QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

Identification of Accountable Officer Affected

11/30/59 (Date sent)

56 (Deposit No.)

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colorado

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 1,289.93

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 1,289.93		$ E-1198

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5) 14-23-040
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

B L Gladcomyer
(Authorized signature)

NOV 30 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

[illegible]

[illegible] NOV 20 PM 12 00

MAIL [illegible]-2

E-1198 Genoline 1,289.92

E-1198

For Certificate of Deposit No. 51, dated November 10, 1959, giving royalty payment of $983.36, see E-791.

E-1198

For Certificate of Deposit No. 33, dated September 22, 1959, giving royalty payment of $928.86, see E-370.

E-1198

For Certificate of Deposit No. 20, dated August 19, 1959, giving royalty payment of $273.64, see E-987.

E-1198

For Certificate of Deposit No. 12, dated July 31, 1959, giving royalty payment of $1,094.12, see E-631.

E-1198

For Certificate of Deposit No. 167, dated June 30, 1959, giving royalty payment of $877.95, see E-520.

224 New Customhouse
Denver 2, Colorado

June 26, 1959

EXTRA COPY
O. M. E.
RECEIVED JUN 29 1959
DATE | INITIALS | CODE
801

Mr. S. K. Craig
Assistant to the President
Jon, Inc.
P. O. Box 458
Moab, Utah

Re: Docket No. DMEA 4964 (Uranium)
Contract No. Ida-E1198
Jon, Inc.
(Uncle Sam and Pummel claims)
San Juan County, Utah

Dear Mr. Craig:

Thank you for your letter of June 13, 1959, with the attached data on the May ore production from the captioned property.

We note your statement that $977.93 is due OME, but no check was enclosed. We are wondering if the check was lost, or through an oversight was not attached to the letter. Will you please advise.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

RMC:ltm

cc: Chem. Op. Comm. (2)
Roy. file E1198
Chron.

For Certificate of Deposit No. 160, dated June 15, 1959, giving royalty payment of $125.75, see E-987.

EXTRA COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE
		800

25th New Customhouse
Denver 2, Colorado

May 14, 1959

Mr. S. R. Craig,
Assistant to the President
Inc., Inc.
P. O. Box 498
Moab, Utah

Re: Docket UMRA 498 (Uranium)
Contract [illegible]
(Uncle Sam and Bennie claims)
San Juan County, Utah

Dear Mr. Craig:

Thank you for your letter of May 2, 1959, and supporting data for ore production from UMRA ground in December 1958.

In the future, a settlement sheet should be forwarded this office where any of the ore represented by the settlement sheet is UMRA ore. The production of UMRA ore in December amounted to 565 tons, and the settlement sheet shows only 230 tons.

Please advise this office if you have applied for bonus payments on ore produced from the Uncle Sam and Bennie claims. When this bonus money is received, royalty is also payable on the bonus. For example, it appears that the 565 tons of UMRA ore produced in December 1958, containing 2,712 pounds of U3O8, on which you will receive a bonus payment of $9,498.00. If and when this payment is received, you will owe the Government in royalty 5% of that amount, or $474.90.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC:jy

cc: Chm. Op. Comm. (2)
Roy. Corres. K1198
Chron.

224 New Customhouse
Denver 2, Colorado

April 15, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 496A (Uranium) Contract Ida-E1198, Jan, Inc. (Uncle Ben and Pascal claims) San Juan County, Utah. Royalty Correspondence

Enclosed for your information are two copies of all royalty correspondence to date on the subject contract. The correspondence consists of the following:

1. Letter from the operator dated March 24, 1959.
2. Our reply dated March 31, 1959.
3. Memorandum to Robertson dated March 31, 1959.
4. Robertson's letter to the operator dated April 13, 1959.
5. Sketch of Cord mine workings.
6. Robertson's memorandum to the Executive Officer dated April 13, 1959.
7. Executive Officer's reply to Robertson dated April 14, 1959.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

HMC:jy

cc: Roy. File E1198
Chron.

EXTR
O. M. E.
RECEIVED APR 17 1959
DATE INITIALS CODE
800

224 New Customhouse
Denver 2, Colorado

April 14, 1959

Memorandum

To: H. P. Robertson

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 4984 (Uranium) Contract Idm-E1198, Jen, Inc. (Uncle Ben and Pascal claims) San Juan County, Utah

This will acknowledge receipt of your memorandum dated April 13, 1959, and the copy of your letter to the subject operator on the same date.

It would be hard to imagine a mining operation where DMEA ore would lose its identity any quicker than in this project. We concur in the suggestions to the operator outlined in your letter to him, dated April 13, 1959. It appears to us that the biggest problem concerns the computation of the volume of DMEA ore extracted, and all workings, especially stoping, must be measured accurately. This fact should be stressed to the operator when occasion permits.

J. W. Townsend

J. W. Townsend

HMC:jy

cc: Royalty File E1198
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION III
P. O. Box 360
Grand Junction, Colorado

OME
DEPARTMENT OF THE INTERIOR

APR 14 1959
REGION III
DENVER, COLORADO

April 13, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: H. F. Robertson

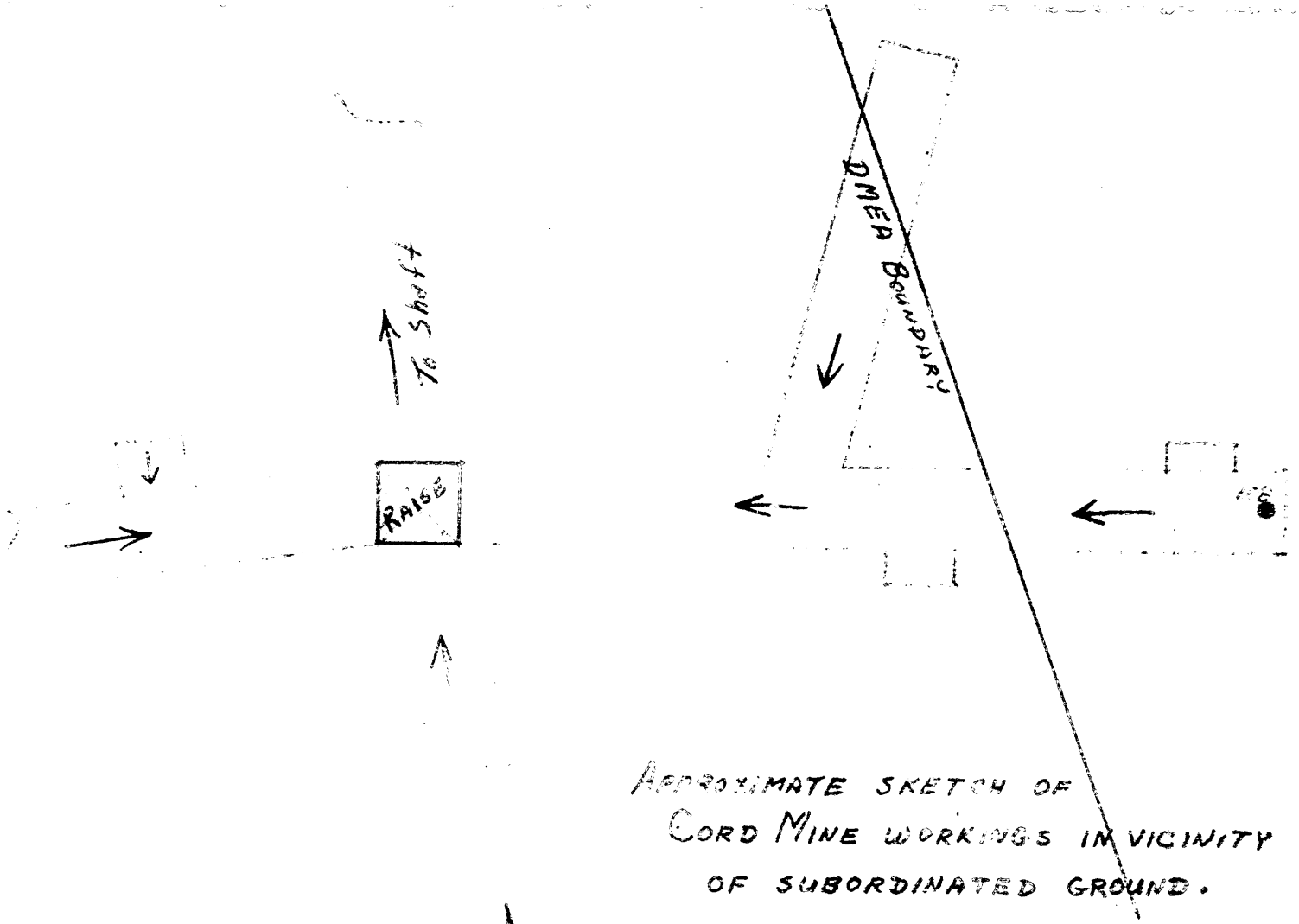
Subject: Docket No. DMEA 4964 (Uranium), Contract Nom-E 1198, Jen, Inc., San Juan County, Utah.

In accordance with your memorandum of March 31, 1959, I visited the Jord Mine and contacted Mr. Craig and the engineer. We discussed the manner of computing material for the estimated amounts of royalty due the DMEA in production from subordinated ground. I will describe briefly the Sublevel mining procedure in the area concerned.

The enclosed sketch is not drawn to scale and is intended only to demonstrate the [illegible] by which the ore from the subordinated ground loses its identity. A large slusher is mounted at the raise and scraps ore from work. [illegible] into the raise (essentially a temporary storage pocket). All of the workings are currently active. The ore is then drawn from the raise and hauled to the shaft pocket where it becomes mixed with total mine production. [illegible] drawn from the pocket, lifted to the surface, and placed [illegible] surface ore bins. Ore from the surface bins is loaded into trucks and hauled to the mill. At the mill (Vitro Uranium Company, Salt Lake City, Utah) the ore is divided into lots of 20 tons and settlement made each month, at which time, settlement sheets for each lot processed during the period are returned to Jen, Inc. The total production from the Jord Mine amounts to about 5,000 tons per month and an average of 20 settlement sheets per month are received--according to Mr. Craig.

I am enclosing a copy of my letter to Mr. Craig which outlines the manner of [illegible] to support his estimate of royalty due. I discussed the matter with Mr. Craig on April 10, 1959, and he was of the opinion that [illegible] the material blocked the raise. Please advise me immediately [illegible] your requirements.

[illegible]
[illegible]
[illegible]



APPROXIMATE SKETCH OF
CORD MINE WORKINGS IN VICINITY
OF SUBORDINATED GROUND.

DMEA 4964, CONTRACT Idm-E1193

[illegible] 951
Grand Jun[illegible]on, Colorado

April 13, 1959

[illegible], Assistant to the President
[illegible]

Re: Docket No. DMEA 4964
Contract [illegible]

[illegible]

I have [illegible] going [illegible] [illegible] [illegible] reports [illegible] [illegible] supporting [illegible] grade [illegible] and tonnage [illegible]

[illegible] to include with [illegible]

1. [illegible] of [illegible] [illegible] ground.

2. [illegible]

3. [illegible] property and [illegible] [illegible] [illegible] map in [illegible] [illegible] area being [illegible] [illegible] during the reporting period would help greatly in supporting the estimated tonnage.

I suggest that you apply this procedure to the December production [illegible] have already paid royalty and [illegible] Send [illegible] Officer in [illegible] office with [illegible]

Very truly yours,

[illegible]
Mining Engineer

224 New Customhouse
Denver 2, Colorado
March 31, 1959

Memorandum

To: H. F. Robertson

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4964 (Uranium), Contract No. Idm-E1198
JEN, Inc. (Uncle Ben and Pascal claims), San Juan County, Utah

Enclosed are the following:

1. Copy of remittance advice received in this office March 11, 1959
2. Copy of a memorandum signed by S. E. Craig, dated February 23, 1959
3. Copy of our letter to Mr. Craig, dated March 12, 1959
4. Copy of a letter from Mr. Craig to the Executive Officer, dated March 24, 1959
5. Copy of our reply dated March 31, 1959.

Will you please visit the property and explain to the engineer and to Mr. Craig, who has moved from Salt Lake City to Moab, what they must furnish this office when DMEA ore is comingled with other ore.

We must have three copies of each settlement sheet where any amount of DMEA ore has been included. Records must be kept as to the weight and assay value of all DMEA ore. A copy of these records, including assays, must be forwarded this office to support the Operator's estimate of the value and tonnage of the DMEA ore.

Please advise this office after you have thoroughly explained the situation to Mr. Craig and the engineer at the mine.

Original signed by
J. W. TOWNSEND

J. W. Townsend

HMC/ff
cc: Royalty File FILE ✓
Chron.

[illegible]

Mr. [illegible] Craig,
Assistant to the President
JMC, Inc.
P. O. Box [illegible]
Miami, [illegible]

Re: [illegible] (Creation)
[illegible]
(Tax [illegible] Payment claims)
[illegible]

Dear Mr. Craig:

[illegible] regarding [illegible] DPZA [illegible] other [illegible]

As [illegible] you [illegible] be [illegible] also three [illegible] of the settlement [illegible] also [illegible] as to [illegible] and grade of DPZA [illegible] so [illegible] grade and [illegible] of DPZA [illegible] which [illegible] one. [illegible] any DPZA [illegible]

[illegible]

Very [illegible],

[illegible]

J. W. TOWNSEND

J. W. Townsend
Treasurer [illegible]
[illegible]

JEN, INC.

[illegible]

March 24, 1959

[illegible]
DENVER, [illegible]

Mr. J. W. Townsend
Executive Officer, OME Field Team, Region III
Department of the Interior
[illegible] New Customhouse
Denver 2, Colorado

Re: OMEA 4964 (Uranium)
Contract No. [illegible]

Dear Mr. [illegible]

Relative to your letter of March [illegible] requesting manner of sampling [illegible] grade of OMEA ore commingled with other ore, the following is submitted:

The mine production of ore from which this area covered by the OMEA contract listed above was commingled with other production from the mine. The ore passes through a transfer raise used for other ores in the area, a common shaft, a ore pocket, through a crusher and stockpiled with ore of similar grades.

[illegible] OMEA [illegible] 34 [illegible] lots [illegible] of 303 rock [illegible] 34 lots were [illegible] 303 lots as ore.

During the month 34 muckpile samples were taken of drift rounds. These were averaged to give the average grade of the ore produced.

Value of the ore was calculated on the basis of [illegible].

[illegible]

E-1198

For Certificate of Deposit No. 122, dated March 13, 1959, giving royalty payment of $559.35, see E-933.

224 New Customhouse
Denver 2, Colorado

March 12, 1959

EXTRA COPY
O. M. E.
RECEIVED MAR 16 1959

DATE	INITIALS	CODE
		8 ol

Mr. S. E. Craig,
Assistant to President
JEM, Inc.
Felt Building
Salt Lake City, Utah

Re: Docket No. DMEA 496h (Uranium)
Contract No. Idm-E1198
(Uncle Ben and Pascal Claims)
San Juan County, Utah

Dear Mr. Craig:

Thank you for your check for $559.35 dated March 5, 1959, which you state is for December 1958 production.

Please furnish this office with three copies of the settlement sheet which includes the December ore production. In the event that the DMEA ore was commingled with other ore in the shipment, please furnish this office with the details as to how the grade and tonnage of DMEA ore was computed.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC:ff
cc: Roy. File E1198
Chm. Op. Comm. (2)
Harshman
Robertson
Finance Office
Chron.
} w/copy of remittance advice and memo. dtd. 2/23/59, signed by S. E. Craig.

Copy

J E N, INC.

Production from DMEA Contract Idm E1198-DMEA 4964

February 23, 1959

Mr. L. K. Madsen, Office Manager

S. E. Craig

During December 1958 a development drift was driven into the ores covered by the DMEA contract listed above. In addition to the waste extracted the company retained 565 tons ore assaying .24% U_3O_8.

The grade of the ore was determined by daily muckpile samples. These samples along with all mine samples were balanced against monthly shipments.

Value of ore	.24% U_3O_8	$19.80 per ton
Total value		$11,187.00
Due Government 5% gross		$ 559.35

There was no production from this area during January 1959.

/s/ S. E. Craig
Asst. to Pres.

f

ADVANCE
SONIC INTERNATIONAL

TO
DOUGLAS M. PATRICK JR. COMPANY
ONE PARK PLAZA BLDG
2324 MAIN ST
KANSAS CITY 6, MO.

FOR ADVERTISING MATERIAL

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	CODE
11/24	C	220
11/24	[illegible]	800

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Jen, Inc.
P. O. Box 498
Moab, Utah

pertaining to Exploration Project Contract No. IOm-[illegible], [illegible] No. [illegible], for the months of July, 1958 to August, 1958, inclusive, covering a project for the exploration of Uranium on property known as Uncle Ken and Pasco Claims located in San Juan County, Utah.

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

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

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

Total cost as billed by Contractor		$13,282.85
Exceptions: (Schedule attached)		
Prior to this review	$1,016.95	
Herewith	0.00	1,016.95
Total Accepted Cost		$12,265.90

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Six thousand, one hundred thirty-two, and 96/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$ 6,132.96
Amount reimbursed	5,632.96
Balance due Operator	$ 500.00

Donald T. Finch, OME Auditor

November 20, 1958

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

CONTRACT NO. Idm-N1198 DOCKET NO. IMBA-4964

JEN, INC.

(a) The monthly reports were supported by documentary proof of that portion ($11,901.05) of the costs which covered work performed at unit rates under independent contract and that portion ($96.27) covered by direct cost of sample analyses and core boxes. (See summary attached.)

(b) The balance ($1,168.58) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

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

SCHEDULE OF EXCEPTIONS

CONTRACT NO. Ida-B1198 DOCKET NO. DSBA-4964

JEK, INC.

Prior Disallowances by Field Team

7 Hours bulldozing by Company. Equipment at $10.00 per hour. Not authorized by contract.		$ 70.00
Costs applicable to Hole No. 121 - Not acceptable, misloated: -		
500 Feet non-core drilling at $1.35 per foot	$675.00	
35 Feet core drilling at $4.00 per foot	140.00	
Incidental allowance 535 feet at 17¢ per foot	90.95	
4 Core boxes at $1.25 each	5.00	
3 Hours bulldozing at $12.00 per hour	36.00	
Total Cost Applicable to Hole No. 121		$946.95
TOTAL PRIOR DISALLOWANCES		$1,016.95

The Executive Officer of the CMK Field Team, Region III, and the Auditor concur with the above disallowances.

SUMMARY OF DOCUMENTED COSTS

CONTRACT NO. Ida-E1198 DOCKET NO. EMRA-4964

JEM, INC.

Independent Contracts

Bulldozing			
35 hours at $12.00 per hour		$ 420.00	
Drilling			
Non-core 6,383 Feet at $1.35 per foot	$8,617.05		
Core 491 Feet at $4.00 per foot	1,964.00		
Total Drilling		10,581.05	
Total Independent Contracts			$11,001.05

Miscellaneous

48 Cardboard core boxes at average cost $1.349 each	$ 64.77	
9 Chemical analyses at $3.50 each	31.50	
Total Miscellaneous		96.27

Fixed Unit Costs

Incidental Allowance

6,874 Feet of accepted drilling at 17¢ per foot	$ 1,168.58
TOTAL ACCEPTED COSTS	$12,265.90

NOV 24 1958

Mr. Donald T. Finch
OME Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA-4964 (Uranium)
Jen, Inc.
Contract No. [illegible]-E1198

Dear Mr. Finch:

Your Report of Review covering the referenced project is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

GMcCarthy/GMcC
[illegible]/GMcC
November 24, 1958

cc: Docket
Director's Reading File
Mr. Chambers

EXTRA COPY
O. M. E.
RECEIVED
DATE 10 958
CODE
800

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

November 7, 1958

Memorandum

TO: Mr. Donald T. Finch, OME Auditor, Region III

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4964 (Uranium) Contract No. Idm-E1198, Jen Inc. (Uncle Ben & Pascal claims) San Juan County, Utah

The subject contract was considered to be completed on completion of the work under Stage I, and the Operator was so notified by Field Team letter of October 29, 1958. A copy of the letter is enclosed for your record. The Operator has rendered a final Engineering and Geologic Report and a final accounting as required by the contract; therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit, or a Report of Review of reported project costs whichever the case indicates.

Acceptable units of work or service completed on a "Fixed Unit Cost" basis, consists of incidental allowance on 6,874 ft. of drilling.

The sum of $500 was withheld from reimbursement to the Operator in processing its final Accounting Report, which was for the month of August 1958.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosure

JWT:ltm

cc: Chmn. Op. Comm. (2)
Harshman
Corres. File
Cooper
Chron.

EXTRA COPY
O. M. E.
RECEIVED DEC 8 1958

DATE	INITIALS	CODE

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
December 1, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4964 (Uranium) Contract Idm-E1198, Jen, Inc., (Uncle Ben and Pascal claims) San Juan County, Utah - FINAL PAYMENT

Reference is made to our memorandum of October 9, 1958, whereby we forwarded the final Form MF-104, Operator's Monthly Report and Voucher, for August, 1958, and requested that you withhold an amount of $500.00, pending resolution of matters prerequisite to closing the account.

The Operator's final report has been received, therefore, final payment to the Operator is to be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, OME, dated November 20, 1958.

Basis for Final Payment

Total accepted cost	$12,265.90
Government participation at 50 percent	6,132.96
Total prior payments	5,632.96
Balance due the Operator	$ 500.00

Original signed by
J. W. TOWNSEND
J. W. Townsend

JDC:bnh
cc: Chmn. Op. Comm. (2)
Harshman
OME/DPC
Hasler
Robertson, OME/GJ
Cooper
MF-104 file, Reg. III
Corres. file, Reg. III
Chron

$500.00
12/2/58 DMEA 59-67

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED OCT 16 1958 O.M.E.

Month of August, 1958 Docket No. DMEA 4964 Contract No. Ida-11198
Operator's Name Jen, Inc. Minerals Uranium
Address Box 450, Moab, Utah
Contract Amount, $30,758.00 Government Participation: 50 % Amount, $15,379.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	7,284.30	4,111.75	11,396.05			
Bulldozing D-7 Class		456.00	456.00			
Crosscutting						
Drifting						
Bulldozing D-6 Class		70.00	70.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		31.50	31.50			
Payroll Taxes						
Liability Insurance						
Core Boxes	42.27	27.50	69.77			
(8) Contingencies (specify):						
Incidentals	807.16	452.37	1,259.53			
TOTALS	8,133.73	5,149.12	13,282.85	9099.31	5149.12	14,248.43
				1	1982.53	1982.53
					3166.59	12265.90
				*	$4049.66	

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/17/58 *Payee JEN, INC.
Per L. K. Madsen Title Asst. Treas.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

Signature RRP (Authorized Certifying Officer)
Date 10/10/58 Vou. No. DMEA-59-49
(See other side)

1 Previous disallowance
* 500.00 Withheld

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1198 in accordance with the terms of the contract.

Signature H. F. Robertson #3614.13 Title Mining Engr. Date 9/23/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Acting Executive Officer Date OCT 9 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
SEP 16 1958
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1958 Docket No. DMEA 4904 Contract No. ~~Ken E-1190~~

Operator's Name JEN, INC. Minerals Uranium

Address Box 458, Moab, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	1,320.00	330	2,104.00	526	4.00	1300	4.00
Churn	Ft	5,964.30	4,418	9,292.05	6,883	1.35	15,600	1.35
Auger								
~~Assaying~~ Assaying	Ea.			31.50	9	3.50	75	3.50
~~Assaying~~ Core Boxes	Ea.	42.27	30	69.77	52	1.25	130	1.25
~~Incidentals~~ Incidentals	Ea.	807.16	4,740	1,259.53	7409	.17	16,900	.17
Roads and Trails D-7	Hr			456.00	38	12.00	100-120	12.00
D-6	Hr.			70.00	7	10.00	Inc.	10.00
Total Distributed Costs		8,133.73		13,282.85				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		8,133.73		13,282.85				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 9/17/58 Operator JEN, INC.

Per L. K. Madsen Title Asst. Treas.

L. K. Madsen

Remarks: N.F.R.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION
MADE OCT 14 1958

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

EXTRA COPY
O. M. E.
RECEIVED OCT 16 1958

DATE	INITIALS	CODE
		800

Administrative Audit Difference Statement

Jan, Inc.
Post Office Box 458
Moab, Utah

Date: October 10, 1958
Payee's Reference: August 1958

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 8,133.73

Difference $ 965.58

Amount Approved $ 9,099.31

The reason for the difference was due to:

Reinstated:

515 feet non-core drilling @ $1.35	$695.25
34 feet core drilling @ $4.00	136.00
4 core boxes @ $1.25 per box	5.00
Bulldozing 3 hours @ $12.00	36.00
549 feet incidental allowance @ $0.17	93.33
	$965.58

Withheld:

$500.00 pending possible additional work.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

RRC

N. E. Burkes
Audit Section

Randal R. Cooper
Authorized Certifying Officer

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado
October 9, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. [illegible] 4964 (Uranium) Contract Ida-E1198, Jem, Inc. (Shale Ben and Pagso claims) San Juan County, Utah- Operator's Monthly Progress Report for the month of August, 1958

Enclosed are the original and four copies each of Form NF-104 and NF-104A, Operator's Narrative Report, and Engineer's Report for the above period. Also enclosed are the original and four copies of a joint memorandum from R. F. Robertson, Mining Engineer, Bureau of Mines, and J. W. Whaley, Geologist, Geological Survey, concerning the allowability of the drilling performed under the contract.

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

<u>Reinstatement, Drilling Costs</u>

The reported costs for holes 112 and 121 were suspended in processing Form NF-104 for July 1958, pending determination of the allowability of the two holes. Based on recommendations of the OME Examiners it has been administratively determined that all holes with the exception of hole 121, satisfy the intent of the contract. Therefore, the reported costs incident to the drilling of hole 112 are to be reinstated, as follows:

Reinstate:

Non-core drilling, 515 feet at $1.35 per foot	$695.25
Core drilling, 34 feet at $4.00 per foot	136.00
Core boxes, 4 at $1.25 per box	5.00
Bulldozing, 3 hours at $12.00 per hour	36.00
Incidental Allowance, 549 feet at $0.17 per foot	93.33
Total amount to be reinstated	$965.58

Hole No. 121 does not satisfy the intent of the contract as it was drilled near previously drilled hole 107, which was drilled by the Operator at its sole expense. The reported costs for hole 121, which were previously suspended, are now considered to be disallowed.

Withhold an amount of $500.00 pending possible additional work. If additional work is not approved by the Government, and performed by the Operator, continue to withhold the amount of $500.00, pending resolution of matters prerequisite to closing the account.

Reconciliation With Amount Reported by the Operator on Form MF-104 for August, 1958

Amount reported on Form MF-104 for August, 1958	$8133.73
Amount to be reinstated	965.58
Acceptable cost	$9099.31
Government participation at 50 percent	$4549.66
Amount to be withheld	500.00
Balance due the Operator	$4049.66

Remarks:

Date of Report	September 17, 1958
Date Received in Field Office	September 20, 1958
Date Received in Region Office	September 24, 1958

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures
JBC:bmk
cc: Shirman, Op. Comm. (2)
Robertson, CMR/GS
MF-104 file, Reg. III
Harshman, Hasler } w/copy of Engr's report and
Cooper, CMR/BPC } joint memorandum
Green

OME
DEPARTMENT OF THE INTERIOR

SEP 24 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

September 23, 1958

Memorandum

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

From: E. F. Robertson

Subject: Project No. DMEA 4968 (Uranium), Contract Ida-2 1198, Jan, Inc. (Uncle Jim and Rose claims), San Juan County, Utah. Progress report for August 1958

First stage work under the subject contract was completed on September 7, 1958. An inspection of the project work was made on September 9, 1958, by E. F. Robertson and J. W. Hasler, accompanied by S. E. Craig, the project supervisor.

The operator's claim (received at Grand Junction on September 22, 1958) covers the costs incurred in the completion of 4,418 feet of measure drilling and 330 feet of core drilling in 9 Stage I drill holes as follows:

Actual Costs

Independent Contractor		
Measure drilling,	4,418 feet at $1.35/ft.	$ 5,964.30
Core drilling,	330 feet at $4.00/ft.	1,320.00
Miscellaneous		
Core boxes,	30 boxes at $1.409 ea.	42.27
Fixed Unit Costs		
Incidental allowance,	4,748 feet at $0.17/ft.	807.16
Total cost claimed for August 1958		$ 8,133.73

The supporting documentation consists of invoices for drilling and core boxes. It is noted that the core box cost for the reporting period is claimed at a higher unit cost than that specified in Exhibit "A" of the contract. However, the unit prices in Category 7 do not appear to be maximum and, since the total claimed cost of core boxes in Stage I is less than the total amount authorized by the contract, no disallowance is recommended by the inspecting engineer.

None of the 9 holes completed during August 1958 penetrated ore-grade material. After evaluating the essentially negative results of 13 of the 14 Stage I holes drilled, the operator has decided to request termination of the contract without performing any further work. This office concurs with the operator's decision and will so recommend at the appropriate time.

The actual hole locations were transferred from the operator's map to the contract map and, as shown by the following tabulation and the map included with this report, none of the holes completed in August 1958 were at the specified locations.

Hole No.	Distance and Bearing from specified site	
110	15 feet	S. [illegible] W.
111	30 feet	S. [illegible] W.
114	35 feet	S. [illegible] E.
115	30 feet	S. [illegible] W.
116	70 feet	N. [illegible] E.
117	15 feet	S. [illegible] E.
118	35 feet	S. [illegible] E.
119	25 feet	S. [illegible] W.
120	30 feet	Due West

The operator's relocation of the 9 holes listed above (also the 5 holes completed and claimed in July 1958) was mainly due to the rugged terrain within the project boundaries. Admittedly, the surface of the project area is rough and cut by numerous deep drains which make it very difficult to place drill sites at the locations specified by the contract map. For this reason, it is recommended that 8 of the 9 holes completed this period be accepted at the actual ground locations. Payment should be suspended on hole No. 116 until the contract is amended to accept the more favorably relocated holes at their actual drilled locations. The amount suspended would be as follows:

Hole No. 116

483 feet measure drilling at $1.35/ft.	$ 652.73
30 feet core drilling at $4.00/ft.	120.00
4 core boxes at $1.[illegible] ea.	5.[illegible]
513 feet incidental allowance at $0.17/ft.	87.[illegible]
Total for hole No. 116	$ 865.47

The operator submitted in quintuplicate a signed narrative report with map, geologic-radiometric logs, NF-104, NF-104A, core box invoice, and drilling invoice. The NF-104 forms do not reflect the previous disallowance for use of the Company dulldozer or the suspended payments with respect to holes Nos. 112 and 121. The "Unit Costs to Date" for core boxes should be entered on the NF-104A as $1.31 instead of $1.85.

The inspecting engineer recommends payment of $3,614.13, representing 50 percent of $7,228.26 (the total amount claimed ($ 8,133.73) less $905.47 suspended for relocation of hole No. 116).

N. F. Robertson

N. F. Robertson
Mining Engineer

Table 1.--Summary of drilling results in August 1958
Jon, Inc., NMRA 4964, Contract Ion-E 1198

Hole No.	Drilling footage: Rimmers	Drilling footage: Core	Drilling footage: Total	Radiometric Testing: Results (U_3O_8)
110	480	89	569	Barren
111	460	35	495	Barren
114	480	41	521	Trace at 494-497
115	563	87	550	Barren
116	485	38	523	Barren
117	450	38	488	Barren
118	460	33	493	Barren
119	535	34	569	Barren
120	505	34	539	Barren
Totals	4,418	330	4,748	

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 300
Grand Junction, Colorado

IN REPLY REFER TO:
OME
DEPARTMENT OF THE INTERIOR
SEP 24 1958
REGION III
DENVER, COLORADO

September 23, 1958

Memorandum

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

From: H. F. Robertson
J. W. Hasler

Subject: Docket No. DMEA 4964 (Uranium), Contract Idm-E 1198, Jen, Inc. (Uncle Ben and Fusco claims), San Juan County, Utah, Acceptance of Stage I holes at actual field locations

Stage I, consisting of 14 noncore and core holes, was completed on September 7, 1958. None of the holes were drilled at the locations shown on the contract map, varying from 10 feet to 75 feet from the specified locations (fig. 1). The operator relocated 13 of the holes to take advantage of topographical features, e.g., hole Nos. 112 and 116 were moved 65 to 70 feet from the specified locations to avoid building drill sites on the sides of a deep steep-walled canyon. Eleven holes were moved lesser amounts (10 - 35 feet) for similar reasons but did not require such drastic relocations. Since the locations of the 13 holes as actually drilled by the operator fulfilled the objectives of the exploration program, the examining team recommends acceptance of the work and payment of the Government's portion of the cost.

The remaining first stage hole No. 121 does not seem to have a valid reason for having been drilled. In the opinion of this office, the operator should have deleted the proposed Stage I drill site since hole No. 107 had been drilled on company account very near to the specified site for DMEA hole No. 121. A second stage hole, offsetting hole No. 108 to the northwest, would have been of much more value to the overall project. With these factors being considered, this office recommends that hole No. 121 not be accepted as an authorized stage I drill hole and no payment made for the Government's portion of the costs of the hole.

In summary, this office recommends acceptance and payment for the following 13 Stage I drill holes:

Hole No. 108	Hole No. 113	Hole No. 117
" " 109	" " 114	" " 118
" " 110	" " 115	" " 119
" " 111	" " 116	" " 120
" " 112		

The following drill hole should not be accepted and no payment should be made:

Hole No. 121

H. F. Robertson

H. F. Robertson
Mining Engineer

J. William Hasler

J. William Hasler
Geologist

JEN, INC.

Sept 18, 1958
Moab, Utah

Defense Minerals Exploration Administration
P.O. Box 360
Grand Junction, Colo

Gentlemen:

Re: Docket No DMEA 4964 (Uranium)
Contract No. Idm 41198

Pursuant to instructions contained in your letter to referenced contract, we transmit herewith Forms MF-104 and MF-104A with supporting documentation covering operations for the month of August, 1958

Very truly yours,

JEN, INC.
Mine Office

L. K. Madsen
Office Manager

COPY

September 12, 1958

Bureau of Mines
P.O. Box 300
Grand Junction, Colo.

Re: DMEA Docket No. 4954 (Uranium)
Contract Mis 8-1198
Jos. Ser. Ser 488 - Moab, Utah

Gentlemen:

In the report covering the work performed in July five drill holes were listed: 108, 109, 112, 113 and 121. Since that time nine additional holes have been drilled completing Phase 1 of the contract.

The nine additional holes are numbered: 110, 111, 114, 115, 116, 117, 118, 119 and 120. Logs of these holes are attached. There was no ore in any of these holes.

Only one hole of the 14 drilled contained U$_3$O$_8$ in quantity sufficient to classify as ore. We have had a vertical survey of this hole and will be drilling around it within a few days. This hole is 400 ft. from the face of a development drift. This hole is 108 and was described in the previous report.

All holes were drilled near, or in, the proposed location except hole No. 121 and No. 114. Hole 121 was moved somewhat to the southeast because of:

(1) Subsequent to contract application the Company drilled hole No. 107 very close to the proposed location of 121.

(2) The proposed location of 121 was on the side of a very steep canyon. To prepare drill site for that location would have involved a cost that would have been prohibitive.

Hole 114 moved a few feet because proposed location was in an inaccessible draw.

All holes were gamma radiometrically. Core recovery was nearly 100%.

Hole No.	Ftg Drilling	Core Drilling	Total Depth
110	[illegible]	[illegible]	[illegible]
111	460	38	498
114	490	41	531
115	553	37	590
116	458	39	534
117	450	38	488
118	460	33	493
119	556	34	590
120	564	34	597

Yours truly,

S. E. Craig

PLATEAU HARDWARE, INC.

Box 188 —o— Phone AL 3-5346

MOAB, UTAH

JEN, INC.
BOX 458
MOAB, UTAH

DATE 8-14-58

SR. NO. 9112

TERMS NET 10th

4941

50	NI Pastoboard Core Boxes	01.28	38.40
	Freight Charges - Grand Junct. to Moab, Utah		3.10
		Sales Tax	.77
			$42.27

A Certified True Copy

L. K. Madsen

L. K. Madsen, Office Manager

THANK YOU.

STATEMENT

Vivian Drilling Co.

P. O. BOX 1025 - PHONE 3-4366
MOAB, UTAH

approved
A E Craig

ROCK & CORE DRILLING CONTRACTOR

DATE Sept 8, 1958

TO: Jen Inc.
Box 458
Moab, Utah

DATE STARTED

DATE COMPLETED

FROM: Vivian Drilling Co.

FOR: Drilling at Cord Mine.

FOOTAGE	SIZE	PRICE	TOTAL
	CDH 116		
0 to 485'	Rock bit	$1.35 per ft.	$654.75
485 to 524'	Core bit	$4.00 per ft.	156.00
	CDH 117		
0 to 450'	Rock bit	$1.35 per ft.	607.50
450 to 485'	Core bit	$4.00 per ft.	152.00
	CDH 120		
0 to 505'	Rock bit	$1.35 per ft.	681.75
505 to 539'	Core bit	$4.00 per ft.	136.00
	CDH 115		
0 to 563'	Rock bit	$1.35 per ft.	760.05
563 to 590'	Core bit	$4.00 per ft.	108.00
	CDH 112		
0 to 535'	Rock bit	$1.35 per ft.	722.25
535 to 589'	Core bit	$4.00 per ft.	216.00
	CDH 118		
0 to 460'	Rock bit	$1.35 per ft.	621.00
460 to 493'	Core bit	$4.00 per ft.	132.00
	CDH 114		
0 to 480'	Rock bit	$1.35 per ft.	648.00
480 to 521'	Core bit	$4.00 per ft.	164.00
	CDH 110		
0 to 480'	Rock bit	$1.35 per ft.	648.00
480 to 509'	Core bit	$4.00 per ft.	116.00
	CDH 111		
0 to 460	Rock bit	$1.35 per ft.	621.00
460 to 495'	Core bit	$4.00 per ft.	140.00
		Total	$7284.30

A certified True Copy
L. K. Madsen
L. K. Madsen, Office Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED SEP 15 1958 D.M.E.A.

Month of July, 1958 Docket No. DMEA DEMA 4964 Contract No. Idm E1198
Operator's Name Jen, Inc. Minerals Uranium
Address Box 458, Moab, Utah
Contract Amount, $ 30,758.00 Government Participation: 50 % Amount, $ 15,379.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	4111.75	None	4111.75			
Bulldozing D-7 Class	456.00	None	456.00			
Crosscutting						
Drifting						
Bulldozing D-6 Cl.	70.00	None	70.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	31.50	None	31.50			
Payroll Taxes						
Liability Insurance						
Core Boxes	27.50	None	27.50			
(8) Contingencies (specify):						
Incidentals	452.37	None	452.27			
TOTALS	5149.12	None	5149.12	3166.59		3166.59

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug 18, 58 *Payee Jen, Inc.

Per L. K. Madsen Title Asst. Treas.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1583.30

Signature
(Authorized Certifying Officer)

Date 9/10/58 Vou. No. DMA 59-36

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 1198 in accordance with the terms of the contract.

Signature H. F. Robertson ~~[illegible]~~ Title Mining Engr. Date 8/21/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for engineering accuracy

Signature [illegible] Title acting Executive Officer Date SEP 9 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED SEP 26 1950 DMEA

Month of July 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	[illegible]	[illegible]	190	[illegible]	190	4.00	1300	4.00
Churn	[illegible]	3327.75	2465	3327.75	2465	1.35	15,600	1.35
Auger								
Stripping & Surveying	[illegible]	31.50	9	31.50	9	3.50	75	3.50
Trenching Core Holes	[illegible]	27.50	22	27.50	22	1.25	130	1.25
Trenching Incl. Sale	[illegible]	152.37	8,661	152.37	8661	.17	16,000	.17
Roads and Trails	[illegible]	156.00	39	156.00	39	12.00	10,112	12.00
[illegible]	[illegible]	70.00	7	70.00	7	10.00	[illegible]	10.00
							[illegible]	Total Costs Authorized by Contract
Total Distributed Costs		5,112.12		5,112.12				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		5,112.12		5,112.12				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date August 10, 50 Operator Jan, Inc.

Per L. K. Madsen Title [illegible]

Remarks: H.F.R.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION

MADE SEP 11 1958

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative ~~Audit Difference~~ Statement

EXTRA COPY
DMEA
RECEIVED SEP 15 1958

DATE	INITIALS	CODE
9/16	COM	100
		800

[redacted]

Date: [redacted]

Payee's Reference: [redacted]

[redacted]

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

[redacted]

[redacted]

(Jan, Inc.)

1015 feet of non-core drilling at $2.35 per foot	$2,379.25	
69 feet of core drilling at $4.00 per foot	276.00	
8 core boxes at $1.25 each	10.00	
6 hours bulldozing at $12.00 an hour	72.00	
1084 feet Incidental Allowance at $0.17 per foot	184.28	
Amount suspended, drilling holes 112 and 121		$1,912.53
Total amount disallowed and suspended		$1,982.53

[illegible] New Construction
Denver 2, Colorado
Sept. 9, 1958

Memorandum

To: E. A. Christensen

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

Subject: Project No. ECEA 4048 (Uranium) Contract [illegible],
Jon, Inc., (Shafer Mine and Pyramid claims) San Juan
County, Utah - Operator's Monthly Progress Report
for the month of July, 1958

Enclosed are the original and four copies each of Forms MP-10A and MP-10A1, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract, and partly on fixed unit costs. The drilling rates are as low or lower than the rates obtained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Bulldozer

The reported costs for 7 hours bulldozing with Company bulldozer is to be disallowed inasmuch as the contract does not provide for use of company owned bulldozer.

Disallow 7 hours of company's bulldozing,
at $10.00 per hour ..... $ 70.00

Suspension

Two holes (112 and 121) were drilled at locations too distant from the specified hole sites to be acceptable at this time, therefore costs direct and incidental to the drilling of the two holes are to be suspended as follows, pending resolution of the matter to the satisfaction of the Government.

1013 feet of non-core drilling at $1.35 per foot	$1370.85	
69 feet of core drilling at $4.00 per foot	276.00	
8 core boxes at $1.25 each	10.00	
6 hours bulldozing at $12.00 an hour	72.00	
1084 feet Incidental Allowance at $0.17 per foot	184.68	
Amount to be suspended, drilling holes 112 and 121		$1912.53

Total amount to be disallowed and suspended $1982.53

Reconciliation with Amount Reported by the Operator on Form MF-104 for the month of July, 1958

Amount reported on Form MF-104 for the month of July, 1958	$5149.12
Amount to be disallowed and suspended	1982.53
Acceptable costs for July, 1958	$3166.59
Government participation at 50 percent	$1583.30

Remarks:

Date of Report August 18, 1958
Date Received in Field Office August 20, 1958
Date Received in Region Office August 26, 1958

Original
E. N. HARSHMAN
E. N. Harshman

Enclosures

ENH:hmh

cc: Chem. Op. Comm. (2)
Robertson, MMMA/S.Jct.
MF-104 file, Reg. III
Harshman
Butler
MMMA/NFO
Cooper
Chapen
} w/copy of Engr's Report

DMEA
DEPARTMENT OF THE INTERIOR
AUG 26 1958
REGION III
DENVER, COLORADO

P. O. Box 365
Grand Junction, Colorado

August [illegible], 1958

Memorandum

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

From: E. F. Robertson

Subject: Project No. DMEA [illegible] (Hamilton), Contract [illegible], Jim, Inc. (Hole Ten and Tunnel claims), San Juan County, Utah. Progress report for July 1958.

First stage work under the subject contract commenced on July 8, 1958, with the shoeing of drill sites. On July 10, 1958, drilling was started on the first hole and, by the end of July, five holes had been completed. An inspection of the project work was made on August 7, 1958, by E. F. Robertson accompanied by S. L. Craig, the project supervisor.

The operator's claim (received at Grand Junction on August 20, 1958) covers the costs incurred in the completion of 2,465 feet of non-core drilling and 196 feet of core drilling in five stage I holes as follows:

Actual Costs

Independent Contractor		
Non-core drilling,	2,465 feet at $2.35/ft.	$ 5,[illegible].75
Core drilling,	196 feet at $4.00/ft.	784.00
Bulldozing		
w/Jim, Inc. Equipment, 7 hours at $10.00/hr.		70.00
w/Contractor Equipment, 38 hours at $12.00/hr.		456.00
Miscellaneous		
Core boxes,	28 boxes at $1.25 ea.	35.00
Chemical analyses, 9 samples at $3.50/spl.		31.50
Fixed Fee Costs		
Incidental allowance,	2,661 feet at $0.17/ft.	452.37
Total costs claimed for July 1958		$ 5,149.12

The supporting documentation consists of invoices for drilling, bulldozing, assaying, and core boxes. The claim for 7 hours use of the Company bulldozer is supported by a certified extract of cost records; the general instructions accompanying the contract, however, specifically state (page 3, paragraph 2) that an appropriate amendment to the contract must be obtained before reimbursement can be made for performing work on company account. Therefore, the amount of $70.00 should be suspended until such an amendment is made effective.

Hole No. 108 was the only hole out of the five completed which can be classified as an "ore hole." Another hole, No. 109, contained 4 inches of material assaying 4.30 percent U_3O_8 and is classified as mineralized. The remaining three holes--Nos. 112, 113, and 121--were found to be barren. The operator is currently drilling the remaining holes authorized by Stage I of the contract.

The actual hole locations were transferred from the operator's map to the contract map and, as shown by the following tabulation, two of the holes (Nos. 112 and 121) were actually drilled quite a distance from the specified hole sites.

Hole No.	Distance and bearing from specified site	
108	10 feet	S. 37° W.
109	15 feet	N. 55° E.
112	75 feet	due west
113	20 feet	N. 20° W.
121	65 feet	S. 40° E.

A further check will be made during the first week in September to determine the operator's reasons for relocating the holes and an appropriate memorandum will be written concerning this office's recommendations as to acceptance of the holes at the actual locations. In any event, payment should be suspended on at least two of the holes (Nos. 112 and 121) at this time. The amount suspended would be as follows:

Hole No. 112

515 feet non-core drilling at $ 1.35/ft.	$	695.25
34 feet core drilling at 4.00/ft.		136.00
4 core boxes at $ 1.25 ea.		5.00
* 3 hours bulldozing at $18.00/hr.		54.00
549 feet incidental allowance at $0.17 per foot		93.33
Total for hole No. 112	$	966.58

Hole No. 121

500 feet non-core drilling at $ 1.35/ft.	$	675.00
35 feet core drilling at $4.00/ft.		140.00
4 core boxes at $1.25 ea.		6.00
* 3 hours bulldozing at $12.00/hr.		36.00
535 feet incidental allowance at $0.17/ft.		90.95
Total for hole No. 121	$	947.95
Total amount involved		$1,914.53

*Note: The Company bulldozer was used for preparing sites for hole Nos. 108 and 109. The contractor's bulldozer time of 36 hours is prorated over the 12 remaining Stage I holes. The bulldozing time for the two holes is therefore rounded to 3 hours per hole.

The inspecting engineer recommends that the costs for July 1958 be allowed as claimed by the operator with the following exception:

1. Suspend DMEA participation in the claimed cost of $70.00 for use of a Company-owned bulldozer until the contract is appropriately amended.

2. Suspend DMEA participation in the claimed cost of $1,914.53 for holes Nos. 118 and 121 until the actual locations are accepted by the Government.

Payment of $1,582.30, representing 50 percent of $3,164.99 (the total amount claimed ($3,149.18) less $1,984.53 suspended for reasons shown above) is recommended.

Harry F. Robertson

Harry F. Robertson
Mining Engineer

Table 1.--Summary of drilling results in July 1958
Jum, Inc., NMEA 4964, Contract Ism-2 1198

Hole No.	Drilling footage			Mineralization			
				Radiometric		Chemical	
	Non-core	Core	Total	Interval	% U_3O_8	Interval	% U_3O_8
108	500	30	530	517.5-519.6	0.82	516.0-519.0	0.815
						519.0-521.0	0.088
						521.0-521.5	3.817
						521.5-522.0	0.496
						522.0-524.0	0.069
						524.0-525.5	0.084
109	470	42	512	504.4-505.1	0.16	502.7-504.7	0.093
						504.7-505.0	0.385
						505.0-507.0	0.019
112	515	34	549	Barren		-	-
113	480	55	535	Barren		-	-
121	500	35	535	Barren		-	-
Totals	2,465	196	2,661				

JEN, INC.

August 18, 1958

Defense Minerals Exploration Administration
P. O. Box 360
Grand Junction, Colorado

Gentlemen:

Re: Docket No DMEA 4964 (Uranium)
Contract No. Idm-E1198

Pursuant to instructions contained in cover letter to referenced contract, we transmit herewith Forms MF-104 and MF-104A with supporting documentation covering operations for the month of July, 1958

Very truly yours,

JEN, INC.
Mine Office

L. K. Madsen
Office Manager

COPY

August 15, [illegible]

U.S. Bureau of Mines
P.O. Box [illegible]
Grand Junction, Colorado

Re: DMEA Docket No. [illegible] (Uranium)
Contract No. [illegible]
[illegible], Utah

Gentlemen:

[illegible]

[illegible]

All holes were [illegible]. Core recovery was nearly [illegible].

Hole No.	[illegible]	Core Drilling	Total Depth
[illegible]	[illegible]	[illegible]	[illegible]

All holes were [illegible]

[illegible]

Log of each hole are attached.

Yours very truly,

S. E. Craig, Asst. to Pres.

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

Jeny Inc.

July 17, 1968

Sample Description CDH #108	% U_3O_8	% V_2O_5	% $CaCO_3$	%	%	%			
516 - 519	0.015		4.84						
519 - 521	0.086		39.44						
521 - 521½	3.017		38.15						
521½ - 522	0.034		9.08						
522 - 524	0.009		1.16						
524 - 525½	0.004		1.05						

TOTAL CHARGES $ 24.00

J. Earl Smith
CHEMIST

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

Jeny Inc.

July 23, 1968

Sample Description CDH 109	% U_3O_8	% V_2O_5	% $CaCO_3$	%	%	%			
502.7 - 504.7	0.033		58.64						
504.7 - 505	0.385		47.30						
505 - 507	0.019		44.23						

TOTAL CHARGES $ 12.00

J. Earl Smith

STATEMENT

Vivian Drilling Co.

P. O. BOX 1025 - PHONE 3-4366
MOAB, UTAH

ROCK & CORE DRILLING CONTRACTOR

DATE August 4, 1958

TO: Jens Inc.
Box 458
Moab, Utah

DATE STARTED July 10, 1958

DATE COMPLETED July 31, 1958

FROM: Vivian Drilling Co.

FOR: Drilling at Cord Mine

FOOTAGE	SIZE	PRICE	TOTAL
	Hole CDH 108		
0 to 500'	Rock Bit	$1.35 per ft.	$ 675.00
500 to 530'	Core	$4.00 per ft.	120.00
	Hole CDH 109		
0 to 470'	Rock bit	$1.35 per ft.	634.50
470 to 512'	Core bit	$4.00 per ft.	168.00
	Hole CDH 113		
0 to 480'	Rock bit	$1.35 per ft.	648.00
480 to 535'	Core bit	$4.00 per ft.	220.00
	Hole CDH 112		
0 to 515'	Rock bit	$1.35 per ft.	695.25
515 to 549'	Core bit	$4.00 per ft.	136.00
	Hole CDH 121		
0 to 500'	Rock bit	$1.35 per ft.	675.00
500 to 535'	Core bit	$4.00 per ft.	140.00
		Total	$4111.75

approved
A E Lacey

A CERTIFIED TRUE COPY
L. K. Madsen
L. K. MADSEN, OFFICE MANAGER

STAT IT

SMITH'S LABORATORY

J. EARL SMITH

CHEMIST AND ASSAYER

PHONE AL 3-2927 MOAB, UTAH P. O. BOX 221

Jon, Incorporated
Box 458
Moab, Utah

July assaying Drill samples

17th	6 samples	GMH 108	@ 4.00 each	$ 24.00
23rd	3 samples	GMH 109	@ 4.00 each	12.00
				$ 36.00

A Certified True Copy

R. K. Madsen

Office Manager

STATEMENT

Moab, Utah, 8-1, 1958

Jan Olsen
Moab Utah

IN ACCOUNT WITH

CLARENCE ENGSTROM
DIRT CONTRACTOR — ROAD BUILDING
Phone ALpine 3-5692 Box 472
261 So. Tusher

July 14-15-16-17 & 18
Building Roads & Drill sites
with TD14 tractor & Dozer
38 hr at 12.00 a hr 456.00

Clarence Engstrom
Box 472
Moab Utah

A Certified True Copy

L. K. Madsen
Office Manager

PLATEAU HARDWARE, INC.

Box 188 —o— Phone AL 3-5346

MOAB, UTAH

DATE 7-10-58

SR. NO. 9350

TERMS NET 10th

1481

JEN, INC.
BOX 458
MOAB, UTAH

15	LX8A Sisco Wedges	2.90	43.50
30	NX Core Boxes	1.33	40.68
			83.18
		Sales Tax	1.86
			$85.04

THANK YOU

A certified True Copy

Office Manager

JEN, INC.

218 FELT BUILDING
SALT LAKE CITY 11, UTAH
TELEPHONE
EM 4-9564
DA 2-0531

MINE OFFICE
P. O. BOX 450
MOAB, UTAH
TELEPHONE
L.D. 1001

COMPANY EQUIPMENT CHARGES
D.E.M.A. Exploratory Drilling

7/8/9	3hrs. A.C. Loader, complete W/ Operator, $10.00 per hour.	$ 30.00
7/9	4 Hrs A. C. Loader, Complete W/ Operator, $10.00 per hour	40.00
	TOTAL CHARGE	$ 70.00

A Certifed Extract of Cost Records

L. K. Madsen

L. K. Madsen, Office Manager

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

DEC 10 1959

Mr. G. K. Tuttle
President, Jon, Inc.
P. O. Box 458
Moab, Utah

Re: Docket No. DMEA-4964 (Uranium)
Contract No. Ida-E1198
Jon, Inc.
Uncle Ben and Pecos Claims
San Juan County, Utah

Dear Mr. Tuttle:

Thank you for your royalty payment of $1,289.93 which was received during November. This repays in full the Government's participation of $6,132.96 in the above-referenced exploration contract.

As a result of this repayment, the Government retains no lien or claim against the subject claims or any future production therefrom.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FMMurphy:gad 12/8/59
Copy to: Mr. Edward D. Neuhoff, 650 S. Grand Ave., Los Angeles 17, Calif.
Dir. R. File
Operating Committee
Mr. F. E. Johnson
Mr. F. D. Lamb, USBM
Mr. H. Kirkemo, USGS
Field Team, Region III (2)
Mr. Talbert
Mr. Griswold

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

DEC 10 1959

Mr. Edward D. Neuhoff, Co-Owner and Agent
650 S. Grand Avenue
Los Angeles 17, California

Re: Docket No. DMEA-4964 (Uranium)
Contract No. Ida-K1198
Jen, Inc.
Uncle Ben and Pasco Claims
San Juan County, Utah

Dear Mr. Neuhoff:

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

This letter relates to the Consent to Lien and Subordination Agreement signed by you on June 3, 1958, individually as Co-Owner and Agent for other Co-Owners, E. L. Cord, Norman Bilts, Esther A. Bilts, C. E. Cord, John V. Mueller, Ben Edwards, Peter W. Hummel, Robert C. Phelps, Wanda H. Murray, J. C. Beasley, and J. F. Dunn.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

FMMurphy:gad 12/8/59
Copy to: Dir. R. File
Operating Committee
Mr. F. D. Lamb, USBM
Mr. H. Kirkemo, USGS
Field Team, Region III (2)
Mr. Talbert
Mr. Griswold

Contract Division

MAR 13 [illegible]

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

To: Jon, Inc.
P. O. Box 458
Moab, Utah

Pursuant to the provisions of Exploration Project Contract No. Ia-[illegible], dated June 3, 1958, (Docket No. [illegible]), hereinafter called the "Contract," between Jon, Inc., a Utah corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government questions and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

Exploratory drilling in the project area resulted in the discovery of flat-lying deposits of uranium ore in the basal arkosic sandstone lenses of the Chinle formation of Triassic age.

Dated: MAR 13 1959

THE UNITED STATES OF AMERICA

By: Frank E. Johnson
Acting Director, Office of
Minerals Exploration

MChing/glz
12-24-58

cc to: Director's R. File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
T. M. Killagaard, Rm. 5224
Finance Office
Docket
OME Field Team, Region III (2)
Division of Contract Adm. & Audit
Operator
Edward D. Neuhoff, 650 S. Grand Ave., Los Angeles 17, Calif.
Jesse C. Johnson, Director, Div. of Raw Materials, AEC
Elton A. Youngberg, AEC Grand Junction Operations Office
Mr. Ching

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

Mr. C. E. Tuttle, President
Jon, Inc.
P. O. Box 458
Moab, Utah

Re: Docket No. DMEA-4964 (Uranium)
Contract No. Idm-K1198
Uncle Ben and Pasco Claims
San Juan County, Utah

Dear Mr. Tuttle:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract and of the certification, all minerals mined or produced from June 3, 1958, to June 3, 1968, are subject to the Government's percentage royalty as set forth in the contract until the sum of $6,132.96 is repaid to the Government.

Payments should be made to the Executive Officer, OME Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Office of Minerals Exploration, which is the successor to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from production are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Executive Officer of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Your attention is especially called to Article 2(d) of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also, if production

ceases at any time for an extended period, please notify the Executive Officer at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

Frank E. Johnson

Acting Director

MChing/gla
12-24-58
cc to: Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Mr. Ching
Div. of Contract Adm. & Audit
OME Field Team, Region III (2)
Edward D. Neuhoff, Co-owner and Agent, 650 S. Grand Ave., L.A.17, Calif.

MME Form 14
Sept. 1958

Contract No. Idm-E) 1198
~~14523~~)

Docket No. DMEA) 1984
~~MME~~)

Date of Action 11/26/58

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Terminated contract

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor: Jan, Inc.
P. O. Box 458
Moab, Utah

Date of Contract	Region	State	Commodity
June 3, 1958	III	Utah	Uranium
	Reserve		Obligation
Prior Amount	0		15,379.00
Increase	0		0
Decrease	0		9,246.04
Revised Amount	0		6,132.96

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1198

Docket No. 4964

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 3, 1958	III	Utah	Uranium

Name and Address of Operator: Jen, Inc.
P. O. Box 458
Moab, Utah

	Reserve	Obligation
Prior Amount	15,379.00	0
Increase	0	15,379.00
Decrease	15,379.00	0
Revised Amount	0	15,379.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 6/30/58

22845

RECEIVED
JUL 3 1958
D.M.E.E.

Audit copy

MF-200
(Revised June 1954)

Docket No. DMEA [illegible]

Commodity Uranium

Contract No. Idm-E 1198

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 3 JUN 1958 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Jen, Inc., a Utah corporation, whose mailing address is P. O. Box [illegible] Moab, Utah, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Promissory note secured by mortgage, held by D. L. Card partnership

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

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

Consent to Lien and Subordination Agreement of the E. L. Cord partnership

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before July 14, 1958 shall commence the work, and on or before October 31, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work [redacted] except as otherwise provided in Exhibit "A" with respect to [redacted] of work. See Annex II.

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $30,758.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $15,379.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

See Annex II.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mitterdorf

Administrator, Defense Minerals Exploration Administration

JEN, INC.

(Operator)

By C. E. Turtle

Title President

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

.....

[CORPORATE SEAL]

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

35485

EXPLORATION PROJECT CONTRACT
JEN, INC.
DOCKET NO. DMEA-4964

ANNEX I

The land referred to in Article 2 of the Contract is situated in section 33, T. 29 S., R. 24 E., S.L.M. & B., San Juan County, Utah, and is shown on the map entitled, "Figure 3 - Map of Underground Mine workings, Drill Holes, and Proposed DMEA Work at The Cord Mine, Jen Inc., San Juan County, Utah," attached and made a part hereof. It consists of all of the Pasco unpatented lode mining claim and that portion of the Uncle Ben unpatented lode mining claim lying east and north of a line described as follows:

Beginning at a point on the northern boundary of the claim 175 feet due west of the northeast corner of the claim, thence due south 690 feet, thence parallel to the western boundary of the claim to a junction with the southern boundary of the claim.

The notices of location of the claims, to which reference is hereby made for a more complete description, are recorded in the official records of San Juan County, Utah, in Book 243, pages 350 through 353.

The Operator is the owner of the claims, having purchased the same under Contract dated March 14, 1957, from the E. L. Cord partnership.

A Consent to Lien and Subordination Agreement executed by the E. L. Cord partnership is attached and made a part hereof.

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA- 4964
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

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

Certain Lode Mining Claims located in the Big Indian Mining District further described in Annex I which is attached hereto and made a part hereof.

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

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

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

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

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

None

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

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

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

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

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

Dated this 3rd day of June, 1958.

[illegible]	[Seal]	650 S. Grand Ave. Los Angeles 17, California	[Address]
Individually as co-owner and duly authorized agent for the other co-owners, E.L.Cord, Norman Biltz, Esther A. Biltz, C.E.Cord, John V. Mueller, Ben Edwards, Peter W. Hummel, Robert C. Phelps, Wanda H. Murray, J.C. Beazley, and J.F. Dunn.	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

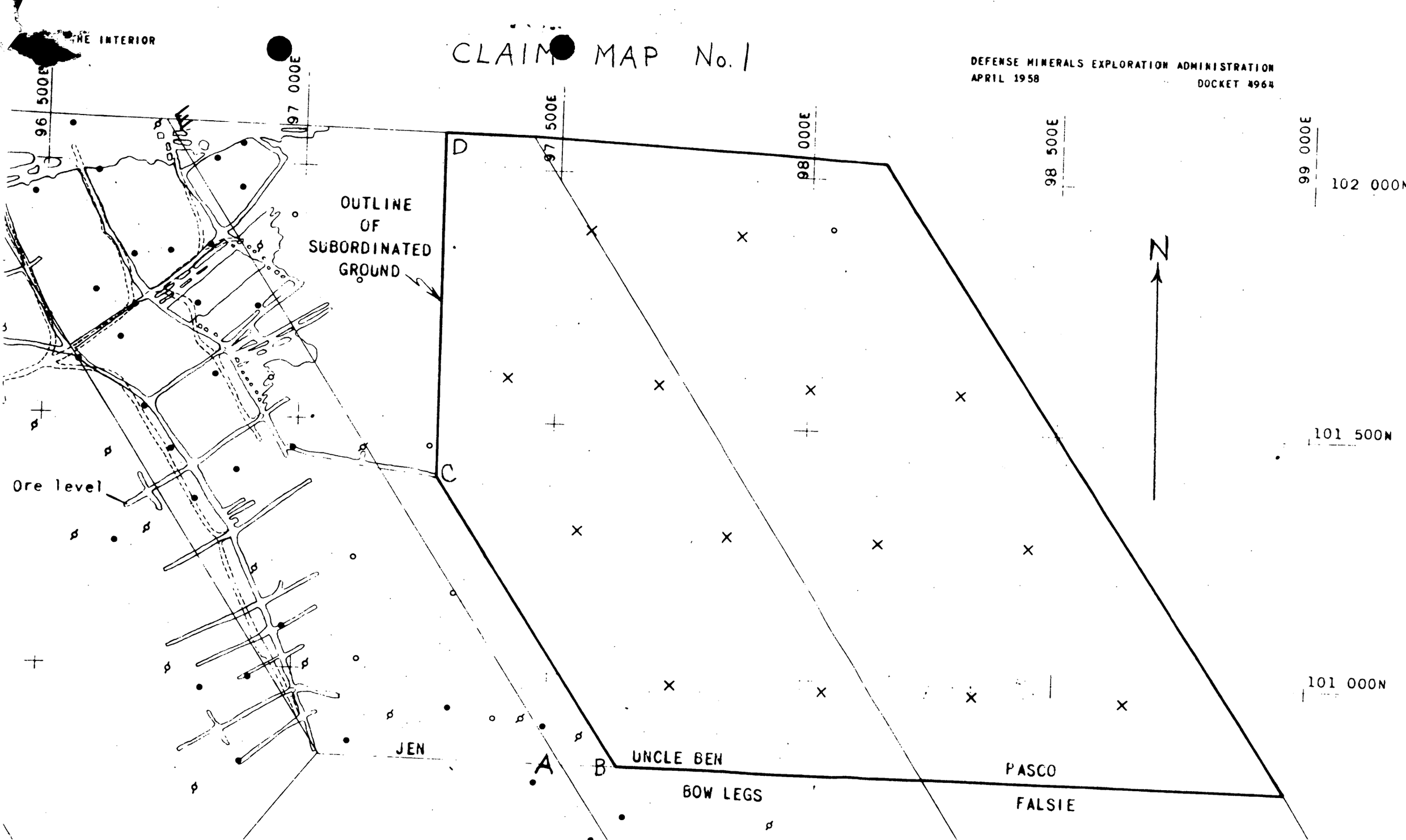
I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its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

_____

[Corporate Seal]

ANNEX I

The Uncle Ben and Pasco Lode Mining Claims recorded in Book 243, Pages 350-353, in the County Clerk and Recorder's Office in San Juan County, Utah, excluding that part of the Uncle Ben Claim hereinafter described: Beginning at Point "A", which is the southwest corner of the Uncle Ben Claim; thence due east 110 feet along the south end line of the Uncle Ben Claim to Point "B"; thence northwesterly parallel to the west side line of the Uncle Ben Claim to the point of intersection with the center line of the existing drift or crosscut, a distance of approximately 680 feet, Point "C"; thence due north approximately 690 feet to the north boundary of the Uncle Ben Claim, Point "D"; thence due west to the northwest corner of the Uncle Ben Claim, a distance of approximately 530 feet, Point "E"; thence southeasterly to the point of beginning, a distance of approximately 1500 feet, as shown on Claim Map No. 1, attached hereto and made a part hereof.


THE INTERIOR
CLAIM MAP No. 1
DEFENSE MINERALS EXPLORATION ADMINISTRATION
APRIL 1958
DOCKET 4964
96 500E
97 000E
97 500E
98 000E
98 500E
99 000E
102 000N
101 500N
101 000N
N
OUTLINE OF SUBORDINATED GROUND
D
C
A
B
Ore level
JEN
UNCLE BEN
BOW LEGS
PASCO
FALSIE

EXPLORATION PROJECT CONTRACT
JOB, LTD.
DOCKET NO. [illegible]

ANNEX II

Article 13. Changes and Other Provisions.--

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

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

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

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

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

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

EXPLORATION PROJECT CONTRACT
JEM, INC.
DOCKET NO. DMSA-4964

. EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration for uranium by core and noncore drilling to test the basal part of the Chinle formation of Triassic age.

Each hole shall be drilled noncore through the upper formations to a point approximately 40 feet above the contact between the Chinle formation and the underlying Cutler formation and then core drilled until the hole is bottomed not more than 10 feet below the Cutler-Chinle contact.

Drilling depths are expected to average 650 feet, with cored sections of the drill holes averaging approximately 50 feet in length. The minimum size of core shall be BX.

All core and cuttings from the cored section of drill holes shall be saved and checked for radioactivity. Core sections indicating significant mineralization shall be split, one-half shall be analyzed chemically for uranium and one-half shall be properly labeled and stored for the use of the Government. The nonmineralized core and related cuttings also shall be labeled and stored for inspection by the Government. With Government approval, the Operator may dispose of any stored samples.

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

No hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I.

The Government will not contribute to the cost of any incompleted drill holes.

Access roads and drill sites shall be prepared with a D-6 or D-7 Caterpillar tractor-dozer, or with equivalent units of the same or of another make.

The project shall be supervised at all times by an experienced geologist or mining engineer, who shall devote full time to the project work.

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

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

Stage I

Prepare access roads and drill sites and drill 14 holes aggregating an estimated 9,100 feet as indicated on the attached "Figure 3" map. The holes are in four east-west rows spaced 300 feet apart with the holes in each row also spaced 300 feet apart, and staggered with respect to holes in adjoining rows. If the 14 holes require more than 9,100 feet of drilling to reach the desired horizon, the additional footage and funds required may, with the written approval of the Government, be transferred and deducted from Stage II.

Stage II

Prepare access roads and drill sites and drill not more than 12 holes aggregating not more than 7,800 feet as offsets to

previously drilled holes that show significant mineralization or highly favorable structural conditions for ore occurrence. These offset holes shall be drilled not closer than 150 feet to any previously drilled hole that reached the target.

Estimated Cost of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

8,400 feet noncore drilling @ $1.35/ft.	$11,340.00	
700 feet core drilling @ $4/ft.	2,800.00	
60 hours bulldozing, D-7 or equivalent, @ $12/hr; or 72 hours D-6 or equivalent, @ $10/hr.	720.00	

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

70 cardboard core boxes @ $1.25/each	87.50	
40 chemical sample analyses @ $3.50/each	140.00	$15,087.50

Fixed Unit Costs (See Annex II(d))

Incidental allowance for each foot of hole drilled, 9,100 feet @ $0.17/ft 1/	1,547.00
Estimated Total Cost of Stage I.....	$16,634.50

Stage II

Actual Costs

Category (1) Independent Contracts

7,200 feet noncore drilling @ $1.35/ft.	$9,720.00

600 feet core drilling @ $4/ft.	$2,400.00	
40 hours bulldozing, D-7 or equivalent @ $12/hr.; or 48 hours, D-6 or equivalent, @ $10/hr.	480.00	

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:		
60 cardboard core boxes @ $1.25/each	75.00	
35 chemical sample analyses @ $3.50/each	122.50	$12,797.50

Fixed Unit Costs (See Annex II(d))

Incidental allowance for each foot of hole drilled, 7,800 feet @ $0.17/ft. 1/	1,326.00
Estimated Total Cost of Stage II.....	$14,123.50

Summary of Costs

Estimated Total Cost of Stage I	$16,634.50	
Estimated Total Cost of Stage II	$14,123.50	
Estimated Total Cost of the Project		$30,758.00
Government Participation @ 50 percent		$15,379.00

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

JEN, INC.

218 FELT BUILDING
SALT LAKE CITY 11, UTAH
TELEPHONE
EM 4-9564
DA 2-0531

June 20, 1958
P.O. Box 458 - Moab, Utah

MINE OFFICE
P. O. BOX 458
MOAB, UTAH
TELEPHONE
L.D. 19 R1

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
JUN 23 1958
REGION III
DENVER, COLORADO

Dear Mr. Townsend:

This will acknowledge your letter of June 5th. We have been delayed in pursuing this matter by delay in receiving the Consent and Subordination Agreement from the Cord Partners. However, they have been received and the original and four copies are enclosed herewith together with a Certification of Authority to Sign as well as a reproduction of the Agency Agreement.

As we are desirous of prosecuting this exploratory work as quickly as it can be done, if it were possible I would arrange to come over to Denver to execute the contract; but other engagements will prevent this unless I am able to change my schedule, and if it meets with your approval I will telephone you either Monday afternoon or Tuesday morning to see what arrangements can be made.

Very truly yours,

C. E. Tuttle
President

DMEA
DEPARTMENT OF THE INTERIOR
JUN 23 1958
REGION III
DENVER, COLORADO

CERTIFICATION

The undersigned does hereby certify that the attached Agency Agreement dated January 16, 1958, is a true and correct copy of the original executed by the parties thereto.

The undersigned does hereby certify that said Agency Agreement has not been modified or amended in any particulars, nor has the same been cancelled or terminated as therein provided.

And, the undersigned does hereby certify that the said Agency Agreement dated January 16, 1958, was in full force and effect at the time the undersigned executed the Consent to Lien and Subordination Agreement requested by the United States of America in connection with DMEA Loan No. 4964.

DATED: June 12, 1958.

Subscribed and sworn to before me
this 12th day of June, 1958.

Notary Public in and for Los Angeles
County, State of California.

LUCY MACKENZIE

My Commission Expires Oct. 7, 1959

AGENCY AGREEMENT

THIS AGREEMENT made and entered into on this ____ day of January, 1958, by and between NORMAN BILTZ, JOHN V. MUELLER, BEN EDWARDS, C. F. CORD, ESTHER A. BILTZ, PETER W. HUMMEL, ROBERT C. PHELPS, WANDA H. MURRAY, J. C. BEAZLEY, and J. F. DUNN, hereinafter referred to for convenience as "Owners", and E. L. CORD and EDWARD D. NEUHOFF, hereinafter referred to as "Agents";

W I T N E S S E T H:

WHEREAS, Owners, and each of them, own an undivided interest in and to all of the real and personal property described and set forth in Schedule "A" attached hereto and incorporated herein by reference, in the percentages set forth after their respective names:

NAME	PERCENTAGE INTEREST
Norman Biltz	6-3/4%
John V. Mueller	6-3/4%
Ben Edwards	6-3/4%
C. F. Cord	10%
Esther A. Biltz	6-3/4%
Peter W. Hummel	1%
Robert C. Phelps	1%
Wanda H. Murray	1%
J. C. Beazley	1%
J. F. Dunn	1%

and;

WHEREAS, Agents likewise own an undivided interest in and to the real and personal property described in said Schedule "A" in the following percentages:

NAME	PERCENTAGE INTEREST
E. L. Cord	48%
Edward D. Neuhoff	10%

and;

WHEREAS in the real property mortgage executed by Jen, Inc., as Mortgagor dated March 14, 1957, described and referred to in Schedule "A", subdivision 3 (a), it was provided:

> "To permit mortgagee or any of its agents or representatives at any and all reasonable time or times to inspect the underground workings, and to examine and to furnish mortgagee upon request copies of all assays and maps of underground workings, drifts, and stopes. Mortgagor shall also permit Mortgagee to take samples from any and all faces."

and;

WHEREAS it is deemed advisable by the parties hereto that someone be employed by Agents to inspect the mining properties and records of Jen, Inc., to protect the security of the parties hereto for the payment of the sums due by Jen, Inc., all as provided in the clause quoted from the foregoing Mortgage; and

WHEREAS other matters and things, including but not limited to the following, should be done and performed from time to time for the protection of the interested parties, of the property described in Schedule "A" attached hereto:

(a) Annual assessment work will have to be performed on or before July 1, 1958, on the unpatented lode mining claims, known as the Bow Legs, Falsie, Enigma Fraction, and Enigma No. 2.

(b) A dispute exists as to the common boundary line between the Bow Legs claim and the Dirty Dish claim now owned by the Lisbon Uranium Corporation, a Utah corporation, and in the event

an amicable settlement is not reached, then it will be necessary and required that attorneys be employed in Utah to file a Court action to have the Court determine the exact location of the boundary line between the Bow Legs and Dirty Dish claim.

(c) Mill returns will have to be checked and verified as submitted by Jen, Inc. in payment of the sums or installments due under the promissory note dated March 14, 1957, referred to in subdivision 3 of Schedule "A";

and;

WHEREAS Owners desire to appoint and engage Agents as their agent to protect their interest and do such things as shall be necessary and required in the discretion of Agents, in connection with the property described in Schedule "A"; and

WHEREAS Agents are willing to accept such appointment, subject to all of the terms and conditions hereinafter set forth;

NOW, THEREFORE, it is mutually understood and agreed as follows:

I.

It is expressly understood and agreed that this Agreement shall be limited to the property described in Schedule "A", and no other.

II.

Owners do hereby appoint, designate, and engage Agents with the power to act, either jointly or individually, to do the matters and things specifically referred to herein, and such other matters and things as in their discretion may be necessary and required from time to time, to protect the interest of Owners and Agents in and to all of the property described in Schedule "A".

III.

Agents shall not be entitled to any compensation for their

EDWARD D. NEUHOFF
ATTORNEY AT LAW
650 SO. GRAND AVE.
LOS ANGELES 17

services rendered under the terms and provisions of this Agreement, but shall be entitled to reimbursement from Owners, and each of them, in accordance with their percentage interest, of all money expended or paid out by Agents, or either of them, for their benefit under the terms and provisions of this Agency Agreement. Agents will render to Owners, semi-annually or annually, at their option a statement showing all disbursements and expenditures made, and Owners agree to reimburse Agents for all sums so expended, as based upon their percentage interest in the subject property.

IV.

This Agreement shall terminate upon the happening of any one of the following events, whichever shall first occur:

(a) The death of any Owner;

(b) The death of either of the Agents; or

(c) The sale by any Owner or Agent of all of his or her interest in the property described in Schedule "A" and notice thereof shall have been given to the other parties hereto; or

(d) The expiration of thirty-days after notice in writing shall have been given by any Owner or Owners to the other individual Owners and the Agents, or by Agent or Agents to the individual Owners, of his or their intention to cancel this Agreement; provided, however, that during such thirty-day period Agents shall continue to perform all of their duties hereunder.

Upon the termination of this Agreement, as herein provided, Agents shall render a final account to Owners of expenditures made to the date of termination and contracts or committments incurred, but not paid. Settlement shall be made by and between the parties hereto as provided in paragraph one of Article III, and any unpaid committments shall be assumed

and paid by the parties hereto in accordance with their percentage interest.

Upon the termination of this Agreement as herein provided, Agents shall be relieved from any and all further duties or obligations hereunder.

V.

Nothing in this Agreement shall be construed to require Agents to perform the commission of any act contrary to law, public regulation or ordinance, and whenever there is any conflict between the provisions of this Agreement and any statute, law, public regulation or ordinance, the latter shall prevail, but in such event the provisions of this Agreement affected thereby shall be limited only to the extent necessary to bring it within legal requirements. Agents shall be excused from the performance of any obligation assumed by them hereunder, so long and to the extent that performance is prevented by reason of act of God, act of public enemy, strikes, war, insurrection, labor disputes, priorities, inability to obtain materials, fire, flood, earthquakes, washouts, action of the elements, explosions, inability to obtain supplies, labor, governmental action of any kind, loss or shortage of transportation facilities for the reason of any order, ruling, or regulation of any officer, board or commission under governmental authority, or any court order or decree, or other similar cause or causes beyond the control of Agents, or either of them. Agents or either of them, shall not be liable to Owners, or any of them, for any claim, demand, or alleged cause of action, for loss, damage, or otherwise, which Owners, or any of them, may contend or claim arose out of any action taken, or thing made, done, or performed, or any act of omission, by Agents, or either of them, hereunder, and Owners, and each of them, do hereby waive and release Agents, and each of them, from any such claims or demands.

EDWARD D. NEUHOFF
ATTORNEY AT LAW
650 SO. GRAND AVE.
LOS ANGELES 17

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

Robert C. Pelgar

Robert Hammel

J. D. Dunn

E. E. Ball

Ben Edwards By W. J. Edwards
Attorney-in-fact

Norman Bolt by John Bolt
Atty-in-fact

Richard Bolt by John Bolt
Atty-in-fact

J. P. Geisler

Edward J. Conley

OWNERS

E. Ball

Robert Hammel

AGENTS

EDWARD D. NEUHOFF
ATTORNEY AT LAW
650 SO. GRAND AVE.
LOS ANGELES 17

SCHEDULE "A"

(1) Those certain unpatented lode mining claims located in the Big Indian Unorganized Mining District, County of San Juan, State of Utah, known as the Bow Legs, Falsie, Enigma Fraction, and Enigma No. 2 claims.

(2) An Agreement of Sale dated March 14, 1957, made and entered into by and between E. L. Cord, a limited partnership, and Jen, Inc., a Utah corporation.

(3) A Promissory Note dated March 14, 1957, executed by Jen, Inc., to E. L. Cord, a limited partnership, for the principal sum of Sixteen Million Eight Hundred Thousand Dollars ($ 16,800,000.00), and secured by the following mortgages:

(a) A real property mortgage covering certain mining claims and fee land dated March 14, 1957, executed by Jen, Inc., as Mortgagor, to E. L. Cord, a limited partnership, as Mortgagee.

(b) A chattel mortgage covering personal property dated March 14, 1957, executed by Jen, Inc., as Mortgagor, to E. L. Cord, a limited partnership, as Mortgagee.

(4) An interest in the following described boundary line agreements:

(a) Agreement dated July 26, 1957, by and between E. L. Cord, a limited partnership, as First Party and Jen, Inc., a corporation, as Second Party.

(b) Agreement dated April 21, 1955, between Almar Minerals, Inc., et al, as First Parties, and Zeke J. Johnson et al, as Second Parties, insofar as the same pertains to the Falsie claim.

(5) Easement granted to E. L. Cord, a limited partnership, by Lisbon Uranium Corporation on October 3, 1956, pertaining to the

E. FLUHOFF
ATTORNEY AT LAW
6515 CO. GRAND AVE.
DENVER 16, COLO.

EXHIBIT "A"

right to run, drive, maintain, or use an addit or tunnel through the Dirty Dish claim for the purpose of mining on the Bow Legs claim.

(6) A Settlement Agreement entered into on the 7th day of August, 1956, pertaining to the Bow Legs claim by Dennis E. Byrd and Mary Ruth Byrd as First Parties, E. L. Cord, individually, as Second Party, and E. L. Cord, a limited partnership, as third party.

(7) A Settlement Agreement entered into on the 7th day of August, 1956, relative to the Bow Legs dispute between the Dirty Dish and Bow Legs claim as entered into between Lisbon Uranium Corporation, and E. L. Cord, a limited partnership, which said agreement was consented to and approved by Dennis E. Byrd, Jacobs Chair Mining Corporation, and C. Allen Elggren.

(8) Letter Agreement dated December 16, 1957, which was entered into by and between Lisbon Uranium Corporation and the parties hereto, relative to the deferring of mining operations on the Bow Legs claim until the boundary line dispute has been settled between the Bow Legs and Dirty Dish claims.

EDWARD E. NEUHOFF
ATTORNEY AT LAW
350 SO. GRAND AVE.
LOS ANGELES 13

EXHIBIT "A"

[redacted]

JUN 30 1958

[redacted]

[redacted]

Dear Mr. [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

You should anticipate a suspension of operations between phases of work, to enable the Government personnel and engineers to evaluate the results of the work performed and make recommendations to take action relative to the continued work you propose.

In addition to such delay in operations as possible, if that is of material consideration, you should anticipate preceding of the results of the work completed and your request for the Government's approval of the continued work you propose.

No work statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to suspend any element in the work program or contract provisions. Such authority can be given only by the Washington Office, NSA, or by the NSA Field Team, Region XXI.

It is anticipated that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a prerequisite that a beneficial [illegible] be obtained for the work to be performed, [illegible] the NSA Field Team, Region XXI.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
NSA Field Team, Region XXI

Enclosures

JWT:rpf

cc: Chem. Op. Comm. (2)
Finance Officer, Reg. XXI
Assistant File, Reg. XXI
Northern
NSA/Wr.Ast.(Subcontract)
Bailey
NSA/Wrc
Central File
Original
Copy.

800

Mr. Roy Cornthorpe
Denver 2, Colorado
June 30, 1958

Memorandum

To: Chairman, Operating Committee, MMRA

From: Alternate Acting Executive Officer, MMRA Field Team, Region III

Subject: Contract No. MMRA 4968 (Uranium), Contract No. 14s-R1198, Sec. Inc. (Uncle Sam and Journal claims), San Juan County, Utah

Enclosed are the following, pertaining to the subject contract:

1. The Government's and Audit copies of executed contract No. 14s-R1198, which was accompanied by your letter of June 5, 1958 for signature by the Operator, provided that a suitable final reporting date was inserted in Article 5 and that Amendment to Mine and Exploration Agreement, executed by R. L. Dent Partnership was attached to the contract.

2. The original and one copy of the Operator's letter of June 20, 1958, with certification by Edward D. Hackett and Agency Agreement designating R. L. Dent and Edward D. Hackett as agents for the owners.

3. One copies of a letter from this office, dated June 30, 1958, whereby we forwarded the "Operator's Copy" of the contract, blank report forms, instructions relative to reporting on the work performed under the contract, and procedures to be followed in communicating with this office in all matters pertaining to the contract.

The contract, dated June 5, 1958, provides for exploration work estimated to cost $97,758.00, toward which the Government will contribute 50 percent, or not in excess of $48,879.00.

Copies of the contract have been distributed to the Finance Office and others concerned in Region III.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWTtpl
cc: Accounts
Finance Office, Region III } w/copy of enclosures items 1 and 3.
Surveys
MMRA/Wd.Jct. (Robertson)
Mailer
MMRA/DPC.

Courts. File - w/copy of enclosures items 2 and 3.

Townsend
Chron.

DMEA Form 14

Contract No. Idm-E 1198

Docket No. 4964

Approved Contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 3, 1958	III	Utah	Uranium

Name and Address of Operator: Jen, Inc.
P. O. Box 458
Moab, Utah

	Reserve	Obligation
Prior Amount	0	0
Increase	15,379.00	0
Decrease	0	0
Revised Amount	15,379.00	0

Remarks:

Allen S. Dakan, Chief, Operations Control and Statistics Division
(Name)

(Title)

Date delivered to Bureau of Mines, Washington 6/3/58

22845

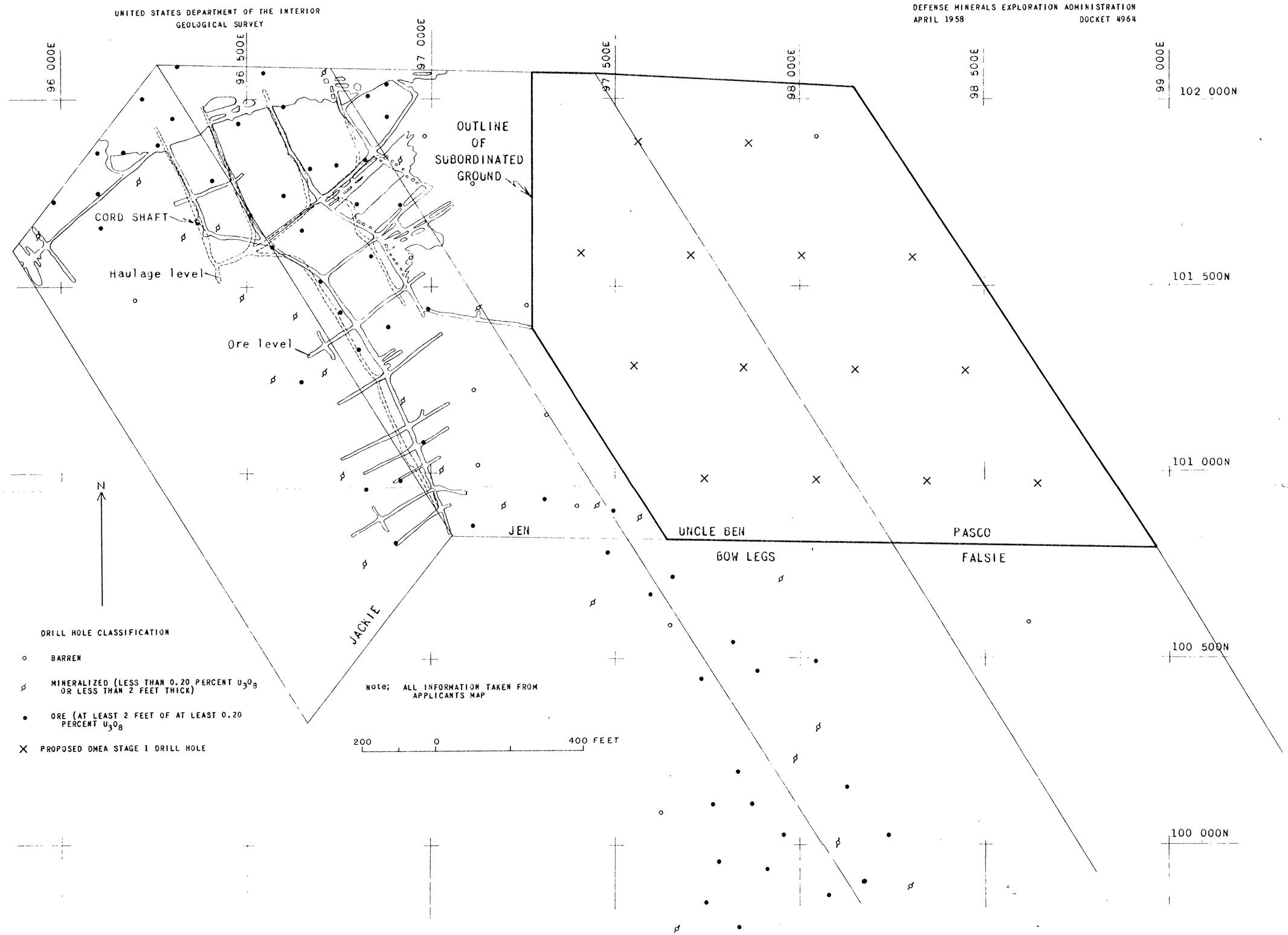


FIGURE 3.--MAP OF UNDERGROUND MINE WORKINGS, DRILL HOLES, AND PROPOSED DMEA WORK AT THE CORD MINE, JEN, INC., SAN JUAN COUNTY, UTAH.