DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4762

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

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DMEA
RECEIVED JUN 10 1957

DATE	INITIALS	CODE

June 5, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid, (Uranium) Maxim Exploration Co. (Carr Lease) San Juan County, Utah

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

The Applicant proposes to explore a target area believed favorable for uranium deposition by a two-stage drilling program consisting of 38,540 feet of core and non-core drilling at a total estimated project cost of $106,150.

The Applicant advised us that drilling bids from each of three independent drilling contractors will be submitted to this office within a few days.

E. N. Harshman

E. N. Harshman
Acting Executive Officer

Form MF–103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

DEFENSE MINERALS EXPLORATION ADMINISTRATION

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed).

MAXIM EXPLORATION CO., A Limited Partnership
901 Sherman Street, Suite 109
Denver 3, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
JUN 4 – 1957
REGION III
DENVER, COLORADO

APPLICANT NOT TO USE THIS BLOCK

Docket Number: 4762
Date Received: 6-10-57
Government Participation %: 75
Region: III
Division Code: 700

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [ ]
- Partnership [X]
- Other (Specify) [ ]

State in which firm is organized: Colorado

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
F. R. Anderson	901 Sherman St., Suite 109 Denver 3, Colorado	General Partner
Del E. Webb	c/o Hal Webb 9920 Toluca Lake Avenue North Hollywood, Calif.	General Partner

Mineral(s) for which you wish to explore: Uranium and Vanadium

Estimated Cost of Project: $ 100,000.00

LOCATION OF PROPERTY

Name	County	State
Carr Lease	San Juan Co.	Utah

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

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.

MAXIM EXPLORATION CO.

May 20, 1957
Dated

F R Anderson
BY (Signature)

General Partner
Title

RECEIVED JUN 10 1957 DMEA

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

MAXIM EXPLORATION CO.
Denver, Colorado

APPLICATION FOR AID IN AN EXPLORATION PROJECT
Bud Carr Property

1. Applicant's Property Rights:

(a) The subject property is a homestead in San Juan County, Utah, which has been staked by the homesteader. Patent requirements have been met and application for patent including minerals will be made this year. The property map shows unpatented claims staked on the homesteaded ground.

The property lies on Sections 4 and 9, T. 33 S., R. 26 E., as follows:

T. 33 South, R. 26 East, Salt Lake Meridian

Section 4: $S\frac{1}{2}S\frac{1}{2}$, $W\frac{1}{2}NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$, $S\frac{1}{2}NE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$
Section 9: $NE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $SE\frac{1}{4}NE\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$

(Approximately 720 Acres)

Claim Name	Recorded in San Juan Co., Utah Book	Page No.
Fly	138	46
Auto	138	46
Rock	138	47
Gramp	138	47
Gurlie	138	48
Prop	138	48
Pony	138	49
Frisky	138	49
Cedar	138	50
Cat	138	50
Sage	138	51
Pinion	138	51
Richie	138	52
Foy	138	52
Chick	138	53
Rat	138	53
Agnes	159	270
Trix	159	271
Goffer	159	271
Ray Boy	159	272
Shirley	159	272
Mary May	159	273
Mack	159	273
Lavern	159	274
Homestead No. 2	159	274
Gearold	159	275
Donnie	159	275

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DATE | INITIALS | CODE

Claim Name	Recorded in San Juan Co., Utah Book	Page No.
Mickey	159	276
Mary Alice No. 2	159	276
Toots	159	277
Homestead No. 1	159	277
Wendelin	159	278
Mary Alice No. 2	159	278
Laddie	159	279
Debra	159	279
Snip	159	280
Homestead No. 1	146	355
Homestead No. 2	146	355
Homestead No. 3	146	356
Homestead No. 4	146	356
Homestead No. 5	146	357
Homestead No. 6	146	357
Homestead No. 7	146	358
Homestead No. 8	146	358

44 claims

Applicant has also leased the approximately 320-acre Denney property one-half mile North of the Carr property under the same lease as covers this property. The Carr property only is covered by this application while a separate application is being made on the Denney property.

(b) Carr Lease.

(c) Lessee. Copies of a lease from Carr to Anschutz Drilling Co., Inc., and Exploration Agreement with Maxim Exploration Co. are attached.

(d) Not applicable.

2. Physical Description:

(a) The property has never produced ore. Last winter 5 exploration holes were drilled on the property. The drilling was done by applicant. The drill holes are accessible; however, they are bridged between 300-400 feet and cannot be probed. A drill rig will be needed to wash out the holes before they can be probed.

No ore reserves are claimed. See maps for location (Exhibit C).

(b) The exploration program described in 2 (a) was conducted by applicant.

(c) Not applicable.

(d) Not applicable.

(e) For proximity to known ore bodies see map marked Exhibit D.

The potential ore formation is the Salt Wash member of the Morrison formation. See generalized stratigraphic column in the report marked Exhibit A. Most of the proposed drill holes will be collared in the Burro Canyon formation.

The ore minerals found in the original drill program were the usual suite found in unoxidized Morrison sands.

It is felt by company geologists that the Carr lease lies in one of the favorable sandstone belts which trend roughly east-west through the Summit Point area.

(f) The Carr lease lies in an area that has been proven to contain ore. See Exhibit D for known ore bodies. Commercial ore has been found north of this lease by Union Carbide and North American Uranium Corporation. Mineralization has also been found on the Denney property, one-half mile to the north. Also, Union Carbide has found ore on the Utah-Colorado State line on the Dermo property. Considering the frequency of ore bodies in the district, the company feels that the chances for finding ore on this property are good.

(g) See Exhibit A.

3. Accessibility of Project:

(a) Bill Lyons or Fred Hohne of Grand Junction will accompany DMEA representatives. They can be reached at Chapel 3-2547. Arrangements should be made a few days in advance. The property is located 11 miles to the north of Highway 160 between Dove Creek and Monticello on the Ucolo road.

(b) Distance to shipping:

The approximate distances to uranium mills in the area are as follows:

Monticello	-	30 miles
Durango	-	101 miles
Naturita	-	85 miles
Moab	-	87 miles
Uravan	-	97 miles

Distance to supplies:

Mine supplies can be purchased at Durango (101 miles), Monticello (30 miles), and Grand Junction (217 miles).

Distance to residence points:

Mine personnel could live on the property in trailer houses or they could live in Monticello (30 miles) or Dove Creek (15 miles).

Materials, Supplies and Equipment:

Mine supplies are available in Monticello, Moab, Durango, and Grand Junction. Large equipment is available in Denver.

4. The Exploration Project:

(a) The proposed drill program is shown on map marked Exhibit C. The

drill hole maps of two successful exploration programs have been examined by company geologists. If an elongate direction exists to the ore bodies found it is roughly north-south. For this reason a drill hole pattern of 800 x 1600 feet is proposed. The 800 feet fences will be east-west and the rows will be 1600 feet apart north-south.

From experience gained on the first drill program, it is proposed that the holes be plug bitted to a relative elevation of 5,433 feet. An elevation of 6,000 feet was given to 1/4 33/34 on the Denney lease. In holes collared in the Burro Canyon the driller will plug bit for 600 feet and core to 700 feet approximately.

The proposed project consists of two phases. First, 31 widely spaced holes as described, then 24 holes as a second phase to offset ore holes found during the first phase.

(b) Not applicable.

(c) Work will begin within 45 days of DMEA approval. Phase one will be completed within two months. The time required for Phase two will depend on the number of holes which are allowed.

5. Experience:

The project will be under the supervision of J. H. Cazier, who has had more than 20 years operating and geological experience, and geologists who have had several years' experience on the Plateau. They have worked for Kerr-McGee Oil Industries, Inc., Dulaney Mining Company, and other active mining companies.

6. Estimate of Costs:

Phase One:

(a) Drilling 31 holes

Plug bitting @ $2/ft., 18,600 ft.	$ 37,200.00
Coring @ $5/ft., 3,100 ft.	15,500.00
Bulldozer work @ $12/hr., 100 hrs.	1,200.00

(b) Supervision, engineering

2 men @ $2,500/month and expenses (These men are available)	5,000.00

(c) Core boxes @ $1.25/ea. 400.00

(d) Not applicable.

(e) Not applicable.

(f) Not applicable.

(g) Assaying	$ 250.00
Workmen's Compensation Insurance, Employer's Liability Insurance and payroll taxes are included in (b) above.	
TOTAL	$ 59,550.00

Phase Two:

(a) Drilling 24 holes	
Plug bitting @ $2/ft., 14,440 ft.	$ 28,800.00
Coring @ $5/ft., 2,400 ft.	12,000.00
Bulldozing drill sites	300.00
(b) Supervision, engineering	
@ $2,500/month - 2 months	5,000.00
(c) Core boxes	200.00
(d) Not applicable.	
(e) Not applicable.	
(f) Not applicable.	
(g) Assaying	300.00
Workmen's Compensation Insurance, Employer's Liability Insurance and payroll taxes are included in (b) above.	
TOTAL	$ 46,600.00

7. (a) Maxim Exploration Co. is prepared to furnish 25% of the total cost of the exploration program.

   (b) The company proposes to provide funds and not equipment for this program.

Maxim Exploration Co.
901 Sherman St.
Denver, Colorado

EVALUATION OF EXPLORATION DRILL PROGRAM

DENNEY-CARR PROPERTY

-o-

INTRODUCTION

During the months of December an exploration drill program was conducted on the Denney-carr property in eastern San Juan County, Utah. This property was leased by Anschutz Drilling Company, Inc. after it was learned that three or more large ore bodies had been found in the immediate vicinity during the past twelve months. Fourteen holes were drilled on the 1000 acres. The purpose of this report is to evaluate the drilling results and to make recommendations as to further work on the property. The report will include a brief discussion of the geology and production of the nearby Slick Rock District.

CONCLUSIONS

1. Fourteen holes were drilled on the property; one was an ore hole, two were mineralized, and eleven were blank.

2. Of the blank holes, four were classified as favorable and three of of the eleven holes as semi-favorable.

3. There is still a large amount of the property to be explored.

4. The two ore holes constitute an important discovery and, considering the size of ore bodies found in the area, they certainly warrant enough holes to block out the ore. A minimum of ten more holes should be drilled.

RECOMMENDATIONS

Considering the size of the ore bodies found in the Summit Canyon area and the results of the drill program, I recommend the following:

1. Probe all holes that have drilled, preferably with both gamma-ray and resistivity logs.

2. Drill seven offset holes around the ore hole--Denney #3.

3. Drill three offset holes around Denney #1.

4. Apply for a DMEA loan for exploration drilling on 1000-foot spacing in favorable areas.

5. Both the Denney and Carr homesteads are patentable this year. The mineral rights are granted with the patents under certain conditions. Patent applications should be made on both homesteads to insure the titles andminerals.

LOCATION

The Denney lease is located in sections 28, 33, and 34, T. 32 S., R 26 E., San Juan County, Utah. The Carr lease is located in sections 4 and 9, T. 33 S., R. 26 E., San Juan County, Utah. The east boundary of both properties lies approximately $1\frac{1}{2}$ miles west of the Colorado-Utah border. The property can be reached by driving north off Highway 160 on the Ucolo road for a distance of eight miles.

PROPERTY

The Denney-Carr leases are actually unpatented lode mining claims staked on homestead land. The Carr lease of 720 acres also includes four claims which were staked off his homestead. The Denney lease of 360 acres covers only his homestead. Patent requiremnts have already been satisfied on the Denney property and the requirements will be satisfied on the Carr mining claims; therefore, it is recommended that patent applications be made as soon as possible on both homesteads.

FACILITIES

Roads

A gravelled road passes through the Carr lease and one-half mile from the west edge of the Denney lease. Road construction in this area is no problem. A bulldozer is required for making drill locations.

Mine Supplies

Mine supplies are available at Monticello, Grand Junction, Durango, and Denver.

Labor

An ample supply of experienced labor is available in the area. The San Juan base metal district lies less than 100 milesto the east and many of the mines have shut down.

Water

The Dakota sandstone is a good aquifer. Water has been encountered in every hole. Drill water is in critical supply during winter months because ponds and springs have frozen over. However, no problem should be expected in obtaining water for domestic and mine use.

Timber

An ample supply of lumber and mine timber can be obtained at a saw mill in Dove Creek.

Ore Shipments

The AEC pays 6 cents per ton mile up to 100 miles. Mills are located as follows: Vanadium Corporation of America, Durango, 100 miles; AEC, Monticello, 28 miles; Union Carbide Nuclear, Uravan, 85 miles; Uranium Ore Reduction, Moab, 75 miles. A new mill is being constructed by Union Carbide Nuclear near the site of the North Continent mill at Slick Rock. The new mill is located approximately 15 miles from the property.

Landing Strips

Two-engine planes can be landed on the Dove Creek Strip. Several small strips are available in the Slick Rock area. A strip for small planes could be made on the property.

INVESTIGATIONS

The drilling program was completed in approximately 4 weeks. Another four weeks were spent in preparation of the program. Claim lines were blazed with a bulldozer and all location notices were examined in the field. A week was spent gathering information from people in the area in regard to drilling results of North American Oil and Uranium, and Union Carbide Nuclear. An engineer was contacted who claculated the ore reserves on the Knuckles lease of North American Oil and Uraniu. He requested that his name not be used. His findings indicated approximately a 70 million dollar reserve. His data was supplied by North American to Mr. Tom Knucles, the owner.

Mr. Clyde Wilson, County Commisioner, Montezuma County, Colorado, was contacted in regard to an ore body drilled on his land by Union Carbide Nuclear. No actual figures were obtained; however, the engineer mentioned previously inferred that the reserve was greater than that on the Knuckles property. His source of information was not revealed.

The author spent over a year with the Dulaney Mining Company as geologist and engineer. This conpany controls all producing Morrison rim exposures neares t the Denney-Carr leases.

HISTORY AND PRODUCTION

No production has come from this property. The Slick Rock Mining District, which lies on the Colorado side of the state line, has had large production for many years. The nearest producing mine is on Summit Canyon less than three miles from the Carr lease. Most production in this district has come from rim exposures and areas of shallow drilling. Exploration during the past year and a half has been on ground with 200-700 foot drilling.

Mined out ore bodies in the district vary in size from a few hundred tons to 25,000 tons. Recent exploration indicates ore bodies up to 1,000,000 tons.

North Continent Mining Company was one of the pioneers in the vanadium industry. They owned a great number of claims in the district and built a mill at the bottom of Slick Rock Hill on the Dolores River. The mill has burned and the claims were sold during World War II to Union Mines, Inc., the forerunner of the AEC. The claims were explored by the USGS and the AEC and were leased out to private industry. Several AEC leases are still producing in the district.

In 1948, most of the Slick Rock District was withdrawn from mineral entry. Most of the land has been restored to the public domain; however, several sections are still withdrawn. Another restoral is planned for next spring.

DRILLING PROGRAM

The drilling program was started early in December and under normal circumstances would have been completed with one rig in the calculated time. A combination of extremely low temperatures, faulty equipment, and unfortunate accidents slowed the program to such a degree that the original plan of coring the potential ore zone was abandoned and the holes were plug bitted until mineralization was found in Denney No. 3. The cuttings from the holes were check with a counter and were found to contain ore. A 1000-foot Tomcat probe was used in logging the hole. The results are as follows:

Depth	eU3O8	Depth	eU3O8
644.0	.04	649.0	.20
644.5	.05	649.5	.42
645.0	.19	650.0	.30
645.5	.28	650.5	.33
645.5	.28	651.0	.38
646.0	.26	651.5	.38
646.5	.24	652.0	.40
647.0	.08	652.5	.18
647.5	.05	653.0	.08
648.0	.04	653.5	.06
648.5	.08	654.0	.03

8 ft of .24% eU3O8

Three offsets were drilled around Denney No. 3. (See Plate I.) Two of the offsets were over 300 feet from the hole. Both showed abundant carbonaceous material, pyrite, green mudstone and bleached sandstone. One offset was made 100 feet south of Denney #3. This hole contained over 100 feet of favorable white sandstone.

Denney No. 1, located in a branch canyon to Summit Canyon, disclosed 8 feet of black, carbonacrous, limy, silty sandstone. The hole was probed and no anomalies were found. The core was checked fro vanadium; the results were nil. The hole also was drilled through a good thickness of white sandstone and it contained several feet of gray to green mudstone at the base of the sand.

According to one geologist in the area, Union Carbide did wildcat drilling for over two years before they found commercial mineralization. On the Denney-Carr property 14 holes were drilled; at least two were mineralized (all holes have not been probed and at least two more holes could show slight mineralization), four more were favorable, and three were semi-favorable. The two ore holes could be the beginning of a major discovery and further drilling in the area is recommended.

The cost of developing a mine with ore at 650 foot depths is considerable; however, in this case, a deep canyon is easily accessible and the depth to the ore zone in the canyon is not over 200 feet in some places.

ORE RESERVES

No ore reserves calculations were made on the two mineralize holes.

Fred C. Hohne

Fred C. Hohne
Consulting Geologist

January, 1957

THE BROWN LABORATORY
2263 Broadway
Grand Junction, Colorado

CERTIFICATE OF ANALYSIS

1-17-57
Order No. 8421-S

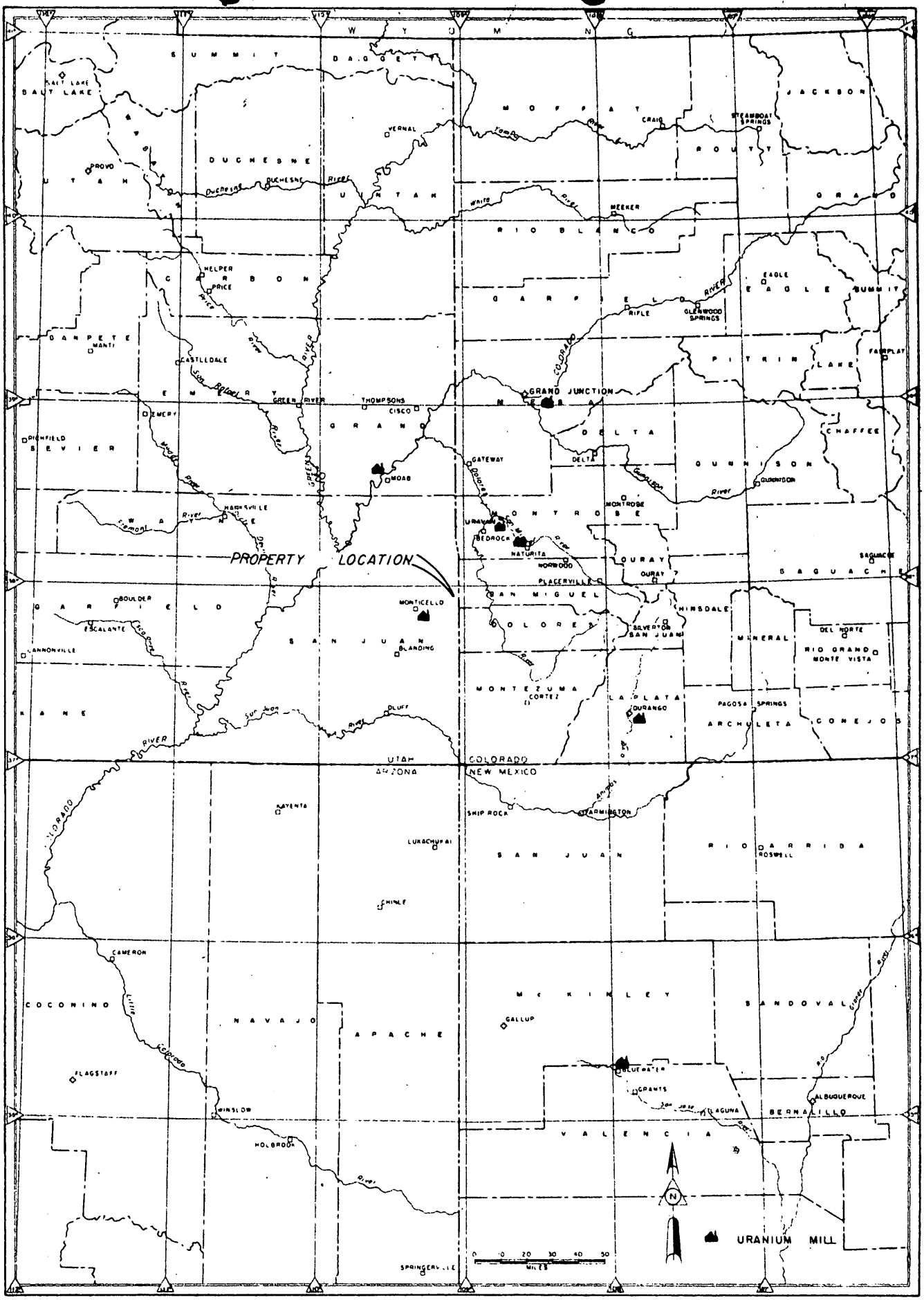
To

Anschutz Drilling Company
Mile High Center
Denver, Colorado

Material: Ore Samples
Received: 1-17-57
For: Analysis

Lab. No.	Your No.	Chemical % U_3O_8	% V_2O_5
8421-1	Denney#8 647-648	0.08	1.15
8421-2	" 648-649	0.04	0.91
8421-3	" 667	0.06	0.36

/s/ H. D. Brown
Analyst.



REGIONAL LOCATION MAP

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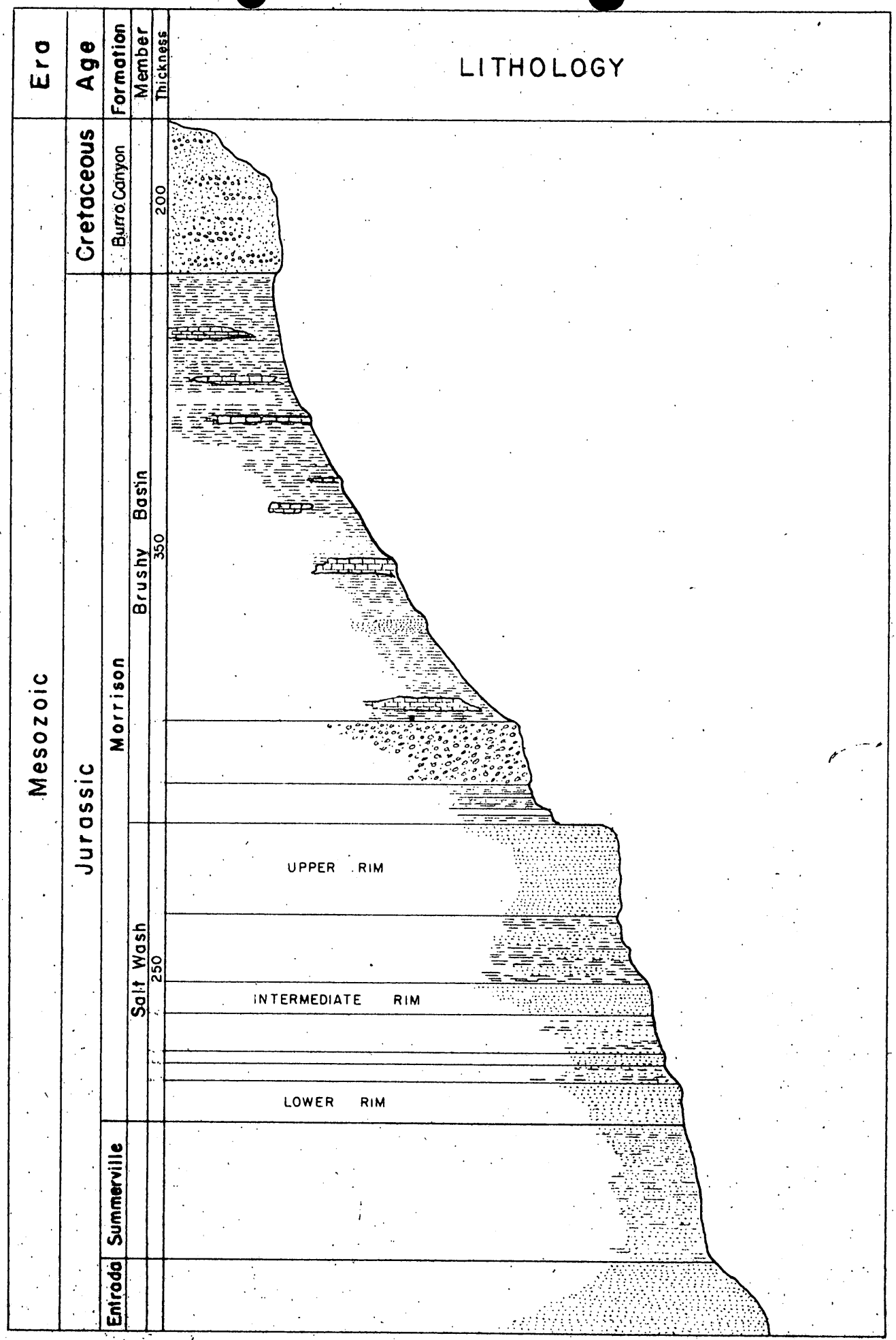
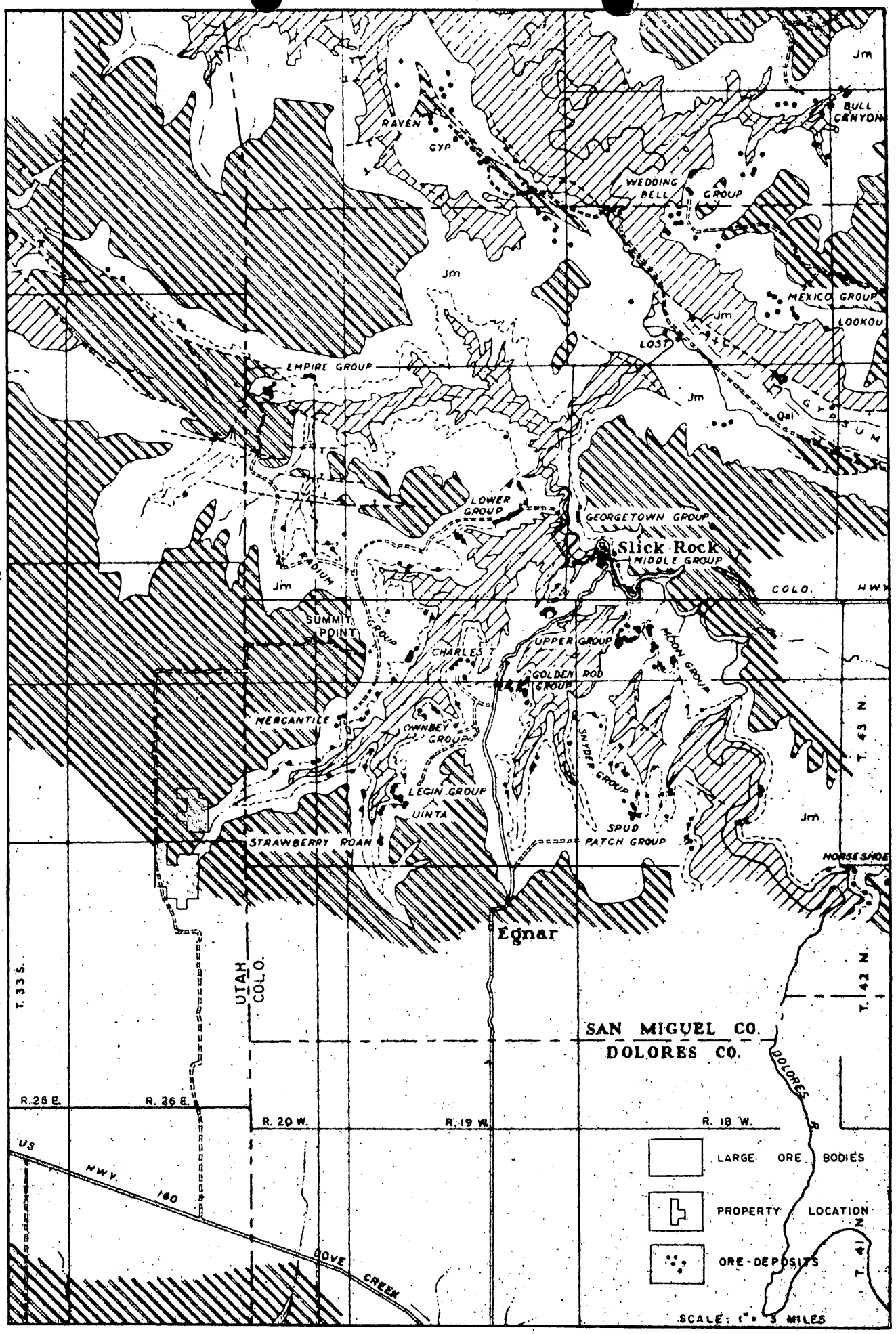


FRED C. HOHNE, CONSULTING GEOLOGIST

STRATIGRAPHIC SECTION OF THE SUMMIT POINT AREA, UTAH



PROPERTY LOCATION MAP

SHOWING PRINCIPAL ORE DEPOSITS — SLICK ROCK AREA

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A G R E E M E N T

THIS AGREEMENT is made and entered into this 5th day of December, A.D. 19 56, by and between Anschutz Drilling Co. Inc., A Colorado Corporation, Denver, Colorado hereinafter referred to as "Assignor," and Maxim Exploration Co. A Limited Partnership, Denver, Colorado hereinafter referred to as "Assignee."

W I T N E S S E T H :

WHEREAS, Assignor holds certain mining rights in certain real properties under the mining law of the United States of America and the State of Utah, said rights and properties being located in the areas known as Summit Canyon in the County of San Juan, State of Utah, and designated as follows:

Property leased under attached lease by Anschutz Drilling Co., Inc., on November 27, 1956 from Walter R. Carr, Donald L. Carr and Olcan M. Dorney.

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and,

WHEREAS, Assignee is desirous of engaging in the exploration of uranium ores and other minerals, other than hydrocarbons, and entering into an agreement to acquire the mining rights and the mineral interests, subject to the reservations and provisions herein contained, and,

WHEREAS, Assignor is desirous of having certain exploration, development and mining work performed upon the above described mining properties and the Assignee is willing to undertake the performance of such work upon the terms and conditions hereinafter specified, and,

WHEREAS, Assignee agrees to undertake exploration operations on the properties of Assignor to ascertain the existence, location, extent, and quality of the deposit of uranium (and other) ores;

NOW, THEREFORE, In consideration of the mutual terms and promises contained herein, the parties have agreed as follows:

I
Term

This agreement shall extend from the effective date hereof for a period of twenty-four (24) months and so long thereafter as actual mining operations are being conducted, unless terminated or surrendered as hereinafter specified.

II
Performance of Work

(A) Assignee agrees to indemnify and hold Assignor harmless of and free from any and all claims of whatsoever nature arising out of or in any way connected with said exploration or mining operations. The work performed by Assignee hereunder shall be with diligence and in compliance with safety and health requirements of Federal, State and Local governments. Assignee shall maintain at all times Workmen's Compensation Insurance coverage for every workman or employee who performs work upon the property for Assignee hereunder, including coverage for the Assignee himself. In addition, Assignee shall comply with all applicable statutes with respect to labor employed upon the premises, including, but not limited to, the laws relating to wages and hours and withholding of payroll taxes and contributions. Assignee shall furnish Assignor with evidence of his compliance with the requirements of this Paragraph.

(B) Assignee shall post conspicuous notices upon the premises advising all persons that such property is being operated by Assignee as an independent operator and that all persons must look solely to Assignee for payment for any labor or material supplied on the property. Assignee agrees to pay for materials and labor furnished on the premises promptly as such payments become due and to hold Assignor harmless and to indemnify Assignor against all liability for claims and demands whatsoever arising out of Assignee's operations hereunder.

(C) Assignee shall pay for all labor and contractual services and for all tools, equipment, supplies, and other material used in connection with the operations hereunder. Said tools, equipment, supplies and other materials shall remain the property of Assignee.

III
Exploration

Assignee shall enter upon the above described mining properties within thirty (30) days following the date of this agreement and shall conduct operations to:

(A) Properly core drill and/or wagon drill the herein described properties pursuant to the following terms and conditions:

1. All work shall be conducted under the supervision of a qualified engineer.

2. All test holes shall penetrate to a depth below the surface sufficient to adequately test the ore channels as delineated on the attached map or appendix thereto marked exhibit "A" and by this reference made a part hereof.

3. Test holes shall be drilled on a grid pattern as delinated in or on Exhibit "A", or the appendix thereto.

4. In no event shall the total drilled footage be less than Fifty six hundred (5,600) feet.

5. In the event ore of commercial value should be discovered, Assignee shall continue the exploration operations hereunder to the end that the ore deposit (deposits) shall be completely delineated.

6. All test holes shall be prepared with proper instruments and detailed information regarding all findings shall be recorded.

7. All cores and cuttings from test holes that have a reasonable degree of radioactivity shall be saved and quartered.

Samples of said radioactive cores and cuttings shall be processed for chemical analysis by a qualified and recognized assayer.

8. The expenditures made and work performed during the exploration program shall be done in such a manner as to qualify as the necessary assessment work on each and every state and/or government claim that may be embodied in the properties under this agreement. Assignee shall properly register and record such expenditures made and work performed so that the assessment requirements for the year 1956-1957 shall have been deemed to have been complied with.

(B) Upon completion of the geological and exploration work, Assignee shall, within ninety (90) days, commence actual mining operations, per the following agreed methods:

1. Assignee shall conduct all operations hereunder in accordance with good mining practice to the end that said properties shall be developed in an orderly manner and that the maximum amount of ore may be recovered consistent with the preservation of the property as a usable mine.

2. Assignee shall ship and market ore (commensurate with the ore body (bodies) blocked out by the drilling program) in accordance with generally prevailing market conditions.

3. So long hereafter that Assignee retains its rights and interests hereunder, Assignee shall perform the necessary assessment work, yearly, as required.

II

Assignor's Rights

(A) Assignee shall permit Assignor and Assignor's authorized representatives or Agents full and free access to the properties above described and to all facilities and workings which may now or hereafter be situated thereon and thereunder, for the purpose of inspecting, sampling, and the determination of whether compliance is made with the provisions of this Agreement.

(B) Assignee shall furnish Assignor with all information obtained during the direction, development and mining operations, including [illegible] and [illegible] reports, [illegible] and [illegible] shipping [illegible], and will pay the annual lease payments as required on the lease from Carr and Denny, and will comply in all respects with the terms of that lease.

V

Shipment of Ores

(A) At any time that Assignor shall own or control a mill suitable to processing the ores shipped under this Agreement, Assignee shall be obligated to ship to Assignor's mill at a price competitive with that of other purchasers in the area. Assignee shall be allowed to fulfill contracts in existence prior to complying with the terms of this Paragraph V (A).

VI

Royalties & Payments

(A) Assignor hereby leases all its right, title and interest in and under the above described properties, reserving unto itself twenty-five (25 %) per cent of the gross proceeds from the sale of all Uranium, Vanadium, and other minerals, free of all costs or charges whatsoever.

(B) Said twenty-five per cent (25 %) of the gross revenue SHALL NOT include haulage allowance of development allowance with respect to the sale of uranium bearing ores BUT IT SHALL include all bonuses and premiums.

(C) Gross proceeds with respect to ore sold other than to the Atomic Energy Commission or its licensees is defined for the purpose of this paragraph as the net proceeds received from the smelter or mill as determined by the settlement sheets furnished by the purchaser of the ore less the cost of transportation to the smelter or mill.

(D) Said twenty-five per cent (25 %) of the gross revenue shall be the total royalty payable by Assignee. Any and all royalties, overriding royalties and ore payments previously reserved are hereby deemed to be included in the twenty-five per cent (25 %) set out above.

[illegible] and payable [illegible] to Assignor here- [illegible] paid [illegible] days of the receipt or constructive re[illegible] [illegible].

VII
Taxes

Assignee shall pay seventy-five per cent (75 %) and Assignor shall pay twenty-five per cent (25 %) of all mineral, severance and other applicable taxes (excluding personal property taxes).

VIII
Surrender and Forfeiture

(A) Assignee shall be entitled to surrender its rights hereunder and terminate this agreement upon giving Assignor thirty (30) days prior written notice of its intention so to terminate; PROVIDED, HOWEVER, that such termination shall not relieve Assignee from liability for default in performance of any of its duties hereunder due prior to such termination. It is expressly understood that Assignee has a definite obligation to perform the exploration work as set out in Section III of this contract. In the event Assignee fails to perform the obligations set out in said Section III, Assignee shall immediately pay to Assignor, as liquidated damages, the sum of Ten Thousand - Dollars ($ 10,000.00).

(B) In the event Assignee should fail to perform any of the duties incumbent upon it by the terms of these presents, including all the covenants of any underlying agreement, heretofore incumbent upon Assignor, the Assignor shall have the privilege of serving notice in writing upon Assignee setting forth the substantial facts constituting such failure in performance. In the event that Assignee should fail to correct such failure in performance within thirty (30) days of the date of such service, then Assignor may, at its option, declare forfeiture of the entire agreement, in which event the rights of the Assignee hereunder shall terminate, and, Assignee shall reassign and reconvey all rights, title and interest to any property Assignee acquired under the terms of this agreement.

(C) In the event of surrender or forfeiture as herein specified, Assignee agrees to quit said premises and reconvey the same to Assignor.

Said property shall be left in good and safe condition by Assignee in a manner so that mining or development operations may begin without interuption. The Assignee shall have a period of thirty (30) days after the termination of this agreement within which to remove its machinery and personal property. No action taken by the Assignor pursuant to the above paragraphs shall be construed as a waiver of damage claims Assignor may have against Assignee hereunder but such action shall be considered only as additional remedy to damage or other remedy.

IX
Title

Assignor warrants title in, under and by Assignor to the title of said property or mineral interest. Assignor further warrants that there are no liens nor adverse claims against said property.

X
Assignment

Assignee's interest under this contract shall be assignable without the written consent of the Assignor.

XI
Force Majeure

The obligations of Assignee hereunder shall be suspended to the extent that performance thereof is prevented by fire, action of the elements, acts of civil or military authorities, w[illegible] Federal, State or local, inability to obtain necessary [illegible] access, or any other cause reasonably [illegible] a cont[illegible] whether or not similar to any cause above enumerated. [illegible] Assignee shall resume operations hereunder as [illegible] practicable date following any suspension of performance [illegible]

XII
Notices

Written notice or payment required or permitted hereunder shall be deemed delivered or given when deposited with sufficient postage in the U. S. Mails and addressed as follows:

ASSIGNOR:

[illegible]

[illegible]

[illegible]

ASSIGNEE:

[illegible]

[illegible]

[illegible]

Above addresses may be changed by mailing written notice hereunder.

XIII
Liabilities

The liabilities of the parties hereto under the terms of this contract shall be several and individual and not joint or collective. Each party shall be responsible for his or its particular obligations as set forth herein. It is expressly understood that it is not the purpose or intention of this Agreement to create between the parties, nor shall the same be construed to create, any mining partnership, commercial partnership or other partnership relationship, nor shall the operations hereunder be construed to create between the parties a joint venture or to create [illegible] trust-beneficiary relationship, express or implied, or to create any liabilities incident thereto

XIV

Benefits

This Agreement shall be binding upon and shall inure to the benefits of the parties hereto, their successors, heirs and assigns.

IN WITNESS WHEREOF, the parties hereto have subscribed their names the day and year first above written.

ASSIGNOR:

ANSCHUTZ DRILLING CO., INC.

By J. Klazis

Its

ATTEST:

E. O. Walker

Asst Sec

ASSIGNEE:

MAXIM EXPLORATION CO.

By T. R. Anderson

Its General Partner

ATTEST:

H. A. L. C.

EXHIBIT A

The exploration work to be performed hereunder shall be directed by engineers and geologists employed by Assignor, who will determine the drilling pattern, depths to be drilled, probing and recording of information required and samples and assays to be obtained. Assignee shall pay all expenses of Assignor's employees during the time devoted to this project. During the exploration period, all work shall be performed under the full time direct supervision of an employee of a consulting engineer or geologist satisfactory to Assignor, and with the advice of a consulting engineer or geologist satisfactory to Assignor.

#1640

12145

LEASE AGREEMENT

This is a Lease Agreement, made as of _____ 1956, by and between [illegible] H. CARR, [illegible] and [illegible] H. KENNEY (the), together with their respective [illegible] (sometimes referred to collectively as "Lessors") and [illegible] HOLDING CO., INC., a Colorado corporation (sometimes [illegible] "Lessee").

Lessors represent that they own and have [illegible] to lease certain unpatented mining claims in the [illegible] Mining District, namely:

(1) Wild Berry Claim 1-9 and 13-[illegible] recorded November [illegible], 1956 in Book 146 [illegible] Inclusive, located by Glenn Kelley;

(2) Twenty Claims recorded August [illegible] Book 139 at pages 470-[illegible] inclusive, [illegible] Other Gem and Emerald Gem;

(3) Seven [illegible] Claims recorded [illegible] Book [illegible] at pages [illegible] inclusive, located [illegible]

Lessors do make no representation that the [illegible] of these claims. However, they have [illegible] Lessee leases in each group, which (to the [illegible] Lessors' knowledge) contain valuable deposits of [illegible] (hereinafter collectively [illegible] the "Mineral Property") and by this reference [illegible] which the Lessee possesses:

1. In Sectn. 1, T5 N[illegible], [illegible] [illegible] (Approximately [illegible] Acres)

2. In Sectn. 1, T5 N[illegible], [illegible] [illegible] (Approximately 320 Acres)

Wherefore, in [illegible] all of the foregoing claims and [illegible] [illegible] of the grounds, [illegible] and other [illegible] and

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minerals of any kind thereon and therein, except oil, gas and other hydrocarbons, (b) all rights of way, easements, privileges and hereditaments appurtenant to the leased premises and (c) so much of the surface as is necessary and reasonable to be used in the conduct of Lessee's operations.

NOW, THEREFORE, in consideration of the premises and of their representations, covenants and agreements set forth herein, Lessors hereby let, lease, demise and set over to Lessee the premises described above, subject to the following terms and conditions:

1. The term of this Lease Agreement shall commence on the date hereof and shall continue until the _____ day of _____, 19___, and so long thereafter as Lessee shall continuously prosecute mining or mining operations upon the property subject to this Lease.

2. Within 30 days from the date of this Lease Agreement, Lessee shall pay Lessors the sum of $_____ computed on the basis of $4.00 per acre. The aforesaid payment shall constitute full rental for all of the above-described property for one year. On or before each anniversary date of this Lease Agreement, including the anniversary, Lessee shall pay Lessors in advance the full rental for the leased premises at the rate of $4.00 per acre per annum. Lessee shall have the right by written notice given to Lessors at least 30 days prior to any this date of rental payment hereunder terminate to cancel this Lease Agreement, such cancellation to be effective on and after such next following anniversary date of this

Lease Agreement. If the leased premises are released or turned back to the Lessors, the Lessee will record a quit claim deed of release of such land if the Lessors should request it to do so.

3. Lessee shall have the exclusive right without let or hindrance at all times during the life of this Lease Agreement to enter upon the property subject to this Lease Agreement in order to mine the same for the purpose of extracting and obtaining ores therefrom in good and minerlike manner, and to do any and all necessary work in that connection, including construction of necessary roads and buildings. If Lessee shall discover on the leased property an ore body of commercial grade and quantity that is amenable to treatment, Lessee shall, within a reasonable time thereafter, commence mining operations to extract such ore. Lessee shall furnish Lessors with copies of all ore assay sheets and drill logs of exploratory drilling, and tracings of Lessee's maps showing Lessee's operations on the leased property. It is understood and agreed that all operations of Lessee on such property shall be conducted in such manner as to not to damage structures, roads or improvements of Lessors on the leased property. Upon termination or expiration of this Lease Agreement, Lessee may remove any buildings, structures and machinery placed by it upon the leased property; provided, however, that this right of removal shall not extend to the removal of mine timbering. Lessee hereby waives all right, title and interest to and in all structures, machinery, ore and tailings which have not

been removed from the leased property within 10 days after termination or expiration of this Lease Agreement. If crop damage shall be committed then the Lessee shall pay for such damage based on the past average annual yield from such land.

4. In addition to the annual rental hereinabove provided for, Lessee shall pay the Lessors during the life of this Lease Agreement a royalty per ton of crude vanadium ore mined equivalent to twelve and one-half percent (12½%) of the gross value of the ore removed from the leased premises by Lessee or for its account. "Gross Value" for this purpose shall mean the gross amount actually paid Lessee by the buyer, less (a) development and haulage allowances (if any), (b) any excess of actual hauling costs over haulage allowances, and (c) the costs (if any) incurred by Lessee for custom smelting, milling or refining. Lessee shall keep proper records of all ores removed from the leased property and on the basis thereof shall submit a full statement and accounting to Lessors at the time of payment of royalties thereon, including a statement showing the portions of the leased premises from which ore sold during the period was mined, so that the parties may make a proper division of royalties. Royalty payments shall be due 20 days after receipt by Lessee of the proceeds of shipments on which they are based. Lessors shall have the right to inspect the leased property and the workings thereon at all reasonable times. Lessors may have a representative present at Lessors' expense when samples are drawn of ore delivered from the leased property and, when Lessors so request, have a representative portion of such sampling delivered to Lessors by Lessee. Lessee shall pay the same rate

of royalty upon other minerals, except oil and gas, produced hereunder.

5. Lessee shall commence exploration work on the leased property as soon after the execution of this Lease Agreement as circumstances will permit in the reasonable judgment of Lessee.

6. (a) All payments to Lessors shall be made by check made payable to Walter R. Carr, Donald L. Carr and Glenn M. Denney jointly, at the following Bank: _____ _____. The division of rentals and royalties among the individual Lessors shall be made by them as they see fit.

(b) No changes in ownership of the above described property shall be binding upon Lessee until it has received a certified copy of the instrument of transfer. If the Lessors own less than they purport to lease hereunder, the initial payment and subsequent yearly rental above set forth shall be proportionately reduced.

(c) Notices or other communications shall be sent to the parties at the following addresses until changed by a written notice:

To the Lessors:	c/o Walter R. Carr and Glenn M. Denney Box 2[illegible] Dove Creek, Colorado
To the Lessee:	American Oil [illegible] Co., Inc. Mile High Center Denver 2, Colorado

7. Lessors [illegible] and warrant [illegible] the quiet enjoyment of the leased premises, and while [illegible] this

warranty they further warrant to defend the title thereto against all persons whomsoever claiming through or under them. The parties agree to cooperate in all acts necessary to preserve and perfect the title to the unpatented mining claims, and Lessee agrees to perform any required assessment work during the term of the lease and to file appropriate Proofs of Labor.

8. The obligations of either party hereunder (except the obligation to pay money) shall be excused during any periods in which performance is prevented by force majeure, including fires, floods, labor disturbances, acts of God, war or other events beyond the reasonable control of the party affected.

9. Each party shall bear its proportionate share of any production taxes from production on property subject to this lease, but Lessee may pay such taxes in the first instance and deduct Lessors' share from royalty payments due or otherwise charge Lessors for their share.

10. Lessee shall comply with all applicable State and Federal laws and regulations and shall save and keep Lessors harmless from damages arising from Lessee's operations hereunder.

11. This Lease Agreement shall be binding upon the parties hereto, their heirs, executors, administrators and assigns.

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

_____

_____

[illegible] } ss.

[illegible] day of _____, 19__,

[illegible] before me _____

[illegible] of the above instrument, and acknowledged to me that

[illegible]

_____

[illegible]

_____

[illegible]

} ss.

[illegible] day of _____, 19__,

[illegible]

[illegible] say that he is the _____

[illegible] Co., Inc., a Colorado corporation, and that

[illegible] in behalf of Abbotsford Drilling Co.,

[illegible]

[illegible] same.

_____

Notary Public

_____.

Entry No. [illegible]

[illegible] M. Book [illegible] Page [illegible]

[illegible] PAID

ARVILLA E. [illegible]

San Juan County Colorado

By _____ Deputy

Krause

October 17, 1957 DOCKET COPY

Summary of Proposed Project

Object: Denial of application for exploration aid.

Docket No.: DMEA-4762

Applicant: Maxim Exploration Company, a limited partnership
901 Sherman Street, Suite 109
Denver 3, Colorado

Property: The property is known as the Carr Lease and consists of 44 unpatented lode mining claims in secs. 4 and 9, T. 33 S., R. 26 E., S.L.B. & M., San Juan County, Utah. The claims are as follows: Fly, Auto, Rock, Gramp, Gurlie, Prop, Pony, Frisky, Cedar, Cat, Sage, Pinion, Richie, Foy, Chick, Rat, Agnes, Trix, Goffer, Ray Boy, Shirley, Mary May, Mack, Lavern, Homestead No. 2., Gearold, Donnie, Mickey, Mary Alice No. 2, Toots, Homestead No. 1, Wendelin, Mary Alice No. 2, Laddie, Debra, Snip, Homestead Nos. 1, 2, 3, 4, 5, 6, 7, and 8.

Property rights: Are set forth in a Lease Agreement, dated November 27, 1956, between Walter R. and Donald L. Carr and Glenn M. Denney, Lessors, and Anschutz Drilling Co., Inc., Lessee; also, an Agreement, dated December 5, 1956, between the Anschutz Drilling Co., Inc., "Assignor," and the Maxim Exploration Co., "Assignee."

Application date: May 20, 1957

Amount of application: $100,000.00 (total detailed est. cost $106,150.00)

Referred to Region III: June 20, 1957
Property examined: July 24, 1957
Field Team report received in Division: October 15, 1957

Work proposed:

A two-stage non-core and core drilling program from the surface to test the locally mineralized upper ~~[illegible]~~ of the Salt Wash member, Morrison formation, of Jurassic age, for uranium-bearing ore, requiring 33,040 feet of non-core and 5,500 feet of core drilling at an estimated cost of $106,150.00.

Stage I would consist of 31 holes drilled on 800-foot centers along east-west lines that are about 1,600 feet apart.

Stage II would consist of not more than 24 offset holes* that penetrated ore or highly mineralized ground. All holes would be drilled about 600 feet non-core then core drilled about 100 feet through the locally mineralized horizon.

* to Stage I holes

Estimated Cost:

Stage I

18,600 ft. non-core drilling @ $2.00/ft.	$37,200.00
3,100 ft. core drilling @ $5.00/ft.	15,500.00
100 hrs. bulldozing @ $12.00/hr.	1,200.00
Supervision and engineering - 2 men @ $2,500.00/mo.	5,000.00
Core boxes @ $1.25/each box	400.00
Assaying	250.00
Estimated Total Cost Stage I	$59,550.00

Stage II

14,440 ft. non-core drilling @ $2.00/ft.	$28,800.00
2,400 ft. core drilling @ $5.00/ft.	12,000.00
Bulldozing drill sites	300.00
Supervision and Engineering 2 months @ $2,500.00/mo.	5,000.00
Core boxes @ $1.25/each box	200.00
Assaying	300.00
Estimated Total Cost Stage II	$46,600.00
Total Estimated Cost of the Project	$106,150.00
Government Participation @ 75%	$79,612.50

Field Team report, dated September, 1957, by F. R. Shawe, USGS, and H. F. Robertson, USBM.

Three formations are exposed in the vicinity of the property; they are, from oldest to youngest, the Morrison formation of Jurassic age, and the Burro Canyon and Dakota formations, both of Cretaceous age.

The Morrison formation has two members in this area, lower Salt Wash and upper Brushy Basin. The Salt Wash member consists of interbedded sandstones and mudstones. Sandstones are from less than 10 feet thick to over 50 feet thick and generally show festoon bedding; the mudstones are generally much more thinly bedded. There are three sandstone rims present on the property, lower, middle, and upper rims. The upper rim, at the top of the member, is 40 to 60 feet thick and it is the most favorable ore-bearing horizon. Several ore deposits are known in the general vicinity of the property. The "Wilson tract," with an estimated reserve of 30,000 tons, is about 2 miles north, and the "State Line" area, with an estimated reserve of 100,000 tons, is 1½ miles east of the property. Also, some favorable mineralized ground has been discovered on a tract of land (Denney lease) about ½ mile north that is controlled by the Applicant.

Five holes were drilled on the property, none of which penetrated mineralization or indicated that the potential ore horizon was favorable for uranium deposition. Very little information is available to evaluate the property. Therefore, it is recommended that the application be denied without prejudice pending discovery of favorable or mineralized ground.

Commodity Members' Comments:

U. S. Bureau of Mines, James Paone, dated October 14, 1957

Agrees with the Field Team.

U. S. Geological Survey, W. P. Williams, dated October 16, 1957.

Mr. Williams is in agreement with the Field Team's recommendations for denial without prejudice to the property.

Division of Rare and Miscellaneous Metals, F. L. Knouse,
October 17, 1957

The field examination reveals that sufficient information is not available to justify Government participation in a project to explore the property. Therefore, the application should be denied without prejudice. However, if more work is done on the property that reveals evidence that could change this decision, a new application should be submitted with the additional information for consideration.

Conclusions:

There is not sufficient information available relating to a specific target to justify Government participation in a project to explore the subject property. Therefore, the application should be denied without prejudice.

Ernest Wm. Ellis

Ernest Wm. Ellis, Director
Division of Rare and
Miscellaneous Metals

DMEA Form 7
(12-56)

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Date	Surname	Code
10/18	Knouse	700
"	Ellis	700
10/21	Sellers	130
10/24	Johnson	110
"	Mittendorf	100
		220
		225
10/21	Lamb	130
10/21	Tilsgaard	130

OCT 21 1957

Mr. F. R. Anderson, General Partner
Maxim Exploration Co.,
901 Sherman Street, Suite 109
Denver 3, Colorado

16

Re: Docket No. DMEA-4762 (Uranium)
Homestead Claims, et al.
San Juan County, Utah

Dear Mr. Anderson:

Your application for aid in an exploration project and other information available to us in Washington concerning the above-named property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information indicates that the probability of disclosing significant ore reserves is not sufficiently promising to justify Government participation. We regret to advise you that, under these circumstances, your application for exploration assistance is denied. Such denial, however, is made without prejudice to the property. In the event further work on your part discloses new and more favorable evidence of ore deposition on the property, we shall be pleased to consider a new application.

We wish to thank you for your interest in the Defense Minerals Exploration Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

Copy to:
Mr. Del E. Webb
c/o Hal Webb
9920 Toluca Lake Avenue
North Hollywood, California

FLKnouse/gla
10-18-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Knouse
DMEA Field Team, Region III (2)

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October 16, 1957

Memorandum

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

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

Subject: Review of field examination report, DMEA 4759, 4762, (uranium), Maxim Exploration Co., Dennsey and Carr leases, San Juan County, Utah

The applicant wishes to do exploration on two tracts that are less than a mile apart. The two tracts, however, are held under the same lease and for that reason are covered under one field examination and report.

The examining team report that conditions on DMEA 4759 are favorable for large ore deposits. Favorable features include known ore trends, past favorable drilling by the applicant, and geological studies. The Field Team recommends approval of a three-stage drilling program for DMEA 4759. Not enough information is available to evaluate properly DMEA 4762.

I am in agreement with the Field Team's recommendations for approval of DMEA 4759 and for denial without prejudice of DMEA 4762.

W. P. Williams

cc: DMEA (3)
Jack Kratchman
James Paone
Director's reading
Branch reading
Chron. file
Docket file

WPWilliams/mm
G-MD-10-16-57

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DMEA
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DATE	INITIALS	CODE
10/15	C	220
11	FLK	700

October 14, 1957

4762

Uranium
Maxim Exploration Co.
Denney and Carr Leases
San Juan County, Utah

Ernest William Ellis, DMEA Member
Uranium Commodity Committee
James Paone, Bureau of Mines Member
Uranium Commodity Committee

Field Team Report

10/7/57 10/14/57

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DATE	INITIALS	CODE

October 14, 1957

4762

Uranium

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Field Team Report

10/7/57 10/14/57

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DATE		CODE
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224 New Customhouse
Denver 2, Colorado

October 7, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 4759 (Uranium) Maxim Exploration Company (Denney and Carr Leases) San Juan County, Utah

Docket DMEA 4762 (Uranium) Maxim Exploration Company (Denney and Carr Leases) San Juan County, Utah

Enclosed are the original and two copies of the Joint Report of Examination on the land included under the subject dockets with memorandum dated September 27, 1957, relative to Docket DMEA 4759 by H. F. Robertson, USBM, and F. R. Shawe, USGS.

The field examiners included the examination of the properties under a single joint report since it is felt that the applications are essentially identical.

The field examiners conclude that the probability for making a significant discovery on land included under Docket DMEA 4759 is sufficiently promising to justify Government participation. Accordingly, they recommend that the Applicant's work proposal be approved as modified by them in which the Field Team concurs.

Contrarily, the field examiners conclude that the probability for making a significant discovery on the land included under Docket DMEA 4762 is not sufficiently promising to justify Government participation. Hence they recommend that the application be denied without prejudice. The Field Team likewise concurs with this recommendation.

Nowhere in the report of recommendations concerning work on land under Docket 4759 was mention made of the size of core to be recovered. The Field Team checked this point with the field examiners and were given to understand that the estimate of cost is based on minimum BX size core.

Received by
DMEA OPERATING COMMITTEE

10-14-57

ON-SITE EXAM. REPORT

Also enclosed are eight extra copies of Figures 1, 2, and 3. The Figure 3, which is attached to the memorandum of project modifications, is to be used in preparing the contract for work on land involved under Docket DMSA 4759.

We will appreciate the Legal Section of the Washington Office preparing all necessary forms NF-205 for our forwarding to the proper persons.

E. N. Karshman
Acting Executive Officer

Enclosures

MBMich

cc: Karshman (2)) Subject Report
DMSA/DPC (4)) with
Sasler (2)) Docket 4759
Gordon (2)) copy
Docket (2)) ONLY
Jones (2)
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR
OCT 3 - 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

September 18, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Marshman

From: J. William Hasler

Subject: Transmittal of joint geologic and engineering report, DMEA dockets 4759 and 4762 (Denney and Carr leases), Maxim Exploration Company, San Juan County, Utah.

TRANSMITTED OCT 7 1957

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DATE	INITIALS	CODE

The Maxim Exploration Company, a limited partnership, 901 Sherman Street, Denver, Colorado, applied on May 20, 1957 for Defense Minerals Exploration Administration assistance to explore for uranium on approximately 1,040 acres of leased ground in the southwest portion of the Slick Rock mining district of Colorado. An application was submitted for each of the two properties and assigned the following docket numbers: Denney lease, No. 4759, and Carr lease, No. 4762. Since the two applications are essentially identical, the examining team's recommendations each are combined into a single joint report of examination.

The applicant's proposed exploration programs are as follows: (1) The Carr property, DMEA 4762, a two-stage program requiring 33,040 feet of non-core drilling and 5,500 feet of core drilling is proposed. (2) The Denney property, DMEA 4759, the applicant proposes a two-stage drilling program requiring 34,200 feet of non-core drilling and 5,700 feet of core drilling. Both projects would involve drilling to an average depth of 700 feet to reach the potential ore-bearing beds.

A field examination was made on July 24, 1957, by Fred R. Shawe, U. S. Geological Survey, and N. F. Robertson, U. S. Bureau of Mines, in company with Mr. Fred C. Kohne, consulting geologist, representing the applicant. The two properties are located at the head of Summit Canyon and rocks of the Dakota and Burro Canyon of Cretaceous age and the Brushy Basin member of the Morrison formation are the principal rocks exposed in the canyon. Uranium-vanadium ore in the area has been found in the upper part of the Salt Wash member of the Jurassic Morrison formation and ore bodies have been developed near exposures of the Salt Wash member in Summit Canyon, about four miles northeast of the property boundaries. Test drilling of the type proposed by the applicant discovered at least two ore bodies of significant size. There is also data from

Approved by
DMEA Operations Committee
10-14-57

company drilling on the Denney lease showing a favorable area map inferred across the southern portion of this tract. The remainder of the ground included in the Denney lease is considered worthy of exploration since large ore bodies, lithologically similar, are known to exist nearby, and it is therefore recommended that the program suggested by the examining team in this report be approved on the Denney lease.

The recommended program will require three stages with a maximum of 5,800 feet of core drilling and 34,000 feet of non core drilling at an estimated overall cost of $105,540.20. Government participation at 75 percent would be $79,155.15.

The results obtained from drilling on the Carr property are considered unfavorable and the examining team feels there is not enough information to properly evaluate the ground. It is, therefore, recommended that the Carr lease, DMEA 4762, be denied without prejudice until discovery of favorable or mineralized ground by subsequent drilling. I concur with the conclusions and recommendations of the examining team.

D. R. Shawe, U. S. Geological Survey project geologist for the Slick Rock mining district, supplied much information concerning the applicant's property, and the Atomic Energy Commission was contacted relative to the appraisal of the area. Memorandum of review by James Paone, U. S. Bureau of Mines, and N. E. Nelson, U. S. Geological Survey, were noted.

Enclosed are 10 copies each of figures 1 and 2 and 24 copies of figure 3, claim map of the Denney lease (Wild Horse group) showing existing drill holes and locations of proposed stage I drilling holes, Maxim Exploration Company, for inclusion in a possible contract.

J. William Hasler

J. William Hasler,
Geologist

JWH/mlr

Enclosures
Figs. 1 & 2 (10)
Fig. 3 (24)

FOR UNITED STATES GOVERNMENT USE ONLY

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

TRANSMITTED

OCT 17 1957

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY EXAMINING TEAM
REGION III

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DATE	INITIALS	CODE

DMEA 4759 and 4762

Maxim Exploration Company

Denney and Carr Leases

San Juan County, Utah

Uranium

Joint Geologic and Engineering Report

by

F. R. Shawe
Geological Survey

H. F. Robertson
Bureau of Mines

September 1957

Reviewed by
DATA CLASSIFICATION
10-14-57

DMEA 4759 and 4762
MAXIM EXPLORATION COMPANY
DENNEY AND CARR LEASES
SAN JUAN COUNTY, UTAH

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Joint Geologic and Engineering Report

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DMEA 4759 and 4762
MAXIM EXPLORATION COMPANY
DENNEY AND CARR LEASES
SAN JUAN COUNTY, UTAH

INTRODUCTION AND SUMMARY

Maxim Exploration Company, a limited partnership, 901 Sherman Street, Denver 3, Colorado, applied on May 20, 1957 for Defense Minerals Exploration Administration aid to explore for uranium on approximately 1,040 acres of leased ground at the southwestern edge of the Slick Rock mining district. The property consists of two homestead plats, less than a mile apart, known as the "Carr lease" and the "Denney lease". An application was submitted for each of the two properties and was assigned docket numbers as follows: Carr lease, DMEA 4762 and Denney lease, DMEA 4759. Since the two applications are essentially identical, the examining team's recommendations concerning each are combined into a single joint report of examination.

Briefly, the applicant's proposed exploration programs are as follows:

(1) On the Carr property, DMEA 4762, a two-stage program requiring 33,040 feet of non-core drilling and 5,500 feet of core drilling is proposed. The estimated cost of the project is $106,150.00. Government participation at 75 percent would be $79,612.50.

(2) The applicant proposes to explore the Denney property, DMEA 4759, with a two-stage drilling program requiring 34,200 feet of non-core drilling and 5,700 feet of core drilling at an estimated cost of $113,090.

Government participation would be 75 percent or $84,817.50.

Both projects would involve drilling to an average depth of 700 feet to reach the potential ore-bearing beds.

A joint field examination was made on July 24, 1957 by a DMEA examining team consisting of F. R. Shawe, U. S. Geological Survey and H. F. Robertson, U.S. Bureau of Mines. The team was accompanied by Fred C. Hohne, consulting geologist representing the applicant.

The two properties are located at the head of Summit Canyon and, except where cut by the canyon, are on gently rolling, cleared and uncleared farm land. Rocks exposed in the canyon are the Dakota and Burro Canyon formations of Cretaceous age and the Brushy Basin member of the Morrison formation of Jurassic age.

The uranium-vanadium ore in the area has been found in the upper part of the Salt Wash member of the Jurassic Morrison formation, which is present on the subject property at depths averaging 700 feet. Commercial ore bodies have been developed near exposures of the Salt Wash member in Summit Canyon about four miles northeast of the property boundaries. Deep drilling of the type proposed by the applicant has discovered at least two ore bodies of significant size.

During December 1956 and January 1957, the applicant drilled nine holes on the Denney property and five holes on the Carr property.

Utilizing results from the nine holes on the Denney lease, a favorable area is inferred across the southern portion of the tract. The remainder of the ground included in the Denney lease is considered worthy of exploration since large ore bodies, lithologically similar, are known to exist

relatively nearby. It is therefore recommended that the application, DMEA 4759, Denney lease, be approved. The recommended three stage exploration program would require a maximum of 5,800 feet of core drilling and 34,800 feet of non-core drilling at an estimated overall cost of $105,540.20. Government participation at 75 percent would be $79,155.15.

The results obtained by the drilling on the Carr property are inconclusive and the examining team feels that there is not enough information to properly evaluate the ground as to its uranium potential. Therefore, it is recommended that the application, DMEA 4762, Carr lease, be denied without prejudice, pending discovery of favorable or mineralized ground on the tract of land.

ACKNOWLEDGMENTS

D. R. Shawe, U. S. Geological Survey project geologist for the Slick Rock district furnished much information concerning the applicant's property. The USGS, acting as a contractor for the Atomic Energy Commission was responsible for all Government exploratory drilling in the Slick Rock area and the results of such exploration were made available to the examining team.

Mr. Fred C. Hohne, consulting geologist retained by the applicant, accompanied the team during the examination.

Memoranda of review by James Paone, USBM, and N. E. Nelson, USGS, were noted.

LOCATION, TOPOGRAPHY, AND CLIMATE

The leased property controlled by the applicant is homesteaded agricultural land near Summit Canyon on the eastern edge of the Great Sage Plains (fig. 1). Since the homesteads are unpatented, lode mining claims, covering the ground concerned, were staked to protect the mineral rights. The two groups of unpatented lode mining claims comprise the property on which the exploration is proposed.

The two areas are located northwest of Dove Creek, Colorado, and are reached from Dove Creek by traveling northwesterly on U.S. Highway 160 about nine miles to its intersection with a county road called the "Ucolo" road; thence northerly about nine miles on the Ucolo road to the Carr property (DMEA 4762). The Denney property (DMEA 4759) is about one-half mile north of the Carr property. Monticello, Utah, the nearest uranium ore-buying station, is 30 miles west of the subject area. Monticello is 178 miles by surfaced highway from Grand Junction, Colorado, the nearest major supply center.

The claims are at an altitude of about 7,200 feet and cover a gently rolling Dakota sandstone surface. Both properties are cut deeply by canyons trending northeasterly into Summit Canyon. Temperatures and precipitation are normally moderate, and year-around surface operations are usually feasible. Delays may be experienced from January through March due to local snowstorms and freezing temperatures.

There are no unusual problems of labor, material supply, water, or transportation involved. The proposed work would be done by a drilling contractor.

HISTORY AND PRODUCTION

The Slick Rock district has been mined for vanadium for many years and for uranium since about 1942. Exploration of the area has discovered a number of substantial ore bodies. Most of the past production from the district has come from rim exposures and areas explored by relatively shallow drilling. From 1955 to date, exploratory drilling has been progressively deeper and has resulted in the discovery of several large ore bodies.

The Union Carbide Nuclear Company has discovered an ore body of 30,000 tons in what is known as the Wilson tract of land, about 2½ miles north of the Denney property (DMEA 4759). Another confirmed ore body of about 100,000 tons has been discovered about 3 miles southeast of the Denney property in a locality known as the State Line area. North American Oil and Uranium Company (DMEA 4013) reportedly discovered a large ore body about 1½ miles north of the Denney lease but reliable data concerning the discovery are not available.

There has been no production from any of these later discoveries but Union Carbide and Nuclear Company is presently doing shaft work to mine the ore bodies indicated by their drilling.

No uranium ore has been produced from either of the properties concerned by the two subject applications.

OWNERSHIP AND EXTENT

The ownership of the two properties is discussed separately since the application on the Denney lease (DMEA 4759) will be recommended for approval and the application on the Carr lease (DMEA 4762) recommended for denial.

Denney lease (DMEA 4759)

The Denney property is a homestead in San Juan County, Utah, in which the homesteader has staked lode mining claims, called the Wild Horse group. All claims in the group are within the homestead boundaries with the exception of the Wild Horse Nos. 22 and 23.

The property lies in sections 28, 33, and 34, T. 32 S., R. 26 E., SLM, and the claim location notices recorded at Monticello, the county seat of San Juan County, Utah.

Recording data is as follows:

Claim name	Locator	Location Date	Recorded Date	Recorded Book	Recorded Page
Wild Horse 1-9 incl.	Glenn Denney	10-12-56	11-8-56	146	59-63 incl.
Wild Horse 13-23 incl.	" "	10-12-56	11-8-56	146	63-68 "

The above Wild Horse claims were leased to the Anschutz Drilling Company, Inc. by the locator on November 27, 1956. Anschutz Drilling Company then entered into an exploration and mining agreement with the applicant. As long as the provisions of the agreement are met, Maxim Exploration Company controls the subject property.

Since both properties are included in a single lease, the Form MF-205, Consent to Lien, will need the signature of Glenn M. Denney, Walter R. Carr, Donald L. Carr, and their respective wives. A consent to lien will also be required from Anschutz Drilling Company.

Carr lease (DMEA 4762)

The Carr property is also a homestead in San Juan County, Utah, in which the homesteader has staked lode mining claims. This plat of ground is located about one-half mile south of the Denney property in sections 4 and 9, T. 33 S., R. 26 E., SLM., and the claim location notices recorded at the San Juan County courthouse. The recording data as detailed in the applicant's brochure was verified by an inspection of the records.

Discrepancies between the list of claims and the claim map submitted with the application were noted but, since no work will be proposed on the subject property, no further attempt was made to obtain either a corrected claim map or a corrected list of claims included for subordination.

PRESENT STATUS

Exploration and Development

A limited amount of drilling was done during December 1956 and January 1957 on both of the properties concerned under the applications. Nine holes were drilled on the Denney property at the locations shown on figure 3. Inspection of the applicant's drill logs indicates that 2 holes (D-1 and D-4) were not drilled deep enough and cannot be classified, 3

holes (D-2, D-9, and D-6) are semifavorable, and 4 holes (D-3, D-8, D-7, and D-5) are favorable (including the 3 mineralized). Hole D-3 was probed by the DMEA gamma-ray logging unit and contains 6.2 feet of ore-grade material averaging 0.36 percent eU_3O_8 at a depth of about 650 feet. The favorable holes are more or less grouped in the southern part of the claim group and lead to the inferrence of a belt of favorable ground trending northwest across the property.

Five holes were completed on the Carr property during the same period. Results obtained by the drilling show the area to be generally unfavorable for the occurrence of significant deposits. However, most of the ground is unexplored and evaluation of the entire property is not possible.

Mining Equipment and Other Facilities

No mining has been done on either the Denney property or the Carr property. Previous exploration was done by an independent contractor furnishing his own equipment, materials, and labor. The proposed exploration drilling would be done in the same manner.

Access roads into the properties are numerous and reasonably well maintained since the land is mostly being actively farmed. Housing facilities are available near either of the subject properties.

GEOLOGY

Three formations are exposed in the vicinity of the Denney and Carr leases; they are, from oldest to youngest, the Morrison formation of Jurassic age, the Burro Canyon formation of Cretaceous age, and the Dakota formation also of Cretaceous age (fig. 2).

The Morrison has two members in this area, a lower Salt Wash member and an upper Brushy Basin member. The Salt Wash member in this area consists of interbedded sandstones and mudstones. Sandstones are from less than 10 feet thick to over 50 feet thick and generally show festoon bedding; the mudstones are generally much more thinly bedded, though massive mudstones are present in a few places. Three of the thick sandstone beds are present at the Denney and Carr leases; these 3 sandstone beds are locally called the lower rim sand, the middle rim sand, and the upper rim sand. The upper rim sand is the most favorable ore-bearing horizon. The Salt Wash member of the Morrison formation is about 250 feet thick and the upper rim sand which is at the top of the member is about 40 to 60 feet thick.

Overlying the Salt Wash is the Brushy Basin member of the Morrison formation. It is an interbedded sandstone and mudstone unit with very minor thin discontinuous limestone lenses and chert pebble layers. On the Denney lease this member is about 350 feet thick. The Burro Canyon formation overlies the Morrison formation, and the Dakota formation overlies the Burro Canyon formation. Both the Burro Canyon and Dakota are sandstone in this vicinity and the contact between them is difficult to detect.

They are mapped as a single unit on figure 2. Much of the Dakota formation has been removed by erosion. An aggregate thickness for the two units on the Denney lease is slightly more than 200 feet.

The area is generally one of flat lying strata; dips of more than 2 degrees are rare in the immediate vicinity. The crest of the Dolores anticline is about 3 miles to the northwest, but this area is little or not at all affected by folding. The applicant mentions a "large fracture or fault zone" being penetrated by drill hole D-2 (fig. 2), but this interpretation is based entirely upon plug-bit cuttings and is tenuous at best.

ORE DEPOSITS

No ore deposits are known on the Denney and Carr leases. One hole on the Denney lease, D-3, was probed by the U.S. Geological Survey and showed 6.2 feet of ore-grade material of an average grade of 0.36 percent eU_3O_8. D-8, an offset hole to D-3 was sampled from between 647 and 649 feet and showed an average of 0.06 percent U_3O_8: D-7, another offset hole to D-3 was probed by the applicant and showed weak mineralization. None of the holes drilled on the Carr lease cut any mineralized material so no ore can be inferred on the Carr property.

Several ore deposits are known in the general vicinity of the Denney and Carr leases. The closest of these ore deposits to the applicant's properties are Union Carbide Nuclear Company's Wilson Tract with an estimated reserve of about 30,000 tons, and State Line area with an

estimated reserve of about 100,000 tons. The average U_3O_8 content of these ores is from about 0.30 percent to about 0.35 percent. The Wilson tract is about 1½ miles north of the Denney lease and the State Line area is about 1½ miles east of the Carr lease. The so-called Knuckles ore deposit belonging to North American Uranium Corporation has never been proven and does not appear to be as large as indicated by the applicant ($70 million reserve). These ore deposits, and the ore deposits in the Slick Rock district just to the east of this area seem to follow elongate "favorable areas" that trend from a westerly to a northwesterly direction. These favorable areas are recognized by the bleached appearance and porous nature of the sandstones, the abundance of carbon trash, and a green alteration area in the mudstone beneath the favorable area. The size of the ore deposits is roughly proportional to the size of the favorable area.

D. R. Shawe, U.S. Geological Survey project geologist for the Slick Rock district, examined the drill hole logs supplied by the applicant and from these logs inferred a northern boundary for a favorable area on the Denney lease. The favorable area trends about N. 60° W. across the southern part of the Denney lease (fig. 2). However, the field examination showed that the drill-hole logs supplied by the applicant are poor logs and the inferred boundary of this favorable area is tentative. No favorable lithologies were noted in the logs from the Carr lease.

PROPOSED EXPLORATION

An exploration program for the Carr lease (DMEA 4762) and one for the Denney lease (DMEA 4759) were submitted by the applicant.

Under the applicant's proposal, the Carr lease (DMEA 4762) would be explored in two stages. Stage I would consist of 31 holes drilled on 800-foot centers along east-west fences that are 1,600 feet apart. Stage II would consist of not more than 24 holes drilled to offset any of the Stage I drill holes that were in ore or highly mineralized ground. Holes would be drilled by plug-bit for about 600 feet and then cored to bottom at about 700 feet. Estimated cost of this proposal is $106,150.00; Government participation at 75 percent would be $79,612.50.

The examining team feels that there is not sufficient information available to evaluate this property and will recommend that the application on the Carr lease (DMEA 4762) be denied without prejudice.

The applicant proposed to explore the Denney lease (DMEA 4759) with 57 holes drilled in two stages. Stage I would consist of 7 holes drilled to offset the applicant's drill hole (D-3, fig. 2) plus 5 additional holes to establish an ore trend, and 25 holes drilled on 800-foot centers along east-west fences that are 1,000 feet apart. Stage II would consist of not more than 20 holes drilled to offset any ore-bearing or strongly mineralized holes drilled in Stage I. The applicant proposed, because of the difficulty in determining the Brushy Basin-Salt Wash contact, coring from "relative elevation" of 5,433 feet. The holes would average about

700 feet deep and would be cored an average of about 100 feet per hole. The estimated cost of this program is $113,090.00; Government participation at 75 percent would be $84,817.50.

An alternate exploration program for the Denney lease (DMEA 4759) was discussed with Mr. Fred Hohne and Mr. J. H. Cazier, representatives of the applicant, who indicated the applicant would be amenable to the alternate exploration program.

A three-stage drilling program for the Denney property will be recommended for approval and is described below.

Stage I consists of a total of 18 holes located as shown on figure 3. The first stage is designed to locate and roughly delineate the areas most favorable for uranium. Three north-south fences contain holes on 1,000-foot centers and require 14 of the initial drill holes. The four remaining holes are located around a known ore hole to furnish information which will be very important in determining the advisability of subsequent drilling.

The drill holes in the first stage will average 700 feet in depth with each hole requiring an estimated 600 feet of non-core drilling and 100 feet of core drilling. The holes will be plug-bit drilled to a point within ten feet of the estimated top of the ore-bearing sandstone, then core drilled through the sandstone, underlying green mudstone, and a maximum of 15 feet of red mudstone.

Stage II drill holes will offset, on 500-foot centers, any first stage hole containing strongly mineralized or ore grade material and will require

Government approval before being drilled. A maximum of 20 holes, averaging 700 feet in depth, are allocated to this stage and should suffice to explore the most favorable parts of the property as indicated by the initial stage of drilling. As in the previous stage, each hole will be non-core drilled an estimated 600 feet and core drilled an estimated 100 feet.

Stage III holes are planned to offset, on 250-foot centers, any previously drilled hole containing a significant amount of ore-grade material. Provision is made for a maximum of 20 holes averaging 700 feet in depth to be used in the final stage of exploration. Completion of this stage should reasonably delineate any ore bodies having commercial possibilities.

A summary of the estimated drilling footages required for the proposed project follows:

	No. of Holes	Non-core feet	Core feet	Total feet
Stage I	18	10,800	1,800	12,600
Stage II	20	12,000	2,000	14,000
Stage III	20	12,000	2,000	14,000
Totals	58	34,800	5,800	40,600

The applicant submitted three independent contractor's bids on the proposed work. The calculated overall drilling costs, using each contractor's bid, are shown below.

Contractor and Item	Unit Price	Feet	Cost	Total for Project
Farm-A-Drill, Inc.				
non-core	$1.80	34,800	$62,640.00	
core	6.00	5,800	34,800.00	
				$97,440.00
The Fritz-Erickson Mining Co.				
non-core	$1.95	34,800	$67,860.00	
core	5.00	5,800	29,000.00	
				$96,860.00
American Drilling Company				
non-core	$2.00	34,800	$69,600.00	
core	5.00	5,800	29,000.00	
				$98,600.00

Since the bid of The Fritz-Erickson Mining Company gives the lowest overall cost, it is used in the computation of the estimated cost of the proposed project.

ESTIMATED COSTS OF PROPOSED PROGRAM

Stage I (18 holes averaging 700 feet in depth)

Estimated time for completion 1.7 months
Basis - 2 drill rigs - 1 shift per day
25 days per month - 150 feet per day per rig

(1) Independent Contracts

Drilling			
non-core	10,800 feet at $1.95/ft.	$21,060.00	
core	1,800 feet at $5.00/ft.	9,000.00	
Bulldozing	100 hrs. at $12.00/hr.	1,200.00	
Total independent contracts			$31,260.00

(2) Supervision and Technical Services

Geological and engineering services 1.7 months at $700/mo.	$ 1,190.00

(3) Operating Materials and Supplies

Office and field supplies
1.7 months at $100/mo. $ 170.00

(4) Operating Equipment

Depreciation:

1 vehicle valued at	$2,200
1 hole probing unit	800
	$3,000

Depreciation on 60 month basis

$\frac{3,000}{60}$ = $50.00 per month

Depreciation for 1.7 months $ 85.00

(7) Miscellaneous

Direct accounting costs 1.7 months at $50/mo.	$ 85.00	
Payroll taxes and insurance 1.7 months at $56/mo.	95.20	
Chemical analysis for U_3O_8 and V_2O_5 18 samples at $5.00 each	90.00	
Core boxes-180 at $1.25 each	225.00	
Total miscellaneous		$ 495.20

Total estimated cost of Stage I $33,200.20

Incidental allowance (total costs less independent contracts, core boxes, and chemical analyses)

$\frac{\$1,625.20}{12,600 \text{ ft.}}$ = $0.13 per foot

Stage II (20 holes averaging 700 feet in depth)

Estimated time for completion - 2.0 months

(1) Independent Contracts

Drilling			
non-core	12,000 feet at $1.95/ft.	$23,400.00	
core	2,000 feet at $5.00/ft.	10,000.00	
Bulldozing	50 hrs. at $12.00/hr.	600.00	
Total independent contracts			$34,000.00

(7) Miscellaneous

Chemical analyses for U_3O_8 and V_2O_5		
20 samples at $5.00 each	$ 100.00	
Core boxes-200 at $1.25 each	250.00	
Total miscellaneous		$ 350.00

Fixed Unit Costs (all costs less independent contracts chemical analyses, and core boxes)

Incidental allowance	
14,000 feet at $0.13 per foot	$ 1,820.00
Total estimated cost of Stage II	$36,170.00

Stage III (20 holes averaging 700 feet in depth)

Estimated time for completion - 2.0 months

Drilling footage allocated to Stage III is the same as that for Stage II so the total estimated costs are equal.

Total estimated cost of Stage III $36,170.00

A summary of the estimated costs of the proposed program is as follows:

Stage	No. of Holes	Aver. Depth	Core feet	Plug feet	Total feet	Overall Cost
I	18	700	1,800	10,800	12,600	$33,200.20
II	20	700	2,000	12,000	14,000	36,170.00
III	20	700	2,000	12,000	14,000	36,170.00
Total	58	700	5,800	34,800	40,600	$105,540.20

Average overall cost per foot	$ 2.60
Government participation at 75 percent	$ 79,155.15
Estimated time for completion of project	5.7 months

CONCLUSIONS AND RECOMMENDATIONS

The subject properties are located in an area which is generally favorable for large uranium deposits. Specific information on the properties concerned indicate that the Denney property is more favorable than the Carr property. The examining team's recommendations on the two applications are separately summarized below.

Denney Lease (DMEA 4759)

The results of the applicant's drilling on the southern part of the Denney property indicate favorableness for uranium deposition. The ore hole, D-3, containing 6.2 feet of ore averaging 0.36 percent eU_3O_8, confirms the favorableness of the ground and justifies further exploration. Several large ore bodies are known in the general vicinity of the property - the nearest being Union Carbide Nuclear Company's Wilson tract about 1½ miles north. This deposit has an estimated reserve of about 30,000 tons of uranium ore averaging about 0.30 percent U_3O_8. The ore is found in an upper sandstone of the Salt Wash member of the Jurassic Morrison formation.

On the basis of the favorableness of the area and the indications of mineralization in the ore-bearing sandstone underlying the Denney property, it is recommended that the application for DMEA participation be approved. The estimated overall cost of the recommended program is $105,540.20 with Government participation of 75 percent or $79,155.15.

The proposed drilling program will require very close supervision by a competent geologist or engineer in order to stay within allowable limits of the non-core and core drilling intervals.

Carr Lease (DMEA 4762)

Very little information is available to evaluate the property concerned by this application. None of the five holes drilled by the applicant penetrated mineralization or indicated that the potential ore horizon was favorable for uranium deposition. The favorableness of the Denney property about one-half mile north does not necessarily extend to the Carr property.

It is recommended that the application under DMEA 4762 be denied without prejudice, pending discovery of favorable or mineralized ground on the property.

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
SEPTEMBER 1957
DOCKETS 4759 AND 4762

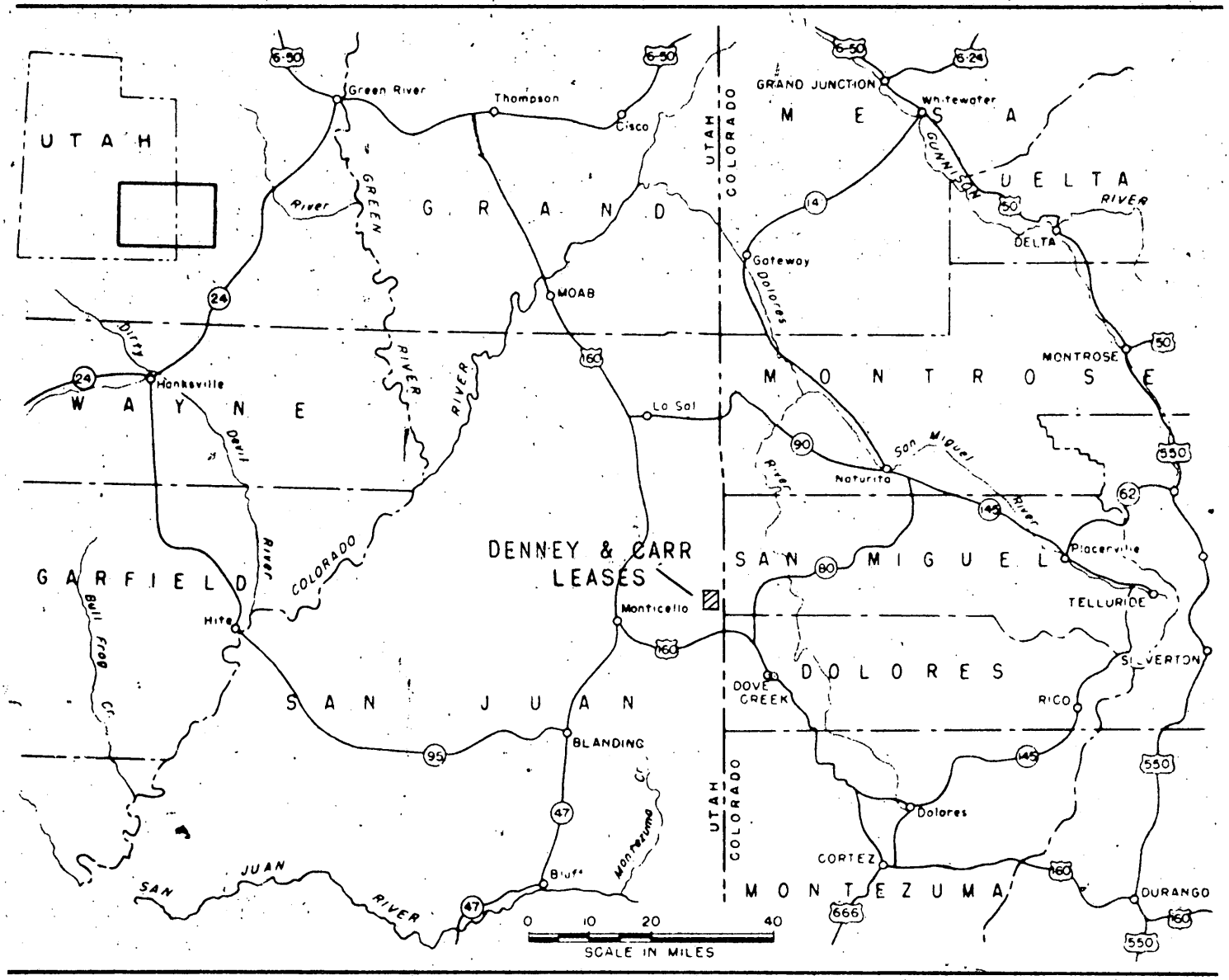

FIGURE 1.--INDEX MAP OF PART OF THE COLORADO PLATEAU REGION SHOWING THE LOCATION OF THE DENNEY LEASE (WILD HORSE GROUP) AND CARR LEASE (HOMESTEAD GROUP). MAXIM EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH.

Official

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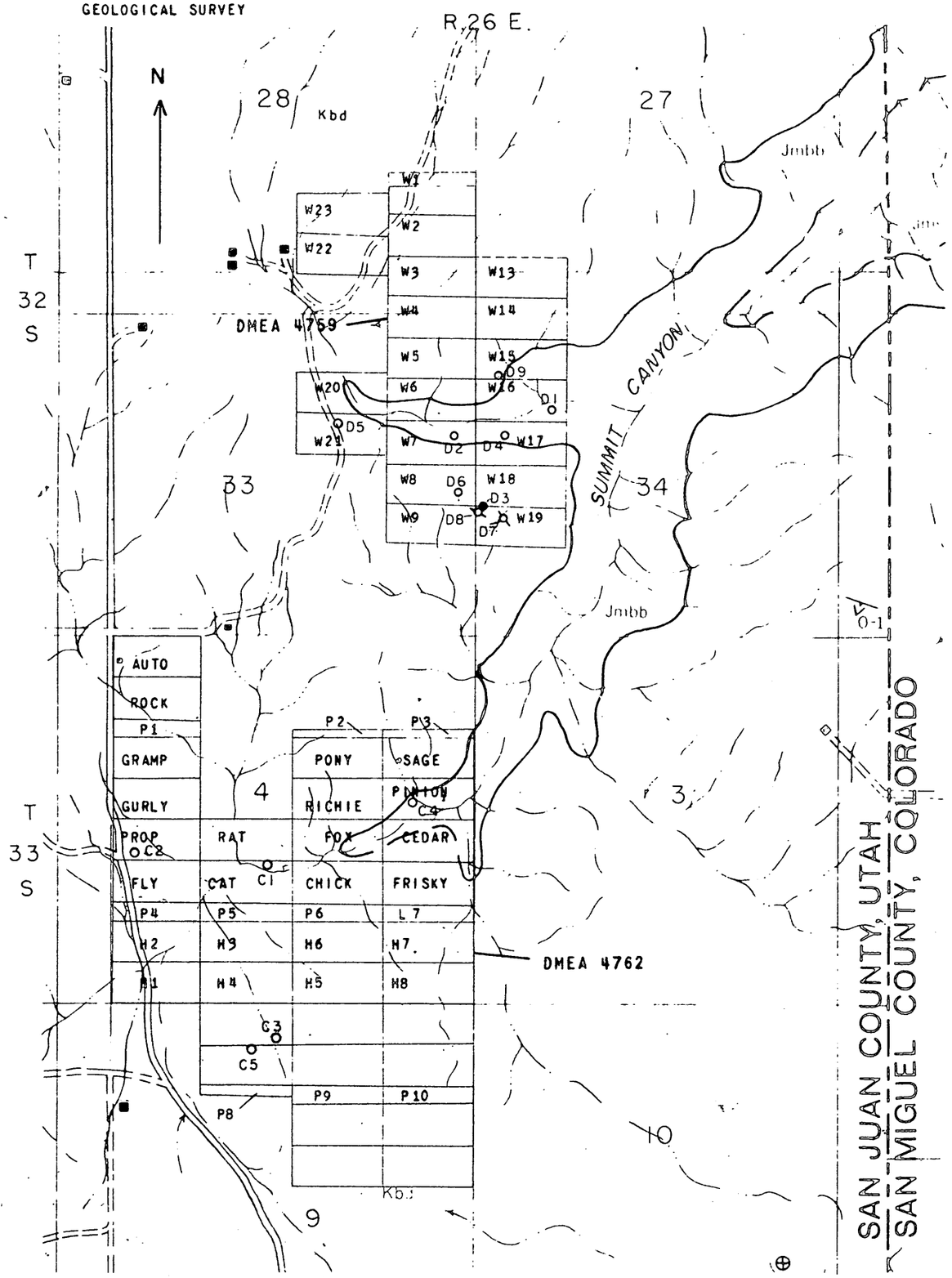
DMEA
RECEIVED OCT 10 1957

DATE	INITIALS	CODE

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
SEPTEMBER 1957 DOCKETS 4759 & 4762



EXPLANATION

Kbd — CRETACEOUS BURRO CANYON FORMATION AND CRETACEOUS DAKOTA SANDSTONE UNDIFFERENTIATED

Jmbb — BRUSHY BASIN MEMBER OF JURASSIC MORRISON FORMATION

Jms — SALT WASH MEMBER OF JURASSIC MORRISON FORMATION

CONTACT, DASHED WHERE INFERRED OR INACCURATELY LOCATED

STRIKE AND DIP OF BED

HORIZONTAL BED

IMPROVED ROAD

UNIMPROVED ROAD

CLAIM (PREFIX W-INDICATES WILD HORSE CLAIMS; H-HOMESTEAD CLAIMS; P-PAT CLAIMS; BLANK-NAME UNKNOWN)

DRILL HOLES; HOLES DRILLED BY APPLICANT ARE MARKED WITH LETTER D (DENNEY LEASE) AND C (CARR LEASE)

- ● ORE-BEARING
- ⊘ SLIGHTLY MINERALIZED
- ○ BARREN

Note: GEOLOGY FROM PHOTOGEOLOGIC MAP OF VERDURE I QUADRANGLE, U.S.G.S. CLAIMS COMPILED FROM APPLICANTS MAPS.

2000 0 4000 FEET

FIGURE 2.—GEOLOGIC MAP OF THE DENNEY AND CARR LEASES AND VICINITY, MAXIM EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH.

1

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D M E A
RECEIVED OCT 10 1957

DATE	INITIALS	CODE

Official

EXTRA COPY
D M E A
RECEIVED OCT 10 1957

DATE	INITIALS	CODE

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR
OCT 3 - 1957
REGION III
DENVER, COLORADO

MINERAL DEPOSITS DATA
RECEIVED
OCT 1 1957
U. S. GEOLOGICAL SURVEY
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colo.

September 27, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. William Hasler
E. N. Harshman

TRANSMITTED
OCT 7 1957

From: H. F. Robertson
D. P. Elston

Subject: Docket DMEA 4759 (Uranium), Maxim Exploration Company, (Denny Lease), San Juan County, Utah.
Revision of proposed exploration program

A re-evaluation of the exploration program recommended by the examining team in the joint geologic and engineering report on the subject property has been reviewed. It is recommended that the following modifications be made:

Official
DMEA
RECEIVED OCT 10 1957

DATE	INITIALS	CODE

(1) Deletion of one stage I drill hole in the northwestern part of subordinated ground. (See revised figure 3.)

(2) A slightly revised stage I drill hole pattern as shown on the accompanying map (revised figure 3), copies of which are enclosed for utilization in the report of examination and possibly for inclusion in a contract.

(3) The recommendation that stage II drill holes be utilized to extend favorable ground found by stage I drilling as well as allowing stage II drill holes to offset holes that penetrate strongly mineralized or ore-grade material.

(4) An added provision in stage III to permit a possible reduction of the cored interval.

The deletion of one drill hole from the program originally proposed will reduce the total estimated cost to $103,757.10. Government participation at 75 percent would be $77,817.83.

The following is the revised description of the recommended drilling program originally described on pages 13-14 of the report of examination.

Stage I consists of a total of 17 holes located as shown on revised figure 3. The first stage is designed to locate and roughly delineate the areas that are potentially the most favorable for the presence of significant uranium-vanadium deposits. Three north-south fences, containing holes on about 1,000-foot centers, utilize 13 of the initial drill holes. The four remaining holes are located around a known ore hole; the drilling of these will furnish information that will be important in determining the advisability of subsequent drilling.

The drill holes in the first stage will average 700 feet in depth with each hole requiring an estimated 600 feet of non-core drilling. The holes are to be plug-bit drilled to a point about 10 feet above the estimated top of the ore-bearing sandstone, then core drilled through the sandstone, underlying green mudstone, and a maximum of 15 feet of red mudstone.

Stage II drill holes will offset, on about 500-foot centers, first stage holes that penetrate strongly mineralized or ore-grade material, or are to be located so as to extend favorable ground. Such holes will require Government approval before being drilled. A maximum of 20 holes, averaging 700 feet in depth, are allocated to this stage and should suffice to explore the most favorable parts of the property as indicated by previously drilled holes. Each hole will be non-core drilled an estimated600 feet and core drilled an estimated 100 feet.

Stage III holes are planned to offset, on about 250-foot centers, previously drilled holes containing a significant amount of ore-grade material. Provision is made for 20 holes averaging 700 feet in depth to be used in the final stage of DMEA assisted exploration. Completion of this stage should reasonably delineate any ore deposits having commercial possibilities. For the purpose of estimating contractual costs, each hole is estimated to be non-core drilled for 600 feet and core-drilled for 100 feet. However, provision should be made in the third stage to permit a reduction of the interval to be cored with possibly a lessening of the total depth. This could easily reduce the coring interval and coring costs by about one-half and also might result in somewhat shallower holes, dependent upon where the ore zone is in the section.

A summary of the estimated drilling footages required for the proposed project as modified follows:

	No. of Holes	Non-core feet	Core feet	Total feet
Stage I	17	10,200	1,700	11,900
Stage II	20	12,000	2,000	14,000
Stage III	20	12,000	2,000	14,000
	57	34,200	5,700	39,900

Estimated Costs of Modified Program

Stage I (17 holes averaging 700 feet in depth)
Estimated time for completion 1.6 months
Basis - 2 drill rigs - 1 shift per day,
25 days per month,
150 feet per day per rig

(1) Independent Contracts
Drilling:

Non-core	10,200 feet at $1.95/foot	$19,890.00	
Core	1,700 feet at $5.00/foot	8,500.00	
Bulldozing	100 hours at $12.00/hour	1,200.00	
Total independent contracts			$29,590.00

(2) Supervision and Technical Services
Geological and engineering services:
1.6 months at $700.00/month 1,120.00

(3) Operating Materials and Supplies
Office and field supplies:
1.6 months at $100.00/month 160.00

(4) Operating Equipment
Depreciation:
1 vehicle valued at $2,200.00
1 hole probing unit 800.00
$3,000.00

Depreciation on 60-month basis
$\frac{3000}{60}$ = $50.00 per month
Depreciation for 1.6 months 80.00

(7) Miscellaneous

Direct accounting costs		
1.6 months at $50/month	$80.00	
Payroll taxes and insurance		
1.6 months at $56/month	89.60	
Chemical analyses for U_3O_8 and V_2O_5		
17 samples at $5.00 each	85.00	
Core boxes - 170 at $1.25 ea.	212.50	
Total Miscellaneous		$467.10

Total estimated cost of stage I 31,417.10

Incidental allowance (total costs less independent contracts, core boxes, and chemical analyses). $\frac{\$1,529.60}{11,900 \text{ feet}}$ = $0.13 per foot.

Stage II (20 holes averaging 700 feet in depth)
Estimated time for completion 2.0 months

(1) Independent Contracts

Drilling		
Non-core 12,000 feet at $1.95/foot	$23,400.00	
Core 2,000 ft. at $5.00/foot	10,000.00	
Bulldozing 50 hours at $12.00/hour	600.00	
Total Independent Contracts		$34,000.00

(7) Miscellaneous

Chemical analyses for U_3O_8 and V_2O_5		
20 samples at $5.00 ea.	100.00	
Core boxes - 200 at $1.25 ea.	250.00	
Total Miscellaneous		350.00

Fixed Unit Costs

Incidental allowance	
14,000 feet at $0.13 per ft.	1,820.00
Total estimated cost of stage II	$36,170.00

DMRA 4759 9/27/57

Stage III (20 holes averaging 700 feet in depth)
Estimated time for completion 2.0 months

Drilling footage allocated to stage III is the same as that for Stage II; so the total estimated costs are equal.

Total estimated cost of stage III $36,170.00

A summary of the estimated costs of the modified program is as follows:

Stage	No. of holes	Average depth	Core feet	Plug feet	Total feet	Overall cost
I	17	700	1,700	10,200	11,900	$31,417.10
II	20	700	2,000	12,000	14,000	36,170.00
III	20	700	2,000	12,000	14,000	36,170.00
Total	57	700	5,700	34,200	39,900	$103,757.10

Average overall cost per foot 2.60
Government participation at 75 percent 77,817.83
Estimated time for completion of project ..... 5.6 months

H. F. Robertson

H. F. Robertson,
Mining Engineer, USBM

D P Elston

D. P. Elston,
Geologist, USGS

DPE/mlr

Enclosure
Fig. 3

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 28 1957

DATE		CODE
6-28	C	220
"	FGK	700

224 New Customhouse
Denver 2, Colorado

Memorandum June 26, 1957

To: J. W. Kasler) W/enclosures, Items 2-5, Below
DMEA/G. Jct.) W/enclosures, Items 1-6, Below

From: DMEA Field Team, Region III

Subject: Docket DMEA 4762 (Uranium) Maxim Exploration Company (Homestead Claims, et al.) San Juan County, Utah

Enclosed is the following material relating to the subject docket:

1. Copy of application for Government assistance in exploration work under the DMEA program.
2. Letter dated June 20, 1947, to the Applicant from the Administrator, DMEA.
3. Memorandum of Review by James Paone, USGS.
4. Memorandum of Review by N. E. Nelson, USGS.
5. Letter of transmittal of the foregoing to this office, dated June 20, 1957, from the Chairman, Operating Committee, DMEA.
6. Routing Control Sheet.

A field examination of the property and a joint report of findings and recommendations pertaining to the Applicant's work proposal are requested.

If the field examiners view the project proposal favorably, the Applicant should be instructed that we will require it to obtain a set, six copies, of Form MF-205, Consent to Lien, signed by Walter R. Carr, Donald L. Carr, Mary L. Carr, and Shirley E. Carr and, also, a set signed by Anschutz Drilling Co., Inc. At the same time, the field examiners should inform this office of this action at once so that we may request the proper forms to be prepared for signature.

Twelve extra copies of each map used in the joint report which show the land to be subordinated and the location and extent of recommended work, relative to property boundaries, should be submitted if Government participation is recommended.

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

Original signed by
W. H. KING

W. H. King
Executive Officer

Enclosures

MHM:eh

cc: Sec. Op. Comm. (2)
Harshman W/enclosures, Items 2-5
DMEA/DFC
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/18	Knouse	700
6/18	Ellis	700
6/19	GCS	130
		130
6/19	Jensen	110
	Mattendorf	100
6/20	C	220
		700

JUN 20 1957

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

Re: Docket No. DMEA-4762 (Uranium)
Maxim Exploration Company
Homestead Claims, et al.
San Juan County, Utah

Dear Mr. King:

The captioned application is referred to Region III Field Team for investigation, a field examination if deemed advisable, and recommendations. You will note that we have requested some additional information from the Applicant that you may desire before scheduling a field examination.

Enclosed are copies of memoranda, dated June 13, 1957, from N. E. Nelson, USGS, and James Paone, BMM, relating to the proposed project. Also enclosed is an extra copy of the application for the use of the Field Team.

If the Field Team recommends an exploration project, we will require, in addition to the usual information, Consent to Lien and Subordination Agreement forms, executed by the Anschutz Drilling Company, Inc., and also by Walter R. Carr, Donald L. Carr, Mary L. Carr, and Shirley B. Carr, covering the property listed in the application.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

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

N. E. Nelson (GCS)
Member, Geological Survey

FLKnouse/gla/izm 6-18-57
cc to: Mr. Knouse
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

P.S. If the Field Team recommends work on both DMEA-4759 and DMEA-4762 by the same applicant and it is approved, DMEA will draw up a single contract covering both properties. A single common Consent to Lien and Subordination Agreement would then be in order.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/18	Knouse	700
6/18	Ellis	700
6/19	Jeffridge	130
6/19	Lamb	130
6/19	Nelson	130
"	Johnson	110
7/8	Mattendorf	100
		220
		700

JUN 20 1957

Mr. F. R. Anderson, General Partner
Maxim Exploration Company
901 Sherman Street, Suite 109
Denver 3, Colorado

Re: Docket No. DMEA-4762 (Uranium)
Homestead Claims, et al.
San Juan County, Utah

Dear Mr. Anderson:

The application for assistance in exploring your claims, under the captioned docket number, has been reviewed by the Division of Rare and Miscellaneous Metals of the Defense Minerals Exploration Administration. It has been referred to:

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

In the meantime, to speed the processing of your application, you should furnish a map (additions to Map "Exhibit 'C'" submitted with your application would be preferred) showing the locations of all the claims listed in your application. Claim locations listed in your application that are not shown on the map Exhibit "C" follow: Gurlie, Foy, Agnes, Trix, Goffer, Ray Boy, Shirley, Mary May, Mack, Lavern, (Homestead No. 2 listed in duplicate), Gearold, Donnie, Mickey, Mary Alice No. 2, Toots, (Homestead No. 1 listed in duplicate), Wendelin, (Mary Alice No. 2 listed in duplicate), Laddie, Debra, and Snip. Also, Fox and Gurly claims are shown on the map Exhibit "C", but are not listed in the application.

You should send three copies of this map to Mr. King at the above address and one copy to this office.

Sincerely yours,

C. O. Mattendorf (for)

Administrator

FLKnouse/gla/izm 6-18-57
cc to: Mr. Knouse
Admr.'s Reading File
DMEA FT Reg. 3 (2)

8623

OFFICIAL FILE COPY DMEA RECEIVED JUN 14 1957		
DATE	INITIALS	CODE
6/14	C	220
"	Ellis	700

[illegible]
[illegible]
[illegible]
Washington 25, D. C.

Date June 13, 1957

DMEA Docket No. 4762
DMEA Cost Sheet No.
Commodity Uranium
Name of applicant Maxim Exploration Company
Name of property Carr Lease
Location of property San Juan County, Utah
Estimated cost of project $106, 150.00

1. Ernest William Ellis, DMEA Member
Uranium Commodity Committee
2. James Paone, Bureau of Mines Member
Uranium Commodity Committee

3. Review of Application
(Application, Field Team Report, etc.)

4. Date of project document 6/11/57 5. Date received for review: 6/12/57

6. Information on this property known to reviewer: Yes [ ] No [ ]

7. Information on nearby properties known to reviewer: Yes [ ] No [ ]

8. Information available on post production: Yes [ ] No [ ]

9. Other pertinent factors known to reviewer: Yes [ ] No [ ]

10. Explain items marked yes above:

11. 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 [x]
c. Denial [ ]
d. Agree with Field Team [ ]
e. Consult with Dr. _____ at _____ AEC office.
g. Disagree with Field Team [ ]
f. Support alternate plan [ ]
g. Request another examination [ ]
h. Approval [ ]

10. Remarks: (Use back of page if necessary) DMEA 4759 and 4762 should be reviewed for possibility of combination inasmuch as much of the data is similar.

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
D M E A
RECEIVED JUN 14 1957

DATE	INITIALS	CODE
6/14	JWD	220
"	~~Ellis~~	700
"	Kuonse	
~~Memorandum~~	comments complete	

June 13, 1957
Re: DMEA 4762
Maxim Exploration Co.
Carr Lease
San Juan County, Utah
$106,150 - Uranium

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

Like in application 4759 (Denney lease), the applicant requests assistance in testing an area in the general vicinity of several producing and proven properties. The ore-bearing Salt Wash rocks do not crop out on the property and the nearest sign of mineralization is in drill holes in the Denney lease nearly a mile to the morth.

Five drill holes have been drilled at wide spacing. They were not probed and the strata they penetrated are not classified as favorable or unfavorable.

The drill holes proposed are widely spaced and of a prospective nature as are those proposed for the Denney lease by the same applicant.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

June 11, 1957

Maxim Exploration Company,
901 Sherman Street, Suite 109
Denver 3, Colorado

Subject: DMEA 4762

Gentlemen:

Your application for exploration assistance, dated May 20, 1957, submitted to our office at Denver, Colorado, has been assigned Docket Number DMEA 4762 and referred to the Rare and Miscellaneous Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region III

ORE ____ SEMI FAV.
MIN. ____ ____ UNFAV.
BARREN ____

HOLE NO. 3
PROJECT Bud Carr
LOCALITY Summitt Point CLAIM
COLLAR ELEV. 6005.1 DEPTH 675
COORDINATES
DATE COMPLETED 1-14-57
LOGGED BY WNL, YECH. DATE 1-14-57
RECOVERY 96 %

RECOVERY	GEOLOGIC COLUMN	LITHOLOGY	COLOR	TEXTURE	GRAIN COATINGS	CARBON	ORE MINERALS	MISCELLANEOUS	DEPTH
									600
		SS	Gy to Wh	Md.					
		Junked hole - Start plugging again.							
		SS	Gray	M				15% Rd MS	
								20% Rd MS Grn Chert	
								10% Rd MS	625
								2% Rd MS	
								Grn Chert	
								5% Rd MS	
		Rd	M					40% Rd MS	650
			M-C					Chert 20% Rd MS	
		Gray	M-C					20% Gray MS 5% Rd MS	
			M					Chert	
	Bottom								675
									700

ORE ____ ____ FAV.
MIN. ____ X UNFAV.
BARREN ____ Exhibit "B"

HOLE NO. 4
PROJECT Bud Carr
LOCALITY Summitt Point CLAIM
COLLAR ELEV. 5782.0 DEPTH
COORDINATES
DATE COMPLETED 1-10-57
LOGGED BY Lyons DATE 1-10-57
RECOVERY 100 %

RECOVERY	GEOLOGIC COLUMN	LITHOLOGY	COLOR	TEXTURE	GRAIN COATINGS	CARBON	ORE MINERALS	MISCELLANEOUS	DEPTH
									500
								Start Coring	
		Sh	Rd-Brn-Grn						
		SS	lt Brn	F	Calcite				
		Sh	Rd-Brn-Grn						
		SS	Drk Rd-Brn	F					525
		Sh	Drk Red	Minor	Grn.				
									550
									575

ORE ____ SEMI FAV.
MIN. ____ ____ UNFAV.
BARREN ____

HOLE NO. 5
PROJECT Bud Carr
LOCALITY Summitt Point CLAIM
COLLAR ELEV. 6002.5 DEPTH T.D. 665
COORDINATES
DATE COMPLETED 12-28-56
LOGGED BY WNL DATE 1-10-57
RECOVERY ____ %
PLUGGED

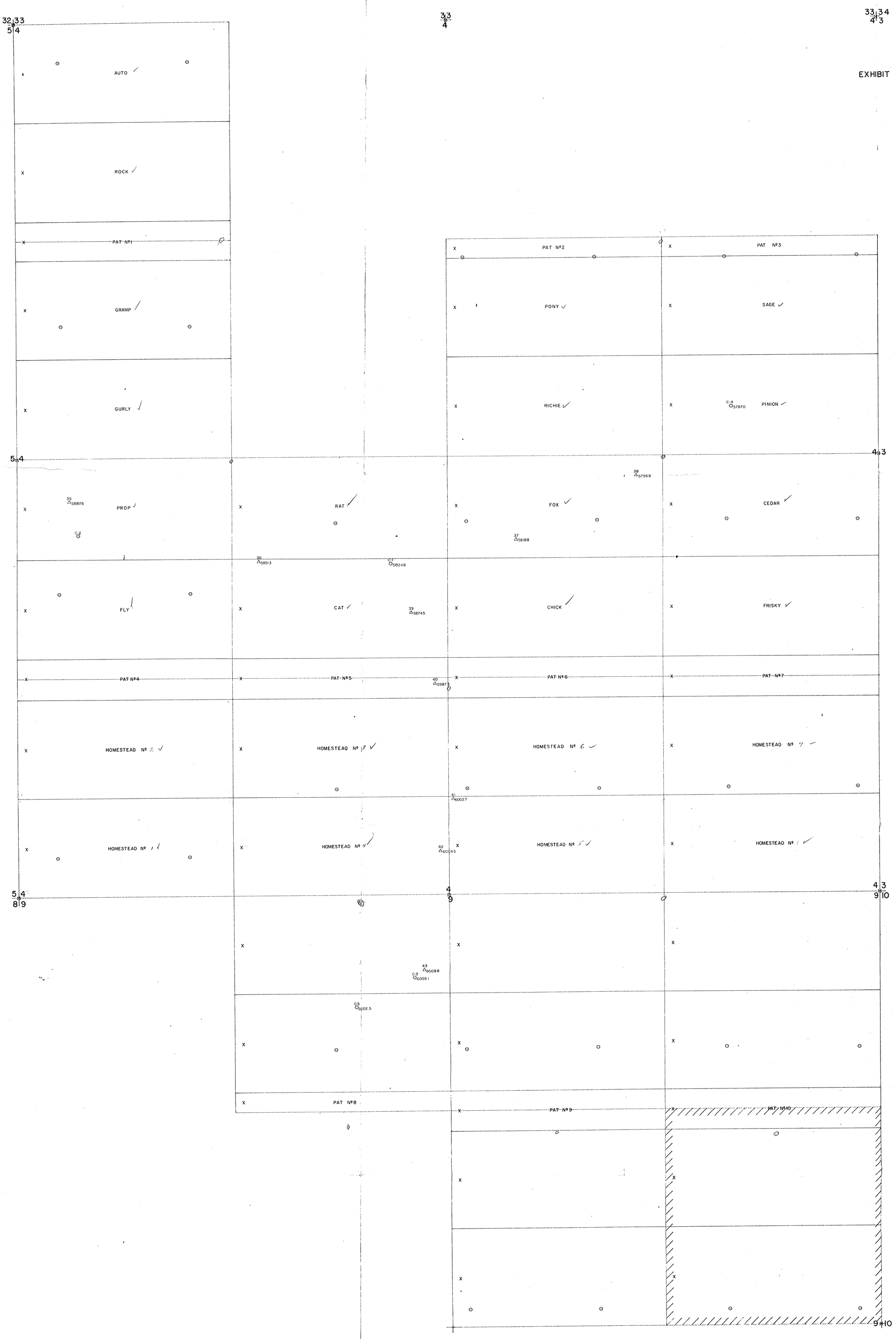
RECOVERY	GEOLOGIC COLUMN	LITHOLOGY	COLOR	TEXTURE	GRAIN COATINGS	CARBON	ORE MINERALS	MISCELLANEOUS	DEPTH
									500
									525
									550
									575
								Brushy Basin Salt wash	
		SS	Rd	Md					
		Sh	Rd-Minor Grn.						
									600

ORE ____ SEMI FAV.
MIN. ____ ____ UNFAV.
BARREN ____

HOLE NO. 5 (Cont)
PROJECT Bud Carr
LOCALITY Summitt Point CLAIM
COLLAR ELEV. DEPTH T.D. 665'
COORDINATES 6002.5
DATE COMPLETED 12-28-56
LOGGED BY WNL DATE 1-10-57
RECOVERY ____ %
PLUG-BIT

RECOVERY	GEOLOGIC COLUMN	LITHOLOGY	COLOR	TEXTURE	GRAIN COATINGS	CARBON	ORE MINERALS	MISCELLANEOUS	DEPTH
									600
		SS	Rd	M					
		Sh	Rd	Minor	Grn.				
		SS	lt Gy					Limonite altered feldspars	
			Pink to White						
									625
									650
		Sh	Rd						
									675

EXHIBIT "C"



SCALE
1" = 200'

BUD CARR PROPERTY MAP

Sec. 4 & 9, T 33S, R26E.

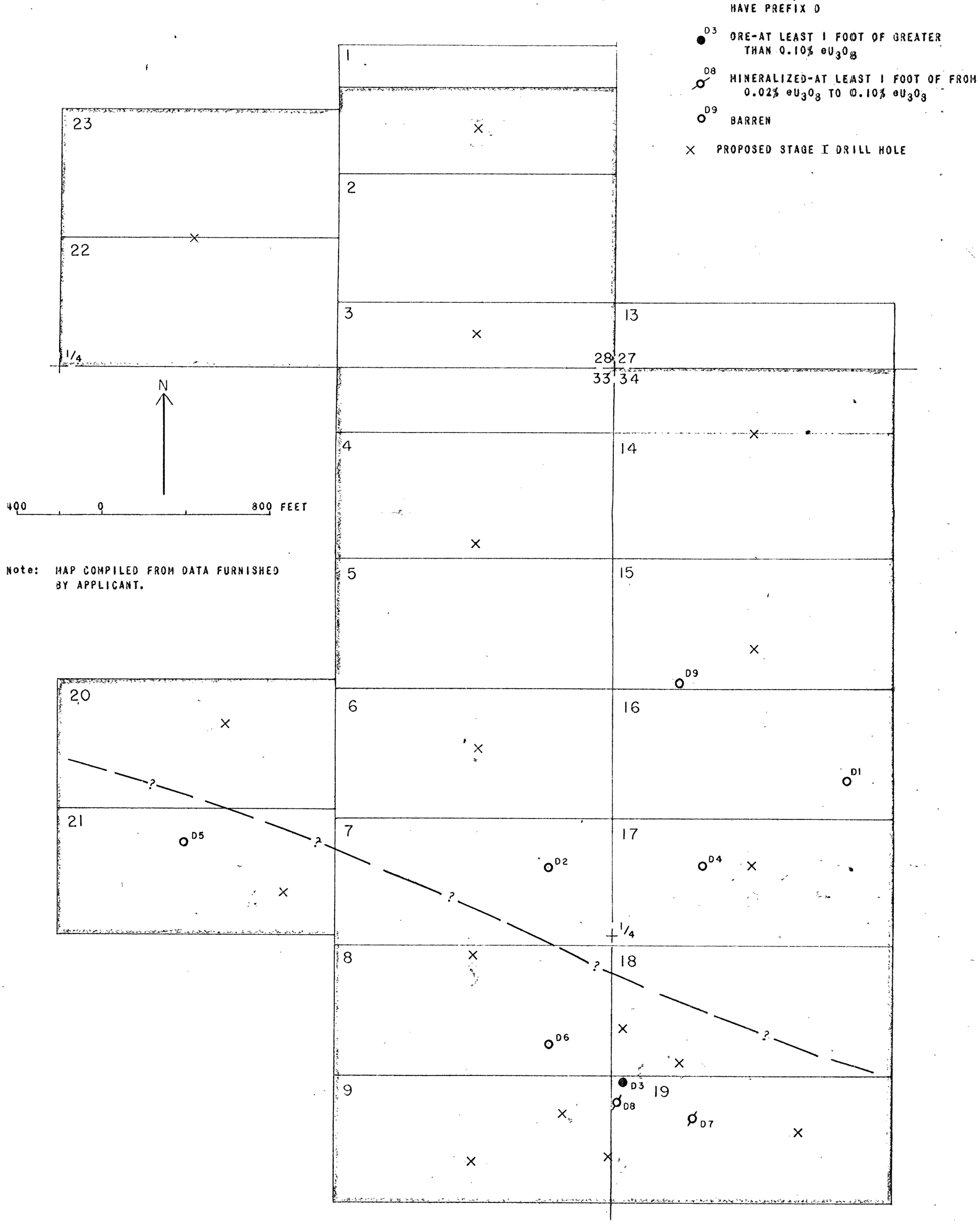
San Juan County, Utah

LOCATION NOTICE X
CLAIMS ON PUBLIC DOMAIN
CLAIMS ON HOMESTEAD
SECTION CORNER
SURVEY POINT △
ORE HOLE ●
BLANK HOLE O
MINERALIZED HOLE Ø
PROPOSED HOLE (phase I) O

ORIGINAL FILE
RECEIVED JUN 13 1957
DATE MINUTES
FROM

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
SEPTEMBER 1957 DOCKET 4759

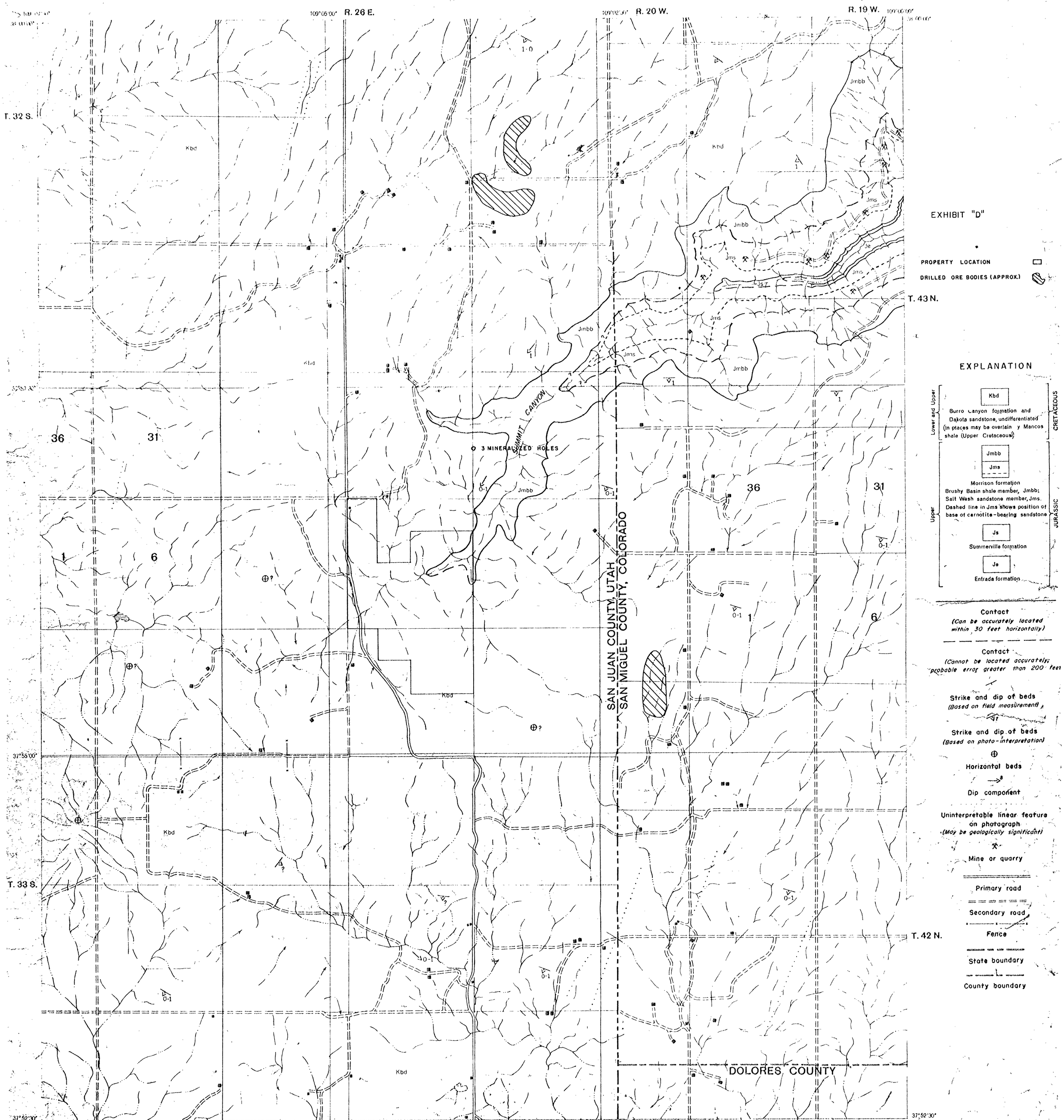


REVISED FIGURE 3.--CLAIM MAP OF THE DENNEY LEASE, (WILD HORSE GROUP) SHOWING EXISTING DRILL HOLES AND LOCATION OF PROPOSED STAGE I DRILL HOLES, MAXIM EXPLORATION COMPANY, T.32 S., R.26 E., S.L.M., SAN JUAN COUNTY, UTAH.

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

PREPARED IN COOPERATION WITH THE
ATOMIC ENERGY COMMISSION

COMPILATION OF PHOTOGEOLOGY AND SURFACE GEOLOGY
COLORADO PLATEAU AREA, UNITED STATES
TRACE ELEMENTS MEMORANDUM REPORT 399



BASE MAP COMPILED BY SOIL CONSERVATION SERVICE
U. S. DEPT. OF AGRICULTURE

JUNE 1962

4	3	2	
5	6	7	8
12	11	10	9
13	14	15	16

VERDURE QUADRANGLE

TRUE NORTH

PHOTOGEOLOGIC MAP
VERDURE-1
COLORADO - UTAH

PHOTOGEOLOGY UNIT, ALASKAN GEOLOGY BRANCH
SCALE 1:24,000

URANIUM PROSPECTOR SERVICE
503 Rood Ave.
Grand Junction, Colo.

Stratigraphic column modified from U. S. Geol. Survey Prof. Paper 188, U. S. Geol. Survey Strategic Minerals Inv., Geologic map of vanadium region of southwestern Colorado and southeastern Utah, by R. P. Fischer, 1944, and U. S. Geol. Survey unpublished report.

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