,000 tons of vanadium ore before reserves were depleted. From 1944 to 1956 the combined total production from the applicant's Dry Valley property amounted to about 10,000 tons averaging 0.22 percent U_3O_8 and 1.67 percent V_2O_5. The ore was apparently upgraded before it was shipped. It was mentioned in the application that a 100-ton upgrading mill was utilized on the property and that 200 tons of ore and 40 tons of concentrate were stockpiled at the mill site. At the present time no ore shipments are being made. Practically all of the ore was mined from the upper sandstone unit of the Salt Wash member of the Jurassic Morrison formation.

The Atomic Energy Commission drilled 187 holes behind the mines on the Wilson, Waterfall and Frisco groups. According to available records this drilling resulted in the discovery of 2,190 tons of ore on the Waterfall group, 8 ore holes on the Frisco group, and negative results on the Wilson group.

R. P. Fischer and G. W. Weir, USGS geologists who are familiar with the area, were consulted regarding the merits of the applicant's property. They agree that some additional exploratory drilling may be warranted.

On the basis of the relatively long producing history of the property a field examination is advisable and, therefore, recommended. As the surveying, mapping, and sampling proposed by the applicant as the initial step is probably essential for an evaluation of the property, it would appear that this work should precede a field examination by DMEA personnel.

W. B. Gazdik,
Geological Survey

M. H. Salsbury,
Bureau of Mines

WBG:MHS/mlr

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

January 11, 1957

Atomic Resources Corp.
563 Third St. N. W.
Albuquerque, N. M.

Subject: DMEA-1603

Gentlemen

Your application for exploration assistance, dated January 4, 1957 submitted to our office at Denver, has been assigned Docket Number DMEA-1603 and referred to the Rare and Miscellaneous Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

(Sgd) Allen S. Dakan

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region III, Denver, Colorado

Code 700

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