DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4631

1092
29 MAY 1957

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(Withdrawn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~~
SETTLEMENT SHEETS

**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.~~

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington, D. C. and Denver, Colorado, offices pertaining to Contract Idm-E1092, Docket DMEA-4631 (uraniu ), dated May 29, 1957, with

Vanadium Queen Uranium Corporation
now known as
The Queen Corporation
525 Milam Building
San Antonio, Texas

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Vanadium Queen Claims Nos. 3, 7, 9, and 10 located in San Juan County, Utah, during the period April 18, 1964, through May 27, 1965.

A certification of discovery or development was issued on December 13, 1957, and, in accordance with Article 8 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated December 26, 1957, indicated accepted costs under the exploration contract amounting to $44,875.45 with the Government's contribution on a 75 percent basis being $33,656.60.

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

This review established the total sales subject to the Government's royalty for the period to be $135,159.70. Royalty payable to the Government at the rate specified in the contract is $6,757.99.

A prior Report of Royalty Review found the sales subject to the Government's royalty through April 17, 1964 to be $157,008.27 which added to the sales for this subsequent period make a total of $292,167.97. The Royalty account as of April 17, 1964, was:

| | |
|---|---|
| Total Royalty Payable | $7,850.42 |
| Total Royalty Paid | 7,850.42 |
| Balance of Royalty Due | $ -0- |

As of May 27, 1965, the royalty account of this project was found to be:

| | |
|---|---|
| Total Royalty Payable | $14,608.41 |
| Total Royalty Paid | 14,608.41 |
| Balance of Royalty Due | $ -0- |

C. E. Fisher

June 8, 1965

C. E. Fisher, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Article 8(b) of this contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a royalty on all mineral production from the four unpatented lode mining claims thereunder. The four claims are part of the Vanadium Queen Group of 12 claims lying in secs. 28 and 29, T. 28S., R. 26E., S.L.M. & B., in the Paradox Mining District, La Sal Creek Area. To further secure the payment of royalty the Operator, as owner, granted the Government a lien upon the land and any production therefrom. On April 20, 1959, the Operator (under the new name of The Queen Corporation) transferred by quit claim deed the Vanadium Queen group of twelve claims, including the four under the DMEA contract, to Allied-Mission Oil, Inc., Room 1004, 165 Broadway, New York 6, New York.

Exploration work under the contract was terminated October 29, 1957. No ore was produced from the subordinated claims during the exploration. Thereafter, five lots were shipped during the period that the Operator owned the property. These shipments, during May 1958 and in the name of the Operator, consisted of ore extracted by Joe C. Pitts, a lessee, in extending a development drift from unsubordinated Vanadium Queen No. 2 claim into subordinated Vanadium Queen No. 10 claim toward exploration hole 214, which had penetrated 2.6 feet of 1.0% U3O8. Allied-Mission Oil, Inc., started operations and shipments from the subordinated claims during September 1960. Such shipments were made in its name to Climax Uranium Company, Grand Junction, Colorado, each month from September 1960 through July 1961. Other small lots were shipped in December 1961 and January 1962 in the name of John E. McNulty, Trustee, Allied-Mission Oil, Inc., 200 North 6th Street, Grand Junction, Colorado.

Allied-Mission Oil, Inc., failed to pay, or arrange with the purchaser to deduct, royalty on its shipments until royalty amounting to $4,253.93 was delinquently due the Government as of February 3, 1961. Arrangements were then made with the purchaser for deduction of additional royalty until the indebtedness was liquidated. Final payment in liquidation of the past due royalty was received during January 1962 as set forth in Report of Royalty Review dated June 1, 1962.

Available records indicate that there were no sales of production from the subordinated land on which the Government would be due royalty between January 1962 and October 1963. Commencing with

November 1963 Climax Uranium Company resumed monthly payments to the Government of royalty withheld from settlements for ore produced from such claims. Royalty has been paid on such settlements each month through March, 1965. These payments have been made pursuant to an "Amended Proposed Arrangement" filed by Allied-Mission Oil, Inc., on November 16, 1962, and accepted by the required number of creditors and confirmed by the Referee in Bankruptcy on December 7, 1962.

In accordance with an arrangement approved by the Bankruptcy Court pursuant to proceedings instituted by Allied-Mission Oil, Inc., in the Federal District Court, District of Colorado, Bankruptcy No. 3154, the ore is being mined by E. E. Lewis, Inc., a corporation and an independent mining contractor, under the terms of a mining contract with Climax Uranium Corporation. The latter make settlements with the various interested parties, including the Government for its royalty, based on the value of ore produced, as determined in accordance with a schedule of prices filed with the Court and the Atomic Energy Commission. In a letter dated February 19, 1963, the Director, Office of Minerals Exploration, agreed that the royalty paid to the Government should be based on the price paid by Climax for the ore rather then the value of concentrate.

This review included a recomputation and tabulation of all monthly settlement sheets provided by Climax. A summary of the tabulation, which is filed with my audit work papers and on which liquidation number 6572 covering March 1965 purchases of ore is last listed, follows:

| | This Period | Through March 1965 |
|---|---|---|
| Short Wet Tons | 3,884.26 | 7,678.60 |
| Short Dry Tons | 3,569.87 | 7,068.45 |
| Average Assays: $U_3O_8$ | .2350 | .2548 |
| $V_2O_5$ | 1.6756 | 1.7326 |
| Content: $U_3O_8$ lbs. | 16,775.62 | 36,014.56 |
| $U_3O_8$ lbs (Excess 4# SDT) | 2,574.74 | 7,959.42 |
| $V_2O_5$ | 119,635.78 | 244,934.56 |
| $U_3O_8$ Base payment | $58,493.14 | $125,355.25 |
| Premiums (Excess 4# SDT) | 1,931.06 | 5,969.57 |

Idm-E1092 Vanadium Queen Uranium Corporation DMEA-4631

| | | This Period | Through March 1965 |
|---|---|---|---|
| $U_3O_8$: | Development | $ 8,387.84 | $18,007.36 |
| | Haulage | 26,218.76 | 62,653.51 |
| $V_2O_5$: | Payment | 37,087.08 | 75,929.71 |
| Grade Premium | | 3,041.82 | 4,252.57 |
| Total Proceeds | | $135,159.70 | $292,167.97 |
| Royalty: | Payable | $ 6,757.99 | $ 14,608.41 |
| | Paid | 6,757.99 | 14,608.41 |
| | Due | $ -0- | $ -0- |

The findings of this review are subject to revision in the event of future audit by the Government of the producer's mining records and sales accounts or future examination of the stoped areas.

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

(1) The files indicate that all production from the property under the contract has been reported and proper royalty thereon paid; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

## REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E1092, Docket DMEA-4631 (uranium), dated May 29, 1957, with

Vanadium Queen Uranium Corporation
now known as
The Queen Corporation
525 Milam Building
San Antonio, Texas

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Vanadium Queen Claims Nos. 3, 7, 9, and 10 located in San Juan County, Utah, during the period May 16, 1962, through April 17, 1964.

A certification of discovery or development was issued on December 13, 1957, and, in accordance with Article 8 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated December 26, 1957, indicated accepted costs under the exploration contract amounting to $44,875.45 with the Government's contribution on a 75 percent basis being $33,656.60.

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

This review established the total sales subject to the Government's royalty for the period to be $29,634.08. Royalty payable to the Government at the rate specified in the contract is $1,481.71.

A prior Report of Royalty Review found the sales subject to the Government's royalty through May 15, 1962, to be $127,374.19 which added to the sales for this subsequent period make a total of $157,008.27. The royalty account as of May 15, 1962, was:

| | |
|---|---|
| Total Royalty Payable | $6,368.71 |
| Total Royalty Paid | 6,363.58 |
| Balance of Royalty Due | $ 5.13 |

As of April 17, 1964, the royalty account of this project was found to be:

| | |
|---|---|
| Total Royalty Payable | $7,850.42 |
| Total Royalty Paid | 7,850.42 |
| Balance of Royalty Due | $ -0- |

C. E. Fisher

May 6, 1964

C. E. Fisher, OME Auditor

Idm-E1092 Vanadium Queen Uranium Corporation DMEA-4631

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Article 8(b) of this contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a royalty on all mineral production from the four unpatented lode mining claims thereunder. The four claims are part of the Vanadium Queen Group of 12 claims lying in secs. 28 and 29, T. 28 S., R. 26 E., S.L.M. & B., in the Paradox Mining District, La Sal Creek Area. To further secure the payment of royalty the Operator, as owner, granted the Government a lien upon the land and any production therefrom. On April 20, 1959, the Operator (under the new name of The Queen Corporation) transferred by quit claim deed the Vanadium Queen group of twelve claims, including the four under the DMEA contract, to Allied-Mission Oil, Inc., Room 1004, 165 Broadway, New York 6, New York.

Exploration work under the contract was terminated October 29, 1957. No ore was produced from the subordinated claims during the exploration. Thereafter, five lots were shipped during the period that the Operator owned the property. These shipments, during May 1958 and in the name of the Operator, consisted of ore extracted by Joe C. Pitts, a lessee, in extending a development drift from unsubordinated Vanadium Queen No. 2 claim into subordinated Vanadium Queen No. 10 claim toward exploration hole 214, which had penetrated 2.6 feet of 1.0% $U_3O_8$. Allied-Mission Oil, Inc., started operations and shipments from the subordinated claims during September 1960. Such shipments were made in its name to Climax Uranium Company, Grand Junction, Colorado, each month from September 1960 through July 1961. Other small lots were shipped in December 1961 and January 1962 in the name of John E. McNulty, Trustee, Allied-Mission Oil, Inc., 200 North 6th Street, Grand Junction, Colorado.

Allied-Mission Oil, Inc., failed to pay, or arrange with the purchaser to deduct, royalty on its shipments until royalty amounting to $4,253.93 was delinquently due the Government as of February 3, 1961. Arrangements were then made with the purchaser for deduction of additional royalty until the indebtedness was liquidated. Final payment in liquidation of the past due royalty was received during January 1962 as set forth in Report of Royalty Review dated June 1, 1962.

Available records indicate that there were no sales of production from the subordinated land on which the Government would be due royalty between January 1962 and October 1963. Commencing with

November 1963 Climax Uranium Company resumed monthly payments to the Government of royalty withhold from settlements for ore produced from such claims. Royalty has been paid on such settlements each month through March 1964. These payments have been made pursuant to an "Amended Proposed Arrangement" filed by Allied-Mission Oil, Inc., on November 16, 1962, and accepted by the required number of creditors and confirmed by the Referee in Bankruptcy on December 7, 1962.

In accordance with an arrangement approved by the Bankruptcy Court pursuant to proceedings instituted by Allied-Mission Oil, Inc., in the Federal District Court, District of Colorado, Bankruptcy No. 3154, the ore is being mined by E. E. Lewis, Inc., a corporation and an independent mining contractor, under the terms of a mining contract with Climax Uranium Corporation. The latter make settlements with the various interested parties, including the Government for its royalty, based on the value of ore produced, as determined in accordance with a schedule of prices filed with the Court and the Atomic Energy Commission. In a letter dated February 19, 1963, the Director, Office of Minerals Exploration, agreed that the royalty paid to the Government should be based on the price paid by Climax for the ore rather than the value of concentrate.

A balance of $5.13 in royalty delinquently due to the Government was indicated by the prior Report of Royalty Review dated June 1, 1962. This amount was paid by order of the Court during March 1963.

This review included a recomputation and tabulation of all monthly settlement sheets provided by Climax. A summary of the tabulation, which is filed with my audit work papers and on which liquidation number 6116 covering March 1964 purchases of ore is last listed, follows:

| | This Period | Through March 1964 |
|---|---|---|
| Short Wet Tons | 758.04 | 3,794.34 |
| Short Dry Tons | 694.72 | 3,498.58 |
| Average Assays: $U_3O_8$ | .2687 | .2750 |
| $V_2O_5$ | 1.7778 | 1,7907 |
| Content: $U_3O_8$ lbs. | 3,733.26 | 19,238.94 |
| $U_3O_8$ lbs. (Excess 4# SDT) | 954.67 | 5,384.68 |
| $V_2O_5$ | 24,701.48 | 125,298.78 |
| $U_3O_8$ Base payment | $13,066.43 | $ 66,862.11 |
| Premiums (Excess 4# SDT) | 716.00 | 4,038.51 |

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

## REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-51092, Docket DMEA-4631 (uranium), dated May 29, 1957, with

Vanadium Queen Uranium Corporation
now known as
The Queen Corporation
525 Milam Building
San Antonio, Texas

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Vanadium Queen Claims Nos. 3, 7, 9, and 10 located in San Juan County, Utah, during the period May 29, 1957, through May 15, 1962.

A certification of discovery or development was issued on December 13, 1957, and, in accordance with Article 8 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated December 26, 1957, indicated accepted costs under the exploration contract amounting to $44,875.45 with the Government's contribution on a 75 percent basis being $33,656.60.

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

This review established the total sales subject to the Government's royalty for the period to be $127,374.19. Royalty payable to the Government at the rate specified in the contract is $6,368.71.

As of May 15, 1962, the royalty account of this project was found to be:

| | |
|---|---|
| Total Royalty Payable | $6,368.71 |
| Total Royalty Paid | 6,363.58 |
| Balance of Royalty Due | $ 5.13 |

E. D. Talbert, OME Auditor

June 1, 1962

Idm-E1092 Vanadium Queen Uranium Corporation DMEA-4631

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Article 8(b) of this contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a royalty on all mineral production from the four unpatented lode mining claims thereunder. The four claims are part of the Vanadium Queen Group of 12 claims lying in secs. 28 and 29, T. 28 S., R. 26 E., S.L.M. & B., in the Paradox Mining District, La Sal Creek Area. To further secure the payment of royalty the Operator, as owner, granted the Government a lien upon the land and any production therefrom. On April 20, 1959, the Operator (under the new name of The Queen Corporation) transferred by quit claim deed the Vanadium Queen group of twelve claims, including the four under the DMEA contract, to Allied-Mission Oil, Inc., Room 1006, 165 Broadway, New York 6, New York.

Exploration work under the contract was terminated October 29, 1957. No ore was produced from the subordinated claims during the exploration. Thereafter, five lots were shipped during the period that the Operator owned the property. These shipments, during May 1958 and in the name of the Operator, consisted of ore extracted by Joe C. Pitts, a lessee, in extending a development drift from unsubordinated Vanadium Queen No. 2 claim into subordinated Vanadium Queen No. 10 claim toward exploration hole 214, which had penetrated 2.6 feet of 1.0% $U_3O_8$. Allied-Mission Oil, Inc., started operations and shipments from the subordinated claims during September 1960. Such shipments were made in its name to Climax Uranium Company, Grand Junction, Colorado, each month from September 1960 through July 1961. Other small lots were shipped in December 1961 and January 1962 in the name of John E. McNulty, Trustee, Allied-Mission Oil, Inc., 200 North 6th Street, Grand Junction, Colorado.

Allied-Mission Oil, Inc., failed to pay, or arrange with the purchaser to deduct, royalty on its shipments until royalty amounting to $4,253.93 was delinquently due the Government as of February 5, 1961. Arrangements were then made with the purchaser for deduction of additional royalty until the indebtedness was liquidated. Final payment in liquidation of the past due royalty was received during January 1962.

This review included a recomputation and tabulation of all monthly settlement sheets provided by the purchaser. A summary of the tabulation, which is filed with my audit workpapers and on which liquidation number 5065 is last listed, follows:

| | The Queen Corporation | Allied-Mission Oil, Inc. | Total |
|---|---|---|---|
| Short Wet Tons | 70.76 | 2,965.54 | 3,036.30 |
| Short Dry Tons | 65.36 | 2,738.50 | 2,803.86 |
| Average Assays: $U_3O_8$% | .3541 | .27465 | .27651 |
| $V_2O_5$% | 2.4004 | 1.77943 | 1.79391 |
| Content: $U_3O_8$ lbs. | 462.89 | 15,042.79 | 15,505.68 |
| $V_2O_5$ lbs. | 3,137.97 | 97,459.33 | 100,597.30 |
| $U_3O_8$: Base Payment | $1,620.12 | $ 52,175.56 | $ 53,795.68 |
| Development | 231.45 | 7,521.42 | 7,752.87 |
| Premiums | 151.09 | 3,171.42 | 3,322.51 |
| Haulage | 102.60 | 31,215.37 | 31,317.97 |
| $V_2O_5$ Payment | 972.77 | 30,212.39 | 31,185.16 |
| Total Proceeds | $3,078.03 | $124,296.16 | $127,374.19 |
| Royalty: Payable | $ 153.90 | $ 6,214.81 | $ 6,368.71 |
| Paid | 148.77 | 6,214.81 | 6,363.58 |
| Due | $ 5.13 | $ -0- | $ 5.13 |

The balance of $5.13 due the Government resulted from the Operator's failure to pay royalty on a $102.60 haulage allowance included in the $3,078.03 proceeds from Climax Uranium Company's May 22, 1958, liquidation no. 4179.

The property was not eligible for the A.E.C. production bonus. Mining on the Vanadium Queen group of claims has been almost continuous since 1948; however, the mine foreman advised the Acting Field Officer, OME Region III, during a visit to the property on May 10, 1962, that all production since January 1962 has come from two stopes not on land under the exploration project contract. On May 14, 1962, the trustee for the creditors of Allied-Mission Oil, Inc., informed the Acting Field Officer that he expects to petition the court to permit him to obtain another operator for the property.

The findings of this review are subject to revision in the event of future audit by the Government of the producer's mining records and sales accounts or future examination of the stoped areas.

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

(1) The files indicate that all production from the property under the contract has been reported and proper royalty thereon paid except as stated above; and

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

Docket copy

Ching
Ellis
Curtin
Sunger
Christensen
Selfridge
Johnson

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

To: Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

Pursuant to the provisions of Exploration Project Contract No. Idm-E1092, dated May 29, 1957, (Docket No. DMEA-4631), hereinafter called the "contract," between the Vanadium Queen Uranium Corporation, a Nevada corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

Exploratory non-core and core drilling in the project area resulted in the discovery of tabular-shaped lenses of uranium ore in the upper sandstones of the Salt Wash member of the Jurassic Morrison formation.

Dated: DEC 1 3 1957

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

MChing/gla 11-29-57
cc to: Operator (original)
Abe Day, Moab, Utah
Danvers Trust - Don Danvers
525 Milam Bldg., San Antonio, Texas
John I. Schumacher
Box 1648, Grand Junction, Colorado
Contract Adm. & Audit Division
DMEA Field Team, Region III (2)
Finance Office
Jesse C. Johnson, Director,
Division of Raw Materials, AEC
Admr.'s Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
THKiilsgaard, Rm. 5224
Mr. Ching

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

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## REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

pertaining to Exploration Project Contract No. Idm-E1092, ~~DMEA No. 4631~~, for the months of June, 1957 to October, 1957, covering a project for the exploration of Uranium on property known as Vanadium Queen Claims located in San Juan County, Utah.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

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

| | | |
|---|---|---|
| Total cost as billed by Contractor | | $44,875.45 |
| Exceptions: | | |
| Prior to this review | $0.00 | |
| Herewith | 0.00 | 0.00 |
| Total Accepted Cost | | $44,875.45 |

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirty-three thousand, six hundred fifty-six and 60/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

| | |
|---|---|
| Amount payable to Operator | $33,656.60 |
| Amount reimbursed | 33,156.60 |
| Balance due Operator | $ 500.00 |

pd. to Apr. 1/9/58

T. H. Brading

December 26, 1957

T. H. Brading, Auditor

## REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

## VANADIUM QUEEN URANIUM CORPORATION

Contract No. Idm-E1092 Docket No. DMEA 4631

(a) The Monthly Reports were supported by documentary proof of that portion ($40,905.65) of the costs which covered work performed at unit rates under independent contract (per summary attached.)

(b) The balance ($3,969.80) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

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

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## SUMMARY DOCUMENTED COSTS

## VANADIUM QUEEN URANIUM CORPORATION

Contract Idm-E1092 | Docket No. DMEA 4631

### Independent Contract

**STAGE I**

| | | |
|---|---|---|
| 8,850 feet non-core drilling @ $1.75 per foot | $15,487.50 | |
| 1,992 feet core drilling @ $4.35 per foot | 8,665.20 | |
| 64 Hours bulldozing @ $12.00 per hour | 768.00 | |
| Total Cost - Stage I - Independent Contract | | $24,920.70 |

**STAGE II**

| | | |
|---|---|---|
| 5,880 feet non-core drilling @ $1.75 per foot | $10,290.00 | |
| 1,177 feet core drilling @ $4.35 per foot | 5,119.95 | |
| 48 Hours bulldozing @ $12.00 per hour | 575.00 | |
| Total Cost Stage II - Independent Contract | | 15,984.95 |
| Total Cost Independent Contract | | $40,905.65 |

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DATE | INITIALS | CODE

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DMEA
RECEIVED DEC 26 1957

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Government Copy

Long
Dunger
Ching
Ellis
Dambes
Selfridge
Johnson

TERMINATION AGREEMENT

It is agreed this 4th day of December, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and the Vanadium Queen Uranium Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1092 (Docket No. DMEA-4631), dated May 29, 1957, hereinafter referred to as the "Contract," that:

1. Effective October 29, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the agreed actual and fixed unit costs of work performed prior to October 29, 1957.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government respecting Certification of Discovery or Development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

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

VANADIUM QUEEN URANIUM CORPORATION

By Don Jones
Title President

Government's copy

OFFICIAL FILE COPY
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MF-200
(Revised June 1954)

Docket No. DMEA 4631

Commodity Uranium

Contract No. Idm-E 1092

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

## EXPLORATION PROJECT CONTRACT[1]

It is agreed this 29 MAY 1957 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] VANADIUM QUEEN URANIUM CORPORATION, a Nevada corporation, whose mailing address is 525 Milam Building San Antonio, Texas, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map (Figure 3)

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ....., [7] ....recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty claims of Abe Day, Danvers Trust (Don Danvers), and John I. Schumacher.

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

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien and Subordination Agreement of foregoing royalty claimants.

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before July 1, 1957 shall commence the work, and on or before October 31, 1957, (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work ~~or shall have incurred allowable costs (see Article 8) in a sum not less than the estimated total allowable cost set forth in Exhibit "A"~~, except as otherwise provided in Exhibit "A" with respect to stages of work. (See Article 13.)

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $53,872.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $40,404.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

*Subcategory (c)—Labor.*

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 12. 8. **See Article 13.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."

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

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

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

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

(f) Notwithstanding any other provision of the contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract.

Long
Chiang
Chambers
Selfridge

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C J Mitterdorf
Administrator, Defense Minerals
Exploration Administration

VANADIUM QUEEN URANIUM CORPORATION
(Operator)

By Don Danvers

Title President

---

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

K D Harrison

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
VANADIUM QUEEN URANIUM CORPORATION
DOCKET NO. DMEA-4631

ANNEX I

The land referred to in Article 2 of the Contract consists of four unpatented lode mining claims situated in sec. 29, T. 28 S., R. 26 E., S.L.M.&B., San Juan County, Utah. The land is shown on the map entitled "Figure 3 - Sketch Map of the Applicants Property . . .," attached hereto and made a part hereof.

The notices of location of the claims are recorded in the office of the County Recorder, San Juan County, Utah, as follows:

| Claim | Book | Page |
|---|---|---|
| Vanadium Queen No. 3 | 11 | 106 |
| Vanadium Queen No. 7 | 11 | 102 |
| Vanadium Queen No. 9 | 15 | 244 |
| Vanadium Queen No. 10 | 15 | 243 |

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Vanadium Queen Uranium Corporation
Docket No. DMEA-4631
Contract No. Idm-E 1092
Contract Date 29 MAY 1957

RECEIVED MAY 15 1957 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of San Juan, State of Utah, described as follows: 2/

Vanadium Queen No. 3, Vanadium Queen No. 7, Vanadium Queen No. 9, and Vanadium Queen No. 10 claims, recorded in Book 11, Page 106; Book 11, page 102; Book 15, page 244; Book 15, page 243, respectively, official records of said County.

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

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

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

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

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

None

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

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

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

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

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

Dated this 5th day of May, 1957.

| | | | |
|---|---|---|---|
| Abe Day (Abe Day) | [Seal] | Moab Utah. | [Address] |
| Don Danvers (Danvers Trust - Don Danvers) | [Seal] | 525 Milam Bldg., San Antonio Texas | [Address] |
| John I. Schumacher (John I. Schumacher) | [Seal] | Box 1648 Grand Junction Colo. | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |

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

_____
[Corporate Seal]

EXPLORATION PROJECT CONTRACT
VANADIUM QUEEN URANIUM CORPORATION
DOCKET NO. DMEA-4631

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration by core and non-core drilling to test the ore-bearing upper sandstones of the Salt Wash member of the Jurassic Morrison formation.

Each hole shall be drilled non-core to a point near the top of the ore-bearing sandstone and then core drilled until the ore-bearing sandstone has been completely penetrated. Drilling depths are expected to average approximately 360 feet, with non-core drilling averaging approximately 290 feet per hole and core drilling approximately 70 feet per hole. However, the amount of non-core or core drilling in each hole shall be based upon observation of the material penetrated and information available from previous drilling.

The minimum size of core shall be BX. All core and cuttings from the cored section of drill holes shall be checked for radioactivity. Cored sections indicating significant mineralization shall be split into halves and one half shall be analyzed chemically for uranium and vanadium and the other half shall be properly labeled and stored for the use of the Government. The unmineralized core shall also be labeled and stored for inspection by the Government. At the completion of the project, upon authorization by the Government, all stored samples may be disposed of by the Operator.

All drill holes shall be logged geologically and probed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports.

No hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I. No payment shall be made by the Government for incompleted drill holes.

Access roads and drill sites shall be prepared with a D-6, a D-7, or larger, bulldozer or an equivalent or larger unit of other make. If a D-6 bulldozer or equivalent unit is used the allowable hourly rate shall be reduced from $12.00 to $10.00 and the number of allowable hours increased accordingly.

The project shall be supervised at all times by a competent geologist or mining engineer. He shall be physically present on the job at least half the time and have an assistant or sampler present on the job at all times.

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

The work shall be divided into two stages as hereinafter described. The Operator shall complete Stage I, and shall perform as much of the work under Stage II as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites and drill approximately 31 holes aggregating an estimated 11,160 feet, as indicated on the map (Figure 3). The holes on the Vanadium Queen 3 and 10 claims are combined with holes already drilled to form a series of northwesterly trending fences. The fences shall be approximately 200 feet apart, with the holes staggered in alternate fences and with the holes approximately 200 feet apart within each fence. Three holes on the Vanadium Queen 9 claim are spaced approximately 400 feet apart and do not follow this pattern. If the 31 holes require more than 11,160 feet of drilling to reach the desired horizon the additional footage and funds required may, upon the written approval of the Government, be transferred and deducted from Stage II.

Stage II

Prepare access roads and drill sites and drill not more than 24 holes aggregating not more then 8,640 feet as offsets to previously drilled holes showing favorable mineralization. Offset holes shall be drilled not closer than 100 feet to any previously drilled holes.

## Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

| | |
|---|---|
| 8,990 feet non-core drilling @ $1.80/ft. | $16,182.00 |

| | | | |
|---|---|---|---|
| 2,170 feet core drilling @ $4.85/ft. | | $10,524.50 | |
| 64 hours bulldozing @ $12.00/hr. | | 768.00 | |
| Categories (2) through (7) | None | | $27,474.50 |
| **Fixed Unit Costs** (See Article 13) | | | |
| Incidental allowance[1/] for each foot of drilling completed 11,160 feet @ $0.20/ft. | | 2,232.00 | |
| 100 chemical sample analyses @ $4.00/sample | | 400.00 | |
| 217 cardboard core boxes @ $1.00/each | | 217.00 | 2,849.00 |
| Estimated Total Cost of Stage I | | | $30,323.50 |

**Stage II**

**Actual Costs**

| | | | |
|---|---|---|---|
| Category (1) Independent Contracts | | | |
| 6,960 feet non-core drilling @ $1.80/ft. | | 12,528.00 | |
| 1,680 feet core drilling @ $4.85/ft. | | 8,148.00 | |
| 48 hours bulldozing @ $12.00/hr. | | 576.00 | |
| Categories (2) through (7) | None | | 21,252.00 |
| **Fixed Unit Costs** (See Article 13) | | | |
| Incidental allowance[1/] for each foot of drilling completed 8,640 feet @ $0.20/ft. | | 1,728.00 | |
| 100 chemical sample analyses @ $4.00/sample | | 400.00 | |
| 168 cardboard core boxes @ $1.00/each | | 168.00 | 2,296.00 |
| Estimated Total Cost of Stage II | | | $23,548.00 |

Summary of Costs

| | | |
|---|---|---|
| Estimated Total Cost of Stage I | $30,323.50 | |
| Estimated Total Cost of Stage II | 23,548.00 | |
| Estimated Total Cost of Project (rounded) | | $53,872.00 |
| Government Participation @ 75% | | $40,404.00 |

1/ Includes all costs that might otherwise be allowable costs of the project under Categories (1) through (7) of Article 6(a), except as otherwise scheduled in Exhibit "A".

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

224 New Customhouse
Denver 2, Colorado

February 6, 1957

Memorandum

To: Secretary, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium) Vanadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah

Enclosed are the original and one copy of the subject application in the amount of $60,110.00. One copy of the application is being forwarded to Grand Junction Office, DMEA. One copy is being retained in our file.

The applicant formally submits a work proposal consisting of 20,250 feet of drilling. The applicant also informally submits an alternate exploration plan consisting of tunneling and drilling. Both proposals are well prepared.

W. M. Traver

W. M. Traver

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DMEA
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| DATE | INITIALS | CODE |
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MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

DMEA

DEPARTMENT OF THE INTERIOR
FEB 5 1957
REGION III
DENVER, COLORADO

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

*Not to be filled in by applicant*

Docket No. DMEA 4631
Metal or Mineral Uranium
Date Received 2-11-57
Estimated Cost 60,110.00
Participation (Government %)

## INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Vanadium Queen Uranium Corp., 525 Milam Bldg., San Antonio, Texas, a Nevada corporation; Officers: President, Don Danvers, 525 Milam Bldg., San Antonio, Texas; Secretary-Treasurer, K. D. Harrison, 525 Milam Bldg., San Antonio, Texas

(*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 The attached report gives the page and book numbers of the Vanadium Queen claims. It should be noted, however, that only Vanadium Queen Nos. 3, 7, 9, and 10 are included in the DMEA application.

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

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

(*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 None

(*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. See attached report

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

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

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

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

16—66551-1

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

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

(*c*) The work will start within 30 days and be completed within 5 months from the date of an exploration project contract. Provided contract drilling can be started by May 1957.

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

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

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

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

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

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

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

(*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. See att. rep.

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

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

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

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

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

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

Explain in detail on accompanying 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 February 2, 1957

VANADIUM QUEEN URANIUM CORP.
(Applicant)

By Don Danvers
Don Danvers, President

By: K. D. Harrison
K. D. Harrison, Secretary-Treasurer

**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

DMEA
DEPARTMENT OF THE INTERIOR
FEB 5 1957
REGION III
DENVER, COLORADO

Vanadium Queen Uranium Corp.
P.O. Box 1674
Grand Junction, Colorado
February 1, 1957

Mr. William Traver
U. S. Bureau of Mines
224 New Customhouse Building
Denver, Colorado

Dear Bill:

Attached are four copies of Form MF-103 and four copies of the report on the Vanadium Queen property in La Sal Creek area, San Juan County, Utah.

The home office of Vanadium Queen Uranium Corporation is at 525 Milam Building, San Antonio, Texas. However, if any information regarding this report or field examination is necessary, please contact us at the field office here in Room 301 Uranium Center Building, Grand Junction, Colorado or our P.O. Box 1674, Grand Junction, Colorado. Our phone number is CH 2-8180.

We will be glad to assist you in any way we can.

Best regards,

John I. Schumacher

JOHN I. SCHUMACHER
for Vanadium Queen Uranium Corporation

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224 New Customhouse
Denver 2, Colorado

February 6, 1957

Mr. John I. Schumacher
Vanadium Queen Uranium Corporation
P.O. Box 1674
Grand Junction, Colorado

Application for DMEA Aid (Uranium)
Vanadim Queen Uranium Corporation
(Vanadium Queen claims) San Juan
County, Utah

Dear John:

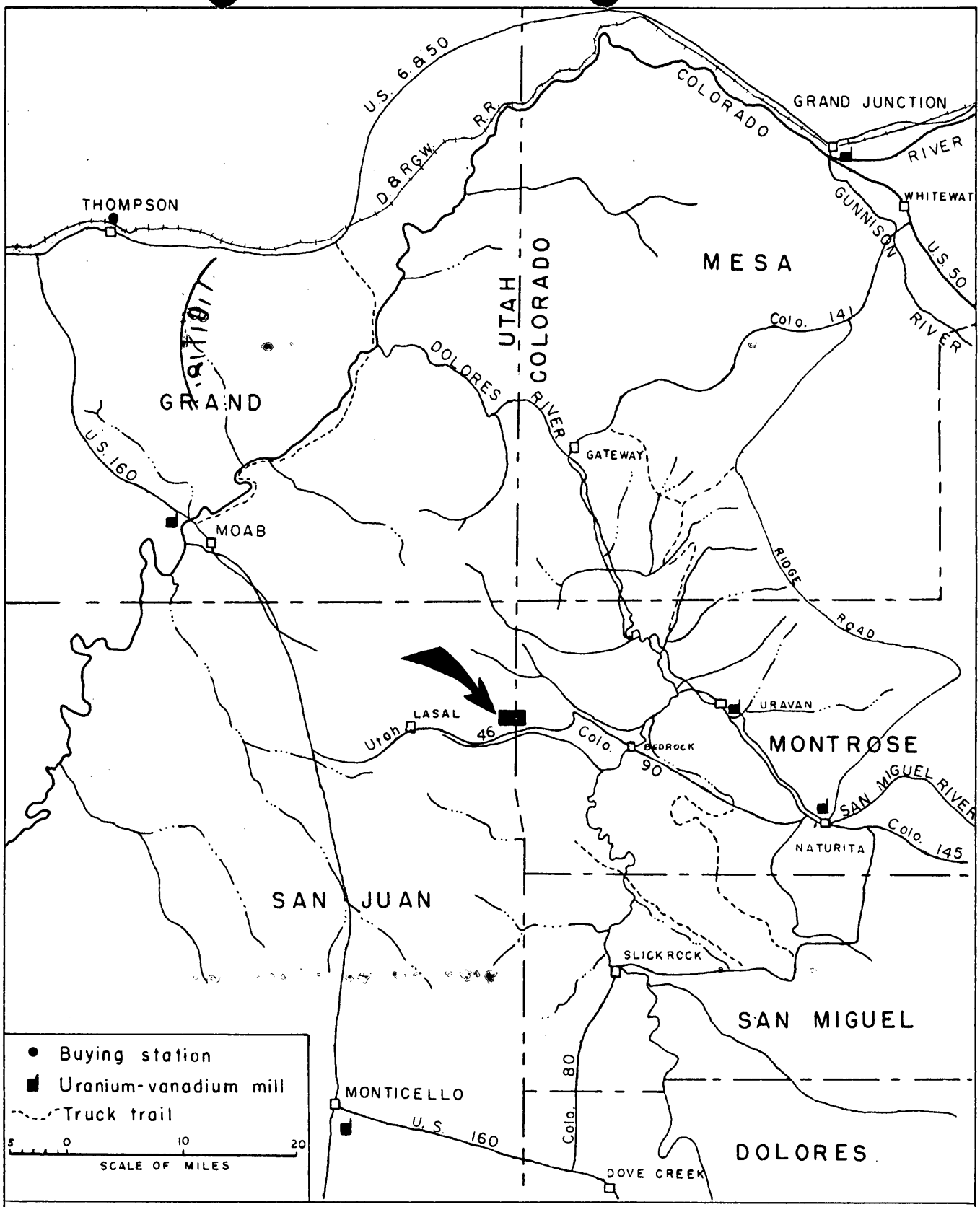
The subject application has been received by this office and today is being forwarded to our Washington Office for review and action.

Yours very truly,

Original signed by
W. M. TRAVER

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

MHM:eh
cc: Sec. Op. Comm. (2)
Docket




INDEX MAP OF PART OF THE COLORADO PLATEAU

FIG. I LOCATION OF LA SAL CREEK AREA

Vanadium Queen Uranium Corp.
301 Uranium Center Building
Grand Junction, Colorado

Photograph No. 1

Vanadium Queen Mine. Looking east toward the mine portals.

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Vanadium Queen Uranium Corp.
301 Uranium Center Building
Grand Junction, Colorado

# REPORT ON VANADIUM QUEEN PROPERTY
# LA SAL CREEK AREA, SAN JUAN COUNTY, UTAH

## Introduction

The Vanadium Queen Uranium mine, lying in Sections 28 and 29, T 28 S, R 26 E in the Paradox Mining District, La Sal Creek Area, is one of the oldest and most productive mines of the Salt Wash type deposits on the Colorado Plateau. The claims included in the Vanadium Queen Group are listed as follows:

| Claim Name | Book | Page |
|---|---|---|
| Vanadium Queen No. 1 | R | 555 |
| Vanadium Queen No. 2 | 11 | 107 |
| Vanadium Queen No. 3 | 11 | 106 |
| Vanadium Queen No. 4 | 11 | 105 |
| Vanadium Queen No. 5 | 11 | 104 |
| Vanadium Queen No. 6 | 11 | 103 |
| Vanadium Queen No. 7 | 11 | 102 |
| Vanadium Queen No. 8 | 15 | 241 |
| Vanadium Queen No. 9 | 15 | 244 |
| Vanadium Queen No. 10 | 15 | 243 |
| Vanadium Queen No. 11 | 15 | 240 |
| Vanadium Queen No. 12 | 15 | 239 |

It should be noted as shown on Form MF-103 that this application for DMEA assistance applies only to Vanadium Queen Nos. 3, 7, 9 and 10, however, the report includes the entire Vanadium Queen group to provide a clear understanding of the geology ore trends, etc.

These claims were formerly owned by Mr. Abe Day of Moab, Utah and were sold to Mr. Don Danvers who later assigned his interest to the Vanadium Queen Uranium Corporation, present owner. The mine is being operated

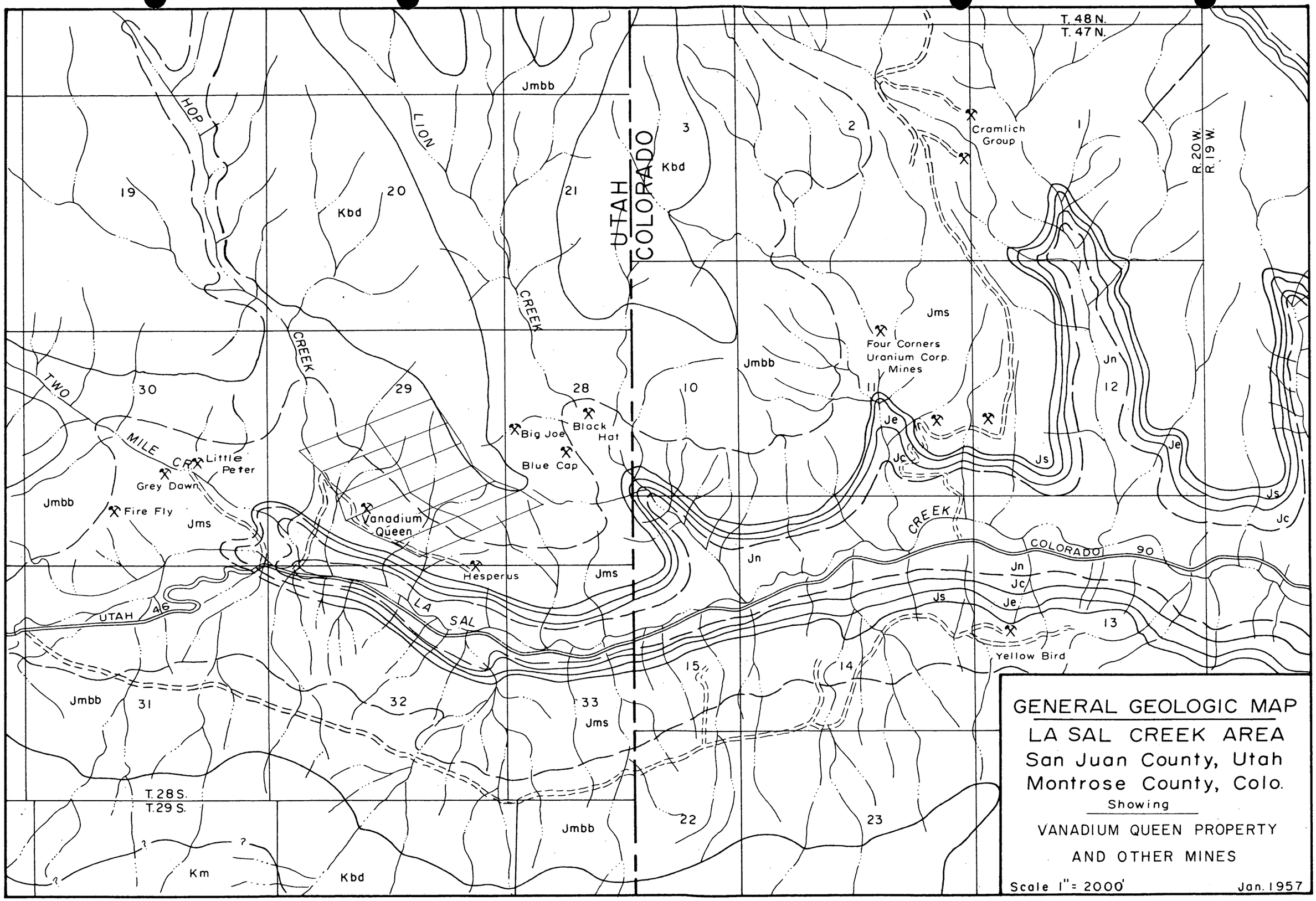
(continued - Introduction)

under contract by Mr. Joe Pitts of Grand Junction, Colorado.

The Vanadium Queen mine is one mile by truck road from State Highway 46 which joins Colorado Highway 90 at the State Line. The property is approximately 46 miles from Moab, Utah and 34 miles from Uravan, Colorado. Ore shipments are generally made to the Climax mill at Grand Junction, Colorado which is 147 miles in distance. Under the present agreements, the milling companies pay the cost of the ore haul. Mining supplies are purchased in Moab, Utah or Grand Junction, Colorado. La Sal Creek area is typical of the "rim rock" country of the Colorado Plateau. The climate is characterized by warm summers and cool winters, with relatively small amounts of rain or snow. In normal winters, mining and exploration can be carried on throughout the year. Elevation ranges from 6,000 to 7,000 feet and is mostly covered by cedar and pinon trees. Water from La Sal Creek and Hop Creek is plentiful for domestic and drilling use.

General Geology

The La Sal Creek area is on a southwest dipping slope of the Paradox anticline near its junction with the intrusive La Sal Mountains. Dip of the beds in the immediate vicinity of the claims is from one to three degrees in a southwesterly direction. Formations exposed range from Jurassic Navaho sandstone in lower La Sal Creek area to the Cretaceous Mancos shale on the upper benches. The ore occurs in the Salt Wash member of the Morrison formation. The most favorable ore horizon is in the thick upper


GENERAL GEOLOGIC MAP
LA SAL CREEK AREA
San Juan County, Utah
Montrose County, Colo.
Showing
VANADIUM QUEEN PROPERTY
AND OTHER MINES
Scale 1" = 2000'
Jan. 1957
T. 48 N.
T. 47 N.
R. 20 W.
R. 19 W.
T. 28 S.
T. 29 S.
UTAH
COLORADO
HOP
LION
CREEK
TWO
MILE CR.
LA SAL
CREEK
COLORADO 90
UTAH 46
Cramlich Group
Four Corners Uranium Corp. Mines
Little Peter
Grey Dawn
Fire Fly
Big Joe
Black Hat
Blue Cap
Vanadium Queen
Hesperus
Yellow Bird
Jmbb
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Vanadium Queen Uranium Corp.
30[illegible]ranium Center Building
Grand Junction, Colorado

(continued - General Geology)

lenticular sand unit of this member. The ore occurs as large elongated masses with the long axis generally in a north to northwest direction. These individual ore bodies lie in an east-west trend that varies from 300 to 500 feet in width. This favorable trend in which most of the producing mines lie has been partially explored by the exploration drilling of the U. S. Geological Survey and other private companies.

The operating mines that lie in this favorable trend are, starting at the west end, the Firefly, Grey Dawn, Little Peter, Vanadium Queen, Rice Development, the Barely Possible (Hess & Associates), Morning Star, Evening Star and Marjory Ann. Several other ore bodies have been found along this trend but have not as yet been developed.

Although this area has received less attention than most of the producing areas, in the Colorado Plateau, the rate of ore per foot of drilling has been relatively high. It has been estimated that the average on the Colorado Plateau in general is approximately one ton of ore per foot of drilling compared to approximately two tons per foot in the La Sal Creek area.

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Guides to Exploration

From geologic information obtained through the drilling done by the U. S. Geological Survey and private companies including Vanadium Queen Uranium Corporation, definite guides or criteria have been established which,

(continued - Guides to Exploration)

when used properly would eliminate a considerable amount of drilling that might otherwise be necessary. These guides include a minimum thickness of the ore-bearing sandstone, gray-green alteration in the mudstone, color of the ore-bearing sandstone, scours in the underlying mudstones and the amount of carbon present. From the practical aspects of mining in the Vanadium Queen itself, it has been found by the miners that when the ore-sand scours deep into the underlying mudstones that it is reasonable to expect a good ore deposit nearby. This has led to several good stopes in the mine which had not been previously found by drilling.

Vanadium Queen Uranium Corp.
301 Uranium Center Bldg.
Grand Junction, Colorado

# VANADIUM QUEEN MINE
## ORE RESERVES, * FIGURE 4

**Proven Ore**

| | Tons | Grade % $U_3O_8$ | Grade % $V_2O_5$ | Gross $/ton | Gross Value |
|---|---|---|---|---|---|
| Block A | 2,900 | 0.44 | 5.95 | $75.69 | $ 219,501 |
| A-A | 2,350 | 0.38 | 2.68 | 49.72 | 116,842 |
| B | 1,000 | 0.53 | 2.72 | 64.29 | 64,290 |
| C | 5,200 | 0.43 | 4.56 | 66.12 | 343,824 |
| D | ----- | 0.34 | 2.86 | 47.03 | ------ |
| E | 900 | 0.20 | 1.50 | 25.30 | 22,770 |
| F | 100 | 0.20 | 1.50 | 25.30 | 2,530 |
| G | --- | 0.32 | 2.26 | 41.41 | ------ |
| I | ---- | 0.34 | 0.88 | 34.76 | ------ |
| L | ---- | 0.12 | 2.59 | 21.81 | ------ |
| Total | 12,450 | 0.40 | 3.76 | | $ 769,757 |

(Avg. $61.83/ton)

**Probable Ore**

| | Tons | Value |
|---|---|---|
| Block A | 500 | $ 37,845 |
| A-A | 1,850 | 91,982 |
| B | 600 | 38,574 |
| C | 4,400 | 290,928 |
| D | 4,750 | 223,392 |
| E | 250 | 6,325 |
| F | --- | ---- |
| G | 150 | 6,211 |
| I | 400 | 13,904 |
| L | 300 | 6,543 |
| Total | 13,200 | $ 715,704 |

(Avg. $54.22/ton)

**Total Tons - Proven and Probable**

| | Tons | Grade % $U_3O_8$ | Grade %$V_2O_5$ | Gross Value |
|---|---|---|---|---|
| Block A | 3,400 | 0.44 | 5.95 | $ 257,346 |
| A-A | 4,200 | 0.38 | 2.68 | 208,824 |
| B | 1,600 | 0.53 | 2.72 | 102,864 |
| C | 9,600 | 0.43 | 4.56 | 634,752 |
| D | 4,750 | 0.34 | 2.86 | 223,392 |
| E | 1,150 | 0.20 | 1.50 | 29,095 |
| F | 100 | 0.20 | 1.50 | 2,530 |
| G | 150 | 0.32 | 2.26 | 6,211 |
| I | 400 | 0.34 | 0.88 | 13,904 |
| L | 300 | 0.12 | 2.59 | 6,543 |
| Total | 25,650 | 0.40 | 3.76 | $1,485,461 |

(Avg. $57.91/ton)

By SAM K. SMYTH
Nov. 1956

Vanadium Queen Uranium Corp.
301 Uranium Center Bldg.
Grand Junction, Colorado

# PRODUCTION RECORD

## VANADIUM QUEEN MINE

| Period | Tons | Grade $U_3O_8$ | Grade $V_2O_5$ | Gross Value |
|---|---|---|---|---|
| Prior to 1953 | 5658.0 | ? | ? | ? |
| 1953 | 1333.6 | 0.35 | 2.33 | |
| 1954 | 3370.9 | 0.31 | 2.42 | |
| 1955 | 1425.3 | 0.34 | 2.89 | |
| 1956 | 5692.9 | 0.38 | 2.77 | |
| Total | 17480.7 | | | $ 649,507.47 * |
| Weighted Av. | | 0.35* | 2.62 * | |

* Values are only for 1953, 1954, 1955 and 1956.

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Vanadium Queen Uranium Corp.
301 Uranium Center Bldg.
Grand Junction, Colorado

Mine Operation

At present the mine is being operated on a one-shift basis by contract with Mr. Joe Pitts of Grand Junction, Colorado. Production is approximately 500 tons per month.

The Vanadium Queen Uranium Corporation owns all of the plant facilities including a 550 CFM electrically operated compressor, shop, change house, 50 ton ore bin, and other equipment necessary to carry on the operation. The contractor furnishes small tools, bits, powder, etc.

The present plans are to double the production as soon as the electric connections are made to the ventilation system which will then supply sufficient air for a two or three shift basis. Vanadium Queen Uranium Corporation also owns a camp at the base of the hill which is adequate for approximately 10 miners. At present, however, most of the personnel employed at the mine live in their own trailers.

Management of the property is handled by resident engineer, John I. Schumacher who would also supervise the work under DMEA loan.

Below are listed the qualifications of those directly responsible for the Vanadium Queen Uranium operations:

Don Danvers - President, Vanadium Queen Uranium Corp.

5 years - Major oil companies - Geologist
10 years - Independent oil operator
5 years - Owner and operator of various uranium and vanadium mines on the Colorado Plateau including Vanadium Queen Uranium Mine, Beaver Mesa and other properties.

Vanadium Queen Uranium Corp.
301 Uranium Center Building
Grand Junction, Colorado

Photograph No. 2

Mine compressor house and change room
at portal of Vanadium Queen mine.

Joe Pitts - Mine contractor

15 years as mine contractor in various uranium and vanadium mines on the Colorado Plateau including contract work at U.S.V. Rifle vanadium mine, etc.

John I. Schumacher - Resident Engineer

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

Harold C. Anderson - Assistant Engineer

1944-1945 - National Lead Co. - Metallurgist
1948-1953 - Bomerang Mining Co. - Partner - Mining and Leasing.
1954-Pres.- Strategic Minerals Exploration Co. - Engineer.
Consulting for various other companies.

Production From Other Mines

Production from Vanadium Queen mine through December of 1956 was 17,480.7 tons of ore averaging 0.35 uranium and 2.62 vanadium. This, along with present known reserves of the Vanadium Queen make it reasonable to expect that ore bodies in the range of 30 to 50 thousand tons might be found within the main ore trend.

Other producing mines are as follows:

Firefly Mine - This mine is owned by Stocks and Company

(continued - Production From Other Mines)

and is being operated by Harley Gardner under lease agreement. Although reserve figures are not definitely known, it is reported that the mine has produced 20,000 tons and reserves are estimated to be 25,000 tons.

Grey Dawn - This mine which is owned by Stocks and Company has had intermittent production since 1951 and although no production figures are available, it is estimated that this mine has produced in excess of 5,000 tons. Little or no drilling has been done in advance of the working faces to block out any reserves.

Big Joe Claim - This claim which lies to the east of Vanadium Queen property is owned by Radium King Mines, Inc. Approximately 5,000 tons of ore have been blocked out by wide spaced U.S. Geological Survey drilling and work done under a recent DMEA loan. The authors feel that this claim has many times the potential that was shown by recent drilling.

Rice Development Company - The Rice Development Company has leased the Little Joe and Blue Cap claims from Vanadium Queen Uranium Corporation and are at present driving a tunnel toward two-ore bodies on these claims.

A minimum amount of drilling gives these two claims an estimated reserve of approximately 6,000 tons of indicated and inferred reserves. This work which was supervised for Rice Development Company by the authors did not complete the outlining of the ore bodies but only enough work was done to justify the cost of a drift to the ore. It is expected

(continued - Production from other mines)

that these claims will eventually produce at least double the amount of indicated and inferred reserves as shown.

Blue Creek Mining Company - The Blue Creek Mining Company at present is driving a tunnel to the known ore on the Black Hat, Lion, and May claims. Indicated and inferred reserves have been reported as 7,000 tons. It is expected that further exploration and mining will show considerable greater reserves.

Gramlich Claims - Gramlich claims which are now owned by Four Corners Uranium Corporation have had a long production record. Although only a small portion of the property has been developed, it has been reported that their mines including the Morning Star, Evening Star and Marjory Ann have produced in excess of 10,000 tons.

Exploration Plans

The proposed project consists of drilling in two stages. Drilling depths are based on U. S. Geological Survey drilling and private drilling on the property by the Vanadium Queen Uranium Corporation. Drilling depths will vary from 285 to 450 feet with an average depth figured at 370 feet.

Stage I

A total of 31 holes are planned for the first stage drilling program. Twenty-six of these holes will be located on the Vanadium Queen No. 10 and Vanadium Queen No. 3 claims and spaced on approximately 200 foot centers excepting the areas where previous drilling completes the grid pattern.

(continued - Exploration Plans)

Five additional holes are planned on a wider-spacing on the Vanadium Queen No. 7 and Vanadium Queen No. 9 claims. The attached claim map (Fig. 3) shows the location of proposed Stage I drill holes.

The total footage for Stage I drilling would be 31 holes averaging 370 feet for a total of 11,470 feet. Based on previous drilling, it is assumed that 80 feet of core drilling per hole is necessary to core the ore horizon.

Total Stage I

| | |
|---|---|
| Non-core drilling | 8990 feet |
| Core drilling | 2480 feet |
| Total | 11470 feet |

Stage II

Stage II drilling would be to offset and block out ore located by previous Stage I drilling. It is estimated that 24 holes would be required for Stage II to be drilled on 100 foot intervals. Using the average depths from Stage I drilling, a total footage of 8880 feet would be required.

Total Stage II

| | |
|---|---|
| Non-Core drilling | 6960 feet |
| Core drilling | 1920 feet |
| Total | 8880 feet |

Summary of Drilling

| | |
|---|---|
| Non-Core drilling | 15950 feet |
| Core drilling | 4400 feet |
| Total | 20350 feet |

Drilling Bids

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

(continued - Exploration Plans -Drilling Bids)

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

Using the above figures and depths assumed for each hole planned for Stage I drilling, an average cost for the three contractors is $2.57 per foot.

Cost of Project

All costs are calculated on an assumed length of five months for the project. (55 holes)

(1) Contract drilling:

20250 feet at $2.57 per foot $ 52,042.50

(2) Drill Site Preparation:

190 hours at $12.00 per hr. 2,280.00

(3) Engineering and Sampling

1 Engineer-geologist 1/2 time at $600. per month 1,500.00
1 Sampler 5 mo. at $400.00 2,000.00
Subsistence in field $3.00 a day per man 495.00

(4) Assaying and Sampling:

75 samples at $5.00 375.00
Core boxes 100 at $1.05 105.00

(5) Vehicle mileage:

5000 miles at $.10 per mile 500.00

(6) Accounting and office supplies 400.00

(7) Contingencies - Stand-by time 30 min/hole at $15.00/hr. 412.50

(continuation - Exploration plans )

Summary of Costs

| | Total | Per Foot |
|---|---|---|
| Contract Drilling | $ 52,042.50 | $ 2.57 |
| Bulldozing | 2,280.00 | 0.11 |
| Engineering & Sampling | 3,995.00 | 0.20 |
| Assaying & Core boxes | 480.00 | 0.025 |
| Vehicle use | 500.00 | 0.025 |
| Accounting, etc. | 400.00 | 0.02 |
| Contingencies | 412.50 | 0.02 |
| | $ 60,110.00 | $ 2.97 |

Alternate Exploration Plan

This plan is not submitted in a formal application for DMEA assistance with this report. It is included for consideration and is felt to have considerable merit by the authors.

The alternate plan would likewise consist of two stages. Stage I would consist in driving the proposed tunnel as shown on Figure 3. This tunnel would start in the present mine workings near the drill hole V.Q. 8 and would be driven in the base of the ore horizon to the property line on Vanadium Queen No. 3 claim. The Stage I project for government participation would include only that part of the tunnel on the Vanadium Queen No. 10 and No. 3 claims and the costs of the proposed tunnel on Vanadium Queen No. 2 claim would be borne by Vanadium Queen Uranium Corporation. It is assumed that the tunnel could be driven at an over-all cost of $27.50 per foot or a total Stage I cost of $42,625.00.

Stage II would consist of core drilling in the favorable areas cut by the tunnel. Assuming from past mining that the tunnel would intercept three favorable areas and four holes

(continued - Alternate Exploration Plan)

would be needed to properly explore each area, a total of 12 holes would be required for Stage II. Using average depths and costs from the preceding formal application, gives a total of 4040 feet costing $11,998.80.

The over-all cost of this exploration plan would be approximately $54,623.80.

From the authors experience with the property and substantiated by the map of the mine workings, it is known that a large tonnage of ore has been mined and developed by underground drifting. Much ore has been found in areas not defined as favorable by surface drilling. The ore bodies mined to-date are found where the base of the ore-bearing sandstone is low stratigraphically. These areas are probably scours in the underlying mudstone re-filled with the ore-bearing sandstone. The proposed tunnel would define these favorable areas which could then be drilled under the second stage program.

## Labor and Living Conditions

All drilling and bulldozer work will be on a contract basis with contractors furnishing all living facilities for their personnel. The engineer and sampler will be furnished by Vanadium Queen Uranium Corporation. Suitable facilities for all personnel are available at the company camp.

## Conclusions

The Vanadium Queen has been developed into one of the better mines of the La Sal Creek area. U.S. Geological Survey

Vanadium Queen Uranium Corp.
301 Uranium Center Building
Grand Junction, Colorado

(continued - Conclusions)

drilling and drilling by the owners has delineated the favorable trend on the property. The U.S. Geological Survey drilled a total of 57 holes of which 15 were in ore and 11 were mineralized. The Vanadium Queen Corporation has completed 30 holes of which 15 were in ore and 4 were mineralized. The total footage drilled on the claim group amounts to approximately 20,000 feet with calculated ore reserves of 37,000 tons or 1.85 tons of reserves per foot of drilling.

The claims V.Q. Nos. 3, 7, 9, 10 in this application for government assistance are those most favorably located in the ore trend. A total of 16 holes have been drilled on these claims with 5 in ore and 4 mineralized. The drilling project as outlined in this application will not give as much effective footage in the ore horizon as previous drilling due to deeper average drilling depths. This will be off-set by improved techniques and ore guides gained from past exploration and will result in less holes necessary to properly explore the property. Projecting the rate of ore finds on past drilling to the requested drilling project under this DMEA application, we would reasonably expect to find 37,000 tons of ore. However, in order to repay the government, a total of only 16,000 tons would be required. Considering all the facts, this property should be as favorable for an exploration risk as any on the Colorado Plateau.

John I. Schumacher
JOHN I. SCHUMACHER

February 2, 1957
Date

Harold C. Anderson
HAROLD C. ANDERSON

Vanadium Queen Uranium Corp.
301 Uranium Center Bldg.
Grand Junction, Colorado

# RECAP OF DIAMOND DRILL DATA

## U. S. Geological Survey 1953

| Hole No. | Depth | Ore SS | Gr. Ms. | Favorability | Remarks |
|---|---|---|---|---|---|
| LC 174 | 175 | 37 | 6.8 | Semi | Barren |
| LC 175 | 224 | 72 | 1.5 | Fav. | Weak Mnlz. (0.5 ft), 0.42 $V_2O_5$ |
| LC 176 | 205.0 | 38 | 6.2 | Fav. | Ore by vanadium 1.0 ft., 0.005, 2.26 |
| LC 177 | 228 | 48 | | Unfav. | Barren |
| LC 178 | 208 | 60 | 2.2 | Fav. | Weak Mnlz. (1.2 ft.,) 0.03, 0.42 |
| LC 179 | 244.7 | 52 | 0.2 | Semi | Barren |
| LC 180 | 203.7 | 65 | 1.4 | Fav. | Barren |
| LC 181 | 164.7 | 42 | 2.0 | Fav. | Ore 1.8 ft., 0.38, 2.00 |
| LC 182 | 214.5 | 44 | | Unfav. | Barren |
| LC 183 | 221.3 | 53 | 2.1 | Fav. | Ore 2.7 ft., 1.10, 3.83 |
| LC 184 | 195.0 | 42 | 0.7 | Fav. | Weak Mnlz. (1.7 ft.) .024, 1.44 |
| LC 185 | 229.0 | 34 | | Semi | Barren |
| LC 187 | 228.0 | 62 | 2.4 | Fav. | Weak Mnlz. (0.8 ft.,) 0.015, 1.10 |
| LC 188 | 245.8 | 62 | | Semi | Weakly mnlz. by Barnaby |
| LC 189 | 251.4 | 87 | 5.0 | Fav. | Weakly mnlz. by Barnaby |
| LC 190 | 212.5 | 50 | 2.8 | Fav. | Mineralized 0.4 ft., 0.05. |
| LC 191 | 213.8 | 50 | 3.9 | Fav. | Weakly mnlz. by Barnaby |
| LC 192 | 193.4 | 37 | 5.1 | Fav. | Ore 2.6 ft., 0.22, 2.07 |
| LC 193 | 196.0 | 43 | 1.5 | Fav. | Ore 1.8 ft., 0.12, 1.98 |
| LC 194 | 223.1 | 59 | 2.0 | Fav. | Weak Mnlz. by Barnaby |
| LC 195 | 205.0 | 54 | 1.1 | Semi | Very weak by Barnaby |
| LC 196 | 174.7 | 39 | 3.7 | Fav. | Weak Mnlz. by Barnaby |
| LC 197 | 127.7 | 46 | 4.6 | Semi | Mnlz. (0.3 ft. 0.067.) 0.1 |
| LC 198 | 183.8 | 40 | 5.3 | Fav. | Ore by Vanadium 1.2 ft., 0.06, 3.50 |
| LC 199 | 139.2 | 49 | 0.1 | Semi | Weak mnlz. by Barnaby |
| LC 201 | 169.5 | 49 | 5.6 | Fav. | Ore 5.9 ft., 0.66, 4.60 |
| LC 202 | 258.0 | 60 | 1.2 | Semi | Very weak by Barnaby |
| LC 203 | 155.2 | 50 | 2.6 | Fav. | Ore 4.7 ft., 0.38, 10.84 |

Vanadium Queen Uranium Corp.
30[illegible] Uranium Center Bldg.
Grand Junction, Colorado

(cont - Recap of Diamond Drill Data)

U. S. Geological Survey 1953

| Hole No. | Depth | Ore SS | Gr. Ms. | Favorability | Remarks |
|---|---|---|---|---|---|
| LC 204 | 168.9 | 36 | 3.2 | Fav. | Mnlz. (0.3 ft., 0.04.) |
| LC 205 | 245.0 | 56 | | Semi | Barren |
| LC 206 | 247.8 | 47 | 0.3 | Semi | Very weak by Barnaby |
| LC 207 | 264.3 | 57 | 0.1 | Semi | Barren |
| LC 208 | 272.6 | 52 | 1.7 | Fav. | Assay low (Barnaby 0.7 ft., 0.12) |
| LC 209 | 241.0 | 48 | 3.8 | Fav. | Ore 1 ft., 0.55, 0.23 |
| LC 210 | 242.0 | 50 | | Semi | Very weak by Barnaby |
| LC 211 | 300.0 | 55 | 0.5 | Fav. | Very weak by Barnaby |
| LC 212 | 247.7 | 50 | 0.2 | Fav. | Ore by Vanadium |
| LC 214 | 287.1 | 41 | 0.1 | Semi | Barren |
| LC 215A | 404.0 | 44 | 3.0 | Fav. | Ore 5.1 ft., 0.48, 1.89 |
| LC 216 | 324.3 | 34 | | Fav. | Weak Mnlz. |
| LC 217 | 241.1 | 47 | 3.0 | Fav. | Ore 8.0 ft., 0.60, 6.86 |
| LC 218 | 192.5 | 45 | 1.3 | Fav. | Barren |
| LC 219 | 237.8 | 50 | 2.6 | Fav. | Weak by Barnaby |
| LC 220 | 174.4 | 37 | | Fav. | Assays weak, 1.1 ft., 0.12 Barnaby |
| LC 221 | 150.3 | 20 | | Semi | Very weak Mnlz. |
| LC 222 | 209.0 | 46 | | Semi | Very weak mnlz. by Barnaby |
| LC 223 | 250.0 | 47 | 3.7 | Fav. | Ore 3.3 ft. 0.13, 1.88 |
| LC 224 | | 34 | 0.2 | Fav. | Ore by vanadium |
| LC 225 | 134.2 | 31 | | Semi. | Very weak mnlz. |
| LC 226 | 274.4 | 46 | | Semi. | Barnaby 0.7 ft., 0.33 at 100 ft. |
| LC 229 | 254.0 | 36 | | Semi | Barren |
| LC 248 | 342.3 | 24 | | Unfav. | Barren |
| LC 250 | 334.7 | 67 | | Semi | Barren |
| LC 373 | 700.5 | 62 | 0.4 | Fav. | Mnlz. 0.9 ft., 0.02, 0.28 |
| LC 407 | 394.0 | 28 | | | Barren |
| LC 408 | 424 | 60 | 0.3 | Fav. | Ore 2.7 ft., 0.11, 2.59 |

Note: First figure under Ore hole denotes thickness; second figure denotes uranium and third vanadium.

Vanadium Queen Uranium Corporation
301 Uranium Center Building
Grand Junction, Colorado

Note: The following holes were drilled by Minerals Engineering Company on the Vanadium Queen claims under the direction of Gordon K. Zareski, Geological Consulting Service, Moab, Utah during 1955.

## MINERALIZED AND ORE HOLES

| Hole No. | Depth | % $U_3O_8$ | % $V_2O_5$ |
|---|---|---|---|
| VQ 1 | 97-98 | .214 | 1.44 |
| VQ 6 | 195-197.3 | 1.387 | 6.93 |
| VQ 8 | 190-193 | .308 | 2.72 |
| VQ 9 | 210-211 | .224 | 1.52 |
| | 217 1/2-219 | .182 | 1.17 |
| VQ 10 | 210-210 1/2 | .106 | 3.59 |
| VQ 11 | 360-363.5 | .199 | 5.08 |
| VQ 13 | 367-368 | .146 | No assay |
| VQ 18 | 205-205.7 | .038 | 2.13 |
| | 205.7-207.7 | .675 | 12.57 |
| | 208.7-209.7 | .042 | 1.65 |
| VQ 19 | 193-194 | .044 | 2.65 |
| VQ 22 | 240-241 | .084 | No assay |
| VQ 25 | 181-182 | 1.074 | 5.98 |
| VQ 28 | 207-208 | .321 | 2.26 |
| VQ 29 | 211-212 | .119 | .31 |
| VQ 30 | 245-246 | .217 | 2.36 |

VANADIUM QUEEN URANIUM CORPORATION
301 Uranium Center Building
Grand Junction, Colorado

# RECAP OF DIAMOND DRILL DATA
# VANADIUM QUEEN DRILLING

The holes listed below were drilled in the summer of 1956 by Sprague and Henwood Drilling Company and supervised by John I. Schumacher, Grand Junction, Colorado.

| Hole No. | Depth | Ore SS | Gn.Ms. | Favorability | Remarks |
|---|---|---|---|---|---|
| VQ 100 | 270.0 | 40 | 1.4 | Fav. | Ore 2.4 ft., 0.34, 0.88<br>1.2 ft., 0.05, 0.28 |
| VQ 101 | 285 | 55.7 | 0.7 | Fav. | Ore by Vanadium<br>2.8 ft., 0.02, 1.26<br>2.1 ft., 0.02, 3.30 |
| VQ 102 | 284 | 58.0 | 3.2 | Fav. | 0.6 ft., 0.29, 1.38 |
| VQ 103 | 390.0 | 58.6 | 0.5 | Fav. | Core lost in mnlz. zone. |
| VQ 104 | 251.0 | 33.9 | 0.5 | Fav. | Ore by Vanadium<br>1.4 ft., 0.01, 1.65 |

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Ching
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Docket copy

# Project Summary Report

By: Michael Ching June 26, 1958

1. Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092

Operator - Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

Property - Four unpatented lode mining claims, Vanadium Queen Nos. 3, 7, 9, and 10, situated in sec. 29, T. 28 S., R. 26 E., S.L.M.& B., San Juan County, Utah.

Operator's Property Rights -

Operator is the owner. Consent to Lien and Subordination Agreement, dated May 5, 1957, signed by royalty claimants Abe Day, Danvers Trust (by Don Danvers), and John I. Schumacher.

2. Contract (Long Form), dated May 29, 1957

Final starting date - July 1, 1957
Actual starting date - June 19, 1957
Contract completion date - October 31, 1957
Termination Agreement - dated December 4, 1957, effective October 29, 1957.

Work Authorized -

Test the ore-bearing upper sandstones of the Salt Wash for uranium by core and non-core drilling in two stages as follows:

Stage I (31 holes)

| | | |
|---|---|---|
| 8,990 ft. non-core drilling @ $1.80/ft. | $16,182.00 | |
| 2,170 ft. core drilling @ $4.85/ft. | 10,524.50 | |
| 64 hrs. bulldozing @ $12/hr. | 768.00 | |
| Incidental allowance, 11,160 ft. @ $0.20/ft. | 2,232.00 | |
| 100 chemical analyses @ $4 each | 400.00 | |
| 217 core boxes @ $1 each | 217.00 | $30,323.50 |

Stage II (24 holes)

| | | |
|---|---|---|
| 6,960 ft. non-core drilling @ $1.80/ft. | $12,528.00 | |
| 1,680 ft. core drilling @ $4.85/ft. | 8,148.00 | |
| 48 hrs. bulldozing @ $12/hr. | 576.00 | |
| Incidental allowance, 8,640 ft. @ $0.20/ft. | 1,728.00 | |
| 100 chemical analyses @ $4 each | 400.00 | |
| 168 core boxes @ $1 each | 168.00 | $23,548.00 |

Estimated Total Cost of the Project (rounded) $53,872.00
Government Participation @ 75% $40,404.00

Amendments - None.

Work Completed -

Stage I (29 holes)

| | | |
|---|---|---|
| 8,850 ft. non-core drilling @ $1.75/ft. | $15,487.50 | |
| 1,992 ft. core drilling @ $4.35/ft. | 8,665.20 | |
| 64 hrs. bulldozing @ $12/hr. | 768.00 | |
| Incidental allowance, 10,842 ft. @ $0.20/ft. | 2,168.40 | |
| 18 chemical analyses @ $4 each | 72.00 | |
| 155 core boxes @ $1 each | 155.00 | $27,316.10 |

Stage II (17 holes)

| | | |
|---|---|---|
| 5,880 ft. non-core drilling @ $1.75/ft. | $10,290.00 | |
| 1,177 ft. core drilling @ $4.35/ft. | 5,119.95 | |
| 48 hrs. bulldozing @ $12/hr. | 575.00 | |
| Incidental allowance, 7,057 ft. @ $0.20/ft. | 1,411.40 | |
| 19 chemical analyses @ $4 each | 76.00 | |
| 87 core boxes @ $1 each | 87.00 | $17,559.35 |

Total Cost of the Project $44,875.45
Government participation @ 75% $33,656.60

3. Auditor's Report of Review, dated December 26, 1957

| | |
|---|---|
| Total cost as billed by Operator | $44,875.45 |
| Exceptions | 0.00 |
| Total accepted cost | $44,875.45 |
| Government Participation @ 75% | $33,656.60 |

4. Certification of discovery - dated December 13, 1957.

5. Results and Comments -

A total of 14,730 feet of non-core (plug bit) and 3,169 feet of core drilling in 47 holes was completed under the project. Ore-grade material was encountered in 9 holes. Together with 4 previously drilled ore holes, these formed the basis for the ore reserve calculations of the field examiners.

Two sizable ore bodies and a number of small deposits were encountered. Total reserves were estimated as approximately 19,000 tons of indicated ore averaging 0.22% $U_3O_8$ and 2.08% $V_2O_5$. The ore has an average thickness of 3 feet and lies at depths ranging from 325 to 465 feet. If the ore is mined, access would probably be through the workings of the neighboring Vanadium Queen mine. The Operator's estimate of reserves is more liberal, amounting to 28,400 tons of indicated ore averaging 0.26% $U_3O_8$ amd 1.83% $V_2O_5$, and 7,300 tons of inferred ore averaging 0.16% $U_3O_8$ and 3.02% $V_2O_5$.

The project was well supervised, and drilling performance by the drilling contractor, Sprague and Henwood, Inc., was excellent. The examiners reported that four drill rigs were employed, but it is not clear whether all four rigs were available during the entire drilling period beginning on June 19 and ending on October 29, 1957. Including delays between stages, and between work approvals, within the same stage, the over-all drilling rate was 4,130 feet per month, or 165 feet per day, based on 25 working days per month. If 4 drill rigs were used at all times, the average rate per drill per day would be only 41 feet. Working conditions encountered were normal except for exceptionally heavy rainfall which slowed operations.

No ore was produced from the property during the exploratory period.

Michael Ching

Michael Ching

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

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

| | | | |
|---|---|---|---|
| Operator **Vanadium Queen Uranium Corporation** | | Actual Cost | X |
| State **Utah** | | Agreed Unit Cost | |
| Final Report of Audit | | Commodity | Docket No. **DMEA-4631** |
| Final Report of Review | x | **Uranium** | Contract No. **Idm-E1092** |

| Operation | Authorized by Contract and Amendments | | Completed | | Net cost after sale of Government Property |
|---|---|---|---|---|---|
| | Units | Cost | Units | Cost | |
| Drifting & Crosscutting | | | | | |
| Raising | | | | | |
| Shafts | | | | | |
| Winzes | | | | | |
| Drilling D.D. Core | 3,850 | 19,827.50 | 3,169 | 14,660.95 | 14,660.95 |
| (Specify) D.D. Non-Core | 15,950 | 31,900.00 | 14,930 | 28,723.50 | 28,723.50 |
| Surface Excavation | | | | | |
| Underground Excavation | | | | | |
| Roads and Trails | | 1,344.00 | | 1,343.00 | 1,343.00 |
| Operating Equipment Purchased | | | | | |
| Surface Rehabilitation & Repairs | | | | | |
| Underground Rehabilitation | | | | | |
| New Building, Improvements, etc. | | | | | |
| Other (Specify) Chem. Analyses | | 800.00 | | 148.00 | 148.00 |
| Totals | | $53,872.00 | | $44,875.45 | *$44,875.45 |

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

Prepared by Michael Phing Date 6-26-58

31398

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

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

| | | | |
|---|---|---|---|
| Operator **Vanadium Queen Uranium Corporation** | | Actual Cost | X |
| State **Utah** | | Agreed Unit Cost | |
| Final Report of Audit | | Commodity | Docket No. **DMEA-4631** |
| Final Report of Review | x | **Uranium** | Contract No. **Idm-E1092** |

| Operation | Authorized by Contract and Amendments | | Completed | | Net cost after sale of Government Property |
|---|---|---|---|---|---|
| | Units | Cost | Units | Cost | |
| Drifting & Crosscutting | | | | | |
| Raising | | | | | |
| Shafts | | | | | |
| Winzes | | | | | |
| Drilling (Specify) D.D. Core | 3,850 | 19,827.50 | 3,169 | 14,660.95 | 14,660.95 |
| D.D. Non-Core | 15,950 | 31,900.00 | 14,730 | 28,723.50 | 28,723.50 |
| Surface Excavation | | | | | |
| Underground Excavation | | | | | |
| Roads and Trails | | 1,344.00 | | 1,343.00 | 1,343.00 |
| Operating Equipment Purchased | | | | | |
| Surface Rehabilitation & Repairs | | | | | |
| Underground Rehabilitation | | | | | |
| New Building, Improvements, etc. | | | | | |
| Other (Specify) Chem. Analyses | | 800.00 | | 148.00 | 148.00 |
| Totals (rounded) | | $53,872.00 | | $44,875.45 | *$44,875.45 |

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

Prepared by Michael Ching Date 6-26-58

31398

Hmc

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR

DENVER REGIONAL OFFICE
ROOM 21, BUILDING 53
DENVER FEDERAL CENTER
DENVER 25, COLORADO

NOV 28 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 3 1962

| DATE | INITIALS | CODE |
|---|---|---|
| 12/3 | [illegible] | 800 |
| | | 120 |
| | Truscwell | 500 |
| 12/4 | Murphy | 500 |
| | | |
| | | |
| | | 230 |

E1092

United States Attorney
Department of Justice
240 Post Office Building
Denver, Colorado

Subject: Allied-Mission Oil, Inc., Debtor--Bankruptcy Proceedings No. 21514--Exploration Project Contract No. 14-21002--Docket No. MMA 4091--Vanadium Queen Uranium Corporation

Dear Sir:

While it appears from the meeting on November 16 that the rights of the United States will be adequately protected in the event the more recent "modified proposed arrangement" is accepted and confirmed, we nevertheless planned to attend the meeting of creditors the morning of December 7 and the hearing to confirm the arrangement the afternoon of December 7 in order that we might be currently advised as to the status of the proceedings. However, due to other commitments the representative from this office who is familiar with the case will not be available to attend the proceedings on December 7, and accordingly, we ask that you advise this office as to the outcome of the proceedings.

Sincerely yours,

[illegible]

Palmer King
Regional Solicitor

cc:
Acting Field Officer, Region III, Office of Minerals Exploration, Denver, Colorado

Mr Selfridge

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

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 17 1962

| DATE | | |
|---|---|---|
| 5/17 | | 800 |
| | | 500 |
| | | |
| | | |
| | | |
| | | 220 |

May 15, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah
INSPECTION OF THE PROPERTY

On May 10, 1962 I visited the subject property and talked to George Spillman, mine foreman. He informed me that the mine had been closed for 30 days by order of the State Mine Inspector who had found a serious lack of proper ventilation in the mine. Mr. Spillman expects to have the mine in operation again in a few days and he expects to do long hole drilling on some of the DMEA claims.

Mr. Spillman stated that no ore has been produced from the DMEA claims since January 1962. This statement ties in with our record which shows the last royalty we received was from the January shipment of ore. He said that all production since January has come from two big stopes, not on DMEA land. He also stated that some low-grade ore remains in the DMEA stopes.

On May 14, 1962 I visited John E. McNulty who is the trustee for the creditors of the Allied Mission Oil, Inc. He stated that he expects to file a motion in the Federal Court in Denver this week to allow him to obtain another Operator for the property. He indicated that Kerr-McGee is interested in the property and he promised to keep me advised.

In any event I plan to again visit the property early this fall.

Hugh M. Connors

Hugh M. Connors

MME FORM 6

REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

| TO: | DATE | INITIALS |
|---|---|---|
| 1. Mr. Dakan | 5/10 | |
| 2. 220 | | |
| 3. | | |
| 4. | | |
| 5. | 5/8 | |

FROM: 500

FOR: Check items for action desired

| | | |
|---|---|---|
| ____ Action | ____ Reply for signature of ____ | |
| ____ Approval | ____ Investigate | ____ Surname |
| ____ Comment | ____ Recommendations | ____ Signature |
| ____ Conference | ____ Rewrite | ____ File |
| ____ Instructions | ____ Your information | |

REMARKS:

If this is of any interest to you because of the trip, please note that a copy should be placed in DMEA-4631, Idm-E1092, Vanadium Queen Uranium Corp.

gla

M56300-59

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

Building 20 - Federal Center
Denver 25, Colorado

April 16, 1962

REGIONAL DIRECTOR'S OFFICE
REGION III
APR 17 1962
BUREAU OF MINES
DENVER, COLORADO

Memorandum

To: Robert W. Geehan
Regional Director
Division of Mineral Resources

From: Acting Field Officer, OME, Region III

Subject: Convention Travel Authorization

This is to request travel authorization to attend the 7th Annual Uranium Symposium of the American Institute of Mining Engineers to be held in Moab, Utah, May 11, 12, and 13, 1962.

It is necessary to make an inspection of the Vanadium Queen Uranium mine, contract Idm E1092, which is located in the vicinity of Moab, Utah and this could be accomplished on the same trip.

Original signed by

Hugh M. Connors

TRIP

R-III-145
April 23, 1962

Bureau of Mines - Region III

Hugh M. Connors

Acting Field Officer - OME

Denver, Colorado

Denver, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 7 1962

| DATE | | |
|---|---|---|
| 5/7 | [illegible] | ~~600~~ |
| | | 120 |
| 5/8 | Received | 500 |
| 5/9 | Murphy | |
| | | 200 |
| | | 220 |

Denver, Colorado
Moab, Utah, and return

While on official business in the vicinity of Moab, Utah, to attend the 7th Annual Uranium Symposium of the American Institute of Mining Engineers to be held in Moab, May 11-13, 1962. This convention will present the most up-to-date technology regarding developments on uranium and, inasmuch as both the Resources program of the Bureau of Mines and the program of OME call for this information, the program of both agencies will be materially advanced.

$16.00

May 9, 1962 May 14, 1962

X automobile 8 7
X

Private auto 54.32
6 days 96.00

150.32

ORIGINAL SIGNED BY
DONALD O. KENNEDY
D. O. Kennedy
Asst. Chief, Div. of Mineral Resources

15(WO-62-4)
EOC

ACTING Paul Zorn
Director, Bureau of Mines

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 4 1962

| DATE | | |
|---|---|---|
| 5/4 | [illegible] | 800 |
| 5/7 | Murphy | 500 |
| | | [illegible] |

May 1, 1962

Mr. John E. McNulty
Allied Mission Oil, Inc.
200 North Sixth Street
Grand Junction, Colorado

Re: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. McNulty:

Thank you for your letter of April 30, 1962.

I will be in the office May 7, 1962 and will be happy to receive your phone call. The telephone number here is

EXlmont 3-3611 Extension 598.

I believe a visit by telephone will be of mutual interest.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME with McNulty's letter 4/30/62
Idm E1092
Chron

ALLIED MISSION OIL, INC.
JOHN E. MCNULTY, TRUSTEE
200 NORTH SIXTH STREET
GRAND JUNCTION, COLORADO

April 30, 1962

OME
DEPARTMENT OF THE INTERIOR
APR 30 1962
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
U. S. Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
MAY 1 1962
REGION III
DENVER, COLORADO

Re: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. Connors:

In reply to your letter of April 26, 1962, I plan to be in Denver on May 7, 1962 and will phone you. If there is any information I can bring, such as settlement sheets, etc., please let me know.

Very truly yours,

John E. McNulty
by Ivan Sperry, Sec.

John E. McNulty

JEM:jls

Building 20 - Federal Center
Denver 25, Colorado

April 26, 1962

Mr. John McNulty CPA
6th & Rood Streets
Grand Junction, Colorado

Re: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. McNulty:

I have been informed that you are the trustee for the creditors of the captioned property.

As you probably know, the Government holds a lien on all production of ore from a portion of this property by virtue of an exploration project contract.

I plan to be in Grand Junction the morning of May 14, 1962 and I would like very much to talk with you. If it would not be convenient for you to see me at that time, will you please advise and we will set a date for another time.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Idm E1092
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/9 | Murphy | 500 |
| | Dybribb | 500 |
| 3/9 | Talbert | 800 |
| 3/9 | Selfridge | 130 |
| " | Johnson | 110 |
| 3/9 | Jones | 100 |
| | | 220 |
| | | |
| | | |

MAR 9 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-Z1092

In response to your memorandum of March 5, 1962, we do not believe that the suggested letter to the ore purchasers should be sent, at least until some time after you have had an opportunity to visit the property as mentioned in your memorandum of February 5, 1962.

The settlement sheets as submitted indicate that the producer does specify shipments as DMEA and non-DMEA. However, a check of the mine records and maps may indicate that the DMEA tonnages shipped were estimates rather than actual production figures.

George C. Selfridge

(2HB)

FMMurphy/gla
3-9-62
cc to: Director's Reading File
Review Committee
Docket
Code 500

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 8 1962

| DATE | INITIALS | CODE |
|---|---|---|
| 2/8 | | 800 |
| | | 500 |
| | | |
| | | 220 |

February 5, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

This responds to Mr. Talbert's memorandum dated February 1, 1962 on the subject contract in which he requested the MME Form 22 check sheets.

No one from this office has visited the subject property since my visit of February 1, 1961 and I have absolutely no faith in the integrity of this operation.

I will make every effort to inspect the property at an early date and will advise you.

Hugh M. Connors

Hugh M. Connors

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| | | 220 |
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| | | |

FEB 1 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-81092

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

EDTalbert/ama 2-1-62

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

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 7 1962
DATE
3/7
800
500
220

March 5, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

When I read the last paragraph of the Director's letter to Union Carbide Nuclear Company dated February 28, 1962 regarding royalty on Contract Idm E1180, DMEA 4858, Rex Uranium Corporation, I was very pleased and I am wondering if we couldn't use a similar letter on DMEA 4631, Contract Idm E1092, Vanadium Queen Corporation.

If the Director would advise the purchasers of Vanadium Queen ore somewhat as follows, I believe it would be very helpful.

> "Inasmuch as many claims of this property are subordinated to the Government, it is suggested that shippers of production be requested to certify as to the claims from whence the ore originated and whether shipments from these claims are subject to the DMEA royalty."

Hugh M. Connors

Hugh M. Connors

MME FORM 6
REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

| TO: | DATE | INITIALS |
|---|---|---|
| 1. 120 | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| FROM: 800 | | |

FOR: Check items for action desired

____ Action
____ Approval
____ Comment
____ Conference
____ Instructions
____ Reply for signature of _____
____ Investigate
____ Recommendations
____ Rewrite
____ Your information
____ Surname
____ Signature
____ File

REMARKS: Re: DMEA - 4631

The settlement sheets indicate that the producer (Allied-Mission Oil, Inc.) does specify shipments as DMEA and non-DMEA. — but as to its honesty, that's another matter. Talbut 3/7/62

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

M56300-59

ALLIED-MISSION OIL, INC.

165 BROADWAY • NEW YORK 6, N. Y. • BEEKMAN 3-6787

CHARLES G. WRAY
*Chairman of the Board and Vice President*

January 29, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 30 1962

| DATE | INITIALS | CODE |
|---|---|---|
| 1/30 | [illegible] | |
| 1/31 | [illegible] | 800 |
| | | 500 |
| | | |
| | | |
| | | 220 |

U. S. Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attention: Mr. George Fuumich, Jr.
Director

Re: DMEA-4631 (Uranium)
Vanadium Queen Claims
Contract Idm-E1092

Dear Mr. Fumich:

In reply to your letter of January 19th, please be advised that we corroborate the information furnished you by Climax Uranium Company.

The amount of $222.68 liquidated the final portion of our indebtedness and settlement sheets Nos. 4876, 4922, 4937, 4971 and 5005 covered sales of ore produced from claims other than those upon which a royalty is due DMEA.

We too are gratified that this matter has now been successfully concluded.

Very truly yours,

ALLIED-MISSION OIL, INC.

Harold B. Madsen
Assistant Treasurer

HBM/ja

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 1/19 | Talbert | 800 |
| | Flanagan | 500 |
| 1/19 | [illegible] | 500 |
| 1/19 | Selfridge | 120 |
| 1/19 | Jordan | 110 |
| 1-19 | Fumich | 100 |
| | | 220 |
| | | |
| | | |

JAN 19 1962

Allied-Mission Oil, Inc.
Room 1004, 165 Broadway
New York 6, New York

Re: IMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-81092

Gentlemen:

We have recently received from Climax Uranium Company a check in the amount of $222.68 in final payment and liquidation of the $4,255.93 indebtedness for delinquent royalty under the referenced contract. This matter has been the subject of considerable correspondence over the past year and we are gratified that it has been brought to a conclusion.

The settlement sheet which accompanied the $222.68, as well as those submitted with the previous five monthly payments of $500.00, did not include deductions for current royalty. It is assumed that these settlement sheets, nos. 4876, 4922, 4937, 4971, and 5005, covered sales of production from Vanadium Queen Claims other than Nos. 3, 7, 9, and 10. Your specific confirmation or correction of this assumption will be appreciated.

Sincerely yours,

George Fumich, Jr.

Director

(RF)

cc: John E. McNulty, Trustee
Allied-Mission Oil, Inc.
200 North 6th Street
Grand Junction, Colorado

EDTalbert/ama 1-19-62

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 12/18 | albert | 800 |
| 12/19 | Murphy | 500 |
| | Dryden | 500 |
| 12/19 | Selfridge | 120 |
| " | Oldleave | 110 |
| 12-19 | Fumich | 100 |
| | | 220 |
| | | |
| | | |

12/19/61

Climax Uranium Company
P. O. Box 989
Grand Junction, Colorado

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

DEC 19 1961

Gentlemen:

Our Denver regional office has referred Mr. Dryden's December 12 letter regarding the indebtedness of Allied-Mission Oil, Inc., under the referenced contract to this office for reply.

On April 3, 1961, the indebtedness for delinquent royalty amounted to $4,253.93. Since that date, your royalty remittances on settlements have been applied, in whole or in part, to liquidation of the debt as shown below:

| Settlement | | Remittance | | |
|---|---|---|---|---|
| Date | No. | Total | Current Royalty | Indebtedness |
| 4/6/61 | 4753 | $1,000.00 | $ 364.36 | $ 635.64 |
| 5/3/61 | 4764 | 690.42 | 345.21 | 345.21 |
| 6/2/61 | 4791 | 500.00 | 193.51 | 306.49 |
| 7/5/61 | 4809 | 662.18 | 331.09 | 331.09 |
| 8/8/61 | 4855 | 500.00 | 87.18 | 412.82 |
| 9/6/61 | 4876 | 500.00 | -0- | 500.00 |
| 10/6/61 | 4922 | 500.00 | -0- | 500.00 |
| 11/6/61 | 4937 | 500.00 | -0- | 500.00 |
| Totals | | $4,852.60 | $1,321.35 | $3,531.25 |

As a result of the application indicated above, the $4,253.93 indebtedness of Allied-Mission Oil, Inc., has been reduced by $3,531.25, leaving a balance of $722.68 due as of this date, rather than an overpayment of $1,098.67 as stated in your letter.

Your continued cooperation in the liquidation of this debt will be appreciated.

Sincerely yours,

George Fumich, Jr.
Director

cc: Allied-Mission Oil, Inc.
Room 1004, 165 Broadway
New York 6, New York

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

EDTalbert/ama
12-18/61

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 18 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 12/18 | Talbot | 800 |
| | | 500 |
| | | 500 |
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| | | |
| | | |

December 14, 1961

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4631 (Uranium)
Contract Idm E1092
Vanadium Queen Uranium Corporation
(Now Allied-Mission Oil, Inc.)
(Vanadium Queen Claims)
San Juan County, Utah

Attached is a copy of a letter from Mr. J. H. Dryden from the Climax Uranium Company regarding royalty payments on the subject contract.

I recommend that you reply to Mr. Dryden's letter since our records show that you have an agreement with the Operator as to the royalty payments.

Hugh M. Connors

Hugh M. Connors

Attachment

CLIMAX URANIUM COMPANY
UNIT OF AMERICAN METAL CLIMAX, INC.
P. O. BOX 989
GRAND JUNCTION, COLORADO

December 12, 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 18 1961

| DATE | INITIALS | CODE |
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| | | OME |
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Executive Office
OME Field Team, Region III
Denver Federal Center
Denver 25, Colorado

RE: DMEA (Uranium)
Vanadium Queen Uranium Corporation
(Now Allied-Mission Oil, Inc.)
Vanadium Queen Claims
San Juan County, Utah
Contract Idm - E 1092

Gentlemen:

Would you please check the balance of the above contract? On April 3, 1961, Allied-Mission Oil, Inc., gave us the balance due of $4,253.93. If this was a correct and total amount due, we have overpaid this account by $1,098,67.

We will appreciate your assistance so that we can get this matter straightened out.

Very truly yours,

CLIMAX URANIUM COMPANY

J. H. Dryden

J. H. Dryden

JHD/cah

Selfridge (1)

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 18 1961

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| | | |
| | | |

December 14, 1961

J. H. Dryden
Climax Uranium Company
P. O. Box 989
Grand Junction, Colorado

Re: DMRA-4631 (Uranium)
Contract I&m E1092
Vanadium Queen Uranium Corporation
(Now Allied-Mission Oil, Inc.)
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. Dryden:

This will acknowledge receipt of your letter dated December 12, 1961 regarding royalty payments on the captioned contract.

I am forwarding your letter to the Washington office OME for their reply to you. In the meantime you may rest assured that this royalty account is not overpaid.

Yours very truly,

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres. E1092
Chron

ME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 9/19 | Talbert | 800 |
| | Arioux | 500 |
| 9/19 | Murphy | 500 |
| 9/19 | Selbrede | 120 |
| 9/19 | Colbrook | 110 |
| 9-19 | Turner | 100 |
| 9-19 | gad | 220 |
| | | |
| | | |

SEP 1 9 1961

Mr. Charles G. Wray
Chairman of the Board
Allied-Mission Oil, Inc.
Room 1004, 165 Broadway
New York 6, New York

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Wray:

At a March 6 conference in this office you agreed to liquidate the $4,253.95 indebtedness for delinquent royalty under the referenced contract by the payment of $1,000.00 on or about April 10 and a 5% royalty but not less than $500.00, in addition to the normal 5% royalty, on each subsequent monthly settlement. Under this agreement the delinquency would be eliminated by about November 10 at the latest.

Your failure to pay in accordance with the agreement has been the subject of letters from this office under dates of April 19, May 17, June 19, July 19, August 4, and August 14. Each of these letters requested prompt remittance of the amounts then deficient and past due under the March 6 agreement. Each letter also requested that the Climax Uranium Company be notified as to the proper computation of royalty on future settlements.

The only responses to this correspondence were your April 26 telephone call, a June 27 letter from you, and a July 31 letter from Mr. Madsen. In the telephone conversation you indicated that the indebtedness would be satisfied in full by November 10, as anticipated by the agreement, and that a reply to our April 19 letter would be made within two weeks. Your June 27 letter stated that "We will work on this at once and find out where the difficulty is so that there will be no mistake in the future". Mr. Madsen's July 31 letter advised that the matter would be taken up upon your return from vacation.

The remittances requested by our letters have not been received. Moreover, the latest settlement received from the Climax Uranium

43683

Company indicates that shipments from the subordinated property have been discontinued. A September 6 liquidation number 4876, on which the minimum $300.00 royalty has been paid, shows all of the August production as originating from "Vanadium Queen - Regular" and none from "Vanadium Queen - DMEA".

The utmost leniency has been granted in the matter of the indebtedness for past due royalty dating back to October 1960. Through such leniency you have had the interest-free use of monies properly belonging to the Government. Furthermore, as was stated in letters dated January 24 and February 17, this office does not have the authority to postpone indefinitely such action as may be necessary to enforce collections of royalty.

Under the circumstances I have no alternative but to demand immediate payment of the $968.75 past due under the March 6 agreement.

Sincerely yours,

George Fumich, Jr.

Director

cc: Mr. William C. Elliott

EDTalbert/ama
September 18, 1961

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 8/14 | Talbert | 800 |
| 8/14 | Humphrey | 500 |
| 8/14 | [illegible] | 500 |
| 8/14 | Lilfridge and Tedrow | 120 |
| " | Johnson | 110 |
| 8-14 | Fumich | 100 |
| 8-14 | Gad | 220 |
| | | |
| | | |

AUG 1 4 1961

Mr. Charles H. Wray
Chairman of the Board
Allied-Mission Oil, Inc.
Room 1004, 165 Broadway
New York 6, New York

Re: DMFA-4531 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-61092

Dear Mr. Wray:

My letter of July 19 demanded your immediate remittance of $881.57 which was past due under the agreement for liquidation of your indebtedness for delinquent royalty under the referenced contract. My letter also requested that you notify the Climax Uranium Company as to the proper computation of future royalty remittances. Your remittance has not been received and, furthermore, it appears that the requested notice has not been given Climax.

A check in the amount of $500.00, documented by a copy of Climax's August 8 settlement number 4855, has been received. This royalty payment properly should have been in the amount of $587.18, consisting of a current 5% royalty on the $1,743.63 proceeds, or $87.18, plus a minimum of $500.00 to apply to liquidation of your indebtedness.

The amount past due under the liquidation agreement is now $968.75, instead of $881.57 as stated in my July 19 letter. Demand again is made for your prompt remittance and, also, you again are requested to notify Climax Uranium Company of the proper computation on future settlements.

Sincerely yours,

George Fumich, Jr.

Director

cc: Mr. William G. Elliott

EDTalbert/ama
August 14, 1961

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 8/4 | [illegible] | 110 |
| 8/4 | Selfridge | 120 |
| 8/4 | Talbot | 200 |
| | | 100 |
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AUG 4 1961

Mr. Harold B. Madsen
Assistant Treasurer
Allied-Mission Oil, Inc.,
165 Broadway
New York 6, N. Y.

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corp.
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Madsen:

We regret that any difficulty, as mentioned in your letter of July 31, 1961, has arisen with respect to the interpretation of the agreement reached for payment of the $4,253.93 in royalties due the Government on past production.

In a meeting with Mr. Charles Wray, Chairman of the Board, and Mr. William C. Elliott, Attorney, for Allied-Mission Oil, Inc., it was agreed that to settle the claim for $4,253.93 Allied-Mission would send OME a check for $1,000 on April 10, 1961, and notify Climax Uranium to deduct 10 percent royalty on all production beginning April 1, 1961. Five percent royalty was to be deducted to apply against current royalties due on production and in addition another 5 percent or a minimum of $500 a month whichever was greater, was to be deducted to apply against the balance of the delinquent royalties until liquidated.

In subsequent correspondence with Mr. Elliott we endeavored to make it clear that the usual 5 percent royalty on current production should continue to be paid to OME and that an additional 5 percent or a minimum of $500 a month also should be paid to liquidate the indebtedness on past production.

In order to avoid further action on our part that might involve additional expense to your company, prompt payment of the sum of $381.57 past due under the liquidation agreement is requested.

FEJohnson/bih - 8/4/61
Copy to: Docket
Dir. reading file
Mr. Selfridge
Mr. Johnson
Mr. Charles G. Wray
(same address in NY)
Mr. William C. Elliott
Philadelphia, Pa.

Sincerely yours,

George Fumich, Jr.
Director

43683

ALLIED-MISSION OIL, INC.

165 BROADWAY • NEW YORK 6, N. Y. • BEEKMAN 3-6787

CHARLES G. WRAY
*Chairman of the Board and Vice President*

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 1 1961

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| 8/4 | | 800 |
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July 31st, 1961

Mr. Frank E. Johnson, Acting Director
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Re: DMEA - 4631
Contract Idm - E1092
Vanadium Queen Claims

Dear Mr. Johnson:

We have your letter of July 19th with reference to an agreement which was reached concerning the method of settling the $4,253.93 liability for royalties due on prior production of the Vanadium Queen Mine.

It appears that some difficulty has arisen in the interpretation and application of the "$500.00 minimum" in said agreement, a written copy of which does not appear in our files. A copy of a letter dated April 3rd, 1961 to Climax Uranium Co., and signed by our Mr. William C. Elliott, the party who concluded the agreement with you in Washington, instructs that company to deduct a 10% rather than a 5% royalty or a minimum of $500.00 each month until the total indebtedness has been liquidated. An initial deduction was prescribed in the amount of $1,000.00.

Either Mr. Elliott understood the agreement to allow the $500.00 minimum in lieu of the total 10% royalty or else he was not explicit in his instructions to Climax Uranium Company.

We shall take this up with him upon his return from vacation. In the meantime, perhaps you have some material which would clarify this point.

Thank you for your kind cooperation.

Very truly yours,
Harold B. Madsen, Ass't. Treasurer

HBM:mck

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 7/19 | Talbut | 800 |
| 7/19 | Murphy | 500 |
| 7/19 | Armstrong | 500 |
| 7/19 | Woodward | 120 |
| " | Johnson | 110 |
| 7-19 | Farmer | 100 |
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| 7-19 | gad | 280 |
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JUL 1 9 1961

Mr. Charles G. Wray
Chairman of the Board
Allied-Mission Oil, Inc.
Room 1004, 165 Broadway
New York 6, New York

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Wray:

By letter dated June 19 demand was made for your prompt remittance of $712.66, which was then past due under your agreement for liquidation of the indebtedness for delinquent royalty under the referenced contract. Request also was made that Climax Uranium Company be notified that a 5% royalty but not less than $500.00, in addition to the normal 5% royalty, is payable to the Government on each monthly settlement.

Remittance of the past due amount has not been received. Furthermore, your June 27 acknowledgment of my letter makes no mention of payment of the $712.66 but does state that steps were being taken to assure "no mistake in the future." The mistake, however, continues.

A check in the amount of $662.18, together with a copy of the Climax Uranium Company's July 5 settlement number 4809, has been received. This represents a 10% royalty on the $6,621.80 settlement proceeds, whereas the remittance properly should have been computed at 5% of $6,621.80, or $331.09, plus the minimum additional royalty of $500.00, that is $831.09 in total.

The present balance of your indebtedness for past due royalty is $2,635.50, whereas, under your March 7 agreement, the balance properly should be $1,753.93 as of this date. Demand, therefore, is made for

43683

your immediate remittance of $881.57, which is past due under the liquidation agreement. Also, you again are requested to notify Climax Uranium Company as to the proper computation of future royalty remittances.

Sincerely yours,

George Fumich, Jr.

Director

(fh)

cc: Mr. William C. Elliott
Executive Vice President
Allied-Mission Oil, Inc.
1710 Locust Street
Philadelphia 3, Pennsylvania

EDTalbert/hb (7/19/61)
Copy to: Docket
Director's Reading File
CA&A Division
Acting Field Officer, Region III (2)

ALLIED-MISSION OIL, INC.

165 BROADWAY • NEW YORK 6, N. Y. • BEEKMAN 3-6787

CHARLES G. WRAY
*Chairman of the Board and Vice President*

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 28 1961

| DATE | INITIALS | CODE |
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| 6/28 | gad | VVO |
| | | ~~VVO~~ |
| 6/28 | | 800 |
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| 6/28 | | 500 |

VVO

June 27, 1961

Mr. George Fumich, Director
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Re: DMEA-4631 (Uranium)
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Fumich:

We have your letter of June 19th and regret that we have this further difference in connection with the payment of our obligation under the DMEA LOAN. We regret also that Climax Uranium Company also seems to be at odds in connection with the amounts to be paid. We will work on this at once and find out where the difficulty is so that there will be no mistake in the future.

Sincerely yours,

ALLIED MISSION OIL, INC.

Charles G. Wray
Chairman of the Board

CGW:hk

DON DANVERS
5307 BROADWAY
SAN ANTONIO 9, TEXAS

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 5 1961

| DATE | INITIALS | CODE |
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| 6/5 | gad | NVO |
| | | ~~NVO~~ |
| 6/6 | [illegible] | 800 |
| | ~~Murphy~~ | ~~500~~ |
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| | | 290 |

May 23, 1961

Mr. Frank E. Johnson
Acting Director
US Department of the Interior
Office of Minerals Exploration
Building 20, Federal Center
Denver 25, Colorado

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Sir:

Referring to your letter of January 24, 1961, the Vanadium Queen Uranium Corporation was dissolved at the time the property was sold to Allied-Mission Oil, Inc.

Sincerely,

Don Danvers
(bb)

DON DANVERS

DD/bb

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/19 | Talbert | 800 |
| 6/19 | Murphy | 500 |
| | Aufenwald | 500 |
| 6/19 | Selbridge | 120 |
| " | Coleman | 110 |
| 6/19 | Jernucks | 100 |
| 6/19 | gad | 220 |
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Mr. Charles G. Wray
Chairman of the Board
Allied-Mission Oil, Inc.
Room 1004, 165 Broadway
New York 6, New York

JUN 1 9 1961

Re: EMRA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-81092

Dear Mr. Wray:

By letters dated April 19 addressed to Mr. Elliott and May 17 addressed to you, remittance was requested of the amounts required to conform to the March 6 agreement for liquidation of your company's indebtedness for delinquent royalty. The May 17 letter also requested that Climax Uranium Company be advised of the proper amount of royalty payable on the monthly settlements.

Neither remittance nor reply has been received to these letters. Furthermore, it appears that Climax Uranium Company still has not been informed as to the proper royalty deductions.

A check in the amount of $500.00, together with a copy of liquidation number 4791, dated June 2, 1961, has been received from Climax Uranium Company. The settlement sheet, which identifies the $500.00 as a minimum payment on May shipments, also is at variance with the agreement reached in the March 6 conference and confirmed by subsequent correspondence. Properly, this settlement should have stated the OME royalty as $693.51, consisting of $193.51 as current royalty and $500.00 as minimum royalty applicable to the indebtedness.

Your indebtedness for delinquent royalty now amounts to $2,966.59, whereas, in accordance with your agreement, the indebtedness of $4,253.93 was to be reduced to $2,253.93 by this date. As was stated in correspondence prior to the March 6 conference and agreement, this office does not have the authority to postpone indefinitely such action as may be necessary to collect royalty properly due the Government. The utmost leniency has been granted in the matter of the subject indebtedness.

43683

Accordingly, demand is made for your prompt remittance of $712.66, which is past due under the agreement for liquidation of the indebtedness for delinquent royalty. Furthermore, you again are requested to notify Climax Uranium Company that the 5% royalty or minimum of $500.00 a month is in addition to the normal 5% royalty payable on each settlement.

Sincerely yours,

George Fumich, Jr.

Director

cc: Mr. William C. Elliott

EDTalbert/ama
June 19, 1961

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/12 | Talbert | 800 |
| 6/12 | Murphy | 500 |
| 6/12 | Selfridge | 120 |
| | | 110 |
| 6/12 | gad | 220 |
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JUN 1 2 1961

Mr. Mitchell P. Apfel, C.P.A.
1265 Broadway
New York 1, New York

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Apfel:

By letter dated June 8, 1961, Mr. Charles G. Wray, chairman of the board of Allied Mission Oil, Inc. has requested that you be informed as to the royalty due the Government as of March 31, 1961, under the referenced contract and the details of any collateral, securities, or liens held in that connection.

The contract provides for payment to the Government of a percentage royalty on all minerals produced from Vanadium Queen claims Nos. 3, 7, 9, and 10 from May 29, 1957, to May 29, 1967, or until $33,656.60 is repaid to the Government, whichever occurs first. To secure the payment of its percentage royalty, the Government was granted a lien upon the claims and upon any production of minerals therefrom.

As of March 31, 1961, an aggregate of $688.99 in royalty had been paid to the Government, leaving $32,967.61 as the potential balance payable. As of the same date Allied Mission Oil, Inc. was indebted to the Government for $4,253.93 in delinquent royalty, which it promised to liquidate by payment of $1,000.00 in April and a minimum of $500.00 each month thereafter. Up to this writing, however, only $980.85 has been received for such application.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Acting Director

EDTalbert/cac
6/12/61
cc to: Docket, Charles G. Wray
Director's Reading File
Region III (2)
CA&A Division

43683

ALLIED-MISSION OIL, INC.

165 BROADWAY • NEW YORK 6, N. Y. • BEEKMAN 3-6787

CHARLES G. WRAY
*Chairman of the Board and Vice President*

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

| DATE | INITIALS | CODE |
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| 6/9 | gad | NNO |
| 6/9 | | 800 |
| | | 500 |
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~~June 8, 1961~~

Mr. Frank E. Johnson, Acting Director
Office of MineralsEExploration
Department of the Interior
Washington 25, D. C.

Vanadium Queen
DMEA-4631
E-109

Dear Mr. Johnson:

Our auditor, Mitchell P. Apfel, C. P. A., 1265 Broadway, New York 1, N. Y., is making his periodic examination of our accounts as at March 31, 1961 and in connection therewith requests the fillowing information:

1. Amounts due you based on royalty in reference to the above contract and docket number.

2. Details if any collateral, securities, liens held by you.

Your prompt reply to these matters will be appreciated and should be addressed directly to Mr. Apfel's office at the above-mentioned address, in the enclosed self-addressed envelope.

Very truly yours,

ALLIED MISSION OIL, INC.

Chas. G. Wray

Charles G. Wray

CGW:hk

URANIUM COMPANY
OF AMERICAN METAL CLIMAX, INC.
GRAND JUNCTION, COLORADO

COPY

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 13 1961

| DATE | INITIALS | CODE |
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| 4-13 | gad | VVO |
| 4/13 | [illegible] | 800 |
| 4/14 | Murphy | 500 |
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| | | 220 |
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| | | |

April 11, 1961

Mr. Hugh M. Connors
Acting Field Officer
Office of Minerals Exploration
Building 20 - Denver Federal Center
Denver 25, Colorado

Re: Docket DMEA 4631 (Uranium)
Vanadium Queen Uranium Corporation
(now Allied Mission Oil, Inc.)
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Connors:

We enclose herewith our check No. 726 for $1000.00 covering production royalty for the ore produced from the vanadium queen mine during the month of March 1961.

This payment has been in compliance with a letter of agreement received April 3, 1961, from Mr. William C. Elliott, Executive Vice-President of Allied Mission Oil, Inc.

Very truly yours,

CLIMAX URANIUM COMPANY

A. R. Eikenbary

ARE:gp
Encl.

cc: Mr. Frank E. Johnson
Acting Director OME
Washington 25, D. C.

Mr. William C. Elliott
Philadelphia 3, Pa.

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5/16 | Murphy | 800 |
| 5/16 | Talbert | 800 |
| 5/16 | Friend | 500 |
| 5/17 | Selfridge | 120 |
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MAY 1 7 1961

Mr. Charles G. Wray
Chairman of the Board
Allied-Mission Oil, Inc.
Room 1004, 165 Broadway
New York 6, New York

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Wray:

In a telephone conversation on April 26, 1961, you requested a two weeks' delay in answering my April 19 letter to Mr. Elliott regarding the indebtedness for delinquent royalty. Although you promised to contact me immediately upon your return from the producing property, no further word has been received from either you or Mr. Elliott.

In the meantime a check for $690.42, together with a copy of liquidation number 4764, dated May 5, 1961, has been received from Climax Uranium Company. This settlement, which identifies the $690.42 as a 10 percent royalty payment on April shipments, also appears to be at variance with the agreement reached in our March 6 conference and confirmed by subsequent correspondence. As one-half of the $690.42, or $345.21, represents the normal royalty, only $345.21 is applicable to the indebtedness.

Our agreement was that the indebtedness of $4,253.93 for delinquent royalty would be liquidated by an April payment of $1,000.00 and minimum monthly payments of $500.00 thereafter. As stated in my April 19 letter, only $635.64 was paid rather than $1,000.00 and now only $345.21 has been paid rather than the anticipated $500.00, i.e., a total of $980.85 instead of the $1,500.00 agreed upon.

In order to conform to our agreement, your prompt remittance of an additional $519.15 is solicited. Also, it is suggested that Climax

43683

Uranium Company be advised that, in addition to the usual 5 percent royalty, an additional 5 percent royalty or minimum of $500.00 is payable on each monthly settlement.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

cc: Mr. William C. Elliott

EDTalbert/gla
5-16-61
cc to: Docket
Director's Reading File
CA&A Division
Region III (2)

MME Form 7
(10-58)

OFFICIAL FILE COPY

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| 5/3 | Johnson | |
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May 3, 1961

Memorandum to Files:

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Idm-E1092

On April 26, 1961, Mr. Wray of Allied Mission Oil Company telephoned me from New York. He had received our recent letter concerning payment of delinquent royalties and requested a time extension to reply to our letter.

Mr. Wray said he was leaving for the west and wanted to discuss the matter with the Climax Company and his people at the property. He stated he thought they could pay all the back royalties in 6 months.

I agreed to a time extension as he said he would be back in two weeks and promised to contact me then.

Frank E. Johnson
Acting Director

FEJohnson/bih
cc to Dir. reading file
Mr. Johnson

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 4/18 | Talbert | 800 |
| | Murphy | 500 |
| | Lawson | 500 |
| 4/18 | Selfridge | 120 |
| | | 110 |
| 4/19 | gad | 220 |
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Mr. William G. Elliott
Executive Vice-President
Allied-Mission Oil, Inc.
1710 Locust Street
Philadelphia 3, Pennsylvania

APR 1 9 1961

Re: DMEA-4651 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Elliott:

On April 14, 1961, a check in the amount of $1,000.00 was received from Climax Uranium Company, together with a copy of liquidation number 4753, dated April 6, 1961. This settlement, which identifies the $1,000.00 as the "Minimum Royalty Payment to O.M.E. on March Production", appears to be at variance with the agreement reached in our March 8 conference and confirmed by subsequent correspondence.

In your March 8 letter it was stated that "You will remember as a result of our conference it was decided and agreed that Allied-Mission Oil, Inc., would pay your office $1,000.00 in April after receiving our April settlement for ore runs from The Climax Uranium Company, which settlement is usually held on or shortly after the 10th of the month". At no time was it stated that the $1,000.00 payment would be in lieu of, or inclusive of, the normal 5% royalty to be remitted by Climax Uranium Company. In fact, in my March 10 reply, I stated "As you promised that Allied-Mission Oil, Inc., would pay $1,000.00 to OME on or shortly after April 10, the amount to be liquidated by the additional 5% royalty, or minimum of $500.00 a month, will be $3,253.93".

Inasmuch as the normal 5% royalty of $364.36 payable on liquidation number 4753 was not paid in addition to the $1,000.00, the result has been a reduction of only $635.64 in the indebtedness, i.e., from $4,253.93 to $3,618.29. In order to conform to our agreement, your prompt remittance of an additional $364.36 will be appreciated.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

cc: Mr. Charles G. Wray

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

EDTalbert/ama
April 18, 1961

43683

# CLIMAX URANIUM COMPANY

UNIT OF AMERICAN METAL CLIMAX, INC.
P. O. BOX 989
GRAND JUNCTION, COLORADO

OFFICIAL FILE COPY
O. M. E
RECEIVED 1961
DATE | INITIALS | CODE
OME
DEPARTMENT OF THE INTERIOR
APR 12 1961
REGION III
DENVER, COLORADO

April 11, 1961

Mr. Hugh M. Connors
Acting Field Officer
Office of Minerals Exploration
Building 20 - Denver Federal Center
Denver 25, Colorado

Re: Docket DMEA 4631 (Uranium)
Vanadium Queen Uranium Corporation
(now Allied Mission Oil, Inc.)
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Connors:

We enclose herewith our check No. 726 for $1000.00 covering production royalty for the ore produced from the vanadium queen mine during the month of March 1961.

This payment has been in compliance with a letter of agreement received April 3, 1961, from Mr. William C. Elliott, Executive Vice-President of Allied Mission Oil, Inc.

Very truly yours,

CLIMAX URANIUM COMPANY

A. R. Eikenbary

A. R. Eikenbary

ARE:gp
Encl.

cc: Mr. Frank E. Johnson
Acting Director OME
Washington 25, D. C.

Mr. William C. Elliott
Philadelphia 3, Pa.

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 3/22 | Murphy | 500 |
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| 3/22 | Talbert | 800 |
| 3/22 | [illegible] | 130 |
| " | Johnson | 110 |
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| | | |

MAR 2 2 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4631 (Uranium)
Vanadium Queen Corporation
Vanadium Queen claims
San Juan County, Utah
Contract Idm-E1092

Thank you for the information in your memorandum of March 17, 1961, relating to Mr. George Spillman's remarks about the AEC allotment on production and possible closing of the mine.

Our agreement for payment of delinquent royalties was reached in a discussion with Mr. Charles Wray, Chairman of the Board, and Mr. William Elliott, attorney for Allied-Mission Oil Company. The first payment of $1,000 is to be made April 10 and a minimum of $500 each month thereafter. Beginning April 1, the balance due is to be paid by increasing royalty on production by 5 percent. However, if there is insufficient production or no production, payment of the balance of the minimum monthly royalty is to be made direct to us by the company.

Mr. Wray acknowledged the indebtedness but asked us for time in which to make the payments because of present commitments. He understands that unless the payments are made as agreed upon, the matter will be referred to the Comptroller General.

/s George C. Selfridge (24/2)

FEJohnson/bih/gla
3-22-61
cc to: Director's Reading File
Review Committee
CA&A Division
Docket
Code 500

43683

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

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 20 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 3-20 | gad | 120 |
| | | 120 |
| | | 800 |
| | | 500 |

March 17, 1961

AIR MAIL

Memorandum

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

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

Subject: Docket DMEA-4631 (Uranium)
Contract Idm E1092
Vanadium Queen Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Reference is made to the penultimate paragraph in the letter from William C. Elliott to Frank E. Johnson dated March 16, 1961. I note that Mr. Elliott proposes to make a payment of $1,000.00 in April and $500.00 a month thereafter until the royalty due has been paid in full.

This is to advise that on February 1, 1961, I overheard George Spillman, mine foreman, in talking to a Gardner-Denver representative, state that the mine had produced almost the entire AEC allotment of $U_3O_8$ for the year and that the property would soon shut down until July 1, 1961.

I am wondering if they will be in any better position to pay in April or May, without production, than they are in February and March with production. It might be well to question Mr. Elliott as to their AEC allotment and the number of pounds of $U_3O_8$ remaining for the year to verify what I overheard.

Hugh M. Connors

Hugh M. Connors

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 20 1961

| DATE | INITIALS | |
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| 3-20 | gad | 220 |
| 3/20 | [illegible] | 800 |
| | [illegible] | 500 |
| | | |
| | | 220 |
| | | |
| | | |

Building 20 - Federal Center
Denver 25, Colorado

March 17, 1961

**AIR MAIL**

Memorandum

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

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

Subject: Docket DMEA-4631 (Uranium)
Contract Nbr E1092
Vanadium Queen Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Reference is made to the penultimate paragraph in the letter from William C. Elliott to Frank E. Johnson dated March 16, 1961. I note that Mr. Elliott proposes to make a payment of $1,000.00 in April and $500.00 a month thereafter until the royalty due has been paid in full.

This is to advise that on February 1, 1961 I overheard George Spillman, mine foreman, in talking to a Gardner-Denver representative, state that the mine had produced almost the entire AEC allotment of $U_3O_8$ for the year and that the property would soon shut down until July 1, 1961.

I am wondering if they will be in any better position to pay in April or May, without production, than they are in February and March with production. It might be well to question Mr. Elliott as to their AEC allotment and the number of pounds of $U_3O_8$ remaining for the year to verify what I overheard.

Hugh M. Connors

HMC/lm
cc Royalty Corres E1092
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/20 | Talbert | 800 |
| 3/20 | Murphy | 500 |
| | Mulsel | 500 |
| 3/20 | Selfridge | 120 |
| | | 110 |
| 3/21 | gad | 220 |
| | | |
| | | |
| | | |

Mr. William C. Elliott
Executive Vice-President
Allied-Mission Oil, Inc.
1710 Locust Street
Philadelphia 3, Pennsylvania

MAR 2 0 1961

Re: DMEA-4651 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Elliott:

Your letter of March 16 requests that my March 10 letter be clarified by the exclusion of reference therein to liquidation no. 4703, but accepts $4,253.93 as the amount of the delinquent royalty.

From the information at hand, I regret that I cannot delete liquidation no. 4703 which covered January 1961 shipments. The inclusion of these shipments is necessary to approximately balance with the stope measurements. Furthermore, during an inspection of the property on February 1, Mr. Connors was informed by Mr. Spillman, your mine foreman, that all ore mined from the Vanadium Queen property since September 1960 was from land subordinated under the DMEA contract and that mining only then was about to begin in the unsubordinated area.

The inclusion or exclusion of this particular liquidation appears to be immaterial inasmuch as you state that it is your intention to repay $4,253.93 under the terms agreed upon at our February 17 conference and confirmed by our exchange of correspondence. I shall look forward to the settlement in accordance therewith.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

cc: Mr. Charles G. Wray

EDTalbert/ama
March 20, 1961

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

43683

ALLIED-MISSION OIL, INC.
ABERNATHY, TEXAS

165 BROADWAY • SUITE 1423 • NEW YORK 6, N. Y. • BEEKMAN 3-6787

March 16, 1961

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 17 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 3-17 | gad | VVO |
| | | FVO |
| 3/20 | | 800 |
| 3-20 | | 500 |
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| | | 220 |
| | | |

Mr. Frank E. Johnson
Acting Director
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA - 4631 (Uranium)
Contract Idm - E 1092
Vanadium Queen Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. Johnson:

This letter will acknowledge receipt of your letter of March 10, 1961, in reference to the indebtedness of $4253.93 of Allied-Mission Oil, Inc. to OME based upon the royalty due for certain mining done in those sections of the Vanadium Queen Mine at La Sal, Utah, which are subject to OME royalty at 5%.

While in general your letter more clearly establishes our understanding in this matter, there is still some misunderstanding regarding Liquidation Numbers 4702 and 4703 of Climax Uranium Company, both of which were dated February 3, 1961, and represented ore purchases by Climax from our mine in January.

No. 4702 covered ore shipped from that part of our mine subject to the OME royalty of 5% and said settlement sheet shows a deduction by Climax of $353.88 for such shipments from those sections of the mine subject to the royalty. The actual amounts of ore subject to the royalty are in all cases computed and stated by Mr. Ray K. Church, of La Sal, Utah, our mine manager.

No. 4703 covered ore shipped from those sections of the mine NOT subject to OME royalty, according to Mr. Church, and therefore no royalty payment was made for this ore.

Likewise on March 10, 1961, there again were two ore settle-

ment sheets from Climax, one bearing No. 4731 (DMEA) in which a deduction of $186.34 was made and forwarded by Climax to OME, and No. 4731 showing no royalty due or paid for ore shipped from other parts of the mine not subject to OMC royalty.

It is, of course, realized that Mr. Connors made a measurement of the mine stopes which we presume to be accurate and on which the delinquency of $4253.93 is based. However, I think your letter of March 10th should be clarified by excluding reference to No. 4703, as that is not, according to Mr. Church, ore that is subject to OME royalty. As stated before, No. 4702 gives this figure for ore subject to such royalty.

If the above correction meets with your approval based on the measurements taken by Mr. Connors, we will understand that the delinquency of $4253.93 is outstanding and not subject to any present credits.

It is the intention of this company to make the $1,000.00 payment in April to OME and monthly payments thereafter actually based on a total of 10% royalty on OME ore only until the total back indebtedness of $4253.93 is paid. Such monthly payments will, however, be a minimum monthly payment of $500.00 beginning in May, 1960.

It is my hope that this letter clarifies our understanding, and the writer will appreciate your approval.

Very truly yours,

William C. Elliott

WCE:lh

WILLIAM C. ELLIOTT
Executive Vice President
Allied-Mission Oil, Inc.
1710 Locust Street
Phila. 3, Pa.

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/10 | Talbert | 800 |
| | Brown | 500 |
| | | 500 |
| 3/10 | Selfridge | 120 |
| | | 110 |
| | | |
| | | 220 |
| | | |
| | | |

MAR 1 0 1961

Mr. William C. Elliott
Executive Vice-President
Allied-Mission Oil, Inc.
1710 Locust Street
Philadelphia 3, Pennsylvania

Re: DMSA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Elliott:

Your March 9 letter sets forth your understanding of the agreement reached at our ~~February 17~~ March 3 conference on the matter of your royalty delinquency of $4,253.93 under the referenced contract. It appears that possibly we may not be in precise accord on some points.

First, the indebtedness of $4,253.93 does not include the royalty of $553.88 paid directly to OME by Climax Uranium Company on liquidation no. 4702 dated February 3, 1961. As detailed in my February 17 letter to Mr. Wray, the delinquent royalty of $4,253.93 is applicable to liquidation nos. 4614, 4635, 4661, 4687, and 4703. Therefore, the amount of $553.88 is not for credit against the $4,253.93 delinquency.

Second, my understanding was that Climax Uranium Company would continue the procedure started with liquidation no. 4702 of paying the contractual 5% royalty (on "Total Gross Price", as stated in the Ore Settlement sheets) directly to OME. However, beginning with the April ore shipments an additional 5% royalty, or a minimum of $500.00 a month, would be remitted by Climax Uranium Company directly to OME until such time as the indebtedness for delinquent royalty is liquidated. As you promised that Allied-Mission Oil, Inc., would pay $1,000.00 to OME on or shortly after April 10, the amount to be liquidated by the additional 5% royalty, or minimum of $500.00 a month, will be $3,253.93.

Advice of your concurrence with the above clarification would be appreciated. A copy of this letter is being sent to Mr. Wray.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

cc: Mr. Charles G. Wray

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

EDTalbert/ama
March 10, 1961

43683

ALLIED-MISSION OIL, INC.
ABERNATHY, TEXAS

165 BROADWAY • SUITE 1423 • NEW YORK 6, N. Y. • BEEKMAN 3-6787

March 8, 1961

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

| DATE | INITIALS | CODE |
|---|---|---|
| 3/9 | gad | NNO |
| | | ~~1NO~~ |
| 3/10 | [illegible] | 800 |
| 3/10 | [illegible] | 500 |
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| | | |
| | | |

Mr. Frank E. Johnson
Acting Director
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-4631 (Uranium)
Contract Idm - E 1092
Vanadium Queen Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. Johnson:

This letter will refer to your letter of February 17 to Mr. Wray of Allied-Mission Oil, Inc. as owner of the above mine, Mr. Connors' letter to Mr. Wray of February 17, and to our most pleasant conference with you and Mr. Selfridge on Monday last at your office in Washington, concerning the claim of the United States Government for $4253.93 for royalty on certain of the claims of the Vanadium Queen Mine.

You will remember as a result of our conference it was decided and agreed that Allied-Mission Oil, Inc. would pay your office $1,000.00 in April after receiving our April settlement for ore runs from The Climax Uranium Company, which settlement is usually held on or shortly after the 10th of the month. Further it was agreed that beginning April 1st, 10% of the gross selling price on ore runs thereafter from our mine would be deducted by Climax Uranium and sent to your office until the entire claim of $4253.93 has been paid off.

It was further agreed that in the future, as in the past month, the ore shipped by Allied-Mission from the Queen Mine would be segregated as coming from either the DMEA claims or from other (non-DMEA) claims. On the former the regular 5% royalty would be paid by Climax Uranium Company.

In reference to this it was further understood that Allied-Mission would be given credit for $353.88 paid by Climax Uranium Company to Mr. Connors' office under Liquidation Voucher #4702, said Settlement Sheet being dated February 3, 1961.

If the above agreement is incorrect, please advise the writer. A copy of this letter is being sent to Mr. Connors and to Climax Uranium Company (Mr. Anthony Mastrovich) in Grand Junction.

Very truly yours,

William C. Elliott

WCE:lh

WILLIAM C. ELLIOTT
Executive Vice-President
1710 Locust Street
Phila. 3, Pa.

CC to:

Mr. Hugh M. Connors
Acting Field Officer
Office of Minerals Exploration
Building 20, Federal Center
Denver 25, Colorado

Mr. Anthony Mastrovich
Climax Uranium Company
P. O. Box 1901
Grand Junction, Colorado

Mr. Charles G. Wray
Allied-Mission Oil, Inc.
Room 1004, 165 Broadway
New York 6, N. Y.

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| | | 110 |
| | | 120 |
| 3/7 | Murphy | 500 |
| 3/7 | Trewick | |
| 3/8 | Talbert | 800 |
| 3/8 | gad | 220 |
| | | |
| | | |
| | | |

March 6, 1961
1:30 P. M.

NOTE TO THE FILES

Re: Vanadium Queen Uranium Corporation
DMEA-4631

A meeting was held with Mr. Charles Wray, Chairman of the Board, and Mr. Elliot, Attorney, of Allied Mission Oil Company in regard to delinquent royalties on the Vanadium Queen.

Mr. Selfridge sat in on the discussion.

After discussing the problem of delinquent royalties and the operation of this company the following was agreed upon:

Allied Mission would send OME a check for $1,000 on April 10, 1961. It would notify Climax Uranium to deduct 10% royalty on all production beginning April 1, 1961, for payment to OME until the balance of the delinquent royalties is liquidated at a minimum of $500 a month.

Allied Mission is to write us a letter agreeing to the foregoing arrangement.

Frank E. Johnson

cc to Mr. Talbert

43683

March 6, 1961
1:30 P.M.

Mr. Elliot (Attorney) Vanadium
Mr. Wray (President) Queen

Delivered Settlement Sheet data of
February 16, 1961 as ore from subordinated ground.

The attached summary submitted to Allied by Chemag purports to show royalty due OMS, however dates 12/8/60 – 1/31/61 have been left off.

Talbert

Delivered in person to Mr. Reynolds 3/6/61 1:30 P.M.

Item on Settlement Sheet

# CLIMAX URANIUM COMPANY

UNIT OF AMERICAN METAL CLIMAX, INC.

GRAND JUNCTION, COLORADO

## ORE SETTLEMENT

Liquidation Number
Bought of Albert Minerals Corp. Inc.
Address Box 462 - Hereford, Texas
Type of Ore Carnotite
Mining Claim Vanadium Queen

Date February 16 1961
A. E. C. License No.
Date Received 9/1/60 - 12/7/60
Mining District Paradox (Ca Sal)

| Lot No. | Wet Weight Pounds | $H_2O$ | Dry Weight Pounds | Settlement Assays $U_3O_8$ | Settlement Assays $V_2O_5$ | Settlement Assays $CaCO_3$ | Contents Pounds $U_3O_8$ | Contents Pounds $V_2O_5$ | Contents Pounds $CaCO_3$ |
|---|---|---|---|---|---|---|---|---|---|
| Sept. 1960 | 386,260 | 8.0 | 355,299 | 0.23 | 1.72 | | 817.14 | 6106.72 | |
| Oct. 1960 | 775,860 | 8.0 | 714,086 | 0.33 | 1.44 | | 2350.68 | 10,086.45 | |
| Nov. 1960 | 349,060 | 7.3 | 323,481 | 0.29 | 2.00 | | 940.24 | 6472.10 | |
| Dec. 1-7/1960 | 199,700 | 7.2 | 185,932 | 0.34 | 2.15 | | 658.05 | 4242.44 | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| TOTAL | 1,710,880 | | 1,578,798 | | | | 4758.11 | 26,867.71 | |

| $U_3O_8$ | | Per Lb. | Per Ton | Short Tons | Total Value |
|---|---|---|---|---|---|
| % = 4758.11 Lbs. | | $ 3.50 | $ . | 787.40 | $ 16,658.39 |
| Development Allowance 4758.11 Lbs. | | .50 | . | 787.40 | 2379.06 |
| Premium in excess of 4# per ton | | | | | |
| Total Lbs. $U_3O_8$ | 4758.11 | | | | |
| Less 787.40 Tons @ 4# | 3147.60 | | | | |
| PREMIUM LBS. | 1610.51 | .75 | . | 787.40 | 1208.38 |
| Premium in excess of 10# per ton | | | | | |
| Less _____ Tons @ 10# | | | | | |
| Total Lbs. $U_3O_8$ | | | | | |
| PREMIUM LBS. | | . | . | . | . |
| Total $U_3O_8$ Payment | | | | | $ 20,232.83 |
| Haulage Allowance 855.44 Tons @ $9.72/Ton | | | | | 8314.88 |
| $V_2O_5$ | | | | | |
| % = 26,867.71 Lbs. | | .31 | . | 787.40 | 8328.99 |
| | | | | | $ . |
| Less Excess Lime Charge _____ Tons @ $ _____ per ton | | | | | . |
| TOTAL GROSS PRICE | | | | | $ 36,876.70 |

Deductions:

| | |
|---|---|
| U.M.C. - 5% (Due) | $ 1843.84 |
| | . |
| | . |
| | . |
| | . |
| | . |
| | . |
| | 1843.84 |
| NET PROCEEDS | $ 35,032.86 |

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to Climax Uranium Company.

I hereby transfer to Climax Uranium Company, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, for sums due to me on account of the ore deliveries described herein.

Buyer assays governs if Seller fails to submit his assays prior to acceptance of payment.
All rates paid based on U. S. Atomic Energy Commission Published Schedules.

_____
Seller or Agent

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

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 6 1961

| DATE | INITIALS | COPY |
|---|---|---|
| 3-6 | gad | VVO |
| 3-6 | [illegible] | 800 |
| 3/7 | Murphy | 500 |
| | | |
| | | 220 |
| | | |
| | | |

March 3, 1961

Memorandum

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

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

Subject: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

This responds to your memorandum of February 27, 1961 on the subject contract.

Attached is a claim map which accompanied the final report on this project. On the map I have traced the work that George Spillman stated was accomplished by Joe Pitts beginning in 1958. The workings shown on this map in the subordinated area represent the workings as they existed on September 1, 1960, according to Mr. George Spillman.

Please note that the only ore hole shown, except the one at the end of the drift, is hole VQ102 which is about 40 feet outside the subordinated area. This may, or may not, be the source of the 65.346 tons of ore in question. Please refer to H. F. Robertson's semiannual report on this project for the reporting period January 1, 1958 through June 30, 1958. On page 2 you will note under remarks the following:

> Checks with AEC records. The ore produced this period (65.364 tons) came from the above development drift driven toward the DMEA reserve. No further mining has been done on the subordinated ground to date. All ore currently being mined comes from the old Vanadium Queen mine.

I was so interested in the stoping operations which George Spillman said started in September 1960, that I failed to make a note of the location of the small stope in the back of the drift which was the source of the ore shipped prior to September 1960, according to George Spillman.

Hugh M. Connors

Hugh M. Connors

Attachment

3/8/61 No further action on this matter, recommended. Action to recover royalty on ore known to have been produced from subordinated ground is in progress.

By Murphy: 1/ The position of hole could be some distance from the location shown on map due to an actual change of the surface drill site or and possible evaluation of hole offset to see horizon. Robertson's note indicates production was from subordinated ground.

Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 2/23 | Murphy | 500 |
| | [illegible] | 500 |
| 2/24 | Talbot | 800 |
| 2/27 | [illegible] | 130 |
| " | Johnson | 110 |
| 2/27 | gad | 220 |
| | | 500 |
| | | |
| | | |

FEB 27 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

In reviewing your annual report of February 16, 1961, on the subject property, you state that you saw the source of ore previously reported.

With reference to your memorandum of May 20, 1960, please advise us whether or not the 65.364 tons (ore settlement sheet 4178) was produced from subordinated land.

/s/ George C. Selfridge

(2/6)

FMMurphy/gla
2-23-61
cc to: Director's Reading File
Review Committee
Docket
Chron
Code 500

43683

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

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 27 1961

| DATE | INITIAL | |
|---|---|---|
| 2/27 | gad | 220 |
| 2/27 | [illegible] | 800 |
| 2/28 | [illegible] | 500 |
| | | |
| | | 220 |
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February 23, 1961

AIR MAIL

Memorandum

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

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

Subject: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

This has further reference to my memorandum dated February 20, 1961 to you on the subject contract. This is to advise that I now realize I was in error when I told Mr. Wray and Mr. Elliot that all of the ore mined in the subordinated ground was produced after September, 1960.

George Spillman showed me a small stope in the back of the drift which was driven prior to September 1960 by a Joe Pitts. This undoubtedly was the source of the 65 tons of ore sold in May 1958 on which royalty was paid.

Hugh M. Connors

Hugh M. Connors

# ALLIED-MISSION OIL, INC.

P. O. BOX 402 ABERNATHY, TEXAS

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 24 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 2-24 | gad | VVO |
| | | ~~LVO~~ |
| 2/24 | EOJ | 800 |
| | WRY | 500 |
| | | |
| | | |
| | | |

February 20, 1961

Mr. Frank E. Johnson
U. S. Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: DMEA-4631 (Uranium)
Vanadium Queen.
E109v

Dear Mr. Johnson:

Referring to your letter of February 17th, addressed to my office, 165 Broadway, New York City, I wish to advise that I am now visiting Mr. Joy in Abernathy and have had an opportunity to make a brief examination of the letter. I have also discussed this matter with Mr. Conners on the telephone and he has suggested that I make an appointment to see you in Washington to go over the situation.

As soon as I return to New York I will call your office and make an appointment.

Yours very truly,

ALLIED-MISSION OIL, INC.

Charles G. Wray
Chairman of the Board

CGW/rj

Mr. Wray telephoned today, Feb. 24, for an appointment for next week. Was told that either the 27th or 28 would be best because of prior commitments of staff.

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

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 23 1961

| DATE | INITIALS | CODE |
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| 2/27 | [illegible] | 800 |
| 2/28 | [illegible] | 500 |
| | | |
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| | | |
| | | |

February 20, 1961

AIR MAIL

Memorandum

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

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

Subject: Docket No. DMEA-4631 (Uranium)
Contract IDM E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

This is to advise that Charles Wray called me today from Lubbock, Texas. A Mr. Elliot was also on the line. Mr. Wray stated that Mr. Church claims that only half of the ore mined from the subordinated area was taken out since September 1960.

I told them that George Spillman had stated that all of the ore mined from the subordinated ground was produced from September 1960 to the present time and the only definite knowledge I had was that the tonnage of ore mined since September checks with the stope measurements. I also told them that the matter was now out of my hands and that they should contact the OME Washington Office.

Hugh M. Connors

Hugh M. Connors

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

| OFFICIAL FILE COPY O. M. E RECEIVED FEB 21 1961 | | |
|---|---|---|
| DATE | INITIALS | CODE |
| 2-21 | gad | 220 |
| 2/21 | [illegible] | 800 |
| " | Murphy | 500 |
| | | |
| | | 220 |
| | | |
| | | |

February 17, 1961

Memorandum

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

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

Subject: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Attached is a copy of a letter to Charles G. Wray. Mr. Wray called me from Grand Junction, Colorado and asked how much royalty was due the Government and I told him. He then asked if I had sent him a letter showing the breakdown of the royalty due. He asked if he could pay the past due royalty in installments and I told him to consult the Acting Director.

I also asked Mr. Wray to inform Climax Uranium Company, buyer of their ore, to withhold the royalty due the Government. I also asked him to notify Mr. Church to keep DMEA ore segregated. Mr. Wray stated that he did inform Climax and Mr. Church.

Hugh M. Connors
Hugh M. Connors

Attachment

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 21 1961
DATE

February 17, 1961

Mr. Charles G. Wray
Chairman of the Board
Allied Mission Oil Company
165 Broadway
New York, N. Y.

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Wray:

This has further reference to our long distance telephone conversation today regarding the amount of royalty due the Government on royalty from the captioned property. A breakdown of the royalty due is as follows:

| Date | Liquidation No. | Net Value | Dry Tons | Value Per Ton | % Roy. | Royalty Due |
|---|---|---|---|---|---|---|
| 10-6-60 | 4614 | $ 6,979.72 | 177.65 | $ 39.29 | 5% | $ 348.99 |
| 11-7-60 | 4635 | 16,992.09 | 357.04 | 47.59 | 5% | 849.60 |
| 12-6-60 | 4661 | 7,683.70 | 161.74 | 47.51 | 5% | 384.19 |
| 1-5-61 | 4687 | 37,071.44 | 659.44 | 56.22 | 5% | 1853.57 |
| 2-3-61 | 4703 | 16,351.66 | 308.35 | 53.03 | 5% | 817.58 |
| | | Total Amount Due | | | | $4253.93 |

I have no authority to accept partial payments on royalty past due and I suggest that you write Mr. Frank E. Johnson, Acting Director OME, Department of the Interior, Washington 25, D.C. and request permission to pay the balance due on installments.

Yours very truly,

(Original signed by)

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

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres E1092
Chron

cc: Mr. William C. Elliot
1710 Locust Street
Philadelphia, Pa.

is not the producer shall pay the Government a percentage royalty on all production from the land under the contract.

By letter dated December 16, 1957, as amended by letter dated July 1, 1958, you were advised that the royalty was payable under the terms of the contract on all production from May 29, 1957, to May 29, 1967, or until the amount contributed by the Government ($35,656.60) was repaid. You further were requested to notify our Denver office of any changes in ownership or production rights. Article 2(b) of the contract also provides that you shall neither transfer, convey, nor surrender your interests in the land without expressly providing in the instrument of conveyance for preservation of the Government's right to the percentage royalty and the lien for payment thereof.

Without notice to the Government, the property subject to the Government's lien (Vanadium Queen claims Nos. 3, 7, 9, and 10) was included in a conveyance to the Allied Mission Oil, Inc., by Quit Claim Deed, executed on April 20, 1959. Furthermore, this deed did not provide for preservation of the Government's royalty or the lien for payment. This was a breach of the exploration project contract.

This office does not have the authority to postpone indefinitely such action as may be necessary to collect royalties due the Government. Accordingly, demand hereby is made upon you, as surety, for payment of the $4,253.95 presently past due.

Unless this amount is received within 30 days from the date of this letter, I shall have no alternative but to report this indebtedness to the Comptroller General of the United States for such action as may be in the best interests of the Government. Such referral may result in legal proceedings not only for the amount of delinquent royalty, but also costs and interest and, possibly, other remedy the law may provide for breach of contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

EDTalbert/ama
February 17, 1961

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

# #1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

*(Additional charges required for these services)*

**RETURN RECEIPT**

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

The Queen Corporation

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Betty J. Brown

| DATE DELIVERED | ADDRESS WHERE DELIVERED *(only if requested in item #1)* |
|---|---|
| 7/1/61 EGB | |

C55—16—71548-4 GPO

DMEA 4631

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

WASHINGTON, D.C.
FEB 5 - PM 46
1969

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

| | |
|---|---|
| REGISTERED NO. 598134 | NAME OF SENDER DMEA, Dept. of the Intr. |
| CERTIFIED NO. | STREET AND NO. OR P. O. BOX |
| INSURED NO. | CITY, ZONE AND STATE WASHINGTON, D.C. |

POD Form 3811, Jan. 1958

C55—16—71548·4

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 2/17 | Talbert | 800 |
| 2/17 | Memphis | 500 |
| | Antonio | 500 |
| 2/17 | Selbrede | 120 |
| | | 110 |
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| | | 220 |
| | | |
| | | |

REGISTERED MAIL
RETURN RECEIPT REQUESTED

FEB 1 7 1961

The Queen Corporation
525 Milam Building
San Antonio, Texas

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corp.
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-81092

Gentlemen:

My letter of January 24, 1961, enclosing a copy of a letter of the same date to Allied Mission Oil, Inc., advised that, if no response was received from that company to our request for payment of delinquent royalty due the Government under the referenced contract, we should look to your corporation for payment. Neither reply nor remittance has been received.

On the basis of copies of ore settlement sheets received from other sources, the royalty now known to be due the Government on sales to the Climax Uranium Company is calculated as follows:

| Liquidation Date | Liquidation No. | Gross Return | Royalty @ 5% |
|---|---|---|---|
| 10-6-60 | 4614 | $ 6,979.72 | $ 348.99 |
| 11-7-60 | 4635 | 16,992.09 | 849.60 |
| 12-6-60 | 4661 | 7,683.70 | 384.19 |
| 1-5-61 | 4687 | 37,071.44 | 1,853.57 |
| 2-3-61 | 4703 | 16,351.66 | 817.58 |
| | | Royalty payable | $4,253.93 |

The Office of Minerals Exploration, as successor to the Defense Minerals Exploration Administration, is responsible for the administration of all contracts entered into by the latter. This responsibility includes the enforcement of the royalty payment provisions of the contracts. Article 8(b) of the referenced contract provides that the Vanadium Queen Uranium Corporation (now known as The Queen Corporation), as principal if it is the producer or as surety if it

43683

latter. As was stated in my January 24 letter, such action as may be necessary to collect royalties properly due the Government cannot be postponed indefinitely. Accordingly, unless the amount of $4,255.93 is received within 30 days from the date of this letter, I shall have no alternative but to report this indebtedness to the Comptroller General of the United States.

Such referral may result in legal proceedings with probable further costs to you and may include action under the Government's lien upon the land and any minerals production therefrom. This lien covers Vanadium Queen claims Nos. 3, 7, 9, and 10, which are part of the property acquired by you from The Queen Corporation under a Quit Claim Deed dated April 20, 1959.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

EDTalbert/ama
February 17, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region III (2)
Allied Mission Oil, Inc.
1042 Milam Building
San Antonio, Texas
Mr. James A. Joy
P. O. Box 402
Abernathy, Texas

# #1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

*(Additional charges required for these services)*

**RETURN RECEIPT**

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Mr. James A. Jay

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Ruth Jay

| DATE DELIVERED | ADDRESS WHERE DELIVERED *(only if requested in item #1)* |
|---|---|
| 2-20-61 | |

C55—16—71548·4 GPO

46'31

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

ABERNATHY
FEB 20
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1961
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POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

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| 598135 | DMEA, Dept. of the Intr. |
| CERTIFIED NO. | STREET AND NO. OR P. O. BOX |
| | WASHINGTON, D.C. |
| INSURED NO. | CITY, ZONE AND STATE |

POD Form 3811 Jan. 1958

C55—16—91848-4

# #1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

*(Additional charges required for these services)*

**RETURN RECEIPT**

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Admission Office

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

The Westernaj

| DATE DELIVERED | ADDRESS WHERE DELIVERED *(only if requested in item #1)* |
|---|---|
| FEB 21 1961 | |

C55—16—71548-4 GPO

Vancouver Washington 4631 E 10th

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

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FEB 21
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POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

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| 598136 | DMEA, Dept. of the Intr. |
| CERTIFIED NO. | STREET AND NO. OR P. O. BOX |
| | WASHINGTON, D.C. |
| INSURED NO. | CITY, ZONE AND STATE |

POD Form 3811 Jan. 1958

C55—16—71548-4

# #1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

*(Additional charges required for these services)*

**RETURN RECEIPT**

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Mr. C. G. Wray

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

G. Lipschutz

| DATE DELIVERED | ADDRESS WHERE DELIVERED *(only if requested in item #1)* |
|---|---|
| 2/20/61 | |

C55—16—71548-4 GPO

DWEA-4631

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

CHURCH ST

NEW YORK N.Y. FEB 20 430PM 1960

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

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| REGISTERED NO. 598133 | NAME OF SENDER DMEA, Dept. of the Intr. |
| CERTIFIED NO. | STREET AND NO. OR P. O. BOX 18 & eE Sts., N.W. |
| INSURED NO. | CITY, ZONE AND STATE WASHINGTON, D.C. |

POD Form 3811 Jan 1958

C55—16—71548-4

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 2/17 | Talbert | 800 |
| 2/17 | Murphy | 500 |
| | Fowler | 500 |
| 2/17 | Selfridge | 120 |
| | | 110 |
| | | |
| | | 220 |
| | | |
| | | |

REGISTERED MAIL
RETURN RECEIPT REQUESTED

FEB 17 1961

Mr. Charles G. Wray
Chairman of the Board
Allied Mission Oil, Inc.
165 Broadway
New York, New York

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corp.
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-81092

Dear Mr. Wray:

By letter dated January 24, 1961, the prompt submission of settlement sheets relating to production subject to the Government's percentage royalty under the referenced contract, together with remittance of the delinquent royalty thereon, was requested. Neither a reply to our letter, the settlement sheets, nor remittance have been received.

On the basis of copies of ore settlement sheets received from other sources, the royalty known to be due the Government at this time on sales to the Climax Uranium Company is calculated as follows:

| Liquidation Date | Liquidation No. | Gross Return | Royalty @ 5% |
|---|---|---|---|
| 10-6-60 | 4614 | $ 6,979.72 | $ 348.99 |
| 11-7-60 | 4635 | 16,992.09 | 849.60 |
| 12-6-60 | 4661 | 7,683.70 | 384.19 |
| 1-5-61 | 4697 | 37,871.44 | 1,893.57 |
| 2-3-61 | 4703 | 16,351.65 | 817.58 |
| | | Royalty payable | $4,253.93 |

The responsibilities of the Office of Minerals Exploration, as successor to the Defense Minerals Exploration Administration, include the enforcement of the production reporting and royalty repayment requirements of the exploration contracts entered into by the

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 15 1961

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| 2/15 | Cee | 210 |
| 2/15 | [illegible] | 800 |
| | | 500 |

February 14, 1961

AIR MAIL

Memorandum

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

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

Subject: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Reference is made to my memorandum to you dated February 13, 1961 on the subject project which was forwarded by regular mail.

This morning we received a check for $353.88 from Climax Uranium Company together with settlement sheets for liquidation No. 4702.

Liquidation No. 4702 was included in my list of shipments in the February 13, 1961 memorandum. Will you please delete it and show the total royalty due the Government to be $4,253.93 instead of $4,607.81.

My letter to Climax Uranium Company, dated January 27, 1961, advised them that Vanadium Queen Claims No. 3, 7, 9, and 10 were subordinated to the Government. I note that liquidation No. 4702 shows the origin of the ore "Vanadium Queen 3-7-9". It is my thought that this check for $353.88 from Climax Uranium Company is a result of my letter to them and not from any advice they have received from Ray K. Church.

Hugh M. Connors
Hugh M. Connors

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

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 15 1961

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| 2/15 | COC | 210 |
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| | | 120 |
| | | 500 |

February 13, 1961

Memorandum

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

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

Subject: Docket DMRA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Enclosed is a copy of a letter from Climax Uranium Company dated February 10, 1961 and settlement sheets for ore shipped since September 1960 from the subject property.

My calculations are as follows:

| Date | Liquidation No. | Net Value | Dry Tons | Value Per ton | % Roy | Royalty Due |
|---|---|---|---|---|---|---|
| 10-6-60 | 4614 | $ 6,979.72 | 177.65 | $39.29 | 5% | $ 348.99 |
| 11-7-60 | 4635 | 16,992.09 | 357.04 | 47.59 | 5% | 849.60 |
| 12-6-60 | 4661 | 7,683.70 | 161.74 | 47.51 | 5% | 384.19 |
| 1-5-61 | 4687 | 37,071.44 | 659.44 | 56.22 | 5% | 1853.57 |
| 2-3-61 | 4702 | 7,077.63 | 164.14 | 43.12 | 5% | 353.88 |
| 2-3-61 | 4703 | 16,351.66 | 308.35 | 53.03 | 5% | 817.58 |
| | | | 1828.36 | 1520.01 | | $4607.81 4,253.93 |

Pd

Please be advised that I have received no reply to my letter to Climax Uranium Company dated January 27, 1961.

I presume your office will complete the handling of this matter.

Hugh M. Connors

Hugh M. Connors

Attachments

CLIMAX URANIUM COMPANY
UNIT OF AMERICAN METAL CLIMAX, INC.
P. O. BOX 939
GRAND JUNCTION, COLORADO

Ame

February 10, 1961

OME
DEPARTMENT OF THE INTERIOR
FEB 1 1961
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer
OME Field Team - Region III
Building 20 - Denver Federal Center
Denver 25, Colorado

RE: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Connors:

Enclosed herewith are two copies each of our ore settlement sheets covering ore deliveries from the above captioned property for September, October, November and December 1960, and January 1961, as requested in your letter of February 9, 1961.

Very truly yours,

CLIMAX URANIUM COMPANY

Grace M. Parrott

Grace M. Parrott
Ore Settlement Dept.

:GP

Encs.

Settlement sheets filed in Folder No. 2

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

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 14 1961

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| 2-14 | gad | VVO |
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| 2/14 | [illegible] | 800 |
| ~~2/15~~ | ~~Murphy~~ | ~~500~~ |
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| | | 220 |
| | | |

February 9, 1961

Memorandum

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

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

Subject: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Follow up?

On February 1, 1961 I inspected the subject property with George Spillman, mine foreman. He informed me that the mine superintendent, Ray Church, spends very little time at the property and I did not get to see Mr. Church.

Mr. Spillman stated that all ore mined from the Vanadium Queen property since September 1960, has been from land subordinated to the Government and there has been no commingling of ore since that time because there were no mining operations on the unsubordinated claims. He also stated that no ore had been mined from the subordinated ground prior to September 1960.

Mining is about to begin in the unsubordinated area and mining will also be continued in the subordinated area. Since commingling of the ore is not necessary, I told Mr. Spillman that the Government wanted DMEA ore handled and shipped separately and under no circumstances to be commingled with ore from unsubordinated claims.

Attached is a copy of a letter, certified mail return receipt requested, to Mr. Ray K. Church requesting him to handle and ship DMEA ore separately.

Also attached is a rough tracing of the Applicant's map showing the stopes on subordinated land with my estimate of the ore which has been removed from each stope. My estimate may not be very accurate on the two larger stopes because the mined thickness varies from three to ten feet. Both stopes were being worked and my measurements were not exact.

* Totals 1675 tons thru 2/1/61, whereas Church 1/25/61 letter states 800 shipped thru 9/1/60 - 12/31/60. Settlements on shipments Sept. - Dec. '60 cover 1,466.53 tons. A prior settlement covers 65.36 tons.

The AEC production records for the fourth quarter 1960 should be out about February 15, 1961. However, I found the September 1960 shipment to Climax and have written them (copy attached) to forward this office two copies of all settlement sheets from September 1960 through January 1961. When I receive these settlement sheets I will calculate the royalty due the Government and advise you.

An interesting highlight of my talk with Mr. Spillman was when he informed me that on the previous day an ore buyer from Climax Uranium Company was at the property looking for Mr. Church. He brought with him a copy of my letter to Climax Uranium Company dated January 27, 1961 asking that we be advised if Mr. Church had notified Climax to pay the DMEA royalty direct. Apparently Climax is giving Mr. Church every opportunity to tell them to deduct the DMEA royalty before they answer my letter.

The Atomic Energy Commission on July 1, 1960 estimated the ore reserves of the property as follows:

| | | | | | |
|---|---|---|---|---|---|
| Indicated ore | 1440 Tons | 0.34% | $U_3O_8$ | 2.24% | $V_2O_5$ |
| Inferred ore | 2189 Tons | 0.23% | $U_3O_8$ | 1.52% | $V_2O_5$ |
| Total | 3629 Tons | 0.27% | $U_3O_8$ | 1.81% | $V_2O_5$ |

Hugh M. Connors

Hugh M. Connors

OFFICIAL FILE COPY
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RECEIVED FEB 14 1961

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Building 20 - Federal Center
Denver 25, Colorado

February 9, 1961

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ray K. Church
Mine Superintendent
Vanadium Queen Mine
Post Office Box No. 24
La Sal, Utah

Re: Docket DMFA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims No. 3, 7, 9 & 10)
San Juan County, Utah

Dear Mr. Church:

I have been advised that you are about to resume mining in an area of the Vanadium Queen property which is not subordinated to the Government.

Please be advised that the ore mined from the claims subordinated to the Government must be handled and shipped separately and must not in any case be commingled with ore from the unsubordinated claims.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OMP
Region III

cc: Mr. James A. Joy, Pres.
Allied Mission Oil Co.
Abernathy, Texas

Mr. Charles C. Wray, Chairman of the Board
Allied Mission Oil Co.
165 Broadway, New York, N. Y.

Chief, Division of Field Operations, OME (2)
Royalty Corres E1092
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 14 1961

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Building 20 - Federal Center
Denver 25, Colorado

February 9, 1961

Climax Uranium Company
749 Main Street
Grand Junction, Colorado

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Gentlemen:

In September 1960 you received 177.65 tons of ore from the captioned property which contained 817.14 pounds $U_3O_8$ and 6,106.72 pounds $V_2O_5$.

Will you please forward this office two copies of the settlement sheet representing this shipment.

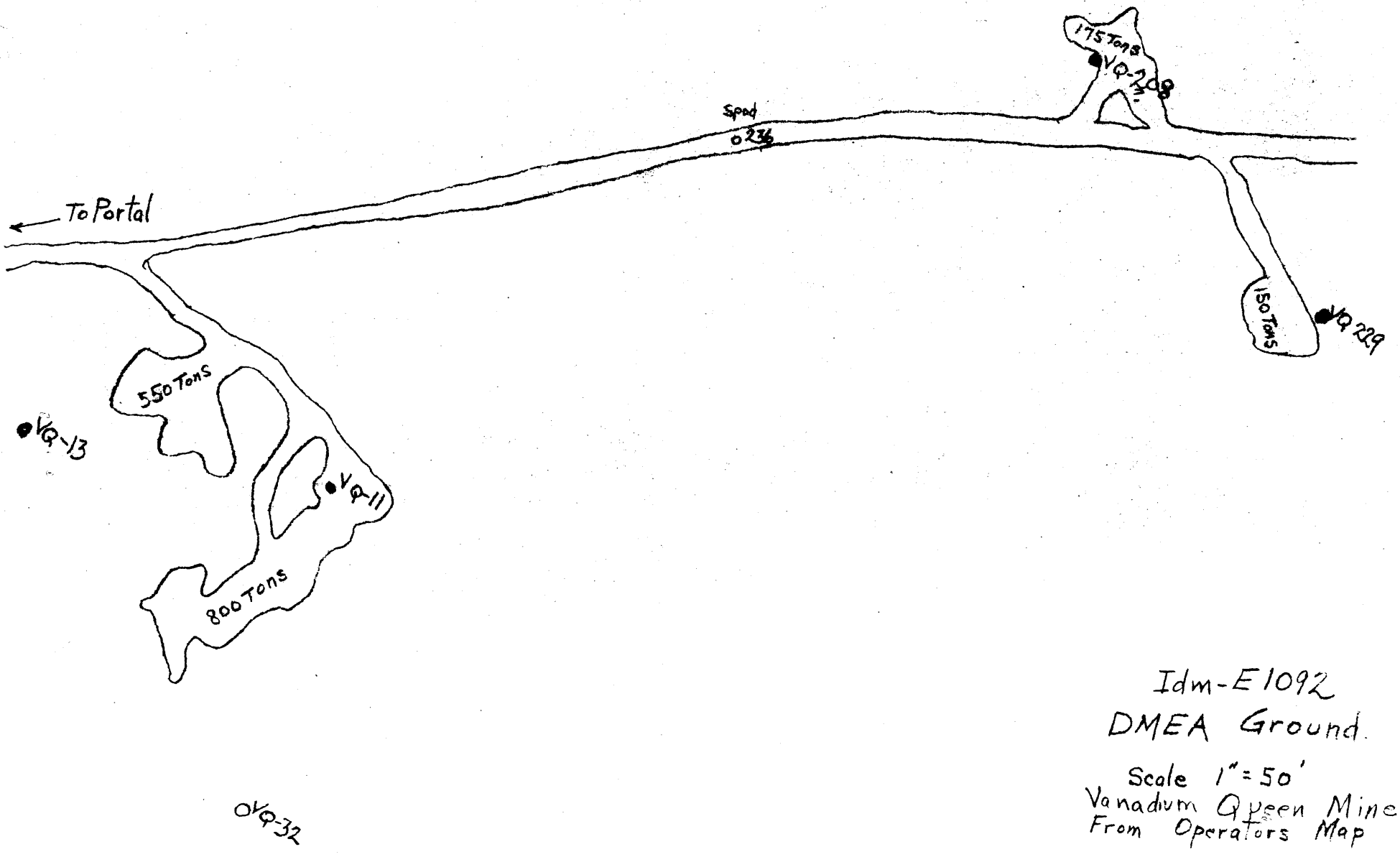
Also will you please forward this office two copies of each settlement sheet representing ore from this property bought by you during October, November and December 1960, and January 1961.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres. E1092
Chron




Idm-E1092
DMEA Ground.

Scale 1" = 50'
Vanadium Queen Mine
From Operators Map

2-1-61

Hugh M Farmer

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 13 1961

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| 2-13 | gad | VVO |
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February 6, 1961

United States Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Gentlemen:

We are not receiving ore from the Allied Mission Oil Company and have not received any notification from Mr. Ray K. Church about any future shipments of ore.

Yours very truly,

UNION CARBIDE NUCLEAR COMPANY

D. E. Clark
Office Manager

DEC/TT/ah

Chief - Division of Field Operations (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 30 1961

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| 1-30 | gad | 220 |
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January 27, 1961

Memorandum

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

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

Subject: DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

This has further reference to your memorandum dated January 24, 1961 on the subject contract.

Returned herewith are the distribution copies of the Acting Director's letter for your records. Because someone in your office had dated all copies of the letter to the Vanadium Queen Uranium Corporation, January 24, 1961, we had no alternative but to date all copies of the letter to Mr. Charles G. Wray, January 24, 1961.

I plan to leave for Moab January 30, 1961 and I will make a thorough inspection of this property. I also plan to inspect Rex Uranium Corporation Idm E1180, Strategic Minerals Exploration Company E1096 and David Borwick E949. I will call on the AEC Grand Junction Office before I visit any of the properties. I will also call on them after I have finished my inspection.

Should you wish to contact me I will be either at the LaCourt Hotel in Grand Junction, Colorado or the Prospector Motel in Moab, Utah.

Hugh M. Connors

Hugh M. Connors

Attachments

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 30 1961

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| | | |

Building 20 - Federal Center
Denver 25, Colorado

January 27, 1961

Climax Uranium Company
749 Main Street
Grand Junction, Colorado

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Gentlemen:

This is to advise you that Vanadium Queen claims No. 3, 7, 9 and 10 are subordinated to the Government by virtue of the captioned contract.

The Vanadium Queen mine is now being operated by the Allied Mission Oil Company and Mr. Ray K. Church is the mine superintendent. He informs me that he has notified the purchasers of his ore to pay the DMEA Royalty direct to this office on all future shipments of ore. Will you please advise if he has notified you to this effect.

Yours very truly,

[illegible] signed [illegible]

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc: Chief, Division of Field Operations, OME (2)
Royalty Corres E1092
Chron

| OFFICIAL FILE COPY O. M. E. RECEIVED JAN 30 1961 | | |
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| 1-30 | gad | VVO |
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| | | 220 |
| | | |
| | | |

Building 20 - Federal Center
Denver 25, Colorado

January 27, 1961

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

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah

Gentlemen:

This is to advise you that Vanadium Queen claims No. 3, 7, 9 and 10 are subordinated to the Government by virtue of the captioned contract.

The Vanadium Queen mine is now being operated by the Allied Mission Oil Company and Mr. Ray K. Church is the mine superintendent. He informs me that he has notified the purchasers of his ore to pay the DMEA Royalty direct to this office on all future shipments of ore. Will you please advise if he has notified you to this effect.

Yours very truly,

Original signed

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME (2)
cc Royalty Corres E1092
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 1/24 | Murphy | 500 |
| | Lowell | 500 |
| 1/24 | Talbert | 800 |
| 1-24 | Lilpodz | 130 |
| | | 110 |
| | | 220 |
| | | |
| | | |
| | | |

JAN 2 4 1961

Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Gentlemen:

Enclosed is a self-explanatory letter of today to the Allied Mission Oil Co., Inc.

Although the mentioned claims were transferred to the Allied Mission Oil Co., Inc., the Government, in accordance with Article 8(b) of the contract, holds the Vanadium Queen Uranium Corporation, operator under the subject contract, as the party responsible for payment of royalties on any production from the claims. Hence, if Allied Mission Oil Co., Inc., does not respond to our request, we shall look to the Corporation for payment of the royalties due.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

FMMurphy/gla
1-24-61
cc to: Director's Reading File
Review Committee
CA&A Division
Code 500
Docket
Chron

Region III (2)

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 1/24 | Murphy | 500 |
| | Wrenn | 500 |
| 1/24 | Talbot | 800 |
| 1/24 | Selfridge | 130 |
| | | 110 |
| | | 220 |
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| | | |
| | | |

Mr. Charles G. Wray
Chairman of the Board
Allied Mission Oil Co., Inc.
165 Broadway
New York, New York

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Wray:

Please refer to your copy of Mr. Ray K. Church's letter of January 12, 1961, to Mr. Hugh M. Connors, Acting Field Officer, OME, in which he states that the mill settlement sheets relating to production subject to royalty payments to the Government were sent to your address.

For more than a year our field people have corresponded chiefly with Mr. James A. Joy, president of Allied Mission Oil Company, concerning royalty that might be due the Government without receiving a satisfactory accounting.

The Government cannot postpone indefinitely the collection of past-due royalties. Therefore, demand is made that copies of the pertinent settlement sheets as required by the subject contract be submitted to the Government accompanied by a check covering such royalties as are presently due. Checks should be made payable to the Office of Minerals Exploration.

We shall appreciate an early reply.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Copy to: Mr. James A. Joy, President
Allied Mission Oil Company, Inc.
1042 Milam Building
San Antonio, Texas

Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

GCSelfridge/hb/gla
1-24-61
cc to: Director's Reading File
Review Committee
CA&A Division
Region III (2)
Code 500
Docket
Chron

43683

FILE: Docket DMEA-4631, Contract Idm-E1092

For question of <u>ore stealing</u> in connection with this project see George C. Selfridge's "Confidential" file in Director's safe,

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 1/24 | Murphy | 500 |
| | Wood | 500 |
| 1/24 | Talbot | 800 |
| 1/24 | [illegible] | 130 |
| " | Johnson | 110 |
| 1-24 | gad | 220 |
| | | |
| | | |
| | | |

JAN 2 4 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

This is with reference to your memorandum of January 16, 1961, and the attached letter of January 12 from Ray K. Church. Enclosed are letters to the Allied Mission Oil Co., Inc., and the Vanadium Queen Uranium Corporation, signed by the Acting Director. If you agree with these letters, kindly forward them to the respective parties, returning the date-stamped distribution copies for our records.

With regard to visiting the property, you should plan to do so as soon as it is convenient. An estimate of the tonnage of ore removed from the claims should be made. It could be based on the DMEA drill holes and your stope measurements. If there is any big discrepancy between your estimate and the settlement sheets submitted by the Operator, we shall use your figures in our royalty claims.

Also, please check with the mill to verify Mr. Church's statement that royalty payments will be made directly to the Government by the mill.

/s/ George C. Selfridge

Enclosures

FMMurphy/gla
1-24-61
cc to: Director's Reading File
Review Committee
CA&A Division
Code 500
Docket
Chron

43683

DRAFT
GCSelfridge/hb (1/25/61

Mr. Charles G. Wray
Chairman of the Board
Allied Mission Oil Co., Inc.
165 Broadway
New York, New York

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Wray:

Please refer to your copy of Mr. Ray K. Church's letter of January 12, 1960, to Mr. Hugh M. Connors, Acting Field Officer, OME, in which he states that the mill settlement sheets relating to production subject to royalty payments to the Government were sent to your address.

For more than a year our field people have corresponded chiefly with Mr. James A. Joy, president of Allied Mission Oil Company, concerning royalty that might be due the Government without receiving a satisfactory ~~explanation~~ accounting.

The Government cannot postpone indefinitely the collection of past-due royalties. Therefore, demand is made that copies of the pertinent settlement sheets as required by the subject contract be submitted to the Government accompanied by a check covering such royalties as are presently due. Checks should be made payable to the Office of Minerals Exploration.

all letters go to
field for mailing

We shall appreciate an early reply.

Sincerely yours,

Acting Director

Copy to: Mr. James A. Joy, President
Allied Mission Oil Company, Inc.
1042 Milam Building
San Antonio, Texas

Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

DRAFT
1/19/61
FMMurphy/gla

Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Gentlemen:

Enclosed is a self-explanatory letter of today to the Allied Mission Oil Co., Inc.

Although the mentioned claims were transferred to the Allied Mission Oil Co., Inc., the Government, in accordance with Article 8(b) of the contract, holds ~~you as the original contractor and~~ the signers of the Consent to Lien and Subordination ~~Agreement attached to the~~ contract, as the part~~ies~~ responsible for payment of royalties on any production from the claims. Hence, if Allied Mission Oil Co., Inc., does not respond to our request, we will look to ~~you~~ for payment of the royalties due.

Sincerely yours,

Acting Director

DRAFT

1/19/61
FMMurphy/gla

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

This is with reference to your memorandum of January 16, 1961, and the attached letter from Ray K. Church. Enclosed are ~~copies~~ ~~of~~ letters to the Allied Mission Oil Co., Inc., and the Vanadium Queen Uranium Corporation, signed by the Acting Director. If you agree with these letters, kindly forward them to the respective parties, returning the date-stamped distribution copies for our records.

With regard to visiting the property, you should plan to do so as soon as it is convenient. An estimate of the tonnage ~~and grade~~ of ~~the~~ ore removed from the claims should be made. It could be based on the DMEA drill holes and your stope measurements. If there is any big discrepance between your estimate and the settlement sheets submitted by the Operator, we ~~will~~ use your figures in our royalty claims.

Also, ~~you should~~ check with the mill to verify Mr. Church's statement that ~~it~~ would ~~make~~ direct royalty payments to the Government.

Enclosures

VANADIUM QUEEN MINE
Box # 24
La Sal, Utah

Ame

January 12, 1960.

Mr. Hugh M. Connors
Acting Field Officer
U.S. Department of Interior
Bldg. 20 - Federal Center
Denver - 25, Colo.

Re: DMEA - 4631
Uranium Contract
Idm - E1092

Dear Mr. Connors:

This is the second reply to your inquiry pertaining to ores shipped from claims No. 3, 7, 9, 10 - Vanadium Queen Mine.

Since I have been operating the mine, February 22, 1960 to present, there has been shipped from the claims listed above 800 ton. This tonage was shipped as follows; Sept. 1960-200 ton, Oct. 1960-300 ton, Nov. 1960-200 ton, Dec. 1960-100 ton.

As the mill settlements are being sent to Allied Mission Oil Co., 165 Broadway, New York, N.Y., I have no way of knowing the exact amount due the DMEA.

Copies of this letter are going to those concerned in Allied Mission Oil, and I am quite sure they will contact you in the near future.

Arrangements have been made at the mill for all future payments to DMEA to be payed directly from the mill. should return

Please advise me if I may be of any further help.

Very truly yours,

Ray K. Church

Ray K. Church.

RKC/bl

cc-Mr. James A. Joy, Pres.
Allied Mission Oil Co.
Abernathy, Texas
cc-Mr. Charles G. Wray, Chairmon of the Board
Allied Mission Oil Co.
165 Btoadway, New York, N.K.
cc- Mr. William C. Elliott, Exec. Vice Pres.
Allied Mission Oil Co.
P.O.Box 68, Gladwynne, Montg. County, Pa.

OME
DEPARTMENT OF THE INTERIOR
JAN 13 1961
REGION III
DENVER, COLORADO

| OFFICIAL FILE COPY O. M. E RECEIVED JAN 13 1961 | | |
|---|---|---|
| DATE | INITIALS | |
| 1-13 | gad | 2V20 |
| 1/13 | [illegible] | 800 |
| 1/13 | Murphy | 500 |
| | | |
| | | 220 |
| | | |
| | | |

Building 20 - Federal Center
Denver 25, Colorado

January 10, 1961

Memorandum

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

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

Subject: Docket No. DMEA 4[illegible] (Uranium)
Contract Idn E1180
Rex Uranium Corporation
(Renegade et al. claims)
Montrose County, Colorado

This responds to your memorandum of January 6, 1961 on the subject contract. I requested payment of $2,804.51 from Mr. Scanlon in past due royalty on January 5, 1961.

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

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

| | | | |
|---|---|---|---|
| | E [illegible] | David Dorvin | (Uranium) |
| 4631 | E 1092 | Vanadium Queen Uranium Corp. | (Uranium) |
| | E 1096 | Strategic Minerals Exploration Co. | (Uranium) |
| | E 1180 | Rex Uranium Corporation | (Uranium) |

High M. Connors

Attachments

OFFICIAL FILE COPY
O. M. E.
RECEIVED 1961 5 JAN

| DATE | INITIALS | COD. |
|---|---|---|
| 1-5 | gad | 110 |
| 1/5 | [illegible] | 800 |
| 1/9 | Murphy | 500 |
| | | |
| | | 220 |
| | | |
| | | |

E 1092

JAMES A. JOY
ATTORNEY AT LAW
P. O. BOX 402
ABERNATHY, TEXAS
CYPRESS 8-2187

December 29, 1960

Mr. Ray K. Church, Supt.
Box 14
La Sal, Utah

re: BHA 4631 (Uranium)
Queen Mine
San Juan Co. Utah
Vanadium Queen Corp.

Dear Ray:

I enclose a copy of a letter from Mr. Hugh Connors with the Department of the Interior at Denver, Colorado, that I believe is self-explanatory.

I previously have asked that you furnish Mr. Connors with the information in regard to ore shipped from the subordinated area of the Queen mine.

Would you please answer Mr. Connors' letter, and forward a copy to me, along with a copy of any report that you might furnish to him in the future. Please take care of this matter right away as this has been pending for several months.

Yours very truly,

James A. Joy

JAJ:o
cc- Mr. Hugh M. Connors
Acting Field Officer
Department of the Interior
Denver, Colorado

Mr. Charles G. Wray, Chairman of the Board
Allied Mineral Oil, Inc.
165 Broadway
New York, N. Y.

OME
DEPARTMENT OF THE INTERIOR
JAN 1 1961
REGION III
DENVER, COLORADO

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 29 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 12/29 | cac | 210 |
| 12/29 | [illegible] | 800 |
| " | Murphy | ~~500~~ |
| | | |
| | | 220 |
| | | |
| | | |

December 27, 1960

James A. Joy, President
Allied Mission Oil Company, Inc.
P. O. Box 402
Abernathy, Texas

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
(Vanadium Queen Claims)
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Joy:

I have had no reply to my letter to you dated November 21, 1960. Will you please advise the date on or before which I may expect to receive the necessary information to compute the amount of royalty due the Government from the subordinated land.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc Chief, Division of Field Operations OME (2)
Royalty Corres E1092
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 23 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 11-23 | gad | 220 |
| 11/23 | [illegible] | 800 |
| 11/28 | Murphy | 500 |
| | | |
| | | 220 |
| | | |
| | | |

November 21, 1960

Mr. James A. Joy, President
Allied Mission Oil Company, Inc.
P. O. Box 402
Abernathy, Texas

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Joy:

This will acknowledge receipt of your letter dated November 17, 1960 regarding Royalty due the Government from the sale of ore from the captioned property.

Our records show a quit claim deed dated April 20, 1959 was given the Allied Mission Oil, Inc. by Vanadium Queen Uranium Corporation on the Vanadium Queen claims. It would appear, therefore, that the Allied Mission Oil, Inc. is responsible for the payment of Royalty due the Government beginning on the 20th day of April, 1959 on Vanadium Queen claims 3, 7, 9, and 10.

I am most anxious to receive your report from the mine and at that time I will want to set a date for a field inspection of the property.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc Chief, Division of Field Operations (2)
Royalty Corres E1092
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 23 1960

| DATE | INITIALS |
|---|---|
| | |

# ALLIED-MISSION OIL, INC.

P. O. BOX 402 ABERNATHY, TEXAS

November 17, 1960

Mr. Hugh M. Connors, Acting Field Officer
United States Department of the Interior
Building 20 - Federal Center
Denver 25, Colorado

re: DMEA-4631 (Uranium
Contract Idm-E1092

Dear Mr. Connors:

In answer to your letter of November 9, 1960, I wish to advise that your letter of September 15, 1960, was given to our mining superintendent, Ray Church, for his handling direct with you. operated from Feb 1960

A copy of this letter is forwarded to Church so that he may supply us with the figures of tonnage shipped from the DMEA area. Also a photostatic copy of your letter is being forwarded to Church for his information and guidance.

It is my understanding that no ore from Queen claims Nos. 3, 7, 9 and 10 was shipped prior to September 1, 1960. If you have information that same was shipped prior to that date, I would be most interested in ascertaining this definitely, since Allied-Mission did not operate the mine prior to September 1, 1960.

As soon as I receive the information from the mine, I shall contact you and we shall attempt to work out the royalty payment due the government.

Thanks for your kind consideration in this matter.

Yours very truly,

James A. Joy

jj/o
cc- Mr. Charles Wray
165 Broadway
New York, New York

cc- Mr. Ray Church
Box 24
1La Sal, Utah

OME
DEPARTMENT OF THE INTERIOR
NOV 21 1960
REGION III
DENVER, COLORADO

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 14 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 11/14 | gla | 500 |
| | | 220 |

NOV 3 1960

Memorandum

~~To:~~ FROM: Acting Field Officer, Region III

~~From:~~ TO: Chief, Division of Field Operations

Subject: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

This is with reference to your memorandum of October 28, 1960, and the enclosed letter from Charles A. Rasor, AEC.

Apparently the Operator has extended the adit from the Vanadium Queen mine into the DMEA reserve blocks A and B in Vanadium Queen claims Nos. 9 and 10. The ore tonnages shown in the liquidations mentioned in your letter of September 15, 1960, to Allied Mission Oil Co., Inc., seem small if these blocks were opened up. Also, the last liquidation (9864) is dated September 27, 1959. In view of Mr. Rasor's letter, it is suggested that you again write Allied Mission Oil Co., Inc., and request them to advise you in regard to production from Vanadium Queen claims Nos. 9 and 10 subsequent to liquidation 9864.

Enclosed are all copies of a proposed letter to the Allied Mission Oil Co., Inc., for your approval, signature, dating, and mailing. Kindly retain copies for your files and return the Washington Office distribution copies.

Enclosures

George C. Selfridge

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| | Hurand | 500 |
| 11/3 | Talbot | 800 |
| 11/3 | Selfridge | 130 |
| " | Johnson | 110 |
| | | 225 |
| | | |
| | | |
| | | |
| | | |

Building 20 - Federal Center
Denver 25, Colorado

NOV 9 1960

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James A. Joy, President
Allied Mission Oil Company, Inc.
1042 Milan Building
San Antonio, Texas

Re: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

Dear Mr. Joy:

This office has no record of a reply to my letter to you dated September 15, 1960, wherein request was made for information regarding the source of ore sold on liquidations Nos. 4178, 9674, 9765 and 9864.

Under the provisions of the subject Exploration Project Contract and the certification of discovery or development dated December 13, 1957, the Government is entitled to a royalty on the value of all production from Vanadium Queen claims Nos. 3, 7, 9 or 10 during the period May 29, 1957, to May 29, 1967, or until the Government's contribution to the exploration costs have been fully repaid, whichever occurs first.

I have recently been informed that there has been some production from the claims on which the Government is entitled to royalty and that such production has been commingled with other production that is not subject to Government royalty when shipments were made. If my information is correct, some equitable and mutually satisfactory basis should be arrived at for determining the value of production from the subordinated land and proper royalty should be paid. Probably tonnage figures and assay values are available for this purpose.

Your cooperation is solicited so that a determination may be made and proper royalty due to the Government may be paid applicable to

43683

production from the subordinated claims included in the four liquidations mentioned above, as well as on any subsequent production during the repayment period.

I trust that I shall receive an early reply to this letter and that an acceptable basis for the determination and payment of royalty may be reached.

Sincerely yours,

Hugh M. Connors
Acting Field Officer
OME, Region III

EDTalbert:kb - 11-3-60
cc: Region III (2)
Docket
Director's reading file
CA&A Div.
Code 500
Operating Committee
Chron.

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 11/1 | Murphy | 500 |
| | Murphy | 500 |
| 11/3 | Talbot | 800 |
| 11/3 | GCS | 130 |
| " | Johnson | 110 |
| | | 220 |
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| | | |
| | | |

NOV 3 1960

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

This is with reference to your memorandum of October 28, 1960, and the enclosed letter from Charles A. Rasor, AEC.

Apparently the Operator has extended the adit from the Vanadium Queen mine into the DMEA reserve blocks A and B in Vanadium Queen claims Nos. 9 and 10. The ore tonnages shown in the liquidations mentioned in your letter of September 15, 1960, to Allied Mission Oil Co., Inc., seem small if these blocks were opened up. Also, the last liquidation (9864) is dated September 27, 1959. In view of Mr. Rasor's letter, it is suggested that you again write Allied Mission Oil Co., Inc., and request them to advise you in regard to production from Vanadium Queen claims Nos. 9 and 10 subsequent to liquidation 9864.

Enclosed are all copies of a proposed letter to the Allied Mission Oil Co., Inc., for your approval, signature, dating, and mailing. Kindly retain copies for your files and return the Washington Office distribution copies.

FMMurphy/gla
11-1-60

George C. Selfridge (for)

cc to: Director's Reading File
Operating Committee
Docket
CA&A Division
Code 500
Chron

Enclosures

43683

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 31 1960

| DATE | | CODE |
|---|---|---|
| 10/28 | Call | 210 |
| | ~~Memo~~ | ~~500~~ |
| | | 220 |

October 28, 1960

Memorandum

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

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

Subject: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

This has further reference to your memorandum dated September 12, 1960 and our reply of September 22, 1960 together with a copy of a letter from Arch Boyd, A.E.C.

Attached, for your additional information, is a copy of a letter from Charles A. Rasor.

M M Connors
for Hugh M. Connors

Attachments

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

IN REPLY REFER TO: POR:CAR

October 24, 1960

THE INTERIOR

Mr. Hugh M. Connors
Acting Field Officer
Office of Minerals Exploration, Region III
Building 20, Federal Center
Denver 25, Colorado

DMEA-Block A.
4571 Tons - 0.23% $U_3O_8$

Re: Docket No. DMEA-4631 (Vanadium Queen Claims)

Dear Mr. Connors:

We have some additional information on the above subject since our last letter to you of September 20, 1960.

673 Tons - 0.11% $U_3O_8$

One of our field engineers has visited the property. He notes that a drift has been driven into Block C and that there are two small stopes in ore at LC-215A and VQ-11. An extension of the drift in Block C is into Block A with stopes at VQ-208 and VQ-214. There is a drift underway toward VQ-227. Some ore has been shipped from claims subordinated to the Government, but it has not been segregated from ores shipped from other places in the mine. A month or more ago, Joe Pitts was the operator, but the property has been returned to Allied Mission Oil Company.

DMEA Block B
12 754 Tons @ 0.22%

It is unlikely that our field personnel will visit this mine again unless there is a question as to the amount of reserves as of November 24, 1958.

I trust that the above information will be of some assistance.

Very truly yours,

Charles A Rasor

Charles A. Rasor, Chief
Ore Reserves and Production
Analysis Branch
Production Evaluation Division

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 26 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 9-26 | gad | 200 |
| " | C.E.J. | 800 |
| 9-27 | Murphy | 500 |
| | J | 225 |

September 22, 1960

Memorandum

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

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

Subject: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

This has further reference to your memorandum dated September 12, 1960. A field inspection of this property will be scheduled at an early date.

Attached, for your information, is a copy of a letter from Arch Boyd, A.E.C.

My thought in writing A.E.C. was to alert them that possible ore production was coming from claims in this group other than the "Vanadium Queen".

Hugh M. Connors

Hugh M. Connors

Attachments

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 26 1960

| DATE | INITIALS | CODE |
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UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

IN REPLY REFER TO: POR:AFB

OME
DEPARTMENT OF THE INTERIOR
SEP 22 1960
RECEIVED IN
COLORADO

September 20, 1960

Mr. Hugh M. Connors
Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DML-A-4631 (Vanadium Queen Claims)

Dear Hugh:

This is in answer to your letter of September 16, 1960 requesting information on follow-up work done on the subordinated Vanadium Queen claims Nos. 3, 7, 9 & 10, on which DMEA discovered about 19,000 tons of ore reserves. We have no information segregating the production from the "Yellow Queen" but one of our field engineers plans to visit the mine in the near future to obtain some mining cost estimates. When he reports on his examination, we should be able to tell you whether any recent shipments from the "Yellow Queen" have come from the subordinated claims.

Very truly yours,

A. F. Boyd

Arch F. Boyd
Mining Engineer
Production Evaluation Division

W.O. (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 19 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 9-19 | gad | VVO |
| " | JEF | 800 |
| 9-19 | Murphy | 500 |
| | | |
| | | |
| | | |
| | | 225 |

Building 20 - Federal Center
Denver 25, Colorado

September 15, 1960

**CERTIFIED MAIL**

James A. Joy, President
Allied Mission Oil Co., Inc.
1042 Milam Building
San Antonio, Texas

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Joy:

This office has copies of settlement sheets for liquidation Nos. 4178, 9674, 9765, and 9864. OK. Quinn

Will you please either confirm or deny that the ore represented by these settlement sheets originated from Vanadium Queen claim Nos. 3, 7, 9, or 10, which claims are subordinated to the Government under the captioned contract.

Yours very truly,

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc Chief, Division of Field Operations (2)
Royalty Corres. E1092
Suspense
Chron

| OFFICIAL FILE COPY O. M. E. RECEIVED SEP 19 1960 | | |
|---|---|---|
| DATE | INITIALS | CODE |
| 9-19 | gad | 200 |
| " | EEJ | 800 |
| ~~9/19~~ | Murphy | 500 |
| | | |
| | | |
| | | |
| | | 225 |

Building 20 - Federal Center
Denver 25, Colorado

September 16, 1960

Mr. Arch Boyd
Production and Evaluation Division
U. S. Atomic Energy Commission
Grand Junction, Colorado

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Dear Arch:

Vanadium Queen claim Nos. 3, 7, 9, and 10 are subordinated to the Government under the captioned contract. The settlement sheets for ore produced by the Vanadium Queen Uranium Corporation which we have received, show that the mining claim of origin was the "Vanadium Queen".

Our DMEA exploration project on the four subordinated claims discovered about 19,000 tons of ore reserves assaying 0.22% $U_3O_8$ and 2.03% V205.

At one time the Operator advised that a heading was being driven toward the ore discovered through the DMEA work. OME has not had the personnel or the money to follow-up all these projects and any information you can give me regarding work done on, or ore produced from the subordinated claims will be appreciated.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres. E1092
Suspense
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 9/12 | Murphy | 500 |
| | Evans | 500 |
| 9/12 | Talbert | 800 |
| 9/12 | [illegible] | 130 |
| " | Johnson | 110 |
| 9/12 | gad | 220 |
| | | 225 |
| | | |
| | | |

SEP 12 1960

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract Idm-E1092

This is with reference to your memorandum of May 20, 1960, relating to production from the subject claims.

A review of the material in the file indicates that subsequent to the termination of the DMEA contract no actual on-site examination of the property had been made. In a "Statement in Lieu of Semi-Annual Report," dated March 5, 1959, we note that the Operator was drifting to the ore discovered during the DMEA project.

About 19,000 tons of ore reserves assaying 0.22 percent $U_3O_8$ and 2.03 percent $V_2O_5$ were discovered by DMEA work. Hence, it is suggested that a visit to the property should be made whenever you are in that area to ascertain whether or not the above-mentioned drifting entered the indicated ore on the claims subordinated.

In the meantime, the Operator should be requested to confirm that the production covered by Liquidation Nos. 4178, 9674, 9765, and 9864 was in fact from the Vanadium Queen workings outside of the contract area and not one of the four claims under the contract.

FMMurphy/gla
9-12-60

George C. Selfridge

cc to: Director's Reading File
Review Committee
Docket
Code 500
Chron

43683

Mr. Selfridge:

File: DM&A - 4691

An addtl. par. or P.S. as follows is suggested:

"In the meantime the Operator should be requested to confirm that the production covered by Liquidation Nos. #178, 9674, 9765, and 9864 was in fact from the Canadian Queen ~~claim~~ workings outside of the contract area and not one of the four claims under the contract."

OK with Jones

Talbot
9/12/60

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

May 20, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 23 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 5-23 | gad | 110 |
| 5/23 | [illegible] | 800 |
| ~~5/24~~ | ~~[illegible]~~ | ~~100~~ |
| | | 225 |

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations
Office of Minerals Exploration

From: Acting Field Officer, OME, Region III

Subject: DMEA 4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen claims
San Juan County, Utah
Contract No. Idm-E1092

This replies to your memorandum of May 13, 1960, relating to the royalty on the subject contract. Enclosed are the following:

1. Two copies of a letter from the Atomic Energy Commission which relates the status regarding bonus payments on certain Vanadium Queen and Uranium King claims, only one of which, Vanadium Queen No. 3, is subordinated under the contract.
2. Settlement sheets for ore sold from the Vanadium Queen claim for Liquidation Nos. 9674, 9765 and 9864.

) Attachments Filed in Folder No. 2

If the above mentioned three shipments of ore actually originated from the Vanadium Queen claim, no royalty is due the Government. It is noted that some royalty was paid on Liquidation No. 4178 which the settlement sheet shows as originating from the Vanadium Queen claim, and $5.13 is still due on that lot of ore if it came from subordinated land.

It now appears that we have a weak case to collect even the $5.13 on Liquidation No. 4178 and may have already collected $148.77 to which we were not entitled.

Hugh M. Connors

Hugh M. Connors

Enclosures

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 23 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 5-23 | gad | 770 |
| 5/23 | [illegible] | 800 |
| Rec'd OME | | |
| 5/20/60 | | |
| | | 500 |
| | | |

IN REPLY REFER TO:
PLD:RHT

May 19, 1960

Mr. Hugh M. Connors, Acting Field Officer
Office of Minerals Exploration, U. S. Dept. of the Interior
Building 20, Federal Center
Denver 25, Colorado

Re: DMEA 4631 (Uranium)

Dear Mr. Connors:

Our certification number D.U.P.C6-C-3, embraces the following claims:

| | |
|---|---|
| Vanadium Queen | Uranium King No. 2 |
| Vanadium Queen No. 2 | Uranium King No. 3 |
| Vanadium Queen No. 3 | Uranium King No. 4 |
| Uranium King | |

These claims are located in Section 29, T 28 S, R 26 E, SLM, San Juan County, Utah. All of the bonus payments for which these claims were eligible has been paid prior to April 30, 1956.

We do have an application for certification pending regarding additional claims in the Vanadium Queen group but so far we have failed to get information from the applicant which we will need before we can complete our action. Therefore, as the matter now stands, production from the Vanadium Queen claim in 1959 is not entitled to bonus payment.

Very truly yours,

R. H. Toole

R. H. Toole, Chief
Leasing & Development Branch
Production Evaluation Division

Attached to:
Hugh M. Connors, Region III, memorandum
May 20, 1960. See memorandum in Folder No. 1

# UNION CARBIDE NUCLEAR COMPANY

DIVISION OF UNION CARBIDE CORPORATION
P. O. BOX 1049, GRAND JUNCTION, COLORADO

## ORE SETTLEMENT

| LIQUIDATION NUMBER | A.E.C. LICENSE NUMBER | T/S | PERIOD ENDING |
|---|---|---|---|
| 967 | | 1 | 7-20-59 |

BOUGHT OF
ALLIED MISSION OIL CO INC
1042 MILAM BUILDING
SAN ANTONIO TEXAS

MINING CLAIM
VANADIUM QUEEN

A.E.C. DISTRICT NO. 17

RECEIVING PLANT CODES
2 - URAVAN, COLO.
3 & 4 - RIFLE, COLO.
6 - GREEN RIVER, UTAH
7 - SLICKROCK, COLO.

| RECV. PLANT | SOURCE VENDOR | SOURCE CLAIM | NET WEIGHT POUNDS | % $H_2O$ | DRY WEIGHT POUNDS | SETTLEMENT ASSAYS ✡ $U_3O_8$ | $V_2O_5$ | $CaCO_3$ |
|---|---|---|---|---|---|---|---|---|
| 2 | 1639 | 010 | 28200 | 4.5 | 2693100 | 25 | 293 | |

✡ APPROXIMATE AVERAGES

PRICED PER A.E.C. CIRCULAR NO. 5 (REVISED)

| DETAIL OF PAYMENT | LBS. OR MILES | RATE | DRY WET/TONS | VALUE |
|---|---|---|---|---|
| U308 PAYMENT | 6733 | 350000 | 1347 | 23566 |
| DEVELOPMENT ALLOWANCE | 6733 | 50 | 1347 | 3367 |
| EXCESS 4 LB TON PREM | 1345 | 75 | 1347 | 1009 |
| EXCESS 10 LB TON PREM | | 25 | 1347 | |
| V205 PAYMENT | 67330 | 31 | | 20872 |
| LINE PENALTY OVER 6PC | | | 1347 | |
| HAULAGE ALLOWANCE | 5400 | 06 | 1410 | 4568 |
| TOTAL $U_3O_8$, $V_2O_5$ and HAULAGE PAYMENT | | | | $ 53382 |

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Union Carbide Nuclear Company, Division of Union Carbide Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the Union Carbide Nuclear Company, Division of Union Carbide Corporation, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

The amount set opposite "Total U308, V205 and Haulage Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

| VOUCHER NUMBER | |
|---|---|
| CHECK NUMBER 10508 | 8-4-59 |
| APPROVED FOR PAYMENT | |

Allied Mission Oil Co, Inc
by [illegible]
SELLER OR AGENT

IMPORTANT - SIGN SHEETS 3 AND 4 AND RETURN TO ABOVE ADDRESS

FORM 250-23-5

3

# [redacted]ON CARBIDE NUCLEAR C[redacted]PANY

DIVISION OF UNION CARBIDE CORPORATION

P. O. BOX 1049, GRAND JUNCTION, COLORADO

## ORE SETTLEMENT

LIQUIDATION NUMBER: 9765

A.E.C. LICENSE NUMBER:

T/S: 1

PERIOD ENDING: 8 27 59

BOUGHT OF

ALLIED MISSION OIL CO INC
1042 MILAM BUILDING
SAN ANTONIO TEXAS

RECEIVING PLANT CODES
2 - URAVAN, COLO.
3 & 4 - RIFLE, COLO
6 - GREEN RIVER, UTAH
7 - SLICKROCK, COLO

MINING CLAIM: VANADIUM QUEEN

A.E.C DISTRICT NO. 17

| RECV PLANT | SOURCE VENDOR | SOURCE CLAIM | NET WEIGHT POUNDS | % $H_2O$ | DRY WEIGHT POUNDS | SETTLEMENT ASSAYS * $U_3O_8$ | $V_2O_5$ | $CaCO_3$ | * APPROXIMATE AVERAGES: PRICED PER A.E.C. CIRCULAR NO. 5 (REVISED) |
|---|---|---|---|---|---|---|---|---|---|
| 2 | 163 | 9010 | 51040 | 4.9 | 485390.0 | .26 | 2.74 | . | |

| DETAIL OF PAYMENT | LBS. OR MILES | RATE | DRY WET/TONS | VALUE |
|---|---|---|---|---|
| U308 PAYMENT | 12620 | 350000 | 2427 | 44170 |
| DEVELOPMENT ALLOWANCE | 12620 | 50 | 2427 | 6310 |
| EXCESS 4 LB TON PREM | 2912 | 75 | 2427 | 2184 |
| EXCESS 10 LB TON PREM | | 25 | 2427 | |
| V205 PAYMENT | 126200 | 31 | | 39122 |
| LIME PENALTY OVER 6PC | | | 2427 | CR |
| HAULAGE ALLOWANCE | 5400 | 06 | 2552 | 8268 |
| TOTAL $U_3O_8$, $V_2O_5$ and HAULAGE PAYMENT | | | | $ 100054 |

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Union Carbide Nuclear Company, Division of Union Carbide Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the Union Carbide Nuclear Company, Division of Union Carbide Corporation, effective as of the date of delivery of the ore; all my right, title and interest in and to said ore

The amount set opposite "Total U308, V205 and Haulage Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

| | |
|---|---|
| VOUCHER NUMBER | |
| CHECK NUMBER 21774 | 9-8-59 |
| APPROVED FOR PAYMENT | |

SELLER OR AGENT

IMPORTANT - SIGN SHEETS 3 AND 4 AND RETURN TO ABOVE ADDRESS

FORM 250-23-5

1

# UNION CARBIDE NUCLEAR COMPANY

DIVISION OF UNION CARBIDE CORPORATION
P. O. BOX 1049, GRAND JUNCTION, COLORADO

## ORE SETTLEMENT

| LIQUIDATION NUMBER | A.E.C. LICENSE NUMBER | T/S | PERIOD ENDING |
|---|---|---|---|
| 9867 | | 1 | 9-17-59 |

BOUGHT OF
ALLIED MISSION OIL CO INC
1042 MILAM BUILDING
SAN ANTONIO TEXAS

RECEIVING PLANT CODES
2 - URAVAN, COLO.
3 & 4 - RIFLE, COLO.
6 - GREEN RIVER, UTAH
7 - SLICKROCK, COLO.

MINING CLAIM
VANADIUM QUEEN

A.E.C. DISTRICT NO. 17

| RECV. PLANT | SOURCE VENDOR | SOURCE CLAIM | NET WEIGHT POUNDS | % $H_2O$ | DRY WEIGHT POUNDS | SETTLEMENT ASSAYS ✡ $U_3O_8$ | $V_2O_5$ | $CaCO_3$ | ✡ APPROXIMATE AVERAGES PRICED PER A.E.C. CIRCULAR NO. 5 (REVISED) |
|---|---|---|---|---|---|---|---|---|---|
| 2 | 163 | 9010 | 130900 | 5.4 | 113831.00 | 23 | 253 | | |

| DETAIL OF PAYMENT | LBS OR MILES | RATE | DRY WET/TONS | VALUE |
|---|---|---|---|---|
| U308 PAYMENT | 26021 | 350000 | 5692 | 91074 |
| DEVELOPMENT ALLOWANCE | 26021 | 50 | 5692 | 13011 |
| EXCESS 4 LB TON PREM | 3253 | 75 | 5692 | 2440 |
| EXCESS 10 LB TON PREM | | 25 | 5692 | |
| V205 PAYMENT | 260210 | 31 | | 80665 |
| LINE PENALTY OVER 6PC | | | 5692 | |
| HAULAGE ALLOWANCE | 5400 | 06 | 6045 | 19586 |
| TOTAL $U_3O_8$, $V_2O_5$ and HAULAGE PAYMENT | | | | $ 206776 |

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Union Carbide Nuclear Company, Division of Union Carbide Corporation.

I certify that I hold the A.E.C. Source Material License numbered above.

I hereby transfer to the Union Carbide Nuclear Company, Division of Union Carbide Corporation, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

The amount set opposite "Total U308, V205 and Haulage Payment" shown above constitutes the entire amount payable to me in respect of ore deliveries described herein and is accepted by me in full payment thereof.

I request that payment be made on the basis of the average of moisture contents, of U308 contents and of V205 contents of the several loads delivered and covered by this settlement.

| VOUCHER NUMBER | |
|---|---|
| CHECK NUMBER 22 1418 | 10-7-59 |
| APPROVED FOR PAYMENT | |

Alfred Thurman Del, Jr.
SELLER OR AGENT

IMPORTANT - SIGN SHEETS 3 AND 4 AND RETURN TO ABOVE ADDRESS

FORM 250-23-5

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 18 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 5-18 | gad | VVO |
| 5/18 | [illegible] | 800 |
| ~~5/4~~ | ~~Naughty~~ | ~~600~~ |
| | | 225 |

May 16, 1960

Mr. Bob Toole, Chief
Leasing and Development Branch
Production and Evaluation Division
Atomic Energy Commission
Grand Junction, Colorado

Re: DMEA 4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract No. Idm-E1092

Dear Mr. Toole:

Would you please advise by return mail if the Allied Mission Oil Company, Inc., was entitled to bonus on ore mined from the Vanadium Queen Claim on Liquidation Nos. 9674, 9765 and 9864. This ore was shipped in the third quarter of 1959.

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: Chief, Division of Field Operations (2)

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5/11 | Murphy | 500 |
| | Hubbard | 500 |
| 5/11 | Talbot | 800 |
| 5/13 | GCP | 130 |
| " | Johnson | 110 |
| 5-13 | gad | 220 |
| | | 225 |
| | | |
| | | |

MAY 13 1960

**Memorandum**

**To:** Acting Field Officer, Region III

**From:** Chief, Division of Field Operations

**Subject:** IMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah
Contract No. Idm-E1092

This is with reference to your memorandum of May 4, 1960, relating to collection of royalties due the Government under the terms of the subject contract.

Mr. Townsend's letter of February 10, 1960, to Allied Mission Oil Company, listing the royalty due, indicates that the Field Team had proof that the production was from land subordinated under the contract. However, our files contain no data on this question. Hence, before this office initiates action to collect the royalties mentioned, kindly forward the required information on this matter and also copies of the settlement sheets mentioned by Mr. Townsend.

According to John I. Schumacher's letter of July 25, 1958, to Mr. Townsend, the Vanadium Queeen claims are not eligible for the initial production bonus. We assume that the statement has been checked. Also, it appears that in addition to the royalties mentioned by Mr. Townsend, the Government is still due $5.13 on Liquidation No. 4178, dated May 22, 1958, mailed to this office June 3, 1958, bv Mr. Townsend.

FMMurphy/gla
5-11-60

cc to: Director's Reading File
Review Committee
CA&A Division
Code 500
Docket
Chron

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

May 4, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 6 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 5-6 | gad | 220 |
| 5/9 | [illegible] | 800 |
| 5/9 | Murphy | 500 |
| | | 225 |
| | | |
| | | |
| | | |

Memorandum

To: Chief, Division of Field Operations, OME

From: Acting Field Officer, Region III

Subject: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen Claims)
San Juan County, Utah

We have had no reply to our letter dated March 28, 1960, and we recommend that you take such action as you deem necessary to protect the Government's interest by the collection of the unpaid royalty.

Hugh M. Connors

Hugh M. Connors

In Duplicate

cc: Royalty File E1092

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 29 1960
DATE INITIALS
3-31 gad 270
3/31 800
~~4/1 monthly 500~~
270

Building 20 - Federal Center
Denver 25, Colorado

March 28, 1960

Mr. James A. Joy
Attorney at Law
P. O. Box 402
Abernathy, Texas

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. Joy:

In our letter dated February 10, 1960, we gave you the royalty computations on the three lots of ore and informed you that the royalty due the Government amounted to $180.11.

In your letter of February 25, 1960, you stated that the production may have resulted from a clean-up program initiated by Joe Pitts, lessee, also you stated that it was your understanding that royalty would be due the Government only on ore mined and shipped from the area core drilled under the DMEA contract. To correct your understanding in the matter, under the provisions of the contract, a percentage royalty is due the Government on any production from the land subordinated under the contract.

If we do not receive $180.11, the amount of royalty due, before April 28, 1960, we will have no recourse but to refer the matter to the Washington office for such action as they deem necessary to protect the Government's interest.

We will appreciate receiving two copies of the lease agreement giving Joe Pitts the rights to produce ore from the property.

Very truly yours,

Original signed by

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

cc: Allied Mission
Oil Company
1042 Milam Bldg.
San Antonio, Tex.

HMC/bjo

cc: Chmn. Op. Comm. (2); Royalty corres. E1092; Chron; Suspense

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 28 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 3-28 | gad | 220 |
| " | EEG | 800 |
| 3-29 | ~~Thursday~~ | ~~500~~ |
| | | 225 |
| | | |
| | | |
| | | |

JAMES WARD
ATTORNEY AT LAW
~~214 SAN PEDRO AVENUE~~
SAN ANTONIO, TEXAS

600 N. McCullough Ave.

OME
DEPARTMENT OF THE INTERIOR
MAR 2 3 1960
REGION III
DENVER, COLORADO

March 23, 1960

DMEA-4631
IDM-E1092
Vanadium Queen
Uranium Corp.

Mr. J. W. Townsend
Executive Office
O.M.E. Field Team
Building 20, Federal Center
Denver 25, Colorado

Dear Mr. Townsend:

At the request of Mr. James A. Joy, President of Allied-Mission Oil, Inc., we are forwarding to you copies of the assignment of the Queen mine in San Juan County, Utah, from the Queen Corporation to Allied-Mission Oil, Inc..

Yours very truly,

James Ward

James Ward.

JW/ah

Copy to W.C. 3-25-60

## QUIT CLAIM DEED

THIS DEED, made this 20 day of April in the year of Lord one thousand nine hundred and fifty-nine between THE [illegible] CORPORATION, a corporation duly organized and existing under [illegible] by virtue of the laws of the State of Nevada, formerly name[illegible] VANADIUM QUEEN URANIUM CORPORATION, of the first part, and Allied [illegible] OIL, INC., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, of the second part.

WITNESSETH, That the said party of the first part, for and in consideration of the sum of Ten Dollars and other good and valuable considerations to the said party of the first part in hand paid by the said party of the second part, the receipt whereof is hereby confessed and acknowledged, hath remised, released, sold, conveyed and QUIT CLAIMED, and by these presents doth remise, release, sell, convey and QUIT CLAIM unto the said party of the second part its successors and assigns forever, all the right, title, interest, claim and demand which the said party of the first part hath in and to the following described unpatented lode mining claims situate, lying and being in the Lodal Mining District, County of San Juan and State of Utah, to-wit:

| Name of Claim | Date of Location | Recorded Date | Recorded Book | Recorded Page |
|---|---|---|---|---|
| Vanadium Queen | 7/1/31 | 7/16/31 | "R" | 555 |
| Vanadium Queen No. 2 | 7/1/52 | 7/5/52 | 11 | 107 |
| Vanadium Queen No. 3 | 7/1/52 | 7/5/52 | 11 | 106 |
| Vanadium Queen No. 4 | [illegible] | 7/5/52 | 11 | [illegible] |
| Vanadium Queen No. 5 | [illegible] | 7/5/52 | 11 | 108 |
| Vanadium Queen No. 6 | [illegible] | 7/5/52 | 11 | 103 |
| Vanadium Queen No. 7 | [illegible] | 7/5/52 | 11 | 102 |
| Vanadium Queen No. 8 | [illegible] | 9/23/52 | 15 | 261 |
| Vanadium Queen No. 9 | [illegible] | 9/23/52 | 15 | 264 |
| Vanadium Queen No. 10 | [illegible] | 9/23/52 | 15 | 263 |
| Vanadium Queen No. 11 | [illegible] | 9/23/52 | 15 | [illegible] |
| Vanadium Queen No. 12 | [illegible] | 9/23/52 | 15 | 259 |

TO HAVE AND TO HOLD the same, together with all and singular the [illegible] and appurtenances, rights, privileges and franchises, tenements, hereditaments and appurtenances thereto incident or belonging, or therewith used and enjoyed, and all the estate, right, title, interest, property, claim and demand whatsoever, legal and equitable as well in possession as in expectancy, of the Grantors, of, in or to said

premises, and every part thereof, to the only proper use, benefit and behoof of the said party of the second part, its successors and assigns forever.

IN WITNESS WHEREOF, The said party of the first part hath caused its corporate name to be hereunto subscribed by its President, and its corporate seal to be hereunto affixed, attested by its Secretary, the day and year first above written.

THE QUEEN CORPORATION

By /s/ Don Danvers
Don Danvers, President

ATTEST:

/s/ K. D. Harrison
Secretary

THE STATE OF TEXAS:

COUNTY OF BEXAR:

Before me, the undersigned authority, on this day personally appeared Don Danvers, President, of The Queen Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated as the act and deed of said corporation.

Given under my hand and seal of office on this the 20th day of April, A.D., 1959.

/s/ J. E. Patton
Notary Public, Bexar County, Texas

My Commission Expires:

June 1, 1959

Entry No. S-9324 50
Recorded 15-59 AP154 X 6-262 51
FEE PAID
ARVILLA T. WARRI...
San Antonio County Texas
$5.80 By EB Deputy

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 29 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 2-29 | gad | 220 |
| 3/1 | Murphy | 500 |
| | | 221 |

Building 20 - Federal Center
Denver 25, Colorado

February 25, 1960

CERTIFIED MAIL
Allied Mission Oil Company
1042 Milam Building
San Antonio, Texas

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Gentlemen:

Reference is made to my letter of February 10, 1960 regarding royalty payment to the Government on liquidations Nos. 9674, 9765 and 9864, which aggregate $180.11.

We would like to bring our royalty-payment records up to date prior to March 1, 1960 and, therefore, would appreciate your prompt attention in forwarding your check for the amount due.

Very truly yours,

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

JWT/ms

cc: Chmn. Op. Comm (2)
Roy corres E1092
Chron
Suspense

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| 3/6 | RCW | 225 |
| | | 500 |
| | Mr. Murphy | |
| | | 225 |
| | | |
| | | |
| | | |
| | Dm-A | |

Cert. ✓

4631.
DMEA 46
1092


JAMES A. JOY
ATTORNEY AT LAW
P. O. BOX 402
ABERNATHY, TEXAS
CYPRUS 8-2127


February 25, 1960

Claims Vanadium Queen
Nos. 3, 7, 9 & 10.

OME
DEPARTMENT OF THE INTERIOR
FEB 29 1960
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer, OME
Field Team, Region III
U. S. Dept. of the Interior
Building 20 - Federal Center
Denver 25, Colorado

Dear Mr. Townsend:

In answer to your letter of December 31, 1959 and February 10, 1960, we wish to advise that there is some question as to the royalty being due on the ore shipments in that the operator of the mine, Joe Pitts, has been withholding a percentage indicating that all of the ore shipped was under a clean-up contract.

It is my understanding that the royalty would be due on any mined and shipped from the area core drilled under the D. M. E. A. contract. Apparently there is some difference of opinion between Allied Mission Oil, Inc., and Joe Pitts in regard to the ore shipped and as soon as this has been resolved we shall be happy to forward the royalty, if any, due the government.

Yours very truly,

James A. Joy

JAJ/rj
cc: Mr. Joe Pitts
Grand Junction, Colo.

W. O. 2

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

| DATE | INITIALS | CODE |
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| 2/4 | RCW | 225 |
| 2/4 | [illegible] | 800 |
| 2/5 | ~~Murphy~~ | ~~500~~ |
| | | 225 |

OME
DEPARTMENT OF THE INTERIOR
FEB 1 1960
REGION III
DENVER, COLORADO

JAMES A. JOY
ATTORNEY AT LAW
P. O. BOX 402
ABERNATHY, TEXAS
CYPRUS 8-2127

January 30, 1960

United States Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado
Attention: Mr. J. W. Townsend

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Gentlemen:

In answer to your letter of December 21, 1959, I am attempting to secure the information you requested and as soon as I have obtained it, I will forward same to you.

Yours very truly,

James A. Joy

JAJ/rj

Chairman (2)

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O. M. E.
RECEIVED FEB 8 1960

| DATE | INITIALS | CODE |
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| 2-8 | gad | 220 |
| 2/8 | | 800 |
| | ~~Murphy~~ | ~~500~~ |
| | | 225 |

# CLIMAX URANIUM COMPANY

P. O. BOX 1991
GRAND JUNCTION, COLORADO

February 1, 1960

OME
DEPARTMENT OF THE INTERIOR
FEB 2 1960
REGION III
DENVER, COLORADO

U. S. Department of Interior
Office of Minerals Exploration
Building 20, Federal Center
Denver 25, Colorado

Attention: Mr. J. W. Townsend

Re: Your letter of January 22, 1960
Docket No. Idm-E1092
Allied Mission Oil Co.
(Vanadium Queen Claims)
San Juan County, Utah

Gentlemen:

Our records do not show any shipments from the captioned properties during the third quarter of 1959. On checking with the Atomic Energy Commission they report this ore was delivered to another contractor.

Very truly yours,

CLIMAX URANIUM COMPANY

R. K. English

R. K. English

RKE:wb

Received by U.C.N. at Uravan

Chma (2)

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

| DATE | INITIALS | CODE |
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| 2-8 | gad | 220 |
| | | 800 |
| | | 500 |

Building 20 - Federal Center
Denver 25, Colorado
February 3, 1960

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

Re: Docket No. DMEA 4631 (Uranium)
Contract No. DMe-E1092
Allied Mission Oil Company
(Vanadium Queen claims)
San Juan County, Utah

Gentlemen:

The Atomic Energy Commission records show that a shipment was made from the captioned property during the third quarter of 1959. This shipment consisted of 95 dry tons of ore containing 454 pounds of $U_3O_8$, and 4994 pounds of $V_2O_5$.

Will you please advise the mining claim or claims from which this shipment was made. The Vanadium Queen claims No's. 3, 7, 9 and 10 are subordinated to the Government under the captioned contract.

Will you also please furnish this office with 3 copies of the settlement sheet on the 95 tons of ore mentioned above.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E1092
Chron.

| OFFICIAL FILE COPY O. M. E. RECEIVED DEC 18 1959 | | |
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| 12-18 | gad | 220 |
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Building 20 - Federal Center
Denver 25, Colorado
December 15, 1959

Mr. Ray Church
Thornton
Colorado

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Church:

Mr. John I. Schumacher has written us that you could give us the present status of mining operations on the Vanadium Queen claims 3, 7, 9 and 10 which are subordinated to the Government under the captioned contract. Some time ago, we were advised that a heading was being driven toward the ore body on these claims.

Our records show only one shipment was made from the property subordinated to the Government. It was Liquidation No. 4178 dated May 22, 1958. Will you please advise if any further shipments have been made from this property.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E1092
Chron.

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| 2-15 | gad | VNO |
| 2/15 | [illegible] | 800 |
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| | | 225 |

Building 20 - Federal Center
Denver 25, Colorado
February 10, 1960

Allied Mission Oil Company
1042 Milam Building
San Antonio, Texas

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Gentlemen:

We have received from the mill the settlement sheets we requested from you in our letter dated December 31, 1959.

The royalty computations on the 3 lots are as follows:

| Liq. No. | Net Value | Dry Tons | Value per ton | Royalty Rate | Royalty Due |
|---|---|---|---|---|---|
| 9674 | $ 533.82 | 13.465 | $39.65 | 5% | $ 26.69 |
| 9765 | $1,000.54 | 25.520 | $39.21 | 5% | $ 50.03 |
| 9864 | $2,067.76 | 56.916 | $36.33 | 5% | $103.39 |
| | | | Royalty due the Government | | $180.11 |

Will you please forward this office your check for $180.11, the amount of royalty due the Government.

You should advise the mill on all future shipments to forward the royalty direct to this office.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres.
Chron.

OFFICIAL FILE COPY
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RECEIVED JAN 25 1960

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| 1-25 | gad | 220 |
| 1/25 | [illegible] | 800 |
| " | Murphy | ~~500~~ |
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Building 20 - Federal Center
Denver 25, Colorado
January 22, 1960

Climax Uranium Corporation
749 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Allied Mission Oil Company
(Vanadium Queen claims)
San Juan County, Utah

Gentlemen:

The Atomic Energy Commission records show that a shipment was made from the captioned property during the third quarter of 1959. This shipment consisted of 95 dry tons of ore containing 454 pounds of $U_3O_8$, and 4994 pounds of $V_2O_5$.

Will you please advise the mining claim or claims from which this shipment was made. The Vanadium Queen claims No's. 3, 7, 9 and 10 are subordinated to the Government under the captioned contract.

Will you also please furnish this office with 3 copies of the settlement sheet on the 95 tons of ore mentioned above.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E1092
Chron.

| OFFICIAL FILE COPY O. M. E. RECEIVED DEC 23 1959 | | |
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| " | EET | 800 |
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Building 20 - Federal Center
Denver 25, Colorado
December 21, 1959

CERTIFIED MAIL

Allied Mission Oil Company
1042 Milam Building
San Antonio, Texas

Attention: Mr. James Joy

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Gentlemen:

Will you please advise us of the present status of mining operations on the Vanadium Queen claims 3, 7, 9 and 10 which are subordinated to the Government under the captioned contract. Some time ago we were advised that a heading was being driven toward the ore body on these claims. Our records show only one shipment was made from the property subordinated to the Government. It was Liquidation No. 4178 dated May 22, 1958. Will you please advise if any further shipments have been made from this property.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E1092
Chron.

3743 West 2nd Avenue
Vancouver 8, B.C.
Canada
November 22, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 7 1959

| DATE | INITIALS | CODE |
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| 12-7 | gad | 220 |
| 12/7 | HOB | 800 |
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| OME | | |
| DEPARTMENT OF THE INTERIOR | | |
| DEC 4 1959 | | |
| REGION III | | |
| DENVER, COLORADO | | |

Mr. J. W. Townsend
Director Mine Division
U. S. Bureau of Mines
224 New Customhouse
Denver Colorado

Idm-E 1092
Docket DMEA-4631

Dear Jim:

Please be advised that in June 1959 I terminated my relations with Vanadium Queen Uranium Corporation and I am now only in a position of a royalty holder on the property.

Since that time I understand, however, that they have merged with Allied Mission Oil Company, 1042 Milam Building, San Antonio, Texas, Attn: Mr. James Joy.

other than one see 7/25/59 ltr.

Up until the time that I had left, no production had come from the claims Nos. 3, 7, 9 and 10. However, I have no knowledge of where the recent production is from.

I will forward your letter to their San Antonio office, however, you might check with a Mr. Ray Church who resides in Thornton, Colorado, Phone No. Atlas 7-5931. Mr. Church had been acting as agent for Allied Mission and might be able to bring you up to date.

The family and myself are now living in Vancouver, B.C. and I am attempting to get back into the mining business either on a consulting or operating basis.

If I can be of further help, do not hesitate to write.

Sincerely,

JOHN I. SCHUMACHER

Chairman (2)

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| 11/16 | | 800 |
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Building 20 - Federal Center
Denver 25, Colorado
November 12, 1959

Mr. John I. Schumacher
Vanadium Queen Uranium Corp.
P. O. Box 1674
Grand Junction, Colorado

Re: Docket No. DMRA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Schumacher:

Will you please advise the present status of mining operations on the Vanadium Queen claims Nos. 3, 7, 9 and 10 which are subordinated to the Government under the captioned contract. Some time ago, we were advised that a heading was being driven toward the ore-body on these claims.

Our records show only one shipment was made from the property subordinated to the Government. It was Liquidation No. 4178 dated May 22, 1958. Will you please advise if any further shipments have been made from this property.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E1092
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

1958
REGION III
DENVER, COLORADO

P. O. Box 1674
Grand Junction, Colorado

July 25, 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Your letter of July 11th
Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Dear Jim,

Although the Vanadium Queen Uranium mine is producing ore regularly, only 1 shipment has been made from Vanadium Queen claims Nos. 3, 7, 9 and 10. We expect that the production from these claims will increase in the near future after completion of the main heading and development of the ore-body on these claims. The Mine Contractor, Ore Shipper and Mills have been advised to specify the claim number from which the ore has been shipped as per your letter.

Since June 30th shipments of Vanadium Queen ore are being made to U. S. Vanadium Corp. at Green River, Utah.

The Vanadium Queen claims are not eligible for the initial production bonus. The past production which has been considerable in size has been fairly continuous since the period of 1948 to the present and no production bonus is available.

If I can be of further assistance to you, please do not hesitate to write.

Sincerely,

John I. Schumacher

For VANADIUM QUEEN URANIUM CORP.

JIS:gw

PHOTO.CY 7/28/58
CHAIR OUR COMM-2-
DMEA/G. Sec

224 New Customhouse
Denver 2, Colorado
July 11, 1958

7/14 C 220
7/14 800
7/15 700

Mr. John I. Schumacher
Vanadium Queen Uranium Corp.
P. O. Box 1674
Grand Junction, Colorado

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Schumacher:

Your letter of May 5, 1958, informed this office that production from Vanadium Queen claims Nos. 3, 7, 9 and 10 would start within two weeks. To date we have received royalty and copies of settlement sheets on 65.364 tons of ore which is covered by settlement sheet Liquidation number 4178, Climax Uranium Company, purchaser.

Please advise us by return mail of your eligibility to receive AEC bonus payments on this production or any other ore which may be produced from land subordinated to the Government under Contract Idm-E1092.

We understand from your letter of May 5, 1958, that your miner has been directed to keep Vanadium Queen ore subject to Government royalties separate from ore which is not subject to Government royalties. We note, however, from our copy of the settlement sheet for the previously mentioned production that the origin of the production is listed merely "Vanadium Queen". We suggest that your ore purchaser be instructed to show the origin of the ore by the claim number. This practice will enable all concerned to identify production subject to DMEA royalty.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

MHM:dp

cc: Chmn. Op. Comm. 2
Royalty File E1092
DMEA/GJ
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/27/58 | Ching | 700 |
| 6/27 | Kiesel | 700 |
| 6-30 | Chamberlin | 800 |
| 7/1 | Schroeder | 120 |
| " | Johnson | 110 |
| " | Mittendorf | 100 |
| 7/2 | C O | 220 |
| | | 700 |
| | | |

Mr. Don Danvers, President
Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

JUL 1 1958

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Danvers:

Reference is made to our letter of December 16, 1957, enclosing a certification of discovery covering the subject property.

At the time of our letter the exact amount contributed by the Government under this project was subject to audit. Our auditors have subsequently determined the amount as $33,656.60. This is the amount to be repaid by your corporation through royalty payments on production. Payments should be made in accordance with the instructions contained in the above-mentioned letter.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

MChing/gla
6-27-58
cc to: Admr.'s Reading File
Frank E. Johnson
Frank D. Lamb, Rm. 3608
T. H. Killsgaard, Rm. 5224
Mr. Ching
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 6/27/58 | Ching | 700 |
| 6/27 | Kovach | 700 |
| 6-30 | Chambers | 800 |
| 7/1 | Selbredge | 120 |
| " | Johnson | 110 |
| " | Mittendorf | 100 |
| | | 220 |
| | | 700 |
| | | |

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

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Johnson:

In accordance with our letter of December 16, 1957, we are supplying for your records the following additional information regarding the subject certified project:

The contract, dated May 29, 1957, covered an exploration project estimated to cost $53,872.00, with Government participation amounting to 75 percent, or $40,404.00. The total accepted cost of the project was $44,875.45, of which the Government paid $33,656.60.

The project work was carried out on four unpatented lode mining claims located in sec. 29, T. 28 S., R. 26 E., S.L.M.& B., San Juan County, Utah. It consisted of 3,169 feet of core drilling and 14,730 feet of non-core drilling in 46 holes.

The exploration work resulted in the discovery of approximately 19,000 tons of indicated ore in a number of separate ore bodies. The average grade of the ore is estimated as 0.22% $U_3O_8$ and 2.08% $V_2O_5$.

MChing/gla 6-27-58
cc to: Admr.'s Reading File
Frank E. Johnson
Frank D. Lamb, Rm. 3608
THKiilsgaard, Rm. 5224
Mr. Ching
DMEA Field Team, Region III (2)

Sincerely yours,

C. O. Mittendorf (for)
Administrator

Copy to:
Mr. Elton A. Youngberg
AEC Grand Junction Operations Office

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 12 1958

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

Date June 10, 1958

DMEA Docket No. 4631
DMEA Contract No. Idm-E1092
Commodity Uranium
Name of Applicant Vanadium Queen Uranium Corp.
Name of Property Vanadium Queen claims
Location of property San Juan County, Utah
Estimated cost of project $44,875.45

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee
From: James Paone, Bureau of Mines Member
Uranium Commodity Committee
Subject: Review of Final Summary Report
(Application, Field Trip Report, etc.)

1. Date of subject document: 5/22/58 2. Date received by reviewer: 5/26/58

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked "yes" above:

8. Factors meriting 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 recommended:

a. Obtain information from applicant ☐
b. Refer to Field Team ☐
c. Reject ☐
d. Agree with Field Team ☒
e. Discuss with Field Team ☐
f. Suggest alternate plan ☐
g. Request another consideration ☐
h. Approval ☐
i. Consult with Mr. _____ Mr. _____

10. Remarks: (Use back of page if necessary) Certication issued

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
May 22, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED 26 1958

| DATE | | CODE |
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| 5/26 | C | 220 |
| 5/26 | | 130 |
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| 5/28 | C | 220 |
| | | 700 |

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4631 (Uranium), Contract No. Idm-E1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims), San Juan County, Utah - FINAL SUMMARY REPORT

Enclosed are three copies of a Joint Final Geologic and Engineering Report, dated May 1958, from N. L. Archbold, Geologist, Geological Survey, and M. H. Salsbury, Mining Engineer, Bureau of Mines, pertaining to work completed under the subject contract. The original and one copy of the Operator's final report were forwarded by memorandum of November 15, 1957.

The contract was terminated before completion of all work originally provided for, by a TERMINATION AGREEMENT, dated December 4, 1957, which was made effective October 29, 1957.

Final payment to the Operator was processed by this office January 8, 1958 in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated December 26, 1957, which was released to this office January 6, 1958.

Exploration work completed under the contract consisted of the drilling of 46 holes aggregating 14,730 feet of non-core drilling and 3,169 feet of core drilling, to a total of 17,899 feet of drilling. Services and supplies incident to the drilling consisted of 112 hours of bulldozing time preparing access roads and drill sites, incidental allowance on 17,899 feet of drilling, purchase of 242 core boxes, and chemical analysis of 37 samples for $U_3O_8$ content, at a total accepted cost of $44,875.45, toward which the Government contributed 75 percent, or $33,656.60.

The exploration work completed resulted in the discovery or development of a significant quantity of uranium ore, on which a Certification was issued December 13, 1957.

for E. N. Harshman
Acting Executive Officer

Reviewed by
DMEA OPERATING COMMITTEE
5-28-58
(date)

Amc 5-20-58
Ef 5-22

W. O.

DMEA
DEPARTMENT OF THE INTERIOR
MAY 16 1958
REGION III
DENVER COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY EXAMINING TEAM
REGION III

OFFICIAL FILE COPY
DMEA
RECEIVED 26 1958

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DMEA 4631

Contract Idm-E 1092

Vanadium Queen Uranium Corporation

Vanadium Queen claims

San Juan County, Utah

Uranium

Joint Final Geologic and Engineering Report

by

N. L. Archbold
U. S. Geological Survey

M. H. Salsbury
U. S. Bureau of Mines

May 1958

Reviewed by
DMEA OPERATING COMMITTEE
5-28-58
(date)

DMEA 4631, CONTRACT Idm-E 1092
VANADIUM QUEEN URANIUM CORPORATION
VANADIUM QUEEN CLAIMS
SAN JUAN COUNTY, UTAH

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CONTENTS

Joint final geologic and engineering report


| | Page |
|---|---|
| Introduction and Summary | 1 |
| Conclusions and Recommendations | 3 |
| Location | 4 |
| Property | 5 |
| History | 5 |
| General Geology | 6 |
| Ore Deposits | 9 |
| Ore Reserves | 11 |
| The Project | 15 |


ANNEX


| Number | | |
|---|---|---|
| 1. | General description of formations exposed in the vicinity of the Vanadium Queen claims | 7 |
| 2. | Summary of indicated ore reserves | 13 |
| 3. | Mineralized drill holes not used in reserve calculations | 14 |
| 4. | Summary of factual data, Vanadium Queen Mining Corp. | 17 |


ILLUSTRATIONS


| Figure | | Follows page |
|---|---|---|
| 1. | Index map of part of Colorado Plateau, showing location of Vanadium Queen claims, Vanadium Queen Corp., San Juan County, Utah | 17 |
| 2. | Geologic map of area in vicinity of Vanadium Queen claims, San Juan County, Utah and Montrose County, Colo | 17 |
| 3. | Map of Vanadium Queen 3, 9, and 10 claims showing results of DMEA drilling, Vanadium Queen Corporation, San Juan County, Utah | 17 |
| 4. | Fence diagram showing drill holes and ore-bearing sandstone on Vanadium Queen Nos. 3, 9, and 10 claims, Vanadium Queen Corporation, San Juan County, Utah | 17 |

DMEA 4631, CONTRACT Idm-E 1092
VANADIUM QUEEN URANIUM CORPORATION
VANADIUM QUEEN CLAIMS
SAN JUAN COUNTY, UTAH

## INTRODUCTION AND SUMMARY

The Vanadium Queen Uranium Corporation, 525 Milam Building, San Antonio, Texas, applied on February 2, 1957 for Government assistance in exploration for uranium on four located claims on La Sal Creek, San Juan County, Utah. The firm is represented locally by John I. Schumacher, P. O. Box 1674, Grand Junction, Colorado.

A field examination was made on February 26, 1957 by a DMEA examining team consisting of M. H. Salsbury, U. S. Bureau of Mines, and W. B. Gazdik, U. S. Geological Survey. Mr. Schumacher accompanied the examiners.

The applicant proposed a drilling project in two stages requiring an estimated 15,950 feet of non-core drilling and 4,400 feet of core drilling in a maximum of 55 holes at a cost of $60,110.00 or $2.97 per foot. Government participation at 75 percent would have been $45,082.50.

The Vanadium Queen claims Nos. 3, 7, 9, and 10 are part of a group of claims owned and operated by the applicant. A mining operation is being carried on just west of the DMEA project area.

Significant uranium deposits in the area occur in broadly lenticular sandstone beds in the upper part of the Salt Wash member of the Morrison formation. Deposits ranging in size from a few tons to as much as 30,000 tons have been found in a northeasterly trending mineralized belt of ground in which portions of the operator's claims are located.

On the basis of the results of Geological Survey and private drilling in and around the proposed project area and the possibility of finding ore bodies similar to those found in the Vanadium Queen mine, the examining team recommended the drilling project as proposed by the applicant at a revised cost of $53,872.00 in which maximum Government participation at 75 percent was $40,404.00. Contract Idm-E 1092 was signed on May 29, 1957. Work was started on June 19, 1957 and continued through October 29, 1957. An approved total of 14,730 feet of non-core drilling and 3,169 feet of core drilling was done in 47 approved holes averaging 387 feet in depth at an accepted cost of $44,875.45. Government participation at 75 percent was $33,656.60.

The operator requested termination of the contract on November 4, 1957. The DMEA examiners recommended termination and certification of a discovery on November 12, 1957. A termination agreement was signed on December 4, 1957, effective as of October 29, 1957. The operator's final report was submitted on November 11, 1957. A Certification of Discovery was issued on December 13, 1957, and a Report of Review by the DMEA Contract and Audit Division was issued on December 26, 1957.

## CONCLUSIONS AND RECOMMENDATIONS

Project work resulted in discovery of 2 separate ore bodies and 5 isolated ore holes. On the basis of 13 ore holes and 7 mineralized holes the operator calculated an indicated reserve of 28,428 tons of ore with an average content of 0.26 percent $U_3O_8$ and 1.83 percent $V_2O_5$, and an inferred reserve of 7,335 tons of ore with an average content of 0.16 percent $U_3O_8$ and 3.02 percent $V_2O_5$. The indicated reserves as calculated by the DMEA geologist are 18,965 tons of 0.22 percent $U_3O_8$ and 2.08 percent $V_2O_5$.

The project was well supervised and drilling performance by the drilling subcontractor, Sprague and Henwood, Inc. was excellent. Four drill rigs were employed.

The portions of the Vanadium Queen claims within the favorable belt of mineralization where the drilling depths are not excessive have now been adequately explored. The operator had considered requesting a few more second stage holes on top of the Burro Canyon-Dakota rim along the east side of the claims, but because of the excessive depth to the ore horizon, decided to ask for termination without further drilling. Some additional drilling to more fully block out ore reserves might be worthwhile, but further Government participation is not recommended.

## LOCATION

The Vanadium Queen claims are in sec. 28, T. 28 S., R. 26 E., SLM, San Juan County, Utah (fig. 1). They are along the east side of the Vanadium Queen mine area (figs. 2 & 3).

The drilling area is on a dissected bench covered by Brushy Basin sediments. On the western portion of the bench, preparation of drill sites was easy, but was increasingly difficult eastward towards the Burro Canyon-Dakota rim against which the bench terminates. The presence of landslide boulders on a steep Brushy Basin slope complicated construction of drill roads and drill sites.

The climate of the region is moderate and surface operations are normally feasible nine months of the year, subject to few delays from adverse weather. In the exceptionally wet summer of 1957, there were several periods when operations were suspended completely and there were delays caused by poor road conditions throughout the project.

The Vanadium Queen property is in the La Sal Creek area near the Utah-Colorado border, easily accessible from Moab, Utah, over 34 miles of hard surfaced road and 16 miles of gravelled road. The nearest major source of supplies is Grand Junction, Colorado, 115 miles northeast of Moab. Treatment plants for uranium-vanadium ores are at Uravan, Colorado, 50 miles distant, Monticello, Utah, 60 miles distant, and Grand Junction.

## PROPERTY

The Vanadium Queen Nos. 3, 7, 9 and 10 claims are part of a group of 12 claims located by Abe Day of Moab, Utah in 1951 and 1952 (fig. 2). They were sold to Don Danvers of San Antonio, Texas, who transferred them to the Vanadium Queen Uranium Corporation. Mr. Danvers is the president of the corporation. Production is subject to royalties payable to Day, the original owner, and the Danvers Trust (Don Danvers). The claims appear to be valid and ownership rights of the operator satisfactory.

## HISTORY

Vanadium mining in the La Sal Creek area dates from activity prior to World War I.

The current revival of mining, primarily for uranium, dates from 1948. There has been extensive drilling exploration by both private operators and the Geological Survey and at least 6 substantial ore deposits and many smaller ones have been found. A number of mines are in operation at the present time. Total production from the Vanadium Queen mine, which is one of the largest producers, is over 15,000 tons to date. The grade of ore averages about 0.35 percent $U_3O_8$ and 2.5 percent $V_2O_5$.

Most of the deposits to date, including the Vanadium Queen mine, have been developed by adit tunnels from portals in the Salt Wash ore rim above La Sal Creek and tributary canyons. Operations are all small, producing from a few tons to 25 tons per day. Stoping is carried on by advancing the headings the full width of the ore deposits when possible, with a change to conventional room and pillar methods in the larger deposits.

Hand loading, rocker shovels, and scraper loading are all used. Track haulage is generally used with hand tramming or small compressed air, battery or diesel locomotives. Where individual deposits occur at different levels within the same sandstone unit, sub-level methods are used. The deposits found in the DMEA project area will be developed by extension of the Vanadium Queen mine workings.

## GENERAL GEOLOGY

The Vanadium Queen group of claims lies in an area of gently folded sedimentary rocks, bounded on the northeast by the Paradox Valley salt anticline, on the southwest by the Lisbon Valley salt anticline, and on the northwest by the LaSal Mountain intrusives. The claims are located on the axis of a gentle northwesterly trending fold, the LaSal Creek syncline (fig. 2). No faults occur in the immediate area, but a major northwesterly trending fault zone is present on the flank of the Paradox Valley anticline, about 4 miles northeast of the claims.

Sedimentary formations, exposed in the vicinity of the claims, consist, in ascending order, of the Navajo, Carmel, Entrada, Summerville, and Morrison formations of Jurassic age; and the Burro Canyon and Dakota formations of Cretaceous age. A generalized description of these formations is given in Table 1.

Table 1.--General description of formations exposed in the vicinity of the Vanadium Queen claims.

| Age | Formation | Approximate Thickness | Description |
|---|---|---|---|
| Cretaceous | Dakota | 50+ feet | Sandstone and conglomerate with interbedded carbonaceous shale. |
| | UNCONFORMITY | | |
| | Burro Canyon | 100 - 150 | Sandstone and conglomerate with interbedded purplish and greenish non-carbonaceous shale. |
| Jurassic | Morrison | 250 - 400 | Brushy Basin member.-varicolored bentonitic mudstone with interbedded conglomeratic sandstone lenses especially near the base. |
| | | 300 - 350 | Salt Wash member.-broadly lenticular quartzose sandstones with nearly equal amounts of interbedded reddish brown mudstone. |
| | Summerville | 80 - 100 | Evenly bedded, reddish brown arenaceous mudstone. |
| | Entrada | 150 | Light colored, massive and crossbedded sandstone. |
| | Carmel | 50 | Massive, reddish brown siltstone and very fine-grained sandstone. |
| | UNCONFORMITY | | |
| | Navajo | 350 | Light colored, crossbedded sandstone. |

The Brushy Basin member of the Morrison formation forms the surface over most of the Vanadium Queen claims and exploratory drilling was intended to find uranium deposits in the underlying Salt Wash member of the Morrison formation. Thus, the DMEA program of exploration was concerned only with the Morrison formation, and only the Morrison will be discussed.

The basal member of the Morrison formation, the Salt Wash member, consists of nearly equal parts of broadly lenticular sandstones and interbedded reddish brown mudstone. At the top of the member, sandstone lenses coalesce to form a continuous, though very irregular layer of sandstone. This top sandstone unit of the Salt Wash member contains nearly all the known uranium deposits in the area, and was the target for the DMEA exploration program. Its general characteristics are shown in figure 4. The base of the top sandstone unit is irregular and, on the Vanadium Queen claims, appears to form a series of northeasterly trending troughs and low ridges with a maximum relief of about 25 feet (fig. 3). The top sandstone unit on the property ranges from about 35 to 70 feet in thickness, with the thicker portions tending to occupy the troughs. Locally the top sandstone unit is split into several parts by discontinuous seams and lenses of mudstone (fig. 4).

The top sandstone unit interfingers with mudstone of the overlying Brushy Basin member, and locally thin sandstone lenses are almost completely isolated from the main part of the top sandstone unit. Such a thin lens is present over the central part of the claims (fig. 4).

The top sandstone unit of the Salt Wash member is composed of medium- to fine-grained quartzose sand, and is light red to light gray. Mudstone occurs within the unit as lenses, thin seams, or pebbles, and is reddish brown to greenish gray. Coalified plant fragments are widely distributed in the sandstone.

The Brushy Basin member of the Morrison formation is about 300 feet thick where a full section is exposed along the extreme east side of the Vanadium Queen claims, and consists dominantly of reddish brown and greenish gray bentonitic mudstone; however, in the basal part there are broad, thin lenses of conglomeratic sandstone. Locally these conglomeratic sandstone lenses may lie directly on the top sandstone unit of the underlying Salt Wash member, but no such occurrence has been noted on the Vanadium Queen claims.

## ORE DEPOSITS

Most uranium deposits in the vicinity of the Vanadium Queen claims occur in the top sandstone unit of the Salt Wash member of the Morrison formation and are concentrated along an irregular, discontinuous, northeasterly trending belt about $5\frac{1}{2}$ miles long and about 1,000 feet wide. A portion of this belt is shown in figure 2. Other deposits are scattered throughout the area, and a few small deposits occur in the basal conglomeratic sandstones of the Brushy Basin member. Most deposits tend to occur in the lower part of the host sandstone.

Individual ore bodies may be flat-lying, irregularly lenticular bodies up to 10 feet thick and up to 100 feet across or they may take the form of "rolls", flat-lying, narrow and elongate masses with a crescent-shaped cross section. Roll type ore bodies may be up to several hundred feet long, but are generally less than 10 feet in width and thickness. Any one ore deposit can be expected to contain both roll type and lenticular type ore bodies. Deposits may range from a few tons to about 30,000 tons of ore containing 0.25 to 0.35 percent $U_3O_8$ and 1.3 to 2.5 percent $V_2O_5$.

Primary ore minerals impregnate the sandstone and replace coalified plant fragments. Coffinite, uraninite, and montroseite are probably the major ore minerals, but where the deposits have been subjected to the oxidizing environment of the atmosphere, numerous secondary, relatively oxidized ore minerals are present.

Little is known about the origin and controls of the ore deposits, but it has been empirically shown that the deposits are associated with certain lithologic features in the host rocks. These lithologic features constitute guides to ore and are listed below.

1) Deposits tend to occur in light gray to brown sandstone and are never associated with light red sandstone, although the upper part of the host sandstone unit may be light red even where deposits are present in the lower part.
2) Ore deposits tend to occur in the thicker parts of the host sandstone unit, and significant deposits are generally not to be expected where the sandstone is less than 30 feet thick.

3) Deposits are generally associated with sandstone containing large amounts of carbonaceous material.

4) In the vicinity of uranium deposits, the mudstone within and immediately underlying the host sandstone is bleached to greenish gray from its original reddish brown color.

Thick light gray to brown sandstone containing abundant carbonaceous material and associated with bleached mudstone constitutes lithologic environment favorable for the occurrence of uranium deposits. Such an environment is present in the belt of favorable ground shown in figure 2. In figure 3, it can be seen that ore deposits on the Vanadium Queen claims tend to occur where there is 2 feet or more of bleached mudstone under the ore-bearing sandstone unit, and areas where there are 2 feet or more of bleached mudstone below the host sandstone should be regarded as being potentially close to a uranium deposit.

## ORE RESERVES

In calculating ore reserves and evaluating the project, the following values for ore and mineralized holes have been used by the examining team:

Barren hole.--less than 0.03 percent $U_3O_8$, regardless of thickness.

Mineralized hole.--any thickness containing at least 0.03 percent $U_3O_8$ but less than 0.10 percent $U_3O_8$; or less than 1 foot thick if grade is 0.10 percent $U_3O_8$ or greater.

Ore hole.--at least 1 foot of 0.10 percent $U_3O_8$ or greater.

If a hole contains less than one foot of mineralized rock it is classed as "mineralized" regardless of the grade. This classification is based on the assumption that a mineralized layer less than one foot thick cannot be economically mined nor will it have sufficient lateral extension to justify a mining operation.

Where holes penetrated material of ore grade and thickness they were given a circle of influence 100 feet in diameter; however, where the ore was thin or where it appeared to be stratigraphically or laterally isolated from ore in other holes the circle of influence was reduced to 50 feet in diameter.

Hole 214 penetrated 2.6 feet of material containing 1.0 percent $U_3O_8$. Experience has shown that such high grade material is not laterally extensive in deposits in the LaSal Creek area. Therefore, in making reserve calculations, the grade of $U_3O_8$ in hole 214 was reduced to the average grade.

An indicated reserve of 18,965 tons of ore, containing 0.22 percent $U_3O_8$ and 2.08 percent $V_2O_5$, has been calculated by the examining team. DMEA figures Tons + Grade The ore has an average thickness of about 3 feet and lies at depths ranging from 325 to 465 feet. The areas indicated to be underlain by ore are shown in figure 3, and a summary of the reserve calculations is shown in Table 2.

A summary of mineralized holes, not used in reserve calculations, is given in Table 3.

Table 2.--Summary of indicated ore reserves

| Hole No. | Area | Thickness | Volume | Tonnage | $\%U_3O_8$ | $\%V_2O_5$ |
|---|---|---|---|---|---|---|
| VQ-208 | Circle 25 feet radius 1963 sq. ft. | 4.8 | 9422 | 673 | 0.11 | 1.16 |
| VQ-209 | 1963 sq. ft. | 1.4 | 2748 | 196 | 0.12 | 1.75 |
| VQ-206 | 1963 sq. ft. | 1.4 | 2748 | 196 | 0.36 | 2.28 |
| VQ-235 | 1963 sq. ft. | 3.1 | 6085 | 435 | 0.15 | 0.85 |
| VQ-244 | 1963 sq. ft. | 1.0 | 1963 | 140 | 0.10 | 0.11 |
| Block A | | | | | | |
| VQ-13<br>VQ-11<br>LC-215A | 20000 sq. ft. | 3.2 | 64000 | 4571 | 0.25 | 2.85 |
| Block B | | | | | | |
| VQ-212<br>VQ-214<br>VQ-229<br>VQ-234<br>LC-408 | 49600 sq. ft. | 3.6 | 17856 | 12754 | 0.22 | 1.92 |
| Totals | | | | 18,965 | 0.22 | 2.08 |

Table 3.--Mineralized drill holes not used in reserve calculations.

| Hole No. | Depth to base of interval | Thickness of interval (in feet) | Percent $U_3O_8$ 1/ | Percent $V_2O_5$ |
|---|---|---|---|---|
| 202 | 309.6 | 0.8 | 0.28 | 1.86 |
| | 311.4 | 0.6 | 0.09 | 0.12 |
| 210 | 259.9 | 0.2 | 0.17 | 10.29 |
| 211 | 403.8 | 0.5 | 0.08 | 0.04 |
| 213 | 389.9 | 0.4 | 0.12 | 0.70 |
| | 392.4 | 0.4 | 0.04 | 0.55 |
| 227 | 405.8 | 1.2 | $0.03_e$ | -- |
| | 417.1 | 0.9 | $0.03_e$ | -- |
| | 419.6 | 1.0 | $0.03_e$ | -- |
| 228 | 457.7 | 0.5 | 0.06 | 0.20 |
| 230 | 381.3 | 1.4 | $0.03_e$ | -- |
| 231 | 445.3 | 0.3 | 0.11 | 1.32 |
| | 447.0 | 1.3 | 0.06 | 1.96 |
| 232 | 489.7 | 0.9 | $0.04_e$ | -- |
| 233 | 413.4 | 0.6 | 0.07 | 0.18 |
| | 455.6 | 0.8 | 0.24 | 1.86 |
| | 464.0 | 8.4 | 0.02 | 0.02 |
| 236 | 382.1 | 1.0 | 0.09 | 1.23 |
| 240 | 373.3 | 0.5 | 0.63 | 2.65 |
| 241 | 353.2 | 0.8 | 0.08 | 0.67 |
| 245 | 482.2 | 1.0 | $0.03_e$ | -- |
| 246 | 381.4 | 0.07 | 0.04 | 0.24 |

1/ Assays marked "e" are on basis of gamma-ray logs; other assays are chemical.

## THE PROJECT

The drilling project as set up in the contract was essentially that proposed by the operator with minor adjustment of hole locations (fig. 3). It provided in Stage I for 28 holes on approximately 200-foot centers and 3 holes on 400-foot centers to form, with previously drilled holes, a grid pattern covering the favorable ground on the claims. This area was defined by previous Geological Survey drilling and was limited to locations west of a Burron Canyon-Dakota capped mesa to avoid excessive drilling depths. Stage I provided for an estimated 8,990 feet of non-core drilling and 2,170 feet of core drilling in 31 holes. Stage II provided for 6,960 feet of non-core drilling and 1,680 feet of core drilling in a maximum of 24 holes offsetting mineralized Stage I holes at not less than 100 feet.

In the period between June 19, 1957 and October 29, 1957, 30 Stage I holes and 17 Stage II holes were completed, One Stage I hole was disallowed because it was drilled only 60 feet from an outer boundary of subordinated ground in violation of contract terms. All other holes were considered to be in accordance with contract terms. All holes were cored through the potential ore-bearing horizon with good core recovery (71 percent or better) and were logged by the operator. Thirty-three of the holes were also logged by the DMEA gamma-ray unit with results which essentially verified the data reported by the operator.

Table 4 in the annex is a summary of factual data.

Following is a log of the project:

| | |
|---|---|
| Application for assistance under Docket No. DMEA 4631 | February 2, 1957 |
| Field examination made | February 26, 1957 |
| Contract Idm-E 1092 signed | May 29, 1957 |
| Project work started | June 19, 1957 |
| Work approval to relocate 3 Stage I holes | Sept. 24, 1957 |
| Work approval to drill 14 Stage II holes | Sept. 24, 1957 |
| Work approval to drill 3 Stage II holes | October 9, 1957 |
| Project work completed | October 29, 1957 |
| Termination requested by operator | Nov. 4, 1957 |
| Final report submitted by operator | Nov. 11, 1957 |
| Termination agreement signed | Dec. 4, 1957 |
| Certification of Discovery issued | Dec. 13, 1957 |
| Report of Review by DMEA Contract and Audit Division | Dec. 26, 1957 |

Table 4.--Summary of Factual Data, Docket DMEA 4631, Contract Idm-E 1092
Vanadium Queen Mining Corporation.

| Contract Items | Unit | Unit Cost | Claimed Units | Claimed Cost | Accepted Units | Accepted Cost | CONTRACT MAXIMUMS Units | Unit Cost | Total Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Independent contracts** | | | | | | | | | |
| Stage I | | | | | | | | | |
| Non-core drilling | foot | $ 1.75 | 9,060 | $15,855.00 1/ | 8,850 | $15,487.50 | 8,990 | $ 1.80 | $16,182.00 |
| Core drilling | foot | 4.35 | 2,072 | 9,013.20 1/ | 1,992 | 8,665.20 | 2,170 | 4.85 | 10,524.50 |
| Bulldozing | hour | 12.00 | 64 | 768.00 | 64 | 768.00 | 64 | 12.00 | 768.00 |
| Stage II | | | | | | | | | |
| Non-core drilling | foot | 1.75 | 5,880 | 10,290.00 | 5,880 | 10,290.00 | 6,960 | 1.80 | 12,528.00 |
| Core drilling | foot | 4.35 | 1,177 | 5,119.95 | 1,177 | 5,119.95 | 1,680 | 4.85 | 8,148.00 |
| Bulldozing | hour | 12.00 | 48 | ~~576.00~~ 575.00 | 48 | ~~576.00~~ 575.00 | 48 | 12.00 | 576.00 |
| **Fixed Costs** | | | | | | | | | |
| Stage I | | | | | | | | | |
| Incidental allowance | foot | 0.20 | 11,132 | 2,226.40 1/ | 10,842 | 2,168.40 | 11,160 | 0.20 | 2,232.00 |
| Core boxes | each | 1.00 | 161 | 161.00 1/ | 155 | 155.00 | 217 | 1.00 | 217.00 |
| Chemical analyses | each | 4.00 | 18 | 72.00 | 18 | 72.00 | 100 | 4.00 | 400.00 |
| Stage II | | | | | | | | | |
| Incidental allow. | foot | 0.20 | 7,057 | 1,411.40 | 7,057 | 1,411.40 | 8,640 | 0.20 | 1,728.00 |
| Core boxes | each | 1.00 | 87 | 87.00 | 87 | 87.00 | 168 | 1.00 | 168.00 |
| Chemical analyses | each | 4.00 | 19 | 76.00 | 19 | 76.00 | 100 | 4.00 | 400.00 |
| Totals | | | | $45,655.95 | | $44,876.45 | | | $53,872.00 (rounded) |
| Government participation at 75 percent | | | | | | | | | $40,404.00 |
| Calculated overall cost of drilling per foot | | | | $2.51 | | | | | |

1/ Cost of hole no. VQ-200 included in these items. The hole was disallowed.

U.S. DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MAY 1958
DOCKET 4631

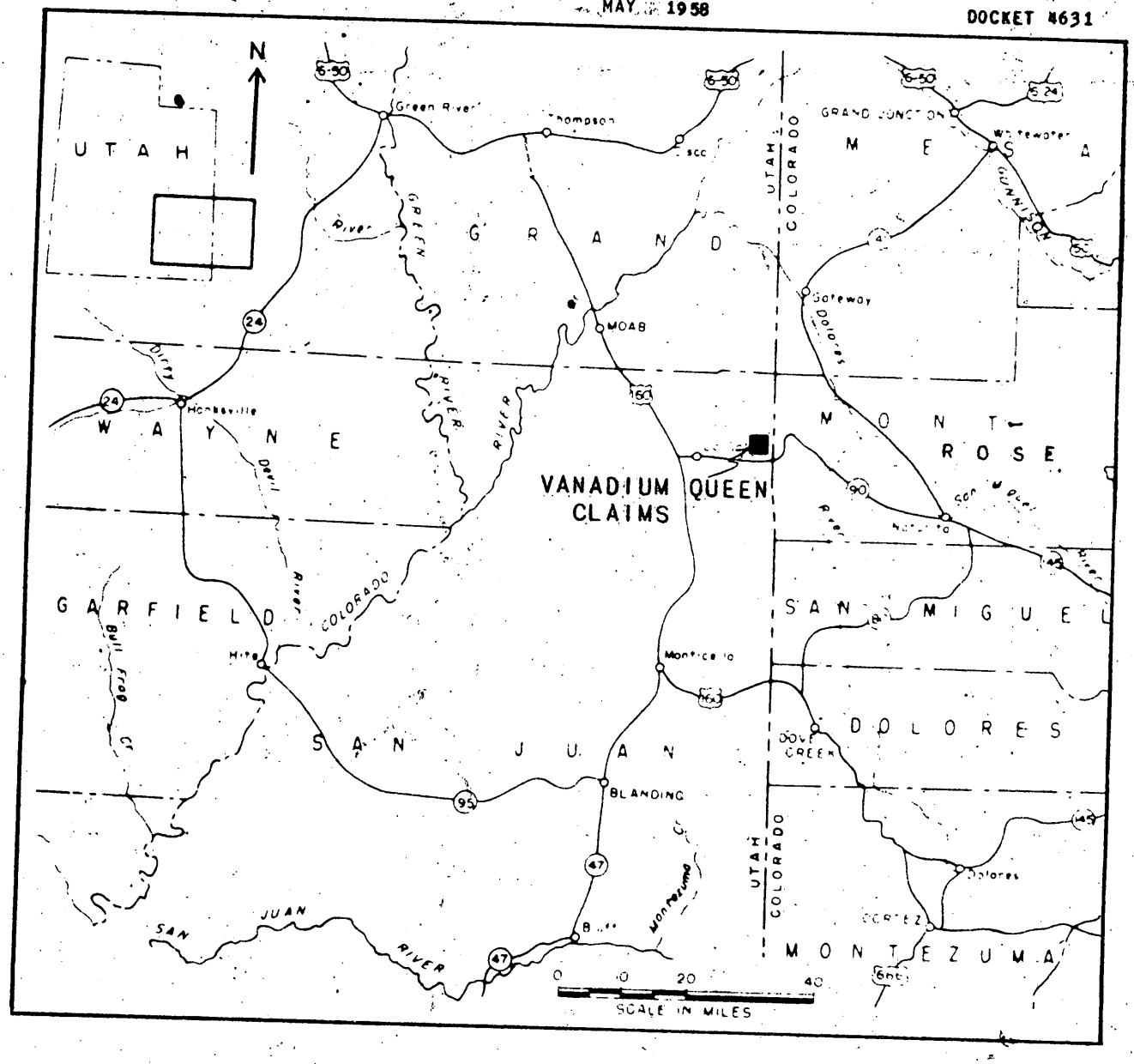
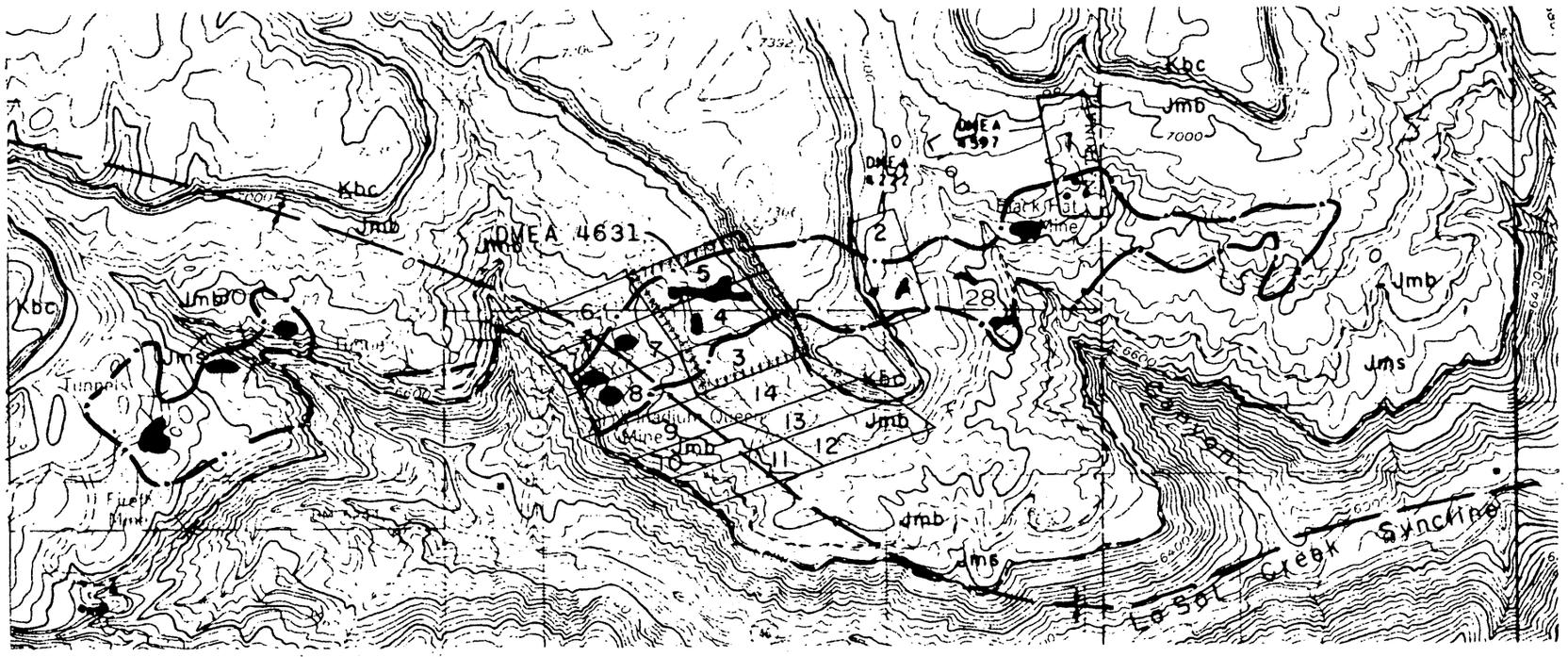



FIGURE 1.--INDEX MAP OF PART OF COLORADO PLATEAU, SHOWING LOCATION OF VANADIUM QUEEN CLAIMS, VANADIUM QUEEN CORPORATION, SAN JUAN COUNTY, UTAH.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MAY 1958
DOCKET 4631

UTAH COLORADO




T. 28 S., R. 26 E. S.L.M.  T. 47 N., R. 20 W. N.M.P.M.

1000 0 4000 FEET

claim names

1-Ella 2-Big Joe 3-Vanadium Queen 3 4-Vanadium Queen 10 5-Vanadium Queen 9
6-Vanadium Queen 8 7-Vanadium Queen 2 8-Vanadium Queen 1 9-Vanadium Queen 4 10-Vanadium Queen 5
11-Vanadium Queen 6 12-Vanadium Queen 12 13-Vanadium Queen 11 14-Vanadium Queen 7

EXPLANATION

Kbc / Jmb — APPROXIMATE CONTACT BETWEEN BURRO CANYON FORMATION AND BRUSHY BASIN MEMBER OF THE MORRISON FORMATION

Jmb / Jms — APPROXIMATE CONTACT BETWEEN BRUSHY BASIN AND SALT WASH MEMBERS OF THE MORRISON FORMATION

APPROXIMATE BASE OF ORE-BEARING SANDSTONE

APPROXIMATE AREA FAVORABLE FOR THE OCCURRENCE OF URANIUM DEPOSITS

URANIUM ORE DEPOSIT

Note: BASE FROM U.S.G.S. MT. PEALE 1 SE TOPOGRAPHIC QUADRANGLE. CLAIM BOUNDARIES FROM OPERATORS MAPS. GEOLOGY FROM PUBLISHED AND UNPUBLISHED U.S.G.S. MAPS BY W.D. CARTER.

FIGURE 2.—GEOLOGIC MAP OF AREA IN VICINITY OF VANADIUM QUEEN CLAIMS, SAN JUAN COUNTY, UTAH AND MONTROSE COUNTY, COLORADO.

Official

COPY
DMEA
RECEIVED
DATE
1/13 110
" McKing 700

224 New Customhouse
Denver 2, Colorado

January 10, 1953

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4631 (Uranium) Contract Idm-21092, Vanadium Queen Uranium Corporation (Vanadium Queen claims), San Juan County, Utah - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated January 9, 1953, relative to final payment under the terms of the subject contract.

Original signed by
W. H. KING
W. H. King

Enclosures

JDC:hmh

cc: DMEA/DFC
MF-104 file, Reg. III
Corres. file, Reg. III
Chron

EXTRA COPY

224 New Customhouse
Denver 2, Colorado

January 6, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4031 (Uranium), Contract No. Idm-31092, Vanadium Queen Uranium Corporation (Vanadium queen claims), San Juan County, Utah - FINAL PAYMENT

Reference is made to our memorandum of November 20, 1957, whereby we transmitted the Final Form MF-104, Operator's Monthly Report and Voucher, for the month of October, 1957, and requested that you withhold the amount of $500.00 from reimbursement to the Operator pending resolution of matters prerequisite to closing the account.

The Operator's final report has been received. Therefore, we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated December 26, 1957:

<u>Basis for Final Payment:</u>

| | |
|---|---|
| Total accepted costs ..... | $ 44,079.45 |
| Government participation at 75% ..... | 33,650.00 |
| Total prior payments ..... | 33,150.00 |
| Balance due the Operator ..... | $ 500.00. |

Original signed by
W. H. KING
W. H. King

JUC:pri

cc: Chan. Op. Comm. (2)
Harsman
Hasler
DMEA/DEC
DMEA/Gr. Jct.
Townsend
Corres. File, Reg. III
MF-104 File, Reg. III
Chron.

$500.00
1/9/58 DMA 58-78

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| | | 800 |
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| | | |
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| | | |
| | | |
| | | |

JAN 3 1958

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Report of Review
Vanadium Queen Uranium Corp.
Contract No. Idm-E1092
Docket No. DMEA-4631

Dear Mr. Brading:

The recently submitted copies of the Report of Review covering the above-cited project are accepted and normal distribution is authorized.

Sincerely yours,

s/ C. E. Fisher

for Jay L. Chambers, Director
Contract Administration
and Audit Division

CEFisher/wb
January 3, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
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December 23, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4631 (Uranium) Contract No. Idm-E1092
Vanadium Queen Uranium Corporation, San Juan County, Utah

Enclosed are the Government and Audit copies of the Termination Agreement which was forwarded by your memorandum of December 5, 1957, for signature by the Operator.

Copies of the Termination Agreement have been distributed to the Operator; the Finance Office, Region III; and to others concerned.

W. H. King
W. H. King
Executive Officer, DMEA
Field Team, Region III

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DMEA
RECEIVED
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224 New Customhouse
Denver 2, Colorado

December 23, 1957

Memorandum

To: T. H. Brading, DMEA Auditor, Region III

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4631 (Uranium) Contract No. Idm-E1092
Vanadium Queen Uranium Corporation, San Juan County, Utah

The subject contract was terminated by mutual agreement, effective October 29, 1957. A copy of the termination agreement is enclosed for your records.

The Operator has rendered a final engineering and geologic report and final accounting as required by the contract; therefore, final payment of the Operator's account is in order contingent on release to this office of a Certificate and Report of Audit or a Report of Review of reported project costs whichever the case indicates.

Acceptable Units of work or service completed on a "Fixed Unit Cost" basis are as follows:

| | |
|---|---|
| Incidental Allowance on Drilling Footage | 17,899 |
| Carboard Core Boxes | 242 |
| Chemical Analysis of Samples | 37 |

The sum of $500.00 was withheld from reimbursement from the Operator in processing the final report which was for the month of October 1957.

Original signed by
W. H. KING

W. H. King
Executive Officer

JWT:eh
cc: Ch. Op. Comm. (2)
Harshman
Townsend
Corres.
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 11/29 | Ching | 700 |
| 12/3 | Ellis | 700 |
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| | Spencer | 140 |
| 12-11 | Stephenson | 800 |
| 12/13 | Reed | 130 |
| 12/13 | Lamb | 130 |
| 12/13 | Gibson | 130 |
| " | Johnson | 110 |
| " | Mittendorf | 100 |
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| | | 700 |

DEC 16 1957

INTERIOR DEPT.
DEC 9 - 1957
SOLICITOR

Mr. Don Danvers, President
Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Danvers:

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

By the terms of the Exploration Project Contract and of the certification, all minerals mined or produced from May 29, 1957, to May 29, 1967, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid.

Payments should be made to Mr. E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

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

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

8623

Ching/gla 11-29-57
cc to: Abe Day, Moab, Utah
Danvers Trust - Don Danvers
525 Milam Bldg., San Antonio, Texas
John I. Schumacher,
Box 1648, Grand Junction, Colorado

Contract Div.
Mr. Ching
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
THKillsgaard, Rm. 5224
DMEA Field Team, Region III (2)

Reading File

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

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| 12-11 | Chamber | 800 |
| 12/13 | [illegible] | 130 |
| 12/13 | [illegible] | 130 |
| 12/13 | Nelson | 130 |
| " | Johnson | 110 |
| | Mittendorf | 100 |
| | | 220 |
| | | 700 |

DEC 16 1957

Mr. Abe Day
Moab, Utah

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Day:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on May 5, 1957. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Mittendorf

Same letter to:

Danvers Trust - Don Danvers Administrator
525 Milam Building, San Antonio, Texas
Enclosure

Mr. John I. Schumacher
Box 1648
Grand Junction, Colorado

MChing/gla 11-29-57
cc to: Admr.'s Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
THKiilsgaard, Rm. 5224
Field Team, Region III (2)
Mr. Ching

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

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| 12/13 | Nelson | 130 |
| " | Johnson | 110 |
| " | Mittendorf | 100 |
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| | | 700 |

DEC 16 1957

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

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Johnson:

I am enclosing one copy of a certification of discovery or development relating to the subject exploration contract.

The final report of the Field Team and the final accounting of funds expended on this project have not been completed. Accordingly, we will supply additional information for your records upon receipt of these reports.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

MChing/gla 11-29-57
cc to: Admr.'s Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
THKiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)
Mr. Ching

8623

OFFICIAL FILE COPY
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| | | |

224 New Customhouse
Denver 2, Colorado

December 9, 1957

Mr. John I. Schumacher, Resident Engineer
Vanadium Queen Uranium Corporation
P. O. Box 1674
Grand Junction, Colorado

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Schumacher:

Enclosed are the Government's, Audit, Finance Office, and Field Team copies of a proposed TERMINATION AGREEMENT, which has been prepared in reference to your letter of November 4, 1957 to terminate Contract No. Idm-E1092, effective October 29, 1957.

If the Termination Agreement is satisfactory, all copies are to be signed by an official of Vanadium Queen Uranium Corporation authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office; upon receipt of which the "Operator's Copy" will be forwarded to you.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region III

Enclosures

JWT:prl

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Hasler
DMEA/Gr.Jct.
Townsend
Corres. File
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

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| 12/4 | Ellis | 700 |
| 12-4 | Chamber | 800 |
| 12/4 | GCL | 130 |
| " | Johnson | 110 |
| " | Bettington | 100 |
| 12/5 | | 220 |
| | | 700 |
| | | |

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

DEC 5 1957

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Harshman:

In accordance with your memorandum of November 15, 1957, we are enclosing the original and four copies of a proposed Termination Agreement between the Government and the subject Operator, signed by the Administrator. Also enclosed are two extra copies of the agreement for the use of the Field Team.

If you and the Operator find the agreement in order, please have the Operator execute it as indicated and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GLB)

Enclosures

MChing/gla
12-3-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching

APPROVED:

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

N. E. Nelson (GLB)
Member, Geological Survey

8623

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

November 25, 1957

| OFFICIAL FILE COPY DMEA RECEIVED NOV 27 1957 | | |
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Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket DMEA-4631 (Uranium) Contract Idm-E1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah

Enclosed are two copies of Vanadium Queen Claim Map, which are to be attached to and made part of the Operator's Monthly Progress Report for the month of October 1957.

— under Cert. 104

E. N. Harshman

E. N. Harshman

Enclosures

Docket DMEA-4631 (Uranium) Contract Idm-E1092,
Vanadium Queen Uranium Corporation, (Van[illegible]ium Queen
claims) [illegible]n Juan County, Utah

Enclosures

JDC:hmh
cc: Corres.files: E995, E1065, E1066,
E1056, E1074, E1099, E1092
Harshman )
DMEA, DFC ) w/copy of Gamma-ray logs
DMEA, G.Jct. )
Hasler
Chron

E. N. Harshman

E. N. Harshman

FT memo
11-21-57

Vanadium Queen Corp.
Vanadium Queen mine
Lasal Creek
DMEA Docket No. 4631

# GAMMA-RAY LOG INTERPRETATION

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* | Depth Logged To | Anomaly Detected From* | Anomaly Detected To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_e U_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VQ-237 | 400.0 | 330.0 | 288.0 | 398.0 | Barren | | | | | | | |
| VQ-238 | 409.0 | 340.0 | 295.0 | 405.0 | 391.5 | 392.3 | 0.8 | 230 | | | <.005 | |
| VQ-239 | 295.0 | 220.0 | 163.0 | 293.0 | Barren | | | | | | | |
| VQ-240 | 382.0 | 320.0 | 259.0 | 379.0 | 370.1 | 370.8 | 0.7 | 10000 R#4 | | | 0.69 | |
| | | | | | 370.8 | 372.4 | 1.6 | 1600 | | | .04 | |
| | | | | | 372.4 | 373.1 | 0.7 | 7000 | | | 0.42 | |

* From top to bottom depths

Vanadium Queen, Inc.
Vanadium Queen mine
LaSal Creek, Utah
DMEA Docket No. 4631

# GAMMA-RAY LOG INTERPRETATION

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* | Depth Logged To | Anomaly Detected From* | Anomaly Detected To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_eU_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VQ244 | 480.0 | 410BX | 374.4 | 476.5 | 452.2 | 453.3 | 1.1 | 330 | | | <.010 | |
| | | | | | 458.0 | 459.1 | 1.1 | 300 | | | <.010 | |
| | | | | | 450.0 | 451.5 | 1.5 | 300 | | | <.010 | |
| | | | | | 460.8 | 461.9 | 1.1 | 2200 | | | .062 | |
| | | | | | 461.9 | 462.7 | 0.8 | 1200 | | | .030 | |
| | | | | | 462.7 | 464.1 | 1.4 | 600 | | | .014 | |
| | | | | | 464.1 | 465.1 | 1.0 | 3900 | | | 0.14 | |
| | | | | | 465.1 | 465.9 | 0.8 | 2000 | | | .062 | |
| | | | | | 469.8 | 471.1 | 1.3 | 330 | | | <.010 | |
| | | | | | 472.9 | 474.0 | 1.1 | 310 | | | <.010 | |
| VQ245 | 505.0 | 430BX | 399.8 | 500.0 | 481.2 | 482.4 | 1.2 | 770 | | | .021 | |
| | | | | | 488.3 | 489.7 | 1.4 | 290 | | | <.005 | |
| VQ246 | 394.0 | 335BX | 292.1 | 392.2 | 380.1 | 381.2 | 1.1 | 1400 | | | .035 | Logged before hole was finished. |
| | | | | | 381.9 | 382.8 | 0.9 | 340 | | | <.010 | |
| | | | | | 384.2 | 385.1 | 0.9 | 260 | | | <.010 | |

* From top to bottom depths

DRAFT
11/20/57
FMMurphy for MChing/gla

DOCKET COPY

# TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and the Vanadium Queen Uranium Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1092 (Docket No. DMEA-4631), dated May 29, 1957, hereinafter called the "Contract," that:

1. Effective October 29, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the agreed actual and unit costs of work performed prior to October 29, 1957.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to certification of discovery or development, percentage royalty and liens for its payment, records, audits, and recovery of any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

VANADIUM QUEEN URANIUM CORPORATION

By _____

Title _____

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RECEIVED NOV 25 1957

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| 11/25 | gb | 220 |
| 11/25 | [illegible] | 800 |
| 11/26 | [illegible] | 700 |

224 New Customhouse
Denver 2, Colorado

November 20, 1957

Mr. Don Danvers, President
Vanadium Queen Uranium Corporation
P. O. Box 1674
Grand Junction, Colorado

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Danvers:

Form MF-104, Operator's Monthly Report and Voucher, for October, 1957, has been received in this office and is being processed for payment.

Since you have requested that the contract be terminated in its present status, an amount of $500.00 is withheld from reimbursement to you pending resolution of matters prerequisite to closing the account, which includes:

1. Execution by the parties to the contract of a suitable agreement to terminate the contract in its present status.

2. Release to this office of an audit report or Report of Review of the reported project costs by the Contract Administration and Audit Division, DMEA.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM:jy
cc: Chm. Op. Comm. (2)
Harshman
DMEA,DFC
DMEA,G.Jct.
Hasler
Townsend
Corres. file
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

November 15, 1957

| OFFICIAL FILE COPY DMEA RECEIVED NOV 18 1957 | | |
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Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA-4631 (Uranium), Contract No. Idm-E1092
Vanadium Queen Mining Corporation (Vanadium Queen claims)
San Juan County, Colorado

Enclosed are the following, pertaining to termination of the subject contract: -

(1) Original and two copies of the Operator's request of Nov. 4, 1957.

(2) Original and two copies of a joint memorandum dated Nov. 12, 1957, from M. H. Salsbury, Mining Engineer, Bureau of Mines, and J. William Hasler, Geologist, Geological Survey.

It is recommended that a suitable termination agreement be prepared, as requested by the Operator and concurred in by the field examiners, to terminate the contract effective October 29, 1957.

In addition, it is recommended that the project be certified as a discovery or development resulting from the work performed.

E. N. Harshman

Encls.

E. N. Harshman

W. O.

IN REPLY REFER TO:

MINERAL DEPOSITS
DMEA
RECEIVED
NOV 13 1957

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

DMEA
DEPARTMENT OF THE INTERIOR
NOV 14 1957
REGION III
DENVER, COLORADO

GEOLOGICAL SURVEY
GRAND JUNCTION, COLORADO
OFFICIAL FILE COPY
DMEA
RECEIVED NOV 13 1957

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November 12, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman EMH

From: M. H. Salsbury
J. William Hasler

Subject: Docket No. DMEA 4631 (Uranium), Contract Idm-E 1092, Vanadium Queen Mining Corporation (Vanadium Queen claims), San Juan County, Colorado - Recommendations on termination of contract.

Under date of November 4, 1957, the subject operator has requested termination of contract Idm-E 1092 before completion of all authorized work.

The last drilling was performed on October 28, 1957, and M. H. Salsbury made an inspection of October operations on October 29, 1957 while in the area on other DMEA business.

The subject contract provided for approximately 31 holes of which 30 holes were completed. Of these 1 hole was disapproved leaving 29 holes which are eligible for payment. Out of a maximum of 24 holes allowed under Stage II of the contract, 17 were completed and are eligible for payment.

Results of drilling led the operator to the conclusion that further exploration was not justified, including one remaining Stage I hole which had been authorized in a work approval dated September 24, 1957, but not drilled. Consideration was given to the possibility of additional Stage II drilling further east on top of the Burro Canyon formation but the results of the easterly row of drill holes did not justify this.

The DMEA examiners concur in the decision of the operator to terminate the contract and recommend that it be effected. A certification of discovery on the basis of ore-grade uranium-vanadium mineralization in minable widths and extent discovered by the DMEA drilling is recommended.

M. H. Salsbury
M. H. Salsbury,
Mining Engineer

J. William Hasler
J. William Hasler,
Geologist

MHS/bh

Vanadium Queen Uranium Corp.
P. O. Box 1674
Grand Junction, Colorado

November 4, 1957

U. S. Dept. of the Interior
DMEA Office
224 New Customhouse
Denver 2, Colorado

Attention: Mr. E. N. Harshman

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Harshman,

Please be advised that Vanadium Queen Uranium Corp. wishes to terminate this contract as no further work will be done on the claims.

Preparation of the final report is in progress and should be mailed to you within three weeks.

Sincerely,

John I. Schumacher

JOHN I. SCHUMACHER, Resident Engineer
for Vanadium Queen Uranium Corporation.

JIS:gw

cc - M. Salsbury

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DMEA
DEPARTMENT OF THE INTERIOR
NOV 5 - 1957
REGION III
DENVER, COLORADO

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

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| | Ching | |

November 15, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4631 (Uranium), Contract No. Idm-E1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims), San Juan County, Utah

Enclosed are the original and one copy of a final report submitted by the Operator pertaining to work completed under the subject contract.

E. N. Harshman

E. N. Harshman

Enclosures

FINAL REPORT

DMEA
DEPARTMENT OF THE INTERIOR
NOV 15 1957
REGION III
DENVER, COLORADO

Operator: Vanadium Queen Uranium Corporati
P. O. Box 1674
Grand Junction, Colorado

November 11, 1957

Docket No. DMEA 4631 Contract No. Idm-E 1092
Minerals: Uranium

Authorized work to be performed under this contract on the Vanadium Queen claims No. 3, 7, 9 and 10, located in San Juan County, Utah, consisted of 15,950 feet of plug-bit drilling, 3,850 feet of core drilling and 112 hours of bull-dozing work. In addition, the following fixed-cost items were provided for: an incidental allowance of $0.20 per foot of drilling completed, 200 chemical sample analyses at $4.00 per sample, and 385 core boxes at $1.00 per box. This work was to be performed in 2 stages, and was to be completed before October 31, 1957.

The estimated total cost of Stages I and II work was $53,871.50. The government's share of the cost at 75% amounted to $40,403.62.

Work under this contract was started on June 20, 1957 and completed on the 29th of October, 1957. On November 4 the Vanadium Queen Corp. advised the DMEA by letter that it had completed the work and requested that the contract be terminated.

The completed work consisted of 14,730 feet of plug-bit drilling, 3,169 feet of core drilling and 112 hours of bull-dozer work. A total of 242 core boxes were used, 37 samples were analyzed, and the incidental allowance was charged for 17,899 feet of completed drilling.

The total cost of the project was $44,875.45 and the government's share amounted to $33,656.59.

The working conditions encountered were normal except for exceptionally heavy rain-fall which slowed operations.

The results of the work are presented in tabulated form under: Recap of DMEA Diamond Drill Data, Recap of Ore and Mineralized DMEA Holes and a Summary of DMEA Sample Assay Data which accompany this report. The enclosed map shows the location of the completed holes.

During the exploratory work no ore was produced from the ground subordinated to the contract.

VANADIUM QUEEN URANIUM CORPORATION

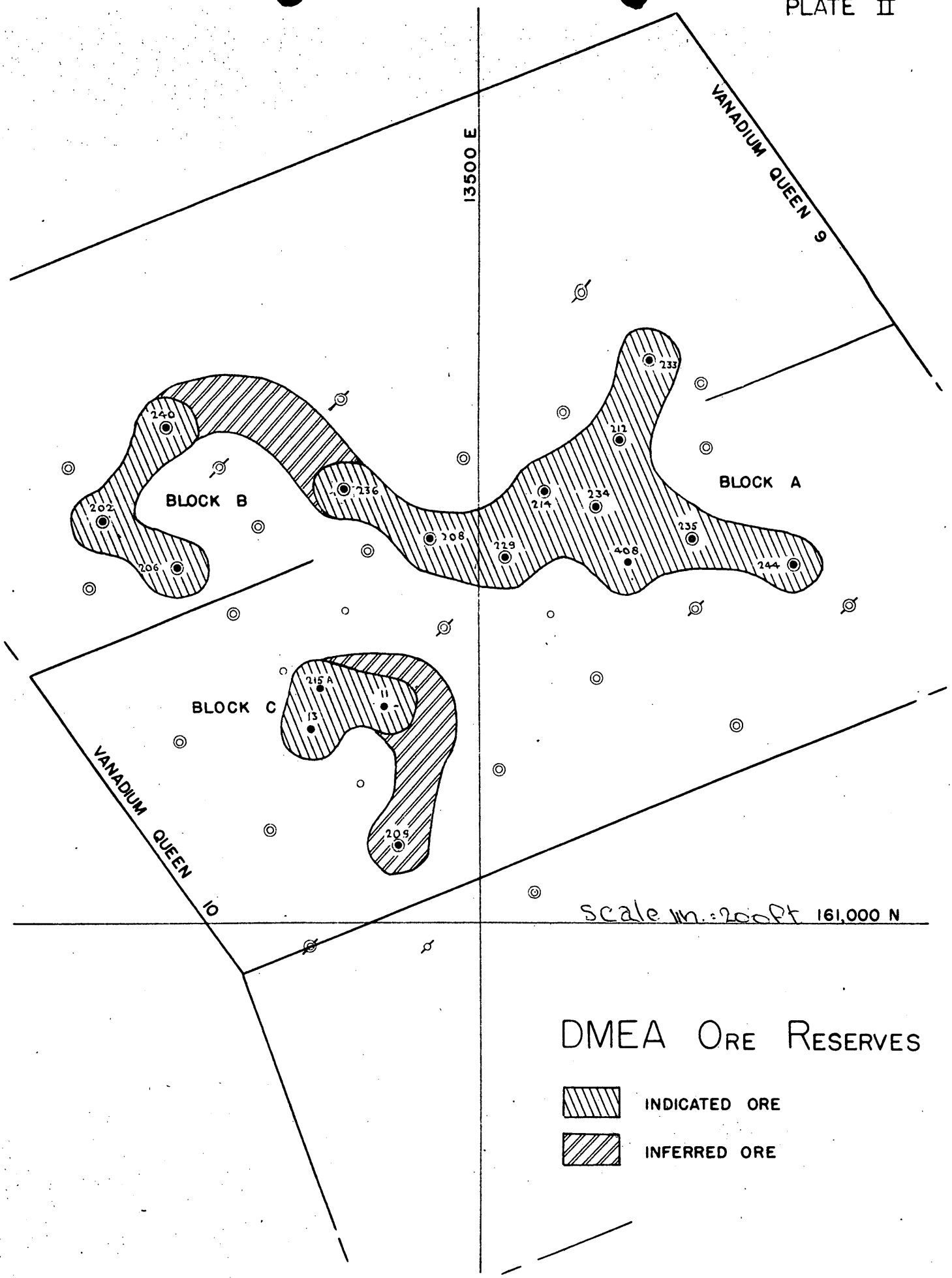
BY R A Hildebrand

R. A. Hildebrand, Geological Engineer

## ORE RESERVES
(See Plate II)

In calculating the indicated ore reserves found under DMEA contract, each ore hole was given an area of influence extending 50 feet in all directions. An extraction factor of 80% was used to compensate for any unrecoverable pillars. As these pillars will consist of the lower grade portions of the ore body, any decrease in grade due to dilution would be offset and dilution therefore was not taken into consideration.

PLATE II


VANADIUM QUEEN 9
13500 E
BLOCK A
BLOCK B
BLOCK C
VANADIUM QUEEN 10
233
212
240
236
214
234
202
208
229
235
408
244
206
215 A
11
13
209
scale in.=200ft
161,000 N
DMEA ORE RESERVES
INDICATED ORE
INFERRED ORE

## INDICATED ORE-RESERVE CALCULATIONS FOR BLOCK A

| Hole No. | Area Valence | Sample Length | Assay $U_3O_8$ | Assay $V_2O_5$ | Volume Assay Product $U_3O_8$ | Volume Assay Product $V_2O_5$ |
|---|---|---|---|---|---|---|
| VQ 208 | 1 | 3.5 ft. | 0.15 % | 0.98 % | 0.525 | 3.430 |
| VQ 212 | 1 | 2.8 ft. | 0.257 | 2.746 | 0.720 | 7.689 |
| VQ 214 | 1 | 2.6 | 1.00 | 2.43 | 2.600 | 6.318 |
| VQ 233 | 1 | 0.8 | 0.24 | 1.86 | 0.192 | 1.488 |
| VQ 234 | 1 | 6.2 | 0.22 | 0.504 | 1.364 | 3.125 |
| VQ 235 | 1 | 3.1 | 0.153 | 0.855 | 0.474 | 2.651 |
| VQ 236 | 1 | 1.0 | 0.09 | 1.23 | 0.090 | 1.230 |
| VQ 244 | 1 | 1.0 | 0.10 | 0.11 | 0.100 | 0.110 |
| VQ 229 | 1 | 3.8 | 0.24 | 2.349 | 0.912 | 8.926 |
| LC 408 | 1 | 1.2 | 0.248 | 2.863 | 0.298 | 3.436 |
| Totals | | 26.0 ft | | | 7.275 | 38.403 |
| Averages | | 26.0 : 10 == 2.60 ft. | | | 7.275 : 26.0 = 0.280% $U_3O_8$ | 38.403 : 26.0 = 1.477 % $V_2O_5$ |

Area Block A = 120,800 $ft^2$, Volume 120,800 x 260 = 314,080 $ft^3$

Tonnage and Grade $\frac{314,080\ ft^3}{13\ ft^3/ton}$ x 80% = 19,328 tons at 0.280% $U_3O_8$ & 1.477% $V_2O_5$

Value per ton 5.6 lb x \$4.00/lb. + 1.6 lb x \$0.75/lb + 29.54/lb x \$0.31/lb = \$22.40 + 1.20 + 9.16 = \$32.76 before haulage allowance.

## INDICATED ORE-RESERVE CALCULATIONS FOR BLOCK B

| Hole No. | Area Valence | Sample Length | Assay $U_3O_8$ | Assay $V_2O_5$ | Volume Assay Product $U_3O_8$ | Volume Assay Product $V_2O_5$ |
|---|---|---|---|---|---|---|
| VQ 206 | 1 | 1.4 ft | 0.36 % | 2.28 % | 0.504 | 3.192 |
| VQ 202 | 1 | 2.6 | 0.107 | 0.602 | 0.278 | 1.565 |
| VQ 240 | 1 | 2.8 | 0.138 | 1.485 | 0.386 | 4.158 |
| Totals | | 6.8 ft | | | 1.168 | 8.915 |
| Averages | | 6.8 : 3 = 2.27 ft | | | 1.168 : 6.8 = 0.172% $U_3O_8$ | 8.915 : 6.8 = 1.311% $V_2O_5$ |

Area Block B = 31,600 $ft^2$, Volume 31,600 x 2.27 = 71,732 $ft^3$

Tonnage and Grade $\frac{71,732\ ft^3}{13\ ft^3/ton}$ x 80% = 4,414 tons at 0.172% $U_3O_8$ & 1.311% $V_2O_5$

Value per ton 3.44 lb x \$3.44/lb + 26.22/lb x \$0.31/lb = \$11.83 + \$8.13 = \$19.96 before haulage allowance

## INDICATED ORE-RESERVE CALCULATIONS FOR BLOCK C

| Hole No. | Area Valence | Sample Length | Assay $U_3O_8$ | Assay $V_2O_5$ | Volume Assay Product $U_3O_8$ | Volume Assay Product $V_2O_5$ |
|---|---|---|---|---|---|---|
| VQ 11 | 1 | 3.5 ft | 0.199 % | 5.08 % | 0.697 | 17.780 |
| VQ 13 | 1 | 1.0 | 0.146 | No Assay | 0.146 | - |
| LC 215A | 1 | 5.1 | 0.307 | 1.296 | 1.566 | 6.610 |
| Totals | | 9.6 ft | | | 2.409 | 24.390 |
| Averages | | 9.6 : 3 = 3.2 ft | | | 2.409 : 9.6 = 0.251% $U_3O_8$ | 24.390 : 8.6 = 2.836 % $V_2O_5$ |

Area Block C = 23,800 $ft^2$, Volume 23,800 x 3.2 ft = 76,160 $ft^3$

Tonnage and Grade $\frac{76,160\ ft^3}{13\ ft^3/ton}$ x 80% = 4,686 tons at 0.251% $U_3O_8$ & 2.836% $V_2O_5$

Value per ton 5.02 lb x \$4.00/lb + 1.02 x \$0.75/lb + 56.72 lb x \$0.31/lb = \$20.08 + \$0.76 + \$17.58 = \$38.42 before haulage allowance.

## INFERRED ORE-RESERVE CALCULATIONS FOR BLOCK A-B

| Hole No. | Area Valence | Sample Length | Assay $U_3O_8$ | Assay $V_2O_5$ | Volume Assay Product $U_3O_8$ | Volume Assay Product $V_2O_5$ |
|---|---|---|---|---|---|---|
| VQ 240 | 1 | 2.8 ft | 0.138 | 1.485 | 0.386 | 4.158 |
| VQ 236 | 1 | 1.0 | 0.09 | 1.23 | 0.090 | 1.230 |
| Totals | | 3.8 | | | 0.476 | 5.388 |
| Averages | 3.8 : 2 = 1.90 ft | | | | 0.476 : 3.8 = 0.125% $U_3O_8$ | 5.388 : 3.8 = 1.418% $V_2O_5$ |

Area Block A-B = 25,600 $ft^2$ Volume 25,600 x 1.9 = 48,640 $ft^3$

Tonnage and Grade $\frac{48,640\ ft^3}{13\ ft^3/ton}$ x 80% = 2,993 tons at 0.125% $U_3O_8$ & 1.418% $V_2O_5$

Value per ton 2.5 lb x \$2.50/lb + 28.36 lb x \$0.31/lb = \$6.25 + \$8.79 = \$15.04 before haulage allowance.

## INFERRED ORE-RESERVE CALCULATIONS FOR BLOCK C

| Hole No. | Area Valence | Sample Length | Assay $U_3O_8$ | Assay $V_2O_5$ | Volume Assay Product $U_3O_8$ | Volume Assay Product $V_2O_5$ |
|---|---|---|---|---|---|---|
| VQ 11 | 1 | 3.5 ft | 0.199% | 5.08% | 0.697 | 17.780 |
| VQ 209 | 1 | 1.4 | 0.120 | 1.75 | 0.168 | 2.450 |
| Totals | | 4.9 | | | 0.865 | 20.230 |
| Averages | 4.9 : 2 = 2.45 ft | | | | 0.865 : 4.9 = 0.177% $U_3O_8$ | 20.230 : 4.9 4.129% $V_2O_5$ |

Area Block C(Inferred Ore) = 28,800 $ft^2$, Volume 28,800 x 2.45 ft = 70,560 $ft^3$

Tonnage and Grade $\frac{70,560\ ft^3}{13\ ft^3/ton}$ x 80% = 4,342 tons at 0.177% $U_3O_8$ & 4.129% $V_2O_5$.

Value per ton 3.54 lb x \$3.54/lb + 82.58 lb x \$0.31/lb = \$12.53 + \$25.60 = \$38.13 before haulage allowance

## SUMMARY OF DMEA ORE RESERVES AND VALUES

( PLATE II )

**Indicated Ore:**

| Block | Tons | Grade % $U_3O_8$ | Grade % $V_2O_5$ | Gross $ / ton | Gross Value |
|---|---|---|---|---|---|
| A | 19,328 | 0.280 | 1.477 | 32.76 | $ 633,185 |
| B | 4,414 | 0.172 | 1.311 | 19.96 | 88,103 |
| C | 4,686 | 0.251 | 2.836 | 38.42 | 180,036 |
| Totals | 28,428 | | | $31.71 | $ 901,324 |

**Inferred Ore:**

| | | | | | |
|---|---|---|---|---|---|
| A - B | 2,993 | 0.125 | 1.418 | 15.04 | 45,015 |
| C | 4,342 | 0.177 | 4.129 | 38.13 | 165,560 |
| Totals | 7,335 | | | R28.71 | $ 210,575 |

The custom mills have been paying an equivalent of $0.02 - $0.04 premium per pound of vanadium. A $0.02 premium on future vanadium production can be expected. These premiums would add $27,918 to mill returns.

Vanadium Queen Uranium Corp.
P. O. B[illegible] 1674
Grand Junction, Colorado

# RECAP OF DMEA DIAMOND DRILL DATA

## Stage I

| Hole No. | Depth | Plug | Core | Ore SS | Favor-ability | Remarks |
|---|---|---|---|---|---|---|
| VQ 200 | 290 | 210 | 80 | 76 | Fav 11 | Barren |
| VQ 201 | 330 | 240 | 90 | 67 | Fav 12 | Mineralized |
| VQ 202 | 324 | 245 | 79 | 56 | Fav 14 | Ore |
| VQ 203 | 305 | 230 | 75 | 66 | Fav 11 | Barren |
| VQ 204 | 335 | 260 | 75 | 42 | Fav 11 | Barren |
| VQ 205 | 295 | 240 | 55 | 42 | Semi 9 | Barren |
| VQ 206 | 373 | 300 | 73 | 45 | Semi 10 | Ore |
| VQ 207 | 300 | 240 | 60 | 39 | Semi 7 | Barren |
| VQ 208 | 400 | 320 | 80 | 55 | Fav.15 | Ore |
| VQ 209 | 345 | 285 | 60 | 46 | Fav 12 | Ore |
| VQ 210 | 385 | 310 | 75 | 56 | Fav 12 | Barren |
| VQ 211 | 419 | 340 | 79 | 69 | Fav 12 | Mineralized |
| VQ 212 | 440 | 370 | 70 | 54 | Fav 14 | Ore |
| VQ 213 | 410 | 330 | 80 | 52 | Fav 12 | Mineralized |
| VQ 214 | 420 | 350 | 70 | 51 | Fav 16 | Ore |
| VQ 215 | 375 | 295 | 80 | 54 | Fav 12 | Barren |
| VQ 216 | 380 | 310 | 70 | 68 | Fav 11 | Barren |
| VQ 217 | 354 | 290 | 64 | 39 | Semi 6 | Barren |
| VQ 218 | 402 | 310 | 92 | 64 | Fav 11 | Barren |
| VQ 219 | 350 | 300 | 50 | 36 | Semi 7 | Barren |
| VQ 220 | 385 | 325 | 60 | 50 | Semi 9 | Barren |
| VQ 221 | 360 | 305 | 55 | 41 | Semi 8 | Barren |
| VQ 222 | 357 | 300 | 57 | 52 | Semi 8 | Barren |
| VQ 223 | 365 | 315 | 50 | 31 | Semi 8 | Barren |
| VQ 224 | 360 | 315 | 45 | 40 | Semi 7 | Barren |
| VQ 225 | 373 | 320 | 53 | 50 | Semi 8 | Barren |
| VQ 226 | 340 | 260 | 80 | 47 | Fav 13 | Barren |
| VQ 228 | 475 | 400 | 75 | 50 | Fav 14 | Mineralized |
| VQ 231 | 485 | 410 | 75 | 65 | Fav 12 | Mineralized |
| VQ 246 | 400 | 335 | 65 | 59 | Fav 13 | Mineralized |
| Totals | 11,132 | 9,060 | 2,072 | | | |

## Stage II

| | | | | | | |
|---|---|---|---|---|---|---|
| VQ 227 | 425 | 360 | 65 | 62 | Fav 15 | Barren |
| VQ 229 | 396 | 320 | 76 | 68 | Fav 13 | Ore |
| VQ 230 | 406 | 330 | 76 | 52 | Fav 15 | Barren |
| VQ 232 | 495 | 410 | 85 | 82 | Fav 14 | Barren |
| VQ 233 | 485 | 410 | 75 | 68 | Fav 13 | Ore |
| VQ 234 | 428 | 355 | 73 | 68 | Fav 12 | Ore |
| VQ 235 | 442 | 355 | 87 | 80 | Fav 14 | Ore |
| VQ 236 | 400 | 340 | 60 | 54 | Fav 12 | Ore |
| VQ 237 | 400 | 340 | 60 | 54 | Semi 10 | Barren |
| VQ 238 | 409 | 345 | 64 | 59 | Fav 11 | Barren |
| VQ 239 | 295 | 235 | 60 | 59 | Semi 9 | Barren |

Stage II (Cont'd.)

| Hole No. | Depth | Plug | Core | Ore SS | Favor-ability | Remarks |
|---|---|---|---|---|---|---|
| VQ 240 | 386 | 325 | 61 | 55 | Semi 10 | Ore |
| VQ 241 | 380 | 320 | 60 | 51 | Fav 11 | Mineralized |
| VQ 242 | 315 | 255 | 60 | 59 | Semi 9 | Barren |
| VQ 243 | 405 | 335 | 70 | 55 | Fav 12 | Barren |
| VQ 244 | 480 | 415 | 65 | 60 | Fav 14 | Ore |
| VQ 245 | 510 | 430 | 80 | 59 | Fav 11 | Barren |
| Totals | 7,057 | 5,880 | 1,177 | | | |
| Totals Stage I & II | 18,189 | 14,940 | 3,249 | | | |

## RECAP OF ORE AND MINERALIZED DMEA HOLES

### Ore Holes

| Hole No. | Depth | % $U_3O_8$ | % $V_2O_5$ |
|---|---|---|---|
| VQ 202 | 311.4 - 308.8 | 0.107 | 0.602 |
| VQ 206 | 352.8 - 351.4 | 0.36 | 2.28 |
| VQ 208 | 379.8 - 376.3 | 0.15 | 0.98 |
| VQ 209 | 322.5 - 321.1 | 0.12 | 1.75 |
| VQ 212 | 411.3 - 410.0 | 0.30 | 3.25 |
| | 418.0 - 416.5 | 0.22 | 2.31 |
| VQ 214 | 391.6 - 389.0 | 1.00 | 2.43 |
| VQ 229 | 376.8 - 375.4 | 0.24 | 1.37 |
| | 357.4 - 355.0 | 0.24 | 2.92 |
| VQ 233 | 455.6 - 454.8 | 0.24 | 1.86 |
| VQ 234 | 410.2 - 406.5 | 0.21 | 0.05 |
| | 403.5 - 401.0 | 0.24 | 1.25 |
| VQ 235 | 434.0 - 430.9 | 0.153 | 0.855 |
| VQ 236 | 382.1 - 381.1 | 0.09 | 1.23 |
| VQ 240 | 375.6 - 372.8 | 0.138 | 1.485 |
| VQ 244 | 466.4 - 465.4 | 0.10 | 0.11 |

### Mineralized Holes

| | | | |
|---|---|---|---|
| VQ 201 | 306.0 - 304.5 | 0.05 | - |
| VQ 211 | 402.6 - 401.6 | 0.08 | - |
| | 403.6 - 402.8 | 0.05 | - |
| VQ 213 | 389.9 - 389.5 | 0.12 | 0.70 |
| | 392.4 - 392.0 | 0.04 | 0.55 |
| VQ 228 | 457.7 - 457.2 | 0.06 | 0.20 |
| VQ 241 | 352.4 - 353.2 | 0.08 | 0.67 |
| VQ 246 | 380.7 - 381.4 | 0.04 | 0.24 |
| VQ 231 | 495.3 - 445.0 | 0.11 | 1.32 |
| | 447.0 - 445.7 | 0.06 | 1.96 |

## SUMMARY OF DMEA SAMPLE ASSAY DATA

| Hole No | Sample No | Interval | Ft. | % $U_3O_8$ | % $V_2O_5$ | |
|---|---|---|---|---|---|---|
| VQ 202 | VQ 1 | 308.8 - 309.6 | 0.8 | 0.28 | 1.86 | |
| VQ 202 | VQ 2 | 310.8 - 311.4 | 0.6 | 0.09 | 0.13 | |
| VQ 206 | VQ 3 | 351.4 - 352.8 | 1.4 | 0.36 | 2.28 | |
| VQ 208 | V 4 | 370.7 - 372.0 | 1.3 | 0.02 | 1.66 | Rec. 92% |
| VQ 208 | V 5 | 376.3 - 379.8 | 3.5 | 0.15 | 0.98 | Rec. 97% |
| VQ 209 | V 6 | 321.1 - 322.5 | 1.4 | 0.12 | 1.75 | |
| VQ 210 | V 7 | 259.7 - 259.9 | 0.2 | 0.17 | 10.29 | |
| VQ 212 | V 8 | 410.0 - 411.3 | 1.3 | 0.30 | 3.25 | |
| VQ 212 | V 9 | 416.5 - 418.0 | 1.5 | 0.22 | 2.31 | |
| VQ 214 | V 10 | 351.8 - 352.2 | 0.4 | 0.39 | 3.64 | Rec. 75% |
| VQ 214 | V 11 | 389.0 - 391.6 | 2.6 | 1.00 | 2.43 | |
| VQ 211 | VQ 12 | 403.3 - 403.8 | 0.5 | 0.08 | 0.04 | |
| VQ 213 | V 13 | 389.5 - 389.9 | 0.4 | 0.12 | 0.70 | |
| VQ 213 | V 14 | 392.0 - 392.4 | 0.4 | 0.04 | 0.55 | |
| VQ 228 | V 15 | 457.2 - 457.7 | 0.5 | 0.06 | 0.20 | |
| VQ 229 | V 16 | 355.0 - 357.4 | 2.4 | 0.24 | 2.92 | |
| VQ 229 | V 17 | 368.3 - 368.0 | 0.6 | 0.63 | 0.73 | |
| VQ 229 | V 18 | 363.3 - 364.9 | 1.6 | 0.05 | 0.18 | |
| VQ 229 | V 19 | 375.4 - 376.8 | 1.4 | 0.24 | 1.37 | |
| VQ 231 | V 20 | 445.0 - 445.3 | 0.3 | 0.11 | 1.32 | Rec. 75% |
| VQ 231 | V 21 | 445.7 - 447.0 | 1.3 | 0.06 | 1.96 | |
| VQ 234 | V 22 | 401.0 - 403.5 | 2.5 | 0.24 | 1.24 | |
| VQ 234 | V 23 | 406.5 - 410.2 | 3.7 | 0.21 | 0.57 | |
| VQ 235 | V 24 | 432.5 - 434.0 | 1.5 | 0.07 | 0.54 | |
| VQ 235 | V 25 | 430.9 - 432.5 | 1.6 | 0.23 | 1.15 | |
| VQ 233 | V 26 | 455.6 - 464.0 | 8.4 | 0.02 | 0.02 | |
| VQ 236 | V 27 | 381.1 - 382.1 | 1.0 | 0.09 | 1.23 | |
| VQ 233 | V 28 | 454.8 - 455.6 | 0.8 | 0.24 | 1.86 | |
| VQ 233 | V 29 | 412.8 - 413.4 | 0.6 | 0.07 | 0.18 | Rec. 83% |
| VQ 240 | V 30 | 372.8 - 373.3 | 0.5 | 0.63 | 2.65 | |
| VQ 240 | V 31 | 375.1 - 375.6 | 0.5 | 0.14 | 5.67 | |
| VQ 241 | V 32 | 352.4 - 353.2 | 0.8 | 0.08 | 0.67 | |
| VQ 241 | V 33 | 353.7 - 354.6 | 0.9 | 0.01 | 0.03 | |
| VQ 244 | V 34 | 463.3 - 465.4 | 2.1 | 0.01 | 0.03 | Rec. 71% |
| VQ 244 | V 35 | 465.4 - 466.4 | 1.0 | 0.10 | 0.11 | |
| VQ 244 | V 36 | 462.0 - 462.7 | 0.7 | 0.05 | 0.02 | |
| VQ 246 | V 37 | 380.7 - 381.4 | 0.7 | 0.04 | 0.24 | |

FINAL DISTRIBUTION

MADE NOV 21 1957

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Custom House, Denver 2, Colorado
Administrative Audit Difference Statement

Vanadium Queen Uranium Corporation
525 Milan Building
San Antonio, Texas

Date: November 21, 1957
Payee's Reference: October 1957

DMEA-4631

Gentlemen:

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

| | | |
|---|---|---|
| Amount Claimed | $ | 9,517.00 |
| Difference | $ | |
| Amount Approved | $ | 9,517.00 |

The reason for the difference was due to:

Withhold: $500.00 pending resolution of matters prerequisite to closing the account.

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 25 1957

| DATE | INITIALS | CODE |
|---|---|---|
| 11/25 | gb | 200 |
| " | gb | 110 |
| " | [illegible] | 700 |

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

224 New Customhouse
Denver 2, Colorado

November 20, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-4631 (Uranium) Contract Idm-E1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah - Operator's Monthly Progress Report for the month of October, 1957

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

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for October, 1957, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deduction:

Withhold an amount of $500.00 pending resolution of matters which are prerequisite to closing the account. The Operator has requested that the contract be terminated in its present status, without performing the balance of work provided for under the contract.

REMARKS:

Date of Report ---------- November 11, 1957
Date Received in Field Office --------- November 13, 1957
Date Received in Region Office -------- November 18, 1957

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures
MHM:jy
cc: Chm. Op. Comm. - 2 )
DMEA,DFC ) w/complete report
MF-104 file, Reg.III )
Harshman )
Hasler ) w/copy of Engr's. report
DMEA,G.Jct. )
Townsend )
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

NOV 18 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

November 15, 1957

Memorandum

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

From: M. H. Salsbury

Subject: Docket No. DMEA 4631 (Uranium), Contract No. Idm-E 1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims), San Juan County, Utah.

The subject project was inspected on October 29, 1957 in company with Jack Davis, an employee of the operator. Work under the project had been completed October 28, 1957. A total of 1 Stage I hole and 9 Stage II holes were completed during October as follows:

Actual Cost Items (Independent Contracts)

| | |
|---|---|
| Stage I | |
| Plug drilling 335 feet at $1.75/ft. | $586.25 |
| Core drilling 65 feet at $4.35/ft. | 282.75 |
| Stage II | |
| Plug drilling 3,000 feet at $1.75/ft. | 5,250.00 |
| Core drilling 580 feet at $4.35/ft. | 2,523.00 |

Fixed Unit Cost Items

| | | |
|---|---|---|
| Stage I | | |
| Incidental allowance for 400 feet of drill. completed at $0.20/ft. | 80.00 | |
| Analysis of 1 sample for $V_2O_5$ and $U_3O_8$ at $4.00 each | 4.00 | |
| 5 core boxes at $1.00 each | 5.00 | |
| Stage II | | |
| Incidental allowance for 3,580 feet of drilling completed at $0.20/ft. | 716.00 | |
| Analyses of 7 samples for $U_3O_8$ and $V_2O_5$ at $4.00 each | 28.00 | |
| 42 core boxes at $1.00 each | 42.00 | |
| Total claimed in October 1957 | | $9,517.00 |

All claims are within contract maximums. Charges for drilling are supported by sub-contractor's invoice and for chemical analyses by certified assay certificates. The claimed unit prices for plug and core drilling, $1.75 and $4.35 per foot respectively, are less than the allowable maximums, $1.80 and $4.85 per foot. The number of core boxes claimed, 47, is three less than counted by the DMEA inspector. All core is BX size.

Drill sites were checked in the field. The holes have all been drilled approximately at the sites designated in the contract and work approvals. No hole is closer than 100 feet to an outer boundary of subordinated ground or to any previously drilled hole.

Of the 10 holes drilled, the operator reports 7 as barren, 1 mineralized, and 2 in ore. By the usual criteria, 6 holes penetrated favorable sandstone and 1 semifavorable. By Geological Survey standards, 4 holes are mineralized, 5 are barren, and 1 is in ore. Mineralization cut in holes VQ244 is of ore-grade but of insufficient thickness to be classed as ore. Table 1 is a drilling summary.

A physical check of the core made by the DMEA inspector verified the amount of coring claimed. Holes were bottomed in from 0.7 to 6.6 feet of red or red-green mottled mudstone. Because of the excellent control of drilling depths which has been established, small penetration of the mudstone in several holes is considered adequate. Seven out of 10 holes were probed by the DMEA gamma-ray logging unit with results verifying those reported by the operator.

The operator has submitted in quintuplicate, a narrative report with geologic logs with radiometric results entered thereon, forms MF-104, forms MF-104A for Stages I and II, together with one copy each of drilling contractor's invoice and certified assay certificates for 8 samples analyzed for $U_3O_8$ and $V_2O_5$. No map was attached to the narrative report. The operator has been requested to forward 5 copies of a suitable map which has been supplied with an operator's Final Report just submitted.

Monthly and cumulatively totals are correct.

The operator has requested termination of the subject contract after having completed 30 out of 31 authorized Stage I holes of which 29 were approved for payment, and all of 17 authorized Stage II holes. The operator decided not to drill one authorized Stage I hole or any more Stage II holes because results during October 1957 did not justify further exploration. The DMEA inspector has recommended termination with a certification of discovery. A final report has been submitted by the operator.

Payment is recommended of $7,137.75, or 75 percent of the amount claimed in October 1957, $9,517.00.

M. H. Salsbury
M. H. Salsbury,
Mining Engineer

MHS/bh
Enclosures

Table 1.--Drilling Summary October 1957

| Hole No. (VQ prefix omitted) | Stage | Depth claimed in feet plug | core | total | Depth probed in feet by Opr. | by DMEA | SIGNIFICANT MINERALIZATION Depth in feet from | to | interval | Percent 1/ $U_3O_8$ or $eU_3O_8$ | Percent $V_2O_5$ | Evalua. by | Classification of hole |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 246 | I | 335 | 65 | 400 | 400 | 392.2 | 380.2 | 381.0 | 0.8 | 0.06 | | Opr. | Mineralized |
| | | | | | | | 380.1 | 381.2 | 1.1 | 0.035 | | DMEA | Mineralized |
| | | | | | | | 380.7 | 381.4 | 0.7 | 0.04 | 0.24 | | |
| 237 | II | 340 | 60 | 400 | 398 | 398.0 | | | | barren | | Opr. | barren |
| | | | | | | | | | | barren | | DMEA | barren |
| 238 | II | 345 | 64 | 409 | 405 | 405.0 | | | | barren | | Opr. | barren |
| | | | | | | | 391.5 | 392.3 | 0.8 | 0.065 | | DMEA | barren |
| 239 | II | 235 | 60 | 295 | 293 | 293.0 | | | | barren | | Opr. | barren |
| | | | | | | | | | | barren | | DMEA | barren |
| 240 | II | 325 | 61 | 386 | 386 | 379.0 | 370.0 | 370.8 | 0.8 | 0.60 | | Opr. | ore |
| | | | | | | | 370.8 | 372.4 | 1.6 | 0.04 | | | |
| | | | | | | | 372.4 | 373.2 | 0.8 | 0.45 | | | |
| | | | | | | | 372.8 | 373.3 | 0.5 | 0.63 | 2.65 | | |
| | | | | | | | 375.1 | 375.6 | 0.5 | 0.14 | 5.67 | | |
| | | | | | | | 370.1 | 370.8 | 0.7 | 0.69 | | DMEA | ore |
| | | | | | | | 370.8 | 372.4 | 1.6 | 0.04 | | | |
| | | | | | | | 372.4 | 373.1 | 0.7 | 0.42 | | | |
| 241 | II | 320 | 60 | 380 | 380 | | 354.0 | 356.0 | 2.0 | 0.02-0.08 | | Opr. | Mineralized |
| | | | | | | | 352.4 | 353.2 | 0.8 | 0.08 | 0.67 | DMEA | Mineralized |
| | | | | | | | 353.7 | 354.6 | 0.9 | 0.01 | 0.03 | | |
| 242 | II | 255 | 60 | 315 | 315 | | | | | barren | | Opr. | barren |
| | | | | | | | | | | | | DMEA | barren |
| 243 | II | 335 | 70 | 405 | 405 | | | | | barren | | Opr. | barren |
| | | | | | | | | | | | | DMEA | barren |
| 244 | II | 415 | 65 | 480 | 480 | 476.5 | 460.9 | 461.9 | 1.0 | 0.08 | | Opr. | ore |
| | | | | | | | 461.9 | 462.9 | 1.0 | 0.05 | | | |
| | | | | | | | 462.0 | 462.7 | 0.7 | 0.05 | 0.02 | | |
| | | | | | | | 462.9 | 464.4 | 1.5 | 0.02 | | | |
| | | | | | | | 464.4 | 465.4 | 1.0 | 0.13 | | | |
| | | | | | | | 463.2 | 465.4 | 2.1 | 0.01 | 0.03 | | |
| | | | | | | | 465.4 | 466.4 | 1.0 | 0.10 | 0.11 | | |
| | | | | | | | 460.8 | 461.9 | 1.1 | 0.062 | | DMEA | Mineralized |
| | | | | | | | 461.9 | 462.7 | 0.8 | 0.030 | | | |
| | | | | | | | 464.1 | 465.1 | 1.0 | 0.14 | | | |
| | | | | | | | 465.1 | 465.9 | 0.4 | 0.062 | | | |

Table 1 (con't.)

| Hole No. (VQ prefix omitted) | Stage | Depth claimed in feet plug | core | total | Depth probed in feet by Opr. | by DMEA | SIGNIFICANT MINERALIZATION Depth in feet from | to | Interval | Percent 1/ $U_3O_8$ or $eU_3O_8$ | Percent $V_2O_5$ | Evalua. by | Classification of hole |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 245 | II | 430 | 80 | 510 | 510 | 500.0 | 481.1 | 482.1 | 1.0 | 0.03 | | Opr. | Mineralized |
| | | | | | | | 481.2 | 482.4 | 1.2 | 0.021 | | DMEA | Mineralized |
| Totals | Stage I | 335 | 65 | 400 | | | | | | | | | |
| | Stage II | 3,000 | 580 | 3,580 | | | | | | | | | |
| | Both stages | 3,335 | 645 | 3,980 | | | | | | | | | |

/1 $U_3O_8$ content is radiometric value unless $V_2O_5$ content is also shown

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DMEA
DEPARTMENT OF THE INTERIOR
NOV 18 1957
NOV 25 REGION III
DENVER, COLORADO

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 7 Docket No. DMEA 4631 Contract No. IDM-e 1092
Operator's Name Vanadium Queen Uranium Corporation Minerals Uranium
Address Box 1674, Grand Junction, Colorado

| OPERATION Stage 1 | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | ft | $ 282.75 | 65 | $ 8,665.20* | 1992* | $4.35 | 2170 | $ 4.85 |
| Churn XXXXX Plug | ft | 586.25 | 335 | 15,487.50* | 8850* | 1.75 | 8990 | 1.80 |
| Auger | | | | | | | | |
| Stripping XXXXXXXInc. Allow. | ft | 80.00 | 400 | 2,168.40* | 10842* | 0.20 | 11160 | 0.20 |
| Trenching XXXXXXXXXSamp. Anal. | ea | 4.00 | 1 | 72.00 | 18 | 4.00 | 100 | 4.00 |
| Test Pits XXXXX Bulldozing | hr | - | - | 768.00 | 64 | 12.00 | 64 | 12.00 |
| Roads and Trails | | | | | | | | |
| Core Boxes | ea | 5.00 | 5 | 155.00* | 155* | 1.00 | 217 | 1.00 |
| TOTAL DISTRIBUTED COSTS | | $ 958.00 | | $27,316.10 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | | | | | | | |

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

Date Nov. 11, 1957 Operator Vanadium Queen Uranium Corp.

Per John I. Schmucker Title Resident Engineer

REMARKS: * Disallowance for hole VQ 200 has been deducted.

M. B. Lebby

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 25 D.M.E.A.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 7 Docket No. DMEA 4631 Contract No. DMA-e-1092

Operator's Name Vanadium Queen Uranium Corp. Minerals Uranium

Address Box 1574, Grand Junction, Colorado

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Stage II | | | | | | | | |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | ft | $2,523.00 | 580 | $ 5,119.95 | 1177 | $ 4.35 | 1880 | $ 4.85 |
| Churn Plug | ft | 3,250.00 | 3000 | 10,290.00 | 5880 | 1.75 | 5960 | 1.80 |
| Auger | | | | | | | | |
| Stripping Inc. Allow. | ft | 716.00 | 3580 | 1,411.40 | 7057 | 0.20 | 8640 | 0.20 |
| Trenching Samp. Anal. | ea | 28.00 | 7 | 76.00 | 19 | 4.00 | 100 | 4.00 |
| Test Pits Bulldozing | hr | - | - | 575.00 | 48 | 12.00 | 48 | 12.00 |
| Roads and Trails | | | | | | | | |
| Core Boxes | ea | 42.00 | 42 | 67.00 | 67 | 1.00 | 100 | 1.00 |
| Total Distributed Costs | | $8,559.00 | | $17,559.35 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | | | | | | | |

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

Remarks:

Date Nov. 11, 1957 Operator Vanadium Queen Uranium Corp.

Per John S. Schumacher Title Resident Engineer

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

GPO 872894

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

Month of October, 1957 Docket No. DMEA 4691 Contract No. IDH-6 1092
Operator's Name Vanadium Queen Uranium Corp. Minerals Uranium
Address Box 1874, Grand Junction, Colorado
Contract Amount, $ 53,372.00 Government Participation: % Amount, $ 40,404.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling (Non-core | $ 5,836.25 | $19,941.25 | $25,777.50* | | | |
| Bulldozing (Core | 2,805.75 | 10,979.40 | 13,785.15 | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| Bulldozing | - | 1,843.00 | 1,343.00 | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | 32.00 | 116.00 | 148.00 | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| Incidental Allow. | 798.00 | 2,783.80 | 3,579.80* | | | |
| Core Boxes | 47.00 | 105.00 | 242.00* | | | |
| (8) Contingencies (specify): | | | | | | |
| * Disallowance for VQ 200 deducted. | | | | | | |
| TOTALS | $ 9,517.00 | $35,358.45 | $44,875.45* | 9,517.00 | 35,358.45 | 44,875.45 |

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

Date Nov. 11, 1957 *Payee Vanadium Queen Uranium Corp.

Per John I. Klemmer Title Resident Engineer

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

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

(Instructions on reverse)

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

$ 6637 75

Signature (Authorized Certifying Officer)

Date 11/21/57 Vou. No. DMA 58-63

(See other side)

Note: Withheld 500.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E 1092 in accordance with the terms of the contract.

Signature M. L. Salsbury $7,137.75 Title Mining Engineer Date 11-15-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title acting Executive Officer Date NOV 20 1957

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Vanadium Queen Uranium Corp.
P. O. Box 1674
Grand Junction, Colorado

November 11, 1957

MONTHLY PROGRESS REPORT OCTOBER, 1957

Contract Idm-E 1092
Docket No. DMEA 4631

A total of 10 holes were drilled in October of which 7 were barren, 1 mineralized, and 2 were ore holes.

The total footage cored represents 82% of the footage authorized for both Stages I and II, and the plugged footage amounts to 92% of the total authorized under the DMEA contract.

Summaries of drilling and sample assay data and a map are enclosed. As the operator has requested a termination of work under this contract, a final report is submitted with this last progress report.

VANADIUM QUEEN URANIUM CORPORATION

R A Hildebrand

By: R. A. Hildebrand
Geological Engineer

## SUMMARY OF DMEA DRILLING INFORMATION

## DMEA 4631

## VANADIUM QUEEN URANIUM CORP.

### STAGE I

| Hole No. | TD | Plug | Core | SS | SS Th. | Rating |
|---|---|---|---|---|---|---|
| VQ 246 | 400 | 335 | 65 | 335 | 59 | Mineralized |
| Total | 400 | 335 | 65 | 394 | | Fav. 13 |

### Stage II

| | | | | | | |
|---|---|---|---|---|---|---|
| VQ 237 | 400 | 340 | 60 | 340<br>394 | 54 | Barren<br>Semif. 10 |
| VQ 238 | 409 | 345 | 64 | 345<br>404 | 59 | Barren<br>Fav. 11 |
| VQ 239 | 295 | 235 | 60 | 235<br>294 | 59 | Barren<br>Semif 9 |
| VQ 240 | 386 | 325 | 61 | 325<br>380 | 55 | Ore<br>Semif. 10 |
| VQ 241 | 380 | 320 | 60 | 327<br>378 | 51 | Mineralized<br>Fav. 11 |
| VQ 242 | 315 | 255 | 60 | 255<br>314 | 59 | Barren<br>Semif. 9 |
| VQ 243 | 405 | 335 | 70 | 343<br>398 | 55 | Barren<br>Fav. 12 |
| VQ 244 | 480 | 415 | 65 | 415<br>475 | 60 | Ore<br>Fav. 14 |
| VQ 245 | 510 | 430 | 80 | 442<br>501 | 59 | Barren<br>Fav. 11 |
| Total | 3580 | 3000 | 580 | | | |
| Totals (Stage I & II) | 3980 | 3335 | 645 | | | |

## SUMMARY OF DMEA SAMPLE ASSAY DATA
## DMEA 4631

## VANADIUM QUEEN URANIUM CORP.

| Hole No. | Sample No. | Interval | Feet | % $U_3O_8$ | % $V_2O_5$ | |
|---|---|---|---|---|---|---|
| VQ 240 | V 30 | 372.8 - 373.3 | 0.5 | 0.62 | 2.65 | |
| VQ 240 | V 31 | 375.1 - 375.6 | 0.5 | 0.14 | 5.67 | |
| VQ 241 | V 32 | 352.4 - 353.2 | 0.8 | 0.08 | 0.67 | |
| VQ 241 | V 33 | 353.7 - 354.6 | 0.9 | 0.01 | 0.03 | |
| VQ 244 | V 34 | 463.3 - 465.4 | 2.1 | 0.01 | 0.03 | 71% Rec. |
| VQ 244 | V 35 | 465.4 - 466.4 | 1.0 | 0.10 | 0.11 | |
| VQ 244 | V 36 | 462.0 - 462.7 | 0.7 | 0.05 | 0.02 | |
| VQ 246 | V 37 | 380.7 - 381.4 | 0.7 | 0.04 | 0.24 | |

# DRILL LOG

Vanadium Queen Uranium Corp.
Name of Company

DRILL HOLE NO. VQ 237 DATE Oct. 1, 1957 CLAIM NAME VQ #10

Colar Elev. 6952.7 Location 161504 N 13104 E

Summary of Log Semifavorable, 10, Barren OBSS 340-394 Thick 54

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 340.0 | | | PB | | | No Core |
| 340.0 | 348.3 | 8.3 | | SS | LGY | F | A; R, GN; G, SM |
| 348.3 | 360.0 | 11.7 | | SS | LGY | F | S; CBN S; GN; G,SM S; LIM |
| 360.0 | 361.0 | 1.0 | | SS | LGY | F | A, R, GN; G, P |
| 361.0 | 378.2 | 17.2 | | SS | LGY | MF-F | S-A GN; G,SM Frac 372.0-374.5 |
| 378.2 | 378.7 | 0.5 | | SS | LGY | F | A;GN;SM,P VS; R; P |
| 378.7 | 392.0 | 13.3 | | SS | LGY | F | S; CBN S; GN; FM; INT A;GN; P at Base |
| 392.0 | 393.8 | 1.8 | | SS | LGY | F | S; GN, GY; P Hard |
| 393.8 | 394.1 | 0.3 | | MS/SS | GNGY | | |
| 394.1 | 400.0 | 5.9 | | MS/ST | RGN | | Varig. |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 398.0 | 398.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 237

# DRILL LOG

Vanadium Queen Uranium Corp.
Name of Company

DRILL HOLE NO. VQ 238 DATE Oct. 3, 1957 CLAIM NAME VQ #9

Colar Elev. 6959.8 Location 161630 N 13151 E

Summary of Log Favorable, II, Barren OBSS 345-404 Thick 59

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 345.0 | | | PB | | | No Core |
| 345.0 | 367.8 | 22.8 | | SS | LGY | F | S; CBN S,GN; G S; LIM |
| 367.8 | 373.0 | 5.2 | ? | SS | LGY | F | Core Ground Up S; GN;G S;LIM |
| 373.0 | 373.2 | 0.2 | | SS | LGY | F | |
| 373.2 | 373.4 | 0.2 | | MS | GN | | |
| 373.4 | 388.2 | 14.8 | | SS | LGY | F | S-A CBN S-A GN; G, SM |
| 388.2 | 393.0 | 4.8 | ? | SS | LGY | F | Core Ground Up |
| 393.0 | 396.0 | 3.0 | | SS/ST | LGY | F | S; CBN A; GN; P, Galls |
| 396.0 | 398.8 | 2.8 | | SS | LGY | F | S; GN; G |
| 398.8 | 403.0 | 4.2 | ? | SS | LGY | F | Core Ground Up |
| 403.0 | 403.5 | 0.5 | | SS | LGY | F | S; GN; G Hard |
| 403.5 | 403.8 | 0.3 | | MS/ST | GN | | |
| 403.8 | 409.0 | 5.2 | | MS/ST | R GN | | Varig |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 405.0 | 405.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 238

# DRILL LOG

Vanadium Queen Uranium Corp.

Name of Company

DRILL HOLE NO. VQ 239 DATE Oct. 3, 1957 CLAIM NAME VQ #9

Colar Elev. 6847.3 Location 161540 N 12874 E

Summary of Log Semifavorable, 9 OBSS 235-294 Thick 59

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 235.0 | | | PB | | | No Core |
| 235.0 | 265.0 | 30.0 | | SS | LGY | MF-F | S: GN; G, SM |
| 265.0 | 266.0 | 1.0 | | SS | LGY | F | S: CBN A: GN: G, INT S: LIM |
| 266.0 | 279.1 | 13.1 | | SS | LGY | F | S: GN: G S: LIM |
| 279.1 | 279.6 | 0.5 | | MS/SS | GNGY | | |
| 279.6 | 294.0 | 14.4 | | SS | LGY | F | S: CBN S: GN: G,SM S: LIM |
| | | | | | | | Hard, QZTC at Base |
| 294.0 | 295.0 | 1.0 | | MS | R GN | | Mott |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 293.0 | 293.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 239

# DRILL LOG

VANADIUM QUEEN URANIUM CORP.
Name of Company

DRILL HOLE NO. VQ 240 DATE Oct. 7, 1957 CLAIM NAME VQ #9

Collar Elev. 6937.9 Location 161791 N 13001 E

Summary of Log Semifavorable; 10, Ore OBSS 325-380 Thick 55

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 325.0 | | | PB | | | No Core |
| 325.0 | 348.0 | 23.0 | | SS | LGY | F | S; GN; FM, Int. |
| 348.0 | 348.9 | 0.9 | | SS | LGY | F | A; R; SM, FM S; GN; FM, INT |
| 348.9 | 372.8 | 23.9 | | SS | LGY | F | S; CBN S-A GN; P, SM S; LIM |
| 372.8 | 373.3 | 0.5 | 100% | SS | DGY | F | Sample |
| 373.3 | 375.1 | 1.8 | 100% | SS | DGY | F | A; CBN |
| 375.1 | 375.6 | 0.5 | 100% | SS | DGY | F | Sample |
| 375.6 | 380.1 | 4.5 | | SS | LGY | F | S-A GN; P, SM Hard; QZTC |
| 380.1 | 386.0 | 4.9 | | MS/ST | RGN | | Varig. |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 373.3 | 0.5 | 0.63 | 2.65 | 370.0 | 370.0 | Barren |
| 375.6 | 0.5 | 0.14 | 5.67 | 370.8 | 0.8 | 0.60 |
| | | | | 372.4 | 1.6 | 0.04 |
| | | | | 373.2 | 0.8 | 0.45 |
| | | | | 386.0 | 11.8 | Barren |

**Abbreviations**
CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
WH—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 240

# DRILL LOG

Vanadium Queen Uranium Corp.
Name of Company

DRILL HOLE NO. VQ 241 DATE Oct. 8, 1957 CLAIM NAME VQ #10

Colar Elev. 6941.7 Location 161477 N 13446 E

Summary of Log Favorable , 11, Mineralized OBSS 327-378 Thick 51

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 320.0 | | | PB | | | No Core |
| 320.0 | 327.0 | 7.0 | | MS/ST | R | | SS Ribs |
| 327.0 | 353.4 | 26.4 | | SS | LGY | F | S: CBN S: GN: G, SM |
| 353.4 | 362.0 | 8.6 | | SS | LBR | F | A: LIM S: GN: Gy: P |
| 362.0 | 370.8 | 8.8 | | SS | GY LGY | F | S: CBN S: GN: Gy, P |
| 370.8 | 372.0 | 1.2 | | SS/MS | GY GN | | |
| 372.0 | 377.9 | 5.9 | | SS | LGY | F | A: GN: P at Base |
| | | | | | | | Hard: QZTC at Base |
| 377.9 | 379.3 | 1.4 | | MS/ST | GN | | |
| 379.3 | 380.0 | 0.7 | | MS | R GN | | Varig |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 354.6 | 0.9 | 0.01 | 0.03 | 354.0 | 354.0 | Barren |
| 353.2 | 0.8 | 0.08 | 0.67 | 354.5 | 0.5 | 0.03 |
| | | | | 355.0 | 0.5 | 0.08 |
| | | | | 355.5 | 0.5 | 0.07 |
| | | | | 356.0 | 0.5 | 0.02 |
| | | | | 380.0 | 24.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

# DRILL LOG

Vanadium Queen Uranium Corp.

Name of Company

DRILL HOLE NO. VQ 242 DATE Oct. 9, 1957 CLAIM NAME VQ #9

Collar Elev. 6865.6 Location 161731 N 12845 E

Summary of Log: Semifavorable; 9,Barren OBSS 255-314 Thick 59

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 255.0 | | | PB | | | No Core |
| 255.0 | 277.0 | 22.0 | | SS | LBRLGY | F | S; CBN S; GN; G |
| 277.0 | 299.9 | 22.9 | | SS | LGY | F | S; CBN S; GN; G, FM |
| 299.9 | 300.3 | 0.4 | | SS | LGY | F | S; R; SM A; GN; G, SM |
| 300.3 | 310.3 | 10.0 | | SS | LGY | F | A; GN; G, SM |
| 310.3 | 313.8 | 3.5 | | SS | LGY | F | A; GN, G, SM Hard; Qztc. |
| 313.8 | 315.0 | 1.2 | | MS | RGN | | Mott |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 315.0 | 315.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 242

# DRILL LOG

Vanadium Queen Uranium Corp.
Name of Company

DRILL HOLE NO. VQ 243 DATE Oct. 12, 1957 CLAIM NAME VQ #10

Colar Elev. 6960.6 Location 161596 N 13326 E

Summary of Log Favorable; 12, Barren OBSS 343-398 Thick 55

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 335.0 | | | PB | | | No Core |
| 335.0 | 342.0 | 7.0 | | MS | RGN | | |
| 342.0 | 342.6 | 0.6 | | ST | GN | | Sandy |
| 342.6 | 364.8 | 22.2 | | SS | LGY | F | S-A GN; FM, INT S; CBN |
| 364.8 | 367.1 | 2.3 | | MS/SS | GNGY | | |
| 367.1 | 388.3 | 22.2 | | SS | LGY | F | S; GN; FM, INT S, CBN |
| 388.3 | 390.7 | 2.4 | | SS | LGY | F | A; GN; SM, FM S; LIM |
| 390.7 | 390.9 | 0.2 | | MS | GN | | |
| 390.9 | 397.6 | 6.7 | | SS | LGY | MF-F | S-A GN; G, SM Hard at Base |
| 397.6 | 398.4 | 0.8 | | MS | GN | | |
| 398.4 | 405.0 | 6.6 | | MS/ST | RGN | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick. | $U_3O_8$ |
| | | | | 405.0 | 405.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

# DRILL LOG

Vanadium Queen Uranium Corp.

Name of Company

DRILL HOLE NO. VQ 244 DATE Oct. 29, 1957 CLAIM NAME VQ #10

Colar Elev. 7037.4 Location 161569 N 14004 E

Summary of Log Favorable; 14, Ore OBSS 415-475 Thick 60

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 415.0 | | | PB | | | No Core |
| 415.0 | 421.4 | 6.4 | | SS | LGY | F | S; GN; P, G |
| 421.4 | 421.6 | 0.2 | | MS | R | | |
| 421.6 | 450.0 | 28.4 | | SS | LGY | MF-F | S-A GN; P,G S-A LIM |
| | | | | | | | A; GN, Gy; P, SM at Base |
| 450.0 | 450.2 | 0.2 | | MS | BK | | A; CBN |
| 450.2 | 456.2 | 6.0 | | SS | DGY | F | A; CBN |
| 456.2 | 460.4 | 4.2 | | SS | GY | F | S; CBN |
| 460.4 | 462.0 | 1.6 | | SS | DGY | F | A; CBN |
| 462.0 | 462.7 | 0.7 | 100% | SS | DGY | | Sample Hard |
| 462.7 | 463.3 | 0.6 | | SS | DGY | F | Hard |
| 463.3 | 465.4 | 2.1 | 71% | SS | DGY | | Sample |
| 465.4 | 466.4 | 1.0 | 100% | SS | DGY | | Sample |
| 466.4 | 475.0 | 8.6 | | SS | DGY | F | A; GN, Gy; P, G S, CBN |
| 475.0 | 478.6 | 3.6 | 77% | MS/ST | GN | | |
| 478.6 | 480.0 | 1.4 | | MS | R | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 462.7 | 0.7 | 0.05 | 0.02 | 442.3 | 442.3 | Barren |
| 465.4 | 2.1 | 0.01 | 0.03 | 443.1 | 0.8 | 0.01 |
| 466.4 | 1.0 | 0.10 | 0.11 | 460.9 | 17.8 | Barren |
| | | | | 461.9 | 1.0 | 0.08 |
| | | | | 462.9 | 1.0 | 0.05 |
| | | | | 464.4 | 1.5 | 0.02 |
| | | | | 465.4 | 1.0 | 0.13 |
| | | | | 480.0 | 14.6 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 244

# DRILL LOG

Vanadium Queen Uranium Corp.

Name of Company

DRILL HOLE NO. VQ 245 DATE Oct. 25, 1957 CLAIM NAME VQ #10

Colar Elev. 7069.6 Location 161857 N 13857 E

Summary of Log Favorable; 11, Barren OBSS 442-501 Thick 59

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 430.0 | | | PB | | | No Core |
| 430.0 | 438.1 | 8.1 | | SS | LGY | F | S; GN; FM, INT. S; R; P, FM S;CBN |
| 438.1 | 441.7 | 3.6 | 70% | MS | R | | |
| 441.7 | 442.4 | 0.7 | | SS | LGY | F | A; GN; FM, INT A; LIM |
| 442.4 | 445.2 | 2.8 | | SS | LGY | F | S; R, GN; INT A; LIM |
| 445.2 | 481.5 | 36.3 | | SS | LGY | MF-F | S; GN; G, SM S; CBN |
| | | | | | | | A; GN, GY; P at Base |
| 481.5 | 489.3 | 7.8 | | SS | DGY | MF | S; GN, Gy; P |
| 489.3 | 499.8 | 10.5 | | SS | GY | F | S; GN, GY; FM,INT A;CBN 489.7-490.5 |
| 499.8 | 501.0 | 1.2 | | SS | LGY | F | A; GN; P, G A; CBN Hard |
| 501.0 | 502.6 | 1.6 | | MS/ST | GN | | |
| 502.6 | 510.0 | 7.4 | | MS | RGN | | Mott |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 481.2 | 481.2 | Barren |
| | | | | 482.2 | 1.0 | 0.03 |
| | | | | 488.0 | 5.8 | Barren |
| | | | | 489.2 | 1.2 | 0.01 |
| | | | | 510.0 | 20.8 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 245

# DRILL LOG

Vanadium Queen Uranium Corp.

Name of Company

DRILL HOLE NO. VQ 246 DATE Oct.24, 1957 CLAIM NAME VQ #9

Colar Elev. 6948.0 Location 161726 N 13089 E

Summary of Log Favorable; 10' Mineral OBSS 335-394 Thick 59

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 335.0 | | | PB | | | No Core |
| 335.0 | 363.0 | 28.0 | | SS | LGY | F | S; GN, G, FM S; CBN S; LIM |
| 363.0 | 365.1 | 2.1 | | SS | LGY | M-MF | A; GN; P, SM S; LIM |
| 365.1 | 375.4 | 10.3 | | SS | LGY | F | S; GN; P, SM |
| 375.4 | 376.0 | 0.6 | | MS/SS | GNGY | | |
| 376.0 | 380.7 | 4.7 | | SS | LGY GY | F | A; GN; G S; CBN |
| 380.7 | 381.4 | 0.7 | 100% | SS/MS | GY | | Sample |
| 381.4 | 385.0 | 3.6 | | SS | GY | F | S; GN; Gy; G A; CBN S; LIM |
| 385.0 | 385.3 | 0.3 | | MS | GY | | |
| 385.3 | 394.0 | 8.7 | | SS | LGY | MF-F | S-A GN; G,SM Hard at Base |
| 394.0 | 395.5 | 1.5 | | MS/ST | GN | | |
| 395.5 | 400.0 | 4.5 | | MS/ST | RGN | | Mott |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 381.4 | 0.7 | 0.04 | 0.24 | 380.2 | 380.2 | Barren |
| | | | | 381.0 | 0.8 | 0.06 |
| | | | | 400.0 | 19.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 246

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| 11/4 | gb | 220 |
| 11 | [illegible] | 110 |
| 11/4 | [illegible] | 700 |
| | | |
| | Memorandum | |

224 New Customhouse
Denver 2, Colorado
October 29, 1957

FINAL DISTRIBUTION
MADE NOV 1 1957

To: T. A. Christensen

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

Subject: Docket DMEA-4631 (Uranium) Contract Idm-E1092 Vanadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah - Operator's Monthly Progress Report for the month of September, 1957

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

The work is being performed partly under independent subcontract and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for ~~August~~ Sept, 1957, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

On Form MF-104, Operator's Monthly Report and Voucher, Stage I, an error appears on the Costs to Date column for core drilling and Units to Date column for plug drilling.

Remarks:

Date of Report----------October 9, 1957
Date Received in Field Office----------October 18, 1957
Date Received in Region Office----------October 25, 1957

Enclosures
MHM:hmh

cc: Chmn. Op. Comm. (2) )
DMEA, DFC ) w/complete
MF-104 file, Reg. III ) report
Harshman )
DMEA, G.Jct. ) w/copy Engr's
Hasler ) report
Townsend )
Chron

Original signed by
E. N. HARSHMAN

E. N. Harshman

DMEA
DEPARTMENT OF THE INTERIOR

OCT 25 1957
REGION III
DENVER, COLORADO

P.O. Box 360
Grand Junction, Colo.

RECEIVED
DATE

October 23, 1957

Memorandum

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

From: M. H. Salsbury

Subject: Docket No. DMEA 4631 (Uranium), contract Idm E-1092
Vanadium Queen Uranium Corporation (Vanadium Queen claims),
San Juan County, Utah

The subject project was inspected on October 2, 1957, in company with John I. Schumacher, representing the operator. A total of 29 out of 31 approved stage I holes and 8 out of 17 approved stage II holes had been completed.

The following items covering four stage I drill holes and eight stage II drill holes are claimed in September 1957:

| | | |
|---|---|---|
| **Actual Cost Items** (Independent contracts) | | |
| Stage I | | |
| Plug drilling 1390 feet at $1.75 per foot | | $2,432.50 |
| Core drilling 283 feet at $4.35 per foot | | 1,231.05 |
| Stage II | | |
| Plug drilling 2880 feet at $1.75 per foot | | 5,040.00 |
| Core drilling 597 feet at $4.35 per foot | | 2,596.95 |
| Bulldozing 48 hours at $12.00 per hour | | 575.00 |
| **Fixed Unit Cost Items** | | |
| Stage I | | |
| Incidental allowance for 1673 feet of drilling completed at $0.20 per foot | | 334.60 |
| Analyses of 3 samples for $U_3O_8$ and $V_2O_5$ at $4.00 each | | 12.00 |
| 22 core boxes at $1.00 each | | 22.00 |
| Stage II | | |
| Incidental allowance for 3477 feet of drilling completed at $0.20 per foot | | 695.40 |
| Analyses of 12 samples for $U_3O_8$ and $V_2O_5$ at $4.00 | | 48.00 |
| 45 core boxes at $1.00 each | | 45.00 |
| Total claimed in September 1957 | | 13,032.50 |

All claims are within contract maximums. Charges for drilling and bulldozing are supported by sub-contractors' invoices and for chemical analyses by certified assay certificates. The claimed unit prices for plug and core drilling, $1.75 and $4.35 respectively, are less than the allowable contract maximums, $1.80 and $4.85. The core boxes claimed were checked by actual count. All core is BX size.

Drill sites were checked in the field. The holes have all been drilled approximately at the sites designated in the contract and in work approvals concerning stage I and stage II drilling, dated September 24, 1957. No hole is closer than 100 feet to an outer boundary of subordinated ground or closer than 100 feet to any previously drilled hole.

Of the 12 holes drilled, the operator reports six as having penetrated ore-grade material, one mineralized, and five barren. By the usual criteria 11 holes are favorable and one semifavorable. By Geological Survey standards three additional holes, Nos. VQ-227, 230, and 232, were slightly mineralized. The ore reported in hole No. VQ-231 is barely of ore gradeand that in hole No. VQ-233 is too thin to be classed as ore by Geological Survey standards. Table 1 is a drilling summary.

A physical check of the core made by the DMEA inspector verified the amount of coring claimed. Holes were bottomed in from 0.7 feet to 5.5 feet of red or red-green mottled mudstone. Because of the excellent control of drilling depths established, the small penetration of the mudstone in several holes is considered to be adequate. Out of the 12 holes drilled, 11 were probed by the DMEA gamma-ray logging unit with results verifying those reported by the operator.

The operator has submitted, in quintuplicate, form MF-104, forms MF-104-A for stages I and II, narrative report, map, and geologic logs with radiometric results entered thereon, together with one copy each of subcontractors' invoices for drilling and bulldozing, and certified assay certificates for 15 samples analyzed for $U_3O_8$ and $V_2O_5$.

Monthly and cumulative totals are correct except that the cost of 48 hours of bulldozing at $12.00 per hour is incorrectly claimed as $575.00 instead of $576.00.

Payment is recommended of $9,774.38, or 75 percent of the amount claimed in September 1957, $13,032.50.

M. H. Salsbury
M. H. Salsbury,
Mining Engineer

MHS/mlr
Enclosure (Table 1)

Table 1.-- Drilling Summary

| Hole No. (VQ prefix omitted) | Stage | Depth claimed in feet Plug | Core | Total | Depth probed in feet By Opr. | By DMEA | Significant Mineralization: Depth in feet From | To | Interval | Percent 1/ $U_3O_8$ or $eU_3O_8$ | Percent $V_2O_5$ | Evaluation by | Classification of hole |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 225 | I | 320 | 53 | 373 | 373.0 | - | | | | barren | | Opr. | barren |
| 226 | I | 260 | 80 | 340 | 340.0 | 328.0 | | | | barren | | Opr. | barren |
| | | | | | | | | | | Barren | | DMEA | barren |
| 227 | II | 360 | 65 | 425 | 425.0 | 422.6 | 404.6 | 405.8 | 1.2 | 0.03 | | | |
| | | | | | | | 410.8 | 411.8 | 1.0 | 0.02 | | Opr. | barren |
| | | | | | | | 416.2 | 417.1 | 0.9 | 0.03 | | | |
| | | | | | | | 418.6 | 419.6 | 1.0 | 0.03 | | | |
| | | | | | | | 404.5 | 405.7 | 0.2 | 0.03 | | DMEA | mineralized |
| | | | | | | | 410.8 | 411.8 | 1.0 | 0.025 | | | |
| | | | | | | | 416.1 | 417.1 | 1.0 | 0.028 | | | |
| | | | | | | | 418.4 | 419.6 | 1.2 | 0.03 | | | |
| 228 | I | 400 | 75 | 475 | 475.0 | 473.0 | 374.3 | 375.5 | 1.2 | 0.05 | | Opr. | mineralized |
| | | | | | | | 456.6 | 457.2 | 0.8 | 0.07 | | | |
| | | | | | | | 457.2 | 457.7 | 0.5 | 0.06 | 0.20 | | |
| | | | | | | | 374.4 | 375.4 | 1.0 | 0.03 | | DMEA | mineralized |
| | | | | | | | 456.4 | 457.2 | 0.8 | 0.034 | | | |
| | | | | | | | 457.2 | 458.1 | 0.9 | 0.022 | | | |
| 229 | II | 320 | 76 | 396 | 396.0 | 383.0 | 352.1 | 353.5 | 1.4 | 0.30 | | Opr | ore |
| | | | | | | | 355.0 | 357.4 | 2.4 | 0.24 | 2.92 | | |
| | | | | | | | 362.7 | 363.5 | 0.8 | 0.09 | | | |
| | | | | | | | 363.3 | 364.9 | 1.6 | 0.05 | 0.18 | | |
| | | | | | | | 366.3 | 367.3 | 1.0 | 0.40 | | | |
| | | | | | | | 368.3 | 368.9 | 0.6 | 0.63 | 0.73 | | |
| | | | | | | | 374.3 | 375.1 | 0.8 | 0.38 | | | |
| | | | | | | | 375.4 | 376.8 | 1.4 | 0.24 | 1.37 | | |
| | | | | | | | 354.2 | 355.5 | 1.3 | 0.33 | | DMEA | ore |
| | | | | | | | 362.7 | 363.6 | 0.9 | 0.09 | | | |
| | | | | | | | 364.5 | 365.3 | 0.8 | 0.03 | | | |
| | | | | | | | 366.2 | 367.3 | 1.1 | 0.41 | | | |
| | | | | | | | 374.2 | 375.6 | 1.4 | 0.36 | | | |

Table 1.-- Drilling Summary (Continued)

| Hole No. (VQ prefix omitted) | Stage | Depth claimed in feet: Plug | Core | Total | Depth probed in feet: By Opr. | By DMEA | Depth in feet: From | To | Interval | Percent 1/ $U_3O_8$ or $eU_3O_8$ | Percent $V_2O_5$ | Evaluation by | Classification of hole |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 230 | II | 330 | 76 | 406 | 404.0 | 403.6 | 380.1 | 381.3 | 1.2 | 0.03 | | Opr | barren |
| | | | | | | | 380.3 | 381.5 | 1.2 | 0.03 | | DMEA | mineralized |
| 231 | I | 410 | 75 | 485 | 483.0 | 482.4 | 443.8 | 444.5 | 0.7 | 0.07 | | Opr | ore |
| | | | | | | | 444.5 | 445.6 | 1.1 | 0.10 | | | |
| | | | | | | | 445.0 | 445.3 | 0.3 | 0.11 | 1.32 | | |
| | | | | | | | 445.7 | 447.0 | 1.3 | 0.06 | 1.96 | | |
| | | | | | | | 460.1 | 461.1 | 1.0 | 0.03 | | | |
| | | | | | | | 464.9 | 465.9 | 1.0 | 0.02 | | | |
| | | | | | | | 443.3 | 444.5 | 1.2 | 0.06 | | DMEA | mineralized |
| | | | | | | | 444.5 | 445.7 | 1.2 | 0.086 | | | |
| | | | | | | | 458.4 | 459.5 | 1.1 | 0.021 | | | |
| | | | | | | | 460.0 | 460.9 | 0.9 | 0.036 | | | |
| 232 | II | 410 | 85 | 495 | 493.0 | 492.0 | 466.3 | 467.8 | 1.5 | 0.02 | | Opr | barren |
| | | | | | | | 488.8 | 489.7 | 0.9 | 0.04 | | | |
| | | | | | | | 488.8 | 489.8 | 1.0 | 0.036 | | DMEA | mineralized |
| 233 | II | 410 | 75 | 485 | 485 | 483.0 | 412.2 | 413.0 | 0.8 | 0.04 | | Opr | ore |
| | | | | | | | 412.8 | 413.4 | 0.6 | 0.07 | 0.18 | | |
| | | | | | | | 453.6 | 454.4 | 0.8 | 0.31 | | | |
| | | | | | | | 454.8 | 455.6 | 0.8 | 0.24 | 1.86 | | |
| | | | | | | | 455.6 | 464.0 | 8.4 | 0.02 | 0.02 | | |
| | | | | | | | 462.4 | 463.5 | 1.1 | 0.04 | | | |
| | | | | | | | 412.2 | 413.1 | 0.9 | 0.036 | | DMEA | mineralized |
| | | | | | | | 453.6 | 454.4 | 0.8 | 0.32 | | | |
| | | | | | | | 462.5 | 463.5 | 1.0 | 0.045 | | | |
| 234 | II | 355 | 73 | 428 | 425 | 422.0 | 401.0 | 403.5 | 2.5 | 0.24 | 1.24 | Opr | ore |
| | | | | | | | 404.0 | 405.2 | 1.2 | 0.42 | | | |
| | | | | | | | 406.5 | 410.2 | 3.7 | 0.21 | 0.57 | | |
| | | | | | | | 408.6 | 410.0 | 1.4 | 0.65 | | | |
| | | | | | | | 410.0 | 411.4 | 1.4 | 0.42 | | | |
| | | | | | | | 403.8 | 405.0 | 1.2 | 0.39 | | DMEA | ore |
| | | | | | | | 408.8 | 409.7 | 0.9 | 0.66 | | | |
| | | | | | | | 409.7 | 411.2 | 1.5 | 0.40 | | | |

Table 1.-- Drilling Summary (Continued)

| Hole No. (VQ prefix omitted) | Stage | Depth claimed in feet Plug | Core | Total | Depth probed in feet By Opr. | By DMEA | Depth in feet From | To | Interval | Percent 1/ $U_3O_8$ or $eU_3O_8$ | Percent $V_2O_5$ | Evaluation by | Classification of hole |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 235 | II | 355 | 87 | 442 | 442 | 439.4 | 402.9 | 404.8 | 1.9 | 0.05 | | Opr. | ore |
| | | | | | | | 420.4 | 421.4 | 1.0 | 0.02 | | | |
| | | | | | | | 422.9 | 423.9 | 1.0 | 0.03 | | | |
| | | | | | | | 427.0 | 428.0 | 1.0 | 0.06 | | | |
| | | | | | | | 428.9 | 430.1 | 1.2 | 0.27 | | | |
| | | | | | | | 430.9 | 432.5 | 1.6 | 0.23 | 1.15 | | |
| | | | | | | | 430.1 | 431.2 | 1.1 | 0.12 | | | |
| | | | | | | | 432.5 | 434.0 | 1.5 | 0.07 | 0.54 | | |
| | | | | | | | 413.0 | 414.0 | 1.0 | 0.055 | | DMEA | ore |
| | | | | | | | 414.0 | 414.9 | 0.9 | 0.036 | | | |
| | | | | | | | 420.3 | 428.9 | 8.6 | 0.021-0.051 | | | |
| | | | | | | | 428.9 | 430.1 | 1.2 | 0.33 | | | |
| | | | | | | | 430.1 | 431.4 | 1.3 | 0.11 | | | |
| 236 | II | 340 | 60 | 400 | 400 | 398.6 | 380.4 | 381.4 | 1.0 | 0.16 | | Opr. | ore |
| | | | | | | | 381.1 | 382.1 | 1.0 | 0.09 | 1.23 | | |
| | | | | | | | 380.4 | 381.4 | 1.0 | 0.15 | | DMEA | ore |

Total September 1957

| | | | | |
|---|---|---|---|---|
| | Stage I | 1390 | 283 | 1673 |
| | " II | 2880 | 597 | 3477 |
| Both stages | | 4270 | 880 | 5150 |

1/ $U_3O_8$ content is radiometric value unless $V_2O_5$ analyses is shown

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

Budget Bureau No. 42-R1036.5

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

RECEIVED NOV - 4 1957 D.M.E.A.

Month of September, 1957 Docket No. DMEA 4631 Contract No. IDM - E 1092
Operator's Name Vanadium Queen Uranium Corporation Minerals Uranium
Address Box 1672, Grand Junction, Colorado
Contract Amount, $ 53,872.00 Government Participation: 75 % Amount, $ 40,404.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling Non Core | 7472.50 | 12468.75 * | 19941.25 | | | |
| ~~Bulldozing~~ Core | 3828.00 | 7151.40 * | 10979.40 | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| Bulldozing | 575.00 | 768.00 | 1343.00 | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | 60.00 | 56.00 | 116.00 | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| Incidental Allowances | 1030.00 | 1753.80 * | 2783.80 | | | |
| Core Boxes | 67.00 | 128.00 * | 195.00 | | | |
| (8) Contingencies (specify): | | | | | | |
| * Disallowance for VQ No. 200 deducted | | | | | | |
| TOTALS | 13032.50 | 22325.95 | 35358.45 | 13,032.50 | 22,325.95 | 35,358.45 |

DMEA DEPARTMENT OF THE INTERIOR OCT 14 1957 REGION III DENVER, COLORADO

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

Date Oct. 9, 1957 *Payee Vanadium Queen Uranium Corp.

Per John I. Schmacher Title Resident Engineer

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

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

(Instructions on reverse)

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

$ 9774.38

Signature [illegible]
(Authorized Certifying Officer)

Date 10/30/57 Vou. No. 58-53

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tam E1092 in accordance with the terms of the contract.

Signature W. R. Salsbury #9,774.38 Title Mining Engineer Date 10-23-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature E. M. Hamelman Title acting Executive Officer Date OCT 29 1957

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED NOV. 4 1957 D.M.E.A.

Month of September 1957 Docket No. DMEA 4631 Contract No. IDM-E 1092
Operator's Name Vanadium Queen Uranium Corp. Minerals Uranium
Address Box 1672, Grand Junction, Colorado

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting STAGE 1 | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | 8515? | me | |
| Winzes | | | | | | | | |
| Drilling: Core | Ft | $ 1231.05 | 283 | $ 8382.45 | 1927 | $4.35 | 2170 | $4.85 |
| Chkrx Plug | Ft | $ 12432.50 | 1390 | 14901.25 | 5945 | 1.75 | 8990 | 1.80 |
| Auger | | | | | | | | |
| Stripping Incidental Allow. | Ft | 334.60 | 1673 | 2088.40 | 10442 | 0.20 | 11160 | 0.20 |
| Trenching Samp. Analy. | Ea | 12.00 | 3 | 68.00 | 17 | 4.00 | 100 | 4.00 |
| Test Pits Bulldozing | Ht | 10.00 | - | 768.00 | 64 | 12.00 | 64 | 12.00 |
| Roads and Trails | | | | | | | | |
| Core Boxes | Ea | 22.00 | 22 | 150.00 | 90 | 1.00 | 217 | 1.00 |
| TOTAL DISTRIBUTED COSTS | | $ 4032.15 | | $ 26358.10 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc | | | | | | | | |
| TOTAL COSTS | | $ 4032.15 | | $ 26358.10 | | | | |

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

REMARKS: M.H.P.
* Disallowance for Hole VQ 200 has been deducted.

Date October 9, 1957 Operator Vanadium Queen Uranium Corp.
Per John T. Schmacher Title Resident Engineer

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV - 4 1957 D.M.E.A.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 195 7 Docket No. DMEA Contract No. IDM-E 1096
Operator's Name Vanadium Queen Uranium Corp. Minerals
Address Box 1674, Grand Junction, Colorado

| OPERATION Stage II | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract Units | Authorized by Contract Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Ft | $ 2596.95 | 597 | $ 2596.95 | 597 | $ 4.35 | 6960 | $1.80 |
| ~~Core~~ Plug | Ft | 5040.00 | 2880 | 5040.00 | 2880 | 1.75 | 1680 | 4.85 |
| Auger | | | | | | 0.20 | | |
| ~~Stripping~~ Incidental Al. | Ft | 695.40 | 3477 | 695.40 | 3477 | 0.20 | 8640 | 0.22 |
| ~~Trenching~~ Sample Ana. | Ft | 48.00 | 12 | 48.00 | 12 | 4.00 | 100 | 4.00 |
| ~~Test Pits~~ Bulldozing | Hr | 575.00 | 48 | 575.00 | 48 | 12.00 | 48 | 12.00 |
| Roads and Trails | | | | | | | | |
| Core Boxes | Ea | 45.00 | 45 | 45.00 | 45 | 1.00 | 45 | 1.00 |
| Total Distributed Costs | | $ 9000.35 | | $ 9000.35 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | $ 9000.35 | | $ 9000.35 | | | | |

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

Date October 9, 1957 Operator Vanadium Queen Uranium Corp.

Per John I. Schmacher Title Resident Engineer

Remarks:

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

(Instructions on reverse)

(For Government use only)

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GPO 87 2894

VANADIUM QUEEN URANIUM CORPORATION
P.O. BOX 1674
GRAND JUNCTION, COLORADO
October 9, 1957

MONTHLY PROGRESS REPORT - SEPTEMBER 1957
CONTRACT Idm - E - 1092
DOCKET NO. 4631

| Factual Data | September | To Date |
|---|---|---|
| Drill holes completed | 12 | 37 |
| Footage cored | 880 | 2604 |
| Footage plugged | 4270 | 11605 |
| Total footage | 5150 | 14209 |
| Drill sites completed | 15 | 41 |
| Road building footage | 2000 | 9100 |
| Bulldozer work hrs. | 74 2/3 | 138 2/3 |
| Ore holes | 6 | 12 |
| Mineralized holes | 1 | 4 |
| Barren holes | 5 | 21 |

Narrative

The work under this contract is 70.8 complete and it is expected that the drilling authorized under the contract will be concluded about October 20th.

Drilling and work in general progressed this month with little difficulty. The percentage of ore holes was extremely encouraging.

VANADIUM QUEEN URANIUM CORPORATION
JOHN I. SCHUMACHER
Resident Engineer

VANADIUM QUEEN URANIUM CORPORATION

VANADIUM QUEEN DMEA 4631

SUMMARY OF SAMPLE ANALYSES DATA.

| Sample No. | Hole No. | Interval | Ft. | % $U_3O_8$ | % $V_2O_5$ |
|---|---|---|---|---|---|
| VQ 1 | VQ 202 | 308.8 - 309.6 | 0.8 | 0.28 | 1.86 |
| VQ 2 | VQ 202 | 310.8 - 311.4 | 0.6 | 0.09 | 0.12 |
| VQ 3 | VQ 206 | 351.4 - 352.8 | 1.4 | 0.36 | 2.28 |
| V 4 | VQ 208 | 370.7 - 377.0 | 1.3 | 0.02 | 1.86 |
| V 5 | VQ 208 | 376.3 - 379.8 | 3.5 | 0.15 | 0.98 |
| V 6 | VQ 209 | 321.1 - 322.5 | 1.4 | 0.12 | 1.75 |
| V 7 | VQ 210 | 259.7 - 259.9 | 0.2 | 0.17 | 10.29 |
| V 8 | VQ 212 | 410.0 - 411.3 | 1.3 | 0.30 | 3.25 |
| V 9 | VQ 212 | 416.5 - 418.0 | 1.5 | 0.22 | 2.31 |
| V 10 | VQ 214 | 351.8 - 352.2 | 0.4 | 0.39 | 3.64 |
| V 11 | VQ 214 | 389.0 - 391.6 | 2.6 | 1.00 | 2.43 |
| VQ 12 | VQ 211 | 403.3 - 403.8 | 0.5 | 0.08 | 0.04 |
| V 13 | VQ 213 | 389.5 - 389.9 | 0.4 | 0.12 | 0.70 |
| V 14 | VQ 213 | 392.0 - 392.4 | 0.4 | 0.04 | 0.55 |
| V 15 | VQ 228 | 457.2 - 457.7 | 0.5 | 0.06 | 0.20 |
| V 16 | VQ 229 | 355.0 - 357.4 | 2.4 | 0.24 | 2.92 |
| V 17 | VQ 229 | 368.3 - 368.9 | 0.6 | 0.62 | 0.73 |
| V 18 | VQ 229 | 363.3 - 364.9 | 1.6 | 0.05 | 0.18 |
| V 19 | VQ 229 | 375.4 - 376.8 | 1.4 | 0.24 | 1.37 |
| V 20 | VQ 231 | 445.0 - 445.3 | 0.3 | 0.11 | 1.32 |
| V 21 | VQ 231 | 445.7 - 447.0 | 1.3 | 0.06 | 1.96 |
| V 22 | VQ 234 | 401.0 - 403.5 | 2.5 | 0.24 | 1.24 |
| V 23 | VQ 234 | 406.5 - 410.2 | 3.7 | 0.21 | 0.57 |
| V 24 | VQ 235 | 432.5 - 434.0 | 1.5 | 0.07 | 0.54 |
| V 25 | VQ 235 | 430.9 - 432.5 | 1.6 | 0.23 | 1.15 |
| V 26 | VQ 233 | 455.6 - 464.0 | 8.4 | 0.02 | 0.02 |
| V 27 | VQ 236 | 381.1 - 382.1 | 1.0 | 0.09 | 1.23 |
| V 28 | VQ 233 | 454.8 - 455.6 | 0.8 | 0.24 | 1.86 |
| V 29 | VQ 233 | 412.8 - 413.4 | 0.6 | 0.07 | 0.18 |

SUMMARY STAGE 1 & 2 - SEPTEMBER 1957-DRILLING

VANADIUM QUEEN URANIUM CORPORATION

DMEA 4631

| Hole No. | TD | Plug | Core | SS | SS Th. | Rating |
|---|---|---|---|---|---|---|
| VQ 225 | 373 | 320 | 53 | 321<br>371 | 50 | Barren<br>Semifaverable 8 |
| VQ 226 | 340 | 260 | 80 | 285<br>332 | 47 | Barren<br>Faverable 12 |
| VQ 227 II | 425 | 360 | 65 | 360<br>422 | 62 | Barren<br>Faverable 15 |
| VQ 228 | 475 | 400 | 75 | 418<br>468 | 50 | Mineralized<br>Faverable 14 |
| VQ 229 II | 396 | 320 | 76 | 320<br>388 | 68 | Ore<br>Faverable 15 |
| VQ 230 II | 406 | 330 | 76 | 346<br>398 | 52 | Barren<br>Faverable 15 |
| VQ 231 | 485 | 410 | 75 | 414<br>479 | 65 | Ore<br>Faverable 12 |
| VQ 232 II | 495 | 410 | 85 | 410<br>492 | 82 | Barren<br>Faverable 14 |
| VQ 233 II | 485 | 410 | 75 | 410<br>478 | 68 | Ore<br>Faverable 13 |
| VQ 234 II | 428 | 355 | 73 | 355<br>423 | 68 | Ore<br>Faverable 12 |
| VQ 235 II | 442 | 355 | 87 | 355<br>435 | 80 | Ore<br>Faverable 14 |
| VQ 236 II | 400 | 340 | 60 | 344<br>398 | 54 | Ore<br>Faverable 12 |
| | 5150 | 4270 | 880 | Totals September 30, 1957 | | |
| | 14209 | 11605 | 7604 | Cumulative Totals | | |

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 225 DATE Sept. 5, 1957 CLAIM NAME VQ #3

Colar Elev. 6939.3 Location 160870 N 14231 E

Summary of Log Semifavorable 8, Barren OBSS 321 - 371 Thick 50

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 320.0 | | | PB | | | No Core |
| 320.0 | 321.0 | 1.0 | | MS | R | | |
| 321.0 | 335.0 | 14.0 | | SS | LGY | F | A; R; SM, FM |
| 335.0 | 338.0 | 3.0 | | MS/ST | R | | |
| 338.0 | 344.3 | 6.3 | | SS | LGY | F | A;R;SM,FM S;GN,INT S;LIM |
| 344.3 | 348.7 | 4.4 | | MS/ST | RGY | | S;CBN A;LIM |
| 348.7 | 365.0 | 16.3 | | SS | LGY | F | S;GN;G,FM S;LIM |
| 365.0 | 371.3 | 6.3 | | SS | LGY | F | S;GN;G,SM S;R;P,SM |
| 371.3 | 373.0 | 1.7 | | MS | R | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 373.0 | 373.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 225

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 226 DATE Sept. 11, 1957 CLAIM NAME VQ #10

Colar Elev. 6892.8 Location 161291 N 13026 E

Summary of Log Favorable 13, Barren OBSS 285 - 232 Thick 47

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 260.0 | | | PB | | | No Core |
| 260.0 | 261.3 | 1.3 | | SS | LGY | MF | S; CBN S;GN; FM,INT |
| 261.3 | 284.6 | 23.3 | | MS | RGN | | Mott Tight SS Ribs |
| 284.6 | 284.7 | 0.1 | | ST | GN | | Sandy |
| 284.7 | 301.4 | 16.7 | | SS | LGY | MF-F | S; CBN S; GN; G, SM |
| 301.4 | 326.7 | 25.3 | | SS | LGY | F | S;GN;G,SM |
| 326.7 | 332.3 | 5.6 | | SS | LGY | F | S;CBN A;GN;G,SM |
| 332.3 | 334.7 | 2.4 | | MS/ST | GNGY | | |
| 334.7 | 340.0 | 5.3 | | MS/ST | RGY | | Hard, Tight SS Ribs |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 340.0 | 340.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 226

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 227 DATE Sept. 16, 1957 CLAIM NAME VQ #9

Colar Elev. 6998.2 Location 161809 N 13638 E

Summary of Log Favorable 15, Barren OBSS 360 - 422 Thick 62

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 360.0 | | | PB | | | No Core |
| 360.0 | 365.4 | 5.4 | | SS | LGY | F | S;GN;G, P |
| 365.4 | 366.2 | 0.8 | | MS | BK | | Sandy A; CBN |
| 366.2 | 367.2 | 1.0 | 80% | SS | DGY | F | S;CBN S;R;P A;GN:G,P |
| 367.2 | 368.6 | 1.4 | | MS/ST | GNBK | | A; CBN |
| 368.6 | 377.1 | 8.5 | | SS | LGY | F-VF | A;GN;G,SM A;R:G,SM A;LIM |
| 377.1 | 394.5 | 17.4 | | SS | LGY | F | S;GN;G S;LIM |
| 394.5 | 405.4 | 10.9 | | SS | LGY | F | A;CBN A;LIM A;GN; FM,INT |
| 405.4 | 408.2 | 2.8 | | SS/MS | GYGN | | S; CBN |
| 408.2 | 411.5 | 3.2 | | MS/ST | GYGN | | |
| 411.5 | 412.5 | 1.0 | | MS | BK | | A; CBN |
| 412.5 | 416.0 | 3.5 | | SS | GY | VF | Hard S; GY; BK; P |
| 416.0 | 417.5 | 1.5 | | MS/ST | BKGY | | |
| 417.5 | 421.8 | 4.3 | | SS | GY | VF | Hard |
| 421.8 | 424.3 | 2.5 | | MS/ST | GYGN | | |
| 424.3 | 425.0 | 0.7 | | MS | RGN | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 404.6 | 404.6 | Barren |
| | | | | 405.8 | 1.2 | 0.03 |
| | | | | 410.8 | 5.0 | Barren |
| | | | | 411.8 | 1.0 | 0.02 |
| | | | | 416.2 | 4.4 | Barren |
| | | | | 417.1 | 0.9 | 0.03 |
| | | | | 418.6 | 1.5 | Barren |
| | | | | 419.6 | 1.0 | 0.03 |
| | | | | 425.0 | 5.4 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 227

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 228 DATE Sept. 6, 1957 CLAIM NAME VQ #9

Colar Elev. 7040.8 Location 161996 N 13669 E

Summary of Log Favorable 14, Mineralized OBSS 418 - 468 Thick 50

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 400.0 | | | PB | | | No Core |
| 400.0 | 411.9 | 11.9 | | SS | LGY | F | A;R;SM,FM S;GN:G,SM A;MN.Stain |
| 411.9 | 418.2 | 6.3 | | MS | R | | |
| 418.2 | 430.6 | 12.4 | | SS | LGY | F | A,GN:FM,INT S; MN. Stain |
| 430.6 | 430.7 | 0.1 | | MS | GN | | |
| 430.7 | 432.7 | 2.0 | | MS | R | | Sandy at Base |
| 432.7 | 437.8 | 5.1 | | SS | LBRLGY | F-VF | S;R;FM, INT |
| 437.8 | 447.7 | 9.9 | | SS | L GY | F | S;GN; G,SM S;LIM |
| 447.7 | 448.3 | 0.6 | | SS | L GY | F | A;R;GN; P, Galls |
| 448.3 | 451.6 | 3.3 | | SS | GY | F | S;CBN A;GY, GN; G, SM |
| 451.6 | 451.8 | 0.2 | | MS | GY | | |
| 451.8 | 457.2 | 5.4 | | SS | GY | F | A; CBN S; GN; FM |
| 457.2 | 457.7 | 0.5 | | SS | GY | F | Sample |
| 457.7 | 460.8 | 3.1 | | SS | GY | F | S; CBN S; R, GN; FM A;GN:P,SM |
| 460.8 | 467.7 | 6.9 | | SS | GY | F | |
| 467.7 | 470.0 | 2.3 | | MS | GNBK | | |
| 470.0 | 475.0 | 5.0 | | MS | RGN | | Mott |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 457.7 | 0.5 | 0.06 | 0.20 | 374.3 | 374.3 | Barren |
| | | | | 375.5 | 1.2 | 0.05 |
| | | | | 456.4 | 80.9 | Barren |
| | | | | 457.2 | 0.8 | 0.07 |
| | | | | 475.0 | 17.8 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 228

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 229 DATE Sept. 10, 1957 CLAIM NAME VQ #10

Colar Elev. 6953.3 Location 161583 N 13546 E

Summary of Log Favorable 13, Ore OBSS 320 - 388 Thick 68

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 320.0 | | | PB | | | No Core |
| 320.0 | 327.4 | 7.4 | | SS | LR LBR | F | A;R;SM,FM S;GN;Em A,MN Stain |
| 327.4 | 330.6 | 3.2 | | MS | R GN | | |
| 330.6 | 330.8 | 0.2 | | ST | GN | | |
| 330.8 | 355.0 | 24.2 | | SS | LGY | F | S; GN; G, SM |
| 355.0 | 357.4 | 2.4 | 100% | SS | DGY | F | Sample |
| 357.4 | 363.3 | 5.9 | | SS | LGY | F | S; GN; G, SM |
| 363.3 | 364.9 | 1.6 | 100% | SS/MS | LGY | F | Sample |
| 364.9 | 368.3 | 3.4 | | SS | LGY | F | S; GN; G, SM |
| 368.3 | 368.9 | 0.6 | 100% | SS | LGY | F | Sample |
| 368.9 | 375.4 | 5.5 | | SS | LGY | F | S; GN; G |
| 375.4 | 376.8 | 1.4 | 100% | SS/MS | LGY | F | Sample |
| 376.8 | 388.2 | 11.4 | | SS | LGY | F | S; GN; G A; GN; G, P at base |
| 388.2 | 391.0 | 2.8 | | MS/ST | GYGN | | |
| 391.0 | 394.3 | 3.3 | | MS/ST | RGN | | |
| 394.3 | 396.0 | 1.7 | | MS | RGN | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 357.4 | 2.4 | 0.24 | 2.92 | 352.1 | 352.1 | Barren |
| 364.9 | 1.6 | 0.05 | 0.18 | 353.5 | 1.4 | 0.30 |
| 368.9 | 0.6 | 0.63 | 0.73 | 362.7 | 9.2 | Barren |
| 376.8 | 1.4 | 0.24 | 1.37 | 363.5 | 0.8 | 0.09 |
| | | | | 366.3 | 2.8 | Barren |
| | | | | 367.3 | 1.0 | 0.40 |
| | | | | 374.3 | 7.0 | Barren |
| | | | | 375.1 | 0.8 | 0.38 |
| | | | | 396.0 | 20.9 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 229

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 230 DATE Sept. 19, 1957 CLAIM NAME VQ #9

Colar Elev. 6962.9 Location 161735 N 13478 E

Summary of Log Favorable 15, Barren OBSS 346 - 398 Thick 52

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 330.0 | | | PB | | | No Core |
| 330.0 | 345.0 | 15.0 | | MS | R GN | | |
| 345.0 | 346.2 | 1.2 | | MS | GY | | Sandy |
| 346.2 | 347.8 | 1.6 | | SS | LGY | F | A;R,GN; G,INT S-A MN. Stain |
| 347.8 | 374.4 | 26.6 | | SS | LGY | F | S; CBN S; GN; G S-A LIM |
| 374.4 | 377.2 | 2.8 | | MS/ST | GNGY | | SS SMS |
| 377.2 | 381.0 | 3.6 | | SS | LGY | F | A;LIM Hard, Frac. 377.7-381.0 |
| 381.0 | 383.2 | 2.2 | | MS/SS | DGY | | |
| 383.2 | 397.5 | 14.3 | | SS | GY | F | S;CBN S;GY;SM,FM |
| | | | | | | | S;GY; P at base |
| 397.5 | 398.1 | 0.6 | | MS | GN | | |
| 398.1 | 398.4 | 0.3 | | SS | LGY | F | Hard, A; GN; INT |
| 398.4 | 400.5 | 2.1 | | MS/ST | GNGY | | |
| 400.5 | 406.0 | 5.5 | | MS | RGN | | Mott |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 372.8 | 372.8 | Barren |
| | | | | 373.8 | 1.0 | 0.01 |
| | | | | 374.8 | 1.0 | Barren |
| | | | | 375.8 | 1.0 | 0.01 |
| | | | | 379.9 | 4.1 | Barren |
| | | | | 381.3 | 1.4 | 0.03 |
| | | | | 404.0 | 22.7 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 230

# DRILL LOG

VANADIUM QUEEN CORPORATION

Name of Company

DRILL HOLE NO. VQ 231 DATE Sept. 19, 1957 CLAIM NAME VQ #10

Colar Elev. 7037.9 Location 161504 N 14090 E

Summary of Log Favorable 12, Ore OBSS 414 - 479 Thick 65

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 410.0 | | | PB | | | No Core |
| 410.0 | 413.6 | 3.6 | | MS/ST | RGN | | |
| 413.6 | 422.6 | 9.0 | | SS | LBRLGY | F | S;R,GN; SM, FM |
| 422.6 | 445.0 | 22.4 | | SS | LGY | F | S; GN; G,P S; LIM |
| 445.0 | 445.3 | 0.3 | 75% | SS | GY | F | Sample |
| 445.3 | 445.7 | 0.4 | | SS | GY | F | A;CBN A;GY; FM A; LIM |
| 445.7 | 447.0 | 1.3 | 100% | SS | GY | F | Sample |
| 447.0 | 452.0 | 5.0 | | SS | LGY | F | S; CBN S; GN; P, FM |
| 452.0 | 452.9 | 0.9 | | SS/MS | GY | | |
| 452.9 | 460.0 | 7.1 | | SS | LGY | MF-F | S; GN; G, SM |
| 460.0 | 460.3 | 0.3 | 66% | SS/MS | GY | | |
| 460.3 | 476.8 | 16.5 | | SS | LGY GY | MF-F | S-A CBN A;GN,GY; SM,FM |
| 476.8 | 478.7 | 1.9 | | SS | LGY | F | Hard |
| 478.7 | 479.7 | 1.0 | | MS | GN | | |
| 479.7 | 480.9 | 1.2 | | ST | GN | | Sandy |
| 480.9 | 485.0 | 4.1 | 56% | MS/ST | RGN | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 445.3 | 0.3 | 0.11 | 1.32 | 443.8 | 443.8 | Barren |
| 447.0 | 1.3 | 0.06 | 1.96 | 444.5 | 0.7 | 0.07 |
| | | | | 445.6 | 1.1 | 0.10 |
| | | | | 447.9 | 2.3 | Barren |
| | | | | 448.7 | 0.8 | 0.01 |
| | | | | 460.1 | 11.4 | Barren |
| | | | | 461.1 | 1.0 | 0.03 |
| | | | | 464.9 | 3.8 | Barren |
| | | | | 465.9 | 1.0 | 0.02 |
| | | | | 470.4 | 4.5 | Barren |
| | | | | 471.4 | 1.0 | 0.01 |
| | | | | 483.0 | 11.6 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 231

# DRILL LOG

VANADIUM QUEEN CORPORATION

Name of Company

DRILL HOLE NO. VQ 232 DATE Sept. 23, 1957 CLAIM NAME VQ #10

Colar Elev. 7055.8 Location 161755 N 13866 E

Summary of Log Favorable 14, Barren OBSS 410 - 492 Thick 82

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 410.0 | | | PB | | | No Core |
| 410.0 | 428.0 | 18.0 | | SS | LBRLGY | MF-F | S;CBN S-A GN;G,Sm S;LIM |
| 428.0 | 428.2 | 0.2 | | MS | GN | | Silty |
| 428.2 | 431.4 | 3.2 | | MS | R GN | | |
| 431.4 | 440.8 | 9.4 | | SS | LGY | F | VS; GN; G: P S; LIM |
| 440.8 | 441.1 | 0.3 | | MS | GN | | |
| 441.1 | 449.6 | 8.5 | | SS | LGY | F | VS; CBN S; GN; FM, INT |
| 449.6 | 449.7 | 0.1 | | MS | GN | | |
| 449.7 | 475.5 | 25.8 | | SS | LGY | F-MF | S; CBN S; GY, GN; P, FM S;LIM |
| 475.5 | 491.7 | 16.2 | | SS | GY | F | A; CBN A; GY; FM, INT |
| | | | | | | | A; GN, P, SM at Base |
| 491.7 | 493.8 | 2.1 | | MS/ST | GN | | |
| 493.8 | 495.0 | 1.7 | | ST | R GN | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 466.3 | 466.3 | Barren |
| | | | | 467.8 | 1.5 | 0.02 |
| | | | | 469.0 | 1.2 | 0.01 |
| | | | | ~~470.8~~ | ~~1.8~~ | ~~Barren~~ |
| | | | | 472.1 | 1.3 | 0.01 |
| | | | | 473.0 | 0.9 | Barren |
| | | | | 474.1 | 1.1 | 0.01 |
| | | | | ~~488.8~~ | ~~14.7~~ | ~~Barren~~ |
| | | | | 489.7 | 0.9 | 0.04 |
| | | | | 493.0 | 3.3 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 232

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 233 DATE Sept. 25, 1957 CLAIM NAME VQ #9

Colar Elev. 7047.5 Location 161893 N 13777 E

Summary of Log Favorable 13, Ore OBSS 410 - 478 Thick 68

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 410.0 | | | PB | | | No Core |
| 410.0 | 411.1 | 1.1 | | SS | LGY | F | S; GN; G |
| 411.1 | 412.4 | 1.3 | | MS | RGN | | Sandy |
| 412.4 | 412.8 | 0.4 | | SS | LGY | F | A; GN, G, FM |
| 412.8 | 413.4 | 0.6 | 83% | SS | LGY | F | Sample |
| 413.4 | 414.6 | 1.2 | | SS | LGY | F | A; GN; SM, FM |
| 414.6 | 419.5 | 4.9 | | MS | RGN | | |
| 419.5 | 451.5 | 32.0 | | SS | LGY | MF-F | S;CBN S, GN; G,FM S;LIM |
| 451.5 | 454.8 | 3.3 | | SS | LGY | F | VS CBN A; GN; SM, FM, INT |
| 454.8 | 455.6 | 0.8 | 100% | SS | GY | F | Sample |
| 455.6 | 464.0 | 8.4 | 100% | SS | DGY | F | Sample |
| 464.0 | 478.4 | 14.4 | | SS | LGY | F | S-A CBN S-aGN; GY; SM, P |
| | | | | | | | A; GN, GY; P at base |
| 478.4 | 479.7 | 1.3 | | MS | GN | | |
| 479.7 | 485.0 | 5.3 | | MS/ST | RGN | | Hard, Tight SS RIBS |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 412.2 | 412.2 | Barren |
| 413.4 | 0.6 | 0.07 | 0.18 | 413.0 | 0.8 | 0.04 |
| 455.6 | 0.8 | 0.24 | 1.86 | 453.6 | 40.6 | Barren |
| 464.0 | 8.4 | 0.02 | 0.02 | 454.4 | 0.8 | 0.31 |
| | | | | 462.4 | 8.0 | Barren |
| | | | | 463.5 | 1.1 | 0.04 |
| | | | | 470.0 | 6.5 | Barren |
| | | | | 470.8 | 0.8 | 0.01 |
| | | | | 474.0 | 3.2 | Barren |
| | | | | 475.0 | 1.0 | 0.01 |
| | | | | 485.0 | 10.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 233

# DRILL LOG

VANADIUM QUEEN CORPORATION

Name of Company

DRILL HOLE NO. VQ 234 DATE Sept. 24, 1957 CLAIM NAME VQ #10

Colar Elev. 5990.8 Location 161669 N 13,688 E

Summary of Log Favorable 12, Ore OBSS 355 - 423 Thick 68

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 355.0 | | | PB | | | No Core |
| 355.0 | 367.5 | 12.5 | | SS | LBR LGY | MF-F | S; GN; G, FM A; LIM |
| 367.5 | 394.0 | 26.5 | | SS | LGY | F | S; CBN S; GN; SM, FM |
| 394.0 | 400.0 | 6.0 | | SS | LGY | F | Core Ground, Broken Up |
| 400.0 | 401.0 | 1.0 | | SS | LGY | F | S; GN; INT S; LIM |
| 401.0 | 403.5 | 2.5 | 100% | SS | DGY | MF-F | Sample |
| 403.5 | 406.5 | 3.0 | | SS | LGY | MF-F | S; GN; G A; LIM |
| 406.5 | 410.2 | 3.7 | 100% | SS | GY GN | MF-F | Sample 4090-9095 Silt Stone |
| 410.2 | 423.0 | 12.8 | | SS | LGY | F | S; CBN S; GN; FM |
| 423.0 | 426.8 | 3.8 | | MS/ST | GN | | |
| 426.8 | 428.0 | 1.2 | | ST | R GN | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 403.5 | 2.5 | 0.24 | 1.25 | 404.0 | 404.0 | Barren |
| 410.2 | 3.7 | 0.21 | 0.05 | 405.2 | 1.2 | 0.42 |
| | | | | 408.6 | 3.4 | Barren |
| | | | | 410.0 | 1.4 | 0.65 |
| | | | | 411.4 | 1.4 | 0.42 |
| | | | | 425.0 | 13.6 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 234

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 235 DATE Sept. 27, 1957 CLAIM NAME VQ #10

Colar Elev. 6997.3 Location 161616 N 13840 E

Summary of Log Favorable 14, Ore OBSS 355 - 435 Thick 80

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 355.0 | | | PB | | | No Core |
| 355.0 | 368.4 | 13.4 | | SS | LBRLGY | MF-F | S; CBN S; GN; G, SM |
| 368.4 | 371.3 | 2.9 | | MS | RGN | | |
| 371.3 | 377.2 | 5.9 | | SS | LGY | F | S; R; SM; Hard |
| 377.2 | 430.9 | 53.7 | | SS | LGY | MF-F | S-A CBN S-A GN; P, SM |
| 430.9 | 432.5 | 1.6 | | SS | GNGY | F | Sample |
| 432.5 | 434.0 | 1.5 | | SS | LGY | F | Sample |
| 434.0 | 434.9 | 0.9 | | SS | LGY | F | S; CBN S; GN; G, FM |
| 434.9 | 437.4 | 2.5 | | MS/ST | GN | | |
| 437.4 | 442.0 | 4.6 | | MS/ST | RGN | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 434.0 | 1.5 | 0.07 | 0.54 | 402.9 | 402.9 | Barren |
| | | | | 404.0 | 1.1 | 0.06 |
| | | | | 404.8 | 0.8 | 0.04 |
| | | | | 407.6 | 2.8 | Barren |
| | | | | 408.4 | 0.8 | 0.01 |
| | | | | 420.4 | 12.0 | Barren |
| | | | | 421.4 | 1.0 | 0.02 |
| | | | | 422.9 | 1.5 | Barren |
| | | | | 423.9 | 1.0 | 0.03 |
| | | | | 427.0 | 3.1 | Barren |
| | | | | 428.0 | 1.0 | 0.06 |
| | | | | 428.9 | 0.9 | Barren |
| | | | | 430.1 | 1.2 | 0.27 |
| | | | | 431.2 | 1.1 | 0.12 |
| | | | | 442.0 | 10.8 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 235

# DRILL LOG

VANADIUM QUEEN CORPORATION
Name of Company

DRILL HOLE NO. VQ 236 DATE Sept. 27, 1957 CLAIM NAME VQ #9

Colar Elev. 6962.6 Location 161694 N 13286 E

Summary of Log Favorable 12 , Ore OBSS 344 - 398 Thick 54

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 340.0 | | | PB | | | No Core |
| 340.0 | 343.8 | 3.8 | | MS | RGN | | |
| 343.8 | 346.7 | 2.9 | | SS | LGY | VF | Silty; A; GN; INT |
| 346.7 | 374.0 | 27.3 | | SS | LGY | MF-F | VS CBN S; GN; G, SM S, LIM |
| 374.0 | 376.6 | 2.7 | | SS | LGY | F | A; GN; G, P |
| 376.7 | 381.1 | 4.4 | | SS | LGY GY | F | S; GN; SM, G |
| 381.1 | 382.1 | 1.0 | 100% | SS | Gy | F | Sample |
| 382.1 | 397.9 | 15.8 | | SS | Gy LGY | F | S-A CBN S; GN; G, FM |
| | | | | | | | A; GN; P,SM at Base; Hard |
| 397.9 | 399.2 | 1.3 | | MS | GNGY | | |
| 399.2 | 400.0 | 0.8 | | MS | RGN | | Mott |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 382.1 | 1.0 | 0.09 | 1.23 | 380.4 | 380.4 | Barren |
| | | | | 381.4 | 1.0 | 0.16 |
| | | | | 385.6 | 4.2 | Barren |
| | | | | 386.6 | 1.0 | 0.01 |
| | | | | 400.0 | 13.4 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 236

Vanadium Queen Corp.
Lasal Creek, Utah
GAMMA-RAY LOG INTERPRETATION AEC Docket No. 4631

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* To | Anomaly Detected From* To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_eU_3O_8$ |
|---|---|---|---|---|---|---|---|---|---|
| VQ230 | 406.0 | 320BX | 303.0-403.6 | 334.7-335.8 | 1.1 | 230 | | | <.005 |
| | | | | 373.1-374.1 | 1.0 | 400 | | | .010 |
| | | | | 375.0-376.3 | 1.3 | 320 | | | <.005 |
| | | | | 380.3-381.5 | 1.2 | 970 | | | .030 |
| | | | | 385.1-386.1 | 1.0 | 320 | | | <.010 |
| VQ231 | 485.0 | 410BX | 382.0-482.4 | 443.3-444.5 | 1.2 | 2200 | | | .060 |
| | | | | 444.5-445.7 | 1.2 | 2950 | | | .086 |
| | | | | 450.7-451.7 | 1.0 | 510 | | | .014 |
| | | | | 458.4-459.5 | 1.1 | 720 | | | .021 |
| | | | | 459.5-460.0 | 0.5 | 400 | | | .014 |
| | | | | 460.0-460.9 | 0.9 | 1400 | | | .036 |
| | | | | 463.3-464.5 | 1.2 | 440 | | | .010 |
| | | | | 464.5-466.1 | 1.6 | 600 | | | .013 |
| | | | | 466.1-467.1 | 1.0 | 400 | | | .010 |
| | | | | 468.9-470.0 | 1.1 | 560 | | | .015 |
| | | | | 470.4-471.8 | 1.4 | 630 | | | .015 |
| | | | | 474.5-475.7 | 1.2 | 380 | | | <.010 |
| VQ232 | 495.0 | 410BX | 391.9-492.0 | 466.2-467.9 | 1.7 | 780 | | | .018 |
| | | | | 467.9-469.0 | 1.1 | 550 | | | .015 |
| | | | | 470.6-471.7 | 1.1 | 400 | | | <.010 |
| | | | | 473.0-474.2 | 1.2 | 520 | | | .012 |
| | | | | 478.0-479.0 | 1.0 | 340 | | | <.010 |
| | | | | 488.8-489.8 | 1.0 | 1450 | | | .036 |
| VQ233 | 485.0 | 410BX | 382.9-483.0 | 412.2-413.1 | 0.9 | 1400 | | | .036 |
| | | | | 453.6-454.4 | 0.8 | 6400 | | | 0.32 |
| | | | | 459.5-460.5 | 1.0 | 400 | | | .010 |
| | | | | 462.5-463.5 | 1.0 | 1700 | | | .045 |
| | | | | 467.1-468.0 | 0.9 | 340 | | | <.010 |
| | | | | 469.7-470.7 | 1.0 | 540 | | | .015 |
| | | | | 473.9-475.2 | 1.3 | 480 | | | .011 |

* From top to bottom depths

Original signed by
10/21

Vanadium Queen
Vanadium Queen mine
San Juan County, Utah
DMEA Docket No. 4631

GAMMA-RAY LOG INTERPRETATION

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* | Depth Logged To | Anomaly Detected From* | Anomaly Detected To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_e U_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VQ234 | 423.0 | | 302.0 | 422.0 | 403.8 | 405.0 | 1.2 | 12000 | | | 0.39 | |
| | | | | | 405.0 | 408.8 | 3.8 | 270 | | | <.005 | |
| | | | | | 408.8 | 409.7 | 0.9 | 19000 | | | 0.66 | |
| | | | | | 409.7 | 411.2 | 1.5 | 13000 | | | 0.40 | |
| | | | | | 411.2 | 415.7 | 4.5 | 300 | | | .005 | |

* From top to bottom depths

Vanadium Queen Corp.
Lasal Creek, Utah
GAMMA-RAY LOG INTERPRETATION AMEA Docket No. 4631

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* | Depth Logged To | Anomaly Detected From* | Anomaly Detected To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_e U_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VQ235 | 442.0 | 360BX | 339.1 | 439.4 | 407.7 | 408.5 | 0.8 | 310 | | | <.010 | |
| | | | | | 413.0 | 414.0 | 1.0 | 2000 | | | .055 | |
| | | | | | 414.0 | 414.9 | 0.9 | 1400 | | | .036 | |
| | | | | | 420.3 | 421.5 | 1.2 | 680 | | | .021 | |
| | | | | | 423.1 | 424.1 | 1.0 | 1100 | | | .025 | |
| | | | | | 424.1 | 425.2 | 1.1 | 800 | | | .024 | |
| | | | | | 425.2 | 426.6 | 1.4 | 1000 | | | .024 | |
| | | | | | 426.6 | 427.6 | 1.0 | 1800 | | | .051 | |
| | | | | | 427.6 | 428.9 | 1.3 | 1600 | | | .036 | |
| | | | | | 428.9 | 430.1 | 1.2 | 8400 | | | 0.33 | |
| | | | | | 430.1 | 431.4 | 1.3 | 3600 | | | 0.11 | |
| VQ236 | 400.0 | 340BX | 298.4 | 398.6 | 380.4 | 381.4 | 1.0 | 4100 | | | 0.15 | |
| | | | | | 385.5 | 386.4 | 0.9 | 420 | | | .010 | |

* From top to bottom depths

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| | | |
|---|---|---|
| 10/21 | C | 220 |
| 10/21 | | 800 |
| 10/22 | | 700 |

224 New Customhouse
Denver 2, Colorado
October 17, 1957

Mr. Don Danvers, President
Vanadium Queen Uranium Corporation
P. O. Box 1674
Grand Junction, Colorado

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Danvers:

The date fixed for completion of the work provided for under Contract Idm-E1092, is October 31, 1957. If, for reasons beyond your control, it will not be possible to complete the work October 31, 1957, you should submit to this office for consideration by the Government, the original and five copies of a request for extension of the completion date for such specific additional time as you anticipate will be required.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Hasler
DMEA, DFC
DMEA, G.Jct.
Townsend
Corres.file, Reg.III
Chron

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

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| DATE | INITIALS | CODE |
|---|---|---|
| 10/15 | C | 220 |
| 11 | [illegible] | 700 |
| | | |
| | | |
| | | |
| | | |
| | | |

October 9, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4631 (Uranium), Contract No. Idm-E1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims), San Juan County, Utah

Enclosed are three copies of confirmation of verbal work approval given the Operator for the drilling of three additional holes under Stage II of the contract.

Also enclosed are two copies of the Operator's letter of October 6, 1957 and three copies of a joint memorandum, dated October 8, 1957, from N. L. Archbold and M. H. Salsbury, DMEA field examiners, pertaining to the drilling.

Copies of the confirmation of work approval have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

E. N. Harshman

E. N. Harshman

Enclosures

MINERAL DEPOSITS
IN REPLY REFER TO:
RECEIVED
OCT 9 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
OCT 9 - 1957
REGION III
DENVER, COLORADO

October 8, 1957

Memorandum

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

Through: E. N. Harshman
J. William Hasler

From: N. L. Archbold
M. H. Salsbury

Subject: DMEA Docket No. 4631 (Uranium), Contract no. Idm-E 1092, Vanadium Queen Corporation, Vanadium Queen claim, San Juan County, Utah. Request for additional stage II drilling.

In a letter dated October 6, 1957 the operator requested Government approval for 3 additional stage II holes. Locations of the three proposed holes are shown on the attached map.

An estimated total of 1,140 feet of non-core and 230 feet of core drilling would be required to complete the three proposed holes. These holes can be drilled without exceeding the total footage allowable for Stage II drilling.

The three proposed holes are located not less than 100 feet from any previously drilled hole, and are more than 100 feet from any exterior claim boundary.

As shown on the attached map, the proposed holes are well located with respect to known favorable and mineralized ground. Table 1 shows percentages of $eU_3O_8$ in the holes to be offset.

Inasmuch as the proposed holes are within contract limits and are geologically sound, it is recommended that they be approved by the Government.

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| DATE | INITIALS | CODE |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

N. L. Archbold
N. L. Archbold,
Geologist

M. H. Salsbury
M. H. Salsbury,
Mining Engineer

Enclosures
NLA/bh

Table 1.--Percentages of $eU_3O_8$ in holes to be offset.

| Hole | Depth to base of mineralized zone | Thickness of mineralized zone in feet | Percentage $eU_3O_8$ 1/ |
|---|---|---|---|
| VQ-208 | 369.3 | 1.0 | 0.045 |
| | 376. | 0.9 | 0.51 |
| | 386.9 | 0.8 | 0.045 |
| VQ-233 | 413.1 | 0.9 | 0.036 |
| | 454.4 | 0.8 | 0.32 |
| | 463.5 | 1.0 | 0.045 |
| VQ-235 | 414.0 | 1.0 | 0.055 |
| | 414.9 | 0.9 | 0.036 |
| | 421.5 | 1.2 | 0.020 |
| | 424.1 | 1.0 | 0.025 |
| | 426.6 | 2.5 | 0.024 |
| | 427.6 | 1.0 | 0.051 |
| | 428.9 | 1.3 | 0.036 |
| | 430.1 | 1.2 | 0.33 |
| | 431.4 | 1.3 | 0.11 |

1/ Data from U. S. Geological Survey gamma-ray logging unit.

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| DATE | INITIALS | CODE |
|---|---|---|
| | | |
| | | |
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| | | |
| | | |
| | | |
| | | |

224 New Customhouse
Denver 2, Colorado

October 9, 1957

Mr. John I. Stumacher
Vanadium Queen Uranium Corporation
P. O. Box 1674
Grand Junction, Colorado

Re: Docket No. DMEA 4631 (Uranium)
Contract No. IAm-21092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Stumacher:

In reference to your letter of October 6, 1957, this confirms verbal approval issued by the Government on October 7, 1957 for you to drill three additional Stage II holes as offsets to previously drilled holes VQ-208, VQ-233, and VQ-235.

The locations of the approved three additional Stage II holes are indicated by the symbol X on the map entitled, "Figure 1.--Sketch Map of the Applicants Property Showing Existing Drill Holes, Mine Workings, and Proposed Stage II Drill Holes, Vanadium Queen Uranium Corporation, San Juan County, Utah," which is attached hereto and made a part of this confirmation of work approval.

Nothing in this confirmation of verbal work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

By E. M. Harshman

E. M. Harshman
Acting Executive Officer

JWF:prl

cc: Chem. Op. Comm. (3)
Finance Office, Region III
Amendment file, Region III
Harshman
DMEA/DFC
DMEA/Gr.Jct.
Hasler
Corres. file
Townsend
Chron.

VANADIUM QUEEN URANIUM CORP.
P.O. BOX 1674
GRAND JUNCTION, COLORADO

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

October 6, 1957

United States Department of Interior
Defense Minerals Exploration Administration
Denver, Colorado

Re: Docket No. DMEA 4631
Contract No. Idm - E 1092

Gentlemen:

Attached is a copy of the drill map which is complete to date showing the holes which have been drilled and those in progress.

We are at this time requesting 3 additional holes as offset holes in Stage 2 (circled in red). These holes would offset ore holes Nos. 235, 233, and 208. None of the proposed holes is located closer than 100 feet to any previously drilled hole or closer than 100 feet to the outer claim boundaries.

It is estimated that the total footage for these 3 holes would be 1140 feet of plugged drilling and 230 feet of core drilling. This would leave a balance of 1130 feet of plugged drilling and 440 feet of core drilling which would not yet be committed in the Second Stage.

Please advise me at your earliest convenience as to the action taken on this request.

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DATE | CODE

Sincerely,

John I. Schumacher

JOHN I. SCHUMACHER
for Vanadium Queen Uranium Corp.

Vanadium Queen Corp.
LaSal Creek
San Juan County, Utah
DMEA Docket 4631

# GAMMA-RAY LOG INTERPRETATION

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* To | Anomaly Detected From* To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_eU_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| VQ-216 | 402.0 | 285.0 | 301.0-401.0 | 372.0-372.9 | 0.9 | 340 | | | <.010 | |
| | | | | 383.8-385.9 | 2.1 | 260 | | | <.005 | |
| | | | | 385.9-387.3 | 1.4 | 400 | | | <.010 | |
| | | | | 387.3-389.3 | 2.0 | 300 | | | .005 | |
| | | | | 389.3-390.0 | 0.7 | 1500 | | | .049 | |
| | | | | 390.0-392.9 | 2.9 | 360 | | | <.010 | |
| | | | | 392.9-393.8 | 0.9 | 740 | | | .024 | |
| | | | | 393.8-395.9 | 2.1 | 460 | | | <.010 | |
| | | | | 395.9-400.3 | 4.4 | 320 | | | <.010 | |
| VQ-218 | 380.0 | 308.0 | 279.0-379.0 | 371.1-371.9 | 0.8 | 240 | | | <.010 | |
| | | | | 375.1-376.4 | 1.3 | 880 | | | .025 | |
| | | | | 376.4-377.5 | 1.1 | 260 | | | <.005 | |
| VQ-219 | 350.0 | 300BX | 245.6-348.0 | Barren | | | | | | |
| VQ-220 | 385.0 | 310.0 | 283.0-383.0 | Barren | | | | | | |
| VQ-221 | 360.0 | 300.0 | 258.0-358.0 | Barren | | | | | | |
| VQ-222 | 357.0 | 295.0 | 244.0-354.0 | Barren | | | | | | |
| VQ-224 | 360.0 | 300.0 | 259.0-359.0 | Barren | | | | | | |

* From top to bottom depths

Contract No. 1DM-E 1092

Vanadium Queen
LaSal Creek
San Juan County, Utah
DMEA Docket No. 4631

# GAMMA-RAY LOG INTERPRETATION

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* | Depth Logged To | Anomaly Detected From* | Anomaly Detected To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_eU_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VQ226 | 330.0 | 260BX | 228.0 | 328.0 | 323.8 | 325.1 | 1.3 | 260 | | | <.005 | |
| | | | | | 325.7 | 326.7 | 1.0 | 360 | | | <.010 | |
| VQ227 | 425.0 | 360BX | 322.5 | 422.6 | 364.9 | 366.7 | 1.8 | 560 | | | .011 | |
| | | | | | 404.5 | 405.7 | 1.2 | 1300 | | | .030 | |
| | | | | | 405.7 | 406.6 | 0.9 | 560 | | | .016 | |
| | | | | | 406.6 | 407.7 | 1.1 | 260 | | | <.005 | |
| | | | | | 410.8 | 411.8 | 1.0 | 1100 | | | .025 | |
| | | | | | 416.1 | 417.1 | 1.0 | 1200 | | | .028 | |
| | | | | | 417.1 | 418.4 | 1.3 | 500 | | | .012 | |
| | | | | | 418.4 | 419.6 | 1.2 | 1300 | | | .030 | |
| | | | | | 419.6 | 420.9 | 1.3 | 500 | | | .011 | |
| VQ228 | 475.0 | 400BX | 370.8 | 473.0 | 374.4 | 375.4 | 1.0 | 1200 | | | .030 | |
| | | | | | 456.4 | 457.2 | 0.8 | 1300 | | | .034 | |
| | | | | | 457.2 | 458.1 | 0.9 | 700 | | | .022 | |
| | | | | | 458.1 | 459.7 | 1.6 | 340 | | | <.010 | |
| | | | | | 467.2 | 468.0 | 0.8 | 260 | | | <.005 | |
| VQ229 | 386.0 | 320BX | 283.1 | 383.3 | 354.2 | 355.5 | 1.3 | 8700 | | | 0.33 | |
| | | | | | 356.8 | 357.7 | 0.9 | 500 | | | .014 | |
| | | | | | 362.7 | 363.6 | 0.9 | 2700 | | | .090 | |
| | | | | | 363.6 | 364.5 | 0.9 | 600 | | | .018 | |
| | | | | | 364.5 | 365.3 | 0.8 | 1200 | | | .030 | |
| | | | | | 366.2 | 367.3 | 1.1 | 12000 | | | 0.41 | |
| | | | | | 368.8 | 369.8 | 1.0 | 270 | | | <.005 | |
| | | | | | 374.2 | 375.6 | 1.4 | 9400 | | | 0.36 | |

* From top to bottom depths

VANADIUM QUEEN URANIUM CORP.
P. O. BOX 1674
GRAND JUNCTION, COLORADO

DMEA
ARTMENT OF THE INTERIOR
AUG 27 1957
REGION III
DENVER, COLORADO

August 24, 1957

United States Department of Interior
Defense Minerals Exploration Administration
Denver, Colorado

Re: Docket No. DMEA 4621
Contract No. Idm - E 1092

Gentlemen:

The work authorized for Stage I under contract No. Idm-E 1092 is now 75% completed. To assure uninterrupted operations, it is requested that authorization be granted at this time to proceed with Stage II work.

On the accompanying map, we have circled in blue the Stage II drill sites we propose to drill. The 14-hole pattern is estimated to amount to a total footage of 5,720 feet. No hole is located closer than 100 feet to any previously drilled hole or closer than 100 feet to the outer claim boundary.

The 14-hole pattern is designed to off-set the 5 ore holes, VQ 202, VQ 206, VQ 208, VQ 212 and VQ 214. A tabulated summary of sample analyses data for these ore holes is enclosed.

If the program we outlined meets with your approval, we would appreciate getting authorization as soon as possible as we are ready to start work at once.

Very truly yours,

R. A. Hildebrand

R. A. Hildebrand, Geological Engineer for
VANADIUM QUEEN URANIUM CORP.

Encl.

RAH:gw

## SUMMARY SAMPLE ANALYSES DATA

| HOLE NO. | SAMPLE NO. | INTERVAL | FT. | % $U_3O_8$ | % $V_2O_5$ |
|---|---|---|---|---|---|
| VQ 202 | VQ 1 | 308.8 - 309.6 | 0.8 | 0.28 | 1.86 |
| VQ 202 | VQ 2 | 310.8 - 311.4 | 0.6 | 0.09 | 0.13 |
| VQ 206 | VQ 3 | 351.4 - 352.8 | 1.4 | 0.36 | 2.28 |
| VQ 208 | V 4 | 370.7 - 372.0 | 1.3 | 0.02 | 1.66 |
| VQ 208 | V 5 | 376.3 - 379.8 | 3.5 | 0.15 | 0.98 |
| VQ 212 | V 8 | 410.0 - 411.3 | 1.3 | 0.30 | 3.25 |
| VQ 212 | V 9 | 416.5 - 418.0 | 1.5 | 0.23 | 2.31 |
| VQ 214 | V 10 | 351.8 - 352.2 | 0.4 | 0.39 | 3.64 |
| VQ 214 | V 11 | 389.0 - 391.6 | 2.6 | 1.00 | 2.43 |

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

IN REPLY REFER TO:

MINERAL DEPOSITS
DMEA
RECEIVED
SEP 5 1957
GEOLOGICAL SURVEY
GRAND JUNCTION, COLORADO

September 4, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman
J. William Hasler

From: M. H. Salsbury
N. L. Archbold

Subject: Docket No. DMEA 4631 (Uranium), Contract No. Idm-E 1092, Vanadium Queen Uranium Corp., Vanadium Queen claims, San Juan County, Utah. Operator's proposed Stage II holes.

In a letter dated August 24, 1957 the operator requested permission to drill 14 Stage II holes at the sites shown on the attached figure 1.

All proposed Stage II holes fall within the inferred belt of favorable ground, and are designed to offset previously drilled ore holes or significantly mineralized holes. Table 1 shows chemical assay data for holes which the operator proposes to offset.

The examining team recommends Government approval of the operator's proposed Stage II drilling.

Verbal authorization for the 14 requested holes was given by the Field Team in two conferences (August 28 and August 30, 1957). On August 28, 8 of the proposed holes were approved. On August 30, the six remaining holes were approved subject only to a restriction that the proposed hole approximately 140 feet south of Stage I hole VQ213 would not be approved unless the examining team considered it justifiable. Evaluation of hole no. VQ213 was favorable and the proposed hole was approved. The operator has been notified verbally and by confirming letter dated September 4, 1957.

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DATE | INITIALS | CODE

M. H. Salsbury,
Mining Engineer

N. L. Archbold

N. L. Archbold,
Geologist

DMEA
DEPARTMENT OF THE INTERIOR
SEP 5 - 1957
REGION III
DENVER, COLORADO

Enclosure
MHS/bh

Table 1. -- Chemical assay data for holes which operator proposes to offset in Stage II drilling.

| Hole No. | Depth to base of mineralized zone | Thickness of mineralized zone | % $U_3O_8$ | % $V_2O_5$ |
|---|---|---|---|---|
| LC-408 | 387.2 feet | 1.2 feet | 0.005 | 2.53 |
| | 387.5 | 0.3 | 0.066 | 3.82 |
| | 388.1 | 0.6 | 0.42 | 2.67 |
| | 388.4 | 0.3 | 0.085 | 2.29 |
| | 388.7 | 0.3 | 0.015 | 1.67 |
| | 389.9 | 1.2 | 0.033 | 1.00 |
| | 390.8 | 0.9 | 0.018 | 0.72 |
| | 391.1 | 0.3 | 0.016 | 0.31 |
| VQ-202 | 309.6 | 0.8 | 0.28 | 1.86 |
| | 311.4 | 0.6 | 0.09 | 0.13 |
| VQ-206 | 352.8 | 1.4 | 0.36 | 2.28 |
| VQ-208 | 372.0 | 1.3 | 0.02 | 1.66 |
| | 379.8 | 3.5 | 0.15 | 0.98 |
| VQ-212 | 411.3 | 1.3 | 0.30 | 3.25 |
| | 418.0 | 1.5 | 0.22 | 2.31 |
| VQ-214 | 352.2 | 0.4 | 0.39 | 3.64 |
| | 391.6 | 2.6 | 1.00 | 2.43 |

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

September 24, 1957

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Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA-4631 (Uranium), Contract No. Idm-E1092
Vanadium Queen Uranium Corporation (Vanadium Queen Claims)
San Juan County, Utah

Enclosed are three copies of confirmation of verbal authorization given the Operator for the drilling of 14 holes under the provisions of Stage II of the contract.

Also enclosed are two copies of the Operator's request of August 24, 1957, and three copies of a joint memorandum dated September 4, 1957, from M. H. Salsbury and N. L. Archbold, pertaining to the Operator's request.

Copies of the confirmation of work approval have been distributed to the Operator, Finance Office, Region III, and to others concerned.

J. W. Townsend

Enclosures.

224 New Customhouse
Denver 2, Colorado

CENTRAL FILE COPY
DMEA
RECEIVED SEP 27 1957

September 24, 1957

Mr. John I. Shumacher
Vanadium Queen Uranium Corp.
P. O. Box 1674
Grand Junction, Colorado

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-21092
Vanadium Queen Uranium Corp.
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. Shumacher:

In reference to your request of August 24, 1957, this confirms verbal approval by the Government, issued September 3, 1957, for you to drill 14 holes under the provisions of Stage II of the contract, as offsets to previously drilled holes.

The locations of the 14 approved Stage II holes are indicated by the symbol "X" on the map dated September, 1957, entitled "Figure 1.- Sketch Map of The Applicants Property Showing Proposed Stage II Drill Holes, Existing Drill Holes and Mine Workings, Vanadium Queen Uranium Corporation, San Juan County, Utah," which is attached hereto and made a part of this confirmation of verbal work approval.

Nothing in the verbal work approval or this confirmation thereof shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Yours very truly,

DMEA Field Team, Region III

By J. W. Townsend
Alternate Acting Executive Officer

JWT:bh

cc-Chairman, Op. Comm. (3)
Finance Office, Reg. III
Amendment File, Reg. III
Harshman
DMEA/DFC
DMEA/Gr.Jct.
Hasler
Townsend
Corres. File
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

September 24, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA-4631 (Uranium), Contract No. Idm-E1092
Vanadium Queen Uranium Corporation (Vanadium Queen Claims)
San Juan County, Utah

Enclosed are three copies of approval from this office, to revise the locations of three holes to be drilled under Stage I of the contract.

Also enclosed are two copies of the Operator's request for the work approval, of August 24, 1957, and three copies of a joint memorandum dated September 9, 1957, from M. H. Salsbury and N. L. Archbold, pertaining to the Operator's request.

Copies of the approval to change the locations of the three holes have been distributed to the Operator, Finance Office, Region III, and to others concerned.

J. W. Townsend

J. W. Townsend

Enclosures

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RECEIVED SEP 27 1957

| DATE | INITIALS | CODE |
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| 9/27 | C | 220 |
| | | 700 |

224 New Customhouse
Denver 2, Colorado

September 24, 1957

Mr. John I. Shumacher
Vanadium Queen Uranium Corp.
P. O. Box 1674
Grand Junction, Colorado

Re: Docket No. DMEA-4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen Claims)
San Juan County, Utah

Dear Mr. Shumacher:

In reference to your request of August 24, 1957, this confirms verbal approval by the Government on September 6, 1957, to delete the drilling of three Stage I holes at the locations indicated on the map, Figure 3, attached to the contract; and, instead, drill three holes at new locations.

The location of the originally proposed holes and the new locations of the three holes are shown on the map dated September, 1957, entitled "Figure 1. - Sketch Map of The Applicants Property Showing Existing Drill Holes, Mine Workings, and Proposed Stage I Drill Holes, Vanadium Queen Uranium Corporation, San Juan County, Utah," which is attached hereto and made a part of this confirmation of verbal approval for the moving of three drill holes. The holes shall be drilled at the revised locations in conformance with all provisions in the contract pertaining to Stage I drilling.

Nothing in the verbal approval or this confirmation thereof shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

By J. W. Townsend
Alternate Acting Executive Officer

JWT:bh
cc-Chairman,Op.Comm.(3)
Finance Office, Reg.III
Amendment File, Reg.III
Harshman
DMEA/DFC
DMEA/Gr.Jct.
Hasler
Townsend
Corres. File
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
SEP 12 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O. Box 360
Grand Junction, Colorado

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
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SEP 11 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

September 9, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
J. William Hasler

From: M. H. Salsbury
N. L. Archbold

Subject: DMEA docket No. 4631 (Uranium), contract No. Idm-E 1092, Vanadium Queen Uranium Corp., Vanadium Queen claims, San Juan County, Utah. Request for revision of stage I drilling.

In a letter dated August 24, 1957, the operator requested permission to abandon three approved stage I drill sites and substitute three other sites.

The three sites which the operator wishes to abandon are situated along the eastern side of the Vanadium Queen 3 and the Vanadium Queen 10 claims (fig. 1). The northernmost of these sites (on the Vanadium Queen 10 claim) is in a favorable location from the geologic aspect, and the operator expressed a desire to drill at the site, if possible; however, field examination shows that the site is inaccessible and can be occupied only at a prohibitive cost. The two sites on the Vanadium Queen 3 claim were proposed at a time when the southern part of the drilling area appeared to be the most favorable for occurrence of ore deposits. Subsequent drilling has shown that the northern part of the area is most favorable, thus it is advisable to concentrate the remaining footage in the northern area.

The three alternate stage I holes would be drilled at sites shown on figure 1. These holes would be drilled approximately 200 feet from any previously drilled hole, thus fulfilling the contract requirements for stage I drilling. The alternate holes should not exceed allowable stage I footage as set forth in the contract. In fact, plug-drilling depths will be less in every hole.

The examining team believes the operator's request is economically and geologically justifiable and recommends that the Government approve the operator's request.

DMEA 4631 9/9/57

Verbal approval of the operator's request was given in conferences on August 28, 1957 and August 30, 1957, and the operator was notified by a letter dated September 9, 1957.

M. H. Salsbury
Mining Engineer, ~~USBM~~

N. L. Archbold

N. L. Archbold,
Geologist, USGS

NLA/mlr

Enclosure
Fig. 1 (10)

VANADIUM QUEEN URANIUM CORP.
P. O. BOX 1674
GRAND JUNCTION, COLORADO

DMEA
ARTMENT OF THE INTERIOR
AUG 27 1957
REGION III
DENVER, COLORADO

August 24, 1957

United States Department of Interior
Defense Minerals Exploration Administration
Denver, Colorado

Re: Docket No. DMEA 4631
Contract No. Idm - E 1092

Gentlemen:

The work authorized for Stage I under contract No. Idm-E 1092 is now 75% completed. A total of 23 holes were drilled for an aggregate footage of 8,334 feet. The location of the completed holes is shown on the accompanying map.

In our monthly progress report for July we mentioned the difficulties encountered in building 5 of the drill sites, and we suggested that results of the other drilling be evaluated before canceling or moving these sites.

The results of the drilling to date indicate that the south portion of the area is relatively unfavorable. Drill logs of holes in the south portion of the area indicate a thinner sandstone member with only minor amounts of green mudstone. Radiometric logging revealed no radioactive anomalies in this area.

In view of these facts, it is requested that permission be granted to modify the drill pattern. We propose to delete the 3 holes crossed out in red on the enclosed map and instead drill 3 holes at the sites circled in blue. None of the proposed holes is located closer than 200 feet to any previously drilled holes or closer than 100 feet to the outer claim boundaries. The aggregate footage of the holes is estimated to be 1,150 feet.

If these modifications meet with your approval, I would appreciate receiving the required authorization as soon as possible.

Very truly yours,

RA Hildebrand

R. A. Hildebrand, Geological Engineer for
VANADIUM QUEEN URANIUM CORP.

Encl.

RAH:gw

4631

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9-16 | | 700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

September 11, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Gamma-ray log interpretations

Enclosed are four copies each of gamma-ray log interpretations for the following DMEA contracts:

Docket DMEA-3809 (Uranium) Contract Idm-E890,
Silver Pick Uranium, Inc., (Buckskin-Stain claims)
San Juan County, Utah

Docket DMEA-4363 (Uranium) Contract Idm-E1065,
Lisbon Uranium Corporation (John Brown claim group, et al)
Mesa County, Colorado

Docket DMEA-4409 (Uranium) Contract Idm-E1066,
Dalmid Oil and Uranium, Inc. (April, Butte, and
Canyon claims) San Juan County, Utah

Docket DMEA-4494 (Uranium) Contract Idm-E1074,
New Idria Mining and Chemical Company (Johnnie Mae
claim group) Mesa County, Colorado

Docket DMEA-4584 (Uranium) Contract Idm-E1099,
Four Corners Uranium Corporation (Varuna 2 et al claims)
Emery County, Utah

Docket DMEA-4590 (Uranium) Contract Idm-E1087,
The New Jersey Zinc Company (Sec. 34, T14N, R10W),
McKinley County, New Mexico

Docket DMEA-4597 (Uranium) Contract Idm-E1096,
Strategic Minerals Exploration Company (Ella claims)
San Juan County, Utah.

Docket DMEA-4631 (Uranium) Contract Idm-E1092,
Vanadium Queen Corporation (Vanadium Queen claims)
San Juan County, Utah

Private holes - Anshultz Drilling Co., Summit Point, Colorado.

E. N. Harshman

E. N. Harshman

Enclosures

Vanadium Queen Corp.
LaSal Creek
San Juan Co., Utah
DMEA Docket No. 4631

# GAMMA-RAY LOG INTERPRETATION

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* To | Anomaly Detected From* To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_e U_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| VQ-204 | 330.0 | 255.0 | 178.0-328.0 | 312.4-313.3 | 0.9 | 340 | | | .010 | |
| VQ-202 | 319.0 | 245.0 | 188.0-318.0 | 219.5-221.0 | 1.5 | 490 | | | .011 | |
| | | | | 223.5-224.7 | 1.2 | 760 | | | .017 | |
| | | | | 309.2-310.0 | 0.8 | 8000 | | | .44 | |
| | | | | 310.0-311.4 | 1.4 | 700 R=4 | | | .013 | |
| | | | | 311.4-312.2 | 0.8 | 3200 | | | .12 | |
| VQ-208 | 395.0 | 320.0 | 281.0-391.0 | 364.7-366.6 | 1.9 | 720 | | | .016 | |
| | | | | 366.6-368.3 | 1.7 | 430 | | | <.010 | |
| | | | | 368.3-369.3 | 1.0 | 1700 | | | .045 | |
| | | | | 369.3-370.4 | 1.1 | 260 | | | <.010 | |
| | | | | 375.2-376.1 | 0.9 | 9500 | | | .51 | |
| | | | | 376.1-376.9 | 0.8 | 1600 | | | .045 | |
| | | | | 376.9-378.5 | 1.6 | 380 | | | <.010 | |
| VQ-209 | 345.0 | 270.0 | 133.0-343.0 | 320.8-321.5 | 0.7 | 7100 | | | .43 | |
| | | | | 325.5-326.3 | 0.8 | 320 | | | <.010 | |
| VQ-210 | 388.0 | | 272.0-382.0 | 287.8-288.8 | 1.0 | 290 | | | <.010 | |
| | | | | 356.8-357.6 | 0.8 | 990 | | | .039 | |
| | | | | 369.8-371.0 | 1.2 | 420 | | | <.010 | |
| | | | | 371.8-372.6 | 0.8 | 440 | | | .012 | |
| | | | | 373.5-374.3 | 0.8 | 660 | | | .022 | |
| VQ-211 | 420.0 | 340.0 | 316.0-415.6 | 328.1-330.4 | 2.3 | 400 | | | <.010 | |
| | | | | 343.8-344.6 | 0.8 | 980 | | | .039 | |
| | | | | 397.4-398.3 | 0.9 | 320 | | | <.010 | |
| | | | | 399.5-400.4 | 0.9 | 580 | | | .017 | |
| | | | | 402.6-403.5 | 0.9 | 2200 | | | .064 | |
| | | | | 403.5-404.4 | 0.9 | 1400 | | | .036 | |
| | | | | 404.4-405.6 | 1.2 | 240 | | | <.005 | |
| | | | | 406.2-407.0 | 0.8 | 350 | | | <.010 | |
| | | | | 410.3-411.5 | 1.2 | 320 | | | <.010 | |

* From top to bottom depths

Vanadium Queen Corp.
LaSal Creek
San Juan County, Utah
DMEA Docket 4631

# GAMMA-RAY LOG INTERPRETATION

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* To | Anomaly Detected From* To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_eU_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| VQ-212 | 437.0 | 370.0 | 337.0-437.0 | 411.7-412.9 | 1.2 | 15000 | | | .49 | |
| | | | | 412.9-418.4 | 5.5 | 600 | | | .012 | |
| | | | | 418.4-419.7 | 1.3 | 10000 | | | .32 | |
| | | | | 419.7-423.3 | 3.6 | 460 | | | <.010 | |
| | | | | 423.3-424.3 | 1.0 | 240 | | | <.005 | |
| | | | | 424.3-425.4 | 1.1 | 610 | | | .017 | |
| | | | | 425.4-426.0 | 0.6 | 400 | | | .013 | |
| | | | | 432.1-435.5 | 3.4 | 240 | | | <.005 | |
| | | | | 435.5-436.3 | 0.8 | 450 | | | .015 | |
| VQ-215 | 375.0 | 290.0 | 254.0-374.0 | 265.0-266.0 | 1.0 | 280 | | | <.010 | |
| | | | | 269.4-271.1 | 1.7 | 300 | | | <.010 | |
| | | | | 352.0-352.7 | 0.7 | 260 | | | <.010 | |

* From top to bottom depths

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| DATE | INITIALS | CODE |
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| | | 700 |

224 New Customhouse
Denver 2, Colorado

September 10, 1957

Mr. John I. Schumacher, Resident Engineer
Vanadium Queen Uranium Corporation
P. O. Box 1674
Grand Junction, Colorado

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Schumacher:

Form MF-104, Operator's Monthly Report and Voucher, for July, 1957, has been received in this office and is being processed for payment.

The contract stipulates that no hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I. Hole No. VQ-200 was drilled approximately 60 feet from the West boundary of Vanadium Queen claim No. 10, therefore, the entire cost of this hole is disallowed.

You will be further advised of the details of the disallowance by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III. Please make the necessary adjustment on the next reports submitted on Voucher and Accounting Forms MF-104 and MF-104A.

If you have any question regarding the above please feel free to contact this office.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA, DFC
DMEA, G.Jct.
Hasler
Townsend
Corres.file, Reg. III
Chron

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800
700

224 New Customhouse
Denver 2, Colorado

August 29, 1957

Mr. John I. Schumacher
Vanadium Queen Uranium Corporation
P. O. Box 1674
Grand Junction, Colorado

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Schumacher:

Reference is made to your letter of August 28, 1957 and supporting data relative to the Government's exception to contributing to the costs of drilling hole VQ 200, and your request for approval of an additional hole in the general area between holes VQ 102 and VQ 13.

Relative to contributing to the costs of hole VQ 200, this office could not recommend amending the contract to include a narrow strip from the end of the Vanadium Queen No. 2 claim for the express purpose of validating your claim for the drilling of hole VQ 200 at a nonapproved location.

Hole VQ 200 is within a short distance to the northwest corner of the Vanadium Queen No. 10 claim, in fact much closer than to hole VQ 102, from which it was located; therefore we cannot understand why the hole was not located in reference to the claim corner, if such exists as required by law.

In reference to approval of an additional hole in the general area of VQ 100 and VQ 13, your request of August 24, 1957 includes such a hole. Therefore the matter will be resolved on the basis of your earlier request.

JWT:prl
cc: Chmn.Op.Comm.-2 ) w/copy of
Harshman ) Operator's
DMEA/DFC ) letter of
DMEA/Gr.Jct. ) August 28
Hasler ) and
Corres.file ) attached
maps.

Townsend
Chron.

Very truly yours,

DMEA Field Team, Region III

Original signed by
E. N. HARSHMAN

By

E. N. Harshman
Acting Executive Officer

Vanadium Queen Uranium Corp.
P.O. Box 1674
Grand Junction, Colorado
August 28, 1957

DMEA
DEPARTMENT OF THE INTERIOR
AUG 29 1957
REGION III
DENVER, COLORADO

Mr. W. N. King
Executive Officer, DMEA
U.S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA-4631 (Uranium)
Contract Idm-31092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Dear Sir:

Mr. Mel Salsbury of the Grand Junction Field Team for the DMEA advised me that there was some objection to the location of Hole No. V.Q. 200 as shown on the Monthly Progress Report. The objection raised to this hole is that it is approximately 60 feet from the boundary of the claims included under this contract.

The error in the location of Hole No. V.Q. 200 was due to the fact that its location was determined from Hole No. V.Q. 103. Hole No. V.Q. 102 was shown on the original application as being on V.Q. No. 10. (See accompanying sketch). This map was prepared for the Vanadium Queen by Mr. Sam Smyth, Registered Mining Engineer, however, in surveying out the completed holes, Mr. Hildebrand, our engineer, picked up this error which placed V.Q. 103 on V.Q. claim No. 2.

I am sure that the Vanadium Queen Uranium Corporation would agree to amend the contract so as to move the area included under the contract to a line paralleling the west boundary line of Claims Nos. 9, 10 and 2, and this new line would include V.Q. No. 102.

Now that the location of V.Q. 102 is actually west approximately 60 feet from what was originally shown on the application, it now appears logical to drill a first stage hole in the general area between V.Q. 102 and V.Q. 13. This hole would be approximately 200 feet from any existing hole.

Please advise me as to the decision on this matter and if I can be of further help, please do not hesitate to right.

Sincerely,

JOHN I. SCHUMACHER
for Vanadium Queen Uranium Corp.

cc: Mr. Salsbury
Vanadium Queen Uranium Corp.

EXTRA COPY
DMEA
RECEIVED 2 1957
DATE | CODE
10/2 | 116
11 | 700

58.39

FINAL DISTRIBUTION

MADE SEP 30 1957

224 New Customhouse
Denver 2, Colorado

September 26, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-4631 (Uranium) Contract Idm-21092, Vanadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah - Operator's Monthly Progress Report for the month of August, 1957

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

The work is being performed partly under independent subcontract and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Hole No. VQ-212 could not be drilled at the exact grid location because of physical conditions. It is considered that the hole, as drilled, fulfills the intent of the contract, therefore the revised location is acceptable to the Government.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for August, 1957, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report ---------- September 9, 1957
Date Received in Field Office ------- September 12, 1957
Date Received in Region Office ------ September 18, 1957

Original signed by
J. W. TOWNSEND

Enclosures
JBC:jy

J. W. Townsend

cc: Gen. Op. Comm. (2)
DMEA,DPC
MF-104 File, Reg. III
Marshman Wasler ) w/copy of engr's. rpt.
DMEA,G.Jct. Townsend )
Chron.

EXTRA COPY
RECEIVED
DATE | BY | NOTE

DMEA
DEPARTMENT OF THE INTERIOR
SEP 18 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

September 17, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: M. H. Salsbury

Subject: Docket No. DMEA No. 4631 (Uranium), contract Idm-E 1092, V nadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah.

The subject project was inspected on September 5, 1957 in company with Robert A. Hildebrand, representing the operator. Work was in progress on both stage I and stage II drilling.

The following items covering 15 drill holes completed in August 1957 were claimed as follows:

| | | |
|---|---|---|
| **Actual cost items (Independent contracts):** | | |
| Plug drilling | 4,765 feet at $1.75/foot .... | $8,338.75 |
| Core drilling | 997 feet at $4.35/foot .... | 4,336.95 |
| **Fixed cost items:** | | |
| Incidental allowance, 5,762 feet at $0.20/ft | | $1,152.40 |
| Core boxes, 74 at $1.00 each ..... | | 74.00 |
| 14 chemical analyses for $U_3O_8$ and $V_2O_5$ at $4.00 each ..... | | 56.00 |
| Total claimed in August 1957 ..... | | $13,958.10 |

All claims are within contract maximums. Charges for drilling are supported by an invoice from the subcontractor, and for chemical analyses by certified assay certificates. Plug drilling is invoiced and claimed at $1.75 per foot or $0.05 less than the allowable maximum, and core drilling at $4.35 per foot or $0.50 less than the allowable maximum. The core boxes claimed check the actual number of boxes used as verified in the field.

Drill sites were checked in the field. The positions of all holes except hole No. VQ 212 have been shifted about fifty feet west from the sites specified in the subject contract. This was done because the operator referenced the drill sites to previously drilled hole 102

DMEA 4631 9/17/57

(VQ 102) which was found to be 50 feet west of the position shown on the contract map. However, all holes bear proper relation to the specified drill pattern and spacing except hole No. VQ 212. The site for this hole fell on a large boulder in landslide material at the base of a Burro Canyon cliff. The substitute site used is at the easternmost feasible site and is only 140 feet from hole No. VQ 214. It is believed that hole VQ 212, as drilled, fulfills the intent of the contract and payment for it is recommended. Of the remaining stage I holes in the eastern tier, only one will be drilled: the easternmost hole on the Vanadium Queen No. 9 claim. The other holes are considered to be unnecessary, judging from drilling results to date, or at unfeasible sites. New sites for three of these holes have been proposed and approved.

Of the 15 holes completed the operator reports two as having penetrated ore, two mineralized, and 11 barren. By Geological Survey standards, hole No. VQ 210 is also mineralized. By the usual criteria eight holes were favorable and seven semi-favorable. Enclosed is a summary of drilling results. Of the 14 chemical analyses of core made, eight are from holes drilled in August 1957 and six holes drilled in July 1957. July analyses have not been previously claimed.

A physical check of the core made by the DMEA inspector verified the amount of coring claimed. Holes were bottomed in from 0.6 foot to 10.8 feet of red mudstone. Because of the excellent control established, the small penetration of red mudstone in several holes is believed to be adequate. Core is BX size. Eleven holes were logged by the DMEA Barnaby unit.

The operator has submitted, in quintuplicate, forms MF-104 and MF-104-A, a narrative report, drilling map, geologic logs with radiometric results entered, with one copy each of subcontractor's invoice for drilling, and certified assay certificates for 14 samples.

Monthly and cumulative totals are correct except that the totals previously reported and totals to date do not reflect a disallowance made on hole VQ 200 claimed in July 1957.

Payment is recommended of $10,468.58, seventy-five percent of the amount claimed in August 1957, $13,958.10.

M. H. Salsbury

M. H. Salsbury,
Mining Engineer

MHS/mlr

Enclosure

# Drilling Summary

## SIGNIFICANT MINERALIZATION

| Hole No. (VQ prefix omitted) | Depth in feet claimed: Plug | Depth in feet claimed: core | Depth in feet claimed: total claimed | Depth probed by: Operator | Depth probed by: DMEA | Depth in feet: from | Depth in feet: to | Depth in feet: interval | Percent $U_3O_8$ or $eU_3O_8$ | Percent $V_2O_5$ | Sampled by | Classification of hole by operator |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 210 | 310 | 75 | 385 | 385.0 | 382.0 | 359.3 | 359.8 | 0.5 | 0.05 R 1/ | | Operator | barren |
| | | | | | | 359.7 | 359.9 | 0.2 | 0.17 | 10.29 | " | |
| | | | | | | 356.8 | 357.6 | 0.8 | 0.039R | | DMEA | |
| 211 | 340 | 79 | 419 | 419.0 | 415.6 | 342.4 | 343.3 | 0.9 | 0.03 R | | Operator | Mineralized |
| | | | | | | 401.6 | 402.6 | 1.0 | 0.08 R | | " | |
| | | | | | | 402.6 | 402.8 | 0.2 | 0.20 R | | " | |
| | | | | | | 402.8 | 403.6 | 0.8 | 0.05 R | | " | |
| | | | | | | 403.3 | 403.8 | 0.5 | 0.08 | 0.04 | " | |
| | | | | | | 343.8 | 344.6 | 0.8 | 0.039R | | DMEA | |
| | | | | | | 402.6 | 403.5 | 0.9 | 0.064R | | " | |
| | | | | | | 403.5 | 404.4 | 0.9 | 0.036R | | " | |
| 212 | 370 | 70 | 440 | 440.0 | 437.0 | 409.5 | 411.0 | 1.5 | 0.18 R | | Operator | Ore |
| | | | | | | 410.0 | 411.3 | 1.3 | 0.30 | 3.25 | " | |
| | | | | | | 415.5 | 418.5 | 3.0 | 0.17 | | " | |
| | | | | | | 416.5 | 418.0 | 1.5 | 0.22 | 2.31 | " | |
| | | | | | | 411.7 | 412.9 | 1.2 | 0.49 R | | DMEA | |
| | | | | | | 418.4 | 419.7 | 1.3 | 0.32 R | | " | |
| 213 | 330 | 80 | 410 | 410 | -- | 389.5 | 389.9 | 0.4 | 0.12 | 0.70 | Operator | Mineralized |
| | | | | | | 392.0 | 392.4 | 0.4 | 0.04 | 0.55 | Operator | |
| 214 | 350 | 70 | 420 | 420 | -- | 351.8 | 352.2 | 0.4 | 0.39 | 3.64 | Operator | Ore |
| | | | | | | 354.0 | 355.5 | 1.5 | 0.08 R | | " | |
| | | | | | | 389.0 | 391.6 | 2.6 | 1.00 | 2.43 | " | |
| | | | | | | 391.0 | 392.0 | 1.0 | 0.65R | | | |
| 215 | 295 | 80 | 375 | 375.0 | 374.0 | | | | Barren R | | Operator | Barren |
| | | | | | | 254.0 | 374.0 | 120.0 | <0.010 R 1/ | | DMEA | |

## SIGNIFICANT MINERALIZATION

| Hole No. (WQ prefix omitted) | Depth in feet claimed: Plug | Depth in feet claimed: core | Depth in feet claimed: total claimed | Depth probed by Operator | Depth probed by DMEA | Depth in feet: from to | Depth in feet: interval | Percent $U_3O_8$ or $eU_3O_8$ | Percent $V_2O_5$ | Sampled by | Classification of hole by Operator |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 216 | 310 | 92 | 402 | 401.0 | 401.0 | | | Barren R | | Operator | Barren |
| | | | | | | 389.3-390.0 | 0.07 | 0.049 R | | DMEA | |
| 217 | 290 | 64 | 354 | 354.0 | -- | | | Barren R | | Opr. | Barren |
| 218 | 310 | 70 | 380 | 380.0 | 379.0 | 373.5-375.0 | 1.5 | 0.025 R | | Opr. | Barren |
| | | | | | | 375.1-376.4 | 1.3 | 0.025 R | | DMEA | |
| 219 | 300 | 50 | 350 | 350.0 | 348.0 | | | Barren R | | Opr. | Barren |
| | | | | | | | | Barren R | | DMEA | |
| 220 | 325 | 60 | 385 | 383.0 | 383.0 | | | Barren R | | Opr. | Barren |
| | | | | | | | | Barren R | | DMEA | |
| 221 | 305 | 55 | 360 | 358.7 | 358.0 | | | Barren R | | Opr. | Barren |
| | | | | | | | | Barren R | | DMEA | |
| 222 | 300 | 57 | 357 | 356.3 | 354.0 | | | Barren R | | Opr. | Barren |
| | | | | | | | | Barren R | | DMEA | |
| 223 | 315 | 50 | 365 | 365.0 | -- | | | Barren R | | Opr. | Barren |
| 224 | 315 | 45 | 360 | 359.5 | 359.0 | | | Barren R | | Opr | Barren |
| Totals | 5,762 | 997 | 4,765 | | | | | | | | |

1/ R indicates radiometric probing result
2/ < = less than

Note: The core footages in the drilling summary submitted by the operator for holes was WQ 216 and WQ 218 ~~as revised~~ are reversed.

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

Budget Bureau No. 42-R1036.5

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

Month of August, 1957 Docket No. DMEA 4631 Contract No. 1092
Operator's Name Vanadium Queen Uranium Corporation Minerals Uranium
Address P.O. Box 1674, Grand Junction, Colorado
Contract Amount, $ 53,872.00 Government Participation: 75 % Amount, $ 40,404.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| Stage I | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Contracts: | | | | | | |
| Short Form Non-Core | $ 8,338.75 | $ 4,497.50 | $ 12,836.25 | | | |
| Drilling Core | 4,336.95 | 3,162.45 | 7,499.40 | | | |
| Bulldozing | - | 768.00 | 768.00 | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | $ 56.00 | - | 56.00 | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| Incidental Allowance | 1,152.40 | 659.40 | 1,811.80 | | | |
| Core Boxes | 74.00 | 60.00 | 134.00 | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | $13,958.10 | $ 9,147.35 | $23,105.45 | 13,958.10 | 9,147.35 | 23,105.45 |
| | | | | 4 | 779.50 | 779.50 |
| | | | | | 8,367.85 | 22,325.95 |

DMEA
DEPARTMENT OF THE INTERIOR
SEP 18 1957
REGION III
DENVER, COLORADO

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

Date Sept. 9, 1957 *Payee Vanadium Queen Uranium Corp.

Per John V. Schmacher Title Resident Engineer

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of $ 10,468.58

Signature RRe
(Authorized Certifying Officer)

Date 9-27-57 Vou. No. DMA-58-39
(See other side)

4-Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDM-E1092 in accordance with the terms of the contract.

Signature M. L. Lakebrey Title Mining Engineer Date 9-17-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Alternate Acting Executive Officer Date SEP 26 1957

## MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
COLORADO PLATEAU
DISTRICT - DMEA
SEP 12 1957
U. S. GEOLOGICAL
SURVEY
GRAND JUNCTION
COLORADO

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 57 Docket No. DMEA 4631 Contract No. 1092
Operator's Name Vanadium Queen Uranium Corporation Minerals Uranium
Address P.O. Box 1674, Grand Junction, Colorado

| OPERATION Stage I | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract Units | Authorized by Contract Unit Costs |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Stage I | |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | ft | $ 4336.95 | 997 | $ 7,499.40 | 1724 | $ 4.35 | 2170 | $4.85 |
| ~~Churn~~ Plug | ft | 8338.75 | 4765 | 12,836.25 | 7335 | 1.75 | 8990 | 1.80 |
| Incidental Allowance | ft | 1152.40 | 5762 | 1,811.80 | 9059 | 0.20 | 11160 | 0.20 |
| Sample Analyses | Sample | 56.00 | 14 | 56.00 | 14 | 4.00 | 100 | 4.00 |
| ~~Test Pits~~ Bulldozing | hr | - | - | 768.00 | 64 | 12.00 | 64 | 12.00 |
| Roads and Trails | | | | | | | | |
| Core Boxes | ea | 74.00 | 74 | 134.00 | 134 | 1.00 | 217 | 1.00 |
| Total Distributed Costs | | $13,958.10 | | $23,105.45 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | $13,958.10 | | $23,105.45 | | | | |

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

Date Sept. 9, 1957 Operator Vanadium Queen Uranium Corp.

Per John A. Johnson Title Resident Engineer

Remarks:

DMEA
DEPARTMENT OF THE INTERIOR
SEP 18 1957
REGION III
DENVER, COLORADO

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 872894

VANADIUM QUEEN URANIUM CORPORATION

VANADIUM QUEEN DMEA 4631

SUMMARY OF SAMPLE ANALYSES DATA.

| Sample No. | Hole No. | Interval | Ft. | % $U_3O_8$ | % $V_2O_5$ |
|---|---|---|---|---|---|
| VQ 1 | VQ 202 | 308.8 - 309.6 | 0.8 | 0.28 | 1.86 |
| VQ 2 | VQ 202 | 310.8 - 311.4 | 0.6 | 0.09 | 0.13 |
| VQ 3 | VQ 208 | 351.4 - 352.8 | 1.4 | 0.36 | 2.28 |
| V 4 | VQ 208 | 370.7 - 372.0 | 1.3 | 0.02 | 1.66 |
| V 5 | VQ 208 | 376.3 - 379.8 | 3.5 | 0.15 | 0.98 |
| V 6 | VQ 209 | 321.1 - 322.5 | 1.4 | 0.12 | 1.75 |
| V 7 | VQ 210 | 258.7 - 259.9 | 0.2 | 0.17 | 10.29 |
| V 8 | VQ 212 | 410.0 - 411.3 | 1.3 | 0.30 | 3.25 |
| V 9 | VQ 212 | 416.5 - 418.0 | 1.5 | 0.22 | 2.31 |
| V 10 | VQ 214 | 351.8 - 352.2 | 0.4 | 0.39 | 3.64 |
| V 11 | VQ 214 | 389.0 - 391.6 | 2.6 | 1.00 | 2.43 |
| VQ12 | VQ 211 | 403.3 - 403.8 | 0.5 | 0.08 | 0.04 |
| V 13 | VQ 213 | 389.5 - 389.9 | 0.4 | 0.12 | 0.70 |
| V 14 | VQ 213 | 392.0 - 392.4 | 0.4 | 0.04 | 0.55 |

SUMMARY STAGE I - AUGUST 1957 - DRILLING

VANADIUM QUEEN URANIUM CORPORATION

DMEA 4631

| Hole No. | TD | Plug | Core | SS | SS Th. | Rating |
|---|---|---|---|---|---|---|
| VQ 210 | 385 | 310 | 75 | 326<br>282 | 56 | Barren<br>Favorable 12 |
| VQ 211 | 419 | 340 | 79 | 343<br>412 | 69 | Mineralized<br>Favorable 12 |
| VQ 212 | 440 | 370 | 70 | 382<br>436 | 54 | Ore<br>Favorable 14 |
| VQ 213 | 410 | 330 | 80 | 352<br>404 | 52 | Mineralized<br>Favorable 12 |
| VQ 214 | 420 | 350 | 70 | 365<br>414 | 51 | Ore<br>Favorable 16 |
| VQ 215 | 375 | 295 | 80 | 314<br>368 | 54 | Barren<br>Favorable 12 |
| VQ 216 | 380 | 310 | 70 | 332<br>400 | 68 | Barren<br>Favorable 11 |
| VQ 217 | 334 | 290 | 64 | 304<br>343 | 39 | Barren<br>Semifavorable 8 |
| VQ 218 | 402 | 310 | 92 | 312<br>376 | 64 | Barren<br>Favorable 11 |
| VQ 219 | 350 | 300 | 50 | 306<br>342 | 36 | Barren<br>Semifavorable 7 |
| VQ 220 | 385 | 325 | 60 | 325<br>375 | 50 | Barren<br>Semi-favorable 9 |
| VQ 221 | 360 | 305 | 55 | 312<br>353 | 41 | Barren<br>Semifavorable 8 |
| VQ 222 | 357 | 300 | 57 | 300<br>352 | 52 | Barren<br>Semifavorable 8 |
| VQ 223 | 365 | 315 | 50 | 331<br>362 | 31 | Barren<br>Semifavorable 8 |
| VQ 224 | 360 | 315 | 45 | 316<br>356 | 40 | Barren<br>Semifavorable 7 |

VANADIUM QUEEN URANIUM CORPORATION
P. O. Box 1874
Grand Junction, Colorado

MONTHLY PROGRESS REPORT AUGUST 1957

Contract Idm -E 1092
Docket No. DMEA 4631

| Factual Data: | August | Totals to Date |
|---|---|---|
| Drill holes completed | 15 | 25 |
| Footage Cored | 997 | 1734 |
| Footage Plugged | 4765 | 7326 |
| Total(Core & Plug) | 5762 | 9060 |
| Drill Sites completed | - | 26 |
| Road Building footage | - | 7100 |
| Hours bulldozer work | - | 64 |
| Ore Holes | 2 | 6 |
| Mineralized Holes | 2 | 3 |
| Barren Holes | 11 | 16 |

Narrative:

Stage I work under terms of this contract is now 81% completed. There remain authorized and unused 1655 feet of plugging and 448 feet of coring. It is apparent at this time that these footages will be insufficient to complete the 6 remaining holes authorized for the Stage I program.

When more definite information is available, I intend to either submit a proposal to cancel one of the holes or to apply for transferring some Stage II footage in order to complete the Stage I work as now authorized.

VANADIUM QUEEN URANIUM CORPORATION

by R. A. Hildebrand
R. A. Hildebrand, Geological Engineer

RAH:gw

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 210 DATE August 1, 1957 CLAIM NAME VQ #10

Colar Elev. 6941.6 Location 161392 N 13690 E

Summary of Log Favorable 12, Barren OBSS 326 - 382 Thick 56

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 310.0 | | | PB | | | No Core |
| 310.0 | 311.5 | 1.5 | | MS | R | | |
| 311.5 | 314.3 | 2.8 | | SS | LBR | MF | S; CBN S; GN; SM |
| 314.3 | 325.7 | 11.4 | | MS | R GN | | R; SS RIBS |
| 325.7 | 327.9 | 2.1 | | SS | LBR | MF | S; R; SM |
| 327.9 | 353.3 | 25.4 | | SS | LBR LGy | MF | S; CBN A; GN; G,P |
| 353.3 | 359.0 | 5.7 | | SS | LGy | F | |
| 359.7 | 369.9 | 0.2 | 100% | SS | DGy | MF | Sample |
| 359.9 | 381.7 | 21.8 | | SS | Gy | M-MF | S-A CBN |
| 381.7 | 382.9 | 1.2 | | MS | DGy | | |
| 382.9 | 385.0 | 2.1 | | MS | RGN | | |

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| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 359.3 | 359.3 | Barren |
| | | | | 359.8 | 0.5 | 0.05 |
| | | | | 385.0 | 25.2 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 210

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 211 DATE August 5, 1957 CLAIM NAME VQ #10

Colar Elev. 6974.8 Location 161505 N 13859 E

Summary of Log Favorable 12, mineralized OBSS 343-412 Thick 69

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 340.0 | | | PB | | | No Core |
| 340.0 | 342.2 | 2.2 | | SS | LGy | F | A; Lim |
| 342.2 | 342.7 | 0.5 | | ST | R GN | | |
| 342.7 | 342.8 | 0.1 | | ST | BK | | A; CBN |
| 342.8 | 349.0 | 6.8 | | SS | LGy | F | S; R; GN; SMS, FM |
| 349.0 | 358.5 | 9.5 | | SS/ST | Gy R | | S; R; MS; SMS |
| 358.5 | 377.9 | 19.4 | | SS | LGy | F | S; GN; G, SM S; R; INT S; CBN 372.0 - 373.5 |
| 377.9 | 378.6 | 0.7 | | MS | DGY | | |
| 378.6 | 381.3 | 2.7 | | SS/ST | GY | | |
| 381.3 | 381.6 | 0.3 | | MS | DGY | | |
| 381.6 | 403.3 | 21.7 | | SS | LGY | MF | S; CBN |
| 403.3 | 403.8 | 0.5 | 100% | MS/SS | DGY | | Sample |
| 403.8 | 404.9 | 1.1 | | SS | LGY | MF | A; D Gy; P |
| 404.9 | 405.2 | 0.3 | | MS | DGY | | A; CBN |
| 405.2 | 411.7 | 6.5 | | SS | LGY | MF | S; Gy; P S; CBN |
| 411.7 | 413.1 | 1.4 | | MS | DGY | | |
| 413.1 | 419.0 | 5.9 | | MS | RGN | | |

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| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 342.4 | 342.4 | Barren |
| | | | | 343.3 | 0.9 | .03 |
| | | | | 401.6 | 58.3 | Barren |
| | | | | 402.6 | 1.0 | .08 |
| | | | | 402.8 | 0.2 | Barren |
| | | | | 403.6 | 0.8 | .05 |
| | | | | 419.0 | 15.4 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 211

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 212 DATE August 12, 1957 CLAIM NAME VQ #10

Colar Elev. 7006.5 Location 161773 N 13727 E

Summary of Log Favorable 14, Ore OBSS 382 - 436 Thick 54

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 370.0 | | | PB | | | No Core |
| 370.0 | 374.4 | 4.4 | | SS | LGy | MF | S; GN; G, P |
| 374.4 | 381.9 | 7.5 | | MS | R | | |
| 381.9 | 382.2 | 0.3 | | MS | GN | | Silty |
| 382.2 | 410.0 | 27.8 | | SS | LGy | MF | S; GN; SM, FM A; Lim S; CBN |
| 410.0 | 411.3 | 1.3 | 100% | SS | Gy BK | F | Sample |
| 411.3 | 416.5 | 5.2 | 100% | SS | LGy | F | S; GN; SM, FM S; CBN |
| 416.5 | 418.0 | 1.5 | 100% | SS | Gn BK | F | Sample |
| 418.0 | 420.4 | 2.4 | | SS | Gy | F | S; CBN |
| 420.4 | 420.6 | 0.2 | 75% | MS | Gy | | |
| 420.6 | 424.2 | 3.6 | | SS | gy | F | A; Gy; SM, P |
| 424.2 | 435.6 | 11.4 | | SS | LGy Gy | F | Frac 435.0 - 436.6 |
| 435.6 | 438.6 | 3.0 | 66% | MS | GN Gy | | |
| 438.6 | 440.0 | 1.4 | | MS/ST | R GN | | |

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| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 411.3 | 1.3 | 0.30 | 3.25 | 409.5 | 409.5 | Barren |
| 418.0 | 1.5 | 0.22 | | 411.0 | 1.5 | 0.18 |
| | | | | 415.5 | 4.5 | Barren |
| | | | | 418.5 | 3.0 | 0.17 |
| | | | | 440.0 | 21.5 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 212

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 213 DATE August 7, 1957 CLAIM NAME VQ #3

Colar Elev. 6966.7 Location 161837 N 13284 E

Summary of Log Favorable 12, Mineralized OBSS 352-404 Thick 52

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 330.0 | | | PB | | | No Core |
| 330.0 | 351.6 | 16.6 | | MS | RGN | | A; SS RIBS < 2.0 |
| 351.6 | 352.0 | 0.4 | | ST | GN | | Sandy |
| 352.0 | 376.1 | 24.1 | | SS | L GY | MF | S; CBN S; GN, SM |
| 376.1 | 387.5 | 11.4 | | SS | L GY | F | A; GN; SM, FM CBN SM 383.7-383.8 |
| 387.5 | 389.5 | 2.0 | | SS | Gy | F | S; GN; FM A; CBN |
| 389.5 | 389.9 | 0.4 | 100% | SS | Gy | F | Sample |
| 389.9 | 392.0 | 2.1 | | SS | Gy | F | S; GN; FM A; CBN |
| 392.0 | 392.4 | 0.4 | 100% | SS | Gy | F | Sample |
| 392.4 | 397.7 | 5.3 | | SS | Gy | F | A; R; GN; P At Base |
| 397.7 | 403.6 | 5.9 | | SS | L Gy | F | CBN SM 398.8 CBN FKS 401.8 |
| | | | | | | | Hard Silty at Base |
| 403.6 | 404.4 | 0.8 | | MS | Gy | | |
| 404.4 | 410.0 | 5.6 | | MS | R GN | | |

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| | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 389.9 | 0.4 | 0.12 | 0.70 | 410.0 | 410.0 | Barren |
| 392.4 | 0.4 | 0.04 | 0.55 | Weak Mineralization | | |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 214 DATE August 14, 1957 CLAIM NAME VQ #10

Colar Elev. 6982.3 Location 161693 N 13605 E

Summary of Log Favorable 16, Ore OBSS 366-414 Thick 51

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 350.0 | | | PB | | | No Core |
| 350.0 | 351.8 | 1.8 | | SS | L Gy | F | S; GN; G |
| 351.8 | 352.2 | 0.4 | 75% | SS | Gy R | F | Sample |
| 352.2 | 358.8 | 6.6 | | SS | L Gy | F | S; CBN S; GN; FM, INT VS; R; FM |
| 358.8 | 363.1 | 4.3 | | MS | R GN | | |
| 363.1 | 364.7 | 1.6 | | ST/MS | GN | | |
| 364.7 | 389.0 | 24.3 | | SS | LGy | MF-F | S; GN; FM, LNT |
| 389.0 | 391.6 | 2.6 | 100% | SS | Lgy LBR | MF | Sample |
| 391.6 | 393.7 | 2.1 | | SS | LBR | F | A; LIM VS; CBN |
| 393.7 | 394.8 | 1.1 | | MS | Gy | | |
| 394.8 | 395.4 | 0.6 | | MS/ST | Gy | | |
| 395.4 | 400.1 | 4.7 | | SS | LGy | F | A; Gy GN; SM |
| 400.1 | 401.9 | 1.8 | | MS/ST | Gy | | |
| 401.9 | 413.9 | 12.0 | | SS | LGy | F | S; GN; G, SM |
| 413.9 | 416.4 | 2.5 | | MS | Gy | | |
| 416.4 | 420.0 | 3.6 | | MS | RGN | | |

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| SAMPLE Base | SAMPLE Thick | LAB ASSAY % $U_3O_8$ | LAB ASSAY % $V_2O_5$ | INTERVAL Base | INTERVAL Thick | PROBE $U_3O_8$ |
|---|---|---|---|---|---|---|
| | | | | 354.0 | 354.0 | Barren |
| | | | | 355.5 | 1.5 | 0.08 |
| | | | | 391.0 | 35.5 | Barren |
| | | | | 392.0 | 1.0 | 0.65 |
| | | | | 420.0 | 28.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 214

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 215 DATE August 9, 1957 CLAIM NAME VQ #10

Colar Elev. 6929.4 Location 161245 N 13530 E

Summary of Log Favorable 12, Barren OBSS 314 - 368 Thick 54

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 295.0 | | | PB | | | No Core |
| 295.0 | 297.3 | 2.3 | | SS | LR LGy | MF | A; R; SM S; CBN |
| 297.3 | 308.5 | 11.2 | | SS | L Gy | MF | A; GN, SM, FM A; CBN 297.4-297.6 |
| | | | | | | | S; R; SM, FM |
| 308.5 | 313.5 | 5.0 | | MS | R | | |
| 313.5 | 334.8 | 21.3 | | SS | LBR LGy | MF | S; GN; G, P |
| 334.8 | 335.0 | 0.2 | | ST | GN | | |
| 335.0 | 349.0 | 14.0 | | SS | L Gy | F | S; GN; SM, FM |
| 349.0 | 349.5 | 0.5 | | MS | BK | | |
| 349.5 | 356.5 | 7.0 | | SS | L Gy | MF | S; GN; G, SM |
| 356.5 | 357.6 | 1.1 | | MS/ST | GN Gy | | |
| 357.6 | 368.2 | 10.6 | | SS | L Gy | F | S; CBN |
| 368.2 | 369.6 | 1.4 | | MS | D Gy | | |
| 369.6 | 375.0 | 5.4 | | MS | R GN | | |

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| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 295.0 | 295.0 | Barren |
| | | | | 375.0 | 80.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 215

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 216 DATE August 16, 1957 CLAIM NAME VQ #10

Colar Elev. 6947.2 Location 161318 N 13,914 E

Summary of Log Favorable 11, Barren OBSS 332-400 Thick 68

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.9 | 310.0 | | | PB | | | No Core |
| 310.0 | 322.9 | 12.9 | | SS | LBR | MF-F | S; GN; G, FM S; R; FM, INT S;CBN |
| 322.9 | 331.5 | 8.6 | | MS | R GN | | |
| 331.5 | 337.2 | 5.7 | | SS | LBR | F | S; GN; G S; R; SM, INT |
| 337.2 | 350.9 | 13.7 | | SS | L Gy | F | S; GN; FM, INT S; CBN |
| 350.9 | 351.0 | 0.1 | | MS | R | | |
| 351.0 | 351.3 | 0.3 | | MS | GN | | |
| 351.3 | 353.0 | 1.7 | | ST/MS | Gy GN | | |
| 353.0 | 371.6 | 18.6 | | SS | L Gy | F | A; Gy, P S; CBN |
| 371.6 | 372.0 | 0.4 | | MS | GN GY | | |
| 372.0 | 392.0 | 20.0 | | SS | LGy Gy | F | A; Gn: SM, P S; CBN<br>Lim Coated Frac 372.5 - 374.5 |
| 392.0 | 399.5 | 7.5 | | SS | Gy | F | A; Gy; FM, INT S; CBN |
| 399.5 | 401.4 | 1.9 | | MS | Gy | | |
| 401.4 | 402.0 | 0.6 | | MS | R | | |

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| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 401.0 | 401.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ #216

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 217 DATE August 13, 1957 CLAIM NAME VQ #3

Colar Elev. 6910.8 Location 161052 N 13,589 E

Summary of Log Semifavorable 6 OBSS 304 - 343 Thick 39

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 290.0 | | | PB | | | No Core |
| 290.0 | 304.4 | 14.4 | | MS | R GN | | |
| 304.4 | 336.7 | 32.3 | | SS | L Gy | MF | S; Gn, SM; FM; P |
| | | | | | | | S; CBN S; LIM |
| 336.7 | 338.0 | 1.3 | | MS | R Gn | | |
| 338.0 | 343.2 | 5.2 | | SS | L Gy | MF | |
| 343.2 | 354.0 | 10.8 | | MS | R Gn | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 354.0 | 354.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ #217

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 218 DATE August 16, 1957 CLAIM NAME VQ #3

Colar Elev. 6925.8 Location 161197 N 13743 E

Summary of Log Favorable 11, Barren OBSS 312 - 376 Thick 64

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 310.0 | | | PB | | | No Core |
| 310.0 | 311.7 | | | MS | R | | |
| 311.7 | 347.2 | 35.5 | | SS | L Gy | MF -F | S; Gn; G, SM S; LIM |
| 347.2 | 347.3 | 0.1 | | MS | Gn | | |
| 347.3 | 358.4 | 11.1 | | SS | L Gy | F | S; Gn; Gy; P, SM |
| 358.4 | 358.8 | 0.4 | | MS | Gn | | |
| 358.8 | 376.1 | 17.3 | | SS | L Gy | F | S; Gn, G, SM S; CBN |
| 376.1 | 377.6 | 1.5 | | MS/ST | Gy Gn | | |
| 377.6 | 380.0 | 2.4 | | MS | R Gn | | |

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| DATE | INITIALS | CODE |
|---|---|---|
| | | |

| SAMPLE Base | SAMPLE Thick | LAB ASSAY % $U_3O_8$ | LAB ASSAY % $V_2O_5$ | INTERVAL Base | INTERVAL Thick | PROBE $U_3O_8$ |
|---|---|---|---|---|---|---|
| | | | | 373.5 | 373.5 | Barren |
| | | | | 375.0 | 1.5 | 0.025 |
| | | | | 380.0 | 5.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ #218

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 219 DATE August 20, 1957 CLAIM NAME VQ #3

Colar Elev. 6908.7 Location 160890 N 13655 E

Summary of Log Semi-favorable 7, Barren OBSS 306 - 342 Thick 36

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 300.0 | | | PB | | | No Core |
| 300.0 | 305.8 | 5.8 | | MS | R | | |
| 305.8 | 311.8 | 6.0 | | SS | LBR | F | S; CBN S; Gn; SM, FM |
| 311.8 | 316.7 | 4.9 | | MS | R Gy | | |
| 316.7 | 322.0 | 5.3 | | MS/ST | D Gy | | |
| 322.0 | 334.8 | 12.8 | | SS | LBR LGY | F | S; CBN S; GN; G, Sm S; MN Stain |
| | | | | | | | A; PP; P at base |
| 334.8 | 335.1 | 0.3 | | MS | PP GN | | S; MN Stain |
| 335.1 | 336.6 | 1.5 | | SS | L Gy | F | S; GN; FM |
| 336.6 | 336.9 | 0.3 | | MS | R GN | | |
| 336.9 | 341.8 | 4.9 | | SS | L Gy | F | |
| 341.8 | 341.9 | 0.1 | | ST | GN | | |
| 341.9 | 350.0 | 8.1 | | MS | R GN | | |

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| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 350.0 | 350.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ #219

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 220 DATE August 21, 1957 CLAIM NAME VQ #3

Colar Elev. 6938.7 Location 161129 N 13966 E

Summary of Log Semi-favorable 9, Barren OBSS 325 - 375 Thick 50

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 325.0 | | | PB | | | No Core |
| 325.0 | 328.2 | 3.2 | | SS | LBR LGY | F | S; GN; FM |
| 328.2 | 328.5 | 0.3 | | MS | R | | |
| 328.5 | 359.5 | 31.0 | | SS | LBR LGY | F | S; CBN S; GN; G, SM, FM |
| 359.5 | 359.6 | 0.1 | | MS | GN | | |
| 359.6 | 366.4 | 6.8 | | SS | LGY | F | A; GN; G, P |
| 366.4 | 367.0 | 0.6 | | MS | R GN | | |
| 367.0 | 375.3 | 8.3 | | SS | LGY | F | S-A GN; G, SM |
| 375.3 | 375.4 | 0.1 | | ST | GN | | Sandy |
| 375.4 | 385.0 | 9.6 | | MS | RGN | | |

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| | | |
| | | |

| SAMPLE Base | SAMPLE Thick | LAB ASSAY % $U_3O_8$ | LAB ASSAY % $V_2O_5$ | INTERVAL Base | INTERVAL Thick | PROBE $U_3O_8$ |
|---|---|---|---|---|---|---|
| | | | | 383.0 | 383.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 220

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 221 DATE August 20, 1957 CLAIM NAME VQ #3

Colar Elev. 6920.2 Location 161003 N 13799 E

Summary of Log Semifavorable 8, Barren OBSS 312 - 353 Thick 41

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 305.0 | | | PB | | | No Core |
| 305.0 | 312.3 | 7.3 | | MS | R | | S; SS; RIBS |
| 312.3 | 315.3 | 3.0 | | SS | LGY LR | MF | A; R; INT |
| 315.3 | 322.3 | 7.0 | | SS | LGY LBR | MF | S; CBN S; GN; FM, G |
| 322.3 | 325.5 | 3.2 | | MS | R | | |
| 325.5 | 345.3 | 19.8 | | SS | LGY | F | S; GN; SM; FM |
| 345.3 | 345.8 | 0.5 | | MS | R | | |
| 345.8 | 346.9 | 1.1 | | SS | LGY | F | S; R, GN; SM, FM |
| 346.9 | 347.6 | 0.7 | | MS | R | | |
| 347.6 | 353.0 | 5.4 | | SS | LGY | F | S; GN; SM, P Hard |
| 353.0 | 360.0 | 7.0 | | MS | R | | |

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| | | |

| SAMPLE Base | SAMPLE Thick | LAB ASSAY % $U_3O_8$ | LAB ASSAY % $V_2O_5$ | INTERVAL Base | INTERVAL Thick | PROBE $U_3O_8$ |
|---|---|---|---|---|---|---|
| | | | | 358.7 | 358.7 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 221

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 222 DATE August 23, 1957 CLAIM NAME VQ #3

Colar Elev. 6918.3 Location 160809 N 13849 E

Summary of Log Semifavorable 8, Barren OBSS 300 - 352 Thick 52

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 300.0 | | | PB | | | No Core |
| 300.0 | 311.0 | 11.0 | | SS | LGY | F | |
| 311.0 | 312.0 | 1.0 | | MS | R | | |
| 312.0 | 351.7 | 39.7 | | SS | LBR LGY | F | S; CBN S; GN; G, SM |
| 351.7 | 357.0 | 5.3 | | MS | R | | |

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| DATE | INITIALS | CODE |
|---|---|---|
| | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 356.3 | 356.3 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 222

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 223 DATE August 26, 1957 CLAIM NAME VQ #3

Colar Elev. 6932.1 Location 160936 N 14020 E

Summary of Log Semifavorable 8, Barren OBSS 331 - 362 Thick 31

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 315.0 | | | PB | | | No Core |
| 315.0 | 321.1 | 6.1 | | MS | R | | |
| 321.1 | 330.6 | 9.5 | | MS/SS | R GY | | |
| 330.6 | 330.8 | 0.2 | | MS | GN | | |
| 330.8 | 334.7 | 3.9 | | SS | L GY | MF | Hard; Limey |
| 334.7 | 338.7 | 4.0 | | MS | R | | |
| 338.7 | 341.7 | 3.0 | | SS | L GY | F | S; R; SM, INT |
| 341.7 | 342.2 | 0.5 | | MS | PP | | A; MN; Stain |
| 342.2 | 343.3 | 1.1 | | SS | L GY | MF | S; GN; G S; PP; P, SM |
| 343.3 | 357.9 | 14.6 | | SS | L GY | MF | A; GN; G, SM |
| 357.9 | 358.3 | 0.4 | | MS | R | | |
| 358.3 | 362.1 | 3.8 | | SS | L BR | MF | S; LIM |
| 362.1 | 365.0 | 2.9 | | MS | R | | |

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| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 365.0 | 365.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 223

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. VQ 224 DATE August 24, 1957 CLAIM NAME VQ #3

Colar Elev. 6925.3 Location 160738 N 14075 E

Summary of Log Semifavorable 7, Barren OBSS 316-356 Thick 40

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 315.0 | | | PB | | | No Core |
| 315.0 | 315.5 | 0.5 | | MS | R | | |
| 315.5 | 355.0 | 39.5 | | SS | LBR LGY | MF-F | S; R, GN; SM; P |
| 355.0 | 355.1 | 0.1 | | MS | R GN | | |
| 355.1 | 355.6 | 0.5 | | SS | L GY | F | Hard |
| 355.6 | 360.0 | 4.4 | | MS | R | | |

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DATE | INITIALS | CODE

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 359.5 | 359.5 | Barren |

**Abbreviations**

CG—conglomerate
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F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. VQ 224

FINAL DISTRIBUTION
MADE SEP 11 1957

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Custom House, Denver 2, Colo.

Administrative Audit Difference Statement

Vanadium Queen Uranium Corporation
525 Allan Building
San Antonio, Texas

Date: October 11, 1957
Payee's
Reference: July 1957

Gentlemen:

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

| | | |
|---|---|---|
| Amount Claimed | $ | 9,147.35 |
| Difference | $ | 779.50 |
| Amount Approved | $ | 8,367.85 |

The reason for the difference was due to:

Disallows

| | |
|---|---|
| 230 ft non-core drilling @ $1.75 per ft. | $367.50 |
| 80 ft core drilling @ $3.35 per ft. | $312.00 |
| 250 ft incidental allowance @ $0.20 per ft. | 50.00 |
| 6 core boxes @ $1.00 each. | 6.00 |
| Total Amount to be disallowed Hole W-200 | $779.50 |

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

224 New Customhouse
Denver 2, Colorado

September 9, 1957

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket-4631, (Uranium) Contract Idm-E1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah - Operator's Monthly Progress Report for the month of July, 1957

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Except as otherwise noted below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

The holes completed during July, 1957, were not all drilled at locations authorized in the contract because of rough terrain and other conditions. With the exception of hole VQ-200, it is the opinion of the DMEA geologist and engineer that the holes, as drilled, serve the purpose of the contract as well as if they had been drilled at the exact designated locations. Under the circumstances the relocation of the holes is acceptable to the Government, with the exception of hole VQ-200.

The contract stipulates that no hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I.

Hole VQ-200 was drilled approximately 60 feet from the west boundary of Vanadium Queen No. 10 claim, therefore, the cost of this hole is to be disallowed as follows:

Disallow

| | | |
|---|---|---|
| 1. | Non-core drilling, 210 feet, at $1.75 per foot | $ 367.50 |
| 2. | Core drilling, 80 feet at $4.35 per foot | 348.00 |
| 3. | Incidental allowance, 290 feet at $0.20 per foot | 58.00 |
| 4. | Core boxes, 6 at $1.00 each | 6.00 |
| | Total amount to be disallowed, hole VQ-200 | $ 779.50 |

Reconciliation with Amount Reported by the Operator on Form MF-104 for July, 1957

| | |
|---|---|
| Amount reported on Form MF-104 for July, 1957 | $9147.35 |
| Amount to be disallowed | 779.50 |
| Total acceptable cost for July, 1957 | $8367.85 |
| Government participation at 75 percent | $6275.89 |

Note: The above amount to be disallowed differs slightly with the disallowance recommended by the inspecting engineer, however, the engineer verified the above disallowance by telephone on September 5, 1957.

Remarks:

Date of Report----------August 14, 1957
Date Received in Field Office---------August 22, 1957
Date Received in Region Office--------August 28, 1957
Reason for delay: Held in Region Office pending revision of Engineer's report.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:hmh
cc: Chan. Op. Comm. (2) )
IMEA, DFC )w/copmplete report
MF-104 file, Reg. III )
Harshman )
Hesler )w/copy of Engr's
IMEA, G.Jct. ) report
Townsend )
Chron

DMEA
DEPARTMENT OF THE INTERIOR
AUG 28 1957
REGION III
DENVER, COLORADO

P. O.Box 360
Grand Junction, Colorado

August 27, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: M. H. Salsbury

Subject: Docket No. DMEA 4631 (Uranium), Contract No. Idm-E 1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims), San Juan County, Utah -- Progress inspection for July 1957.

The subject project was inspected on August 7, 1957 by M. H. Salsbury accompanied by John I. Schumacher and Robert A. Hildebrand, representing the operator. Work was in progress using three drill rigs, and 11 holes of Stage I had been completed of which 10 are claimed in the operator's report for July 1957.

The following items are claimed for July 1957, covering drilling of holes VQ200, 201, 202A, 203, 204, 205, 206, 207, 208, and 209:

Actual Cost (Independent contracts) items

| | | |
|---|---|---|
| Plug drilling | 2,570 feet at $1.75/ft. | $4,497.50 |
| Core drilling | 727 feet at $4.35/ft. | 3,162.45 |
| Bulldozing | 64 hrs. at $12.00/hr. | 768.00 |

Fixed Cost Items

| | | |
|---|---|---|
| Incidental allowance | 3,297 ft. at $0.20/ft | 659.40 |
| Core boxes, 60 at $1.00 each | | 60.00 |
| Total claimed July 1957 | | $9,147.35 |

All claims are within contract maximums and eligible for reimbursement. Charges for drilling, bulldozing, and core boxes are supported by invoices and driller's logs. The footages claimed are verified by the driller's logs except that the log for hole no. VQ209 was not furnished. The depth drilled in hole no. VQ204 is 10 feet more than claimed, according to a correction on the log. Plug drilling is invoiced and claimed at $1.75 per foot or $0.05 less than the allowable maximum, and core drilling at $4.35 per foot or $0.50 less than the allowable maximum.

Payment for core boxes is claimed at a unit price of $1.00 as a fixed cost item. The Stage I allowance for bulldozing performed by a D-7 bulldozer has been exhausted with 5 drill sites yet to be prepared.

Drill sites were checked in the field and are in accordance with the specified hole pattern shown on the map with the subject contract except in the case of hole no. VQ200; that is, except for hole no. VQ200, to be discussed below, all holes are within acceptable distances of the designated locations, in the judgement of the examining engineer. Hasler concurs that the approved holes as drilled serve the purpose as well as holes drilled on the exact designated sites would have, and the required geologic information has been obtained. Holes VQ201, 203, 205, and 207 are within 20 feet of the designated location. Hole VQ204 is within 30 feet and holes VQ208 and 209 are within 50 feet. Hole VQ202A, replacing hole no. VQ202, which could not be completed, is 120 feet southwest of the designated location and hole no. VQ206 is 80 feet west.

Investigation in the field shows that the original sites for holes nos. VQ209, 208, 206, and 202 were in very rough terrain covered with large boulders and would have been very expensive to prepare requiring blasting as well as bulldozing. Moving of these holes is considered to have been justified. In only one case, that of hole VQ206, is the distance from any previously drilled hole less than the approximate spacing of 200 feet called for in Stage I of the contract; hole VQ206 is only 140 feet from hole no. VQ202A.

Hole no. VQ200, the first one drilled, was laid out with reference to the operator's previously drilled hole, no. VQ102. When surveying in the completed holes it was discovered that the location of hole no. VQ102 was in error, and that it is actually about 70 feet further west. This results in hole VQ200 being only 60 feet from an outer boundary of DMEA subordinated ground, and consequently not in accordance with contract terms which provide for a minimum distance of 100 feet.

Table 1 is a summary of drilling results.

Table 1. Summary of drilling, DMEA 4631

| Hole No. | Plug depth in ft. | Core depth in ft. | Total depth in ft. | Depth probed by Operator | Depth probed by DMEA | SIGNIFICANT MINERALIZATION Depth from feet | to feet | interval feet | percent $U_3O_8$ | percent $V_2O_5$ | percent $eU_3O_8$ | DMEA probing percent $eU_3O_8$ | CLASSIFICATION OF HOLE BY OPERATOR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VQ200 | 210 | 80 | 290 | 290 | 289.5 | | | | | | barren | barren | favorable barren |
| VQ201 | 240 | 90 | 330 | 330 | 314.2 | 289.6 | 291.3 | 1.7 | | | | 0.020 | favorable mineralized |
| | | | | | | 298.1 | 300.6 | 1.3 | | | | 0.030 to 0.072 | |
| | | | | | | 304.5 | 306.0 | 1.5 | | | 0.05 | | |
| VQ202A | 245 | 79 | 324 | 324 | 318.0 | 309.2 | 310.0 | 0.8 | | | | 0.44 | favorable-ore |
| | | | | | | 308.8 | 309.6 | 0.8 | 0.28 | 1.86 | | | |
| | | | | | | 310.8 | 311.4 | 0.6 | 0.09 | 0.13 | | | |
| | | | | | | 311.4 | 312.2 | 0.8 | | | | 0.12 | |
| | | | | | | 312.5 | 313.5 | 1.0 | | | 0.20 | | |
| | | | | | | 314.0 | 316.0 | 2.0 | | 0.04 | | | |
| VQ203 | 230 | 75 | 305 | 305 | — | | | | | | barren | | favorable-barren |
| VQ204 | 260 | 75 | 335 | 335 | 328.0 | 312.4 | 313.3 | 0.9 | | | barren | <.010 1/ | " " |
| VQ205 | 240 | 55 | 295 | 290 | — | | | | | | barren | | semi-favorable-barren |
| VQ206 | 300 | 73 | 373 | 365 | — | 351.4 | 352.8 | 1.4 | 0.36 | 2.28 | | | semi-favorable-ore |
| | | | | | | 353.0 | 354.5 | 1.5 | | | 0.13 | | |
| VQ207 | 240 | 60 | 300 | 300 | — | | | | | | barren | | semi-favorable-barren |
| VQ208 | 320 | 80 | 400 | 400 | 391.0 | 368.3 | 369.3 | 1.0 | | | | 0.045 | favorable-ore |
| | | | | | | 370.7 | 372.0 | 1.3 | 0.02 | 1.66 | | | |
| | | | | | | 370.0 | 372.0 | 2.0 | | | 0.07 | | |
| | | | | | | 375.2 | 376.1 | 0.9 | | | | 0.51 | |
| | | | | | | 376.1 | 376.9 | 0.8 | | | | 0.045 | |
| | | | | | | 376.3 | 379.8 | 3.5 | 0.15 | 0.98 | | | |
| | | | | | | 378.5 | 380.0 | 1.5 | | | 0.40 | | |
| VQ209 | 285 | 60 | 345 | 345 | 343.0 | 321.5 | 323.0 | 1.5 | | | 0.28 | | |
| | | | | | | 320.8 | 321.5 | 0.7 | | | | 0.43 | favorable-ore |
| | | | | | | 321.1 | 322.5 | 1.4 | 0.12 | 1.75 | | | |
| Totals | 2,570 | 727 | 3,297 | | | | | | | | | | |

1/ < = less than

The operator reports 5 holes as barren, 4 holes in ore, and 1 hole mineralized. These evaluations agree with the Geological Survey classification as ore of material assaying at least 0.10 percent $U_3O_8$ or 1.00 percent $V_2O_5$ in a thickness of 1.0 foot or more.

A physical check of the core made by the DMEA inspector verified the amount of coring claimed, and the amount of penetration into the red mudstone or variegated red mudstone below the potential ore sand shown in the operator's logs (varying from 3.1 feet to 7.3 feet). No minimum or maximum penetration of red mudstone is specified in the contract.

Six holes were probed by the DMEA gamma-ray unit with values substantiating results reported by the operator. Four of the holes were probed by the DMEA unit before completion because the unit was available at the end of a shift when a hole was nearing completion and could not be held over.

The operator has submitted in quintuplicate a narrative report, drill logs for 10 holes, and map showing drill hole locations, together with one copy each of sub-contractor's invoices for bulldozing and drilling, and driller's logs on all holes except VQ209. Chemical analyses have been made but are not claimed.

Monthly totals are correctly entered on the MF-104 and MF-104A forms, signed by John I. Schumacher, resident engineer for the operator. Mr. Schumacher states in a letter to the Executive Officer DMEA dated June 14, 1957 that he has been authorized by Mr. Danvers, the president of the Vanadium Queen Corporation, to act in all DMEA matters, but the Grand Junction DMEA office has no record of authorization by Mr. Danvers.

Mr. Schumacher and Mr. Hildebrand each devote part time to the project for the equivalent of one full time geologist and R. N. Davis is employed full time as sampler.

Payment is recommended of $6,268.39 or 75 percent of the amount claimed in June-July 1957, $9,147.35 less $789.50, covering 210 feet of non-core and 80 feet of core drilling, and incidental allowance the cost of hole no. VQ200, which is recommended for suspension and possible disallowance.

M. H. Salsbury
M. H. Salsbury,
Mining Engineer

MHS/bh

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

Budget Bureau No. 42-R1036.5

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

Month of June-July 1957 Docket No. DMEA 4631 Contract No. 1092
Operator's Name Vanadium Queen Uranium Corporation Minerals Uranium
Address P.O. Box 1674, Grand Junction, Colorado
Contract Amount, $ 80,072.00 Government Participation: 75% Amount, $ 60,404.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| Stage I | | | | | | |
| (1) Independent Short Form Contracts: Non-Core | 4497.50 | 0 | 4497.50 | | | |
| Drilling Core | 3162.45 | 0 | 3162.45 | | | |
| Bulldozing | 768.00 | 0 | 768.00 | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| Core Boxes | 60.00 | 0 | 60.00 | | | |
| Incidental Allow. | 659.40 | 0 | 659.40 | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 9147.35 | | 9147.35 | 8367.85 — | | 8367.85 |

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

Date Aug. 16, 1957 *Payee Vanadium Queen Uranium Corp.

Per John I. Schmacher Title President

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

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

(Instructions on reverse)

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

$ 6275.89

Signature
(Authorized Certifying Officer)

Date 9/11/57 Voucher 58-30

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-F 1092 in accordance with the terms of the contract.

Signature M. B. Lahbury $6,860.51 Title Mining Engineer Date 8-27-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Hershman Title acting Executive Officer Date SEP 9 1957

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June-July 1957 Docket No. DMEA 4631 Contract No. 1092

Operator's Name Vanadium Queen Uranium Corporation Minerals Uranium

Address P.O. Box 1674, Grand Junction, Colorado

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Stage I | | | | | | | Stage I | |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Feet | 3168.45 | 727.0 | 3168.45 | 727.0 | 4.35 | 3170 | 4.00 |
| Churn Plug | Feet | 4497.50 | 2570.0 | 4497.50 | 2570.0 | 1.75 | 5990 | 1.80 |
| Incidental Auger Allow. | Feet | 659.40 | 3297.0 | 659.40 | 3297.0 | 0.20 | 1160 | 0.20 |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Extra analysis | Sample | 0 | 0 | 0 | 0 | 0 | 100 | 4.50 |
| Test Pits | | | | | | | | |
| Cullooing | Hrs. | 768.00 | 64 | 768.00 | 64 | 12.00 | 64 | 12.00 |
| Roads and Trails | | | | | | | | |
| Core boxes | Box | 60.00 | 60 | 60.00 | 60 | 1.00 | 217 | 1.00 |
| Total Distributed Costs | | 9147.35 | | 9147.35 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | 9147.35 | | 9147.35 | | | | |

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

Date August 7, 1957 Operator Vanadium Queen Uranium Corporation

Per John I. Schumacher Title Resident Engineer

JOHN I. SCHUMACHER

M.R.F.

Remarks:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 872894

Vanadium Queen Uranium Corp.
P.O. Box 1674
Grand Junction, Colorado

# MONTHLY PROGRESS REPORT JULY 1957
## CONTRACT Idm-E 1092
## DOCKET DMEA 4631

### Factual Data

| | July | Total To-Date |
|---|---|---|
| Drill holes completed | 10 | 10 |
| Footage core | 727 | 727 |
| Footage plug | 2570 | 2570 |
| Total (Plug & Core) | 3297 | 3297 |
| Drill sites completed | 26 | 26 |
| Road building footage | 7100 | 7100 |
| Total hours bulldozer work | 64 | 64 |
| Ore holes | 4 | 4 |
| Mineralized holes | 1 | 1 |
| Barren | 5 | 5 |

### Narrative

Operation under this contract was started on June 20, 1957 with the bulldozer work and twenty-six drill sites were completed by July 5, 1957. Two drills started on June 26, 1957 but progress was slow because of a considerable amount of rain and drilling difficulties. Drill tools were stuck in Hole V.Q. 202. Three drills were on the site by the end of the month of July and the drilling rate increased appreciably.

Five drill sites have not been completed to-date. They are to be located near the base of the Dakota sandstone rim. As the access and completion of these sites will be expensive, it is advisable to complete the other drilling first and evaluate the results before going ahead.

Vanad[illegible] Queen Uranium Corp.
P.O. [illegible]x 1674
Grand Junction, Colorado

(continued - Narrative)

A total of 10 holes have been completed this month. Of this total 5 were barren, 1 was mineralized, and 4 were ore holes.

JOHN I. SCHUMACHER
Registered Mining Engineer

## SUMMARY STAGE I DRILLING DMEA 4631
## VANADIUM QUEEN URANIUM CORPORATION

| Hole No. | TD | Plug | Core | SS | SS (Thickness) | Rating |
|---|---|---|---|---|---|---|
| VQ 200 | 290 | 210 | 80 | 210<br>286 | 76 | Barren<br>Fav-11 |
| VQ 201 | 330 | 240 | 90 | 256<br>323 | 67 | Mineral<br>Fav-12 |
| VQ 202 | 324 | 245 | 79 | 260<br>316 | 56 | Ore<br>Fav-14 |
| VQ 203 | 305 | 230 | 75 | 230<br>296 | 66 | Barren<br>Fav-11 |
| VQ 204 | 335 | 260 | 75 | 284<br>326 | 42 | Barren<br>Fav-11 |
| VQ 205 | 295 | 240 | 55 | 246<br>288 | 42 | Barren<br>SemiF-9 |
| VQ 206 | 373 | 300 | 73 | 319<br>364 | 45 | Ore<br>SemiF-10 |
| VQ 207 | 300 | 240 | 60 | 254<br>293 | 39 | Barren<br>SemiF-7 |
| VQ 208 | 400 | 320 | 80 | 338<br>393 | 55 | Ore<br>Fav-15 |
| VQ 209 | 345 | 285 | 60 | 292<br>338 | 46 | Ore<br>Fav-12 |
| Totals Completed | 3297 | 2570 | 727 | | | |

VANADIUM QUEEN URANIUM CORP.
DMEA 4631

ASSAY DATA

| Sample No. | Hole No. | Interval | Ft. | $\%U_3O_8$ | $\%V_2O_5$ | Lab. |
|---|---|---|---|---|---|---|
| VQ 1 | VQ 202 | 308.8-309.6 | 0.8 | 0.28 | 1.86 | Brown |
| VQ 2 | VQ 202 | 310.8-311.4 | 0.6 | 0.09 | 0.13 | " |
| VQ 3 | VQ 206 | 351.4-352.8 | 1.4 | 0.36 | 2.28 | " |
| V 4 | VQ 208 | 370.7-372.0 | 1.3 | 0.02 | 1.66 | " |
| V 5 | VQ 208 | 376.3-379.8 | 3.5 | 0.15 | 0.98 | " |
| V 6 | VQ 209 | 321.1-322.5 | 1.4 | 0.12 | 1.75 | " |

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 200 DATE June 28, 1957 CLAIM NAME V.Q. # 10

Colar Elev. 6838.8 Location 161401 N 12852 E

Summary of Log Favorable 11 OBSS 210-286 Thick 76

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 210.0 | | | PB | | | No core |
| 210.0 | 228.8 | 18.8 | 70% | SS | LGy | M | S;Gn;G S; R; Sm |
| 228.8 | 238.4 | 9.6 | 67% | SS | LGy | M | S;R;MS splits less 0.5' |
| 238.4 | 252.0 | 13.6 | | SS | LBr | MF | S;Gn; G.P S;R; SM. P |
| 252.0 | 282.3 | 30.3 | | SS | LGy | MF | S;Gn;P S;Lim S; CBN |
| 282.3 | 282.6 | 0.3 | | MS | DGy | | |
| 282.6 | 285.9 | 3.3 | | SS | LGy | MF | S;CBN |
| 285.9 | 286.9 | 1.0 | 70% | MS | Gn Gy | | |
| 286.9 | 290.0 | 3.1 | | MS | R Gn | | Mottled |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 290.0 | 102.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 200

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 201 DATE June 28, 1957 CLAIM NAME V.Q. # 3

Colar Elev. 6872.9 Location 160963 N 13230 E

Summary of Log Favoreble 12 OBSS 256-323 Thick 67

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 240.0 | | | PB | | | No core |
| 240.0 | 249.2 | 9.2 | | SS | LBr | MF | S;Gn;C,P |
| 249.2 | 256.2 | 7.0 | | MS | R | | |
| 256.2 | 288.4 | 32.2 | | SS | LGy | MF | S;Gn;C,P S;Lim S;CBN |
| 288.4 | 294.6 | 6.2 | | SS | Gy | MF | A;Gn;Fm S;CBN |
| 294.6 | 294.8 | 0.2 | | MS | Bk | | |
| 294.8 | 300.0 | 5.2 | | SS | Gy | MF | S;Gn;C |
| 300.0 | 301.0 | 1.0 | | MS ST | GnGY | | |
| 301.0 | 322.8 | 21.8 | | SS | LGy | MF | S;Gn;C, SM |
| 322.8 | 324.2 | 1.4 | | MS ST | Gy | | |
| 324.2 | 330.0 | 5.2 | | MS | R Gn | | Mottled |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 306.0 | 1.5 | 0.05 |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 201

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 202A DATE July 23, 1957 CLAIM NAME V.Q. # 9

Colar Elev. 6875.7 Location 16,643 N 12903 E

Summary of Log Favorable 14 OBSS 260-316 Thick 56

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 245.0 | | | OB | | | No core |
| 245.0 | 259.2 | 14.2 | | MS | R | | |
| 259.2 | 259.6 | 0.4 | | ST SS | Gn | | |
| 259.6 | 296.0 | 36.4 | | SS | LGy | MF | S;Gn;C,P S;CBN |
| | | | | | | | A;Gn;SMs at Base. |
| | | | | | | | A;Lim at Base |
| | | | | | | | Freg 291.5-293.6 |
| 296.0 | 296.3 | 0.3 | | SS ST | Gn | | |
| 296.3 | 296.5 | 0.2 | | MS | Gn | | |
| 296.5 | 307.4 | 10.9 | | SS | LGy | MF | S;Gn;FM Int |
| 307.4 | 308.8 | 1.4 | | SS | GnGy | MF | |
| 308.8 | 309.6 | 0.8 | 100% | SS | GnGy | MF | Sample |
| 309.6 | 310.9 | 1.3 | | SS | GnGy | MF | S;CBN |
| 310.9 | 311.5 | 0.6 | 100% | SS | GnGy | MF | Sample |
| 311.5 | 315.7 | 4.2 | | SS | LBr | M | S;Gn;SM |
| 315.7 | 319.2 | 3.5 | | MS ST | GnGy | | |
| 319.2 | 324.0 | 4.8 | | MS | R Gn | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 309.6 | 0.8 | 0.28 | 1.86 | 313.5 | 1.0 | 0.20 |
| 311.4 | 0.6 | 0.09 | 0.13 | 316.0 | 2.0 | 0.04 |

Check elevations

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 202A

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 203 DATE July 4, 1957 CLAIM NAME V.Q. # 3

Colar Elev. 6963.4 Location 160770 N 13278 E

Summary of Log Favorable 11 OBSS 230-296 Thick 66

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 230.0 | | | PB | | | No core |
| 230.0 | 238.6 | 8.6 | 25% | SS | LGy | M | Ground up-washed out |
| 238.6 | 240.6 | 2.0 | | MS | R | | |
| 240.6 | 296.2 | 55.6 | | SS | LGy | MF | S;Gn;G,Sm S;R;Sm S;CDN |
| 296.2 | 298.0 | 1.8 | | MS ST | Gy | | |
| 298.0 | 305.0 | 7.0 | | MS | R Gn | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 305.0 | 105.0 | Barren |

**Abbreviations**

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MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 203

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 204 DATE July 17, 1957 CLAIM NAME V.Q. # 10

Colar Elev. 6890.4 Location 161149 N 13170 E

Summary of Log Favorable 11 OBSS 284-326 Thick 42

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 260.0 | | | PB | | | Solid bit No core |
| 260.0 | 267.4 | 7.4 | | SS | LBr/LGy | M | S;Gn;C;Sm |
| 267.4 | 283.7 | 16.3 | | MS | R | | A;SS Ribs |
| 283.7 | 312.7 | 29.0 | | SS | LGy | MF | S;Gn;G |
| 312.7 | 313.7 | 1.0 | | MS | GnGy | | Silty A;CBN |
| 313.7 | 326.4 | 12.7 | | SS | Gy | MF | S;Gn;G,SM S;CBN |
| 326.4 | 328.2 | 1.8 | | MS | DGy | | |
| 328.2 | 335.0 | 6.8 | | MS | R/Gn | | Sandy |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 335.0 | 135.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 204

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 205 DATE July 20, 1957 CLAIM NAME V.Q. # 3

Colar Elev. 6857.0 Location 160686 N 13526 E

Summary of Log Semi-Favorable 9 OBSS 246-288 Thick 42

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 240.0 | | | PB | | | No core |
| 240.0 | 245.5 | 5.5 | | MS ST | R Gy | | |
| 245.5 | 282.1 | 36.6 | | SS | LBr LGy | M-MF | S;Gn;C,P A;Gn;Sm at base |
| | | | | | | | S;CBN Core ground 265-270 |
| 282.1 | 287.8 | 5.7 | | SS | LBr | MF | S;R; SN A;Lim |
| 287.8 | 295.0 | 7.2 | | MS | R | | |

| SAMPLE Base | SAMPLE Thick | LAB ASSAY % $U_3O_8$ | LAB ASSAY % $V_2O_5$ | INTERVAL Base | INTERVAL Thick | PROBE $U_3O_8$ |
|---|---|---|---|---|---|---|
| | | | | 290.0 | 100.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 205

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 206 DATE July 24, 1957 CLAIM NAME V.Q. # 9

Colar Elev. 6925.4 Location 161574 N 13022 E

Summary of Log Semi-Favorable OBSS 319-364 Thick 45

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 300.0 | | | PB | | | No core |
| 300.0 | 318.8 | 18.8 | | MS | R | | |
| 318.8 | 351.4 | 32.6 | | SS | LGy | MF | S;CBN S;Gn;G, SB |
| | | | | | | | A;Gn;SBS at base |
| 351.4 | 352.8 | 1.4 | | SS | D Gy | MF | Sample |
| 352.8 | 364.0 | 11.2 | | SS | LGy | MF | |
| 364.0 | 364.2 | 0.2 | | ST | Gn | | |
| 364.2 | 368.0 | 3.8 | | MS | R | | |
| 368.0 | 373.0 | 5.0 | | MS SS | R Gy | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 352.8 | 1.4 | 0.36 | 2.28 | 354.5 | 1.5 | 0.13 |

**Abbreviations**

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ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 206

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 207 DATE July 25, 1957 CLAIM NAME V.Q. # 3

Colar Elev. 6859.3 Location 160670 N 13702 E

Summary of Log Semi-favorable 7 OBSS 254-293 Thick 39

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 240.0 | | | PB | | | No core |
| 240.0 | 254.1 | 14.1 | | MS | R Gn | | |
| 254.1 | 254.2 | 0.1 | | ST | Gn | | |
| 254.2 | 273.2 | 19.0 | | SS | LBrLGy | M-MF | S;Gn;G,P |
| 273.2 | 275.5 | 2.3 | | MS | R | | |
| 275.5 | 279.2 | 3.7 | | SS | LBrLr | F | A;R;Int |
| 279.2 | 292.7 | 13.5 | | SS | LBrLGy | M-F | VS R;Gn;SM Frac 287-289.5 |
| | | | | | | | A;R;P 280.4-280.7 |
| 292.7 | 300.0 | 7.3 | | MS | R | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| | | | | 300.0 | 100.0 | Barren |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 207

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 208 DATE July 31, 1957 CLAIM NAME V.Q. # 10

Colar Elev. 6954.1 Location 161618 N 13429 E

Summary of Log Favorable 15 OBSS 338-393 Thick 55

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 320.0 | | | PB | | | No core |
| 320.0 | 320.2 | 0.2 | | MS | R | | |
| 320.2 | 331.1 | 10.9 | | SS | LGy | MF | S;R;SMS top 3.0 ft. |
| 331.1 | 336.8 | 5.7 | | MS | R Gn | | |
| 336.8 | 338.3 | 1.5 | | ST | Gn | | Sandy |
| 338.3 | 362.1 | 23.8 | | SS | LGy | M-MF | S;Gn;P,Sm S;CBN A;Lim |
| 362.1 | 366.5 | 4.4 | | SS | Gy | F | S;CBN |
| 366.5 | 370.7 | 4.2 | | SS | Gy | F | A;CBN |
| 370.7 | 372.0 | 1.3 | 92% | SS | Gy | F | Sample |
| 372.0 | 376.3 | 4.3 | | SS | LGy | M | A;Lim |
| 376.3 | 379.8 | 3.4 | 97% | SS | GnGy | M | Sample |
| 379.8 | 392.5 | 12.7 | | SS | LGy | M | S;Gn;Sm |
| 392.5 | 394.9 | 2.4 | | MS | GnGy | | |
| 394.9 | 400.0 | 5.1 | 50% | MS | R Gn | | Core lost in hole |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 372.0 | 1.3 | 0.02 | 1.66 | 372.0 | 2.0 | 0.07 |
| 379.8 | 3.5 | 0.15 | 0.98 | 380.0 | 1.5 | 0.40 |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 208

# DRILL LOG

Vanadium Queen Corporation
Name of Company

DRILL HOLE NO. V.Q. 209 DATE July 30, 1957 CLAIM NAME V.Q. # 10

Colar Elev. 6097.0 Location 161129 N 13373 E

Summary of Log Favorable 12 OBSS 292-338 Thick 46

| TOP | BASE | THICK | CORE | ROCK | COLOR | GRAIN | REMARKS |
|---|---|---|---|---|---|---|---|
| 0.0 | 285.0 | | | PB | | | No core |
| 285.0 | 292.1 | 7.1 | | SS | LBr | M-F | A;R;SMS |
| 292.1 | 321.1 | 29.0 | | SS | LGy | M-F | S;R;Gn;P 298-300 S;CBN |
| 321.1 | 322.5 | 1.4 | 100% | SS | D Gy | MF | Sample |
| 322.5 | 329.6 | 7.1 | | SS | LGy | MF | A;Gn;C,SM at base |
| | | | | | | | A;CBN 327.0-327.2 |
| 329.6 | 330.0 | 0.4 | | MS | Gn | | |
| 330.0 | 338.4 | 8.4 | | SS | LGy | M | S;Gn;C, SM |
| 338.4 | 339.4 | 1.0 | | MS ST | Gy | | |
| 339.4 | 345.0 | 5.6 | | MS | R Gn | | |

| SAMPLE | | LAB ASSAY % | | INTERVAL | | PROBE |
|---|---|---|---|---|---|---|
| Base | Thick | $U_3O_8$ | $V_2O_5$ | Base | Thick | $U_3O_8$ |
| 322.5 | 1.4 | 0.12 | 1.75 | 323.0 | 1.5 | 0.28 |

**Abbreviations**

CG—conglomerate
SS—sandstone
MS—mudstone
ST—siltstone
F—fine
M—medium
C—coarse
Wh—white
Br—brown
R—red
Gy—gray
Bl—blue
Gn—green
Yw—yellow

Drill Hole No. V.Q. 209

Vanadium Queen Corp.
La Sal Creek, Utah
DMEA Docket No. 4631

# GAMMA-RAY LOG INTERPRETATION

| Hole No. | Depth Drilled | Depth Cased | Depth Logged From* | Depth Logged To | Anomaly Detected From* | Anomaly Detected To | Anomaly Thickness | Counts per minute | CPM Corrected for Casing | CPM Corrected for G-M Tube | Grade $\%_e U_3O_8$ | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VQ200 | 290.1 | none | 189.4 | 289.5 | Barren | | | | | | | |
| VQ201 | 316.0 | 250BX | 213.9 | 314.2 | 289.6 | 291.3 | 1.7 | 840 | | | .020 | |
| | | | | | 291.3 | 293.0 | 1.7 | 340 | | | < .010 | |
| | | | | | 294.2 | 296.2 | 2.0 | 320 | | | < .010 | |
| | | | | | 296.2 | 298.1 | 1.9 | 580 | | | .012 | |
| | | | | | 298.1 | 299.3 | 1.2 | 1000 | | | .030 | |
| | | | | | 299.3 | 300.6 | 1.3 | 2600 | | | .072 | |

Docket DMEA-4631 (Uranium) Contract Idm-E1092,
Vanadium Queen Uranium Corporation (Vanadium Queen
claims) San Juan County, Utah.

* From top to bottom depths

| OFFICIAL FILE COPY DMEA RECEIVED JUN 21 1957 | | |
|---|---|---|
| DATE | INITIALS | CODE |
| 6/21 | C | 220 |
| 6/24 | [illegible] | 800 |
| " | [illegible] | 700 |
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| | | |
| | | |

224 New Customhouse
Denver 2, Colorado

June 18, 1957

Mr. John I. Schumacher
Resident Engineer
Vanadium Queen Uranium Corporation
P. O. Box 1674
Grand Junction, Colorado

Re: Docket DMEA-4631 (Uranium)
Contract Idm-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Schumacher:

Your letter of June 14, 1957, concerning your plans for starting work under the subject contract has been received in this office. Preparation of drill sites will constitute starting of the contract work, therefore please advise this office in writing when the work is definitely under way.

Yours very truly,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman
DMEA, DFC
DMEA, G.Jct.
Townsend
Corres. file, Reg. III
Chron.

w/copy of Oper. letter of 6/14/57

DMEA
DEPARTMENT OF THE INTERIOR
JUN 17 1957
REGION III
DENVER, COLORADO

Vanadium Queen Uranium Corp.
P.O. Box 1674
Grand Junction, Colorado
June 14, 1957

U.S. Dept. of the Interior
DMEA
224 New Customhouse
Denver 2, Colorado

Attention: W.H. King

Re: Docket No. DMEA 4631 (Uranium)
Contract No. Idm-E1092
Vanadium Queen Uranium Corp.
(Vanadium Queen claims)
San Juan County, Utah

Dear Bill:

Please be advised that it is planned to start the initial work of building drill sites on Wednesday, June 19, 1957, and it is expected that the actual drilling under this contract will start approximately June 24, 1957.

Mr. Danvers, President of Vanadium Queen Uranium Corporation has authorized me to handle all correspondence and reports regarding this contract. He will advise you by mail.

Thank you for your cooperation and if I can be of any further assistance, please do not hesitate to write or call.

Sincerely,

John I. Schumacher

JOHN I. SCHUMACHER
Resident Engineer
for Vanadium Queen Uranium Corp.

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RECEIVED JUN 21 1957

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

OFFICIAL FILE COPY
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RECEIVED JUN 10 1957

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| 6/13 | G | 220 |
| 6/1[illegible] | B | 215 |
| 6/14 | ~~[illegible]~~ | 700 |

June 10, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4631 (Uranium), Contract No. Idm-E1092, Vanadium Queen Uranium Corporation (Vanadium Queen claims), San Juan County, Utah

Enclosed are the Government's, Division, and Audit copies of the subject contract, which were forwarded by your letter of May 29, 1957 for signature by the Operator and insertion of a suitable starting date under Article 3.

Also enclosed are three copies of a letter from this office, dated June 10, 1957, whereby we forwarded the "Operator's Copy" of the contract, blank report forms and instructions relative to reporting on work performed under the contract, and procedures to be followed in communicating with this office in all matters pertaining to the contract.

The contract, dated May 29, 1957, provides for work estimated to cost $53,872.00, toward which the Government will contribute 75%, or an amount not in excess of $40,404.00.

Copies of the contract have been distributed to the Finance Office, Region III, and to others concerned.

W H King
W. H. King

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1957
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado

June 10, 1957

CERTIFIED MAIL

Mr. Don Denvers, President
Vanadium Queen Uranium Corporation
P. O. Box 1674
Grand Junction, Colorado

Re: Docket No. DMEA 4631 (Uranium)
Contract No. I&m-E1092
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah

Dear Mr. Denvers:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No. I&m-E1092, Docket No. DMEA 4631.

Also enclosed are six copies of form MF-104, "Operator's Monthly Report and Voucher," and six copies of form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the Defense Minerals Exploration Administration, P. O. Box 360, Grand Junction, Colorado. The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form; each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement to you unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

The U. S. Geological Survey and the U. S. Bureau of Mines maintain a field office in the A.E.C. Compound at Grand Junction, Colorado. DMEA representatives of the two Services can be contacted as follows:

J. W. Hazler, U. S. Geological Survey
Telephone, Chapel 3-2110, Extension 282;

N. H. Salisbury, U. S. Bureau of Mines
Telephone, Chapel 3-2110, Extension 274.

Both men can be reached by mail at

P. O. Box 360,
Grand Junction, Colorado.

For your information and in reply to many questions that have been asked, after forms MP-104 and MP-104A are received, an engineer will check progress and approve your accounts; after which they will be sent to the Regional Office, Region III, U. S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on either the field representatives or this office for assistance.

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent, and the required records made a part of your claim for reimbursement.

The contract is prepared on form MP-200, and under its provisions and as outlined in Exhibit "A" of the contract, the allowable costs are a combination of actual costs with a maximum average unit cost established for work under "Category (1)" and fixed unit costs for performing the remaining items of work or services. Under the provisions of Exhibit "A", the work under "Category (1)" is to be performed by subcontract. The costs recorded under item "(1)" on form MP-104 for such work must be supported each month by a signed copy of the billing from the subcontractor. Amounts reported on the basis of the "Fixed Unit Costs" require no documentation as they are otherwise verified.

In the event you desire to perform the work under "Category (1)" on company account instead of subcontracting it as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original

and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only and such requests are not to be incorporated in your narrative report accompanying monthly progress report forms MF-104 and MF-104A.

The locations of the holes to be drilled under Stage I are indicated as approximate on the map, "Figure 3," attached to the contract. Should conditions encountered necessitate any appreciable change in the location of any of the holes, approval of this office for the change must be obtained prior to performance of the drilling. Otherwise, the drilling may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When the work under a stage has been completed, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the locations of holes previously drilled and the locations of the holes you propose to drill under the next stage. Your request should be complete with drill logs, results of radiometric probing, chemical analyses, and any other pertinent data concerned with the prior work which will be of value to the Government in appraising the work performed under the prior stage.

You should anticipate a suspension of operations between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract.

JWT:prl
cc: Chmn.Op.Comm.-3
Finance Office, Reg. III
Amendment file, Reg. III
Karshman
DMEA/Gr.Jc.
Townsend
Chron.
DMEA/DFC
Hasler
Corres. file

Very truly yours,
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

224 New Customhouse
Denver 2, Colorado

May 31, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 3 1957
DATE | CODE
6/5 | 220
| 200

CERTIFIED MAIL

Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

Re: Docket DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
(Vanadium Queen claims)
San Juan County, Utah
Proposed Exploration Project
Contract Idm-E1092

Gentlemen:

Enclosed are the Government's, Division, Audit, Finance Office, and Field Team copies of proposed Exploration Project Contract No. Idm-E1092, which has been prepared pursuant to your application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the Contract is satisfactory, all copies are to be signed by an official of Vanadium Queen Uranium Corporation, authorized to sign such an instrument, the signer's title inserted, the signature attested to by the Secretary, the corporate seal affixed, and all copies promptly returned to this office.

In the event the Contract is not satisfactory, all copies are to be returned promptly to this office, together with your comments on or objections to the Contract.

Your attention is especially directed to three provisions in the Contract:

1. The Government will not contribute to the costs of any of the work that is provided for in the Contract which is performed prior to the date of the Contract.

2. The Contract requires completion of the exploration work by the date fixed therefor. Approval must be obtained from this office for any suspension of work which may result in failure to complete the work by the date specified.

3. Royalty is due the Government on all production from the land described in the Contract, beginning on the date of the Contract.

If the Contract is satisfactory, and upon return of all copies properly signed, the "Operator's Copy" of the Contract will be forwarded to you, together with blank report forms and instructions relative to reporting on work performed under the Contract. Also, instructions will be given as to the procedure to be followed in corresponding with this office in matters concerning operations under the Contract.

When the signed copies of the Contract are returned, please advise the date on or before which work will be commenced, for our insertion in Article (1) of the Contract form.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

Enclosures

JWT:hmh
cc: Chmn. Op. Comm. (2)
Harshman
Konselman (2)
Hasler
Townsend
Docket file, Reg. III
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5-23 | Ching | 700 |
| 5-23 | Ellis | 700 |
| 5-23 | Chambers | 800 |
| 5/29 | GCS | 130 |
| | | |
| | | |
| | M Mitrudof | 100 |
| 5/31 | C | 220 |
| | | 700 |

MAY 29 1957

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

Re: Docket No. DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Harshman:

Enclosed are the original and five copies of a proposed long-form contract between the Government and Vanadium Queen Uranium Corporation, signed by the Administrator. The contract consists of Form NF-200, Annex I, a Consent to Lien and Subordination Agreement form, Exhibit "A" (4 pages) and map (Figure 3). Also enclosed are two extra copies each of Annex I, Exhibit "A", and map (Figure 3) for the use of the Field Team.

If you and the Operator find the proposed contract satisfactory, it is ready for the signature of the Operator, provided that a suitable final starting date is inserted under Article 3.

The costs recommended by the field examiners have been incorporated in the proposed contract with only a few minor changes.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (26B)

Enclosures

APPROVED:

A. D. McMahon (26B)
Member, Bureau of Mines

Thor H. Kiilsgaard (26B)
Member, Geological Survey

MChing:dlm 5-23-57
cc to: Mr. Ching
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

VANADIUM QUEEN URANIUM CORPORATION
104 URANIUM CENTER
PHONE 374—P. O. BOX 1674
GRAND JUNCTION, COLORADO

FIELD OFFICE

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 15 1957

| DATE | INITIALS | CODE |
|---|---|---|
| 5/15 | C | 220 |
| 5/15 | ~~Chmy~~ J | 700 |

ERNEST WM. ELLIS CHIEF
U.S. DEPT OF INTERIOR
D.M.E.A.
WASHINGTON 25 D.C.

RE: DOCKET NO. DMEA 4631
VANADIUM QUEEN URANIUM CORP.

ATTACHED ARE THE EXECUTED COPIES OF "CONCENT TO LIEN AND SUBORDINATION AGREEMENT FOR V.Q. CORPORATION.

SINCERELY

JOHN I SCHUMACHER
FOR V.Q. CORP.

IN REPLY REFER TO:

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

May 8, 1957
Re: DMEA 4631
Vanadium Queen Uranium Corp.
Vanadium Queen Claims
San Juan County, Utah
Applicant's Estimate $60,110.00
Recommended Estimate $54,379.00
Uranium

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring the extension of an established ore trend, by drilling.

As shown by drilling by the applicant and the U. S. Geological Survey and experience in the mines of the applicant and other operators, the project area is favorably located. The examiners conclude the geologic and structural conditions that accompany the ore bodies on properties in the vicinity probably exist on the referenced property and ore may, by inference, be expected.

The examiners and the Field Team recommend approval of a two-stage work program somewhat as proposed by the applicant, the estimated cost of which is $54,379.00, and the Government's share $40,784.25. As estimated by the applicant, the royalty on a 14,500 ton orebody would repay the advance. Such a result appears attainable.

I concur with the recommendation of the examiners and the Field Team.

OFFICIAL FILE COPY
DMEA
RECEIVED 10 1957
CODE
5/10 C 220
700

N. E. Nelson

N. E. Nelson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5-3 | Ching | 700 |
| 5-3 | Ellis | 220 |
| | | 140 |
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| | | |
| | | 700 |

INTERIOR DEPT.

MAY 6 - 1957

SOLICITOR

May 3, 1957

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Proposed Contract
Docket No. DMA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah

Will you kindly prepare a long-form contract between the Government and the Vanadium Queen Uranium Corporation, in accordance with the attached draft.

Nine copies of a map (Figure 3) are attached for use with the contract.

The required Consent to Lien and Subordination Agreement forms have been requested of the Applicant, but have not yet been received.

Ernest Wm. Ellis

Ernest Wm. Ellis

Attachments

MChing/iizm 5-3-57
cc to: Mr. Ching

RECEIVED
MAY - 7 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

DRAFT
MChing/izm
5-3-57

MF-200
(Revised June 1954)

Docket No. DMEA -4631

Commodity Uranium

Contract No. Idm-E

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

## EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] .....

Vanadium Queen Uranium Corporation, a Nevada corporation

, whose mailing address is 525 Milam Building
San Antonio, Texas
, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and Map (Figure 3)

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ....., [7] ....recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty claims of Abe Day Danvers Trust (Don Danvers) and John I. Schumacher.

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

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien and Subordination Agreement of foregoing royalty claimants.

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 31, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A." See Article 13

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 53,872.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 40,404.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

*Subcategory (c)—Labor.*

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9. **See Article 13**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."
(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.
(c) Categories (2) through (7) of Article 6(a) are deleted.
(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.
(e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."
(f) Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

.....
(Operator)

By .....

.....

---

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

.....

[ CORPORATE SEAL ]

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

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EXPLORATION PROJECT CONTRACT
VANADIUM QUEEN URANIUM CORPORATION
DOCKET NO. DMEA-4631

ANNEX I

The land referred to in Article 2 of the Contract consists of four unpatented lode mining claims situated in sec. 29, T. 28 S., R. 26 E., S.L.M.&B., San Juan County, Utah. The land is shown on the map entitled "Figure 3 - Sketch Map of the Applicants Property ------," attached hereto and made a part hereof.

The notices of location of the claims are recorded in the office of the County Recorder, San Juan County, Utah as follows:

| Claim | Book | Page |
|---|---|---|
| Vanadium Queen No. 3 | 11 | 106 |
| Vanadium Queen No. 7 | 11 | 102 |
| Vanadium Queen No. 9 | 15 | 244 |
| Vanadium Queen No. 10 | 15 | 243 |

EXPLORATION PROJECT CONTRACT
VANADIUM QUEEN URANIUM CORPORATION
DOCKET NO. DMEA-4631

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration by core and non-core drilling to test the ore-bearing upper sandstones of the Salt Wash member of the Jurassic Morrison formation.

Drilling depths are expected to average approximately 360 feet. Each hole shall be drilled non-core to a point near the top of the ore-bearing sandstone. Core drilling shall follow until the ore-bearing sandstone has been completely penetrated. Non-core drilling is expected to average approximately 290 feet per hole and core drilling approximately 70 feet per hole. However, the amount of non-core or core drilling in each hole shall be based upon observation of the material penetrated and information available from previous drilling.

Coring shall be BX or larger. The core and cuttings from the coredsection of each hole shall be checked for radioactivity and samples indicating significant mineralization shall be split. One portion shall be analyzed chemically for uranium and vanadium and one portion shall be properly labeled and stored for the use of the Government. The unmineralized core shall also be labeled and stored for inspection by the Government. Upon completion of the project all stored samples shall be disposed of by the Operator upon authorization by the Government.

All drill holes shall be logged geologically and probed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports.

No hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I.

No payment shall be made for uncompleted drill holes.

Access roads and drill sites shall be prepared with a D-7 bulldozer or an equivalent or larger unit of other make. If a D-6 bulldozer or equivalent unit is used the allowable hourly rate shall be reduced from $12.00 to $10.00 and the number of allowable hours increased accordingly.

The project shall be supervised at all times by a competent geologist or mining engineer. He shall be physically present on the job at least half the time and have an assistant or sampler present on the job at all times.

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

The work shall be divided into two stages as hereinafter described. The Operator shall complete Stage I, and shall perform as much of Stage II as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites and drill approximately 31 holes aggregating an estimated 11,160 feet, as indicated on the map (Figure 3). The holes on the Vanadium Queen 3 and 10 claims are combined with holes already drilled to form a series of northwesterly trending fences, with the fences approximately 200 feet apart and the holes staggered in alternate fences and approximately 200 feet apart within

each fence. Three holes on the Vanadium Queen 9 claim are spaced approximately 400 feet apart and do not follow this pattern. If the 31 holes require more than 11,160 feet of drilling to reach the desired horizon the additional footage and funds required may, upon the written approval of the Government, be transferred and deducted from Stage II.

Stage II

Prepare access roads and drill sites and drill not more than 24 holes aggregating not more than 8,640 feet as offsets to previously drilled holes showing favorable mineralization. Offset holes shall not be drilled closer than 100 feet from previously drilled holes.

## Estimated Cost of the Project

Stage I

Actual Costs

| | | |
|---|---|---|
| Category (1) Independent Contracts | | |
| 8,990 ft. non-core drilling @ $1.80/ft. | $16,182.00 | |
| 2,170 ft. core drilling @ $4.85/ft. | 10,524.50 | |
| 64 hrs. bulldozing @ $12/hr. | 768.00 | |
| Categories (2) through (7) | None | $27,474.50 |
| Fixed Unit Costs (See Article 13) | | |
| Incidental allowance* for each foot of drilling completed, 11,160 ft. @ $.20/ft. | $2,232.00 | |
| 100 chemical sample analyses @ $4/sample | 400.00 | |
| 217 cardboard core boxes @ $1/each | 217.00 | $2,849.00 |
| Estimated Total Cost of Stage I ..... | | $30,323.50 |

Stage II

Actual Costs

| | | |
|---|---|---|
| Category (1) Independent Contracts | | |
| 6,960 ft. non-core drilling @ $1.80/ft. | $12,528.00 | |
| 1,680 ft. core drilling @ $4.85/ft. | 8,148.00 | |
| 48 hrs. bulldozing @ $12/hr. | 576.00 | |
| Categories (2) through (7) | None | $21,252.00 |
| Fixed Unit Costs (See Article 13) | | |
| Incidental allowance* for each foot of drilling completed, 8,640 ft. @ $.20/ft. | $1,728.00 | |
| 100 chemical sample analyses @ $4/sample | 400.00 | |
| 168 cardboard core boxes @ $1/each | 168.00 | $2,296.00 |
| Estimated Total Cost of Stage II ..... | | $23,548.00 |

Summary of Costs

| | |
|---|---|
| Estimated Total Cost of Stage I ..... | $30,323.50 |
| Estimated Total Cost of Stage II ..... | $23,548.00 |
| Estimated Total Cost of the Project (rounded).. | $53,872.00 |
| Government Participation @ 75% ..... | $40,404.00 |

* Includes all costs that might otherwise be allowable costs of the project under Categories (1) through (7) of Article 6(a), except as otherwise scheduled in Exhibit "A."

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 4/29 | Ching | 700 |
| " | Ellis | 700 |
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APR 30 1957

Mr. Don Danvers, President
Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

Re: Docket No. DMEA-4631 (Uranium)
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Danvers:

To enable us to continue the processing of the subject application, please have the nine attached Consent to Lien and Subordination Agreement forms dated and executed as indicated by the holders of royalty claims against the property. If there should be claimants other than those shown, please have them sign also. Item 4 should be filled in as indicated. Addresses of the signers must be included.

The original and five copies should be returned to this office promptly, and the remaining three copies are for the signers.

Sincerely yours,

SIGNED
Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

Enclosures

MChing/gla
4-29-57
cc to: Admr.'s Reading File
Code 700
THKiilsgaard, 5224
DMEA Field Team, Region III (2)

8623

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Vanadium Queen Uranium Corporation
Docket No. DMEA-4631
Contract No. Idm-E
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of San Juan, State of Utah, described as follows: 2/

Vanadium Queen No. 3, Vanadium Queen No. 7, Vanadium Queen No. 9, and Vanadium Queen No. 10 claims, recorded in Book 11, Page 106; Book 11, page 102; Book 15, page 244; Book 15, page 243, respectively, official records of said County.

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

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

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

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

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

Copy

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

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

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

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

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

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Address]
(Abe Day)

_____ [Seal] _____ [Address]
(Danvers Trust - Don Danvers)

_____ [Seal] _____ [Address]
(John I. Schumacher)

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____
[Corporate Seal]

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| DATE | INITIALS | CODE |
|---|---|---|
| 5/1 | C | 220 |
| 5/1 | Chg | 700 |

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

Date April 30, 1957

DMEA Docket No. 4631
DMEA Contract No.
Commodity Uranium
Name of applicant Vanadium Queen Uranium Corp.
Name of property Vanadium Queen Claims
Location of property San Juan County, Utah
Estimated cost of project $54,379.00

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

Subject: Review of Joint report of examination
(Application, Field Exam Report, etc.)

1. Date of subject document: 4/22/57. 2. Date received by reviewer: 4/29/57

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 part production: Yes [ ] No [ ]

6. Other pertinent factors known to reviewer: Yes [ ] No [ ]

7. Explain items marked yes above:

8. Factors meriting 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 [X]
  - i. Consult with Mr. _____ at _____ AEC office.
- e. Disagree with Field Team [ ]
- f. Suggest alternate plan [ ]
- g. Request another examination [ ]
- h. Approval [X]

10. Remarks: (Use back of page if necessary)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

April 22, 1957

| OFFICIAL FILE COPY DMEA RECEIVED APR 24 1957 | | |
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| | | |
| DMEA | | |

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Joint Report of Examination Docket DMEA-4631 (Uranium) Vanadium Queen Uranium Corporation (Vanadium Queen Claims) San Juan County, Utah

Enclosed are the original and three copies of the Joint Report of Examination on the subject property by M. H. Salsbury, USBM, and W. B. Gazdik, USGS.

The field examiners conclude that the probability for making a significant discovery is sufficiently promising to justify Government participation. Accordingly, they recommend that the application be approved to which the Field Team concurs.

Also enclosed are nine extra copies of Figure 3 for possible use in the preparation of the contract.

As agreed, we will appreciate the Legal Section of the Washington Office preparing all necessary Forms MF-205 "Consent To Lien and Subordination Agreement" for our forwarding to the proper persons concerned.

E. N. Harshman

E. N. Harshman
Acting Executive Officer

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
4-29-57
(date)

ON-SITE EXAM

IN REPLY REFER TO:

DMEA

DEPARTMENT OF THE INTERIOR
APR 19 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

April 19, 1957

Memorandum

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

From: John F. Shaw
E. N. Harshman

Subject: DMEA Docket 4631 (Uranium), Vanadium Queen Uranium Corporation (Vanadium Queen claims), San Juan County, Utah

Enclosed are the original and nine copies of a joint report by W. B. Gazdik, U. S. Geological Survey, and M. H. Salsbury, U. S. Bureau of Mines, covering their examination of the subject property.

The applicant proposed a program of exploration drilling comprising 31 holes in Stage I and a maximum of 24 holes in Stage II, at a total estimated cost of $60,110.00. The examiners recommend a program, essentially the same as proposed by the applicant, at an estimated total cost of $54,379.00, Government participation 75 percent or $40,784.25.

From geologic data presented in the report it appears that a significant discovery may result from the recommended exploration.

We concur with the conclusions and recommendations.

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| | | |
| Enclosures (10) | | |
| ENHarshman:mp | | |

A. N. Hershman for
John F. Shaw
Supervising Mining Engineer

E. N. Harshman
E. N. Harshman
Member, Field Team

TRANSMITTED
APR 22 1957

Reviewed by
DMEA OPERATING COMMITTEE
4-29-57
(date)

FOR UNITED STATES GOVERNMENT USE ONLY

TRANSMITTED

APR 22 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

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DATE | | CODE
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220

DMEA 4631

Vanadium Queen Uranium Corporation

Vanadium Queen claims

San Juan County, Utah

Uranium

Joint Engineering and Geological Report

by

W. B. Gazdik, Geologist
Geological Survey

M. H. Salsbury, Mining Engineer
Bureau of Mines

April 18, 1957

Reviewed by
DMEA OPERATING COMMITTEE
4-29-57
(date)

## CONTENTS


| | Page |
|---|---|
| Introduction and summary | 1 |
| Acknowledgments | 2 |
| Location, topography, and physical features | 3 |
| Labor and living conditions | 4 |
| History, production, and ownership | 5 |
| Present status | 7 |
| Exploration and development | 7 |
| Mining equipment and other facilities | 8 |
| Geology | 12 |
| Ore deposits | 14 |
| Ore reserves | 18 |
| Proposed exploration | 19 |
| Conclusions and recommendations | 31 |


## TABLES


| | Page |
|---|---|
| 1. Summary of data from USGS drill holes shown on figure 3 | 9 |
| 2. Summary of assay data from holes shown on figure 3 | 10 |

## ILLUSTRATIONS


| Figure | | Follows page |
|---|---|---|
| 1. | Location map, Vanadium Queen claims, Vanadium Queen Uranium Corporation, San Juan County, Utah | 3 |
| 2. | Sketch map showing geology, mines, favorable ground and claims in the vicinity of applicant's property, Vanadium Queen Uranium Corporation, San Juan County, Utah, and Montrose County, Colorado | 32 |
| 3. | Sketch map of the applicant's property showing proposed Stage I drill holes, existing drill holes and mine workings, Vanadium Queen Uranium Corporation, San Juan County, Utah | 32 |

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DMEA 4631

VANADIUM QUEEN URANIUM CORPORATION
VANADIUM QUEEN CLAIMS
SAN JUAN COUNTY, UTAH

INTRODUCTION AND SUMMARY

On February 2, 1957, Vanadium Queen Uranium Corporation, 525 Milam Building, San Antonio, Texas, applied for DMEA aid. The applicant is represented locally by John I. Schumacher, P. O. Box 1674, Grand Junction, Colorado.

Government assistance is sought in exploration for uranium on the Vanadium Queen claims Nos. 3, 7, 9, and 10 located in the La Sal Creek area, San Juan County, Utah.

A two-stage exploration program requiring an estimated 15,950 feet of non-core drilling and 4,400 feet of core drilling in a maximum of 31 holes is proposed at a cost of $60,110 or $2.97 per foot. Government participation at 75 percent would be $45,082.50.

A field examination was made on February 26, 1957, by a DMEA examining team consisting of M. H. Salsbury, U. S. Bureau of Mines, and W. B. Gazdik, U. S. Geological Survey, accompanied by John I. Schumacher, representing the applicant.

Significant uranium deposits in the area occur in broadly lenticular sandstone beds in the upper part of the Salt Wash member

of the Morrison formation. The rocks exposed on the claims consist mostly of the overlying Brushy Basin member of the Morrison formation, although erosional remnants of the Burro Canyon and Dakota formations are preserved on the extreme west end of the claims. The deposits range from a few tons to as much as 30,000 tons and are confined to a favorable belt that trends northeasterly and passes, in large part, through the applicant's claims (fig. 2).

It is concluded from the results of Geological Survey and private drilling, on and near the claims, and from the presence of substantial ore bodies of the Vanadium Queen mine just southwest of the proposed drilling area, that there is an excellent possibility of finding substantial uranium deposits by the proposed exploration.

It is recommended that a drilling project covering parts of the Vanadium Queen No. 3, 9, and 10 claims be approved at an estimated cost of $54,379.00, Government participation 75 percent or $40,784.25.

A two-stage project comprising an estimated 15,950 feet of non-core drilling and 3,850 feet of core drilling in a maximum of 55 holes is proposed.

## ACKNOWLEDGMENTS

The applicant submitted a well-documented brochure and detailed cost estimate supported by bids from three drilling contractors.

Geological Survey reports on Government drilling projects and geologic field studies in the La Sal Creek area were utilized. W. D. Carter, project chief for the Geological Survey in the area, was consulted. Additional information on production and ore reserves was obtained through the Atomic Energy Commission. Comments of DMEA Washington personnel were noted and considered.

## LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Vanadium Queen Nos. 3, 7, 9, and 10 claims are part of the group of 12 claims comprising the Vanadium Queen property, and lie directly east of the mine workings on the adjoining Vanadium Queen Nos. 1 and 2 claims (fig. 2). The claims in the proposed project are located on a bench covered with Brushy Basin sediments overlooking La Sal Creek, San Juan County, Utah. Access to the proposed drilling area is comparatively easy. The climate of the region, at an altitude of 6,000 to 6,500 feet, is moderate except for occasional extremes of temperature and violent storms at any season. Surface operations are feasible nine months of the year, but are normally inadvisable in late winter and early spring.

The camp area on La Sal Creek is 50 miles southeast of Moab, Utah. From Moab it is easily reached over 34 miles of hard-surfaced Utah Highways 160 and 95, and 16 miles of graveled road (fig. 1). The

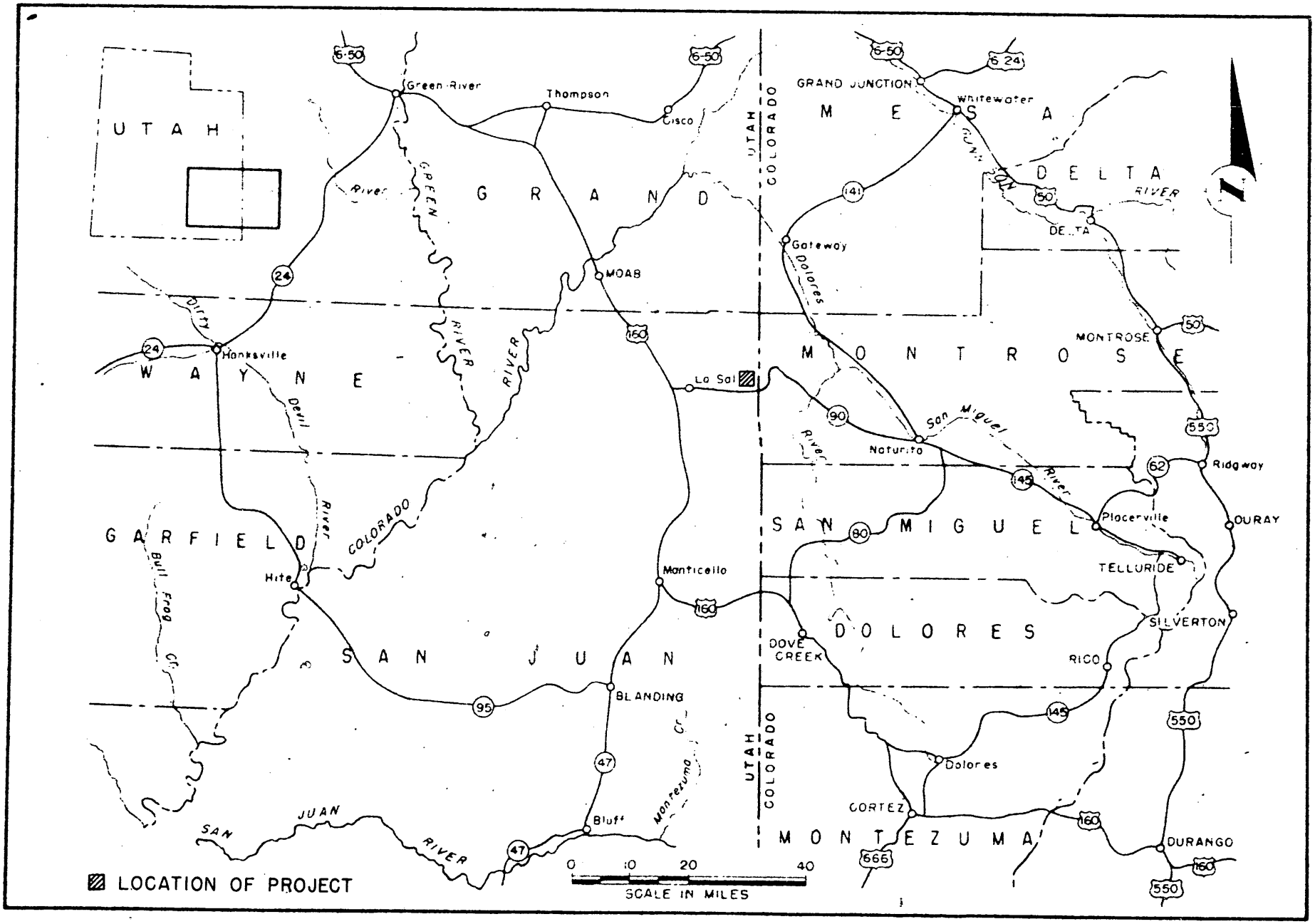


FIGURE 1 - LOCATION MAP, VANADIUM QUEEN CLAIMS, VANADIUM QUEEN URANIUM CORPORATION, SAN JUAN COUNTY, UTAH. DMEA 4631

proposed drilling area is 2 miles from the camp area over a poor access road, impassable under extremely wet or thawing conditions. The nearest supply center is Moab, Utah. More complete stocks of mining supplies and equipment are available in Grand Junction, Colorado, 115 miles north~~west~~east of Moab. Logical markets for La Sal Creek ore are treatment plants at Uravan, Colorado, 50 miles distant, Naturita, Colorado, 38 miles, Monticello, Utah, 60 miles, and Moab, Utah. Because of their high vanadium content the ores are in demand, and shipments are sometimes made to the Climax Uranium Company plant at Grand Junction, and the Vanadium Corporation of America at Durango, Colorado, 110 miles distant. In these cases, the buyer assumes the hauling charges as an inducement to the producer.

There are no unusual problems of access, supply, power, or water.

## LABOR AND LIVING CONDITIONS

Drilling in the area is usually carried on by contractors who furnish their own equipment, labor and camp facilities. There are excellent camp sites and domestic water supplies on La Sal Creek. A reasonably adequate supply of labor for mining operations is available.

## HISTORY, PRODUCTION, AND OWNERSHIP

Mining for vanadium in the La Sal Creek area dates from World War I. The Vanadium Queen mine was one of the earlier operations. Recent increases in mining activity date from about 1948. Current mining operations in the immediate area are on the Vanadium Queen, Grey Dawn, and Firefly claims. Farther east, but within the same ore trend, are the Black Hat, Evening Star, Morning Star, and Marjory Ann claims (fig. 2). Ore bodies have been outlined by drilling on claims lying about one-fourth mile east of the Vanadium Queen group and some of them are under development. One of these, the Big Joe claim, has been explored recently with Government assistance under DMEA 4222, contract Idm-E 1003, with discovery of a small ore body.

Production from various properties through December 31, 1956, as shown in Atomic Energy Commission records, is as follows:

| | Dry Tons | Percent $U_3O_8$ | Percent $V_2O_5$ |
|---|---|---|---|
| Firefly | 14,942 | 0.36 | 2.48 |
| Vanadium Queen | 14,357 | 0.33 | 2.57 |
| Grey Dawn | 3,787 | 0.37 | 1.71 |
| Evening Star | 6,919 | 0.23 | 1.99 |
| Morning Star | 1,111 | 0.22 | 1.55 |
| Marjory Ann | 5,670 | 0.28 | 1.35 |
| Black Hat | 686 1/ | 0.32 | 2.17 |

1/ Mined prior to recent discoveries.

The Vanadium Queen Nos. 3, 7, 9, and 10 claims are part of a compact group and adjoin other claims lying to the west and south. They are in sec. 28, T. 28 S., R. 26 E., SLM, Paradox mining district, San Juan County, Utah (figs. 2 and 3). The claims were originally located by Abe Day of Moab, Utah. They were sold to Don Danvers who transferred his interest to the Vanadium Queen Uranium Corporation.

Recording data is as follows:

| Claim name | Date of original location | Recorded in Book | Page |
|---|---|---|---|
| Vanadium Queen No. 3 | | 11 | 106 |
| Vanadium Queen No. 7 | | 11 | 102 |
| Vanadium Queen No. 9 | 1952 ? | 15 | 244 |
| Vanadium Queen No.10 | 1952 ? | 15 | 243 |

Confirming data on the several ownership transfers was not furnished with the application. The claims have been accurately surveyed and boundaries shown are in accordance with maps made for Geological Survey projects. No conflicts were in evidence from the field inspection. The claims appear to be valid and ownership rights satisfactory.

The applicant's representative states that the claims are subject to the following royalties:

| | |
|---|---|
| Abe Day | 15 percent |
| Danvers Trust (Don Danvers) | 2 percent |
| John I. Schumacher | 3 percent |
| Total | 20 percent |

Consents to Lien would be required from these parties in the event of a DMEA contract, and would be obtainable, according to Mr. Schumacher. The Vanadium Queen property is operated by Joe Pitts under a contract which, according to Mr. Schumacher, is somewhat of the nature of a lease. Whether this agreement would make it necessary to have the consent of Joe Pitts in the event of a DMEA contract, was not determined by the examining team.

The Vanadium Queen Uranium Corporation is a Nevada Corporation with headquarters at 525 Milam Building, San Antonio, Texas. The president is Don Danvers and the secretary-treasurer is K. D. Harrison of the same address. The local representative is John I. Schumacher, P. O. Box 1674, Grand Junction, Colorado, who is the field manager and engineering consultant who would have charge of any exploration done on the property.

## PRESENT STATUS

### Exploration and development

A considerable amount of drilling has been done on the Vanadium Queen claims, both by the Geological Survey and privately. Most of

it has been done on the western tier of claims and in the vicinity of the mine workings. However, 15 holes have been drilled on the Vanadium Queen Nos. 3, 7, 9, and 10 claims--most of them on Vanadium Queen No. 10. Seven of these holes were widely spaced Geological Survey holes. Four holes penetrated ore and three were mineralized (fig. 3 and tables 1 and 2).

All Vanadium Queen mine workings are west of the proposed exploration area and comprise over 2,500 linear feet of lateral workings from an adit in the potential ore-bearing Salt Wash rim overlooking La Sal Creek. Any ore in the proposed project area could be developed and mined by extending the present workings.

## Mining equipment and other facilities

The applicant plans to do all drilling by contract. The Vanadium Queen mine is fully equipped with portal buildings, ore bin with facilities for screening and sorting ore, and electrically powered air compressors. Underground equipment includes jack-leg rock drills, scrapers and diesel-powered track-haulage equipment. Some ore bodies are on the haulage level, but the larger stopes are above the haulage level, and ore is handled by scraper loading through ore passes.

Table 1.--Summary of data from USGS drill holes shown on figure 3

| Hole No. | Collar elevation | Depth to top of OBSS (feet) | Thickness of OBSS (feet) | Total depth (feet) | U.S.G.S. Classification | Remarks |
|---|---|---|---|---|---|---|
| LC 202 | 6819 | 184 | 60 | 258 | favorable | barren |
| LC 207 | 6842 | 203 | 57 | 264 | semifavorable | barren |
| LC 208 | 6839 | 213 | 52 | 273 | favorable | mineralized |
| LC 209 | 6800 | 185 | 48 | 241 | favorable | ore |
| LC 211 | 6873 | 240 | 55 | 300 | favorable | barren |
| LC 212 | 6802 | 188 | 50 | 248 | favorable | mineralized |
| LC 214 | 6860 | 242 | 41 | 287 | semifavorable | barren |
| LC 215A | 6970 | 347 | 44 | 404 | favorable | ore |
| LC 216 | 6900 | 283 | 34 | 324 | favorable | mineralized |
| LC 217 | 6798 | 183 | 47 | 241 | favorable | ore |
| LC 223 | 6810 | 194 | 47 | 250 | favorable | ore |
| LC 373 | 7280 | 632 | 62 | 700 | favorable | mineralized |
| LC 407 | 6961 | 352 | 28 | 394 | unfavorable | barren |
| LC 408 | 6985 | 354 | 60 | 424 | favorable | ore |
| 14 holes | Total | 3800 | 685 | 4608 | | |
| Average per hole | | 271 | 49 | 329 | | |

Table 2.--Summary of assay data from holes shown on figure 3

| Hole No. | Base (feet) | Thickness (feet) | % $U_3O_8$ (Chem.) | % $V_2O_5$ (Chem.) |
|---|---|---|---|---|
| LC 209 | 208.2 | 1.2 | 0.047 | 1.13 |
| | 209.7 | 1.5 | 0.080 | 1.72 |
| | 209.9 | 0.2 | 0.020 | 1.81 |
| | 215.4 | 1.2 | 0.008 | 0.98 |
| | 216.1 | 0.7 | 0.039 | 1.78 |
| LC 212 | 213.4 | 1.4 | ----- | 0.89 |
| | 226.8 | 1.2 | ----- | 0.33 |
| | 227.9 | 1.1 | ----- | 0.53 |
| | 228.8 | 0.9 | ----- | 1.63 |
| | 229.1 | 0.3 | 0.027 | 2.73 |
| | 229.9 | 0.8 | ----- | 1.46 |
| LC 215A | 368.9 | 0.6 | 0.090 | 6.50 |
| | 369.8 | 0.9 | 0.003 | 0.27 |
| | 370.4 | 0.6 | 0.320 | 7.40 |
| | 371.6 | 1.2 | 0.980 | 0.72 |
| | 372.7 | 1.1 | 0.094 | 0.15 |
| | 373.4 | 0.7 | 0.300 | ---- |
| | 374.6 | 0.6 | 0.041 | 0.48 |
| LC 216 | 281.4 | 1.2 | 0.032 | 0.15 |
| LC 217 | 208.2 | 8.0 | 0.600 | 6.86 |
| | 222.5 | 2.3 | 0.068 | 1.87 |

Table 2 (continued)

| Hole No. | Base (feet) | Thickness (feet) | % $U_3O_8$ (Chem.) | % $V_2O_5$ (Chem.) |
|---|---|---|---|---|
| LC 223 | 232.1 | 3.3 | 0.130 | 1.88 |
| LC 373 | 684.5 | 0.9 | 0.020 | 0.28 |
| LC 408 | 387.2 | 1.2 | 0.005 | 2.53 |
| | 387.5 | 0.3 | 0.066 | 3.82 |
| | 388.1 | 0.6 | 0.420 | 2.67 |
| | 388.4 | 0.3 | 0.085 | 2.29 |
| | 388.7 | 0.3 | 0.015 | 1.67 |
| | 389 | 1.2 | 0.033 | 1.00 |
| | 390.8 | 0.9 | 0.018 | 0.72 |
| 6 | 197.3 | 2.3 | 1.387 | 6.93 |
| 9 | 211.0 | 1.0 | 0.224 | 1.52 |
| | 219.0 | 1.5 | 0.182 | 1.17 |
| 10 | 210.5 | 0.5 | 0.106 | 3.59 |
| 11 | 363.5 | 6.5 | 0.199 | 5.08 |
| 13 | 368.0 | 1.0 | 0.146 | ---- |
| 18 | 205.7 | 0.2 | 0.038 | 2.13 |
| | 207.7 | 2.0 | 0.675 | 12.57 |
| | 209.7 | 1.0 | 0.042 | 1.65 |
| 19 | 194.0 | 1.0 | 0.044 | 2.65 |

Table 2 (continued)

| Hole No. | Base (feet) | Thickness (feet) | % $U_3O_8$ (Chem.) | % $V_2O_5$ (Chem.) |
|---|---|---|---|---|
| 22 | 241.0 | 1.0 | 0.084 | ---- |
| 29 | 212.0 | 1.0 | 0.119 | 0.31 |
| 30 | 246.0 | 1.0 | 0.217 | 2.36 |
| 100 | ----- | 2.4 | 0.340 | 0.88 |
| 101 | ----- | 4.9 | 0.020 | 2.23 |
| 102 | ----- | 0.6 | 0.290 | 1.38 |
| 104 | ----- | 1.4 | 0.010 | 1.65 |

## GEOLOGY

The Vanadium Queen claims are located on the southwest flank of the Paradox salt anticline near its junction with the La Sal Mountains. The rocks exposed in the area are sedimentary formations that range in age from Jurassic to Cretaceous and dip about 1° to 3° to the southwest. In ascending order these rocks consist of the Jurassic Navajo, Carmel, Entrada, Summerville and Morrison formations, and the Cretaceous Burro Canyon and Dakota formations. Erosional remnants of the Burro Canyon and Dakota formations are preserved on the extreme eastern part of the applicant's claims which, for the most part, lie on the Morrison outcrop (fig. 2).

Significant uranium deposits in the La Sal Creek area are confined to the Jurassic Morrison formation. This report, therefore, will not be concerned with older or younger formations. The Morrison formation is divided into the Salt Wash member and the overlying Brushy Basin member. The major ore deposits occur in the uppermost sandstone beds of the Salt Wash member, which averages about 450 feet in thickness and consists of fluvial sandstone, siltstone and mudstone beds. About 50 percent of the Salt Wash member is made up of sandstone beds, although the ratio of sandstone to siltstone and mudstone varies considerably within short distances. Generally 3 to 5 light-gray to light-brown, broadly lenticular sandstone beds, 15 or more feet thick, are present along the outcrop. These sandstone lenses are a few hundred to thousands of feet in horizontal extent. The uppermost ore-bearing sandstone is crossbedded and medium- to medium-fine-grained and ranges in thickness from 15 to 95 feet in the vicinity of the applicant's claims. Locally the sandstone is quartzitic and contains varying amounts of limonite, disseminated pyrite, and carbonaceous material. Cut and fill structures, ripple marks, current lineation, and rill marks suggest that the ore-bearing sandstone was deposited under fluvial conditions. Mudstone and siltstone, in contact with the ore-bearing sandstone, are generally red, reddish brown, green or gray. Interstitial clay, clay pellets, and relatively thin seams of mudstone

are included in the sandstone. The contact of the Salt Wash member with the overlying Brushy Basin member is gradational, although there is a marked contrast in the over-all appearance of the two members on the outcrop. The ore-bearing sandstone is not exposed on the claims subordinated in this application although it crops out a short distance to the southwest.

The overlying Brushy Basin member consists of variegated shale and mudstone beds that range in color from white to pastel shades of red, blue, and green. These fine-grained sediments are interbedded with sandstone and conglomeratic beds. The Brushy Basin crops out over most of the applicant's property and ranges in thickness from 200 feet on the west end to as much as 400 feet on the east. Huge Burro Canyon boulders locally are scattered over the Brushy Basin slope.

## ORE DEPOSITS

Most of the significant uranium deposits in the La Sal Creek area are confined to a rather discontinuous favorable belt that trends northeasterly from the Firefly and Grey Dawn mines on the west to the Evening Star and Morning Star mines on the east. The belt is about 6 miles long and several thousand feet wide, and was defined by U. S. Geological Survey and private drilling. It extends for the most part through the applicant's claims (fig. 2).

Within the favorable area the ore-bearing sandstone is usually 30 or more feet thick, with green mudstone above or below, or contained within the sandstone as seams, pellets, or films. These features together with carbonaceous material, medium- to fine-grained sandstone, lenticular strata, fluvial type bedding, and the presence of green mudstone-pebble conglomerates suggest that the belt is a result of repeated scouring and filling by successively younger, braided, meandering streams (Carter 1954). Favorable areas grade into semifavorable and finally unfavorable ground. The unfavorable areas are typified by thinner layers of fine-grained sandstone, abundant red mudstone and small amounts of fresh-water limestone or marl which suggest a flood plain deposition. Several small deposits occur in thin, lenticular sandstone beds just above the ore-bearing sandstone, or in the lowermost conglomeratic sandstone lenses of the Brushy Basin member. These deposits, however, are not considered significant.

Ore bodies in the belt range in size from small irregular masses containing a few tons of ore to large tabular masses containing as much as 30,000 tons. Mineralized rock lies essentially parallel to the sandstone beds but does not follow the bedding in detail. In some deposits the highest grade ore occurs in sharply bounded elongate concretionary structures or "rolls" which cross bedding planes. A

single ore deposit may consist of a cluster of ore bodies generally connected by seams of mineralized material.

Mineralized rock at or near the surface is sandstone impregnated with carnotite and its calcium analogue tyuyamunite. Metatyuyamunite, rauvite, pascoite, and hewettite have also been identified in the oxidized ores. Less oxidized minerals, including uraninite, montroseite, and corvusite, are found at greater depths.

The origin of the ore and factors that controlled its localization are little understood. Primary sedimentary structures in the ore-bearing sandstone apparently are closely related to localization of ore. It does not appear that origin and occurrence of ore bodies are related to fractures. Apparently fractures served as avenues for secondary migration of small amounts of uranium leached by ground water solution, from early ore minerals, but such minerals are not important sources of ore.

The largest mine in the vicinity is the applicant's Vanadium Queen mine located on adjoining claims west of the subordinated property. The mine was examined in detail during the course of the field examination. Mineralized material in the Vanadium Queen mine occurs in a sandstone bed, ranging from 15 to 80 feet in thickness, in the upper part of the Salt Wash member. Both "roll" type and tabular-shaped ore bodies are being mined. The long axes of the

"rolls" trend generally east and southeast. Individual "rolls" range from 1 to 8 feet in thickness, 2 to 15 feet in width, and 10 to 75 feet or more in length. The long axes of the tabular-shaped ore bodies also trend essentially southeast.

Geologic features and habits of ore deposits useful in exploring for uranium have been recognized through drilling experience and geologic studies. The following geologic criteria were used by the U. S. Geological Survey to explore for uranium deposits in the La Sal Creek area:

(1) Mudstone and siltstone in contact with ore-bearing sandstone is green or grayish green instead of red or reddish brown.

(2) The ore-bearing sandstone contains thin discontinuous green mudstone lenses, mudstone pebbles, and abundant carbonaceous fragments.

(3) The ore-bearing sandstone is light-gray or light-brown instead of reddish-brown and is medium- to medium-fine grained.

(4) The ore-bearing sandstone contains limonite stains or disseminated pyrite.

(5) The ore bodies occur in the thicker parts of the sandstone, but do not exhibit a detailed relationship to the thickness of the sandstone.

(6) In the vicinity of ore deposits a relatively high gamma-ray anomaly at the base of the ore-bearing sandstone offers a larger target than the ore deposit.

## ORE RESERVES

Following are the current ore reserves on the Vanadium Queen claims and nearby properties within the ore trend as carried by the Atomic Energy Commission Ore Reserves Section and as reported by the applicant.

| | | AEC RESERVE | | | 2/ RESERVE REPORTED BY APPLICANT | | |
|---|---|---|---|---|---|---|---|
| Claim | Production Dry Tons 1/ | Dry Tons | $U_3O_8$ | $V_2O_5$ | Dry Tons | Percent $U_3O_8$ | Percent $V_2O_5$ |
| Vanadium Queen group | 14,357 | 4,300 | 0.26 | 3.09 | 25,650 | 0.40 | 3.76 |
| Grey Dawn | 3,787 | 1,013 | 0.27 | 0.55 | - | - | - |
| Big Joe | None | | | | 5,000 | | |
| Blue Cap | None | 1,496 | 0.20 | 2.50 ) | 6,000 | | |
| Little Joe | None | | | ) | | | |
| Black Hat | 686 | 18,210 | 0.32 | 1.05 | 3/ 7,000 | | |
| Morning Star | 1,111 | 104 | 0.20 | 1.111 | - | | |
| Evening Star | 6,919 | 4,742 | 0.20 | 1.88 | - | | |
| Marjory Ann | 5,670 | 401 | 0.31 | 1.36 | - | | |

1/ Includes former indicated and inferred reserve categories

2/ Includes operator's proven and probable reserve categories

3/ Does not include possible reserves as result of recent exploration

Atomic Energy Commission reserve figures are in general more conservative than those quoted by the applicant. On either basis it is concluded that the ore potential of ground within the mineralized trend is good.

## PROPOSED EXPLORATION

The exploration plan proposed by the applicant consisted of a drilling program in two stages with 31 holes in Stage I to form, with holes already drilled, a series of northwesterly trending fences, with holes on about 200-foot centers, to explore favorable ground trending northeasterly from the Vanadium Queen mine. The depths of holes were estimated to average 370 feet, of which 80 feet was proposed to be core drilled. It was estimated that a total of 8,990 feet of non-core drilling and 2,480 feet of core drilling would be necessary.

Stage II, as proposed by the applicant, would have required 6,960 feet of non-core drilling and 1,920 feet of core drilling in a maximum of 24 holes. These holes would offset, at a minimum distance of 100 feet, mineralized or geologically favorable holes drilled in Stage I. The applicant's cost estimate was $60,110.00, in which Government participation at 75 percent would have been $45,082.50. The estimate was based on the average of 3 drilling bids rather than on the lowest of the 3 bids submitted.

Geological Survey drilling in the area (fig. 3 and tables 1 and 2) delimited the favorable area crossing the property, and the favorable ground grades into semifavorable and unfavorable both north and south (fig. 2). All of the applicant's proposed drill sites, except two, are in the favorable belt trending northeasterly from the Vanadium Queen mine. A revised program as shown in figure 3 has been used as the basis for a DMEA project. It is essentially the program proposed by the applicant with the exception of two holes on the Vanadium Queen No. 7 claim which have been relocated at the eastern end of the Vanadium Queen No. 3 claim. The average depth of the 14 Geological Survey holes shown on figure 3 and tabulated in tables 1 and 2 is 329 feet. An average of 271 feet of non-core drilling and 49 feet of core drilling per hole would be required to drill these holes, assuming that no unnecessary coring would be done. On this basis, with an allowance for the fact that most of the proposed drilling sites are slightly higher on the Brushy Basin bench, and also for ample coring to bottom the holes below the ore-bearing sandstone, the 31 holes in Stage I of the proposed exploration program are estimated to require 8,990 feet of non-core drilling, or 290 feet per hole, and 2,170 feet of core drilling or 70 feet per hole. Stage II would require (in 24 holes) an estimated 6,960 feet of non-core drilling and 1,680 feet of core drilling.

Following is a comparison of the cost of drilling only, in Stage I, as computed for each of the three drilling bids submitted:

| | Non-core | | | | Core | | | |
|---|---|---|---|---|---|---|---|---|
| Bidder | Interval in feet | No. feet | Rate per ft. | Total | Interval in feet | No. feet | Rate per ft. | Total |
| Sprague and Henwood | 0-200 | 6,200 | 2.00 | $12,400.00 | 200-300 | 310 | 4.50 | 1,395.00 |
| | 200-400 | 2,790 | 2.25 | 6,277.50 | 300-500 | 1,860 | 5.00 | 9,300.00 |
| Totals | | 8,990 | | $18,677.50 | | 2,170 | | 10,695.00 |
| Total Stage I | | | $29,372.00 | | | | | |
| Minerals Engineering Co. | 0-100 | 3,100 | 1.65 | 5,115.00 | 200-300 | 310 | 4.45 | 1,379.50 |
| | 100-200 | 3,100 | 1.95 | 6,045.00 | 300-400 | 1,860 | 4.95 | 9,207.00 |
| | 200-300 | 2,790 | 2.15 | 5,998.00 | | | | |
| Totals | | 8,990 | | 17,158.00 | | 2,170 | | 10,586.50 |
| Total Stage I | | | $27,744.50 | | | | | |
| Leon Whatley | 0-200 | 6,200 | 1.75 | 10,850.00 | 200-300 | 310 | 4.00 | 1,240.00 |
| | 200-400 | 2,790 | 2.00 | 5,580.00 | 300-400 | 1,860 | 5.00 | 9,300.00 |
| Totals | | 8,990 | | 16,430.00 | | | | 10,540.00 |
| Total Stage I | | | $26,970.00 | | | | | |

The cost estimate in this report is based on the bid by Leon Whatley and use of two rigs, one shift per day, 25 days per month. Average footage per shift, including non-core and core drilling, is estimated at 100 feet. On this basis Stage I would require 56 days or 2.25 months and Stage II would require, for the maximum number of holes, 43 days or 1.7 months. To allow for preliminary work, such as surveying and bulldozing, and for evaluation of drilling results between stages, 2.5 months is estimated for Stage I and 2.0 months for Stage II.

Following is a cost estimate:

COST ESTIMATE

| | | | |
|---|---|---|---|
| PROJECT DMEA 4631 | ESTIMATED TIME FOR COMPLETION | | 2.5 months |
| STAGE I | ESTIMATED NUMBER OF | holes | 31 |
| | ESTIMATED FOOTAGE | non-core | 8,990 |
| | ESTIMATED FOOTAGE | core | 2,170 |

(1) Independent Contracts

| | | |
|---|---|---|
| Bulldozing for roads and drill sites 62 hours at $12.00 per hr. (D-7 tractor or equivalent) | $ 744.00 | |
| Total bulldozing | | $ 744.00 |
| Drilling, non-core | | |
| 0-200 foot range, 6,200 ft. at $1.75 | $10,850.00 | |
| 200-400 foot range, 2,790 ft. at $2.00 | 5,580.00 | |
| Total non-core drilling, 8,990 feet | | $16,430.00 |

| | | | |
|---|---|---|---|
| Drilling, core | | | |
| 200-300 foot range, 310 feet at $4.00 | $ 1,240.00 | | |
| 300-400 foot range, 1,860 feet at $5.00 | 9,300.00 | | |
| Total core drilling, 2,170 feet | | $10,540.00 | |
| Total drilling, 11,160 feet | | | |
| Total Independent Contracts | | | $27,714.00 |
| (2)Labor, Supervision and Technical Services | | | |
| Labor | None | | |
| Total Labor | | None | |
| Supervision 1 engineer-geologist-supervision 2.5 months at $600.00 per month half time | $ 750.00 | | |
| Total supervision | | $ 750.00 | |
| Technical Services 1 sampler full time 2.5 months at $400.00 per month | $ 1,000.00 | | |
| Total Technical Services | | $ 1,000.00 | |
| Total Labor, Supervision and Technical Services | | | $ 1,750.00 |
| (3)Operating Materials and Supplies | | | |
| 217 core boxes for 2,170 feet of core at $1.00 | $ 217.00 | | |
| Gasoline, oil and repairs for 1 vehicle for field use, 2.5 months at $50.00 per month | 125.00 | | |
| Survey, drafting, and office supplies, 2.5 months at $20 per month | 50.00 | | |
| Total Operating Materials and Supplies | | $ 392.00 | $ 392.00 |

(4)Operating Equipment

| | | | |
|---|---|---|---|
| Purchased | None | | |
| Total purchased | | None | |
| Rental | None | | |
| Total rental | | None | |

Depreciation

| Items | Value |
|---|---|
| 1 Jeep or pickup | $1,800.00 |
| 1 Babbel counter and probe | 800.00 |
| 1 Transit | 500.00 |
| Total | $3,100.00 |

Depreciated on 60 month basis

$\frac{\$\ 3,100.00}{60}$ or $ 51.67 per month

| | | | |
|---|---|---|---|
| Depreciation for 2.5 months | $ 129.18 | | |
| Total Depreciation | | $ 129.18 | |
| Total Operating Equipment | | | $ 129.18 |

(7)Miscellaneous

| | | | |
|---|---|---|---|
| Accounting 2.5 months at $25.00 per month | $ 62.50 | | |
| Total Accounting | | $ 62.50 | |
| Sampling and analyses, maximum of 120 samples, analyzed for $U_3O_8$ and $V_2O_5$ at $4.00 each | $ 480.00 | | |
| Total Sampling and Analyses | | $ 480.00 | |

| | | | |
|---|---|---|---|
| Compensation insurance, payroll taxes, etc., on salaries of supervisor and sampler at 6 percent of $1,750.00 | $ 105.00 | | |
| Total insurance, taxes, etc. | | $ 105.00 | |
| Total Miscellaneous | | | $ 647.50 |
| TOTAL STAGE I | | | $30,632.68 |

COST ESTIMATE

PROJECT DMEA 4631

STAGE II

ESTIMATED TIME FOR COMPLETION 2 months

ESTIMATED NUMBER OF holes 24

ESTIMATED FOOTAGE non-core 6,960

ESTIMATED FOOTAGE core 1,680

(1) Independent Contracts

| | | | |
|---|---|---|---|
| Bulldozing for roads and drill sites 48 hours at $12.00 per hr. D-7 tractor or equivalent | $ 576.00 | | |
| Total bulldozing | | $ 576.00 | |
| Drilling, non-core | | | |
| 0-200 foot range, 4,800 ft. at $1.75 | $ 8,400.00 | | |
| 200-400 foot range, 2,160 ft. at $2.00 | 4,320.00 | | |
| Total non-core drilling, 6,960 feet | | | $12,720.00 |
| Drilling, core | | | |
| 200-300 foot range, 240 feet at $4.00 | $ 960.00 | | |
| 300-400 foot range, 1,440 feet at $5.00 | 7,200.00 | | |
| Total core drilling, 1,680 feet | | $ 8,160.00 | |

| | | | |
|---|---|---|---|
| Total drilling, 8,640 feet | | | |
| Total Independent Contracts | | | $21,456.00 |

(2)Labor, Supervision and Technical Services

| | | | |
|---|---|---|---|
| Labor | None | | |
| Total Labor | | None | |
| Supervision 1 engineer-supervisor geologist 1/2 time for 2 months at $600.00 per month | $ 600.00 | | |
| Total supervision | | $ 600.00 | |
| Technical Services 1 sampler full time 2 months at $400.00 per month | 800.00 | | |
| Total technical services | | $ 800.00 | |
| Total Labor, Supervision and Technical Services | | | $ 1,400.00 |

(3)Operating Materials and Supplies

| | | | |
|---|---|---|---|
| 168 core boxes for 1,680 feet of core at $1.00 each | $ 168.00 | | |
| Gasoline, oil and repairs for 1 vehicle for field use, 2 months at $50.00 per month | 100.00 | | |
| Surveying, drafting and office supplies for 2 months at $20.00 per month | 40.00 | | |
| Total Operating Materials and Supplies | | $ 308.00 | $ 308.00 |

(4)Operating Equipment

| | | | |
|---|---|---|---|
| Purchased | None | | |
| Total purchased | | None | |
| Rental | None | | |
| Total rental | | None | |

| | | | | |
|---|---|---|---|---|
| Depreciation (See list in Stage I estimate) | | | | |
| Depreciated at $ 51.67 per month | | | | |
| Depreciation for 2 months | $ 103.34 | | | |
| Total Depreciation | | $ 103.34 | | |
| Total Operating Equipment | | | $ 103.34 | |
| (7) Miscellaneous | | | | |
| Accounting 2 months at $25.00 per month | $ 50.00 | | | |
| Total accounting | | $ 50.00 | | |
| Sampling and analyses, maximum of 96 samples, analyzed for $U_3O_8$, $V_2O_5$ at $4.00 each | $ 384.00 | | | |
| Total sampling and analyses | | $ 384.00 | | |
| Compensation insurance, payroll taxes, etc., on salaries of supervisor and sampler at 6 percent of $ 1,400.00 | $ 84.00 | | | |
| Total insurance and taxes | | $ 84.00 | | |
| Total Miscellaneous | | | $ 518.00 | |
| TOTAL STAGE II | | | | $23,785.39 |
| TOTAL PROJECT | | | | $54,418.02 |

BREAKDOWN OF COSTS
Distributed as to type of drilling

| Item | Units | Sub Total | Total | Non-Core | Core |
|---|---|---|---|---|---|
| (1)Independent contracts | | | | | |
| Bulldozing | 110 hours | | $ 1,320.00 | $ 1,056.00 | $ 264.00 |
| Non-core drilling | | | | | |
| 0-200 feet | 11,000 feet | | 19,250.00 | 19,250.00 | |
| 200-400 feet | 4,950 feet | | 9,900.00 | 9,900.00 | |
| Core drilling | | | | | |
| 200-300 feet | 550 feet | | 2,200.00 | | 2,200.00 |
| 300-400 feet | 3,300 feet | | 16,500.00 | | 16,500.00 |
| (2)Labor, Supervision and Technical Services | 4.5 months | $ 3,150.00 | 3,150.00 | 2,520.00 | 630.00 |
| (3)Materials and Supplies | | | | | |
| Core boxes for 3,850 ft. core | | | 385.00 | | 385.00 |
| Other | 4.5 months | 315.00 | 315.00 | 252.00 | 63.00 |
| (4)Operating Equipment | 4.5 months | 232.52 | 232.52 | 186.02 | 46.50 |
| (7)Miscellaneous | | | | | |
| Chemical Analyses | 216 | | 864.00 | | 864.00 |
| Other | 4.5 months | 301.50 | 301.50 | 241.20 | 60.30 |
| Totals | | | $54,418.02 | $33,405.22 | $21,012.80 |
| Sub total, less independent contracts, Core boxes and chemical analyses | | $ 3,999.02 | | | |

BREAKDOWN OF COSTS
Distributed as to type of drilling
(continued)

| | | | |
|---|---|---|---|
| Calculated over-all cost non-core drilling | $\frac{\$33,405.22}{15,950}$ | or | $2.09 per foot |
| Calculated over-all cost core drilling | $\frac{21,012.80}{3,850}$ | or | 5.46 per foot |
| Calculated over-all cost of all drilling | $\frac{54,418.02}{19,800}$ | or | 2.75 per foot |
| Calculated cost of items (2) (3) (4) and (7), less chemical analyses and core boxes which go to make up "incidental allowance" | $\frac{3,999.02}{19,800}$ | or | 0.20 per foot |

## Summary of Costs Suggested for Contract Use

| Contract item | Unit | Unit Cost | Stage I Units | Stage I Cost | Stage II Units | Stage II Cost | Total Units | Total Cost |
|---|---|---|---|---|---|---|---|---|
| **Actual Costs** | | | | | | | | |
| Bulldozing | hour | $12.00 | 62 | $ 744.00 | 48 | $ 576.00 | 110 | $ 1,320.00 |
| Non-core drilling | | | | | | | | |
| 0-200 foot range | foot | 1.75 | 6,200 | 10,850.00 | 4,800 | 8,400.00 | 11,000 | 19,250.00 |
| 200-400 foot range | foot | 2.00 | 2,790 | 5,580.00 | 2,160 | 4,320.00 | 4,950 | 9,900.00 |
| Core drilling | | | | | | | | |
| 200-300 foot range | foot | 4.00 | 310 | 1,240.00 | 240 | 960.00 | 550 | 2,200.00 |
| 300-400 foot range | foot | 5.00 | 1,860 | 9,300.00 | 1,440 | 7,200.00 | 3,300 | 16,500.00 |
| **Fixed costs** | | | | | | | | |
| Core boxes | each | 1.00 | 217 | 217.00 | 168 | 168.00 | 385 | 385.00 |
| Chemical Analyses for $U_3O_8$ and $V_2O_5$ | each | 4.00 * | 120 | 480.00 | 96 | 384.00 | 216 | 864.00 |
| Incidental allowance | foot | 0.20 | 11,160 | 2,232.00 | 8,640 | 1,728.00 | 19,800 | 3,960.00 |

| | | | |
|---|---|---|---|
| Total Stage I | $30,643.00 | | |
| Total Stage II | | $23,736.00 | |
| Total Project | | | $54,379.00 |
| Government participation at 75 percent | | | $40,784.25 |

* Schedule of prices for chemical analyses at Smith Laboratory, Moab, Utah

## CONCLUSIONS AND RECOMMENDATIONS

Based on results of Geological Survey and private drilling on, and near the Vanadium Queen claims, and on the possible tenor of ore to be found, as evidenced by ore deposits in the nearby Vanadium Queen mine, it is concluded that the geologically favorable ground crossing the Vanadium Queen Nos. 3, 9, and 10 claims should be explored with Government assistance.

It is recommended that a contract calling for a two-stage drilling project be approved. Stage I would consist of 31 holes on approximately 200-foot centers at sites shown in figure 3 requiring an estimated 8,990 feet of non-core drilling and 2,170 feet of core drilling. Stage II would consist of a maximum of 24 holes as offsets around holes in Stage I which are mineralized or geologically favorable. Stage II holes should be not less than 100 feet from Stage I holes or any previously drilled hole. Stage II would require, if the maximum number of holes are drilled, an estimated 6,960 feet of non-core drilling and 1,680 feet of core drilling. A summary of costs suggested for contract use is included in the cost estimate. The estimated cost for the project is $54,379.00 in which Government participation at 75 percent would be $40,784.25.

The usual provisions covering minimum size of core (BX), storage and preservation of core, radiometric probing, lithologic logging, chemical analysis of mineralized core, employment of a competent geologist-engineer as a field supervisor, should be included.

It is further recommended that an exchange of drilling footage between non-core and core drilling and between depth ranges be permitted within stages with prior Government approval. Transfer of bulldozing, drilling footage, and core boxes from Stage II to Stage I with a corresponding reduction in Stage II maximums should also be permitted with prior Government approval. It is also recommended that substitution of a D-6 tractor or equivalent at a rate not to exceed $10.00 per hour for a D-7 tractor be permitted with prior Government approval.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1957 DOCKET 4631

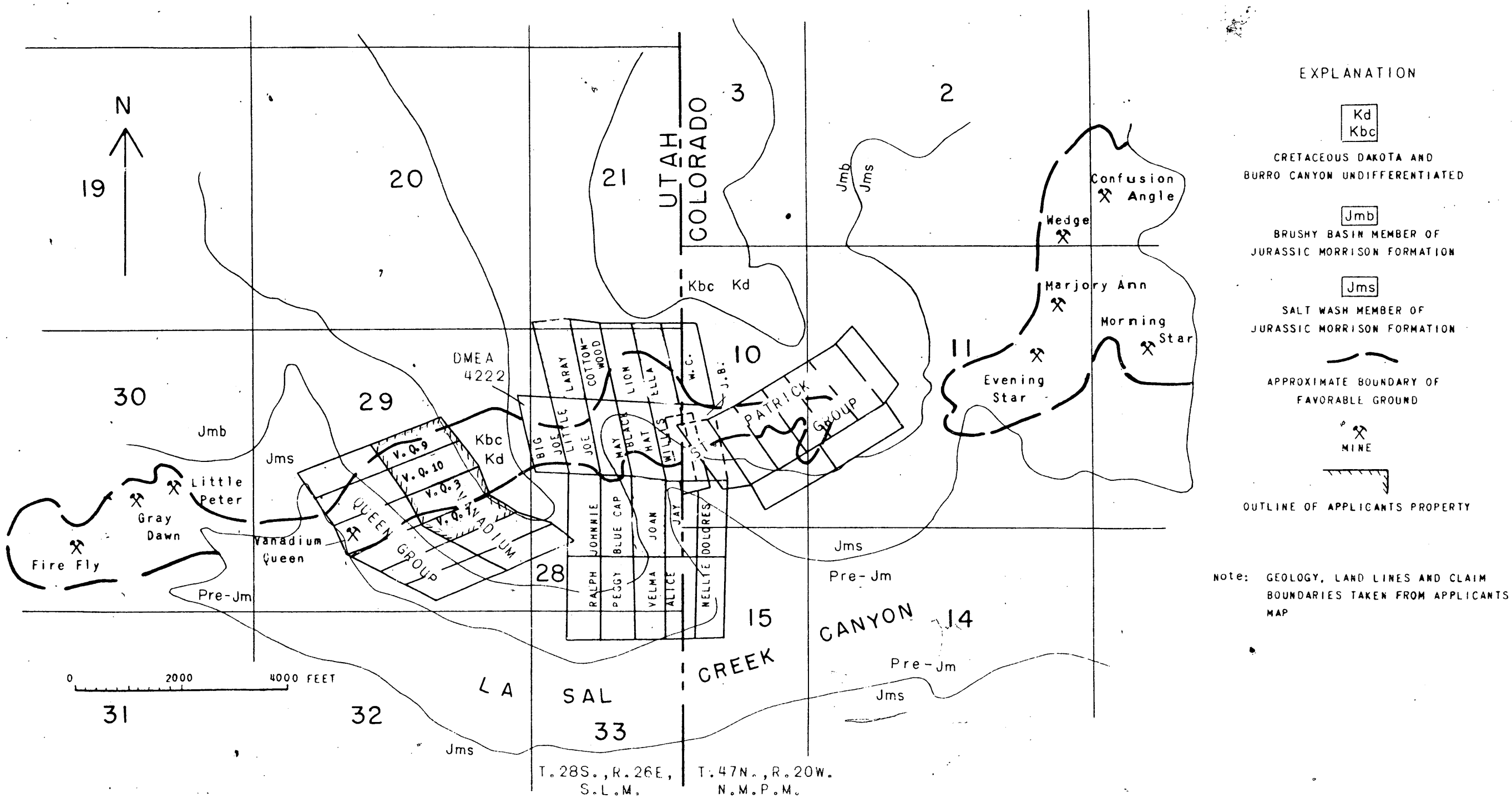


FIGURE 2.--SKETCH MAP SHOWING GEOLOGY, MINES, FAVORABLE GROUND AND CLAIMS IN THE VICINITY OF APPLICANTS PROPERTY, VANADIUM QUEEN URANIUM CORPORATION, SAN JUAN COUNTY, UTAH, AND MONTROSE COUNTY, COLORADO.

February 28, 1957

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Superintendent, Denver Experiment Station, Reg. III

Subject: Docket DMEA 4631 (Uranium) Vanadium Queen Uranium Corporation (Vanadium Queen claims) San Juan County, Utah

The application for Vanadium Queen Uranium Corporation, Docket DMEA 4631, in the amount of $60,110.00 was received in this office on February 27.

A field examination will be made and suitable report prepared by an engineer from the Denver or Grand Junction office.

W. H. KING

W. H. King

cc: W. M. Traver (2)
E. H. Harshman
J. W. Hasler
M. H. Salsbury
J. F. Shaw

DMEA
DEPARTMENT OF THE INTERIOR
FEB 28 1957
REGION III
DENVER, COLORADO

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DMEA
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| | Chmn. | letter |

224 New Customhouse
Denver 2, Colorado

February 26, 1957

To: W. H. King (2) w/copy Application, Chmn. letter and memoranda of review
J. W. Hasler, w/copy Chmn. letter and memoranda of review

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

Subject: Docket DMEA-4631 (Uranium) Vanadium Queen Uranium Corporation (Vanadium Queen claims)
San Juan County, Utah

Enclosed are a copy of the subject application in the amount of $60,110.00, its transmittal to the Executive Officer from the Chairman, Operating Committee, DMEA, and memoranda of review by W. P. Williams, U. S. Geological Survey, and Ernest William Ellis, U. S. Bureau of Mines. A field examination and suitable report of examination are requested.

Please return the Bureau of Mines copy of the application to this office with the report of examination.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:hh
cc: Chmn. Op. Comm. (2)
Harshman ) w/copy Chmn. letter and
Docket DMEA-4631) memoranda of review
Chron.

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 2-20 | Ching | 700 |
| " | [illegible] | 700 |
| 2/20 | Selfridge | 130 |
| " | Johnson | 110 |
| | | ~~100~~ |
| 2-21 | C | 220 |

Lamb 700
Kilsgaard

FEB 20 1957

Mr. Don Danvers, President
Vanadium Queen Uranium Corporation
525 Milam Building
San Antonio, Texas

Re: Docket No. DMA-4631 (Uranium)
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Danvers:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred to:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

Frank E. Johnson (for)

ACTING Administrator

Copy to: Mr. John I. Schumacher
P. O. Box 1674
Grand Junction, Colorado

MChing/izm 2-20-57
cc to: Admr.'s Reading File
Code 700
Mr. Ching
DMEA FT Reg. 3 (2)

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DMEA Form 7
(12-56)

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| 2-20 | Ching | 700 |
| " | Ellis | 700 |
| 2/20 | Selfridge | 130 |
| " | Johnson | 110 |
| | | ~~100~~ 113 |
| | | 225 |

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

FEB 20 1957

Re: Docket No. DMEA-4631 (Uranium)
Vanadium Queen Uranium Corporation
Vanadium Queen Claims
San Juan County, Utah

Dear Mr. Traver:

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

Copies of memoranda, dated February 15, 1957, by W. P. Williams, USGS, and John E. Crawford, USBM, relating to the application, are enclosed for your information. Also enclosed is one copy of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Enclosures

APPROVED:

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

Thor H. Kiilsgaard
Member, Geological Survey

MChing/izm 2-20-57
cc to: Code 700
Mr. Ching
Admr.'s Reading File
Operating ~~Committee~~ Committee
THKiilsgaard, 5224
JKratchman, AEC

8623

IN REPLY REFER TO:

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

| OFFICIAL FILE COPY DMEA RECEIVED FEB 18 1957 | | |
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| 1957 | | |
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| 2-18 | ~~Ellis~~ | 700 |
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| | | |

February 15, 1957

comments complete

Memorandum

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

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

Subject: Review of application, DMEA 4631, Vanadium Queen Uranium Corporation, Vanadium Queen Claims, LaSal Creek District, San Juan County, Utah, (Uranium).

The applicant proposes to explore for uranium ore deposits on four mining claims that are adjacent to the Vanadium Queen mine which, according to the applicant, has produced 17,480 tons of uranium and vanadium ore.

The proposed work would consist of a total of 20,350 feet of core and non-core drilling, to be drilled in two stages, at a total estimated cost of $60,110. An alternative program is informally proposed which would consist of driving a drift from existing mine workings to the property boundary. Of the total drift length, 1,550 feet is proposed for DMEA participation. A second stage in the alternate plan would consist of core drilling in the favorable areas cut by the drift. Total estimated cost of the alternate plan would be about $54,624.

The claims described in the application are advantageously located within the boundaries of an east-west trending belt of favorable ground that was established by Government drilling. Sixteen holes have been drilled on the four claims. Five of the holes were ore holes and four were mineralized. The claims are located between the Vanadium Queen mine to the west and producing mines to the east, so that a mineralized trend extends through the applicant's property.

The property appears to warrant a DMEA contract. The proposed drilling project seems better suited to DMEA purposes than does the drifting and drilling. If the drifting is seriously considered, perhaps the drift should be aimed toward the existing ore holes rather than as proposed. ?

In the copy of the application reviewed, there were no legal instruments included that demonstrate the applicant's interest in the claims. There are 10 contiguous Vanadium Queen claims, but only four are described in the application, excluding the claim on which the Vanadium Queen mine is located.

I recommend that the application be referred to the Field Team for review and comment. A field examination in the strict sense of the word will hardly be necessary as much information about the property is already in Government files; and the Geological Survey has maintained a field camp within sight of the Vanadium Queen portal for about 4 years.

W. P. Williams

W. P. Williams

| OFFICIAL FILE COPY DMEA RECEIVED FEB 18 1957 | | |
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| DATE | INITIALS | CODE |
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February 15,1957

4631

Uranium
Vanadium Queen Uranium Corp.
Vanadium Queen claims
San Juan County, Utah
$60,110.00

~~Ernest William Ellis,~~ DMEA Member ✓
Uranium Commodity Specialist
John E. Crawford, Bureau of Mines Member
Uranium Commodity Specialist

Application

2/6/57 … 2/14/57

e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs [ ]
h. ______ [ ]

… Field Team [x]

h. Approval [ ]

… AEC office.

(Use back of page if necessary)

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

February 12, 1957

Vanadium Queen Uranium Corporation
525 Milam Building,
San Antonio, Texas

Dear Mr. Danvers:

Subject: DMEA-4631

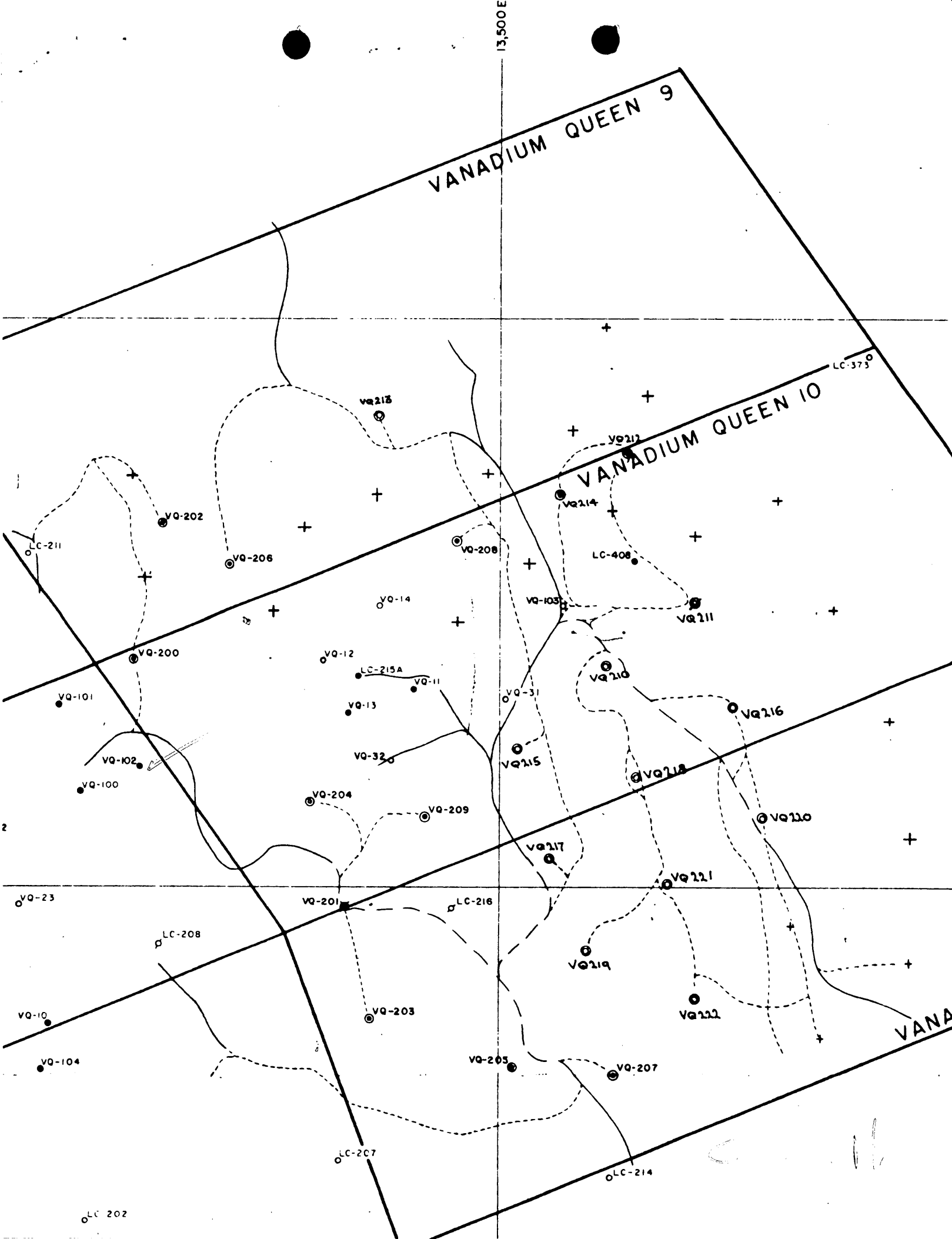
Your application for exploration assistance, dated February 2, 1957 submitted to our office at Denver, Colorado has been assigned Docket Number DMEA-4631 and referred to the Rare & Miscellaneous Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region III
700

6416


13,500 E
VANADIUM QUEEN 9
VANADIUM QUEEN 10
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VQ212
VQ214
VQ-202
LC-211
VQ-206
VQ-208
LC-408
VQ-14
VQ-103
VQ211
VQ-200
VQ-12
LC-215A
VQ-11
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VQ-101
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VQ-31
VQ216
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VQ215
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VQ-204
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VQ217
VQ221
VQ-23
VQ-201
LC-216
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VQ-203
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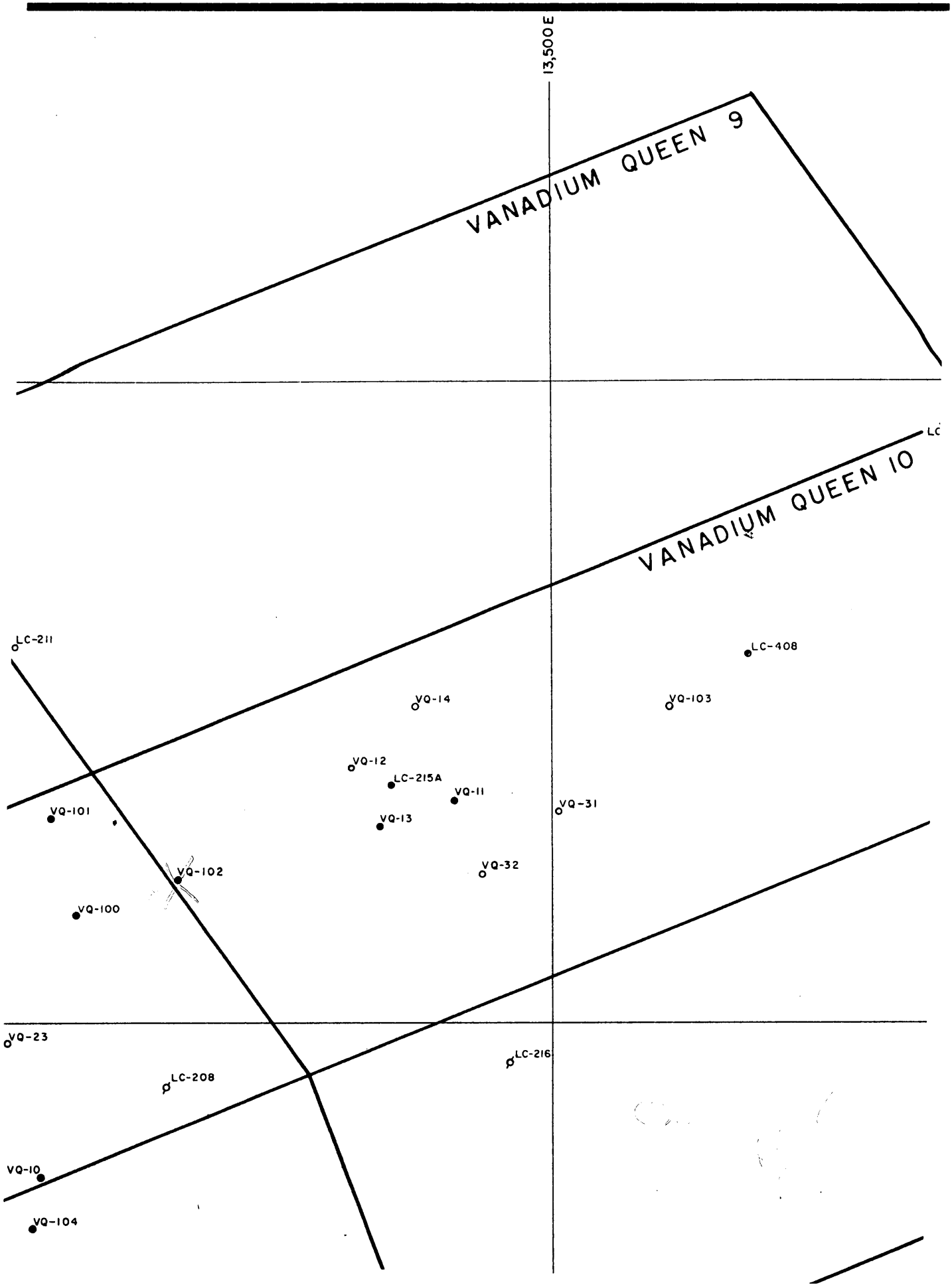
VQ-207
LC-207
LC-214
LC 202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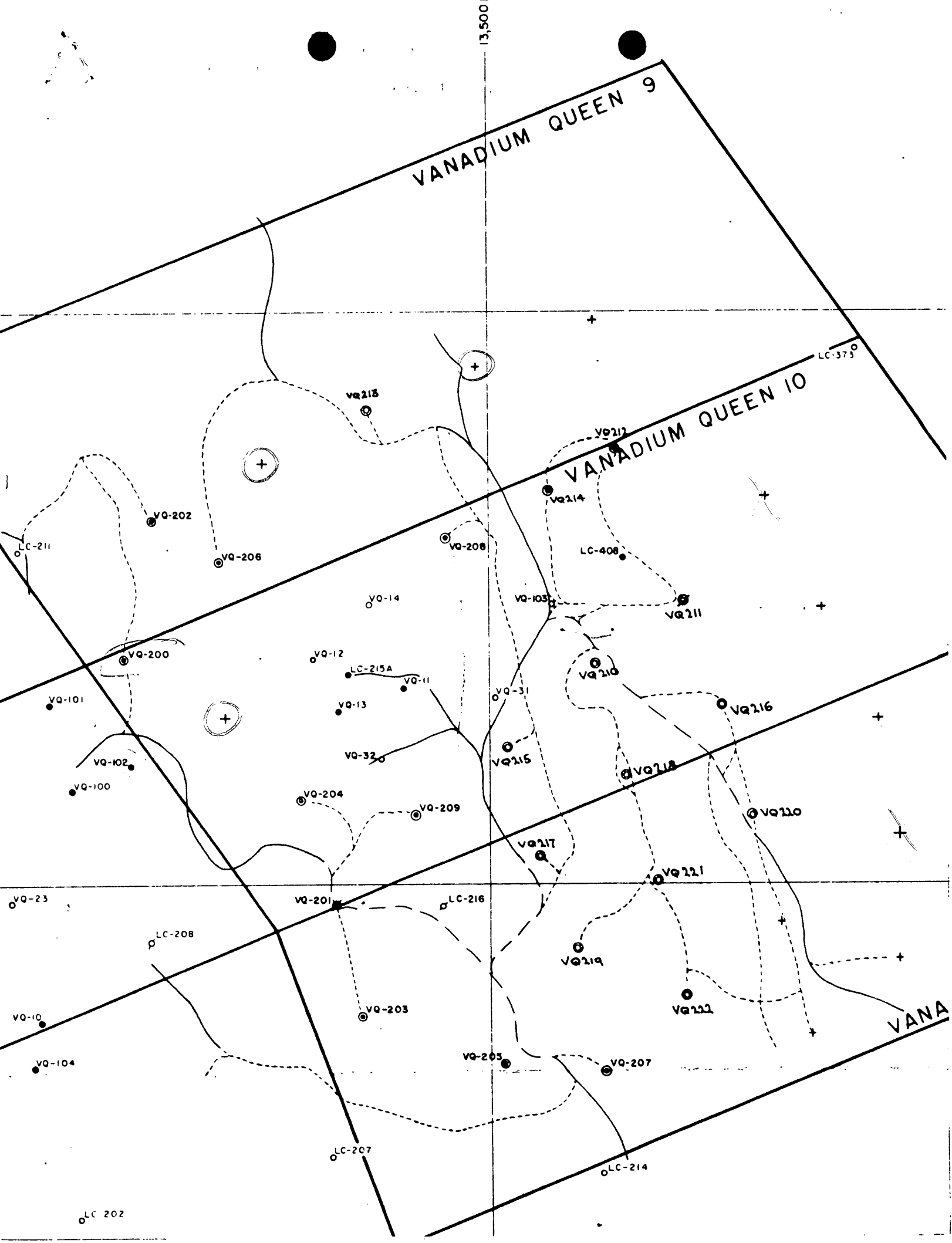
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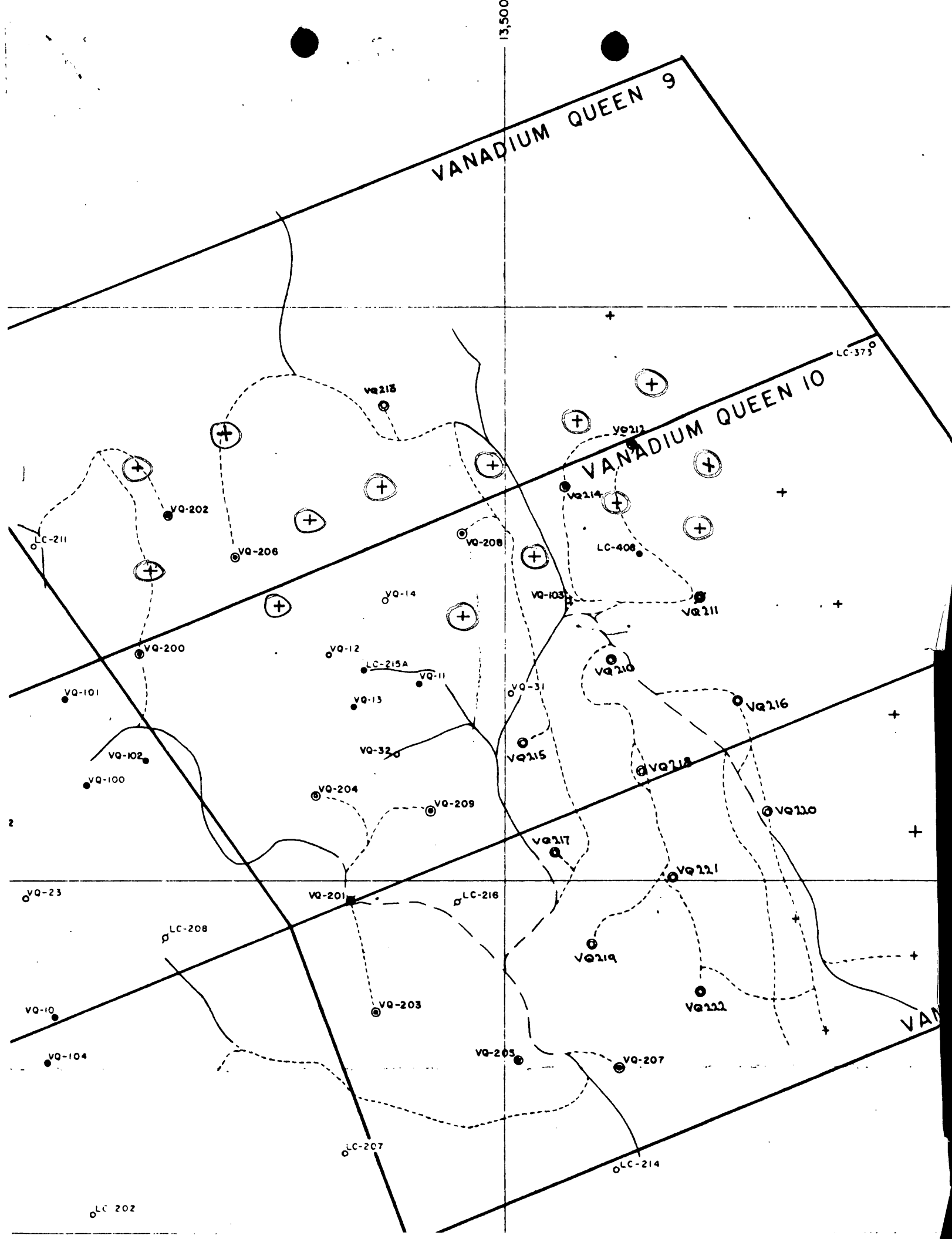
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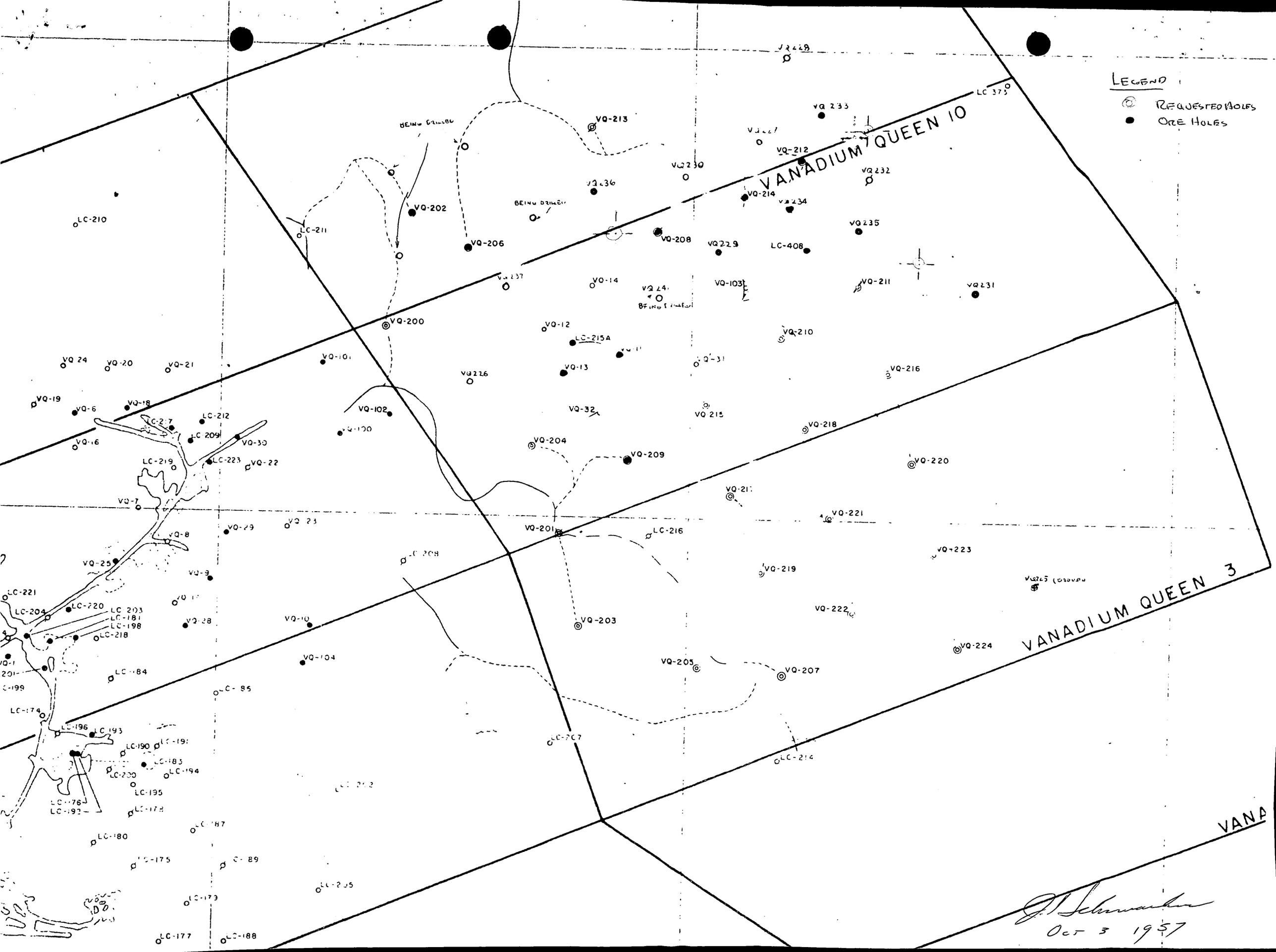
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LC-178
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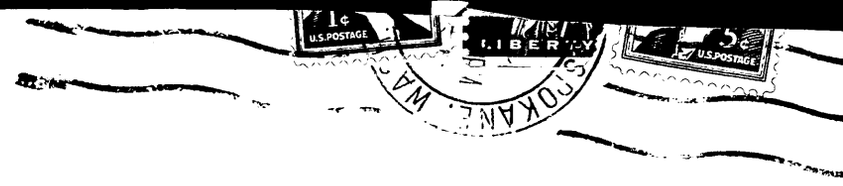
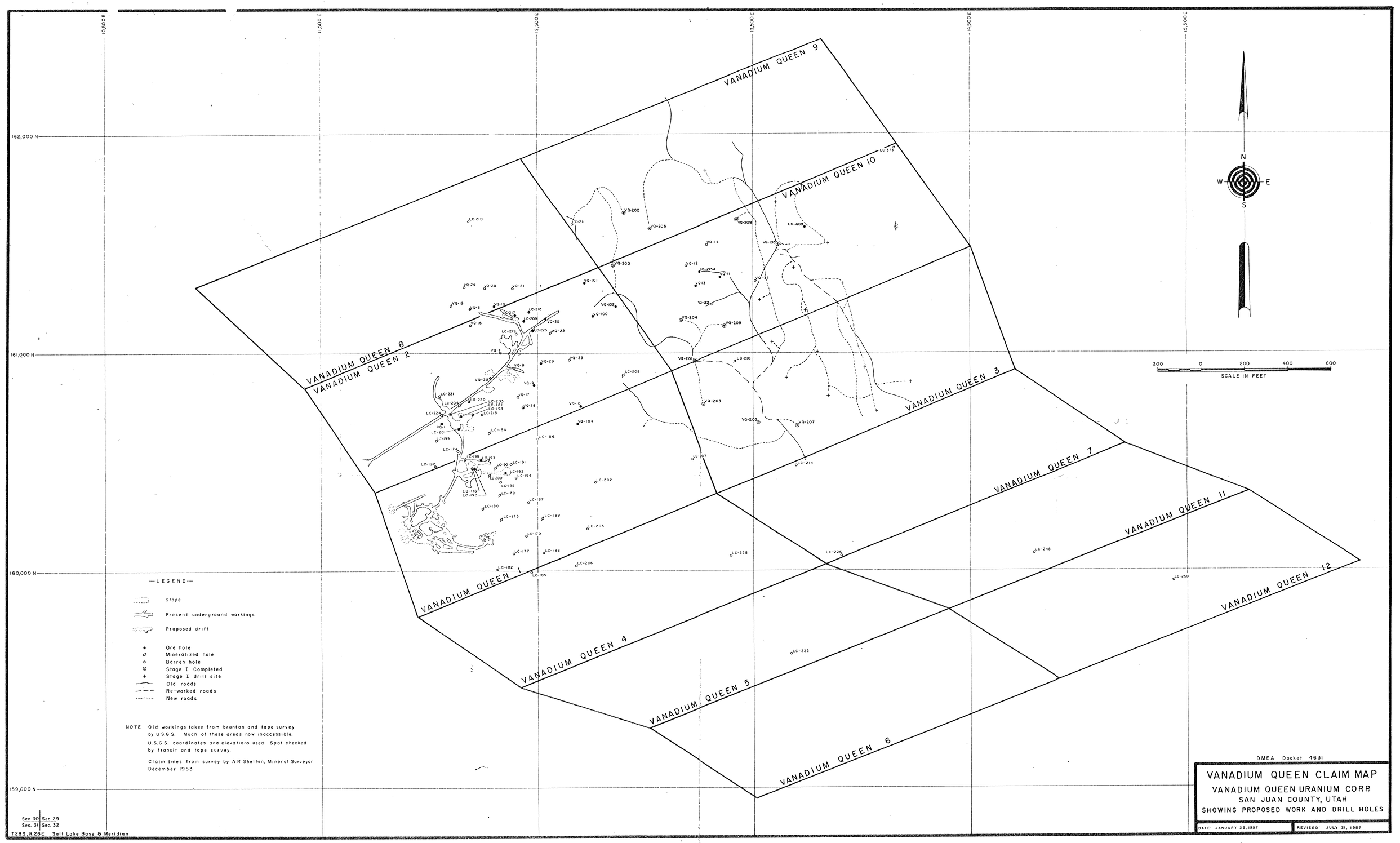
VQ-227
VQ-234
VQ-225 (DRILLED)
VQ-241
BEING DRILLED
BEING DRILLED
J. Schmucker
Oct 3 1957

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION
[redacted]C.

OFFICIAL BUSINESS
S. 1[illegible] HOWARD ST.
Spokane 4, Wash.




Mr. George C. Selfridge
Chairman, Operating Committee
Defense Minerals Expl. Admin.
Department of the Interior
Washington 25, D. C.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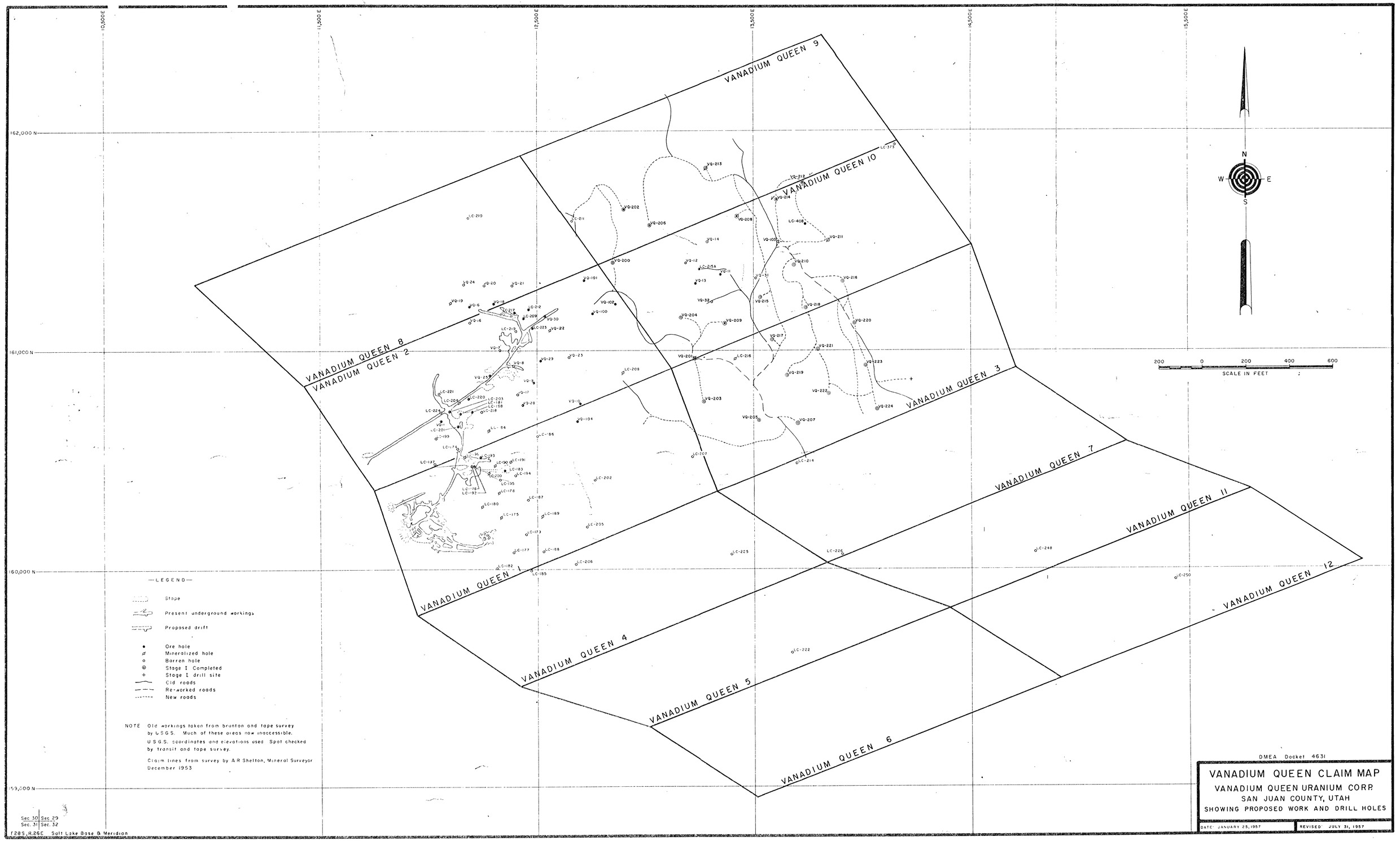
Proposed drift
Ore hole
Mineralized hole
Barren hole
Stage I Completed
Stage I drill site
Old roads
Re-worked roads
New roads
NOTE Old workings taken from brunton and tape survey by U.S.G.S. Much of these areas now inaccessible.
U.S.G.S. coordinates and elevations used Spot checked by transit and tape survey.
Claim lines from survey by A R Shelton, Mineral Surveyor December 1953
Sec. 30 Sec. 29
Sec. 31 Sec. 32
T28S, R26E Salt Lake Base & Meridian
DMEA Docket 4631
VANADIUM QUEEN CLAIM MAP
VANADIUM QUEEN URANIUM CORP.
SAN JUAN COUNTY, UTAH
SHOWING PROPOSED WORK AND DRILL HOLES
DATE: JANUARY 25, 1957
REVISED: JULY 31, 1957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Proposed drift
Ore hole
Mineralized hole
Barren hole
Stage I Completed
Stage I drill site
Old roads
Re-worked roads
New roads
NOTE Old workings taken from brunton and tape survey by U.S.G.S. Much of these areas now inaccessible.
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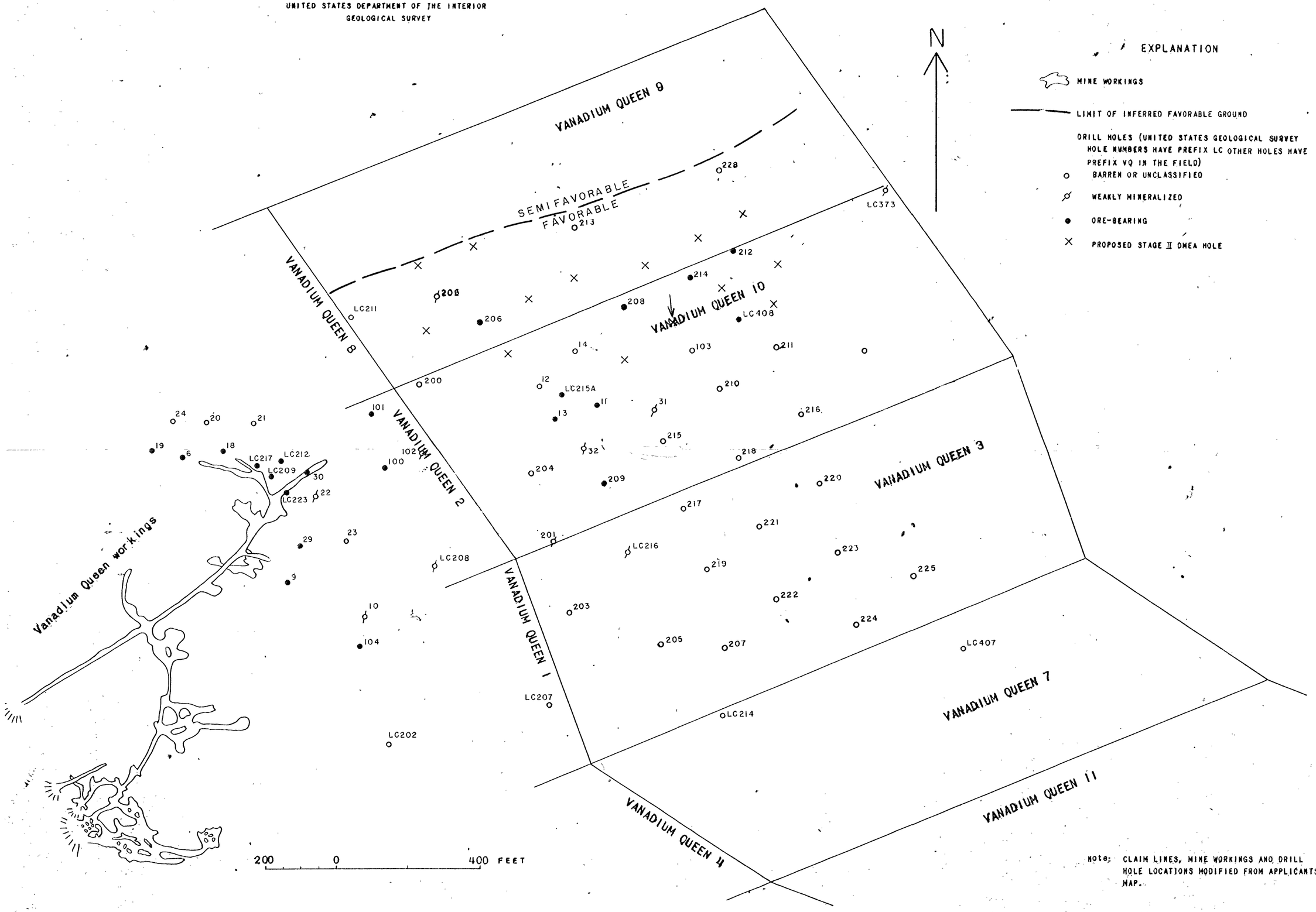
Claim lines from survey by A.R. Shelton, Mineral Surveyor December 1953
Sec. 30 Sec. 29
Sec. 31 Sec. 32
T.28S. R.26E. Salt Lake Base & Meridian
DMEA Docket 4631
VANADIUM QUEEN CLAIM MAP
VANADIUM QUEEN URANIUM CORP.
SAN JUAN COUNTY, UTAH
SHOWING PROPOSED WORK AND DRILL HOLES
DATE: JANUARY 25, 1957
REVISED: JULY 31, 1957

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
SEPTEMBER 1957 DOCKET 4631




Note: CLAIM LINES, MINE WORKINGS AND DRILL HOLE LOCATIONS MODIFIED FROM APPLICANTS MAP.

FIGURE 1.--SKETCH MAP OF THE APPLICANTS PROPERTY SHOWING PROPOSED STAGE II DRILL HOLES, EXISTING DRILL HOLES AND MINE WORKINGS, VANADIUM QUEEN URANIUM CORPORATION, SAN JUAN COUNTY, UTAH.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
SEPTEMBER 1957 DOCKET #631

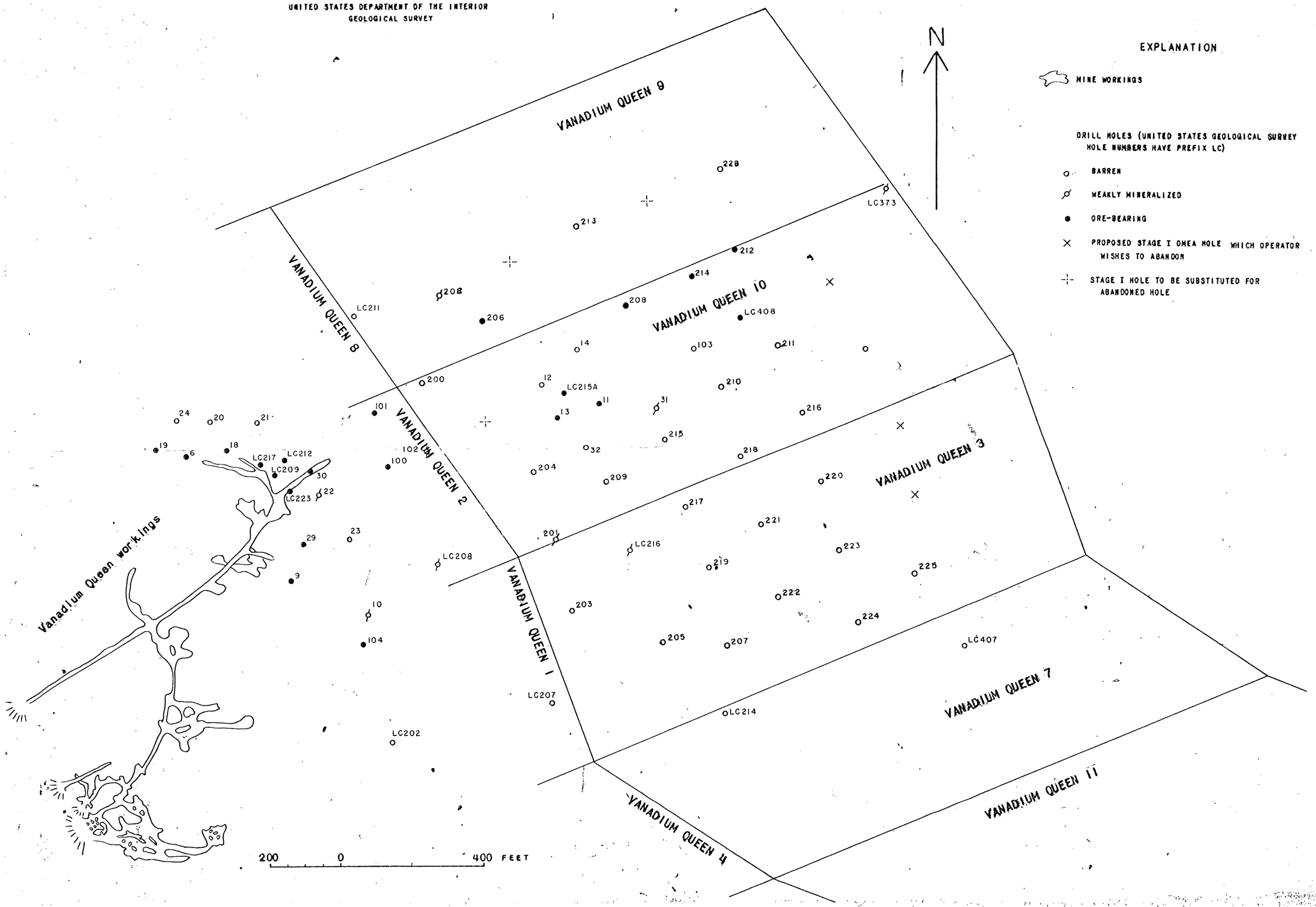



FIGURE 1.--SKETCH MAP OF THE APPLICANTS PROPERTY SHOWING EXISTING DRILL HOLES, MINE WORKINGS, AND PROPOSED STAGE I DRILL HOLES, VANADIUM QUEEN URANIUM CORPORATION, SAN JUAN COUNTY, UTAH.

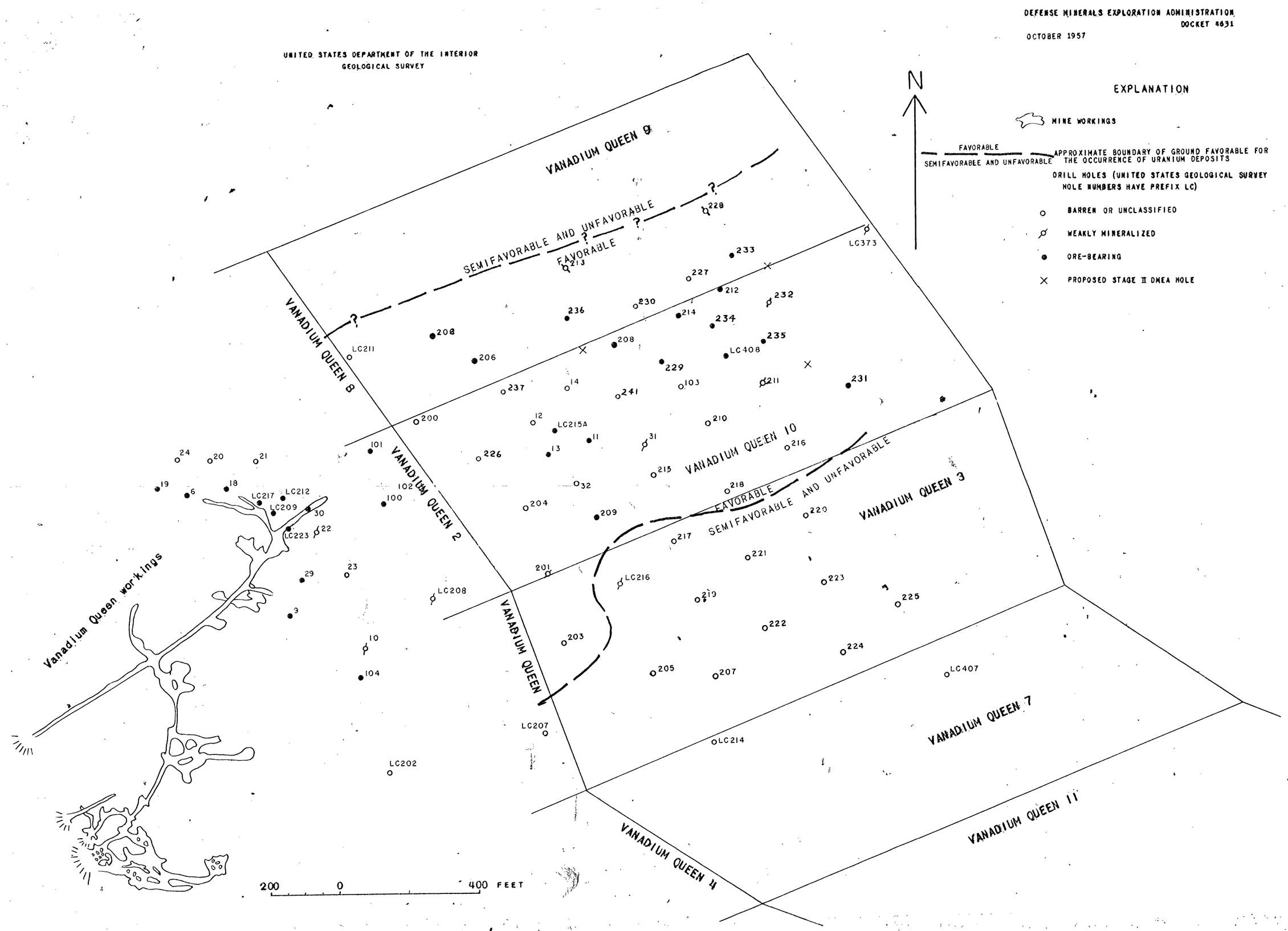
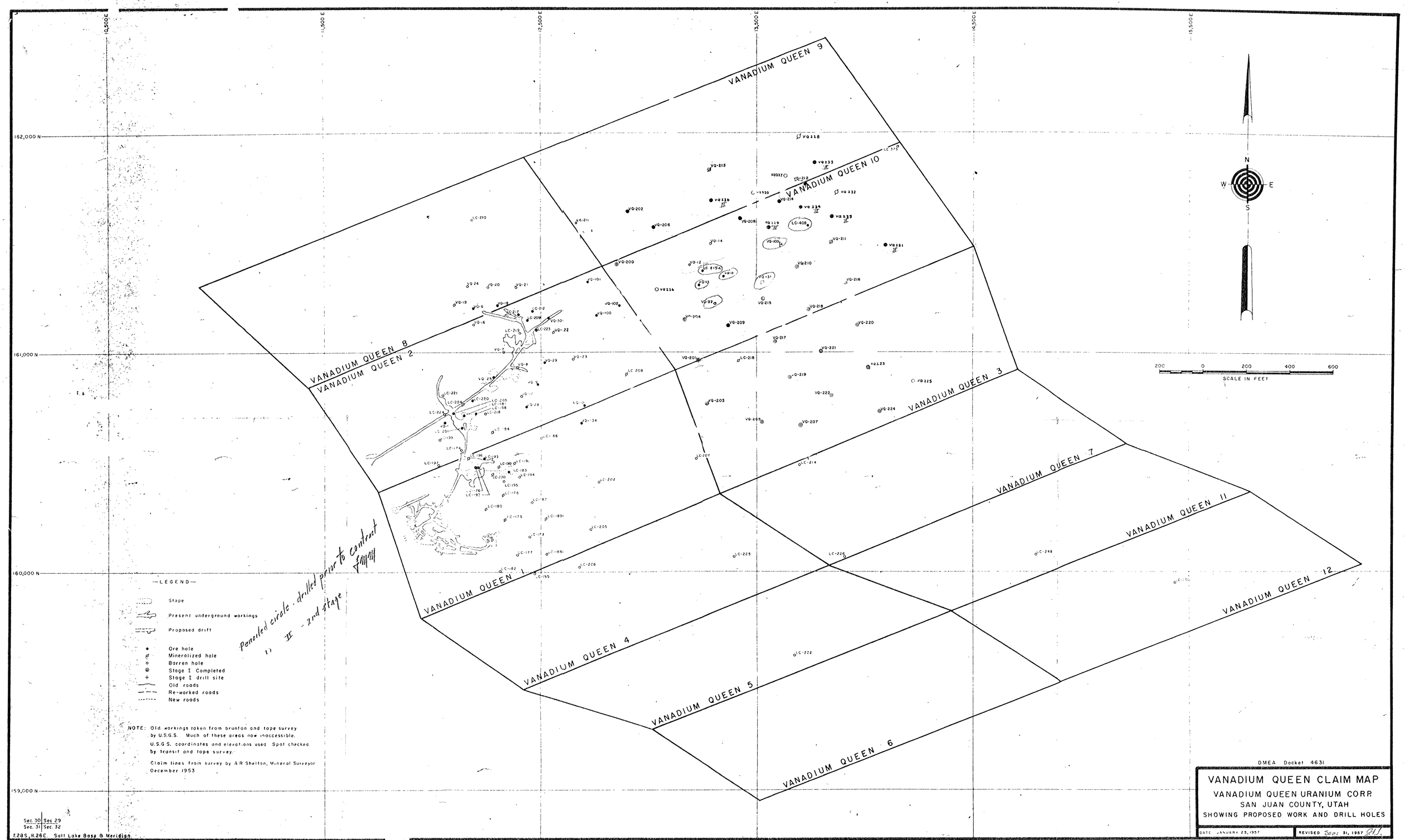



FIGURE 1.--SKETCH MAP OF THE APPLICANTS PROPERTY SHOWING EXISTING DRILL HOLES, MINE WORKINGS, AND PROPOSED STAGE II DRILL HOLES, VANADIUM QUEEN URANIUM CORPORATION, SAN JUAN COUNTY, UTAH.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SCALE IN FEET
—LEGEND—
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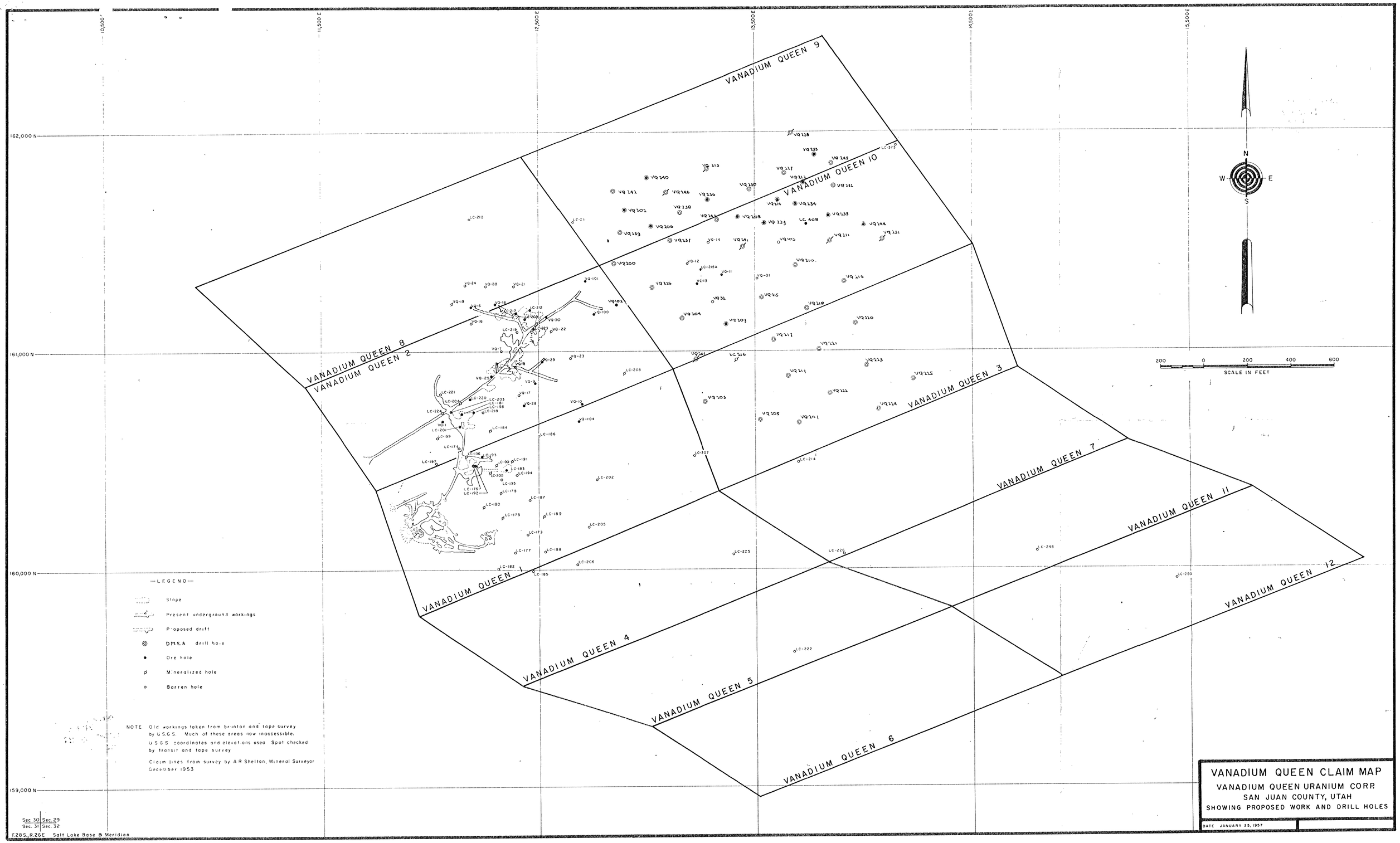
Proposed drift
Ore hole
Mineralized hole
Barren hole
Stage I Completed
Stage I drill site
Old roads
Re-worked roads
New roads
penciled circle - drilled prior to contract
" II - 2nd stage
NOTE: Old workings taken from brunton and tape survey by U.S.G.S. Much of these areas now inaccessible. U.S.G.S. coordinates and elevations used. Spot checked by transit and tape survey.
Claim lines from survey by A R Shelton, Mineral Surveyor December 1953
Sec. 30 Sec. 29
Sec. 31 Sec. 32
T.28S., R.26E. Salt Lake Base & Meridian
DMEA Docket 4631
VANADIUM QUEEN CLAIM MAP
VANADIUM QUEEN URANIUM CORP.
SAN JUAN COUNTY, UTAH
SHOWING PROPOSED WORK AND DRILL HOLES
DATE JANUARY 25, 1957
REVISED Sept. 31, 1957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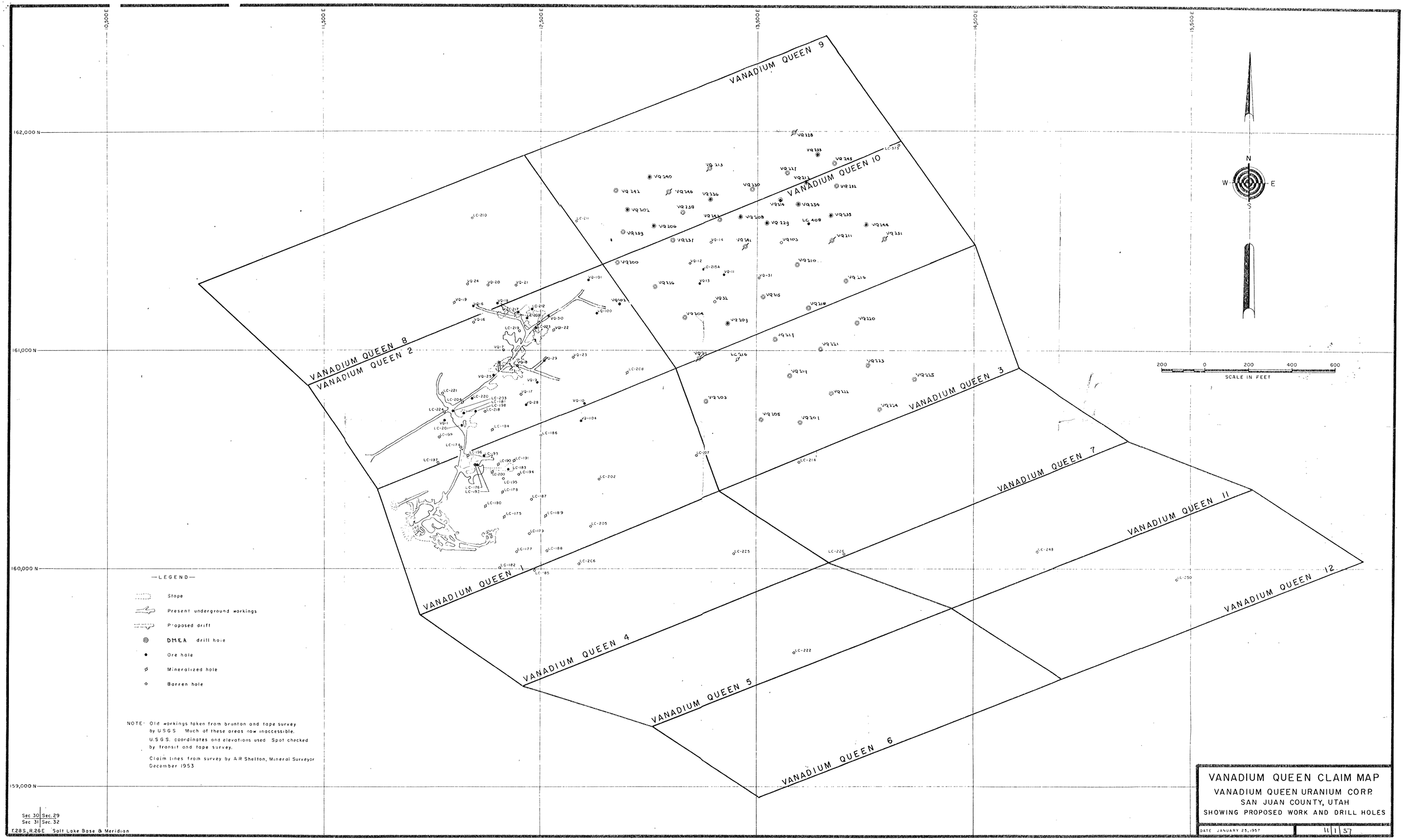
SCALE IN FEET
—LEGEND—
Stope
Present underground workings
Proposed drift
DMEA drill hole
Ore hole
Mineralized hole
Barren hole
NOTE Old workings taken from brunton and tape survey by U.S.G.S. Much of these areas now inaccessible.
U.S.G.S. coordinates and elevations used. Spot checked by transit and tape survey
Claim lines from survey by A.R. Shelton, Mineral Surveyor December 1953
Sec. 30 Sec. 29
Sec. 31 Sec. 32
T.28S., R.26E. Salt Lake Base & Meridian
VANADIUM QUEEN CLAIM MAP
VANADIUM QUEEN URANIUM CORP.
SAN JUAN COUNTY, UTAH
SHOWING PROPOSED WORK AND DRILL HOLES
DATE JANUARY 25, 1957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SCALE IN FEET
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Present underground workings
Proposed drift
DMEA drill hole
Ore hole
Mineralized hole
Barren hole
NOTE: Old workings taken from brunton and tape survey by U.S.G.S. Much of these areas now inaccessible.
U.S.G.S. coordinates and elevations used. Spot checked by transit and tape survey.
Claim lines from survey by A.R. Shelton, Mineral Surveyor December 1953
Sec 30 Sec 29
Sec 31 Sec 32
T.28S., R.26E. Salt Lake Base & Meridian
VANADIUM QUEEN CLAIM MAP
VANADIUM QUEEN URANIUM CORP.
SAN JUAN COUNTY, UTAH
SHOWING PROPOSED WORK AND DRILL HOLES
DATE JANUARY 25, 1957
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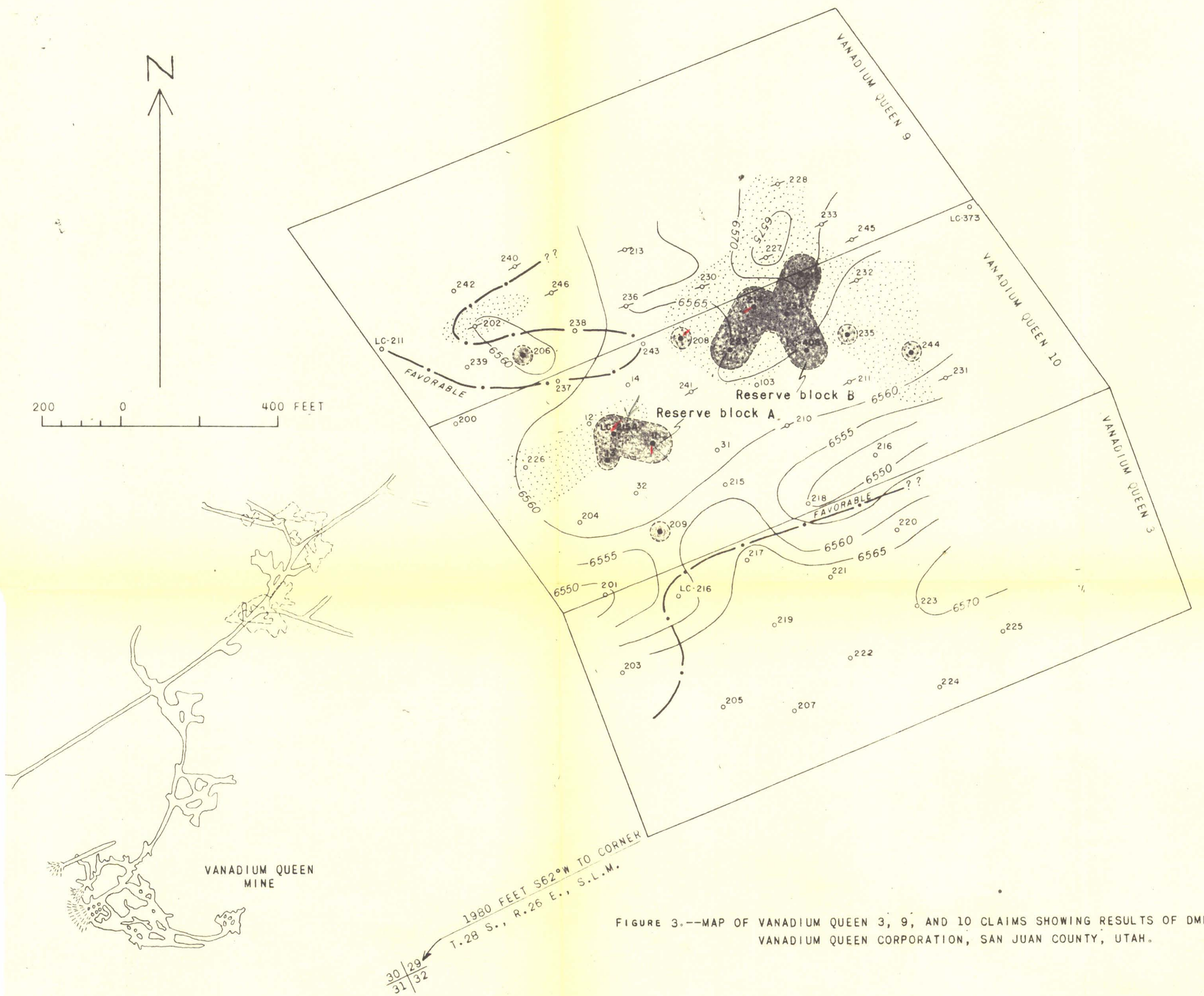
U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MAY 1958 DOCKET 4631




EXPLANATION

6560 / 6565 — STRUCTURE CONTOURS SHOWING CONFIGURATION OF BASE OF ORE-BEARING SANDSTONE

FAVORABLE — INFERRED LIMIT OF AREA FAVORABLE FOR OCCURRENCE OF URANIUM DEPOSITS

AREA WHERE ORE-BEARING SANDSTONE IS UNDERLAIN BY 2.0 FEET OR MORE OF ALTERED MUDSTONE

INFERRED EXTENT OF URANIUM DEPOSIT

MINE WORKINGS, UNDERGROUND, STOPES SHOWN BY DASHED OUTLINE

DIAMOND-DRILL HOLES: HOLES WITH PREFIX LC DRILLED BY USGS; OTHER HOLES HAVE PREFIX VQ IN FIELD. HOLES 200 THROUGH 246 DRILLED BY DMEA.

o14 — BARREN (LESS THAN 0.03 PERCENT $U_3O_8$)

240 — MINERALIZED (AT LEAST 0.03 PERCENT $U_3O_8$ ANY THICKNESS, BUT LESS THAN 1 FOOT THICK IF GRADE IS GREATER THAN 0.10 PERCENT $U_3O_8$)

•209 — ORE (AT LEAST 1.0 FEET CONTAINING AT LEAST 0.10 PERCENT $U_3O_8$)

Note: POSITION OF DRILL HOLES, CLAIM BOUNDARIES, AND MINE WORKINGS TAKEN FROM OPERATORS MAP.

FIGURE 3.--MAP OF VANADIUM QUEEN 3, 9, AND 10 CLAIMS SHOWING RESULTS OF DMEA DRILLING, VANADIUM QUEEN CORPORATION, SAN JUAN COUNTY, UTAH.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MAY 1958 DOCKET 4631

Drill holes with prefix LC drilled by USGS ; other holes have prefix VQ in field. Holes 200 thought 246 drilled by DMEA. Cored interval of drill hole, for which lithologic logs are available, shown by solid line.

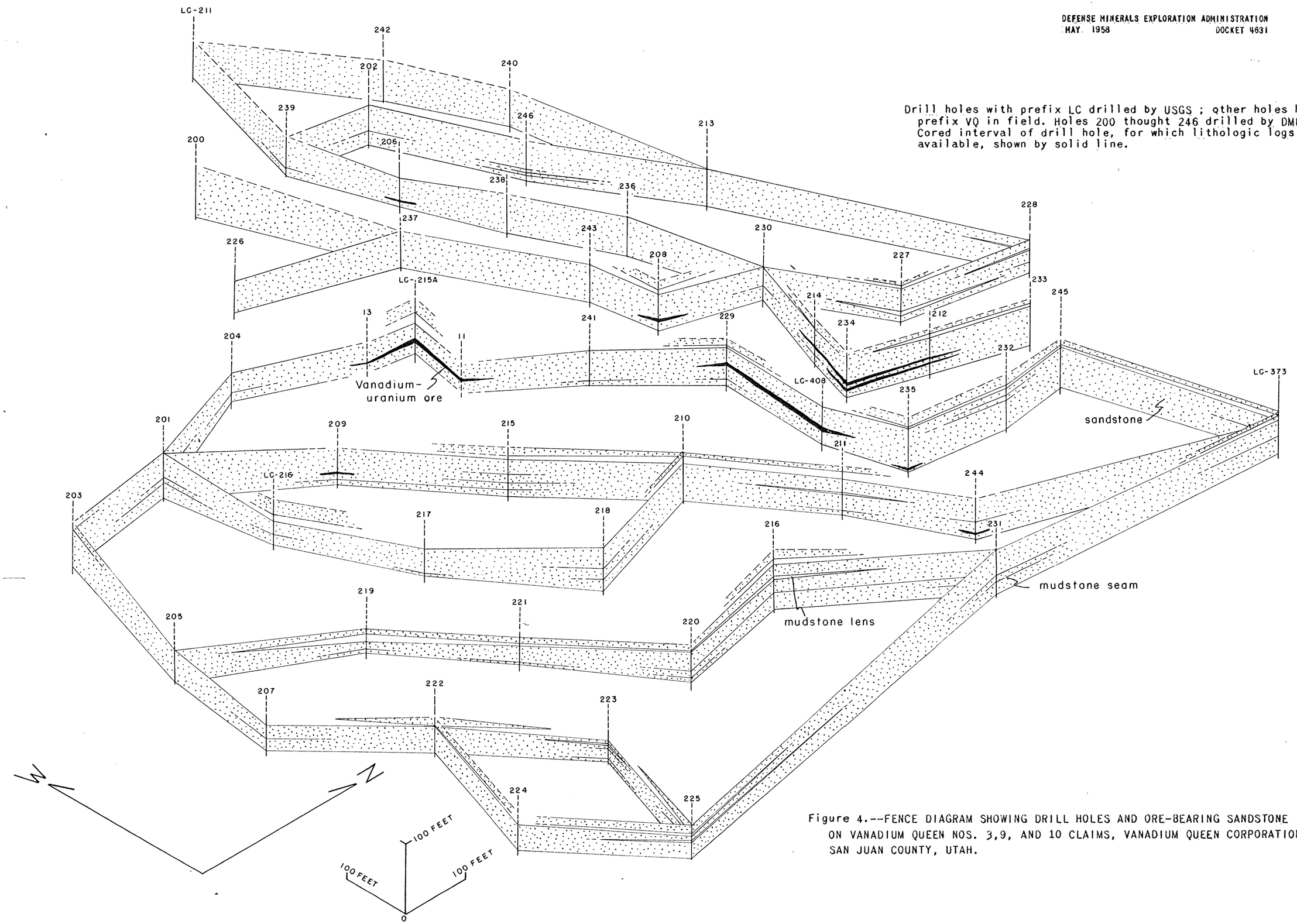
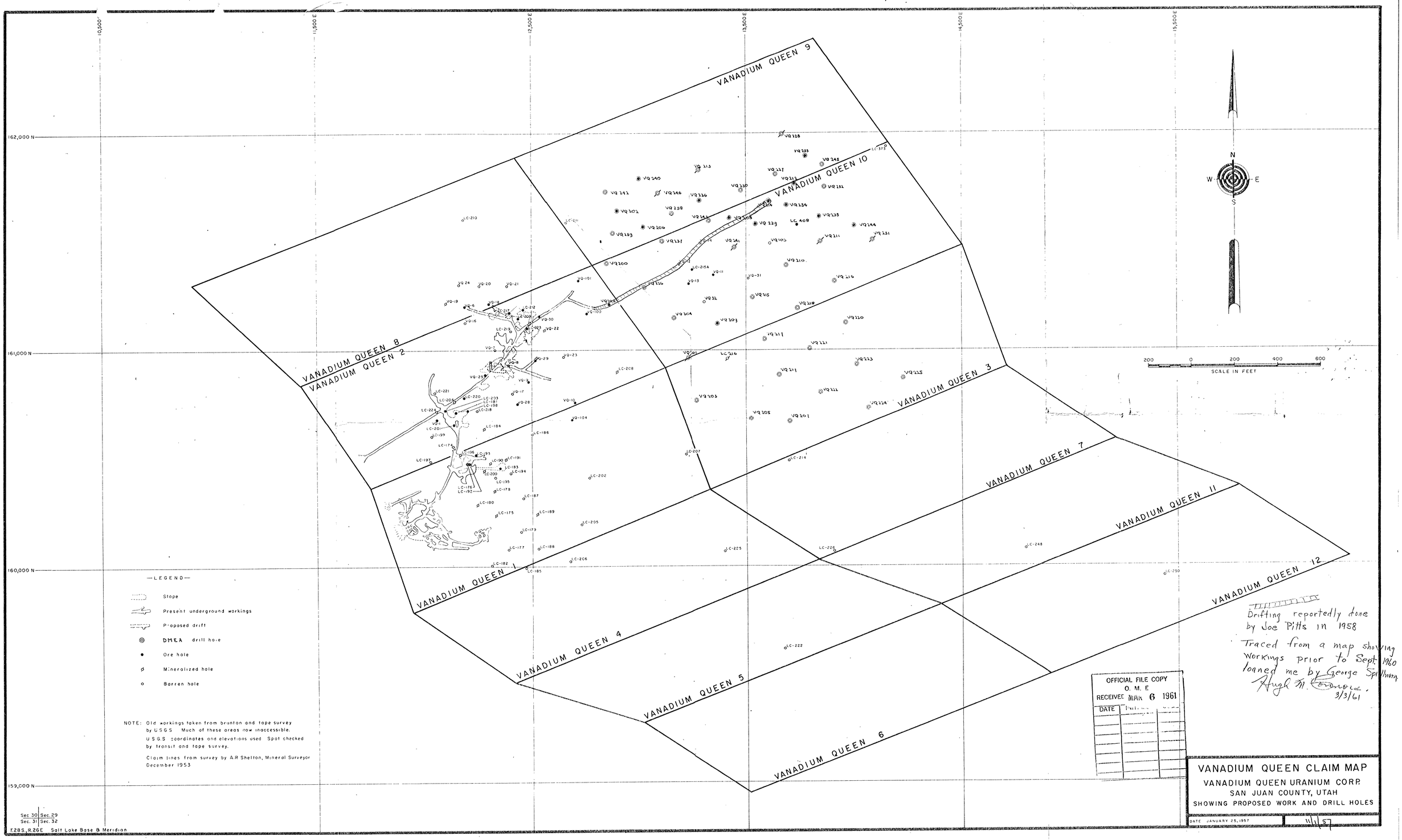
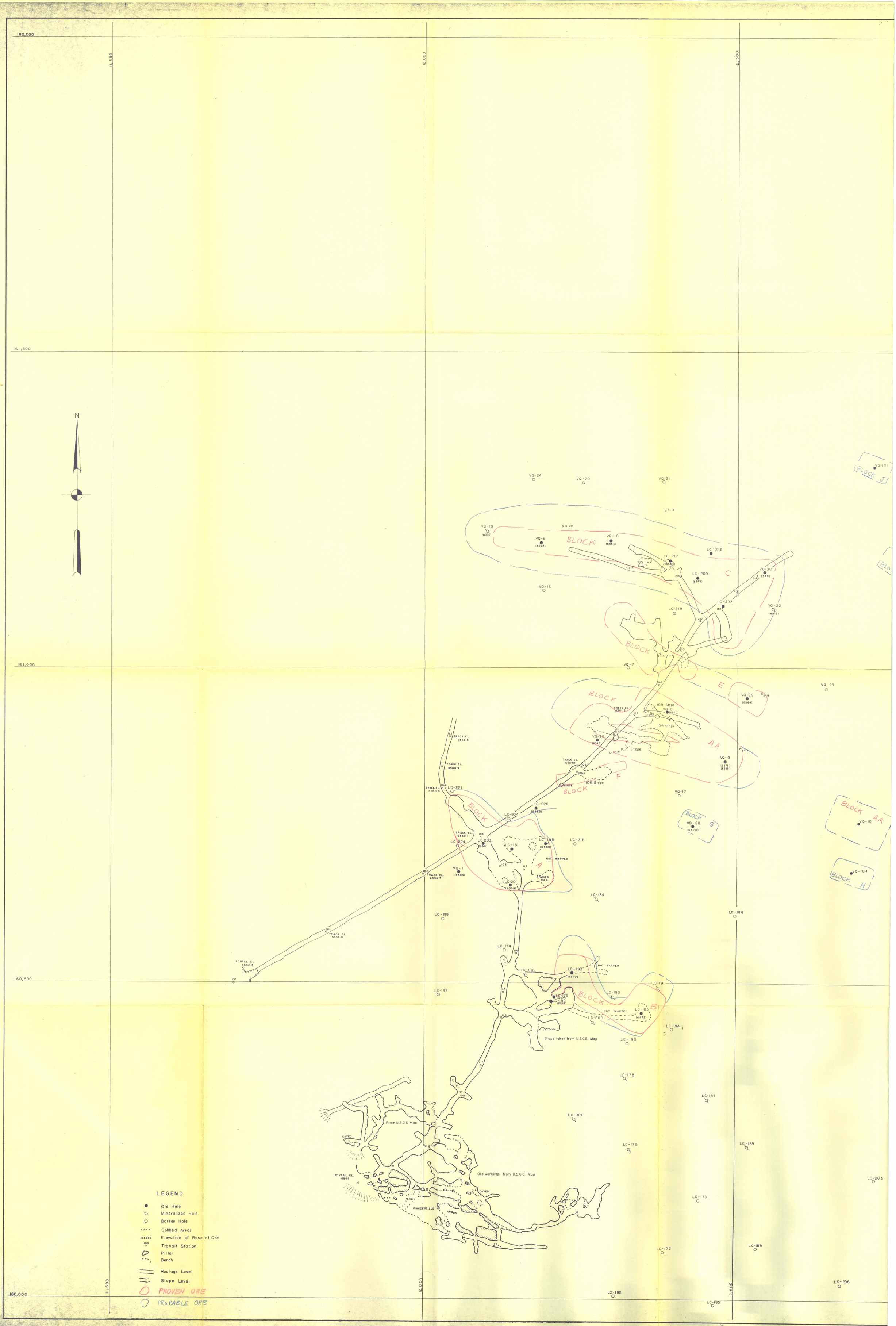
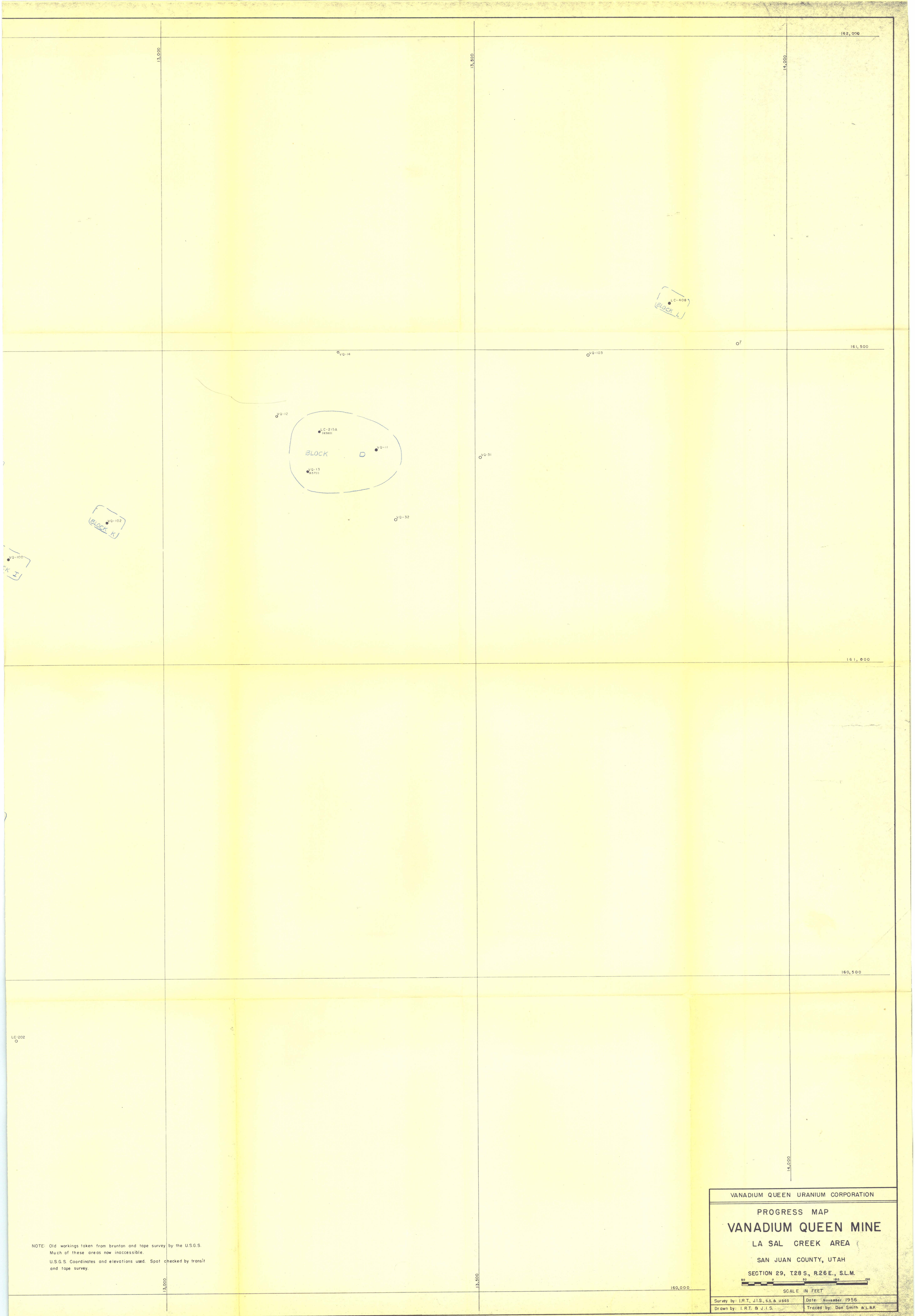



Figure 4.--FENCE DIAGRAM SHOWING DRILL HOLES AND ORE-BEARING SANDSTONE ON VANADIUM QUEEN NOS. 3,9, AND 10 CLAIMS, VANADIUM QUEEN CORPORATION., SAN JUAN COUNTY, UTAH.


10,500'
11,500 E
12,500 E
13,500 E
14,500 E
15,500 E
162,000 N
161,000 N
160,000 N
159,000 N
VANADIUM QUEEN 9
VANADIUM QUEEN 10
VANADIUM QUEEN 8
VANADIUM QUEEN 2
VANADIUM QUEEN 3
VANADIUM QUEEN 7
VANADIUM QUEEN 11
VANADIUM QUEEN 12
VANADIUM QUEEN 1
VANADIUM QUEEN 4
VANADIUM QUEEN 5
VANADIUM QUEEN 6
N
W
E
S
200 0 200 400 600
SCALE IN FEET
—LEGEND—
Stope
Present underground workings
Proposed drift
DMEA drill hole
Ore hole
Mineralized hole
Barren hole
NOTE: Old workings taken from brunton and tape survey by U.S.G.S. Much of these areas now inaccessible.
U.S.G.S. coordinates and elevations used. Spot checked by transit and tape survey.
Claim lines from survey by A.R. Shelton, Mineral Surveyor December 1953
Sec. 30 | Sec. 29
Sec. 31 | Sec. 32
T.28S., R.26E. Salt Lake Base & Meridian
Drifting reportedly done by Joe Pitts in 1958
Traced from a map showing workings prior to Sept. 1960 loaned me by George Spillman
Hugh M. Connolly
3/3/61
OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 6 1961
DATE
VANADIUM QUEEN CLAIM MAP
VANADIUM QUEEN URANIUM CORP.
SAN JUAN COUNTY, UTAH
SHOWING PROPOSED WORK AND DRILL HOLES
DATE JANUARY 25, 1957
11/1/57


162,000
161,500
161,000
160,500
160,000
11,500
12,000
12,500
N
LEGEND
Ore Hole
Mineralized Hole
Barren Hole
Gobbed Areas
(6569) Elevation of Base of Ore
Transit Station
Pillar
Bench
Haulage Level
Stope Level
PROVEN ORE
PROBABLE ORE
BLOCK A
BLOCK AA
BLOCK B
BLOCK C
BLOCK E
BLOCK F
BLOCK G
BLOCK H
BLOCK J
PORTAL EL. 6552.3
TRACK EL. 6554.0
TRACK EL. 6556.7
TRACK EL. 6559.1
TRACK EL. 6560.3
TRACK EL. 6560.9
TRACK EL. 6562.6
TRACK EL. 6561.3
TRACK EL. 6559.5
PORTAL EL. 6568
CAVED
INACCESSIBLE
From U.S.G.S. Map
Old workings from U.S.G.S. Map
Stope taken from U.S.G.S. Map
109 Stope
107 Stope
106 Stope
RAISE
POWDER MAG.
NOT MAPPED
VQ-24
VQ-20
VQ-21
VQ-19 (6570)
VQ-6 (6569)
VQ-18 (6564)
VQ-16
VQ-7
VQ-8 (6570)
VQ-25 (6586)
VQ-29 (6568)
VQ-9 (6576) (6568)
VQ-17
VQ-28 (6574)
VQ-23
VQ-10
VQ-104
VQ-101
VQ-30 (6569)
VQ-22 (6573)
VQ-1 (6583)
LC-212
LC-217 (6564)
LC-209 (6565)
LC-223
LC-219
LC-221
LC-220 (6569)
LC-204
LC-224
LC-203 (6561)
LC-181
LC-198 (6568)
LC-218
LC-201 (6558)
LC-184
LC-186
LC-199
LC-174
LC-196
LC-193 (6570)
LC-191
LC-190
LC-176 (6570)
LC-192 (6568)
LC-183 (6875)
LC-200
LC-194
LC-195
LC-197
LC-178
LC-187
LC-180
LC-175
LC-189
LC-205
LC-179
LC-177
LC-188
LC-206
LC-182
LC-185


162,000
161,500
161,000
160,500
160,000
13,000
13,500
14,000
LC-408
BLOCK L
VQ-14
VQ-103
VQ-12
LC-215A
(6580)
BLOCK D
VQ-11
VQ-31
VQ-13
(6570)
VQ-32
VQ-102
BLOCK K
VQ-100
LC-202
NOTE: Old workings taken from brunton and tape survey by the U.S.G.S.
Much of these areas now inaccessible.
U.S.G.S. Coordinates and elevations used. Spot checked by transit
and tape survey.
VANADIUM QUEEN URANIUM CORPORATION
PROGRESS MAP
VANADIUM QUEEN MINE
LA SAL CREEK AREA
SAN JUAN COUNTY, UTAH
SECTION 29, T.28 S., R.26 E., S.L.M.
50 0 50 100 150
SCALE IN FEET
Survey by: I.R.T., J.I.S., S.S. & USGS
Date: November 1956
Drawn by: I.R.T. & J.I.S.
Traced by: Don Smith & L.B.P.

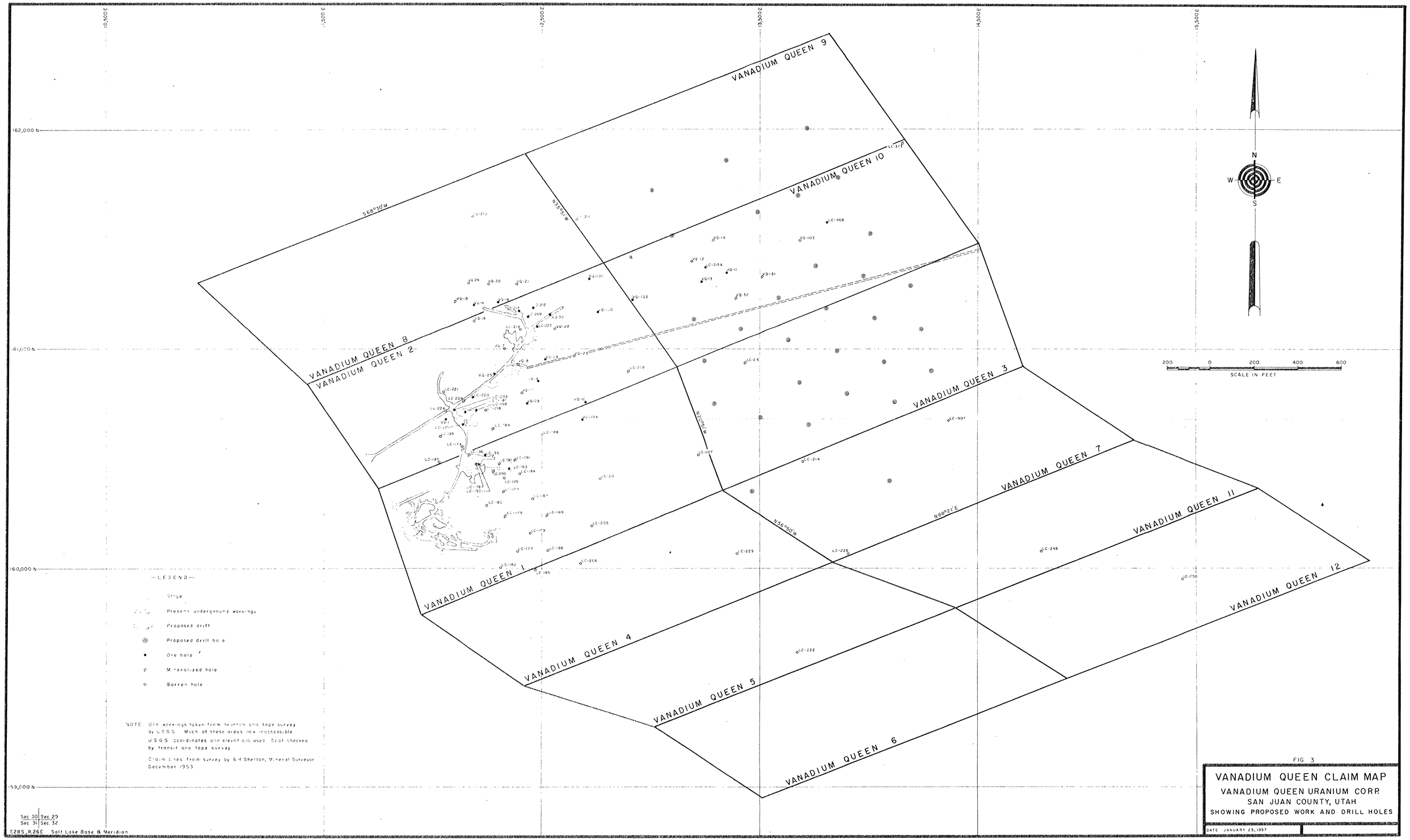



FIG 3

# VANADIUM QUEEN CLAIM MAP

VANADIUM QUEEN URANIUM CORP.
SAN JUAN COUNTY, UTAH
SHOWING PROPOSED WORK AND DRILL HOLES

DATE JANUARY 25, 1957

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MARCH 1957 DOCKET #631

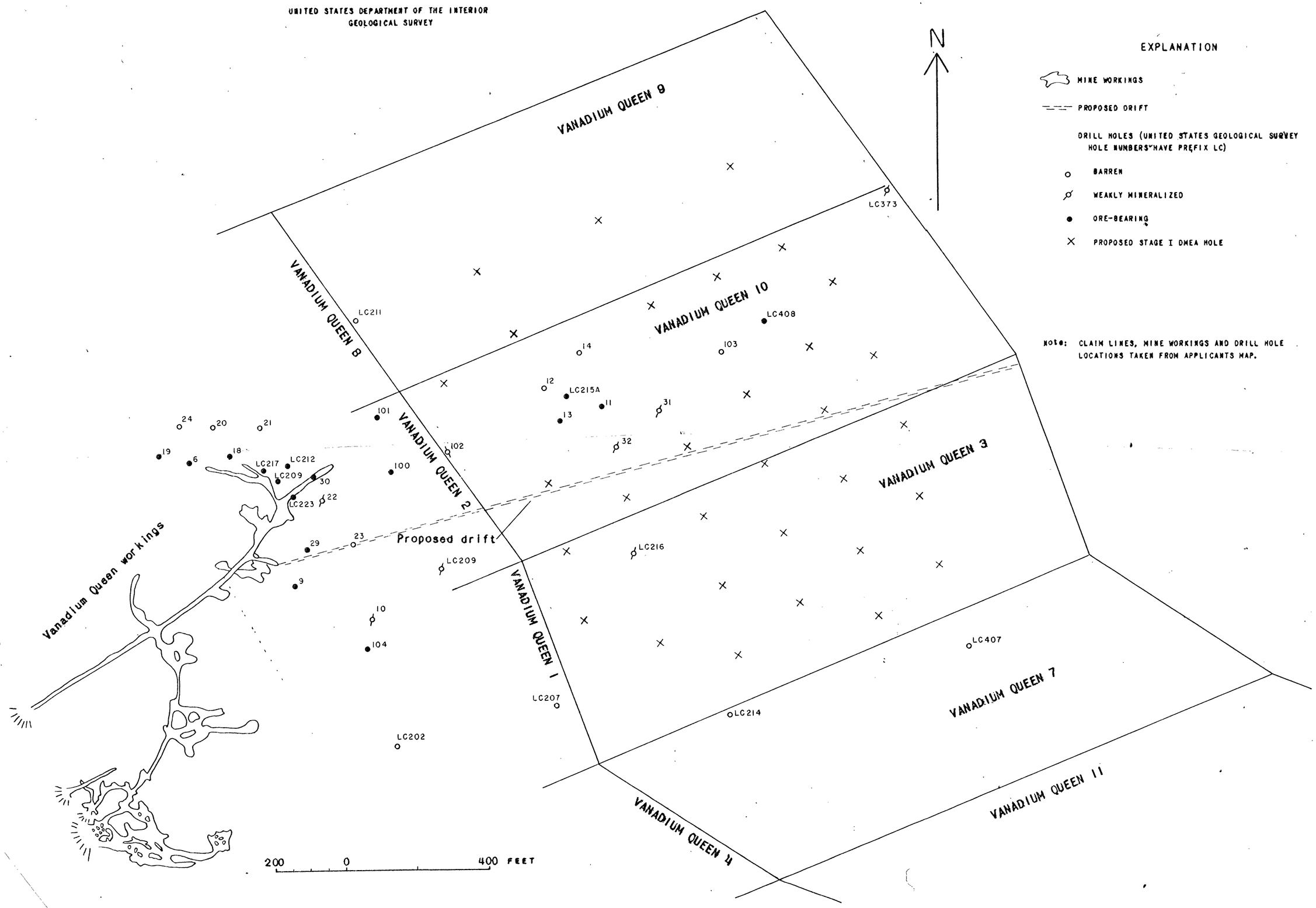



FIGURE 3.--SKETCH MAP OF THE APPLICANTS PROPERTY SHOWING PROPOSED STAGE I DRILL HOLES, EXISTING DRILL HOLES AND MINE WORKINGS, VANADIUM QUEEN URANIUM CORPORATION, SAN JUAN COUNTY, UTAH.